CHINABANK
Since 1920

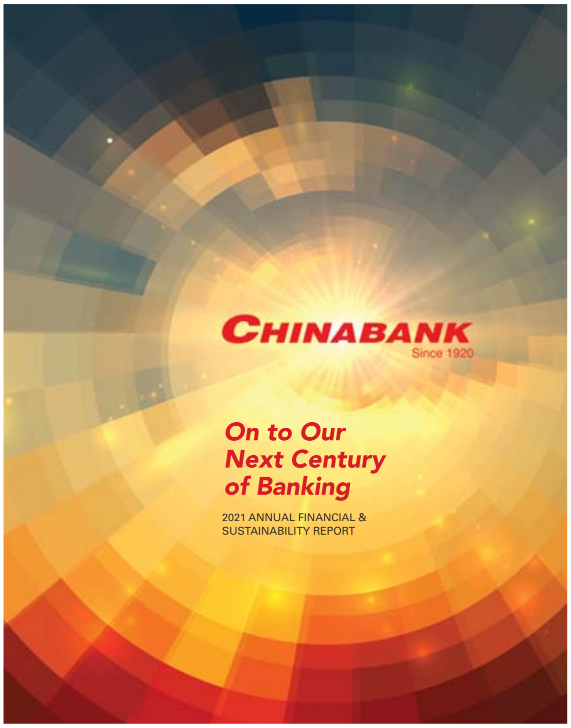
On to Our Next Century of Banking

2021 ANNUAL FINANCIAL & SUSTAINABILITY REPORT

About the Report

102-46, 102-50, 102-51, 102-52, 102-54

This report highlights material information about the China Bank Group's financial and non-financial performance, operating context, risk management, corporate governance, and value creation for stakeholders from our products and services for the period January 1 to December 31, 2021. This report has been prepared in accordance with the GRI Standards: Core Option. It also referenced Sustainability Accounting Standards Board (SASB) for materiality disclosures. This is also aligned with the disclosure guidelines of the Bangko Sentral ng Pilipinas (BSP), the Securities and Exchange Commission (SEC), and the ASEAN Corporate Governance Scorecard.



About the Cover

Sunrise is a symbol of hope, inspiration, growth, and fresh start. The sun rises each day and brings a ray of hope even in the most challenging of times. The cover of this report is a pixel art of a sunrise, symbolizing new beginnings as the world returns to normal, new opportunities in the digital age, and optimism for China Bank's next century of banking.

Contents

About China Bank

102-1, 102-2, 102-6, 102-7, 102-10, 102-16, 102-54

China Banking Corporation (China Bank) is a leading private universal bank in the Philippines with over 100 years of banking experience and history. We provide a full range of banking products and services to individuals and businesses, including Peso and foreign currency deposits; corporate, business, and consumer loans (credit cards, housing, auto, personal, and automatic payroll deduction); remittance; treasury and foreign exchange trading; trust and asset management; wealth management; and cash management. We also serve 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, China Bank Insurance Brokers, and affiliate Manulife China Bank Life Assurance.

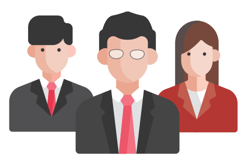
China Bank's head office is located in Makati City, Philippines. As of December 31, 2021, our nationwide footprint spanned 637 branches, complemented by self-service and digital banking channels available 24/7 — 1,037 ATMs, Cash Accept Machine, China Bank TellerPhone, China Bank Online, and China Bank Mobile App. Our manpower reached 9,747-strong, serving 2.4 million customers.

We are a member of the SM Group, one of the largest conglomerates in the Philippines. As of December 31, 2021, SM Investments Corporation has effective ownership in China Bank of 22.51%. Foreign shareholders owned 26.57%, while the remaining 50.92% were held by various investors.

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

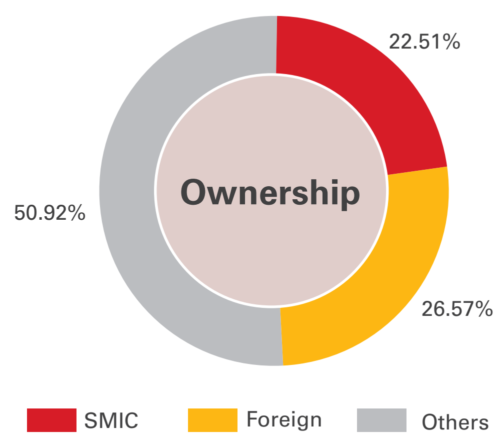
637
Branches

1,037
ATMs



9,747
Employees

2.4M
Customers



Our vision, mission, and the values passed on by China Bank's founders underpin our continuing story of sustainable growth, governance excellence, and enduring partnerships. For over a century, China Bank has been operating ethically and responsibly to drive economic growth, to uplift lives and livelihoods, and to help communities progress towards a sustainable future.

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.

MISSION

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

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

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

CORE VALUES

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

Over A Century of Strength and Resilience

1920

Dee C. Chuan leads a group of top Chinese Filipino businessmen to establish China Bank. The Bank opens for business on August 16, 1920 at No. 90 Rosario St., Binondo, Manila

1924

Transfers its growing operation to its own building on Juan Luna corner Dasmariñas Sts., Binondo, its head office for the next seven decades

1925

Opens branch in Xiamen, China

1927

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

1929

Opens branch in Shanghai, China

1931

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

1942

The Japanese military shuts down China Bank, liquidates its assets, and jails its principal officers Albino SyCip and George Dee Se Kiat

1945

China Bank reopens and while working towards its own recovery, lends to key industries for post-war reconstruction and long-term development

1948

Opens China Bank Cebu, its first local branch

1949

Closes Xiamen and Shanghai branches when the Communists took over China

1954

Albino SyCip initiates the Liberty Wells project to provide potable water for millions of Filipinos

1955

Breaches the ₱100-million mark in assets, becoming the biggest local private commercial bank

1960

Opens its first branch in Manila, Sto. Cristo Branch

1965

Declares 100% stock dividend and increases its authorized capital stock from ₱10 million to ₱40 million

1969

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

1970

Still the biggest local private commercial bank, with ₱566 million in resources

1973

Hits the P1-billion mark in assets; meets the Central Bank's requirement of a ₱100 million minimum paid-up capital for commercial banks

1975

Increases its Filipino ownership up to the 70% level required by the Central Bank, paving the way for China Bank's major branch expansion program

1977

Hikes capitalization to ₱300 million from ₱100 million; becomes one of the first banks authorized by the Central Bank to engage in foreign currency-denominated transactions

1982

Establishes CBC Properties and Computer Center, Inc. to provide computer-related services solely to China Bank and to manage its electronic banking and e-commerce requirements

1988

Launches Teller Phone, the first telephone banking service in the Philippines

1990
Joins seven other banks to create BancNet, the country's largest ATM network; transfers its corporate headquarters to its present location along Paseo de Roxas in Makati City

1991
Acquires its universal banking license

1995
Embarks on a five-year ₱150 million program to upgrade its technology infrastructure, acquiring leading-edge Dimension software from Kirchman Corp. and the latest IBM ES 9000 hardware

1996
Accesses the offshore capital markets for the first time by issuing US$50 million Floating Rate Certificate of Deposit (FRCD)

1997
Issues US$75 million FRCD; best capitalized bank during the Asian Financial Crisis, after a 2 for every 3 shares stock rights offering

1998
Establishes China Bank Insurance Brokers, Inc. to provide direct insurance broking for retail and corporate customers, with a wide and comprehensive range of plans for life and non-life insurance

2005
Launches its Internet banking facility, China Bank Online

2007
Acquires Manila Bank and operates it as China Bank Savings; enters into a bancassurance joint venture with Manulife to form China Bank Manulife Life Assurance Corp.

cbs China Bank Savings

Manulife China Bank LIFE ASSURANCE CORPORATION

2012
Acquires Pampanga-based Unity Bank

2014
Acquires Plantersbank and merges it with China Bank Savings; raises ₱8 billion from its stock rights offering

2015
Enters the credit card business and launches China Bank MasterCard; rolls out its new core banking system, the powerful Finacle Core Banking Solution (FCBS) from Infosys; reorganizes its Investment Banking Group into a full-fledged investment house subsidiary, China Bank Capital

CHINABANK CAPITAL

2016
Establishes China Bank Securities to provide clients with stock brokerage, securities research, and analysis services

CHINABANK SECURITIES

2017
Gets investment grade credit rating of "Baa2" from Moody's; raises ₱15B from stock rights offer

2018
Signs US$150 million Green Bond issuance for climate-smart projects with International Finance Corporation (IFC) as sole investor

2019
Raises P30 billion via maiden issue of fixed-rate retail bonds, one of the largest bond offerings for the year; begins restoration of original head office in Binondo

2020
Marks centennial; hits ₱1 trillion in assets and ₱100 billion in capital

CHINABANK 100 1920 - 2020

2021
Inaugurates the restored China Bank Binondo Business Center and the new China Bank Museum; emerges as Best Bank in the Philippines and among the strongest banks in the country and in the Asia Pacific region.

Message to Stakeholders

102-14, 102-15, 103-1

To our fellow stakeholders:

The world is finally learning to live with COVID-19. Even as the pandemic lingers and some things will not likely go back to the way they were, we are seeing signs of normalcy and economic recovery, thanks to the vaccines and the government's policy support.

The global economy grew an estimated 5.9% in 2021, a welcome turnaround from the 3.1% contraction in 2020. The Philippines, while battered by the pandemic and typhoons Fabian and Odette, showed great resilience in 2021.

The government's relaxation of COVID-19 restrictions and vigorous vaccination drive enabled more businesses and workers to get back on their feet.

On the monetary front, the Bangko Sentral ng Pilipinas (BSP) kept the policy rate at its record low of 2% for the entire year to make loans more accessible. Meanwhile, the Duterte administration signed into law certain stimulus measures to help the Philippine economy recover from the pandemic shock, like the extension of the availability of the 2020 National Budget and funds appropriated through Bayanihan 2, the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, the Financial Institutions Strategic Transfer (FIST) Act, and amendments to the Foreign Investments Act and the Retail Trade Liberalization Act.

All these bode well for the country. Gross Domestic Product (GDP) grew 12.0% in the second quarter of 2021, effectively lifting the Philippines out of recession. Third and fourth quarter growth rates were recorded at 6.9% and 7.7%, respectively, bringing the full-year increase to 5.6% from -9.6% in 2020. The rebound was driven by increased capital formation spending and loosened mobility restrictions which boosted household consumption. We project a 7.1% GDP growth in 2022 on the back of higher vaccination rates, supportive policy measures and improving private sector confidence.

While uncertainties remain, everyone, including your Bank, is doing what needs to be done to stay on the road to recovery.

Surging forward

Amid the challenges of a protracted pandemic, including lockdowns in late March and in August to curb the wave of new infections, 2021 has been a year of hope and optimism as economic recovery began to take shape.

At China Bank, we take pride in our team's hard work and dedication to serve and support our customers, and the execution of our strategies that enabled us to post consistent year-on-year growth in quarterly net income since the start of the global pandemic.

Your Bank ended the year stronger than ever before, with ₱15.1 billion in net income, 25% higher compared to 2020, on the back of sustained core business growth and effective cost management. This translated to an improved return on equity of 13.6% and return on assets of 1.5%.

Other key indicators were likewise positive: total assets of ₱1.1 trillion, up 7%; total deposits of ₱863 billion, up 3%, with an improved CASA (checking and savings accounts) ratio of 64% from 56%; net loans of ₱609 billion, up 9%. Total capital increased 13% to ₱119 billion. The healthy capital ratios also reflect your Bank's financial soundness—common equity tier 1 (CET 1) ratio of 14.9% and total capital adequacy ratio (CAR) of 15.7%.

GILBERT U. DEE
Vice Chairman

HANS T. SY
Chairman

WILLIAM C. WHANG
President

Moody's Investors Service affirmed China Bank's investment grade credit rating with a stable outlook, citing your Bank's improved capital and profitability to mitigate risks to asset quality. Philippine Rating Services Corporation (PhilRatings) also maintained China Bank's PRS Aaa (corp.) rating with a stable outlook, the local debt watcher's highest credit rating, on account of our established track record and resiliency, sound funding profile, lower interest expense, more-than-satisfactory asset quality, and ample capital buffer.

The best bank in the Philippines and one of the strongest banks in Asia Pacific

The numbers speak volumes, but not as resoundingly as our well-deserved recognitions. We are incredibly proud and honored that China Bank was named the Best Bank in the Philippines in 2021 by The Asset, besting even the largest banks in the country. The international finance journal also named our investment banking arm, China Bank Capital, as the Best Bond Adviser (Domestic) for the sixth consecutive year.

The awards came on the heels of your Bank's landing the second top spot in the Strongest Philippine Banks by Balance Sheet ranking of The Asian Banker. China Bank made it to the top 20% of the regional publication's ranking of 500 strongest banks in the Asia Pacific region, jumping from 323rd place in 2020 to 81st place in 2021—the best improvement among the nine Philippine banks included in the prestigious list.

These distinctions attest to your Bank's strength, resilience, and agility in these difficult times; but more importantly, they are inspiring confirmations that we are on the right track. Our digital transformation and relentless efforts to build and maintain robust liquidity and capital levels over the years have positioned China Bank well to weather the ongoing storm, and at the same time, to help our customers and the country recover.

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Embracing sustainability

China Bank has been on a journey to do well by doing good. We continue to balance our financial growth with a sustainability mindset, progressively adopting sustainable business practices to direct our own corporate performance towards creating value for the environment and our stakeholders.

In 2021, the Board of Directors approved China Bank's Sustainable Finance Transition Plan to institutionalize the integration of sustainability principles in our business practices. As we continue to finance eligible projects with positive contributions to the U.N. Sustainable Development Goals, we also recognize the importance of identifying and managing environmental and social (E&S) risks in banking and financing activities. We made headways in the integration of E&S risks in our enterprise risk management process. We also intend to strengthen sustainability awareness through capacity building and stakeholder engagement endeavors.

Much work lies ahead to further embed sustainability into our operations, and at the same time, to help our stakeholders understand that their actions and decisions have an impact on the environment and society. We are determined to be stewards in this sustainability transformation journey—both for us and our stakeholders.

Valuing what matters

From continuous service, process, and system enhancements to improve customer experience, to various initiatives to contribute to a sustainable future, your Bank is driven to create value every day, in any way we can.

For our shareholders, China Bank paid a total of ₱2.69 billion or ₱1.00 per share cash dividends in 2021. The consistent payment of dividends is a testament to your Bank's financial well-being and future prospects. For our employees, we issued 5.4 million shares to about 8,400 qualified China Bank Group employees under the Centennial Stock Grant Plan. This equity gift of 100 shares for every year of service is a big gesture of appreciation for the dedication of our partners in success.

For the revival of Binondo and for the next generation of China Bankers and customers, we completed the restoration of our original headquarters in Binondo and the construction of the China Bank Museum. The faithfully restored China Bank Binondo Business Center, which bears the historical marker from the National Historical Commission of the Philippines and the Important Cultural Property marker of the National Museum, stands proud today as a vestige of Binondo's heyday as the "Wall Street of the Philippines".

Confidence in our future

Our strategies and measures to ensure the safety and well-being of our employees and customers, to adapt and innovate to operate efficiently and continuously in the new normal, and to deliver positive customer experiences across our distribution network and digital channels, combined with the unwavering trust and support of our stockholders and customers, resulted in China Bank's record performance in 2021.

We are moving forward, determined to achieve our objectives of expanding our business and future proofing our growth by focusing on asset quality, digital banking, and ESG implementation. And as we do so, we will continue to monitor and assess the pandemic's impact on our business and our responsiveness to the evolving environment, with a keen eye on cyber security and data privacy, and the scalability and resilience of China Bank's technology infrastructure.

The professionalism and dedication of our employees, as well as the loyalty of our stockholders and customers are truly inspiring. On behalf of the China Bank Board, we thank all of you for staying the course with us and for believing that we could rise above the adversities together.

We are more confident than ever in China Bank's capabilities to navigate the next normal and to create a greener and more inclusive future. We are very excited for the opportunities ahead. We hope you and your families stay healthy and safe.

Sincerely,

Hans T. Sy
Chairman

Gilbert U. Dee
Vice Chairman

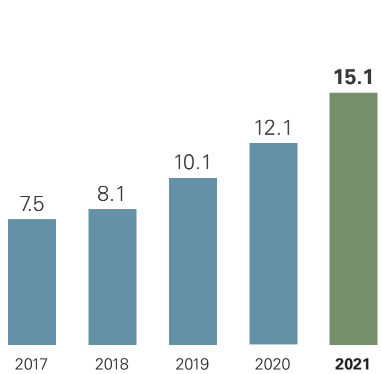
Wiliam C. Whang
President

Financial Highlights

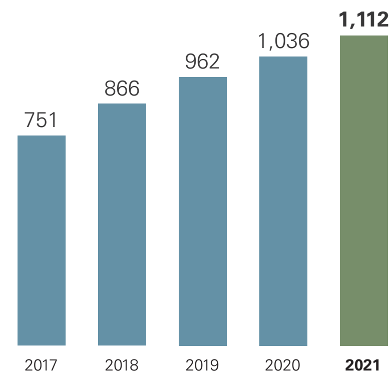
102-7

	CONSOLIDATED		PARENT COMPANY	
	2020	**2021**	2020	**2021**
For the Year (In Million Pesos)				
Gross Revenues	57,149	**56,086**	50,824	**49,479**
Gross Expenses	45,077	**40,980**	38,761	**34,390**
Net Interest Income	33,843	**38,314**	29,902	**33,618**
Non-Interest Income	10,011	**10,361**	9,120	**9,331**
Operating Income	43,854	**48,675**	39,022	**42,950**
Provision for Impairment & Credit Losses	8,869	**8,877**	7,983	**7,680**
Operating Expenses	21,522	**22,335**	17,490	**18,114**
Net Income Attributable to Equity Holders of the Parent Bank	12,063	**15,088**	12,063	**15,088**
Net Income	12,071	**15,106**		
At Year-End (In Million Pesos)				
Total Resources	1,036,012	**1,112,320**	947,128	**1,027,185**
Loan Portfolio (Net)	557,214	**609,007**	491,994	**544,172**
Investment Securities	235,892	**279,375**	226,782	**269,468**
Total Deposits	835,231	**862,860**	750,973	**782,219**
Stockholders' Equity	104,985	**119,123**	104,962	**119,081**
Distribution Network and Human Resource				
Number of Branches	634	**637**	476	**477**
Number of ATMs	1,022	**1,037**	857	**870**
Number of Employees	9,825	**9,747**	7,216	**7,208**
Key Performance Indicators (In %)				
Profitability				
Return on Average Equity	12.09	**13.58**	12.09	**13.58**
Return on Average Assets	1.21	**1.45**	1.32	**1.58**
Net Interest Margin	3.92	**4.20**	3.82	**4.02**
Cost-to-Income Ratio	49	**46**	45	**42**
Liquidity				
Liquid Assets to Total Assets	43	**42**	44	**43**
Loans (net) to Deposit Ratio	67	**71**	66	**70**
Asset Quality				
Gross Non-Performing Loans (NPL) Ratio	2.3	**2.5**	1.5	**1.9**
NPL Cover	128	**116**	183	**137**
Capitalization				
Commom Equity Tier 1 Ratio (CET 1/Tier 1)	13.82	**14.92**	13.68	**14.70**
Total Capital Adequacy Ratio (CAR)	14.73	**15.75**	14.59	**15.57**
Shareholder Information				
Market Value				
Market Price Per Share (In Pesos)	24.95	**26.00**		
Market Capitalization (In Million Pesos)	67,013	**69,973**		
Valuation				
Earnings Per Share (In Pesos)	4.49	**5.61**		
Book Value Per Share (In Pesos)	39.08	**44.25**		
Price to Book Ratio (x)	0.64	**0.59**		
Price to Earnings Ratio (x)	5.56	**4.63**		
Dividends				
Cash Dividends Paid (In Million Pesos)	2,686	**2,686**		
Cash Dividend Per Share (In Pesos)	1.00	**1.00**		
Cash Payout Ratio (In %)	27	**22**		
Cash Dividend Yield (In %)	4.53	**4.08**		

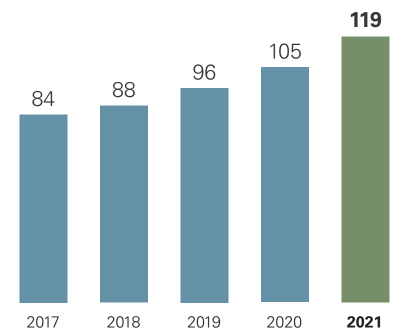
Net Income
In Billion Pesos



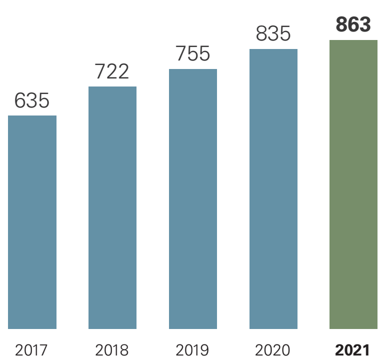
Total Resources
In Billion Pesos



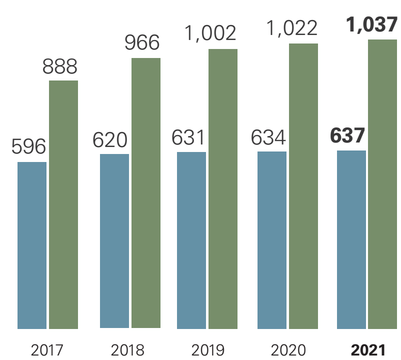
Stockholders' Equity
In Billion Pesos



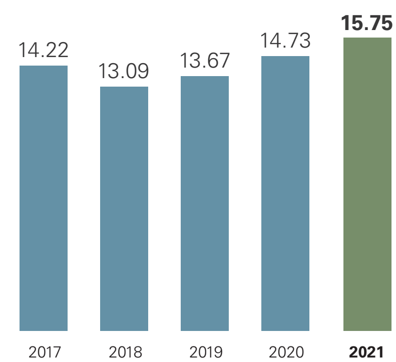
Total Deposits
In Billion Pesos



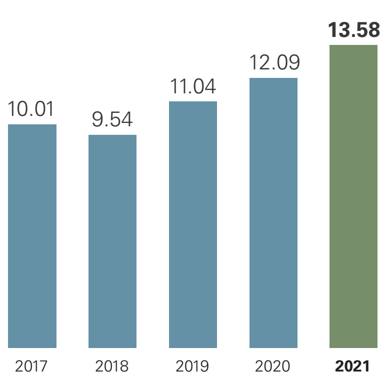
Distribution Network
Branches ATMs



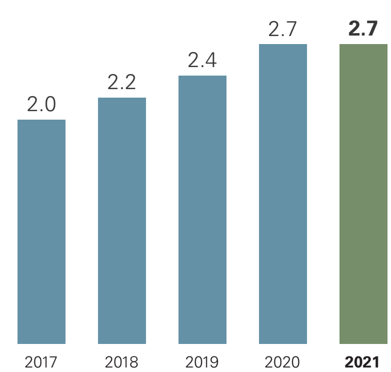
Total CAR
In Percent



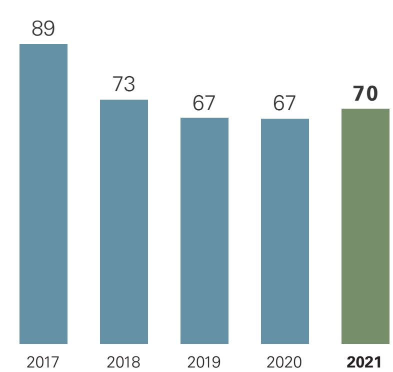
Return on Average Equity
In Percent



Cash Dividends Paid
In Billion Pesos



Market Capitalization
In Billion Pesos



OPERATIONAL HIGHLIGHTS

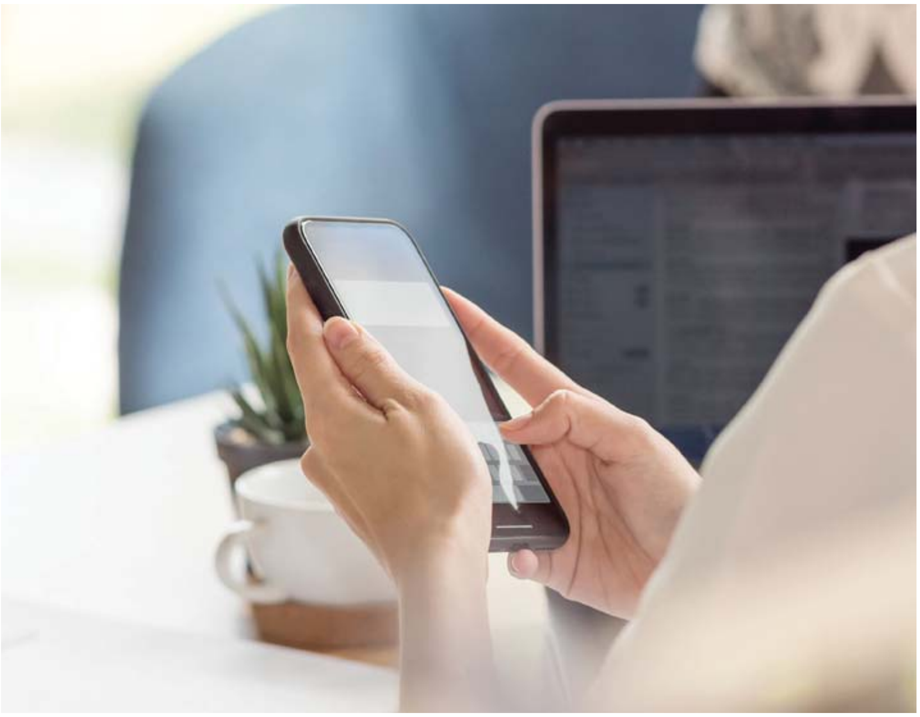
The year 2021, though still very challenging, was better compared to 2020. The vaccines gave people hope and confidence, the rising tide caused by the reopening of the economy lifted nearly all boats, and the shift from crisis mode to recovery mode created a more palpable sense of normalcy.

With people's safety as still the top priority in 2021, China Bank settled into the rhythm of new normal operations—keeping what worked in 2020 and avoiding what did not, adapting and innovating at the speed of need, deftly balancing crisis management and forward thinking, and pushing ourselves, our systems, and our businesses to operate at their best to keep China Bank firmly on track, and most importantly, to better serve our customers.

Ensuring safety and convenience across all customer touchpoints

From the onset, our strategy is to provide customers with a great omnichannel experience that combines the best of human and digital services. We focused on enhancing our service delivery channels, making our branches safe havens for face-to-face transactions, and our e-banking channels—ATM, mobile banking app, internet banking, and phone banking—convenient and secure options for remote banking.

- Maintained branch operations and expanded our branch network with three new branches while ensuring the safety of our employees and customers by implementing health protocols, vaccinating personnel, and regularly disinfecting facilities.
- Instituted a "Buddy Branch" system to lessen operational disruptions. When a branch is closed, its depositors can easily transact with the buddy branch.
- Posted regular advisories on China Bank's website and social media accounts to inform customers on the branches that are open.



99.9 %
availability of digital channels

MORE DIGITAL* BANKING USERS AND TRANSACTIONS

297K **+39%** Enrollment	**132K** **+56%** Active Users
32M **+90%** Transactions	**39%** Transaction Share

** China Bank Mobile App and China Bank Online*

- Maintained 99.9% availability of digital channels.
- Simplified registration in China Bank Mobile App—an enhanced self-service feature that lets customers complete their mobile app registration without having to visit a branch. Through the app, customers can also conveniently and securely request for ATM PIN, internet banking password reset, and card suspension. Transferring funds was also made easier via China Bank Mobile App using mobile number, email address, or QR code.
- Launched the Scan-to-Pay feature in China Bank Mobile App to enable QR code payments for purchases from any establishment or online store.
- Added more billers so customers can conveniently pay their bills from the safety of their homes.
- Waived fund transfer fees for InstaPay and PESONet until December 31, 2021.
- Opened the renovated China Bank Online Hub at the ground floor of the Bank's Head Office in Makati City. Equipped with three new multi-touch

PRESERVING A LEGACY

China Bank's original head office in Binondo was officially reopened to the public on January 28, 2021, with the transfer of the Binondo Business Center (BBC) Cash Department to the renovated lobby of the historic building.

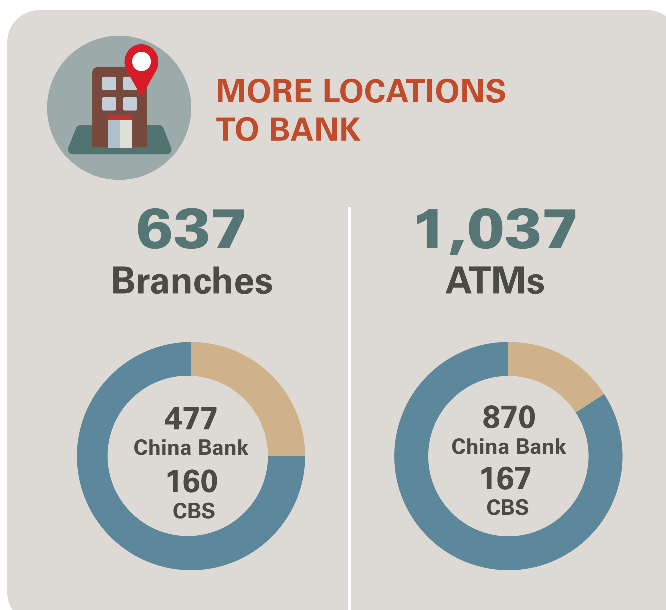
To preserve the Bank's heritage and more importantly, to help revive the world's oldest Chinatown, we embarked on a true restoration of our original headquarters— the Binondo Heritage Restoration Project—the centerpiece of our centennial celebration.

The building's impressive transformation is very apparent. Outside, the meticulously restored original grills and arches, previously walled in for the last 70 years, give the refreshed building an elegant and nostalgic vibe. Meanwhile, the modern interior makes the branch lobby, with its high ceiling and beautiful granite floors, look grand and contemporary. The National Historical Commission of the Philippines and the National Museum recognized the China Bank Building with historical markers. The latter also declared it an important cultural property.

While the pandemic accelerated the adoption of online banking and self-service facilities, physical branches remain important. A branch is where customers go to for high value transactions like loans and investments, to resolve any issues, or to simply take comfort in a friendly face-to-face interaction.

ATMs, a wide screen monitor displaying the Bank's latest offerings, and two bunch recycler machines, the new China Bank Online Hub is a cozy place to experience the Bank's self-service channels.

- Provided business customers with robust cash management services (CMS) to help them quickly deploy contactless POS terminals, make and receive digital payments, and achieve more operating and cost efficiencies.
- Installed 24 more China Bank ATMs in branches and high traffic locations.
- Utilized social media, website, e-mail, and other communication channels to educate customers on the benefits of digital banking and how to bank safely and securely online.



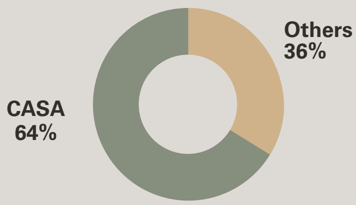
Encouraging saving and investing

The pandemic has reminded people of the importance of being financially prepared during difficult times. To encourage our customers to prioritize securing their future, we focused on making China Bank's deposit, investment, and insurance products very accessible by leveraging our vast branch network and the latest technology. We also offered customers more options to make the most of their hard-earned money, including China Bank bonds, government and corporate securities, and other investment opportunities like stocks, Real Estate Investment Trusts (REITs), and Initial Public Offerings (IPOs). We supported these with our financial literacy efforts to drive the uptake of financial services and investment instruments, as well as to protect the banking public from investment scams and cyber risks.

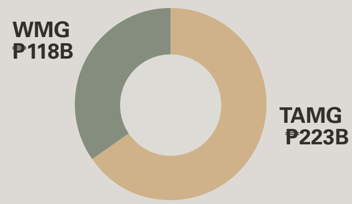
- Launched "Save Big, Shop Big" deposit promo to make saving more rewarding. For every P5,000 monthly average daily balance, customers earn a reward point which can be exchanged for SM Gift Pass or China Bank Credit Card shopping credits.
- Upgraded to a fully digital trust and wealth management platform using Intellect's Wealth Qube suite. With this robust straight-through processing solution, China Bank is able to

MORE DEPOSITS AND ASSETS UNDER MANAGEMENT (AUM)

₱863B
+3%
Deposits



₱341B
+3%
AUM*



** Trust & Asset Management Group and Wealth Management Group*

efficiently handle the growing business volume and stringent regulatory requirements, while providing enhanced end-to-end customer experience, and to deliver better digital solutions for our UITF customers in managing their investments.

- Launched the China Bank Philippine Equity Index Tracker Fund, a unit investment trust fund (UITF) that aims to provide capital appreciation by investing in a diversified portfolio of stocks representative of the Philippine Stock Exchange Index (PSEi) composition and its corresponding weights. The fund aims to mirror the return of its benchmark, which is the PSEi. China Bank now offers 11 UITFs to suit investors of every risk profile—from conservative to aggressive.
- Launched the Systematic Investment Plan (SIP), allowing existing UITF customers the opportunity to schedule monthly or quarterly subscriptions with the convenience of a one-time enrollment to a wide range of China Bank's UITFs.
- China Bank Securities launched its online trading platform, ChinaBankSec Online, to enable investors to buy and sell stocks using their laptops, personal computers, tablets or mobile phones. ChinaBankSec Online also allows investors to easily track and monitor their trades, view and assess the performance of their portfolio, and make informed decision by having access to charts

MORE STOCK MARKET INVESTORS

4,993
+70%
China Bank Securities trading accounts

MORE INSURED FILIPINOS

Chinabank Insurance Brokers	Manulife China Bank Life Assurance
₱921M	**₱16.6B**
+7%	**+77%**
Premiums	Premiums
49,295	**90,855**
-1%	**+11%**
Policies	Policies

BEST BANK IN THE PHILIPPINES AND AMONG THE STRONGEST IN ASIA PACIFIC

China Bank was named the Best Bank in the Philippines by Hong Kong-based financial publication, *The Asset*. China Bank bested the other banks in the country, including the largest ones.

China Bank was lauded as the Best Bank for its strong financial performance and proven expertise in corporate and institutional banking, advisory and transaction banking, as well as its environmental, social, and governance initiatives. The Bank and all the other awardees in Southeast Asia were recognized by *The Asset* for their zeal and versatility in seeking ways to adapt to challenging conditions and enhancing their services to end-users while recording fee income growth despite the market volatility caused by the global pandemic.

The Bank was the country's best performing bank in 2020 in terms of profitability, posting full year net income growth of 20%, while most banks' earnings dropped.

China Bank's financial strength was also recognized by *The Asian Banker,* ranking the Bank as the 2nd strongest in the Philippines and among the top 20% in the Asia Pacific region in *The Asian Banker's* Top 500 Strongest Banks ranking 2021.

The *Asian Banker* cited China Bank as having the lowest gross non-performing loans (NPL) ratio among Philippine banks included in The Asian Banker 500, at 2.3% as of December 2020, while its gross NPL cover exceeded the ideal 100% threshold. Meanwhile, the Bank achieved higher profitability following a decline in cost-to-income ratio to 49% from 59%, and an increase in return on assets to 1.2% from 1.1%. Apart from the 30% rise in net interest income, fee-based income also grew 19% on the back of better trading and securities gains. In addition, the robust capital and liquidity position helped improve overall balance sheet strength.

and market information. Active and sophisticated investors can use ChinaBankSec Alpha which offers more advanced trading tools and features such as conditional trading.

- Manulife China Bank Life Assurance Corporation (MCBL) launched Legacy Secure, a whole life insurance plan that provides policyholders guaranteed life insurance coverage until age 100 and other benefits like guaranteed cash payouts, potential dividends and lumpsum cash benefits.
- Released regular savings, investment, and fraud protection tips on social media and conducted various financial literacy and financial planning webinars.

Making banking more inclusive

Millions of Filipinos at the fringes—the unbanked and underserved sector—are unable to participate in the formal financial system that would enable them to benefit from the country's economic growth. We advocate financial inclusion, making our products and services affordable, our processes simple, and our locations accessible to reach out to those at the margins, particularly the overseas Filipino workers and their families, public school teachers, and government employees nationwide.

MORE REMITTANCE PARTNERS, MORE REMITTANCES

45 overseas and domestic remittance tie-ups and cash pick-up partners with a combined network of over **12,000** branches worldwide

US$1.7B
+6%
remittances

MORE LOAN CENTERS, MORE EASI-APDS LOANS

32 Loan Centers

16 branch-lites/ sales kiosks

₱16.4B
+21%
Easi-APDS Loan

- Added a new Cash Pick-Up Partner, Al-Amanah Islamic Investment Bank of the Philippines, for Mindanao remittances.
- Partnered with Mobile Money International Sdn for easier remittance for OFWs in Malaysia.
- Launched a remittance promo, "China Bank@100, Remit & Win P100K", giving away ₱1.5 million in total cash and prizes to 40 lucky OFWs. This was followed up by "Mag-Remit at Maging Milyonaryo! Part 2", a promo with ENJAZ for OFWs in the Kingdom of Saudi Arabia. One lucky OFW won ₱1 million in the grand draw, while 20 others won ₱25,000 each in the regional draws.
- Sustained the financial awareness sessions in the online Pre-Departure Orientation Seminar (PDOS) for OFWs.

- Made applying for a CBS Easi-Automatic Payroll Deduction Salary Loan (Easi-APDS Loan) easier—just a phone call or a text message and a CBS personnel will be ready to assist customers anytime, anywhere. Easi-APDS is a multi-purpose and non-collateral program for the teaching and non-teaching personnel of public schools and state-run colleges and universities, and other government offices. With Easi-APDs, our public servants do not have to fall victim to usurers and loan sharks ever again. They can borrow up to ₱1 million, no collateral, payable up to 36 months, for emergency expense, home repairs, continuing education, and working capital for home-based businesses.
- Opened 11 new CBS branch-lites in the provinces to further promote financial inclusion.

MORE NEW-TO-BANK SAVERS

₱250M
deposits
+3%
China Bank OKS Peso (zero maintaining balance account)

US$1.3M
deposits
+18%
China Bank OKS US Dollar (zero maintaining balance account)

128,319
+6%
accounts

₱360M
+8%
deposits

CBS Easi-Save Basic (only P100 initial deposit)

EMPOWERING OFWS

Filipinos work abroad in pursuit of a better life for themselves and their families. The Overseas Workers Welfare Administration (OWWA) launched the Pre-Departure Orientation Seminar (PDOS) in 1983 as a mandatory seminar to help prepare departing Overseas Filipino Workers (OFWs) for life outside the country.

PDOS is an important part of OWWA's education policy and of the government's program for the safety and welfare of OFWs. It is also a key channel for China Bank's financial literacy program, strengthening our commitment to promote financial inclusion.

China Bank has a PDOS Center in Manila and has tie-ups with OWWA-accredited PDOS providers. With the switch to online PDOS during the pandemic, we continued to virtually educate OFWs on the importance of saving and investing. We conducted 147 sessions with 10,272 webinar participants. Financial literacy took on greater urgency with the uncertainties caused by COVID-19, especially the threat of repatriation. Through PDOS, we provided practical tips and advice to empower OFWs with a skill that will help secure their financial future: money management.

Making credit available

China Bank is committed to keeping businesses and the economy running, helping borrowers meet their loan obligations through Bayanihan 1 & 2 and other forbearance programs, and providing the needed financing boost so our customers can get back on their feet or achieve their dreams in the face of COVID-19. As loan demand started to slowly pick-up in 2021, we continued to balance making credit accessible while managing increased credit risks, and making credit available quickly while still performing all the necessary checks.

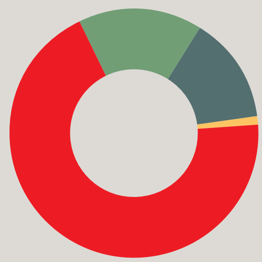
- Automated eligibility checks to expedite loan origination and processing.
- Enhanced due diligence and risk management to manage the expected increase in non-performing loans (NPL) and the long-term effects on asset quality.
- Set aside ample credit provisioning to maintain sound asset quality.
- Loans to businesses and corporate clients—movers of the economy— accounted for 80% of total portfolio.
- Communicated through various communication channels on the relief measures, how to avail of the payment holiday, what to expect when payments resume, and to promote responsible credit practices.

MORE LOANS TO DRIVE ECONOMIC REBOUND

₱502B
+9%
Business loans

₱18.4B
Micro, Small, and Medium Enterprises (MSME) loans

₱123B
+8%
Consumer loans




source: PPHI

TOP HOUSING LOAN FINANCING PARTNER

CBS was named Top Housing Loan Financing Partner by PHirst Park Homes, Inc. (PPHI) during its 2021 mid-year Sales Awards night. CBS bested established universal banks by booking ₱1.1 billion in loans, equivalent to 739 units financed, in just the first half of 2021.

"CBS and PHirst Park Homes share values, including integrity, customer-focus and concern for people," said CBS Housing Loans Division Head Kristine Chavez Broadhurst. "By providing easy-to-access, uncomplicated banking services to first home buyers, CBS is living up to our commitment to promote financial inclusiveness and uplifting the quality of life in communities we serve."

Since the start of the partnership in 2017, CBS successfully loaned out ₱3.1 billion to more than 2,000 homebuyers in various communities established by PPHI. PHirst Park Homes is the new First-Home brand of PPHI, a partnership between Century Properties Group, Inc. and Mitsubishi Corporation.

Helping deepen the capital markets

In 2021, the bond market was robust amid government and corporations' heightened financing needs. The equity market also had a vibrant year, closing with eight IPOs, 11 follow-on offerings, four stock rights offerings, and eight private placements. Through our investment banking arm, China Bank Capital, we helped many issuers raise their financing requirements from the local debt market, and at the same time, focused on bringing new names and products to the market, promoting financial inclusiveness to gain a wider investing public, and working closely with regulators to broaden and deepen the domestic capital markets amid the ongoing pandemic.

- China Bank Capital was granted the most sole mandates, leading multiple transactions across various offering formats – China Bank Capital was sole issue manager of D&L Industries, Inc.'s maiden ₱5 billion bonds, sole arranger for AllHome Corp.'s ₱2.0 billion corporate notes, sole issue manager for Century Properties Group. Inc.'s ₱3 billion bonds, and 8990 Holdings Inc.'s ₱3.7 billion preferred shares.
- Remained at the forefront of developing and deepening the domestic debt capital market by introducing the most number of new issuers like D&L Industries, PHINMA Corporation, AllHome Corp. and Del Monte Philippines, Inc.; and enabling repeat issuers like Ayala Land, Inc., SM Prime Holdings, Inc., San Miguel Corporation, and Aboitiz Equity Ventures, Inc. to efficiently tap liquidity from institutional and retail investors.
- Played a key role in the rejuvenation of the equity markets through several landmark transactions such as AC Energy's stock

China Bank Capital

No.1
in the Local Corporate Bond League Table

₱425B
raised for the private sector
(USD and PHP deals)

rights offering, the IPOs of Monde Nissin, FIL REIT, RL Commercial REIT, and AllDay Marts, the Follow-On offering of The Keepers Holdings, and the preferred share issuance of Jollibee Foods Corp.

- Demonstrated strong commitment to helping the government in its fundraising efforts to combat the pandemic and support economic recovery. The Bureau of the Treasury selected China Bank Capital as an issue manager for three major issuances of the Republic of the Philippines – the 25th retail treasury bonds (RTB 25) with switch offer, the BTr's very first retail onshore dollar bonds, and the 26th retail treasury bonds (RTB26), all of which were launched and settled amidst quarantine conditions.
- Advised issuers on how to execute landmark deals. China Bank Capital was behind the structuring of two landmark offerings – China Banking Corp.'s ₱20 billion bank bond and San Miguel Corporation's ₱30 billion fixed rate bonds.

6-TIME BEST BOND ADVISER

China Bank Capital was named the Best Bond Adviser (Domestic) by *The Asset*, winning the distinction for the sixth consecutive year.

At the Triple A Awards 2021, *The Asset* affirmed China Bank Capital's solid position as the top investment bank in the Philippine bond market.

China Bank Capital was also named The Best Bond House, alongside BDO Capital, by the Investment House Association of the Philippines, and the Top Corporate Issue Manager/Arranger (Investment House Category) by the Philippine Dealing System.

China Bank Capital remained the adviser of choice of bond issuers in 2021 and was active across a wide range of fixed income deals, including all the National Government's Retail Treasury Bond and Premyo Bond issuances. It was also instrumental in introducing quality issuers to the debt capital markets and executing highly successful and socially impactful fixed income transactions.

SUSTAINABILITY STRATEGY

How We Create Value

102-15, 103-2, 201-1, 201-4

We create value from the impact of our financial products and services to the environment, our stakeholders, and our national economy.

Social Development

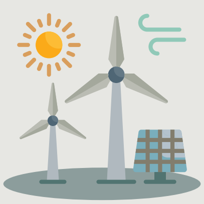
A total of **165,279** China Bank clients availed of health and life insurance from Manulife China Bank Life (MCBL), equivalent to **13.5%** increase from previous year.

Micro, Small, and Medium Enterprises (MSME) loans amounted to **₱18.4B** in 2021.

China Bank's head office in Binondo, built in 1924, was restored to preserve the Bank's heritage and to help revive Binondo for future generations.

9,747 permanent Filipino employees in 2021, **67%** of which are female employees.

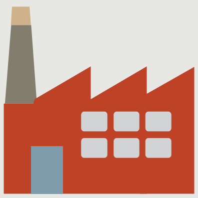
Environmental Protection



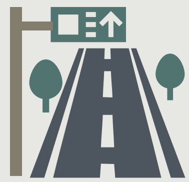
China Bank continued to fund renewable and green projects in 2021.

Funding for renewable energy and green projects translated to avoided greenhouse gas emissions.

Economic Growth



China Bank, via China Bank Capital, raised **₱425B** of capital for the private sector.



Through China Bank Capital, a total of **₱903B** was raised for the government.

E-payments using China Bank Mobile App increased by **167%** in 2021.

Remittance transactions processed by China Bank reached **US$1.68B** in 2021, a **6%** increase compared to previous year.

Direct Economic Value Generated and Distributed In billion pesos	**2019**	**2020**	**2021**
Direct Economic Value Generated	34,714	38,410	**41,903**
Direct Economic Value Distributed	27,003	29,024	**29,483**
Operating Costs	8,967	8,163	**11,371**
Total Wages and Benefits	6,602	7,522	**7,498**
Total Payments to Providers of Capital	5,166	6,111	**4,790**
Payments to Government	6,268	7,226	**5,816**
Community Investments	0	2	**7**
Economic Value Retained	7,711	9,386	**12,420**

Contribution to UN Sustainable Development Goals

The United Nations Sustainable Development Goals (UN SDGs) serve as a guidance for nations to address global environmental and social pain points. China Bank contributes to the achievement of the goals through our products and services, with making a difference and creating societal impact in mind.

UN SDGs	China Bank's Contribution to the UN SDGs Based on Specific Targets
1 NO POVERTY	**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. **1.a** Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programs and policies to end poverty in all its dimensions.
	Supported Filipino families by providing financial services to **2,570** MSME's in 2021. Contributed to economic development by dutifully paying taxes which amounted to **₱5.8B** in 2021.
3 GOOD HEALTH AND WELL-BEING	**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.
	Provided health and life insurance protection to more Filipinos. Manulife China Bank Life's gross premiums increased **77%** in 2021. Chinabank Insurance Brokers booked **176** dengue policies for a gross premium totalling **₱100,660** in 2021, from only **₱17,377** in 2020.
4 QUALITY EDUCATION	**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. **4.7a** Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.
	3,287 participants benefitted from the various Financial Literacy Programs of China Bank and CBS in 2021. Disbursed **₱4.45B** in loans to the education sector to build and improve schools.

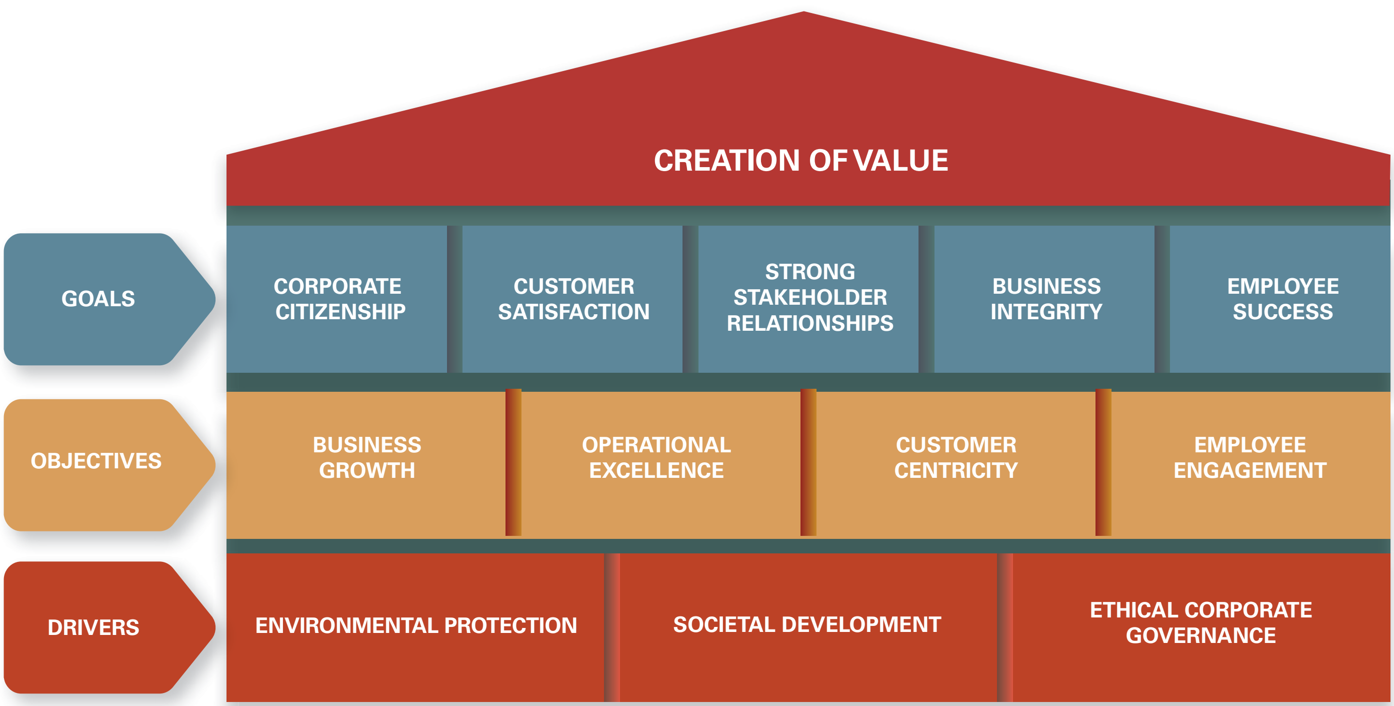
UN SDGs	China Bank's Contribution to the UN SDGs Based on Specific Targets
5 GENDER EQUALITY	**5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.
	Female officers accounted for **18%** of the total officer population at China Bank. Two female Independent Directors are in the Board.
7 AFFORDABLE AND CLEAN ENERGY	**7.1** By 2030, ensure universal access to affordable, reliable and modern energy services.
	China Bank continued financing renewable and green projects in 2021.
8 DECENT WORK AND ECONOMIC GROWTH	**8.8** Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. **8.10** Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.
	Fully vaccinated **96%** of employees through the China Bank Group COVID Vaccination Program in 2021. China Bank's network of **637** branches, **1,037** ATMs, and robust digital channels provided customers with easy access to banking during the pandemic. Digital transactions through China Bank Mobile App increased by **103%** in 2021.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**12.6** Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.
	China Bank has been publishing a combined annual and sustainability report for the last four years.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**16.6** Develop effective, accountable, and transparent institutions at all levels.
	China Bank's excellence in corporate governance was again recognized at the ASEAN Corporate Governance Scorecard Awards and the Four Golden Arrow Awards in 2021.

Sustainability Approach

102-32

In line with our mission to be a leading provider of financial products and services to institutions, entrepreneurs, and individuals to meet their financial needs and rising expectations, we are progressively integrating sustainability in the way we do business. We define sustainability based on how we create value for our stakeholders and for the environment. Our value creation is underpinned by our sustainability goals of corporate citizenship, customer satisfaction, strong stakeholder relationships, business integrity, and employee success.

1. **Corporate Citizenship** – Be a responsible corporate citizen and a trustworthy partner in building a sustainable future for all.
2. **Customer Satisfaction** – Deliver exceptional service and provide convenient access to fair and affordable financial solutions to help our customers achieve their financial goals at any life stage.
3. **Strong Stakeholder Relationships** – Build strong relationships by protecting stakeholders' rights and by responding to their needs and concerns.
4. **Business Integrity** – Uphold high ethical standards to sustain stakeholders' trust and confidence.
5. **Employee Success** – Ensure our employees are engaged, fairly compensated, and provided with opportunities to reach their full potential.



China Bank's Sustainability Strategy House

Our business objectives – business growth, operational excellence, customer centricity, and employee engagement – go hand-in-hand with our sustainability goals. We believe in doing well by doing good; thus, our actions and decisions are also driven by environmental, social, and governance (ESG) considerations. Embedding sustainability in the business is a deliberate and conscientious decision from the top.

Our Board of Directors has the over-all oversight responsibility for China Bank's effective corporate governance, risk management, and sustainability frameworks. The Board is supported by the Senior Management in the implementation of ESG activities.

The Sustainability Office, under the Office of the Chief Operating Officer, is responsible for leading the implementation of China Bank's Sustainable Finance Transition Plan. This involves inculcating a sustainability mindset in the organization through capacity building, sustainability reporting, and ESG Risk inclusion in banking processes and standards.

The Sustainability Office is supported by the Sustainability Working Group composed of representatives from the Risk Management Group, Compliance Division, Institutional Banking Group and Investor and Corporate Relations Group.

Stakeholder Engagement

102-40, 102-42, 102-43, 102-44

We share our long-term value creation commitments with our stakeholders. Our regular engagement and open communication with our various stakeholder groups enable us to understand their expectations and concerns, and ultimately, to be a better and more responsive banking partner to them.

Our Stakeholders	Key Engagement Channels	Their Concerns	Our Response
CUSTOMERS	- Daily customer contact via branches, customer service hotline, e-mail, and social media accounts - Customer Satisfaction Survey - Bank-scheduled virtual interactions via Economic Briefing and Wealth Management Forum	With the decreased mobility due to quarantine restrictions, our customers were mainly concerned about banking access, security, and responsive service.	We focused on ensuring our branches and digital channels remain available, that robust security measures are in place, and that customers can reach us through various communication channels for assistance.
EMPLOYEES	- Regular Management Advisories - Daily Health Check App - Internal Customer Satisfaction Survey - Performance Appraisals - Online and face-to-face interactions and meetings - Retail Banking Business National Convention - Work-life Integration Programs - Town Hall meeting	While our employees understand that we must continue to be in the frontlines to provide essential banking services amid the pandemic, their primary concerns were safety and flexibilities to continue learning and being productive.	Aside from our logistical support to ensure our people's safety, like service vehicles and dedicated COVID testing centers, we launched a group-wide vaccination program. We also switched to a modern workplace with Office 365 for easier communication and collaboration whether onsite or working from home, digitized our training programs, and made all our recognition and work-life integration programs virtual.
SHAREHOLDERS	- Annual Stockholders' Meeting - Group Strategy Update - Participation in the SM Group's quarterly investor briefings	Our shareholders recognize the impact of the pandemic on businesses and the economy. Their major concern is if we can sustain China Bank's strength and resilience to continue growing and providing good returns.	We kept our shareholders apprised of the Bank's performance with timely and transparent disclosures. We also continued to improve our governance practices to ensure our operations remain fundamentally sound and resilient.
NON-GOVERNMENT ORGANIZATIONS (NGO's)	- Partnerships and collaborations for a cause	The top concern of NGO's is 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 NGO's to support worthy causes.
REGULATORS	- Regular Audits and Reports - Regular Bangko Sentral ng Pilipinas examination - Regular correspondences through letters and e-mails	With the stringent regulatory environment to ensure the stability of the financial system amid 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	The reopening of the economy eased some of the supply chain challenges. But as some problems remained, our suppliers were still mainly concerned with meeting delivery due dates.	We continued to be understanding of the issues faced by our suppliers. We allowed some leeway to the extent practicable.

Materiality

102-46, 102-47

In addition to the topics covered in our GRI Content Index, we also considered the following topics from the Sustainability Accounting Standards Board (SASB) as material topics for commercial banks:

Data Security

Activities involving identification and address of security risks.

Incorporation of ESG factors in credit analysis

Activities that determine commercial and industry credit exposure of portfolio and integrate E&S aspects in credit analysis.

Business Ethics

Actions to control ethical issues such as fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.

Systemic Risk Management

Incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities.

Financial Inclusion and Capacity Building

Programs or actions designed to promote small businesses and community development, including financial literacy initiatives for unbanked, underbanked, or underserved customers.

We plan to conduct a comprehensive materiality assessment in 2022 via surveys and interviews to determine the level of impact of these material topics to our business and to our stakeholders. The materiality assessment process will be as follows:

STEP 1

Identification of material topics - China Bank will reference international standards or frameworks, peer analysis, internal indicators and company priorities in identifying material topics for the Bank, the Philippine banking industry, and our stakeholders.

STEP 2

Stakeholder Identification – Randomly selected clients, suppliers, partners, and employees will be requested to participate in the materiality assessment.

STEP 3

Materiality Assessment via Survey – Survey will determine identified perspectives on how the material topics are making business impacts and influencing stakeholders to engage with China Bank.

STEP 4

Materiality analysis via materiality mapping – Responses will be analyzed to rank which topics belong to respective quadrants (1st quadrant – High Business Impacts but low influence to stakeholders; 2nd quadrant – Low Business Impacts and low influence to stakeholders, etc.)

STEP 5

Preparation of narrative using materiality analysis – Results of the analysis will be disclosed in the Sustainability Report.

The materiality assessment results will be discussed in the next edition of the Sustainability Report.

SUSTAINABILITY PERFORMANCE

STRONG STAKEHOLDER RELATIONSHIPS

103-1, 103-2

Protecting stakeholder rights

At China Bank, we value our stakeholders and we are committed to earn and maintain their trust. Amid the challenges of the pandemic and the evolving business landscape, we continue to protect our stakeholders' interests and rights by ensuring the security of transactions, understanding their concerns, and providing excellent service.

Data privacy

We protect our customers' confidential information as a way of building stronger relationships with our stakeholders. China Bank's data privacy policies and measures are anchored on the principles of transparency, legitimate purpose, and proportionality. We also adhere with the five pillars of compliance with existing data privacy regulations:

1. Commit to Comply
2. Know your Risks
3. Write your Plan
4. Be Accountable
5. Be Prepared for Breach

Protecting the personal data of China Bank customers is of utmost importance to us; thus, we are continually investing to improve our data protection measures. The Bank has a Data Privacy Officer to ensure the Bank's compliance with the Data Privacy Act of 2012, its implementing rules and regulations, policies, and related issuances from the National Privacy Commission.

Customers' data protection management

418-1

China Bank has a Data Privacy Management Program to ensure that collection, recording, organization, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure, or destruction of personal data is compliant with the requirements of the Data Privacy Act of 2012, also known as RA 10173.

The Privacy Management Program covers among others, the identification and assessment of the privacy risks to customer information in each relevant area of operation, and the design, implementation, and monitoring of our data and privacy protection measures. In addition, the program includes awareness and training to China Bank employees on general data privacy, confidentiality, and security standards for handling personal information and sensitive personal information. In 2021, no significant data privacy breaches were recorded.

Cyber security

Our digital transformation enables China Bank to implement technologies, policies, and protective mechanisms to facilitate safe and secure banking transactions. Cyber security is one of our top priorities and we have a dedicated team that continuously protects and monitors our systems against cyber threats 24 hours a day, 7 days a week. The Bank has a Chief Information Security Officer (CISO) that is independent from our IT Team and reports directly to the President. CISO is responsible for the Bank's Information Security Program.

We adopted a methodical and diligent approach in managing cyber threats and Information Technology (IT) risks. In place is a Cyber Security Program that 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. No significant data privacy breaches were recorded in 2021.

Proactive approach in cyber threat management

As we accelerate China Bank's digital transformation, we continue to strengthen our security foundation with preventive, detective, and responsive layers, while proactively enforcing cyber security governance bank wide. At the onset of the pandemic, we redoubled our cyber security efforts internally. We also created a stronger awareness among our customers and the banking public on the increased threat of scams and online threats. We release security tips and reminders on China Bank's website and social media accounts on an ongoing basis. Security assessments and penetration testing on our IT systems are also regularly conducted by independent parties and our own in-house cyber security team to ensure the effectiveness of our controls. In 2021, no significant cyberattacks were recorded.

Consumer protection

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 oversees China Bank's over-all governance of consumer protection mechanisms and is regularly apprised of consumer-related developments that could impact the Bank. The Board also monitors the effectiveness of our Consumer Protection Framework which is anchored on the following pillars:

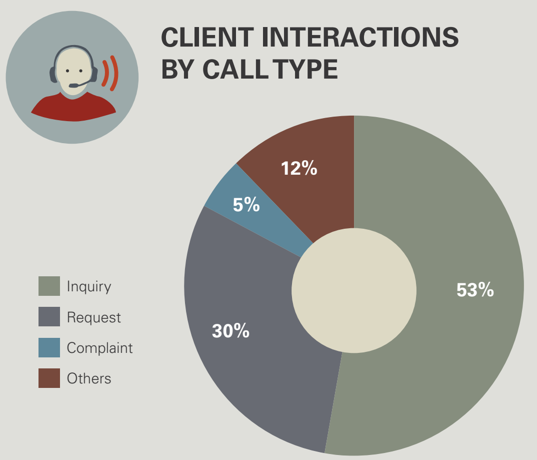
1. Board and Management Responsibility
2. Consumer Protection Risk Management System
3. Institutional Culture
4. Disclosure and Transparency
5. Effective and Robust Complaints Handling

Client interactions

Our Customer Contact Center (CCC) ensures the resolution of client concerns within the standard turnaround time (TAT) of the Bangko Sentral ng Pilipinas (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 2021, CCC handled 252,991 client calls, emails and social media messages. Majority or 53% of these interactions were inquiries; while only 5% were complaints, 96% of which were resolved within set standards.

CLIENT INTERACTIONS BY CALL TYPE



Branch customer feedback

We also get customer feedback through our branches nationwide. In 2021, we conducted a year-round survey to know how well we are serving our customers at our branches.

Branch Customer Feedback/Survey Report

Attributes	2019	2020	2021
Overall Satisfaction	94%	96%	**95%**
Queue Time	93%	96%	**95%**
Account Opening	97%	98%	**96%**
Deposit/Withdrawal	95%	97%	**95%**
Branch Premises	96%	97%	**96%**
ATM Services	95%	98%	**96%**
Security Guards	97%	98%	**96%**

Customer assistance channels

Online and offline, our customers can easily reach us for their banking/account inquiries or concerns. The details of our various customer assistance channels, aside from China Bank branches nationwide, are listed on page 154.

For reports on fraudulent activities or unethical behavior, customers can use our Whistleblowing channel. See page 71 for details.

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

CORPORATE CITIZENSHIP

103-1, 103-2

Purpose beyond profit

Good business is not only about the bottom line. China Bank's responsibilities go beyond achieving financial targets and providing good shareholder returns. As we work hard to grow our business, we take to heart our environmental and social responsibilities to help build a sustainable future for all.

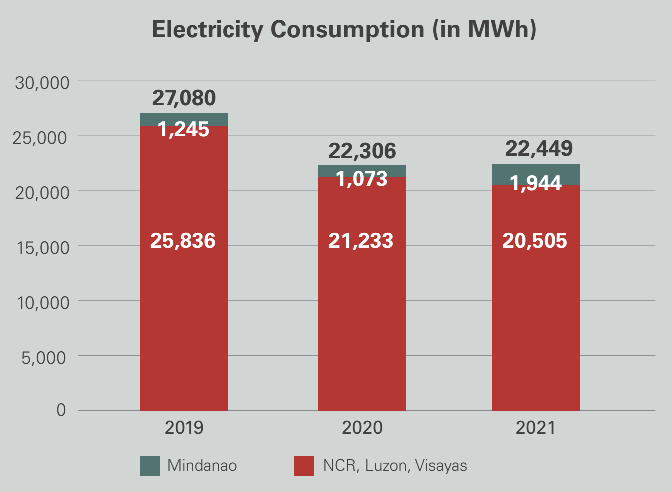
Managing environmental footprint

102-11, 103-1, 103-2, 302-1, 303-1, 305-1, 305-2

Due to the nature of the business, the environmental footprint of financial institutions is generally small. Nonetheless, we measure and monitor our environmental performance to ensure our impact is kept in check. Action plans to reduce any significant increase in utility consumption and waste generation are planned for implementation in the coming year. We will continue to engage our employees to progressively create an environmentally-conscious workplace.

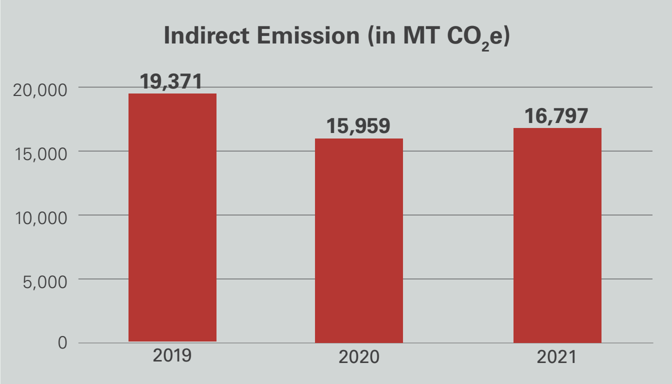
Electricity consumption

China Bank's electricity consumption is driven by our branches and corporate offices during normal operations. This energy use constitutes our indirect emissions under Scope 2, defined as emissions that came from sources not owned or directly controlled by the company but related to company activities. Similar to the situation during 2020 COVID-19 surge, our 2021 consumption data was also affected by the lockdowns and temporary branch closures. For 2021, our electricity consumption was 22,449 MWh, a slight increase from 2020 consumption of 22,306 MWh.



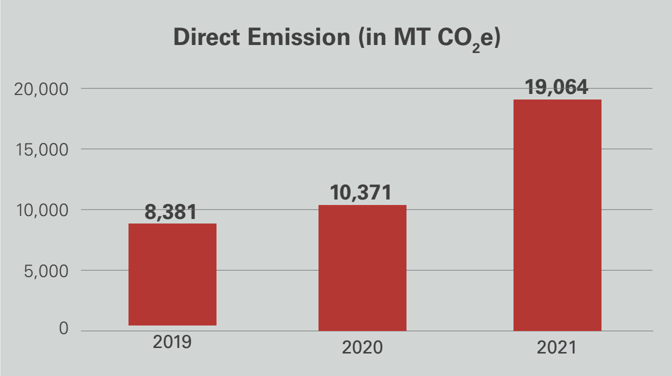
Indirect emission

China Bank's electricity consumption contributes to indirect or Scope 2 emission. 2021 electricity consumption translated to 16,797 MT CO_2e indirect emission, which is proximate to the emission figures in 2020. Fuel consumption from third party sources amounted to 678 MT CO_2e.



Fuel consumption of owned vehicles and direct emission

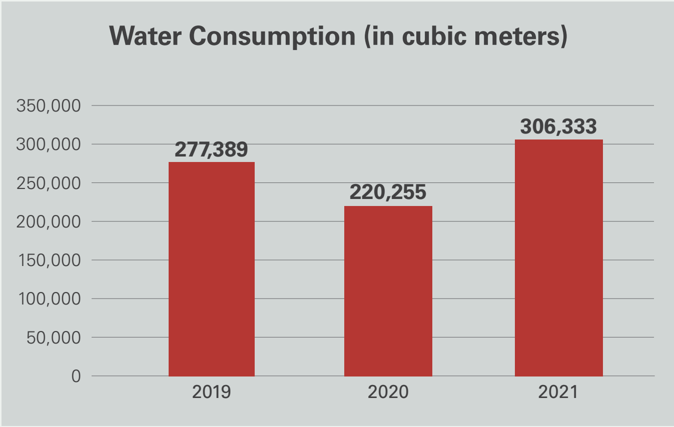
Greenhouse gas emissions emanating from Bank-owned assets such as vehicles refer to direct emissions under Scope 1. Due to an improved data collection process in 2021, China Bank has accounted for more data sources compared to previous years. This resulted to an increase in the 2021 fuel consumption amounting to 509,753 Liters in 2021, which translates to a total of 19,064 MT CO_2e Scope 2 emission.



Emission Scope	2021	2020	2019
Total Direct Emission (Scope 1), MT CO_2e	19,064	10,371	8,381
Total Indirect Emission (Scope 2) , MT CO_2e	16,797	15,959	19,371

Water consumption

Water usage of our branches and corporate offices was at 306,333 cubic meters in 2021. Increase in water consumption in 2021 compared to 2020 data signified more branches are already submitting data for environmental performance monitoring. An improved data collection process contributed to more robust water consumption data from the branches and administrative offices.



Adapting to a sustainable regulatory environment

The Bangko Sentral ng Pilipinas (BSP) issued Circular 1128 in 2021. Related to BSP's earlier Circular 1085 which is focused on Sustainable Finance Framework, Circular 1128 further strengthens the necessity for financial institutions to integrate Sustainability principles in their banking processes; in particular, the integration of Environmental and Social risks to the bank-wide risk management processes.

In response, we continue to work on fulfilling and improving China Bank's Sustainable Finance Transition Plan with the additional actions linked to the new circular. We also began developing an exploratory plan for incorporating environmental and social risk exposure in our lending process.

In 2021, as part of China Bank's business planning and long-term goal setting, we developed a two-year roadmap for the integration of environmental and social (E&S) risk assessment in the overall credit risk management process by 2023. The first phase of the roadmap is focused on the identification and measurement of E&S risk in the Bank's portfolio, with emphasis on high-risk E&S exposures. The second phase, on the other hand, is geared towards a more granular assessment of Environmental and Social risk at the borrower level and integrating the assessment as part of the credit rating and Expected Credit Loss (ECL) computation.

We will continue to undertake further action on this and disclose them as we progress.

Environmental and Social Management System (ESMS)

China Bank has an Environmental and Social Management System (ESMS) approved by the Senior Management. It is used as a reference for identifying and managing the Environmental and Social risks of projects eligible for financing or re-financing under China Bank's green bonds, with International Finance Corporation (IFC) as the sole investor. China Bank's ESMS follows a process which includes transaction screening, E&S assessment and risk categorization, E&S due diligence process, presentation and decision-making, and disbursement. We are expanding the scope of ESMS to cover other eligible projects, particularly renewable energy, which will also undergo E&S risk assessment by the Sustainability Office prior to financing.

Enabling sustainable finance

We support projects that would help create a sustainable future, like renewable energy and green building infrastructure. China Bank's Senior Management leads the incorporation of Sustainable Development aspects in the financing evaluation mechanism. The Institutional Banking Group (IBG) and the Sustainability Office ensure that Environmental and Social requirements are considered in Sustainable Finance transactions. The investment evaluation of Environmental and Social aspects is aligned with International Finance Corporation (IFC) Performance Standards and local regulations. Environmental and Social issues and concerns are brought up to the Senior Management level to be addressed prior to financing.

Net proceeds from the issuance of Green bonds or other sustainability bonds/ loans are used to finance/ refinance sustainable development projects. This includes projects focused on environmental and social issues.

Category	Projects and Activities
Renewable energy	Projects that enable generation of energy from renewable sources such as, but not limited to solar, wind, hydro, biomass, geothermal, and tidal
Energy efficiency	Projects that can decrease energy consumption or improve energy usage efficiency
Water management	Water recycling and water re-use projects
Waste management	Projects that can reduce solid waste and GHG emission including recycling and methane capture from waste
Sustainable infrastructure	Green buildings and road construction
Sustainable transportation	Government-supported transportation vehicles, electric cars, and hybrid vehicles
Agricultural	Agricultural crops and livestock, including machineries and equipment that can improve agricultural process
Affordable housing, basic infrastructure, and consumer loans	Provide access to loan products for low-income population
Essential services and social projects	Hospitals, clinics, pharmaceutical products, educational institutions, and other learning facilities

Community development

102-12, 413-1

As we pursue growth, we also give back to help uplift society in these challenging times. We create long-term value by utilizing our financial and intellectual capital to promote financial literacy, to make banking accessible to the unbanked and underserved sector, to encourage charitable giving among our ranks, and to help in relief and rehabilitation efforts in times of disasters.

- China Bank employees donated through the Human Resources Group's Personal Social Responsibility Program (PSRP) to buy medical supplies for the elderly wards of Kanlungan ni Maria in Antipolo and Christmas Noche Buena packs for the Bank's service personnel.

- China Bank had a donation drive to help those who were affected by typhoon Odette, a tropical cyclone that hit Southern part of the Philippines.

CUSTOMER SATISFACTION

203-1

Meeting expectations

Our customers' success is our business. Thus, we are driven to deliver exceptional service to meet the needs and expectations of our customers and to provide convenient access to fair and affordable financial solutions to help them achieve their financial goals at any life stage.

Digitalization

We continue to provide high quality banking experience to meet the needs of our multi-generational clients. Our digital banking initiatives aim to enhance customer experience and facilitate convenient and secure remote banking to address the safety and mobility constraints in these difficult times.

103%
increase in digital banking transactions in 2021

182%
increase in InstaPay utilization in 2021

Initiatives in digital banking

- Launched ChinaBankSec Online, a platform that enables investors to buy and sell stocks from their mobile phones, tablets or computers.

- Implemented InstaPay 2.0 Multi-proxy feature, enabling customers to transfer funds using a mobile number or email address, instead of an account number. China Bank was one of the pioneering banks to go live with this feature.

JUST SCAN TO PAY

China Bank is committed to empower Filipinos though financial literacy and technology. The Bank was a pilot participant in InstaPay, launched in 2018, and was one of the initial six participants in the pilot launch in 2019 of the National QR Code Standard, QR Ph for person-to-person payments or "QR Ph P2P". When the COVID-19 pandemic struck in early 2020, digitalization took on greater urgency and more people embraced digital banking and contactless payment. In April 2021, QR Ph for person-to-merchant payments or "QR Ph P2M" was launched by the BSP to boost the digitalization of small businesses, and China Bank was again one of the seven participating institutions in the pilot run.

To help drive QR Ph adoption, we launched the Pay-to-Scan feature in our mobile app which can be used at any retail establishment or online store with a QR Ph code. The feature is interoperable across all major payment platforms, and there is no need to transfer funds to an e-Wallet as payment is debited directly from the customer's China Bank account.

To pay, customers can simply tap "Scan to Pay or Transfer" on the China Bank Mobile App, scan the QR Code, and confirm the purchase by entering the one-time password sent to their mobile phone. The service is free of charge.

Financial inclusion

We recognize the importance of easy access to financial products and services for all. We are committed to make our banking products and services affordable and accessible to customers of any social class.

Support for MSMEs and retail investors

- Helped boost the digitalization of small businesses by being one of the seven participating institutions in BSP's QR Ph for person-to-merchants or QR Ph P2M.
- Actively sold and promoted the government's Premyo Bonds, Retail Treasury Bond 26 (RTB 26), and Retail Dollar Onshore Bonds which enabled retail investors to invest as low as ₱500, ₱5,000, and US$300, respectively. China Bank Capital served as joint issue manager for these bond offerings.
- Launched Systematic Investment Plan (SIP), an investment service for regular and automatic subscription to China Bank's Unit Investment Trust Funds (UITF)

Remittance service access for the Muslim Community

Added a new cash pick-up partner, Al-Amanah Islamic Investment Bank of the Philippines (AAIIBP), to better serve the OFW families in the Mindanao region.

Lending to the education sector

China Bank Savings implemented a lending program for public school teachers and DepEd staff, wherein qualified participants can borrow ₱1 million without collateral, payable in 12 to 36 months.

Enabling an inclusive insurance coverage

Manulife China Bank Life Assurance (MCBL) launched Legacy Secure, in which the policyholders are guaranteed with life insurance coverage until age 100.

MCBL also launched Secure Pinoy. It is an affordable life insurance plan for minimum to average wage-earning clients. With Secure Pinoy, a PhP 1 per day or PhP 500 per year contribution enables clients to life protection and medical reimbursement coverage.

13%
increase in number of people who availed health and life insurance under MCBL

77%
increase in premiums for MCBL insurance in 2021

In pursuit of financial inclusion

China Bank's retail banking arm, CBS, is expanding its market reach, particularly in the countryside to further promote financial inclusion. Aside from opening two regular branches in 2021, CBS opened 11 kiosk-type shops or branch-lites, ending the year with 160 branches and 16 branch-lite units.

"As a bank, we are genuinely concerned about promoting 'easy banking access for all' to contribute to the rapid recovery of the communities we serve. Our expansion effort is focused on making financial services highly accessible to teachers and staff of public schools through these CBS branch-lites," said CBS President James Christian T. Dee.

Branch-lites are simplified service outlets from the prescribed brick-and-mortar space. They may be set up to extend limited to full banking services in a marketplace or any location that is more accessible to low-income Filipinos. CBS branch-lites accept and process Easi-APDS loan applications.

"Our branch-lites are designed to provide our customers with warm, personalized service, with the assurance that business is conducted safely and comfortably," said Dee.

From the original focus on consumer banking, CBS has grown its franchise to include small enterprise and specialized lending segments like public school teachers and Department of Education employees.

EMPLOYEE SUCCESS

103-1, 103-2, 102-7, 102-8, 401-1

Ensuring talent management and well-being

China Bank's strength and resilience through the years are largely because of our partners in success—China Bankers. We take good care of our employees, treating them fairly and equally, helping them reach their full potential, and building a good working environment to drive productivity and earn their loyalty.

Human Resource Management

People are key to business success. Our human resources policies, systems, and practices are designed and constantly improved to ensure we are able to attract, engage, and develop people to achieve both their personal aspirations and China Bank's business goals. As the 21st century workplace is reshaped by the pandemic and other developments, we will continue adapting and improving while preserving what makes us uniquely China Bank.

Recruitment

We utilize social media and job portals to search for qualified candidates. In addition, we have a successful referral program that enjoins our current employees to take part in the search. Our total workforce in 2021 reached 9,770, of which 9,747 are permanent and 23 are fixed-term employment. There are also 1,030 new hires in 2021. We recorded a turnover rate of 11.31%, which is 58% higher than in 2020, but still lower than pre-pandemic years.

Effective recruitment program

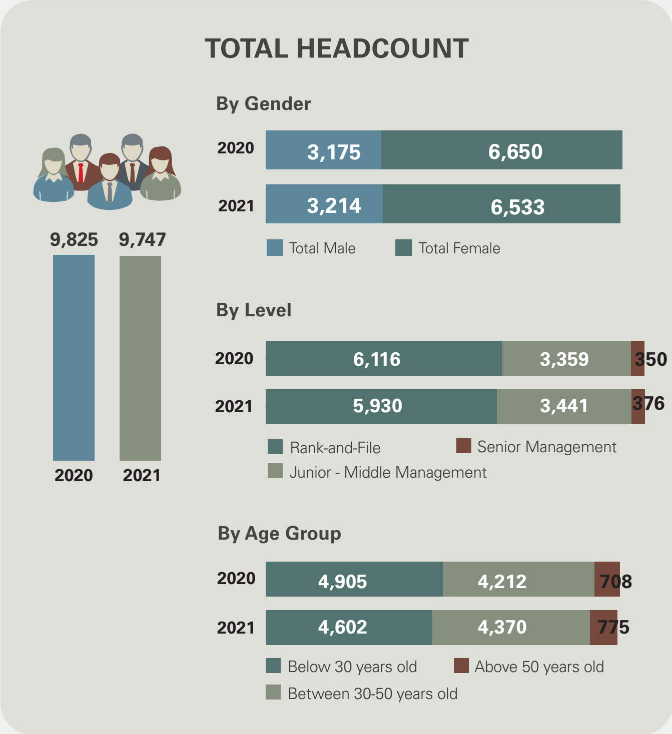
Our own employees are the best sources for candidates as they know the right fit for the Bank. China Bank's Internal Recruitment Drive, now on its 16th year, continued to be very effective, accounting for about 48% of the new employees hired in 2021. Open positions/ Job vacancies filled by internal candidates is 944.

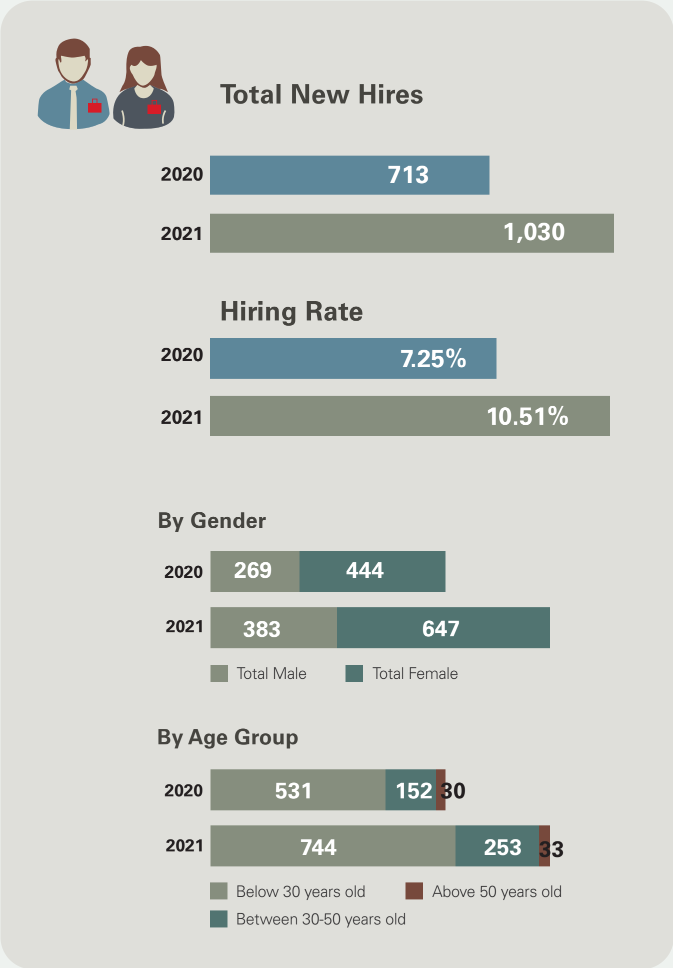
Fair compensation

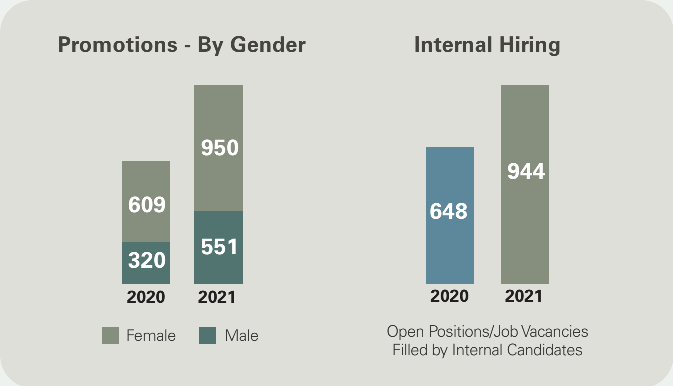
201-3, 401-2, 401-3

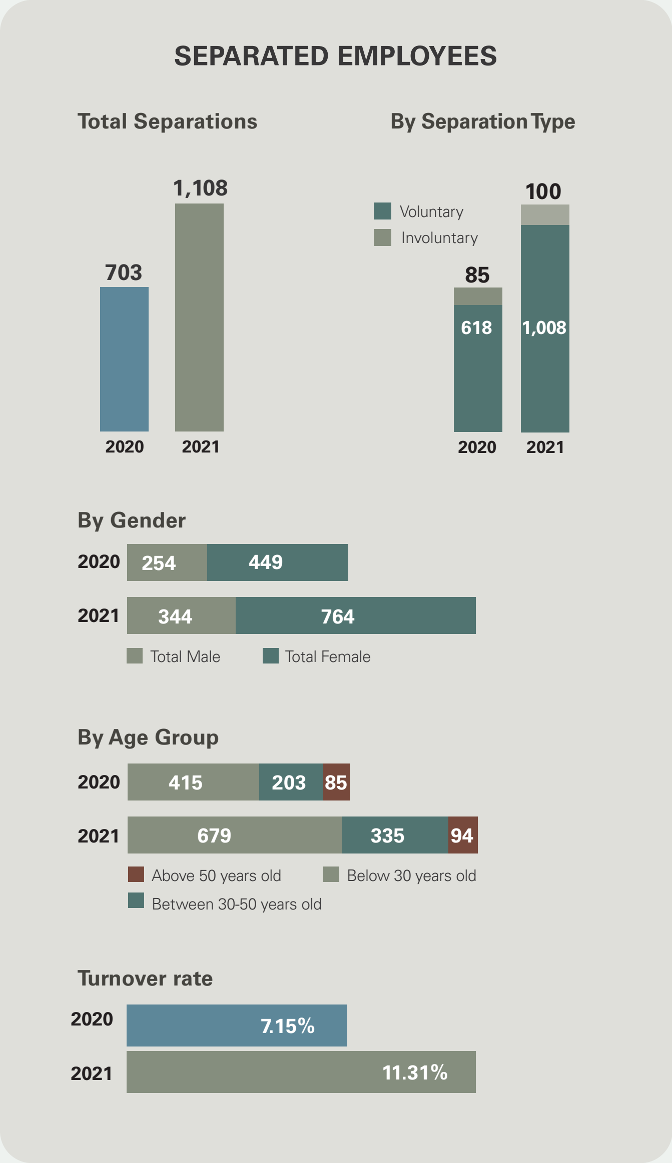
We ensure gainful employment, providing our full-time employees with competitive salary (basic salary, bonuses, overtime pay, profit sharing, and performance-based increase) and fringe benefits (HMO, group insurance coverage, paid leaves, allowances, employee loans, car plan for officers, and retirement benefits). We also have different parental leave types – Solo Parent Leave, Paternity Leave and Maternity Leave.

A total of 831 employees availed parental leaves, and the over-all retention rate after parental leaves is 92.9%. Employees remain employed with China Bank even after having their leaves to take care of their families.









Employee engagement

We keep our employees engaged and motivated to maintain productivity, but more importantly, to ensure their mental health and well-being amid this pandemic. We have various programs to drive meaningful collaborations, work- life balance, and a deeper sense of loyalty and camaraderie.

Rewarding loyalty

- Issued 5,388,400 China Bank shares to over 8,300 employees under the Centennial Stock grant plan. The grantees received 100 China Bank shares for every year of service.
- China Bank recognized over 441 employees who rendered 10 to 45 years of service during the virtual service awards.

Creating a safe and nurturing work environment

- Rolled out a group-wide vaccination program and conducted webinars on Covid-19 safety.
- Sustained the Work-life Integration Program with various online trainings to help employees effectively manage their finances, manage stress, learn a new skill, and adopt an active and healthy lifestyle.

Performance appraisal

Our Performance Management System ensures that all our employees know their specific deliverables and that their individual performance is objectively evaluated to drive continuous improvement. In addition, we have a Succession Management Program to identify potential successors for Senior Leadership positions.

A total of 1,501 employees were promoted in 2021. Female promotion is 63%, while male promotion is 37%.

Training and education

404-1, 404-2

We are committed to helping our people reach their full potential. In place are various training and development programs to drive our employees' professional and personal growth and to help maximize individual and organizational capabilities.

In 2021, we recorded a total of 180,270 training hours, which translates to 18.45 training hours per employee. More female employees are attending China Bank's training programs with 71% training hours compared to 29% for male employees.

The total amount invested for talent development was PhP 13.4 million, or PhP 1,374 per employee . All trainings were conducted virtually.

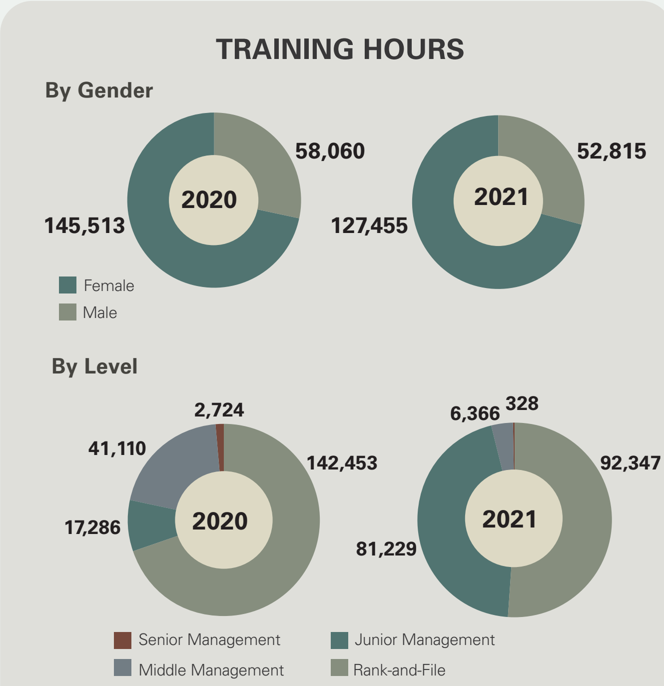
Learning in the new normal

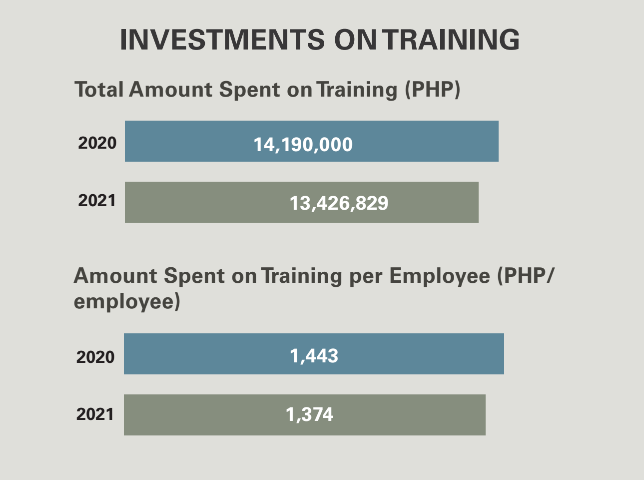
The pandemic is not a hindrance for continuous learning. We pivoted our usual face-to-face training sessions into engaging virtual lessons accessible though China Bank Academy's e-learning portal.

Targeted professional development

We have flagship development programs to hone the skills and knowledge of our employees in different levels of our organization:

- Supervisory Development Program – for rank & file employees who have the potential to assume first-line leadership roles.
- Junior Executive Development Program – for middle managers who are being developed to take on for more leadership responsibilities.
- Branch Heads Training Program – for branch managers to develop and strengthen their competencies to effectively lead their branches.





Health and safety

403-2

We have health and safety policies and procedures that are kept updated with the latest regulations and industry best practices and standards. In addition, we have emergency procedures and evacuation plans in case of disasters and calamities, and health and wellness program to help manage work-related stress and to minimize cases of work-related ill health. We also aligned our various workplace policies in compliance with RA 11058 (An Act Strengthening Compliance with Occupational Safety and Health Standards):

- Drug-free workplace policy
- Tuberculosis Prevention and Control in the workplace policy
- Hepatitis B Prevention and control in the workplace policy
- HIV and AIDS Prevention and control in the workplace policy
- Breastfeeding policy

The Occupational Safety and Health Committee also ensures implementation of occupational health and safety standards across the Bank.

Calamity response

We ensure that our employees are taken care of in the event of natural disasters. Calamity assistance in the form of financial assistance and Calamity Leave were provided to employees who were affected by Typhoons Odette and Marin in 2021 in accordance with the Calamity Assistance policy guidelines of the Bank. The total calamity financial assistance extended by the Bank in 2021 was ₱2.24 million.

Fatalities and Lost-time injuries - Employees

COVID-19 vaccination drive

We protect our employee's right to work in a healthy and safe environment. In addition to 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. To expedite the vaccination of our employees, the Bank spent ₱6.81 million in 2021 for the purchase and inoculation of primary and booster vaccines which began June of 2021. As of December 31, 2021, 96% of our employees was already fully vaccinated with primary series and 6.2% was already vaccinated with booster shot.

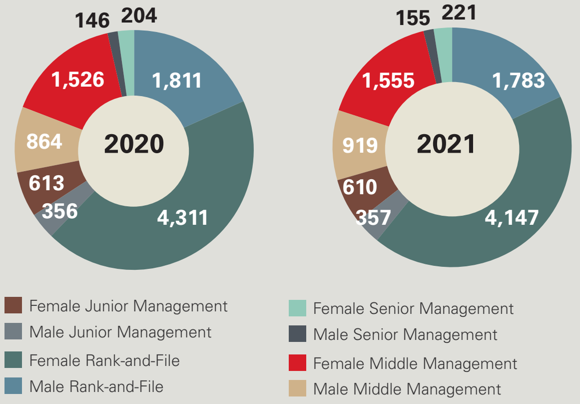
- Implemented the China Bank Group Vaccination Program, in cooperation with the SM Group, to provide employees with the utmost protection against the virus and to achieve herd immunity.
- Secured approval from Makati LGU and city health office to certify Buendia Car Exchange as China Bank's vaccination site

Diversity and equal opportunity

405-1, 406-1

We have more female employees than male for the past three years. Out of the total 9,770 employees in 2021, 6,552 were women. In addition, more junior and senior leadership positions were held by women. In fact, 18% of middle and senior management positions are occupied by female employees. Fair, transparent, and performance-based compensation is accorded to all employees regardless of gender. No incidents of discrimination cases were filed by any China Bank employee in 2021.

BREAKDOWN OF EMPLOYEES PER LEVEL



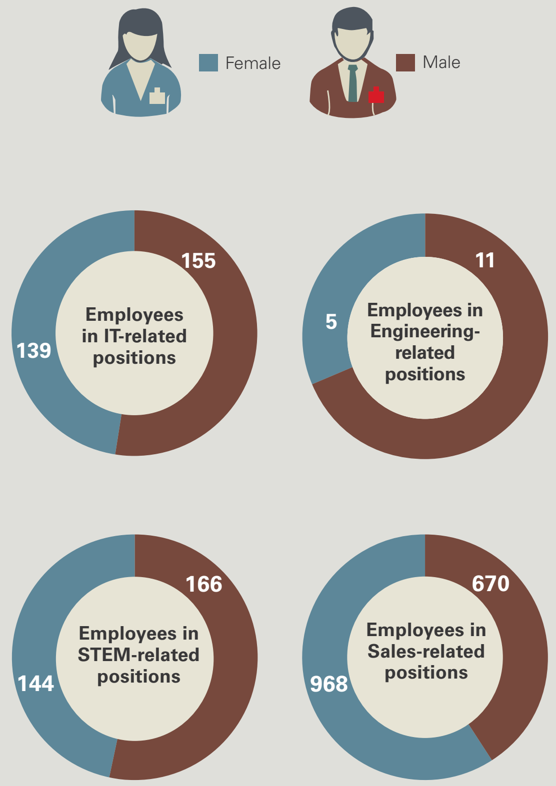
Collective Bargaining Agreement

102-41

We uphold employees' freedom of association and collective bargaining rights in compliance with the Labor code. We also maintain a good relationship with the union groups of both China Bank and CBS.

China Bank's Collective Bargaining Agreement (CBA) was signed in 2020 and will be expiring in 2022, while CBS' CBA, concluded in 2019, will be up for negotiation in 2024. Open communication has been established over the years between management and our labor unions to discuss labor-related concerns or issues. In 2021, 53.7% of our workforce was covered by CBA.

BREAKDOWN OF EMPLOYEES PER GENDER AND SPECIFIC SKILLS



BUSINESS INTEGRITY

103-1, 103-2

Upholding strong governance

At China Bank, good corporate governance is a necessary component of what constitutes sound strategic business management. Our governance practices are guided by the principles of fairness, accountability, integrity, and transparency. The Board of Directors sets the tone for China Bank's governance beyond compliance, even amid the pandemic.

Significant developments in 2021

102-12

In 2021, 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. These practices and initiatives include the following:

- Amended the Bank's By-Laws, to comply with BSP's Manual of Regulations for Banks and the Revised Corporation Code of the Philippines.
- Conducted the virtual Annual Stockholders' Meeting, allowing stockholders to exercise their voting rights through a secured electronic registration and voting facilities.
- Put in place a 3-year Transition Plan towards the formulation of the Bank's Sustainable Finance Framework.
- Granted around 5.4 million common shares to eligible employees, in recognition of their contribution to the Bank and to foster a culture of ownership and commitment, in line with the Bank's 2020 Centennial Stock Grant Plan.
- Updated the Corporate Governance Manual to align with recent rules, regulations, and international practices.
- Enhanced the Board Committee Charters and Board Self-Assessment Forms.
- Performed the annual assessment for the Board, Board-level committees, Independent Directors, Compliance Division, External Auditor, and the President.

- Adopted the Conflict of Interest and RPT disclosure form for newly elected directors/re-elected directors.
- Elected the Bank's 4th independent director during the Annual Stockholders' Meeting since an independent director's term has expired.
- Conducted the online corporate governance training for the Bank's directors and key officers, facilitated by the Institute of Corporate Directors.
- Restored the China Bank Binondo building, now recognized as part of national history.

Code of Ethics

The Bank is committed to conduct its business in an honest and ethical manner, well guided by its core values, namely: integrity, high performance standards, commitment to quality, customer service focus, concern for people, efficiency and resourcefulness, and initiative in carrying out its functions and in dealing with its clients. China Bank's Code of Ethics for Employees and Directors sets the guidelines for ethical and professional business conduct and articulate our strict policy against any criminal or illegal activities, not limited to financial misreporting, money laundering, fraud, bribery or corruption.

All new directors and employees are given a copy of the Code, required to acknowledge receipt thereof, and undergo the New Employees' Orientation Course wherein the Code is comprehensively discussed. Adherence to the Code is mandatory.

Corporate Governance Manual

China Bank's Corporate Governance Manual contains the Bank's governance policies and structure, the duties and responsibilities of the Board and the individual directors, the compliance system and internal controls, and the guidelines on communication and the protection of the rights of various stakeholders, among others. The Manual is kept updated to align with latest regulatory issuances and international best practices. Compliance with the Manual is monitored by the Chief Compliance and Governance Officer (CCGO). In 2021, China Bank was fully compliant with all the material provisions of the Corporate Governance Manual.

Governance structure

102-18, 102-26

The highest governing authority in China Bank is the Board of Directors. The Board sets the tone, defines our organizational culture and values, leads the practice of ethical and responsible business conduct and upholds a "beyond compliance" approach to corporate governance. The Senior Management team, led by the President, takes charge of executing strategies to meet business objectives and provides over-all guidance on the day-to-day management of business operations.

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

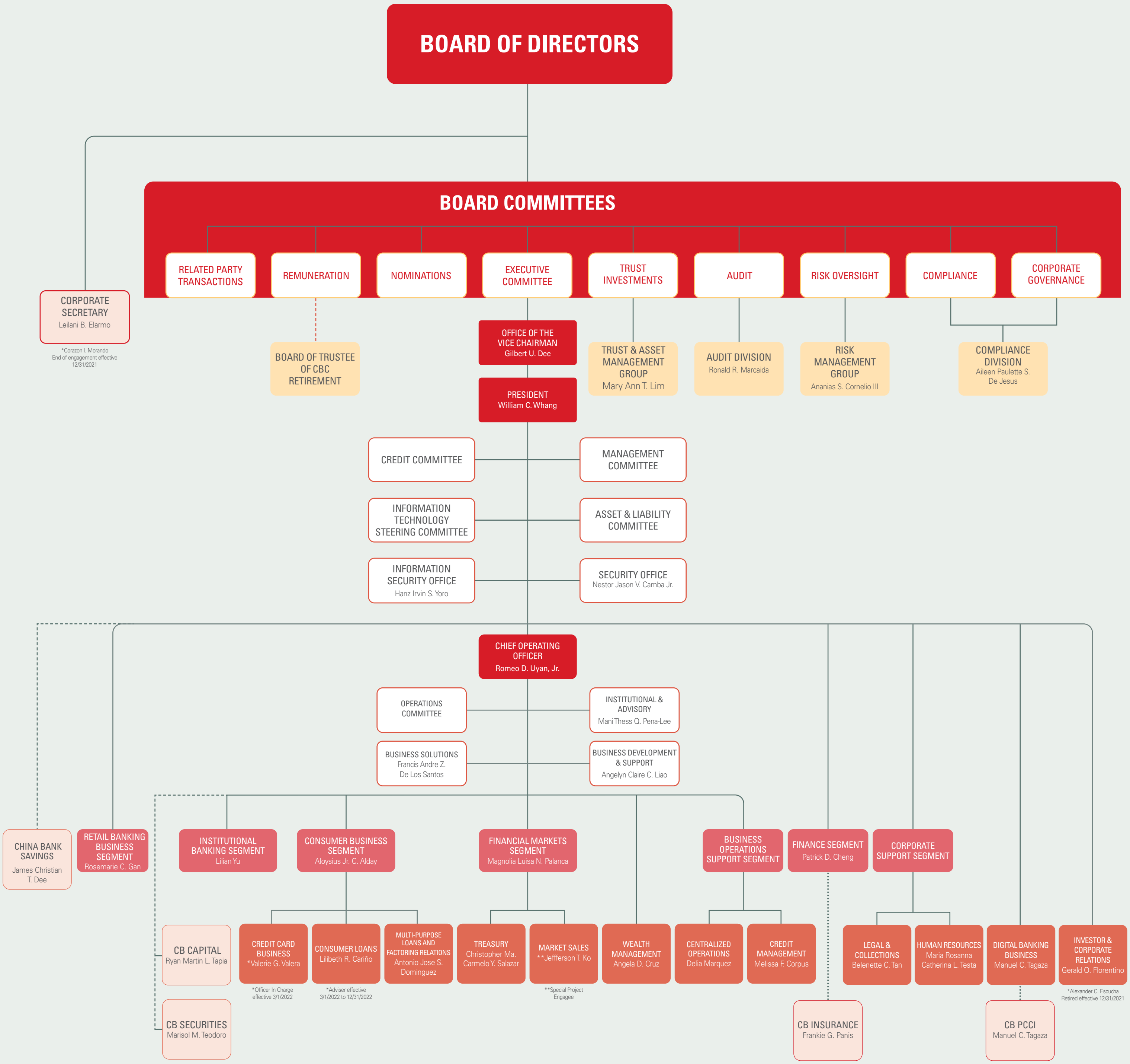
We adhere to a moral code of honesty and professionalism in our thoughts, words, and actions.

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 April 18, 2022



Separation of roles

Our Chairman and President work in close cooperation with one another, but their roles are kept separate with a clear division of duties and responsibilities to foster appropriate balance of power, increased accountability, and better capacity for independent decision-making by the Board. Our Chairman is responsible for the leadership and effective running of the Board, while our President leads the management team in the day-to-day running of China Bank to execute the strategies and achieve the objectives approved by the Board.

Board of Directors

The China Bank Board has the overall responsibility for the institution's long-term success and sustainability. 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 functions
- approves the director and management succession plan
- oversees the development and implementation of internal control systems and sound policies
- approves and oversees the implementation of the various frameworks on corporate governance enterprise risk management, business continuity, sustainability, and consumer protection
- sets and oversees the environmental, social, and governance initiatives

The China Bank Board is composed of twelve directors and one advisor, commensurate with the size and complexity of our operations. Two of the directors are executive directors and the rest are non-executive directors. To ensure a strong element of independence, we have four Independent (non-executive) Directors, including the Lead Independent Director. The Bank's Independent Directors are independent of management and major/substantial shareholders, and free from any business, family or any other relationship with the Bank, which could affect their judgment. The profiles of our directors are on pages 84 to 87.

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

Board of Directors					
Name	Designation	Directorship	Age	Year First Elected	No. of Years as Director
Hans T. Sy	Chairman	Non-executive	66	1986	36
Gilbert U. Dee	Vice Chairman	Executive	86	1969	53
William C. Whang	Director & President	Executive	63	2017	5
Peter S. Dee	Director	Non-executive	80	1977	45
Joaquin T. Dee	Director	Non-executive	86	1984	38
Herbert T. Sy	Director	Non-executive	65	1993	29
Harley T. Sy	Director	Non-executive	62	2001	21
Jose T. Sio	Director	Non-executive	82	2007	15
Alberto S. Yao	Lead Independent Director*	Non-executive	75	2004	17
Margarita L. San Juan	Lead Independent Director**	Non-executive	68	2017	5
Philip S. L. Tsai	Independent Director	Non-executive	71	2018	4
Claire Ann T. Yap	Independent Director	Non-executive	66	2020	2
Genaro V. Lapez	Independent Director***	Non-executive	64	2021	1
Ricardo R. Chua	Advisor	N/A	70	N/A	N/A

*Lead Independent Director until the expiration of his term on May 6, 2021
**Elected as Lead Independent Director on May 6, 2021
***Elected Independent Director on May 6, 2021

Nomination and election

102-24

In place is a rigorous and transparent procedure for the nomination and election of directors, undertaken by the Nominations and Corporate Governance Committees, to ensure that only qualified, fit and proper candidates are considered for election to the Board. We have clear Nomination Rules that are reviewed and updated annually and posted on the Bank's website.

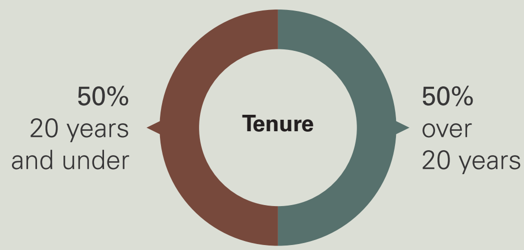
In case of vacancy, our By-Laws provide the procedures to be observed in accordance with the Revised Corporation Code of the Philippines. We use professional search firms or other external sources to search for a suitable replacement (see Retirement and Succession on page 65). For incumbent directors, the Nominations Committee evaluates the results of the Board self-assessment and their attendance and participation in board meetings.

Nomination Process

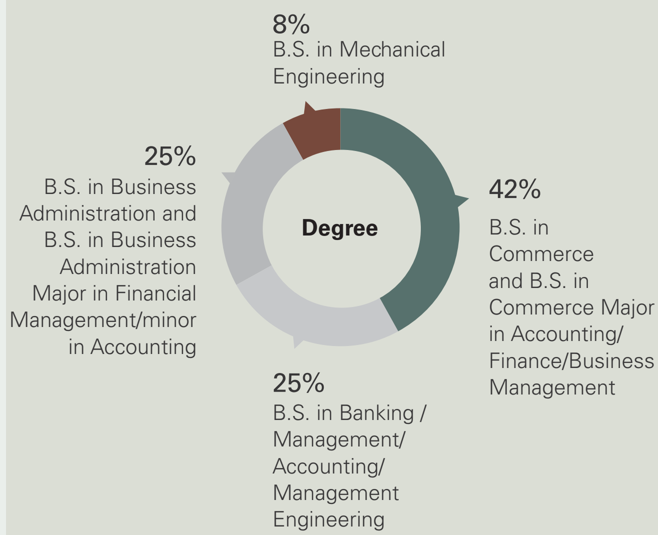
1. Shareholders on record nominate candidates by submitting the nomination form to any member of the Nominations Committee, the Corporate Governance Committee, or the Corporate Secretary within the prescribed date
2. The Nominations Committee reviews and evaluates the qualifications of the candidates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

Board diversity

China Bank has a Board Diversity Policy which states, among others, that the Board should be composed of directors with a collective working knowledge, educational background and experience or expertise that is relevant to the Bank's industry, and that there should be an appropriate mix of skills, competence and expertise, etc. The Board ensures that its members remain qualified for their positions individually and collectively in order to operate effectively, and be able to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction. For more diversity, we have two (2) female Independent Directors in our Board.

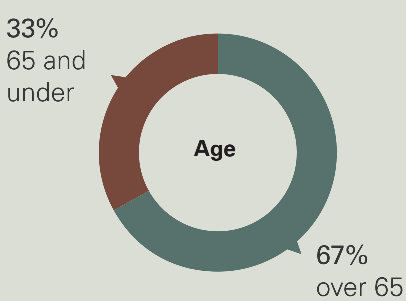


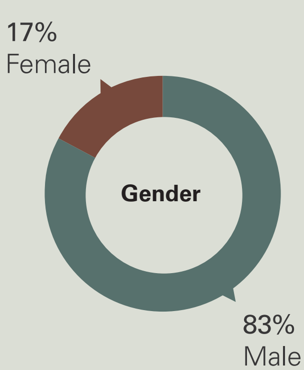
Board Experience/Skills



100% of the directors are skilled and experienced in banking/operations, management, finance, marketing/ sales, investment, risk management, accounting, credit, anti-money laundering, and internal control

Board Demographics





Induction and continuing education

102-27

New 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 and to ensure they are updated with the latest regulations and industry best practices. Refresher training and information sessions to address current business or emerging trends and issues are arranged by the Compliance Division, as needed.

On September 1, 2021, our directors, key bank and subsidiary officers attended the Annual Corporate Governance Training, organized by Compliance Division and facilitated by the Institute of Corporate Directors. The topics discussed were Digital Transformation, Corporate Governance in a Nutshell: What Effective Boards Focus on Before Everything Else, and Anti-Money Laundering Updates.

Board remuneration

The amendment to the Bank's By-Laws* included the increase in the per diem of the directors up to ten thousand pesos (₱10,000.00) for attending a regular Board or Committee meeting, or any other regular or special meeting as may be determined from time to time. Directors also receive a portion of the net earnings. 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.

**As approved by the BSP on February 24, 2022, thus enabling us to register with SEC.*

In 2021, each member of the Board of Directors received the following amount as compensation:

Hans T. Sy	₱6,436,400
Gilbert U. Dee	6,344,200
William C. Whang	6,421,600
Peter S. Dee	6,423,450
Joaquin T. Dee	6,450,300
Herbert T. Sy	6,168,500
Harley T. Sy	6,247,750
Jose T. Sio	6,222,750
Alberto S. Yao [(a)]	6,287,150
Margarita L. San Juan	6,399,200
Philip S.L. Tsai	6,422,150
Claire Ann T. Yap	2,341,550
Genaro V. Lapez[(b)]	115,000

[(a)] *Lead Independent Director until the expiration of his term on May 6, 2021*
[(b)] *Elected Independent Director on May 6, 2021*

Performance evaluation

102-28

The Board, all Board-level Committees, individual Directors, and the President annually 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 2021 evaluation revealed the following:

- The positive assessment of the Directors reflects their view that overall, the Board is seen as effective in carrying out its function.

- 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.

In compliance with the SEC Code of Corporate Governance, the results of the Board Self-Assessment are evaluated by an external facilitator every three years.

Retirement and succession

The wisdom that senior directors contribute is highly recognized at China Bank; thus, we do not discriminate when it comes to age. A director may remain on the Board 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 for banks. The By-laws provides the rules on succession, replacement or vacancy in the Board due to retirement or any other reason, stating that vacancies in the Board may be filled up by appointment or election of the remaining directors, if still constituting a quorum; otherwise, the stockholders shall fill such vacancy in a regular or special meeting called for this purpose. For Independent Directors, the Bank complies with SEC and BSP rules on term limit.

Corporate secretary

All directors have access to the services of the Corporate Secretary, a senior, strategic-level corporate officer who has the vital role of official record keeper responsible for the administrative side of Board and committee meetings, corporate governance gatekeeper responsible for overseeing sound board practices, and Board liaison who works and deals fairly and objectively with the Board, Management, stockholders, and other stakeholders.

Board committees

102-19, 102-20, 102-21, 102-22, 102-23, 102-26

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

- **Executive Committee** has the powers of the Board, when the latter is not in session, in the management of the business and affairs of the Bank to the fullest extent permitted under its By-Laws and Philippine laws. The 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 on such other matters brought to its attention from time to time.

- **Corporate Governance Committee** is responsible for ensuring that the Bank's Corporate Governance framework is regularly reviewed, updated, and always implemented accordingly. It provides assistance to the Board in fulfilling its responsibilities by ensuring compliance with, and proper observance of governance laws, rules, principles, and best practices, including the continuing education program for the directors and conduct of the Board assessment, among others.

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

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

- **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** is responsible for reviewing and evaluating the qualifications of all persons nominated to the Board. Jointly with the Corporate Governance Committee, it oversees the nomination process for, and evaluates the qualifications of all persons nominated to Department and Division Head positions, as well as all promotions to any Bank Officer position. It also undertakes the process of reviewing the qualifications of the Board candidates, to ensure that their qualities and/or skills are aligned with the Bank's strategic directions, appropriate for leading and assisting the Bank in achieving its vision and corporate goals.

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

- **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 conducts business through 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 China Bank's financial performance, to approve strategies, policies, and business plans, as well as to consider business and other proposals which require the Board's approval. Special Board meetings may also be called to deliberate and assess corporate proposals or business issues that also require Board approval.

Board and committee meetings are conducted consistent 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
16 meetings in 2021, including the organizational meeting

Name of Director	*Attendance*	*%*
Hans T. Sy	16/16	100%
Gilbert U. Dee	15/16	94%
William C. Whang	16/16	100%
Peter S. Dee	16/16	100%
Joaquin T. Dee	16/16	100%
Herbert T. Sy	15/16	94%
Harley T. Sy	16/16	100%
Jose T. Sio	16/16	100%
Margarita L. San Juan	16/16	100%
Philip S.L. Tsai	16/16	100%
Claire Ann T. Yap	16/16	100%
Genaro V. Lapez	8/8*	100%

**From his election on May 6, 2021*

Executive Committee
43 meetings in 2021, including 2 joint meetings with the Risk Oversight Committee

Name of Director	*Attendance*
Hans T. Sy (Chairman)	43/43
Gilbert U. Dee	39/43
William C. Whang	43/43
Peter S. Dee	43/43
Joaquin T. Dee	43/43

Corporate Governance Committee
31 meetings, including 12 joint meetings with the Compliance Committee and 18 joint meetings with the Nominations Committee in 2021

Name of Director	*Attendance*
Margarita L. San Juan (Chairman)	31/31
Claire Ann T. Yap	31/31
Genaro V. Lapez [a]	19/19
Philip S.L. Tsai [b]	12/12
Alberto S. Yao [c]	12/12

(a) Member from May 6, 2021
(b) Member up to May 5, 2021
(c) Member up to May 5, 2021

Audit Committee
14 meetings in 2021

Name of Director	*Attendance*
Claire Ann T. Yap (Chairman)[a]	9/9
Joaquin T. Dee	14/14
Philip S.L. Tsai [b]	9/9
Margarita L. San Juan [c]	5/5
Alberto S. Yao [d]	5/5

(a) Chairman from May 6, 2021
(b) Member from May 6, 2021
(c) Member up to May 5, 2021
(d) Member up to May 5, 2021

Compliance Committee
12 joint meetings with the Corporate Governance Committee in 2021

Name of Director	Attendance
Margarita L. San Juan (Chairman)[a]	8/8
Joaquin T. Dee	12/12
Harley T. Sy [b]	8/8
Hans T. Sy [c]	4/4
Alberto S. Yao [d]	4/4

(a) Chairman from May 6, 2021
(b) Member from May 6, 2021
(c) Member up to May 5, 2021
(d) Member up to May 5, 2021

Risk Oversight Committee
14 meetings in 2021, including 2 joint meetings with the Executive Committee

Name of Director	Attendance
Philip S.L. Tsai (Chairman)	14/14
Margarita L. San Juan [a]	10/10
Claire Ann T. Yap [b]	10/10
Hans T. Sy [c]	4/4
Alberto S. Yao [d]	4/4

(a) Member from May 6, 2021
(b) Member from May 6, 2021
(c) Member up to May 5, 2021
(d) Member up to May 5, 2021

Nominations Committee
18 joint meetings with the Corporate Governance Committee in 2021

Name of Director	Attendance
Margarita L. San Juan (Chairman)[a]	18/18
Claire Ann T. Yap [b]	18/18
Genaro V. Lapez [c]	11/11
Philip S.L. Tsai [d]	7/7
Alberto S. Yao [e]	7/7

(a) Member up to May 5, 2021; Chairman from May 6, 2021
(b) Chairman up to May 5, 2021; Member from May 6, 2021
(c) Member from May 6, 2021
(d) Member up to May 5, 2021
(e) Member up to May 5, 2021

Remuneration Committee
1 meeting in 2021

Name of Director	Attendance
Genaro V. Lapez (Chairman)	1/1
Herbert T. Sy	1/1
Philip S.L. Tsai	1/1

Related Party Transactions Committee
12 meetings in 2021

Name of Director	Attendance
Genaro V. Lapez (Chairman)[a]	7/7
Margarita L. San Juan [b]	12/12
Philip S.L. Tsai	12/12
Claire Ann T. Yap [c]	5/5
Alberto S. Yao [d]	5/5

(a) Chairman from May 6, 2021
(b) Chairman from January 1 to May 5, 2021; Member from May 6, 2021
(c) Member up to May 5, 2021
(d) Member up to May 5, 2021

Trust Investment Committee
11 meetings in 2021

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

** First Vice President I, Trust Officer and Head of Trust and Asset Management Group*

Governance policies

102-9, 102-11, 102-25, 102-35, 102-36, 205-1

In place are various internal policies that reflect China Bank's commitment to good governance. To guide employees, these policies are posted on our intranet facility, as well as our corporate website, www.chinabank.ph.

- **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:** The policy stipulates the avoidance of conflict of interest (COI) between the Bank and employees. However, should a conflict arise, the interest of the Bank must prevail. Employees are not permitted to be involved in any financial interests that are in conflict or appear to be in conflict with their duties and responsibilities to China Bank. They are likewise barred from engaging in work outside of the Bank unless with duly approved permission, as well as perform activities or work in direct competition with the Bank.

  We have reinforced our governance practices to prevent COI by requiring our directors to accomplish the COI and RPT disclosure form after their election and after gaining knowledge of any actual or potential COI situation.

- **Related Party Transactions (RPT):** 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 favorable 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 2021. 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	₱4.3B $6.1M	
SM Group	₱106.7B $ 653.0M	₱10.4B $ 174.6M
Other Related Parties	₱71.2B $8.5M	₱2.2B

[1] Covers all transactions
[2] For loan transactions approved in 2021

- **Anti-Bribery & Anti-Corruption:** Any form of bribery and corruption is not tolerated at China Bank. As established in the Code of Ethics, all directors 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 by them 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 2021, a total of 1,468 employees attended the training on Code of Ethics and related trainings, in which anti-bribery and anti-corruption were included.

- **Anti-Money Laundering (AML) Governance:** China Bank upholds the applicable laws, rules and regulations to combat money laundering and terrorist financing; ensuring that it is not used as a channel for such activities. In order to ensure bank wide compliance with the Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) 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 and approved amendments. The MTPP provides guidelines to combat money laundering and terrorism financing activities, and promotes high ethical and professional standards.

  The Anti-Money Laundering Department of Compliance Division oversees and manages the Bank's compliance with the MTPP and AML laws and regulations, conducts compliance testing to ensure adherence to policies and procedures, 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 required by law and by the Bank's policies to implement the program. Regular AML trainings and seminars are also conducted to update the Bank's directors, officers and staff of the latest AML/CFT requirements, latest trends, emerging risks, 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 3,160 employees completed the mandatory AML e-learning course in 2021.

- **Whistleblowing:** The policy aims to encourage employees, customers, shareholders, and third party service providers to report questionable activity, bribery and corruption issues, unethical behavior, incidents of fraud or any other malpractice within China Bank, without fear of reprisal or retaliation, as well as to provide avenues to raise those concerns confidentially. The Chief Compliance and Governance Officer (CCGO) determines the substance and validity of the whistleblowing report or disclosure, and if deemed sufficient in form and substance, refers it to the appropriate unit for proper investigation.

  Whistleblowing disclosures may be reported directly to HRG, 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 is committed to fair market practices and in engaging suppliers and contractors that are reputable, comply with national laws and international standards, and have good track records and sustainable business practices. The policy also sets out the processes for vendor accreditation, selection, and audit to ensure that vendor bids are evaluated based on established criteria and to prevent favoritism or conflicts of interest. The Bank also has an outsourcing policy that is aligned with the outsourcing regulations of the BSP to ensure that all outsourced activities are conducted in compliance with applicable laws, and that risks arising from outsourced activities are identified, monitored, and mitigated.

- **Senior Management Appointment and Succession:** The Bank is prudent and exercises due diligence in selecting the members of its Senior Management. The Succession Management Program is an active process of the China Bank Group ensuring that ample preparation is made to identify and ready the successors to ensure that the Bank would have high-caliber leaders. A formal process is followed to ensure that the Talent chosen for the Senior Management role is fit and proper for said key position taking into account their experience in finance / banking or related field, and integrity amongst other requirements. The process involves the Talent profile review by Senior Management led by the President through an interview aside from HRG conducting the reference background check. Furthermore, the Talent profile is also reviewed by the Nominations and/or Corporate Governance Committees as applicable and if found suitable then the Talent is endorsed to 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 2021, the Bank paid a total of ₱117.7 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
2021	₱59,808,878	₱57,874,732	₱117,683,610
2020	₱56,072,606	₱49,666,179	₱105,738,786
2019	₱54,416,702	₱43,245,548	₱97,662,250

* 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:** The policy sets out the Bank's commitment to providing 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 updated dividend policy. 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

	2017	2018	2019	2020	2021
Stock Dividend	8%	–	–	–	–
Cash Dividend	8%	8.3%	8.8%	10.0%	10.0%

- **Disclosure and Transparency:** As a publicly-listed company, China Bank complies with the disclosure and reportorial requirements of regulators—BSP, PSE, and SEC, and maintains an up-to-date corporate website and a Corporate Governance microsite to provide stakeholders with timely and accurate information to facilitate understanding of the Bank's true financial condition. Accuracy and timeliness are observed with respect to major and market-price sensitive information such as dividend declarations, joint ventures and acquisitions, sale and disposition of significant assets, as well as financial and non-financial information that may affect or influence the decision of our shareholders and other stakeholders, in the form of disclosures through EDGE for posting on the PSE website, media releases, and news updates on our corporate website. In addition, the Investor and Corporate Relations Group conducts/participates in investor briefings with analysts and members of the media.

Enforcing effective internal controls

China Bank's strength amid adversities is underpinned by effective internal controls. The Board is responsible for the development and review of the Bank's internal control system, while the day-to-day responsibility for internal control rests with Management. In varying degrees, internal control is the responsibility of everyone in the Bank. Our employees understand their role in the internal control process to manage and mitigate risks, to ensure the reliability and integrity of financial information and compliance with laws and regulations, to achieve our strategic objectives and profitability targets, and to maintain operational resilience in difficult times.

Internal audit

Business integrity requires an astute evaluation of internal controls. Internal audit determines the effectiveness of China Bank's risk management, control and governance systems and processes, providing relevant recommendations based on independent and objective assurance reviews, meaningful advice on the shifting risks and controls landscape, and insights on emerging risks to Senior Management and the Board to enhance and protect organizational value.

The internal audit function rests with the Audit Division headed by the Chief Audit Executive (CAE), who reports functionally to the Audit Committee to maintain organizational independence, and administratively to the President. The Audit Division's authority cuts across all functions, units, processes, records, and personnel in relation to the conduct of its role. It has a Board-approved Internal Audit Charter, which serves as a guide in the performance of mandated duties and basis in evaluating the effectiveness and efficiency of China Bank's internal audit function.

- **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 (2020 and 2021) or any interim period. SGV is again recommended for appointment at the scheduled annual stockholders' meeting.

- **Audit and audit-related Fees**: China Bank paid a total of ₱15 million in 2021. 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 and ₱15 billion in 2020. The 2021 and 2020 audit fees were taken up and approved by the Audit Committee.

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

  The Board/Audit Committee likewise discussed, approved, and authorized to engage the services of SGV & Co in non-audit work for review and advisory services and independent validation of votes in the annual stockholders' meeting in both 2021 and 2020. Payment for these services is 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
2021	₱11,415,712	₱3,616,173
2020	₱10,554,544	₱ 1,900,326

Compliance

The Bank believes that an effective Board and senior management oversight is the foundation of an effective compliance system that is rooted in doing what is right to maintain the trust and confidence of our stakeholders.

Local regulations set by Philippine government agencies need to be strictly complied with by financial institutions. Thus the Bank is committed to comply with existing laws, rules and regulations. 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 management forms part of the Bank's fundamental business activities and is upheld in all levels of the organization. China Bank observes the 3-lines-of-defense governance framework which allows everyone to distinguish and give appropriate attention to compliance priorities, enabling the Bank to readily respond to compliance, governance, and related risks.

Compliance system

Compliance Division ("Compliance"), which stands at the forefront of the Compliance System, continues to play an important role in driving the effective management of compliance risks that seeks to identify, remediate and mitigate risks that may erode the franchise value of the Bank, and in promoting compliance culture and understanding of compliance issues. It also assists the Board in carrying out its governance function to protect the interests of the Bank's stakeholders.

At the helm of the Bank's Compliance function is the Chief Compliance and Governance Officer (CCGO), who also oversees the Group-wide compliance for the China Bank Group and functionally reports to the Compliance and the Corporate Governance committees of the Board, and administratively to the Bank's President. Compliance is independent from business operations, and operates as a second line-of-defense in the overall control structure. It is composed of six departments: Regulatory Compliance, Anti-Money Laundering, Corporate Governance, IT Compliance, Subsidiaries Compliance and Associated Person.

Compliance continuously 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 compliance policies and procedures, risk assessment of the institution, conduct of independent testing and promotion of compliance awareness. It ensures that employees at all levels are kept abreast of changes in the laws and regulations through regular trainings and dissemination of vital/latest issuances, advisories, notices, and other regulatory matters. The compliance function and program are subject to independent review by the Internal Audit Division.

Risk management

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Risks are part of doing business. Effective risk management rather than outright risk avoidance has been a guiding principle at China Bank, enabling us to maintain highly profitable and stable operations while undertaking only well-calculated risks for commensurate returns. Risk oversight is a primary Board responsibility, setting the tone for a sound risk culture. Management handles the implementation of the Enterprise Risk Management Framework and day-to-day risk management, ensuring the Bank operates within the established risk appetite and limits. Effective risk management is reinforced as a discipline group-wide through trainings and communication.

Risk governance system

At China Bank, managing risks is everyone's business. Our 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 apprach 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

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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.

Credit risk for large corporates and medium-sized entities is measured through the Internal Credit Risk Rating System (ICRRS). For smaller businesses, retail and individual loan accounts, the credit scoring system used is the Borrower Credit Score (BCS). There is a separate application scorecard for auto loans and housing loans, while Transunion Bureau score is used for credit cards in conjunction with other credit acceptance criteria.

The Bank also has a rating system for Philippine universal, commercial, thrift, rural, and cooperative banks. In addition, the Bank has a Sovereign Risk Rating Model used to assess the strength of the country rated with reference to its economic fundamentals, fiscal policy, institutional strength, and vulnerability to extreme events.

Moody's Analytics performed a quantitative and qualitative validation of the ICRRS in 2014, followed by the model recalibration in 2015. In 2016, with the assistance of Teradata as its technology provider, the Bank completed the statistical validation of the BCS using the same methodology applied to the validation of its corporate risk rating model. In 2017 and 2018, the Bank conducted the validation of the two proposed recalibrated ICRRS models and the results were used as basis for the selection of the new ICRRS model that was approved by the Board in 2019. The Bank also continued to perform statistical review of the BCS from 2019 to 2021. For the auto and housing loans scorecards, the review was completed in 2020 with the results documented in 2021.

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

China Bank looks to be an admired and innovative financial services institution that partners with customers, employees and shareholders in wealth and value creation. The bank recognizes that operating soundly and innovating nimbly are keys to sustaining the faith and credit its 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)

China Bank recognizes infrastructure availability to be critical in minimizing the effects of potentially disruptive events. We strengthen the ability of our operations to recover from significant business disruptions that may include natural calamities, pandemics, and disasters through developing, reviewing and testing our resilience plans.

Information technology (IT) risk

China Bank recognizes the horizons that open with the use of Information Technology to deliver products and services or to increase the efficiency of service fulfilment and product delivery. The Bank's information technology risk infrastructure centers on ensuring: the soundness of IT Operations, the effectivity of IT Security in the face of increasing cyber threat landscape, the orderliness of implementation of IT Projects particularly as the Bank prepares to embark on a digitization effort. The Board of the Parent Bank delegates to the IT Steering Committee (ITSC) the responsibility for implementing our IT strategies and cohesively monitor IT performance. Our ITSC includes the participation of two directors who oversee the institution's IT function as well as members of management that 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 market, the Bank continues 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.

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 ₱26.00 per share as of December 31, 2021 (last trading day), and at ₱26.55 per share as of March 17, 2022 (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, 2022, there were approximately 1,876 holders of 2,691,288,212 common shares.

Top 20 holders of China Bank common shares

Name of Stockholder	Number of Shares	Percentage
1. PCD Nominee Corporation (Non-Fil.)	710,076,453	26.384
2. PCD Nominee Corporation (Filipino)	572,755,780	21.282
3. SM Investments Corporation	463,922,761	17.238
4. Sysmart Corporation	415,995,323	15.457
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.	21,552,649	0.801
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.	5,037,498	0.187
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	**2,455,701,050**	**91.246%**

Equity ownership by nationality

Nationality	Number of Stockholders	Number Shares	Percentage
Filipino	1,798	1,973,978,988	73.347%
Non-Filipino (PCD)	1	710,076,453	26.384%
Chinese	48	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	450,163	0.017%
Dutch	1	62,198	0.002%
Spanish	1	107	0.000%
Taiwanese	3	729,341	0.027%
TOTAL	**1,876**	**2,691,288,212**	**100.0%**

Record and beneficial owners holding 5% or more voting securities

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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	710,076,453	26.38%
Common	PCD Nominee Corporation* 29/F BDO Equitable Tower, 8751 Paseo de Roxas, Makati City Stockholder	Various stockholders/clients	Filipino	572,755,780	21.28%
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	415,995,323	15.46%

* 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, 2021, The Hong Kong and Shanghai Banking Corporation Limited (396,732,386 shares or 14.74%) and BDO Securities Corporation (190,351,468 shares or 7.07%) 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

As of December 31, 2021

Name	Citizenship	No. of Shares Held	Amount of Shares Held (In pesos)	Percentage
Hans T. Sy	Filipino	4,383,462	43,834,620.00	0.163
Gilbert U.Dee	Filipino	12,838,006	128,380,060.00	0.477
William C. Whang	Filipino	18,318	183,180.00	0.001
Peter S. Dee	Filipino	301,305	3,013,050.00	0.011
Joaquin T. Dee	Filipino	51,736,912	517,369,120.00	1.922
Herbert T. Sy	Filipino	735,431	7,354,310.00	0.027
Harley T. Sy	Filipino	897,254	8,972,540.00	0.033
Jose T. Sio	Filipino	3,517	35,170.00	0.000
Margarita L. San Juan	Filipino	95,238	952,380.00	0.004
Philip S. L. Tsai	Filipino	2,000	20,000.00	0.000
Claire Ann T. Yap	Filipino	100	1,000.00	0.000
Genaro V. Lapez	Filipino	100	1,000.00	0.000
TOTAL:		**71,011,643**	**710,116,430.00**	**2.639**

Trading in Company Shares by Bank Directors

Director	Shareholdings as of January 1, 2021	Number of Shares Disposed	Number of Shares Acquired	Shareholdings as of December 31, 2021
Hans T. Sy	4,226,761	-	156,701	4,383,462
Gilbert U. Dee	12,832,906	-	5,100	12,838,006
William C. Whang	17,518	-	800	18,318
Peter S. Dee	301,305	-	-	301,305
Joaquin T. Dee	51,686,912	-	50,000	51,736,912
Herbert T. Sy	578,730	-	156,701	735,431
Harley T. Sy	740,553	-	156,701	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

*Elected as Independent Director on May 6, 2021

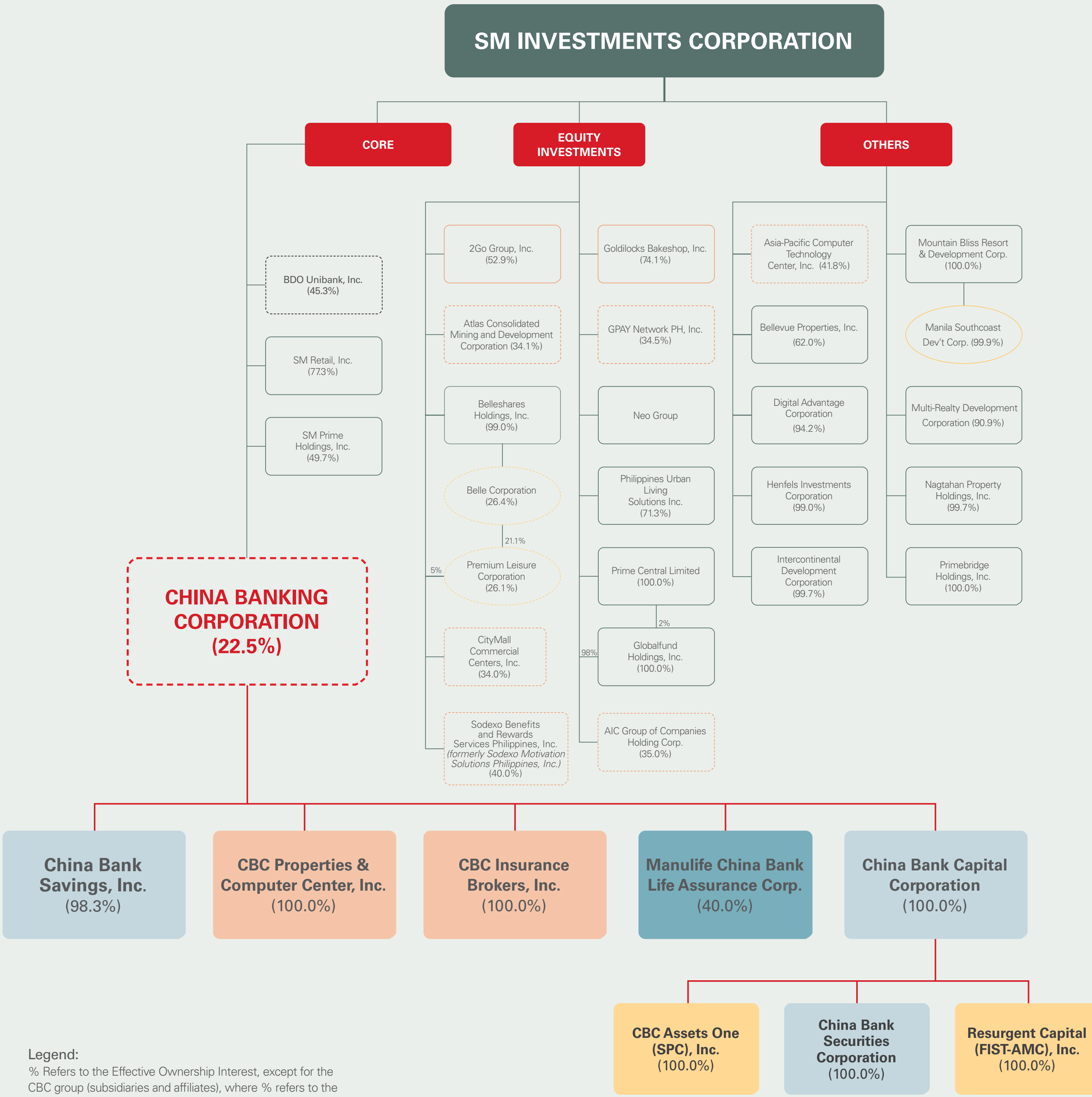
Trading in Company Shares by Bank Principal Officers*

Officer	Shareholdings as of January 1, 2021	Number of Shares Disposed	Number of Shares Acquired	Shareholdings as of December 31, 2021
Patrick D. Cheng	617,756	_	500	618,256
Rosemarie C. Gan	130,032	_	4,100	134,132
Romeo D. Uyan, Jr.		_	500	500
Ananias S. Cornelio III		_	700	700
Jose L. Osmeña, Jr.		_	10,000	10,000
Magnolia Luisa N. Palanca		_	100	100
Christopher Ma. Carmelo Y. Salazar		_	100	100
Yu, Lilian		_	400	400
Lilibeth R. Cariño [a]	4,167	_	4,100	8,267
Cristina P. Arceo		_	1,200	1,200
Angela D. Cruz	1,639,876	_	1,600	1,641,476
Gerard T. Dee	277,864	_	1,600	279,464
Antonio Jose S. Dominguez		_	100	100
Delia Marquez	23,560	_	3,200	26,760
Stephen Y. Tan	2,746	_	1,300	4,046
Layne Y. Arpon	10,732	_	1,100	11,832
Amelia Caridad C. Castelo		_	100	100
Melissa F. Corpus		_	1,500	1,500
James Christian T. Dee [b]		_	2,911,081	2,911,081
Maria Luz B. Favis		_	1,300	1,300
Madelyn V. Fontanilla		_	1,400	1,400
Jerry Ron T. Hao		_	300	300
Maryann T. Lim		_	200	200
Mandrake P. Medina		_	1,200	1,200
Elizabeth C. Say	3,433	_	3,200	6,633
Clara C. Sy	2,973,304	_	3,800	2,977,104
Belenette C. Tan	5,008	_	2,700	7,708
Marisol M. Teodoro	21,323	_	2,600	23,923
Maria Rosanna Catherina L. Testa	6,340	_	1,000	7,340

*First Vice President and up, in addition to Vice Chairman Gilbert U. Dee and President William C. Whang
[a] Retirement effective February 28, 2022
[b] Promotion to First Vice President I effective April 16, 2021

Conglomerate Map

As of December 31, 2021



Legend:
% Refers to the Effective Ownership Interest, except for the CBC group (subsidiaries and affiliates), where % refers to the direct shareholding of the parent company.

SMIC Subsidiary | Subsidiaries of SMIC Subsidiary | Associates | Associate of SMIC Subsidiary

Financial Allied Subsidiary | Non-Financial Allied Subsidiary | Financial Allied Affiliate | Special Purpose Corporation

Board of Directors

1. **Hans T. Sy**
   Chairman
2. **Gilbert U. Dee**
   Vice Chairman, Executive Director
3. **William C. Whang**
   President, Executive Director
4. **Peter S. Dee**
   Non-Executive Director
5. **Joaquin T. Dee**
   Non-Executive Director
6. **Harley T. Sy**
   Non-Executive Director
7. **Herbert T. Sy**
   Non-Executive Director
8. **Jose T. Sio**
   Non-Executive Director
9. **Margarita L. San Juan**
   Lead Independent Director
10. **Philip S.L. Tsai**
    Independent Director
11. **Claire Ann T. Yap**
    Independent Director
12. **Genaro V. Lapez**
    Independent Director
13. **Ricardo R. Chua**
    Advisor to the Board

Board of Directors

HANS T. SY
Chairman

Hans T. Sy, 66, Filipino, is the Chairman of the Board since May 5, 2011. He has been a member of the China Bank Board since May 21, 1986 and served as Vice Chairman from 1989 to 2011. He also serves as Director and Chairman of the Executive Committee of SM Prime Holdings, Inc. (SMPH)*, Adviser to the Board of SM Investments Corporation (SMIC)*, and Chairman of the Board of Trustees of National University, Inc. He holds other key positions in several companies within the SM Group. 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 latest of which was the Advanced Corporate Governance training conducted by the Institute of Corporate Directors (ICD) in September 2021.

GILBERT U. DEE
Vice Chairman, Executive Director

Gilbert U. Dee, 86, Filipino, is the Vice Chairman of the Board since May 5, 2011. He became a member of the China Bank Board on March 6, 1969 and was the Chairman from 1989 to 2011. He is also currently the Chairman of Union Motor Corporation and China Bank subsidiary CBC Properties and Computer Center, Inc. (CBC-PCCI). He previously served as director on the boards of Philippine Pacific Capital Corporation, Philex Mining Corporation, and CBC Finance Corporation. Vice Chairman Dee holds a Bachelor of Science degree in Banking from De La Salle University and 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 attended over the years included ICD's Advanced Corporate Governance Training in September 2021.

WILLIAM C. WHANG
President, Executive Director

William C. Whang, 63, Filipino, is the Director and President of China Bank since November 1, 2017. He previously held several key positions in the Bank from 2011 to 2017: as Chief Operating Officer, Head of Lending Business Segment, and Head of Institutional Banking Group. He currently sits on the boards of China Bank subsidiaries China Bank Securities Corporation (CBSC) as Chairman; and China Bank Savings, Inc. (CBSI), China Bank Insurance Brokers, Inc. (CBC-IBI), CBC-PCCI, and China Bank Capital Corporation (CBCC) as director. He also holds other directorship positions, representing China Bank, in BancNet, Inc., Bankers Association of the Philippines, Philippine Payments Management Inc., and Manulife China Bank Life Assurance Corporation (MCBLife). He has over 40 years of banking experience, previously holding key positions both in local and international financial institutions. Director and President Whang earned his Bachelor of Science degree in Commerce, Major in Business Management, from De La Salle University. He attended various trainings in banking and other related fields such as corporate governance, anti-money laundering (AML), branch-based marketing, quality service management, sales management, and principle-centered leadership.

PETER S. DEE
Non-Executive Director

Peter S. Dee, 80, Filipino, is a China Bank Board member since April 14, 1977. He served as President and Chief Executive Officer from 1985 to 2014. At present, he is an independent director of City & Land Developers, Inc.* and Cityland Development Corporation*. He is also a member of the boards of China Bank subsidiary CBC-PCCI, Hydee Management & Resources Corporation, Commonwealth Foods, Inc., GDSK Development Corporation, Makati Curb Holdings Corporation, Great Expectation Holdings, Inc., and The Big D Holdings Corporation. He previously served as director of Sinclair (Phils.) Inc., Can Lacquer, Inc., CBC Forex Corporation, and CBC-IBI, among others. Director Dee obtained his Bachelor of Science degree, Major in Commerce, from De La Salle University and the University of the East, and attended a Special Banking Course at the American Institute of Banking. He attended various trainings, the latest of which was in September 2021 on AML and corporate governance.

* Listed on the Philippine Stock Exchange

JOAQUIN T. DEE
Non-Executive Director

Joaquin T. Dee, 86, Filipino, is a member of the China Bank Board since May 10, 1984. He is also on the boards of JJACCIS Development Corporation, Enterprise Realty Corporation, and Suntree Holdings Corporation. He served as Vice President of Wellington Flour Mills from 1964 to 1995. Director Dee is a graduate of Letran College with a Bachelor of Science degree in Commerce. He attended trainings and seminars related to banking, such as on data privacy, corporate governance, and AML.

HARLEY T. SY
Non-Executive Director

Harley T. Sy, 62, Filipino, is a member of the China Bank Board since May 24, 2001. He is also the Executive Director of SM Investments Corporation, one of the largest publicly listed companies in the Philippines, and holds various positions in other non-listed companies in the SM group. Director Sy graduated with a Bachelor of Science degree in Commerce, Major in Finance, from De La Salle University. He participated in extensive trainings focused on enhancing his banking skills, including programs on AML, corporate governance, and BSP supervisory assessment framework.

HERBERT T. SY
Non-Executive Director

Herbert T. Sy, 65, Filipino, was first elected to the China Bank Board on January 7, 1993. He also serves as Chairman of Supervalue, Inc., Super Shopping Market, Inc., Sondrik, Inc., and Sanford Marketing Corp., and as director of SM Prime Holdings, Inc.* and National University. He has been involved in companies engaged in food retailing, investment, real estate development, and mall operations. Director Sy obtained his Bachelor of Science degree in Management from De La Salle University. His latest banking-related trainings included ICD's Advanced Corporate Governance Training in September 2021.

JOSE T. SIO
Non-Executive Director

Jose T. Sio, 82, is a China Bank director since November 7, 2007. He also serves as Chairman of SM Investments Corporation*, Director of Belle Corporation* and Consolidated Mining and Development Corporation*, Independent Trustee of Far Eastern University, Inc.*; and Adviser to the Board of BDO Unibank, Inc.* and Premium Leisure Corporation*. He is also on the boards of NLEX Corporation, Ortigas Land Corporation, and First Asia Realty Development Corporation, and is currently the Chairman, President and Trustee of SM Foundation, Inc. Mr. Sio was a Senior Partner of SyCip Gorres Velayo & Co. (SGV). He was voted CFO of the Year in 2009 by the Financial Executives of the Philippines (FINEX) and was named 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. Mr. Sio is a Certified Public Accountant 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, AML updates and advanced corporate governance in 2021.

* Listed on the Philippine Stock Exchange

Board of Directors

MARGARITA L. SAN JUAN
Lead Independent Director

Margarita L. San Juan, 68, Filipino, is the Lead Independent Director of China Bank. She was first elected to the China Bank Board on May 4, 2017. She is also Independent Director in Bank subsidiaries CBSI, CBCC, CBC-IBI, and CBCC's wholly-owned subsidiary Resurgent Capital (FISTC-AMC) Inc. (RCI). She does not hold directorship position in any other PSE-listed company. In the past, she worked with Ayala Investment and Development Corporation, Commercial Bank and Trust Co., and in the Bank's Account Management Group as Senior Vice President and Group Head until her retirement in 2012. Director San Juan earned her Bachelor of Science degree in Business Administration, Major in Financial Management, from the University of the Philippines, and completed the Advanced Bank Management Program of the Asian Institute of Management (AIM). She participated in various seminars and trainings including development financing, international banking operations, marketing, financial analysis and control, credit, risk management, lending and investment banking, restructuring and corporate rehabilitation, and the latest on AML and corporate governance in September 2021.

PHILIP S.L. TSAI
Independent Director

Philip S.l. Tsai, 71, Filipino, is an Independent Director of China Bank since November 7, 2018. He also serves as Independent Director of China Bank subsidiaries CBSI, CBCC, and CBC-IBI. He has about 40 years of banking and financial experience, previously holding key positions in First CBC Capital (Asia) Limited, Midwest Medical Management, Fortune Travel International Inc., Chemical Bank New York, Plastic Container Packaging/Consolidated Can Corp., and in the Bank's Retail Banking Business until his retirement in 2015. Director Tsai obtained his Bachelor of Science degree in Business Administration from the University of the Philippines and his master's degree in Business Administration from the Roosevelt University in Chicago, Illinois. He participated in several trainings on corporate governance, bank protection, related party transactions, AML, and branch-based marketing, among others. His latest trainings include sustainability in the board room and risk management in the age of COVID-19 in 2020, and effective corporate governance board focus and digital transformation in 2021.

CLAIRE ANN T. YAP
Independent Director

Claire Ann T. Yap, 66, Filipino, is an Independent Director of the Bank since October 1, 2020. She also serves as Independent Director of China Bank subsidiaries CBSI, CBCC, and CBSC, and CBCC subsidiary RCI. She is also a Board Trustee and the Vice Chairperson of Vedruna Foundation, Inc., and a Director of Ayala Heights Village Association, Inc. She has over 30 years of banking and finance experience from local and multinational organizations. She was the Senior Vice President and Head of Global Service Centre of Global Payments Process Centre, Inc., a Fortune 500 company and worldwide leader providing payments and financial technology solutions. She also previously held executive leadership positions at Australia and New Zealand Banking Group Ltd. and Hongkong and Shanghai Banking Corporation. She served as Chairman of the Credit Card Association of the Philippines from 2009 to 2010 and President from 2007 to 2009. A Certified Public Accountant, Director Yap graduated cum laude from De La Salle University with a Bachelor of Science degree in Accountancy. She has had various trainings on managing customer experience, credit card fraud and security, information security and data privacy, AML, and corporate governance.

GENARO V. LAPEZ
Independent Director

Genaro V. Lapez, 64, Filipino, was elected as Independent Director of China Bank on May 6, 2021. He serves as Independent Director in the Bank subsidiaries CBSI and CBSC. He is a seasoned strategic and tactical thinker with extensive local and international experience in banking and consumer marketing. He was most recently a Senior Advisor at Union Bank of the Philippines where he also previously served as Executive Vice President and Head of Center for Strategic Partnerships and Head of Consumer Finance. In the past, he held various senior leadership positions at Royal Numico, Coca-Cola Bottlers Phils. Inc., San Miguel Corporation, Nabisco, and Time Life./Time-Warner Inc. He earned his Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. He has attended various seminars and training programs, including The Asian Banker's Retail Banking Leadership (Certificate Program), John Clements Consultants and Harvard Business School's Retail Banking Future Workshop (Certificate Program), European Financial Management Association's Global Consumer Banking (Certificate Program), and AML updates, Corporate Governance, and Technology Governance for Directors from the ICD.

RICARDO R. CHUA
Advisor to the Board

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

Management Committee

WILLIAM C. WHANG
President

ROMEO D. UYAN, JR.
Executive Vice President
and Chief Operating Officer

PATRICK D. CHENG
Executive Vice President
and Chief Finance Officer

ROSEMARIE C. GAN
Executive Vice President
and Head of Retail Banking
Business Segment

LILIAN YU
Senior Vice President and Head of Institutional Banking Group

MAGNOLIA LUISA N. PALANCA
Senior Vice President and Head of Financial Markets Segment

ALOYSIUS C. ALDAY JR.
Senior Vice President and Head of Consumer Banking Segment

DELIA MARQUEZ
First Vice President II and Head of Centralized Operations Group

MANUEL C. TAGAZA
Senior Vice President and Head of Digital Banking Group

ANANIAS S. CORNELIO III*
Senior Vice President and Chief Risk Officer
**Ex-officio member*

China Bank Management Team

As of April 18, 2022

VICE CHAIRMAN

Gilbert U. Dee

PRESIDENT

William C. Whang

EXECUTIVE VICE PRESIDENTS

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Rosemarie C. Gan
Romeo D. Uyan, Jr.

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Ananias S. Cornelio III
Jose L. Osmeña, Jr.
Magnolia Luisa N. Palanca
Christopher Ma. Carmelo Y. Salazar
Manuel C. Tagaza
Lilian Yu

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Layne Y. Arpon
Grace C. Buenavista
Lilibeth R. Cariño
Amelia Caridad C. Castelo
Melissa F. Corpus
Angela D. Cruz
Francis Andre Z. De Los Santos
Gerard Majella T. Dee
James Christian T. Dee
Antonio Jose S. Dominguez
Maria Luz B. Favis
Gerald O. Florentino
Madelyn V. Fontanilla
Jerry Ron T. Hao
Mary Ann T. Lim
Delia Marquez
Mandrake P. Medina
Elizabeth C. Say
Clara C. Sy
Belenette C. Tan
Stephen Y. Tan
Marisol M. Teodoro
Maria Rosanna Catherina L. Testa
Geoffrey D. Uy

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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
Jeannette H. Chan
Marie Carolina L. Chua
Tani Michelle M. Cruz
Domingo P. Dayro, Jr.
Aileen Paulette S. De Jesus
Norman D. Del Carmen
Gemma B. Deladia
Rhodin Evan O. Escolar
Therese G. Escolin
Luellia S. Espine
Pablito P. Flores
Francisco Javier C. Galang
Rafael B. Gamad, Jr.
Cesare' Edwin M. Garcia
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Ma. Cristina C. Hernandez
Marlon B. Hernandez
Emir Francis D. Javillonar
Ma. Arlene Mae G. Lazaro
Shirley C. Lee
Angelyn Claire C. Liao
Regina Karla F. Libatique
Karyn C. Lim
B. Franco C. Loyola
Jennifer Y. Macariola
Ordon P. Maningding
Ronald R. Marcaida
Alfredo Manuel E. Moreno
Ella May E. Navallo
Enrico J. Ong
Jocelyn T. Pavon
Mani Thess Q. Peña-Lee
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William Wayne T. Quesang
Jennifer D. Santamaria
Danilo T. Sarita
Francisco Eduardo A. Sarmiento
Cherie S. Sia
Irene C. Tanlimco
Michael C. Tomon
Ma. Edita Lynn Z. Trinidad
Harvey L. Ty
Jasmin O. Ty
Virginia Y. Uy
Valerie Mariflor G. Valera
Domini S. Velasquez
Esmeralda R. Vicente
Clarissa Maria A. Villalon
Charon B. Wambangco
Carina L. Yandoc
George C. Yap
Michelle Y. Yap-Bersales
Hanz Irvin S. Yoro
Mary Joy L. Yu

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Agnes O. Adviento
Luis R. Apostol
Ma. Florentina U. Arellano
Maria Marissa A. Auditor
Aerol Paul B. Banal
Francis Nicolo D. Basilio
Roberto P. Basilio
Maria Charmina B. Bonifacio
Agnes C. Calimbahin
Jonathan C. Camarillo
Norman Roque V. Causing
Jose Juan Maria B. Cordero
Ma. Jeanette D. Cuyco
Ricardo J. De Guzman III
Aimee-Cel A. De Leon
Jinky T. Dela Torre
Ma. Lourdes L. Dela Vega
Mary Ann R. Ducanes
Leilani B. Elarmo
Susan U. Ferrer
Hyacinth M. Galang
Marissa G. Garcia
Dennis S. Go II
Virginia G. Go
Grace Y. Ho
Gladys Antonette Marcel P. Isidro
Primitivo B. Julito, Jr.
Josefina Anna T. Justiniano
Maria Margaret U. Kua
Christine Marie D. Lim
Mary Ann L. Llanes
Glenn B. Lotho
Kristha Feliz A. Mangahas
Katherine N. Manguiat
Sheila Jane F. Medrero
Tadeos R. Natividad
Gil P. Navelgas
Remedios Emilia R. Olivar
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Josephine D. Paredes
Noreen S. Purificacion
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Katherine Joyce C. Quijano
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Rhoel T. Reyes
Rosauro M. Ricardo
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Ana Ma. Raquel Y. Samala
Anita Y. Samala
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Edgardo M. Santos
Ma. Graciela C. Santos
Ernanie V. Silvino
Maria Cecilia D. So
Joanne Christie U. Tan
Michaela L. Teng
Hudson Q. Uy
David Andrew P. Valdellon
Jonathan T. Valeros
Roderick Iluminado U. Vallejo III
Anthony Ariel C. Vilar
Catherine D. Yabes
Rosario D. Yabut

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Ramiro A. Amanquiton
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Maria Salome P. Angala
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Desiree Jade T. Go
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Ruth D. Holmes
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Sheilah B. Paglinawan
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Jefrey D. Pangilinan
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George Michael F. Punzalan
Evelyn O. Ramos
Niña May Q. Reynoso
Arlene A. Romo
Jouzl Marie C. Roña
Eleanor D. Rosales
Marie Christine S. Sagrado-Cabato
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Edellina C. Santiago
Joanne A. Serrano
John Albert P. Sia
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Jaydee C. Tan
Susan Y. Tang
Arnel Ferdinand R. Tiglao
Jacqueline T. Tomacruz
Karen W. Tua
Cristina C. Ty
Jeff Michael T. Ty
Norman P. Ureta
Cassandra Ira B. Uy
April Marie O. Yago
Maria Carolina U. Yonzon
Marie Claire B. Young

Awards

CHINA BANK

The Asset Triple A Sustainable Capital Markets Country and Regional Awards 2021 – *The Asset*
Best Bank in the Philippines

2022 PDS Annual Awards – Philippine Dealing System
Cesar E.A. Virata Best Securities House (Bank Category)
Top Brokering Participant - Retail Transactions for 2021
Top 2 Fixed Income Dealing Participant for 2021
Top 3 Corporate Securities Market Maker for 2021
Top 3 Fixed Income Brokering Participant for 2021

Strongest Banks 2021 by Balance Sheet – *The Asian Banker*
2nd Strongest Bank in the Philippines
81st Strongest Bank in Asia Pacific

4th Bank Marketing Awards – Bank Marketing Association of the Philippines
Best Brand Program – China Bank Centennial Program

2021 Outstanding BSP Stakeholders Appreciation – Bangko Sentral ng Pilipinas
Outstanding Stakeholder

ASEAN Corporate Governance Scorecard Golden Arrow Recognition - Institute of Corporate Directors (ICD)
4-Golden Arrow Award

ASEAN Corporate Governance Scorecard Awards - ASEAN Capital Markets Forum
Among the Top 3 Publicly Listed Companies in the Philippines
Among the Top 20 Publicly Listed Companies in ASEAN
ASEAN Asset Class

CHINA BANK CAPITAL

The Asset Triple A Sustainable Capital Markets Country and Regional Awards 2021 – *The Asset*
Best Bond Adviser (Domestic)
Best New Bond – D&L Industries PHP 5 billion fixed rate retail bond
Best IPO – Monde Nissin PHP 48.6 billion IPO
Best REIT – RL Commercial REIT PHP 23.5 billion IPO
Best Green Bond – Corporate – AC Energy Corporation US$ 400 million fixed-for-life green notes
Best Bond – Globe Telecom US$600 million resettable senior unsecured perpetual capital securities

2022 PDS Annual Awards – Philippine Dealing System
Top Corporate Issue Manager/Arranger (Investment House Category)

IHAP Awards – Investment House Association of the Philippines
Best Fixed Income House

Financial Statements

Disclosure on Capital Structure and Capital Adequacy

102-45

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 consolidated and parent company basis:

Common Capital Equity (Basel III)	Consolidated	Parent Company
In PhP Million	2021	
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	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)
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

Common Capital Equity (Basel III)	Consolidated	Parent Company
In PhP Million	2020	
Common Equity Tier 1 Capital		
Paid-up common stock	26,859.00	26,859.00
Additional paid-in capital	17,122.63	17,122.63
Retained Earnings	59,607.70	56,990.58
Other Comprehensive Income	(594.45)	(594.45)
Minority Interest	109.00	–
Less: Retained Earnings Appropriated for General Loan Loss Provision	(1,513.34)	(1,513.34)
Less: Unsecured DOSRI	(5.07)	(3.20)
Less: Deferred Tax Assets	(5,313.53)	(4,692.25)
Less: Goodwill	(563.47)	(222.84)
Less: Other Intangible Assets	(3,437.93)	(837.53)
Less: Defined Benefit Pension Fund Assets/Liabilities	(262.23)	(193.35)
Less: Investment in Subsidiary	(261.01)	(12,828.04)
Less: Significant Minority Investment	(912.65)	(912.65)
Less: Other Equity Investment	(84.77)	(82.58)

Forward

Common Capital Equity (Basel III)	Consolidated	Parent Company
In PhP Million	2020	
Total CET 1 Capital	90,749.88	79,091.99
Additional Tier 1 Capital	–	–
Total Tier 1 Capital	90,749.88	79,091.99
Tier 2 Capital		
General Loan Loss Provision	5,986.11	5,301.73
Total Tier 2 Capital	5,986.11	5,301.73
Total Qualifying Capital	96,735.99	84,393.72

Risk-based capital ratios:

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%

Basel III	Consolidated	Parent Company
	2020	
	In PhP Million	
CET 1 capital	103,103.87	100,377.75
Less regulatory adjustments	(12,353.99)	(21,285.76)
Total CET 1 capital	90,749.88	79,091.99
Additional Tier 1 capital	–	–
Total Tier 1 capital	90,749.88	79,091.99
Tier 2 capital	5,986.11	5,301.73
Total qualifying capital	96,735.99	84,393.72
Risk weighted assets	656,581.68	578,278.25
CET 1 capital ratio	13.82%	13.68%
Tier 1 capital ratio	13.82%	13.68%
Total capital ratio	14.73%	14.59%

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:

	Consolidated					
	2021			2020		
	Qualifying Capital	Reconciling Items	Audited Financial Statements	Qualifying Capital	Reconciling Items	Audited Financial Statements
Common stock	26,913	–	26,913	26,859	–	26,859
Additional paid-in capital	17,201	–	17,201	17,123	–	17,123
Other Equity paid-in capital	–	–	–	–	(141)	141
Retained Earnings	71,826	(2,110)	73,936	59,608	(1,926)	61,534
Net unrealized gains or losses on FVOCI securities	216	135	81	274	(20)	294
Cumulative foreign currency translation and others	415	(535)	950	(869)	119	(988)
Non-controlling interest	104	62	42	109	85	24
Deductions	(12,278)	(12,278)	–	(12,354)	(12,354)	–
Tier 1 (CET1) capital/Total equity	104,397	(14,726)	119,123	90,750	(14,237)	104,987
Tier 2 capital	5,807	5,807	–	5,986	5,986	–
Total qualifying capital/Total equity	110,204	(8,919)	119,123	96,736	(8,251)	104,987

	Parent Company					
	2021			2020		
	Qualifying Capital	Reconciling Items	Audited Financial Statements	Qualifying Capital	Reconciling Items	Audited Financial Statements
Common stock	26,913	–	26,913	26,859	–	26,859
Additional paid-in capital	17,201	–	17,201	17,123	–	17,123
Other Equity paid-in capital	–	–	–	–	(141)	141
Retained Earnings	69,209	(4,727)	73,936	56,991	(4,543)	61,534
Net unrealized gains or losses on FVOCI securities	216	135	81	274	(20)	294
Cumulative foreign currency translation and others	415	(535)	950	(869)	119	(988)
Deductions	(22,099)	(22,099)	–	(21,286)	(21,286)	–
Tier 1 (CET1) capital/Total equity	91,855	(27,226)	119,081	79,092	(25,871)	104,963
Tier 2 capital	5,464	5,464	–	5,302	5,302	–
Total qualifying capital/Total equity	97,319	(21,762)	119,081	84,394	(20,569)	104,963

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

Capital Requirement in PhP Million	Consolidated		Parent Company	
	2021	2020	2021	2020
Credit Risk	61,068.72	59,782.59	54,618.48	52,898.00
Market Risk	2,826.12	683.51	2,819.42	673.96
Operational Risk	6,059.90	5,192.07	5,060.28	4,255.87
Total Capital Requirements	69,954.74	65,658.17	62,498.18	57,827.83

Credit Risk

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

December 2021

On-Balance Sheet Assets	Consolidated		Parent Company	
	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 Company	
	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

December 2019

On-Balance Sheet Assets	Consolidated		Parent Company	
	Exposures, net of Specific Provisions	Exposures not Covered by CRM	Exposures, net of Specific Provisions	Exposures not Covered by CRM
Cash on Hand	17,024.41	17,024.41	14,703.32	14,703.32
Checks and Other Cash Items	169.25	169.25	153.52	153.52
Due from BSP	99,630.53	99,630.53	88,109.65	88,109.65
Due from Other Banks	10,226.96	10,226.96	8,645.55	8,645.55
Financial Assets at FVPL	9.89	–	9.89	–
Financial Assets at FVOCI	16,653.16	15,664.31	14,698.42	13,709.57
Investment Securities at Amortized Cost	179,688.25	179,688.25	175,854.50	175,854.50
Loans and Receivables	579,963.10	552,460.47	514,663.87	494,409.87
Loans and Receivables arising from Repurchase Agreements	12,461.68	12,461.68	5,449.71	5,449.71
Sales Contract Receivables	1,038.71	1,038.71	205.81	205.81
Real and Other Properties Acquired	3,258.61	3,258.61	307.77	307.77
Other Assets	17,176.15	17,176.15	11,000.11	11,000.11
Total On-Balance Sheet Assets	937,300.71	908,799.34	833,802.11	812,549.37

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

Off-balance Sheet Assets	2021				2020				2019			
	Consolidated		Parent		Consolidated		Parent		Consolidated		Parent	
	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent	Notional Principal	Notional Principal	Notional Principal	Notional Principal	Notional Principal	Notional Principal
Transaction-related contingencies	26,183.61	13,091.81	26,089.65	13,044.83	21,656.78	10,828.39	21,549.73	10,774.86	63,504.13	31,752.06	63,386.79	31,693.40
Trade-related contingencies arising from movement of goods	3,866.81	773.36	3,862.96	772.59	5,986.61	1,197.32	5,978.36	1,195.67	5,286.34	1,057.27	5,273.64	1,054.73
Other commitments (which can be unconditionally cancelled at any time by the bank without prior notice)	242,928.59	–	242,391.06	–	230,245.64	–	229,941.53	–	208,932.75	–	208,575.86	–
Total Notional Principal and Credit Equivalent Amount	**272,979.01**	**13,865.17**	**272,343.68**	**13,817.42**	**257,889.02**	**12,025.71**	**257,469.62**	**11,970.54**	**277,723.22**	**32,809.33**	**277,236.30**	**32,748.12**

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

December 2021

Standardized Approach	Consolidated		Parent Company	
	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 Company	
	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

December 2019

Standardized Approach	Consolidated		Parent Company	
	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent
Interest Rate Contracts	1,864.61	13.22	1,864.61	13.22
Exchange Rate Contracts	36,082.99	472.21	36,082.99	472.21
Equity Contracts	–	–	–	–
Credit Derivatives	–	–	–	–
Total Notional Principal and Credit Equivalent Amount	37,947.59	485.43	37,947.59	485.43

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

December 2021

Standardized Approach	Consolidated		Parent Company	
	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 Company	
	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

December 2019

Standardized Approach	Consolidated		Parent Company	
	Fair Value/ Carrying Amount	Net Exposures after CRM	Fair Value/ Carrying Amount	Net Exposures after CRM
Derivative Transactions	–	–	–	–
Repo-Style Transactions	19,443.72	2,652.82	19,443.72	2,652.82
Total Fair Value/Carrying Amount and Net Exposures after CRM	19,443.72	2,652.82	19,443.72	2,652.82

The following credit risk mitigants are used in the December 2021 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	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**

Weight Band	2019							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	469,596.95	1,555.79	2,971.71	474,124.45	430,163.75	1,555.79	2,971.71	434,691.26
100% and Above	439,202.39	31,253.54	166.53	470,622.47	382,385.62	31,192.33	166.53	413,744.49
Total	**908,799.34**	**32,809.33**	**3,138.25**	**944,746.92**	**812,549.37**	**32,748.12**	**3,138.25**	**848,435.75**

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

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

Weight Band	2019							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	104,405.21	311.16	1,218.67	105,935.03	95,647.30	311.16	1,218.67	97,177.13
100% and Above	442,498.63	31,253.54	166.53	473,918.70	383,146.28	31,192.33	166.53	414,505.15
Covered by CRM	80.54	-	-	80.54	80.54	-	-	80.54
Excess GLLP				280.75				747.37
Total	546,984.37	31,564.70	1,385.20	579,653.53	478,874.12	31,503.49	1,385.20	511,015.45

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 PH-denominated debts and loans (regardless of currency) of 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 2021 is ₱28,261.17 million on a consolidated basis and ₱28,194.25 million for the parent company. This is composed of Interest Rate exposures amounting to ₱27,357.40 million and Foreign Exposures amounting to ₱903.77 million on a consolidated basis, and Interest Rate exposures amounting to ₱27,357.40 million and Foreign Exposures amounting to ₱836.85 million for the parent company.

Interest Rate Exposures (in PhP Mn)	Consolidated	Parent Company	Consolidated	Parent Company
	2021		2020	
Specific Risk	184.39	184.39	89.24	89.24
General Market Risk	22.53	22.53	162.56	162.56
PHP	1,981.67	1,981.67	244.44	244.44
FCY	2,188.59	2,188.59	496.24	496.24
Total Capital Charge	2,735.74	2,735.74	620.30	620.3
Adjusted Capital Charge				
Subtotal Market Risk-Weighted Assets	27,357.40	27,357.40	6,203.04	6,203.04

Equity Exposures	Consolidated	Parent Company	Consolidated	Parent Company
	2021		2020	
Total Capital Charge	–	–	–	–
Adjusted Capital Charge	–	–	–	–
Subtotal Market Risk-Weighted Assets	–	–	–	–

Foreign Exchange Exposures	Consolidated	Parent Company	Consolidated	Parent Company
	2021		2020	
Total Capital Charge	72.30	66.95	50.56	42.92
Adjusted Capital Charge	90.38	83.69	63.20	53.65
Subtotal Market Risk-Weighted Assets	903.77	836.85	632.04	536.51

Total Market Risk-Weighted Assets	28,261.17	28,194.25	6,835.08	6,739.55

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 6,060 million of which PHP 5,060 million was allocated to the operation of the Parent Bank. Both figures were more than 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	2021	2020
Parent	**50,603**	42,559
Group	**60,599**	51,921

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 Company	
	2021	2020	2021	2020
Upward	**1,428**	1,433	**1,369**	1,430
Downward	**1,465**	1,398	**1,385**	1,396

Report of the Audit Committee

The Audit Committee provides a structured, systematic oversight of the governance, risk management and internal control processes of China Banking Corporation. It is a Board-level Committee exercising primary oversight over all matters pertaining to the internal control system, financial reporting, internal and external audit processes, whistleblowing, and compliance of the Bank with applicable laws and regulations. It provides the Board with independent and objective advice and guidance on the adequacy and effectiveness of management's activities and initiatives and potential improvement in areas within its authority.

The Committee is composed of three (3) non-executive members of the Board of Directors – Independent Director Claire Ann T. Yap serves as the Chairperson, with Non-Executive Director Joaquin T. Dee and Independent Director Philip S.L. Tsai as members. All of the members have 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 2021, the Committee held twelve regular meetings and two special meetings. The participation in the meetings was exercised in person or through remote communication in accordance with the Board-approved Guidelines for Participation in Board and Committee Meetings through Remote Communication. The Committee discussed and deliberated on matters set out below.

INTERNAL CONTROL AND COMPLIANCE SYSTEM

The Committee exercised oversight over management to ensure that an adequate, effective and efficient internal control system, including information technology security and control, is established, maintained and improved. It reviewed and discussed with management, external auditors and internal audit various matters including management's assessment of the adequacy of internal controls of the Bank as a whole and its individual units. It evaluated the actions and responses to the internal control issues noted during internal audit and determined that appropriate and timely corrective actions were taken to address significant deficiencies and weaknesses. Reports on matters of significance arising from work performed by providers of financial and internal control assurance were provided to the Committee for its disposition.

The Committee also reviewed the effectiveness of the Bank's system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up of any instances of non-compliance. It also invited relevant resource persons to provide updates to the Committee on outstanding audit issues arising from the regular, limited and special audits of branches and units, and status of unresolved or unacted high risk audit and management issues.

FINANCIAL REPORTING FRAMEWORK

The Committee looked into the financial reporting processes, practices and controls of the Bank to make sure that the reporting framework enabled the generation and preparation of accurate and comprehensive information and reports. The Committee reviewed the annual audited financial statements, taking into account key audit matters and areas of audit emphasis, changes in accounting policies and practices, standards and interpretations and their related impact. The Committee discussed with the external auditors the management letter containing comments and suggestions to improve the Bank's financial reporting framework.

EXTERNAL ASSURANCE PROCESSES AND PROVIDERS

The Committee recommended to the Board and stockholders the re-engagement in 2021 of SyCip Gorres Velayo & Co. (SGV) as the external auditor of the Bank after obtaining reasonable assurance with respect to the work of the external assurance providers and upon careful evaluation of their qualifications, performance, competence, integrity, and independence.

The Committee discussed with SGV the annual audited financial statements, management letter, and the disposition of the recommendations, regulatory and accounting issues and developments and their effect on the financial statements. The discussion also focused on results of audit and confirmation procedures and covered areas prescribed by the Bangko Sentral ng Pilipinas (BSP) and other regulatory agencies.

The Committee 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. It improved its approval process for both non-audit and audit engagements with external assurance providers to ensure that any non-audit work that will conflict with the duties of the external auditors is disallowed.

INTERNAL AUDIT FUNCTION

The Committee monitored and reviewed the effectiveness of the internal audit function. To obtain reasonable assurance with respect to the Bank's internal audit function, the Committee reviewed and approved the Bank's risked-based internal audit plan, scope, frequency of work and budget, including the resources necessary to achieve the plan. It evaluated the strategies and results of activities versus plans of Audit Division's Audit Quality Assurance Department, Branch Audit Department, Head Office and Subsidiaries Audit Department, and IT Audit Department. The discussions included updates, deferments and changes in their respective audit engagements and audit plans, the impact of the COVID-19 pandemic to Audit Division's operations, actions taken and strategies in terms of audit coverage and scope, and the internal auditors' continuing professional development activities. It also approved the Policy on Coordination and Reliance with other Assurance Service Providers. The full integration to the Bank of subsidiary China Bank Savings' internal audit function was also taken up and favorably acted upon as part of the strategic plan to promote a group-wide mindset aimed to continuously harmonize and rationalize processes and procedures and to leverage on the economies of scale.

In addition, the Committee discussed the Chief Audit Executive's confirmation of the organizational independence of internal audit activity and auditors' objectivity, his attestation on the Bank's control processes and his adherence to the Institute of Internal Auditors' Standard and Implementation Guide 2130 on Control. Further, the Committee evaluated the performance of the Chief Audit Executive and ensured that his performance of the internal audit function is free from interference by outside parties. It also monitored the conformance of the internal audit function with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing, and the Code of Ethics.

Based on the foregoing, the Committee views 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 financial position and performance of the Bank in all material respects in accordance with the relevant auditing and accounting standards.

Makati City, 28 February 2022.

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, 2021 and 2020, 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.

10 MAR 2022

Signed this 28th day of February, 2022, 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

REGINE C. YU
Notary Public for Makati City
Appt. No. M-187 until 31 December 2021
4/F Philcom Building,
8755 Paseo de Roxas, Makati City
PTR No. 8855300; 01-05-22; Makati City
IBP Lifetime No. [illegible]; 01-05-22; Makati City
Roll of Attorney's No. 63781
EXTENDED UNTIL JUNE 30, 2022
PURSUANT TO BAR MATTER NO. 3795

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Page No.: 21
Book No.: 7
Series of: 2022

Independent Auditors' Report

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

SGV
Building a better working world

Report on the Consolidated and Parent Company Financial Statements

Opinion

We have audited the consolidated financial statements of China Banking Corporation and its subsidiaries (the Group) and the parent company financial statements of China Banking Corporation, which comprise the consolidated and parent company balance sheets as at December 31, 2021 and 2020, 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, 2021, 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, 2021 and 2020, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2021 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.

<u>Applicable to the audit of the Consolidated and Parent Company Financial Statements</u>

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, 2021 for the Group and the Parent Company amounted to ₱15.06 billion and ₱12.49 billion, respectively. Provision for credit losses of the Group and the Parent Company in 2021 amounted to 8.88 billion and ₱7.68 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 also assessed the assumptions used where there are missing or insufficient data.

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

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

In 2021, the Parent Company disposed investment securities managed under the hold-to-collect (HTC) business model with aggregate carrying amount of ₱55.77 billion. The disposals resulted in a gain of ₱4.06 billion. Investment securities held under a hold-to-collect business model, which are classified as 'Investment securities at amortized cost', are managed to realize cash flows by collecting contractual payments over the life of the instrument.

The accounting for the disposals is significant to our audit because the amounts involved are material (23.01% and 23.60% of the total investment securities at amortized cost of the Group and the Parent Company, respectively). Moreover, it involves the exercise of significant judgment by management in assessing whether the disposals are consistent with the HTC business model and that it would not impact the measurement of the remaining securities in the affected portfolios.

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

Audit response

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

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

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, 2021, 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.

Independent Auditors' Report

Recoverability of deferred tax assets

As of December 31, 2021, the deferred tax assets of the Group and the Parent Company amounted to ₱4.62 billion and ₱3.41 billion. The recognition of deferred tax assets is significant to our audit because it requires significant judgment and is based on assumptions such as availability of future taxable income and the timing of the reversal of the temporary differences that are affected by expected future market or economic conditions and the expected performance of the Group. The estimation uncertainty on the Group's and the Parent Company's expected performance has increased as a result of the uncertainties brought about by the coronavirus pandemic.

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

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 and taking into consideration the impact associated with the coronavirus pandemic. 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, 2021, 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, 2021 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. 8853462, January 3, 2022, Makati City

February 28, 2022

Management's Discussion on Result of Operations and Financial Condition

RESULT OF OPERATIONS

China Bank posted a 25.1% increase in net income to ₱15.1 billion in 2021 on the back of sustained core business growth and effective cost management. This translated to an improved return on equity of 13.58% and return on assets of 1.45%.

Net interest income grew by 13.2% to ₱38.3 billion from ₱33.8 billion in 2020, supported by lower interest expense which dropped by 44.3% to ₱7.4 billion. This resulted in a better net interest margin of 4.20% from 3.92%.

Non-interest income recorded a 3.5% uptick to ₱10.4 billion, underpinned by a 38.6% increase in core fee-based income and the ₱4.0 billion net gain on trading and disposal of investment securities at amortized cost. Service charges, fees, and commissions rose by 29.2% to ₱3.5 billion due to higher investment banking commissions and loans- and deposits-related revenues. Trust fee income saw a 10.0% jump to ₱451.0 million following the sustained build-up in trust department accounts. Foreign exchange gain rose by 3.2x to ₱686.9 million because of favorable foreign exchange trading activities. The upturn in sales of foreclosed assets resulted in the doubling of gain on sale of investment properties to ₱388.3 million and a ₱110.2 million swing in gain on asset foreclosure and *dacion* transactions to ₱87.5 million. Miscellaneous income totaled ₱1.3 billion, up 32.6% from ₱952.2 million driven by higher bancassurance fees and other transaction-based revenues.

The Bank controlled the movement in operating expenses (excluding provision for impairment and credit losses) at ₱22.3 billion. The material components of which include compensation and fringe benefits which accounted for 34% of total expenses, taxes & licenses at 16%, insurance at 9%, and miscellaneous expenses at 15%. China Bank's combined efforts of prudent spending, digitization, and continued investment in growth strategies led to a better cost-to-income ratio of 46% from 49%.

The Bank recognized provision for impairment and credit losses worth ₱8.9 billion, unchanged vis-à-vis the 2020 amount.

For 2021, China Bank paid a cash dividend of ₱1.00 per share or a total of ₱2.7 billion, which represents a total payout of 22% of prior year's net income.

FINANCIAL CONDITION

China Bank's consolidated assets ended at ₱1.1 trillion as of December 31, 2021, up ₱76.3 billion or 7.4% year-on-year, fueled by the expansion in investment securities and loans.

Total investment securities amounted to ₱279.4 billion, up 18.4%. Financial assets at fair value through profit or loss dropped 46.2% to ₱7.2 billion due to securities disposal during the year. Meanwhile, financial assets at fair value through other comprehensive income and investment securities at amortized cost posted increases by 41.6% and 19.8%, respectively, with the growth in such investments. Derivative contracts designated as hedges amounting to ₱1.1 billion was also booked in relation to interest rate swap contracts used as hedging instruments against time deposits. The Bank's liquidity ratio was recorded at 42%, slightly lower than 43% as of end-2020.

Gross loans grew by 9.1% to ₱624.3 billion, underscored by a normalizing demand for credit in both business and consumer sectors as the economy gradually opens up with loosened COVID-related restrictions. Net loans stood at ₱609.0 billion. Consumer loans, which accounted for 20% of the total portfolio, grew 7.7% to ₱122.5 billion. The Bank's gross non-performing loans (NPL) ratio was lower (better) than industry at 2.5%, and NPL cover remained sufficient at 116%.

On the funding side, deposits ended the year higher by 3.3% at ₱862.9 billion, which was fueled by the 18.4% build-up in current and savings account (CASA) deposits. The Bank's CASA ratio significantly improved to 64% from 56%. On the other hand, bonds payable decreased by 18.4% to ₱42.5 billion. The net decrease reflects the settlement of the Bank's ₱30 billion fixed-rate bond, as well as the issuance of another ₱20 billion fixed-rate bond in February 2021 and due in 2024.

Total capital reached ₱119.1 billion, 13.5% higher than the ₱105.0 billion recorded in 2020. The Bank's Common Equity Tier 1 ratio was computed at 14.92%, while total Capital Adequacy Ratio was at 15.75%. Both are above the regulatory minimum requirement.

Balance Sheets

(Amounts in Thousands)

	Consolidated		Parent Company	
	December 31			
	2021	2020	2021	2020
ASSETS				
Cash and Other Cash Items	₱16,024,863	₱15,984,210	₱13,649,247	₱13,724,265
Due from Bangko Sentral ng Pilipinas (Notes 7 and 17)	124,283,115	152,156,449	114,528,773	141,811,190
Due from Other Banks (Note 7)	10,694,312	18,228,721	9,897,264	17,197,750
Interbank Loans Receivable and Securities Purchased under Resale Agreements (Note 8)	36,559,224	18,290,851	35,030,997	15,604,167
Financial Assets at Fair Value through Profit or Loss (Note 9)	7,209,667	13,406,863	5,457,804	11,641,778
Derivative Contracts Designated as Hedges (Note 26)	1,139,233	–	1,139,233	–
Financial Assets at Fair Value through Other Comprehensive Income (Note 9)	28,672,240	20,244,403	26,523,712	18,345,520
Investment Securities at Amortized Cost (Note 9)	242,353,729	202,240,631	236,347,682	196,794,826
Loans and Receivables (Notes 10 and 30)	609,006,732	557,214,484	544,171,738	491,994,476
Accrued Interest Receivable (Note 16)	7,616,692	8,529,872	6,428,565	6,833,616
Investment in Subsidiaries (Note 11)	–	–	17,191,345	15,754,791
Investment in Associates (Note 11)	796,519	912,647	796,519	912,647
Bank Premises, Furniture, Fixtures and Equipment and Right-of-use Assets (Note 12)	8,232,859	8,422,717	6,600,139	6,876,959
Investment Properties (Note 13)	3,993,338	3,984,939	1,379,370	1,478,933
Deferred Tax Assets (Note 28)	4,624,981	5,172,435	3,409,600	3,732,048
Intangible Assets (Note 14 and 16)	3,807,889	3,881,669	768,440	833,936
Goodwill (Note 14)	839,748	839,748	222,841	222,841
Other Assets (Note 15)	6,464,385	6,501,010	3,641,671	3,367,991
	₱1,112,319,526	₱1,036,011,649	₱1,027,184,940	₱947,127,734
LIABILITIES AND EQUITY				
Liabilities				
Deposit Liabilities (Notes 17 and 30)				
Demand	₱252,324,966	₱212,466,949	₱229,349,909	₱194,231,249
Savings	302,884,786	256,406,867	282,597,580	238,601,774
Time	307,650,145	366,357,014	270,271,411	318,139,885
	862,859,897	835,230,830	782,218,900	750,972,908
Bonds Payable (Note 18)	42,473,558	52,065,678	42,473,558	52,065,678
Bills Payable (Note 19)	65,806,274	23,655,851	65,806,274	23,655,851
Manager's Checks	1,854,606	1,568,232	1,466,359	1,066,098
Income Tax Payable	785,091	846,090	754,026	825,270
Accrued Interest and Other Expenses (Note 20)	4,745,861	3,905,945	4,325,426	3,579,619
Derivative Liabilities (Note 26)	998,721	1,216,771	998,721	1,216,771
Derivative Contracts Designated as Hedges (Note 26)	162,399	521,209	162,399	521,209
Deferred Tax Liabilities (Note 28)	798,212	1,116,362	–	–
Other Liabilities (Note 21)	12,712,087	10,899,319	9,898,313	8,262,468
	993,196,706	931,026,287	908,103,976	842,165,872
Equity				
Equity Attributable to Equity Holders of the Parent Company				
Capital stock (Note 24)	26,912,882	26,858,998	26,912,882	26,858,998
Capital paid in excess of par value (Note 24)	17,200,758	17,122,626	17,200,758	17,122,626
Other equity – stock grants (Note 24)	–	140,924	–	140,924
Surplus reserves (Notes 24 and 29)	3,730,687	2,874,004	3,730,687	2,874,004
Surplus (Notes 24 and 29)	70,205,517	58,659,768	70,205,517	58,659,768
Net unrealized gain on financial assets at fair value through other comprehensive income (Note 9)	81,200	294,115	81,200	294,115
Remeasurement loss on defined benefit asset (Note 25)	(30,489)	(426,996)	(30,489)	(426,996)
Cumulative translation adjustment	17,604	5,535	17,604	5,535
Remeasurement loss on life insurance reserves	(14,029)	(45,903)	(14,029)	(45,903)
Cash flow hedge reserve (Note 26)	976,834	(521,209)	976,834	(521,209)
	119,080,964	104,961,862	119,080,964	104,961,862
Non-controlling Interest (Note 11)	41,856	23,500	–	–
	119,122,820	104,985,362	119,080,964	104,961,862
	₱1,112,319,526	₱1,036,011,649	₱1,027,184,940	₱947,127,734

See accompanying Notes to Financial Statements.

Statements of Income

(Amounts in Thousands, Except Earnings Per Share)

	Consolidated			Parent Company		
	Years Ended December 31					
	2021	2020	2019	2021	2020	2019
INTEREST INCOME						
Loans and receivables (Notes 10 and 30)	₱33,929,525	₱35,135,866	₱36,051,051	₱28,948,921	₱30,372,019	₱30,824,138
Investment securities at amortized cost and at fair value through other comprehensive income (Note 9)	9,193,747	10,023,174	9,828,076	8,934,652	9,734,684	9,362,427
Due from Bangko Sentral ng Pilipinas and other banks and securities purchased under resale agreements (Notes 7 and 8)	1,863,599	1,270,850	1,113,206	1,525,166	889,552	702,422
Financial assets at fair value through profit or loss	738,643	707,741	692,482	738,643	707,741	692,482
	45,725,514	47,137,631	47,684,815	40,147,382	41,703,996	41,581,469
INTEREST EXPENSE						
Deposit liabilities (Notes 17 and 30)	5,111,577	9,637,175	18,567,168	4,272,332	8,193,587	15,915,107
Bonds payable, bills payable and other borrowings (Notes 18 and 19)	2,104,471	3,425,286	2,802,104	2,104,470	3,425,286	2,800,843
Lease payable (Note 27)	195,310	232,584	264,246	152,194	182,821	207,744
	7,411,358	13,295,045	21,633,518	6,528,996	11,801,694	18,923,694
NET INTEREST INCOME	38,314,156	33,842,586	26,051,297	33,618,386	29,902,302	22,657,775
Trading and securities gain (loss) - net (Notes 9 and 22)	(64,005)	3,233,872	884,482	(110,743)	3,193,171	837,875
Service charges, fees and commissions (Note 22)	3,486,184	2,698,726	3,296,673	1,438,614	1,217,030	1,624,703
Gain on disposal of investment securities at amortized cost (Note 9)	4,063,927	2,187,006	1,381,871	4,063,927	2,187,006	1,299,360
Trust fee income (Note 29)	450,965	409,916	357,080	450,965	409,916	357,080
Foreign exchange gain - net (Note 26)	686,861	212,419	221,104	678,431	213,464	243,764
Gain on sale of investment properties	388,295	187,176	864,383	238,891	65,913	721,893
Share in net income (loss) of an associate (Note 11)	(1,609)	152,441	184,661	(1,609)	152,441	184,661
Gain (loss) on asset foreclosure and dacion transactions (Note 13)	87,485	(22,757)	47,479	31,552	42,885	81,294
Share in net income of subsidiaries (Note 11)	–	–	–	1,422,503	790,482	770,628
Miscellaneous (Notes 22 and 30)	1,262,841	952,250	1,193,056	1,118,731	847,735	1,062,795
TOTAL OPERATING INCOME	48,675,100	43,853,635	34,482,086	42,949,648	39,022,345	29,841,828
Provision for impairment and credit losses (Note 16)	8,876,744	8,868,919	2,570,168	7,679,877	7,983,206	2,205,062
Compensation and fringe benefits (Notes 25 and 30)	7,505,384	7,527,441	6,622,664	5,899,761	5,893,272	5,029,191
Taxes and licenses	3,529,491	4,041,457	3,884,183	2,901,338	3,498,440	3,155,849
Insurance	2,061,059	1,999,111	1,875,977	1,805,915	1,727,893	1,624,065
Depreciation and amortization (Notes 12, 13 and 14)	1,787,166	1,894,899	1,942,660	1,364,324	1,460,780	1,463,092
Occupancy cost (Notes 27 and 30)	2,090,909	1,758,872	1,801,154	1,657,902	1,339,284	1,308,482
Professional fees, marketing and other related services	632,857	538,928	412,146	559,649	475,554	329,959
Transportation and traveling	594,063	454,355	566,572	479,985	345,964	432,157
Entertainment, amusement and recreation	490,278	420,641	477,761	381,601	317,774	342,034
Stationery, supplies and postage	218,238	252,365	258,425	149,719	196,668	194,990
Repairs and maintenance	173,825	134,158	159,816	140,177	93,279	120,245
Miscellaneous (Notes 22 and 30)	3,251,863	2,499,935	2,322,938	2,773,517	2,140,996	1,890,022
TOTAL OPERATING EXPENSES	31,211,877	30,391,081	22,894,464	25,793,765	25,473,110	18,095,148
INCOME BEFORE INCOME TAX	17,463,223	13,462,554	11,587,622	17,155,883	13,549,235	11,746,680
PROVISION FOR INCOME TAX (Note 28)	2,357,000	1,391,104	1,512,650	2,067,551	1,486,598	1,677,720
NET INCOME	₱15,106,223	₱12,071,450	₱10,074,972	₱15,088,332	₱12,062,637	₱10,068,960
Attributable to:						
Equity holders of the Parent Company (Note 33)	₱15,088,332	₱12,062,637	₱10,068,960			
Non-controlling interest	17,891	8,813	6,012			
	₱15,106,223	₱12,071,450	₱10,074,972			
Basic/Diluted Earnings Per Share (Note 33)	₱5.61	₱4.49	₱3.75			

See accompanying Notes to Financial Statements.

Statements of Comprehensive Income

(Amounts in Thousands)

	Consolidated			Parent Company		
	Years Ended December 31					
	2021	2020	2019	2021	2020	2019
NET INCOME	₱15,106,223	₱12,071,450	₱10,074,972	₱15,088,332	₱12,062,637	₱10,068,960
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	(60,479)	2,929,713	1,002,634	(27,185)	2,864,317	926,208
Gain taken to profit or loss (Note 22)	(60,316)	(3,173,881)	(269,478)	(40,937)	(3,145,147)	(240,310)
Share in changes in fair value of financial assets at FVOCI of an associate (Note 11)	(103,148)	119,180	152,452	(103,148)	119,180	152,452
Share in changes in other comprehensive income (loss) of subsidiaries (Note 11)						
Net unrealized gain (loss) on financial assets at FVOCI	–	–	–	(52,610)	31,703	190,495
Cumulative translation adjustment	–	–	–	11,603	(12,166)	17,015
Cumulative translation adjustment	12,270	(5,165)	98,830	466	7,211	81,520
Gain (loss) on cash flow hedges	1,498,043	(469,260)	(51,949)	1,498,043	(469,260)	(51,949)
Items that do not recycle to profit or loss in subsequent periods:						
Changes in fair value of equity financial assets at FVOCI:						
Fair value gain for the year, net of tax	10,392	3,037	160,375	10,965	6,488	14,643
Share in changes in remeasurement gain (loss) on defined benefit plans of subsidiaries (Note 11)	–	–	–	56,256	53,626	(56,353)
Share in changes in other comprehensive income of an associate (Note 11)						
Remeasurement loss on life insurance reserves	31,874	(66,558)	1,501	31,874	(66,558)	1,501
Remeasurement gain (loss) on defined benefit plan	(3,245)	3,415	2,985	(3,245)	3,415	2,985
Remeasurement loss on defined benefit asset, net of tax (Note 25)	400,652	(57,188)	(489,722)	343,496	(111,852)	(432,210)
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX	1,726,043	(716,707)	607,628	1,725,578	(719,043)	605,997
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	₱16,832,266	₱11,354,743	₱10,682,600	₱16,813,910	₱11,343,593	₱10,674,957
Total comprehensive income attributable to:						
Equity holders of the Parent Company	₱16,813,910	₱11,343,593	₱10,674,957			
Non-controlling interest	18,356	11,150	7,643			
	₱16,832,266	₱11,354,743	₱10,682,600			

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, 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
Balance at January 1, 2019	₱26,858,998	₱17,122,626	₱–	₱4,031,009	₱40,497,255
Total comprehensive income (loss) for the year	–	–	–	–	10,068,960
Transfer from surplus to surplus reserves	–	–	–	35,708	(35,708)
Appropriation of retained earnings (Note 16)	–	–	–	(468,442)	468,442
Realized loss on sale of equity securities at FVOCI	–	–	–	–	(76,597)
Cash dividends - ₱0.88 per share	–	–	–	–	(2,363,592)
Balance at December 31, 2019	₱26,858,998	₱17,122,626	₱–	₱3,598,275	₱48,558,760

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
₱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
(₱702,509)	₱117,047	(₱91,700)	₱19,154	₱–	₱87,851,880	₱4,707	₱87,856,587
1,043,488	(485,578)	98,535	1,501	(51,949)	10,674,957	7,643	10,682,600
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
76,597	–	–	–	–	–	–	–
–	–	–	–	–	(2,363,592)	–	(2,363,592)
₱417,576	(₱368,531)	₱6,835	₱20,655	(₱51,949)	₱96,163,245	₱12,350	₱96,175,595

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, 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
Balance at January 1, 2019	₱26,858,998	₱17,122,626	₱–	₱4,031,009
Total comprehensive income (loss) for the year	–	–	–	–
Transfer from surplus to surplus reserves	–	–	–	35,708
Appropriation of retained earnings (Note 16)	–	–	–	(468,442)
Realized loss on sale of equity securities at FVOCI	–	–	–	–
Cash dividends - ₱0.88 per share	–	–	–	–
Balance at December 31, 2019	₱26,858,998	₱17,122,626	₱–	₱3,598,275

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	Cash Flow Hedge Reserve	Total Equity
₱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
₱40,497,255	(₱702,509)	₱117,047	(₱91,700)	₱19,154	₱–	₱87,851,880
10,068,960	1,043,488	(485,578)	98,535	1,501	(51,949)	10,674,957
(35,708)	–	–	–	–	–	–
468,442	–	–	–	–	–	–
(76,597)	76,597	–	–	–	–	–
(2,363,592)	–	–	–	–	–	(2,363,592)
₱48,558,760	₱417,576	(₱368,531)	₱6,835	₱20,655	(₱51,949)	₱96,163,245

Statements of Cash Flows
(Amounts in Thousands)

	Consolidated			Parent Company		
	Years Ended December 31					
	2021	2020	2019	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax	₱17,463,223	₱13,462,554	₱11,587,622	₱17,155,883	₱13,549,235	₱11,746,680
Adjustments for:						
Depreciation and amortization (Notes 12, 13 and 14)	1,787,166	1,894,899	1,942,660	1,364,324	1,460,780	1,463,092
Provision for impairment and credit losses (Note 16)	8,876,744	8,868,919	2,570,168	7,679,877	7,983,206	2,205,062
Amortization of transaction costs on bonds payable (Note 18)	83,022	133,117	200,852	83,022	133,117	200,852
Securities gain on financial assets at fair value through other comprehensive income and investment securities at amortized cost (Note 22)	(4,124,243)	(5,360,887)	(1,651,349)	(4,104,864)	(5,332,153)	(1,539,670)
Gain on sale of investment properties	(388,295)	(187,176)	(864,383)	(238,891)	(65,913)	(721,893)
Gain on asset foreclosure and *dacion* transactions (Note 13)	(87,485)	22,757	(47,479)	(31,552)	(42,885)	(81,294)
Share in net loss (income) of an associate (Notes 2 and 11)	1,609	(152,441)	(184,661)	1,609	(152,441)	(184,661)
Share in net income of subsidiaries (Notes 2 and 11)	–	–	–	(1,422,503)	(790,482)	(770,628)
Changes in operating assets and liabilities:						
Decrease (increase) in the amounts of:						
Financial assets at fair value through profit or loss	5,620,336	5,743,227	(10,322,948)	6,183,974	6,802,323	(14,085,388)
Loans and receivables	(60,053,495)	3,896,534	(64,140,453)	(59,354,783)	3,806,847	(64,112,157)
Other assets	2,730,389	(2,507,056)	(3,844,834)	2,094,083	(3,090,935)	(2,708,132)
Increase (decrease) in the amounts of:						
Deposit liabilities	27,629,067	59,802,970	53,304,563	31,245,992	63,208,455	49,521,091
Manager's checks	286,374	(430,446)	(578,497)	400,261	(469,838)	(533,876)
Accrued interest and other expenses	839,772	(215,357)	278,777	745,807	(70,720)	308,187
Other liabilities	767,884	(822,854)	169,403	443,185	1,607,172	3,054,754
Net cash generated from (used in) operations	1,432,068	84,148,760	(11,580,559)	2,245,424	88,535,768	(16,237,981)
Income taxes paid	(1,764,692)	(2,879,380)	(2,143,644)	(1,422,931)	(2,537,406)	(1,840,519)
Net cash provided by (used in) operating activities	(332,624)	81,269,380	(13,724,203)	822,493	85,998,362	(18,078,500)
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisitions of/Additions to:						
Bank premises, furniture, fixtures and equipment (Note 12)	(632,109)	(541,277)	(873,688)	(428,494)	(408,228)	(709,808)
Equity investments (Note 11)	–	–	(40,000)	–	–	(40,363)
Investment securities at amortized cost	(259,499,749)	(69,431,704)	(24,382,774)	(258,538,503)	(67,524,359)	(23,616,210)
Financial assets at fair value through other comprehensive income	(60,990,126)	(61,994,676)	(27,081,539)	(59,739,708)	(60,758,310)	(27,081,539)
Proceeds from sale of:						
Investment securities at amortized cost	59,838,517	32,330,154	18,616,553	59,838,517	32,330,154	13,324,227
Financial assets at fair value through other comprehensive income	52,512,838	70,814,873	10,972,736	51,545,295	69,454,223	12,141,368
Investment properties	907,423	676,179	2,074,400	327,875	105,364	802,118
Bank premises, furniture, fixtures and equipment	489,036	730,795	62,943	345,866	139,943	26,990
Proceeds from maturity of:						
Investment securities at amortized cost	162,908,132	3,948,763	11,482,400	162,708,584	3,948,763	11,184,226
Cash dividends received from subsidiary and associate (Note 11)	40,000	–	–	40,000	200,000	50,000
Net cash used in investing activities	(44,426,038)	(23,466,893)	(9,168,969)	(43,900,568)	(22,512,450)	(13,918,991)

(Forward)

	Consolidated			Parent Company		
	Years Ended December 31					
	2021	2020	2019	2021	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from bills payable	₱193,908,669	₱116,188,100	₱180,468,980	₱193,908,669	₱116,188,100	₱180,468,980
Settlement of bills payable	(152,843,847)	(124,743,600)	(186,914,106)	(152,843,847)	(124,743,600)	(186,914,106)
Proceeds from issuance of bonds payable (Note 18)	19,878,458	14,803,803	37,193,546	19,878,458	14,803,803	37,193,546
Payments of cash dividends (Note 24)	(2,685,900)	(2,685,900)	(2,363,592)	(2,685,900)	(2,685,900)	(2,363,592)
Settlement of bonds payable (Note 18)	(30,000,000)	–	–	(30,000,000)	–	–
Payments of principal portion of lease liabilities (Note 27)	(597,435)	(655,914)	(523,135)	(410,396)	(350,593)	(381,869)
Net cash provided by financing activities	27,659,945	2,906,489	27,861,693	27,846,984	3,211,810	28,002,959
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(17,098,717)	60,708,976	4,968,521	(15,231,091)	66,697,722	(3,994,532)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR						
Cash and other cash items	15,984,210	16,839,755	15,639,474	13,724,265	14,856,844	13,705,304
Due from Bangko Sentral ng Pilipinas (Note 7)	152,156,449	100,174,398	101,889,773	141,811,190	88,109,650	95,092,944
Due from other banks (Note 7)	18,228,721	9,900,642	9,455,447	17,197,750	8,645,547	7,837,894
Interbank Loans Receivable and SPURA (Note 8)	18,290,851	17,036,460	11,998,040	15,604,167	10,027,609	8,998,040
	204,660,231	143,951,255	138,982,734	188,337,372	121,639,650	125,634,182
CASH AND CASH EQUIVALENTS AT END 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
Securities purchased under resale agreements (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

OPERATING CASH FLOWS FROM INTEREST

	Consolidated			Parent Company		
	For Years Ended December 31					
	2021	2020	2019	2021	2020	2019
Interest paid	₱7,384,207	₱14,297,974	₱20,557,295	₱6,480,050	₱12,679,471	₱17,928,838
Interest received	₱46,638,694	₱45,766,253	₱46,223,502	₱40,552,433	₱41,396,855	₱40,181,121

See accompanying Notes to Financial Statements.

CHINABANK

On to Our Next Century of Banking

2021 ANNUAL FINANCIAL AND SUSTAINABILITY REPORT

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 477 and 476 local branches as of December 31, 2021 and 2020, respectively.

The Parent Company acquired its original Certification of Incorporation issued by the Securities and Exchange Commission (SEC) on July 20, 1920. On December 4, 1963, the Board of Directors (BOD) of the Parent Company approved the Amended Articles of Incorporation to extend the corporate term of the Parent Company for another 50 years or until July 20, 2020, which was confirmed by the stockholders on December 23, 1963, and approved by the SEC on October 5, 1964. On March 2, 2016, the BOD approved the amendment of the Third Article of the Parent Company's Articles of Incorporation, to further extend the corporate term for another 50 years from and after July 20, 2020, the expiry date of its extended term. The approval was ratified by the stockholders during their scheduled annual meeting on May 5, 2016. On November 7, 2016, the SEC issued the Certificate of Filing of Amended Articles of Incorporation, amending the Third Article thereof to extend the term of corporate existence of the Parent Company. By virtue of Section 11 of Republic Act No. 11232 also known as the "Revised Corporation Code of the Philippines," which took effect on February 23, 2019, the Parent Company now has a perpetual existence.

The Parent Company has the following subsidiaries:

	Effective Percentages of Ownership		Country of Incorporation and Place of Business	
Subsidiary	2021	2020		Principal Activities
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%	–	Philippines	FIST Corporation

**Established in 2021, 100% owned through CBCC*

The Parent Company has no ultimate parent company. SM Investments Corporation, its significant investor, has effective ownership in the Parent Company of 22.51% and 22.55% as of December 31, 2021 and 2020, respectively.
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 each of the Parent Company's subsidiaries is the Philippine peso, except for the FCDU of CBSI whose functional currency is USD.

Statement of Compliance

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

Presentation of Financial Statements

The balance sheets of the Group and of the Parent Company are presented in order of liquidity. An analysis regarding recovery of assets or settlement of liabilities within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 23.

Financial assets and financial liabilities are offset and the net amount reported in the balance sheets only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the 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, 2021. Except as otherwise indicated, these changes in the accounting policies did not have any significant impact on the financial position or performance of the Group:

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

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

  - Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
  - Relief from discontinuing hedging relationships
  - Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

  The Group shall also disclose information about:

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

  The Group has certain cash flow hedges whose interest rate benchmark is linked to United States (US) London Interbank Offered Rate (LIBOR). This Phase 2 of the IBOR reform provides temporary reliefs that allow the Group's hedging relationships to continue upon the replacement of an existing interest rate benchmark with an RFR. The reliefs require the Group to amend hedge designations and hedge documentation. This includes redefining the hedged risk to reference an RFR, redefining the description of the hedging instrument and/or the hedged item to reference the RFR and amending the method for assessing hedge effectiveness. Updates to the hedging documentation must be made by the end of the reporting period in which a replacement takes place.

- Amendment to PFRS 16, COVID-19-related Rent Concessions beyond 30 June 2021

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

  - The rent concession is a direct consequence of COVID-19;
  - The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
  - Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
  - There is no substantive change to other terms and conditions of the lease.

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

  The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Early adoption is permitted.

  The Group adopted the amendment beginning April 1, 2021.

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 to banks, and customers loans and receivables are recognized when cash is received by the Group or advanced to the borrowers.

Initial recognition of financial instruments
All financial instruments are initially recognized at fair value. Except for financial assets and financial liabilities at FVTPL, the initial measurement of financial instruments includes transaction costs.

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

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

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

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

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

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

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); 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 of these instruments are included in 'Gains (losses) on disposal of investment securities at amortized cost' in the statement of income.

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

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

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

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

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

<u>Hedge Accounting</u>
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.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.
As of December 31, 2021 and 2020, 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, and other liabilities (except tax-related payables, pre-need reserves and post-employment defined benefit obligation) are recognized when the Group becomes a party to the contractual terms of the instrument.

Financial liabilities are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method. All interest-related charges incurred on financial liabilities are recognized as an expense in the statements of income under the caption 'Interest expense'.

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

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

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

Other liabilities, apart from derivative liabilities, are recognized initially at their fair value and subsequently measured at amortized cost, using effective interest method.

<u>Derecognition of Financial Assets and Liabilities</u>

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. 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.

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 statement of financial position. These contracts are in the scope of the ECL requirements where the Group estimates the expected portion of the undrawn loan commitments that will be drawn over their expected life. The ECL related to loan commitments is recognized in '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.

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

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

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

Revenue Recognition

Revenues within the scope of PFRS 15, Revenue from Contracts with Customers
Revenue from contract with customers is recognized upon transfer of promised goods or services to customers at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Group and the Parent Company exercise judgment, taking into consideration all of the relevant facts and circumstances, when applying each step of the five-step model to contracts with customers.

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

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

a. *Fee income earned from services that are provided over a certain period of time*
Fees earned for the provision of services over a period of time are accrued over that period. These fees include investment fund fees, custodian fees, fiduciary fees, credit-related fees, asset management fees, portfolio and other management fees, and advisory fees.

b. *Fee income from providing transactions services*
Fees arising from negotiating or participating in the negotiation of a transaction for a third party - such as commission income, underwriting fees, corporate finance fees, and brokerage fees for the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses - are recognized on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria.

Loan syndication fees are recognized in the statement of income when the syndication has been completed and the Group retains no part of the loans for itself or retains part at the same EIR as for the other participants.

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

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

Revenues outside the scope of PFRS 15

Interest income
For all interest-bearing financial assets, interest income is recorded 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 and 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 2021. 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, 2022

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

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

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

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

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

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

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

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

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

- *Annual Improvements to PFRSs* 2018-2020 Cycle

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

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

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

  - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*
    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

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

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

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

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

Effective beginning on or after January 1, 2023

- Amendments to PAS 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:

  - Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
  - 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 in which business model a financial asset or a portfolio of financial assets belong to, taking into consideration the objectives of each business model established by the Group, various risks and key performance indicators being reviewed and monitored by responsible officers, as well as the manner of compensation for them. The Group also considers the frequency, value, reasons, and timing of past sales and expectation of future sales activity in this evaluation.

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

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

In 2021 and 2020, the Parent Company sold investment securities at amortized cost whose carrying values prior to the sale amounted ₱55.77 billion and ₱30.14 billion at a net gain of ₱4.06 billion and ₱2.19 billion, respectively. In 2019, the Group and the Parent Company sold investment securities at amortized cost whose carrying values prior to the sale amounted to ₱18.62 billion at a net gain of ₱1.38 billion and ₱13.33 billion at a net gain of ₱1.30 billion, respectively. The reasons for the disposals are disclosed in Note 9.

The above disposals in 2021, 2020, and 2019 were assessed by the Group and Parent Company as not inconsistent with the portfolios' business models considering the conditions and reasons for which the disposals were made. Further, these disposals did not result in a change in business model and the remaining securities in the affected portfolios continue to be accounted for at amortized cost (see Note 9).

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

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

e. *Hedge accounting*

In 2019, 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 addition, 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.

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 will transition via fallback to an RFR when one-week and two-month LIBORs cease on January 1, 2022. The cessation of these LIBORs does not have an impact on the Parent Company's existing hedge relationships.

The IBOR reform Phase 2 amendments provide temporary reliefs to enable the Parent Company's hedge accounting to continue upon the replacement of an IBOR 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. Additional considerations were made in estimating the ECL in response to the changing credit environment brought about by the coronavirus (COVID-19) pandemic. In particular, judgments and estimates by management are required in determining:

- whether a financial asset has had a significant increase in credit risk since initial recognition. Note 6 discusses how the Group considered the impact of COVID-19 pandemic in its credit risk management and allowance provisioning;
- whether a default has taken place and what comprises a default;
- macro-economic factors that are relevant in measuring a financial asset's probability of default as well as the Group's forecast of these macro-economic factors;
- probability weights applied over a range of possible outcomes such as slow or early recovery from the impact of COVID-19 pandemic;
- sufficiency and appropriateness of data used and relationships assumed in building the components of the Group's expected credit loss models; 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 obligaton 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 computation which considers the present value of estimated future cash flows expected to be generated from the continued use of the asset. The Group is required to make estimates and assumptions that can materially affect the carrying amount of the asset being assessed.

The carrying values of the Group's 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	
	2021	2020	**2021**	2020
Financial assets				
Cash and other cash items	**₱16,024,863**	₱15,984,210	**₱13,649,247**	₱13,724,265
Financial assets at FVTPL	**7,209,667**	13,406,863	**5,457,804**	11,641,778
Derivative contracts designated as hedge	**1,139,233**	–	**1,139,233**	–
Financial assets at FVOCI	**28,672,240**	20,244,403	**26,523,712**	18,345,520
Financial assets at amortized cost				
Due from BSP	**124,283,115**	152,156,449	**114,528,773**	141,811,190
Due from other banks	**10,694,312**	18,228,721	**9,897,264**	17,197,750
Interbank loans receivables and SPURA	**36,559,224**	18,290,851	**35,030,997**	15,604,167
Investment securities at amortized cost	**242,353,729**	202,240,631	**236,347,682**	196,794,826
Loans and receivables	**609,006,732**	557,214,484	**544,171,738**	491,994,476
Accrued interest receivable	**7,616,692**	8,529,872	**6,428,565**	6,833,616
Other assets (Note 15)	**3,366,335**	3,102,345	**1,728,412**	1,299,393
	1,033,880,139	959,763,353	**948,133,431**	871,535,418
Total financial assets	**₱1,086,926,142**	₱1,009,398,829	**₱994,903,427**	₱915,246,981

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
Financial liabilities				
Other financial liabilities:				
Deposit liabilities	**₱862,859,897**	₱835,230,830	**₱782,218,900**	₱750,972,908
Bonds payable	**42,473,558**	52,065,678	**42,473,558**	52,065,678
Bills payable	**65,806,274**	23,655,851	**65,806,274**	23,655,851
Accrued interest and other expenses*	**4,478,140**	3,672,757	**4,175,537**	3,412,474
Manager's check	**1,854,606**	1,568,232	**1,466,359**	1,066,098
Other liabilities (Note 21)	**12,530,441**	10,658,982	**9,748,858**	8,058,580
	990,002,916	926,852,330	**905,889,486**	839,231,589
Financial liabilities at FVTPL:				
Derivative liabilities	**998,721**	1,216,771	**998,721**	1,216,771
Derivative contracts designated as hedge	**162,399**	521,209	**162,399**	521,209
Total financial liabilities	**₱991,164,036**	₱928,590,310	**₱907,050,606**	₱840,969,569

*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, 2021 and 2020, 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:

	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

(Forward)

	2021			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair Value
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

	2020			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Investment securities at amortized cost (Note 9)				
Government bonds	₱100,606,146	₱110,454,734	₱96,001,691	₱105,648,060
Private bonds	101,634,485	109,589,297	100,793,135	108,753,082
	202,240,631	220,044,031	196,794,826	214,401,142
Loans and receivables (Note 10)				
Corporate and commercial lending	453,649,372	455,890,979	434,414,419	434,973,729
Consumer lending	96,488,966	112,946,316	50,805,392	61,290,159
Trade-related lending	6,937,033	8,538,979	6,746,530	8,330,874
Others	139,113	150,900	28,135	32,449
	557,214,484	577,527,174	491,994,476	504,627,211
Sales contracts receivable (Note 15)	1,173,038	1,242,609	185,350	197,878
	558,387,522	578,769,783	492,179,826	504,825,089
	₱760,628,153	₱798,813,814	₱688,974,652	₱719,226,231
Non-financial Assets				
Investment properties (Note 13)				
Land	2,517,017	4,834,488	666,409	2,469,314
Buildings and improvements	1,467,922	2,331,151	812,524	976,934
	₱3,984,939	₱7,165,639	₱1,478,933	₱3,446,248
Financial Liabilities				
Time deposit liabilities (Note 17)	366,357,014	362,712,054	318,139,885	314,485,438
Bills payable (Note 19)	23,655,851	41,351,248	23,655,851	41,351,248
Bonds payable (Note 18)	52,065,678	52,101,935	52,065,678	52,101,935
	₱442,078,543	₱456,165,237	₱393,861,414	₱407,938,621

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

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

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

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

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

Accounts receivable, 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: nputs 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, 2021 and 2020, the fair value hierarchy of the Group's and the Parent Company's assets and liabilities are presented below:

	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
Financial liabilities at FVTPL				
Derivative liabilities	₱–	₱998,721	₱–	₱998,721
Derivative contracts designated as hedge	–	162,399	–	162,399
	₱–	₱1,161,120	₱–	₱1,161,120
Fair values of assets carried at amortized cost/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
Investment properties				
Land	–	–	5,074,992	5,074,992
Buildings and improvements	–	–	2,392,864	2,392,864
	₱194,169,499	₱–	₱689,248,244	₱883,417,743
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

	Consolidated			
	2020			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	₱1,970,624	₱1,560,897	₱–	₱3,531,521
Treasury notes	–	2,126,819	–	2,126,819
Treasury bills	–	1,892,770	–	1,892,770
Private bonds	3,358,210	–	–	3,358,210
Quoted equity shares	1,210,665	–	–	1,210,665
Financial assets designated at FVTPL	150,000	–	–	150,000
Derivative assets	–	1,136,878	–	1,136,878
FVOCI financial assets				
Government bonds	2,654,823	10,349,673	–	13,004,496
Quoted private bonds	6,596,820	–	–	6,596,820
Quoted equity shares	624,722	–	–	624,722
	₱16,565,864	₱17,067,037	₱–	₱33,632,901
Financial liabilities at FVTPL				
Derivative liabilities	₱–	₱1,216,771	₱–	₱1,216,771
Derivative contracts designated as hedge	–	521,209	–	521,209
	₱–	₱1,737,980	₱–	₱1,737,980
Fair values of assets carried at amortized cost/cost				
Investment securities at amortized cost				
Government bonds	₱110,454,734	₱–	₱–	₱110,454,734
Private bonds	53,290,698	–	56,298,599	109,589,297
Loans and receivables				
Corporate and commercial loans	–	–	455,890,979	455,890,979
Consumer loans	–	–	112,946,316	112,946,316
Trade-related loans	–	–	8,538,979	8,538,979
Others	–	–	150,900	150,900
Sales contracts receivable	–	–	1,242,609	1,242,609
Investment properties				
Land	–	–	4,834,488	4,834,488
Buildings and improvements	–	–	2,331,151	2,331,151
	₱163,745,432	₱–	₱642,234,021	₱805,979,453
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	₱–	₱–	₱362,712,054	₱362,712,054
Bills payable			41,351,248	41,351,248
Bonds payable	–	–	52,101,935	52,101,935
	₱–	₱–	₱456,165,237	₱456,165,237

	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
Financial liabilities at FVTPL				
Derivative liabilities	–	998,721	–	998,721
Derivative contracts designated as hedge	–	162,399	–	162,399
	–	1,161,120	–	1,161,120
Fair values of assets carried at amortized cost/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
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

	Parent Company			
	2020			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	₱1,970,624	₱1,560,897	₱–	₱3,531,521
Treasury notes	–	2,126,819	–	2,126,819
Treasury bills	–	1,892,770	–	1,892,770
Private bonds	1,812,303	–	–	1,812,303
Quoted equity shares	1,141,487	–	–	1,141,487
Derivative assets	–	1,136,878	–	1,136,878
FVOCI financial assets				
Government bonds	1,053,928	10,349,673	–	11,403,601
Quoted private bonds	6,329,550	–	–	6,329,550
Quoted equity shares	594,004	–	–	594,004
	₱12,901,896	₱17,067,037	₱–	₱29,968,933
Financial liabilities at FVTPL				
Derivative liabilities	₱–	₱1,216,771	₱–	₱1,216,771
Derivative contracts designated as hedge	–	521,209	–	521,209
	₱–	₱1,737,980	₱–	₱1,737,980
Fair values of assets carried at amortized cost/cost				
Investment securities at amortized cost				
Government bonds	₱105,648,060	₱–	₱–	₱105,648,060
Private bonds	52,454,483	–	56,298,599	108,753,082
Loans and receivables				
Corporate and commercial loans	–	–	434,973,729	434,973,729
Consumer loans	–	–	61,290,159	61,290,159
Trade-related loans	–	–	8,330,874	8,330,874
Others	–	–	32,449	32,449
Sales contracts receivable	–	–	197,878	197,878
Investment properties				
Land	–	–	2,469,314	2,469,314
Buildings and improvements	–	–	976,934	976,934
	₱158,102,543	₱–	₱564,569,936	₱722,672,479
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	₱–	₱–	₱314,485,438	₱314,485,438
Bills payable			41,351,248	41,351,248
Bonds payable	–	–	52,101,935	52,101,935
	₱–	₱–	₱407,938,621	₱407,938,621

There were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements in 2021 and 2020.

The inputs used in the fair value measurement based on Level 2 are as follows:

Government securities – interpolated rates based on market rates of benchmark securities as of reporting date.

Derivative assets and liabilities – fair values are calculated by reference to the prevailing interest differential and spot exchange rate as of the reporting date, taking into account the remaining term to maturity of the derivative assets and liabilities.

Inputs used in estimating fair values of financial instruments carried at 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 under BSP Circular No. 971, Guidelines on Risk Governance.

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

Risk Mitigation
The Parent Company uses derivatives to manage exposures 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 2, 2021, the BOD approved the 2021 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. Pertinent activities emphasizing the Bank's response to the COVID19 pandemic, however, were included in this submission.

The Parent Company submitted its annually-updated ICAAP document, in compliance with BSP requirements on June 28, 2021. The document disclosed that the Parent Company has an appropriate level of internal capital relative to the Group's risk profile.

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

Group's Response to the COVID-19 Pandemic

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

The Group developed "The New Normal Work Force and Work Management Plan for the COVID-19 Pandemic". The plan is designed to provide general direction and guidance in sustaining the operations of the Group while we manage and exert effort to reduce exposure to COVID-19. In place are team rotation work schedules, work from home arrangements, mandatory health and safety measures, and case management protocols which are all included in the Group's Work Management Plan. In addition, the buddy branch system was implemented in the branches and split office operations were established for the head office units to ensure uninterrupted services even with the extension of community quarantine particularly in the NCR.

The Group continued to implement all its market limits and triggers without changes even with the reduced trading hours in the market and shorter working hours of the Group during the Enhanced Community Quarantine. The Financial Markets Segment also issued guidance on work-from-home setup during this period for its trading personnel. Under this setup, for control purposes, Deal limits of Sales Traders were reduced to zero in the Treasury system to automatically require supervisor authorization of any transaction facilitated offsite.

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

In 2021, as the economy slowly recovered from the pandemic, the approval requirements for grant of new loans/new facilities were gradually relaxed. A new process was temporarily adopted for consumer loans to address the slowdown in the processing of mortgage registration by the Registry of Deeds as a result of the lockdowns. In addition, guidelines were issued regarding the booking of modified loans to comply with the provisions under BSP Memo M-2020-061 (Supervisory Expectations on the Measurement of Expected Credit Losses and the Treatment of Regulatory Relief Measures Granted Amid the Novel Coronavirus Disease 2019 (COVID-19) Pandemic). Recognizing the possible benefits of the FIST Act, guidelines for the transfer or disposal of non-performing assets under its IRR and according to the issuances of the BSP for its implementation were also disseminated.

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. The assumptions were modified to take into account the improving economic condition and the fact that the borrowers 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.

Credit Risk
Credit risk is the risk of financial loss on account of a counterparty to a financial product failing to honor its obligation. The Group faces potential credit risks every time it extends funds to borrowers, commits funds to counterparties, guarantees the paying performance of its clients, invests funds to issuers (i.e., investment securities issued by either sovereign or corporate entities) or enters into either market-traded or over-the-counter derivatives, through implied or actual contractual agreements (i.e., on or off-balance sheet exposures). The Group manages its credit risk at various levels (i.e., strategic level, portfolio level down to individual credit or transaction).

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. The assumptions were modified to take into account the improving economic condition and the fact that the borrowers 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.

The Group established risk limits and thresholds for purposes of monitoring and managing credit risk from individual counterparties and/or groups of counterparties, major industries, as well as countries. It also conducts periodical assessment of the creditworthiness of its counterparties. In addition, the Group obtains collateral where appropriate, enters into master netting agreements and collateral arrangements with counterparties, and limits the duration of exposures.

Credit Risk Rating and Scoring Models
The Parent Company has four credit risk rating models in place: for corporate borrowers, for retail small and medium entities and individual accounts (non-consumer), for financial institutions, and for sovereign / country exposures. In addition, it also has two scoring models for auto and housing loan applicants.

In compliance with BSP requirements, the Parent Company established an Internal Credit Risk Rating System (ICRRS) for the purpose of measuring credit risk for corporate borrowers in a consistent manner, as accurately as possible, and thereafter uses the risk information for business and financial decision making. The ICRRS covers corporate borrowers with total assets, total facilities, or total credit exposures amounting to ₱15 million and above.

Further, the ICRRS was designed within the technical requirements defined under BSP Circular No. 439. It has two components, namely: a) Borrower Risk Rating which provides an assessment of the creditworthiness of the borrower, without considering the proposed facility and security arrangements, and b) Loan Exposure Rating which provides an assessment of the proposed facilities as mitigated or enhanced by security arrangements.

On February 6, 2019, the Board of Directors approved the recalibrated ICRRS model. Among the changes made was in the rating scale which was expanded from ten to fourteen rating grades, ten of which fall under unclassified accounts, with the remaining four falling under classified accounts in accordance with regulatory provisioning guidelines. In 2021, RMG reviewed the methodology in determining the security points and presented the proposed changes to the Risk Oversight Committee (ROC) on October 20, 2021. The revised methodology was approved by the Board on November 3, 2021. Changes that were made include simplifying the computation by already considering the loan value in the proposed security points and aligning the security points with the estimated recovery value associated with the collateral/guarantee.

The Parent Company launched in 2011 the Borrower Credit Score (BCS), a credit scoring system designed for retail small and medium entities and individual loan accounts. In 2018, RMG completed the statistical validation of the BCS using the same methodology applied to the validation of the corporate risk rating model. The validation process was conducted with the assistance of Teradata which provided the analytics platform, tools and technical guidance for both credit model performance assessment and recalibration.

The CAMELOT rating system was approved by the BOD in 2006 to specifically assess Philippine universal, commercial and thrift banks. In 2009, the Parent Company implemented the rating system for rural and cooperative banks as well as the rating system for foreign financial institutions.

The Parent Company also developed a Sovereign Risk Rating Model, which provided the tool for the Parent Company to assess the strength of the country rated in reference to its economic fundamentals, fiscal policy, institutional strength, and vulnerability to extreme events. The model was approved by the Board on September 7, 2018.

The scorecards for auto and housing loans were officially launched in November 2016, adopting the models developed by CBS with a third-party consultant, and utilizing internally developed software interfaces for their implementation.

For the Parent Company's credit cards, starting September 2017, Transunion score is being used in lieu of an acquisition scorecard to determine application acceptance in conjunction with other credit acceptance criteria.

Concentration of Assets and Liabilities and Off-Balance Sheet Items

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Parent Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Parent Company's policies and procedures include specific guidelines focusing on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The distribution of the Group's and Parent Company's assets and liabilities, and credit commitment items by geographic region as of December 31, 2021 and 2020 (in millions) follows:

	Consolidated					
	2021			2020		
	Assets*	**Liabilities**	**Commitment****	Assets*	Liabilities	Commitment**
Geographic Region						
Philippines	**₱1,015,570**	**₱983,516**	**₱38,382**	₱942,600	₱907,539	₱31,030
Asia	**23,367**	**–**	**5,587**	19,628	9,495	6,486
Europe	**45,736**	**–**	**793**	35,592	2,750	1,172
United States	**2,246**	**7,648**	**137**	11,390	8,785	458
Others	**7**	**–**	**–**	129	21	184
	₱1,086,926	**₱991,164**	**₱44,899**	₱1,009,399	₱928,590	₱39,330

**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 Standy credit commitments*

	Parent Company					
	2021			2020		
	Assets*	**Liabilities**	**Commitment****	Assets*	Liabilities	Commitment**
Geographic Region						
Philippines	**₱923,547**	**₱899,403**	**₱37,757**	₱848,508	₱819,919	₱30,635
Asia	**23,367**	**–**	**5,587**	19,628	9,495	6,486
Europe	**45,736**	**–**	**793**	35,592	2,750	1,172
United States	**2,246**	**7,648**	**137**	11,390	8,785	458
Others	**7**	**–**	**–**	129	21	184
	₱994,903	**₱907,051**	**₱44,274**	₱915,247	₱840,970	₱38,935

**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				
	2021				
	Loans and Receivables	Financial Investments	Loans and Advances to Banks	Commitments	Total
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**
Wholesale and retail trade	**45,125,057**	**–**	**–**	**6,491,222**	**51,616,279**
Transportation, storage and communication	**58,116,995**	**3,414,689**	**–**	**1,136,456**	**62,668,140**
Financial intermediaries	**91,545,065**	**151,614,315**	**171,536,651**	**5,578,282**	**420,274,313**
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**
Education	**4,446,512**	**676,071**	**–**	**322,060**	**5,444,643**
Public administration and defense	**60,036**	**–**	**–**	**506,952**	**566,988**
Professional, scientific and technical activities	**841,426**	**4,645,001**	**–**	**1,511,896**	**6,998,323**
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.

	Consolidated				
	2020				
	Loans and Receivables	Financial Investments	Loans and Advances to Banks	Commitments	Total
Real estate, renting and business services	₱145,914,294	₱104,182,177	₱–	₱721,351	₱250,817,822
Electricity, gas and water	77,295,952	1,057,897	–	5,903,340	84,257,189
Wholesale and retail trade	48,797,393	10,789	–	6,087,617	54,895,799
Transportation, storage and communication	54,792,752	31,918	–	1,089,860	55,914,530
Financial intermediaries	67,320,876	126,232,618	188,161,354	10,048,951	391,763,799
Manufacturing	33,567,819	4,851	–	3,850,988	37,423,658
Arts, entertainment and recreation	23,687,515	123,599	–	74,557	23,885,671
Accommodation and food service activities	12,904,107	215,084	–	807,123	13,926,314
Construction	13,955,942	13,394	–	4,659,875	18,629,211
Mining and quarrying	8,000,701	–	–	998,853	8,999,554
Agriculture	7,929,762	–	–	321,822	8,251,584
Education	5,290,900	793,673	–	281,370	6,365,943
Public administration and defense	2,055,542	–	–	448,303	2,503,845
Professional, scientific and technical activities	860,778	26,731	–	1,494,877	2,382,386
Others*	69,970,621	2,062,288	2,573,272	2,540,929	77,147,110
	₱572,344,954	₱234,755,019	₱190,734,626	₱39,329,816	₱1,037,164,415

*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
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
Financial intermediaries	90,964,720	142,340,451	159,457,033	5,577,282	398,339,486
Wholesale and retail trade	42,312,303	–	–	6,315,485	48,627,788
Transportation, storage and communication	56,097,019	3,409,904	–	1,135,456	60,642,379
Manufacturing	32,469,098	–	–	3,752,183	36,221,281
Arts, entertainment and recreation	33,719,927	3,830,133	–	85,460	37,635,520
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
Agriculture	5,897,613	–	–	337,236	6,234,849
Public administration and defense	60,036	–	–	506,952	566,988
Education	4,023,325	564,935	–	322,060	4,910,320
Professional, scientific and technical activities	761,461	4,645,001	–	1,504,048	6,910,510
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.

	Parent Company				
	2020				
	Loans and Receivables	Financial Investments	Loans and Advances to Banks	Commitments	Total
Real estate, renting and business services	₱123,150,868	₱103,771,477	₱–	₱721,351	₱227,643,696
Electricity, gas and water	75,367,275	1,035,733	–	5,903,340	82,306,348
Financial intermediaries	66,402,640	119,603,856	–	5,914,716	191,921,212
Wholesale and retail trade	45,324,442	–	–	1,089,860	46,414,302
Transportation, storage and communication	52,346,480	26,299	174,613,107	10,048,951	237,034,837
Manufacturing	31,988,437	4,851	–	3,835,488	35,828,776
Arts, entertainment and recreation	23,630,122	123,599	–	74,557	23,828,278
Accommodation and food service activities	11,892,441	211,150	–	787,123	12,890,714
Construction	12,886,246	–	–	4,657,525	17,543,771
Mining and quarrying	7,998,397	–	–	998,853	8,997,250
Agriculture	6,372,652	–	–	321,557	6,694,209
Public administration and defense	2,055,542	–	–	281,370	2,336,912
Education	4,735,250	679,254	–	448,303	5,862,807
Professional, scientific and technical activities	788,324	26,731	–	1,494,877	2,309,932
Others*	39,791,655	162,296	514,667	2,356,729	42,825,347
	₱504,730,771	₱225,645,246	₱175,127,774	₱38,934,600	₱944,438,391

*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		
	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**	**–**	**36,559,224**
Sales contracts receivable	**1,101,891**	**–**	**1,101,891**
	₱646,667,847	**₱406,823,424**	**₱239,844,423**

	Consolidated		
	2020		
	Gross maximum exposure	Net exposure	Financial effect of collateral or credit enhancement
Credit risk exposure relating to on-balance sheet items are as follows			
Loans and receivables	₱557,214,484	₱358,707,660	₱198,506,824
Interbank loans receivable and SPURA	18,290,851	–	18,290,851
Sales contracts receivable	1,173,038	–	1,173,038
	₱576,678,373	₱358,707,660	₱217,970,713

	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	**35,030,996**	**–**	**35,030,996**
Sales contracts receivable	**213,399**	**–**	**213,399**
	₱579,416,133	**₱384,840,851**	**₱194,575,282**

	Parent		
	2020		
	Gross maximum exposure	Net exposure	Financial effect of collateral or credit enhancement
Credit risk exposure relating to on-balance sheet items are as follows			
Loans and receivables	₱491,994,476	₱334,229,018	₱157,765,458
Interbank loans receivable and SPURA	15,604,167	–	15,604,167
Sales contracts receivable	185,350	–	185,350
	₱507,783,993	₱334,229,018	₱173,554,975

For the Group, the fair values of collateral held for loans and receivables and sales contracts receivable amounted to ₱402.68 billion and ₱2.55 billion, respectively, as of December 31, 2021 and ₱314.67 billion and ₱2.59 billion, respectively, as of December 31, 2020.

For the Parent Company, the fair values of collateral held for loans and receivables and sales contracts receivable amounted to ₱359.84 billion. and ₱0.81 billion, respectively, as of December 31, 2021 and ₱273.93 billion and ₱0.86 billion, respectively, as of December 31, 2020.

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. Aside from the periodic review by the Parent Company's Internal Audit Group, the Parent Company likewise engaged the services of third-party consultants in 2014, 2015, and 2017 for purposes of conducting an independent validation of the credit risk rating model.

It is the Parent Company's policy to maintain accurate and consistent risk ratings across the credit portfolio. This facilitates focused management of the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics, combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the Parent Company's rating policy. The attributable risk ratings are assessed and monitored regularly.

The rating categories are further described below.

High Grade

This includes all borrowers whose ratings are considered as Low Risk and/or those where the exposures are covered by Government Guarantee. Thus, these borrowers have a very low probability of going into default in the coming year.

In terms of borrower credit ratings, these include the following:

A. ICRRS-Covered
    - Borrower Risk Rating (BRR) 1 (Exceptional)
    - BRR 2 (Excellent)
    - BRR 3 (Strong)
    - BRR 4 (Good)

B. BCS-Covered
    - Strong

Generally, a Low Risk (High Grade) rating is indicative of a high capacity to fulfill its obligations supported by robust financials (i.e., profitable, with returns considerably higher than the industry, elevated capacities to service its liabilities), gainful positioning in growing industries (i.e., participation in industries where conditions are very favorable and in which they are able to get a good share of the market), and very strong leadership providing clear strategic direction and/or excellent training and development programs.

Standard Grade
This includes all borrowers whose ratings are considered as Moderate Risk and are seen to withstand typical swings in the economic cycle without going into default. However, any prolonged unfavorable economic period would create deterioration that may already be beyond acceptable levels.

In terms of borrower credit ratings, these include the following:

A. ICRRS-Covered
    - BRR 5 (Satisfactory)
    - BRR 6 (Acceptable)
    - BRR 7 (Fair)

B. BCS-Covered
    - Satisfactory
    - Acceptable

Generally, a Moderate Risk (Standard Grade) rating signifies a borrower whose financial performance is sufficient to service obligations and is at par with competitors in the industry. In terms of management, it is run by executives with adequate personal and professional qualifications and sufficient experience in similar companies. In terms of growth potential, it is engaged in an industry with stable outlook, supportive of continuing operations.

Sub-Standard Grade
In terms of borrower credit ratings, this includes the following:

Unclassified

A. ICRRS-Covered
- BRR 8 (Watchlist)
- BRR 9 (Speculative)
- BRR 10 (Highly Speculative)

B. BCS-Covered
- Watchlist

Adversely Classified

A. ICRRS and BCS-Covered
- BRR 11 (Especially Mentioned)
- BRR 12 (Substandard)
- BRR 13 (Doubtful)
- BRR 14 (Loss)

For accounts that are Unclassified, a High Risk (Sub-Standard Grade) rating is indicative of borrowers where there are unfavorable industry or company-specific factors. This may be financial in nature (i.e., marginal operating performance, returns that are lower than those of the industry, and/or diminished capacity to pay off obligations that are due), related to management quality (including negative information regarding the company or specific executives) and/or unfavorable industry conditions. The borrower might find it very hard to cope with any significant economic downturn and a default in such a case is more than a possibility. These accounts require a closer monitoring for any signs of further deterioration, warranting adverse classification.

Adversely Classified accounts are automatically considered as high-risk and generally includes past due accounts. However, in some cases, even accounts that are neither past due nor impaired, qualifies for adverse classification. Reasons for this include among others the following: consecutive net losses, emerging weaknesses in terms of cash flow, negative equity, and/or breach in the covenants per term loan agreement.

For consumer loans that are covered by application scorecards which provide either a pass/fail score, the basis for credit quality rating is the BSP classification for those that are booked as Current (i.e., Standard Grade if Unclassified and Sub Standard Grade if Classified) and impairment status for those that are booked as Past Due / Items in Litigation. The Parent Company has applied this policy consistently for its consumer loans as of December 31, 2021 and 2020. Beginning December 31, 2021, the Group has applied this policy for CBS in determining the credit quality rating for consumer loans. This resulted in the “Standard grade” classification for the consumer loans of CBS amounting to ₱46.61 billion as of December 31, 2021. Had this been applied as of December 31, 2020, there would have been a decrease amounting to ₱41.27 billion under “High grade” and a corresponding increase for the same amount under “Standard 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	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	₱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			
	Stage 1	Stage 2	Stage 3	
Consumer Lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Neither past due nor impaired				
High grade	₱209	₱11	₱–	₱220
Standard grade	95,767	5,708	–	101,475
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			
	Stage 1	Stage 2	Stage 3	
Trade-related Lending	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**

Consolidated		2020		
		ECL Staging		
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Neither past due nor impaired				
High grade	₱29,684	₱3,310	₱–	₱32,994
Standard grade	275,345	23,591	–	298,936
Sub-Standard	92,097	9,290	–	101,387
Unrated	866	120	–	986
Past due but not impaired	–	3,406	–	3,406
Past due and impaired	–	–	11,956	11,956
Gross carrying amount	₱397,992	₱39,717	₱11,956	₱449,665

Consolidated		2020		
		ECL Staging		
	Stage 1	Stage 2	Stage 3	
Consumer Lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Neither past due nor impaired				
High grade	₱41,506	₱70	₱–	₱41,576
Standard grade	44,176	5,349	–	49,525
Sub-Standard	2,167	6,254	–	8,421
Unrated	1,130	2,331	–	3,461
Past due but not impaired	422	2,793	–	3,215
Past due and impaired	–	–	7,805	7,805
Gross carrying amount	₱89,401	₱16,797	₱7,805	₱114,003

Consolidated	2020			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Trade-related Lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Neither past due nor impaired				
High grade	₱460	₱33	₱–	₱493
Standard grade	4,809	846	–	5,655
Sub-Standard	1,947	131	–	2,078
Unrated	–	–	–	–
Past due but not impaired	–	3	–	3
Past due and impaired	–	–	305	305
Gross carrying amount	₱7,216	₱1,013	₱305	₱8,534

Consolidated	2020			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Others	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Neither past due nor impaired				
High grade	₱103	₱–	₱–	₱103
Standard grade	–	3	–	3
Sub-Standard	–	–	–	–
Unrated	29	–	–	29
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	7	7
Gross carrying amount	₱132	₱3	₱7	₱142

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

Parent Company	2020			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Neither past due nor impaired				
High grade	₱19,691	₱3,310	₱–	₱23,001
Standard grade	275,292	17,275	–	292,567
Sub-Standard	92,097	9,194	–	101,291
Unrated	867	119	–	986
Past due but not impaired	–	3,096	–	3,096
Past due and impaired	–	–	8,240	8,240
Gross carrying amount	₱387,947	₱32,994	₱8,240	₱429,181

Parent Company	2020			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer Lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Neither past due nor impaired				
High grade	₱238	₱70	₱–	₱308
Standard grade	44,175	5,349	–	49,524
Sub-Standard	2,167	6,254	–	8,421
Unrated	1,130	2,331	–	3,461
Past due but not impaired	–	310	–	310
Past due and impaired	–	–	5,169	5,169
Gross carrying amount	₱47,710	₱14,314	₱5,169	₱67,193

Parent Company	2020			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Trade–related Lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Neither past due nor impaired				
High grade	₱283	₱33	₱–	₱316
Standard grade	4,809	846	–	5,655
Sub-Standard	1,947	131	–	2,078
Unrated	–	–	–	–
Past due but not impaired	1	3	–	4
Past due and impaired	–	–	275	275
Gross carrying amount	₱7,040	₱1,013	₱275	₱8,328

Parent Company	2020			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Others	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Neither past due nor impaired				
High grade	₱–	₱–	₱–	₱–
Standard grade	–	–	–	–
Sub-Standard	–	–	–	–
Unrated	28	–	–	28
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
Gross carrying amount	₱28	₱–	₱–	₱28

Depository accounts with the BSP and counterparty banks, Trading and Investment Securities
For these financial assets, outstanding exposure is rated primarily based on external risk rating of S&P, Moody's, and/or Fitch when available; otherwise, rating is based on risk grades by Philratings.

For this year's disclosure, the Group retained the use of internal rating for counterparties with no externalrating. However, to improve the process, instead of mapping the internal rating to its equivalent external rating and then getting the category (i.e. high grade, standard grade or substandard grade) based on external rating, the category of the internal rating was directly applied.

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 and below:

BBB – An obligor has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

Substandard 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–
Substandard 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.

Substandard 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
Substandard 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

Substandard 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 effective as of December 31, 2021. This change in the determination of the category for internally-rated counterparties did not result to any change in the 2021 classification. However, for 2020, if we apply the same, the percentage of High Grade exposures for the Parent Bank will increase from 10.14% to 14.28%, with a corresponding decrease in Standard Grade exposures from 86.32% to 82.18%.

The succeeding tables show the credit exposure of the Group and the Parent Company related to these financial assets (amounts in millions).

Consolidated	2021				2020			
	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	**₱48,678**	**₱–**	**₱–**	**₱48,678**	₱38,401	₱–	₱–	₱38,401
Standard grade	**170,149**	**3,033**	**–**	**173,182**	148,468	–	–	148,468
Sub-Standard	**14,584**	**533**	**–**	**15,117**	8,482	–	–	8,482
Unrated	**–**	**–**	**–**	**–**	69	–	–	69
Past due but not impaired	**–**	**–**	**–**	**–**	–	–	–	–
Impaired	**–**	**–**	**3,947**	**3,947**	–	–	3,632	3,632
Gross carrying amount	**₱233,411**	**₱3,566**	**₱3,947**	**₱240,924**	₱195,420	₱–	₱3,632	₱199,052

Consolidated	2021				2020			
	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	**₱184**	**₱–**	**₱–**	**₱184**	₱590	₱–	₱–	₱590
Standard grade	**25,892**	**408**	**–**	**26,300**	17,978	–	–	17,978
Sub-Standard	**1,534**	**–**	**–**	**1,534**	1,032	–	–	1,032
Unrated	**1**	**–**	**–**	**1**	1	–	–	1
Past due but not impaired	**–**	**–**	**–**	**–**	–	–	–	–
Impaired	**–**	**–**	**–**	**–**	–	–	–	–
Gross carrying amount	**₱27,611**	**₱408**	**₱–**	**₱28,019**	₱19,601	₱–	₱–	₱19,601

Parent Company	2021				2020			
	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	**₱48,150**	**₱–**	**₱–**	**₱48,150**	₱37,683	₱–	₱–	₱37,683
Standard grade	**165,062**	**3,033**	**–**	**168,095**	144,105	–	–	144,105
Sub-Standard	**14,584**	**533**	**–**	**15,117**	8,482	–	–	8,482
Unrated	**–**	**–**	**–**	**–**	–	–	–	–
Past due but not impaired	**–**	**–**	**–**	**–**	–	–	–	–
Impaired	**–**	**–**	**3,632**	**3,632**	–	–	3,632	3,632
Gross carrying amount	**₱227,796**	**₱3,566**	**₱3,632**	**₱234,994**	₱190,270	₱–	₱3,632	₱193,902

Parent Company		**2021**				2020		
		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	**₱–**	**₱–**	**₱–**	**₱–**	₱400	₱–	₱–	₱400
Standard grade	**23,961**	**404**	**–**	**24,365**	16,300	–	–	16,300
Sub-Standard	**1,534**	**–**	**–**	**1,534**	1,032	–	–	1,032
Unrated	**1**	**–**	**–**	**1**	1	–	–	1
Past due but not impaired	**–**	**–**	**–**	**–**	–	–	–	–
Impaired	**–**	**–**	**–**	**–**	–	–	–	–
Gross carrying amount	**₱25,496**	**₱404**	**₱–**	**₱25,900**	₱17,733	₱–	₱–	₱17,733

Consolidated			**2021**		
	High Grade	**Standard Grade**	**Substandard 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**	**Substandard 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**

Consolidated			2020		
	High Grade	Standard Grade	Substandard Grade	Unrated	Total
Due from BSP	₱–	₱152,156	₱–	₱–	₱152,156
Due from other banks	1,956	16,114	–	159	18,229
Interbank loans receivable and SPURA	1,311	16,980	–	–	18,291
Financial assets at FVTPL	3,429	7,682	30	2,266	13,407
	₱6,696	₱192,932	₱30	₱2,425	₱202,083

Parent Company			2020		
	High Grade	Standard Grade	Substandard Grade	Unrated	Total
Due from BSP	₱–	₱141,811	₱–	₱–	₱141,811
Due from other banks	1,451	15,727	–	20	17,198
Interbank loans receivable and SPURA	1,311	14,293	–	–	15,604
Financial assets at FVTPL	1,694	7,682	–	2,266	11,642
	₱4,456	₱179,513	₱–	₱2,286	₱186,255

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, 2021 and 2020:

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
Loans and advances to customers				
Corporate and commercial lending	**₱5,905,576**	₱2,345,933	**₱5,619,916**	₱2,091,813
Consumer lending	**1,447,356**	43,577	**1,446,431**	42,521
Total restructured financial assets	**₱7,352,932**	₱2,389,510	**₱7,066,347**	₱2,134,334

Impairment Assessment (Including the Impact of the COVID-19 Pandemic)
The Group recognizes a credit loss allowance on a financial asset based on whether it has had a significant increase in credit risk since initial recognition. Accordingly, the Group categorizes its financial assets into three categories: stage 1 – financial asset that has not had a significant increase in credit risk; stage 2 – financial asset that has had a significant increase in credit risk; and stage 3 – financial asset in default.

Generally, the Group assesses the presence of a significant increase in credit risk based on the number of notches that a financial asset's credit risk rating has declined. When applicable, the Group also applies a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, in all cases when the borrower becomes at least 90 days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate 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 criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in probabilities of default and qualitative factors such as downgrade in the credit rating of the borrowers and a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's internal credit assessment, the borrower or counterparty is determined to require close monitoring or with well-defined credit weaknesses. For exposures without internal credit grades, if contractual payments are more than a specified days past due threshold (i.e., 30 days), the credit risk is deemed to have increased significantly since initial recognition. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, the Group shall revert to recognizing a 12-month ECL.

Further, the Group considers a financial asset as in default when (a) as a result of one or more loss events, there is objective evidence that its recoverable value is less than its carrying amount; (b) it is classified as doubtful or loss under prudential reporting; (c) it is in litigation; and/or (d) full repayment of principal and interest is unlikely without foreclosure of collateral, if any. When applicable, the Group also applies a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

In view of the government moratorium on loan payments (see Note 10), the Group considered how the availment of the borrowers and counterparties will affect the stage classification of the financial assets. In particular, the Group assessed how the availment of the mandatory grace period, together with other relevant information about the borrower (e.g., impact of the pandemic to its industry and operations, potential cash flow pressures affecting the borrower's capacity to pay amounts becoming due), will affect SICR and default assessments. Based on these assessments, in the absence of indicators of impairment or SICR since initial recognition, exposures to borrowers and counterparties who availed of the mandatory grace period as provided for by law are classified as stage 1.

The Group then measures the credit loss allowance on a financial instrument at an amount equal to 12-month expected credit losses for items categorized as stage 1 and lifetime credit losses to items categorized as stage 2 and stage 3.

The Group modeled the following inputs to the expected credit loss formula separately. The formula is applied to each financial asset, with certain exceptions wherein a collective or other general approach is applied:

Exposure at Default (EAD)
The Group defines EAD as the principal and interests that would not be collected assuming the borrower defaults during a future point in time. The Group computes for a financial asset's EAD using the expected contractual cash flows during the contractual life of the financial instrument. A financial asset's EAD is defined as the sum of EAD from principal and EAD from interest.

In relation to the modification of loans and receivables (see Note 10), the Group utilized the revised or modified cash flows of financial assets as EAD in calculating allowance for credit losses.

Probability of default (PD)
The Group uses forward-looking PD estimates that are unbiased and probability-weighted using a range of possible outcomes. The PD for each individual instrument is modelled based on historical data and is estimated based on current market conditions and reasonable and supportable information about future economic conditions. The Group segmented its credit exposures based on homogenous risk characteristics and developed a corresponding PD methodology for each portfolio. The PD methodology for each relevant portfolio is determined based on the underlying nature or characteristic of the portfolio, behavior of the accounts, and materiality of the segment as compared to the total portfolio. The Group's PDs are mainly categorized into three: (a) corporate; (b) sovereign; and (c) retail.

The PDs used in calculating allowance for credit losses have been updated with information after considering the impact of the pandemic to current market conditions as well as expectations about future economic conditions (i.e., forward-looking information).

Loss given default (LGD)
The Group's LGD model considers certain factors such as the historical cash flow recovery and reasonable and supportable information about future economic conditions, where appropriate. Generally, the model utilizes the Group's existing loan exposure rating system which is designed to capture these factors as well as the characteristics of collaterals related to an exposure. In cases wherein this does not apply, the Group looks into the standard characteristics of collaterals (e.g., 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. As of December 31, 2021, the Group has updated all available collateral information in order to incorporate the impact of the pandemic, to the extent possible, in measuring LGD.

The Group will continue to assess the current market conditions and forecasts of future economic conditions, and its impact to the aforementioned items, in order to update the ECL on a timely basis in the upcoming reporting periods, as the country continues to deal with this public health crisis.

Credit Review
In accordance with BSP Circular 855, credit reviews are conducted on loan accounts to evaluate whether loans are granted in accordance with the Parent Company's policies 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)		
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**
2020					
31 December	₱139.14	₱11.86	₱13.90	₱4.51	₱2.52
Average daily	98.93	29.67	14.39	7.98	3.08
Highest	202.55	108.73	18.00	18.35	5.35
Lowest	11.69	2.16	12.23	2.22	1.79

[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, 2021 and 2020, 62.29% and 65.48% 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, 2021 and 2020, 63.85% and 68.02% of the Parent's total loan portfolio, respectively, were subject to interest repricing. As of December 31, 2021 and 2020, 49.42% and 46.55% of the Subsidiary's total loan portfolio, respectively, were subject to periodic 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 29.24% and 25.43% of the total deposits as of December 31, 2021 and 2020, respectively for the Group and 29.32% and 25.89% of the total deposits as of December 31, 2021 and 2020, respectively for the Parent Company.

Interest is paid on savings accounts and time deposits accounts, which constitute 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, and 30.70% and 43.87%, respectively, of the Group's total deposits, and 31.76% and 42.35%, respectively of the Parent Company's total deposits, respecitively as of December 31, 2020.

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, 2021 and 2020:

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
Peso				
Assets				
Due from BSP	**0.79%**	0.67%	**0.75%**	0.53%
Due from banks	**0.15%**	0.23%	**0.06%**	0.08%
Interbank Loans Receivable and SPURA	**1.91%**	3.65%	**1.91%**	3.65%
Investment securities*	**4.58%**	5.24%	**4.62%**	5.27%
Loans and receivables	**6.04%**	6.34%	**5.82%**	6.19%
Liabilities				
Deposit liabilities	**0.68%**	1.29%	**0.63%**	1.22%
Bills payable	**3.50%**	5.80%	**3.50%**	5.80%
Bonds payable	**3.02%**	5.84%	**3.02%**	5.84%
USD				
Assets				
Due from banks	**0.02%**	0.11%	**0.02%**	0.11%
Interbank Loans Receivable and SPURA	**0.05%**	0.74%	**0.05%**	0.74%
Investment securities*	**3.79%**	3.63%	**3.81%**	3.65%
Loans and receivables	**3.76%**	3.74%	**3.77%**	3.73%
Liabilities				
Deposit liabilities	**0.31%**	0.80%	**0.31%**	0.81%
Bills payable	**3.10%**	2.62%	**3.10%**	2.62%
Bonds payable	**1.70%**	2.45%	**1.70%**	2.45%

* 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, 2021 and 2020 (in millions):

	Consolidated							
	2021				2020			
	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	₱121,878	₱–	₱2,405	₱124,283	₱149,620	₱–	₱2,536	₱152,156
Due from other banks	10,694	–	–	10,694	18,229	–	–	18,229
Interbank Loans Receivable and SPURA	36,559	–	–	36,559	18,291	–	–	18,291
Investment securities	11,610	17,754	248,871	278,235	21,759	4,555	209,578	235,892
Loans and receivables	231,377	122,731	254,898	609,006	237,391	126,106	193,717	557,214
Total financial assets	412,118	140,485	506,174	1,058,777	445,290	130,661	405,831	981,782
Financial Liabilities								
Deposit liabilities	236,102	48,919	577,839	862,860	292,534	34,663	508,034	835,231
Bills payable	33,253	20,041	12,512	65,806	12,466	4,490	6,700	23,656
Bonds payable	–	22,474	20,000	42,474	29,470	7,596	15,000	52,066
Total financial liabilities	269,355	91,434	610,351	971,140	334,470	46,749	529,734	910,953
IRS Hedge Receive	56,099	7,650	–	63,749	–	7,203	–	7203
IRS Hedge Pay	–	–	63,749	63,749	–	–	7203	7203
Repricing gap	₱198,862	₱56,701	(₱167,926)	₱87,637	₱110,820	₱91,115	(₱131,106)	₱70,829

	Parent Company							
	2021				2020			
	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	₱114,529	₱–	₱–	₱114,529	₱141,811	₱–	₱–	₱141,811
Due from other banks	9,897	–	–	9,897	17,198	–	–	17,198
Interbank Loans Receivable and SPURA	35,031	–	–	35,031	15,604	–	–	15,604
Investment securities	8,728	15,849	243,752	268,329	19,658	4,407	202,717	226,782
Loans and receivables	226,674	92,282	225,215	544,171	228,754	96,248	166,992	491,994
Total financial assets	394,859	108,131	468,967	971,957	423,025	100,655	369,709	893,389
Financial Liabilities								
Deposit liabilities	218,115	40,618	523,485	782,218	267,674	22,937	460,362	750,973
Bills payable	33,253	20,041	12,512	65,806	12,466	4,490	6,700	23,656
Bonds payable	–	22,474	20,000	42,474	29,470	7,595	15,000	52,065
Total financial liabilities	251,368	83,133	555,997	890,498	309,610	35,022	482,062	826,694
IRS Hedge Receive	56,099	7,650	–	63,749	–	7,203	–	7,203
IRS Hedge Pay	–	–	63,749	63,749	–	–	7,203	7,203
Repricing gap	₱199,590	₱32,648	(₱150,779)	₱81,459	₱113,415	₱72,836	(₱119,556)	₱66,695

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, 2021 and 2020:

	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%)**

	Consolidated			
	2020			
	Change in interest rates (in basis points)			
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱1,738	₱869	(₱869)	(₱1,738)
As a percentage of the Group's net interest income for the year ended December 31, 2020	5.13%	2.57%	(2.57%)	(5.13%)

	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%)**

	Parent Company			
	2020			
	Change in interest rates (in basis points)			
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱1,626	₱813	(₱813)	(₱1,626)
As a percentage of the Parent Company's net interest income for the year ended December 31, 2020	4.81%	2.40%	(2.40%)	(4.81%)

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, 2021 and 2020 (in millions):

	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**

	Consolidated			
	2020			
	Change in interest rates (in basis points)			
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(₱99)	(₱40)	₱40	₱99
Change in equity	(281)	(112)	112	281

	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**

	Parent Company			
	2020			
	Change in interest rates (in basis points)			
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(₱99)	(₱40)	₱40	₱99
Change in equity	(253)	(101)	101	253

Foreign Currency Risk

The Group's foreign exchange risk originates from its holdings of foreign currency-denominated assets (foreign exchange assets) and foreign currency-denominated liabilities (foreign exchange liabilities).

Foreign exchange liabilities generally consist of foreign currency-denominated deposits in the Group's FCDU account made in the Philippines or generated from remittances to the Philippines by persons overseas who retain for their own benefit or for the benefit of a third party, foreign currency deposit accounts with the Group.

Foreign currency liabilities are generally used to fund the Group's foreign exchange assets which generally consist of foreign currency-denominated loans and investments in the FCDU. Banks are required by the BSP to match the foreign currency-denominated assets with liabilities held in the FCDU that are denominated in the same foreign currency.

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 assets and liabilities under FCDU which are denominated 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							
	2021				2020			
	USD	Other Currencies*	Total in USD	PHP	USD	Other Currencies*	Total in USD	PHP
Assets								
Cash and other cash items	$3,116	$2,673	$5,789	₱295,222	$4,005	$3,402	$7,408	₱355,735
Due from other banks	49,402	8,560	57,962	2,956,018	77,760	6,758	84,518	4,058,824
Financial assets at FVTPL	109	1	110	5,593	15,363	–	15,363	737,772
Financial assets at FVOCI	15,163	2,304	17,468	890,826	16,638	2,488	19,126	918,512
Investment securities at amortized cost	27,777	29,341	57,118	2,912,954	28,868	31,460	60,328	2,897,396
Loans and receivables	43,866	35,800	79,666	4,062,902	18,954	38,232	57,186	2,746,248
Accrued interest receivable	695	272	967	49,329	761	286	1,047	50,279
Other assets	34,051	3	34,053	1,736,677	17,652	24	17,676	848,835
	174,179	78,954	253,133	12,909,521	180,001	82,650	262,652	12,613,601
Liabilities								
Deposit liabilities	58,593	22,964	81,557	4,159,311	69,549	20,081	89,630	4,304,282
Bills payables	445,967	–	445,967	22,743,874	131,776	–	131,776	6,328,295
Accrued interest and other expenses	174	1	175	8,936	215	1	216	10,371
Other liabilities	30,213	1,289	31,502	1,606,550	20,292	1,979	22,271	1,069,520
	534,947	24,254	559,201	28,518,671	221,832	22,061	243,893	11,712,468
Currency spot	(5,118)	(1,886)	(7,004)	(357,211)	(4,000)	–	(4,000)	(192,092)
Currency forwards	353,105	(53,177)	299,928	15,296,007	49,804	(59,397)	(9,593)	(460,666)
Net Exposure	($12,781)	($363)	($13,144)	(₱670,354)	$3,973	$1,192	$5,166	₱248,375

**Other currencies include EUR, CNY, JPY, GBP, AUD, SGD, CHF, CAD, NZD, AED, HKD.*

	Parent Company							
	2021				2020			
	USD	**Other Currencies***	**Total in USD**	**PHP**	USD	Other Currencies*	Total in USD	PHP
Assets								
Cash and other cash items	**$69**	**$2,673**	**$2,742**	**₱139,816**	$163	$3,402	$3,566	₱171,234
Due from other banks	**41,317**	**8,560**	**49,877**	**2,543,685**	58,309	6,758	65,067	3,124,739
Financial assets at FVTPL	**109**	**1**	**110**	**5,593**	15,363	–	15,363	737,772
Financial assets at FVOCI	**-**	**2,304**	**2,304**	**117,526**	–	2,488	2,488	119,487
Investment securities at amortized cost	**-**	**29,341**	**29,341**	**1,496,363**	–	31,460	31,460	1,511,082
Loans and receivables	**37,634**	**35,800**	**73,434**	**3,745,077**	15,980	38,232	54,212	2,603,419
Accrued interest receivable	**65**	**272**	**337**	**17,203**	65	286	351	16,848
Other assets	**34,023**	**3**	**34,025**	**1,735,250**	17,632	24	17,656	847,915
	113,217	**78,954**	**192,170**	**9,800,513**	107,512	82,650	190,163	9,132,496
Liabilities								
Deposit liabilities	**12**	**22,964**	**22,976**	**1,171,758**	189	20,081	20,270	973,406
Bills payables	**445,967**	**-**	**445,967**	**22,743,874**	131,776	–	131,776	6,328,295
Accrued interest and other expenses	**164**	**1**	**165**	**8,432**	187	1	187	9,004
Other liabilities	**29,306**	**1,289**	**30,595**	**1,560,317**	19,182	1,979	21,160	1,016,183
	475,449	**24,254**	**499,703**	**25,484,381**	151,334	22,061	173,393	8,326,888
Currency spot	**(5,118)**	**(1,886)**	**(7,004)**	**(357,211)**	(4,000)	–	(4,000)	(192,092)
Currency forwards	**353,105**	**(53,177)**	**299,928**	**15,926,007**	49,804	(59,397)	(9,593)	(460,666)
Net Exposure	**($14,245)**	**($363)**	**($14,609)**	**(₱115,072)**	$1,982	$1,192	$3,177	₱152,850

**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			
		2021		2020	
	Change in Foreign Exchange Rate	**Sensitivity of Pretax Income**	**Sensitivity of Equity**	Sensitivity of Pretax Income	Sensitivity of Equity
USD	**1%**	**₱13**	**₱165**	₱20	₱98
Other	**1%**	**–**	**1**	–	1
USD	**(1%)**	**(13)**	**(165)**	(20)	(98)
Other	**(1%)**	**–**	**(1)**	–	(1)

		Parent Company			
		2021		2020	
	Change in Foreign Exchange Rate	**Sensitivity of Pretax Income**	**Sensitivity of Equity**	Sensitivity of Pretax Income	Sensitivity of Equity
USD	**1%**	**₱13**	**₱157**	₱20	₱90
Other	**1%**	**–**	**1**	–	1
USD	**(1%)**	**(13)**	**(157)**	(20)	(90)
Other	**(1%)**	**–**	**(1)**	–	(1)

The impact in pre-tax income and equity is due to the effect of foreign currency behaviour to Philippine peso.

Equity Price Risk
Equity price risk is the risk that the fair values of equities change as a result of movements in both the level of equity indices and the value of individual stocks. The non-trading equity price risk exposure arises from the Group's investment portfolio.

The effect on the Group and Parent Company's equity as a result of a change in the fair value of equity instruments held as at FVOCI due to a reasonably possible change in equity indices, with all other variables held constant, is as follows (in millions):

	Consolidated		Parent Company	
	Change in equity index	Effect on Equity	Change in equity index	Effect on Equity
2021	**+10%**	**₱3.9**	**+10%**	**₱2.7**
	–10%	**(20.3)**	**–10%**	**(19.2)**
2020	+10%	(0.9)	+10%	(3.9)
	–10%	(₱7.4)	–10%	(₱5.1)

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, 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
Interbak loans receivable and SPURA	1,528	35,031	–	–	–	36,559
Derivative contracts designated as hedges	–	25,022	31,083	554,717	726,077	1,336,899
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	238,264	110,748	633,810	1,304,239	2,441,310

(Forward)

	Consolidated					
	December 31, 2021					
	On demand	**Less than 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 5 years**	**Total**
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**
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)**	**(₱151,163)**	**₱96,850**	**₱601,467**	**₱1,124,456**	**₱1,273,636**

	Consolidated					
	December 31, 2020					
	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	₱15,984	₱–	₱–	₱–	₱–	₱15,984
Due from BSP	152,156	–	–	–	–	152,156
Due from other banks	18,189	40	–	–	–	18,229
Interbak loans receivable and SPURA	2,687	15,604	–	–	–	18,291
Financial assets at FVTPL	150	4,190	617	1,502	6,109	12,568
Financial assets at FVOCI	–	2,745	1,553	1,266	34,280	39,844
Financial assets at AC		11,803	16,104	24,124	123,480	175,511
Loans and receivables	–	163,452	30,855	43,019	332,626	569,952
	189,166	197,834	49,129	69,911	496,495	1,002,535

(Forward)

	Consolidated					
	December 31, 2020					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
Financial Liabilities						
Deposit liabilities						
Demand	212,467	–	–	–	–	212,467
Savings	256,407	–	–	–	–	256,407
Time	5	354,378	1,729	3,345	6,900	366,357
Bills payable	–	23,656	–	–	–	23,656
Manager's checks	–	1,568	–	–	–	1,568
Accrued interest and other expenses	5	3,899	2	–	–	3,906
Derivative contracts designated as hedges	–	228	243	258	602,260	602,989
Derivative liabilities	–	1,217	–	–	–	1,217
Bonds payable	–	30,000	2,378	14,882	7,184	54,444
Other liabilities:						
Lease payable	–	734	712	368	1,529	3,343
Accounts payable	–	4,322	–	–	–	4,322
Acceptances payable	–	478	–	–	–	478
Due to PDIC	–	756	–	–	–	756
Margin deposits	–	–	–	–	–	–
Other credits – dormant	–	357	–	–	–	357
Due to the Treasurer of the Philippines	–	390	–	–	–	390
Miscellaneous	–	947	–	–	–	947
Total liabilities	468,884	422,930	5,064	18,853	617,873	1,533,604
Net Position	(₱279,718)	(₱225,096)	₱44,065	₱51,058	(₱121,378)	(₱531,069)

	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**
Interbak loans receivable and SPURA	**–**	**35,031**	**–**	**–**	**–**	**35,031**
Derivative contracts designated as hedges	**–**	**25,022**	**31,083**	**554,717**	**726,077**	**1,336,899**
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	**210,922**	**96,153**	**624,012**	**1,280,294**	**2,349,456**

(Forward)

	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 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)	(₱147,938)	₱84,877	₱595,791	₱1,104,210	₱1,263,054

	Parent Company December 31, 2020					
	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	₱13,724	₱–	₱–	₱–	₱–	₱13,724
Due from BSP	141,811	–	–	–	–	141,811
Due from other banks	17,198	–	–	–	–	17,198
Interbak loans receivable and SPURA	–	15,604	–	–	–	15,604
Financial assets at FVTPL	–	2,575	617	1,502	6,109	10,803
Financial assets at FVOCI	–	2,581	1,317	995	33,242	38,135
Financial assets at AC		11,609	14,020	23,564	120,871	170,064
Loans and receivables	–	140,997	17,617	33,955	312,161	504,730
	172,733	173,366	33,571	60,016	472,383	912,069

(Forward)

	Parent Company					
	December 31, 2020					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
Financial Liabilities						
Deposit liabilities						
Demand	194,231	–	–	–	–	194,231
Savings	238,602	–	–	–	–	238,602
Time	–	316,635	471	909	125	318,140
Bills payable	–	23,656	–	–	–	23,656
Manager's checks	–	1,066	–	–	–	1,066
Accrued interest and other expenses	–	3,589	–	–	–	3,589
Derivative contracts designated as hedges	–	228	243	258	602,260	602,989
Derivative liabilities	–	1,217	–	–	–	1,217
Bonds payable	–	30,000	2,378	14,882	7,184	54,444
Other liabilities:						
Lease payable	–	538	476	368	1,338	2,720
Accounts payable	–	2,810	–	–	–	2,810
Acceptances payable	–	478	–	–	–	478
Due to PDIC	–	756	–	–	–	756
Margin deposits	–	–	–	–	–	–
Other credits – dormant	–	303	–	–	–	303
Due to the Treasurer of the Philippines	–	371	–	–	–	371
Miscellaneous	–	491	–	–	–	491
Total liabilities	432,833	382,138	3,568	16,417	610,907	1,445,863
Net Position	(₱260,100)	(₱208,772)	₱30,003	₱43,599	(₱138,524)	(₱533,794)

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	
	2021	2020	**2021**	2020
Demand deposit account (Note 17)	**₱80,272,888**	₱77,986,434	**₱77,728,758**	₱75,311,175
Special deposit account	**44,010,212**	74,170,000	**36,800,000**	66,500,000
Others	**15**	15	**15**	15
	₱124,283,115	₱152,156,449	**₱114,528,773**	₱141,811,190

Due from Other Banks
This comprises of deposit accounts with:

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
Local banks	**₱8,675,169**	₱14,032,433	**₱8,675,168**	₱14,032,433
Foreign banks	**2,019,143**	4,196,288	**1,222,096**	3,165,317
	₱10,694,312	₱18,228,721	**₱9,897,264**	₱17,197,750

Interest Income on Due from BSP and Other Banks
This account consists of:

	Consolidated			Parent Company		
	2021	2020	2019	**2021**	2020	2019
Due from BSP	**₱311,645**	₱180,394	₱232,148	**₱129,874**	₱49,762	₱83,124
Due from other banks	**1,216,160**	783,050	229,197	**1,088,850**	605,858	162,709
	₱1,527,805	₱963,444	₱461,345	**₱1,218,724**	₱655,620	₱245,833

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	
	2021	2020	**2021**	2020
Interbank loans receivable	**₱19,230,679**	₱6,268,203	**₱19,230,679**	₱6,268,203
SPURA	**17,328,545**	12,022,648	**15,800,317**	9,335,964
	₱36,559,224	₱18,290,851	**₱35,030,996**	₱15,604,167

Interbank Loans Receivable
As of December 31, 2021 and 2020, interbank loans receivable includes short-term foreign currency-denominated loans granted to other banks.

As of December 31, 2020, interbank loans receivable also includes short-term peso-denominated loans granted to other banks.

In 2021, 2020 and 2019, the interest rates of foreign currency-denominated interbank loans receivable range from 0.05% to 0.16%, from 0.07% to 0.30%, and from 1.90% to 2.10%, 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 2021, 2020 and 2019, the interest rate of SPURA is 2.00%, 2.00% to 4.00%, and 4.00% to 4.75%, respectively, for the Group and Parent Company.

9. TRADING AND INVESTMENT SECURITIES

Financial Assets at FVTPL
This account consists of:

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
Held for trading				
Government bonds	**₱179,909**	₱3,531,521	**₱179,909**	₱3,531,521
Treasury notes	**58,684**	2,126,819	**58,684**	2,126,819
Treasury bills	**1,790,306**	1,892,770	**1,790,306**	1,892,770
Private bonds	**2,884,863**	3,358,210	**1,334,070**	1,812,303
Quoted equity shares	**1,063,897**	1,210,665	**1,014,037**	1,141,487
	5,977,659	12,119,985	**4,377,006**	10,504,900
Financial assets designated at FVTPL	**151,209**	150,000	**–**	–
Derivative assets (Note 26)	**1,080,799**	1,136,878	**1,080,798**	1,136,878
Total	**₱7,209,667**	₱13,406,863	**₱5,457,804**	₱11,641,778

As of December 31, 2021 and 2020, HFT securities include fair value gain of ₱2.07 million and fair value loss of ₱26.75 million, respectively, for the Group. As of December 31, 2021 and 2020, HFT securities include fair value loss of ₱12.70 million and ₱27.48 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 0.65% to 8.80% in 2021, from 0.32% to 8.04% in 2020 and from 1.41% to 7.26% in 2019. Effective interest rates for foreign currency-denominated financial assets at FVTPL for the Group range from 0.12% to 7.10% in 2021, from 0.53% to 7.17% in 2020 and from 0.71% to 5.81% in 2019. Effective interest rates for foreign currency-denominated financial assets at FVTPL for the Parent Company range from 0.12% to 7.10% in 2021, from 0.53% to 7.17% in 2020 and from 0.71% to 5.81% in 2019.

Financial Assets at FVOCI
This account consists of:

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
Debt Securities				
Government bonds (Note 29)	**₱17,713,051**	₱13,004,496	**₱15,654,511**	₱11,403,601
Private bonds	**10,305,710**	6,596,820	**10,245,868**	6,329,550
	28,018,761	19,601,316	**25,900,379**	17,733,151
Equity Securities				
Quoted equity shares	**635,114**	624,722	**604,968**	594,004
Unquoted equity shares	**18,365**	18,365	**18,365**	18,365
	653,479	643,087	**623,333**	612,369
Total	**₱28,672,240**	₱20,244,403	**₱26,523,712**	₱18,345,520

Unquoted equity securities
This account comprises of shares of stocks of various unlisted private corporations. The Group has designated these equity securities as at FVOCI as these will not be sold in the foreseeable future.

Net unrealized gains (losses)
Financial assets at FVOCI include fair value gains of ₱19.71 million for the Group and the Parent Company as of December 31, 2021 and fair value gains of ₱263.74 million for the Group and the Parent Company as of December 31, 2020. The fair value gains are recognized under OCI. Accumulated credit losses on debt financial assets at FVOCI of the Group and the Parent Company amounted to ₱61.49 million and ₱61.00 million as of December 31, 2021, respectively. Accumulated credit losses on debt financial assets at FVOCI recognized in OCI of the Group and the Parent Company amounted to ₱30.38 million and ₱30.06 million as of December 31, 2020, respectively.

Effective interest rates for peso-denominated financial assets at FVOCI for both the Group and Parent Company range from 1.40% to 5.40% in 2021, from 1.74% to 5.06% in 2020 and from 3.94% to 6.87% in 2019.

Effective interest rates for foreign currency-denominated financial assets at FVOCI for both the Group and Parent Company range from 0.83% to 7.00% in 2021, from 0.83% to 7.00% in 2020 and from 0.83% to 5.65% in 2019.

Investment Securities at Amortized Cost
This account consists of:

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
Government bonds (Note 19)	**₱116,246,059**	₱95,852,375	**₱111,060,036**	₱91,543,048
Private bonds	**124,678,017**	103,200,111	**123,933,996**	102,358,761
	240,924,076	199,052,486	**234,994,032**	193,901,809
Unamortized premium – net	**4,523,400**	5,577,990	**4,239,922**	5,276,817
Allowance for credit losses (Note 16)	**(3,093,747)**	(2,389,845)	**(2,886,272)**	(2,383,800)
	₱242,353,729	₱202,240,631	**₱236,347,682**	₱196,794,826

Effective interest rates for peso-denominated investment securities at amortized cost for the Group range from 1.28% to 7.14% in 2021, 1.06% to 8.92% in both 2020 and 2019. Effective interest rates for foreign currency-denominated investment securities at amortized cost range from 0.01% to 10.35% in 2021, 0.57% to 10.35% in 2020 and 1.82% to 6.97% in 2019.

Sale of Investment Securities at Amortized Cost
In 2021 and 2020, the Parent Company sold investment securities at amortized cost whose carrying values prior to the sale amounted ₱55.77 billion and ₱30.14 billion, respectively. In 2019, the Group and the Parent Company sold investment securities at amortized cost whose carrying values prior to the sale amounted to ₱18.62 billion and ₱13.33 billion, respectively. Details of these sales, including the reason for selling, are presented in the succeeding tables.

The Parent Company sold the following investment securities at amortized cost in 2021 (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.*

The Group and the Parent Company sold the following investment securities at amortized cost in 2019 (amounts in millions):

	Group		Parent Company	
Reason for selling	Carrying amount	Gain on sale	Carrying amount	Gain on sale
A change in funding profile of the Parent Company	₱10,445	₱1,156	₱10,445	₱1,156
To address requirements on regulatory and internal limit of the Group and Parent Company	6,275	168	982	86
An increase in the financial assets' credit risk due to political uncertainty affecting the sovereign issuer's environment	1,169	43	1,169	43
A highly probable change in regulations with a potentially adverse impact to the financial assets' contractual cash flows	729	14	729	14
Total	₱18,618	₱1,381	₱13,325	₱1,299

These disposals of investment securities at amortized cost were assessed by the Group as not inconsistent with the portfolios' business models considering the conditions and reasons for which the disposals were made (see Note 3).

Interest Income on Investment Securities at Amortized Cost and at FVOCI
This account consists of:

	Consolidated			**Parent Company**		
	2021	2020	2019	**2021**	2020	2019
Financial assets at FVOCI	**₱900,827**	₱3,595,277	₱665,379	**₱847,216**	₱3,531,285	₱600,160
Investment securities at amortized cost	**8,292,920**	6,427,897	9,162,697	**8,087,436**	6,203,399	8,762,267
	₱9,193,747	₱10,023,174	₱9,828,076	**₱8,934,652**	₱9,734,684	₱9,362,427

10. LOANS AND RECEIVABLES

This account consists of:

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
Loans and discounts				
Corporate and commercial lending	**₱489,078,422**	₱449,665,226	**₱472,722,122**	₱429,181,294
Consumer lending	**122,675,849**	114,003,342	**72,016,473**	67,192,608
Trade–related lending	**12,453,552**	8,534,049	**12,079,859**	8,328,448
Others*	**116,896**	142,337	**20,292**	28,421
	624,324,719	572,344,954	**556,838,746**	504,730,771
Unearned discounts	**(260,378)**	(390,552)	**(177,124)**	(208,638)
	624,064,341	571,954,402	**556,661,622**	504,522,133
Allowance for impairment and credit losses (Note 16)	**(15,057,609)**	(14,739,918)	**(12,489,884)**	(12,527,657)
	₱609,006,732	₱557,214,484	**₱544,171,738**	₱491,994,476

*Others include employee loans and foreign bills purchased.

As of December 31, 2021 and 2020, loans of the Parent Company amounting to nil and ₱5.75 billion, respectively, are rediscounted with the BSP (Note 19).

Information on the amounts of secured and unsecured loans and receivables (gross of unearned discounts and allowance for impairment and credit losses) of the Group and Parent Company are as follows:

	Consolidated				Parent Company			
	2021		2020		**2021**		2020	
	Amounts	%	Amounts	%	**Amounts**	%	Amounts	%
Loans secured by								
Real estate	**₱85,021,052**	13.62	₱77,049,605	13.46	**₱58,622,700**	10.53	₱51,972,071	10.30
Chattel mortgage	**22,096,827**	3.54	23,902,079	4.18	**7,459,462**	1.34	8,334,760	1.65
Guarantee by the Republic of the Philippines	**3,315**	0.00	2,274,070	0.40	**3,315**	0.00	2,274,070	0.45
Deposit hold out	**2,506,588**	0.40	3,018,427	0.53	**2,214,506**	0.40	2,539,755	0.50
Shares of stock of other banks	**8,350,600**	1.34	2,354,950	0.41	**8,350,600**	1.50	2,354,950	0.47
Others	**82,803,122**	13.26	90,569,698	15.82	**82,680,304**	14.85	90,289,852	17.89
	200,781,504	32.16	199,168,829	34.80	**159,330,887**	28.62	157,765,458	31.26
Unsecured loans	**423,543,215**	67.84	373,176,125	65.20	**397,507,859**	71.38	346,965,313	68.74
	₱624,324,719	100.00	₱572,344,954	100.00	**₱556,838,746**	100.00	₱504,730,771	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, have offered financial reliefs to their borrowers or counterparties as a response to the effect of the COVID-19 pandemic, particularly the modification of existing loans and receivables which includes extension of payment terms.

Based on the Group's and the Parent Company's assessments, the modifications in the contractual cash flows as a result of the above reliefs are not substantial and, therefore, do not result in the derecognition of the affected financial assets but would require the recognition of modification losses. The total modification losses resulting from Bayanihan 1 Act and Bayanihan 2 Act 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 2021, the accretion on the modified loans amounted to ₱69.57 million.

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
Prior to modification	₱1.28	₱1.13
As of December 31, 2020	1.25	1.10
As of December 31, 2021 (after accretion, transfers between ECL measurement, and principal payments)	1.14	0.98

Interest Income on Loans and Receivables
As of December 31, 2021 and 2020, 62.29% and 65.48%, respectively, of the total receivables from customers of the Group and 63.85% and 68.02%, 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 1.02% to 39.42% in 2021, from 1.02% to 39.42% in 2020, and from 1.66% to 39.43% in 2019 for foreign currency-denominated receivables and from 1.50% to 30.00% in 2021, 2020 and 2019 for peso-denominated receivables.

Remaining receivables of the Parent Company carry annual fixed interest rates ranging from 1.02% to 10.50% in 2021, from 1.02% to 16.25% in 2020, and from 1.66% to 10.50% in 2019 for foreign currency-denominated receivables and from 1.50% to 30.00% in 2021, 2020 and 2019 for peso-denominated receivables.

11. EQUITY INVESTMENTS

This account consists of investments in:

A. Subsidiaries

	2021	2020
Balance at beginning of the year		
CBSI	**₱13,006,556**	₱12,479,647
CBCC	**2,406,507**	2,236,902
CBC–PCCI	**77,367**	60,800
CIBI	**264,361**	351,769
	15,754,791	15,129,118
Share in net income		
CBSI	**1,027,189**	506,068
CBCC	**292,847**	215,971
CBC–PCCI	**10,154**	7,704
CIBI	**92,313**	60,739
	1,422,503	790,482
Share in Other Comprehensive Income		
Items that recycle to profit or loss in subsequent periods:		
Net unrealized gain (loss) on FVOCI		
CBSI	**(36,523)**	15,054
CBCC	**(5,069)**	4,048
CBC-PCCI	**(11,017)**	11,017
CIBI	**–**	1,584
	(52,610)	31,703
Cumulative translation adjustments		
CBSI	**11,603**	(12,166)
	11,603	(12,166)
Other Equity-stock grants		
CBSI	**(1,009)**	18,286
CBCC	**(11)**	211
CBC-PCCI	**(145)**	2,776
CIBI	**(34)**	657
	(1,199)	21,930

(Forward)

	2021	2020
Items that do not recycle to profit or loss in subsequent periods:		
Remeasurement gains (losses) on defined benefit assets/obligations		
CBSI	₱51,640	₱59,569
CBCC	193	(625)
CBC–PCCI	4,266	(4,930)
CIBI	157	(388)
	56,256	53,626
Impairment		
CBSI	–	(59,902)
	–	(59,902)
Cash Dividends		
CBCC	–	(50,000)
CIBI	–	(150,000)
	–	(200,000)
Balance at end 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

B. Associates:

	2021	2020
Balance at beginning of the year	₱912,647	₱704,169
Share in net income	(1,609)	152,441
Share in OCI:		
Items that do not recycle to profit or loss in subsequent periods		
Remeasurement gains (losses) on life insurance reserves	31,874	(66,558)
Remeasurement on defined benefit plan	(3,245)	3,415
Item that recycle to profit or loss in subsequent periods:		
Net unrealized gain on FVOCI	(103,148)	119,180
Cash dividends	(40,000)	–
Balance at end of the year	₱796,519	₱912,647

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 January 16, 2020, the BOD declared and approved cash dividends amounting to ₱100 million for stockholders on record as of declaration date, payable on February 21, 2020. On December 10, 2020, the BOD declared and approved another cash dividends amounting to ₱50 million for stockholders on record as of declaration date, payable on December 21, 2020.

CBCC
On June 11, 2020, the BOD declared and approved cash dividends of ₱50 million for stockholders on record as of declaration date, payable on June 30, 2020.

On April 1, 2015, the BOD approved the investment of the Parent Company in an investment house subsidiary, CBCC, up to the amount of ₱500.00 million. 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, 2021 and 2020.

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:

	2021	2020
Total assets	**₱55,544,393**	₱43,089,159
Total liabilities	**53,602,517**	40,856,962
Equity	**1,941,876**	2,232,197

	2021	2020
Revenues	**₱16,502,813**	₱9,402,315
Benefits, claims and operating expenses	**16,535,119**	8,932,982
Income before income tax	**(32,306)**	469,333
Net income	**(4,023)**	381,102

Commission income earned by the Group from its bancassurance agreement amounting to ₱432.08 million, ₱282.00 million, ₱303.45 million in 2021, 2020 and 2019, respectively, is included under 'Miscellaneous income' in the statements of income (Note 22).

12. BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT AND RIGHT-OF-USE ASSETS

The composition of and movements in this account follow:

	Consolidated							
	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**	**173,732**	**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 ₱14.46 million.

	Consolidated							
	2020							
	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	₱3,236,995	₱6,982,242	₱1,961,818	₱2,326,571	₱59,439	₱181,451	₱3,506,393	₱18,254,909
Additions	51,635	273,890	105,272	65,800	44,680	–	167,762	709,039
Disposals/transfers (Note 14)*	–	(53,548)	7,015	(33,731)	(22,658)	(8,079)	(34,655)	(145,656)
Balance at end of year	3,288,630	7,202,584	2,074,105	2,358,640	81,461	173,372	3,639,500	18,818,292
Accumulated Depreciation and Amortization								
Balance at beginning of year	–	5,802,599	1,157,640	1,467,601	–	13,556	658,280	9,099,676
Depreciation and amortization	–	564,984	69,561	238,980	–	56,787	642,024	1,572,336
Disposals/transfers (Note 14)*	–	(165,930)	(4,153)	(75,569)	–	–	(30,785)	(276,437)
Balance at end of year	–	6,201,653	1,223,048	1,631,012	–	70,343	1,269,519	10,395,575
Net Book Value at End of Year	₱3,288,630	₱1,000,931	₱851,057	₱727,628	₱81,461	₱103,029	₱2,369,981	₱8,422,717

*Includes transfers from investment properties amounting to ₱28.90 million.

	Parent Company							
	Land (Note 24)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction– in–Progress	Right-of-use Assets Land	Right-of-use Assets Bldg.	2021 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	1,205,026	–	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 ₱14.46 million.

	Parent Company							
	Land (Note 24)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction– in–Progress	Right-of-use Assets Land	Right-of-use Assets Bldg.	2020 Total
Cost								
Balance at beginning of year	₱2,889,705	₱5,665,067	₱1,235,690	₱1,642,879	₱19,370	₱181,451	₱2,730,534	₱14,364,696
Additions	956	223,555	104,259	61,672	17,786	–	56,340	464,568
Disposals/transfers (Note 14)*	–	1,679	10,957	(33,806)	(22,658)	–	–	(43,828)
Balance at end of year	2,890,661	5,890,301	1,350,906	1,670,745	14,498	181,451	2,786,874	14,785,436
Accumulated Depreciation and Amortization								
Balance at beginning of year	–	4,749,235	645,600	995,684	–	13,556	491,975	6,896,050
Depreciation and amortization	–	453,352	56,352	175,989	–	56,787	458,816	1,201,296
Disposals/transfers (Note 14)*	–	(113,320)	87	(75,636)	–	–	–	(188,869)
Balance at end of year	–	5,089,267	702,039	1,096,037	–	70,343	950,791	7,908,477
Net Book Value at End of Year	₱2,890,661	₱801,034	₱648,867	₱574,708	₱14,498	₱111,108	₱1,836,083	₱6,876,959

*Includes transfers from investment properties amounting to ₱28.90 million

The Group adopted the deemed cost model as of January 1, 2004 and considered the carrying value of the land determined under its previous accounting method (revaluation method) as the deemed cost of the asset as of January 1, 2005. Accordingly, revaluation increment amounting to ₱1.28 billion was closed to surplus (Note 24) in 2011.

As of December 31, 2021 and 2020, the gross carrying amount of fully depreciated furniture, fixtures and equipment still in use amounted to ₱3.29 billion and ₱2.90 billion, respectively, for the Group and ₱2.44 billion and ₱2.09 billion, respectively, for the Parent Company.

Gain on sale of furniture, fixtures and equipment amounting to nil, ₱1.25 million and ₱1.44 million in 2021, 2020 and 2019, respectively, for the Group and nil, ₱0.02 million and ₱1.44 million in 2021, 2020 and 2019, respectively, for the Parent Company are included in the statements of income under 'Miscellaneous income' account (Note 22).

In 2019, depreciation and amortization amounting to ₱1.59 billion and ₱1.19 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		
	Land	**Buildings and Improvements**	**2021 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).

	Consolidated		
	Land	Buildings and Improvements	2020 Total
Cost			
Balance at beginning of year	₱3,649,943	₱2,730,718	₱6,380,661
Additions	129,272	165,054	294,326
Disposals/write–off/transfers*	(649,210)	(134,786)	(783,996)
Balance at end of year	3,130,005	2,760,986	5,890,991
Accumulated Depreciation and Amortization			
Balance at beginning of year	–	914,464	914,464
Depreciation and amortization	–	157,568	157,568
Disposals/write–off/transfers*	–	(82,201)	(82,201)
Balance at end of year	–	989,831	989,831
Allowance for Impairment Losses (Note 16)			
Balance at beginning of year	874,363	254,648	1,129,011
Disposals/write-off/reclassification*	(261,375)	48,585	(212,790)
Balance at end of year	612,988	303,233	916,221
Net Book Value at End of Year	₱2,517,017	₱1,467,922	₱3,984,939

*Includes transfers to bank premises amounting to ₱14.46 million (Note 12).

	Parent Company		
	Land	Buildings and Improvements	2021 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 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).

	Parent Company		
	Land	Buildings and Improvements	2020 Total
Cost			
Balance at beginning of year	₱1,528,079	₱1,538,765	₱3,066,844
Additions	46,693	70,967	117,660
Disposals/write–off/transfers*	(232,265)	(75,822)	(308,087)
Balance at end of year	1,342,507	1,533,910	2,876,417
Accumulated Depreciation and Amortization			
Balance at beginning of year	–	455,342	455,342
Depreciation and amortization	–	96,263	96,263
Disposals/write–off/transfers*	–	(31,908)	(31,908)
Balance at end of year	–	519,697	519,697
Allowance for Impairment Losses (Note 16)			
Balance at beginning and end of year	912,826	201,689	1,114,515
Disposals/write–off/reclassification*	(236,728)	–	(236,728)
Balance at end of year	676,098	201,689	877,787
Net Book Value at End of Year	₱666,409	₱812,524	₱1,478,933

*Includes transfers to bank premises amounting to ₱14.46 million (Note 12).

The Group's investment properties consist entirely of real estate properties acquired in settlement of loans and receivables. The difference between the fair value of the investment property upon foreclosure and the carrying value of the loan is recognized under 'Gain on asset foreclosure and dacion transactions' in the statements of income.

In 2019, depreciation and amortization amounting to ₱173.38 million and ₱101.93 million for the Group and Parent Company, respectively, are included in the statements of income under 'Depreciation and amortization' account.

Details of rental income earned and direct operating expenses incurred on investment properties follow:

	Consolidated		
	2021	2020	2019
Rent income on investment properties	**₱96,759**	₱66,493	₱88,898
Direct operating expenses on investment properties generating rent income	**1,277**	1,537	12,952
Direct operating expenses on investment properties not generating rent income	**74,293**	69,651	55,424

	Parent Company		
	2021	2020	2019
Rent income on investment properties	**₱54,400**	₱47,209	₱59,070
Direct operating expenses on investment properties generating rent income	**371**	815	12,150
Direct operating expenses on investment properties not generating rent income	**32,765**	22,753	20,503

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 increase in geographical presence and customer base due to the branches acquired. None of the goodwill recognized is expected to be deductible for income tax purposes. CBSI as surviving entity from the merger with PDB, is the identified CGU for this goodwill. The Parent Company's Retail Banking Business (RBB) has been identified as the CGU for impairment testing of the goodwill from its acquisition of CBSI.

As of December 31, 2021 and 2020, amount of goodwill per CGU follows:

	Consolidated	Parent Company
RBB	₱222,841	₱222,841
CBSI	616,907	–
Total	₱839,748	₱222,841

The recoverable amount of the CGUs have been determined based on a value-in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period, which do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset base of the CGU being tested. Other than loans and deposits growth rates, the significant assumptions, and the most sensitive, used in computing for the recoverable values of the CGUs follow:

	2021		2020	
	RBB	**CBSI**	RBB	CBSI
Discount rate	**9.08%**	**11.33%**	6.12%	7.25%
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, 2021 and 2020.

Branch Licenses
Branch licenses of the Group arose from the acquisitions of CBSI, Unity Bank, and PDB. Each branch to which the branch license is attributed is the CGU that is tested independently for impairment assessment.

As of December 31, 2021 and 2020, details of branch licenses in the Group's and the Parent Company's financial statements follow:

	Consolidated		**Parent Company**	
	2021	2020	**2021**	2020
Branch license from CBSI acquisition	**₱477,600**	₱477,600	**₱455,000**	₱455,000
Branch license from Unity Bank acquisition	**360,000**	360,000	**–**	–
Branch license from PDB acquisition*	**2,839,500**	2,839,500	**–**	–
	3,677,100	3,677,100	**455,000**	455,000
Allowance for probable losses	**(289,502)**	(289,502)	**(57,000)**	(57,000)
	₱3,387,598	₱3,387,598	**₱398,000**	₱398,000

**mostly attributable to the Parent Company*

Other than loans and deposits growth rates, the Group uses the discount rate of 9.08% and long-term growth rate of 1.00% for computing for the recoverable values of the CGUs.

Capitalized software costs

The movements in the account follow:

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
Cost				
Balance at beginning of year	**₱1,919,187**	₱1,878,745	**₱1,836,621**	₱1,785,403
Additions	**104,662**	68,133	**94,060**	52,371
Disposals/Write-off/Reclassifications (Note 12)	**(34,771)**	(27,691)	**4,846**	(1,153)
Balance at end of year	**1,989,078**	1,919,187	**1,935,527**	1,836,621
Accumulated Depreciation and Amortization				
Balance at beginning of year	**1,433,616**	1,268,667	**1,400,685**	1,237,487
Depreciation and amortization	**166,157**	164,995	**163,915**	163,221
Disposals/Write-off/Reclassifications (Note 12)	**(22,486)**	(46)	**487**	(23)
Balance at end of year	**1,577,287**	1,433,616	**1,565,087**	1,400,685
Net Book Value at End of Year	**₱411,791**	₱485,571	**₱370,440**	₱435,936

Exchange Trading Right

As of December 31, 2021 and 2020, 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 last transacted price of the trading right is ₱8.50 million as approved by the BOD of PSE. The exchange trading right, as of December 31, 2021 and 2020, 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	
	2021	2020	**2021**	2020
Financial assets				
Accounts receivable	**2,664,413**	2,279,947	**1,673,539**	1,223,657
SCR	**1,163,371**	1,203,482	**243,355**	209,692
RCOCI	**205,933**	124,705	**181,477**	90,566
Others	**17,675**	17,303	**9,660**	9,587
	4,051,392	3,625,437	**2,108,031**	1,533,502

(Forward)

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
Non-financial assets				
Net plan assets (Note 25)	**₱483,001**	₱127,937	**₱300,391**	₱32,609
Prepaid expenses	**494,381**	336,626	**427,713**	309,436
Creditable withholding taxes	**446,253**	598,278	**435,700**	489,157
Security deposit	**157,070**	256,804	**155,197**	177,479
Documentary stamps	**305,942**	209,699	**244,461**	137,302
Sundry debits	**105,776**	609,383	**36,131**	627,227
Miscellaneous	**1,105,627**	1,259,938	**313,666**	295,388
	3,098,050	3,398,665	**1,913,259**	2,068,598
	7,419,442	7,024,102	**4,021,290**	3,602,100
Allowance for impairment losses (Note 16)	**(685,057)**	(523,092)	**(379,619)**	(234,109)
	₱6,464,385	₱6,501,010	**₱3,641,671**	₱3,367,991

Accounts receivable
Accounts receivable also includes non-interest bearing advances to officers and employees, with terms ranging from 1 to 30 days and receivables of the Parent Company from automated teller machine (ATM) transactions of clients of other banks that transacted through any of the Parent Company's ATM terminals.

Sales contract receivable
This refers to the amortized cost of assets acquired in settlement of loans through foreclosure or dation in payment and subsequently sold on installment basis whereby the title to the said property is transferred to the buyers only upon full payment of the agreed selling price.

SCR bears fixed interest rates per annum in 2021, 2020 and 2019 ranging from 5.50% to 10.00%, 5.00% to 10.00%, and 5.00% to 10.25%, respectively.

Miscellaneous
Miscellaneous consists mainly of unissued stationery and supplies, inter-office float items, and deposits for various services.

16. ALLOWANCE FOR IMPAIRMENT AND CREDIT LOSSES

Changes in the allowance for impairment and credit losses are as follows:

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
Balances at beginning of year				
Loans and receivables	**₱14,739,918**	₱8,559,976	**₱12,527,657**	₱6,938,785
Investment securities at amortized cost	**2,389,845**	1,087,983	**2,383,800**	1,082,690
Financial assets at FVOCI *	**30,384**	18,521	**30,056**	18,471
Investment properties	**916,219**	1,129,012	**877,787**	1,114,515
Accrued interest receivable	**337,785**	275,888	**36,609**	39,261
Intangible assets	**293,002**	233,100	**57,000**	57,000
Investment in subsidiaries	**–**	–	**59,902**	–
Other assets	**523,092**	565,319	**234,109**	294,913
Off-balance sheet exposures *	**467,117**	1,239,967	**457,099**	1,229,949

(Forward)

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
	₱19,697,362	₱13,109,766	**₱16,664,019**	₱10,775,584
Provisions charged to operations	**8,876,744**	8,868,919	**7,679,877**	7,983,206
Accounts charged off and others	**(7,510,021)**	(2,281,323)	**(6,910,315)**	(2,094,771)
	1,366,723	6,587,596	**769,562**	5,888,435
Balances at end of year				
Loans and receivables (Note 10)	**15,057,609**	14,739,918	**12,489,884**	12,527,657
Investment securities at amortized cost (Note 9)	**3,093,747**	2,389,845	**2,886,272**	2,383,800
Financial assets at FVOCI * (Note 9)	**61,495**	30,384	**60,998**	30,056
Investment properties (Note 13)	**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 (Note 15)	**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

** 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 "Other Comprehensive Income" (Equity) and "Other Liabilities" (Liabilitiy), 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 2021, 2020 and 2019.

	Consolidated			Parent Company		
	2021	2020	2019	**2021**	2020	2019
Corporate and commercial lending	**₱5,887,208**	₱6,620,171	₱1,714,041	**₱6,228,681**	₱6,300,097	₱1,369,339
Consumer lending	**1,803,215**	1,626,588	(44,227)	**533,013**	1,076,445	79,969
Trade-related lending	**21,737**	(34,744)	235,962	**25,858**	(43,355)	240,718
Others	**855**	2,889	1,873	**328**	–	–
Investment securities at amortized cost	**394,228**	1,337,700	732,874	**369,383**	1,336,947	887,745
Financial assets at FVOCI (debt securities)	**13,226**	21,208	10,337	**13,057**	20,930	10,287
	8,120,469	9,573,812	2,650,860	**7,170,320**	8,691,064	2,588,058
Impact to profit or loss of movements in ECL for off-books exposures	**271,578**	(772,850)	(389,182)	**271,578**	(772,850)	(389,182)
Other assets	**484,697**	67,957	308,490	**237,979**	64,992	6,186
	₱8,876,744	₱8,868,919	₱2,570,168	**₱7,679,877**	₱7,983,206	₱2,205,062

The tables below illustrate the movements of the allowance for impairment and credit losses during 2021 (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, 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)
Total net P&L charge during the period	**(1,569,225)**	**(19,319)**	**7,475,752**	**5,887,208**
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	48,112	11,112	(6,289,638)	(6,230,414)
Total movements without P&L impact	**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	–	–	–	–
Total net P&L charge during the period	**238,222**	**19,362**	**1,545,631**	**1,803,215**
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	–	–	(1,095,033)	(1,095,033)
Total movements without P&L impact	**–**	**–**	**(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)
Total net P&L charge during the period	**(12,506)**	**(9,049)**	**43,292**	**21,737**
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	2,407	7	(72,291)	(69,877)
Total movements without P&L impact	**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	–	–	–	–
Total net P&L charge during the period	**2**	**(48)**	**901**	**855**
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements without P&L impact	**–**	**–**	**–**	**–**
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*

	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, 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)
Total net P&L charge during the period	**(1,343,507)**	**(9,054)**	**9,065,576**	**7,713,015**
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	50,519	11,119	(7,456,962)	(7,395,324)
Total movements without P&L impact	**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*

	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, 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)
Total net P&L charge during the period	**(69,307)**	**34,676**	**428,859**	**394,228**
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	129,377	3,712	176,585	309,674
Total movements without P&L impact	**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*

Financial assets at FVOCI (debt securities)	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 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)
Total net P&L charge during the period	**12,194**	**1,032**	**–**	**13,226**
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	17,380	505	–	17,885
Total movements without P&L impact	**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*

Corporate and commercial 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	**₱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)
Total net P&L charge during the period	**(1,531,331)**	**(17,727)**	**7,777,739**	**6,228,681**
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	**48,112**	**11,111**	**(6,220,037)**	**(6,160,814)**
Total movements without P&L impact	**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*

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	**12-month ECL**	**Lifetime ECL**	**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	–	–	–	–
Total net P&L charge during the period	**263,884**	**43,905**	**225,224**	**533,013**
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	–	–	(594,962)	(594,962)
Total movements without P&L impact	**–**	**–**	**(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*

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Trade-related lending	**12-month ECL**	**Lifetime ECL**	**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)
Total net P&L charge during the period	**(14,517)**	**(9,119)**	**49,494**	**25,858**
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	2,407	7	(72,291)	(69,877)
Total movements without P&L impact	**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 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, 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	–	–	–	–
Total net P&L charge during the period	**–**	**–**	**328**	**328**
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements without P&L impact	**–**	**–**	**–**	**–**
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)
Total net P&L charge during the period	**(1,281,964)**	**17,059**	**8,052,785**	**6,787,880**
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	50,519	11,118	(6,887,290)	(6,825,653)
Total movements without P&L impact	**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*

	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, 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)
Total net P&L charge during the period	**(74,311)**	**34,676**	**409,018**	**369,383**
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	129,377	3,712	–	133,089
Total movements without P&L impact	**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*

	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, 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)
Total net P&L charge during the period	**12,025**	**1,032**	**–**	**13,057**
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	17,380	505	–	17,885
Total movements without P&L impact	**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*

Comparative figures for the movement of allowance for credit and impairment losses for 2020 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, 2020	₱3,406,716	₱493,312	₱3,017,416	₱6,917,444
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(110,125)	1,795,484	–	1,685,359
Transfer from Stage 1 to Stage 3	(333,940)	–	2,259,231	1,925,291
Transfer from Stage 2 to Stage 1	111,168	(243,190)	–	(132,022)
Transfer from Stage 2 to Stage 3	–	(57,867)	815,965	758,098
Transfer from Stage 3 to Stage 1	32	–	(4,661)	(4,629)
Transfer from Stage 3 to Stage 2	–	179	(22,117)	(21,938)
New financial assets originated *	1,893,028	1,171,035	451,313	3,515,376
Changes in PDs / LGDs / EADs	614,376	168,604	(263,803)	519,177
Financial assets derecognized during the period	(1,044,910)	(114,476)	(614,627)	(1,774,013)
Fx and other movements	15,527	788	133,157	149,472
Total net P&L charge during the period	1,145,156	2,720,557	2,754,458	6,620,171
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	(15,583)	(788)	(1,143,748)	(1,160,119)
Total movements without P&L impact	(15,583)	(788)	(1,143,748)	(1,160,119)
Loss allowance at December 31, 2020	v4,536,289	₱3,213,081	₱4,628,126	₱12,377,496

* *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, 2020	₱226,544	₱30,935	₱1,048,161	₱1,305,640
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(36,480)	129,412	–	92,932
Transfer from Stage 1 to Stage 3	(11,450)	–	1,004,196	992,746
Transfer from Stage 2 to Stage 1	1,638	(5,843)	–	(4,205)
Transfer from Stage 2 to Stage 3	–	(9,289)	160,169	150,880
Transfer from Stage 3 to Stage 1	107	–	(13,073)	(12,966)
Transfer from Stage 3 to Stage 2	–	881	(20,232)	(19,351)
New financial assets originated *	95,436	20,068	55,052	170,556
Changes in PDs / LGDs / EADs	97,587	(4,418)	40,010	133,179
Financial assets derecognized during the period	(41,288)	(5,997)	(117,332)	(164,617)
Fx and other movements	–	–	287,434	287,434
Total net P&L charge during the period	105,550	124,814	1,396,224	1,626,588
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	–	–	(851,299)	(851,299)
Total movements without P&L impact	–	–	(851,299)	(851,299)
Loss allowance at December 31, 2020	₱332,094	₱155,749	₱1,593,086	₱2,080,929

* *Stage classification of new financial assets originated pertains to the stage as of end of year*

	Consolidated			
	ECL Staging			
Trade-related lending	Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2020	₱127,073	₱429	₱207,015	₱334,517
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(882)	882	–	–
Transfer from Stage 1 to Stage 3	(253)	–	22,748	22,495
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	204	(11,808)	(11,604)
New financial assets originated *	130,287	22,522	26,235	179,044
Changes in PDs / LGDs / EADs	630	96	(106,093)	(105,367)
Financial assets derecognized during the period	(123,188)	(319)	–	(123,507)
Fx and other movements	275	–	3,920	4,195
Total net P&L charge during the period	6,869	23,385	(64,998)	(34,744)
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	(275)	–	(20,894)	(21,169)
Total movements without P&L impact	(275)	–	(20,894)	(21,169)
Loss allowance at December 31, 2020	₱133,667	₱23,814	₱121,123	₱278,604

* *Stage classification of new financial assets originated pertains to the stage as of end of year*

	Consolidated			
	ECL Staging			
Others	Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2020	₱–	₱–	₱–	₱–
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 *	1	8	-	9
Changes in PDs / LGDs / EADs	–	40	2,840	2,880
Financial assets derecognized during the period	–	–	–	–
Fx and other movements	–	–	–	–
Total net P&L charge during the period	1	48	2,840	2,889
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements without P&L impact	–	–	–	–
Loss allowance at December 31, 2020	₱1	₱48	₱2,840	₱2,889

* *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, 2020	₱3,760,333	₱524,676	₱4,272,592	₱8,557,601
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(147,505)	1,925,778	–	1,778,273
Transfer from Stage 1 to Stage 3	(345,643)	–	3,286,175	2,940,532
Transfer from Stage 2 to Stage 1	112,806	(249,033)	–	(136,227)
Transfer from Stage 2 to Stage 3	–	(67,156)	976,134	908,978
Transfer from Stage 3 to Stage 1	139	–	(17,734)	(17,595)
Transfer from Stage 3 to Stage 2	–	1,264	(54,157)	(52,893)
New financial assets originated *	2,118,752	1,213,633	532,600	3,864,985
Changes in PDs / LGDs / EADs	712,611	164,322	(327,046)	549,887
Financial assets derecognized during the period	(1,209,386)	(120,792)	(731,959)	(2,062,137)
Fx and other movements	15,802	788	424,511	441,101
Total net P&L charge during the period	1,257,576	2,868,804	4,088,524	8,214,904
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	(15,858)	(788)	(2,015,941)	(2,032,587)
Total movements without P&L impact	(15,858)	(788)	(2,015,941)	(2,032,587)
Loss allowance at December 31, 2020	₱5,002,051	₱3,392,692	₱6,345,175	₱14,739,918

** 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, 2020	₱276,088	₱811,828	₱–	₱1,087,916
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	13,447	(21,613)	–	(8,166)
Transfer from Stage 2 to Stage 3	–	(784,940)	2,002,270	1,217,330
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	159,142	–	–	159,142
Changes in PDs / LGDs / EADs	(35,080)	–	–	(35,080)
Financial assets derecognized during the period	(24,960)	(5,275)	–	(30,235)
Fx and other movements	34,709	–	–	34,709
Total net P&L charge during the period	147,258	(811,828)	2,002,270	1,337,700
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	(35,771)	–	–	(35,771)
Total movements without P&L impact	(35,771)	–	–	(35,771)
Loss allowance at December 31, 2020	₱387,575	₱–	₱2,002,270	₱2,389,845

** 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, 2020	₱18,521	₱–	₱–	₱18,521
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 *	13,467	–	–	13,467
Changes in PDs / LGDs / EADs	2,946	–	–	2,946
Financial assets derecognized during the period	(4,550)	–	–	(4,550)
Fx and other movements	9,345	–	–	9,345
Total net P&L charge during the period	21,208	–	–	21,208
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	(9,345)	–	–	(9,345)
Total movements without P&L impact	(9,345)	–	–	(9,345)
Loss allowance at December 31, 2020	₱30,384	₱–	₱–	₱30,384

* *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, 2020	₱3,316,660	₱485,666	₱1,939,230	₱5,741,556
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(88,400)	1,768,208	–	1,679,808
Transfer from Stage 1 to Stage 3	(331,620)	–	2,028,750	1,697,130
Transfer from Stage 2 to Stage 1	110,960	(242,929)	–	(131,969)
Transfer from Stage 2 to Stage 3	–	(53,579)	476,664	423,085
Transfer from Stage 3 to Stage 1	3	–	(1,750)	(1,747)
Transfer from Stage 3 to Stage 2	–	38	(11,004)	(10,966)
New financial assets originated *	1,860,151	1,161,153	427,996	3,449,300
Changes in PDs / LGDs / EADs	591,037	154,171	(63,162)	682,046
Financial assets derecognized during the period	(1,017,672)	(113,814)	(504,576)	(1,636,062)
Fx and other movements	15,527	788	133,157	149,472
Total net P&L charge during the period	1,139,986	2,674,036	2,486,075	6,300,097
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	(15,583)	(788)	(1,143,748)	(1,160,119)
Total movements without P&L impact	(15,583)	(788)	(1,143,748)	(1,160,119)
Loss allowance at December 31, 2020	₱4,441,063	₱3,158,914	₱3,281,557	₱10,881,534

* *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
Loss allowance at January 1, 2020	₱145,051	₱12,423	₱704,737	₱862,211
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(32,668)	93,437	–	60,769
Transfer from Stage 1 to Stage 3	(8,925)	–	604,704	595,779
Transfer from Stage 2 to Stage 1	1,198	(1,698)	–	(500)
Transfer from Stage 2 to Stage 3	–	(1,826)	35,021	33,195
Transfer from Stage 3 to Stage 1	74	–	(7,851)	(7,777)
Transfer from Stage 3 to Stage 2	–	714	(17,434)	(16,720)
New financial assets originated *	52,797	13,663	29,628	96,088
Changes in PDs / LGDs / EADs	87,549	(3,400)	2,702	86,851
Financial assets derecognized during the period	(30,881)	(2,832)	(24,961)	(58,674)
Fx and other movements	–	–	287,434	287,434
Total net P&L charge during the period	69,144	98,058	909,243	1,076,445
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	–	–	(562,525)	(562,525)
Total movements without P&L impact	–	–	(562,525)	(562,525)
Loss allowance at December 31, 2020	₱214,195	₱110,481	₱1,051,455	₱1,376,131

** Stage classification of new financial assets originated 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, 2020	₱127,073	₱429	₱207,015	₱334,517
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(882)	882	–	–
Transfer from Stage 1 to Stage 3	(253)	–	22,748	22,495
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	204	(11,808)	(11,604)
New financial assets originated *	129,366	22,522	26,235	178,123
Changes in PDs / LGDs / EADs	638	96	(113,791)	(113,057)
Financial assets derecognized during the period	(123,189)	(319)	–	(123,508)
Fx and other movements	276	–	3,920	4,196
Total net P&L charge during the period	5,956	23,385	(72,696)	(43,355)
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	(276)	–	(20,894)	(21,170)
Total movements without P&L impact	(276)	–	(20,894)	(21,170)
Loss allowance at December 31, 2020	₱132,753	₱23,814	₱113,425	₱269,992

** Stage classification of new financial assets originated 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
Loss allowance at January 1, 2020	₱3,588,784	₱498,518	₱2,850,982	₱6,938,284
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(121,968)	1,862,527	–	1,740,559
Transfer from Stage 1 to Stage 3	(340,798)	–	2,656,202	2,315,404
Transfer from Stage 2 to Stage 1	112,158	(244,627)	–	(132,469)
Transfer from Stage 2 to Stage 3	–	(55,405)	511,685	456,280
Transfer from Stage 3 to Stage 1	77	–	(9,601)	(9,524)
Transfer from Stage 3 to Stage 2	–	956	(40,246)	(39,290)
New financial assets originated *	2,042,314	1,197,338	483,859	3,723,511
Changes in PDs / LGDs / EADs	679,242	150,867	(174,251)	655,858
Financial assets derecognized during the period	(1,171,742)	(116,965)	(529,537)	(1,818,244)
Fx and other movements	15,803	788	424,511	441,102
Total net P&L charge during the period	1,215,086	2,795,479	3,322,622	7,333,187
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	(15,859)	(788)	(1,727,167)	(1,743,814)
Total movements without P&L impact	(15,859)	(788)	(1,727,167)	(1,743,814)
Loss allowance at December 31, 2020	₱4,788,011	₱3,293,209	₱4,446,437	₱12,527,657

** 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, 2020	₱270,795	₱811,829	₱–	₱1,082,624
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	13,447	(21,614)	–	(8,167)
Transfer from Stage 2 to Stage 3	–	(784,940)	2,002,270	1,217,330
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	156,697	–	–	156,697
Changes in PDs / LGDs / EADs	(35,080)	–	–	(35,080)
Financial assets derecognized during the period	(24,329)	(5,275)	–	(29,604)
Fx and other movements	35,771	–	–	35,771
Total net P&L charge during the period	146,506	(811,829)	2,002,270	1,336,947
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	(35,771)	–	–	(35,771)
Total movements without P&L impact	(35,771)	–	–	(35,771)
Loss allowance at December 31, 2020	₱381,530	₱–	₱2,002,270	₱2,383,800

** Stage classification of new financial assets originated 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, 2020	₱18,471	₱–	₱–	₱18,471
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 *	13,217	–	–	13,217
Changes in PDs / LGDs / EADs	2,918	–	–	2,918
Financial assets derecognized during the period	(4,550)	–	–	(4,550)
Fx and other movements	9,345	–	–	9,345
Total net P&L charge during the period	20,930	–	–	20,930
Other movements without P&L impact				
Write-offs, foreclosures, and other movements	(9,345)	–	–	(9,345)
Total movements without P&L impact	(9,345)	–	–	(9,345)
Loss allowance at December 31, 2020	₱30,056	₱–	₱–	₱30,056

** 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 2021 are shown below:

Corporate and commercial lending	**Consolidated ECL Staging Stage 1 12–month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 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*

Consumer lending	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 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*

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, 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*

	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, 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*

	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, 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*

	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, 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*

	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, 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*

	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, 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*

Comparative figures for the movement of gross carrying amount for 2020 are shown below:

Corporate and commercial lending	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2020	₱435,460,383	₱19,438,408	₱4,784,696	₱459,683,487
Transfers:				
Transfer from Stage 1 to Stage 2	(18,887,144)	18,887,144	–	–
Transfer from Stage 1 to Stage 3	(7,901,000)	–	7,901,000	–
Transfer from Stage 2 to Stage 1	4,181,487	(4,181,487)	–	–
Transfer from Stage 2 to Stage 3	–	(1,625,803)	1,625,803	–
Transfer from Stage 3 to Stage 1	8,649	–	(8,649)	–
Transfer from Stage 3 to Stage 2	–	69,542	(69,542)	–
New financial assets originated *	155,334,831	17,883,810	661,047	173,879,688
Changes in EADs	(22,204,610)	(3,662,390)	(1,017,595)	(26,884,595)
Financial assets derecognized during the period	(147,958,908)	(7,091,733)	(821,116)	(155,871,757)
Write-offs, foreclosures, and other movements	(41,646)	–	(1,099,951)	(1,141,597)
Total movements of carrying amount	(37,468,341)	20,279,083	7,170,997	(10,018,261)
Gross carrying amount at December 31, 2020	₱397,992,042	₱39,717,491	₱11,955,693	₱449,665,226

** Stage classification of new financial assets originated pertains to the stage as of end of year*

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12–month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2020	₱98,802,692	₱4,603,066	₱3,496,043	₱106,901,801
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(13,429,858)	13,429,858	–	–
Transfer from Stage 1 to Stage 3	(4,447,940)	–	4,447,940	–
Transfer from Stage 2 to Stage 1	650,492	(650,492)	–	–
Transfer from Stage 2 to Stage 3	–	(931,969)	931,969	–
Transfer from Stage 3 to Stage 1	50,795	–	(50,795)	–
Transfer from Stage 3 to Stage 2	–	156,508	(156,508)	–
New financial assets originated *	30,288,112	1,980,655	249,762	32,518,529
Changes in EADs	(11,163,581)	(993,341)	230,266	(11,926,656)
Financial assets derecognized during the period	(11,349,917)	(797,195)	(448,534)	(12,595,646)
Write-offs, foreclosures, and other movements	–	–	(894,686)	(894,686)
Total movements of carrying amount	(9,401,897)	12,194,024	4,309,414	7,101,541
Gross carrying amount at December 31, 2020	₱89,400,795	₱16,797,090	₱7,805,457	₱114,003,342

* *Stage classification of new financial assets originated pertains to the stage as of end of year*

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Trade-related lending	12–month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2020	₱10,886,516	₱74,497	₱235,906	₱11,196,919
Transfers:				
Transfer from Stage 1 to Stage 2	(45,350)	45,350	–	–
Transfer from Stage 1 to Stage 3	(70,425)	–	70,425	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	12,258	(12,258)	–
New financial assets originated *	6,977,551	954,429	38,718	7,970,698
Changes in EADs	36,827	(11,883)	(6,936)	18,008
Financial assets derecognized during the period	(10,568,628)	(62,054)	–	(10,630,682)
Write-offs, foreclosures, and other movements	–	–	(20,894)	(20,894)
Total movements of carrying amount	(3,670,025)	938,100	69,055	(2,662,870)
Gross carrying amount at December 31, 2020	₱7,216,491	₱1,012,597	₱304,961	₱8,534,049

* *Stage classification of new financial assets originated pertains to the stage as of end of year*

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Others	12–month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2020	₱41,987	₱–	₱4,843	₱46,830
Transfers:				
Transfer from Stage 1 to Stage 2	(2,887)	2,887	–	–
Transfer from Stage 1 to Stage 3	(2,224)	–	2,224	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	(6)	6	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	81,129	610	–	81,739
Changes in EADs	651,455	6	(140)	651,321
Financial assets derecognized during the period	(637,509)	–	(44)	(637,553)
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	89,964	3,497	2,046	95,507
Gross carrying amount at December 31, 2020	₱131,951	₱3,497	₱6,889	₱142,337

** 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, 2020	₱545,191,578	₱24,115,971	₱8,521,488	₱577,829,037
Transfers:				
Transfer from Stage 1 to Stage 2	(32,365,239)	32,365,239	–	–
Transfer from Stage 1 to Stage 3	(12,421,589)	–	12,421,589	–
Transfer from Stage 2 to Stage 1	4,831,979	(4,831,979)	–	–
Transfer from Stage 2 to Stage 3	–	(2,557,778)	2,557,778	–
Transfer from Stage 3 to Stage 1	59,444	–	(59,444)	–
Transfer from Stage 3 to Stage 2	–	238,308	(238,308)	–
New financial assets originated *	192,681,623	20,819,504	949,527	214,450,654
Changes in EADs	(32,679,909)	(4,667,608)	(794,405)	(38,141,922)
Financial assets derecognized during the period	(170,514,962)	(7,950,982)	(1,269,694)	(179,735,638)
Write-offs, foreclosures, and other movements	(41,646)	–	(2,015,531)	(2,057,177)
Total movements of carrying amount	(50,450,299)	33,414,704	11,551,512	(5,484,083)
Gross carrying amount at December 31, 2020	₱494,741,279	₱57,530,675	₱20,073,000	₱572,344,954

** Stage classification of new financial assets originated or purchased pertains to the stage as of end of year*

Investments 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, 2020	₱151,804,525	₱8,638,161	₱–	₱160,442,686
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	4,566,011	(4,566,011)	–	–
Transfer from Stage 2 to Stage 3	–	(3,631,625)	3,631,625	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	76,662,322	–	–	76,662,322
Changes in EADs	(3,158,904)	–	–	(3,158,904)
Financial assets derecognized during the period	(34,393,876)	(440,525)	–	(34,834,401)
Write-offs, foreclosures, and other movements	(59,217)	–	–	(59,217)
Total movements of carrying amount	43,616,336	(8,638,161)	3,631,625	38,609,800
Gross carrying amount at December 31, 2020	₱195,420,861	₱–	₱3,631,625	₱199,052,486

* *Stage classification of new financial assets originated or purchased pertains to the stage as of end of year*

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, 2020	₱25,493,787	₱–	₱–	₱25,493,787
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	15,042,008	–	–	15,042,008
Changes in EADs	(54,738)	–	–	(54,738)
Financial assets derecognized during the period	(20,880,289)	–	–	(20,880,289)
Write-offs, foreclosures, and other movements	548	–	–	548
Total movements of carrying amount	(5,892,471)	–	–	(5,892,471)
Gross carrying amount at December 31, 2020	₱19,601,316	₱–	₱–	₱19,601,316

* *Stage classification of new financial assets originated pertains to the stage as of end of year*

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12–month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount as at January 1, 2020	₱414,240,164	₱18,004,969	₱2,229,488	₱434,474,621
Transfers:				
Transfer from Stage 1 to Stage 2	(13,773,628)	13,773,628	–	–
Transfer from Stage 1 to Stage 3	(7,354,780)	–	7,354,780	–
Transfer from Stage 2 to Stage 1	4,132,553	(4,132,553)	–	–
Transfer from Stage 2 to Stage 3	–	(821,691)	821,691	–
Transfer from Stage 3 to Stage 1	1,750	–	(1,750)	–
Transfer from Stage 3 to Stage 2	–	43,206	(43,206)	–
New financial assets originated *	151,866,536	16,657,311	596,710	169,120,557
Changes in EADs	(19,576,589)	(3,562,665)	(1,057,326)	(24,196,580)
Financial assets derecognized during the period	(141,547,766)	(6,967,636)	(560,305)	(149,075,707)
Write-offs, foreclosures, and other movements	(41,646)	–	(1,099,951)	(1,141,597)
Total movements of carrying amount	(26,293,570)	14,989,600	6,010,643	(5,293,327)
Gross carrying amount as at December 31, 2020	₱387,946,594	₱32,994,569	₱8,240,131	₱429,181,294

** Stage classification of new financial assets originated pertains to the stage as of end of year*

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12–month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount as at January 1, 2020	₱58,698,242	₱3,630,197	₱2,419,724	₱64,748,163
Transfers:				
Transfer from Stage 1 to Stage 2	(11,539,252)	11,539,252	–	–
Transfer from Stage 1 to Stage 3	(3,195,903)	–	3,195,903	–
Transfer from Stage 2 to Stage 1	432,662	(432,662)	–	–
Transfer from Stage 2 to Stage 3	–	(539,745)	539,745	–
Transfer from Stage 3 to Stage 1	34,429	–	(34,429)	–
Transfer from Stage 3 to Stage 2	–	147,738	(147,738)	–
New financial assets originated *	15,210,115	1,629,310	126,005	16,965,430
Changes in EADs	(5,743,177)	(1,029,086)	(165,331)	(6,937,594)
Financial assets derecognized during the period	(6,187,599)	(630,842)	(159,038)	(6,977,479)
Write-offs, foreclosures, and other movements	–	–	(605,912)	(605,912)
Total movements of carrying amount	(10,988,725)	10,683,965	2,749,205	2,444,445
Gross carrying amount as at December 31, 2020	₱47,709,517	₱14,314,162	₱5,168,929	₱67,192,608

** Stage classification of new financial assets originated pertains to the stage as of end of year*

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, 2020	₱10,592,165	₱74,497	₱235,906	₱10,902,568
Transfers:				
Transfer from Stage 1 to Stage 2	(45,350)	45,350	–	–
Transfer from Stage 1 to Stage 3	(40,509)	–	40,509	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	12,258	(12,258)	–
New financial assets originated *	6,800,313	954,429	38,718	7,793,460
Changes in EADs	(99,057)	(11,882)	(6,936)	(117,875)
Financial assets derecognized during the period	(10,166,757)	(62,054)	–	(10,228,811)
Write-offs, foreclosures, and other movements	–	–	(20,894)	(20,894)
Total movements of carrying amount	(3,551,360)	938,101	39,139	(2,574,120)
Gross carrying amount as at December 31, 2020	₱7,040,805	₱1,012,598	₱275,045	₱8,328,448

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Others	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, 2020	₱34,041	₱–	₱299	₱34,340
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	–	–	–	–
Changes in EADs	(5,649)	–	(270)	(5,919)
Financial assets derecognized during the period	–	–	–	–
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	(5,649)	–	(270)	(5,919)
Gross carrying amount as at December 31, 2020	₱28,392	₱–	₱29	₱28,421

** Stage classification of new financial assets originated pertains to the stage as of end of year*

	Parent Company			
	ECL Staging			
	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, 2020	₱483,564,612	₱21,709,663	₱4,885,417	₱510,159,692
Transfers:				
Transfer from Stage 1 to Stage 2	(25,358,230)	25,358,230	–	–
Transfer from Stage 1 to Stage 3	(10,591,192)	–	10,591,192	–
Transfer from Stage 2 to Stage 1	4,565,215	(4,565,215)	–	–
Transfer from Stage 2 to Stage 3	–	(1,361,436)	1,361,436	–
Transfer from Stage 3 to Stage 1	36,179	–	(36,179)	–
Transfer from Stage 3 to Stage 2	–	203,202	(203,202)	–
New financial assets originated *	173,876,964	19,241,050	761,433	193,879,447
Changes in EADs	(25,424,472)	(4,603,633)	(1,229,863)	(31,257,968)
Financial assets derecognized during the period	(157,902,122)	(7,660,532)	(719,343)	(166,281,997)
Write-offs, foreclosures, and other movements	(41,646)	–	(1,726,757)	(1,768,403)
Total movements of carrying amount	(40,839,304)	26,611,666	8,798,717	(5,428,921)
Gross carrying amount as at December 31, 2020	₱442,725,308	₱48,321,329	₱13,684,134	₱504,730,771

** 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	
Investment securities at amortized cost	12–month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount as at January 1, 2020	₱148,076,088	₱8,638,161	₱–	₱156,714,249
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	4,566,011	(4,566,011)	–	–
Transfer from Stage 2 to Stage 3	–	(3,631,625)	3,631,625	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	74,557,360	–	–	74,557,360
Changes in EADs	(3,105,720)	–	–	(3,105,720)
Financial assets derecognized during the period	(33,865,976)	(440,525)	–	(34,306,501)
Write-offs, foreclosures, and other movements	42,421	–	–	42,421
Total movements of carrying amount	42,194,096	(8,638,161)	3,631,625	37,187,560
Gross carrying amount as at December 31, 2020	₱190,270,184	₱–	₱3,631,625	₱193,901,809

** 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, 2020	₱23,565,221	₱–	₱–	₱23,565,221
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	13,615,307	–	–	13,615,307
Changes in EADs	(60,034)	–	–	(60,034)
Financial assets derecognized during the period	(19,387,343)	–	–	(19,387,343)
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	(5,832,069)	–	–	(5,832,069)
Gross carrying amount as at December 31, 2020	₱17,733,151	₱–	₱–	₱17,733,151

** 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 2021	2020	2019	Parent 2021	2020	2019
Provision for Impairment and Credit Losses	**₱8,876,744**	₱8,868,919	₱2,570,168	**₱7,679,877**	₱7,983,206	₱2,205,062
Retained Earnings, appropriated	**811,587**	(765,263)	(468,442)	**811,587**	(765,263)	(468,442)
	₱9,688,331	₱8,103,656	₱2,101,726	**₱8,491,464**	₱7,217,943	₱1,736,620

17. DEPOSIT LIABILITIES

As of December 31, 2021 and 2020, 28.26% and 35.70%, respectively, of the total deposit liabilities of the Group, and 31.17% and 38.87%, 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 2021, from 0.13% to 4.25% in 2020 and from 0.13% to 4.55% in 2019.

Interest Expense on Deposit Liabilities
This account consists of:

	Consolidated 2021	2020	2019	Parent Company 2021	2020	2019
Demand	**₱301,420**	₱284,620	₱242,838	**₱266,605**	₱243,035	₱189,776
Savings	**1,556,758**	2,215,388	6,356,024	**1,495,056**	2,122,076	6,247,134
Time	**3,253,399**	7,137,167	11,968,306	**2,510,671**	5,828,476	9,478,197
	₱5,111,577	₱9,637,175	₱18,567,168	**₱4,272,332**	₱8,193,587	₱15,915,107

BSP Circular No. 830 requires reserves against deposit liabilities. As of December 31, 2021 and 2020, Due from BSP amounting to ₱80.27 billion and ₱77.99 billion, respectively, for the Group and ₱77.73 billion and ₱75.31 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.

As of December 31, 2021 and 2020, the Group is in compliance with the reserve requirement.

Long Term Negotiable Certificates of Deposits (LTNCD)
On August 3, 2016, the BOD of the Parent Company approved the issuance of Long Term Negotiable Certificates of Deposits (LTNCD) of up to ₱20.00 billion in tranches of ₱5.00 billion to ₱10.00 billion each and with tenors ranging from 5 to 7 years to support the Group's strategic initiatives and business growth. On October 27, 2016, the Monetary Board of the BSP approved the LTNCD issuances. On November 18, 2016, the Parent Company issued the first tranche at par with aggregate principal amount of ₱9.58 billion due May 18, 2022. The LTNCDs bear a fixed coupon rate of 3.65% per annum, payable quarterly in arrears. Subject to BSP rules, the Group has the option to pre–terminate the LTNCDs as a whole but not in part, prior to maturity and on any interest payment date at face value plus accrued interest covering the accrued and unpaid interest.

On June 2, 2017, the Parent Company issued at par LTNCDs with aggregate principal amount of ₱6.35 billion due December 22, 2022, representing the second tranche of the ₱20.00 billion.

On March 7, 2018, the Board of Directors approved the Bank's Peso funding program of up to ₱50 billion via a combination of Long-Term Negotiable Certificate of Time Deposit and/or Retail Bonds and/or Commercial Papers.

On July 12, 2018, the Parent Company issued at par LTNCDs with aggregate principal amount of ₱10.25 billion due January 12, 2024, representing the first tranche of the ₱20 billion LTNCD approved by BSP on June 14, 2018. The LTNCDs bear a fixed coupon rate of 4.55% per annum, payable quarterly in arrears. The ₱20.00 billion LTNCD program is part of the Group's funding program amounting to ₱50 billion.

The LTNCDs are included under the 'Time deposit liabilities' account.

18. BONDS PAYABLE

The Parent Company's bonds payable consists of:

₱15.00 Billion Peso Fixed Rate Bonds due in 2022
On October 22, 2020, the Parent Company issued ₱15.00 billion peso fixed rate bonds, which bears a fixed coupon rate of 2.75% per annum, payable quarterly, and is due on October 22, 2022.

₱30.00 Billion Peso Fixed Rate Bonds due in 2021
On July 10, 2019, the Parent Company issued ₱30.00 billion peso fixed rate bonds, which bears a fixed coupon rate of 5.70% per annum, payable monthly, and is due on January 10, 2021. This was settled in 2021 as scheduled.

BSP Circular No. 830 requires reserves against peso-denominated bonds. As of December 31, 2021 and 2020, the Group is in compliance with such regulation.

₱20.00 Billion Peso Fixed Rate Bonds due in 2024

On February 18, 2021, the Parent Company issued ₱20.00 billion peso fixed rate bonds, which bears a fixed coupon rate of 2.50% per annum, payable monthly, and is due on February 18, 2024.

This issuance is the second drawdown under the ₱45 billion bond and commercial paper program established in September 2020.

$150.00 Million Bonds Payable to IFC

On June 18, 2019, the Parent Company issued a $150 million, seven-year bond to International Finance Corporation. The bond reprices semi-annually and carries an interest margin of 120 basis points over 6-month LIBOR.

Shortly thereafter, the Parent Company entered into a seven-year pay-fixed, receive-floating IRS (see Note 26) with the same principal terms to hedge the exposure to variable cash flow payments on the floating-rate bonds payable attributable to interest rate risk (Note 6).

The Bond Subscription Agreement contains certain financial covenants with which the Parent Company should comply during the term of the Bond, including the following:

- Risk Weighted Capital Adequacy Ratio of not less than ten per cent (10%);
- Equity to Assets Ratio of not less than five per cent (5%);
- Aggregate Large Exposures Ratio of not more than four hundred per cent (400%);
- Open Credit Exposures Ratio of not more than twenty five per cent (25%);
- Fixed Assets Plus Equity Participations Ratio of not more than thirty five per cent (35%);
- Aggregate Foreign Exchange Risk Ratio of not more than twenty five per cent (25%);
- Single Currency Foreign Exchange Risk Ratio of not more than ten per cent (10%);
- Interest Rate Risk Ratio of not less than negative twenty five per cent (-25%) and not more than twenty five per cent (25%);
- Aggregate Interest Rate Risk Ratio of not less than negative fifty per cent (-50%) and not more than twenty per cent (20%);
- Open FX Position of 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.

Noncompliance of these obligations may require the Parent Company to pay the bond immediately. As of December 31, 2021 and 2020, the Parent Company is in compliance with these covenants and regulatory requirements.

The movements in the Parent Company's total unamortized discount and debt issue cost of the above bonds payable follows:

	2021	2020
Beginning balance	**₱137,772**	₱200,852
Additions	**121,542**	133,117
Amortization	**(83,022)**	(196,197)
Ending balance	**₱176,292**	₱137,772

19. BILLS PAYABLE

The Parent Company's bills payable consist of:

	2021	2020
Interbank loans payable and securities sold under repurchase agreements	**₱65,697,274**	₱17,518,091
BSP rediscounting (Note 10)	**–**	5,747,160
Promissory Notes	**109,000**	390,600
	₱65,806,274	₱23,655,851

Interbank loans payable and securities sold under repurchase agreements
Interbank loans payable consists of short-term dollar-denominated borrowings of the Parent Company with annual interest ranging from 0.31% to 1.60%, from 0.79% to 1.60%, and from 1.30% to 3.15% in 2021, 2020, and 2019, respectively.

The carrying amount of foreign currency-denominated investment securities at amortized cost pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱48.85 billion and ₱13.09 billion as of December 31, 2021 and 2020, 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 ₱23.59 billion and ₱7.21 billion as of December 31, 2021 and 2020, respectively.

The aggregate fair value of investment securities at amortized cost pledged as collateral amounted to ₱74.90 billion and ₱21.66 billion as of December 31, 2021 and 2020, respectively. The aggregate fair value of financial assets at FVOCI pledged as collateral amounted to ₱3.25 billion and nil as of December 31, 2021 and 2020, respectively.

As of December 31, 2021 and 2020, margin deposits amounting to ₱3.91 billion and ₱2.35 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	
	2021	2020	**2021**	2020
Accrued payable for employee benefits	**₱1,841,197**	₱1,347,783	**₱1,841,197**	₱1,347,783
Accrued interest payable	**913,513**	886,362	**873,266**	824,321
Accrued taxes and other licenses	**267,721**	233,188	**149,889**	167,145
Accrued other expenses payable	**1,723,430**	1,438,612	**1,461,074**	1,240,370
	₱4,745,861	₱3,905,945	**₱4,325,426**	₱3,579,619

21. OTHER LIABILITIES

This account consists of:

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
Financial liabilities				
Accounts payable	**₱4,941,102**	₱4,321,936	**₱3,580,280**	₱2,809,867
Lease liabilities (Note 27)	**2,846,018**	2,996,003	**2,187,898**	2,392,891
Due to PDIC	**786,195**	755,977	**786,195**	755,977
Acceptances payable	**1,482,761**	477,662	**1,482,761**	477,662
Expected credit losses on off-balance sheet exposures (Note 16)	**740,877**	467,117	**730,859**	457,099
Due to the Treasurer of the Philippines	**345,945**	389,621	**313,569**	370,778
Other credits–dormant	**336,777**	303,056	**336,777**	303,056
Margin deposits	**626**	291	**626**	291
Miscellaneous	**1,050,140**	947,319	**329,893**	490,959
	12,530,441	10,658,982	**9,748,858**	8,058,580
Non-financial liabilities				
Withholding taxes payable	**171,033**	227,909	**149,455**	203,888
Retirement liabilities (Note 25)	**10,613**	12,428	**–**	–
	181,646	240,337	**149,455**	203,888
	₱12,712,087	₱10,899,319	**₱9,898,313**	₱8,262,468

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		
	2021	2020	2019	**2021**	2020	2019
Service and collection charges:						
Deposits	**₱544,450**	₱419,564	₱510,517	**₱544,450**	₱419,565	₱510,517
Loans	**1,108,531**	726,819	806,509	**21,252**	20,363	46,967
Remittances	**217,191**	223,756	315,050	**217,191**	223,756	315,050
Others	**206,148**	204,742	252,254	**204,335**	202,241	228,734
	2,076,320	1,574,881	1,884,330	**987,228**	865,925	1,101,268
Fees and commissions	**1,409,864**	1,123,845	1,412,343	**451,386**	351,105	523,435
	₱3,486,184	₱2,698,726	₱3,296,673	**₱1,438,614**	₱1,217,030	₱1,624,703

Trading and Securities Gain – Net
This account consists of:

	Consolidated			Parent Company		
	2021	2020	2019	**2021**	2020	2019
Financial assets at FVOCI	**₱60,316**	3,173,881	269,478	**₱40,937**	3,145,147	240,310
Financial assets designated at FVTPL (Note 9)	**1,168**	–	(8,929)	**–**	–	–
Held–for–trading (Note 9)	**(194,502)**	257,480	739,278	**(220,693)**	245,513	712,910
Derivatives (Note 26)	**69,013**	(197,489)	(115,345)	**69,013**	(197,489)	(115,345)
	(₱64,005)	3,233,872	884,482	**(₱110,743)**	3,193,171	837,875

Miscellaneous Income
Details of this account are as follows:

	Consolidated			Parent Company		
	2021	2020	2019	**2021**	2020	2019
Bancassurance (Note 11)	**₱432,082**	₱282,000	₱303,454	**₱432,082**	₱282,000	₱300,664
Dividends (Note 8)	**102,867**	136,957	107,969	**99,326**	123,494	107,050
Rental of bank premises classified as investment properties	**101,601**	53,352	72,556	**42,796**	34,069	39,896
Recovery of charged off assets	**107,585**	39,059	244,947	**92,033**	27,494	219,055
Rental of safety deposit boxes	**31,057**	27,645	28,987	**31,057**	27,645	28,987
Fund transfer fees	**21,211**	15,140	52,976	**21,211**	15,140	52,976
Miscellaneous income (Notes 12, 13, and 30)	**466,438**	398,097	382,167	**400,226**	337,895	314,167
	₱1,262,841	₱952,250	₱1,193,056	**₱1,118,731**	₱847,735	₱1,062,795

Miscellaneous Expenses
Details of this account are as follows:

	Consolidated			Parent Company		
	2021	2020	2019	**2021**	2020	2019
Information technology	**₱1,349,236**	₱984,849	₱635,422	**₱1,281,146**	₱925,366	₱575,316
Service charges	**142,951**	146,769	207,782	**142,894**	146,769	206,754
Litigations	**261,282**	121,720	243,124	**83,308**	23,141	60,811
Freight	**63,662**	58,184	58,397	**45,844**	43,818	38,911
Broker's fee	**20,671**	26,991	27,370	**20,664**	25,834	27,370
Membership fees and dues	**20,290**	15,662	21,525	**18,767**	14,433	17,369
Clearing and processing fee	**12,376**	14,801	15,331	**12,376**	14,801	15,331
Miscellaneous expense	**1,381,395**	1,130,959	1,113,987	**1,168,518**	946,834	948,159
	₱3,251,863	₱2,499,935	₱2,322,938	**₱2,773,517**	₱2,140,996	₱1,890,021

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, 2021 and 2020 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					
	2021			2020		
	Within Twelve Months	**Over Twelve Months**	**Total**	Within Twelve Months	Over Twelve Months	Total
Financial assets						
Cash and other cash items	**₱16,024,863**	**₱–**	**₱16,024,863**	₱15,984,210	₱–	₱15,984,210
Due from BSP	**124,283,115**	**–**	**124,283,115**	152,156,449	–	152,156,449
Due from other banks	**10,694,312**	**–**	**10,694,312**	18,228,721	–	18,228,721
Interbank loans receivable and SPURA	**36,559,224**	**–**	**36,559,224**	18,290,851	–	18,290,851
Financial assets at FVTPL	**7,199,707**	**9,960**	**7,209,667**	13,397,485	9,378	13,406,863
Derivative Contracts Designated as Hedge	**–**	**1,139,233**	**1,139,233**	–	–	–
Financial assets at FVOCI	**135,486**	**28,536,754**	**28,672,240**	2,163,764	18,080,639	20,244,403
Investment securities at amortized cost	**6,410,730**	**239,036,746**	**245,447,476**	6,482,819	198,147,657	204,630,476
Loans and receivables – gross	**154,942,216**	**469,382,503**	**624,324,719**	163,451,586	408,893,368	572,344,954
Accrued interest receivable – gross	**8,095,506**	**–**	**8,095,506**	8,867,657	–	8,867,657
Other assets – gross	**2,878,020**	**1,173,372**	**4,051,392**	2,421,955	1,203,482	3,625,437
	367,223,179	**739,278,568**	**1,106,501,747**	401,445,497	626,334,524	1,027,780,021
Non-financial assets						
Bank premises, furniture, fixtures and equipment – net of accumulated depreciation and amortization	**₱–**	**₱8,232,859**	**₱ 8,232,859**	₱–	₱8,422,717	₱8,422,717
Investment properties – net of accumulated depreciation	**–**	**4,646,821**	**4,646,821**	–	4,901,158	4,901,158
Deferred tax assets	**–**	**4,624,981**	**4,624,981**	–	5,172,435	5,172,435
Investments in associates	**–**	**796,519**	**796,519**	–	912,647	912,647
Intangible assets	**–**	**4,100,891**	**4,100,891**	–	4,174,671	4,174,671
Goodwill	**–**	**839,748**	**839,748**	–	839,748	839,748
Other assets – gross	**2,615,049**	**483,002**	**3,098,051**	2,848,609	550,056	3,398,665
	2,615,049	**23,724,821**	**26,339,870**	2,848,609	24,973,432	27,822,041

(Forward)

	Consolidated					
	2021			2020		
	Within Twelve Months	Over Twelve Months	Total	Within Twelve Months	Over Twelve Months	Total
Allowance for impairment and credit losses (Note 16)			(20,261,713)			(19,199,861)
Unearned discounts (Note 10)			(260,378)			(390,552)
			(20,522,091)			(19,590,413)
			1,112,319,526			1,036,011,649
Financial liabilities						
Deposit liabilities	₱845,666,109	₱17,193,788	₱862,859,897	₱823,257,082	₱11,973,748	₱835,230,830
Bills payable	59,106,708	6,699,566	65,806,274	23,655,851	–	23,655,851
Bonds payable	22,596,330	19,877,228	42,473,558	37,183,590	14,882,088	52,065,678
Manager's checks	1,854,606	–	1,854,606	1,568,232	–	1,568,232
Accrued interest and other expenses*	4,478,140	–	4,478,140	3,672,757	–	3,672,757
Derivative liabilities	998,721	–	998,721	1,216,771	–	1,216,771
Derivative Contracts Designated as Hedge	–	162,399	162,399	521,209	–	521,209
Other liabilities	12,530,441	–	12,530,441	10,658,982	–	10,658,982
	947,231,055	43,932,981	991,164,036	901,734,474	26,855,836	928,590,310
Non-financial liabilities						
Accrued interest and other expenses	267,721	–	267,721	233,188	–	233,188
Deferred tax liabilities	–	798,212	798,212	–	1,116,362	1,116,362
Income tax payable	785,091	–	785,091	846,090	–	846,090
Other liabilities	171,033	10,613	181,646	227,909	12,428	240,337
	1,223,845	808,825	2,032,670	1,307,187	1,128,790	2,435,977
	₱948,454,900	₱44,741,806	₱993,196,706	₱903,041,661	₱27,984,626	₱931,026,287

*Accrued interest and other expenses include accrued interest payable and accrued other expenses payable (Note 19).

	Parent Company					
	2021			2020		
	Within Twelve Months	Over Twelve Months	Total	Within Twelve Months	Over Twelve Months	Total
Financial assets						
Cash and other cash items	₱13,649,247	₱–	₱13,649,247	₱13,724,265	₱–	₱13,724,265
Due from BSP	114,528,773	–	114,528,773	141,811,190	–	141,811,190
Due from other banks	9,897,264	–	9,897,264	17,197,750	–	17,197,750
Interbank loans receivable and SPURA	35,030,997	–	35,030,997	15,604,167	–	15,604,167
Financial assets at FVTPL	5,447,844	9,960	5,457,804	11,632,400	9,378	11,641,778
Derivative Contracts Designated as Hedge	–	1,139,233	1,139,233	–	–	–
Financial assets at FVOCI	15,616	26,508,096	26,523,712	1,999,447	16,346,073	18,345,520
Investment securities at amortized cost	3,602,648	235,631,306	239,233,954	6,289,102	192,889,524	199,178,626
Loans and receivables – gross	133,008,434	423,830,312	556,838,746	140,997,182	363,733,589	504,730,771
Accrued interest receivable – gross	6,610,940	–	6,610,940	6,870,225	–	6,870,225
Other assets – gross	1,864,676	243,355	2,108,031	1,323,810	209,692	1,533,502
	323,656,439	687,362,262	1,011,018,701	357,449,538	573,188,256	930,637,794

(Forward)

	Parent Company					
	2021			2020		
	Within Twelve Months	Over Twelve Months	Total	Within Twelve Months	Over Twelve Months	Total
Non-financial assets						
Bank premises, furniture, fixtures and equipment – net of accumulated depreciation and amortization	₱–	₱6,600,139	₱6,600,139	₱–	₱6,876,959	₱6,876,959
Investment properties – net of accumulated depreciation	–	1,966,042	1,966,042	–	2,356,720	2,356,720
Deferred tax assets	–	3,409,600	3,409,600	–	3,732,048	3,732,048
Investments in subsidiaries	–	17,251,247	17,251,247	–	15,814,693	15,814,693
Investment in associates	–	796,519	796,519	–	912,647	912,647
Intangible assets	–	825,440	825,440	–	890,936	890,936
Goodwill	–	222,841	222,841	–	222,841	222,841
Other assets – gross	1,612,868	300,391	1,913,259	2,035,989	32,609	2,068,598
	1,612,868	31,372,219	32,985,087	2,035,989	30,839,453	32,875,442
Allowances for impairment and credit losses (Note 16)			(16,641,724)			(16,176,864)
Unearned discounts (Note 10)			(177,124)			(208,638)
			(16,818,848)			(16,385,502)
			₱1,027,184,940			₱947,127,734
Financial liabilities						
Deposit liabilities	₱774,961,350	₱7,257,550	₱782,218,900	₱749,468,113	₱1,504,795	₱750,972,908
Bills payable	59,106,708	6,699,566	65,806,274	23,655,851	–	23,655,851
Bonds payable	22,596,330	19,877,228	42,473,558	37,183,590	14,882,088	52,065,678
Manager's checks	1,466,359	–	1,466,359	1,066,098	–	1,066,098
Accrued interest and other expenses*	4,175,537	–	4,175,537	3,412,474	–	3,412,474
Derivative liabilities	998,721	–	998,721	1,216,771	–	1,216,771
Derivative Contracts Designated as Hedge	–	162,399	162,399	521,209	–	521,209
Other liabilities	9,748,858	–	9,748,858	8,058,582	–	8,058,582
	873,053,863	33,996,743	907,050,606	824,582,688	16,386,883	840,969,571
Non-financial liabilities						
Accrued interest and other expenses	149,889	–	149,889	167,145	–	167,145
Income tax payable	754,026	–	754,026	825,270	–	825,270
Other liabilities	149,455	–	149,455	203,886	–	203,886
	₱1,053,370	–	₱1,053,370	1,196,301	–	1,196,301
	₱874,107,233	₱33,996,743	₱908,103,976	₱825,778,989	₱16,386,883	₱842,165,872

*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):

	2021		2020	
	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	2,685,899,812	₱26,858,998	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	2,685,899,812	₱26,858,998

The Parent Company shares are listed in the Philippine Stock Exchange.

The summarized information on the Parent Company's registration of securities under the Securities Regulation Code follows:

Date of SEC Approval	Authorized Shares*
April 12, 1991	100,000,000
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 1,881 and 1,890 as of December 31, 2021 and 2020, 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 6, 2021	May 21, 2021	June 4, 2021	1.00
June 18, 2020	July 03, 2020	July 17, 2020	1.00
May 02, 2019	May 17, 2019	May 31, 2019	0.88
May 03, 2018	May 17, 2018	June 01, 2018	0.83
May 04, 2017	May 18, 2017	June 02, 2017	0.80
May 05, 2016	May 23, 2016	June 03, 2016	1.00
May 07, 2015	August 12, 2015	September 09, 2015	1.00
May 08, 2014	September 19, 2014	October 15, 2014	1.00
May 02, 2013	July 19, 2013	August 14, 2013	1.20

Stock Dividends

Date of Declaration	Date of Record	Date of Payment	Stock Dividend Per Share
March 15, 2017	October 20, 2017	November 03, 2017	8%
May 05, 2016	May 23, 2016	June 03, 2016	8%
May 07, 2015	August 12, 2015	September 09, 2015	8%
May 08, 2014	September 19, 2014	October 15, 2014	8%
May 02, 2013	July 19, 2013	August 14, 2013	10%

Surplus
The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 11 issued in December 2008 differs to a certain extent from the computation following BSP guidelines.

As of December 31, 2021 and 2020, surplus includes the amount of ₱1.37 billion and ₱1.28 billion, net of deferred tax effect of ₱456.17 million and ₱547.41 million, respectively, 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 ₱5.10 billion and ₱3.68 billion as of December 31, 2021 and 2020, 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, 2021 and 2020.

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.

The CAR of the Group and the Parent Company as of December 31, 2021 and 2020 as reported to the BSP are shown in the table below.

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
	(Amounts in Million Pesos)			
CET 1 Capital	**₱116,675**	₱103,104	**113,954**	₱100,378
Less: Regulatory Adjustments	**12,278**	12,354	**22,099**	21,286
	104,397	90,750	**91,855**	79,092
Additional Tier 1 Capital	**–**	–	**–**	–
Less: Regulatory Adjustments	**–**	–	**–**	–
	–	–	**–**	–
Net Tier 1 Capital	**104,397**	90,750	**91,855**	79,092
Tier 2 Capital	**5,807**	5,986	**5,464**	5,302
Less: Regulatory Adjustments	**–**	–	**–**	–
Net Tier 2 Capital	**5,807**	5,986	**5,464**	5,302
Total Qualifying Capital	**₱110,204**	₱96,736	**₱97,319**	₱84,394

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
	(Amounts in Million Pesos)			
Credit RWA	**₱610,687**	₱597,826	**₱546,185**	₱528,980
Market RWA	**28,261**	6,835	**28,194**	6,739
Operational RWA	**60,599**	51,921	**50,603**	42,559
Total RWA	**₱699,547**	₱656,582	**₱624,982**	₱578,278
CET 1 capital ratio	**14.92%**	13.82%	**14.70%**	13.68%
Tier 1 capital ratio	**14.92%**	13.82%	**14.70%**	13.68%
Total capital ratio	**15.75%**	14.73%	**15.57%**	14.59%

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 the BSP's risk–based capital adequacy framework under Circular No. 538. In compliance with this circular, the Parent Company has adopted and developed its ICAAP framework to ensure that appropriate level and quality of capital are maintained by the Group. Under this framework, the assessment of risks extends beyond the Pillar 1 set of credit, market and operational risks and onto other risks deemed material by the Parent Company. The level and structure of capital are assessed and determined in light of the Parent Company's business environment, plans, performance, risks and budget, as well as regulatory edicts. BSP normally requires submission of the ICAAP document every March 31.

However, for 2021, in view of the current pandemic, the BSP adjusted the deadline for submission from March 31, 2021 to June 30, 2021. 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. The submission of a separate recovery plan shall commence on 2022.

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, 2021 and 2020 as reported to the BSP are shown in the table below.

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
	(Amounts in Million Pesos)			
Tier 1 Capital	**₱104,397**	₱90,750	**₱91,855**	₱79,092
Exposure Measure	**1,058,243**	1,027,936	**959,770**	926,668
Leverage Ratio	**9.87%**	8.83%	**9.57%**	8.54%

Liquidity Coverage Ratio

On 18 February 2016, BSP issued circular no. 905 which approved the attached liquidity standards, which include guidelines on liquidity coverage ratio (LCR), and LCR disclosure standards that are consistent with the Basel III framework. Banks are required to adopt Basel III's Liquidity Coverage Ratio (LCR) aimed at strengthening the short-term liquidity position of banks. This requires banks to have available High Quality Liquid Assets (HQLA) to meet anticipated net cash outflow for a 30-day period under stress conditions. The standard prescribes that, under a normal situation, the value of the liquidity ratio be no lower than 100% on a daily basis because the stock of unencumbered HQLA is intended to serve as a defense against potential onset of liquidity stress. As of December 31, 2021 and 2020, the LCR in single currency is 120.94% and 117.14%, respectively, for the Group and 119.49% and 115.84%, respectively, for the Parent Company.

Net Stable Funding Ratio
On 24 May 2018, BSP issued Circular No. 1007 which approved the implementing guidelines on the adoption of the Basel III Framework on Liquidity Standards - Net Stable Funding Ratio (NSFR). Banks are required to adopt Basel III's Net Stable Funding Ratio (NSFR) aimed to promote long-term resilience of banks against liquidity risk. Banks shall maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. The NSFR complements the Liquidity Coverage Ratio (LCR), which promotes short-term resilience of a Bank's liquidity profile. The Group started monitoring and reporting NSFR to the BSP in 2019. As of December 31, 2021 and 2020, the NSFR is 117.03% and 119.48%, respectively, for the Group and 116.15% and 118.85%, 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, 2021.

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	
	2021	2020	**2021**	2020
Net plan assets (Note 15)	**₱483,001**	₱127,937	**₱300,391**	₱32,609
Retirement liabilities (Note 21)	**(10,613)**	(12,428)	**–**	–
	₱472,388	₱115,509	**₱300,391**	32,609

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, 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.

	Consolidated											
		Net benefit cost				Remeasurements in OCI						
	January 1, 2020	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, 2020
	(a)	(b)	(c)	(d) = b + c	(e)	(f)	(g)	(h)	(i)	(j) = f + g + h + i	(k)	(l) = a + d + e + j + k
Fair value of plan assets	₱5,340,401	₱–	₱227,744	₱227,744	(₱277,475)	(₱410,930)	₱–	₱–	₱–	(₱410,930)	₱324,526	₱5,204,266
Present value of defined benefit obligation	4,812,121	518,068	210,658	728,726	(₱275,756)	–	(56,521)	758,972	(878,786)	(176,335)	–	5,088,756
Net defined benefit asset	₱528,280	(₱518,068)	₱17,086	(₱500,982)	(₱1,719)	(₱410,930)	₱56,521	(₱758,972)	₱878,786	(₱234,595)	₱324,526	₱115,510

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

Presented under Compensation and fringe benefits in the statements of income.

	Parent Company												
		Net benefit cost					Remeasurements in OCI						
	January 1, 2020	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, 2020
	(a)	(b)	(c)	(d) = b + c	(e)	(e)	(f)	(g)	(h)	(i)	(j) = f + g + h + i	(k)	(l) = a + d + e + j + k
Fair value of plan assets	₱4,783,615	₱–	₱208,566	₱208,566	₱–	(₱267,313)	(₱242,580)	₱–	₱–	₱–	(₱242,580)	₱80,000	₱4,562,288
Present value of defined benefit obligation	4,283,904	408,223	186,783	595,006	873	(265,594)	–	(34,618)	570,519	(620,412)	(84,511)	–	4,529,678
Net defined benefit asset	₱499,711	(₱408,223)	₱21,783	(₱386,440)	(₱873)	(₱1,719)	(₱242,580)	₱34,618	(₱570,519)	₱620,412	(₱158,069)	₱80,000	₱32,610

The Group and the Parent Company is recommended to contribute to its defined benefit pension plan in 2022 amounting to ₱272.86 million and ₱251.60 million, respectively.

In 2021 and 2020, the major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
Parent Company shares (Note 30)	**25.33%**	26.17%	**29.19%**	29.85%
Equity instruments	**4.87%**	4.70%	**3.02%**	3.39%
Cash and cash equivalents	**0.08%**	0.15%	**0.09%**	0.04%
Debt instruments	**67.12%**	66.81%	**67.70%**	66.72%
Other assets	**2.60%**	2.17%	**0.00%**	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	
	2021	2020	**2021**	2020
Deposits in banks	**₱4,207**	7,879	**4,172**	1,849
Financial assets at FVTPL				
Quoted debt securities	**3,135,600**	₱2,915,597	**₱2,776,713**	₱2,587,492
Quoted equity securities	**272,770**	244,627	**146,879**	154,610
Parent Company shares	**1,419,060**	1,361,752	**1,419,060**	1,361,752
Investments in unit investment trust fund	**624,772**	561,329	**515,222**	456,584
Other assets	**145,697**	113,082	**–**	–
	₱5,602,106	₱5,204,266	**₱4,862,046**	₱4,562,287

* Investment properties comprise properties located in Manila.

The principal actuarial assumptions used in 2021 and 2020 in determining the retirement asset (liability) for the Group's and Parent Company's retirement plans are shown below:

		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%**

		2020				
	Parent	CBSI	CIBI	CBC–PCCI	CBCC	CBSC
Discount rate:						
January 1	4.36%	4.47%	4.47%	4.76%	4.30%	4.24%
December 31	2.83%	2.54%	2.36%	3.02%	2.54%	2.54%
Salary increase rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

The sensitivity analysis below has been determined based on the impact of reasonably possible changes of each significant assumption on the defined benefit liability as of the end of the reporting period, assuming all other assumptions were held constant:

December 31, 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)**

December 31, 2020	Parent	CBSI	CIBI	CBC–PCCI	CBCC	CBSC
Discount rate						
(+1%)	(₱209,890)	(₱36,453)	(₱937)	(₱6,779)	(₱1,858)	(₱32)
(–1%)	302,556	44,539	1,108	10,729	2,231	406
Salary increase rate						
(+1%)	273,413	40,633	1,004	9,716	2,071	378
(–1%)	(198,188)	(34,277)	(872)	(6,461)	(1,776)	(312)

The weighted average duration (in years) of the defined benefit obligation are presented below:

	December 31, 2021	December 31, 2020
Parent Company	**8**	8
CBSI	**5**	5
CIBI	**5**	4
CBC–PCCI	**12**	11
CBCC	**6**	5
CBSC	**7**	5

The maturity analyses of the undiscounted benefit payments as of December 31, 2021 and 2020 are as follows:

December 31, 2021	Parent	CBSI	CIBI	CBC–PCCI	CBCC	CBSC
1 year and less	**₱1,300,595**	**₱21,773**	**₱–**	**₱5,110**	**₱–**	**₱–**
More than 1 year to 5 years	**1,595,647**	**81,504**	**5,650**	**35,704**	**–**	**–**
More than 5 years to 10 years	**2,432,513**	**438,804**	**18,259**	**33,146**	**–**	**1,289**
More than 10 years to 15 years	**3,094,497**	**786,403**	**4,349**	**154,175**	**56,832**	**6,510**
More than 15 years to 20 years	**5,565,237**	**835,852**	**15,653**	**224,592**	**31,960**	**13,212**
More than 20 years	**26,551,956**	**8,797,118**	**664,878**	**1,166,267**	**472,706**	**205,038**

December 31, 2020	Parent	CBSI	CIBI	CBC–PCCI	CBCC	CBSC
1 year and less	₱1,143,078	₱14,526	₱–	₱–	₱–	₱–
More than 1 year to 5 years	1,382,813	84,373	1,182	34,908	–	–
More than 5 years to 10 years	2,498,436	346,179	16,990	23,094	–	1,303
More than 10 years to 15 years	2,706,056	795,042	6,293	130,483	16,071	4,243
More than 15 years to 20 years	5,260,877	844,853	18,074	180,316	78,979	15,106
More than 20 years	28,539,408	10,154,177	605,215	1,245,968	416,103	166,606

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, 2021 and 2020, the fair values of these derivatives follow:

	2021		2020	
	Derivative Asset	**Derivative Liability**	Derivative Asset	Derivative Liability
Currency forwards	**₱395,201**	**₱264,783**	₱107,900	₱124,137
Interest rate swaps (IRS)	**675,638**	**706,112**	1,019,600	1,092,634
Futures	**–**	**27,826**	–	–
Warrants	**9,960**	**–**	9,378	–
	₱1,080,799	**₱998,721**	₱1,136,878	₱1,216,771

As of December 31, 2021 and 2020, the aggregate notional amount of outstanding forwards and its weighted average rate are as follows:

		2021		2020	
		Notional Amount	**Weighted Average Rate**	Notional Amount	Weighted Average Rate
US Dollar					
	Buy	**$687,896**	**50.52**	$358,209	48.40
	Sell	**$291,629**	**50.31**	$253,506	48.49
Euro					
	Buy	**–**	**–**	–	–
	Sell	**€9,128**	**58.03**	€44,900	58.72
Singapore Dollar					
	Sell	**–**	**–**	SGD 1,007	36.14
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 futures as of December 31, 2021 amounted to US$100.5 million.

The aggregate notional amounts of the outstanding IRS as of December 31, 2021 and 2020 are as follows:

		2021			2020		
		Notional Amount	**Derivative Asset**	**Derivative Liability**	Notional Amount	Derivative Asset	Derivative Liability
Peso-denominated							
	Fixed Receiver	**₱500,000**	**₱1,572**	**₱1,511**	₱500,000	₱5,202	₱575
	Fixed Payer	**500,000**	**–**	**28,581**	600,000	–	53,147
US dollar denominated							
	Fixed Receiver	**$184,000**	**666,807**	**–**	$180,000	1,014,059	–
	Fixed Payer	**$187,000**	**7,259**	**676,019**	$175,000	339	1,038,908
			₱675,638	**₱706,111**		₱1,019,600	₱1,092,634

Fair Value Changes of Derivatives
The net movements in fair value changes of derivative instruments are as follows:

	2021	2020
Balance at beginning of year	**(₱79,893)**	(₱368,103)
Fair value changes during the year	**(309,456)**	486,337
Net settled transactions	**471,427**	(198,127)
Balance at end of year	**₱82,078**	(₱79,893)

*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:

	2021	2020	2019
Foreign exchange gain (loss)	**(₱378,469)**	₱683,826	₱446,138
Trading and securities gain (loss)* (Note 22)	**69,013**	(197,489)	(115,345)
	(₱309,456)	₱486,337	₱330,793

*Net movements in the value related to IRS and futures.

On June 18, 2019, the Parent Company established a monitoring process to properly account for the net movements in the value of foreign exchange contracts which pertain to funding and trading activities.

Funding activities pertain to activities undertaken by the Parent Company to obtain funds in one currency in exchange of another currency through the use of foreign exchange derivatives. Foreign exchange gains (losses) in the Parent Company's statements of income included the net movements in the value of foreign exchange contracts amounting to ₱7.21 million gain and ₱409.56 million gain for funding and trading activities, respectively, in 2021 and ₱102.63 million loss and ₱316.09 million gain for funding and trading activities, respectively, in 2020.

Interest income on IRS in 2021, 2020 and 2019 amounted to ₱332.18 million, ₱264.09 million and 223.63 respectively, while interest expense on IRS in 2021, 2020 and 2019 amounted to ₱350.32 million, ₱288.73 million and ₱228.06 million in 2019, respectively.

Derivative contracts designated as hedges
In 2019, the Parent Company designated an interest rate swap contract (IRS) with a corresponding notional amount of US$150 million to hedge the cash flow variability of its floating rate bonds payable. The IRS designated as cash flow hedge has the same principal terms as the hedged bonds payable (Note 18).

On June 7, 2021, the Parent Company designated an IRS with a corresponding notional amount of US$500 million to hedge the cash flow variability of its portfolio of Treasury time deposits.

On October 20, 2021, the Parent Company designated an IRS with a corresponding notional amount of US$600 million to hedge the cash flow variability of its portfolio of Retail Banking Business Segment (RBB) time deposits.

The following table shows the summary of the hedging transactions of the Parent Company:

Hedged Item	Hedging Instrument	Notional Amount	Date of Hedge Designation	Derivative Assets		Derivative Liability	
				2021	2020	**2021**	2020
Floating rate bonds payable	Receive float/ Pay fix IRS	$150,000	June 18, 2019	**₱–**	₱–	**₱162,399**	₱521,209
Current and forecasted issuance of Treasury time deposits	Receive float/ Pay fix IRS	500,000	June 7, 2021	**480,133**	–	**–**	–
Current and forecasted issuance of RBB time deposits	Receive float/ Pay fix IRS	600,000	October 20, 2021	**659,100**	–	**–**	–
Total		$1,250,000		**₱1,139,233**	₱–	**₱162,399**	₱521,209

As of December 31, 2021 and 2020, the Parent Company assessed that the hedging relationships are expected to be highly effective.

The aggregate net interest expense on the IRS designated as hedge amounted to ₱226.51 million in 2021, ₱61.20 million in 2020 and ₱14.27 million in 2019.

27. LEASE CONTRACTS

The lease contracts are for periods ranging from one to 25 years from the dates of contracts and are renewable under certain terms and conditions. Various lease contracts include escalation clauses, most of which bear an annual rent increase of 5.00% to 10.00%.

Movements in the lease liabilities account follows:

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
Beginning Balance	**₱2,996,003**	₱3,394,925	**₱2,392,891**	₱2,719,524
Additions	**447,449**	167,762	**205,402**	56,340
Interest expenses	**195,311**	232,584	**152,194**	182,821
Lease concessions	**–**	(32,380)	**–**	(32,380)
Payments	**(792,745)**	(766,888)	**(562,589)**	(533,414)
Ending Balance	**₱2,846,018**	₱2,996,003	**₱2,187,898**	₱2,392,891

As a result of the pandemic, the Parent Company was given lease concessions by its lessors in 2020. The lease concessions resulted to a decrease in lease payable and an increase in miscellaneous income amounting to ₱32.38 million in 2020.

Expenses related to short-term leases amounting to ₱618.67 million and ₱512.93 million for the Group and Parent Company in 2021, respectively, and ₱403.71 million and ₱398.57 million for the Group and Parent Company in 2020, respectively, are included in the 'Occupancy cost' account.

Total cash outflows for leases amounted to ₱1.43 billion and ₱1.09 billion for the Group and Parent Company in 2021, respectively, and ₱1.19 billion and ₱1.00 billion for the Group and Parent Company in 2020, 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	
	2021	2020	**2021**	2020
Within one year	**₱4,341**	4,664	**₱4,049**	4,664
After one year but not more than five years	**109,170**	5,228	**–**	3,498
	113,511	9,892	**4,049**	8,162

Future minimum rentals payable under noncancellable leases follow:

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
Within one year	**₱687,755**	₱1,301,541	**₱509,857**	₱568,029
After one year but not more than five years	**1901,881**	2,094,499	**1,527,304**	1,016,816
After more than five years	**440,377**	2,074,369	**359,201**	1,706,197
	₱3,030,013	₱5,470,409	**₱2,396,362**	₱3,289,042

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 regular corporate income tax (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.

A minimum corporate income tax (MCIT) of 1.00% until June 30, 2023 under CREATE on modified gross income is computed and compared with the RCIT. Excess MCIT over RCIT can be used as a tax credit against future income tax liability for the next three years. In addition, any net operating loss carry over (NOLCO) is allowed as a deduction from taxable income in the next three years from the year of inception. In addition under RA 11494, also known as the Bayanihan to Recover As One Act, the net operating loss of the business or enterprise for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

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 is subject to the 25.00% corporate tax.

Relevant Tax Updates

TRAIN Law
RA No. 10963, the Tax Reform for Acceleration and Inclusion (TRAIN), is the first package of the comprehensive tax reform program of the government. The bill was signed into law on December 19, 2018 and took effect on January 1, 2018, amending some provisions of the old Philippine tax system.

Except for resident foreign corporations, which is still subject to the existing rate of 7.5%, tax on interest income of foreign currency deposit was increased to 15% under TRAIN. Documentary stamp tax on bank checks, drafts, certificate of deposit not bearing interest, all debt instruments, bills of exchange, letters of credit, mortgages, deeds and others are now subjected to a higher rate.

<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.

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 in 2021.

Impact of CREATE Law
Applying the provisions of the CREATE Law, the Group and the Parent Company is subjected to lower regular corporate income tax rate of 25% effective July 1, 2020. The following are the impact of CREATE in the 2021 financial statements of the Group and the Parent Company:

- Based on the provisions of Revenue Regulations (RR) No. 5-2021 dated April 8, 2021 issued by the BIR, the transitory RCIT and MCIT rates applicable to the Group and the Parent Company for the taxable year 2020 is 27.5% and 1.50%, respectively. This resulted in reduction in the current income tax due for the taxable year 2020 amounting to ₱256.89 million and ₱236.85 million for the Group and the Parent Company, respectively. The reduced amounts were reflected in the 2020 Annual Income Tax Returns filed in 2021. For financial reporting purposes, such reductions in the 2020 current income taxes were recognized in the 2021 financial statements as reduction to 2021 income tax expense.
- The deferred tax assets as of December 31, 2021 were also remeasured using the lower RCIT rate of 25.00%. The net decrease in the deferred tax balances amounting to ₱601.56 million and ₱622.02 million for the Group and the Parent Company, respectively, reduced the benefit from deferred tax assets credited to profit or loss by ₱593.42 million and ₱614.02 million for the Group and the Parent Company, respectively, and other comprehensive income by ₱8.14 million and ₱8.0 million for the Group and the Parent Company, respectively

There were no tax-related contingent liabilities and contingent assets arising from the changes in the tax rates due to CREATE Act.

<u>RR 4-2011</u>
On March 15, 2011, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 4–2011 which prescribed the attribution and allocation of expenses between FCDUs/EFCDUs or OBU and RBU and within RBU.

On April 6, 2015, the Bank and other member banks of the Bankers Association of the Philippines (BAP), filed a Petition for Declaratory Relief with Application for Temporary Restraining Order (TRO) and/or Writ of Preliminary Injunction with the Regional Trial Court of Makati (Makati Trial Court). Further, in Civil Case No. 15-287, the Bank and other BAP member banks assailed the validity of RR 4-2011 on the ground, among others, that (a) the RR violates the petitioner-banks substantive due process rights; (b) it is not only illegal but also unfair; (c) that it serves as a deterrent to banks to invest in capital market transactions to the prejudice of the economy; (d) it sets a dangerous precedent for the disallowance of full deductions due to the prescribes method of allocation; and (e) it violates the equal protection clause of the Constitution.

On April 8, 2015, the Makati Trial Court issued a TRO enjoining the BIR from enforcing RR 4-2011. Also, on April 25, 2015, the Makati Trial Court issued a Writ of Preliminary Injunction enjoining the BIR from enforcing, carrying out, or implementing in any way or manner RR 4-2011 against the Bank and other BAP member banks, including issuing Preliminary Assessment Notice or Final Assessment Notice against them during the pendency of the litigation, unless sooner dissolved.

On June 10, 2015, the Makati Trial Court issued a Confirmatory Order stating that the TRO and Writ of Preliminary Injunction also prohibits the BIR from ruling or deciding on any administrative matter pending before it in relation to the subject revenue regulations and insofar as the Bank and other BAP member banks are concerned.

On May 25, 2019, the Makati Trial Court issued a decision annulling RR 4-2011 and making the Writ of Preliminary Injunction permanent.

Current tax regulations also provide for the ceiling on the amount of entertainment, amusement and recreation (EAR) expense that can be claimed as a deduction against taxable income. Under the regulations, EAR expense allowed as a deductible expense is limited to the actual EAR paid or incurred but not to exceed 1.00% of the Parent Company's net revenue.

The provision for income tax consists of:

	Consolidated			Parent Company		
	2021	2020	2019	**2021**	2020	2019
Current						
Final tax	**₱927,631**	₱1,425,341	₱1,420,644	**₱917,411**	₱1,415,116	₱1,402,657
RCIT	**1,359,129**	1,759,466	962,712	**952,844**	1,467,636	680,187
	2,286,760	3,184,807	2,383,356	**1,870,255**	2,882,752	2,082,844
Deferred	**70,240**	(1,793,703)	(870,706)	**197,296**	(1,396,154)	(405,124)
	₱2,357,000	₱1,391,104	₱1,512,650	**₱2,067,551**	₱1,486,598	₱1,677,720

The details of net deferred tax assets follow:

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
Net deferred tax assets on:				
Allowance for impairment and credit losses	**₱4,955,236**	₱5,407,554	**₱3,803,881**	₱4,183,930
Revaluation increment on land (Notes 12 and 24)	**(456,171)**	(547,405)	**(456,171)**	(547,405)
Fair value adjustments on asset foreclosure and dacion transactions - net of depreciated portion	**38,370**	272,994	**(20,973)**	34,054
Net defined benefit asset	**(123,121)**	(27,086)	**(75,098)**	(11,551)
Others	**210,667**	66,378	**157,961**	73,020
	₱4,624,981	₱5,172,435	**₱3,409,600**	₱3,732,048

The details of net deferred tax liabilities follow:

	Consolidated		Parent Company	
	2021	2020	**2021**	2020
Net deferred tax liabilities on:				
Fair value adjustments on asset foreclosure and dacion transactions – net of depreciated portion	**(₱69,753)**	₱145,781	**₱–**	₱–
Fair value adjustments on net assets (liabilities) of PDB and Unity Bank	**107,372**	128,846	**–**	–
Others	**760,594**	841,735	**–**	–
	₱798,212	₱1,116,362	**₱–**	₱–

Others pertains primarily to the deferred tax liabilities on branch licenses arising from the acquisition of PDB.

In 2021 and 2020, deferred tax debited to OCI (excluding CREATE impact) amounted to ₱144.49 million and ₱29.76 million respectively, for the Group and ₱117.16 million and ₱47.94 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	
	2021	2020	**2021**	2020
Allowance for impairment and credit losses	**₱628,002**	₱937,610	**₱–**	₱–
Others	**21,085**	25,580	**–**	–
	₱649,086	₱963,190	**₱–**	₱–

The reconciliation of the statutory income tax to the provision for income tax follows:

	Consolidated			Parent Company		
	2021	2020	2019	**2021**	2020	2019
Statutory income tax	**₱4,365,806**	₱4,038,766	₱3,476,287	**₱4,288,971**	₱4,064,771	₱3,524,004
Tax effects of						
FCDU income	**(408,410)**	(558,048)	(730,776)	**(402,305)**	(553,550)	(714,703)
Non–taxable income	**(1,650,965)**	(445,898)	(690,059)	**(1,560,515)**	(2,227,782)	(1,458,268)
Interest income subjected to final tax	**(257,644)**	(2,375,355)	(1,609,292)	**(179,194)**	(642,318)	(622,878)
Nondeductible expenses	**685,021**	1,476,130	1,439,020	**631,661**	1,062,266	1,244,697
Others	**(713,337)**	(744,491)	(372,530)	**(1,088,232)**	(216,789)	(295,132)
CREATE adjustment - deferred tax	**593,418**	–	–	**614,018**	–	–
CREATE adjustment – current tax	**(256,889)**	–	–	**(236,853)**	–	–
Provision for income tax	**₱2,357,000**	₱1,391,104	₱1,512,650	**₱2,067,551**	₱1,486,598	₱1,677,720

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 ₱2.26 billion and ₱2.32 billion as of December 31, 2021 and 2020, 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 ₱49.48 in 2021, ₱48.31 million andin 2020, and ₱50.78 million , in 2019.

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	
	2021	2020	**2021**	2020
Deposits in banks	**₱4,207**	₱7,879	**₱4,172**	₱1,849
Financial assets at FVTPL	**1,419,060**	1,361,752	**1,419,060**	1,361,752
Dividend income	**54,579**	54,579	**54,579**	54,579
Interest income	**41**	245	**22**	133
Total market value of shares	**1,419,060**	1,361,752	**1,419,060**	1,361,752
Number of shares held	**54,579**	54,579	**54,579**	54,579

In 2019, dividend income and interest income of the retirement plan from investments and placements in the Parent Company amounted to ₱48.13 million and ₱21.48 million, respectively, for the Group, and ₱48.12 million and ₱18.98 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		
	2021	2020	2019	**2021**	2020	2019
Short–term employee benefits	**₱762,878**	₱557,390	₱550,767	**₱669,174**	₱468,427	₱468,271
Post–employment benefits	**3,176**	2,683	5,395	**2,003**	1,661	4,718
	₱766,054	₱560,073	₱556,162	**₱671,177**	₱470,087	₱472,989

Members of the BOD are entitled to a per diem of ₱500.00 for attendance at each meeting of the Board or of any committees and to four percent (4.00%) of the Parent Company's net earnings, with certain deductions in accordance with BSP regulation. Non-executive directors do not receive any performance-related compensation. Directors' remuneration covers all Parent Company's Board activities and membership of committees and subsidiary companies.

The Group also provides banking services to directors and other key management personnel and persons connected to them. These transactions are presented in the tables below.

Other Related Party Transactions

Transactions between the Parent Company and its subsidiaries meet the definition of related party transactions. Transactions between the Group and its associated companies also qualify as related party transactions. Details of the Parent Company's subsidiaries and associate are disclosed in Notes 1 and 10.

Group

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

	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)		

	December 31, 2020		
Category	Amount / Volume	Outstanding Balance	Terms and Conditions
Significant Investor			
Loans and receivables		₱2,342,950	Secured with shares of stocks, with interest rate of 4% with remaining maturity of 3.73 years.
Issuances	–		
Repayments	2,350		
Deposit liabilities		1,982	These are checking accounts with annual average rate of 0.13%.
Deposits	487		
Withdrawals	–		
Associate			
Deposit liabilities		39,394	These are savings accounts with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	181,158		
Withdrawals	(442,383)		
Key Management Personnel			
Loans and receivables		1,732	Unsecured officer's accounts from credit card with interest of 2% and currently maturing and fully secured OEL accounts with interest of 6%, with remaining maturity between 1.64 years and 1.77 years
Issuances	216		
Repayments	(980)		
Deposit liabilities		94,315	These are checking, savings and time deposits with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	282,538		
Withdrawals	(266,986)		
Other Related Parties			
Loans and receivables		43,912,605	Secured and unsecured loans with interest rate ranging from 3.75% to 9.92% with remaining maturity between 6 days and 9.98 years. Allowance for probable losses amounted to ₱15.94 million.
Issuances	10,049,254		
Repayments	(15,572,694)		
Deposit liabilities		1,686,887	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	19,107,945		
Withdrawals	(17,824,347)		

Interest income earned and interest expense incurred from the above loans and deposit liabilities in 2021, 2020, and 2019 follow:

	Significant Investor			**Associate**		
	2021	2020	2019	**2021**	2020	2019
Interest income	**₱155,890**	₱93,718	₱123,128	**₱–**	₱–	₱–
Interest expense	**3**	2	2	**2,896**	500	655
	Key Management Personnel			**Other Related Parties**		
	2021	2020	2019	**2021**	2020	2019
Interest income	**₱101**	₱87	₱10	**₱1,809,292**	₱2,158,577	₱1,861,042
Interest expense	**1,383**	1,459	1,952	**689**	1,467	2,376

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, 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)		

Category	Amount / Volume	December 31, 2020 Outstanding Balance	Nature, Terms and Conditions
Significant Investor			
Loans and receivables		₱2,342,950	Secured with shares of stocks, with interest rate of 4% with remaining maturity of 3.73 years.
Issuances			
Repayments			
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	(5,926,690)		
Associate			
Deposit liabilities		39,394	These are savings accounts with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	181,158		
Withdrawals	(442,383)		
Key Management Personnel			
Loans and receivables		1,732	Unsecured officer's accounts from credit card with interest of 2% and currently maturing and fully secured OEL accounts with interest of 6%, with remaining maturity between 1.64 years and 1.77 years
Issuances	216		
Repayments	(980)		
Deposit liabilities		94,315	These are checking, savings and time deposit account with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	282,538		
Withdrawals	(266,986)		
Other Related Parties			
Loans and receivables		43,912,605	Secured and unsecured loans with interest rate ranging from 3.75% to 9.92% with remaining maturity between 6 days and 9.98 years. Allowance for probable losses amounted to ₱15.94 million.
Issuances	10,049,254		
Repayments	(15,572,694)		
Deposit liabilities		1,686,887	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	19,107,945		
Withdrawals	(17,824,347)		

The related party transactions shall be settled in cash.

Interest income earned and interest expense incurred from the above loans and deposit liabilities in 2021, 2020 and, 2019 follow:

	Subsidiaries			Associate		
	2021	2020	2019	**2021**	2020	2019
Interest Income	**₱–**	₱–	₱–	**₱–**	–	–
Interest expense	**437**	850	743	**2,896**	500	654

	Key Management Personnel			Other Related Parties		
	2021	2020	2019	**2021**	2020	2019
Interest income	**₱36**	₱87	₱10	**₱1,809,292**	₱2,158,577	₱1,861,042
Interest expense	**34**	63	36	**218**	257	210

	Significant Investor		
	2021	2020	2019
Interest income	**₱155,890**	₱93,718	₱46,906
Interest expense	**3**	2	2

Outright purchases and outright sale of debt securities of the Parent Company with its subsidiaries in 2021 and 2020 follow:

	Subsidiaries	
	2021	2020
Peso-denominated		
Outright purchase	**₱515,053**	₱248,570
Outright sale	**1,232,410**	2,715,570
Dollar-denominated (equity)		
Outright purchase	**3,074**	5,000
Outright sale	**5,584**	6,000

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

	Subsidiaries		
	2021	2020	**Nature, Terms and Conditions**
Balance Sheet			
Accounts receivable	**₱50,450**	₱1,322	This pertains to various expenses advanced by CBC in behalf of various subsidiaries.
Security deposits	**10,420**	1,878	This pertains to the rental deposits with CBSI and CBCC for office space leased out to the Parent Company
Accounts payable	**–**	11	This pertains to various unpaid rental to CBSI

	Subsidiaries			
	2021	2020	2019	**Nature, Terms and Conditions**
Income Statement				
Trust fee income	**₱189**	₱640	₱25	Trust Fee earned by Parent Company from CBCC
Rent income	**3,039**	2,895	2,516	Rent Income from CBCC
Miscellaneous income	**2,850**	2,850	2,510	Certain functions provided by the Parent Company to its subsidiaries such as accounting, human resources, audit, treasury operations, administrative, corporate marketing, and financial control services. Under the agreement between the Parent Company and its subsidiaries, the subsidiaries shall pay the Parent Company an annual fee
Occupancy cost	**42,359**	11,808	20,067	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	**5,371**	2,862	–	Arranger fees paid by the Parent Company to CBCC for the issuance of its fixed rate bonds.
Information technology	**240,651**	225,428	222,414	This pertains to the computer and general banking services provided by CBC-PCCI to the Parent Company to support its reporting requirements.
Miscellaneous expenses	**5,718**	2,948	3,571	Commission for brokerage

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	
	2021	2020	**2021**	2020
Trust department accounts (Note 29)	**₱223,398,641**	₱210,776,272	**₱223,398,641**	₱210,776,272
Committed credit lines	**12,765,975**	9,551,472	**12,765,975**	9,551,472
Unused commercial letters of credit (Note 30)	**12,971,604**	14,445,630	**12,877,643**	14,338,580
Foreign exchange bought	**35,113,101**	17,338,436	**35,113,101**	17,338,436
Foreign exchange sold	**22,898,059**	15,385,289	**22,898,059**	15,385,289
Credit card lines	**14,320,597**	12,492,933	**14,320,597**	12,492,933
IRS receivable	**83,669,379**	25,351,615	**83,669,379**	25,351,615
Outstanding guarantees issued	**1,274,727**	1,187,256	**743,643**	899,090
Inward bills for collection	**1,229,608**	1,862,824	**1,229,608**	1,862,824
Standby credit commitment	**3,565,978**	1,652,526	**3,565,978**	1,652,526
Spot exchange sold	**1,653,448**	2,113,123	**1,653,448**	2,113,123
Spot exchange bought	**1,347,052**	1,920,935	**1,347,052**	1,920,935
Deficiency claims receivable	**281,780**	283,842	**281,780**	283,842
Late deposits/payments received	**46,125**	342,103	**37,805**	319,833
Outward bills for collection	**18,336**	150,073	**16,469**	148,316
Others	**105,768**	1,110,325	**105,664**	1,110,163

32. SEGMENT INFORMATION

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

The Group's business segments are as follows:

a. Lending Business – principally handles all the lending, trade finance and corollary banking products and services offered to corporate and institutional customers as well as selected middle market clients. It also handles home loans, contract-to-sell receivables, auto loans and credit cards for individual and/or corporate customers. Aside from the lending business, it also provides cash management services;
b. Retail Banking Business – principally handles retail and commercial loans, individual and corporate deposits, overdrafts and funds transfer facilities, trade facilities and all other services for retail customers;

c. Financial Markets – principally provides money market, trading and treasury services, manages the Group's funding operations by the use of government securities, placements and acceptances with other banks as well as offers advisory and capital-raising services to corporate clients and remittance transactions; and

d. 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's businesses are organized to cater to the banking needs of market segments, facilitate customer engagement, ensure timely delivery of products and services as well as achieve cost efficiency and economies of scale. Accordingly, the corresponding segment information for all periods presented herein are restated to reflect such change.

The Group reports its primary segment information to the Chief Operating Decision Maker (CODM) on the basis of the above-mentioned segments. The CODM of the Group is the President.

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

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

Interest income is reported net as management primarily relies on the net interest income as performance measure, not the gross income and expense.

The segment results include internal transfer pricing adjustments across business units as deemed appropriate by management. Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest is charged/credited to the business units based on its assets' and liabilities' repricing or maturity date using market-based yield curve approved by the Asset Liability Committee (ALCO).

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

The Group has no significant customers which contributes 10.00% or more of the consolidated revenues.

The Group's asset producing revenues are located in the Philippines (i.e., one geographical location); therefore, geographical segment information is no longer presented.

The following tables present relevant financial information regarding business segments measured in accordance with PFRS as of and for the years ended December 31, 2021, 2020 and 2019:

	Lending Business			Retail Banking Business		
	2021	2020	2019	**2021**	2020	2019
Results of Operations						
Net interest income						
Third party	**₱27,868,124**	₱26,243,948	₱24,613,498	**₱2,246,145**	(₱537,797)	(₱5,338,849)
Intersegment	**(16,451,310)**	(17,367,936)	(18,388,536)	**16,743,174**	18,378,843	18,020,023
	11,416,814	8,876,012	6,224,962	**18,989,319**	17,841,046	12,681,174
Other operating income	**949,677**	1,014,330	2,281,689	**2,371,764**	1,924,001	2,209,567
Total revenue	**12,366,491**	9,890,342	8,506,651	**21,361,083**	19,765,047	14,890,741
Other operating expense	**(3,672,205)**	(3,603,526)	(3,771,960)	**(11,253,327)**	(11,276,218)	(9,785,604)
Income before provisions and taxes	**8,694,286**	6,286,816	4,734,691	**10,107,756**	8,488,829	5,105,137
Provision for impairment and credit losses	**(6,898,860)**	(6,987,211)	(1,836,780)	**(719,487)**	(888,952)	(443,621)
Income before income tax	**1,795,426**	(700,395)	2,897,911	**9,388,269**	7,599,877	4,661,516
Provision for income tax	**(1,481)**	271,102	(45,149)	**(1,545,289)**	(244,334)	(419,750)
Net income	**₱1,793,945**	(₱429,293)	₱2,852,762	**₱7,842,980**	₱7,355,543	₱4,241,766
Total assets	**₱505,883,838**	₱447,944,431	₱438,731,372	**₱628,223,856**	₱587,770,303	₱516,900,229
Total liabilities	**₱1,998,355**	₱8,177,263	₱5,042,977	**₱658,061,048**	₱631,763,776	₱569,897,912
Depreciation and amortization	**50,765**	₱126,699	₱54,477	**₱803,283**	₱1,004,571	₱1,185,539
Capital expenditures	**₱335,084**	₱263,493	₱351,529	**₱416,119**	₱345,742	₱414,161

	Financial Markets			Other Business and Support Units		
	2021	2020	2019	**2021**	2020	2019
Results of Operations						
Net interest income						
Third party	**₱3,511,779**	₱4,200,824	₱3,462,384	**₱4,688,108**	₱3,935,611	₱3,314,264
Intersegment	**(373,322)**	(817,457)	1,041,115	**81,458**	(193,450)	(672,602)
	3,138,457	3,383,367	4,503,499	**4,769,566**	3,742,161	2,641,662
Other operating income	**4,919,675**	5,564,672	1,994,224	**2,119,828**	1,508,046	1,945,309
Total revenue	**8,058,132**	8,948,039	6,497,723	**6,889,394**	5,250,207	4,586,971
Other operating expense	**(2,309,853)**	(2,040,542)	(1,760,735)	**(5,099,748)**	(4,601,876)	(5,005,997)
Income before provisions and taxes	**5,748,279**	6,907,497	4,736,988	**1,789,646**	648,331	(419,026)
Provision for impairment and credit losses	**(61,124)**	(103,465)	(92,689)	**(1,197,273)**	(889,291)	(197,078)
Income before income tax	**5,687,155**	6,804,032	4,644,299	**592,373**	(240,960)	(616,104)
Provision for income tax	**(728,056)**	(1,514,395)	(1,240,335)	**(82,174)**	96,523	192,584
Net income	**₱4,959,099**	₱5,289,637	₱3,403,964	**₱510,199**	(₱144,437)	(₱423,520)
Total assets	**₱313,935,966**	₱291,325,133	₱230,368,926	**(₱335,724,134)**	(₱291,028,218)	(₱223,774,546)
Total liabilities	**₱184,942,985**	₱141,939,942	₱118,786,174	**₱148,194,318**	₱149,145,306	₱172,323,323
Depreciation and amortization	**₱34,554**	₱329,510	₱52,328	**₱898,564**	434,119	650,316
Capital expenditures	**₱207,943**	₱171,365	₱184,581	**(₱222,375)**	₱–171,190	₱–179,297

	Total		
	2021	2020	2019
Results of Operations			
Net interest income			
Third party	**₱38,314,156**	₱33,842,586	₱26,051,297
Intersegment	**–**	–	–
	38,314,156	33,842,586	26,051,297
Other operating income	**10,360,944**	10,011,049	8,430,789
Total revenue	**48,675,100**	43,853,635	34,482,086
Other operating expense	**(22,335,133)**	(21,522,162)	(20,324,296)
Income before provisions and taxes	**26,339,967**	22,331,473	14,157,790
Provision for impairment and credit losses	**(8,876,744)**	(8,868,919)	(2,570,168)
Income before income tax	**17,463,223**	13,462,554	11,587,622
Provision for income tax	**(2,357,000)**	(1,391,104)	(1,512,650)
Net income	**₱15,106,223**	₱12,071,450	₱10,074,972
Total assets	**₱1,112,319,526**	₱1,036,011,649	₱962,225,981
Total liabilities	**₱993,196,706**	₱931,026,287	₱866,050,386
Depreciation and amortization	**₱1,787,166**	₱1,894,899	₱1,942,660
Capital expenditures	**₱487,005**	₱276,881	₱425,124

The Group's share in net income (loss) of an associate included in other operating income amounting to (₱1.60 million), ₱152.44 million and ₱184.66 million in 2021, 2020 and 2019, 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:

	2021	2020	2019
a. Net income attributable to equity holders of the parent	**₱15,088,332**	₱12,062,637	₱10,068,960
b. Weighted average number of common shares outstanding – basic (Note 24)	**2,687,696**	2,685,900	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*	**₱5.61**	₱4.49	₱3.75

For the year ended December 31, 2021, the basic and diluted EPS are the same after rounding-off.

Prior to September 1, 2021, the Group's centennial stock grants are potential common shares that have dilutive effect to the EPS. Accordingly, after adjusting the dilutive potential common shares arising from the centennial stock grants to the weighted average number of common shares, the diluted EPS amounted to ₱5.61. As of December 31, 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		
	2021	2020	2019
Addition to investment properties from settlement of loans	**₱752,756**	₱294,326	₱832,290
Fair value gain on FVOCI financial assets	**(50,087)**	2,932,752	1,163,009
Cumulative translation adjustment	**12,270**	(5,165)	98,830
Addition to chattel mortgage from settlement of loans	**596,009**	32,568	618,298

	Parent Company		
	2021	2020	2019
Addition to investment properties from settlement of loans	**₱81,136**	₱117,660	₱471,020
Fair value gain (loss) in FVOCI financial assets	**(16,220)**	2,870,805	940,851
Cumulative translation adjustment	**465**	7,210	81,518
Addition to chattel mortgage from settlement of loans	**15,830**	2,006	10,332

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 the years ended December 31, 2021 and 2020:

	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**
Amortization	**–**	**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**

	Consolidated			
	2020			
	Bills Payable	Bonds Payable	Lease Liability	Total
Balance at beginning of year	₱33,381,406	₱37,394,398	₱3,394,925	₱74,170,729
Cash flows during the year				
Proceeds	116,188,100	14,803,803	–	130,991,903
Settlement/payment	(124,743,600)	–	(766,888)	(125,510,488)
Non-cash changes				
Additions	–	–	167,762	167,762
Lease concessions	–	–	(32,380)	(32,380)
Amortization	–	133,117	232,584	365,701
Foreign exchange movement	(1,170,055)	(265,640)	–	(1,435,695)
Balance at end of year	₱23,655,851	₱52,065,678	₱2,996,003	₱78,717,532

	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**
Amortization	**–**	**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**

	Parent Company			
	2020			
	Bills Payable	Bonds Payable	Lease Liability	Total
Balance at beginning of year	₱33,381,406	₱37,394,398	₱2,719,524	₱73,495,328
Cash flows during the year				
Proceeds	116,188,100	14,803,803	–	130,991,903
Settlement	(124,743,600)	–	(533,414)	(125,277,014)
Non-cash changes				
Additions	–	–	56,340	56,340
Lease concessions	–	–	(32,380)	(32,380)
Amortization	–	133,117	182,821	315,938
Foreign exchange movement	(1,170,055)	(265,640)	–	(1,435,695)
Balance at end of year	₱23,655,851	₱52,065,678	₱2,392,891	₱78,114,420

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, 2021

Financial instruments recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial position [a–b]	Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c–d]
				Financial instruments	Fair value of financial collateral	
	[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	₱88,524,092	₱78,154,719	₱1,620,451

December 31, 2020

Financial instruments recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial position [a–b]	Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c–d]
				Financial instruments	Fair value of financial collateral	
	[a]	[b]	[c]	[d]		[e]
Financial assets						
SPURA	₱12,022,648	₱–	₱12,022,648	₱12,022,648	₱12,022,648	₱–
Currency forwards	106,327	–	106,327	30,790	–	75,537
IRS	37,171	–	37,171	32,616	–	4,555
	₱12,166,146	₱–	₱12,166,146	₱12,086,054	₱12,022,648	₱80,092
Financial liabilities						
Bills payable	₱23,655,851	₱–	₱23,655,851	₱20,298,521	₱21,664,145	₱1,991,706
Currency forwards	41,935	–	41,935	30,790	–	11,145
IRS	97,055	–	97,055	32,616	–	64,439
	₱23,794,841	₱–	₱23,794,841	₱20,361,927	₱21,664,145	₱2,067,290

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, 2021 and 2020, there was no actual availment of the foregoing regulatory reliefs.

37. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated and parent company financial statements were authorized for issue by the Parent Company's BOD on February 28, 2022.

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		
	2021	2020	2019	**2021**	2020	2019
Return on average equity	**13.58%**	12.09%	11.04%	**13.58%**	12.09%	11.04%
Return on average assets	**1.45%**	1.21%	1.10%	**1.58%**	1.32%	1.22%
Net interest margin	**4.20%**	3.92%	3.39%	**4.02%**	3.82%	3.26%

Description of capital instruments issued

The Group and the Parent Company considers its common stock as capital instruments eligible as Tier 1 capital.

Significant credit exposures

	Consolidated			
	2021		2020	
	Amounts	%	Amounts	%
Real estate, renting and business services	**₱172,217,058**	27.59	₱145,914,294	25.49
Electricity, gas and water	**76,631,134**	12.27	77,295,952	13.51
Wholesale and retail trade	**45,125,057**	7.23	48,797,393	8.53
Transportation, storage and communication	**58,116,995**	9.31	54,792,752	9.57
Financial intermediaries	**91,545,065**	14.66	67,320,876	11.76
Manufacturing	**34,264,150**	5.49	33,567,819	5.86
Arts, entertainment and recreation	**33,762,320**	5.41	23,687,515	4.14
Accommodation and food service activities	**11,379,789**	1.82	12,904,107	2.25
Construction	**10,387,329**	1.66	13,995,942	2.44
Mining and quarrying	**10,967,237**	1.76	8,000,701	1.40
Agriculture	**7,312,462**	1.17	7,929,762	1.39
Education	**4,446,512**	0.71	5,290,900	0.92
Public administration and defense	**60,036**	0.01	2,055,542	0.36
Professional, scientific and technical activities	**841,426**	0.13	806,778	0.15
Others*	**67,268,149**	10.78	69,970,621	12.23
	₱624,324,719	100.00	₱572,344,954	100.00

*Others consist of administrative and support service, health, household and other activities.

	Parent Company			
	2021		2020	
	Amounts	%	Amounts	%
Real estate, renting and business services	**₱149,067,673**	26.77	₱123,150,868	24.40
Electricity, gas and water	**74,796,648**	13.43	75,367,275	14.93
Financial intermediaries	**90,964,720**	16.34	66,402,640	13.16
Wholesale and retail trade	**42,312,303**	7.60	45,324,442	8.98
Transportation, storage and communication	**56,097,019**	10.07	52,346,480	10.37
Manufacturing	**32,469,098**	5.83	31,988,437	6.34
Arts, entertainment and recreation	**33,719,927**	6.06	23,630,122	4.68
Accommodation and food service activities	**10,740,999**	1.93	11,892,441	2.36
Construction	**9,545,693**	1.71	12,886,246	2.55
Mining and quarrying	**10,966,519**	1.97	7,998,397	1.58
Agriculture	**5,897,613**	1.06	6,372,652	1.26
Public administration and defense	**60,036**	0.01	2,055,542	0.41
Education	**4,023,325**	0.72	4,735,250	0.94
Professional, scientific and technical activities	**761,461**	0.14	788,324	0.16
Others*	**35,415,712**	6.36	39,791,655	7.88
	₱556,838,746	100.00	₱504,730,771	100.00

*Others consist of administrative and support service, health, household and other activities.

The BSP considers that loan concentration exists when the total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio. As of December 31, 2021 and 2020, the Parent Company does not have credit concentration in any particular industry.

Status of loans

Information on the amounts of performing and non-performing loans and receivables (gross of allowance for impairment and credit losses) of the Group and Parent Company are as follows:

	Consolidated					
	2021			2020		
	Performing	**Non-Performing**	**Total**	Performing	Non-Performing	Total
Loans and discounts						
Corporate and commercial lending	**₱479,884,768**	**₱9,088,162**	**₱488,972,930**	₱444,111,245	₱5,391,246	₱449,502,491
Consumer lending:						
Housing	**80,518,808**	**3,948,376**	**84,467,184**	71,659,301	5,136,896	76,796,197
Auto	**17,922,533**	**1,280,521**	**19,203,054**	19,748,879	1,209,090	20,957,969
Credit Card	**1,294,196**	**79,525**	**1,373,721**	1,014,155	392,156	1,406,311
Others	**16,783,524**	**693,141**	**17,476,994**	14,070,206	544,918	14,615,124
Trade-related lending	**12,197,050**	**256,502**	**12,453,552**	8,230,427	303,622	8,534,049
Others*	**111,998**	**5,237**	**116,907**	137,620	4,641	142,261
	₱608,712,877	**₱15,351,465**	**₱624,064,342**	₱558,971,833	₱12,982,569	₱571,954,402

	Parent Company			2020		
	2021			2020		
	Performing	Non-Performing	Total	Performing	Non-Performing	Total
Loans and discounts						
Corporate and commercial lending	**₱466,015,296**	**₱6,609,892**	**₱472,625,188**	₱426,469,140	₱2,587,729	₱429,056,869
Consumer lending:						
Housing	**61,463,351**	**3,360,182**	**64,823,533**	54,940,444	4,140,628	59,081,072
Auto	**5,208,436**	**527,528**	**5,735,964**	6,349,025	271,150	6,620,175
Credit Card	**1,294,196**	**79,525**	**1,373,721**	1,014,155	392,156	1,406,311
Others	**3,066**	**–**	**3,394**	838	–	838
Trade-related lending	**11,852,404**	**227,455**	**12,079,859**	8,053,403	275,045	8,328,448
Others*	**19,961**	**330**	**19,963**	28,392	28	28,420
	₱545,856,710	**₱10,804,912**	**₱556,661,622**	₱496,855,397	₱7,666,736	₱504,522,133

Loans per security

As of December 31, 2021 and 2020, secured and unsecured non-performing loans (NPLs) of the Group and the Parent Company follow:

	Consolidated		Parent Company	
	2021	2020	2021	2020
Secured	**₱6,909,212**	₱3,966,218	**₱4,140,525**	₱775,355
Unsecured	**8,442,253**	9,016,351	**6,664,388**	6,891,381
	₱15,351,465	₱12,982,569	**₱10,804,913**	₱7,666,736

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			
	2021		2020		2021		2020	
	Amounts	%	Amounts	%	Amounts	%	Amounts	%
Loans secured by								
Real estate	**₱85,021,052**	13.62	₱77,049,605	13.46	**₱58,622,700**	10.53	₱51,972,071	10.30
Chattel mortgage	**22,096,827**	3.54	23,902,079	4.18	**7,459,462**	1.34	8,334,760	1.65
Guarantee by the Republic of the Philippines	**3,315**	0.00	2,274,070	0.40	**3,315**	0.00	2,274,070	0.45
Deposit hold out	**2,506,588**	0.40	3,018,427	0.53	**2,214,506**	0.40	2,539,755	0.50
Shares of stock of other banks	**8,350,600**	1.34	2,354,950	0.41	**8,350,600**	1.50	2,354,950	0.47
Others	**82,803,122**	13.26	90,569,698	15.82	**82,680,304**	14.85	90,289,852	17.89
	200,781,504	32.16	199,168,829	34.80	**159,330,887**	28.62	157,765,458	31.26
Unsecured loans	**423,543,215**	67.84	373,176,125	65.20	**397,507,859**	71.38	346,965,313	68.74
	₱624,324,719	100.00	₱572,344,954	100.00	**₱556,838,746**	100.00	₱504,730,771	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 ₱48.85 billion and ₱13.09 billion as of December 31, 2021 and 2020, 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 ₱23.59 billion and ₱7.21 billion as of December 31, 2021 and 2020, respectively. The fair value of investment securities at amortized cost pledged as collateral amounted to ₱78.15 billion and ₱21.66 billion as of December 31, 2021 and 2020, respectively. The aggregate fair value of financial assets at FVOCI pledged as collateral amounted to ₱3.25 billion and nil as of December 31, 2021 and 2020, 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			
	2021		2020	
	DOSRI Loans	**Related Party Loans (inclusive of DOSRI Loans)**	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)
Total outstanding DOSRI loans	**₱8,734,613**	**₱55,963,128**	₱3,224,094	₱55,523,024
Percent of DOSRI/Related Party loans to total loan portfolio	**1.40%**	**8.96%**	0.56%	9.70%
Percent of unsecured DOSRI/Related Party loans to total outstanding DOSRI/ Related Party loans	**0.37%**	**75.56%**	0.14%	78.14%
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			
	2021		2020	
	DOSRI Loans	**Related Party Loans (inclusive of DOSRI Loans)**	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)
Outstanding DOSRI loans	**₱8,727,598**	**₱55,955,965**	₱3,217,097	₱54,839,195
Percent of DOSRI/Related Party loans to total loan portfolio	**1.57%**	**10.05%**	0.64%	10.87%
Percent of unsecured DOSRI/Related Party loans to total outstanding DOSRI/ Related Party loans	**0.37%**	**75.57%**	0.10%	94.25%
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	
	2021	2020	**2021**	2020
Trust department accounts	**₱223,398,641**	₱210,776,272	**₱223,398,641**	₱210,776,272
Committed credit lines	**12,765,975**	9,551,472	**12,765,975**	9,551,472
Unused commercial letters of credit	**12,971,604**	14,445,630	**12,877,643**	14,338,580
Foreign exchange bought	**35,113,101**	17,338,436	**35,113,101**	17,338,436
Foreign exchange sold	**22,898,059**	15,385,289	**22,898,059**	15,385,289
Credit card lines	**14,320,597**	12,492,933	**14,320,597**	12,492,933
IRS receivable	**83,669,379**	25,351,615	**83,669,379**	25,351,615
Outstanding guarantees issued	**1,274,727**	1,187,256	**743,643**	899,090
Inward bills for collection	**1,229,608**	1,862,824	**1,229,608**	1,862,824
Standby credit commitment	**3,565,978**	1,652,526	**3,565,978**	1,652,526
Spot exchange sold	**1,653,448**	2,113,123	**1,653,448**	2,113,123
Spot exchange bought	**1,347,052**	1,920,935	**1,347,052**	1,920,935
Deficiency claims receivable	**281,780**	283,842	**281,780**	283,842
Late deposits/payments received	**46,125**	342,103	**37,805**	319,833
Outward bills for collection	**18,336**	150,073	**16,469**	148,316
Others	**105,768**	1,110,325	**105,664**	1,110,163

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 2021.

Gross receipts tax	₱1,676,153
Documentary stamps tax	1,043,374
Local taxes	88,912
Fringe benefit tax	44,490
Others	55,206
Total for the year	₱2,908,135

Withholding Taxes
Details of total remittances of withholding taxes in 2021 and amounts outstanding as of December 31, 2021 are as follows:

	Total remittances	Amounts outstanding
Final withholding taxes	₱1,075,078	₱73,678
Withholding taxes on compensation and benefits	761,598	32,890
Expanded withholding taxes	155,386	11,248
	₱1,992,062	₱117,816

Tax Assessment
As of December 31, 2021, the Parent Company has no pending tax assessment notice from the BIR.

China Bank Branches

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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

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

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. Nos.: 8541-1506; 8541-1552
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 cor. 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
corner 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. Nos.: 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. Nos.: 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.: 8257-1512; 8256-5292
Fax No.: 8257-1512

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.: 3416-3166; 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 Angelenix House, Fairview Ave.
corner Camaro St., Quezon City
Tel. Nos.: 8937-5597; 8938-9636
8937-8086; 8461-3004
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
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. No.: 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.
Kalayaan Avenue, 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 281-0104; 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.: 3432-9787; 3445-3201 3432-9785; 8292-6956 8292-6957
Fax No.: 8851-6143; 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
Fax No.: 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
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. Nos.: 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. Nos.: 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. Nos.: 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 Felimarc 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 Nos.: 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. Nos.: 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

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 No.: 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.: 8242-104; 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
Fax No.: 8998-6649

TAYTAY – ORTIGAS EXENSION
Ortigas Ave. Ext., Taytay, Rizal
Fax No.: 8727-1667
Fax No.: 8727-5873

TIMOG AVE.
G/F Prince Jun Condominium,
42 Timog Ave., Q.C.
Fax No.: 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; 8361-3271
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

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 Nos.: 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.: 436-4013; 304-0850
889-0975
Fax No.: 304-0850

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. No.: 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.: 702-4481

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, Daet, 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
G/F North Star Mall, Maharlika Highway, Brgy. Alibagu, Ilagan, Isabela
Area Code: (078)
Tel. Nos.: 323-0179; 323-0178
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
National Highway, San Jose Norte, 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
A. Regidor St., 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; 815-8957
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 LIPA
G/F (Units 1111-1113) SM City Lipa,
Ayala 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

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
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. Nos.: 474-2451
Fax No.: 474-2451

BACOLOD – LIBERTAD
Libertad Street, Bacolod City,
Negros Occidental
Area Code: (034)
Tel. Nos.: 435-1645; 435-1646
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
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
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
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 (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; 421-1567
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
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; 422-3664
344-6621
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

ILOILO – IZNART
Iznart corner J. de Leon Streets,
Brgy. Magsaysay, Iloilo City 5000
Area Code: (033)
Tel. Nos.: 337-9477; 337-9566
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
509-0599
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. – 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

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
G/F Melrose Bldg. Carlos P. Garcia
Avenue, Tagbilaran City, Bohol
Area Code: (038)
Tel. Nos.: 501-0688; 501-0677
411-2484
Fax No.: 501-0677

MINDANAO

BUTUAN CITY
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

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

CAGAYAN DE ORO – 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
Buhangin Road, Davao City
Area Code: (082)
Tel. Nos.: 300-8335; 227-9764
221-5970
Fax No.: 221-5970

DAVAO – 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.: (082) 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, DDN
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
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. No.: 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. No.: 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 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

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

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
Fax No.: (034) 435-0647
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
Tel. Nos.: (043) 723-7127
723-4294
Fax No.: (02) 8520-6161
Email: egricardo@chinabank.ph
Center Head: **Evelyn G. Ricardo**
(OIC)

CBG Cabanatuan Center
China Bank - Cabanatuan, Maharlika
2/F CBC Bldg., Brgy. Dicarma,
Maharlika Highway, Cabanatuan City,
Nueva Ecija
Tel. Nos.: (044) 600-1575; 4631063
Fax No.: (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
Fax Nos.: (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
Fax No.: (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
Fax No.: (082) 222-5021
Email: rcsanchez@chinabank.ph
Center Head: **Renato C. Sanchez II**

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
Fax No.: (033) 336-7918
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, 8885-5697,
8885-5643, 8885-5697
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

Binondo Office
6/F China Bank Bldg.,
Dasmariñas cor. Juan Luna,
Binondo, Manila
Tel. No.: 8241-1452
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

Quezon City Office
82 West Ave., Quezon City
Tel. Nos.: 8426-6980, 8441-4685
Email: jctan@chinabank.ph

Contact Person:
Jaydee Cheng Tan

Alabang Office
2/F 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

San Fernando Office
2/F V. Tiomico., San Fernando City
Pampanga
Tel. No.: (045) 961-0486
Email: mcdpuno@chinabank.ph

Contact Person:
Ma. Cristina D. Puno

Bacolod Office
2F Bacolod Lacson Branch
Soliman Bldg., Lacson
cor. Luzurriaga Sts., Bacolod City
Tel. No.: (034) 431-5549
Email: jrmanuel@chinabank.ph

Contact Person:
Julie A. Manuel

Cebu Office
CBC Bldg.,
Samar Loop cor. Panay Road,
Cebu Business Park, Cebu City
Tel. Nos.: (032) 415-5881,
(032) 239-3741
Email: edrosales@chinabank.ph

Contact Person:
Eleanor D. Rosales

China Bank Savings Branches

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

B.F. 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

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

DIVISORIA – DRAGON 8
Dragon 8 Shopping Center,
3/Flr. C.M Recto Avenue corner
Dagupan Street, Divisoria, Manila
Tel. Nos.: (632) 8247-3299
7616-1146
Mobile No.: 0917-3175106

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. No.: (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. No.: (632) 8511-1145
7217-3069
Mobile No.: 0917-8046443

FTI HYPERMARKET TAGUIG
DBP Avenue, Food Terminal
Incorporated, Western Bicutan,
Taguig City
Tel. Nos.: (632) 8834-0408
7507-4090
Mobile No.: 0917-5615131

G. ARANETA
195 G. Araneta Avenue, Quezon City
Tel Nos.: (632) 8978-6448
8711-7822
Mobile No.: 0917-8287829

GIL PUYAT – BAUTISTA
Lot 25 Blk 74 Bautista Street corner
Sen. Gil Puyat Avenue, Makati
Tel. Nos.: (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.: (632) 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.: (632) 7964-1322
8831-0477
Mobile No.: 0917-5106078

MAKATI – J.P. RIZAL
882 J.P. Rizal Street, Poblacion,
Makati City
Tel. No.: (632) 8890-1027
Mobile No.: 0917-5105919

MALABON - FRANCIS MARKET-SAVEMORE
Francis Market, Governor Pascual
corner M.H. Del Pilar Street,
Malabon City
Tel. Nos.: (632) 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
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

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 Nos.: 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.: (632) 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 AVENUE
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
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. No.: (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. No.: (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

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 – CM RECTO
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
RL Building, Panganiban Street
Lerma, Naga City, Camarines Sur
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

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. Nos.: (043) 778-3247
Mobile No.: 0917-8164577

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

SAVEMORE TAGAYTAY - MENDEZ
Mendez Crossing West, Tagaytay-
Nasugbu Highway, corner Mendez-
Tagaytay Road, Tagaytay City
Tel. No.: (046) 413-387
Mobile No.: 0917-5615334

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

China Bank Savings Business Offices

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
Lot 3459-E-1Toting 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

CBS OFF-BRANCH ATMS

CALAMBA DOCTORS HOSPITAL
HK Building II, National Highway,
Brgy. Halang, Calamba City, Laguna

RIS COMPOUND
RIS Development Corporation
168 Mercado Street
Tabe, Guiguinto, Bulacan

ZAMECO COMPOUND
ZAMECO II Head Office
National Road, Brgy. Magsaysay
Castillejos, Zambales

ST. LOUIS COLLEGE LA UNION
St.Louis College, Carlatan
San Fernando City, La Union

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
F. Quimpo Street
connecting Mabini and Toting Reyes
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
William C. Whang
Herbert T. Sy, Jr.,
Rosemarie C. Gan
Patrick D. Cheng

Independent Directors
Margarita L. San Juan
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

Executive Vice President
Joseph C. Justiniano
Head, Asset Recovery and Credit and Collections Management

First Vice Presidents
Niel C. Jumawan
Head, APD Lending

Jan Nikolai M. Lim
Head, Consumer Lending

Luis Bernardo A. Puhawan
Controller & Head, Controllership

Jaydee P. Caparas
Head, Branch Banking

Vice President
Marjorie T. Esplana
Head, SME Lending

WITH INTERLOCKING POSITION IN CHINA BANK

Baldwin A. Aguilar
Head, Administrative Services

Nestor Jayson V. Camba
Chief Security Officer

Maria Rosanna Catherina L. Testa
Division Head, Human Resources

Hanz Irvin S. Yoro
Information Security Officer

Editha N. Young
Head, Information Technology

Jose L. Osmeña
Deputy Group Head, RBB

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 multi-awarded, wholly-owned investment banking subsidiary of China Banking Corporation. It was registered and licensed as an investment house in 2015 after the spin-off from China Banking Corporation's Investment Banking Group. The firm offers a full suite of investment banking solutions, which include arranging, managing, and underwriting 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 structuring, valuation, and execution of M&A deals, 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
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.: (632) 230-6661 to 6663

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**

** Effective April 8, 2022*
*** Effective April 11, 2022*

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
Belenette C. Tan

MANAGEMENT TEAM

President
Frankie G. Panis

Corporate Treasurer
Kristha Feliz A. Mangahas

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

CHINABANK PROPERTIES AND COMPUTER CENTER,

4/F 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 to provide computer-related services solely to the China Bank group. It manages the Bank's electronic banking and e-commerce requirements, including sourcing, developing and maintaining software and hardware, financial systems, access devices and networks to foster the safety and soundness of China Bank's technology infrastructure and keep its processing capabilities in top shape.

BOARD OF DIRECTORS

Chairman
Gilbert U. Dee

Directors
Peter S. Dee
Ricardo R. Chua
William C. Whang
Rosemarie C. Gan

Corporate Secretary
Rikki Daniele Louis A. Dela Paz

MANAGEMENT TEAM

President
Peter S. Dee

Treasurer
William C. Whang

General Manager
Manuel C. Tagaza

Chief Technology Officer
Editha N. Young

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
Juan Paolo E. Colet
Ryan Martin L. Tapia

Independent Directors
Margarita L. San Juan
Claire Ann T. Yap

Corporate Secretary
Wilfred Francis B. Martinez

MANAGEMENT TEAM

President and Chief Executive Officer
Ryan Martin L. Tapia

Vice President, Treasurer, and Legal Counsel
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
Richard Bates

Director/President & CEO MCBL
Sandeep Deobhakta

Directors
Matthew Lawrence
William C. Whang
Patrick D. Cheng

Independent Directors
Janette L. Peña
Rhoda Regina R. Rara
Conrado Favorito

Corporate Secretary
Atty. Abegail D. Sac

Treasurer
Edwin Magpantay

Chief Legal Counsel and Chief Compliance Officer
Fritzie Tangkia-Fabrikante

Head of Training
Juan Miguel Javellana

Products and Services

102-2, 102-7

PESO DEPOSITS

Checking Account
Monitoring your financial milestones has never been this easy. Issue checks at your own convenience with our ChinaCheck Plus account.

ChinaCheck Plus
Enjoy value and convenience in one with this affordable interest-bearing checking account that comes with an ATM card.

Savings Account
Select from a variety of Savings Accounts to help you start achieving your financial needs.

- Passbook Savings
  Save for the rainy days in a simple and easy to monitor interest-earning passbook savings account.
- ATM Savings
  Enjoy 24/7 banking convenience with an account that is as mobile as your lifestyle.
  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
  Build your child's financial future in this interest-earning savings account. It has a low initial deposit and maintaining balance requirement solely for children 17 years old and below.

Time Deposit
Enjoy higher returns thru our risk-free term deposit accounts.

- 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
  Enjoy market flexibility with this 5-year term deposit that offers floating interest rate.

FOREIGN CURRENCY DEPOSITS

Savings
Diversify your deposit options.

- Foreign Currency Savings Account
  A Passbook-based savings deposit account offered in US Dollar, Euro, Chinese Yuan, and Japanese Yen. It has a low initial deposit and maintaining balance with convenient access to the account via branches and China Bank Online.
- 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
Enjoy higher returns thru our risk-free term deposit accounts.

- Foreign Currency Time Deposit Account
  A time deposit account that earns higher interest over a savings account and is credited upon maturity. It is 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. Allows you to access funds securely. Functions similar to an ATM card without the need to open a deposit account. Manage, monitor and store only the amount you require for your day-to-day expenses.

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 that is small in size but big in possibilities. A China Bank Gift Check 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
The service offered by the Bank to its customers for the safekeeping / storage of valuables / possessions and other important documents under lock and key.

Night Depository Services
A service to secure and conveniently process deposits even after banking hours or during holidays. Cash and checks deposited will be credited to the customer's account on the next business day, subject to verification and the Bank's normal deposit availability guidelines.

Cash Delivery and Deposit Pick-Up Services
A convenient deposit pick-up and cash delivery solution for secure cash handling. Service includes the secured transport of cash via Bank armoured car with client's preference on the frequency of pick-up and/or delivery. All deposits are also processed in a secure bank facility where cash deposits are credited the same day.

OVERSEAS KABABAYAN SERVICES

China Bank Remittance
Safe and affordable remittance service to the Philippines through China Bank's remittance partners abroad. Beneficiaries may receive their remittances through (1) credit to bank accounts, whether China Bank or other bank accounts; (2) cash pick-up anywhere through CBC / CBS branches and other payout partners; (3) cash delivery.

Overseas Kababayan Savings (OKS) Account (PHP)
A Peso-denominated, no-initial deposit, and no maintaining balance account for Overseas Filipino and their beneficiaries that makes saving and sending /receiving remittances more secure and convenient.

Overseas Kababayan Savings (OKS) Account (USD)
A US dollar-denominated, lower initial deposit, and no maintaining balance account for Overseas Filipino and their beneficiaries that makes saving and sending/receiving remittances more secure and convenient.

Pay to Cash
Remittance services available through the China Bank mobile app:
(1) Real-Time Cash Pick-Up Anywhere service
(2) Same Day Cash Delivery (within NCR only)

LOANS AND CREDIT FACILITIES

Omnibus Line
A revolving master facility offered to borrowers with sub-facilities 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 Products
Include 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

HomePlus Real Estate Loan
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.

AutoPlus Vehicle Loan
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 PRODUCTS & SERVICES

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.

INVESTMENT BANKING SERVICES

Bonds
Fixed income instruments that represent an obligation to an investor made by a borrower (typically corporate or government entities).

Syndicated Loans
Financing offered by a group of lenders – referred to as a syndicate – who work together to provide funds for a single borrower.

Corporate Notes
Typically medium to long-term debt instrument issued by corporations to a limited set or number of investors, such as to primary institutional lenders or qualified buyers.

Structured Loan
Business loan given based on a company's performance. It takes into account cash flow more than asset base, and it can be a creative financing tool to overcome challenges in the business cycle.

Project Finance
Financing arrangements serve to provide financial resources for specific projects, which are operated as individual business entities, and the income and cash flows generated by these projects are used to repay their financial obligations.

Long-Term Negotiable Certificate of Deposit (LTNCD)
Bank product offered to investors which has features of a term or time deposit and can be negotiated, transferred or traded by a holder to another individual.

Enrolled Notes (Short Dated Notes/QB Notes)
Short to medium-term debt instruments issued to qualified buyers and are enrolled in Philippine Dealing and Exchange Corporation's Fixed Income Board.

Initial Public Offering
Type of public offering in which shares of a company is issued or sold to the public typically consisting of both institutional and retail investors. IPO's allow companies to raise capital from public investors.

Follow On Offering
Issuance of stock subsequent to the company's initial public offering (IPO).

Preferred Shares
Type of shares which typically give preference to the shareholders in the distribution of assets of the corporation in case of liquidation and/or in the distribution of dividends.

Convertible Shares
Shares of stock that have a feature that allows the holder to convert the share into another security.

Exchangeable Shares
Type of instrument that allows the holder to exchange the instrument to another instrument, typically an instrument other than that of the existing instrument of the issuer, at some future date and under prescribed conditions.

Mergers & Acquisition Advisory
Covers a broad spectrum of services which include advising on mergers and acquisitions, evaluation of strategic alternatives, analysis of business plans, and assessment of potential strategic and financial partners.

Corporate Restructuring
Corporate action undertaken by a company to modify its operating activities or its existing capital structure.

Valuation
Analytical process of determining the current (or projected) worth of an asset or a company.

Securitization
Financial arrangement that involves issuing securities backed by a pool of assets.

TRUST PRODUCTS & SERVICES

China Bank Money Market Fund
A Peso-denominated Unit Investment Trust Fund (UITF) classified as a money market fund which offers a high level of liquidity and better earnings potential than those offered by regular savings and short-term time deposit accounts by investing 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 (1) year and caters to investors with moderate risk appetite.

China Bank Cash Fund
A Peso-denominated UITF classified as a money market fund which offers a high level of liquidity and better earnings potential than those offered by regular savings and short-term time deposit accounts by investing primarily in special savings deposits. The Fund's average duration is not more than one (1) year and caters to conservative investors.

China Bank Short-Term Fund
A Peso-denominated UITF classified as a money market fund which offers a high level of liquidity and better earnings potential than those offered by money market placements, regular savings and short-term time deposit accounts by investing 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 (1) year and caters to moderate investors.

China Bank Intermediate Fixed-Income Fund
A Peso-denominated UITF classified as an intermediate bond fund which intends to achieve for its participants income in the intermediate term by investing 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 (3) 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 which intends to achieve for its participants a steady stream of income by investing 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 (10) years and caters to investors with moderate risk appetite.

China Bank Balanced Fund
A Peso-denominated UITF classified as a balanced fund which intends to achieve for its participants capital appreciation as well as a steady stream of income by primarily investing 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 (10) 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 which offers capital appreciation by primarily investing 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 which offers long-term capital appreciation by primarily investing 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 which intends to achieve for its participants a steady stream of income by investing primarily in a diversified portfolio of high-grade marketable securities comprised mainly of Philippine sovereign bonds as well as US treasury bonds of varying tenors. The Fund's average duration is not more than ten (10) 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 which offers liquidity and higher earnings potential than USD time deposits by investing primarily in fixed-income securities mostly time deposits, special savings accounts and government securities. The Fund's average duration is not more than one (1) year and caters to conservative investors.

China Bank Philippine Equity Index Tracker Fund
China Bank Philippine Equity Index Tracker Fund
A Peso-denominated UITF classified as an equity index tracker fund which offers capital appreciation by investing in a diversified portfolio of stocks representative of the Philippine Stock Exchange Index (PSEi) composition and its corresponding weights. The Fund is catered 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, but may also be 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 or property 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. CBC - TAMG offers the following types of escrow services: 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. The arrangement covers assistance in the development of the retirement plan rules and regulations, coordination with the actuary, registration of the retirement plan with the Bureau of Internal Revenue for tax-exemption qualification, and the development and implementation of investment strategies to maximize the fund's earnings.

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 wherein CBC - TAMG has full authority to make investment decisions or non-discretionary wherein the company has control on how the funds shall be invested.

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 SERVICES

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

LTNCD
Long Term Negotiable Certificate of Deposit issued by the bank with a tenor of at least 5 years with quarterly interest payments; available in Philippine Peso.

Treasury Certificate of Deposit (TCD)
Short term deposits (overnight to 1 year) evidenced by a certificate of deposit; available in Philippine Peso, US Dollar or Euro.

Promissory Note
Short term deposits substitute (overnight to 1 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.

INSURANCE PRODUCTS

Platinum Invest Elite
A single-pay variable life insurance product that allows one to enjoy the rewards from investing in any or a combination of professionally-managed investment funds, while providing lifelong protection.

Enrich Max
A single-pay variable life product that provides life insurance protection and potential optimum investment yields where values are directly linked to the performance of investment funds.

MCBL Affluence Income
A single-pay variable life insurance product designed to provide early access to earnings to meet short-term needs, unlimited earning potential through investment in a professionally managed fund to help achieve medium- to long-term goals, and life protection insurance for peace of mind.

MCBL Affluence Max Elite
A single-pay variable life product that maximizes the potential earnings of the policy through the guaranteed start-up bonus.

MCBL Enrich
A variable life insurance product that allows one to enjoy the rewards from investing in any or a combination of professionally-managed investment accounts, while providing insurance protection.

MCBL Invest
A minimum-pay unit-linked product which is geared towards investment and is intended to improve the build-up of the account value (AV) in the long run by minimizing upfront charges and imposing higher surrender charges in early policy years.

Base Protect Plus
A term insurance plan which provides fixed term protection coverage for five (5) years, with an option to automatically renew coverage up to age 85 or convert to a permanent plan depending on changing protection needs.

Assure Max
A participating endowment plan that allows you to enjoy Protection with guaranteed cash payouts within 20 years or until you reach age 65.

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.

Group Yearly Renewable Term (GYRT)
A customizable group life insurance plan for employers and organizations designed to provide protection to employees and their families when misfortune happens.

Group Credit Life (GCL)
A group insurance plan that helps creditors to worry less because their business is secure. This plan reduces the risk of having unpaid loans and ensures that loans are settled, whatever happens.

Group Personal Accident (GPA)
A group insurance plan designed to provide assistance to employees in case of accidents. The employee will receive financial support during these unforeseen events. It comes with the following benefits:
A. Accidental death
B. Accidental dismemberment or loss of use
C. Double indemnity
D. Total permanent disability (optional)
E. Temporary disablement (optional)
F. Hospital indemnity (optional)

Group Riders (applicable to Group Life and Group Credit Life only)
a. Accidental Death, Dismemberment and Disablement
b. Accidental Medical Reimbursement
c. Critical Illness (CI60)
d. Hospital Income
e. Terminal Illness
f. Total and Permanent Disability
g. Family Assistance

Fire and Allied Perils
Insurance coverage for homeowners, building owners, and tenants against loss or damage to Building (structure, building / leasehold improvements) and Contents (furniture, fixtures and fittings, appliances, electronic equipment, etc).

Basic package covers Fire and Lightning, which can be upgraded to include Extended Coverage (smoke, falling aircraft, vehicle impact, explosion), and natural disasters (Earthquake [Fire & Shock], Typhoon and Flood).

Other insurable perils for residential and commercial clients include: Riot, Strike and Malicious Damage; Bursting and/or Overflowing of Tanks, Apparatus & Pipes; Sprinkler Leakage; and Spontaneous Combustion.

Motor Car
Protection for vehicle owners against loss or damage to their vehicles, medical expenses for them and their passenger including Third Party Liabilities.

Free 24-hour Roadside Emergency Assistance included in select packages.

Extensive repair and dealer network for claims servicing.

Personal Accident and Travel
Protection for members of your business, organizations, or institution in case of loss of life, dismemberment, or disablement due to accident. In case of death, the benefit is paid to the designated beneficiary of the insured.

Travel Accident Insurance
Covers travel inconveniences such as flight delay, loss of baggage, medical treatment, among others, for air travel to Schengen, ASEAN, worldwide and domestic itineraries.

Medical Insurance / Employee Benefit
Offers health coverage to individuals, employers, and medical providers (hospital and doctors) as protection against financial exposure due to medical costs. Insurance packages include Medical Reimbursement programs and Hospital Income programs.

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.

Electronic Equipment Insurance
Provides accident insurance for electronic 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.

Money, Securities and Payroll Insurance
Protection against loss of money used for business operations, in case of robbery / hold-up, burglary, brigandage, etc.

Fidelity Guarantee Insurance
Protection against financial loss due to dishonest/fraudulent acts of regular employees.

Property Floater
Covers loss or damage to mobile property such as heavy equipment, machines, portable electronic equipment, paintings, among others.

Contractors' Insurance All Risks (CARI)
A comprehensive insurance protection against physical loss or damage and third party liability for construction works, contract works, civil engineering works, construction plant and equipment, and/or construction machinery.

Erections' Insurance All Risks (EARI)
Protection for contract works involving electro-mechanical works, installation of machinery and equipment, and the like. Aside from the contract works, this may also cover testing and commissioning.

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.

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.

Surety Bonds
Issuance of a surety bond to guarantee the principal's responsibility towards the obligee as required by law or contract.

PAYMENT & SETTLEMENT SERVICES

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 CBC Mobile App), balance inquiry, bills payment, funds transfer, prepaid card reload, and checkbook request. CBC ATMs also accept China Bank TellerCard, other BancNet, Diner's Club International, Discover, JCB, KFTC, Mastercard, Unionpay and Visa cards. 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. CBC CAMs accept old and new generation bills of the following denominations: PHP 100, 200, 500, and 1,000.

China Bank TellerPhone
A phone banking facility that allows customers to perform transactions such as deposit account inquiry, last 3 transactions inquiry, last debit/credit, fund transfer (to China Bank accounts or to other local banks), bills payment, prepaid card reload, SOA and checkbook requests, 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. These transactions include account viewing, funds transfer (to China Bank accounts, other local banks, or e-wallets), bills payment, UITF top-up, checkbook request, and stop payment order. Self-service password reset and payee enrollment are also enabled for users whose mode of authenticating transactions is through One-Time Password (OTP).

China Bank Mobile Banking App
A free mobile application that can be downloaded from App Store or Google Play Store and can be installed in any mobile device (i.e., smartphones and tablets). It enables customers to access their China Bank accounts and perform banking transactions while 'on the go'. Transactions such as account viewing, Peek Balance or account balance viewing without the need to login, bills payment, funds transfer (via InstaPay or PESONet), prepaid reload, loan payment, and checkbook request can be performed with just a swipe or a few taps.

Customers can also do transactions pioneered by China Bank such as RFID reloading, *Emergency Cash/ No card On Withdrawal (NOW)* – a transaction that allows a customer to make a cardless withdrawal thru China Bank ATMs, *Pay To Mobile/ Just Use your Mobile Phone (JUMP)* – a transaction that allows a customer to pay or transfer funds to anyone using only recipient's mobile number, Pay to Cash – a service which allows the beneficiary to claim their remittance through pick up at any CBC branch or partner financial institutions nationwide or via door to door delivery within Metro Manila, *Shake to Scan* – initiates scanning a QR code for fund transfer with just a light shake of the device, and e-Gift – enables sending of monetary gifts electronically with an image and a personalized message. The mobile app can also show ATMs closest to a customer via the Locate Us feature, and their status, whether online or offline.

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 SERVICES

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
Enables corporate customers have greater visibility and control over their business liquidity to make informed financial decisions.

- Sure Sweep - Experience 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 (Available Soon) - Access account balances, transaction reports, and account statements of your china bank accounts and other bank accounts.

Receivables Management
An automated collection solution to improve company receivables turnover and cash flow.

- 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 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
- Check Pay Solution (Available Soon) - Manage your recurring collections in the form of PDCs issued by individual buyers and automate remittance of tax resulting from sale of property. This solution comes with a special checking account for buyers.

Payables Management
A payables solution for optimizing payment timing, strengthening corporate cost management, and enhancing operating margins.

- 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
  - o Check Write plus Software - a stand-alone solution that automates the preparation of checks, vouchers, and reports.
  - o Check Write Plus Outsourcing - Outsource the printing and releasing of your corporate checks or China Bank manager's checks.
  - o 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.
  - o Payroll Crediting - A web-based solution for crediting your employees' china bank payroll accounts directly.
  - o China Pay Software - A stand-alone payroll & timekeeping program that automates salary computation and pay slip and report generation.
  - o 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.

POS Solutions
Solutions that make it easier for customers to do business with companies.

- 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
Services that streamline and accelerate the trade and settlement life cycle of business.

- 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
Online services for convenient government payments and collection directly from China Bank accounts.

- 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.

CHINA BANK SECURITIES

Stock Brokerage
Trader-assisted and online trading of stocks listed at the Philippine Stock Exchange.

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.

Topic Boundary

102-46

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Sustainability Goals	Topic	Reference	Coverage	Topic Boundary
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		GRI 302: Energy 2016	Fuel Consumption of Owned vehicles	Employees
	Water	GRI 303: Water and Effluents 2018	Water Consumption	Employees
	Emissions	GRI 305: Emissions 2016	Direct Emissions	Employees
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	Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	SASB	Adapting a Sustainable Regulatory Engagement	Customers, Regulators
			Environmental and Social Management System	Customers, Regulators
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Strong Stakeholder Relationships	Customer Privacy	GRI 418: Customer Privacy	Data Privacy	Customers, Regulators
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GRI Content Index

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For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

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Investor Information

Annual Stockholders' Meeting

May 5, 2022, Thursday, 4:00 p.m.
conducted virtually via
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