CHINABANK
Since 1920

03 March 2023

PHILIPPINE STOCK EXCHANGE, INC.
Disclosure Department
6F PSE Tower One Bonifacio High Street
28th Street corner 5th Avenue, Bonifacio Global
City Taguig City

ATTENTION: **MS. ALEXANDRA D. TOM WONG**
Officer-in-Charge, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.
Philippine Dealing System Holdings Corp. & Subsidiaries
29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City
Telephone Number: 8884 4446

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

We are pleased to furnish your good office with a copy of our 2022 Preliminary SEC 20 Information Statement (pursuant to section 20 of the Securities Regulation Code) filed with the Securities and Exchange Commission (SEC).

For your information and guidance. Thank you.

Respectfully yours,

Gerald Florentino

GERALD O. FLORENTINO
Corporate Information Officer

CHINABANK

COVER SHEET

						4	4	3

SEC Registration Number

CHINA BANKING CORPORATION

(Company's Full Name)

11F CHINABANK BLDG 8745 PASEO DE ROXAS COR VILLAR ST MAKATI

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

ATTY. MARYNETTE M. GRAVADOR

Contact Person

8-885-5145

Company Telephone Number

Preliminary Information Statement

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Month	Day	FORM TYPE	Month	Day
			Annual Meeting	

Secondary License Type, If Applicable

C F D

Dept. Requiring this Doc.

Amended Articles Number / Section

Total Amount of Borrowings

1,868

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

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Since 1920

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1920 - 2020
Celebrating the past.
Embracing the future.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Please be advised that in accordance with Article III, Section 1 of the Amended By-Laws of CHINA BANKING CORPORATION (China Bank), and as determined and approved by the Board of Directors during its regular meeting on January 4, 2023, the annual meeting of stockholders will be conducted virtually via https://www.chinabank.ph/asm2023 on April 20, 2023, Thursday, at 4:00 P.M. for the following purposes:

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of Minutes of the Annual Meeting of Stockholders held on May 5, 2022
5. Annual Report to Stockholders
6. Approval of the Audited Financial Statements for the year ended December 31, 2022
7. Ratification of all acts of the Board of Directors, Executive Committee, other Committees, and Management, including the ratification of related party transactions
8. Election of Directors
9. Appointment of External Auditor
10. Amendment of By-Laws
11. Other Matters
12. Adjournment

Attached is a brief explanation of the above agenda items.

Stockholders of record as of March 1, 2023 shall be entitled to notice of and vote at the meeting and any adjournment thereof. The stock and transfer books of China Bank will be closed from March 29, 2023 to April 20, 2023.

China Bank continues to prioritize the health and safety of the stockholders and participants, thus, stockholders may attend the meeting through remote communication via online live broadcast and exercise their right to vote *in absentia* through China Bank's secure online voting system or by appointing a proxy. There will be audio and video recordings of the meeting.

Stockholders intending to participate by remote communication and exercise their right to vote *in absentia* should register through China Bank's online registration system on or before April 14, 2023. After verification and validation by the Corporate Secretary, an email containing the log-in details for the online voting system shall be sent to the stockholders. Those who have successfully registered and have been verified can access the online live broadcast of the meeting and can vote *in absentia*. The procedure for online registration and voting are provided in the Guidelines for Participation via Remote Communication and Voting *in Absentia*, appended to the Information Statement which can be accessed through: https://www.chinabank.ph/asm2023 and posted on China Bank's website, www.chinabank.ph, and the Philippine Stock Exchange's EDGE System.

Stockholders intending to participate by appointing a proxy should submit their proxy forms to the Office of the Corporate Secretary at the 11th Floor, China Bank Building, 8745 Paseo de Roxas corner Villar St., Makati City, by email (OCSSTOCKS@chinabank.ph), or by fax [(+632) 8403-5813] on or before 5:00 P.M. on April 14, 2023.

Makati City, March 3, 2023.

LEILANI B. ELARMO
Corporate Secretary

EXPLANATION OF AGENDA ITEMS

1. **Call to Order**
The Chairman of the Board, Mr. Hans T. Sy, will formally open the 2023 annual meeting of stockholders of China Bank and call the meeting to order.

2. **Proof of Notice of Meeting**
The Corporate Secretary, Atty. Leilani B. Elarmo, will certify that notice was sent to the stockholders of record as of March 1, 2023 in compliance with the notice requirements for the meeting and in accordance with the China Bank's Amended By-Laws, Revised Corporation Code of the Philippines, and the Securities and Exchange Commission (SEC) and Philippine Stock Exchange (PSE) rules and regulations.

3. **Certification of Quorum**
The Corporate Secretary will certify the existence of a quorum for a valid transaction of business. A quorum shall be deemed constituted and competent to transact business when stockholders holding a majority of the outstanding capital stock of China Bank are present either in person, by proxy, through remote communication, or *in absentia* in the meeting.

4. **Approval of Minutes of the Annual Meeting of Stockholders on May 5, 2022**
Stockholders will be asked to approve the minutes of the stockholders' meeting held on May 5, 2022. The minutes can be accessed through China Bank website, www.chinabank.ph.

5. **Annual Report to Stockholders**
Stockholders will be provided information about China Bank's activities, business, and financial performance and other pertinent data for the year 2022. The Annual Report can be accessed through China Bank website, www.chinabank.ph.

6. **Approval of the Audited Financial Statements for the year ended December 31, 2022**
Stockholders will be provided information about the financial position, performance, and changes in the financial position of China Bank. The financial statements will be included in the Information Statement posted on the China Bank website.

7. **Ratification of all acts of the Board of Directors, Executive Committee, other Committees, and Management, including the ratification of related party transactions**
All acts of the Board of Directors, Executive Committee, other Committees, and Management during the year 2022, and immediately preceding the stockholders' meeting, including the ratification of related party transactions, will be presented to the stockholders for their approval and ratification.

8. **Election of Directors**
The Chairperson of the Nominations and Corporate Governance Committees, Ms. Margarita L. San Juan, will present the nominees for election as members of the Board of Directors, including the independent directors. The list of the nominees, with their profiles, are provided in the Information Statement.

9. **Appointment of External Auditor**
Stockholders will be asked to ratify the selection by the Audit Committee and the Board of Directors of the external auditors of China Bank.

10. Amendment of By-Laws
Stockholders will be asked to vote to approve and ratify the amendment to Section 1(b) of Article VIII of the Amended By-Laws, relating to the disposition of net earnings in favor of the officers of China Bank, as approved by the Board of Directors on February 1, 2023.

11. Other Matters
All matters and businesses that may arise after the notice, agenda, and information statement have been published, posted, and/or sent out may be presented for the consideration of the stockholders as may be allowed by the laws and regulations. Questions from the stockholders will be answered in this portion.

12. Adjournment
The Chairman will then adjourn the meeting when the scheduled order of business is completed and no further business or matter is considered or raised.

P R O X Y

The undersigned stockholder of **CHINA BANKING CORPORATION** ("China Bank") hereby appoints ____________________________ or, in his absence, the Chairman of the Meeting, as proxy, to present and vote all shares of stock registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of China Bank on April 20, 2023, Thursday, and at any of the adjournments and postponements thereof, for the purpose of acting on the following matters:

1. Election of Directors

   ___ Vote for all nominees listed below

Hans T. Sy	Harley T. Sy
Gilbert U. Dee	Jose T. Sio
Romeo D. Uyan, Jr.	Margarita L. San Juan*
Peter S. Dee	Philip S.L. Tsai*
Joaquin T. Dee	Claire Ann T. Yap*
Herbert T. Sy	Genaro V. Lapez*
	*Independent

   ___ Withhold authority for all nominees listed above

   ___ Withhold authority to vote for the nominee/s listed below:

   ____________________ ____________________
   ____________________ ____________________
   ____________________ ____________________

2. Approval of Minutes of the Annual Meeting of Stockholders on May 5, 2022

   __ Yes __ No __ Abstain

3. Approval of Annual Report to Stockholders

   __ Yes __ No __ Abstain

4. Approval of Audited Financial Statements for the year ended December 31, 2022

   __ Yes __ No __ Abstain

5. Ratification of all acts of the Board of Directors, Executive Committee, other Committees, and Management during the year 2022, including the ratification of related party transactions

   __ Yes __ No __ Abstain

6. Appointment of SyCip Gorres Velayo & Co. as External Auditor

   __ Yes __ No __ Abstain

7. Amendment of By-Laws

   __ Yes __ No __ Abstain

8. Such other matters as may properly come before the meeting

   __ Yes __ No __ Abstain

This proxy should be received by the Corporate Secretary on or before April 14, 2023, the deadline for submission of proxies.

This proxy shall be continuing and valid for any and all regular or special stockholders' meetings and/or any adjournments, continuations or postponements thereof, for the purpose of acting in any and all agenda set. This proxy shall continue until such time as the same is withdrawn by the stockholder through notice in writing, or superseded by subsequent proxy, delivered to the Secretary at least three (3) business days before any scheduled meeting. Should the stockholder personally attend any of the meetings and express his/her intention to vote in person, this proxy shall not apply for such meeting that the said stockholder has attended. No proxy shall be valid and effective beyond five (5) years from date hereof.

This proxy is not required to be notarized, and when properly executed, will be voted in the manner as directed herein. If no direction is made, this proxy will be voted "for" the election of all nominees and "for" the approval of the matters stated above and "for" such other matters as may be properly come before the meeting in the manner described in the information statement and/or as recommended by Management or the Board of Directors.

SIGNED IN THE PRESENCE OF:

______________________________ ______________________________
Signature of Stockholder/Authorized Signatory

______________________________ ______________________________
Printed Name of Stockholder

____
Date

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [✓] Preliminary Information Statement
   [ ] Definitive Information Statement

2. Name of Registrant as specified in its charter: **China Banking Corporation**

3. Province, country or other jurisdiction of incorporation or organization: **Philippines**

4. SEC Identification Number: **443**

5. BIR Tax Identification Code: **000-444-210-000**

6. Address of principal office: **China Bank Bldg., 8745 Paseo de Roxas** Postal Code: **1226**
   cor. Villar St., Makati City

7. Registrant's telephone number, including area code: **(632) 888-55555**

8. Date, time, and place of the meeting of security holders:

   Date: **April 20, 2023**
   Time: **4:00 P.M.**
   Place: **virtually via https://www.chinabank.ph/asm2023**

9. Approximate date on which the Information Statement is first to be sent or given to security holders: March 20, 2023

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA:

Title of Each Class	Number of Shares Outstanding
Common	2,691,288,212

11. Are any or all of registrant's securities listed in a Stock Exchange? Yes [✓] No [ ]

    The above common shares are listed in the Philippine Stock Exchange.

A. GENERAL INFORMATION

1. Date, Time, and Place of Meeting of Security Holders

Date : **April 20, 2023**
Time : **4:00 P.M.**
Place : **virtually via https://www.chinabank.ph/asm2023**

Mailing address of principal office: **China Banking Corporation**
Office of the Corporate Secretary
11th Floor China Bank Bldg.,
8745 Paseo de Roxas cor. Villar St., Makati City

Approximate date on which copies of the Information Statement are first to be sent or given to security holders: **March 20, 2023**

We are not asking you for a proxy and you are requested not to send us a proxy.

2. Dissenter's Right of Appraisal

A stockholder has a right to dissent and demand payment of the fair value of his shares in any of the following instances under Section 80 of the Revised Corporation Code of the Philippines (Republic Act No. 11232): (a) in case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (b) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; (c) in case of merger or consolidation; and (d) in case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

There are no matters or proposed corporate actions included in the agenda of the annual meeting that may give rise to the exercise of the right of appraisal.

Should any proposed corporate action be passed upon at the meeting which may give rise to the right of appraisal, any stockholder who votes against the proposed corporate action may avail himself of the right of appraisal by making a written demand on the Bank for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken. To perfect such right, the stockholder shall follow the procedures as described under Sections 81 to 85 of the Revised Corporation Code.

3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No director, officer, nominee for election as director, or any associate of the foregoing persons, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon as contained in the agenda of the meeting other than election to office.

No director has informed the Bank in writing that he intends to oppose any action to be taken as contained in the agenda of the meeting.

B. CONTROL AND COMPENSATION INFORMATION

4. Voting Securities and Principal Holders Thereof

(a) Class of Voting Securities: 2,691,288,212 common shares entitled to vote as of February 28, 2023

(b) Record Date: Stockholders of record as of March 1, 2023 are entitled to notice of and vote at the meeting

(c) Nomination and Election of Independent Director and Manner of Voting:

In accordance with Sections 22 and 26 of the Revised Corporation Code, Section 15 of The General Banking Law (R.A. No. 8791), Section 38 of The Securities Regulation Code, and the Amended Implementing Rules and

Regulations of the Securities Regulation Code, and Sections 131, 132, and 138 of the Bangko Sentral ng Pilipinas' Manual of Regulations for Banks, and relevant circulars or memoranda, the Bank's Nominations and Corporate Governance Committees adopted rules governing the nomination and election of independent director. The rules pertinently state that the nomination forms shall be submitted to the Office of the Corporate Secretary on or before February 3, 2023, and thereafter referred to the Committees for evaluation and action. The rules likewise state that the Committees shall pre-screen the qualifications of the nominees and prepare a final list of candidates, indicating the nominees for independent director.

As to the manner of voting, Article III, Section 7 of the Bank's By-Laws specifies that any stockholder who is not delinquent in his subscription shall be allowed to vote either in person, through remote communication, *in absentia*, or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact in accordance with the requirements of existing rules and regulations. Following Section 23 of the Revised Corporation Code, a stockholder may vote such number of shares for as many persons as there are directors to be elected, or cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned, or distribute them on the same principle among as many candidates as may be seen fit, provided that the total number of votes cast shall not exceed the number of shares owned by the stockholder as shown in the books of the Bank multiplied by the whole number of directors to be elected.

In accordance with Sections 23 and 57 of the Revised Corporation Code, the Securities and Exchange Commission's (SEC) Memorandum Circular No. 6, Series of 2020, and Article III, Section 7 of the Bank's By-Laws, the Board of Directors approved on January 4, 2023 to allow the conduct of the Annual Stockholders' Meeting on April 20, 2023 and participation therein by the stockholders via remote communication or *in absentia*. Please refer to Schedule "A" of this Information Statement for the Guidelines for the Participation via Remote Communication and Voting *in Absentia*. Item D.19 of the Information Statement further discusses the voting and tabulation procedures of the Bank.

(d) Security Ownership of Certain Record and Beneficial Owners and Management

(i) Record and beneficial owners holding 5% or more of voting securities as of January 31, 2023:

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* 29th Floor BDO Equitable Tower 8751 Paseo de Roxas, Makati City Stockholder	Various stockholders / clients	Non-Filipino	714,704,302	26.56%
Common	PCD Nominee Corporation* 29th Floor BDO Equitable Tower 8751 Paseo de Roxas, Makati City Stockholder	Various stockholders / clients	Filipino	571,239,157	21.23%
Common	SM Investments Corporation 10th Floor L.V. Locsin Bldg., 6752 Ayala Avenue, Makati City Stockholder	Sy Family PCD Nominee Corporation Stockholders	Filipino	463,922,761	17.24%
Common	Sysmart Corporation 10th Floor L.V. Locsin Bldg., 6752 Ayala Avenue, Makati City Stockholder	Sy Family Sycamore Pacific Corporation Stockholders	Filipino	416,402,026	15.47%

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

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

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

(ii) Directors and Management as of January 31, 2023:

	Title of Class	Name	Position	Citizenship	Amount & Nature of Ownership (Direct (D)/ Indirect (I))	Percentage
(a)	Directors					
	Common	Hans T. Sy	Chairman of the Board	Filipino	1,545,137 (D)	0.057%
					3,753,725 (I)	0.139%
	Common	Gilbert U. Dee	Vice Chairman	Filipino	838,006 (D)	0.031%
	Common	William C. Whang	Director and President	Filipino	21,318 (D)	0.001%
	Common	Peter S. Dee	Director	Filipino	301,305 (D)	0.011%
	Common	Joaquin T. Dee	Director	Filipino	44,365,883 (D)	1.648%
					7,371,029 (I)	0.274%
	Common	Herbert T. Sy	Director	Filipino	735,431 (D)	0.027%
	Common	Harley T. Sy	Director	Filipino	897,254 (D)	0.033%
	Common	Jose T. Sio	Director	Filipino	3,517 (D)	0.000%
	Common	Margarita L. San Juan	Lead Independent Director	Filipino	95,238 (D)	0.004%
	Common	Philip S.L. Tsai	Independent Director	Filipino	2,000 (D)	0.000%
	Common	Claire Ann T. Yap	Independent Director	Filipino	100 (D)	0.000%
	Common	Genaro V. Lapez	Independent Director	Filipino	100 (D)	0.000%
				Total	59,930,043	2.225%
(b)	Executive Officers (in addition to Messrs. Gilbert U. Dee and William C. Whang)					
	Common	Romeo D. Uyan, Jr.	Senior Executive Vice President & COO	Filipino	500 (D)	0.000%
	Common	Patrick D. Cheng	Executive Vice President & CFO	Filipino	620,256 (D)	0.023%
	Common	Jose L. Osmeña, Jr.	Executive Vice President	Filipino	10,000 (D)	0.000%
	Common	Magnolia Luisa N. Palanca	Executive Vice President	Filipino	100 (D)	0.000%
	Common	Lilian Yu	Executive Vice President	Filipino	400 (D)	0.000%
	Common	Ananias S. Cornelio III	Senior Vice President	Filipino	10,700 (D)	0.000%
	Common	Christopher Ma. Carmelo Y. Salazar	Senior Vice President	Filipino	100 (D)	0.000%
	Common	Cristina P. Arceo	First Vice President II	Filipino	1,200 (D)	0.000%
	Common	Angela D. Cruz	First Vice President II	Filipino	1,641,476 (D)	0.061%
	Common	Gerard T. Dee	First Vice President II	Filipino	12,279,464 (D)	0.456%
	Common	James Christian T. Dee	First Vice President II	Filipino	2,911,081 (D)	0.108%
	Common	Antonio Jose S. Dominguez	First Vice President II	Filipino	100 (D)	0.000%
	Common	Madelyn V. Fontanilla	First Vice President II	Filipino	1,400 (D)	0.000%
	Common	Jerry Ron T. Hao	First Vice President II	Filipino	300 (D)	0.000%
	Common	Delia Marquez	First Vice President II	Filipino	26,760 (D)	0.001%
	Common	Elizabeth C. Say	First Vice President II	Filipino	6,633 (D)	0.000%
	Common	Clara C. Sy	First Vice President II	Filipino	2,977,104 (D)	0.111%
	Common	Stephen Y. Tan	First Vice President II	Filipino	4,046 (D)	0.000%
	Common	Layne Y. Arpon	First Vice President	Filipino	11,832 (D)	0.000%
	Common	Amelia Caridad C. Castelo	First Vice President	Filipino	100 (D)	0.000%
	Common	Marie Carolina L. Chua	First Vice President	Filipino	38,343 (D)	0.001%
	Common	Melissa F. Corpus	First Vice President	Filipino	1,500 (D)	0.000%
	Common	Rhodin Evan O. Escolar	First Vice President	Filipino	400 (D)	0.000%

Common	Maria Luz B. Favis	First Vice President	Filipino	1,300 (D)	0.000%
Common	Pablito P. Flores	First Vice President	Filipino	1,400 (D)	0.000%
Common	Cristina F. Gotuaco	First Vice President	Filipino	3,300 (D)	0.000%
Common	Mary Ann T. Lim	First Vice President	Filipino	200 (D)	0.000%
Common	Mandrake P. Medina	First Vice President	Filipino	1,200 (D)	0.000%
Common	Belenette C. Tan	First Vice President	Filipino	7,708 (D)	0.000%
Common	Marisol M. Teodoro	First Vice President	Filipino	23,923 (D)	0.001%
Common	Maria Rosanna Catherina L. Testa	First Vice President	Filipino	7,340 (D)	0.000%
Common	Michelle Y. Yap-Bersales	First Vice President	Filipino	700 (D)	0.000%
			Total	20,591,048	0.765%

(c) Other Officers and Employees*	5,453,353	0.203%
*(including Centennial Stock Grantees)	85,974,444	3.195%

5. Directors and Principal Officers

(a) Incumbent Directors and Advisor

Hans T. Sy, 67, Filipino, is the Chairman of the Board since May 5, 2011 and has been a member of the China Bank Board since May 21, 1986. He previously held the position of Vice Chairman from 1989 to 2011. He is currently Director and Chairman of the Executive Committee of SM Prime Holdings, Inc. (SMPH) and Adviser to the Board of SM Investments Corporation (SMIC). SMPH and SMIC are both listed on the Philippine Stock Exchange (PSE). He also serves as the Chairman of the Board of Trustees of National University, Inc. (NUI) and holds other key positions in several companies under the SM Group. He was given the Outstanding Filipino Award at the 2022 TOFIL awards for his contribution to nation-building and resiliency through sustainability and disaster risk reduction. Chairman Sy graduated from De La Salle University with a Bachelor of Science degree in Mechanical Engineering. He attends and participates in various trainings and seminars, the most recent of which are on Risks and Opportunities in Sustainable Finance conducted by Moody's Analytics in October 2022, and Anti-Money Laundering (AML) updates and Advanced Corporate Governance training conducted by the Institute of Corporate Directors (ICD) in August 2022.

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

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

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

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

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

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

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

Jose T. Sio, 83, Filipino, has served as Director of the China Bank Board since November 7, 2007. He is concurrently the Chairman of the Board of Directors of SM Investments Corporation (SMIC) and a member of the Board of Directors of the following companies listed on the PSE: (i) Atlas Consolidated Mining and Development Corporation and (ii) Far Eastern University, Incorporated (as Independent Trustee). He is also Adviser to the Board of Directors of PSE-listed BDO Unibank, Inc., Belle Corporation, and Premium Leisure Corporation. Mr. Sio also serves as Director of the following companies not listed on the PSE: (i) NLEX Corporation; (ii) Ortigas Land Corporation; and (iii) First Asia Realty Development Corporation. He is the Chairman, President and Trustee of SM Foundation, Inc. Director Sio was a Senior Partner of SyCip Gorres Velayo & Co. (SGV). He was voted as CFO of the Year in 2009 by the Financial Executives of the Philippines (FINEX). He was also awarded as Best CFO (Philippines) in various years by Hong Kong-based business publications such as Alpha Southeast Asia, Corporate Governance Asia, Finance Asia and The Asset. In June 2022, he received *Parangal San Mateo*, the highest honor that can be conferred upon an accounting professional by the Philippine Institute of Certified Public Accountants (PICPA). In March 2023, he was honored by the Professional Regulatory Board of Accountancy with the Accountancy Centenary Award of Excellence. Director Sio is a Certified Public Accountant (CPA) and holds a Bachelor of Science degree in Commerce, major in Accounting, from the University of San Agustin. He obtained his Master's degree in Business Administration from New York University, U.S.A. He is actively engaged in continuous trainings, having attended seminars/trainings on investments, loans and financial instruments, structured products, debt and equity financing during the Euromoney Conference in China in 2005, anti-money laundering updates, advanced corporate governance, and risks and opportunities in sustainable finance. He has been a speaker in various fora and trainings, the latest of which was a webinar organized by the Association of CPAs in Commerce & Industry entitled, Addressing Perceived Competency Gap: From Classroom to Workplace.

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

Philip S.L. Tsai, 72, Filipino, is an Independent Director of China Bank since November 7, 2018. He does not hold any directorship position in other PSE-listed companies. He also sits as Independent Director in the Boards of non-listed Bank subsidiaries CBSI, CBCC and CIBI. He has more than 40 years of banking and financial management experience, previously holding executive positions in First CBC Capital (Asia) Limited, Midwest Medical Management, and Fortune Travel International Inc., Chemical Bank New York, and Plastic Container Packaging/Consolidated Can Corp. He also served as an officer in the Bank's Retail Banking Business until his retirement in 2015. Director Tsai obtained his Bachelor of Science degree in Business Administration from the University of the Philippines and pursued his Master's degree in Business Administration from the Roosevelt University in Chicago, Illinois. He participated in various trainings in banking the related fields over the years. Recently, he attended trainings on sustainability in the board room and risk management in the age of COVID-19 in 2020; effective corporate governance board focus and digital transformation in 2021; and AML updates, cybersecurity governance, and managing finances in the digital age in August 2022 as well as a forum on sustainability organized by SMIC and WWF Philippines in November 2022.

Claire Ann T. Yap, 67, Filipino, is an Independent Director of the Bank since October 1, 2020. Other than China Bank, she does not hold any directorship position in other PSE-listed companies. She concurrently serves as Independent Director in Bank subsidiaries CBSI, CBSC, CBCC, and in CBCC's subsidiary, RCI. She has more than 30 years of experience in banking and finance in local and multinational organizations. She was Senior Vice President and Head of Global Service Centre of Global Payments Process Centre, Inc., a Fortune 500 company, and worldwide leader providing payments and financial technology solutions. She has also previously held executive leadership roles at Australia and New Zealand Banking Group Ltd. and Hongkong Shanghai Banking Corporation (HSBC), and served as Chairman of the Credit Card Association of the Philippines from 2009 to 2010 and President from 2007 to 2009. Director Yap is a CPA, and she graduated with a Bachelor of Science degree in Accountancy, *cum laude*, from De La Salle University. She had various trainings on managing customer experience, credit card fraud and security, information security and data privacy, sustainability, AML, and corporate governance. In 2022, she attended trainings on Technology Governance for Directors (January), Advanced Corporate Governance Training (August) which focused on Cybersecurity Governance: Challenges and Solutions, Managing Finances in the Digital Age: FINTECH, and AML Updates, Risks and Opportunities in Sustainable Finance (October), and AMLA Compliance in the Age of the Digital World (November).

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

Asian Banker; Retail Banking Future Workshop (Certificate Program) from John Clements Consultants and Harvard Business School; and Global Consumer Banking (Certificate Program) from the European Financial Management Association. He recently attended ICD's Technology Governance for Directors in 2021, and AML updates and Advanced Corporate Governance training in August 2022.

Ricardo R. Chua, 71, Filipino, is the Board's Advisor since November 1, 2017. He previously held several key positions in the Bank: as Director from 2008 up to October 2017, President and Chief Executive Officer from September 2014 up to October 2017, and Chief Operating Officer from 2012 to 2014. He sits in the boards of the following Bank subsidiaries: Chairman of CBSI, and Director of CBCC and CBC PCCI. A CPA, Mr. Chua graduated with a Bachelor of Science degree in Business Administration, Major in Accounting, *cum laude*, from the University of the East, and completed his Master's in Business Management from the AIM. He had trainings in banking operations and corporate directorship, AML updates, corporate governance, sustainable finance, cybersecurity governance, and managing finances in the digital age, among others.

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

For the period January to December 2022, the Board had 16 meetings, including the organizational meeting. The incumbent directors attended/participated in more than 50% of all the meetings, as follows:

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

(b) Incoming Director

Romeo D. Uyan, Jr., 60, Filipino, Senior Executive Vice President, is the Chief Operating Officer (COO) of the Bank. He has been with the Bank since 2014, initially hired to set up the Bank's investment banking arm, China Bank Capital Corporation, and was appointed as its President in December 2015. He was then appointed as the Bank's Treasurer in July 2016 and Chief Operating Officer in November 2017. Mr. Uyan is a seasoned investment banker with over two decades of experience in trading and financial structuring working with top multinational investment houses in the Asia Pacific region. He previously served as Managing Director and Co-Head of Asia Special Situations and Leveraged Capital Markets at UBS AG - Singapore Branch, and Managing Director and Head of Asia Credit Products in Barclays Capital, where he was also a member of the Asia Pacific Executive Committee and Global Emerging Markets Committee. At present, he concurrently sits in the Boards of the following Bank subsidiaries: China Bank Capital Corporation and China Bank Securities Corporation as Vice Chairman and Resurgent Capital (FISTC-AMC) Inc. as Chairman. He also serves as the alternate Bank representative for Bankers' Association of the Philippines and the Philippine Payments Management Inc. Mr. Uyan earned a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University, *cum laude*, and obtained his master's degree in Business Administration (MBA), graduating with distinction, at the Johnson Graduate School of Management in Cornell University, New York, U.S.A. Mr. Uyan participated in numerous trainings in banking, securities and futures products, fraud awareness, environmental and social risk, FATCA awareness and responsibility, AML, and corporate governance.

On December 7, 2022, the Board of Directors approved the succession plan for the position of President and Chief Executive Officer of the Bank, and approved the nomination, election and appointment of Mr. Uyan as Director, President and Chief Executive Officer of the Bank effective April 1, 2023, to succeed and serve the unexpired term of Mr. Whang. The Monetary Board issued its confirmation of Mr. Uyan's election and appointment on January 26, 2023.

(c) Corporate Officers (in addition to the Vice Chairman and President)

Patrick D. Cheng, 60, Filipino, is the Executive Vice President and Chief Finance Officer (CFO) of the Bank. He is the Chairman of the Board of Bank subsidiary China Bank Insurance Brokers, Inc. (CIBI) and sits as a director in China Bank Savings, Inc. (CBSI) and Bank affiliate Manulife Chinabank Life Assurance Corporation (MCBL). He concurrently sits as a director for Manila Overseas Commercial Inc. and SR Holdings Corporation. Previously, he served as President and Chief Executive Officer of HSBC Savings Bank (Philippines) from 2008 to 2013, and President of the Chamber of Thrift Banks for two terms from 2011 to 2012. He also held various key senior executive positions at the Philippine Bank of Communications (PBCom), HSBC (Philippine Branch), Citibank N.A. (Philippine Branch), and Citicenter Condominium Corp. CFO Cheng is a Certified Public Accountant (CPA), placing 7th at the CPA Board Examinations. He graduated *magna cum laude* from the University of the Philippines with a Bachelor of Science degree in Business Administration and Accountancy. He obtained his Master's in Management degree, with Distinction, from the Hult International Business School in Cambridge, Massachusetts, and completed the Trust Operations and Investment Management course, also with Distinction, from the Trust Institute of the Philippines. In 2010, he received the Distinguished Alumnus Award from the Virata School of Business of the University of the Philippines – Diliman. He has extensive trainings in banking and related fields, including corporate governance, AML, asset liability management, operational risk, information security, and sustainable finance.

Christopher Ma. Carmelo Y. Salazar, 49, Filipino, Senior Vice President, is the Treasurer and Head of Treasury Group. He has more than 25 years of financial markets experience gained from different institutions, including First Metro Investment Corporation, ING Bank-Manila, Standard Chartered – Manila, Thailand, and U.A.E., and Landbank of the Philippines. Mr. Salazar graduated with a Bachelor of Science in Management Engineering degree from the Ateneo de Manila University. He took up the Treasury Certification Program of the Ateneo-BAP Institute of Banking and participated in numerous trainings and seminars in corporate governance, AML, operational risk, information security, data privacy, bank marketing management, risk management, ethical decision making, leadership, and cybersecurity.

Leilani B. Elarmo, 46, Filipino, is the Corporate Secretary of the Bank. She joined the Bank's Office of the Corporate Secretary in 2005 where she was Assistant Corporate Secretary from 2006 and became Deputy Head of the Office of the Corporate Secretary in December 2021 after a brief but significant stint at the Legal and Collection Group. She also served as the Corporate Secretary of Bank subsidiary, CBC Properties and Computer Center, Inc. (CBC-PCCI), from 2007 to 2021. Prior to joining the Bank, she was a Court Attorney at the Supreme Court of the Philippines under Associate Justice Vicente V. Mendoza until his retirement and subsequently under Associate Justice Ma. Alicia Austria-Martinez, and worked as Junior Associate at Cayetano Sebastian Ata Dado and Cruz Law Offices. Atty. Elarmo earned her Bachelor of Laws degree from the University of the Philippines, where she also obtained her Bachelor of Science in Business Administration degree, *cum laude*. To further hone her skills and knowledge, she has attended several trainings and seminars on corporate housekeeping, mandatory continuing legal education, corporate governance, and AML.

Aileen Paulette S. De Jesus, 56, Filipino, is the Chief Compliance and Governance Officer of the Bank. A CPA-Lawyer by profession, she has over 30 years of extensive experience in audit, corporate taxation, legal, and compliance, having previously handled the positions of audit examiner, financial analyst, tax associate, general counsel, corporate secretary, and chief compliance officer in various companies including Sycip Gorres Velayo & Co., Far East Bank & Trust Co., International Exchange Bank, Metrobank Card Corporation, Sterling Bank of Asia, Filinvest Group of Companies, Sumitomo Mitsui Banking Corporation, and Philippine Veterans Bank. She is also an officer of Eco-Savers International Inc. Atty. De Jesus obtained her Bachelor of Science degree in Business Administration, Major in Accounting, from the University of the Philippines, and went on to take up her law degree from the Graduate School of Law of San Sebastian College - Recoletos. She is an active member of the Bankers Institute of the Philippines (BAIPHIL) Legal and Regulatory Committee which in 2021, conducted multiple legal seminars and fora attended by lawyers of various banks. She drives the overall compliance and corporate governance activities of the Bank and regularly participates in seminars and trainings related to compliance, AML, corporate governance, sustainability, cybersecurity and financial technology.

Ronald R. Marcaida, 49, Filipino, is the Chief Audit Executive (CAE) of the Bank. He is a homegrown talent of China Bank, having joined the Bank in 1995 as audit assistant, rising from the ranks and occupying several key audit roles over time. CAE Marcaida is a Certified Public Accountant. He earned his Bachelor of Science degree in Accountancy, *cum laude*, from the University of Nueva Caceres. He regularly attends trainings and seminars in banking, auditing, and other related fields, including corporate governance, AML, continuing professional development training for auditors, information security, cyber threats, compliance, risk management, financial reporting standards, card fraud, data privacy, supervisory expectations, sustainability and climate risk, economic outlook, and building resilience, among others.

(d) Principal Officers

Aloysius C. Alday, Jr., 53, Filipino, Executive Vice President, is the Segment Head of Consumer Banking Segment. He was previously the Group Head of the Bank's Cards Business and Customer Contact Center. He has more than 25 years of experience in the banking industry, having held key executive roles in HSBC, Metrobank Card Corporation and Metropolitan Bank and Trust Co., in the fields of cards and payments, retail banking, consumer and corporate credit risk and bancassurance. Mr. Alday graduated from the University of the Philippines with a Bachelor of Science degree in Business Administration. He has obtained extensive banking exposures in the Philippines, Hong Kong, Singapore, United Kingdom, and Australia. He has also attended trainings on AMLA, data privacy, and corporate governance.

Jose L. Osmeña, Jr., 63, Filipino, Executive Vice President, is the Segment Head of Retail Banking Business (RBB). At present, he also serves as Director in Bank subsidiary CBSI, and previously served as one of the directors for the period 2021 – 2022 of the Philippine Clearing House Corporation. He has been with the Bank for more than 30 years. He previously worked at Insular Bank of Asia and America and Producers Bank of the Philippines. Mr. Osmeña holds a Bachelor of Science degree in Commerce, Major in Accounting, from the University of San Carlos. He also completed the Asian Institute of Management's (AIM) Advance Bank Management Program. He participated in several trainings on export financing, loan documentation, money market, service quality management, channels marketing, corporate governance, and AML.

Magnolia Luisa N. Palanca, 53, Filipino, Executive Vice President, is the Head of Financial Markets Segment. She also currently sits in the board of Bank subsidiary CBCC. She has more than 30 years of banking experience, mainly focused on financial markets, having worked with several local and international financial institutions, such as J.P. Morgan (S.E.A. Limited), J.P. Morgan Chase Bank, N.A., Standard Chartered Bank, ING Bank NV, Solidbank Corporation, and Metropolitan Bank and Trust Company. She obtained her Bachelor of Science degree in Business Economics from the University of the Philippines. She is also an SEC Fixed Income Licensed Salesman, Ateneo - BAP Certified Treasury Professional, and was a Registered Representative with the Monetary Authority of Singapore from 2015 - 2018. Her trainings and seminars attended focused on FX, financial derivatives, capital markets, leadership, AML, and corporate governance.

Lilian Yu, 57, Filipino, Executive Vice President, is the Head of the Institutional Banking Segment (IBS). She is also currently a Director in the boards of Bank subsidiaries CBCC and CBCC's wholly-owned subsidiary Resurgent Capital (FISTC-AMC) Inc. Her more than 30 years of experience in the financial industry spans the areas of credit, project and structured finance, and debt capital markets. Prior to joining the Bank, she was an International Consultant for the Asian Development Bank. She also worked for international financial institutions abroad such as Barclays Capital, ABN AMRO Bank, Deutsche Bank, and the International Finance Corporation (IFC) of the World Bank Group. A Certified Public Accountant (CPA), Ms. Yu holds a Bachelor of Science degree in Business Administration and Accountancy, *magna cum laude*, from the University of the Philippines. She obtained her MBA degree from the Wharton School of the University of Pennsylvania. She was also conferred the Certified Financial Analyst (CFA) designation by the CFA Institute.

Ananias S. Cornelio III, 47, Filipino, Senior Vice President, is the Chief Risk Officer (CRO) of the Bank. He has more than 25 years of banking experience, handling risk, treasury or audit functions at the Development Bank of the Philippines, Rizal Commercial Banking Corporation, First Metro Investment Corporation, and Solidbank Corporation. Mr. Cornelio earned his Bachelor of Science degree in Commerce, Major in Management, with academic distinction, from the San Beda College, and a Master's degree in Public Administration, academic scholar, from the National University of Singapore. He also took up the Bank Management Course in AIM. Mr. Cornelio participated in extensive trainings on the Basel Capital Accord, risk management, corporate governance, macro prudential supervision and regulatory change, credit derivatives and structured products, interest rate and currency derivatives, economic forecasting, ISDA documentation, and financial technology, among others. He has been a panelist/speaker in major events in the region which include The Asian Banker Summit, ASEAN Risk

Forum, Risk Minds Asia, and ADB Regional Forum on Financial Asset and Liability, and past resource person/lecturer for the Bankers Institute of the Philippines (BAIPHIL), and the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP). He is presently the Sub-Committee Chairman on Basel Standards Implementation under the Risk Management Committee of the Bankers Association of the Philippines (BAP).

Delfin Jay M. Sabido IX, 55, Filipino, Senior Vice President, is the Chief Innovation and Transformation Officer and Head of the Innovation and Transformation Segment. He is also a Director in the Bank subsidiary CBC-PCCI. He has over 25 years of experience in global technology and across multiple disciplines, namely, information technology, data analytics, research and development, telco-broadband wireless, and electronics manufacturing services. Prior to joining the Bank, he was the Chief Transformation and Technology Officer of AXA Philippines for more than three (3) years. He also held key executive positions in Stratpoint, Ionics EMS, Inc., IBM Philippines, and at Wave Optics, Inc. in Palo Alto, California, USA. Dr. Sabido earned both his Doctor of Philosophy (PhD) and Masters in Science degrees in Electrical Engineering from Stanford University, after graduating with a Bachelor of Science degree in Electrical Engineering from the University of the Philippines, *summa cum laude*. He has had trainings in banking, finance, technology and related fields, including LOMA and corporate governance.

Manuel C. Tagaza, 60, Filipino, Senior Vice President, is the Head of the Digital Banking Business Group. He is also currently the General Manager of Bank subsidiary CBC-PCCI. For 35 years, he has handled key positions in companies engaged in banking and technology solutions. Before joining the Bank, he was Senior Vice President at the Bank of the Philippine Islands and TIM Corporation, and Vice President at PCI Bank. He is currently a member of the Instapay ACH Steering Committee and the PPMI Technical Working Group. Mr. Tagaza graduated with a Bachelor of Science degree in Industrial Engineering from the University of Santo Tomas. He attended Harvard Business School Publishing's Leadership Management Program, the ASEAN Banking Council's ASEAN Banking Conference in Cambodia, as well as other local and international seminars and banking conferences related to financial services, business leadership, retail payments, and real time payments.

Jose Luis A. Alcuaz, Jr., 51, Filipino, Frist Vice President II, is the Head of Business Re-engineering and Optimization Division. He is a seasoned banker with 30 years of banking experience obtained locally and overseas. His core competencies are in the fields of business re-engineering and transformation, optimization of operations, change delivery, development and deployment of technology, data management, governance, compliance, and financial crime and risk management. He held key positions at the Hongkong and Shanghai Banking Corporation (HSBC), as Chief Administration Officer, Head of Operational Management, Head of Performance Services, Chief Risk and Administration Officer, and Head of Service Delivery, to name a few. He also served as director and/or officer in different Philippine banking industry associations including the Philippine Clearing House Corporation, BAP and Bancnet Incorporated. Mr. Alcuaz graduated from the Ateneo de Manila University where he finished a course in Liberal Arts, major in Management Economics. He attended several trainings conducted by the HSBC involving group and project management, value-based leadership, and strategic communication; leadership and strategy conducted by AIM; and cybersecurity governance, AML, and managing finances in the digital age by the ICD.

Cristina P. Arceo, 54, Filipino, First Vice President II, is the Head of Treasury Group's Investment Management Division. She has more than 30 years of banking and asset management experience, formerly holding officership positions at Philam Asset Management Inc. and Philippine National Bank. Ms. Arceo obtained her Bachelor of Science degree in Economics from the University of the Philippines and earned her MBA degree from De La Salle University. She also successfully passed the SEC's Fixed Income Salesman Licensing Exam. She attended trainings on strategic systems thinking, foreign exchange, money and capital markets, interest rate swaps and options, market reading, derivatives documentation, and portfolio management, among others. She received awards for "Best in Bond Trading" from The Asset for seven (7) years. She earned her CFA charter in 2011 and was the former President and Chairman of the Board of Trustees of the CFA Society Philippines (CFAP). Her affiliations with other finance associations include the Fund Managers Association of the Philippines, Inc. (FMAP), where she sits as member of the Board Senior Advisers, and the Money Market Association of the Philippines, Inc. (MART), where she currently sits in its Board of Directors and previously she served as its President in 2021.

Angela D. Cruz, 63, Filipino, First Vice President II, is the Head of Wealth Management Group. She also presently serves as Director of Wellington Investment and Manufacturing Corporation and holds key positions in Suntree Holdings Corporation and JJACCIS Development Corporation. Prior to joining the Bank, she held executive positions at Citibank N.A., Far East Bank and Trust Company, and Equitable PCI Bank. Ms. Cruz earned her Bachelor of Science degree in Commerce, Major in Management of Financial Institutions, from De La Salle University. Her professional trainings related to banking operations include Bourse Game, account and performance management, customer service, AML, corporate governance, data privacy, and information security.

She is related within the first civil degree of consanguinity to Bank Director, Mr. Joaquin T. Dee.

Gerard T. Dee, 59, Filipino, First Vice President II, is the Head of IBS' Commercial Banking II. He also currently holds the position of Treasurer in 3700 Gabong Properties, Inc. and December 10 Holdings. He formerly held key positions at Security Bank Corporation, TA Bank of the Philippines, and Banco de Oro. Mr. Dee received his Bachelor of Science degree in Marketing from De La Salle University and an MBA degree from the New Hampshire College. He attended banking-related trainings on core credit, remedial management, and relationship marketing, among others. He is related within the first civil degree of consanguinity to Mr. Gilbert U. Dee, Vice Chairman of the Board.

James Christian T. Dee, 49, Filipino, First Vice President II, is the Director and President of Bank subsidiary, CBSI since 2021. He was first seconded to CBSI in 2012 as its Treasurer. He has 20 years of banking experience, having previously worked in Citibank N.A. Philippines handling treasury portfolio and product development. He also briefly worked as a field engineer in Chevron Philippines. Mr. Dee graduated with a Bachelor of Science degree in Mechanical Engineering from the University of the Philippines - Diliman and obtained his Master's degree in Business Management from AIM. He has also completed a one-year course on Trust Operations from the Trust Institute Foundation of the Philippines and the Ateneo - BAP Treasury Certification Program. He had trainings on treasury, strategic asset and liability management, and ICAAP risk models validation. He is related within the first civil degree of consanguinity to Bank Director, Mr. Joaquin T. Dee.

Antonio Jose S. Dominguez, 55, Filipino, First Vice President II, is the Head of the Multi-Purpose Loans Division. He has 35 years of experience in the financial industry, primarily in the key areas of sales management, business development, and investment. Most of his experience was gained in HSBC Philippines, under its two management training programs that led to his holding various senior roles in Consumer Loans, Credit Cards, Retail Banking, Wealth Management, Business Banking, Institutional Banking, and Global Custody. Prior to joining the Bank, he headed the Sales and Marketing Groups of City Savings Bank and was a Sales Development Consultant in Rosehill Memorial Management, Inc. Earlier in his career, he worked in All Asia Capital and Trust Corporation, All Asia Securities Management Corporation, DMT Securities (Phils.) Inc., and AGJ Securities Corporation. He has had professional trainings on leadership management, sales management, performance management, digital marketing, corporate governance, and AML. Mr. Dominguez holds a Bachelor of Science degree in Commerce, Major in Management, from Colegio de San Juan de Letran.

Madelyn V. Fontanilla, 60, Filipino, First Vice President II, is the Head of RBB's Branch Operations Division. She has 38 years of banking experience, with focus on retail banking and branch operations, gained from Equitable PCI Bank and PCI Bank. A CPA, Ms. Fontanilla is a graduate of Bachelor of Science in Business Administration, Major in Accounting, *cum laude,* from the University of the East. She participated in various trainings on branch automation, leadership, financial planning, operations control enhancement, leadership, AML, and corporate governance, among others.

Jerry Ron T. Hao, 42, Filipino, First Vice President II, is the Bank's Chief Dealer. He was Head of FX and Derivatives of the Bank from 2016 to 2021. Prior to joining the Bank, he gained professional experience from ING Bank and International Exchange Bank. Mr. Hao graduated with a Bachelor of Science in Management Engineering degree from the Ateneo de Manila University. He completed the Treasury Certification Program conducted by the Ateneo - BAP Institute of Banking and is an SEC Fixed Income Market Salesman. He has also attended several trainings in banking, finance and other related fields such as on credit derivatives and structured products.

Delia Marquez, 61, Filipino, First Vice President II, is the Head of the Centralized Operations Group. She previously worked as Auditor at SGV & Co. and Transunion Corporation. A Certified Public Accountant, Ms. Marquez graduated with a Bachelor of Science degree in Commerce, Major in Accounting, *cum laude*, from the University of Santo Tomas. She has attended several trainings and seminars on corporate governance, AML, Internal Capital Adequacy Assessment Process (ICAAP), risk model validation, Internal Credit Risk Rating System (ICRRS), and Philippine Financial Reporting Standards (PFRS).

Elizabeth C. Say, 64, Filipino, First Vice President II, is the Head of the Branches Administration Division of RBB. She has been with the Bank for 35 years. She was an internal auditor at Morrison Forwarding Corporation and a money market trader at State Investment House, Inc. before she joined the Bank. A Certified Public Accountant, Ms. Say received her degree in Bachelor of Science in Commerce, Major in Accounting, from the University of Santo Tomas. She participated in trainings on branch based marketing, corporate governance, integrated risk management, foreign exchange, loan review and classification, AML, information security, and data privacy, among others.

Clara C. Sy, 63, Filipino, First Vice President II, is the Deputy Segment Head of RBB. She also has officership positions in New Golden City Builders & Development Corp., Citigold Resources & Development Corporation, and Manfoods Inc. She has been with the Bank for 41 years handling retail banking and branches administration. A Certified Public Accountant, Ms. Sy holds a Bachelor of Science degree in Commerce, Major in Accounting, from the University of Santo Tomas. She attended several trainings, such as on AML and counter-terrorism financing, enhancing managerial skills, and branch management.

Stephen Y. Tan, 56, Filipino, First Vice President II, is the Head of RBB - Visayas Region. He has more than 30 years of banking experience, having handled various positions at Far East Bank and Trust Company, Equitable PCI Bank, and International Exchange Bank, prior to joining the Bank. A Certified Public Accountant, Mr. Tan earned his Bachelor of Science degree in Commerce, Major in Accounting, from the University of San Carlos. He attended several trainings on account management strategies, AML, managerial skills training, whistleblowing, and other trainings in banking and other related fields.

Layne Y. Arpon, 62, Filipino, First Vice President I, is the Head of IBS' Corporate Banking I. She has exposure in commercial banking, corporate banking, investment banking, credit review and underwriting, project finance, and audit, having previously worked in other financial institutions, including BDO Unibank, The Manila Banking Corporation, Security Bank Corporation, and Land Bank of the Philippines. Ms. Arpon is a Certified Public Accountant, and she took up Bachelor of Science in Commerce, Major in Accounting, from the Far Eastern University. She attended various trainings on trade finance, core credit, financial analysis, project financing, and credit investigation and property appraisal, among others.

Amelia Caridad C. Castelo, 59, First Vice President I, is the Head of the Bank's Enterprise Business Intelligence Division. She has over 35 years of experience in the use of analytics tools and methodologies, quantitative modelling, and data-driven decision management, and has applied those tools and technologies in various banking roles for Risk, Sales & Marketing, and Finance groups. She previously worked with Standard Chartered Bank - Manila and Hong Kong, HSBC - Manila, East West Banking Corporation, and BDO Unibank. She has extensive experience in risk modelling, advanced analytics, customer segmentation, campaign management and analysis, profit model development, and risk capital modelling, having handled roles related to Risk Analytics, Marketing Analytics, Business Intelligence, Credit Policy, and MIS. Ms. Castelo graduated with a Bachelor of Science degree in Statistics from the University of the Philippines – Diliman and took post-graduate units in Industrial Engineering from the same university. She also completed an Executive Program in Data Science and Analytics from the University of California in Berkeley, U.S.A. She has participated in various trainings on credit risk and operational risk management, Basel standard, risk model development and validation, PFRS, financial consumer protection, AML, corporate governance, data governance, and financial technology.

Marie Carolina L. Chua, 58, Filipino, First Vice President I, is the Head of Electronic Channels and Platforms Division. She is a homegrown talent of the Bank, joining more than 35 years ago as a researcher in Branch Banking. Her assignment exposed her to project study and analysis, credit analysis, microcomputer programming and branch site selection. Her assignment to head the Bank's Cash Mobilization Unit provided her a good appreciation of risk management and cash optimization. These exposures serve to sharpen her ability to drive and manage the Bank's self-service network growth and development as well as implement the Bank's retail internet banking and deliver the award winning feature of the Bank's mobile banking app. She currently chairs the E-Banking Committee at BancNet. She is also a member of the BancNet's Operations Committee and a member of the InstaPay ACH Operations Committee under the PPMI. Ms. Chua received her Bachelor of Arts, major in Psychology and Bachelor of Science in Commerce, major in management from the College of the Holy Spirit. After graduation, she completed basic courses in computer programming at Software Systems Inc. in Taipei, Taiwan. She has attended various trainings on Cards and Payments, Self Service Delivery, Digital Transformation, Fraud, Blockchain and Artificial Intelligence, the latest of which are on AML, Cybersecurity Governance: challenges and solutions, and managing finances in the digital age.

Melissa F. Corpus, 54, Filipino, First Vice President I, is the Head of Credit Management Group. She has more than 30 years of experience in banking and finance, having worked with various financial institutions such as Far East Bank and Trust Company, HSBC, and Citibank, N.A. – Manila. She has gained a wide span of banking exposure in the areas of credit analysis, credit risk management, relationship management of corporate and financial institutions, loan syndications, project finance, credit policy formulation, and documentation management. She was an academic scholar at the Ateneo de Manila University where she graduated with a Bachelor of Science in Management degree. Apart from having engaged in different trainings on credit, risk management, treasury, derivatives, international trade, property appraisal, and various external regulations, she also finished her comprehensive Executive Training Program at the HSBC Group Management Training College in Bricket Wood, United Kingdom.

Francis Andre Z. De Los Santos, 50, Filipino, First Vice President I, is the Chief Technology Officer of the Bank subsidiary CBC-PCCI. He was the Head of Business Solutions Division of the Bank prior to his secondment and the integration of Business Solutions into CBC-PCCI. He previously worked in SM Retail, Inc. and Metropolitan Bank and Trust Company, gaining significant experience in the retail and banking business. Mr. Delos Santos graduated with a Bachelor of Science degree in Business from De La Salle University. He has had trainings in information systems, business information security, cybersecurity governance, and financial technology, among others.

Rhodin Evan O. Escolar, 47, Filipino, First Vice President I, is the Head of IBS' Credit Portfolio Quality Assurance Division. He also currently sits as Board Director in Resurgent Capital (FISTC-AMC) Inc., a wholly-owned subsidiary of CBCC. He was a former Director for Execution of Bank subsidiary CBCC from 2016 to 2017. Mr. Escolar graduated with a Bachelor of Science in Management Engineering degree from the Ateneo de Manila University. He obtained his MBA degree from University of Chicago Booth School of Business.

Luellia S. Espine, 58, Filipino, First Vice President I, is the Head of IBS' Corporate Banking Division II. She is a seasoned banker across institutional, corporate and commercial credit and lending, and remedial management. She previously worked with Australia and New Zealand Banking Group Limited - Manila Branch, Export & Industry Bank, Inc., Equitable Banking Corp., and Solidbank Corporation. Ms. Espine earned her Bachelor of Arts degree, major in Economics, from the University of Santo Tomas. She had various trainings on information security, AML, relationship and account management and risk analysis in trade finance, among others.

Maria Luz B. Favis, 62, Filipino, First Vice President I, is the Head of Asset Quality and Recovery Management Division, where her main focus is in Asset Recovery. In the past, she held key positions in Philippine Commercial International Bank (PCIBank), Sun Microsystems Phils., Inc. and Planters Development Bank, with exposure on account management, commercial lending, and credit. Her extensive trainings in various fields of banking include Core Credit, Loan Evaluation and Marketing, Financial Analysis, and Credit Risk Management, supplemented by seminars on Mergers and Acquisitions, Problem Loans Management, Bank Sales and Marketing Strategies, and Real Estate Management. Ms. Favis is a Bachelor of Arts degree holder in Economics from De La Salle University and she obtained her Master's degree in Business Management from AIM.

Gerald O. Florentino, 54, Filipino, First Vice President I, is the Head of Investor and Corporate Relations Group. He also currently sits in the board of Bank subsidiary China Bank Securities Corporation (CBSC). He is a seasoned banker having obtained more than 30 years of extensive experience in investor relations, corporate planning, and investment banking. Prior to joining the Bank, he served as the President and Chief Executive Officer of RCBC Securities, Inc., Head of Corporate Planning and Investor Relations for Rizal Commercial Banking Corporation (RCBC), and worked in several financial institutions including United Coconut Planters Bank, Deutsche Bank Philippines, and AXA Philippines. Mr. Florentino graduated with a Bachelor of Science degree in Business Administration, Major in Finance, from the Loyola University in Chicago, USA. He has also obtained his Master's degree in Business Administration from AIM.

Pablito P. Flores, 59, Filipino, First Vice President I, is the Head of RBB's North Luzon Region. He has more than 35 years of banking experience, having previously worked with Asia United Bank, ABN AMRO Bank, Metropolitan Bank and Trust Company, and Bank of Commerce. A Certified Public Accountant, Mr. Flores earned his Bachelor of Science degree in Business Administration, Major in Accounting from the Philippine School of Business Administration. He attended trainings on AML, electronic banking, customer relations, and branch management, among others.

Cristina F. Gotuaco, 55, First Vice President I, is the Head of IBS' Commercial Banking Division I. A homegrown talent, Ms. Gotuaco has been with Bank for more than 30 years and has made significant contributions to the commercial banking business. Ms. Gotuaco obtained both her Bachelor of Science in Commerce degree, major in Management of Financial Institutions, and MBA degree from De La Salle University. She has participated in various trainings in banking, finance, management, and other related fields.

Mary Ann T. Lim, 54, Filipino, First Vice President I, is the Bank's Trust Officer and Head of the Trust and Asset Management Group. She has more than 30 years of banking experience, having worked with different financial institutions, including Bank of China Ltd. - Manila Branch, HSBC, and PCI Bank. She also served in the Board of the Trust Officers Association of the Philippines (TOAP) as Treasurer and Finance Director for three terms from 2019 - 2022. Ms. Lim earned her Bachelor of Science degree in Commerce, Major in Accounting, *cum laude*, from the University of San Carlos. She is a Certified Public Accountant and has completed the Trust Operations and

Investment Management course from the Trust Institute Foundation of the Philippines. She is also an SEC Certified Fixed Income Market Salesman. She attended trust summits and various trainings in banking and related fields, including those which focused on trust management, estate planning, corporate governance, AML, and operational and reputational risks.

Mandrake P. Medina, 52, Filipino, First Vice President I, is the Head of RBB's South Luzon Region. He has more than 30 years of banking experience, which he has acquired from banks such as Citytrust Banking Corporation, Solid Bank Corporation, United Overseas Bank, and Chinatrust Banking Corporation. Mr. Medina graduated with a Bachelor of Arts degree in Liberal Arts – Commerce, major in Political Science and Accounting, from the University of Batangas. His professional trainings include AML, corporate governance, risk management, operations control, and service excellence.

Belenette C. Tan, 58, Filipino, First Vice President I, is the Head of Legal and Collection Group. She is also the concurrent Corporate Secretary of Bank subsidiary Chinabank Insurance Brokers, Inc. (CBC-CIBI). She has been with the Bank for 30 years. She also holds positions in other companies, including Sky Printing Company, Inc. as Chief Finance Officer, and Mirabell Medical Corporation as Director. She previously worked with Yap, Apostol, Gumaru and Balgua Law Offices, prior to joining the Bank. Atty. Tan is a Bachelor of Laws degree holder from the University of Santo Tomas, after taking up Bachelor of Arts in Political Science from the University of the Philippines. She attended several trainings and seminars, including the mandatory continuing legal education, corporate governance, AML, and various aspects of commercial, criminal, and civil law.

Marisol M. Teodoro, 61, Filipino, First Vice President I, is seconded as the Director, President, and Chief Executive Officer of Bank subsidiary CBSC since 2017. Prior to this, she was the Bank's Treasury Business Center Head assigned at the Treasury Group. Earlier, she served as the Division Head of the Business Development and Portfolio Management Division of the Bank's Trust Group. She also worked in other financial institutions, namely: Security Bank as Trust Investment Officer and The International Corporate Bank/Union Bank of the Philippines as Credit Evaluation Officer. Ms. Teodoro holds a Bachelor of Science degree in Business Economics and an MBA degree, both obtained from the University of the Philippines. She has participated in various trainings on trust, treasury, investments, financial planning, and corporate governance. She completed the one-year Trust Course from the Trust Institute Foundation of the Philippines, and the registered financial planning course from RFP-Philippines. She is also an Ateneo - BAP Certified Treasury Professional.

Maria Rosanna Catherina L. Testa, 63, Filipino, First Vice President I, is the Advisor to the Bank's Human Resources Group. She spent more than 30 years of her career in human resource management. She previously held key positions at Goodyear Phils., Equitable-PCI Bank, Far East Bank and Trust Company, The Manila Banking Corporation, and John Clements Consultants, among others. Ms. Testa is a graduate of Bachelor of Arts, Major in Business Administration, from the Assumption College, and took up Masters in Business Administration from the Ateneo Business School. She participated in trainings on corporate governance, AML, leadership, and trends and challenges in human resource management.

Michelle Y. Yap-Bersales, 44, Filipino, First Vice President I, is the Head of the Bank's Core Finance Group. Prior to joining the Bank, she was a Senior Director at SGV & Co. where she gained extensive work experience handling tax compliance audits, advisory, planning and due diligence services involving corporate acquisitions, mergers and spin-offs for multinational and domestic corporate clients in the banking, capital markets, insurance, real estate and service outsourcing industries. A Certified Public Accountant, Ms. Bersales earned her Bachelor of Science degree in Accountancy from De La Salle University and obtained her Master's degree in Business Administration from AIM where she studied as an SGV scholar. She attended various seminars on accounting, taxation and management, as well as training on corporate governance, cybersecurity, AML, and financial technology. Her extensive knowledge and expertise in tax rules applicable to financial institutions made her a member of the Tax Committee of the Banker's Association of the Philippines and the Bank's suitable representative in the Tax Management Association of the Philippines.

Note 1: All the foregoing officers have been involved in the banking industry for more than five (5) years.
Note 2: None of the above-mentioned directors and officers works with the government.

(e) Nominees for election as Directors and Independent Directors

Nominee as Director	Person who nominated	Nominee as Independent Director	Person who nominated and Relationship with Nominee
Hans T. Sy	Sysmart Corporation	Margarita L. San Juan	Maribel S. Meniado, no relation
Gilbert U. Dee	Linda Susan T. Mendoza	Philip S.L. Tsai	Alvin A. Quintanilla, no relation
Romeo D. Uyan, Jr.	Leilani B. Elarmo	Claire Ann T. Yap	Regina Capital Development Corporation, no relation
Peter S. Dee	Nancy D. Yang	Genaro V. Lapez	Regina Capital Development Corporation, no relation
Joaquin T. Dee	Christopher T. Dee		
Herbert T. Sy	Sysmart Corporation		
Harley T. Sy	SM Investments Corporation		
Jose T. Sio	SM Investments Corporation		

Except for Mr. Romeo D. Uyan, Jr., currently Senior Executive Vice President and Chief Operating Officer of the Bank, all the above-mentioned nominees are incumbent members of the Board.

On December 7, 2022, the Board of Directors approved the succession plan for the position of President and Chief Executive Officer of the Bank, and approved the nomination, election and appointment of Mr. Uyan as Director, President and Chief Executive Officer of the Bank effective April 1, 2023, to succeed and serve the unexpired term of Mr. William C. Whang. The Bangko Sentral ng Pilipinas (BSP) Monetary Board issued its confirmation of Mr. Uyan's election and appointment on January 26, 2023.

The Certifications of the nominees for independent directors, in accordance with SEC Memorandum Circular No. 5, Series of 2017, are attached as Exhibits "A" to "D".

Upon initial determination, based on the Nomination Forms and attachments submitted to the Nominations and Corporate Governance Committees, the nominees for directors and independent directors were found to be fit and proper for the position they were nominated to and possess all the qualifications and none of the disqualifications of a director or independent director, and their qualities are aligned with the Bank's strategic directions.

The Nominations and Corporate Governance Committees are currently composed of Ms. Margarita L. San Juan (Chairperson), Ms. Claire Ann T. Yap, and Mr. Genaro V. Lapez, all independent directors.

(f) Involvement in Legal Proceedings

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

For the past five (5) years, the Bank, its affiliates, subsidiaries, directors and officers have not been involved in any legal proceedings that would affect their ability, competence or integrity, and/or would involve a material or substantial portion of their property before any court of law, quasi-judicial body or administrative body in the

Philippines or elsewhere, except in the usual routine cases directed against the Bank, arising from the ordinary conduct of its business.

All legal proceedings involving the Bank are efficiently and competently attended to and managed by a group of eighteen (18) in-house lawyers and one (1) consultant who are graduates of reputable law schools in the country. For its external counsels, the Bank retains the services of respected law firms, among which are MediaIdea Bello Guevarra & Suarez Law Offices, ACCRA Law Office, Britanico Sarmiento & Ringler Law Offices, Divina Law Office, Tagayuna Panopio & Escober Law Firm, Atty. Omar D. Vigilia, The Law Firm of Hermosisima Hermosisima & Hermosisima, and Catabay-Lauigan Law Office.

(g) Significant Employees

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

(h) Relationships and Related Transactions

In the ordinary course of business, the Bank has loans and other transactions with its directors, officers, stockholders, and related interests (DOSRI), which were made substantially on fair terms or at an arm's length basis, that is, terms not less favorable to the Bank than those offered to others. Full disclosures for these transactions were made through reports with the appropriate regulatory agency.

The Bank has the following subsidiaries or affiliates/associates:

i. *China Bank Savings, Inc. (CBSI)* – formerly known as The Manila Banking Corporation (TMBC), CBSI was acquired by China Bank in June 2007. It was incorporated on May 23, 1960 and was formed to carry on, engage in the business of, and exercise the general powers of a commercial bank as provided by law. On June 23, 1999, the Bangko Sentral ng Pilipinas (BSP) granted TMBC authority to operate as a thrift bank. In 2008, in pursuance of the Bank's acquisition of TMBC, the BSP and the Securities and Exchange Commission (SEC) approved the change of name to CBSI. Further, the Monetary Board and SEC gave their approvals on November 21, 2013 and January 20, 2014, respectively, to the merger with Unity Bank, A Rural Bank, Inc. (Unity Bank), a Pampanga-based rural bank, with CBSI as the surviving bank. On August 14, 2014, the stockholders owning at least 2/3 of the outstanding capital stock of CBSI approved the Plan of Merger of Planters Development Bank and CBSI, with the latter as the surviving bank. BSP approved the merger on November 6, 2015 and SEC registered/approved the merger on December 17, 2015. China Bank now owns 98.29% of the total outstanding capital stock of CBSI. Sitting as directors and/or officers of CBSI are the following: Mr. Ricardo R. Chua as Chairman, Ms. Nancy D. Yang as Vice Chairman, and the rest of the Board members are Mr. William C. Whang, Mr. James Christian T. Dee (who is also the President), Mr. Patrick D. Cheng, Mr. Jose L. Osmeña, Jr., Mr. Herbert T. Sy, Jr., and four (4) independent directors: Ms. Claire Ann T. Yap, and Messrs. Philip S.L. Tsai, Genaro V. Lapez, and Antonio S. Espedido, Jr.

ii. *China Bank Capital Corporation (CBCC)* – was incorporated on November 27, 2015 as a full-service investment house with broker/dealer of securities functions. CBCC is also licensed to deal with government securities. It is 100% owned by the Bank. CBCC's Board of Directors is composed of: Messrs. Ricardo R. Chua (Chairman), Romeo D. Uyan, Jr. (Vice Chairman), Ryan Martin L. Tapia (President), and William C. Whang, Mmes. Lilian Yu and Magnolia Luisa N. Palanca, and three (3) independent directors: Mmes. Margarita L. San Juan and Claire Ann T. Yap, and Mr. Philip S.L. Tsai. CBCC's business is supplemented by its wholly owned subsidiaries: (a) China Bank Securities Corporation (formerly ATC Securities, Inc.), an equity broker-dealer; (b) CBC Assets One (SPC) Inc., a special purpose corporation; and (c) Resurgent Capital (FIST-AMC) Inc., also a special purpose corporation.

iii. *Chinabank Insurance Brokers, Inc. (CIBI) - was* incorporated on November 3, 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 and Officers Liability, Professional Indemnity, Trade Credit, Cyber Liability, and Travel and Group Personal Accident for the Bank's clients including non-mortgaged accounts. CIBI is 100% owned by the Bank, with the following Board Members: Messrs. Patrick D. Cheng (Chairman), William C. Whang (Director), Frankie G. Panis (President and Director), and two (2) independent directors: Mr. Philip S.L. Tsai and Ms. Margarita L. San Juan.

iv. *CBC Properties and Computer Center, Inc. (CBC PCCI)* – was incorporated on April 14, 1982 to render general services of computer and other computer-related products and services solely to the Bank and its business group. CBC PCCI is 100% owned by the Bank, with the following Board members: Messrs. Gilbert U. Dee (Chairman), Peter S. Dee (President), Ricardo R. Chua, William C. Whang (Treasurer), and Delfin Jay M. Sabido IX.

v. *China Bank Securities Corporation (CBSC)* – formerly known as ATC Securities, Inc. (ATC), is a wholly-owned subsidiary of CBCC. ATC originally started out as Cathay Asia Securities, Inc. which was incorporated on December 13, 1978. On April 12, 1984, Cathay Asia Securities changed its name to ATC Securities, Inc. On June 29, 2016, CBCC and the stockholders of ATC executed a Share Purchase Agreement for the purchase by CBCC of 100% shares in ATC. The SEC approved CBCC's intended purchase of ATC on August 23, 2016, subject to certain documentary filings. The acquisition of ATC was eventually approved by the PSE on February 22, 2017 and the closing of the purchase of ATC was completed on March 6, 2017. On July 6, 2017, the SEC approved CBSC's amended articles of incorporation, including its change in corporate name from ATC Securities, Inc. to China Bank Securities Corporation. CBSC operates as a stock brokerage licensed by the SEC to engage in dealing, for its own and its customers' accounts, securities listed in the PSE as well as providing securities research and analysis services. The company is eligible to trade dollar-denominated securities or DDS and real estate investment trusts (REITs), and also offers online trading. The company's Board of Directors is comprised of: Messrs. William C. Whang (Chairman), Romeo D. Uyan, Jr. (Vice Chairman), Ryan Martin L. Tapia, and Gerald O. Florentino, Ms. Marisol M. Teodoro (President & CEO), and two (2) independent directors: Ms. Claire Ann T. Yap and Mr. Genaro V. Lapez.

vi. *CBC Assets One (SPC) Inc. (CBC Assets)* – is a special purpose subsidiary of CBCC. It was incorporated on June 15, 2016, with the primary purpose of securitization of assets which include receivables, mortgage loans andother debt instruments. CBC Assets is 100% owned by CBCC, with the following Board members: Messrs. Ryan Martin L. Tapia (Chairman/President/CEO), Juan Paolo E. Colet (Treasurer), Roberto A. Cabusay, and two (2) independent directors: Mr. Ariel A. Soner and Ms. Ma. Cecilia A. Gironella.

vii. *Resurgent Capital (FISTC-AMC) Inc. (RECAP)* - is a special purpose subsidiary of CBCC. 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. The company's Board of Directors is comprised of: Messrs. Romeo D. Uyan, Jr. (Chairman), Ryan Martin L. Tapia (President & CEO), Juan Paolo E. Colet (Treasurer), and Rhodin Evan O. Escolar, Ms. Lilian Yu, and two (2) independent directors: Mmes. Margarita L. San Juan and Claire Ann T. Yap.

viii. *Manulife China Bank Life Assurance Corporation (MCBLife)* – in 2007, the Bank entered into an agreement with The Manufacturers Life Insurance Company (a parent company of The Manufactures Life Insurance Co. (Phils.), Inc. or Manulife Philippines) for an exclusive bancassurance alliance to distribute life insurance products to the Bank's customers. Initially incorporated as The Pramerica Life Insurance Company, Inc. in 1998, its name was changed to Manulife China Bank Life Assurance Corporation (MCBLife) on March 23, 2007. The Bank initially held a 5% interest in MCBLIfe, the minimum stake required by the BSP, which has since increased to 40%, giving the Bank better opportunities to expand its fee-based business. The following are MCBLife's Board members: Messrs. Sachin Shah (Chairman), Neil Robert Bowyer (President & CEO), Rahul Hora, William Whang, Patrick Cheng, Matt Lawrence, and three (3) independent directors: Mmes. Janette Peña and Rhoda Regina Rara, and Mr. Conrado Favorito.

Further, the Bank has business relationships with related parties. Transactions with such parties are thoroughly reviewed and verified as having been entered into in the best interest of the Bank, in the ordinary course of business and on substantially same terms as those prevailing at the time for comparable transactions with other parties.

The table below shows the Bank's material related party transactions and outstanding balances for the year 2022:

Related Party	Total Amount /1	Total Outstanding Balance /2
CBC Group	₱ 64.5 B $ 20.0 M	₱ 467.6 M
SM Group	₱ 183.2 B $ 86.0 M	₱ 3.6 B
Other Related Parties	₱ 9.0 B $ 6.4 M	₱ 429.7 M

1/ Covers all transactions
2/ For loan transactions approved in 2022 (with availments)

Related party transactions of directors are passed upon by the Related Party Transaction (RPT) Committee of the Bank and endorsed to the Board of Directors for approval/confirmation. The RPT Committee evaluates the terms and conditions of the facilities/transactions to ensure that they are fair, negotiated on an arm's length basis, or upon terms not less favorable to the Bank than those offered to others, that no business resources of the Bank are misappropriated or misapplied, no potential reputational risk issues may arise because of or in connection with the transactions, and that the same are in compliance with the existing rules. Appropriate disclosures and reports are submitted as well to the Bangko Sentral ng Pilipinas (BSP).

Related party transactions are also discussed in Notes 30 and 38 of the Audited Financial Statements as presented in Annex "E".

6. Compensation of Directors and Executive Officers

Name	Year	Salary	Bonuses & Other Compensation	Total
Total for the 5 most highly compensated executive Officers*	2023 (estimates) 2022 (actual) 2021 (actual)	96,909,316.21 65,233,046.16 59,808,878.16	67,019,774.54 70,881,724.72 57,874,732.22	163,929,090.75 136,114,770.88 117,683,610.38
Total for all Officers and Directors	2023 (estimates) 2022 (actual) 2021 (actual)	2,367,209,763.55 2,191,551,984.86 1,948,580,099.36	1,120,377,805.38 1,033,109,806.70 872,878,811.29	3,487,587,568.93 3,224,661,791.56 2,821,458,910.65
Total for all Directors	2023 (estimates) 2022 (actual) 2021 (actual)	78,500,000 74,900,000 72,280,000		

* For Years 2021 – 2022: Messrs. Gilbert U. Dee, William C. Whang, Romeo D. Uyan, Jr., and Patrick D. Cheng, and Ms. Rosemarie C. Gan. For 2023: Messrs. Gilbert U. Dee, William C. Whang, Romeo D. Uyan, Jr., Patrick D. Cheng, Jose L. Osmena, Jr., and Aloysius C. Alday, Jr., and Mmes. Lilian Yu and Magnolia N. Palanca.

Other than those relating to the foregoing figures, there are no actions to be taken as regards any bonus, profit sharing, pension, or retirement plan, granting or extension of any option warrant or right to purchase any securities between the Bank and its directors and officers. The officers receive compensation based on their performance, banking experience, employment status, position, and rank in the Bank. On the other hand, the directors are entitled to a per diem of up to P10,000 for attendance at each meeting of the Board or of any committee and to 4% of the Bank's net earnings, in accordance with Article IV, Section 11, and Article VIII, Section 1 (a) of the Bank's Amended By-Laws, which was registered with the SEC on July 18, 2022. The directors and officers have no other compensatory arrangement with the Bank.

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

Hans T. Sy	P6,415,000
Gilbert U. Dee	6,350,000
William C. Whang	6,405,000
Peter S. Dee	6,485,000
Joaquin T. Dee	6,555,000
Herbert T. Sy	6,170,000
Harley T. Sy	6,315,000
Jose T. Sio	6,240,000
Margarita L. San Juan	6,515,000
Philip S.L. Tsai	6,470,000
Claire Ann T. Yap	6,535,000
Genaro V. Lapez	4,445,000

7. Independent Public Accountants

SyCip Gorres Velayo & Co. (SGV & Co.) was the Bank's independent auditor for the year 2022 and has been the Bank's independent auditor for more than 20 years. SGV & Co. is again recommended for appointment at the scheduled annual stockholders' meeting. In compliance with SEC Memorandum Circular No. 8, Series of 2003, and Amendments to SRC Rule 68, the signing partners of a firm are rotated every after five (5) years of engagement which was increased to seven (7) years effective August 2019 per Professional Regulatory Board of Accountancy Resolution No. 53, Series of 2019. Ms. Janet A. Paraiso was the assigned signing partner since the year 2021.

None of the Bank's external auditors have resigned during the two (2) most recent fiscal years (2022 and 2021) or any interim period.

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

Fiscal Year	Audit and Audit-Related Fees	All Other Fees
2022	P9,498,720	P974,400
2021	P11,415,712	P3,616,173

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 P20 billion in 2021. The 2022 and 2021 audit fees were taken up and approved by the Audit Committee.

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

The Board/Audit Committee likewise discussed, approved, and authorized to engage the services of SGV & Co in non-audit work for independent vulnerability assessment and penetration testing in 2022, review and advisory services in 2021 and independent validation of votes in the annual stockholders' meeting in both 2022 and 2021. Payments for these services are included under All Other Fees.

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

8. Compensation Plans

In 2020, in celebration of the Bank's 100th anniversary, the Board of Directors approved on August 5, 2020 and September 2, 2020 a Centennial Stock Grant Plan to issue common shares to eligible grantees. The Bank issued new shares from its authorized but unissued shares for the stock grant. The Board also approved to delegate to the President, Chief Operating Officer and Chief Finance Officer ("Designated Officers") the authority to prepare and approve the comprehensive plan consistent with the Board approval, apply for and comply with the requirements of the regulatory agencies, and perform other actions necessary in connection with the approval.

The Centennial Stock Grant Plan was approved and ratified by the stockholders in their special meeting on October 1, 2020, and approved by the relevant regulatory agencies.

C. ISSUANCE AND EXCHANGE OF SECURITIES

9. Authorization or Issuance of Securities Other than for Exchange

- Dividend

The Bank is allowed to declare dividends out of its unrestricted retained earnings at such times and in such percentages based on the recommendation of the Board of Directors. Such recommendation will take into consideration factors such as debt service requirements, the implementation of business plans, operating expenses, budgets, funding for new investments, appropriate reserves and working capital, among other things.

The Bank's Board of Directors is authorized to declare dividends. A cash dividend declaration does not require any further approval from the shareholders. A stock dividend declaration requires the further approval of shareholders holding or representing not less than two-thirds of the Bank's outstanding capital stock. The Revised Corporation Code defines the term "outstanding capital stock" to mean the "total shares of stock issued under binding subscription contracts to subscribers or stockholders, whether fully or partially paid, except treasury shares". Such shareholders' approval may be given at a general or special meeting duly called for such purpose. The Dividend Policy of the Bank is discussed further under Annex "C" - Compliance with Leading Practice on Corporate Governance.

- Voting

Each Common Share entitles the holder to one vote. At each meeting of the shareholders, every stockholder entitled to vote on a particular question or matter involved shall be entitled to one vote for each share of stock standing in his name in the books of the Bank at the time of the closing of the transfer books for such meeting,

In accordance with Section 23 of the Revised Corporation Code, at each election of directors, every stockholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by him as of the relevant record date for as many persons as there are directors to be elected and for whose election he has right to vote, or to cumulate his votes by giving one candidate the number of votes equal to the number of directors to be elected multiplied by the number his shares shall equal or by distributing such votes on the same principle among any number of candidates as the stockholder shall see fit.

Material information on the current stockholders and related matters is shown in Annex "B" – Market Information and Related Matters. The list of stockholders of the Bank is regularly submitted to the Bangko Sentral ng Pilipinas and Philippine Stock Exchange, and can be accessed through the Bank's website https://www.chinabank.ph.

- Pre-emptive Rights

The Revised Corporation Code confers pre-emptive rights on shareholders of a Philippine corporation, which entitle them to subscribe to all issues or other disposition of shares of any class by the corporation in proportion to their respective shareholdings, subject to certain exceptions. A Philippine corporation may provide for the exclusion of these pre-emptive rights in its articles of incorporation. The Board has proposed and the stockholders of the Bank approved on May 8, 2014 to amend the Articles of Incorporation to include a waiver of such pre-emptive rights. The Articles of Incorporation of the Bank provides that stockholders shall have no pre-emptive rights to subscribe to any or all issues or dispositions of any class of shares.

10. Modification or Exchange of Securities – Not applicable

11. Financial and Other Information

(a) Brief Description of the general nature and scope of the business of the Bank, attached as Annex "A"
(b) Market Information, Dividends, and Top 20 Stockholders, attached as Annex "B"
(c) Discussion of Compliance with Leading Practice on Corporate Governance, attached as Annex "C"
(d) Management's Discussion and Analysis or Plan of Operation, attached as Annex "D"
(e) Statement of Management Responsibility for Financial Statements and 2021 Audited Financial Statements, attached as Annex "E"

12. Mergers, Consolidations, Acquisitions and Similar Matters – Not applicable

13. Acquisition or Disposition of Property – Not applicable

14. Restatement of Accounts – Not applicable

D. OTHER MATTERS

15. Action with Respect to Reports

The following are to be submitted for approval during the stockholders' meeting:

a. Minutes of the Annual Stockholders' Meeting held on May 5, 2022, appended to this Information Statement, which discussed and acted on the various matters, including the following:

(i) Annual Report to Stockholders;
(ii) Approval of the Audited Financial Statements for the year ended December 31, 2021;
(iii) Ratification of all acts of the Board of Directors, including the related party transactions discussed in the Definitive Information Statement and Audited Financial Statements; amendment to Article III, Section 1 of the By-Laws relating to the schedule of regular meeting of stockholders as approved by the Board of Directors exercising its delegated power to amend the By-Laws of the Bank on February 2, 2022; and all the acts of the Executive Committee and other Committees, and Management, during the fiscal year 2021 and immediately preceding the stockholders' meeting;
(iv) Election of the Board of Directors;
(v) Re-appointment of SGV & Co. as external auditor; and
(vi) Announcement of the Board's approval on May 4, 2022 of the declaration of regular cash dividend of P1.00 per share, and special cash dividend of P0.50 per share, and questions raised by the stockholders.

The minutes also provided for the following: (a) voting results of each agenda item, including the presence of SGV & Co. which was engaged as independent party tasked to count and validate the votes at the meeting; (b) opportunity given to stockholders to ask questions together with the questions asked and answers given; and, (c) list of directors and officers who attended the meeting, as validated by SGV & Co.

The voting results of each agenda item were made available on China Bank's website within twenty-four (24) hours from adjournment of the annual meeting, and the minutes was posted on China Bank's website within five (5) banking days from adjournment of the meeting. The Office of the Corporate Secretary has in its custody the full list and names of the stockholders who participated in the May 5, 2022 Annual Meeting held via remote communication.

b. Annual Report to Stockholders – to provide information about the Bank's activities, business and financial performance, and other relevant data for the preceding year;

c. Approval of the Audited Financial Statements for the year ended December 31, 2022 – to provide information about the financial position, performance, and changes in financial position of the Bank;

d. Ratification of all acts of the Board of Directors, Executive Committee, other Committees, and Management, including the ratification of related party transactions;

e. Election of Directors who will serve as such for the ensuing year;

f. Appointment of external auditor – for the stockholders to ratify the Audit Committee's and Board's selection of auditors;

g. Approval and ratification of the amendment to Article VIII, Section 1 (Net Earnings), Item b of the By-Laws, as approved by the Board of Directors on February 1, 2023. The proposed amendment will afford the Bank more flexibility going forward, and at the same time share with its employees more definitively the financial growth the Bank has enjoyed in recent years. The proposed amended provision of the By-Laws reads:

From	To
Sec. 1. <u>Net Earnings</u> – The net earnings resulting from the operations of the Corporation, after deducting the expenses of administration and after writing off all known losses or charging the same against reserves for bad and doubtful accounts, but before making provisions for income tax, shall be disposed of as follows: 1. xxx; and 2. Ten Percentum (10%) to the Officers of the Corporation in such manner as the Board of Directors may determine on the basis of the recommendation of the Chief Executive Officer. xxx	Sec. 1. <u>Net Earnings</u> – The net earnings resulting from the operations of the Corporation, after deducting the expenses of administration and after writing off all known losses or charging the same against reserves for bad and doubtful accounts, but before making provisions for income tax, shall be disposed of as follows: 1. xxx; and 2. **<u>Up to</u>** Ten Percentum (10%) to the Officers of the Corporation in such manner as the Board of Directors may determine on the basis of the recommendation of the Chief Executive Officer. xxx

h. All matters as contained in the agenda of the meeting, and other businesses as may properly come before the stockholders.

16. Matters Not Required to be Submitted

There is no action to be taken with respect to any matter which is not required to be submitted to a vote of the stockholders.

17. Amendment of Charter, By-laws, or Other Documents

On February 2, 2022, the Board took up and unanimously approved further amendment to Article III, Section 1 (Regular Meeting of Stockholders) of the By-Laws, by virtue of the delegation to the Board of Directors of the power to amend By-Laws as approved by the stockholders representing more than two-thirds (2/3) of the outstanding capital stock of the Bank in their annual meeting on May 6, 2021. The amendment states that "[t]he regular meeting of stockholders shall be held annually *on any date after April 15 of each year as determined by the Board of Directors and* at such hour and place as may be fixed by the Board of Directors."

The amendments were approved by the BSP on February 24, 2022 and registered with the SEC on July 18, 2022.

This year, the proposal is for the stockholders to approve and ratify the amendment to Article VIII, Section 1 (Net Earnings), Item b of the By-Laws, as approved by the Board of Directors on February 1, 2023, in order to afford the Bank more flexibility going forward, and at the same time share with its employees more definitively the financial growth the Bank has enjoyed in recent years. The proposed amended provision of the By-Laws reads:

From	To
Sec. 1. <u>Net Earnings</u> – The net earnings resulting from the operations of the Corporation, after deducting the expenses of administration and after writing off all known losses or charging the same against reserves for bad and doubtful accounts, but before making provisions for income tax, shall be disposed of as follows:	Sec. 1. <u>Net Earnings</u> – The net earnings resulting from the operations of the Corporation, after deducting the expenses of administration and after writing off all known losses or charging the same against reserves for bad and doubtful accounts, but before making provisions for income tax, shall be disposed of as follows:

3. xxx; and 4. Ten Percentum (10%) to the Officers of the Corporation in such manner as the Board of Directors may determine on the basis of the recommendation of the Chief Executive Officer. xxx	3. xxx; and 4. **Up to** Ten Percentum (10%) to the Officers of the Corporation in such manner as the Board of Directors may determine on the basis of the recommendation of the Chief Executive Officer. xxx

18. Other Proposed Action

There are no other actions proposed to be taken at the annual meeting other than the agenda matters indicated in the Notice included in this Information Statement.

19. Voting Procedures

In accordance with Article III, Section 6 of the Bank's Amended By-Laws, no meeting of stockholders shall be competent to transact business unless a majority of the outstanding capital stock is represented. Unless the Revised Corporation Code requires otherwise, a majority vote of the shares present or represented at the stockholders' meeting, provided there is a quorum, shall be required to carry a stockholders' action on any matter taken up during the meeting.

Stockholders as of record date of March 1, 2023 shall be entitled to vote at the annual stockholders' meeting. Stockholders intending to participate by remote communication and exercise the right to vote in absentia should register through the Bank's online registration system on or before April 14, 2023. After verification and validation by the Corporate Secretary of the information submitted, an e-mail containing their log-in details for the online voting system shall be sent to the stockholders. Appended to the Information Statement is the Guidelines for Participation via Remote Communication and Voting *in Absentia*.

Each common share of stock entitles its holder as of record date to one vote. However, with respect to the election of the members of the Board of Directors, Article III, Section 7 of the Bank's Amended By-Laws specifies that any stockholder who is not delinquent in his subscription shall be allowed to vote either in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact in accordance with the requirements under existing rules and regulations. Following Section 23 of the Revised Corporation Code, a stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned, or distribute them on the same principle among as many candidates as may be seen fit, provided that the total number of votes cast shall not exceed the number of shares owned by the stockholders as shown in the books of the Bank multiplied by the whole number of directors to be elected. The twelve (12) nominees receiving the highest number of votes shall be declared elected.

All votes will be counted and tabulated by the Office of the Corporate Secretary, to be assisted by the transfer agent, Stock Transfer Service, Inc., and the results are set to be validated by the external auditor, SGV & Co.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct.

This report is signed in the City of Makati on March 3, 2023.

CHINA BANKING CORPORATION

By:

LEILANI B. ELARMO
Corporate Secretary

Exhibit "A"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MARGARITA L. SAN JUAN**, Filipino, of legal age and a resident of , after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **CHINA BANKING CORPORATION** (China Bank) and have been its independent director since May 4, 2017;

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
China Bank Capital Corporation	Independent Director	2018 to present
Chinabank Insurance Brokers, Inc.	Independent Director	2018 to present
Resurgent Capital (FISTC-AMC) Inc.	Independent Director	2021 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of China Bank, as provided for in Section 38 of the Securities Regulation Code (SRC), its Implementing Rules and Regulations (IRR) and other Securities and Exchange Commission (SEC) issuances;

4. I am not related to any director, officer, or substantial shareholder of China Bank and its subsidiaries and affiliates;

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its IRR, Code of Corporate Governance and other SEC issuances; and

7. I shall inform the Corporate Secretary of China Bank of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this FEB 20 2023 day of ____________, at CITY OF MAKATI.

MARGARITA L. SAN JUAN
Affiant

SUBSCRIBED AND SWORN to before me this FEB 20 2023 of ____________ at CITY OF MAKATI, affiant personally appeared before me and exhibited to me her SSS I

ALVIN A. QUINTANILLA
Notary Public for Makati City
Appt. No. M-216 until December 31, 2023
4/F Philcom Building,
8755 Paseo de Roxas, Makati City
PTR No. 9570173; 01-06-2023; Makati City
IBP No. 293227; 01-10-2023; Cavite
MCLE Compliance No. VII-001[illegible]; 03.28.202[illegible]
Roll of Attorney's No. 40925

Doc. No. 232;
Page No. 48;
Book No. 103;
Series of 2023.

Exhibit "B"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **PHILIP S.L. TSAI**, Filipino, of legal age and a resident of
, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **CHINA BANKING CORPORATION** (China Bank) and have been its independent director since November 7, 2018;

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
China Bank Savings, Inc.	Independent Director	2018 to present
Chinabank Insurance Brokers, Inc.	Independent Director	2018 to present
China Bank Capital Corporation	Independent Director	2019 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of China Bank, as provided for in Section 38 of the Securities Regulation Code (SRC), its Implementing Rules and Regulations (IRR) and other Securities and Exchange Commission (SEC) issuances;

4. I am not related to any director, officer, or substantial shareholder of China Bank and its subsidiaries and affiliates;

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its IRR, Code of Corporate Governance and other SEC issuances; and

7. I shall inform the Corporate Secretary of China Bank of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this ________ day of FEB 20 2023, at CITY OF MAKATI.

PHILIP S.L. TSAI
Affiant

SUBSCRIBED AND SWORN to before me this FEB 20 2023 of ________ at CITY OF MAKATI, affiant personally appeared before me and exhibited to me his Philippine Passport

Doc. No. 233;
Page No. 48;
Book No. 103;
Series of 2023.

ALVIN A. QUINTANILLA
Notary Public for Makati City
Appt. No. M-216 until December 31, 2023
4/F Philcom Building,
8755 Paseo de Roxas, Makati City
PTR No. 9570173; 01-06-2023; Makati City
IBP No. 293227; 01-10-2023; Cavite
MCLE Compliance No. VII-0013530; 03.28.2022
Roll of Attorney's No. 40925

Exhibit "C"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CLAIRE ANN T. YAP**, Filipino, of legal age and a resident of after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **CHINA BANKING CORPORATION** (China Bank) and have been its independent director since October 1, 2020;

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
China Bank Savings, Inc.	Independent Director	2020 to present
China Bank Securities Corporation	Independent Director	2020 to present
China Bank Capital Corporation	Independent Director	2021 to present
Resurgent Capital (FISTC-AMC) Inc.	Independent Director	2021 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of China Bank, as provided for in Section 38 of the Securities Regulation Code (SRC), its Implementing Rules and Regulations (IRR) and other Securities and Exchange Commission (SEC) issuances;

4. I am not related to any director, officer, or substantial shareholder of China Bank and its subsidiaries and affiliates;

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its IRR, Code of Corporate Governance and other SEC issuances; and

7. I shall inform the Corporate Secretary of China Bank of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this FEB 2 0 2023 day of ____________, at CITY OF MAKATI

CLAIRE ANN T. YAP
Affiant

SUBSCRIBED AND SWORN to before me this FEB 2 0 of 2023 at CITY OF MAKATI, affiant personally appeared before me and exhibited to me her Philippine Passport

ALVIN A. QUINTANILLA
Notary Public for Makati City
Appt. No. M-216 until December 31, 2023
4/F Philcom Building,
8755 Paseo de Roxas, Makati City
PTR No. 9570173; 01-06-2023; Makati City
IBP No. [illegible]; 01-10-2023; Cavite
MCLE Compliance No. VII-[illegible]; 03.28.202[illegible]
Roll of Attorney's No. [illegible]

Doc. No. 235;
Page No. 48;
Book No. 103;
Series of 2023.

Exhibit "D"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **GENARO V. LAPEZ**, Filipino, of legal age and a resident of after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **CHINA BANKING CORPORATION** (China Bank) and have been its independent director since May 6, 2021;

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
China Bank Savings, Inc.	Independent Director	2021 to present
China Bank Securities Corporation	Independent Director	2021 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of China Bank, as provided for in Section 38 of the Securities Regulation Code (SRC), its Implementing Rules and Regulations (IRR) and other Securities and Exchange Commission (SEC) issuances;

4. I am not related to any director, officer, or substantial shareholder of China Bank and its subsidiaries and affiliates;

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its IRR, Code of Corporate Governance and other SEC issuances; and

7. I shall inform the Corporate Secretary of China Bank of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this ________ day of FEB 20 2023, at CITY OF MAKATI.

GENARO V. LAPEZ
Affiant

SUBSCRIBED AND SWORN to before me this FEB 20 2023 of ________ at CITY OF MAKATI, affiant personally appeared before me and exhibited to me his Philippine Passport.

ALVIN A. QUINTANILLA
Notary Public for Makati City
Appt. No. M-216 until December 31, 2023
4/F Philcom Building,
8755 Paseo de Roxas, Makati City
PTR No. 9570173; 01-06-2023; Makati City
IBP No. 293227; 01-10-2023; Cavite
MCLE Compliance No. VII-001[illegible]; 03.28.202[illegible]
Roll of Attorney's No. 40925

Doc. No. 234;
Page No. 48;
Book No. 103
Series of 2023.

ANNEX "A"

BUSINESS AND GENERAL INFORMATION

1. Description of Business

China Banking Corporation (China Bank) is one of the leading private universal banks in the Philippines that offers a full range of banking products and services to institutional and individual customers, as well as thrift banking, investment banking, insurance brokerage, stock brokerage, and bancassurance through its subsidiaries, China Bank Savings, China Bank Capital, CBC Assets One (SPC), China Bank Securities, Resurgent Capital (FIST-AMC), Chinabank Insurance Brokers (CIBI), CBC Properties and Computer Center, Inc., and affiliate Manulife China Bank Life Assurance Corp (MCBLife). The Bank's franchise stems from its 102-year history, a factor that has enabled it to become deeply entrenched within the socioeconomic fabric of the Chinese-Filipino community.

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

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

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

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

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

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

In 2020, China Bank kicked off its centennial anniversary with the restoration of the Binondo Business Center and a widespread television & social media ad campaign that tells the story of the Bank's founding. The Board and stockholders also approved and ratified a centennial stock grant plan which gives qualified employees 100 China Bank shares for every year of service. In the same year, China Bank also listed P15 billion-peso bonds due 2022 on the Philippine Dealing & Exchange Corp. (PDEx).

Amid the disruptions caused by the COVID-19 global pandemic, the Bank navigated the new normal in 2020 by adjusting its operations and customer service, accordingly.

In 2021, China Bank unveiled the historical and heritage site markers at the re-constructed Binondo Office. It also received regulatory approval for the employee stock grant plan which will distribute 5.4 million shares to around 8,300 qualified employees.

In the same year, the Bank was recognized as the *Best Bank in the Philippines* by international magazine, The Asset, while the investment house subsidiary, China Bank Capital was awarded the Best Bond Adviser (Domestic) for the sixth consecutive year. China Bank likewise emerged as the second strongest bank in the Philippines in terms of balance sheet at The Asian Banker's *Top 500 Strongest Banks*, and landed in the top 20% of the 500 strongest banks in the Asia Pacific region.

In 2022, the Bank paid P1.50/share cash dividend composed of P1.00/share regular dividend and an additional P0.50/share special dividend, reflecting China Bank's confidence in its underlying strength and future prospects. The total cash dividends of P4.04 billion is 50% higher compared to the P2.69 billion dividends paid in 2021 and represents 27% of the full year 2021 net income of P15.1 billion.

Credit rating agency, *Moody's Investor Services*, affirmed investment grade credit rating of "Baa2" with "Stable" outlook. Moody's cited stable capitalization and profitability, which support business expansion, and sound liquidity as China Bank's credit strengths. On the other hand, asset quality risks resulting from the concentrated loan book and a modest funding profile, with a relatively high share of corporate deposits, are the Bank's credit challenges.

China Bank's main business include corporate and SME lending, retail loans (e.g. credit cards, housing, auto, personal & automatic payroll deduction), treasury & foreign exchange trading, trust & asset management, investment banking & advisory services, wealth management, cash management, insurance products through CIBI and MCBLife, internet & mobile banking, and remittances through tie-ups in the Middle East, Asia, and major US cities. The Bank also offers foreign currency deposits in four currencies, USD, EUR, CNY, and JPY.

China Bank offers a comprehensive suite of products and services through its 640 branches complemented by convenient and secure electronic banking channels which are available 24/7— 1,044 ATMs, 11 Cash Accept Machines, China Bank TellerPhone (phone banking), China Bank Online, and China Bank Mobile App.

Subsidiary	Effective Percentages of Ownership **2022**	2021	Country of Incorporation and Place of Business	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%**	100.00%	Philippines	FIST Corporation

The Parent Company has no ultimate parent company. SM Investments Corporation, its significant investor, has effective ownership in the Parent Company of 22.51% as of December 31, 2022 and 2021.

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

2. Business of Issuer

(a) Principal Products and Services

China Bank's main businesses include deposit-taking, corporate and middle market lending, consumer lending which includes retail estate loans, vehicle loans, credit cards, personal loans and automatic payroll deduction; treasury and foreign exchange trading, trust and investment management, wealth management, cash management, online and mobile banking services, inward remittances through tie-ups with banks and money services businesses in the Middle East, Asia and the Pacific, Europe and the Americas; and investment banking, securities brokerage, bancassurance and insurance brokerage through its subsidiaries and affiliate. The income from these products and services maybe divided into two categories, namely (1) net interest income from the Bank's deposit-taking, lending and investment activities which accounts for 82% of operating income and (2) other income (includes service charges, fees & commissions, trading & securities gain, gain on disposal of investment securities at amortized cost, foreign exchange gain, trust fees, income from sale of acquired assets and other miscellaneous income) which accounts for 18% of operating income.

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

DEPOSITS & RELATED SERVICES

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

LOANS & CREDIT FACILITIES

Corporate & Commercial Loans: Omnibus Line, Loan Line, Term Loan, Trade Finance Products, Factoring Receivable
Consumer Loans: HomePlus Real Estate Loan, AutoPlus Vehicle Loan, Contract to Sell Facility; SalaryPlus Salary Loan
Credit Cards: China Bank Prime Mastercard; China Bank Freedom Mastercard; China Bank Cash Rewards Mastercard; China Bank Platinum Mastercard; China Bank World Mastercard; China Bank Wealth Mastercard

INTERNATIONAL BANKING PRODUCTS & SERVICES

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

INVESTMENT BANKING SERVICES

Bonds, Syndicated Loans, Corporate Note, Structured Loan, Project Finance, Long-term Negotiable Certificate of Time Deposit (LTNCD), Enrolled Note (Short Dated Notes/Qualified Buyers Notes), Convertible Note, Initial Public Offering, Follow On Offering, Stock Rights Offering, Preferred Shares, Convertible Shares, Exchangeable Shares, Real Estate Investment Trust (REIT), Mergers & Acquisition Advisory, Corporate Structuring, Valuation Analysis, Securitization

OVERSEAS KABABAYAN SERVICES

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

TRUST SERVICES

Unit Investment Trust Fund (UITF) - China Bank Cash Fund, China Bank Money Market Fund, China Bank Short-Term Fund, China Bank Intermediate Fixed-Income Fund, China Bank Fixed Income Fund, China Bank Balanced Fund, China Bank Equity Fund, China Bank High Dividend Equity Fund, China Bank Philippine Equity Index Tracker Fund, China Bank Dollar Fund, and China Bank Dollar Cash Fund; Wealth Management - Investment Management Arrangement, Personal Management Trust, and Irrevocable Life Insurance Trust; Corporate Trust Services - Escrow Services Arrangement, Employee Benefit Fund Management, Corporate Fund Management, Facility Agency Arrangement, Security Trusteeship Arrangement, Collecting and Paying Agency Arrangement

TREASURY SERVICES

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

INSURANCE PRODUCTS

Bancassurance: MCBL FutureBoost; MCBL Enrich; MCBL Invest; Base Protect Plus; Assure Max, Legacy Secure, HealthFlex; MCBL WealthOne; Group Yearly Renewable Term (GYRT), Group Credit Life (GCL); Group Personal Accident (GPA); Group Riders (Accidental Death, Dismemberment & Disablement, Total and Permanent Disability, Accidental Medical Reimbursement, Hospital Income Benefit, 60 Critical Illness Benefit, Family Assistance Benefit, Terminal Illness Benefit); Health Protect, Secure Pinoy Group Life Care, Secure Pinoy Student Life Care; Secure Pinoy for Life; Secure Pinoy for Accident and Medical Treatment

Non-Life Insurance: Fire and Allied Perils; Motor Car Insurance; Personal Accident and Travel; Travel Accident Insurance; Medical Insurance / Employee Benefit; Comprehensive General Liability Insurance; Electronic Equipment Insurance; Money, Securities and Payroll Insurance; Fidelity Guarantee Insurance; Property Floater; Contractors' Insurance All Risks (CARI); Erectors' Insurance All Risks (EARI); Marine Cargo; Marine Hull; Surety Bonds
Non-Traditional and Highly Specialized insurance products such as Directors & Officers Liability, Cyber Liability, Trade Credit, and Parametric Solutions

PAYMENT & SETTLEMENT SERVICES

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

CASH MANAGEMENT SOLUTIONS

Account Management via China Bank Online Corporate:
Basic Services - Balance Inquiry and Transaction Reporting, Intra-bank transfer of funds to own &/or third-Party account(s), Inter-bank Fund Transfer via Bancnet, Instapay and Pesonet Buy &/or sell foreign currency, Sure Sweep, Collection Arrangement Report;
Self-Service Functionalities - Request for Bank Certificate, Checkbook Reorder, Stop Payment Order
Liquidity Management via China Bank Online Corporate: Multi-Bank SOA Concentration, Sure Sweep – Funds Consolidation, Funds Distribution; Corporate Inter-Bank Fund Transfer
Receivables Management - Automatic Debit Arrangement (ADA), Check Depot, Bills Pay Plus, Referenced Deposit Solution, Smart Cash Safe Solution
Payables Management – Direct Debit Arrangement; Auto Credit Arrangement (ACA);
Check Writing Services – Check Write Plus Software; Check Write Plus Outsourcing-, Check Write Plus Self-Service;
Payroll Services – Payroll Crediting, China Pay Software, Payroll Processing
POS Solutions - ChinaBank Debit POS; ChinaBank POS Cash Out
Trade and Settlement Solutions – Settle stock transactions with the Securities Corporation of the Philippines (SCCP) Broker's Solution; Electronic Invoicing & Payment Solution
Government Payments and Collections – Easy Tax Filing and Payment Solution, Tax Payment Solution (eFPS); eGov Payments, SSS Sickness, Maternity, and Employee Compensation (SSS SMEC)

CHINA BANK SECURITIES

Stock Brokerage – Online Stock Trading, Traditional Trading (Peso-denominated stocks, Dollar-Denominated Securities or DDS, Real estate Investment Trusts or REITs), Research Services, Stabilization Agency

(b) Distribution Methods of Products and Services:

China bank's products and services are made available across multiple distribution and delivery channels: 640 branch network (of which 479 are China Bank branches, 161 are China Bank savings branches; 1,044 ATM network (645 in-branch and 399 off-site atms nationwide; founding member of the bancnet consortium, access to more than 25,000 atms nationwide of bancnet networks; online banking (through the bank's e-portal www.Chinabank.Ph); tellerphone (phone banking) and mobile banking. Its head office is located at 8745 paseo de roxas corner villar streets, makati city.

China Bank Parent
Metro Manila Branches

1. MAKATI MAIN BRANCH (Head Office) - CBC Bldg., 8745 Paseo de Roxas cor. Villar Sts., Makati City***
2. BINONDO BUSINESS CENTER – Unit 161-163, CBC Bldg., Dasmariñas cor. Juan Luna St., Brgy. 287, Zone 27, District III, Binondo, Manila*
3. 999 MALL BRANCH - Unit 3D-5 & 3D-7 999 Shopping Mall, Bldg. 2, Recto - Soler Sts., Binondo, Manila*
4. A. BONIFACIO - MAUBAN BRANCH - G/F Urban Oasis Residences, 423-431 A. Bonifacio Ave., Brgy. San Jose, Quezon City*
5. ALABANG HILLS BRANCH - G/F RBC-MDC Corporate Center, Don Jesus Blvd., Alabang Hills Village, Brgy. Cupang, Muntinlupa City*
6. ALVARADO BRANCH - HS Commercial Tower, 854 Alvarado St. Binondo, Manila
7. ANONAS BRANCH - Anonas corner Marang Streets, Brgy. Quirino, Project 2, Quezon City*
8. ANTIPOLO CITY BRANCH - G/F Budget Lane Arcade, No. 6, Provincial Road, Brgy. San Jose, Antipolo City, Rizal*
9. ANTIPOLO - SUMULONG HIGHWAY BRANCH - No. 219 Sumulong Highway, Brgy. Mambugan, Antipolo City, Rizal*
10. ANTIPOLO CITY-TAKTAK BRANCH - Sumulong Highway corner Taktak Road, Brgy. Dela Paz, Antipolo City, Rizal*
11. ARANETA AVE. BRANCH - Philippine Whithasco Bldg., 420 Araneta Ave., cor. Bayani St., Doña Imelda, Quezon City*
12. ARNAIZ AVE. BRANCH - United Life Assurance Building, A. Arnaiz Ave. (Pasay Road), Makati City*
13. ARRANQUE BRANCH - Don Felipe Bldg., 675 Tomas Mapua St., Brgy. 301 Sta. Cruz, Manila*
14. ASUNCION BRANCH - Units G6 & G7 Chinatown Steel Towers, 531 Asuncion St., San Nicolas, Manila*
15. AURORA BLVD. - NEW MANILA BRANCH - Aurora Blvd., Brgy. Valencia, Quezon City*
16. AYALA - ALABANG BRANCH - G/F CBC Bldg., Acacia Ave., Madrigal Business Park, Ayala Alabang, Muntinlupa City*
17. AYALA AVE. - AMORSOLO BRANCH - G/F Teleperformance Bldg., Ayala Ave., Legazpi Village, Makati City*
18. AYALA - COLUMNS BRANCH - G/F The Columns Tower 3, Ayala Ave cor. Sen. Gil Puyat Ave., Brgy. Bel-Air., Makati City*
19. AYALA MALLS - MANILA BAY BRANCH - Level 2 Ayala Malls Manila Bay, D. Macapagal Ave., Parañaque City*
20. BACLARAN - FB HARRISON BRANCH - BAGPI Main Bldg., 2935 Ortigas St. near cor. F.B. Harrison St., Pasay City*
21. BALINTAWAK - BONIFACIO BRANCH - 657 A. Bonifacio Ave., Balintawak, Quezon City*
22. BALUT BRANCH - North Bay Shopping Center, Honorio Lopez Boulevard, Balut, Tondo, Manila*
23. BANAWE BRANCH - CBC Bldg., 680 Banawe Ave., Sta.Mesa Heights, District I, Quezon City*

24. BANAWE - CALAMBA BRANCH - G/F One Banawe Complex Bldg., #119 Banawe St. cor Calamba St., Brgy. Sto. Domingo, QC*
25. BEL - AIR BRANCH - 2/F Saville Bldg., Gil Puyat Ave. cor. 8728 Paseo de Roxas, Makati City*
26. BEL - AIR - JUPITER BRANCH - Buendia Car Exchange, Jupiter Street, Makati City*
27. BETTER LIVING SUBD. BRANCH - 128 Doña Soledad Ave., Better Living, Brgy. Don Bosco, Parañaque City*
28. BF HOMES BRANCH - Aguirre cor. El Grande Aves., United BF Homes, Parañaque City*
29. BF HOMES - AGUIRRE BRANCH - Margarita Centre, Aguirre Ave. cor. Elsie Gaches St., BF Homes, Parañaque City*
30. BF RESORT VILLAGE BRANCH - BF Resort Drive cor. Gloria Diaz St., BF Resort Village, Talon Dos, Las Piñas City*
31. BGC - ICON PLAZA BRANCH - G/F Icon Plaza Bldg., 25th cor 5th Sts. Bonifacio South, Fort Bonifacio Global City, Taguig City*
32. BGC - ONE WORLD PLACE BRANCH - G/F One World Place, 32nd Avenue, Fort Bonifacio Global City, Taguig City*
33. BGC - WORLD PLAZA BRANCH - Unit 5 G/F World Plaza Bldg., L4B5 E-Square Information Technology Park, Crescent Park West, 5th Avenue, Bonifacio Global City, Taguig City *
34. BGC - W TOWER - G/F W Tower, 39th St., North Bonifacio Triangle, Fort Bonifacio Global City, Taguig City, 1634*
35. BINANGONAN BRANCH - National Road, Bo. Tagpos, Binangonan, Rizal*
36. BLUMENTRITT BRANCH - 1777-1781 Cavite St. cor. Leonor Rivera St., Blumentritt, Sta. Cruz, Manila*
37. BO. KAPITOLYO BRANCH - G/F P&E Bldg., 12 United cor. First Sts., Bo. Kapitolyo, Pasig City*
38. BONNY SERRANO BRANCH - G/F Greenhills Garden Square, 297 Col. Bonny Serrano Ave., Bagong Lipunan ng Crame, QC*
39. CAINTA BRANCH - CBC Bldg., F.P. Felix Ave., Brgy. San Isidro, Cainta, Rizal*
40. CAINTA - POBLACION BRANCH - A. Bonifacio Ave., Poblacion, Brgy. Sto. Domingo, Cainta, Rizal*
41. CAPITOL HILLS BRANCH - G/F Design Pro Bldg., Capitol Hills, Old Balara, Quezon City*
42. CENTURY CITY - KNIGHTS BRIDGE BRANCH - Unit 17 & 18 Knightsbridge Residences, Century City, Kalayaan Ave., Makati City*
43. CIRCUIT MAKATI BRANCH - Level 3, Ayala Mall, Circuit Makati, Hippodromo St., Brgy. Carmona, Makati City*
44. COMMONWEALTH AVE. BRANCH - LGF Ever Gotesco Mall, Commonwealth Ave. cor. Don Antonio Road, Quezon City*
45. COMMONWEALTH AVE. EXTENSION - CASA MILAN BRANCH - ALX Center Building, Commonwealth Ave. Ext., Brgy. North Fairview, Quezon City*
46. CONGRESSIONAL AVENUE BRANCH - G/F Unit C, The Arete Square, Congressional Ave., Project 8, Quezon City*
47. CONGRESSIONAL AVE. EXTENSION - MIRA NILA BRANCH - CBC Building, #71 Lot 28 Blk 2 Mira Nila Homes, Congressional Ave. Ext., Quezon City*
48. CONGRESSIONAL AVE. - PROJECT 8 BRANCH - 159 Congressional Ave., Brgy. Bahay Toro, Project 8, Quezon City*
49. CORINTHIAN HILLS BRANCH - G/F The Clubhouse, Corinthian Hills, Temple Drive, Brgy. Ugong Norte, Quezon City*
50. CUBAO - ARANETA BRANCH - Level 2, Ali Mall, Araneta Center, Cubao, Quezon City*
51. CUBAO - AURORA BRANCH - 911 Aurora Boulevard Extension cor. Miami St., Cubao, Quezon City
52. CUBAO - P. TUAZON BRANCH - No. 287 P. Tuazon Ave. near corner 18th Avenue, Brgy. San Roque, Cubao, Quezon City*
53. CULIAT- TANDANG SORA BRANCH - G/F Royal Midway Plaza, No. 419, Tandang Sora Ave. Brgy. Culiat, Quezon City*
54. D. TUAZON BRANCH - 148 D. Tuazon St., Brgy. Lourdes, Sta. Mesa Heights, Quezon City*
55. DAMAR VILLAGE BRANCH - The Clubhouse, Damar Loop, Damar Village, Quezon City*
56. DASMARIÑAS VILLAGE BRANCH - G/F Manila Memorial Park Building, 2283 Pasong Tamo Ext. cor. Lumbang St., Makati City*
57. DEL MONTE AVENUE BRANCH - G/F FRS Bldg., No. 497 Del Monte Ave., Brgy. Manresa, Quezon City*
58. DEL MONTE - MATUTUM BRANCH - No. 202 Del Monte Ave. near cor. Matutum St., Brgy. St. Peter, Quezon City*
59. DILIMAN - MATALINO BRANCH - J&L Building, #23 Matalino Street, Brgy. Central, Diliman, Quezon City*
60. DIVISORIA - STA. ELENA BRANCH - Unit G22 New Divisoria Condominium Center., 632 Sta. Elena St., Binondo, Manila
61. DON ANTONIO BRANCH - G/F Royale Place, Don Antonio Ave., Old Balara, Quezon City*
62. EASTWOOD CITY BRANCH - Unit D, Techno Plaza One, Eastwood City Cyberpark, E. Rodriguez Jr. Ave., Bagumbayan, QC*
63. EASTWOOD CITY FELINA CORPORATE PLAZA BRANCH - G/F Felina Corporate Plaza, #5 Eastwood Ave., Eastwood City, QC*
64. EDSA - KALOOKAN BRANCH - G/F HGL Building, 554 EDSA, Kalookan City*
65. EDSA - PHILAM BRANCH - 917 EDSA, Brgy. Philam, Quezon City*
66. EDSA - TIMOG AVE. BRANCH - G/F Richwell Corporate Center, 102 Timog Ave., Brgy. Sacred Heart, Quezon City*
67. ELCANO BRANCH - G/F Elcano Tower, Elcano St., Binondo, Manila
68. E. RODRIGUEZ - ACROPOLIS BRANCH - G/F Suncrest Building, 82 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City*
69. E. RODRIGUEZ - CORDILLERA BRANCH - 291 E. Rodriguez Sr. Blvd., Brgy. Doña Josefa, Quezon City*
70. E. RODRIGUEZ - HILLCREST BRANCH - No. 402 RCR Bldg., E. Rodriguez Sr. Blvd., Brgy. Immaculate Concepcion, Cubao, QC*
71. E. RODRIGUEZ SR. BLVD. BRANCH - CBC Bldg., #286 E. Rodriguez Sr. Blvd., Brgy. Damayang Lagi, Quezon City*
72. ERMITA BRANCH - G/F Ma. Natividad Bldg., #470 T. M. Kalaw cor. Cortada Sts., Brgy. 666, Ermita, Manila*
73. ESCOLTA BRANCH - Burke Building, Escolta corner Burke Streets, Binondo, Manila*
74. ESPAÑA BRANCH - 878 España cor. Valencia Sts., Sampaloc, Manila*
75. EVANGELISTA BRANCH - 1748 AMV Building, Evangelista cor. Gen Estrella Sts., Bangkal, Makati City*
76. EXAMINER BRANCH - No. 1525 Quezon Ave. cor. Examiner St., West Triangle, Quezon City*
77. FAIRVIEW BRANCH - G/F Angelenix House, Commonwealth Ave. cor. Camaro Sts., Fairview Park Subdivision, Fairview, QC*
78. FAIRVIEW TERRACES BRANCH - LGF Fairview Terraces, Quirino Hiway cor. Maligaya Drive, Brgy. Pasong Putik, Novaliches, QC*
79. FILINVEST CORPORATE CITY BRANCH - G/F Wilcon Depot, Alabang- Zapote Rd cor. Bridgeway Ave., Filinvest Corporate City, Alabang, Muntinlupa City*
80. FILINVEST CORP. CITY - COMMERCENTER BRANCH - G/F Commercenter Bldg., Commerce Ave. cor. Filinvest Ave., Filinvest Corp City, Alabang, Muntinlupa City
81. FILINVEST CORP. CITY - NORTHGATE BRANCH - G/F Aeon Centre Building, Northgate Cyberzone, Filinvest Corporate City, Alabang, Muntinlupa City*

82. FIVE E - COM CENTER BRANCH - G/F Five E-com Center, Harbor Drive, MOA Complex, Pasay City*
83. FORT BONIFACIO GLOBAL CITY BRANCH - G/F Marajo Tower, 26th St. cor. 4th Avenue, Fort Bonifacio Global City, Taguig City*
84. GEN. LUIS - KATIPUNAN - CBC Building, Gen. Luis St. corner Katipunan SB Road, Brgy. Nagkaisang Nayon, Novaliches, QC*
85. GIL PUYAT AVENUE BRANCH - Mitsu Bldg., No. 65 Sen. Gil Puyat Ave., Brgy. Palanan, Makati City*
86. GIL PUYAT - ELIZABETH PLACE BRANCH - G/F Elizabeth Place Condominium, 322 H.V. Dela Costa St., Brgy. Bel-Air, Makati City*
87. GIL PUYAT - REPOSO BRANCH - G/F 331 Bldg., Sen. Gil Puyat Ave., Brgy. Bel-Air, Makati City*
88. GREENBELT 1 BRANCH - G/F Greenbelt 1, Legaspi St. near cor. Paseo de Roxas, San Lorenzo, Makati City*
89. GREENHILLS BRANCH - G/F Gift Gate Bldg., Greenhills Shopping Center, San Juan City, Metro Manila**
90. GREENHILLS - ANNAPOLIS BRANCH - Mercedes 1 Condominium, Annapolis St., Greenhills, San Juan City*
91. GREENHILLS - CONNECTICUT BRANCH – G/F 101 Missouri Square Bldg., Missouri cor. Connecticut St., Northeast Greenhills, San Juan City*
92. GREENHILLS - ORTIGAS BRANCH - CBC Bldg., 14 Ortigas Ave. Greenhills, San Juan City, Metro Manila*
93. HEROES HILLS BRANCH - Quezon Ave. cor. J. Abad Santos St., Heroes Hills, Brgy. Sta. Cruz, Quezon City*
94. HOLY SPIRIT DRIVE BRANCH - CBC Building Lot 18 Block 6 Holy Spirit Drive, Don Antonio Heights, Brgy. Holy Spirit, Quezon City*
95. ILAYA BRANCH - #947 APL-YSL Bldg., Ilaya, Tondo, Manila
96. INTRAMUROS BRANCH - Sitio Grande, No. 409 A. Soriano Ave., Intramuros, Manila*
97. J. ABAD SANTOS AVENUE BRANCH - 2159 J. Abad Santos Ave. cor. Batangas St., Tondo, Manila*
98. J. ABAD SANTOS AVE. - QUIRICADA BRANCH - #1714 J. Abad Santos Ave. near cor Quiricada Street, Brgy. 252, Tondo, Manila*
99. JUAN LUNA BRANCH - G/F Aclem Bldg., 501 Juan Luna St., Binondo, Manila*
100. KALAYAAN AVE. BRANCH - G/F PPS Bldg., Kalayaan Ave., Quezon City*
101. KALOOKAN - 8TH AVE.BRANCH - No. 279 Rizal Ave. cor, 8th Ave., Grace Park, Kalookan City*
102. KALOOKAN - 10TH AVE. BRANCH - No. 275 10th Ave. corner 3rd Street, Grace Park, Kalookan City*
103. KALOOKAN BRANCH - CBC Bldg., 167 Rizal Ave. Extension, Grace Park, Kalookan City*
104. KALOOKAN - CAMARIN BRANCH - L8B4 La Forteza Subd., Brgy. 175, Camarin, Kalookan City*
105. KALOOKAN - MONUMENTO BRANCH - CBC Bldg., 779 McArthur Highway, District 2, Brgy. 78, Kalookan City*
106. KAMIAS BRANCH - G/F CRM Bldg., 116 Kamias Road cor. Kasing-Kasing St., Quezon City*
107. KAMUNING BRANCH - SKY47 Bldg., #47 Kamuning Road, Quezon City*
108. KANLAON BRANCH - Kanlaon near corner N. Roxas Streets, Quezon City*
109. KARUHATAN BRANCH - No. 253-B McArthur Highway cor, Bizotte St., Karuhatan, Valenzuela City*
110. KATIPUNAN AVE. - LOYOLA HEIGHTS BRANCH - GF Elizabeth Hall Bldg., Katipunan Ave., Loyola Heights, Quezon City*
111. KATIPUNAN AVE.- ST. IGNATIUS BRANCH - CBC Bldg., No. 121 Katipunan Ave., Brgy. St. Ignatius, Quezon City*
112. LAGRO BRANCH - CBC Building, Lot 32 Blk 125, Quirino Highway, Greater Lagro, Quezon City*
113. LAS PIÑAS BRANCH - CBC Bldg., Alabang-Zapote Road cor. Aries St., Pamplona Park Subd., Las Piñas City*
114. LAS PIÑAS - MANUELA BRANCH - CBC Bldg., Alabang-Zapote Road cor. Philamlife Ave., Pamplona Dos, Las Piñas City*
115. LAS PIÑAS - MARCOS ALVAREZ BRANCH – G/F Metro Towne Center, 2020 Marcos Alvarez Ave., Talon 5, Moonwalk, Las Piñas City*
116. LAS PIÑAS - NAGA ROAD BRANCH - Lot 3, Naga Road, Pulanglupa 2, Las Piñas City*
117. LAVEZARES BRANCH - 412 Lavezares Street, San Nicolas, Manila*
118. LEGASPI VILLAGE - AIM BRANCH - G/F Cacho-Gonzales Bldg, 101 Aguirre cor. Trasierra Sts., Legaspi Vill., San Lorenzo, Makati City*
119. LEGASPI VILLAGE - AMORSOLO BRANCH - G/F CAP Bldg., Herrera cor. Amorsolo Sts., Legaspi Village, San Lorenzo, Makati City*
120. LEGASPI VILLAGE - C. PALANCA BRANCH - G/F JCS Building, 119 Dela Rosa corner C. Palanca St., Legazpi Village, Makati City*
121. LEGASPI VILLAGE - ESTEBAN BRANCH - G/F PPI Bldg., No. 109 Esteban St., Legaspi Village, Makati City*
122. LEGASPI VILLAGE - PEREA BRANCH - G/F Greenbelt Mansion, 106 Perea St., Legaspi Village, Brgy. San Lorenzo, Makati City*
123. LEGASPI VILLAGE - SALCEDO BRANCH - G/F Fedman Suites, 199 Salcedo St., Legaspi Village, Brgy. San Lorenzo, Makati City*
124. M. DELA FUENTE - TRABAJO MARKET BRANCH - #771 M. Dela Fuente St., Sampaloc, Manila*
125. MACAPAGAL AVE. - ASEANA SQUARE BRANCH - Aseana Square (Caltex Area), D. Macapagal Ave., Aseana City, Brgy. Tambo, Parañaque City*
126. MACAPAGAL AVE. - BIOPOLIS BRANCH - G/F The Biopolis, Central Business Park, 1-A Diosdado Macapagal Avenue, Pasay City*
127. MACAPAGAL AVE. - DOUBLE DRAGON BRANCH - G/F Phase 1, DD Meridian Park Plaza, Macapagal Ave. cor. EDSA Ext., Pasay City*
128. MAGALLANES VILLAGE BRANCH - G/F DHI Bldg., No. 2 Lapu-Lapu Ave. cor. EDSA, Magallanes Village, Magallanes, Makati City*
129. MAKATI AVENUE BRANCH - G/F CBC Bldg., Makati Ave. cor. Hercules St., Bel-Air Village, Brgy. Bel-Air, Makati City*
130. MAKATI - COMEMBO BRANCH - F & V Bldg., No. 46 JP Rizal Ext., Brgy. Comembo, Makati City*
131. MAKATI - JP RIZAL BRANCH - GF Casa Catalina Bldg., JP Rizal corner Honradez Streets, Brgy. Olympia, Makati City*
132. MAKATI - KALAYAAN AVE. BRANCH - GF Zentro Bldg., 8445 Mercedes St. cor. Buntal St., Brgy. Poblacion, Makati City*
133. MAKATI - YAKAL BRANCH - G/F Yakal Place #173 Yakal St. near corner Ayala Ave. Ext., Makati City*
134. MALABON - CONCEPCION BRANCH - Gen. Luna cor. Paez Sts., Concepcion, Malabon City*
135. MALABON - GOV. PASCUAL BRANCH - CBC Bldg., Gov. Pascual Ave., Brgy. Acacia, Malabon City*
136. MALABON - POTRERO BRANCH - CBC Bldg., McArthur Highway, Potrero, Malabon*
137. MALANDAY BRANCH - CBC Bldg. McArthur Highway, Malanday, Valenzuela City*
138. MANDALUYONG - BONI AVE. BRANCH - G/F VOS Bldg. Boni Ave. cor. San Rafael St., Plain View, Mandaluyong City*
139. MANDALUYONG BONI - SAN ROQUE BRANCH - #768 Bonifacio Ave. cor. San Roque St., Brgy. Barangka Ilaya, Mandaluyong City*
140. MANDALUYONG - D. GUEVARA BRANCH - Libertad Plaza, #19 Domingo Guevara St., Highway Hills, Mandaluyong City*
141. MANDALUYONG - PIONEER BRANCH - UG-05 Globe Telecom Plaza Tower I, Pioneer St., Brgy. Ilaya, Mandaluyong City*

142. MANDALUYONG - THE PODIUM - 3/F The Podium, ADB Avenue, Ortigas Center, Mandaluyong City*
143. MANILA - MACEDA BRANCH - M. Daguman Bldg., A. Maceda St., Sampaloc, Manila*
144. MARIKINA - FAIRLANE BRANCH - G/F E & L Patricio Bldg., No. 809 J.P. Rizal Ave., Concepcion Uno, Marikina City*
145. MARIKINA - GIL FERNANDO BRANCH - Block 9 Lot 14 Gil Fernando Ave., Marikina City*
146. MARIKINA - SSS VILLAGE BRANCH - Lilac corner Rainbow Sts., Rancho Estate IV, Concepcion Dos, Marikina City*
147. MARIKINA - STA. ELENA BRANCH - 250 J.P. Rizal St., Sta. Elena, Marikina City*
148. MASANGKAY BRANCH - 959-961 G. Masangkay St., Binondo, Manila*
149. MASANGKAY - MAYHALIGUE BRANCH - No. 1417-1419 G. Masangkay St., Sta. Cruz, Manila*
150. MAYON BRANCH - 480 Mayon St., Brgy. Maharlika Sta. Mesa Heights, Quezon City *
151. MAYON - ROTONDA BRANCH - G/F One Mayon Place, #68 Mayon Street, Brgy. Sta. Teresita, Quezon City*
152. MEDICAL CENTER PARAÑAQUE - GF Medical Center Paranaque, Dr. Arcadio Santos Ave., San Antonio, Paranaque City*
153. MINDANAO AVE. BRANCH - 30 Mindanao Avenue, Brgy. Tandang Sora, Quezon City*
154. MUNTINLUPA - PUTATAN BRANCH - G/F Teknikos Bldg., National Highway, Brgy. Putatan, Muntinlupa City*
155. N. DOMINGO BRANCH - G/F The Main Place Bldg., No.1 Pinaglabanan cor. N. Domingo Sts., San Juan City*
156. NAVOTAS BRANCH - No. 500 M. Naval St. near cor. Lacson St. Brgy. North Bay Blvd. North (NBBN), Navotas City*
157. NOVALICHES - BAGBAG BRANCH - No. 658 Quirino Highway, Bagbag, Novaliches, Quezon City*
158. NOVALICHES - GULOD BRANCH - 858 Krystle Building, Quirino Highway, Gulod, Novaliches, Quezon City*
159. NOVALICHES - SANGANDAAN BRANCH - CBC Bldg., Quirino Highway cor. Tandang Sora Ave., Brgy. Sangandaan, Novaliches, Quezon City*
160. NOVALICHES - STA. MONICA BRANCH - G/F E & V Bldg., Quirino Highway corner Dumalay St., Novaliches, Quezon City*
161. NOVALICHES - TALIPAPA BRANCH - 528 Copengco Bldg., Quirino Highway, Talipapa, Novaliches, Quezon City*
162. NOVALICHES - ZABARTE - G/F C.I. Bldg 1151 Quirino Highway cor. Zabarte Road, Brgy. Kaligayahan, Novaliches, Quezon City*
163. NUEVA BRANCH - Unit Nos. 557 & 559 G/F Ayson Bldg., Yuchengco St., Binondo, Manila*
164. ONGPIN BRANCH - G/F Se Jo Tong Bldg., 814 & 816 Ongpin St., Brgy. 297, Sta. Cruz, Manila*
165. OROQUIETA BRANCH - No. 1225-1227 Oroquieta St., Sta. Cruz, Manila*
166. ORTIGAS - ADB AVE. BRANCH - LGF Cityland & Land Mega Plaza Bldg., ADB Ave. cor. Garnet Road, Ortigas Center, Brgy. San Antonio, Pasig City*
167. ORTIGAS AVE. EXT. - RIVERSIDE BRANCH - Unit 2-3 Riverside Arcade, Ortigas Ave Ext. cor. Riverside Drive, Brgy. Sta. Lucia, Pasig City*
168. ORTIGAS CENTER BRANCH - Unit 105 Parc Chateau Condominium, Garnet, Ortigas Center, Pasig City*
169. ORTIGAS COMPLEX BRANCH - G/F Padilla Bldg., F. Ortigas Jr. Road, Ortigas Center, Brgy. San Antonio, Pasig City*
170. ORTIGAS - JADE DRIVE BRANCH - Unit G-03, Antel - Global Corporate Center, Jade Drive, Ortigas Center, Brgy. San Antonio, Pasig City*
171. ORTIGAS - TEKTITE BRANCH - Unit EC-06B PSE Center (Tektite), Exchange Road, Ortigas Center, Pasig City*
172. PACO BRANCH - 1049 Gen. Luna cor. Escoda St., Paco, Manila*
173. PACO - ANGEL LINAO BRANCH - Unit 1636 & 1638 Angel Linao St. Paco, Manila*
174. PACO - OTIS BRANCH - G/F Union Motor Corporation Bldg., 1760 Dra. Paz Guanzon St., Paco, Manila*
175. PADRE FAURA BRANCH - G/F Regal Shopping Center, A. Mabini cor. Padre Faura Sts., Ermita, Manila*
176. PADRE RADA BRANCH - G/F Gosiupo Bldg., Padre Rada corner Elcano Sts., Tondo, Manila
177. PARAÑAQUE - BACLARAN BRANCH - TCCT Bldg., 123 Quirino Avenue cor. Aragon St., Baclaran, Parañaque City*
178. PARAÑAQUE - MOONWALK BRANCH - G/F JDLA Bldg., Milky Way St. cor. Armstrong Avenue, Moonwalk Village, Brgy. Moonwalk, Parañaque City*
179. PARAÑAQUE - NAIA BRANCH - G/F AFCI Bldg., 4988 Ninoy Aquino Ave., cor. Kabihasnan St., Brgy. San Dionisio, Parañaque City*
180. PARAÑAQUE - SAN ANTONIO VALLEY BRANCH - San Antonio Shopping Center, San Antonio Road, Brgy. San Antonio Valley 1, Parañaque City*
181. PARAÑAQUE - SUCAT BRANCH - No. 8260 Dr. A. Santos Ave., Brgy. San Isidro, Parañaque City*
182. PASAY - LIBERTAD BRANCH - CBC Bldg., 184 Libertad St., Antonio Arnaiz Ave., Pasay City*
183. PASAY - ROXAS BLVD. BRANCH - GF Unit G-01 Antel Seaview Towers, 2626 Roxas Blvd., Pasay City*
184. PASIG - A. MABINI BRANCH - A. Mabini Street, Brgy. Kapasigan, Pasig City*
185. PASIG - C. RAYMUNDO BRANCH - G/F MicMar Apartments No. 6353 C. Raymundo Ave., Brgy. Rosario, Pasig City*
186. PASIG - DELA PAZ BRANCH - Amang Rodriguez Avenue, Brgy. Dela Paz, Pasig City*
187. PASIG - CARUNCHO - No. 7 Caruncho Ave., Pasig City*
188. PASIG - ESTANCIA BRANCH - LGF Estancia (Expansion) Capitol Commons, Meralco Ave., Pasig City*
189. PASIG - MERCEDES BRANCH - Commercial Motors Corp. Compound, Mercedes Ave., Brgy. San Miguel, Pasig City**
190. PASIG - ROSARIO BRANCH - 1864 Ortigas Ave. Ext., Rosario, Pasig City*
191. PASIG - SAN JOAQUIN BRANCH - No. 43 M. Concepcion Ave., San Joaquin, Pasig City*
192. PASIG - SANTOLAN BRANCH - G/F Felmarc Business Center, Amang Rodriguez Ave., Santolan, Pasig City*
193. PASIG - SM SUPERCENTER BRANCH - G/F SM Supercenter Pasig, Frontera Drive, C-5, Brgy. Ugong, Pasig City*
194. PASIG - VALLE VERDE BRANCH - G/F Reliance IT Center, E. Rodriguez Jr. Ave., Ugong, Pasig City*
195. PASO DE BLAS BRANCH - #63 Paso de Blas, Valenzuela City*
196. PASONG TAMO - BAGTIKAN BRANCH - G/F Trans-Phil House, 1177 Chino Roces Ave. cor. Bagtikan St., Makati City*
197. PASONG TAMO - CITYLAND BRANCH - Units UG29-UG32 Cityland Pasong Tamo Tower, 2210 Pasong Tamo St., Makati City*
198. PASONG TAMO - LA FUERZA – Unit 14 & 15 La Fuerza Plaza 1, 2241 Chino Roces Ave., Makati City*
199. PATEROS BRANCH - G/F Adela Bldg., M. Almeda St., Brgy. San Roque, Pateros*
200. PHILAM BRANCH - #8 East Lawin Drive, Philam Homes, Quezon City*
201. PROJECT 8 - SHORTHORN - CBC Bldg., 43 Shorthorn Street, Bahay Toro, Project 8, Quezon City*

202. PUREZA BRANCH - G/F Solicarel Building, Ramon Magsaysay Blvd. near corner Pureza St., Sta. Mesa, Manila*
203. QUEZON AVE. BRANCH - No. 18, G/F G&D Bldg., Quezon Ave. cor. D. Tuazon St., Brgy. Doña Josefa, Quezon City*
204. QUIAPO BRANCH - 216-220 Villalobos St., Quiapo, Manila
205. REGALADO AVE. - CBC Building, #34 Regalado Ave., North Fairview, Quezon City*
206. REGALADO AVE. - WEST FAIRVIEW – CBC Building, Regalado Ave. corner Bulova St., Quezon City*
207. RIZAL - ANGONO - Lot 3 Blk. 4 M.L Quezon Ave., Richmond Subd., Angono, Rizal*
208. RIZAL - SAN MATEO BRANCH - #63 Gen. Luna corner Simon St., Banaba, San Mateo, Rizal*
209. ROCKWELL - ORTIGAS BRANCH - G/F Tower 1, Rockwell Business Center, Ortigas Avenue, Pasig City
210. ROOSEVELT AVE. BRANCH - CBC Bldg., #293 Roosevelt Ave., San Francisco Del Monte, Quezon City*
211. ROOSEVELT AVE. - FRISCO BRANCH - G/F Norita Bldg., #51 H. Francisco St. corner Roosevelt Ave., Brgy. Paraiso, QC*
212. SALCEDO VILLAGE - LP LEVISTE BRANCH - Unit 1-B G/F The Athenaeum, San Agustin, #160 LP Leviste St., Salcedo Village, Brgy. Bel-Air, Makati City*
213. SALCEDO VILLAGE - TORDESILLAS BRANCH - G/F Prince Tower Condominium, 14 Tordesillas St., Salcedo Village, Makati City*
214. SALCEDO VILLAGE - VALERO BRANCH - G/F Valero Tower, 122 Valero St., Salcedo Village, Makati City*
215. SALES - RAON BRANCH - 611 Sales St., Quiapo, Manila*
216. SAN ANTONIO VILLAGE - KAMAGONG BRANCH - Kamagong near corner St. Paul Streets, San Antonio Vill., Makati City*
217. SAN ANTONIO VILLAGE - P. OCAMPO BRANCH - JM Macalino Auto Center, 1405 P. Ocampo Street cor. Dungon St., San Antonio Village, Makati*
218. SAN JUAN - J. ABAD SANTOS BRANCH - Unit 3 Citiplace Bldg., 8001 Jose Abad Santos St., Little Baguio, San Juan City*
219. SAN JUAN BRANCH - No. 17 F. Blumentritt St., San Juan, Metro Manila*
220. SCT. BORROMEO BRANCH - G/F The Forum Building, 71- A Sct. Borromeo St., Diliman, Quezon City*
221. SCT. CHUATOCO BRANCH -Estuar Building, No.880 Quezon Ave., Brgy. Paligsahan, Quezon City*
222. SHAW - GOMEZVILLE BRANCH - Gomezville Street cor. Shaw Blvd., Mandaluyong City*
223. SHAW - HAIG BRANCH - G/F First of Shaw Bldg, Shaw Blvd, cor. Haig St, Mandaluyong City*
224. SHAW - PASIG BRANCH - G/F RCC Center, No. 104 Shaw Boulevard, Pasig City*
225. SHAW - SUMMIT ONE BRANCH - Unit 102 Summit One Office Tower, 530 Shaw Boulevard, Mandaluyong City*
226. SM AURA PREMIER BRANCH - LGF SM Aura Premier, McKinley Parkway, Fort Bonifacio Global City, Taguig City*
227. SM CITY BF PARAÑAQUE BRANCH - G/F SM City BF Parañaque, Dr. A. Santos Ave. cor. President's Ave., BF Homes, Parañaque City*
228. SM CITY BICUTAN BRANCH - LGF Bldg. B, SM City Bicutan Doña Soledad Ave. cor. West Service Road, Parañaque City**
229. SM CITY FAIRVIEW BRANCH - LGF SM City Fairview, Quirino Ave. cor. Regalado Ave. Fairview, Greater Lagro, Quezon City*
230. SM CITY GRAND CENTRAL BRANCH – LGF SM City Grand Central, Rizal Ave. Extension corner Bustamante Street, Kalookan City*
231. SM CITY MARIKINA BRANCH - G/F SM City Marikina, Marcos Highway, Brgy. Calumpang, Marikina City*
232. SM CITY MASINAG BRANCH - LGF SM City Masinag, Marcos Highway, Brgy. Mayamot Antipolo City, Rizal*
233. SM CITY SAN LAZARO BRANCH - UGF (Units 164-166) SM City San Lazaro, Felix Huertas St. cor. A.H. Lacson Ext., Sta. Cruz, Manila*
234. SM CITY TAYTAY BRANCH - Unit 147 Bldg. B, SM City Taytay, Manila East Road, Brgy. Dolores, Taytay, Rizal*
235. SM MALL OF ASIA BRANCH - 3F SM Main Mall Building, Mall of Asia, Bay Blvd., Pasay City**
236. SM MEGAMALL BRANCH - LGF Bldg. A, SM Megamall, EDSA cor. Julia Vargas St., Mandaluyong City*
237. SM NORTH EDSA BRANCH - GF Cyberzone Carpark Bldg., SM City North Ave cor. EDSA, Brgy. Sto. Cristo, Bago Bantay, QC*
238. SM NORTH TOWERS BRANCH - SM City North EDSA North Towers, SM City North EDSA Complex, Quezon City*
239. SM SOUTHMALL BRANCH - UGF SM Southmall, Alabang-Zapote Road, Almanza Uno, Las Piñas City *
240. SOLEMARE BRANCH - G-11 Solemare Parksuites, 5A Bradco Avenue, Aseana Business Park, Parañaque City*
241. SOLER - ARRANQUE BRANCH - #715 T. Alonzo St. near corner CM Recto Avenue, Sta. Cruz, Manila*
242. SOLER - 168 BRANCH - G/F R&S Bldg., Soler St., Binondo, Manila*
243. SOUTH TRIANGLE BRANCH - G/F Sunshine Blvd. Plaza, Quezon Ave. cor. Sct. Santiago and Panay Ave., Bgry. South Triangle, QC*
244. STA. MESA BRANCH - 1-B G. Araneta Avenue, Brgy. Doña Imelda, Quezon City*
245. STO. CRISTO BRANCH - E-Square Bldg., 622-39 Sto. Cristo St. Binondo, Manila
246. STO. CRISTO - CM RECTO BRANCH - 858 Sto. Cristo Street, San Nicolas, Manila
247. STO. DOMINGO AVE. BRANCH - GF JRich Holdings Bldg., Sto. Domingo Ave., Brgy. Sto. Domingo, Quezon City*
248. T. ALONZO BRANCH - Anttan Residences, 908 Espeleta St. Cor T. Alonzo, Brgy. 298, Sta. Cruz, Manila*
249. TAFT AVE. - NAKPIL BRANCH - G Square Taft Ave. corner Nakpil St., Malate, Manila*
250. TAFT AVE. - QUIRINO BRANCH - The Gregorian Bldg., 2178 Taft Ave. near cor. Quirino Ave., Malate, Manila*
251. TANDANG SORA - VISAYAS AVE. BRANCH - #250 Tandang Sora Ave., Brgy. Tandang Sora, Quezon City*
252. TAYTAY - ORTIGAS EXTENSION BRANCH - The Gate, Baltao Compound, Ortigas Ave. Ext., San Isidro Taytay, Rizal*
253. TAYTAY - SAN JUAN BRANCH - Velasquez St., Sitio Bangiad, Brgy. San Juan, Taytay, Rizal**
254. THE MEDICAL CITY BRANCH - 2/F Medical Arts Building, The Medical City, Ortigas Ave., Pasig City
255. TIMOG AVE. BRANCH - G/F Prince Jun Condominium, #42 Timog Ave., Brgy. Laging Handa, Quezon City*
256. TOMAS MAPUA - LAGUNA BRANCH - CBC Building, Tomas Mapua St., Sta. Cruz, Manila*
257. TOMAS MORATO - E. RODRIGUEZ BRANCH - #42 Metrofocus Bldg., Tomas Morato Avenue, Brgy. Kristong Hari, Quezon City*
258. TOMAS MORATO EXTENSION BRANCH - G/F QY Bldg., Tomas Morato Avenue, Brgy. South Triangle, Quezon City*
259. TRINOMA BRANCH - Unit P002, Level P1, Triangle North of Manila, North Ave. cor. EDSA, Brgy. Pag-asa, QuezonCity*
260. TUTUBAN PRIME BLOCK BRANCH - Rivera Shophouse, Podium Area, Tutuban Center Prime Block, C.M. Recto Ave. cor. Rivera St., Manila*
261. UP TECHNO HUB BRANCH - UP Ayala Land Techno Hub, Commonwealth Ave., Quezon City*

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

China Bank Parent
Provincial Branches

1. ALBAY BRANCH - Rizal St. cor. Gov. Reynold Street, Old Albay District, Legazpi City, Albay*
2. ANGELES CITY BRANCH - CBC Bldg., 949 Henson St., Angeles City, Pampanga*
3. ANGELES CITY - BALIBAGO BRANCH - Diamond Square Bldg., Service Road McArthur Highway cor. Charlotte St., Balibago, Angeles City, Pampanga*
4. ANGELES CITY - MARQUEE MALL BRANCH - G/F Activity Center, Marquee Mall, Angeles City, Pampanga*
5. ANGELES - MCARTHUR HIGHWAY BRANCH - CBC Bldg., San Pablo St. cor. McArthur Highway, Brgy. CM Recto,Angeles City, Pampanga*
6. ANGELES - STO. ROSARIO BRANCH - Angeles Business Center Bldg., Teresa Ave., Nepo Mart Complex, Angeles City, Pampanga*
7. ANTIQUE - SAN JOSE BRANCH - Felrosa Bldg., Gen. Fullon St. cor. Cerdena St., San Jose, Antique*
8. APALIT BRANCH - CBC Bldg., McArthur Highway, San Vicente, Apalit, Pampanga*
9. BACOLOD - ARANETA BRANCH - CBC Bldg., Araneta cor. San Sebastian Sts., Bacolod City, Negros Occidental*
10. BACOLOD - LACSON BRANCH - GF Soliman Bldg., Lacson corner Luzuriaga Sts., Brgy. 29, Bacolod City, Negros Occidental*
11. BACOLOD - LIBERTAD BRANCH - Libertad St., Brgy. 40, Bacolod City, Negros Occidental*
12. BACOLOD - MANDALAGAN BRANCH - COFA Building, Lacson St., Brgy. Mandalagan, Bacolod City, Negros Occidental*
13. BACOLOD - NORTH DRIVE BRANCH - Unit 1, Anesa Bldg., B.S. Aquino Drive, Brgy. Villamonte, Bacolod City, Negros Occidental*
14. BAGUIO CITY BRANCH - G/F Juniper Bldg., A. Bonifacio St., Brgy. ACBR, Baguio City, Benguet*
15. BAGUIO CITY - KISAD BRANCH - G/F Paladin Hotel, No. 136 Kisad cor. Cariño St., Baguio City, Benguet*
16. BALANGA CITY BRANCH – Servicio Filipino Bldg., Paterno St., Poblacion, Balanga City, Bataan*
17. BALER BRANCH - Uy Bldg., Quezon St., Barrio Suklayain, Baler, Aurora**
18. BALIWAG BRANCH - Km. 51, Doña Remedios Trinidad (DRT) Highway, Baliwag, Bulacan*
19. BATAAN - DINALUPIHAN BRANCH - GNI Building, San Ramon Highway corner Doña Rosa Street and Mabini Ext., Dinalupihan, Bataan*
20. BATANGAS CITY BRANCH - P. Burgos St., Brgy. 10, Poblacion, Batangas City, Batangas*
21. BATANGAS CITY - KUMINTANG ILAYA BRANCH - CBC Building, Brgy. Kumintang Ilaya, Batangas City, Batangas*
22. BATANGAS - BALAYAN BRANCH - CBC Building, Barrio Ermita, Balayan, Batangas*
23. BATANGAS - BAUAN BRANCH - 62 Kapitan Ponso St., Bauan, Batangas*
24. BATANGAS - LEMERY BRANCH - Miranda Bldg., Ilustre Ave. Lemery, Batangas*
25. BATANGAS - ROSARIO BRANCH - Dr. Gualberto Ave., Brgy. Namunga, Rosario, Batangas*
26. BATANGAS - SAN JUAN BRANCH - Rizal St. near corner Gen. Luna St., Poblacion, San Juan, Batangas*
27. BATANGAS - TANAUAN BRANCH - J.P Laurel Highway, Tanauan City, Batangas*
28. BAYBAY CITY BRANCH - Brodeth Bldg., R. Magsaysay Ave., Baybay City, Leyte*
29. BORONGAN BRANCH - E. Daza cor. Cardona St., Balud II, Bgy. Poblacion Borongan City, Eastern Samar*
30. BULACAN - BALAGTAS BRANCH - G/F RES Bldg., McArthur Highway, Brgy. San Juan, Balagtas, Bulacan*
31. BULACAN - GUIGUINTO BRANCH - CBC Building, Cagayan Valley Road, Brgy. Sta. Rita, Guiguinto, Bulacan*
32. BULACAN - PLARIDEL BRANCH - CBC Building, Cagayan Valley Road, Brgy. Banga I, Plaridel, Bulacan*
33. BULACAN - STA. MARIA BRANCH - J.P Rizal cor. C. De Guzman St., Poblacion, Sta. Maria, Bulacan*
34. BUTUAN CITY BRANCH - CBC Building, J.C. Aquino Avenue, Brgy. Imadejas, Butuan City, Agusan del Norte*
35. CABANATUAN CITY BRANCH – Paco Roman St., Brgy. Dimasalang, Cabanatuan City, Nueva Ecija*
36. CABANATUAN - MAHARLIKA BRANCH - CBC Bldg., Maharlika Highway, Brgy. Dicarma, Cabanatuan City, Nueva Ecija*
37. CAGAYAN DE ORO - CARMEN BRANCH - G/F GT Realty Bldg., Max Suniel St. cor. Yakal St., Carmen, Cagayan De Oro City, Misamis Oriental*
38. CAGAYAN DE ORO - DIVISORIA BRANCH - RN Abejuela St., South Divisoria, Cagayan de Oro City, MisamisOriental*
39. CAGAYAN DE ORO - GAISANO CITY MALL BRANCH - G/F Gaisano City Mall, C. M. Recto Ave. cor. Corrales Ext., Cagayan De Oro City, Misamis Oriental*
40. CAGAYAN DE ORO - LAPASAN BRANCH - CBC Bldg, Claro M. Recto Ave., Lapasan, Cagayan de Oro City, Misamis Oriental*
41. CAGAYAN DE ORO - PUERTO BRANCH - Luis A.S. Yap Bldg, Sayre Hiway, Zone 6, Brgy. Puerto, Cagayan De Oro City, Misamis Oriental*
42. CALAPAN BRANCH - G/F Gliceria Concepcion Bldg., J.P. Rizal St., San Vicente, Calapan City, Oriental Mindoro*
43. CALBAYOG BRANCH - Cajurao cor. Gomez Sts., Balud, Calbayog Dist., Calbayog City, Samar*
44. CAMALANIUGAN BRANCH - CBC Building, National Highway, Brgy. Dugo, Camalaniugan, Cagayan*
45. CANDON CITY BRANCH - CBC Bldg., National Road, San Isidro, Candon City, Ilocos Sur*
46. CARMONA BRANCH - CBC Bldg, Paseo de Carmona, Brgy. Maduya, Carmona, Cavite*
47. CATARMAN BRANCH - Cor. Rizal & Quirino Sts, Brgy. Jose P. Rizal, Catarman, Northern Samar*

48. CATBALOGAN BRANCH - CBC Bldg. Del Rosario St. cor. Taft Ave., Catbalogan City, Samar*
49. CAUAYAN CITY BRANCH - G/F Prince Christopher Bldg. Maharlika Highway, Cauayan City, Dist. 2, Isabela*
50. CAVITE - DASMARIÑAS BRANCH - G/F CBC Bldg., Gen. E. Aguinaldo Highway, Dasmariñas, Cavite**
51. CAVITE - GEN. TRIAS BRANCH - Lot 12 Brookeside Lane 5 Arnaldo Highway, Brgy. San Francisco, Gen. Trias City, Cavite*
52. CAVITE - IMUS BRANCH - G/F CBC Bldg., Nueno Ave., Tanzang Luma, Imus, Cavite*
53. CAVITE - MOLINO BRANCH - Patio Jacinto, Molino Road, Molino 3, Bacoor, Cavite*
54. CAVITE - ROSARIO BRANCH - G/F CBC Bldg., Gen Trias Drive, Rosario, Cavite*
55. CAVITE - SILANG BRANCH - CBC Building, J.P Rizal St., Poblacion, Silang, Cavite*
56. CAVITE - SM CITY BACOOR BRANCH - LGF SM City Bacoor Tirona Highway cor. Aguinaldo Highway Bacoor, Cavite*
57. CEBU - AYALA BRANCH - Unit 101 G/F Insular Life Cebu Business Center, Mindanao Ave. cor. Biliran Road, Cebu Business Park, Cebu City, Cebu*
58. CEBU - BANAWA BRANCH - G/F The J Block, Duterte St., Banawa, Guadalupe, Cebu City, Cebu*
59. CEBU - BANILAD BRANCH - CBC Bldg., A.S. Fortuna St., Banilad, Cebu City, Cebu*
60. CEBU - BASAK - SAN NICOLAS BRANCH - Bai Center, N. Bacalso Ave., Brgy. Basak San Nicolas, Cebu City, Cebu*
61. CEBU - BOGO BRANCH - G/F SIM Bldg., P. Rodriguez St., Bogo City Cebu*
62. CEBU BUSINESS CENTER BRANCH - G/F Chinabank Corporate Center, Samar Loop cor. Panay Road, Cebu Business Park, Cebu City, Cebu*
63. CEBU - CARCAR BRANCH - Dr. Jose Rizal St, Poblacion I, Carcar, Cebu City, Cebu*
64. CEBU - CONSOLACION BRANCH - G/F SM City Consolacion, Brgy. Lamac, Consolacion, Cebu*
65. CEBU - ESCARIO BRANCH - Units 3 & 5, Escario Central, Escario Road, Cebu City, Cebu*
66. CEBU - F. RAMOS BRANCH - G/F Cebu Velez Hospital, 41-3 F. Ramos St., Brgy. Cogon, Cebu City, Cebu*
67. CEBU - GORORDO BRANCH - No 424, Gorordo Ave., Bo. Kamputhaw, Cebu City, Cebu*
68. CEBU - GUADALUPE BRANCH - CBC Bldg., M. Velez St., cor. V. Rama Ave., Guadalupe, Cebu City, Cebu*
69. CEBU - IT PARK BRANCH - G/F, The Link, Cebu IT Park, Apas, Cebu City, Cebu*
70. CEBU - LAHUG BRANCH - JY Square Mall, No. 1 Salinas Dr., Lahug, Cebu City, Cebu*
71. CEBU - LAPU LAPU PUSOK BRANCH - G/F Goldberry Suites, President Quezon National Highway, Pusok, Lapu-Lapu City, Cebu*
72. CEBU - LAPU LAPU CENTRO BRANCH - A. Geson Bldg., G.Y Dela Serna St., Poblacion, Lapu Lapu City, Cebu*
73. CEBU - MAGALLANES BRANCH - CBC Bldg., Magallanes cor. Jakosalem Sts., Brgy. Sto. Niño, Cebu City, Cebu*
74. CEBU - MANDAUE BRANCH - SV Cabahug Bldg., 155-B SB Cabahug St., Brgy. Centro, Mandaue City, Cebu*
75. CEBU - MANDAUE CABANCALAN BRANCH - G/F A. Geson Bldg., M.L. Quezon St., Cabancalan, Mandaue City, Cebu*
76. CEBU - MANDAUE - J. CENTRE MALL BRANCH - LGF J Centre Mall, A.S. Fortuna Ave., Bakilid Mandaue City, Cebu*
77. CEBU - MANDAUE NORTH ROAD BRANCH - G/F Units G1-G3, Basak Commercial Bldg. (Kel-2) , North Road, Tabok, Mandaue City, Cebu*
78. CEBU - MANDAUE NRA BRANCH - G/F Bai Hotel Cebu, Ouano Ave. cor. Seno Blvd, North Reclamation Area, Mandaue City, Cebu*
79. CEBU - MINGLANILLA BRANCH - Unit 9 Plaza Margarita, Linao-Lipata, Minglanilla, Cebu*
80. CEBU - NAGA BRANCH - Leah's Square, National South Highway, East Poblacion, Naga City, Cebu*
81. CEBU - SM CITY BRANCH - UGF SM City Cebu, Juan Luna cor. A. Soriano Ave., North Reclamation Area, Brgy. Mabolo, Cebu City, Cebu**
82. CEBU - SM SEASIDE CITY BRANCH - LGF SM Seaside City, SM Seaside Complex, South Road Properties, Mambaling, Cebu City, Cebu*
83. CEBU - SUBANGDAKU BRANCH - G/F A.D. Gothong I.T. Center, Subangdaku, Mandaue City, Cebu*
84. CEBU - TALAMBAN BRANCH - Unit UG-7 Gaisano Grand Mall Talamban, Gov. Cuenco Ave., Brgy. Talamban, Cebu City, Cebu*
85. CEBU - TALISAY BRANCH - CBC Bldg., 1055 Cebu South National Road, Bulacao, Talisay City, Cebu*
86. CLARK FREEPORT ZONE BRANCH - G/F Stotsenberg Lifestyle Center, N. Aquino corner S. Osmeña & E. Jacinto Sts., Clark Freeport Zone, Mabalacat, Pampanga*
87. COTABATO CITY BRANCH - No. 76 BH Century Inc., S.K. Pendatun Ave., Cotabato City, Maguindanao*
88. DAET BRANCH - Vinzons Ave., Daet, Camarines Norte*
89. DAGUPAN - M.H.DEL PILAR BRANCH - Carried Realty Bldg., No. 28 M.H. del Pilar St., Dagupan City, Pangasinan*
90. DAGUPAN - PEREZ BRANCH - GF Siapno Bldg., Perez Boulevard, Brgy. Pogo Chico, Dagupan City, Pangasinan*
91. DAVAO - BAJADA BRANCH - B.I. Zone Bldg., J.P. Laurel Ave., Bajada, Davao City, Davao del Sur*
92. DAVAO - BUHANGIN BRANCH - VG Building, Km. 5, Buhangin Davao City *
93. DAVAO - CALINAN BRANCH - G/F TNE Bldg., Davao-Bukidnon National Hiway - Riverside, Calinan Proper, Davao City, Davao del Sur**
94. DAVAO - INSULAR VILLAGE BRANCH - Km. 8, Insular Village I, Lanang, Davao City, Davao del Sur*
95. DAVAO - MA-A BRANCH - G/F Lapeña Bldg., Mac Arthur Highway, Matina, Davao City, Davao del Sur*
96. DAVAO - MATINA BRANCH – Comglasco Bldg., Km. 4 McArthur Highway, Matina, Davao City, Davao del Sur*
97. DAVAO - MONTEVERDE BRANCH - Doors 1 & 2, Sunbright Bldg., Monteverde St., Brgy. 27-C, Poblacion District, Davao City, Davao del Sur*
98. DAVAO - PANABO BRANCH - Grajeda Bldg (Major Building), Quezon St., Brgy New Pandan, Panabo City, Davao del Norte*
99. DAVAO - RECTO BRANCH - CBC Bldg., C.M. Recto Ave. cor. J. Rizal St. Davao City, Davao del Sur*
100. DAVAO - SM LANANG BRANCH - G/F SM Lanang Premier, J.P. Laurel Ave., Davao City, Davao del Sur*
101. DAVAO - STA. ANA BRANCH - R. Magsaysay Ave. cor. F. Bangoy St., Sta. Ana District, Davao City, Davao del Sur*
102. DAVAO - TAGUM BRANCH - Davao Central Warehouse Club, Inc. Building, Magugpo East, Lower Apokon, Tagum City, Davao del Norte*
103. DAVAO - TORIL BRANCH - JFI Building, Mc Arthur Highway cor. St. Peter St., Crossing Bayabas, Toril, Davao City, Davao del Sur*
104. DIPOLOG CITY BRANCH - CBC Bldg., Gen Luna cor. Gonzales Sts. Dipolog City, Zamboanga del Norte*
105. DOLORES BRANCH - CBC Bldg., McArthur Highway, Dolores, City of San Fernando, Pampanga*

106. DUMAGUETE CITY BRANCH - CBC Bldg., Real St., Dumaguete City, Negros Oriental*
107. GAPAN BRANCH - G/F Walter Mart Center - Gapan, Maharlika Highway, Brgy. Bayanihan, Gapan, Nueva Ecija*
108. GEN. SANTOS CITY BRANCH - CBC Bldg., I. Santiago Blvd., Gen. Santos City South Cotabato*
109. GEN. SANTOS CITY - DADIANGAS BRANCH - M. Roxas Ave. corner Lapu-Lapu Street, Brgy. Dadiangas East, General Santos City, South Cotabato*
110. GUAGUA BRANCH - Yabut Bldg., Plaza Burgos, Guagua, Pampanga*
111. ILIGAN CITY BRANCH - Lai Bldg., Quezon Ave. Extension, Pala-o, Iligan City, Lanao del Norte*
112. ILIGAN CITY - SOLANA DISTRICT BRANCH - G/F Andres Bonifacio Highway, Brgy. San Miguel, Iligan City, Lanao del Norte*
113. ILOCOS NORTE - SAN NICOLAS BRANCH - National Highway, Brgy. 2, San Baltazar, San Nicolas, Ilocos Norte*
114. ILOILO - IZNART BRANCH - Iznart corner J. De Leon Sts., Brgy. Magsaysay, Iloilo City, Iloilo*
115. ILOILO - JARO BRANCH - CBC Bldg., E. Lopez St., Iloilo City, Iloilo*
116. ILOILO - MABINI BRANCH - Tomas Sun Bldg., A. Mabini St., Iloilo City, Iloilo*
117. ILOILO - MANDURRIAO BRANCH - GF The Grid, Donato Pison cor. Pacencia Pison Avenues, Atria Park District, San Rafael, Mandurriao, Iloilo City*
118. ILOILO - RIZAL BRANCH - CBC Bldg., Rizal cor. Gomez Sts., Brgy. Ortiz, Iloilo City, Iloilo*
119. IRIGA CITY BRANCH - JP Rizal St., Highway 1, San Roque, Iriga City, Camarines Sur*
120. ISABELA - ILAGAN BRANCH - JHU Golden Grains Center Bldg., Maharlika Highway, Brgy. Baligatan, Ilagan, Isabela*
121. ISABELA - ROXAS BRANCH - National Road, Brgy. Bantug, Roxas, Isabela*
122. KALIBO BRANCH - Aklan Catholic College, Arch. Gabriel M. Reyes St., 5600, Kalibo, Aklan*
123. KIDAPAWAN CITY BRANCH - Datu Ingkal St., Brgy. Poblacion, Kidapawan City*
124. KORONADALCITY BRANCH - G/F LBU Bldg., Gen. Santos Drive cor. Aquino St. Koronadal City, South Cotabato*
125. LA TRINIDAD BRANCH - G/F SJV Bulasao Bldg., Halsema Highway, Km. 4, La Trinidad, Benguet*
126. LA UNION - CBC Building, National Highway, San Nicolas Sur, Agoo, La Union*
127. LA UNION - SAN FERNANDO BRANCH - Roger Pua Phee Bldg., National Highway, Brgy. 3, San Fernando, La Union*
128. LAGUNA - BIÑAN BRANCH - G/F Raja Cordelle Bldg, National Highway, Brgy. San Vicente, Biñan, Laguna*
129. LAGUNA - CABUYAO BRANCH - G/F Centro Mall, Pulo, Cabuyao City, Laguna*
130. LAGUNA - CALAMBA BRANCH - CBC Bldg., National Highway, Crossing, Calamba, Laguna*
131. LAGUNA - LOS BAÑOS BRANCH - JM Place, National Road, San Antonio, Los Baños, Laguna*
132. LAGUNA - SAN PEDRO BRANCH - No. 365 National Highway, Brgy. Nueva, San Pedro City, Laguna*
133. LAGUNA - STA. CRUZ BRANCH - A. Regidor St., Poblacion IV, Sta. Cruz, Laguna*
134. LAOAG CITY BRANCH - Liberato Abadilla St., Brgy 17, San Francisco, Laoag City, Ilocos Norte*
135. LEGAZPI CITY BRANCH - G/F Emma Chan Bldg., F. Imperial St., Brgy. Capantawan, Legazpi City, Albay*
136. LIPA CITY - TAMBO BRANCH - President Jose P. Laurel Highway, Tambo, Lipa City, Batangas*
137. LUCENA CITY BRANCH - Georkimart Bldg., 223 Quezon Ave., Lucena City, Quezon*
138. MAASIN CITY BRANCH - G/F SJC Bldg., Tomas Oppus St., Brgy. Tunga-Tunga, Maasin City, Southern Leyte*
139. MABALACAT - DAU BRANCH - One North Mall, #1 McArthur Highway, Dau, Mabalacat, Pampanga*
140. MALAYBALAY CITY BRANCH - G/F Bethelda Bldg., Sayre Highway, Malaybalay City, Bukidnon*
141. MALOLOS CITY BRANCH - G/F Graceland Mall, BSU Grounds, McArthur Highway, Guinhawa, Malolos City, Bulacan
142. MARILAO BRANCH - G/F SM City Marilao, Km. 21, Brgy. Ibayo, Marilao, Bulacan*
143. MARIVELES - FAB BRANCH - GF Tamayo's Building, Avenue of the Phils. Brgy. Malaya, Freeport Area of Bataan (FAB), Mariveles, Bataan*
144. MASBATE BRANCH - G/F Espinosa Bldg., Zurbito St., Brgy. Pating, Masbate City, Masbate*
145. MEYCAUAYAN BRANCH - CBC Bldg., Malhacan Road, Meycauayan, Bulacan*
146. MIDSAYAP BRANCH - CBC Building, Quezon Ave., Poblacion 2, Midsayap, Cotabato*
147. NAGA CITY BRANCH - CBC Building, Penafrancia Avenue, Naga City, Camarines Sur*
148. NEGROS OCCIDENTAL - KABANKALAN BRANCH - CBC Bldg., National Hway, Brgy. 1, Kabankalan, Negros Occidental*
149. NEGROS OCCIDENTAL - SAN CARLOS BRANCH - Rizal cor. Carmona Sts., San Carlos City, Negros Occidental*
150. NUEVA ECIJA - STA ROSA BRANCH - CBC Bldg., Maharlika Highway, Poblacion, Sta Rosa, Nueva Ecija*
151. OCCIDENTAL MINDORO - SAN JOSE BRANCH - Liboro cor. Rizal St., San Jose, Occidental Mindoro*
152. OLONGAPO - DOWNTOWN BRANCH - CBC Building, No. 2 corner 20th St., East Bajac-Bajac, Olongapo City, Zambales*
153. ORMOC CITY BRANCH - CBC Bldg., Real cor. Lopez Jaena Sts., Ormoc City, Leyte*
154. OZAMIZ CITY BRANCH - Gomez corner Kaamino Streets, Ozamiz City, Misamis Occidental*
155. PAGADIAN CITY BRANCH - G/F Marasigan Bldg., F.S. Pajares Ave., Pagadian City, Zamboanga del Sur*
156. PANGASINAN - ALAMINOS CITY BRANCH - Montemayor Bldg., Marcos Ave., Brgy, Palamis, Alaminos City, Pangasinan*
157. PANGASINAN - BAYAMBANG BRANCH - CBC Bldg., No 91, Poblacion Sur, Bayambang, Pangasinan*
158. PANGASINAN - ROSALES BRANCH - CBC Building, Calle Dewey, Rosales, Pangasinan*
159. PANGASINAN - URDANETA BRANCH – G/F EF Square Bldg., Poblacion St., MacArthur Highway, Urdaneta City, Pangasinan*
160. PASEO DE STA. ROSA BRANCH - Unit 3, Paseo 5, Paseo de Sta. Rosa, Sta. Rosa City, Laguna*
161. PUERTO PRINCESA CITY BRANCH - Bobby L. Castro Bldg., Malvar St. near cor. Valencia St., Puerto Princesa City, Palawan*
162. QUEZON - CANDELARIA BRANCH - Pan Philippine Highway Cor. Del Valle Street, Poblacion, Candelaria, Quezon*
163. ROXAS CITY BRANCH - 1063 Roxas Ave. cor. Bayot Drive, Sumulong Highway, Brgy. Mambugan, Roxas City, Capiz*
164. SAN FERNANDO BRANCH - CBC Bldg., V. Tiomico St., Brgy. Sto. Rosario, City of San Fernando, Pampanga*
165. SAN FERNANDO - SINDALAN BRANCH - Stall 123 G/F Jumbo Jenra Sindalan, Brgy. Sindalan, San Fernando City, Pampanga*

166. SAN JOSE CITY BRANCH - G/F Violago Bldg., Maharlika Highway, Brgy. Malasin, San Jose City, Nueva Ecija*
167. SAN PABLO CITY BRANCH - Unit 1, M. Paulino St., San Pablo City, Laguna*
168. SANTIAGO CITY BRANCH - Navarro Bldg., Maharlika Highway near cor. Bayaua St., Santiago City, Isabela*
169. SILAY CITY BRANCH - Margarita Bldg., Rizal St., Silay City, Negros Occidental*
170. SM CDO DOWNTOWN PREMIER BRANCH - G/F SM CDO Downtown Premier, Claro M. Recto St., Lapasan, Cagayan de Oro City, Misamis Oriental*
171. SM CITY CABANATUAN - UGF SM City Cabanatuan, Maharlika Highway, Brgy. H. Concepcion, Cabanatuan City, Nueva Ecija*
172. SM CITY CDO UPTOWN BRANCH - G/F SM City CDO Uptown, North Wing Bldg., Las Ramblas St., Masterson Ave., Pueblo De Oro Business Park, Cagayan De Oro City, Misamis Oriental **
173. SM CITY CLARK BRANCH - G/F (Unit 172-173) SM City Clark, M. Roxas St., CSEZ, Angeles City, Pampanga**
174. SM CITY DASMARIÑAS BRANCH - LGF SM City Dasmariñas, Gov Drive, Pala-Pala, City of Dasmariñas, Cavite*
175. SM CITY LIPA BRANCH - G/F (Units 1111-1113) SM City Lipa, J.P. Laurel Highway, Brgy. Maraouy, Lipa City, Batangas*
176. SM CITY NAGA BRANCH - SM City Naga, CBD II, Brgy. Triangulo, Naga City, Camarines Sur*
177. SM CITY OLONGAPO CENTRAL BRANCH - G/F SM City Olongapo Central, East Tapinac, Olongapo City, Zambales*
178. SM CITY PAMPANGA BRANCH - Unit AX3 102, Bldg. 4, SM City Pampanga, Mexico, Pampanga*
179. SM CITY SAN JOSE DEL MONTE BRANCH - UGF SM City San Jose Del Monte, Quirino Highway, Brgy. Tungkong Mangga, San Jose Del Monte City, Bulacan*
180. SM CITY SAN PABLO BRANCH - G/F SM City San Pablo, National Highway, Brgy. San Rafael, San Pablo City, Laguna*
181. SM CITY STA. ROSA BRANCH - - Unit EXP 1154-1156 G/F SM City Sta. Rosa, Bo. Tagapo, Sta. Rosa, Laguna*
182. SM CITY TANZA BRANCH – G/F (Unit 1061-1062) SM City Tanza, Brgy. Daang Amaya, Tanza, Cavite*
183. SM CITY TELABASTAGAN BRANCH - G/F SM City Telabastagan, San Fernando City, Pampanga*
184. SOLANO BRANCH - National Highway, Brgy. Quirino, Solano, Nueva Vizcaya*
185. SORSOGON BRANCH - CBC Bldg., Ramon Magsaysay Ave., Brgy. Sirangan, Sorsogon City, Sorsogon*
186. SUBIC BAY FREEPORT ZONE BRANCH - CBC Bldg, Rizal Highway, Subic Bay Gateway Park, Subic Bay Freeport Zone, Zambales*
187. SURIGAO CITY BRANCH - CBC Bldg., Amat St., Barrio Washington, Surigao City, Surigao Del Norte*
188. TABACO CITY BRANCH - G/F ANG Bldg., Ziga Ave. cor. Berces St., Tabaco City, Albay*
189. TACLOBAN CITY BRANCH - Uytingkoc Bldg., Avenida Veteranos, Tacloban City, Leyte*
190. TAGAYTAY CITY BRANCH - Foggy Heights Subdivision, E. Aguinaldo Highway, Tagaytay City, Cavite*
191. TAGBILARAN CITY BRANCH - 0178 G/F BQ Builderware Bldg., Carlos P. Garcia Ave., Tagbilaran City, Bohol*
192. TALAVERA BRANCH - CBC Bldg., Maharlika Highway, Marcos District, Talavera, Nueva Ecija*
193. TARLAC - BAMBAN BRANCH - National Road, Bgry. Anupul, Bamban, Tarlac*
194. TARLAC - CAMILING BRANCH - Savewise Bldg., Romulo St., Poblacion, Camiling Tarlac*
195. TARLAC - CONCEPCION BRANCH - G/F Descanzo Bldg., F. Timbol St., San Nicolas, Poblacion, Concepcion, Tarlac*
196. TARLAC - PANIQUI BRANCH - G/F Cedasco Bldg., M. H del Pilar St., Poblacion, Paniqui, Tarlac*
197. TARLAC BRANCH - CBC Bldg., Panganiban near cor. F. Tañedo St., Brgy. San Nicolas, Tarlac City, Tarlac*
198. TARLAC - SAN RAFAEL BRANCH - CBC Building, MacArthur Highway, San Rafael, Tarlac City, Tarlac*
199. THE DISTRICT IMUS BRANCH - G/F The District Imus, Emilio Aguinaldo Highway, Anabu II, Imus, Cavite*
200. TRECE MARTIRES BRANCH - G/F Walter Mart, Governor's Drive cor. City Hall Road, Brgy. San Agustin, Trece Martires City, Cavite*
201. TUGUEGARAO - BALZAIN BRANCH - Editha Bldg., Balzain Highway, Tuguegarao City, Cagayan*
202. TUGUEGARAO CITY BRANCH - A. Bonifacio St., Brgy. Centro 6, Tuguegarao, Cagayan*
203. VALENCIA BRANCH - Tamay Lang Bldg., A. Mabini St., Brgy. Poblacion, Valencia, Bukidnon*
204. VIGAN CITY BRANCH - Burgos St. near cor. Rizal St., Vigan City, Ilocos Sur*
205. VIRAC BRANCH – G/F MQS Bldg., Quezon Avenue, Brgy. Salvacion, Virac, Catanduanes*
206. ZAMBALES - BOTOLAN BRANCH - National Highway, Brgy. Batonlapoc, Botolan, Zambales*
207. ZAMBOANGA CITY BRANCH - CBC Bldg., Gov. Lim Ave. cor. Nuñez St., Zone III, Zamboanga City, Zamboanga del Sur*
208. ZAMBOANGA - GUIWAN BRANCH - G/F Yang's Tower, Ma. Clara Lorenzo Lobregat National Highway, Guiwan, Zamboanga City, Zamboanga del Sur*
209. ZAMBOANGA - SAN JOSE GUSU BRANCH - Yubenco Star Mall, San Jose Gusu, Zamboanga City, Zamboanga del Sur**

* One (1) ATM
** Two (2) ATMs
*** Four (4) ATMs

China Bank Savings
Metro Manila Branches

1. ACACIA ESTATES-SAVEMORE - Acacia Town Center, Acacia Estates, Ususan, Taguig City*
2. AYALA - 6772 Ayala Ave., Makati City**
3. ALABANG - GF / Common Goal Bldg., Finance cor. Industry Sts., Madrigal Business Park, Ayala Alabang, Muntinlupa City*
4. AMANG RODRIGUEZ - G/F GBU Bldg. Amang Rodriguez Ave cor. Evangelista St. Santolan, Pasig City*
5. ARANETA CENTER COD-SAVEMORE - Gen. Romulo St., Araneta Center, Cubao, Quezon City*
6. BACLARAN - 3751 Quirino Avenue cor. Sta. Rita St., Baclaran, Parañaque City*
7. BANAWE - Nos. 247-249 Banawe St., Sta. Mesa Heights, Brgy. Lourdes, Quezon City*
8. BANGKAL - GF / Amara Bldg., 1661 Evangelista St., Bangkal, Makati City*
9. BF HOMES - 284 Aguirre Ave., B.F. Homes, Paranaque City*
10. BLUMENTRITT - Blumentritt St. near Oroquieta St. Sta. Cruz, Manila*
11. BINONDO–JUAN LUNA – 694-696 Juan Luna St., Binondo, Manila
12. BONI AVENUE – Raymond Tower Boni, 615 Boni Avenue, Plainview, Mandaluyong City*
13. BUENDIA–MAIN- 314 Sen. Gil J. Puyat Ave., Makati City*
14. COMMONWEALTH AVE.- JocFer Building, Commonwealth Avenue, Brgy. Holy Spirit, Quezon City *
15. CUBAO - Fernandina 88 Suites, 222 P. Tuazon Boulevard, Cubao, Quezon City*
16. DEL MONTE- 392 Del Monte Ave., Brgy. Sienna, Quezon City*
17. E. RODRIGUEZ SR. AVENUE - E. Rodriguez, Sr. cor Hemady St., Quezon City *
18. ESPAÑA–SUNMAL - Espana Boulevard corner Mayon St., Manila *
19. FELIX HUERTAS-JT CENTRALE - Unit 103, Ground Floor, JT Centrale Mall, No. 1686 V. Fugoso St. corner Felix Huertas St., Sta. Cruz, Manila *
20. FILINVEST - BC Group Bldg., East Asia Drive near cor. Comm. Ave., Filinvest Corp City, Alabang, Muntinlupa City*
21. FTI HYPERMARKET TAGUIG - DBP Avenue, Food Terminal Inc., Western Bicutan, Taguig*
22. G. ARANETA – 195 G. Araneta Avenue, Quezon City*
23. GIL PUYAT BAUTISTA – Lot 25 Blk 74 Bautista St. cor. Buendia Avenue, Makati City*
24. GREENHILLS-ORTIGAS AVENUE - VAG Bldg., Ortigas Ave., Greenhills, San Juan, Metro Manila*
25. GUIGUINTO-RIS - RIS-5 Industrial Complex, 68 Mercado St., Tabe, Guiguinto, Bulacan
26. KALOOKAN - Augusto Bldg., Rizal Ave., Grace Park, Kalookan City*
27. KALOOKAN-MABINI - AJ Bldg., 353 A. Mabini St., Kalookan City*
28. KATIPUNAN AVE. - One Burgundy Condominium, Katipunan Avenue, Quezon City*
29. LAGRO - Bonanza Bldg., Quirino Highway, Greater Lagro, Novaliches, Quezon City*
30. LAS PIÑAS–ALMANZA UNO - Alabang Zapote Road, Almanza Uno, Las Piñas City*
31. MAKAT-CHINO ROCES - 2176 Chino Roces Ave., Makati City*
32. MAKATI-J.P. RIZAL - 882 J.P. Rizal St., Makati City*
33. MALABON-FRANCIS MARKET-SAVEMORE - Francis Market, Governor Pascual corner M.H. Del Pilar Sts., Malabon*
34. MANDALUYONG - Paterno's Bldg., 572 New Panaderos St., Brgy. Pag-asa, Mandaluyong City*
35. MANDALUYONG-SHAW BLVD – 500 Shaw Tower, 500 Shaw Boulevard, Mandaluyong City*
36. MARIKINA - 33 Bayan-Bayanan Ave., Brgy. Concepcion 1, Marikina City*
37. MARIKINA-GIL FERNANDO AVENUE - CTP Bldg., Gil Fernando Ave., Brgy. San Roque, Marikina City*
38. MUÑOZ–JACKMAN - Jackman Plaza, Lower Ground Floor, EDSA-Munoz, Quezon City
39. NEPA–QMART–SAVEMORE - Rose Bldg., 770 St. EDSA and K-G St., West Kamias, Quezon City*
40. NINOY AQUINO AVENUE- Ground Floor Skyfreight Bldg., Ninoy Aquino Ave. cor. Pascor Drive, Parañaque City*
41. N.S. AMORANTTO AVE. - Unit 101 R Place Building, 255 N.S. Amoranto Sr. Avenue, Quezon City*
42. ONGPIN - Unit 576-578, Ground Floor Ramada Manila Central Hotel, Quintin Paredes Road corner Onpin Street, BRGY. 289, Binondo, Manila* (*relocated from divisoria-dragon 8)*
43. ORTIGAS CENTER - Ground Floor, Hanston Square, San Miguel Ave., Ortigas Center, Pasig City*
44. PARAÑAQUE-BETTER LIVING - 90 Dona Soledad Avenue, Better Living Subdivision, Parañaque City*
45. PARAÑAQUE–JAKA PLAZA - Jaka Plaza Center, Dr. A. Santos Ave. (Sucat Road), Brgy. San Isidro, ParañaqueCity*
46. PARAÑAQUE-LA HUERTA - 1070 Quirino Ave., La Huerta, Paranaque City*
47. PARAÑAQUE–MOONWALK - Kassel Residence Building, E. Rodriguez Avenue, Moonwalk ParañaqueCity*
48. PASAY-LIBERTAD – 533 Cementina St. Libertad, Pasay City*
49. PASIG-CANIOGAN - KSN Building, C. Raymundo Avenue, Caniogan, Pasig City *
50. PASIG MUTYA - Richcrest Building, Caruncho corner Market Avenue, San Nicolas, Pasig City*
51. PASIG–PADRE BURGOS - 114 Padre Burgos St., Kapasigan, Pasig City*
52. PASO DE BLAS - Andok's Bldg., 629 General Luis St., Malinta Interchange-NLEX, Paso de Blas, Valenzuela City*
53. PATEROS - Unit CC1, GF East Mansion Townhomes, Sto. Rosario, Pateros*
54. PATEROS-ALMEDA - 120 Almeda St., Pateros, Metro Manila*
55. PEDRO GIL - LKE Bldg. Pedro Gil corner Pasaje, Rosario St. Paco, Manila

56. PLAZA STA. CRUZ – MBI Building, Unit 103, Plaza Sta. Cruz, Sta. Cruz, Manila*
57. QUEZON AVENUE - G/F GJ Bldg., 385 Quezon Ave., Quezon City*
58. QUEZON AVENUE-PALIGSAHAN - 1184-A Ben-Lor Bldg., Quezon Ave., Brgy. Paligsahan, Quezon City*
59. QUIAPO–ECHAGUE - Palanca corner P. Gomez streets, Echague, Quiapo, City of Manila*
60. RADA - HRC Center, 104 Rada St., Legaspi Village, Makati City*
61. ROOSEVELT – 342 Roosevelt Avenue, Quezon City*
62. SAN JUAN - Madison Square, 264 N. Domingo St., Barangay Pasadena, San Juan*
63. SAVEMORE ANONAS - V. Luna St. corner Anonas Extension, Sikatuna Village, QuezonCity*
64. SOUTH TRIANGLE - Ground Floor, SUNNYMEDE IT CENTER, Brgy. South Triangle, Quezon Ave., QC
65. STA. ANA MANILA - Savemore, Pedro Gil St., Sta. Ana, Manila *
66. STA. MESA - 4128 Ramon Magsaysay Blvd., Sta. Mesa Manila*
67. TAFT–QUIRINO AVE. - 1945 Esther Building, Taft Avenue, Malate , Manila* (relocated from SM Hypermarket Adriatico)
68. TANDANG SORA - Cecileville Bldg. III, 670 Tandang Sora Ave. corner General Ave., Tandang Sora, Quezon City*
69. TAYUMAN - 1925-1929 Rizal Avenue near corner Tayuman St., Sta. Cruz, Manila*
70. TIMOG - Jenkinsen Towers, 80 Timog Ave., Brgy. Sacred Heart, Quezon City*
71. TWO ECOM - Two E-Com Center Tower B, Ocean Drive near cor. Bayshore Ave., Mall of Asia Complex, Pasay City*
72. UN AVENUE - 552 U.N. Ave., Ermita, Manila*
73. VALENZUELA-MARULAS- Ong-Juanco Bldg., 92 - J McArthur Highway, Marulas, Valenzuela City*
74. VISAYAS AVENUE- Wilcon City Center Mall, Visayas Ave., Quezon City*
75. WILSON - 219 Wilson St., Greenhills, San Juan*
76. ANGONO- Manila East Road cor. Don Benito St., Brgy. San Roque, Angono, Rizal*
77. ANTIPOLO- EMS Bldg., M.L. Quezon St. cor. F. Dimanlig St., Antipolo City, Rizal*
78. CAINTA - Lower Ground Floor 04 & 05, CK Square Mall, Ortigas Ave. Ext., Brgy. San Juan, Cainta, Rizal*
79. TAYTAY - C. Gonzaga Bldg. II, Manila East Road, Taytay, Rizal*

China Bank Savings
Provincial Branches

1. ANGELES-RIZAL AVENUE - 639 Rizal St., Angeles City*
2. ARAYAT - Cacutud, Arayat, Pampanga**
3. BACOLOD - Fordland Building I Annex, 12th Lacson Street, Bacolod City*
4. BACOOR-TALABA - Coastal Road cor. Aguinaldo Highway, Brgy. Talaba VII, Bacoor City, Cavite*
5. BAGUIO - UGF KDC Building 91 Marcos Hway Benguet Baguio City*
6. BALAGTAS - McArthur Highway, Wawa, Balagtas, Bulacan*
7. BALANGA - D.M. Banzon St., BalangaCity*
8. BALIBAGO - JEV Bldg., McArthur Highway, Balibago, Angeles City*
9. BALIUAG - Plaza Naning, Poblacion, Baliuag, Bulacan*
10. BATANGAS - No. 3 P. Burgos St., Batangas City*
11. BIÑAN - Nepa Highway, San Vicente, Biñan, Laguna*
12. BUTUAN - JMC Building, J.C. Aquino Avenue, Brgy. Lapu Lapu, Butuan City, Agusan del Norte*
13. CABANATUAN-BAYAN - Burgos Ave., Cabanatuan City, Nueva Ecija*
14. CAGAYAN DE ORO - Sergio Osmeña St., Cogon District, Cagayan de Oro City*
15. CALAMBA - HK Bldg II, National Highway, Brgy. Halang, Calamba, Laguna*
16. CAVITE CITY - 485 P. Burgos St., Brgy. 34, Caridad, Cavite City*
17. CEBU–MANGO AVENUE, JSP Mango Plaza, Gen. Maxilom Ave. cor. Echavez St., Cebu City*
18. CEBU CITY - G/F Skyrise IT Bldg., Brgy. Apas, Lahug, Cebu City*
19. CEBU MANDAUE BASAK - Co Tiao King Bldg., Cebu North Road Basak, Mandaue City*
20. DAGUPAN - G/F Lyceum-Northwestern University, Tapuac District, Dagupan City*
21. DARAGA - Rizal St., Brgy. San Roque, Daraga, Albay, Bicol*
22. DASMARIÑAS - Veluz Plaza Bldg., Zone I, Aguinaldo Highway, Dasmariñas City, Cavite*
23. DAU - MacArthur Highway, Dau, Mabalacat, Pampanga*
24. DAVAO RECTO - C. M Ville Abrille Bldg., C. M. Recto St. Davao City*
25. DAVAO - G/F 8990 Corporate Center, Quirino Ave., Davao City*
26. DOLORES - STCI Bldg., McArthur Highway, San Agustin, City of San Fernando, Pampanga*
27. GENERAL SANTOS - I. Santiago Boulevard General, Santos City*
28. GENERAL TRIAS - G/F VCentral Gentri, Governor's Drive, New Brgy. Manggahan, General Trias, Cavite*
29. GUAGUA - Plaza Burgos, Guagua, Pampanga*
30. ILOILO–JARO - Lopez Jaena cor. EL 98 Sts., Jaro, Iloilo*
31. ILOILO–IZNART - Golden Commercial Center Bldg, Iznart St. Iloilo City*
32. IMUS - Tanzang Luma, Aguinaldo Highway, Imus City, Cavite*

33. KALIBO – Lot 3459-E-1, Toting Reyes St., Brgy. Andagao, Kalibo, Aklan*
34. LA UNION - AG Zambrano Bldg., Quezon Ave., San Fernando City, La Union*
35. LAGUNA-STA. CRUZ - E & E Building, Pedro Guevarra St., Sta. Cruz, Laguna. *
36. LAOAG - J.P Rizal St. corner Balintawak St. Laoag City, Ilocos Norte*
37. LEGAZPI CITY - F. Imperial Street, Barangay Bitano, Legazpi City*
38. LINGAYEN - Unit 5-6, The Hub - Lingayen Building, National Road, Poblacion, Lingayen, Pangasinan*
39. LIPA - C.M. Recto Ave., Lipa City*
40. LOS BAÑOS CROSSING - Lopez Ave., Batong Malaki, Los Baños, Laguna*
41. LUCENA – Merchan cor., Evangelista St., Lucena City*
42. MACABEBE - Poblacion, Macabebe, Pampanga*
43. MALOLOS - Canlapan St., Sto. Rosario, Malolos City, Bulacan*
44. MALOLOS-CATMON - Paseo del Congreso, Catmon, City of Malolos, Bulacan*
45. MANDAUE - A. Del Rosario Ave., Mantuyong, Mandaue City, Cebu*
46. MEYCAUAYAN - Mancon Bldg., McArthur Highway, Calvario, Meycauayan, Bulacan*
47. MOLINO - 817 Molino Road Molino III, Bacoor, Cavite*
48. MOUNT CARMEL - AMB Bldg., Km. 78 McArthur Highway, Brgy. Saguin, City of San Fernando, Pampanga*
49. NAGA - RL Bldg., Panganiban St., Lerma, Naga City*
50. OLONGAPO - Ground Floor, City View Hotel, 25 Magsaysay Drive, New Asinan, OlongapoCity*
51. ORANI - Brgy. Balut, Orani, Bataan**
52. PLARIDEL - 0226 Cagayan Valley Road, Banga 1st, Plaridel, Bulacan*
53. PORAC - Cangatba, Porac, Pampanga**
54. ROXAS AVE. CAPIZ-CITYMALL - Roxas Ave, Brgy VI, Roxas City, Capiz*
55. SAN FERNANDO - KHY Trading Bldg., San Fernando-Gapan Rd., San Fernando City, Pampanga*
56. SAN FERNANDO–BAYAN - JSL Building, Consunji St., San Fernando, Pampanga*
57. SAN ILDEFONSO - Savemore San Ildefonso, Poblacion, San Ildefonso, Bulacan*
58. SAN JOSE DEL MONTE - Ground Floor, Giron Bldg., Gov. Halili Ave., Tungkong Mangga, City of San Jose Del Monte, Bulacan*
59. SAN MIGUEL - Norberto St., San Jose, San Miguel, Bulacan*
60. SAN NARCISO - Brgy. Libertad, San Narciso, Zambales*
61. SAN PABLO – Rizal Avenue cor. Lopez Jaena St. San Pablo City, Laguna*
62. SAN PEDRO - Gen - Ber Bldg. National Highway Landayan, San Pedro Laguna*
63. SAN RAFAEL - Cagayan Valley cor. Cruz na Daan Roads, San Rafael, Bulacan*
64. SANTIAGO-VICTORY NORTE - JECO Bldg., Maharlika Highway cor. Quezon St., Victory Norte, Santiago City*
65. SAVEMORE TAGAYTAY-MENDEZ - Mendez Crossing West, Tagaytay-Nasugbu Highway corner Mendez-Tagaytay Rd, Tagaytay City*
66. SAVEMORE TALISAY NEGROS OCCIDENTAL – Talisay, Mabini St., Zone 12 Paseo Mabini Talisay City NegrosOccidental*
67. SORSOGON - God is Good Commercial Bldg, Rizal St., Purok 5, Piot, West District, Sorsogon City, Sorsogon*
68. STA. ANA - Poblacion, Sta. Ana, Pampanga*
69. STA. MARIA - JC De Jesus cor. M. De Leon, Poblacion, Sta. Maria, Bulacan*
70. STA. RITA - San Vicente, Sta. Rita, Pampanga*
71. STA. ROSA - Sta. Rosa-Tagaytay Highway, Sta. Rosa, Laguna*
72. STA. ROSA-BALIBAGO - National Highway cor. Lazaga St. Balibago, Sta. Rosa, Laguna*
73. STO. TOMAS - Agojo Bldg., Maharlika Highway, Sto. Tomas, Batangas*
74. SUBIC - Baraca, Subic, Zambales*
75. TACLOBAN CITY - GF, YVI Center, Bldg A, Fatima Village, Tacloban City, Leyte*
76. TAGUM - Maharlika Highway cor. Lapu-Lapu Extension, Brgy. Magugpo Tagum City*
77. TANAUAN CITY - Jose P. Laurel National Highway, Darasa, Tanauan City, Batangas
78. TARLAC - McArthur Highway, San Nicolas, Tarlac City*
79. TUGUEGARAO - Metropolitan Cathedral Parish, Rectory Complex, Rizal St., Tuguegarao City*
80. URDANETA - MacArthur Highway, Nancayasan, Urdaneta City, Pangasinan*
81. VIGAN - Plaza Maestro Convention Center, Florentino St., and Burgos St. Vigan City, Ilocos Sur*
82. ZAMBOANGA – CityMall, Don Alfaro St., Tetuan, Zamboanga*

China Bank - Off Branch ATM Directory
Metro Manila

1. 168 MALL - 3F Food Court, 168 Mall, Sta. Elena St., Binondo, Manila
2. A. ZARATE GEN. HOSPITAL – Naga Road, Pulang Lupa Uno, Las Piñas City
3. ALABANG MALL - Alabang Town Center, Alabang - Zapote Road cor. Madrigal Ave., Muntinlupa City
4. ALFAMART A. MABINI MANGGAHAN - A. Mabini Street, Manggahan, Pasig City
5. ALFAMART DAEZ CAMARIN CALOOCAN - Daez Commercial Bldg., Susano Road, Bagumbong, Caloocan City
6. ALFAMART JHOCSON SAMPALOC - 534-548 M.F. Jhocson St., Zone 042, Brgy. 408, Sampaloc, Manila

7. ALFAMART MAAX - Unit 111 Mall of Asia Annex Bldg. (MAAX), Seaside Blvd., San Rafael, Pasay City
8. ALFAMART MOA - Sunset Ave., SM Mall of Asia, Pasay City
9. ALFAMART NAGA ROAD LAS PIÑAS - Alfamart, Naga Road, Pulang Lupa 2, Las Piñas City
10. ALFAMART SAN LAZARO - Units 108B-113B SM City San Lazaro, A.H. Lacson Ext., Sta. Cruz, Manila
11. ALI MALL - ATM Booth #1 UGF Ali Mall, P. Tuazon Blvd., Araneta Center, Quezon City
12. ALI MALL 2 - LGF Times Square Entrance, Ali Mall, P. Tuazon Blvd., Araneta Center, Quezon City
13. ARMSCOR MARIKINA - 2 Armscor Avenue, Brgy. Fortune, Marikina City
14. ATENEO DE MANILA UNIVERSITY - G/F Kostka Hall, Ateneo De Manila University, Katipunan Ave., Loyola Heights, Quezon City
15. CASH AND CARRY - 2/F Cash and Carry Mall, between South Super Highway & Filmore St., Brgy. Palanan, Makati City
16. CHINA BANK ONLINE CENTER 1 - ATM 1 Starbucks, CBC Bldg., 8745 Paseo de Roxas cor. Villar St., Makati City
17. CHINA BANK ONLINE CENTER 2 - ATM 2 Starbucks, CBC Bldg., 8745 Paseo de Roxas cor. Villar St., Makati City
18. CHINA BANK ONLINE CENTER 3 - ATM 3 Starbucks, CBC Bldg., 8745 Paseo de Roxas cor. Villar St., Makati City
19. CHIANG-KAI-SHEK - Chiang Kai Shek College, 1274 P. Algue St., Tondo, Manila
20. CENTURY CITY MALL - 3F Century City Mall, Kalayaan Ave. cor. Salamanca St., Brgy. Poblacion, Makati City
21. COLOURS TOWN CENTER – Alabang-Zapote Rd. cor. Maros Alvarez Ave., Las Piñas City
22. COMEMBO COMMERCIAL COMPLEX - Comembo Commercial Complex, J.P. Rizal Ext. cor. Sampaguita St., Comembo, Makati City
23. COMMERCE CENTER - Commerce Ave. cor. Filinvest Ave., Alabang, Muntinlupa City
24. CONRAD S MAISON MALL - 2F Conrad Hotel, Coral Ave., SM MOA Complex, Pasay City
25. CYBER PARK TOWER 1 CUBAO - Lobby Tower 1, Araneta Center, Cubao, Quezon City
26. CYBER PARK TOWER 2 CUBAO - Lobby Tower 2, Araneta Center, Cubao, Quezon City
27. DASMARIÑAS VILLAGE ASSOCIATION OFFICE - 1417 Campanilla St., Brgy. Dasmariñas Village, Makati City
28. EASTWOOD CITY WALK 2 - G/F ATM 1 Eastwood City Walk Ph. 2, Eastwood City Cyberpark, 188 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City
29. EASTWOOD CYBERMALL - 2F Eastwood Cybermall, Eastwood Ave., Eastwood City Cyberpark, Bagumbayan, Quezon City
30. EASTWOOD MALL - Level 1 ATM 2 Ph.2, Eastwood Mall, E. Rodriguez Jr. Ave., Bagumbayan, Quezon City
31. G8 MARKETING – 165 Quirino Highway, Novaliches, Quezon City
32. GATEWAY MALL - Booth 4 Level 2 Gateway Mall, Cubao, Quezon City
33. GLORIETTA 4 - Glorietta 4, Ayala Center, Makati City
34. GREENBELT 3 - Greenbelt 3 Drop-off Area, Makati Ave., Makati City
35. GREENHILLS THEATER MALL - Main Entrance Greenhills Theater Mall, San Juan City
36. GREENMEADOWS CLUBHOUSE - Lovebird St., Green Meadows Subdivision, Brgy. Ugong Norte, Quezon City
37. HIGH POINTE MEDICAL HUB - 241 Shaw Blvd, Mandaluyong City
38. HOLIDAY ISLAND CALOOCAN - G/F Phase 2, Commercial Site Dutong St. cor. Kanlaon St., Bagong Silang, Caloocan City
39. IACADEMY BUENDIA - G/F iAcademy Plaza, H.V. Dela Costa St., Makati City
40. IKEA 1 – 3/F Mall of Asia Complex, Marina Drive, Pasay City
41. IKEA 2 – 4/F Mall of Asia Complex, Marina Drive, Pasay City
42. JACKMAN EMPORIUM - Jackman Emporium Department Store Bldg., Grace Park, Kalookan City
43. JACKMAN PLAZA - MUÑOZ - Jackman Plaza Muñoz, EDSA, Muñoz, Quezon City
44. JGC ALABANG - JGC PHILS. Bldg., 2109 Prime St., Madrigal Business Park Ph III, Ayala Alabang, Muntinlupa City
45. KATARUNGAN VILLAGE - Katarungan Village Admin Office, F. Reria cor. University Road, Muntinlupa City
46. KIMSTON PLAZA - Kimston Plaza, P. Victor St. cor. P. Burgos St., Guadalupe Nuevo, Makati City
47. LANDMARK - MAKATI - G/F The Landmark Bldg., Makati Ave., Ayala Center, Makati City
48. LANDMARK - TRINOMA - ATM Slot 4, 2F Landmark Trinoma, North Ave. cor. EDSA, Quezon City
49. LIANA'S SAMPALOC - 537 Earnshaw St., Sampaloc, Manila
50. LOYOLA GRAND VILLAS - Loyola Grand Villas Lifeline, Soliven Ave., Quezon City
51. MALABON CITISQUARE - G/F Malabon Citisquare, C-4 Road cor. Dagat-dagatan Ave., Malabon City
52. MARKET! MARKET! 1 - Market! Market!, Fort Bonifacio Global City, Taguig City
53. MARKET! MARKET! 2 - 2F Market! Market!, Fort Bonifacio Global City, Taguig City
54. MARKET! MARKET! 3 - G/F ATM Center in Fiesta Market, Market! Market!, Fort Bonifacio Global City, Taguig City
55. MEDICAL CITY - Medical City, Ortigas Ave., Pasig City
56. MEGA TOWER 27th – 27th Floor, Mega Tower, EDSA, Mandaluyong City
57. METRO POINT MALL - 3F Metro Point Mall, EDSA cor. Taft Ave., Pasay City
58. METROWALK - ATM 1 Bldg C, G/F Metrowalk Commercial Complex, Meralco Ave., Pasig City
59. MONDE MY SAN CAINTA - Gracia St., Marick Subdivision, Cainta, Rizal
60. MULTINATIONAL CLUBHOUSE - Clubhouse, Nazareth cor. Judea St., Multinational Village, Parañaque City
61. NEWPORT MALL 4F - 4F Newport Mall, Resorts World, Newport City, Pasay City
62. NOTREDAME OF GREATER MANILA KALOOKAN - 12th Avenue, Grace Park, Caloocan City
63. NOVA SQUARE - G/F Nova Square, Quirino Highway, Brgy. San Bartolome, Novaliches, Quezon City

64. ONE E - COM CENTER - G/F One E-Com Center, Palm Coast Ave., SM MOA Complex, Pasay City
65. ONE MALL VALENZUELA - Gen. T. De Leon, Valenzuela City
66. PROMENADE GREENHILLS - Missouri Entrance, Promenade Mall, Greenhills Shopping Center, San Juan City
67. PUREGOLD - BLUMENTRITT - 286 Blumentritt St., Sta Cruz, Manila
68. PUREGOLD - E. RODRIGUEZ - ATM #1 Puregold E. Rodriguez, Cosco Bldg., E. Rodriguez Ave. cor. G. Araneta Ave., Quezon City
69. PUREGOLD - LANGARAY CALOOCAN - Langaray St. Cor. Pampano St., Dagat-Dagatan, Caloocan City
70. PUREGOLD - PASO DE BLAS - LGF Puregold Paso de Blas, Paso de Blas cor. Gen. Luis St., Malinta Exit, Valenzuela City
71. PUREGOLD JR. - PANDACAN - Puregold Jr. Pandacan, West J. Zamora St., Pandacan, Manila
72. PUREGOLD MAYPAJO KALOOKAN - Puregold Maypajo, J.P. Rizal St., Brgy. Maypajo, Caloocan City
73. QUICKLEAN MAYBUNGA - 369 Dr. Sixto Antonio Avenue, Maybunga, Pasig City
74. REGALIA PARK TOWER - 150 P. Tuazon Blvd., Cubao, Quezon City
75. RESORTS WORLD GAMING AREA - G/F Casino Gaming Area, Resorts World, Pasay City
76. ROBINSONS GALLERIA - Robinsons Galleria, EDSA cor. Ortigas Ave., Pasig City
77. ROBINSONS GALLERIA 2 - Robinsons Galleria, EDSA cor. Ortigas Ave., Pasig City
78. ROBINSONS GALLERIA 3 - West Wing, Robinsons Galleria, EDSA cor. Ortigas Ave., Pasig City
79. ROBINSONS PLACE - MANILA - G/F Padre Faura Entrance, Robinsons Place Manila, Pedro Gil cor. Adriatico St., Ermita, Manila
80. ROCKWELL BUSINESS CENTER - Rockwell Business Center, Ortigas Ave., Pasig City
81. ROCKWELL POWER PLANT - Stall No. 060 Ground Level, Power Plant Mall, Makati City
82. SHOP N RIDE - 248 Gen. Luis St., Brgy. Nova Proper, Novaliches, Quezon City
83. SHOP N RIDE 2 - ATM 2, 248 Gen. Luis St., Brgy. Nova Proper, Novaliches, Quezon City
84. SHOP N RIDE STA. MONICA - Shop & Ride Sta. Monica, 1004 Quirino Highway, Dumalay Street, Brgy. Sta. Monica, Novaliches, QC
85. SHOPWISE - ANTIPOLO - Shopwise Bldg., M.L. Quezon St. cor. Circumferential Road, San Roque, Antipolo City
86. SHOPWISE - COMMONWEALTH - Shopwise, Blk 17, Commonwealth Ave., Quezon City
87. SHOPWISE MARKETPLACE EAST BAY - Marketplace East Bay, East Service Road, Muntinlupa City
88. SHOPWISE METLIVE PASAY - Blue Wave Mall, Diosdado Macapagal cor. EDSA, Metropolitan Park Bay City, Pasay
89. SHOPWISE SUCAT - Shopwise Sucat, Dr. A. Santos Avenue corner Soreena Avenue, Paranaque City
90. SM CENTER LAS PIÑAS - G/F SM Center Las Piñas, Alabang - Zapote Road, Las Piñas City
91. SM CITY GRAND CENTRAL 3F - 3/F SM City Grand Central, Rizal Ave. Extension Corner Bustamante St., Kalookan City
92. SM CITY THE BLOCK - GF Hypermarket - The Block, SM City North Edsa, North Avenue corner EDSA, Quezon City
93. SM MANILA - UGF SM Manila Main Entrance, Natividad A. Lopez cor. Antonio Villegas St., Ermita, Manila
94. SM MEGAMALL BLDG. B - Level 2 Bldg. B, SM Megamall, EDSA cor. Julia Vargas St., Mandaluyong City
95. SM MOA SEASIDE FERRY TERMINAL - SM MOA Seaside Blvd. near Esplanade, Pasay City
96. SM MUNTINLUPA - ATM 2 G/F (beside Rear Entrance) SM Muntinlupa, National Road, Brgy. Tunasan, Muntinlupa City
97. SM TAYTAY OFF-BRANCH - 2F Bldg. A, SM Taytay, Manila East Road, Brgy. San Juan, Taytay, Rizal
98. SOLAIRE MANILA 2 - Entertainment City, Aseana Ave., Tambo, Parañaque City
99. SOLAIRE RESORT & CASINO - Entertainment City, Aseana Ave., Tambo, Parañaque City
100. SOUTHGATE MALL - Alphaland Southgate Mall, EDSA cor. Chino Roces Ave., Makati City
101. ST. JUDE COLLEGE - Dimasalang St. cor. Don Quijote St., Sampaloc, Manila
102. ST. LUKE'S - THE FORT - Basement, St. Luke's Medical Center, 5th Ave., Fort Bonifacio Global City, Taguig City
103. ST. LUKE'S - THE FORT 2 - Basement, St. Luke's Medical Center, 5th Ave., Fort Bonifacio Global City, Taguig City
104. STI - DELOS SANTOS MEDICAL CENTER - 201 E. Rodriguez Sr. Blvd., Quezon City
105. TIENDESITAS - Tiendesitas, Ortigas Ave. cor. E. Rodriquez Ave., Pasig City
106. TRINOMA OFF-BRANCH 1 - Level 1 Trinoma, North Ave. cor. EDSA, Quezon City
107. TRINOMA OFF-BRANCH 2 - Level 1 Trinoma, North Ave. cor. EDSA, Quezon City
108. TWO SHOPPING CENTER - Two Shopping Center, Taft Ave. Ext., 026 Zone 10, Pasay City
109. UNIMART GREENHILLS - B1 Unimart Greenhills Shopping Center, Ortigas Ave., San Juan City
110. UP TOWN CENTER - 2F UP Town Center, Katipunan Ave., Brgy. UP Campus Diliman, Quezon City
111. UPM - PGH - Faculty Medical Arts Bldg., PGH Compound, Taft Ave., Ermita, Manila
112. URDANETA VILLAGE - Urdaneta Village Clubhouse, Urdaneta Ave., Makati City
113. UST - DOCTOR'S CLINIC - University of Sto. Tomas Hospital, Vestibule and New Doctor's Clinic, A.H. Lacson Ave., Sampaloc, Manila
114. UST HOSPITAL - University of Sto. Tomas Hospital, A.H. Lacson Ave., Sampaloc, Manila
115. UST HOSPITAL 3 - G/F Clinical Division, University of Sto. Tomas Hospital, A.H. Lacson Ave., Sampaloc, Manila
116. VICTORY CENTRAL MALL - ATM 2 G/F Victory Central Mall, #717 Old Victory Compound, Rizal Ave., Monumento, Caloocan City
117. VICTORY PASAY MALL - Victory Pasay Mall, Antonio S. Arnaiz Ave, Pasay City
118. WACK GOLF & COUNTRY CLUB - Main Lobby Clubhouse, Wack Wack Golf & Country Club, Shaw Blvd., Mandaluyong City
119. WALTER MART - ANTIPOLO - L. Sumulong Memorial Circle, Antipolo City
120. WALTER MART - MAKATI - G/F Waltermart Makati, 790 Chino Roces Ave. cor. Antonio Arnaiz, Makati City
121. WALTER MART - NORTH EDSA - Walter Mart Bldg., EDSA, Quezon City

122. WALTER MART - SUCAT - Walter Mart Sucat, Dr. A. Santos Ave., Brgy. San Isidro, Sucat, Parañaque City
123. WHITE PLAINS CLUBHOUSE - 10 Natabo Rd., White Plains Clubhouse Area, Quezon City
124. WORLD CITI MEDICAL ANONAS - Lobby Entrance, 960 Aurora Blvd. corner Anonas St., Quezon City
125. ZABARTE TOWN CENTER - Basement Zabarte Town Center, 588 Camarin Road corner Zabarte Road, Caloocan City

China Bank - Off Branch ATM Directory
Provincial

1. 2 MANGO AVENUE - 2 Mango Ave. - Solara Bldg., General Maxilom Ave, Cebu City
2. 7-11 CHDG LA TRINIDAD - MB 73 Puguis, La Trinidad, Benguet
3. A. BONIFACIO - MCDONALD'S BAGUIO - Villanueva Bldg., Lower Bonifacio St., Baguio City
4. ABREEZA MALL - Abreeza Mall, J.P. Laurel Ave., Bajada, Davao City, Davao del Sur
5. ACC HYPERMART SAN ANDRES - San Andres, Catanduanes
6. ACIENDA DESIGNER OUTLET SILANG - G/F Acienda Designer Outlet, E. Aguinaldo Highway, Silang, Cavite
7. ADVENTIST UNIVERSITY OF THE PHILIPPINES - Adventist University of the Philippines, Sta. Rosa - Tagaytay Road, Puting Kahoy, Silang, Cavite
8. AG&P - Atlantic, Gulf & Pacific Company of Manila Inc., Brgy. San Roque, Bauan, Batangas
9. AKLAN MISSION HOSPITAL - Aklan Mission Hospital, Roxas Ave. Ext., Andagao, Kalibo, Aklan
10. ALFAMART - LUMINA - Alfamart Lumina, Aguinaldo Highway cor. Nueno Ave., Imus, Cavite
11. ALFAMART - TRECE MARTIRES - CPC Bldg., Governor's Drive cor. Hugo Perez, Trece Martires, Cavite
12. ALFAMART FILINVEST TANZA - Alfamart Filinvest Tanza, Filinvest Ave., Westwood Place Subd. Ph. 2, Brgy. Paradahan, Tanza, Cavite
13. ALFAMART FORTUNA FLORIDABLANCA 2 - Brgy. Fortuna, Floridablanca, Pampanga
14. ALFAMART GOLDEN CITY - Molino-Paliparan Road, Salawag, Dasmariñas City, Cavite
15. ALFAMART IBAYO SILANGAN NAIC – L1464, F-6, Antero Soriano Highway, Ibayo Silangan, Naic, Cavite
16. ALFAMART ILANG-ILANG TANZA - Alfamart Ilang-Ilang Tanza, Ilang-ilang St., De Roman Subd., Daang Amaya 1, Tanza, Cavite
17. ALFAMART LANCASTER - Alfamart Lancaster, MCS Bldg., Advincula Ave., Alapan II-A, Imus, Cavite
18. ALFAMART L'PASEO ARCADE INDANG - LGF L'Paseo Building, Indang-Trece Martires Road, Indang, Cavite
19. ALFAMART PACITA COMPLEX - Alfamart, Block 3 Phase 3A Pacita Complex, San Pedro, Laguna
20. ALFAMART POBLACION 4 CALACA - #149 Marasigan St., Poblacion 4, Calaca, Batangas
21. ALFAMART POBLACION ROSARIO - Alfamart Poblacion Rosario, 153 Gen. Trias Drive, Brgy. Poblacion, Rosario, Cavite
22. ALFAMART SAN ROQUE DAU LUBAO - San Roque Dau, Lubao, Pampanga
23. ALFAMART SONGCO FLORIDABLANCA - Songco St., Poblacion, Floridablanca, Pampanga
24. ALFAMART TABANG PLARIDEL - 2586 F. Ignacio St., Santa Ines, Tabang, Plaridel, Bulacan
25. ALFAMART VILLA CATALINA DASMARIÑAS - Lot 6123 Don Placido Campos Avenue, San Agustin, Dasmariñas City, Cavite
26. ALFAMART YAKAL SILANG CAVITE - G/F Alfamart Yakal Silang Cavite, 137 Pedro Montoya St. cor. Yakal, Silang, Cavite
27. ALLEN AVENUE CATBALOGAN - Centro Mall, Allen Ave., Brgy. 04, Catbalogan City, Samar
28. ALWANA BUSINESS PARK - National Highway, Brgy. Cugman, Cagayan de Oro City, Misamis Oriental
29. ANGELES UNIVERSITY FOUNDATION MEDICAL CENTER - Basement, Angeles University Foundation Medical Center, McArthur Highway cor. Diego Silang St., Angeles City, Pampanga
30. ARAULLO UNIVERSITY - Araullo University, Maharlika Highway, Brgy. Bitas, Cabanatuan City, Nueva Ecija
31. ATENEO DE DAVAO UNIVERSITY - Ateneo de Davao University, Roxas Ave, Poblacion Dist., Davao City, Davao del Sur
32. AVENUE HOTEL BACOLOD - Avenue Suites Hotel and Spa, 12th St. cor Lacson St., Bacolod City, Negros Occidental
33. AYALA CENTER CEBU - Level 3 ATM 1 Ayala Center Cebu, Cebu Business Park, Cebu City
34. BELMONT ONE MINGLANILLA - Belmont One Complex, Upper Calajoan, Minglanilla, Cebu
35. BENECO – Benguet Electric Cooperative, #4 South Drive, Baguio City
36. BICOL INTERNATIONAL AIRPORT - Airport Road, Daraga, Albay
37. BRENT INTERNATIONAL SCHOOL MANILA - Brentville Subdivision, Mamplasan, Biñan, Laguna
38. CALTEX - SLEX 1 - South Luzon Expressway - Northbound, Brgy. San Antonio, San Pedro, Laguna
39. CAPITOL HILL HOTEL ANGELES - Sierra Madre St., Angeles City, Pampanga
40. CB MALL URDANETA - CB Mall, McArthur Highway, Brgy. Nancayasan, Urdaneta City, Pangasinan
41. CDO MEDICAL CENTER - CDO Medical Center Bldg. 2, Tiano Brothers cor. Nacalaban St., Cagayan de Oro City, Misamis Oriental
42. CEBU DOCTORS' HOSPITAL - Cebu Doctors' University Hospital, Osmeña Blvd., Cebu City, Cebu
43. CEBU DOCTORS' UNIVERSITY - Cebu Doctors' University Hospital, #1 Potenciano Larrazabal Ave., North Reclamation Area, Mandaue City, Cebu
44. CELEBES COCONUT BUTUAN - Km. 9, Brgy. Taguibo, Butuan City, Agusan Del Norte
45. CENTRIO MALL - G/F Centrio Mall, CM Recto cor. Corrales St., Cagayan de Oro, Misamis Oriental
46. CLARK GATEWAY - Clark Gateway Commercial Complex, Gil Puyat Ave., Brgy. San Francisco, Mabalacat, Pampanga
47. COLEGIO SAN AGUSTIN BIÑAN - Southwoods Ecocentrum Ave., Biñan, Laguna

48. CORPUS CHRISTI - Corpus Christi School, Tomas Saco St., Macasandig, Cagayan de Oro City, Misamis Oriental
49. DAGUPAN - NEPO MALL - G/F Nepo Mall Dagupan, Arellano St., Dagupan City, Pangasinan
50. DAVAO ADVENTIST HOSPITAL - Davao Adventist Hospital, Km. 7 McArthur Highway, Bangkal, Davao City, Davao del Sur
51. DAVAO MEDICAL SCHOOL – Davao Medical School Foundation, Medical School Dr., Poblacion District, Davao City
52. DAVAO METRO SHUTTLE - Pereyras Terminal 1, Magugpo West, Tagum City, Davao del Norte
53. DIPOLOG CENTER MALL - Dipolog Center Mall, 138 Rizal Ave., Dipolog City, Zamboanga del Norte
54. DIPSSCOR - Davao Integrated Port and Stevedoring Services Corporation Bldg., International Port of Davao, Sasa Wharf, Davao City, Davao del Sur
55. DLSU - DASMARIÑAS - College of Engineering, DLSU Dasmariñas, Dasmariñas City, Cavite
56. DLSU - HEALTH SCIENCE CAMPUS - De La Salle University Health Science Campus Inc., Congressional Road, Dasmariñas City, Cavite
57. DLSU MAC - G/F Medical Arts Centre Bldg., DLSU Medical Center Compound, Congressional Road, Dasmariñas City, Cavite
58. DUSIT THANI D2 DAVAO - Stella Hizon Reyes Drive, Bo. Pampanga, Davao City, Davao del Sur
59. EAGLE RIDGE COUNTRY CLUB - Clubhouse, Eagle Ridge and Country Club, Brgy. Javalera, Gen. Trias, Cavite
60. ECCO BUILDING - G/F ECCO Bldg. (beside unit A), Fil-Am Friendship Highway, Brgy. Anunas, Angeles City, Pampanga
61. ECDI STA. ROSA – L4-5 B2 Meridian Industrial Complex, Brgy. Balibago, Sta. Rosa, Laguna
62. FAMILY MART SKYTECH MABALACAT - Skytech IT Park Bldg., McArthur Highway, Camachiles, Mabalacat, Pampanga
63. FCC SUPERMARKET CONCEPCION TARLAC – Juan Luna St., Rosepark, Concepcion, Tarlac
64. FESTIVE WALK - ANNEX BLDG. - Annex Bldg., Iloilo Festive Walk, Megaworld Blvd., Iloilo Business Park, Mandurriao, Iloilo City
65. FESTIVE WALK - FOOD HALL - Food Hall, Iloilo Festive Walk, Megaworld Blvd., Iloilo Business Park, Mandurriao, Iloilo City
66. FESTIVE WALK - OUTDOOR - Outdoor Area, Iloilo Festive Walk, Megaworld Blvd., Iloilo Business Park, Mandurriao, Iloilo City
67. FESTIVE WALK - WILCON - Wilcon Area, Iloilo Festive Walk, Megaworld Blvd., Iloilo Business Park, Mandurriao, Iloilo City
68. FRIENDSHIP SUPERMARKET MUÑOZ NE - D. Delos Santos St., Science City of Muñoz, Nueva Ecija
69. GAISANO - BULUA - Gaisano Bulua Mall, Bulua St., Cagayan de Oro City, Misamis Oriental
70. GAISANO - ILIGAN - G/F Gaisano Citi Super Mall, Iligan City, Lanao del Norte
71. GAISANO - LAPU-LAPU CITY - Gaisano Mactan Island Mall, Pusok, Lapu-Lapu City, Cebu
72. GAISANO - MASBATE - Gaisano Capital Masbate, Quezon St., Crossing, Masbate City, Masbate
73. GAISANO - PUERTO - Unit #1 ATM - 2nd Level Gaisano Puerto, Sayre Highway, Puerto, Cagayan de Oro City, Misamis Oriental
74. GAISANO MALL - BAJADA DAVAO - Gaisano Mall of Davao, J.P. Laurel Ave., Bajada, Davao City, Davao del Sur
75. GAISANO MALL - CAGAYAN DE ORO - Unit #3 Level 2 Atrium Gaisano Mall, Corrales Extension cor. CM Recto Ave., Cagayan de Oro City, Misamis Oriental
76. GOLDEN PRINCE HOTEL - Golden Prince Hotel & Suites, Acacia St. cor. Archbishop Reyes Ave., Cebu City, Cebu
77. GOOD SAMARITAN HOSPITAL - Good Samaritan Compound, Burgos Ave., Cabanatuan City, Nueva Ecija
78. GREEN CITY MEDICAL CENTER DOLORES - Gapan Olongapo Road, San Fernando, Pampanga
79. GROSVENOR SQUARE - Grosvenor Square, Josefa St., Angeles City, Pampanga
80. HANN CASINO CLARK - Rewards Section, L Rivera Street, Clark Freeport Zone, Pampanga
81. HOLY ANGEL UNIVERSITY 2 - G/F Holy Angel University Student's Center, Sto. Rosario St., Angeles City, Pampanga
82. ILIGAN LIGHT AND POWER - Iligan Light and Power, Main Office Bldg. Bro. Jeffrey Road, Pala-o, Iligan City
83. JENRA JUMBO DOLORES - Olongapo-Gapan Road, Dolores, San Fernando, Pampanga
84. JENRA MALL - JENRA Grand Mall, Sto. Rosario St., Angeles City, Pampanga
85. JOLLIBEE - MABALACAT - ATM 2 ATM Center (beside Jollibee), McArthur Highway, Brgy. San Francisco, Mabalacat City, Pampanga
86. JOLLIBEE FLORIDABLANCA - Macabulos St., Floridablanca, Pampanga
87. JOLLIBEE FLORIDABLANCA 2 - Macabulos St., Floridablanca, Pampanga
88. JOLLIBEE GUAGUA - Jollibee Compound, Jose Abad Santos Avenue, Guagua, Pampanga
89. JOLLIBEE MONCADA - McArthur Highway, Poblacion 1, Moncada, Tarlac
90. JOLLIBEE SAN LEONARDO – Pan-Philippine Highway, Diversion Road, San Leonardo, Nueva Ecija
91. KCC MALL - GENSAN - G/F KCC Mall GenSan, J. Catolico Sr. Ave., Gen. Santos City, South Cotabato
92. KCC MALL DE ZAMBOANGA - KCC Mall de Zamboanga, Gov. Camins Rd., Camino Nuevo, Zamboanga City, Zamboanga del Sur
93. KMSCI - Kidapawan Medical Specialist Center Inc., Sudapin, Kidapawan City, North Cotabato
94. LA NUEVA MINGLANILLA - La Nueva Supermart Inc., Poblacion, Minglanilla, Cebu
95. LA NUEVA SUPERMART - La Nueva Supermart Inc., G.Y. Dela Serna St., Lapu-Lapu, Cebu City, Cebu
96. LAKEVIEW BINANGONAN - Manila East Road, Tagpos, Binangonan, Rizal
97. LCC PEÑARANDA - LCC Supermarket, Peñaranda cor. Rizal St., Legazpi City, Albay
98. LCC SUPERMARKET AYALA LEGAZPI - Liberty Center, Quezon Ave., Capantawan, Legazpi City, Albay
99. LEE HYPERMARKET - G/F Lee Plaza Hypermart, Jose E. Romero Sr. Ave., Bagacay, Dumaguete City, Negros Oriental
100. LEE SUPER PLAZA - G/F Lee Super Plaza, M. Perdices cor. San Jose St., Dumaguete City, Negros Oriental
101. LIM KET KAI MALL - M4-193B LIMKETKAI Mall, Lim Ket Kai Drive, Cagayan de Oro City, Misamis Oriental
102. LITE PORT TAGBILARAN - Celestino Gallares St., Poblacion 2, Tagbilaran City, Bohol

103. LOPUE'S EAST CENTRE - Lopue's East Centre, Burgos St. cor. Carlos Hilado National Highway, Bacolod City, Negros Occidental
104. LORMA HOSPITAL - Lorma Medical Center, San Fernando, La Union
105. LOTRIM DAVAO CITY - GF LCI Building 2, 100 Roxas Avenue, Barangay 32-D Poblacion, Davao City, Davao del Sur
106. LOTUS CENTRAL MALL - G/F Lotus Central Mall, Nueno Ave., Imus, Cavite
107. LVGH VALENCIA - La Viña General Hospital, ML Quezon St., Poblacion, Valencia City, Bukidnon
108. MAAP - Maritime Academy of Asia and the Pacific, Kamaya Point Road, Mariveles, Bataan
109. MACTAN MARINA MALL - G/F Mactan Marina Mall, MEPZ 1, Lapu-Lapu City, Cebu
110. MAGIC MALL - G/F Magic Mall, Alexander St., Poblacion, Urdaneta City, Pangasinan
111. MAGIC STARMALL - UGF Magic Star Mall, Romulo Blvd., Brgy. Cut-Cut 1, Tarlac City, Tarlac
112. MALOLOS OFF-BRANCH - G/F Graceland Mall, Bulacan State University Grounds, McArthur Highway, Guinhawa, Malolos City, Bulacan
113. MALTA HOSPITAL TORIL - Malta Hospital Toril, McArthur Highway, Toril, Davao City, Davao del Sur
114. MARIA AURORA MUNICIPAL - G/F Maria Aurora Municipal Hall, Aurora
115. MARIA REYNA HOSPITAL - Beside Hospital Entrance/Exit, Maria Reyna Hospital, T.J. Hayes St., Cagayan De Oro City, Misamis Oriental
116. MARITON GROCERY DON DOMINGO - Mariton Grocery, Don Domingo, Tuguegarao City, Cagayan
117. MARKET CITY - Market City Bldg., Bus Terminal, Agora, Cagayan De Oro, Misamis Oriental
118. MARQUEE MALL 1 - G/F Activity Center, Marquee Mall, Aniceto Gueco St., Angeles City, Pampanga
119. MCIA T2 DEPARTURE LEVEL - Terminal 2, International Departure Level, Mactan Cebu International Airport, Lapu-Lapu Airport Road, Lapu-Lapu City, Cebu
120. MCIA - DOMESTIC DEPARTURE HALL - Mactan Cebu International Airport, Lapu-Lapu Airport Road, Lapu-Lapu City, Cebu
121. MCIA DEPARTURE CHECK-IN SOUTHWING - Mactan Cebu International Airport, Lapu-Lapu Airport Road, Lapu City, Cebu
122. MERCY HOSPITAL ILIGAN - Sister of Mercy Road, Iligan City, Lanao del Norte
123. MHAM CEBU - Entrance Matias H. Aznar, Memorial College, R. Duterte St., Cebu City, Cebu
124. MIDORI CASINO CLARK - Casino Lobby, Recto St., Clark Freeport, Angeles, Pampanga
125. MINDANAO SANITARIUM AND HOSPITAL - Mindanao Sanitarium and Hospital, Tibanga Highway, Iligan City, Lanao del Norte
126. MJS HOSPITAL - Manuel J. Santos Hospital, 554 Montilla Blvd., Butuan City, Agusan del Norte
127. MONDE MY SAN CALAMBA - Carmelray II, Ridge Ave., Calamba, Laguna
128. MOTHER TERESA HOSPITAL - Mother Teresa of Calcutta Medical Center, McArthur Highway, Brgy. Maimpis, City of San Fernando, Pampanga
129. MUZON UPTOWN - G/F Muzon Uptown, Brgy. Muzon, San Jose Del Monte, Bulacan
130. NAGA PAROCHIAL SCHOOL - Corner Bagumabayan Sur and Ateneo Avenue, Naga City, Camarines Sur
131. NAGALAND E-MALL - P. Diaz cor. Elias Angeles St., San Francisco, Naga City, Cebu
132. NAKASHIN DAVAO INTERNATIONAL - Malagamot Road, Kilometer 14, Panacan, Davao City
133. NDMC MIDSAYAP – Notre Dame of Midsayap College, Quezon Ave., Pob. 5, Midsayap, Cotabato
134. NEPO MALL - ANGELES - Nepo Mall Angeles, Doña Teresa Ave. cor. St. Joseph St., Nepo Mart Complex, Angeles, Pampanga
135. NEWPOINT ANGELES - GF ATM Center Newpoint Mall, Plaridel St., Sto. Rosario, Angeles City, Pampanga
136. NORTHSIDE DOCTORS HOSPITAL - Northside Doctors Hospital, Guimod, Bantay, Vigan City, Ilocos Sur
137. NOTRE DAME DE CHARTRES HOSPITAL - Notre Dame De Chartres Hospital, #25 Gen. Luna Road, Baguio City, Benguet
138. NUEVA ECIJA DOCTORS HOSPITAL - Nueva Ecija Doctors Hospital, Maharlika Highway, Cabanatuan City, Nueva Ecija
139. NUVALI SOLENAD 2 - G/F Solenad 2 Nuvali, Sta. Rosa-Tagaytay Road, Don Jose, Sta. Rosa, Laguna
140. NUVALI SOLENAD 3 BLDG. B - G/F Bldg. B Solenad 3 Nuvali, Sta. Rosa-Tagaytay Road, Don Jose, Sta. Rosa, Laguna
141. NUVALI SOLENAD BLDG. E - Bldg. E, Solenad 3 Nuvali, Sta. Rosa-Tagaytay Road, Don Jose, Sta. Rosa, Laguna
142. ORCHARD GOLF AND COUNTRY CLUB – Club House Near Golf Accessories Store, The Orchard Golf and Country Club Inc., Dasmariñas, Cavite
143. OSPA - FARMERS' MEDICAL CENTER - Ormoc Sugarcane Planters Association - Farmers Medical Center, Carlota Hills, Brgy. Can-Adieng, Ormoc City, Leyte
144. OUR LADY OF THE PILLAR - G/F Our Lady of the Pillar Medical Center (near Emergency Room), Tamsui Ave., Bayan Luma II, Imus, Cavite
145. PANGASINAN MEDICAL CENTER - Pangasinan Medical Center, Nable St., Dagupan City, Pangasinan
146. PAVILION MALL - G/F Bldg. A, Pavilion Mall, KM. 35 Brgy. San Antonio, Biñan, Laguna
147. PELCO 1 MEXICO - Jose Abad Santos Ave., Mexico, Pampanga
148. PELCO III APALIT - PELCO III, Mc Arthur Highway, Sampaloc, Apalit, Pampanga
149. PLAZA FINA MAGALANG - Plaza Fina, Don Andres Luciano St., Magalang, Pampanga
150. PLG ECOZONE HERMOSA BATAAN - PLG Prime Global, FTI Group Bldg., GF Ecozone Industrial Park, Hermosa, Bataan
151. PORTA VAGA MALL - Porta Vaga Mall, Along Session Road, Baguio City, Benguet
152. PPL MCDONALD'S ORMOC - G/F IAL Building, Burgos St. cor. Rizal St., Ormoc City, Leyte
153. Primeway Plaza Cebu - F. Ramos St., Sta. Cruz, Cebu City, Cebu
154. PRINCE HYPERMART BAGO - Rizal St., Bago City, Negros Occidental
155. PRINCE HYPERMART DAANBANTAYAN - Prince Hypermart, Poblacion, Daanbantayan, Cebu

156. PRINCE HYPERMART HIMAMAYLAN - Brgy. Poblacion, Himamaylan City, Negros Occidental
157. PRINCE HYPERMART MANOLO FORTICH - Prince Hypermart, Sayre Highway, Manolo Fortich, Bukidnon
158. PRINCE HYPERMART TALISAY – Bonifacio St., Talisay City, Negros Occidental
159. PRINCE MALL OF BAYBAY - Prince Town Baybay, Andres Bonifacio & Manuel L. Quezon St., Baybay, Leyte
160. PUREGOLD - DAU - Lot 9 Blk 19 Cosco Building, McArthur Highway, Dau, Mabalacat, Pampanga
161. PUREGOLD OBANDO - Puregold Obando, P. Sevilla St., Brgy. Catanghalan, Obando, Bulacan
162. PUREMART BAUTISTA DASMARIÑAS – Blk. 23 L 46-49, Phase 1, Brgy. Bautista, Bagong Bayan, Dasmariñas, Cavite
163. PUREMART MARAGONDON - Poblacion 1-A, Maragondon, Cavite
164. PUREMART MARY CRIS GEN. TRIAS – Phase 2, Blk. 11 L4-6, Marycris Complex, Brgy. Pasong Camachile 2, Gen. Trisa, Cavite
165. QUICKMART DARAGA - Quickmart Bldg., Rizal St., Daraga, Albay
166. RIVERA HOSPITAL PANABO - Rivera Medical Center, National Highway, 7302 Brgy. San Francisco, Panabo City, Davao Del Norte
167. ROBINSONS CALASIAO - Robinsons Place Pangasinan, Brgy. San Miguel, Calasiao, Pangasinan
168. ROBINSONS GENSAN - G/F Robinsons Gensan, Jose Catolico Sr. Ave., Brgy. Lagao, General Santos City, South Cotabato
169. ROBINSONS TAGUM - National Highway, Tagum, Davao del Norte
170. ROYCE CASINO 1 - Casino Lobby near Cashier area, New Royce Casino, M. Roxas Highway, Clark Freeport, Angeles, Pampanga
171. ROYCE CASINO 2 - Casino ATM Area 7-87, New Royce Casino, M. Roxas Highway, Clark Freeport, Angeles, Pampanga
172. ROYCE CASINO 3 - ATM Area 5-6, near escalator, New Royce Casino, M. Roxas Highway, Clark Freeport, Angeles, Pampanga
173. ROYCE CASINO 4 - ATM Area 4 near Mall Entrance, New Royce Casino, M. Roxas Highway, Clark Freeport, Angeles, Pampanga
174. ROYCE CASINO 5 - Employees Area, New Royce Casino, M. Roxas Highway, Clark Freeport, Angeles, Pampanga
175. RPGMC TUGUEGARAO - Ronald P. Guzman Medical Center, Enrile Blvd., Carig, Tuguegarao City, Cagayan
176. SAMULCO - Sta. Ana Multi-Purpose Cooperative, Bldg. 1, Monteverde St., Davao City, Davao del Sur
177. SAN FERNANDINO HOSPITAL - San Fernandino Hospital, McArthur Highway, Bo. Dolores, San Fernando, Pampanga
178. SAVEWISE - POZORRUBIO - Savewise Bldg., Caballero St., Brgy. Cablong, Pozorrubio, Pangasinan
179. SHOP N RIDE GROTTO - Santa Maria Tungkong Mangga Road, San Jose Del Monte, Bulacan
180. SHOPWISE - CEBU - Shopwise Bldg., N. Bacalso Ave., Basak, San Nicolas, Cebu City, Cebu
181. SHOPWISE - SAN PEDRO - Shopwise, National Highway, Brgy. Landayan, San Pedro, Laguna
182. SHOPWISE BUHAY NA TUBIG IMUS - Brgy. Buhay na Tubig, Imus, Cavite
183. SHOPWISE GRAND TERMINAL BATANGAS - Diversion Road, Brgy. Alangilan, Batangas City, Batangas
184. SHOPWISE LANCASTER IMUS - G/F Shopwise Lancaster City, Advincula Avenue, Imus City, Cavite
185. SIBALOM MUNICIPAL ANTIQUE - G/F Sibalom Municipal Hall, Sibalom, Antique
186. SKYRISE REALTY - G/F Skyrise IT Bldg., Gorordo Ave. cor. N. Escario St., Cebu City, Cebu
187. SM BAGUIO - SM Baguio, Luneta Hill, Upper Session Road, Baguio City, Benguet
188. SM CENTER ANGONO - SM Center Angono, Quezon Ave. Angono, Rizal
189. SM CENTER DAGUPAN - 2F SM Center Dagupan, M.H. del Pilar, Dagupan City
190. SM CENTER IMUS - N.I.A Road, Barangay Bucandala III, Imus, Cavite
191. SM CENTER TUGUEGARAO - 2F SM Center Tuguegarao Downtown, Luna St. cor Mabinit St., Tuguegarao City, Cagayan
192. SM CITY BACOLOD - G/F Bldg. A, ATM #3 SM City Bacolod, Reclamation Area, Bacolod City, Negros Occidental
193. SM CITY BALIWAG - G/F SM City Baliwag, Doña Remedios Trinidad Highway, Brgy. Pagala, Baliwag, Bulacan
194. SM CITY BATANGAS - SM City Batangas, M. Pastor Ave., Pastor Village, Brgy. Pallocan Kanluran, Batangas City, Batangas
195. SM CITY BATANGAS 2 - SM City Batangas, M. Pastor Ave, Pastor Village, Brgy. Pallocan Kanluran, Batangas City, Batangas
196. SM CITY CABANATUAN - ATM Center, SM City Cabanatuan, Maharlika Highway, Brgy. H. Concepcion, Cabanatuan City, Nueva Ecija
197. SM CITY CAGAYAN DE ORO - ATM Center 2, Main Entrance, SM City Cagayan de Oro, Masterson Ave., Cagayan De Oro, Misamis Oriental
198. SM CITY CALAMBA - G/F SM City Calamba, National Road, Brgy. Real, Calamba City, Laguna
199. SM CITY CALAMBA 2 - 2F SM City Calamba, National Road, Brgy. Real, Calamba City, Laguna
200. SM CITY CALAMBA 3 - SM City Calamba, National Road, Brgy. Real, Calamba City, Laguna
201. SM CITY CAUAYAN - Maharlika Highway, Brgy. District II, Cauayan City, Isabela
202. SM CITY CLARK OFF-BRANCH - ATM #1 SM City Clark (in-front of transport terminal), M. Roxas Highway, CSEZ, Angeles City, Pampanga
203. SM CITY DAET - 2/F SM City Daet, Vinzons Avenue, Brgy. Lag-on, Daet, Camarines Norte
204. SM CITY DASMARIÑAS 2 - G/F SM City Dasmariñas, Governor's Drive cor. Aguinaldo Hiway, Brgy. Sampaloc 1, Dasmariñas, Cavite
205. SM CITY GENERAL SANTOS - SM City Gen Santos, Santiago Blvd. cor. San Miguel St., Brgy. Lagao, Gen. Santos City, South Cotabato
206. SM CITY ILOILO - GF SM City Iloilo, Old Iloilo-Capiz Road, Iloilo City
207. SM CITY LIPA OFF-BRANCH - ATM 2, SM City Lipa, Ayala Highway, Brgy. Maraouy, Lipa City, Batangas
208. SM CITY OLONGAPO CENTRAL 2F - 2F East Tapinac, Olongapo City, Zambales
209. SM CITY ROSALES - SM City Rosales, MacArthur Highway, Carmen East, Rosales, Pangasinan
210. SM CITY TANZA TERMINAL - Terminal Area, SM City Tanza, Brgy. Daang Amaya II, Tanza, Cavite
211. SM CITY TARLAC - G/F SM City Tarlac, McArthur Highway, Brgy. San Roque, Tarlac City, Tarlac

212. SM CITY URDANETA - McArthur Highway, Urdaneta, Pangasinan
213. SM DAVAO - ATM Center 1, SM City Davao, Quimpo Blvd. cor. Tulip Drive, Ecoland Subd., Brgy. Matina, Davao City, Davao del Sur
214. SM LANANG PREMIER OFF-BRANCH - UGF SM Lanang Premier, J.P. Laurel Ave., Brgy. San Antonio, Davao City, Davao del Sur
215. SM LEMERY - SM Center Lemery, Ilustre Avenue, Lemery, Batangas
216. SM MARILAO OFF-BRANCH - G/F SM City Marilao, MacArthur Highway, Marilao, Bulacan
217. SM MARKET MALL - ATM 3 SM Market Mall Dasmariñas, Congressional Ave., Dasmariñas Bagong Bayan, Dasmariñas, Cavite
218. SM MINDPRO ZAMBOANGA - G/F La Purisima St., Brgy. Zone III Poblacion, Zamboanga City
219. SM SUPERCENTER MOLINO - G/F SM Supercenter Molino, Molino Road, Brgy. Molino 4, Bacoor, Cavite
220. SOCSARGEN COUNTY HOSPITAL - Socsargen County Hospital, Arradaza St., General Santos City, South Cotabato
221. SOUTH TOWN CENTRE TALISAY - South Gate Mall, Tabunok, Talisay, Cebu
222. SOUTHWAY MALL - The Southway Square Mall, Gov. Lim Ave. cor. La Purisima St., Zamboanga City, Zamboanga del Sur
223. ST. ELIZABETH HOSPITAL - L. Santiago Blvd. corner National Highway, General Santos City
224. ST. ELIZABETH HOSPITAL 2 - Lobby Out Patient, L. Santiago Blvd. corner National Highway, General Santos City
225. STA. ROSA HOSPITAL - Sta. Rosa Hospital and Medical Center, San Lorenzo Road, Brgy. Balibago, Sta. Rosa, Laguna
226. STARSHOP BALITI PAMPANGA - McArthur Hiway cor. Baliti Road, San Fernando, Pampanga
227. SUPER METRO CARCAR - Natalio B. Bacalso National Highway, Carcar City, Cebu
228. SUPERL PHILS BACOLOR - Angeles Industrial Park, PEZA, Brgy. Calibutbut, Bacolor, Pampanga
229. SWISSOTEL CLARK - Hotel Lobby, L. Rivera Street, Clark Freeport Zone, Pampanga
230. TARGET MALL 1 - G/F Target Mall, Sta. Rosa Commercial Complex, Brgy. Balibago, Sta. Rosa, Laguna
231. TARGET MALL 2 - ATM 4 Canopy Area, Target Mall, Sta. Rosa Commercial Complex, Brgy. Balibago, Sta. Rosa, Laguna
232. THE DISTRICT - DASMARIÑAS - G/F The District - Dasmariñas, Molino-Paliparan Road, Dasmariñas City, Cavite
233. THE DISTRICT - IMUS - The District Imus, Aguinaldo Highway cor. Daang Hari Road, Brgy. Anabu II-D, Imus, Cavite
234. THREADNETICS PULILAN - San Bernardino St., Dampot II-B, Pulilan, Bulacan
235. TOYOTA SAN NICOLAS - Brgy.16 San Marcos, San Nicolas, Ilocos Norte
236. UNION CHRISTIAN COLLEGE - Union Christian College, Widdoes St., Brgy. II, San Fernando, La Union
237. UNIVERSITY OF BAGUIO - University of Baguio, Assumption Road, Baguio City, Benguet
238. UNIVERSITY OF BOHOL - University of Bohol, Ma. Clara St., Tagbiliran City, Bohol
239. UNIVERSITY OF ILOILO - University of Iloilo Campus, Rizal St., Iloilo City
240. UNIVERSITY OF PERPETUAL HELP - BIÑAN - Dr. Jose Tamayo Medical Bldg., University of Perpetual Help System Laguna, Brgy. Sto. Niño, Biñan, Laguna
241. UNIVERSITY OF SAN CARLOS - University of San Carlos Main University Bldg., Pantaleon del Rosario St., Cebu City, Cebu
242. USC - TALAMBAN - USC Talamban Campus, Gov. M. Cuenco Ave., Brgy. Nasipit, Talamban, Cebu City, Cebu
243. VIRAC TOWN CENTER – Virac Town Center, Catanduanes Circumferential Road, Virac, Catanduanes
244. VISION FEEDMILLS ROSARIO - Rosario - San Juan - Candelaria Road, Rosario, Batangas
245. WALTER MART - CABANATUAN - Maharlika Highway, Brgy. Dicarma, Cabanatuan City, Nueva Ecija
246. WALTER MART - CARMONA - G/F Walter Mart Carmona, Macaria Business Center, Governor's Drive, Carmona, Cavite
247. WALTER MART - CANDELARIA QUEZON - KM 0108 Daang Maharlika Highway, Brgy. Malabanan Norte, Candelaria
248. WALTER MART - CAPAS - Walter Mart Shopping Center Capas, KM 107.5 McArthur Highway, Brgy. Sto. Domingo I, Capas, Tarlac
249. WALTER MART - DASMARIÑAS - G/F Walter Mart Dasmariñas, Barrio Burol Aguinaldo Highway, Dasmariñas City, Cavite
250. WALTER MART - GEN. TRIAS - G/F Waltermart General Trias, Governors Drive, Barrio Mangahan, General Trias, Cavite
251. WALTER MART - MALOLOS - Walter Mart Shopping Center Malolos, KM 45 McArthur Highway, Brgy. Longo, Malolos, Bulacan
252. WALTER MART - MOLINO BACOOR - Molino Blvd., Bacoor, Cavite
253. WALTER MART - SAN FERNANDO - Walter Mart San Fernando, McArthur Highway, Brgy. San Agustin, San Fernando, Pampanga
254. WALTER MART - STA. ROSA 1 - UGF Waltermart Sta. Rosa, San Lorenzo Village, Balibago Road, Brgy. Balibago, Sta. Rosa, Laguna
255. WALTER MART - STA. ROSA 2 - UGF Waltermart Sta. Rosa, San Lorenzo Village, Balibago Road, Brgy. Balibago, Sta. Rosa, Laguna
256. WALTER MART - STA. ROSA BEL-AIR - Walter Mart Bel-Air, Sta. Rosa Tagaytay Road, Pulong Sta. Cruz, Sta. Rosa, Laguna
257. WALTER MART - TAGAYTAY - G/F Ayala Mall Serin, Tagaytay-Nasugbu Highway, Silang Junction South, Tagaytay City, Cavite
258. WALTER MART - TANAUAN - Walter Mart Tanauan, J. P. Laurel National Highway, Brgy. Darasa, Tanauan, Batangas
259. WELLCOME MINIMART BASISTA - National highway, Basista, Pangasinan
260. WESLEYAN UNIVERSITY - Wesleyan University of the Philippines, Mabini St. Extension, Cabanatuan City, Nueva Ecija
261. WNU STI UNIVERSITY - STI West Negros University, Burgos cor. Hilado St., Bacolod City, Negros Occidental
262. XAVIER UNIVERSITY - G/F Library Annex, Xavier University, Corrales Ave., Cagayan De Oro City, Misamis Oriental
263. YASHANO MALL LEGAZPI - Yashano Mall, F. Imperial St. cor. Terminal Rd. 1, Legazpi Port District, Legazpi City, Albay
264. YUBENGCO STARMALL – Yubengco Starmall, Maria Clara Lorenzo Lobregat Highway, Putik, Zamboanga City, Zamboanga del Sur
265. YU-YU CAFE & DESSERT SHOPPE TAGUM – National Highway cor. Quirante II St., Magugpo Poblacion, Tagum City, Davao del Norte
266. ZAMBOANGA PENINSULA MEDICAL CENTER 0 Zamboanga Peninsula Medical Center, Maria Clara Lobrgat Highway, Putik, Zamboanga City, Zamboanga del Sur

China Bank Savings – Off Branch ATM Directory

1. CALAMBA DOCTORS HOSPITAL – KM. 49 National Highway, Parian, Calamba City, Laguna
2. RIS – RIS DEVELOPMENT CORPORATION – 168 Mercado St Tabe, Guiguinto, Bulacan 03015
3. ZAMECO – ZAMECO II Head Office Compound, National Road, Brgy. Magsaysay, Castillejos, Zambales
4. SAINT LOUIS COLLEGE LA UNION – St. Louis College Carlatan San Fernando City, La Union
5. RACAL BUILDERS BLACAN – 200 Quirino Hwy, San Jose Del Monte City, Bulacan
6. DIVI MALL TAMBO – Quirino Avenue Tambo, Parañaque City
7. C.P. REYES HOSPITAL – C.P. Reyes Hospital, Mabini Avenue, Tanauan, Batangas
8. APD PUERTO PRINCESA – Rizal Avenue corner Roxas St., Brgy. Tagumpay, Puerto Princesa City, Palawan

3. Status of Publicly Announced New Products and Services

Product	*Status*
Deposit Products	
OKS Savings Account	Fully operational
ATM Savings Account	Fully operational

4. Competition

As of December 2022, there are 45 universal and commercial banks in the Philippines – 16 private domestic banks, 24 foreign bank branches, three government banks, and two foreign bank subsidiaries. The BSP also granted six digital bank licenses to GoTyme Bank Corporation, Maya Bank, Inc., Overseas Filipino Bank, Inc., Tonik Digital Bank, Inc., Union Digital Bank and UNObank, Inc – all of which are already in operation as of year-end 2022.

The combined assets of the universal & commercial banking (UK/B) and thrift banking (TB) industries as of December 2022 expanded by 11% or P2.2 trillion year-on-year to P22.7 trillion. China Bank's assets jumped 20% to P1.3 trillion, recording one of the fastest growth rates among the top 10 banks and well above the industry's growth rate.

Industry deposits went up 9% or P1.5 trillion to P17.5 trillion, while gross loans grew 12% or P1.2 trillion to P11.7 trillion. Gross non-performing loans (NPL) contracted by 12% to P379 billion, resulting in lower gross NPL ratio of 3.2% from 4.1% as of December 31, 2021. NPL cover, on the other hand, improved to 108% from 89%.

Combined equity of the UK/B & TB industries went up by 5% or P120 billion to P2.6 trillion. UK/B industry Capital Adequacy Ratio (CAR) as of September 2022 went down versus December 2021 to 15.57% on a solo basis and 16.24% on a consolidated basis.

Among private universal banks, China Bank is now the fourth largest in terms of assets, ahead of mid-tier banks RCB and PNB with resources both around P1.2 trillion. The bank advanced as the fourth largest lender (from fifth last year) and fourth largest deposit-taker (from fifth last year) and with sixth largest equity.

5. Transactions with and/or dependence on related parties

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

6. Trademarks, Licenses, Franchises, etc.

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

- China Bank – Your Success is Our Business, More Than Your Banker, the Right Partner
- China Bank Treasury Investments
- ChinaBank GS Fund
- ChinaBank Online
- ChinaBank Diamond Savings Account
- ChinaBank Dollar Fund
- ChinaBank ChinaCheck Plus
- ChinaBank HomePlus
- ChinaBank AutoPlus
- ChinaBank Platinum
- ChinaBank Prime
- ChinaBank World
- ChinaBank Premium Savings Account
- ChinaBank Wealth Management
- ChinaBank Cash Management
- ChinaBank WritePlus
- ChinaBank Check Depot
- ChinaBank Sure Sweep
- ChinaBank Sure Collect
- ChinaBank Bills Pay Plus
- ChinaBank ACA Autp-Credit Arrangement
- ChinaBank ADA Auto-Debit Arrangement
- ChinaBank EGOV
- ChinaBank Corporate Bills Payment
- ChinaBank Escrow Agency Services POEA
- ChinaBank Partnership Banking
- ChinaBank Direct Debit Arrangement
- ChinaBank Trust and Asset Management Group
- China Bank Online Kababayan Services (OKS)

All the Bank's trademark registrations are valid for 10 years with expiration years varying from 2020 to 2030. The Bank closely monitors the expiry and renewal dates of these trademark names to protect the Bank's brand equity.

7. Sources and Availability of raw materials and the names of principal suppliers.

Not applicable.

8. Disclose how dependent the business is upon a single customer or a few customers.

Not applicable.

9. Need for any government approval of principal products or services.

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

10. Effect of existing or probable governmental regulations on the business.

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

11. Amount spent on research and development activities

(In Thousand Pesos)	2022	2021	2020
Education & Training	36,485	23,691	27,325
Advertising Expenses	31,528	50,064	87,179
Technology	1,532,831	1,350,448	1,159,747

12. Cost and effect of compliance with environmental laws. Not applicable.

13. Total number of employees

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

Below is the breakdown of the manpower complement in 2022 as well as the projected headcount for 2023:

	2023			2022		
	Officers	Staff	Total	Officers	Staff	Total
Marketing	1,951	411	2,362	1,886	397	2,283
Operations	994	4,925	5,919	961	4,761	5,722
Support	870	996	1,866	841	963	1,804
Technical	266	176	442	258	170	428
TOTAL	4,081	6,508	10,589	3,946	6,291	10,237

The CBC Employees Association (CBCEA) members have an existing Collective Bargaining Agreement with the Bank for the period 01 August 2022 to 31 July 2027.

ANNEX "B"

MARKET INFORMATION AND RELATED MATTERS

(1) Market Information

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

- **Market Value**

Actual Prices:

2023	HIGH	LOW	CLOSE
January	28.80	26.40	28.65

Actual Prices:

2022	HIGH	LOW	CLOSE
Jan - Mar	27.95	24.10	27.00
April - Jun	28.10	26.50	26.90
Jul - Sept	31.00	25.30	25.35
Oct - Dec	28.50	25.20	27.45

Actual Prices:

2021	HIGH	LOW	CLOSE
Jan - Mar	25.80	22.80	23.05
April - Jun	25.85	22.80	25.50
Jul - Sept	25.80	23.90	24.15
Oct - Dec	26.50	23.75	26.00

- **Market value as of December 29, 2022 (last trading day of 2022): P27.45**

- **Price Information as of March 1, 2023 (latest practicable trading date): P32.05**

(2) Holders

- **Top 20 Stockholders**
  (As of January 31, 2023)

	Name of Stockholder	Number of Shares	Percentage
1 .	PCD Nominee Corporation (Non-Fil.)	714,704,302	26.556
2 .	PCD Nominee Corporation (Filipino)	571,239,157	21.225
3 .	SM Investments Corporation	463,922,761	17.238
4 .	Sysmart Corporation	416,402,026	15.472
5 .	JJACCIS Development Corporation	62,320,926	2.316
6 .	CBC Employees Retirement Plan	53,278,951	1.980
7 .	Joaquin T. Dee &/or Family	40,787,322	1.516
8 .	GDSK Development Corporation	31,458,583	1.169
9 .	Suntree Holdings Corporation	24,138,332	0.897
10 .	Syntrix Holdings, Inc.	23,266,173	0.864
11 .	Hydee Management & Resource Corp.	14,334,603	0.533
12 .	The First Resources Mgt. & Sec. Corp.	5,964,229	0.222
13 .	Kuan Yan Tan's Charity (Phil.), Inc.	5,941,277	0.221
14 .	Reliance Commodities, Inc.	5,662,648	0.210
15 .	Robert Y. Dee, Jr.	5,569,499	0.207
16 .	La Filipina Uy Gongco Corporation	5,444,600	0.202
17 .	Ansaldo, Godinez & Co., Inc.	4,664,350	0.173

18 .	Michael John G. Dee	3,963,468	0.147
19 .	Cheng Siok Tuan	3,864,332	0.144
20 .	Rosario Chua Siu Choe	3,631,816	0.135
	TOTAL	**2,460,559,355**	**91.427%**

- **Total number of shareholders** (as of January 31, 2023) – 1,868

- **Summary of Filipino and Non-Filipino Holdings** (as of January 31, 2023)

Nationality	Number of Stockholders	Number of Shares	Percentage
Filipino	1,791	1,970,145,234	73.205
Non-Filipino (PCD)	1	714,704,302	26.556
Chinese	49	3,485,501	0.130
American	18	2,403,317	0.089
Australian	2	4,513	0.000
British	2	97,631	0.004
Canadian	2	363,117	0.013
Spanish	1	107	0.000
Taiwanese	2	84,490	0.003
TOTAL	**1,868**	**2,691,288,212**	**100.0%**

(3) Dividend History

	2022	2021	2020	2019	2018	2017
Stock Dividend	--	--	--	--	--	8%
Cash Dividend	10.0% (regular) 5.0% (special)	10.0%	10.0%	8.8%	8.3%	8%

Authorized and Issued Capital

Authorized Capital - P33.0 Billion divided into 3.3 Billion shares with a par value of P10.00 per share
Issued Shares - 2,691,288,212 common shares

There is no restriction that limits the ability of the Bank to pay dividends other than what is required under the Revised Corporation Code and pertinent Bangko Sentral ng Pilipinas (BSP) regulations that prescribe minimum levels and ratios of capital adequacy. However, any dividends declared by the Bank are subject to notice to/approval by the BSP, Philippine Stock Exchange (PSE), and/or Securities and Exchange Commission (SEC). The Dividend Policy of the Bank is discussed under Annex “C” of the Information Statement.

(4) Unregistered Securities

There were no unregistered securities sold by the Bank for the past three (3) years.

(5) Free Float Level

Based on the Public Ownership Report of the Bank as of December 31, 2022, 57.042% of the total outstanding shares are owned by the public.

ANNEX “C”

COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

Championing Quality Customer Experience through Good Governance

Good corporate governance has been a vital driving force in China Bank’s continuing pursuit to be a dependable and trusted institution in the industry. By incessantly upholding the highest ethical standards in conducting our business, we remained committed to enhancing shareholder value and public confidence. By building on the principles of Fairness, Accountability, Transparency and Integrity, the Bank was able to keep abreast with changes in the relevant laws, regulations, and corporate governance standards and triumphantly endured all challenges and obstacles in the past 102 years.

Setting the tone of governance is the Bank’s Board of Directors. It guides the overall corporate philosophy and direction; and carry out oversight responsibility for business and risk strategy, financial soundness, and regulatory compliance. The Board provides strategic direction, oversight and sets the pace for the Bank’s current operations and initiatives to ensure that regulatory requirements and obligations to stakeholders are met. As the principal steward of the Bank, the Board exercises ethical leadership and encourages collaborative participation from China Bank employees and other stakeholders to further strengthen the organization’s franchise value.

In China Bank, customer service is regarded as a pivotal factor in reinforcing brand loyalty. We believe that by fulfilling our commitments and remaining true to our guiding principles and solid work ethics, we can give our customers the superior banking experience they truly deserve. With robust control mechanisms and governance systems in place, we are confident that we will continue to improve our business operations, create more value and ultimately, satisfy our clients.

In 2022, along with the regular best governance practices, key initiatives were implemented to further strengthen our position as one of the best governed companies in the region. These practices and initiatives include the following:

- Conducted the virtual Annual Stockholders’ Meeting, allowing stockholders to exercise their voting rights through a secured electronic registration and voting facilities, in light of the pandemic.

- Updated the Corporate Governance Manual to align with recent rules, regulations and international practices.

- Crafted the policies on interlocking positions to serve as basis for the annual assessment of concerned directors and officers, in compliance with BSP requirements.

- Enhanced the Board Committee Charters and Board Self-Assessment Forms.

- Conducted the annual assessment for the Board, Board-level committees, Independent Directors, Compliance Division, External Auditor and the President.

- Independent validation of the Board performance evaluation by an external / third-party entity, to ensure its objectivity.

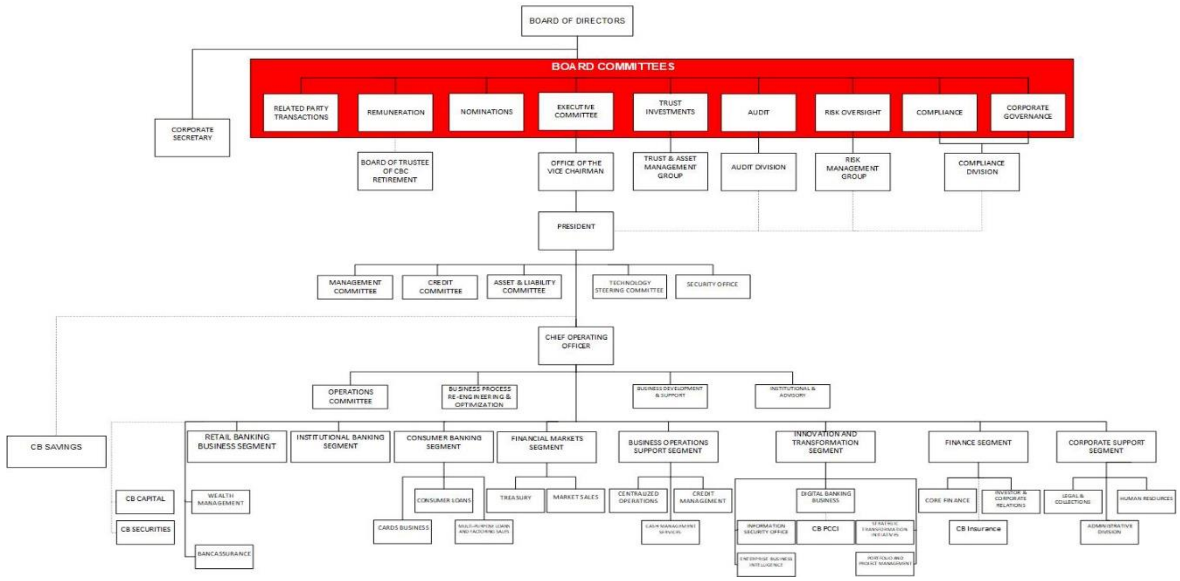
- Accomplishment of the Conflict of Interest and RPT Disclosure Form by the newly/re-elected directors.

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

- Engaged Moody’s Analytics as external advisor in setting up Bank’s Environmental and Social Risk Management System (ESRMS) conducive to the expectations of the BSP in its Circulars.

Organizational Structure

At the core of the Bank's corporate governance structure is our Board of Directors which continues to foster a culture of accountability and responsibility for the corporate affairs and performance of the Bank. The Board is supported by a proactive & competent Management in achieving its goal of going beyond compliance, by adopting local and ASEAN best corporate governance practices.



Board of Directors

We have twelve (12) directors and one (1) advisor to the Board – two (2) are executive directors and the rest are non-executive directors. For proper diversity and balanced structure of the Board, the Bank has put in place a rigorous and transparent procedure for the nomination and election of new directors, which is updated annually. The members of the Board are selected from a pool of qualified candidates based on the Bank's Manual on Corporate Governance that is aligned with laws, rules and regulations. Candidates are considered, among other things, based on their integrity, competence, independence, leadership, ability to exercise sound judgment, and experience at policy-making involving issues affecting business, government, and other areas relevant to finance and banking operations. The Board may use professional search firms or other external sources when searching for candidates for the Board.

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

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

Board Committees

The Bank's Board is supported by various Board Committees to effectively carry out its mandate of good corporate governance through compliance with laws, rules, regulations and best practices. These Board Committees are as follows:

- **Executive Committee** has the powers of the Board, when the latter is not in session, in the management of the business and affairs of the Bank to the fullest extent permitted under its By-Laws and Philippine laws. The Executive Committee had 41 meetings in 2022, including 1 joint meeting with the Risk Oversight Committee.

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

* 1 joint meeting with the Risk Oversight Committee

- **Corporate Governance Committee** is responsible for ensuring that the Bank's Corporate Governance framework is regularly reviewed, updated, and implemented accordingly at all times. It provides assistance to the Board in fulfilling its responsibilities by ensuring compliance with, and proper observance of governance laws, rules, principles, and best practices, including the continuing education program for the directors and conduct of the Board assessment, among others. The Corporate Governance Committee had 32 meetings in 2022, including 12 joint meetings with the Compliance Committee, 19 joint meetings with the Nominations Committee, and 1 joint meeting with the Remuneration Committee.

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

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

- **Audit Committee** primarily oversees all matters pertaining to audit – mainly the evaluation of the adequacy and effectiveness of the Bank's internal control system, as well as the integrity of its financial statements. It appoints, reviews and concurs in the appointment or replacement of the Chief Audit Executive (CAE), and is responsible for ensuring that the CAE and internal audit function are free from interference by outside parties. It also ensures that an annual review is performed with regard to the effectiveness of the internal audit mechanism, including compliance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and Code of Ethics. It provides oversight over Management's activities in maintaining an adequate internal control framework, managing credit, market, liquidity, operational, legal and other risks of the Bank, including regular receipts from management of information on risk exposures and risk management activities. It likewise ensures that internal and external auditors remain independent and are given unrestricted access to records, properties and personnel, to enable them to perform their respective audit functions. It 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, in order to ensure the effectiveness and efficiency of the Bank's internal controls. The Audit Committee had 15 meetings in 2022.

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

- **Compliance Committee** is tasked to monitor compliance with established bank laws, rules and regulations specifically in creating a dynamic and responsive compliance risk management system for identifying and mitigating risks that may erode the franchise value of the Bank, and ensuring that management is doing business in accordance with the said prescribed laws, rules and regulations including policies, procedures, guidelines and best practices. The Compliance Committee had 12 meetings in 2022, including 12 joint meetings with the Corporate Governance Committee.

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

*12 joint meetings with the Corporate Governance Committee

(a) Member from May 5, 2022; attended 8 out of 8 meetings of the Joint Compliance and Corporate Governance Committees meetings

(b) Member up to May 4, 2022; attended 4 out of 4 meetings of the Joint Compliance and Corporate Governance Committees meetings

- **Risk Oversight Committee** is responsible for the development and oversight of the Bank's risk management functions, including the evaluation of the effectiveness of the enterprise risk management framework and ensuring that corrective actions are in place to address concerns in a timely manner. It oversees the risk-taking activities of the Bank and warrants the continued relevance, comprehensiveness and overall value of the institutional risk management plan. The Risk Oversight Committee had 13 meetings in 2022, including 1 joint meeting with the Executive Committee.

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

*1 joint meeting with the Executive Committee

- **Nominations Committee** is responsible for reviewing and evaluating the qualifications of all persons nominated to the Board. Jointly with the CG Committee, 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 sufficient to lead and/or assist the Bank in accomplishing its vision and corporate goals, and identify if the quality of the directors nominated is aligned with the Bank's strategic directions. The Committee is composed entirely of Independent Directors. The Nominations Committee had 19 meetings in 2022, including 19 joint meetings with the Corporate Governance Committee.

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

*19 joint meetings with the Corporate Governance Committee

- **Remuneration Committee** provides oversight over the remuneration of senior management and other key personnel, ensuring that compensation is consistent with the interest of all stakeholders and the Bank's culture, strategy and control environment. The Remuneration Committee had 3 meetings in 2022, including 1 joint meeting with the Corporate Governance Committee.

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

*1 joint meeting with the Corporate Governance Committee

- **Related Party Transactions Committee** is responsible for reviewing all material related party transactions (RPTs) to ensure that they are conducted at an arm's length. Composed entirely of Independent Directors, the committee oversees the proper implementation of the RPT Policy and ensures that corresponding transactions are duly identified, measured, monitored, controlled and reported. The Related Party Transactions Committee had 12 meetings in 2022.

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

- **Trust Investment Committee** provides oversight functions, overall strategic business development and financial policy directions to the Trust and Asset Management Group. It oversees the trust, investment management and fiduciary activities of the Bank, and ensures that they are conducted in accordance with applicable rules and regulations, and judicious practices. Moreover, it ensures that prudent operating standards and internal controls are in place and that the Board's objectives are clearly understood and duly implemented by the concerned units and personnel. The Trust Investment Committee convened 11 times in 2022.

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

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

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

Corporate Secretary

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

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

Article VIII, Section 8 of the Bank's By-Laws provide that the Corporate Secretary has the following functions: (a) issue notices of all meetings; (b) keep their minutes; (c) in charge of the seal and corporate books; (d) sign with the President the certificates of stock and such other instruments as require such signature; (e) shall act as the election inspector at the annual meeting to elect directors, and, as such, to determine the number of shares of stock entitled to vote, the existence, the validity and effect of proxies, and the result of the election; and (f) shall make such reports and perform such other duties as are incident to his office or are properly required of him by the Board of Directors and/or the Chairman/Chief Executive Officer.

Board Training and Orientation Program

In compliance with existing rules and regulations and as part of the continuing education program, the Board undergoes an annual training. Last 03 August 2022, the directors and members of the Management Committee, together with key officers of the Bank and subsidiaries have attended the Bank's online exclusive advanced Corporate Governance training as facilitated by the Institute of Corporate Directors (ICD). The said training focused on Cybersecurity Governance: Challenges and Solutions; Managing Finances in the Digital Age: FinTech; and Anti-Money Laundering Updates.

In addition, directors also participate in various small-scale learning opportunities, trainings, webinars, etc., whenever available and/or applicable.

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

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

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

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

Rating	Description
0	**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 Board reviews the results and evaluates the enhancements needed in order to improve the performance of the Board collectively, the individual directors, and the various committees.

In 2022:

- The assessment was validated by an independent entity/facilitator.
- There are no significant deviations and in general, the Bank has fully complied with the provisions and requirements of the Corporate Governance Manual.

Compliance System

Vital to the implementation of a group-wide culture of compliance is our Compliance Division ("Compliance"), which designs and manages the implementation of the compliance program across the Bank and also oversees compliance across the Group. It provides assistance the Board in the discharge of its governance function to protect the franchise value of the Bank as well as the interests of its various stakeholders. The Bank's compliance risk management system is designed to identify and mitigate risks to ensure the safety and soundness of the Bank. Compliance endeavors to strengthen the culture of compliance and promotes awareness of all applicable laws, rules and regulations, by disseminating the latest regulatory issuances.

Compliance is headed by the Chief Compliance and Governance Officer (CCGO), Atty. Aileen Paulette S. De Jesus, who functionally reports to the Compliance and the Corporate Governance Committees and administratively to the Bank's President. The Compliance function is supported by a duly approved Compliance Charter that defines the duties and responsibilities, mandate, independence, and manner on which compliance is implemented. At the helm of this function is the *Regulatory Compliance Department*, which ensures that the compliance system is updated and implemented accordingly. The *Corporate Governance Department* carries out and manages the implementation of the corporate governance mandates, which include managing compliance with the Code of Corporate Governance, BSP and SEC rules on governance and international best practices. The *AML Department* manages the Bank's compliance with Anti-Money Laundering laws and regulations, and implementation of Money Laundering and Terrorist Financing Prevention Program (MTPP) whilst the *IT Compliance Department* provides the necessary IT support to the AML Compliance Department in the administration of the Bank's AML system, the Base60. IT Compliance Department likewise oversees the regulatory compliance of IT-related units of the Bank. The *Subsidiaries Compliance Department* oversees group-wide compliance to relevant rules, laws and regulations by providing direction and support to the Bank's subsidiaries. Finally, the *Associated Person* is responsible for the Bank's compliance with the Securities Regulations Code, including relevant laws and issuances related thereon.

All bank units have Compliance Coordinators to ensure that all risks associated to the operations and business of the individual units are identified, monitored, mitigated and remediated.

To enhance regulatory, compliance and good governance awareness and continuously strengthen the implementation of our compliance culture within the Bank, Compliance:

1. Cascades all recent laws, rules, and regulations to all concerned;

2. Acts as liaison for the Board and Management on regulatory compliance matters, with the regulatory agencies;

3. Provides advisory services, including reviewing proposed Bank products and services;

4. Reviews and updates the Compliance Manual, MTPP and Corporate Governance Manual annually or as necessary, to align with recent regulatory requirements;

5. Continuously educates Bank employees about compliance, anti-money laundering, good governance and its benefits, consumer protection and related party transactions, among others, to ensure that everyone in the institution is in the same direction towards good governance and to develop a culture of trust and integrity and to enable the employees of the Bank embrace the principles set forth by the Board;

6. Conducts briefings and training for Compliance Coordinators in the branches and Head Office to raise the level of awareness and understanding of the principles, concepts, and elements of good corporate governance and compliance. The Compliance Coordinators are required to cascade their learnings to their respective areas; and

7. Conducts lectures to all new employees of the Bank for the basic orientation on Compliance System, AML, Whistleblowing, and Corporate Governance giving them an overview of the Bank's Compliance Risk Management System. Compliance Division also conducts lectures during the Junior Executive Development (JED) and Supervisory Development Program (SDP), among others.

Governance Policies

- **Corporate Governance Manual**

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

  In 2022, the Bank has fully complied with the provisions of the Corporate Governance Manual.

- **Board Remuneration**

  The Bank's amended By-Laws provides that the directors shall receive a *per diem* of up to ten thousand pesos (P10,000.00) for attendance at each meeting / session of the Board of Directors or of any Committee. In accordance with Article VIII of the Bank's By-Laws, a portion of the net earnings shall be given to the members of the Board.

  In compliance with the Revised Corporation Code, the Bank has disclosed the compensation of the directors (for the preceding year) on an individual basis.

- **Dividend Policy**

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

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

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

  1. The dividend is increased in response to the Bank's achieving a higher level of sustainable earnings.

  2. Dividends may be increased for a specific year to plow back to shareholders a commensurate share of unusually high earnings for a given year.

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

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

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

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

- **Whistleblowing**

  Without fear of any retaliation, Bank employees, customers, shareholders, and any third-party service providers may report questionable or illegal activity, unethical conduct, fraud or any other malpractice by mail, phone or e-mail. The identity of the whistleblower is kept confidential and all reports are acted upon based on their merits. If determined sufficient in form and substance, the disclosure is referred to the appropriate unit/s for further investigation. If the report is found to be baseless, the Whistleblower is informed of the status.

  Although the CCGO is the primary driver in the implementation of the Whistleblowing Policy, the policy allows reporting of any disclosure to the Chief Audit Executive, Chief Risk Officer, and the HRG Head. All the disclosures, and their corresponding status and resolution are reported to the Board, thru the Audit Committee.

- **Code of Ethics**

  In the conduct of our business and dealings with stakeholders, we are guided by our core values, integrity, high performance standards, commitment to quality, customer service focus, concern for people, efficiency and resourcefulness, and initiative that strengthens our commitment to carry our daily tasks of business in an honest and ethical manner. These core values are also the foundation of the Bank's Code of Ethics.

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

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

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

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

- **Anti-Bribery and Corruption**

  The Bank promotes a culture of integrity and transparency in its banking operations ensuring compliance with the laws, rules and regulations, including disclosure requirements, accounting standards and good governance best practices. The Bank is subject to external audit and regulatory examination/s, which validates its compliance to the aforementioned rules and standards.

  The Bank does not tolerate any form of bribery and corruption. As established in the Code of Ethics, Directors, officers, and employees are prohibited from offering, promising, or giving a financial or other advantage to any person or party, including public officials, with the intention of inducing or rewarding improper performance by them of their duties or o 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.

- **Policy on Conflict of Interest**

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

  To further strengthen our governance practices in the prevention of conflict of interest, in 2020, the Corporate Governance Committee approved the use of Disclosure Form on Conflict of Interest and Related Party Transactions by the Directors, making mandatory the disclosure of any possible conflict of interest, as set forth in the relevant regulations and internal policies.

- **Disclosure and Transparency**

  The Bank is committed to a high standard of disclosure and transparency to facilitate an understanding of the Bank's financial condition, operations and corporate governance systems. The Bank believes all material information about its financial condition and operations is disclosed in accordance with applicable rules and regulations. In addition to compliance with reporting requirements, such as the publication of quarterly financial statements in national newspapers and publication of a comprehensive annual report for the Bank's annual stockholders meeting, the Bank promptly discloses major and market-sensitive information, including but not limited to dividend declarations, joint ventures and acquisitions, sale and disposition of significant assets, and financial and non-financial information that may affect or influence an investor's investment decision. The Bank also electronically files its disclosures through Electronic Disclosure Generation Technology (EDGE) which are then made available publicly on the PSE's website. The Bank's corporate website is likewise regularly updated to include the latest news and information about the Bank.

  The Bank aims to ensure that information about its products and services are clear, accurate, and accessible. The Bank provides all necessary and relevant information to its customers so that they can make informed decisions when transacting with it. The Bank communicates such information to its customers and other stakeholders through the use of wide range of media, including via print materials, advertisements in bank branches and electronic and digital advertisements on TV, radio, the internet and social media channels such as Twitter and Facebook; and through its Customer Contact Center. The Bank believes it displays all consumer information required by the BSP at its branches. Further, the Bank's branch personnel are trained to handle customer inquiries in a professional manner and to adequately explain risks relating to the Bank's products and services and to provide advice on financial matters as appropriate.

MANAGEMENT DISCUSSION AND ANALYSIS OR PLAN OF OPERATION
(Last Three Years 2022, 2021, and 2020)

(a) Financial and Operating Highlights

Balance Sheet Indicators

In Million Pesos	Dec 31, 2022 Audited	Dec 31, 2021 Audited	Dec 31, 2020 Audited	Dec 31, 2019 Audited
Assets	1,329,729	1,112,320	1,036,012	962,226
Investment Securities	412,234	279,375	235,892	212,836
Loans (Net)	699,595	609,007	557,214	568,919
Total Deposits	1,065,915	862,860	835,231	775,428
Equity	134,579	119,123	104,985	96,176

Analysis of Consolidated Statement of Financial Condition
As of December 31, 2022 and December 31, 2021

China Bank’s consolidated **assets** were recorded at P1.3 trillion in 2022, 19.5% higher year-on-year, sustained by the robust earning assets and deposits expansion.

Cash and other cash items dropped 14.6% to P13.7 billion due to close monitoring of cash-in-vault balances to maximize cash efficiency. **Due from Bangko Sentral ng Pilipinas** decreased by 13.8% to P107.1 billion from the drop in overnight deposits with the BSP, while **due from other banks** posted 27.3% increase to P13.6 billion, arising from the bigger placements with correspondent banks. Meanwhile, **interbank loans receivable and securities purchased under resale agreements** rose by 19.2% to P43.6 billion mainly from higher interbank loans.

Total investment securities amounted to P412.2 billion, up 47.6%. **Financial assets at fair value through profit or loss** dropped by 34.4% to P4.7 billion due to securities disposal during the year. Meanwhile, **financial assets at fair value through other comprehensive income (FVOCI) and investment securities at amortized cost** posted increases by 51.1% or P14.6 billion to P43.3 billion and 47.7% or P115.6 billion to P358.0 billion, respectively, with the build-up in such investments. **Derivative contracts designated as hedges** representing interest rate swap (IRS) contracts and spot element of FX forward contracts used as hedging instruments against time deposits and cash short position of certain FX spot transactions and of future interest payments grew 5.4x year-on-year to P6.2 billion.

The Bank’s liquidity ratio stood at 44%, higher than last year’s 42%.

Gross loans rose by 15.0% to P717.7 billion, on the back of vigorous business and consumer lending to drive economic rebound. **Net loans** reached P699.6 billion. Even with this increase, the Bank recorded a better-than-industry non-performing loan (NPL) ratio and NPL coverage ratio of 2.3% and 123%, respectively.

Accrued interest receivable increased by 28.4% to P9.8 billion from P7.6 billion due to larger receivables from investment securities and growth in loans. **Investment in associates** increased 23.4% to P983.2 million due to income contribution from the Bank’s affiliate, MCBLife. **Bank premises, furniture, fixtures and equipment and right-of-use assets** grew by P1.1 billion or 13.4% to P9.3 billion mainly from acquisitions of land, furniture, fixtures, and equipment, building, leasehold improvements and right-of-use assets

On the liabilities side, **deposits** reached P1.1 trillion, 23.5% higher on sustained growth across deposit products.

Current and savings account (CASA) deposits totaled P573.4 billion, which accounted for 54% of total deposits. Time deposits increased by P184.8 billion or 60.1% due to the increase in Peso and FCDU funding requirements.

Bills payable increased by P4.6 billion due to higher funding from institutional borrowings. On the other hand, **bonds payable** decreased by 33.3% to P28.3 billion due to the maturity of P15-billion Peso fixed rate bonds in October 2022. **Manager's checks** decreased 16.4% to P1.6 billion because of lower outstanding checks for negotiation. **Income tax payable** was at P311.9 million, down 60.3% due to lower regular corporate income tax rate for the period. **Accrued interest and other expenses** increased 28.9% to P6.1 billion, mainly from higher accrual of interest expense on financial liabilities. Change in the mark-to-market rates resulted in the increases in **derivative liabilities** and **derivative contracts designated as hedges** by P550.8 million to P1.5 billion and by P4.0 billion to P4.2 billion, respectively. **Other liabilities** increased by P3.4 billion or 26.4% to P16.1 billion mainly from higher accounts payable, outstanding acceptances, and lease liabilities.

Total equity stood at P134.6 billion, up 13.0%, mainly from 20.5% increase in **surplus** to P84.6 billion. Such amount was net of the P4.04 billion total cash dividends, up 50% year-on-year, paid in June 2022 to shareholders. **Surplus reserves** rose 18.7% to P4.4 billion due to the appropriation of retained earnings related to allowance for credit losses. **Net unrealized loss on financial assets at FVOCI** amounted to (P4.3) billion from a gain of P81.2 million in the previous year because of mark-to-market revaluation of the Bank's FVOCI securities. **Remeasurement gain on defined benefit asset** was higher at P77.8 million from (P30.5) million due to changes in actuarial assumptions. Furthermore, **remeasurement gain on life insurance reserves** recorded a P110.4 million rebound to P96.4 million from (P14.0) million due to the increase in legal policy reserves of the Bank's affiliate, MCBLife. Meanwhile, **cumulative translation adjustment** increased by P9.9 million or 56.0% to P27.5 million due to exchange rate difference arising from the translation of income and expenses to its presentation currency. **Cash flow hedge reserve** rose 5.6x to P5.5 billion due to the designation of new hedges and favorable mark-to-market rates.

The Bank's **Common Equity Tier 1 (CET 1/ Tier 1) ratio** was recorded at 15.07% while **total Capital Adequacy Ratio (CAR)** was computed at 15.92%. Both were above the regulatory minimum requirement.

Analysis of Consolidated Statement of Financial Condition As of December 31, 2021 and December 31, 2020

China Bank's consolidated **assets** were recorded at P1.1 trillion in 2021, 7.4% higher year-on-year, supported by the expansion in investment securities and net loans.

Due from Bangko Sentral ng Pilipinas and due from other banks posted decreases by 18.3% to P124.3 billion and 41.3% to P10.7 billion, respectively, from the drop in year-end placements with the BSP and deposits with correspondent banks. Meanwhile, **interbank loans receivable and securities purchased under resale agreements** rose by P18.3 billion to P36.6 billion from higher overnight placements with other banks and the BSP.

Total investment securities amounted to P279.4 billion, up 18.4%. **Financial assets at fair value through profit or loss** dropped 46.2% to P7.2 billion due to securities disposal during the year. Meanwhile, **financial assets at fair value through other comprehensive income (FVOCI) and investment securities at amortized cost** posted increases by 41.6% and 19.8%, respectively, with the build-up in such investments. **Derivative contracts designated as hedges** amounting to P1.1 billion was also booked during the year in relation to interest rate swap (IRS) contracts used as hedging instruments against time deposits.

The Bank's liquidity ratio stood at 42%, slightly lower than last year's 43%.

Gross loans grew by 9.1% to P624.3 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** reached P609.0 billion.

Accrued interest receivable decreased by 10.7% to P7.6 billion from P8.5 billion because of lower yields and the timing difference in the receipt of interest earned. **Investment in associates** dropped 12.7% to P796.5

million due to lower comprehensive income contribution and cash dividends received from the Bank's affiliate, MCBLife. **Deferred tax assets** were down 10.6% to P4.6 billion mainly from impact of the CREATE law.

On the liabilities side, **deposits** increased by 3.3% to P862.9 billion, driven by the 18% build-up current and savings account (CASA) deposits to P555.2 billion, which accounted for 64% of total deposits. **Bills payable** increased by P42.2 billion due to higher interbank borrowings. On the other hand, **bonds payable** decreased by 18.4% to P42.5 billion. The net decrease reflects the settlement of the Bank's P30-billion fixed rate bonds in January 2021, as well as the issuance of another P20 billion peso fixed rate bonds in February 2021, which bears a fixed coupon rate of 2.50% *per annum*, payable monthly, and is due in 2024. **Manager's checks** increased 18.3% to P1.9 billion because of higher outstanding checks for negotiation. **Income tax payable** was at P785.1 million, down 7.2% due to lower regular corporate income tax payable for the period. **Accrued interest and other expenses** increased 21.5% to P4.7 billion, with the setup of higher employee benefits and other expense accruals. Change in the mark-to-market rates resulted in the decrease in **derivative liabilities** and **derivative contracts designated as hedges** by P218.1 million and P358.8 million, respectively. The 28.5% drop in **deferred tax liabilities** was attributable to the savings bank subsidiary. **Other liabilities** increased by P1.8 billion to P12.7 billion mainly from higher accounts payable, acceptances payable, and expected credit losses on off-balance sheet exposures.

Total equity reached P119.1 billion, 13.5% higher than last year's P105.0 billion, mainly from 19.7% increase in **surplus. Surplus reserves** rose 29.8% to P3.7 billion due to the appropriation of retained earnings. **Net unrealized gain on financial assets at FVOCI** amounted to P81.2 million, down from P294.1 million last year because of mark-to-market revaluation of the Bank's FVOCI securities. **Remeasurement loss on defined benefit asset** was lower at (P30.5) million due to changes in actuarial assumptions. Furthermore, **remeasurement loss on life insurance reserve of associate** was lower at (P14.0) million from (P45.9) million due to the revaluation of legal policy reserves of the Bank's affiliate, MCBLife. Meanwhile, **cumulative translation adjustment** increased by P12.1 million to P17.6 million due to exchange rate difference arising from the translation of income and expenses to its presentation currency. **Cashflow hedge reserve** improved to P976.8 million due to the designation of new hedges and favorable mark-to-market rates.

The Bank's **Common Equity Tier 1 (CET 1/ Tier 1) ratio** was at 14.92% while **total Capital Adequacy Ratio (CAR)** was computed at 15.75%. Both are above the regulatory minimum requirement.

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

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

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

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

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

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

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

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

Total equity reached P105.0 billion, 9.2% higher than last year's P96.2 billion, mainly from 20.8% increase in retained earnings booked under **surplus. Surplus reserves** declined 20.1% to P2.9 billion due to the reversal of excess appropriation in the allowance for credit losses. **Net unrealized gain on financial assets at FVOCI** amounted to P294.1 million from P417.6 million arising from the mark-to-market revaluation of the Bank's FVOCI securities. **Remeasurement loss on defined benefit asset** recorded a higher loss of P58.5 million to (P427.0) million due to higher retirement payouts from subsidiaries. Furthermore, **remeasurement gain/ (loss) on life insurance reserve of associate** saw a P66.6 million drop to (P45.9) million from the revaluation of legal policy reserves of the Bank's affiliate, MCBLife. **Cumulative translation adjustment and cash flow hedge reserve** was down P1.3 million and P469.3 million due to exchange rate difference arising from the conversion of income and expenses related to foreign currency-denominated positions to base currency.

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

Income Statement Indicators

In Million Pesos	**2022 Audited**	2021 Audited	2020 Audited	2019 Audited
Interest Income	**57,211**	46,496	47,686	48,242
Interest Expense	**11,622**	7,411	13,295	21,634
Net Interest Income	**45,590**	39,085	34,391	26,609
Non-Interest Income	**10,063**	9,590	9,462	7,873
Provision for Impairment & Credit Losses	**9,013**	8,877	8,869	2,570
Operating Expenses	**24,354**	22,335	21,522	20,324
Net Income	**19,136**	15,106	12,071	10,075

Note: In 2022, the Bank changed the presentation of CBS's upfront fees that are integral part of the effective interest rate of loans from "Service charges, fees and commissions" to "Interest income on loans and receivables". The Bank effected the change in the comparative financial information to be consistent with the 2022 presentation, increasing "Interest income on loans and receivables" and decreasing "Service charges, fees and commissions" by P771 million in 2021, P549 million in 2020 and P558 million in 2019.

Analysis of Consolidated Statements of Income
For the period ended December 31, 2022 and December 31, 2021

China Bank posted a 26.7% increase in **net income** to P19.1 billion in 2022 on the back of robust operating income and effective cost management. The higher net profit translated to an improved **return on equity** of 15.07% and a **return on assets** of 1.56%.

Total interest income grew by 23.0% to P57.2 billion due to the continuous build-up in earning assets. **Interest income from loans and receivables** was up 14.0% to P39.6 billion from P34.7 billion on the back of robust year-on- year loan portfolio expansion. **Interest income from investment securities at amortized cost and at fair value through other comprehensive income** recorded a 63.8% growth from the build-up in securities holdings while **interest income from financial assets at fair value through profit or loss (FVPL)** decreased by 37.9% to P458.7 million mainly from lower volume of financial assets at FVPL in 2022. **Interest income from due from BSP and other banks, interbank loans receivable, and securities purchased under resale agreements** increased by 14.8% to P2.1 billion with the higher volume of placements with the BSP and other banks and increase in market and policy rates

Total interest expense amounted to P11.6 billion, P4.2 billion or 56.8% larger than last year as **interest expenses on deposit liabilities** increased 72.6% to P8.8 billion arising from the deposit expansion and higher funding cost. **Interest expenses on bonds payable, bills payable and other borrowings** was 24.3% higher at P2.6 billion due to higher funding cost for institutional borrowings. **Interest expenses on lease payable** was down 6.9% due to lower interest charged on outstanding lease liability.

Despite the growth in interest expenses, the Bank's **net interest margin** remained healthy at 4.21%.

The Bank recognized **provision for impairment and credit losses** amounting to P9.0 billion, slightly higher than the P8.9 billion reported for full-year 2021.

Total **non-interest income** was higher by 4.9% to P10.1 billion from notable improvements in core fee income. Gains from **trading and securities** was recorded at P927.5 million from better market positioning. **Service charges, fees, and commissions** grew 5.4% to P2.9 billion due to higher transactions-related and investment banking fees. **Trust fee income** was up 5.1% to P473.8 million with the year-on-year growth in assets under management. The upturn in sales of foreclosed assets resulted in the increases of **gain on sale of investment properties** by 80.0% to P698.8 million and a P58.3 million or 66.7% swing in **gain on asset foreclosure & *dacion* transactions** to P145.8 million. Higher earnings from the bancassurance joint venture, MCBLife, accounted for the P285.1 million **share in net income of an associate**. **Miscellaneous income** increased 4.1x to P5.2 billion mainly due to one-off gains for the year. On the other hand, **Gain on disposal and redemption of investment securities at amortized cost** dropped to P1.9 million from the significant decline in disposal of investment securities at amortized cost during the year. The Bank also recorded a **foreign exchange loss** of (P555.3) million from a gain of P686.9 million in the year prior because of the month-to-month movement in the Peso-Dollar exchange rate.

Operating expenses (excluding provision for impairment and credit losses) increased by 9.0% to P24.4 billion mainly from higher revenue-related costs due to business growth and higher core operating expenses due to inflationary pressures. **Compensation and fringe benefits** were up 8.5% to P8.1 billion due to increase in human resource complement, compliance with government wage orders, and payroll adjustments in relation to the newly-minted five-year collective bargaining agreement between management and the CBC Employees' Association. **Taxes and licenses** were up 34.0% to P4.7 billion mainly from higher revenue- and volume-related taxes arising from business growth. **Insurance**, which includes PDIC premium payments, grew 10.8% to P2.3 billion with the annual expansion in deposits. **Professional fees, marketing, and other related services** and **entertainment, amusement, and recreation** likewise rose by 14.9% to P727.3 million and by 14.3% to P560.2 million, respectively, with the ramp-up in business development and marketing initiatives. **Repairs and maintenance** went up by 6.2% to P184.7 million because of higher repairs and construction-related expenses during the year. **Miscellaneous expenses** amounting to P3.0 billion were down 7.1% year-on-year as the Bank recorded lower costs related to pandemic response and information technology upgrades. Consolidated **cost-to-income ratio** improved to 44% from 46%.

Analysis of Consolidated Statements of Income
For the period ended December 31, 2021 and December 31, 2020

China Bank posted a 25.1% increase in **net income** to P15.1 billion in 2021 on the back of sustained core business growth and effective cost management. The higher net profit translated to an improved **return on equity** of 13.58% and a **return on assets** of 1.45%.

Total interest income slid year-on-year to P46.5 billion. **Interest income from investment securities at amortized cost and at fair value through other comprehensive income** decreased by 8.3% to P9.2 billion mainly from the effects of a low-yield environment. **Interest income from due from BSP and other banks and securities purchased under resale agreements** recorded a 46.6% increase to P1.9 billion with the higher volume of placements with the BSP and other banks.

Total interest expense amounted to P7.4 billion, P5.9 billion or 44.3% lower than last year as **interest expenses on deposit liabilities** decreased 47.0% to P5.1 billion driven by the growth in CASA deposits, coupled with the decrease in time deposits and funding costs. **Interest expense on bonds payable, bills payable, and other borrowings** decreased by P1.3 billion to P2.1 billion due to the year-on-year drop in interbank borrowings and funding costs. **Interest expenses on lease payable** was also down 16.0% due to lower balance of outstanding lease liability.

With the significant reduction in interest expense, the Bank's **net interest income** rose 13.6% to P39.1 billion, and led to an improved **net interest margin** of 4.28% from 3.98% last year.

The Bank recognized **provision for impairment and credit losses** amounting to P8.9 billion in 2021 which was steady *versus* the 2020 amount.

Total **non-interest income** grew to P9.6 billion, underpinned by increase in core fee-based income and the P4.0 billion net gain on **trading** and **disposal of investment securities at amortized cost**. **Service charges, fees, and commissions** rose by 26.3% to P2.7 billion due to higher investment banking commissions and loans- & deposits-related revenues. **Trust fee income** saw a 10.0% jump to P451.0 million following the sustained build-up in trust department accounts. **Foreign exchange gain** rose by 3.2x to P686.9 million because of favorable forex trading activities. The upturn in sales of foreclosed assets resulted in the doubling of **gain on sale of investment properties** to P388.3 million and a P110.2 million swing in **gain on asset foreclosure & *dacion* transactions** to P87.5 million. Lower earnings from the bancassurance joint venture, MCBLife, accounted for the (P1.6) million under **share in net loss of an associate**. Miscellaneous income totaled P1.3 billion, up 32.6% from P952.2 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 P22.3 billion. **Taxes and licenses** were down 12.7% to P3.5 billion mainly from lower volume-related taxes. **Depreciation and amortization** was down 5.7% due to the depreciation expenses on bank premises, furniture, fixtures, equipment, right-of-use assets, and investment properties. **Occupancy costs** were up 18.9% to P2.1 billion due to higher expenses related to rent, utility, and security services. **Professional fees, marketing, and other related services**, **transportation and traveling**, and **entertainment, amusement, and recreation** likewise rose 17.4% to P632.9 million, 30.7% to P594.1 million, and 16.6% to P490.3 million with the ramp-up in business development and marketing initiatives. The Bank has managed to cut **stationery, supplies, and postage** by 13.5% to P218.2 million. **Repairs and maintenance** increased by 29.6% to P173.8 million because of higher repairs and construction-related expenses during the year. **Miscellaneous expenses** increased by 30.1% to P3.3 billion mainly from pandemic-related costs and technology upgrade.

Consolidated cost-to-income ratio improved to 46% from 49%.

Analysis of Consolidated Statements of Income
For the period ended December 31, 2020 and December 31, 2019

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

Total interest income was 1.2% lower year-on-year at P47.7 billion. Nevertheless, **interest income from due from BSP and other banks and SPURA** recorded a 14.2% increase to P1.3 billion from the higher volume of placements with the BSP and other banks.

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

As a result, **net interest income** jumped 29.2% to P34.4 billion and led to a higher net interest margin of 3.98% from 3.46% last year.

The Bank hiked its **provision for impairment and credit losses** to P8.9 billion which was 3.5x larger from the P2.6 billion posted last year to cushion against the potential impact of COVID-19 pandemic and community quarantine measures on our loan portfolio.

Total non-interest income rose 20.2% to P9.5 billion mainly attributable to the 3.7x increase in **trading and securities gain (net) to** P3.2 billion and the 58.3% uptick in **gain on disposal of investment securities at amortized cost** to P2.2 billion. **Service charges, fees, and commissions** decreased 21.5% to P2.2 billion from lower transaction volume and waiver of some fees during the community quarantine. Also, the decline in sales of foreclosed properties reduced the **gain on sale of investment properties** by 78.3% to P187.2 million and resulted in a **loss on asset foreclosure and *dacion* transactions** amounting to (P22.8) million. **Trust fee income** managed to increase by P52.8 million or 14.8% with the steady growth in trust assets under management. **Share in net income of an associate** dropped P32.2 million to P152.4 million as the profitability of the bancassurance joint venture, MCBLife was impacted by community lockdowns. **Miscellaneous income** totaled P952.3 million, down 20.2% from P1.2 billion due to lower bancassurance fees and other transaction-related revenues.

Operating expenses increased 5.9% to P21.5 billion. **Compensation and fringe benefits** increased 13.7% to P7.5 billion from the increase in human resource complement and payroll adjustments arising from the 2020 - 2022 collective bargaining agreement between management and the CBC Employees' Association. **Insurance** increased 6.6% to P2.0 billion with the higher PDIC premium payments arising from deposit build-up. **Repairs and maintenance** dropped by 16.1% to P134.2 million because of lower repairs and construction-related expenses during the community lockdown. **Entertainment, amusement and recreation** decreased 12.0% to P420.6 million from the drop in marketing- and selling-related expenses, while **professional fees, marketing, and other related services** increased 30.8% to P539.0 million due to the booking of non-recurring expenses related to the Bank's centennial celebration in 2020. **Miscellaneous expenses** increased by 7.6% to P2.5 billion mainly from pandemic-related costs and technology upgrade

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

Total Comprehensive Income
For the period ended December 31, 2022, 2021, 2020, and 2019

The Bank recorded **total comprehensive income** of P19.5 billion for 2022, a 15.8% increase from the P16.8 billion recorded last year mainly from increases in net income and gain on cash flow hedge.

Total comprehensive income for 2021, 2020, and 2019 stood at P16.8 billion, P11.4 billion and P10.7 billion respectively, mainly from higher net income and movement in the fair value of financial assets on FVOCI.

(b) Key Performance Indicators

Definition of Ratios

<u>Profitability Ratios:</u>

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

<u>Liquidity Ratios:</u>

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

<u>Asset Quality Ratios:</u>

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

<u>Solvency Ratios:</u>

Debt to Equity Ratio	-	<u>Total Liabilities</u> Total Equity
Asset to Equity Ratio	-	<u>Total Assets</u> Total Equity
Interest Coverage Ratio	-	<u>Net Income before Tax and Interest Expense</u> Interest Expense

<u>Capital Adequacy Ratio:</u>		**BSP prescribed formula:**
CET 1/Tier 1 CAR	-	<u>CET 1 / Tier 1 Capital</u> Total Risk Weighted Assets
Total CAR	-	<u>Total Qualifying Capital</u> Total Risk Weighted Assets

	2022	2021	2020	2019
PROFITABILITY (in %)				
Return on Assets	**1.56**	1.45	1.21	1.10
Return on Equity	**15.07**	13.58	12.09	11.04
Net Interest Margin	**4.21**	4.28	3.98	3.46
Cost-to-Income Ratio	**44**	46	49	59
LIQUIDITY (in %)				
Liquid Assets to Total Assets	**44**	42	43	37
Loans to Deposit Ratio	**66**	71	67	73
ASSET QUALITY (in %)				
Gross Non-Performing Loans Ratio	**2.3**	2.5	2.3	1.5
Non-performing Loan (NPL) Cover	**123**	116	128	129
SOLVENCY RATIOS (in x)				
Debt-to-Equity Ratio	**8.9**	8.3	8.9	9.0
Asset-to-Equity Ratio	**9.9**	9.3	9.9	10.0
Interest Rate Coverage Ratio	**2.9**	3.4	2.0	1.5
CAPITAL ADEQUACY (in %)				
CET 1 / Tier 1	**15.07**	14.92	13.82	12.76
Total CAR	**15.92**	15.75	14.73	13.67

Profitability

For the year ending December 31, 2022 and December 31, 2021
China Bank posted a net income of P19.1 billion, up 26.7% year-on-year, resulting in an improved ROE of 15.07% and ROA of 1.56%. Cost-to-income ratio improved to 44% from 46%. Net interest margin remained healthy at to 4.21% from 4.28% despite higher cost of funds during the year.

For the year ending December 31, 2021, 2020 and 2019
Full-year 2021 net income of P15.1 billion translated to an ROE of 13.58% and a ROA of 1.45%. Cost-to-income ratio improved to 46% from the 49% in 2020, and 59% in 2019 even as the Bank continued to invest heavily in the needed improvements to provide the best service to customers. Net interest margin was higher at 4.28% from 3.98% in 2020 and 3.46% in 2019.

Liquidity

As of December 31, 2022 and December 31, 2021
The Bank's liquidity position was recorded at 44%, higher than 42% as of end-2021 due to the build-up in liquid assets.

As of December 31, 2021, 2020 and 2019
The Bank's liquidity ratio was steady at 42% as of December 2021 compared to 43% as of the end of 2020 and 37% as of the end of 2019.

Asset Quality

As of December 31, 2022 and December 31, 2021
China Bank recorded a non-performing loan (NPL) ratio to 2.3%, lower from previous year's 2.5% due to gross loans expansion. Consolidated NPL cover remained sufficient at 123%, with the Parent's ratio at 136%.

As of December 31, 2021, 2020 and 2019
Asset quality remained healthy amid the loans year-on-year expansion. Gross NPL ratio slightly increased to 2.5% from 2.3% as of 2020 and 1.5% as of 2019. NPL cover was registered at 116% in December 2021, 128% in 2020, and 129% in 2019.

Solvency Ratios

As of December 31, 2022 and December 31, 2021
Debt-to-equity and asset-to-equity ratios for the year were recorded at 8.9 and 9.9, respectively. Interest coverage ratio for the period recorded 2.9 as against 3.4 for full-year 2021.

As of December 31, 2021, 2020 and 2019
Debt-to-equity and asset-to-equity ratios in 2021 were recorded at 8.3 and 9.3, respectively, slightly lower versus 8.9 and 9.9 in 2020, 9.0 and 10.0 in 2019. Interest coverage ratio for the period stood at 3.4, as against 2.0 for 2020, and 1.5 for 2019.

Capital Adequacy

As of December 31, 2022 and December 31, 2021
China Bank's CET 1 / Tier 1 Ratio and total CAR ratios were computed at 15.07% and 15.92%, respectively. The Bank's capital is largely comprised of CET 1 / Tier 1 (core) capital.

As of December 31, 2021, 2020 and 2019
China Bank's CET 1 / Tier 1 CAR and total CAR ratios ended at 14.92% and 15.75%, respectively, as of December 31, 2021; 13.82% and 14.73% as of December 31, 2020; and 12.76% and 13.67% as of December 31, 2019, all well above the minimum regulatory requirements.

(c) Past Financial Conditions and Results of Operations

The biggest factor that shaped the narrative for the year 2022 was persistent inflation which was driven by both pent-up consumer demand and supply shocks due to the war in Ukraine. To tame inflation, global central banks aggressively tightened their monetary policy stance which subsequently led to economic downturns in some countries. The US Federal Reserve adjusted its federal funds rate by an aggregate of 425 bps to 4.50% by December 2022 as a response to elevated monthly inflation rates which remained above 6.0% for the majority of 2022 before trending downwards to 5.0% in December. Based on advance estimates, US GDP's year-on-year growth decelerated to 2.1% from 2021's 5.9%, mainly supported by higher consumer spending, private investments and exports.

The Philippines also grappled with high inflation which saw a nearly consistent climb from 3.0% in January 2022 to 8.1% in December 2022. This has prompted the BSP Monetary Board to increase policy rates by an aggregate of 350 bps to 5.5% by December 2022, 100 bps above US Fed's funds rate. Despite persistently high inflation and high interest rates, FY 2022 GDP year-on-year growth was robust at 7.6%, buoyed by reopening of borders for tourists, election-related spending and gradual return to face-to-face classes. Meanwhile, the Philippine peso fell to a record low of ~P59.0 versus the US dollar in September 2022 over lingering concerns on inflation, before firming up to the P56.00: US$1.00 level by year-end.

China Bank continued to record robust profitability during the year, posting a net income of P19.1 billion, up by 26.7% year-on-year, on the back of sustained growth in operating income and effective cost management. This strong income performance translated to a better return on equity of 15.07% from 13.58% in the year prior and return on assets of 1.56% from 1.45%.

Despite the 56.8% increase in interest expense to P11.6 billion, consolidated net interest income grew by 16.6% to P45.6 billion due to 23.0% lift in topline revenues to P57.2 billion. Amid a rising interest rate environment, the Bank maintained a healthy net interest margin at 4.21%.

Fee-based income was at P10.1 billion, 4.9% higher versus full-year 2021, mainly due to improvement in trading and securities gain, service charges, fees, and commissions, gain on sale of investment properties, gain on asset foreclosure and *dacion* transactions, trust fees, and miscellaneous income, particularly bancassurance revenues and one-off gains. Operating expenses (excluding provision for impairment and credit losses) increased by 9.0% due to higher revenue-related taxes and core operating costs which was partly affected by persistent inflation.

Total assets posted a P217-billion or 19.5% year-on-year growth to P1.3 trillion as of December 31, 2022, fueled by the continuous expansion in earning assets. Investment securities portfolio amounted to P412.2 billion, up 47.6% mainly from the growth in financial assets at fair value through other comprehensive income (FVOCI) and financial assets at amortized cost. Net loans stood at P699.6 billion due to strong demand for both business and consumer credit. Gross non-performing loans (NPL) ratio was at 2.3% as of end-2022, outperforming industry throughout the year, while NPL cover remained sufficient at 123%.

On the funding side, total deposits have breached the one trillion peso-mark, ending at P1.1 trillion as of December 31, 2022 for a 23.5% year-on-year increase. The combined demand and savings (CASA) deposits of P573.4 billion accounted for 54% of total deposits.

Total capital reached P134.6 billion, up 13.0% year-on-year. The Bank's Common Equity Tier 1 (CET 1) ratio was computed at 15.07%, while total Capital Adequacy Ratio (CAR) was at 15.92%. Both are above the regulatory minimum requirement.

(d) Future Prospects

The Philippine economy is seen to grow at a slower pace in 2023 compared to 2022's 7.6% as consumer demand would likely be dampened by still elevated inflation and interest rates. Inflation may still breach the 2%-4% target due to higher global food prices, possible increase in commodity prices, persistent domestic shortages, and possible transport fare hike. It would likely trend downwards in the latter part of the year as pent-up demand from the pandemic reopening fades and as businesses start to feel the effect of last year's interest rate hikes.

Given this, we expect the BSP Monetary Board to further increase the policy rate this March before keeping it steady for the rest of the year. The Philippine peso would likely remain stable versus the US dollar as long as the current interest differential between the US Fed and BSP is around 100 bps. Meanwhile, monetary policy easing would likely happen in 2024.

Guided by a bold vision to preserve its 102-year legacy as the bank of choice for its customers, China Bank aims to further strengthen its profitability and sustain market share in core business lines, intensify product innovation and cross-selling by way of optimizing resources from our distribution network, and generate untapped efficiencies while enabling seamless and safer customer banking journeys through its ever-evolving digital banking platform. Over the medium-term, the Bank will focus on growing customer deposits, loans, and core fee income.

The Bank aims to deliver robust growth in customer deposits by tapping into new customer segments, while deepening our niche in core institutional and other business clients. As branches remain a key distribution channel, the Bank will undertake optimization of the network in terms of organizational structure, systemic operations, and strategic locations of branches and self-service channels, as well as continuous the upskilling of our human resources on the frontline. At the heart of China Bank's ambition towards becoming a top-of-mind banking partner is century's worth of trust which the Bank has so meticulously built with multiple generations of customers and stakeholders. The Bank will leverage on this track record as it further expand our franchise.

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

China Bank will diversify revenue streams and drive greater momentum in core business lines that generate the best returns for all stakeholders. It will undertake more product innovations, process automation of front- and back-end functions, and upgrades of its digital banking capabilities in order to deliver better customer experiences and address complex financing and other banking needs of its growing client base. In 2022, the Bank launched a fully digital customer onboarding facility through the China Bank START and CBS Go mobile applications. Moving forward, these will be supplemented with an expanded suite of digital product offerings in our internet and mobile banking platform, using a more granular understanding of customers' needs through robotics and analytics.

(e) Material Changes

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

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

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

   In the normal course of the Bank’s operations, there are various outstanding commitments and contingent liabilitieswhich are not reflected in the accompanying financial statements. Management does not anticipate any material losses as a result of these transactions.

   The following is a summary of contingencies and commitments of the Bank with the equivalent peso contractual amounts:

	Consolidated		***Parent Company***	
	2022	2021	**2022**	2021
Trust department accounts	**₱222,474,444**	₱223,398,641	**₱222,474,444**	₱223,398,641
Committed credit lines	**1,906,400**	12,765,975	**1,906,400**	12,765,975
	17,158,800	12,971,604	**17,074,520**	12,877,643
Unused commercial letters of credit				
Foreign exchange bought	**138,040,375**	35,113,101	**138,040,375**	35,113,101
Foreign exchange sold	**33,914,815**	22,898,059	**33,914,815**	22,898,059
Credit card lines	**18,625,491**	14,320,597	**18,625,491**	14,320,597
IRS receivable	**90,289,612**	83,669,379	**90,289,612**	83,669,379
Outstanding guarantees issued	**2,971,605**	1,274,727	**1,539,908**	743,643
Inward bills for collection	**2,697,770**	1,229,608	**2,697,770**	1,229,608
Standby credit commitment	**3,550,516**	3,565,978	**3,550,516**	3,565,978
Spot exchange sold	**2,792,488**	1,653,448	**2,792,488**	1,653,448
Spot exchange bought	**3,407,837**	1,347,052	**3,407,837**	1,347,052
Deficiency claims receivable	**280,195**	281,780	**280,195**	281,780
Late deposits/payments received	**309,488**	46,125	**286,522**	37,805
Outward bills for collection	**21,378**	18,336	**19,337**	16,469
Others	**35,237**	105,768	**30,498**	105,664

3) Any Material Commitments for Capital Expenditure and Expected Funds

   Technology upgrades will account for the bulk of the Bank’s capital expenditures for 2023. Capital expenditures will be funded from internal sources.

UNDERTAKING

The Bank undertakes to furnish printed copies of its Information Statement (SEC Form 20-IS) and Annual Report (SEC Form 17-A) for the year ended December 31, 2022, without charge, upon the written request of the stockholder entitled to notice and vote at the meeting. Any such written request should be addressed to the Office of the Corporate Secretary of China Banking Corporation, 11th Floor China Bank Building, 8745 Paseo de Roxas cor. Villar St., Makati City.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of China Banking Corporation (the Bank) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Hans T. Sy Chairman of the Board	**William C. Whang** President	**Patrick D. Cheng** Chief Finance Officer

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

FEB 28 2023

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

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

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

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

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

4	4	3								

C O M P A N Y   N A M E

CHINA BANKING CORPORATION AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

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

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
https://www.chinabank.ph	8885-5555	N.A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,875	04/20	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Patrick D. Cheng	pdcheng@chinabank.ph	8885-5022	

CONTACT PERSON's ADDRESS

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

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

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

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated and Parent Company Financial Statements

Opinion

We have audited the consolidated financial statements of China Banking Corporation and its subsidiaries (the Group) and the parent company financial statements of China Banking Corporation (the Parent Company), which comprise the consolidated and parent company balance sheets as at December 31, 2022 and 2021, and the consolidated and parent company statements of income, consolidated and parent company statements of comprehensive income, consolidated and parent company statements of changes in equity and consolidated and parent company statements of cash flows for each of the three years in the period ended December 31, 2022, and notes to the consolidated and parent company financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and parent company financial statements present fairly, in all material respects, the financial position of the Group and the Parent Company as at December 31, 2022 and 2021, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

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

Adequacy of allowance for credit losses

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

Allowance for credit losses for loans and receivables as of December 31, 2022 for the Group and the Parent Company amounted to ₱16.94 billion and ₱14.17 billion, respectively. Provision for credit losses of the Group and the Parent Company in 2022 amounted to ₱9.01 billion and ₱7.43 billion, respectively.

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

Audit Response

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

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

Further, we compared the data used in the ECL models from source system reports to the data warehouse and from the data warehouse to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets of debt financial assets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis.

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

Impairment testing of goodwill and branch licenses with indefinite useful life

Under PFRS, the Group and the Parent Company are required to perform annual impairment test of goodwill and branch licenses with indefinite useful life. As of December 31, 2022, the goodwill recognized in the consolidated and parent company financial statements amounting to ₱222.84 million is attributed to the Parent Company's Retail Banking Business (RBB) segment, while goodwill of ₱616.91 million in the consolidated financial statements is attributed to the subsidiary bank, China Bank Savings, Inc. (CBSI). In addition, the respective branches are identified as the cash-generating units (CGUs) for purposes of impairment testing of branch licenses. The Group and the Parent Company performed the impairment testing using the CGUs' value-in-use.

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

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

Audit Response

We evaluated the methodologies used and the management's assumptions by comparing the key assumptions used, such as loan and deposit growth and long-term growth rates against the historical performance of the branches, RBB and CBSI, industry/market outlook and other relevant external data, taking into consideration the impact associated with the coronavirus pandemic. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amount of goodwill and branch licenses.

Recoverability of deferred tax assets

As of December 31, 2022, the deferred tax assets of the Group and the Parent Company amounted to ₱4.55 billion and ₱3.15 billion. The recognition of deferred tax assets is significant to our audit because it requires significant judgment and is based on assumptions such as availability of future taxable income and the timing of the reversal of the temporary differences that are affected by expected future market or economic conditions and the expected performance of the Group.

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

Audit Response

We involved our internal specialist in interpreting the tax regulations, testing the temporary differences identified by the Group and the Parent Company, and the applicable tax rate. We also re-performed the calculation of the deferred tax assets. We evaluated the management's assessment on the availability of future taxable income in reference to financial forecast and tax strategies. We evaluated management's forecast by comparing the loan portfolio and deposit growth rates to the historical performance of the Group and the industry, including future market circumstances. We also assessed the timing of the reversal of future taxable and deductible temporary differences.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022, but does not include the consolidated and parent company financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on the Supplementary Information Required Under Bangko Sentral ng Pilipinas (BSP) Circular No. 1074 and Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under BSP Circular No. 1074 in Note 38 and Revenue Regulations 15-2010 in Note 39 to the financial statements is presented for purposes of filing with the BSP and Bureau of Internal Revenue, respectively, and is not a required part of the basic financial statements. Such information is the responsibility of the management of China Banking Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Janet A. Paraiso.

SYCIP GORRES VELAYO & CO.

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

February 27, 2023

CHINA BANKING CORPORATION AND SUBSIDIARIES

BALANCE SHEETS

(Amounts in Thousands)

	Consolidated		Parent Company	
	December 31			
	2022	2021	**2022**	2021
ASSETS				
Cash and Other Cash Items	**₱13,689,421**	₱16,024,863	**₱10,073,767**	₱13,649,247
Due from Bangko Sentral ng Pilipinas (Notes 7 and 17)	**107,100,295**	124,283,115	**92,920,540**	114,528,773
Due from Other Banks (Note 7)	**13,614,609**	10,694,312	**12,347,169**	9,897,264
Interbank Loans Receivable and Securities Purchased under Resale Agreements (Note 8)	**43,564,970**	36,559,224	**41,597,949**	35,030,997
Financial Assets at Fair Value through Profit or Loss (Note 9)	**4,727,580**	7,209,667	**3,514,576**	5,457,804
Derivative Contracts Designated as Hedges (Note 26)	**6,203,379**	1,139,233	**6,203,379**	1,139,233
Financial Assets at Fair Value through Other Comprehensive Income (Note 9)	**43,316,757**	28,672,240	**41,151,125**	26,523,712
Investment Securities at Amortized Cost (Note 9)	**357,985,926**	242,353,729	**351,802,877**	236,347,682
Loans and Receivables (Notes 10 and 30)	**699,594,789**	609,006,732	**613,197,254**	544,171,738
Accrued Interest Receivable (Note 16)	**9,781,803**	7,616,692	**8,730,710**	6,428,565
Investment in Subsidiaries (Note 11)	**–**	–	**19,063,796**	17,191,345
Investment in Associates (Note 11)	**983,243**	796,519	**983,243**	796,519
Bank Premises, Furniture, Fixtures and Equipment and Right-of-use Assets (Note 12)	**9,337,260**	8,232,859	**7,670,562**	6,600,139
Investment Properties (Note 13)	**3,914,891**	3,993,338	**1,487,258**	1,379,370
Deferred Tax Assets (Note 28)	**4,552,692**	4,624,981	**3,150,610**	3,409,600
Intangible Assets (Note 14 and 16)	**3,783,643**	3,807,889	**721,314**	768,440
Goodwill (Note 14)	**839,748**	839,748	**222,841**	222,841
Other Assets (Note 15)	**6,738,460**	6,464,385	**3,833,925**	3,641,671
	₱1,329,729,466	₱1,112,319,526	**₱1,218,672,895**	₱1,027,184,940

LIABILITIES AND EQUITY				
Liabilities				
Deposit Liabilities (Notes 17 and 30)				
Demand	**₱272,109,739**	₱252,324,966	**₱248,860,724**	₱229,349,909
Savings	**301,330,580**	302,884,786	**279,502,452**	282,597,580
Time	**492,474,358**	307,650,145	**431,055,393**	270,271,411
	1,065,914,677	862,859,897	**959,418,569**	782,218,900
Bonds Payable (Note 18)	**28,312,870**	42,473,558	**28,312,870**	42,473,558
Bills Payable (Note 19)	**70,375,267**	65,806,274	**70,375,267**	65,806,274
Manager's Checks	**1,550,669**	1,854,606	**1,296,109**	1,466,359
Income Tax Payable	**311,915**	785,091	**293,422**	754,026
Accrued Interest and Other Expenses (Note 20)	**6,115,889**	4,745,861	**5,399,625**	4,325,426
Derivative Liabilities (Note 26)	**1,549,561**	998,721	**1,549,561**	998,721
Derivative Contracts Designated as Hedges (Note 26)	**4,156,612**	162,399	**4,156,612**	162,399
Deferred Tax Liabilities (Note 28)	**794,432**	798,212	**–**	–
Other Liabilities (Note 21)	**16,068,964**	12,712,087	**13,360,788**	9,898,313
	1,195,150,856	993,196,706	**1,084,162,823**	908,103,976
Equity				
Equity Attributable to Equity Holders of the Parent Company				
Capital stock (Note 24)	**26,912,882**	26,912,882	**26,912,882**	26,912,882
Capital paid in excess of par value (Note 24)	**17,200,758**	17,200,758	**17,200,758**	17,200,758
Surplus reserves (Notes 24 and 29)	**4,429,606**	3,730,687	**4,429,606**	3,730,687
Surplus (Notes 24 and 29)	**84,577,170**	70,205,517	**84,577,170**	70,205,517
Net unrealized gain (loss) on financial assets at fair value through other comprehensive income (Note 9)	**(4,293,952)**	81,200	**(4,293,952)**	81,200
Remeasurement gain (loss) on defined benefit asset (Note 25)	**77,760**	(30,489)	**77,760**	(30,489)
Cumulative translation adjustment	**27,469**	17,604	**27,469**	17,604
Remeasurement gain (loss) on life insurance reserves	**96,387**	(14,029)	**96,387**	(14,029)
Hedge-related reserve (Note 26)	**5,481,992**	976,834	**5,481,992**	976,834
	134,510,072	119,080,964	**134,510,072**	119,080,964
Non-controlling Interest (Note 11)	**68,538**	41,856	**–**	–
	134,578,610	119,122,820	**134,510,072**	119,080,964
	₱1,329,729,466	₱1,112,319,526	**₱1,218,672,895**	₱1,027,184,940

See accompanying Notes to Financial Statements.

CHINA BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF INCOME
(Amounts in Thousands, Except Earnings Per Share)

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

See accompanying Notes to Financial Statements.

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

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

See accompanying Notes to Financial Statements.

CHINA BANKING CORPORATION AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Consolidated												
	Equity Attributable to Equity Holders of the Parent Company												
	Capital Stock (Note 24)	Capital Paid in Excess of Par Value (Note 24)	Other Equity - Stock Grants (Note 24)	Surplus Reserves (Notes 24 and 29)	Surplus (Notes 24 and 29)	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
Balance at January 1, 2022	**₱26,912,882**	**₱17,200,758**	**₱–**	**₱3,730,687**	**₱70,205,517**	**₱81,200**	**(₱30,489)**	**₱17,604**	**(₱14,029)**	**₱976,834**	**₱119,080,964**	**₱41,856**	**₱119,122,820**
Total comprehensive income (loss) for the year	–	–	–	–	**19,107,504**	**(4,375,152)**	**108,249**	**9,865**	**110,416**	**4,505,158**	**19,466,040**	**26,682**	**19,492,722**
Transfer from surplus to surplus reserves	–	–	–	**47,383**	**(47,383)**	–	–	–	–	–	–	–	–
Appropriation of retained earnings (Note 16)	–	–	–	**651,536**	**(651,536)**	–	–	–	–	–	–	–	–
Cash dividends - ₱1.50 per share	–	–	–		**(4,036,932)**	–	–	–	–	–	**(4,036,932)**	–	**(4,036,932)**
Balance at December 31, 2022	**₱26,912,882**	**₱17,200,758**	**₱–**	**₱4,429,606**	**₱84,577,170**	**(₱4,293,952)**	**₱77,760**	**₱27,469**	**₱96,387**	**₱5,481,992**	**₱134,510,072**	**₱68,538**	**₱134,578,610**
Balance at January 1, 2021	₱26,858,998	₱17,122,626	₱140,924	₱2,874,004	₱58,659,768	₱294,115	(₱426,996)	₱5,535	(₱45,903)	(₱521,209)	₱104,961,862	₱23,500	₱104,985,362
Total comprehensive income (loss) for the year	–	–	–	–	15,088,332	(212,915)	396,507	12,069	31,874	1,498,043	16,813,910	18,356	16,832,266
Stock grants	53,884	78,132	(140,924)	–		–	–	–	–	–	(8,908)	–	(8,908)
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)	–	–	–	–	–	(2,685,900)	–	(2,685,900)
Balance at December 31, 2021	₱26,912,882	₱17,200,758	₱–	₱3,730,687	₱70,205,517	₱81,200	(₱30,489)	₱17,604	(₱14,029)	₱976,834	₱119,080,964	₱41,856	₱119,122,820
Balance at January 1, 2020	₱26,858,998	₱17,122,626	₱–	₱3,598,275	₱48,558,760	₱417,576	(₱368,531)	₱6,835	₱20,655	(₱51,949)	₱96,163,245	₱12,350	₱96,175,595
Total comprehensive income (loss) for the year	–	–	–	–	12,062,637	(123,461)	(58,465)	(1,300)	(66,558)	(469,260)	11,343,593	11,150	11,354,743
Stock grants	–	–	140,924	–	–	–	–	–	–	–	140,924	–	140,924
Transfer from surplus to surplus reserves	–	–	–	40,992	(40,992)	–	–	–	–	–	–	–	–
Appropriation of retained earnings (Note 16)	–	–	–	(765,263)	765,263	–	–	–	–	–	–	–	–
Cash dividends - ₱1.00 per share	–	–	–	–	(2,685,900)	–	–	–	–	–	(2,685,900)	–	(2,685,900)
Balance at December 31, 2020	₱26,858,998	₱17,122,626	₱140,924	₱2,874,004	₱58,659,768	₱294,115	(₱426,996)	₱5,535	(₱45,903)	(₱521,209)	₱104,961,862	₱23,500	₱104,985,362

See accompanying Notes to Financial Statements.

	Parent Company										
	Capital Stock (Note 24)	**Capital Paid in Excess of Par Value** (Note 24)	**Other Equity - Stock Grants** (Note 24)	**Surplus Reserves** (Notes 24 and 29)	**Surplus** (Notes 24 and 29)	**Net Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income** (Note 9)	**Remeasurement Gain (Loss) on Defined Benefit Asset or Liability** (Note 25)	**Cumulative Translation Adjustment**	**Remeasurement Gain (Loss) on Life Insurance Reserves**	**Hedge-related Reserve**	**Total Equity**
Balance at January 1, 2022	**₱26,912,882**	**₱17,200,758**	**₱–**	**₱3,730,687**	**₱70,205,517**	**₱81,200**	**(₱30,489)**	**₱17,604**	**(₱14,029)**	**₱976,834**	**₱119,080,964**
Total comprehensive income (loss) for the year	**–**	**–**	**–**	**–**	**19,107,504**	**(4,375,152)**	**108,249**	**9,865**	**110,416**	**4,505,158**	**19,466,040**
Transfer from surplus to surplus reserves	**–**	**–**	**–**	**47,383**	**(47,383)**	**–**	**–**	**–**	**–**	**–**	**–**
Appropriation of retained earnings (Note 16)	**–**	**–**	**–**	**651,536**	**(651,536)**	**–**	**–**	**–**	**–**	**–**	**–**
Cash dividends - ₱1.50 per share	**–**	**–**	**–**		**(4,036,932)**	**–**	**–**	**–**	**–**	**–**	**(4,036,932)**
Balance at December 31, 2022	**₱26,912,882**	**₱17,200,758**	**₱–**	**₱4,429,606**	**84,577,170**	**(₱4,293,952)**	**₱77,760**	**₱27,469**	**₱96,387**	**₱5,481,992**	**₱134,510,072**
Balance at January 1, 2021	₱26,858,998	₱17,122,626	₱140,924	₱2,874,004	₱58,659,768	₱294,115	(₱426,996)	₱5,535	(₱45,903)	(₱521,209)	₱104,961,862
Total comprehensive income (loss) for the year	–	–	–	–	15,088,332	(212,915)	396,507	12,069	31,874	1,498,043	16,813,910
Stock grants	53,884	78,132	(140,924)	–	–	–	–	–	–	–	(8,908)
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)	–	–	–	–	–	(2,685,900)
Balance at December 31, 2021	₱26,912,882	₱17,200,758	₱–	₱3,730,687	₱70,205,517	₱81,200	(₱30,489)	₱17,604	(₱14,029)	₱976,834	₱119,080,964
Balance at January 1, 2020	₱26,858,998	₱17,122,626	₱–	₱3,598,275	₱48,558,760	₱417,576	(₱368,531)	₱6,835	₱20,655	(₱51,949)	₱96,163,245
Total comprehensive income (loss) for the year	–	–	–	–	12,062,637	(123,461)	(58,465)	(1,300)	(66,558)	(469,260)	11,343,593
Stock grants	–	–	140,924	–	–	–	–	–	–	–	140,924
Transfer from surplus to surplus reserves	–	–	–	40,992	(40,992)	–	–	–	–	–	–
Appropriation of retained earnings (Note 16)	–	–	–	(765,263)	765,263	–	–	–	–	–	–
Cash dividends - ₱1.00 per share	–	–	–	–	(2,685,900)	–	–	–	–	–	(2,685,900)
Balance at December 31, 2020	₱26,858,998	₱17,122,626	₱140,924	₱2,874,004	₱58,659,768	₱294,115	(₱426,996)	₱5,535	(₱45,903)	(₱521,209)	₱104,961,862

See accompanying Notes to Financial Statements.

CHINA BANKING CORPORATION AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Consolidated			Parent Company		
	Years Ended December 31					
	2022	2021	2020	**2022**	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax	**₱22,285,462**	₱17,463,223	₱13,462,554	**₱21,969,492**	₱17,155,883	₱13,549,235
Adjustments for:						
Depreciation and amortization (Notes 12, 13 and 14)	**1,737,144**	1,787,166	1,894,899	**1,317,159**	1,364,324	1,460,780
Provision for impairment and credit losses (Note 16)	**9,012,633**	8,876,744	8,868,919	**7,427,202**	7,679,877	7,983,206
Amortization of transaction costs on bonds payable (Note 18)	**126,063**	83,022	133,117	**126,063**	83,022	133,117
Securities gain on financial assets at fair value through other comprehensive income and investment securities at amortized cost (Note 22)	**(5,388)**	(4,124,243)	(5,360,887)	**(5,388)**	(4,104,864)	(5,332,153)
Gain on sale of investment properties	**(698,802)**	(388,295)	(187,176)	**(250,612)**	(238,891)	(65,913)
Gain on asset foreclosure and dacion transactions (Note 13)	**(145,801)**	(87,485)	22,757	**(181,624)**	(31,552)	(42,885)
Share in net loss (income) of an associate (Notes 2 and 11)	**(285,059)**	1,609	(152,441)	**(285,059)**	1,609	(152,441)
Share in net income of subsidiaries (Notes 2 and 11)	**–**	–	–	**(2,044,686)**	(1,422,503)	(790,482)
Changes in operating assets and liabilities:						
Decrease (increase) in the amounts of:						
Financial assets at fair value through profit or loss	**(2,582,059)**	5,620,336	5,743,227	**(3,120,918)**	6,183,974	6,802,323
Loans and receivables	**(102,457,363)**	(60,053,495)	3,896,534	**(79,216,499)**	(59,354,783)	3,806,847
Other assets	**9,378,000**	2,730,389	(2,507,056)	**8,866,423**	2,094,083	(3,090,935)
Increase (decrease) in the amounts of:						
Deposit liabilities	**203,054,780**	27,629,067	59,802,970	**177,199,669**	31,245,992	63,208,455
Manager's checks	**(303,937)**	286,374	(430,446)	**(170,250)**	400,261	(469,838)
Accrued interest and other expenses	**1,370,028**	839,772	(215,357)	**1,074,199**	745,807	(70,720)
Other liabilities and derivative liabilities	**6,843,231**	767,884	(822,854)	**7,274,719**	443,185	1,607,172
Net cash generated from (used in) operations	**147,328,932**	1,432,068	84,148,760	**139,979,890**	2,245,424	88,535,768
Income taxes paid	**(3,587,642)**	(1,764,692)	(2,879,380)	**(3,101,705)**	(1,422,931)	(2,537,406)
Net cash provided by (used in) operating activities	**143,741,290**	(332,624)	81,269,380	**136,878,185**	822,493	85,998,362
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisitions of/Additions to:						
Bank premises, furniture, fixtures and equipment and capitalized software (Note 12)	**(2,064,403)**	(632,109)	(541,277)	**(1,612,437)**	(428,494)	(408,228)
Investment securities at amortized cost	**(185,997,437)**	(259,499,749)	(69,431,704)	**(182,910,629)**	(258,538,503)	(67,524,359)
Financial assets at fair value through other comprehensive income	**(21,195,283)**	(60,990,126)	(61,994,676)	**(20,927,405)**	(59,739,708)	(60,758,310)
Proceeds from sale or redemption of:						
Investment securities at amortized cost	**78,823**	59,838,517	32,330,154	**78,823**	59,838,517	32,330,154
Financial assets at fair value through other comprehensive income	**2,392,523**	52,512,838	70,814,873	**2,248,704**	51,545,295	69,454,223
Investment properties	**1,297,207**	907,423	676,179	**378,025**	327,875	105,364
Bank premises, furniture, fixtures and equipment	**144,493**	489,036	730,795	**5,174**	345,866	139,943
Proceeds from maturity of:						
Investment securities at amortized cost	**73,072,428**	162,908,132	3,948,763	**70,478,028**	162,708,584	3,948,763
Cash dividends received from subsidiary and associate (Note 11)	**–**	40,000	–	**75,000**	40,000	200,000
Net cash used in investing activities	**(132,271,649)**	(44,426,038)	(23,466,893)	**(132,186,717)**	(43,900,568)	(22,512,450)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from bills payable	**402,436,767**	193,908,669	116,188,100	**402,436,767**	193,908,669	116,188,100
Settlement of bills payable	**(403,994,487)**	(152,843,847)	(124,743,600)	**(403,994,487)**	(152,843,847)	(124,743,600)
Proceeds from issuance of bonds payable (Note 18)	**–**	19,878,458	14,803,803	**–**	19,878,458	14,803,803
Payments of cash dividends (Note 24)	**(4,036,932)**	(2,685,900)	(2,685,900)	**(4,036,932)**	(2,685,900)	(2,685,900)

(Forward)

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

OPERATING CASH FLOWS FROM INTEREST

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

See accompanying Notes to Financial Statements.

1. Corporate Information

China Banking Corporation (the Parent Company) is a publicly listed universal bank incorporated in the Philippines. The Parent Company acquired its universal banking license in 1991. It provides expanded commercial banking products and services such as deposit products, loans and trade finance, domestic and foreign fund transfers, treasury products, trust products, foreign exchange, corporate finance and other investment banking services through a network of 479 and 477 local branches as of December 31, 2022 and 2021, respectively.

The Parent Company acquired its original Certification of Incorporation issued by the Securities and Exchange Commission (SEC) on July 20, 1920. By virtue of Section 11 of Republic Act No. 11232 also known as the "Revised Corporation Code of the Philippines," which took effect on February 23, 2019, the Parent Company has a perpetual existence.

The Parent Company has the following subsidiaries:

Subsidiary	Effective Percentages of Ownership		Country of Incorporation and Place of Business	Principal Activities
	2022	2021		
Chinabank Insurance Brokers, Inc. (CIBI)	**100.00%**	100.00%	Philippines	Insurance brokerage
CBC Properties and Computer Center, Inc. (CBC-PCCI)	**100.00%**	100.00%	Philippines	Computer services
China Bank Savings, Inc. (CBSI)	**98.29%**	98.29%	Philippines	Retail and consumer banking
China Bank Capital Corporation (CBCC)	**100.00%**	100.00%	Philippines	Investment house
CBC Assets One (SPC) Inc.	**100.00%**	100.00%	Philippines	Special purpose corporation
China Bank Securities Corporation (CBCSec)	**100.00%**	100.00%	Philippines	Stock brokerage
Resurgent Capital (FIST-AMC) Inc,*	**100.00%**	100.00%	Philippines	FIST Corporation

The Parent Company has no ultimate parent company. SM Investments Corporation, its significant investor, has effective ownership in the Parent Company of 22.51% as of December 31, 2022 and 2021.

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

2. Summary of Significant Accounting Policies

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

The accompanying financial statements have been prepared on a historical cost basis except for financial instruments at fair value through profit or loss (FVTPL), derivative contracts designated as hedges and financial assets at fair value through other comprehensive income (FVOCI). The financial statements are presented in Philippine peso, and all values are rounded to the nearest thousand except when otherwise indicated.

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

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Parent Company and each of thesubsidiaries is the Philippine peso, except for the FCDU of the Parent Company and CBSI whose functional currency is USD.

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, 2022. Except as otherwise indicated, these changes in the accounting policies did not have any significant impact on the financial position or performance of the Group:

Effective beginning on or after January 1, 2022

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

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

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

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

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

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

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

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

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

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

- *Annual Improvements to PFRSs* 2018-2020 Cycle

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

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

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

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

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

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

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

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

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

Significant Accounting Policies

<u>Foreign Currency Translation</u>
The consolidated financial statements are presented in Philippine peso.

Transactions and balances
The books of accounts of the RBU are maintained in Philippine peso, the RBU's functional currency, while those of the FCDU are maintained in United States (US) dollars (USD), the FCDU's functional currency.

RBU
For financial reporting purposes, the foreign currency-denominated monetary assets and liabilities in the RBU are translated in Philippine peso based on the Bankers Association of the Philippines (BAP) closing rate at end of the year, and foreign currency-denominated income and expenses, at the

exchange rates on transaction dates. Foreign exchange differences arising from restatements of foreign currency-denominated assets and liabilities are credited to or charged against operations in the period in which the rates change. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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

Fair Value Measurement
The Group measures financial instruments, such as financial instruments at FVTPL, derivative contracts designated as hedges and financial assets at FVOCI at fair value at each reporting date. Also, fair values of financial instruments measured at amortized cost are disclosed in Note 5.

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

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

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

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

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

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

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

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

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Cash and Cash Equivalents

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

SPURA

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

Financial Instruments - Initial Recognition

Date of recognition

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

Initial recognition of financial instruments

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

'Day 1' difference

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

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

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

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

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

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

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

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

The Group's measurement categories are described below:

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

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

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

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

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

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

A financial asset is considered as held for trading if:

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

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

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

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

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

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

Derivatives embedded in financial liability or a non-financial host are separated from the host and accounted for as separate derivatives if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

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

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

Financial Assets at FVOCI - Debt Investments
The Group applies the category of debt instruments measured at FVOCI when both of the following conditions are met:

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

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

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

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

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

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

<u>Impairment of Financial assets</u>
ECL represents credit losses that reflect an unbiased and probability-weighted measure of expected cash shortfalls, discounted at the EIR, which is determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. ECL allowances are measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a significant increase in credit risk (SICR) since initial recognition (General Approach). The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL pertains to credit losses that result from all possible default events over the expected life of a financial instrument.

For non-credit-impaired financial instruments:

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

- Stage 2 consists of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Group and the Parent Company recognize a lifetime ECL for Stage 2 financial instruments.

For credit-impaired financial instruments:

- Financial instruments are classified as Stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a financial asset or a portfolio of financial assets. The ECL model requires that lifetime ECL be recognized for impaired financial instruments.

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

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

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

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

In certain circumstances, the Group modifies the original terms and conditions of a credit exposure to form a new loan agreement or payment schedule. The modifications can be given depending on the borrower's or counterparty's current or expected financial difficulty. The modifications may include, but are not limited to, change in interest rate and terms, principal amount, maturity date, date and amount of periodic payments, and accrual of interest and charges. Distressed restructuring with indications of unlikeliness to pay are categorized as impaired accounts and are moved to Stage 3.

<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.

The Parent Company applies the IBOR reform Phase 1 reliefs to hedging relationships directly affected by IBOR reform during the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate (RFR). A hedging relationship is affected if IBOR reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. The reliefs require that for the purpose of determining whether a forecast transaction is highly probable, it is assumed that the IBOR on which the hedged cash flows are based is not altered as a result of IBOR reform.

IBOR reform Phase 1 also requires that for hedging relationships affected by IBOR reform, the Parent Company must assume that, for the purpose of assessing expected future hedge effectiveness, the interest rate is not altered as a result of IBOR reform. Further, the Parent Company is not required to discontinue the hedging relationship. The hedge ineffectiveness must be recognized in profit or loss, as normal.

The reliefs cease to apply once certain conditions are met. These include when the uncertainty arising from IBOR reform is no longer present with respect to the timing and amount of the benchmark-based cash flows of the hedged item, if the hedging relationship is discontinued, or once amounts in the cash flow hedge reserve have been released.

IBOR reform Phase 2 provides temporary reliefs that allow the Parent Company's hedging relationships to continue upon the replacement of an existing interest rate benchmark with an RFR. The reliefs require the Parent Company to amend the hedge designations and hedge documentation.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognized in OCI as cash flow hedge reserve (Note 26) presented under 'Hedge-related reserve' in the balance sheet, while any ineffective portion is recognized immediately in the statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item. For 2022 and 2021, there is no ineffective portion recognized in the statement of income.

When foreign exchange forward contracts are used in hedging relationships, the Parent Company can designate the instrument in its entirety or exclude the forward element by designating the spot element only. The forward element in a foreign exchange forward contract is the difference between the spot and forward prices. When only the spot element is designated, the Parent Company has a choice to apply the cost of hedging accounting to the excluded forward element. In applying the cost of hedging accounting to the forward element of the foreign exchange forward contract, the change in the fair value of the forward element is recognized in OCI and accumulated in a separate component of equity. In case of a time period-related hedged item, the forward element that exists at inception is amortized from the separate component of equity to profit or loss on a systematic and rational basis. The unamortized portion of the cost of hedging is presented under 'Hedge-related reserve' in the balance sheet.

As of December 31, 2022, the Parent Company has interest rate swaps and foreign exchange forward contracts that have been designated as hedging instruments in cash flow hedges (Note 26). As of December 31, 2021, the Parent Company has interest rate swaps that have been designated as hedging instruments in cash flow hedges (Note 26).

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

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

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

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

Securities sold under agreements to repurchase at a specified future date ('repos') are not derecognized from the statement of financial position. The corresponding cash received, including accrued interest, is recognized in the statement of financial position as SSURA included in 'Bills payable' and is considered as a loan to the Group, reflecting the economic substance of such transaction.

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

Derecognition of Financial Assets and Liabilities

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

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

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

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

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

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

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

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

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

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

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss.

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

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

In the context of IBOR reform, the Group's assessment of whether a modification is substantial or not is made after applying the practical expedient introduced by IBOR reform Phase 2. The IBOR reform Phase 2 amendments allow as a practical expedient for changes to the basis for determining contractual cash flows to be treated as changes to a floating rate of interest, provided certain conditions are met. The conditions include that the change is necessary as a direct consequence of IBOR reform and that the transition takes place on an economically equivalent basis.

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

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

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

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

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

Dividends earned on this investment are recognized as a reduction from the carrying value of the investment.

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

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

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

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

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

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

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with PFRS 9, either in profit or loss or as a charge to OCI. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

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

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

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

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

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

Cash Dividend and Non-cash Distribution to Equity Holders of the Parent Company
The Group recognizes a liability to make cash or non-cash distributions to equity holders of the Parent Company when the distribution is authorized and the distribution is no longer at the discretion of the Group. A corresponding amount is recognized directly in equity.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Branch licenses
The branch licenses are initially measured at cost as of the date of acquisition (at fair value if part of assets acquired in a business combination) and are deemed to have an indefinite useful life as there is no foreseeable limit to the period over which they are expected to generate net cash inflows for the Group.

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

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

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

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

<u>Impairment of Non-financial Assets</u>
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.

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

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

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

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

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

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

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

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

arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

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

Revenue Recognition

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

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

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

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

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

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

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

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

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. Taxes and licenses are recognized when incurred.

Retirement Benefits

Defined benefit plan
The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets and adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The defined benefit obligation is

calculated annually by an independent actuary. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on government bonds that have terms to maturity approximating the terms of the related retirement liability. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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

Defined benefit costs and remeasurements comprise the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

Income Taxes

Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as of the reporting date. Effective January 1, 2019, management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

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

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

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

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

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

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

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

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

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

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

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 32. The Group's revenue-producing assets are located in the Philippines (i.e., one geographical location). Therefore, geographical segment information is no longer presented.

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

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

Standards Issued but Not Yet Effective
There are new PFRSs, amendments, interpretation and annual improvements, to existing standards which are effective for annual periods subsequent to 2022. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Group's financial statements:

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - 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.

<u>Judgments</u>

a. Financial instruments

Where the fair values of financial assets and financial liabilities recorded on the balance sheet or disclosed in the notes cannot be derived from active markets, they are determined using discounted cash flow model, incorporating inputs such as current market rates of comparable instruments. The carrying values and corresponding fair values of financial instruments, as well as the manner in which fair values were determined, are discussed in more detail in Note 5.

b. Contingencies

The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the Group's defense in these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material adverse effect on the financial statements (Note 31).

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

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

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

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

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

In 2022, 2021, and 2020, investment securities at amortized cost held by the Parent Company were either redeemed or sold. The disposals were assessed by the Parent Company as not inconsistent with the portfolios' business models considering the conditions and reasons for which the disposals were made. Further, the disposals did not result in a change in business model and the remaining securities in the affected portfolios continue to be accounted for at amortized cost. The details of and the reasons for the disposals and redemptions are disclosed in Note 9.

Testing the cash flow characteristics of financial assets
In determining the classification of financial assets under PFRS 9, the Group assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal amount outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk), i.e., cash flows that are non-SPPI, does not meet the amortized cost and FVOCI criteria. In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the Group assesses the modified time value of money feature to

determine whether the financial instrument still meets the SPPI criterion. The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the Group considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

d. *Hedge accounting*
In 2020, the Parent Company designated the hedge relationship between its floating rate bond payable (see Note 18) and an interest rate swap as a cash flow hedge. In 2021, the Parent Company designated the hedge relationships between (i) the interest rate risk component of its Treasury time deposits and Retail Banking Business Segment (RBB) time deposits and (ii) interest rate swaps as cash flow hedges. In 2022, the Parent Company designated the hedge relationship between (i) the foreign exchange risk component of certain foreign exchange spot transactions and of future interest payments and (ii) and the spot element of certain foreign exchange forward contracts.

The Parent Company's hedge accounting policies include an element of judgment and estimation, in particular in respect of the existence of highly probable cash flows for inclusion within the cash flow hedge. Estimates of future interest rates and the general economic environment will influence the availability and timing of suitable hedged items, with an impact on the effectiveness of the hedge relationships. Details of the Parent Company's hedging transactions are described in Note 26.

The Parent Company applies the temporary reliefs provided by the IBOR reform Phase 1 amendments, which enable its hedge accounting to continue during the period of uncertainty, before the replacement of an existing interest rate benchmark with an alternative nearly RFR. For the purpose of determining whether a forecast transaction is highly probable, the reliefs require it to be assumed that the IBOR on which the hedged cash flows are based is not altered as a result of the IBOR reform. The reliefs end when the Parent Company judges that the uncertainty arising from IBOR reform is no longer present for the hedging relationships referenced to IBORs. This applies when the hedged item has already transitioned from IBOR to an RFR and also to exposures that have transitioned or will transition via fallback to an RFR when LIBOR ceases. The one-week and two-month LIBOR ceased on January 1, 2022. The overnight and 1-, 3-, 6-, and 12-month USD LIBOR will cease immediately after June 30, 2023. The cessation of these LIBORs does not have an impact on the Parent Company's existing hedge relationships.

The IBOR reform Phase 2 provides temporary reliefs to enable the Parent Company's hedging relationships to continue upon the replacement of an existing interest rate benchmark with an RFR.

Estimates

a. *Expected credit losses on financial assets and commitments*
The Group reviews its debt financial assets and commitments at each reporting date to determine the amount of ECL to be recognized in the balance sheet and any changes thereto in the statement of income. In particular, judgments and estimates by management are required in determining:

- whether a financial asset has had a significant increase in credit risk since initial recognition;
- whether a default has taken place and what comprises a default;
- macro-economic factors that are relevant in measuring a financial asset's probability of default as well as the Group's forecast of these macro-economic factors;

- probability weights applied over a range of possible outcomes;
- sufficiency and appropriateness of data used and relationships assumed in building the components of the Group's expected credit loss models; and
- the measurement of the exposure at default for unused commitments on which an expected credit loss should be recognized and the applicable loss rate.

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

b. *Impairment of goodwill and branch licenses*
The Group performs impairment review of goodwill and branch licenses with indefinite useful life annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill and branch licenses by assessing the recoverable amount of the cash generating unit (CGU) to which the goodwill and branch licenses are attributed. The recoverable amount of the CGU is determined based on a value in use (VIU) calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. For VIU, the Group estimates the discount rate used for the computation of the net present value by reference to the weighted cost of capital of comparable banks. The impairment assessment process requires significant judgment and is based on assumptions, specifically loan and deposit growth rates, discount rate, and the long-term growth rates.

Where the recoverable amount is less than the carrying amount of the CGU to which goodwill and branch licenses have been allocated, an impairment loss is recognized immediately in the statement of income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The carrying values of the Group's goodwill and branch licenses are disclosed in Note 14.

c. *Present value of defined benefit obligation and retirement expense*
The determination of the Group's net present value of defined benefit obligation and annual retirement expense is determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These assumptions include, among others, discount rates and salary rates.

The assumed discount rates were determined using the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as of the reporting date. The salary increase rates were based on the Group's expectations of future salary increases, which take into account the inflation, seniority and promotion

The present value of the defined benefit obligation, including the details of the assumptions used in the calculation, are disclosed in Note 25.

d. *Recognition of deferred income taxes*
Deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management discretion is required to determine the amount of deferred tax assets that can be recognized, based on the forecasted level of future taxable profits and the related future tax planning strategies. Key assumptions used in forecast of future taxable income include loan portfolio and deposit growth rates.

The Group believes it will be able to generate sufficient taxable income in the future to utilize its recorded deferred tax assets. Taxable income is sourced mainly from interest income from lending activities and earnings from service charge, fees, commissions, and trust activities.

The recognized and unrecognized deferred tax assets are disclosed in Note 28.

e. *Impairment on non-financial assets*
The Group assesses impairment on its non-financial assets (e.g., investment properties and bank premises, furniture, fixtures and equipment) and considers the following impairment indicators:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Except for investment properties where recoverable amount is determined based on fair value less cost to sell, the recoverable amount of all other non-financial assets is determined based on the asset's value in use whose computation considers the present value of estimated future cash flows expected to be generated from the continued use of the asset. The Group is required to make estimates and assumptions that can materially affect the carrying amount of the asset being assessed.

The carrying values of the Group's non-financial assets are disclosed in Notes 12 and 13.

4. Financial Instrument Categories

The following table presents the total carrying amount of the Group's and the Parent Company's financial instruments per category:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Financial assets				
Cash and other cash items	**₱13,689,421**	₱16,024,863	**₱10,073,767**	₱13,649,247
Financial assets at FVTPL	**4,727,580**	7,209,667	**3,514,576**	5,457,804
Derivative contracts designated as hedge	**6,203,379**	1,139,233	**6,203,379**	1,139,233
Financial assets at FVOCI	**43,316,757**	28,672,240	**41,151,125**	26,523,712
Financial assets at amortized cost				
Due from BSP	**107,100,295**	124,283,115	**92,920,540**	114,528,773
Due from other banks	**13,614,609**	10,694,312	**12,347,169**	9,897,264
Interbank loans receivables and SPURA	**43,564,970**	36,559,224	**41,597,949**	35,030,997
Investment securities at amortized cost	**357,985,926**	242,353,729	**351,802,877**	236,347,682
Loans and receivables	**699,594,789**	609,006,732	**613,197,254**	544,171,738
Accrued interest receivable	**9,781,803**	7,616,692	**8,730,710**	6,428,565
Other assets (Note 15)	**3,736,308**	3,366,335	**1,662,648**	1,728,412
	1,235,378,700	1,033,880,139	**1,122,259,147**	948,133,431
Total financial assets	**₱1,303,315,837**	₱1,086,926,142	**₱1,183,201,994**	₱994,903,427

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Financial liabilities				
Other financial liabilities:				
Deposit liabilities	**₱1,065,914,677**	₱862,859,897	**₱959,418,569**	₱782,218,900
Bonds payable	**28,312,870**	42,473,558	**28,312,870**	42,473,558
Bills payable	**70,375,267**	65,806,274	**70,375,267**	65,806,274
Accrued interest and other expenses*	**5,811,342**	4,478,140	**5,224,797**	4,175,537
Manager's check	**1,550,669**	1,854,606	**1,296,109**	1,466,359
Other liabilities (Note 21)	**15,620,840**	12,530,441	**12,988,527**	9,748,858
	1,187,585,665	990,002,916	**1,077,616,139**	905,889,486
Financial liabilities at FVTPL:				
Derivative liabilities	**1,549,561**	998,721	**1,549,561**	998,721
Derivative contracts designated as hedge	**4,156,612**	162,399	**4,156,612**	162,399
Total financial liabilities	**₱1,193,291,838**	₱991,164,036	**₱1,083,322,312**	₱907,050,606

*Accrued interest and other expenses excludes accrued taxes and other licenses. (Note 20).

5. Fair Value Measurement

The Group has assets and liabilities in the Group and Parent Company balance sheets that are measured at fair value on a recurring and non-recurring basis after initial recognition. Recurring fair value measurements are those that another PFRS requires or permits to be recognized in the balance sheet at the end of each financial reporting period. These include financial assets and liabilities at FVTPL and financial assets at FVOCI.

As of December 31, 2022 and 2021, except for the following financial instruments, the carrying values of the Group's and the Parent Company's financial assets and liabilities as reflected in the balance sheets and related notes approximate their respective fair values:

	2022			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Investment securities at amortized cost (Note 9)				
Government bonds	**₱229,958,237**	**₱221,875,352**	**₱224,469,204**	**₱216,648,069**
Private bonds	**128,027,689**	**118,225,116**	**127,333,673**	**117,575,907**
	357,985,926	**340,100,468**	**351,802,877**	**334,223,976**
Loans and receivables (Note 10)				
Corporate and commercial lending	**538,008,002**	**529,819,391**	**523,005,015**	**512,983,314**
Consumer lending	**144,021,855**	**144,355,710**	**73,041,104**	**63,792,006**
Trade-related lending	**17,452,061**	**17,500,762**	**17,132,202**	**17,148,707**
Others	**112,871**	**119,095**	**18,933**	**21,936**
	699,594,789	**691,794,958**	**613,197,254**	**593,945,963**
Sales contracts receivable (Note 15)	**1,406,217**	**1,529,793**	**180,659**	**191,276**
	701,001,006	**693,324,751**	**613,377,913**	**594,137,239**
	₱1,058,986,932	**₱1,033,425,219**	**₱965,180,790**	**₱928,361,215**
Non-financial Assets				
Investment properties (Note 13)				
Land	**₱2,395,362**	**₱7,015,136**	**₱571,111**	**₱4,605,181**
Buildings and improvements	**1,519,529**	**2,448,238**	**916,147**	**923,011**
	₱3,914,891	**₱9,463,374**	**₱1,487,258**	**₱5,528,192**
Financial Liabilities				
Time deposit liabilities (Note 17)	**₱492,474,358**	**₱467,484,286**	**₱431,055,393**	**₱410,538,638**
Bills payable (Note 19)	**70,375,267**	**68,992,828**	**70,375,267**	**68,992,828**
Bonds payable (Note 18)	**28,312,870**	**27,560,343**	**28,312,870**	**27,560,343**
	₱591,162,495	**₱564,037,457**	**₱529,743,530**	**₱507,091,809**

	2021			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Investment securities at amortized cost (Note 9)				
Government bonds	₱120,586,399	₱122,959,933	₱115,324,372	₱117,746,647
Private bonds	121,767,330	143,693,145	121,023,310	142,961,778
	242,353,729	266,653,078	236,347,682	260,708,425
Loans and receivables (Note 10)				
Corporate and commercial lending	476,742,179	474,629,406	461,837,893	458,204,469
Consumer lending	119,942,290	120,952,674	70,464,116	64,940,408
Trade-related lending	12,208,008	12,382,913	11,849,967	11,998,905
Others	114,255	121,352	19,762	22,077
	609,006,732	608,086,345	544,171,738	535,165,859
Sales contracts receivable (Note 15)	1,101,891	1,210,464	213,399	228,098
	610,108,623	609,296,809	544,385,137	535,393,957
	₱852,462,352	₱875,949,887	₱780,732,819	₱796,102,382
Non-financial Assets				
Investment properties (Note 13)				
Land	₱2,610,210	₱5,074,992	₱682,648	₱2,559,622
Buildings and improvements	1,383,128	2,392,864	696,722	901,235
	₱3,993,338	₱7,467,856	₱1,379,370	₱3,460,857
Financial Liabilities				
Time deposit liabilities (Note 17)	₱307,650,145	₱303,288,548	270,271,411	₱265,926,690
Bills payable (Note 19)	65,806,274	64,358,633	65,806,274	64,358,633
Bonds payable (Note 18)	42,473,558	42,249,623	42,473,558	42,249,623
	₱415,929,977	₱409,896,804	₱378,551,243	₱372,534,946

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

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

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

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

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

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

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

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

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

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

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

<u>Fair Value Hierarchy</u>
The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: quoted prices in active markets for identical assets or liabilities;
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
Level 3: inputs that are not based on observable market data or unobservable inputs.

As of December 31, 2022 and 2021, the fair value hierarchy of the Group's and the Parent Company's assets and liabilities are presented below:

	Consolidated			
	2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	**₱202,348**	**₱180,513**	**₱–**	**₱382,861**
Treasury notes	–	**563,548**	–	**563,548**
Treasury bills	–	**201,779**	–	**201,779**
Private bonds	**760,600**	–	–	**760,600**
Quoted equity shares	**700,112**	–	–	**700,112**
Financial assets designated at FVTPL	**949,032**	**153,986**	–	**1,103,018**
Derivatives with Positive Fair Value Held for Trading	–	**1,015,662**	–	**1,015,662**
Derivative Contract Designated as Hedge	–	**6,203,379**	–	**6,203,379**
FVOCI financial assets				
Government bonds	**9,189,227**	**18,258,420**	–	**27,447,647**
Quoted private bonds	**15,236,902**	–	–	**15,236,902**
Quoted equity shares	**603,898**	–	–	**603,898**
	₱27,642,119	**₱26,577,287**	**₱–**	**₱54,219,406**
Derivative liabilities	**₱–**	**₱1,549,561**	**₱–**	**₱1,549,561**
Derivative contracts designated as hedge	–	**4,156,612**	–	**4,156,612**
	₱–	**₱5,706,173**	**₱–**	**₱5,706,173**

(Forward)

	Consolidated			
	2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Fair values of financial assets carried at amortized cost				
Investment securities at amortized cost				
Government bonds	**₱221,875,352**	**₱–**	**₱–**	**₱221,875,352**
Private bonds	**67,100,457**	**–**	**51,124,658**	**118,225,116**
Loans and receivables				
Corporate and commercial loans	**–**	**–**	**529,819,391**	**529,819,391**
Consumer loans	**–**	**–**	**144,355,710**	**144,355,710**
Trade-related loans	**–**	**–**	**17,500,762**	**17,500,762**
Others	**–**	**–**	**119,095**	**119,095**
Sales contracts receivable	**–**	**–**	**1,529,793**	**1,529,793**
Fair values of non-financial assets carried at cost				
Investment properties				
Land	**–**	**–**	**7,015,136**	**7,015,136**
Buildings and improvements	**–**	**–**	**2,448,238**	**2,448,238**
	₱288,975,809	**₱–**	**₱753,917,055**	**₱1,042,892,864**
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	**₱–**	**₱–**	**₱467,484,286**	**₱467,484,286**
Bills payable	**–**	**–**	**68,992,828**	**68,992,828**
Bonds payable	**–**	**–**	**27,560,343**	**27,560,343**
	₱–	**₱–**	**₱564,037,457**	**₱564,037,457**

	Consolidated			
	2021			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	₱156,736	₱23,173	₱–	₱179,909
Treasury notes	–	58,684	–	58,684
Treasury bills	–	1,790,306	–	1,790,306
Private bonds	1,334,070	1,550,793	–	2,884,863
Quoted equity shares	1,063,897	–	–	1,063,897
Financial assets designated at FVTPL	151,209	–	–	151,209
Derivative assets	–	1,080,799	–	1,080,799
Derivative contract designated as hedge	–	1,139,233	–	1,139,233
FVOCI financial assets			–	
Government bonds	6,251,539	11,461,512	–	17,713,051
Quoted private bonds	10,305,710	–	–	10,305,710
Quoted equity shares	635,114	–	–	635,114
	₱19,898,275	₱17,104,500	₱–	₱37,002,775
Derivative liabilities	₱–	₱998,721	₱–	₱998,721
Derivative contracts designated as hedge	–	162,399	–	162,399
	₱–	₱1,161,120	₱–	₱1,161,120
Fair values of financial assets carried at amortized cost				
Investment securities at amortized cost				
Government bonds	₱122,959,933	₱–	₱–	₱122,959,933
Private bonds	71,209,566	–	72,483,579	143,693,145
Loans and receivables				
Corporate and commercial loans	–	–	474,629,406	474,629,406
Consumer loans	–	–	120,952,674	120,952,674
Trade-related loans	–	–	12,382,913	12,382,913
Others	–	–	121,352	121,352
Sales contracts receivable	–	–	1,210,464	1,210,464

(Forward)

	Consolidated			
	2021			
	Level 1	Level 2	Level 3	Total
Fair values of non-financial assets carried at cost				
Investment properties				
Land	₱–	₱–	₱5,074,992	₱5,074,992
Buildings and improvements	–	–	2,452,510	2,452,510
	₱288,975,809	₱–	₱753,917,055	₱1,042,892,864
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	₱–	₱–	₱303,288,548	₱303,288,548
Bills payable	–	–	64,358,633	64,358,633
Bonds payable	–	–	42,249,623	42,249,623
	₱–	₱–	₱409,896,804	₱409,896,804

	Parent Company			
	2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	**₱202,348**	**₱180,513**	**₱–**	**₱382,861**
Treasury notes	**–**	**563,548**	**–**	**563,548**
Treasury bills	**–**	**201,779**	**–**	**201,779**
Private bonds	**760,600**	**–**	**–**	**760,600**
Quoted equity shares	**590,126**	**–**	**–**	**590,126**
Derivatives with Positive Fair Value Held for Trading	**–**	**1,015,662**	**–**	**1,015,662**
Derivatives with Positive Fair Value Held for Hedging	**–**	**6,203,379**	**–**	**6,203,379**
FVOCI financial assets				
Government bonds	**7,196,313**	**18,258,420**	**–**	**25,454,732**
Quoted private bonds	**15,088,429**	**–**	**–**	**15,088,429**
Quoted equity shares	**588,192**	**–**	**–**	**588,192**
	₱24,426,008	**₱26,423,301**	**₱–**	**₱50,849,308**
Derivative liabilities	**₱–**	**₱1,549,561**	**₱–**	**₱1,549,561**
Derivative contracts designated as hedge	**–**	**4,156,612**	**–**	**4,156,612**
	₱–	**₱5,706,173**	**₱–**	**₱5,706,173**
Fair values of financial assets carried at amortized cost				
Investment securities at amortized cost				
Government bonds	**₱216,648,069**	**₱–**	**₱–**	**₱216,648,069**
Private bonds	**66,451,249**	**–**	**51,124,658**	**117,575,907**
Loans and receivables				
Corporate and commercial loans	**–**	**–**	**512,983,314**	**512,983,314**
Consumer loans	**–**	**–**	**63,792,006**	**63,792,006**
Trade-related loans	**–**	**–**	**17,148,707**	**17,148,707**
Others	**–**	**–**	**21,936**	**21,936**
Sales contracts receivable	**–**	**–**	**191,276**	**191,276**
Fair values of non-financial assets carried at cost				
Investment properties				
Land	**–**	**–**	**4,605,181**	**4,605,181**
Buildings and improvements	**–**	**–**	**923,011**	**923,011**
	₱283,099,318	**₱–**	**₱650,790,089**	**₱933,889,407**
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	**₱–**	**₱–**	**₱410,538,638**	**₱410,538,638**
Bills payable	**–**	**–**	**68,992,828**	**68,992,828**
Bonds payable	**–**	**–**	**27,560,343**	**27,560,343**
	₱–	**₱–**	**₱507,091,809**	**₱507,091,809**

	Parent Company 2021 Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	₱156,736	₱23,173	₱–	₱179,909
Treasury notes	–	58,684	–	58,684
Treasury bills	–	1,790,306	–	1,790,306
Private bonds	1,334,070	–	–	1,334,070
Quoted equity shares	1,014,037	–	–	1,014,037
Derivative assets	–	1,080,798	–	1,080,798
Derivative contract designated as hedge	–	1,139,233	–	1,139,233
FVOCI financial assets				
Government bonds	4,192,999	11,461,512	–	15,654,511
Quoted private bonds	10,245,868	–	–	10,245,868
Quoted equity shares	604,968	–	–	604,968
	₱17,548,678	₱15,553,706	₱–	₱33,102,384
Derivative liabilities	₱–	₱998,721	₱–	₱998,721
Derivative contracts designated as hedge	–	162,399	–	162,399
	₱–	₱1,161,120	₱–	₱1,161,120
Fair values of financial assets carried at amortized cost				
Investment securities at amortized cost				
Government bonds	₱117,746,647	₱–	₱–	₱117,746,647
Private bonds	70,478,199	–	72,483,579	142,961,778
Loans and receivables				
Corporate and commercial loans	–	–	458,204,469	458,204,469
Consumer loans	–	–	64,940,408	64,940,408
Trade-related loans	–	–	11,998,905	11,998,905
Others	–	–	22,077	22,077
Sales contracts receivable	–	–	228,098	228,098
Fair values of non-financial assets carried at cost				
Investment properties				
Land	–	–	2,559,622	2,559,622
Buildings and improvements	–	–	901,235	901,235
	₱188,224,846	₱–	₱611,338,393	₱799,563,239
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	₱–	₱–	₱265,926,690	₱265,926,690
Bills payable	–	–	64,358,633	64,358,633
Bonds payable	–	–	42,249,623	42,249,623
	₱–	₱–	₱372,534,946	₱372,534,946

There were no transfers into and out of Level 3 fair value measurements in 2022 and 2021.

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

Government securities – interpolated rates based on market rates of benchmark securities

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

Inputs used in estimating fair values of financial instruments carried at amortized cost and categorized under Level 3 include risk-free rates and applicable risk premium.

The fair values of the Group's and Parent Company's investment properties have been determined by the appraisal method by independent external and in-house appraisers based on highest and best use of the property being appraised. Valuations were derived on the basis of recent sales of similar properties in the same areas as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made and comparability of similar properties sold with the property being valued.

The table below summarizes the valuation techniques used and the significant unobservable inputs used in the valuation for each type of investment properties held by the Group and the Parent Company:

	Valuation Techniques	**Significant Unobservable Inputs**
Land	Market Data Approach	Price per square meter, size, location, shape, time element and corner influence
Land and Building	Market Data Approach and Cost Approach	Reproduction Cost New

Descriptions of the valuation techniques and significant unobservable inputs used in the valuation of the Group and the Parent Company's investment properties are as follows:

Valuation Techniques	
Market Data Approach	A process of comparing the subject property being appraised to similar comparable properties recently sold or being offered for sale.
Cost Approach	It is an estimate of the investment required to duplicate the property in its present condition. It is reached by estimating the value of the building "as if new" and then deducting the depreciated cost. Fundamental to the Cost Approach is the estimate of Reproduction Cost New of the improvements.

Significant unobservable inputs	
Reproduction Cost New	The cost to create a virtual replica of the existing structure, employing the same design and similar building materials.
Size	Size of lot in terms of area. Evaluate if the lot size of property or comparable conforms to the average cut of the lots in the area and estimate the impact of lot size differences on land value.
Shape	Particular form or configuration of the lot. A highly irregular shape limits the usable area whereas an ideal lot configuration maximizes the usable area of the lot which is associated in designing an improvement which conforms with the highest and best use of the property.
Location	Location of comparative properties whether on a Main Road, or secondary road. Road width could also be a consideration if data is available. As a rule, properties located along a Main Road are superior to properties located along a secondary road.
Time Element	"An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investors' perceptions of the market over time". In which case, the current data is superior to historic data.
Discount	Generally, asking prices in ads posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.
Corner influence	Bounded by two (2) roads.

6. **Financial Risk Management Objectives and Policies**

The Group's activities are principally related to the profitable use of financial instruments. Risks are inherent in these activities but are managed by the Group through a rigorous, comprehensive, and continuous process of identification, measurement, monitoring and mitigation of these risks, partly through the effective use of risk and authority limits and thresholds, process controls and monitoring, and independent controls. As reflected in its corporate actions and organizational improvements, the Group has placed due importance on expanding and strengthening its risk management process and considers it as a vital component to the Group's continuing profitability and financial stability. Central to the Group's risk management process is its adoption of a risk management program intended to avoid unnecessary risks, manage and mitigate inherent risks, and maximize returns from taking acceptable risks necessary to sustain its business viability and good financial position in the market.

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

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

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

The Risk Management Group (RMG) is the operating unit of the ROC primarily responsible for the implementation of the risk management strategies approved by the Board of Directors. The implementation cuts across all departments of the Parent Company and involves all of the Parent Company's financial instruments, whether "on-books" or "off-books." The RMG is likewise responsible for monitoring the implementation of specific risk control procedures and enforcing compliance thereto. The RMG is also directly involved in the day-to-day monitoring of material risks ensuring that the Parent Company, in its transactions and dealings, engages only in risk-taking activities duly approved by the ROC. The RMG also ensures that relevant information is accurately and completely captured on a timely basis in the management reporting system of the Parent Company. The RMG is headed by the Chief Risk Officer (CRO) who reports the results of risk measurements to the ROC.

Apart from RMG, each business unit has created and put in place various process controls which ensure that all the external and internal transactions and dealings of the unit are in compliance with the unit's risk management objectives.

The Internal Audit Division also plays a crucial role in risk management primarily because it is independent of the business units and reports exclusively to the Audit Committee which, in turn, is comprised of independent directors. The Internal Audit Division focuses on ensuring that adequate controls are in place and on monitoring compliance to controls. The regular audit covers all processes and controls, including those under the risk management framework handled by the RMG. The audit of these processes and controls is undertaken at least annually. The audit results and exceptions, including recommendations for their resolution or improvement, are discussed initially with the business units concerned before these are presented to the Audit Committee.

Risk Management Reporting

The CRO reports to the ROC and is a resource of the Management Committee (ManCom), Credit Committee (CreCom), Asset-Liability Committee (ALCO), Operations Committee (OpsCom) and Technology Steering Committee (TSC). The CRO reports on key risk indicators and specific risk management issues that would need resolution from top management. This is undertaken after the risk issues and key risk indicators have been discussed with the business units concerned. The RMG's function, particularly, that of the CRO, as well as the Board's risk oversight responsibilities are articulated in the risk management manual based on the requirements of BSP Circular No. 971, Guidelines on Risk Governance.

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

Risk Mitigation

The Parent Company uses derivatives to manage exposures to financial instruments resulting from changes in interest rates and foreign currencies exposures. However, the nature and extent of use of these financial instruments to mitigate risks are limited to those allowed by the BSP for the Parent Company and its subsidiaries.

To further mitigate risks throughout its different business units, the Parent Company formulates risk management policies and continues to improve its existing policies. These policies further serve as the framework and set of guidelines in the creation or revisions of operating policies and manuals for each business unit. In the process design and implementation, preventive controls are preferred over detection controls. Clear delineation of responsibilities and separation of incompatible duties among officers and staff, as well as, among business units are reiterated in these policies. To the extent possible, reporting and accounting responsibilities are segregated from units directly involved in operations and frontline activities (i.e., players must not be scorers). This is to improve the credibility and accuracy of management information. Any inconsistencies in the operating policies and manuals with the risk framework created by the RMG are taken up and resolved in the ROC and ManCom.

The Operational Risk Assessment Program and IT Risk Frameworks require the Parent Company to undergo periodic operational risk assessment and for all business units & allied businesses to conduct risk and control self-assessments. These enable determination of priority risk areas, assessment of mitigating controls in place, and institutionalization of additional measures to ensure both a controlled operating environment and proper handling of IT risk exposures. RMG maintains and updates the Parent Company's Centralized Loss Database wherein all reported incidents of losses shall be encoded to enable assessment of weaknesses in the processes and come up with viable improvements to avoid recurrence.

Monitoring and controlling risks are primarily performed based on various limits and thresholds established by the top management covering the Group's transactions and dealings. These limits and thresholds reflect the Group's business strategies and market environment, as well as the levels of risks that the Group is willing to tolerate, with additional emphasis on selected industries. In addition, the Group monitors and measures the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Liquidity and interest rate risk exposures are measured and monitored through the Maximum Cumulative Outflow and Earnings-at-Risk reports from the Asset and Liability Management (ALM) system. It was implemented in 2013 and was upgraded in 2018 to a new version which includes modules for calculating Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The system also has a Funds Transfer Pricing module used by the Treasury Group and Corporate Planning Group.

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

BSP issued Circular No. 639 dated January 15, 2009 which mandated the use of the Internal Capital Adequacy Assessment Process (ICAAP) by all universal and commercials banks to determine their minimum required capital relative to their business risk exposures. In this regard, the Board approved the engagement of the services of a consultant to assist in the bank-wide implementation and embedding of the ICAAP, as provided for under Pillar 2 of Basel II and BSP Circular No. 639.

On June 1, 2022, the BOD approved the 2022 ICAAP document for submission to the BSP. There were no changes made in the Priority Risk Areas of the Parent Company and the approved trigger events for the review of Capital Ratios MAT and Priority Risks.

The Parent Company submitted its annually-updated ICAAP document, in compliance with BSP requirements on June 29, 2022.

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

Business Continuity Management
In the aftermath of the pandemic in the past three years, the Group has built its business resilience around policies that would ensure that the Group is able to service and respond to the requirements of its clients, to perform its functions as a Domestic Systemically Important Bank (DSIB) and to continue to fulfill the transaction cycle in its operations.

The Group implemented "The New Normal Work Force and Work Management Plan for the COVID-19 Pandemic" to provide general direction and guidance in sustaining the operations of the Group through the pandemic. The plan put in place health and safety protocols which along with the implementation of the buddy branch system ensured the uninterrupted delivery of services. On April 1, 2022, select personnel from Head Office and subsidiaries were transferred to the SM Mega Tower extension office providing the different business units with the capacity of splitting their teams and operate in two different sites to make certain that the services continue in the event of business interruptions brought about by a pandemic or similar occurrence. Changes in the processes of business units arising from the implementation of the plan and the establishment of the extension office are continuously updated and incorporated in the risk and control self-assessment and business impact analysis tools to reflect the changes in the risk profile. Appropriate measures are also updated and implemented in light of these changes.

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

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

RMG also continued to run approximations of the increase in NPL under Base, Moderate, and Severe scenarios and presented the results to the Risk Oversight Committee. Apart from considering the expert judgment of the lending units, the assumptions were modified to take into account the improving economic condition and the fact that the borrowers who had been severely affected by the pandemic have already been identified and booked as non-performing. The condition of accounts that were restructured or with terms modification continued to be monitored and those with high risk rating were considered in the NPL approximations. Lastly, the accounts that can potentially default from their debt obligations based on the assessment of the regulators were added in the assumptions.

Credit Risk Rating and Scoring Models
The Parent Company has four credit risk rating models in place: for corporate borrowers, for retail small and medium entities and individual accounts (non-consumer), for financial institutions, and for sovereign counterparties. In addition, it has two credit scoring models for auto and housing loan applicants and recently implemented the eligibility scorecard for CTS without recourse borrowers.

Credit risk for corporate borrowers with total assets, total facilities, or total credit exposures amounting to ₱15 million and above is measured through the Internal Credit Risk Rating System (ICRRS). The model was designed within the technical requirements defined under BSP Circular

No. 439. It has two components, namely: a) Borrower Risk Rating which provides an assessment of the creditworthiness of the borrower, without considering the proposed facility and security arrangements, and b) Loan Exposure Rating which provides an assessment of the proposed facilities as mitigated or enhanced by security arrangements.

For retail small and medium entities and individual non-consumer loan accounts, the credit scoring system used is the Borrower Credit Score (BCS). The Group also has a rating system that is designed to specifically assess Philippine universal, commercial, thrift, rural and cooperative banks as well as foreign financial institutions. Furthermore, the Group has a sovereign risk rating scorecard which is being used to assess the strength of a country in reference to its economic fundamentals, fiscal policy, institutional strength, and vulnerability to extreme events.

For auto and housing loans, the Group uses application scorecards to determine the acceptability of a borrower. This is implemented through internally developed software interfaces. In addition, the Group implemented an eligibility scorecard for CTS without recourse buyers to ensure that minimum standards for the underwriting of borrowers endorsed by developers are complied with.

For the Parent Company's credit cards, Transunion score is being used to determine application acceptance in conjunction with other credit acceptance criteria.

The Group regularly monitors the performance of its rating models and scorecards. Over the years, it has partnered with third party consultants such as Moody's Analytics and Teradata for model validation, model recalibration, and knowledge transfer projects. Internally, it conducts its own review of the performance of the models by subjecting them to statistical metrics. This is to ensure the reliability of this tool in the Group's credit evaluation process.

The ICRRS validation and recalibration engagement with Moody's Analytics and the parallel run of candidate models culminated in the approval of the recalibrated ICRRS model by the Board in 2019. In 2022, the Bank performed a full quantitative model validation for ICRRS which tested the model's discriminatory power and stability. Along with this, the qualitative assessment on Management Quality component was enhanced. In addition, the first review of the sovereign risk rating scorecard was conducted in the same year. The model performance for housing and auto loan scorecards was also reviewed in the past 2 years. The Bank aims to complete the remodeling activities for housing loans and recalibration of Borrower Credit Score (BCS) in 2023.

Concentration of Assets and Liabilities and Off-Balance Sheet Items

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

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

The distribution of the Group's and Parent Company's assets and liabilities, and credit commitment items by geographic region as of December 31, 2022 and 2021 (in millions) follows:

	Consolidated					
	2022			2021		
	Assets*	**Liabilities**	**Commitment****	Assets*	Liabilities	Commitment**
Geographic Region						
Philippines	**₱1,219,178**	**₱1,122,325**	**₱35,422**	₱1,015,570	₱983,516	₱38,382
Asia	**21,752**	**24,703**	**161**	23,367	–	5,587
Europe	**42,051**	**37,883**	**7,499**	45,736	–	793
United States	**20,318**	**8,381**	**1,127**	2,246	7,648	137
Others	**17**	**–**	**3**	7	–	–
	₱1,303,316	**₱1,193,292**	**₱44,212**	₱1,086,926	₱991,164	₱44,899

**Amounts are net of related allowance for credit losses*
***Consists of Committed credit lines, Unused commercial letters of credit, Credit card lines, Outstanding guarantees issued and Standby credit commitments*

	Parent Company					
	2022			2021		
	Assets*	**Liabilities**	**Commitment****	Assets*	Liabilities	Commitment**
Geographic Region						
Philippines	**₱1,099,064**	**₱1,012,355**	**₱33,907**	₱923,547	₱899,403	₱37,757
Asia	**21,752**	**24,703**	**161**	23,367	–	5,587
Europe	**42,051**	**37,883**	**7,499**	45,736	–	793
United States	**20,318**	**8,381**	**1,127**	2,246	7,648	137
Others	**17**	**–**	**3**	7	–	–
	₱1,183,202	**₱1,083,322**	**₱42,697**	₱994,903	₱907,051	₱44,274

**Amounts are net of related allowance for credit losses*
***Consists of Committed credit lines, Unused commercial letters of credit, Credit card lines, Outstanding guarantees issued and Standby credit commitments*

Information on credit concentration as to industry of financial assets (gross of unearned discount and allowance for credit losses) is presented below:

	Consolidated				
	2022				
	Loans and Receivables	**Financial Investments**	**Loans and Advances to Banks**	**Commitments**	**Total**
Financial intermediaries	**₱122,768,549**	**₱268,327,309**	**₱162,813,886**	**₱22,663,997**	**₱576,573,741**
Real estate, renting and business services	**185,743,662**	**67,532,003**	**–**	**543,466**	**253,819,131**
Electricity, gas and water	**84,314,281**	**28,088,810**	**–**	**3,120,478**	**115,523,569**
Manufacturing	**58,232,646**	**1,316,348**	**–**	**901,375**	**60,450,369**
Wholesale and retail trade	**48,849,880**	**–**	**–**	**10,330,040**	**59,179,920**
Transportation, storage and communication	**44,443,178**	**4,224,082**	**–**	**215,879**	**48,883,139**
Arts, entertainment and recreation	**38,666,435**	**4,241,027**	**–**	**1,922,391**	**44,829,853**
Accommodation and food service activities	**9,613,592**	**4,998,276**	**–**	**117,278**	**14,729,146**
Mining and quarrying	**13,340,903**	**–**	**–**	**5,299**	**13,346,202**
Construction	**10,178,863**	**–**	**–**	**2,781,399**	**12,960,262**
Professional, scientific and technical activities	**947,422**	**8,398,018**	**–**	**219,699**	**9,565,139**
Agriculture	**9,010,166**	**–**	**–**	**42,818**	**9,052,984**
Education	**3,894,828**	**568,000**	**–**	**55,237**	**4,518,065**
Public administration and defense	**191,203**	**–**	**–**	**163,279**	**354,482**
Others*	**87,519,627**	**17,859,548**	**227,613**	**1,130,178**	**106,736,966**
	₱717,715,235	**₱405,553,421**	**₱163,041,499**	**₱44,212,813**	**₱1,330,522,969**

*Others consist of administrative and support service, health, household and other activities.

	Consolidated				
	2021				
	Loans and Receivables	Financial Investments	Loans and Advances to Banks	Commitments	Total
Financial intermediaries	₱91,545,065	₱151,614,315	₱171,536,651	₱5,578,282	₱420,274,313
Real estate, renting and business services	172,217,058	70,176,324	–	885,124	243,278,506
Electricity, gas and water	76,631,134	25,283,654	–	4,663,787	106,578,575
Transportation, storage and communication	58,116,995	3,414,689	–	1,136,456	62,668,140
Wholesale and retail trade	45,125,057	–	–	6,491,222	51,616,279
Manufacturing	34,264,150	16,063	–	3,773,283	38,053,496
Arts, entertainment and recreation	33,762,320	3,830,133	–	85,460	37,677,913
Accommodation and food service activities	11,379,789	4,591,085	–	827,642	16,798,516
Construction	10,387,329	10,585	–	3,663,434	14,061,348
Mining and quarrying	10,967,237	–	–	1,002,343	11,969,580
Agriculture	7,312,462	–	–	337,248	7,649,710
Professional, scientific and technical activities	841,426	4,645,001	–	1,511,896	6,998,323
Education	4,446,512	676,071	–	322,060	5,444,643
Public administration and defense	60,036	–	–	506,952	566,988
Others*	67,268,149	15,990,664	2,034,061	14,113,693	99,406,567
	₱624,324,719	₱280,248,584	₱173,570,712	₱44,898,882	₱1,123,042,897

*Others consist of administrative and support service, health, household and other activities.

	Parent Company				
	2022				
	Loans and Receivables	**Financial Investments**	**Loans and Advances to Banks**	**Commitments**	**Total**
Financial intermediaries	**₱122,139,768**	**₱259,789,084**	**₱146,865,657**	**₱22,661,497**	**₱551,456,006**
Real estate, renting and business services	**158,474,935**	**67,002,809**	**–**	**309,597**	**225,787,341**
Electricity, gas and water	**82,579,587**	**28,085,921**	**–**	**3,120,478**	**113,785,986**
Manufacturing	**56,478,328**	**1,316,348**	**–**	**820,034**	**58,614,710**
Wholesale and retail trade	**46,391,648**	**–**	**–**	**10,099,392**	**56,491,040**
Transportation, storage and communication	**43,018,144**	**4,224,082**	**–**	**215,804**	**47,458,030**
Arts, entertainment and recreation	**38,648,650**	**4,224,987**	**–**	**1,922,391**	**44,796,028**
Accommodation and food service activities	**9,047,908**	**4,980,701**	**–**	**103,578**	**14,132,187**
Mining and quarrying	**13,340,695**	**–**	**–**	**5,299**	**13,345,994**
Construction	**9,131,937**	**–**	**–**	**2,697,673**	**11,829,610**
Professional, scientific and technical activities	**881,915**	**8,398,018**	**–**	**219,699**	**9,499,632**
Agriculture	**7,062,774**	**–**	**–**	**34,718**	**7,097,492**
Education	**3,503,357**	**450,000**	**–**	**163,279**	**4,116,636**
Public administration and defense	**191,203**	**–**	**–**	**55,237**	**246,440**
Others*	**36,663,618**	**17,513,737**	**227,613**	**268,162**	**54,673,131**
	₱627,554,467	**₱395,985,687**	**₱147,093,270**	**₱42,696,838**	**₱1,213,330,263**

*Others consist of administrative and support service, health, household and other activities.

	Parent Company				
	2021				
	Loans and Receivables	Financial Investments	Loans and Advances to Banks	Commitments	Total
Financial intermediaries	₱90,964,720	₱142,340,451	₱159,457,033	₱5,577,282	₱398,339,486
Real estate, renting and business services	149,067,673	69,832,995	–	792,308	219,692,976
Electricity, gas and water	74,796,648	25,225,112	–	4,662,842	104,684,602
Transportation, storage and communication	56,097,019	3,409,904	–	1,135,456	60,642,379
Wholesale and retail trade	42,312,303	–	–	6,315,485	48,627,788
Arts, entertainment and recreation	33,719,927	3,830,133	–	85,460	37,635,520
Manufacturing	32,469,098	–	–	3,752,183	36,221,281
Accommodation and food service activities	10,740,999	4,591,085	–	827,492	16,159,576
Construction	9,545,693	–	–	3,634,403	13,180,096
Mining and quarrying	10,966,519	–	–	1,002,343	11,968,862
Professional, scientific and technical activities	761,461	4,645,001	–	1,504,048	6,910,510
Agriculture	5,897,613	–	–	337,236	6,234,849
Education	4,023,325	564,935	–	322,060	4,910,320
Public administration and defense	60,036	–	–	506,952	566,988
Others*	35,415,712	15,695,056	566,679	13,818,286	65,495,733
	₱556,838,746	₱270,134,672	₱160,023,712	₱44,273,836	₱1,031,270,966

*Others consist of administrative and support service, health, household and other activities.

Maximum exposure to credit risk

The tables below provide the analysis of the maximum exposure to credit risk of the Group's and the Parent Company's financial instruments, excluding those where the carrying values as reflected in the balance sheets and related notes already represent the financial instrument's maximum exposure to credit risk, before and after taking into account collateral held or other credit enhancements:

	Consolidated		
	2022		
	Gross maximum exposure	**Net exposure**	**Financial effect of collateral or credit enhancement**
Credit risk exposure relating to on-balance sheet items are as follows			
Loans and receivables	**₱699,594,789**	**₱466,526,632**	**₱233,068,157**
Interbank loans receivable and SPURA	**43,564,970**	**28,769,544**	**14,795,426**
Sales contracts receivable	**1,406,217**	**–**	**1,406,217**
	₱744,565,976	**₱495,296,176**	**₱249,269,800**

	Consolidated		
	2021		
	Gross maximum exposure	Net exposure	Financial effect of collateral or credit enhancement
Credit risk exposure relating to on-balance sheet items are as follows			
Loans and receivables	₱609,006,732	₱406,823,424	₱202,183,308
Interbank loans receivable and SPURA	36,559,224	19,230,769	17,328,455
Sales contracts receivable	1,101,891	–	1,101,891
	₱646,667,847	₱426,054,193	₱220,613,654

	Parent		
	2022		
	Gross maximum exposure	**Net exposure**	**Financial effect of collateral or credit enhancement**
Credit risk exposure relating to on-balance sheet items are as follows			
Loans and receivables	**₱613,197,254**	**₱426,316,586**	**₱186,880,668**
Interbank loans receivable and SPURA	**41,597,949**	**28,769,545**	**12,828,404**
Sales contracts receivable	**180,659**	**–**	**180,659**
	₱654,975,862	**₱455,086,131**	**₱199,889,731**

	Parent		
	2021		
	Gross maximum exposure	Net exposure	Financial effect of collateral or credit enhancement
Credit risk exposure relating to on-balance sheet items are as follows			
Loans and receivables	₱544,171,738	₱384,840,851	₱159,330,887
Interbank loans receivable and SPURA	35,030,997	19,230,680	15,800,317
Sales contracts receivable	213,399	–	213,399
	₱579,416,134	₱404,071,531	₱175,344,603

For the Group, the fair values of collateral held for loans and receivables and sales contracts receivable amounted to ₱518.85 billion and ₱2.73 billion, respectively, as of December 31, 2022 and ₱402.68 billion and ₱2.55 billion, respectively, as of December 31, 2021.

For the Parent Company, the fair values of collateral held for loans and receivables and sales contracts receivable amounted to ₱472.66 billion. and ₱0.80 billion, respectively, as of December 31, 2022 and ₱359.84 billion and ₱0.81 billion, respectively, as of December 31, 2021.

The fair values of the financial collaterals held for SPURA are disclosed in Note 35.

Credit risk, in respect of derivative financial products, is limited to those with positive fair values, which are included under financial assets at FVTPL (Note 9). As a result, the maximum credit risk, without taking into account the fair value of any collateral and netting agreements, is limited to the amounts on the balance sheet plus commitments to customers such as unused commercial letters of credit, outstanding guarantees and others as disclosed in Note 31 to the financial statements.

Collateral and other credit enhancements
The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented with regards to the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- For securities lending and reverse repurchase transactions – cash or securities
- For consumer lending – real estate and chattel over vehicle
- For corporate lending and commercial lending- real estate, chattel over properties, assignment of deposits, shares of stocks, bonds, and guarantees

Management requests additional collateral in accordance with the underlying agreement and takes into consideration the market value of collateral during its review of the adequacy of allowance for credit losses.

It is the Group's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim. In most cases, the Parent Company does not occupy repossessed properties for business use.

Collateral valuation
To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Group's balance sheet. However, the fair value of collateral affects the calculation of loss allowances. It is generally assessed, at a minimum, at inception and re-assessed on an annual basis. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by internal or external appraisers.

Credit quality per class of financial assets

Loans and Receivables
The credit quality of financial assets is managed by the Group using an internal credit rating system for the purpose of measuring credit risk in a consistent manner as accurately as possible. The model on risk ratings is assessed regularly because the Group uses this information as a tool for business and financial decision making.

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

The rating categories are further described below.

High Grade

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

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

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

B. BCS-Covered
   - Strong

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

Standard Grade

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

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

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

B. BCS-Covered
- Satisfactory
- Acceptable

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

Sub-Standard Grade

In terms of borrower credit ratings, this includes the following:

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

B. BCS-Covered
- Watchlist

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

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

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

For the Parent Company's consumer loans that are covered by application scorecards which provide either a pass/fail score, the basis for credit quality rating is the BSP classification for those that are booked as Current (i.e., Standard Grade if Unclassified and Sub-Standard Grade if Adversely Classified) and impairment status for those that are booked as Past Due / Items in Litigation. The Group also applied this policy for CBS' consumer loans as of December 31, 2021. Beginning December 31, 2022, the Group has classified consumer loans of CBS covered by application scorecard with score ranks of 1-4, and which are Current and Unclassified, as High Grade. The Group's comparative table as of December 31, 2021 for "Consumer Lending" has been updated to reflect this change in credit quality classification resulting in a decrease amounting to ₱11.33 billion under Standard Grade and a corresponding increase for the same amount under High Grade to account for CBS' consumer loans in the Group's credit exposures.

The financial assets are also grouped according to stage whose description is explained as follows:

Stage 1 – those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 – those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 – those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The following tables illustrate the Group's and the Parent Company's credit exposures (amounts in millions).

Consolidated	**2022**			
	ECL Staging			
Corporate and commercial lending	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Neither past due nor impaired				
High grade	**₱34,841**	**₱141**	**₱–**	**₱34,982**
Standard grade	**337,287**	**12,964**	**–**	**350,251**
Sub-Standard	**112,348**	**44,515**	**–**	**156,863**
Unrated	**520**	**70**	**–**	**590**
Past due but not impaired	**–**	**587**	**–**	**587**
Past due and impaired	**–**	**–**	**12,137**	**12,137**
Gross carrying amount	**₱484,996**	**₱58,277**	**₱12,137**	**₱555,410**

Consolidated	**2022**			
	ECL Staging			
Consumer Lending	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Neither past due nor impaired				
High grade	**₱19,511**	**₱–**	**₱–**	**₱19,511**
Standard grade	**102,420**	**5,665**	**–**	**108,085**
Sub-Standard	**1,926**	**4,538**	**–**	**6,464**
Unrated	**842**	**1,334**	**–**	**2,176**
Past due but not impaired	**–**	**3,165**	**–**	**3,165**
Past due and impaired	**–**	**–**	**5,064**	**5,064**
Gross carrying amount	**₱124,699**	**₱14,702**	**₱5,064**	**₱144,465**

Consolidated	**2022**			
	ECL Staging			
	Stage 1	**Stage 2**	**Stage 3**	
Trade-related Lending	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Neither past due nor impaired				
High grade	**₱1,982**	**₱–**	**₱–**	**₱1,982**
Standard grade	**10,065**	**327**	**–**	**10,392**
Sub-Standard	**4,713**	**432**	**–**	**5,145**
Unrated	**3**	**–**	**–**	**3**
Past due but not impaired	**–**	**–**	**–**	**–**
Past due and impaired	**–**	**–**	**203**	**203**
Gross carrying amount	**₱16,763**	**₱759**	**₱203**	**₱17,725**

Consolidated	**2022**			
	ECL Staging			
	Stage 1	**Stage 2**	**Stage 3**	
Others	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Neither past due nor impaired				
High grade	**₱68**	**₱–**	**₱–**	**₱68**
Standard grade	**7**	**5**	**–**	**12**
Sub-Standard	**–**	**5**	**–**	**5**
Unrated	**19**	**–**	**–**	**19**
Past due but not impaired	**–**	**4**	**–**	**4**
Past due and impaired	**–**	**–**	**7**	**7**
Gross carrying amount	**₱94**	**₱14**	**₱7**	**₱115**

Consolidated	2021			
	ECL Staging			
	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	₱11,536	₱11	₱–	₱11,547
Standard grade	84,440	5,708	–	90,148
Sub-Standard	3,212	5,817	–	9,029
Unrated	1,053	1,944	–	2,997
Past due but not impaired	–	2,890	–	2,890
Past due and impaired	–	–	6,065	6,065
Gross carrying amount	₱100,241	₱16,370	₱6,065	₱122,676

Consolidated	2021			
	ECL Staging			
	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

Parent Company	**2022**			
	ECL Staging			
	Stage 1	**Stage 2**	**Stage 3**	
Corporate and commercial lending	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Neither past due nor impaired				
High grade	**₱33,842**	**₱141**	**₱–**	**₱33,983**
Standard grade	**330,747**	**9,339**	**–**	**340,086**
Sub-Standard	**112,348**	**42,540**	**–**	**154,888**
Unrated	**520**	**70**	**–**	**590**
Past due but not impaired	**–**	**402**	**–**	**402**
Past due and impaired	**–**	**–**	**9,206**	**9,206**
Gross carrying amount	**₱477,457**	**₱52,492**	**₱9,206**	**₱539,155**

Parent Company	**2022**			
	ECL Staging			
	Stage 1	**Stage 2**	**Stage 3**	
Consumer Lending	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Neither past due nor impaired				
High grade	**₱182**	**₱–**	**₱–**	**₱182**
Standard grade	**51,977**	**5,665**	**–**	**57,642**
Sub-Standard	**1,926**	**4,538**	**–**	**6,464**
Unrated	**842**	**1,334**	**–**	**2,176**
Past due but not impaired	**–**	**1,187**	**–**	**1,187**
Past due and impaired	**–**	**–**	**3,338**	**3,338**
Gross carrying amount	**₱54,927**	**₱12,724**	**₱3,338**	**₱70,989**

Parent Company	**2022**			
	ECL Staging			
	Stage 1	**Stage 2**	**Stage 3**	
Trade−related Lending	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Neither past due nor impaired				
High grade	**₱1,982**	**₱–**	**₱–**	**₱1,982**
Standard grade	**10,064**	**–**	**–**	**10,064**
Sub-Standard	**4,713**	**426**	**–**	**5,139**
Unrated	**3**	**–**	**–**	**3**
Past due but not impaired	**–**	**–**	**–**	**–**
Past due and impaired	**–**	**–**	**203**	**203**
Gross carrying amount	**₱16,762**	**₱426**	**₱203**	**₱17,391**

Parent Company	**2022**			
	ECL Staging			
	Stage 1	**Stage 2**	**Stage 3**	
Others	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Neither past due nor impaired				
High grade	**₱–**	**₱–**	**₱–**	**₱–**
Standard grade	**–**	**–**	**–**	**–**
Sub-Standard	**–**	**–**	**–**	**–**
Unrated	**19**	**–**	**–**	**19**
Past due but not impaired	**–**	**–**	**–**	**–**
Past due and impaired	**–**	**–**	**–**	**–**
Gross carrying amount	**₱19**	**₱–**	**₱–**	**₱19**

Parent Company	2021			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Neither past due nor impaired				
High grade	₱25,247	₱142	₱–	₱25,389
Standard grade	272,567	15,850	–	288,417
Sub-Standard	123,413	28,027	–	151,440
Unrated	749	23	–	772
Past due but not impaired	–	91	–	91
Past due and impaired	–	–	6,613	6,613
Gross carrying amount	₱421,976	₱44,133	₱6,613	₱472,722

Parent Company	2021			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer Lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Neither past due nor impaired				
High grade	₱208	₱11	₱–	₱219
Standard grade	49,157	5,704	–	54,861
Sub-Standard	3,212	5,817	–	9,029
Unrated	1,053	1,944	–	2,997
Past due but not impaired	–	944	–	944
Past due and impaired	–	–	3,966	3,966
Gross carrying amount	₱53,630	₱14,420	₱3,966	₱72,016

Parent Company	2021			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Trade–related Lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Neither past due nor impaired				
High grade	₱130	₱–	₱–	₱130
Standard grade	7,051	4	–	7,055
Sub-Standard	3,730	938	–	4,668
Unrated	–	–	–	–
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	227	227
Gross carrying amount	₱10,911	₱942	₱227	₱12,080

Parent Company	2021			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Others	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Neither past due nor impaired				
High grade	₱–	₱–	₱–	₱–
Standard grade	–	–	–	–
Sub-Standard	–	–	–	–
Unrated	20	–	–	20
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
Gross carrying amount	₱20	₱–	₱–	₱20

Depository accounts with the BSP and counterparty banks, Trading and Investment Securities

For these financial assets, outstanding exposure is rated primarily based on credit ratings from international external credit rating agencies accessed through the Group’s Bloomberg terminal; otherwise, rating is based on risk grades by Philratings.

For counterparties without external rating, the Group retained the uses internal rating (and its corresponding category) for counterparties with no external rating.Exposures with neither external nor internal ratings are included under “Unrated”.

The external risk rating of the Group's depository accounts with the BSP and counterparty banks, trading and investment securities, is grouped as follows:

Credit Quality Rating	External Credit Risk Rating	Credit Rating Agency
High Grade	AAA, AA+, AA, AA−	S&P
	Aaa, Aa1, Aa2, Aa3	Moody's
	AAA, AA+, AA, AA−	Fitch
Standard Grade	A+, A, A−, BBB+, BBB, BBB−	S&P
	A1, A2, A3, Baa1, Baa2, Baa3	Moody's
	A+, A, A−, BBB+, BBB, BBB−	Fitch
Substandard Grade	BB+, BB, BB−, B/B+, CCC, CC, R, SD & D	S&P
	Ba1, Ba2, Ba3, B1, B2, R, SD & D	Moody's
	BB+, BB, BB−, B/B+, CCC, R, SD & D	Fitch

Rating Description

High Grade

AAA – An obligor has extremely strong capacity to meet its financial commitments.

AA – An obligor has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors at a minimal degree.

Standard Grade

A – An obligor has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

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

Sub-Standard Grade

BB – An obligor is less vulnerable in the near term than other lower−rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments.

B – An obligor is more vulnerable than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.

CCC – An obligor is currently vulnerable and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitments.

CC – An obligor is currently vulnerable. The rating is used when a default has not yet occurred, but expects default to be a virtual certainty, regardless of the anticipated time to default.

R – An obligor is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others.

SD and D – An obligor is in default on one or more of its financial obligations including rated and unrated financial obligations but excluding hybrid instruments classified as regulatory capital or in non-payment according to terms.

In the case of PHP-denominated securities which are not rated by either S&P, Moody's, or Fitch, but have an external rating by Philratings, the following grouping was applied.

Credit Quality Rating	External Credit Risk Rating
High grade	PRSAaa, PRSAa+, PRSAa, PRSAa−
Standard grade	PRSA+, PRSA, PRSA−, PRSBaa+, PRSBaa, PRSBaa−
Sub-Standard grade	PRSBa+, PRSBa, PRSBa−, PRSB+, PRSB, PRSB−, PRSCaa+, PRSCaa, PRSCaa−, PRSCa+, PRSCa, PRSCa−, PRSC+, PRSC, PRSC−

Rating Description

High Grade

PRSAaa – The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

PRSAa – The obligor's capacity to meet its financial commitment on the obligation is very strong.

Standard Grade

PRSA – With favorable investment attributes and are considered as upper-medium grade obligations. Although obligations rated 'PRSA' are somewhat more susceptible to the adverse effects of changes in economic conditions, the obligor's capacity to meet its financial commitments on the obligation is still strong.

PRSBaa – An obligation rated 'PRS Baa' exhibits adequate protection parameters. However, adverse economic conditions and changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. PRSBaa-rated issues may possess certain speculative characteristics.

Sub-Standard Grade

PRSBa – An obligation rated 'PRSBa' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties relating to business, financial or economic conditions, which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

PRSB – An obligation rated 'PRSB' is more vulnerable to nonpayment than obligations rated 'PRSBa', but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse economic conditions will likely impair the obligor's capacity to meet its financial commitment on the obligation. The issue is characterized by high credit risk.

PRSCaa – An obligation rated 'PRSCaa' is presently vulnerable to nonpayment and is dependent upon favorable business, financial and economic conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation. The issue is considered to be of poor standing and is subject to very high credit risk.

PRSCa – An obligation rated "PRSCa" is presently highly vulnerable to nonpayment. Likely already in or very near default with some prospect for partial recovery of principal or interest.

PRSC – An obligation is already in default with very little prospect for any recovery of principal or interest.

For counterparty banks with no external rating but rated under the Bank' Camelot Rating System, the following grouping was applied:

Credit Quality Rating	Camelot Rating
High grade	A1, A2, A3, B1, B2, B3
Standard grade	C1, C2, C3, C4
Sub-Standard grade	D1, D2, D3, D4, E1, E2, E3, E4

Rating Description

High Grade

A – Exceptional Bank with strong business franchise, financials and prospects

B – Bank with good fundamentals; some minor weaknesses may exist but should be resolved in due course

Standard Grade

C – Bank with adequate fundamentals; some aspects raise concerns that prevent it from achieving a higher rating

Sub-Standard Grade

D – Bank with weaknesses; capability / ability to resolve such weaknesses is put into question

E – Bank with very serious problems / negative fundamentals

For corporate issuers with no external rating but are rated under the Bank's ICRRS, the grouping used for corporate borrowers will apply.

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

Consolidated	**2022**				2021			
	ECL Staging							
Investment securities at amortized cost	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Neither past due nor impaired								
High grade	**₱57,060**	**₱–**	**₱–**	**₱57,060**	₱48,678	₱–	₱–	₱48,678
Standard grade	**280,612**	**1,436**	**–**	**282,048**	170,149	3,033	–	173,182
Sub-Standard	**14,937**	**1,600**	**–**	**16,537**	14,584	533	–	15,117
Unrated	**–**	**–**	**–**	**–**	–	–	–	–
Past due but not impaired	**–**	**–**	**–**	**–**	–	–	–	–
Impaired	**–**	**–**	**–**	**–**	–	–	3,947	3,947
Gross carrying amount	**₱352,609**	**₱3,036**	**₱–**	**₱355,645**	₱233,411	₱3,566	₱3,947	₱240,924

Consolidated	2022				2021			
		ECL Staging						
Financial assets at FVOCI (debt securities)	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Neither past due nor impaired								
High grade	**₱3,392**	**₱–**	**₱–**	**₱3,392**	₱184	₱–	₱–	₱184
Standard grade	**36,405**	**1,315**	**–**	**37,720**	25,892	408	–	26,300
Sub-Standard	**1,573**	**–**	**–**	**1,573**	1,534	–	–	1,534
Unrated	**–**	**–**	**–**	**–**	1	–	–	1
Past due but not impaired	**–**	**–**	**–**	**–**	–	–	–	–
Impaired	**–**	**–**	**–**	**–**	–	–	–	–
Gross carrying amount	**₱41,370**	**₱1,315**	**₱–**	**₱42,685**	₱27,611	₱408	₱–	₱28,019

Parent Company	2022				2021			
		ECL Staging						
Investment securities at amortized cost	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Neither past due nor impaired								
High grade	**₱57,060**	**₱–**	**₱–**	**₱57,060**	₱48,150	₱–	₱–	₱48,150
Standard grade	**274,627**	**1,436**	**–**	**276,063**	165,062	3,033	–	168,095
Sub-Standard	**14,937**	**1,600**	**–**	**16,537**	14,584	533	–	15,117
Unrated	**–**	**–**	**–**	**–**	–	–	–	–
Past due but not impaired	**–**	**–**	**–**	**–**	–	–	–	–
Impaired	**–**	**–**	**–**	**–**	–	–	3,632	3,632
Gross carrying amount	**₱346,624**	**₱3,036**	**₱–**	**₱349,660**	₱227,796	₱3,566	₱3,632	₱234,994

Parent Company	2022				2021			
		ECL Staging						
Financial assets at FVOCI (debt securities)	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Neither past due nor impaired								
High grade	**₱3,280**	**₱–**	**₱–**	**₱3,280**	₱–	₱–	₱–	₱–
Standard grade	**34,376**	**1,315**	**–**	**35,691**	23,961	404	–	24,365
Sub-Standard	**1,572**	**–**	**–**	**1,572**	1,534	–	–	1,534
Unrated	**–**	**–**	**–**	**–**	1	–	–	1
Past due but not impaired	**–**	**–**	**–**	**–**	–	–	–	–
Impaired	**–**	**–**	**–**	**–**	–	–	–	–
Gross carrying amount	**₱39,228**	**₱1,315**	**₱–**	**₱40,543**	₱25,496	₱404	₱–	₱25,900

Consolidated	**2022**				
	High Grade	**Standard Grade**	**Sub-Standard Grade**	**Unrated**	**Total**
Due from BSP	**₱–**	**₱107,100**	**₱–**	**₱–**	**₱107,100**
Due from other banks	**1,367**	**12,226**	**21**	**1**	**13,615**
Interbank loans receivable and SPURA	**15,419**	**28,146**	**–**	**–**	**43,565**
Financial assets at FVTPL	**1,558**	**2,393**	**541**	**236**	**4,728**
	₱18,344	**₱149,865**	**₱562**	**₱237**	**₱169,008**

Parent Company	**2022**				
	High Grade	**Standard Grade**	**Sub-Standard Grade**	**Unrated**	**Total**
Due from BSP	**₱–**	**₱92,921**	**₱–**	**₱–**	**₱92,921**
Due from other banks	**927**	**11,399**	**21**	**–**	**12,347**
Interbank loans receivable and SPURA	**15,419**	**26,179**	**–**	**–**	**41,598**
Financial assets at FVTPL	**345**	**2,393**	**541**	**236**	**3,515**
	₱16,691	**₱132,892**	**₱562**	**₱236**	**₱150,381**

Consolidated	2021				
	High Grade	Standard Grade	Sub-Standard Grade	Unrated	Total
Due from BSP	₱–	₱124,283	₱–	₱–	₱124,283
Due from other banks	1,147	9,528	19	–	10,694
Interbank loans receivable and SPURA	14,746	21,813	–	–	36,559
Financial assets at FVTPL	2,193	4,144	717	156	7,210
	₱18,086	₱159,768	₱736	₱156	₱178,746

Parent Company	2021				
	High Grade	Standard Grade	Sub-Standard Grade	Unrated	Total
Due from BSP	₱–	₱114,529	₱–	₱–	₱114,529
Due from other banks	1,049	8,829	19	–	9,897
Interbank loans receivable and SPURA	14,746	20,285	–	–	35,031
Financial assets at FVTPL	441	4,144	717	156	5,458
	₱16,236	₱147,787	₱736	₱156	₱164,915

Restructured Loans

The following table presents the carrying amount of restructured loans (gross of allowance for impairment and credit losses) of the Group and Parent Company as of December 31, 2022 and 2021:

	Consolidated		**Parent Company**	
	2022	2021	**2022**	2021
Loans and advances to customers				
Corporate and commercial lending	**₱1,526,923**	₱5,905,576	**₱1,150,752**	₱5,619,916
Consumer lending	**1,251,472**	1,447,356	**1,223,941**	1,446,431
Total restructured financial assets	**₱2,778,395**	₱7,352,932	**₱2,374,693**	₱7,066,347

Impairment Assessment

The Group recognizes a credit loss allowance on a financial asset based on whether it has had a significant increase in credit risk since initial recognition. Accordingly, the Group categorizes its financial assets into three categories: stage 1 – financial asset that has not had a significant increase in credit risk; stage 2 – financial asset that has had a significant increase in credit risk; and stage 3 – financial asset in default.

Generally, the Group assesses the presence of a significant increase in credit risk based on the number of notches that a financial asset's credit risk rating has declined since origination. When applicable, the Group also applies a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, the Group shall revert to recognizing a 12-month ECL.

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when (a) the borrower becomes at least 90 days past due on its contractual payments (unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate), (b) it is classified as doubtful or loss under prudential reporting; (c) it is in litigation; and/or (d) full repayment of principal and interest is unlikely without foreclosure of collateral, if any. As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances or loss events that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted. An instrument is considered to be no longer in default (i.e., to have cured) when it no longer meets any of the default criteria for a consecutive period of 180 days (i.e., consecutive payments from the borrowers for 180 days).

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

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

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

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

Loss given default (LGD)
The Group's LGD model considers certain factors such as the historical cash flow recovery and reasonable and supportable information about future economic conditions, where appropriate. Generally, the model utilizes the Group's existing loan exposure rating system which is designed to capture these factors as well as the characteristics of collaterals related to an exposure. In cases wherein this does not apply, the Group looks into the standard characteristics of collaterals (e.g., auto and housing loans) in order to estimate an LGD factor. In the case of exposures without collaterals (e.g., securities), the Group uses internationally-accepted standard LGD factors.

Starting 2020, the Group has considered current and forward-looking information related to the COVID-19 pandemic in assessing the aforementioned factors – i.e., significant increase in credit risk, default, EAD, PD, and LGD. The Group will continue to assess the impact of the pandemic and the ongoing economic recovery in measuring ECL in the upcoming reporting periods.

Credit Review
In accordance with BSP Circular 855, credit reviews are conducted on loan accounts to evaluate whether loans are granted in accordance with the Parent Company's policies and to assess loan quality and appropriateness of classification.

Results of credit reviews are promptly reported to management to apprise them of any significant findings for proper corrective actions.

Market Risk

Market risk is the risk of loss that may result from changes in the value of a financial product. The Parent Company's market risk originates from its holdings of domestic and foreign-denominated debt securities, foreign exchange instruments, equities, foreign exchange derivatives, and interest rate derivatives.

The RMG of the Parent Company is responsible for assisting the ROC with its responsibility for identifying, measuring, managing, and controlling market risk. Market risk management measures the Parent Company market risk exposures through the use of VaR. VaR is a statistical measure that estimates the maximum potential loss from a portfolio over a holding period, within a given confidence level.

VaR assumptions

The Parent Company calculates the VaR in trading activities. The Parent Company uses the Historical Simulation Full Valuation approach to measure VaR for all treasury traded instruments, using a 99.00% confidence level and a 1−day holding period.

The use of a 99.00% confidence level means that, within a one day horizon, losses exceeding the VaR figure should occur, on average, not more than once every hundred days. The validity of the VaR model is verified through back testing, which examines how frequently actual and hypothetical daily losses exceeds daily VaR. The Parent Company measures and monitors the VaR and profit and loss on a daily basis.

Since VaR is an integral part of the Parent Company's market risk management, VaR limits have been established for all trading positions and exposures are reviewed daily against the limits by management. Further, stress testing is performed for monitoring extreme events.

Limitations of the VaR Methodology

The VaR models are designed to measure market risk in a normal market environment using equally weighted historical data. The use of VaR has limitations because it is based on historical correlations and volatilities in market prices and assumes that future price movements will follow the same distribution. Due to the fact that VaR relies heavily on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated if changes in risk factors fail to align with the assumptions. VaR may also be under- or over-estimated due to the assumptions placed on risk factors and the relationship between such factors for specific instruments. Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99.00% confidence level.

In practice, the actual trading results will differ from the VaR calculation and, in particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored regularly to test the validity of the assumptions and the parameters used in the VaR calculation. Market risk positions are also subject to regular stress tests to ensure that the Group would withstand an extreme market event.

A summary of the VaR position of the trading portfolio of the Parent Company is as follows:

	Interest Rate[1]	Foreign Exchange[2]	Price[3]	Interest Rate[4]	Interest Rate[5]
			(In Millions)		
2022					
31 December	**₱14.77**	**₱38.66**	**₱24.65**	**₱6.45**	**₱2.04**
Average daily	**31.96**	**21.83**	**16.72**	**4.27**	**2.16**
Highest	**60.07**	**83.37**	**24.65**	**9.23**	**3.76**
Lowest	**13.89**	**3.19**	**9.56**	**0.75**	**1.50**
2021					
31 December	₱18.55	₱10.97	₱18.30	₱3.23	₱2.37
Average daily	62.04	23.11	20.95	4.31	3.20
Highest	170.46	84.61	31.23	8.54	12.44
Lowest	6.44	2.47	7.61	1.16	1.26

[1] Interest rate VaR for debt securities (Interest rate VaR for foreign currency denominated debt securities are translated to PHP using daily closing rate)
[2] FX VaR is the bankwide foreign exchange risk
[3] Price VaR for equity securities and futures
[4] Interest rate VaR for FX swaps and FX forwards
[5] Interest rate VaR for IRS

Interest Rate Risk
The Group's interest rate risk originates from its holdings of interest rate sensitive assets and interest rate sensitive liabilities. The Parent Company follows prudent policies in managing its exposures to interest rate fluctuations, and constantly monitors and discusses its exposure in Asset and Liability Committee (ALCO) meetings held every week.

As of December 31, 2022 and 2021, 60.30% and 62.29% of the Group's total loan portfolio, respectively, comprised of floating rate loans which are repriced periodically by reference to the transfer pool rate which reflects the Group's internal cost of funds. As of December 31, 2022 and 2021, 63.55% and 63.85% of the Parent's total loan portfolio, respectively, were subject to interest repricing. In keeping with banking industry practice, the Group aims to achieve stability and lengthen the term structure of its deposit base, while providing adequate liquidity to cover transactional banking requirements of customers.

Interest is paid on demand accounts, which constituted 25.53% and 29.24% of the total deposits as of December 31, 2022 and 2021, respectively for the Group and 25.94% and 29.32% of the total deposits as of December 31, 2022 and 2021, respectively for the Parent Company.

Interest is paid on savings accounts and time deposits accounts, which constitute 28.27% and 46.20%, respectively of the Group's total deposits, and 29.13% and 44.93%, respectively of the Parent Company's total deposits, respectively as of December 31, 2022, and 35.10% and 35.66%, respectively of the Group's total deposits, and 36.13% and 34.55%, respectively of the Parent Company's total deposits, respectively as of December 31, 2021.

Savings account interest rates are set by reference to prevailing market rates, while interest rates on time deposits and special savings accounts are usually priced by reference to prevailing rates of short-term government bonds and other money market instruments, or, in the case of foreign currency deposits, inter-bank deposit rates and other benchmark deposit rates in international money markets with similar maturities.

The Group is likewise exposed to fair value interest rate risk due to its holdings of fixed rate government bonds as part of its financial assets at FVOCI and FVTPL portfolios. Market values of these investments are sensitive to fluctuations in interest rates. The following table provides for the average effective interest rates of the Group and of the Parent Company as of December 31, 2022 and 2021:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Peso				
Assets				
Due from BSP	**0.80%**	0.79%	**0.58%**	0.75%
Due from banks	**0.10%**	0.15%	**0.05%**	0.06%
Interbank Loans Receivable and SPURA	**3.17%**	1.91%	**3.17%**	1.91%
Investment securities*	**4.71%**	4.58%	**4.74%**	4.62%
Loans and receivables	**6.27%**	6.04%	**5.76%**	5.82%
Liabilities				
Deposit liabilities	**1.03%**	0.68%	**0.96%**	0.63%
Bills payable	**2.63%**	3.50%	**2.63%**	3.50%
Bonds payable	**2.97%**	3.02%	**2.97%**	3.02%
USD				
Assets				
Due from banks	**0.65%**	0.02%	**0.65%**	0.02%
Interbank Loans Receivable and SPURA	**1.62%**	0.05%	**1.62%**	0.05%
Investment securities*	**3.75%**	3.79%	**3.77%**	3.81%
Loans and receivables	**3.90%**	3.76%	**3.90%**	3.77%
Liabilities				
Deposit liabilities	**0.52%**	0.31%	**0.52%**	0.31%
Bills payable	**2.26%**	3.10%	**2.26%**	3.10%
Bonds payable	**3.32%**	1.70%	**3.32%**	1.70%

* Consisting of financial assets at FVTPL, Financial assets at FVOCI and Investment securities at amortized cost.

The repricing gap analysis method is used by the Group to measure the sensitivity of its assets and liabilities to interest rate fluctuations. This analysis measures the Group's susceptibility to changes in interest rates. The repricing gap is calculated by first distributing the assets and liabilities contained in the Group's balance sheet into tenor buckets according to the time remaining to the next repricing date (or the time remaining to maturity if there is no repricing), and then obtaining the difference between the total of the repricing (interest rate sensitive) assets and the total of repricing (interest rate sensitive) liabilities.

A gap is considered negative when the amount of interest rate sensitive liabilities exceeds the amount of interest rate sensitive assets. A gap is considered positive when the amount of interest rate sensitive assets exceeds the amount of interest rate sensitive liabilities.

Accordingly, during a period of rising interest rates, a bank with a positive gap would be in a position to invest in higher yielding assets earlier than it would need to refinance its interest rate sensitive liabilities. During a period of falling interest rates, a bank with a positive gap would tend to see its interest rate sensitive assets repricing earlier than its interest rate sensitive liabilities, restraining the growth of its net income or resulting in a decline in net interest income.

The following tables set forth the repricing gap position of the Group and Parent Company as of December 31, 2022 and 2021 (in millions):

	Consolidated							
	2022				2021			
	Up to 3 Months	**>3 to 12 Months**	**>12 Months**	**Total**	Up to 3 Months	>3 to 12 Months	>12 Months	Total
Financial Assets								
Due from BSP	**₱103,609**	**₱–**	**₱3,491**	**₱107,100**	₱121,878	₱–	₱2,405	₱124,283
Due from other banks	**13,615**	**–**	**–**	**13,615**	10,694	–	–	10,694
Interbank Loans Receivable and SPURA	**43,565**	**–**	**–**	**43,565**	36,559	–	–	36,559
Investment securities	**16,606**	**20,776**	**368,648**	**406,030**	11,611	17,754	248,871	278,236
Loans and receivables	**251,017**	**159,098**	**289,480**	**699,595**	231,378	122,731	254,898	609,007
Total financial assets	**428,412**	**179,874**	**661,619**	**1,269,905**	412,120	140,485	506,174	1,058,779
Financial Liabilities								
Deposit liabilities	**398,760**	**72,009**	**595,146**	**1,065,915**	236,102	48,919	577,839	862,860
Bills payable	**31,101**	**15,194**	**24,080**	**70,375**	33,253	20,041	12,512	65,806
Bonds payable	**–**	**8,313**	**20,000**	**28,313**	–	22,474	20,000	42,474
Total financial liabilities	**429,861**	**95,516**	**639,226**	**1,164,603**	269,355	91,434	610,351	971,140
IRS Hedge Receive	**61,331**	**8,363**	**–**	**69,694**	56,099	7,650	–	63,749
IRS Hedge Pay	**–**	**–**	**69,694**	**69,694**	–	–	63,749	63,749
Repricing gap	**₱59,882**	**₱92,721**	**(₱47,301)**	**₱105,302**	₱198,864	₱56,701	(₱167,926)	₱87,639

	Parent Company							
	2022				2021			
	Up to 3 Months	**>3 to 12 Months**	**>12 Months**	**Total**	Up to 3 Months	>3 to 12 Months	>12 Months	Total
Financial Assets								
Due from BSP	**₱92,921**	**₱–**	**₱–**	**₱92,921**	₱114,529	₱–	₱–	₱114,529
Due from other banks	**12,347**	**–**	**–**	**12,347**	9,897	–	–	9,897
Interbank Loans Receivable and SPURA	**41,598**	**–**	**–**	**41,598**	35,031	–	–	35,031
Investment securities	**14,912**	**19,767**	**361,790**	**396,469**	8,728	15,849	243,752	268,329
Loans and receivables	**246,513**	**123,243**	**243,441**	**613,197**	226,675	92,282	225,215	544,172
Total financial assets	**408,291**	**143,010**	**605,231**	**1,156,532**	394,860	108,131	468,967	971,958
Financial Liabilities								
Deposit liabilities	**370,272**	**50,527**	**538,620**	**959,419**	218,116	40,618	523,485	782,219
Bills payable	**31,101**	**15,194**	**24,080**	**70,375**	33,253	20,041	12,512	65,806
Bonds payable	**–**	**8,313**	**20,000**	**28,313**	–	22,474	20,000	42,474
Total financial liabilities	**401,373**	**74,034**	**582,700**	**1,058,107**	251,369	83,133	555,997	890,499
IRS Hedge Receive	**61,331**	**8,363**	**–**	**69,694**	56,099	7,650	–	63,749
IRS Hedge Pay	**–**	**–**	**69,694**	**69,694**	–	–	63,749	63,749
Repricing gap	**₱68,249**	**₱77,339**	**(₱47,163)**	**₱98,425**	₱199,590	₱32,648	(₱150,779)	₱81,459

The Group monitors its exposure to fluctuations in interest rates by using scenario analysis to estimate the impact of interest rate movements on its interest income. This is done by modeling the impact to the Group's interest income and interest expenses to parallel changes in the interest rate curve in a given 12-month period. Interest rate risk exposure is managed through approved limits.

The following tables set forth the estimated change in the Group's and Parent Company's annualized net interest income due to a parallel change in the interest rate curve as of December 31, 2022 and 2021:

	Consolidated			
	2022			
	Change in interest rates (in basis points)			
	100bp rise	**50bp rise**	**50bp fall**	**100bp fall**
Change in annualized net interest income	**₱1,294**	**₱647**	**(₱647)**	**(₱1,294)**
As a percentage of the Group's net interest income for the year ended December 31, 2022	**2.84%**	**1.42%**	**(1.42%)**	**(2.84%)**

	Consolidated			
	2021			
	Change in interest rates (in basis points)			
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱2,414	₱1,207	(₱1,207)	(₱2,414)
As a percentage of the Group's net interest income for the year ended December 31, 2021	6.30%	3.15%	(3.15%)	(6.30%)

	Parent Company			
	2022			
	Change in interest rates (in basis points)			
	100bp rise	**50bp rise**	**50bp fall**	**100bp fall**
Change in annualized net interest income	**₱1,263**	**₱631**	**(₱631)**	**(₱1,263)**
As a percentage of the Parent Company's net interest income for the year ended December 31, 2022	**3.25%**	**1.63%**	**(1.63%)**	**(3.25%)**

	Parent Company			
	2021			
	Change in interest rates (in basis points)			
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱2,241	₱1,120	(₱1,120)	(₱2,241)
As a percentage of the Parent Company's net interest income for the year ended December 31, 2021	5.85%	2.92%	(2.92%)	(5.85%)

The following tables set forth the estimated change in the Group's and Parent Company's income before tax and equity due to a reasonably possible change in the market prices of quoted bonds classified under financial assets at FVTPL and financial assets at FVOCI, brought about by movement in the interest rate curve as of December 31, 2022 and 2021 (in millions):

	Consolidated			
	2022			
	Change in interest rates (in basis points)			
	25bp rise	**10bp rise**	**10bp fall**	**25bp fall**
Change in income before tax	**(₱15)**	**(₱6)**	**₱6**	**₱15**
Change in equity	**(411)**	**(164)**	**164**	**411**

	Consolidated			
	2021			
	Change in interest rates (in basis points)			
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(₱25)	(₱10)	₱10	₱25
Change in equity	(287)	(115)	115	287

	Parent Company			
	2022			
	Change in interest rates (in basis points)			
	25bp rise	**10bp rise**	**10bp fall**	**25bp fall**
Change in income before tax	**(₱15)**	**(₱6)**	**₱6**	**₱15**
Change in equity	**(395)**	**(158)**	**158**	**395**

	Parent Company			
	2021			
	Change in interest rates (in basis points)			
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(₱25)	(₱10)	₱10	₱25
Change in equity	(266)	(107)	107	266

In relation to the IBOR reform, the table below shows the Parent Company's exposures to significant IBOR-related IRS that have yet to transition to a risk-free rate (RFR) as of December 31, 2022. The table excludes exposures that will mature before the mandatory transition date on June 30, 2023 for the overnight and 1-, 3-, 6-, and 12-month USD LIBOR.

	2022		2021	
	Nominal Amount	**Carrying Value**	Nominal Amount	Carrying Value
Derivative assets	**$175,464**	**₱9,508**	$169,000	12,958
Derivative liabilities	**666,000**	**12,072**	666,000	41,653
Derivative contracts designated as hedges	**1,250,000**	**6,185,749**	1,250,000	976,834

Foreign Currency Risk

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

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

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

The Group's policy is to maintain foreign currency exposure within existing regulations, and within acceptable risk limits. The Group believes in ensuring its foreign currency is at all times within limits prescribed for financial institutions who are engaged in the same types of businesses in which the Group and its subsidiaries are engaged.

The table below summarizes the Group's and Parent Company's exposure to foreign exchange risk, excluding the US Dollar denominated assets and liabilities under FCDU with functional currency also in US Dollars. Included in the table are the Group's and Parent Company's assets and liabilities at carrying amounts (stated in US Dollars), categorized by currency with its PHP equivalent:

	Consolidated							
	2022				2021			
	USD	**Other Currencies***	**Total in USD**	**PHP**	USD	Other Currencies*	Total in USD	PHP
Assets								
Cash and other cash items	**$27**	**$2,462**	**$2,489**	**₱138,809**	$3,116	$2,673	$5,789	₱295,222
Due from other banks	**65,090**	**5,621**	**70,711**	**3,942,531**	49,402	8,560	57,962	2,956,018
Financial assets at FVTPL	**150**	**2,065**	**2,215**	**123,504**	109	1	110	5,593
Financial assets at FVOCI	**–**	**–**	**–**	**–**	15,163	2,304	17,467	890,826
Investment securities at amortized cost	**–**	**25,953**	**25,953**	**1,447,018**	27,777	29,341	57,118	2,912,954
Loans and receivables	**92,025**	**29,991**	**122,016**	**6,803,000**	43,866	35,800	79,666	4,062,902
Accrued interest receivable	**250**	**335**	**585**	**32,618**	695	272	967	49,329
Other assets	**–**	**1,203**	**1,203**	**67,115**	34,051	3	34,054	1,736,677
	157,542	**67,630**	**225,172**	**12,554,595**	174,179	78,954	253,133	12,909,521
Liabilities								
Deposit liabilities	**–**	**71,552**	**71,552**	**3,989,416**	58,593	22,964	81,557	4,159,311
Bills payables	**241,462**	**–**	**241,462**	**13,462,731**	445,967	–	445,967	22,743,874
Accrued interest and other expenses	**446**	**1**	**447**	**24,890**	174	1	175	8,936
Other liabilities	**54,710**	**1,258**	**55,968**	**3,120,472**	30,213	1,289	31,502	1,606,550
	296,618	**72,811**	**369,429**	**20,597,509**	534,947	24,254	559,201	28,518,671
Currency spot	**11,321**	**(324)**	**10,997**	**613,143**	(5,118)	(1,886)	(7,004)	(357,211)
Currency forwards	**1,793,782**	**4,406**	**1,798,188**	**100,257,988**	353,105	(53,177)	299,928	15,296,007
Net Exposure	**$1,666,027**	**($1,099)**	**$1,664,928**	**₱92,828,217**	($12,781)	($363)	($13,144)	(₱670,354)

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

	Parent Company							
	2022				2021			
	USD	**Other Currencies***	**Total in USD**	**PHP**	USD	Other Currencies*	Total in USD	PHP
Assets								
Cash and other cash items	**$27**	**$2,462**	**$2,489**	**₱138,809**	$69	$2,673	$2,742	₱139,816
Due from other banks	**63,046**	**5,621**	**68,667**	**3,828,545**	41,317	8,560	49,877	2,543,685
Financial assets at FVTPL	**150**	**2,065**	**2,215**	**123,404**	109	1	110	5,593
Financial assets at FVOCI	–	–	–	**–**	–	2,304	2,304	117,526
Investment securities at amortized cost	–	**25,953**	**25,953**	**1,447,018**	–	29,341	29,341	1,496,363
Loans and receivables	**92,025**	**29,991**	**122,016**	**6,803,000**	37,634	35,800	73,434	3,745,077
Accrued interest receivable	**250**	**335**	**585**	**32,618**	65	272	337	17,203
Other assets	–	**1,203**	**1,203**	**67,115**	34,023	3	34,026	1,735,250
	155,498	**67,630**	**223,128**	**12,440,609**	113,217	78,954	192,171	9,800,513
Liabilities								
Deposit liabilities	–	**71,552**	**71,552**	**3,989,416**	12	22,964	22,976	1,171,758
Bills payables	**241,462**	–	**241,462**	**13,462,731**	445,967	–	445,967	22,743,874
Accrued interest and other expenses	**446**	**1**	**447**	**24,890**	164	1	165	8,432
Other liabilities	**52,666**	**1,258**	**53,924**	**3,006,508**	29,306	1,289	30,595	1,560,317
	294,574	**72,811**	**367,385**	**20,483,545**	475,449	24,254	499,703	25,484,381
Currency spot	**11,321**	**(324)**	**10,997**	**613,143**	(5,118)	(1,886)	(7,004)	(357,211)
Currency forwards	**1,793,782**	**4,406**	**1,798,188**	**100,257,988**	353,105	(53,177)	299,928	15,926,007
Net Exposure	**$1,666,027**	**($1,099)**	**$1,664,928**	**₱92,828,195**	($14,245)	($363)	($14,608)	(₱115,072)

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

The following table sets forth, for the period indicated, the impact of the range of reasonably possible changes in the US$ exchange rate and other currencies per Philippine peso on the pre-tax income and equity (in millions).

		Consolidated			
		2022		2021	
	Change in Foreign Exchange Rate	**Sensitivity of Pretax Income**	**Sensitivity of Equity**	Sensitivity of Pretax Income	Sensitivity of Equity
USD	**1%**	**₱4**	**₱208**	₱13	₱165
Other	**1%**	–	–	–	1
USD	**(1%)**	**(4)**	**(208)**	(13)	(165)
Other	**(1%)**	–	–	–	(1)

		Parent Company			
		2022		2021	
	Change in Foreign Exchange Rate	**Sensitivity of Pretax Income**	**Sensitivity of Equity**	Sensitivity of Pretax Income	Sensitivity of Equity
USD	**1%**	**₱4**	**₱201**	₱13	₱157
Other	**1%**	**–**	**–**	–	1
USD	**(1%)**	**(4)**	**(201)**	(13)	(157)
Other	**(1%)**	**–**	**–**	–	(1)

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

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

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

	Consolidated		**Parent Company**	
	Change in equity index	Effect on Equity	Change in equity index	Effect on Equity
2022	**+10%**	**₱17.9**	**+10%**	**₱17.9**
	−10%	**7.2**	**−10%**	**7.2**
2021	+10%	₱3.9	+10%	₱2.7
	−10%	(20.3)	−10%	(19.2)

Liquidity Risk and Funding Management
Liquidity risk is generally defined as the current and prospective risk to earnings or capital arising from the Group's inability to meet its obligations when they become due without incurring unacceptable losses or costs.

The Group's liquidity management involves maintaining funding capacity to accommodate fluctuations in asset and liability levels due to changes in the Group's business operations or unanticipated events created by customer behavior or capital market conditions. The Group seeks to ensure liquidity through a combination of active management of liabilities, a liquid asset portfolio composed of deposits reserves and high quality securities, the securing of money market lines, and the maintenance of repurchase facilities to address any unexpected liquidity situations.

The tables below show the maturity profile of the Group's and the Parent Company's assets and liabilities, based on contractual undiscounted cash flows (in millions):

	Consolidated					
	December 31, 2022					
	On demand	**Less than 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 5 years**	**Total**
Financial Assets						
Cash and other cash items	**₱13,689**	**₱–**	**₱–**	**₱–**	**₱–**	**₱13,689**
Due from BSP	**107,100**	**–**	**–**	**–**	**–**	**107,100**
Due from other banks	**13,615**	**–**	**–**	**–**	**–**	**13,615**
Interbank loans receivable and SPURA	**1,967**	**41,598**	**–**	**–**	**–**	**43,565**
Derivative contracts designated as hedges	**–**	**69**	**3,506**	**2,765**	**–**	**6,340**
Financial assets at FVTPL	**1,213**	**650**	**88**	**295**	**1,254**	**3,500**
Financial assets at FVOCI	**–**	**3,520**	**3,359**	**7,284**	**41,776**	**55,939**
Financial assets at AC	**–**	**35,249**	**35,289**	**26,955**	**260,974**	**358,467**
Loans and receivables	**–**	**184,428**	**53,992**	**65,147**	**414,149**	**717,716**
	137,584	**265,514**	**96,234**	**102,446**	**718,153**	**1,319,931**
Financial Liabilities						
Deposit liabilities						
Demand	**272,110**	**–**	**–**	**–**	**–**	**272,110**
Savings	**301,331**	**–**	**–**	**–**	**–**	**301,331**
Time	**–**	**482,104**	**4,638**	**2,410**	**3,321**	**492,473**
Bills payable	**5,472**	**40,823**	**21,284**	**2,796**		**70,375**
Manager's checks	**–**	**1,551**	**–**	**–**	**–**	**1,551**
Accrued interest and other expenses	**–**	**6,116**	**–**	**–**	**–**	**6,116**
Derivative contracts designated as hedges	**–**	**70**	**15**	**4,176**	**–**	**4,261**
Derivative liabilities	**–**	**1,550**	**–**	**–**	**–**	**1,550**
Bonds payable	**–**	**8,381**	**19,932**	**–**	**–**	**28,313**
Other liabilities:						
Lease payable	**–**	**203**	**556**	**799**	**1,413**	**2,971**
Accounts payable	**–**	**6,557**	**–**	**–**	**–**	**6,557**
Acceptances payable	**–**	**2,912**	**–**	**–**	**–**	**2,912**
Due to PDIC	**–**	**901**	**–**	**–**	**–**	**901**
Margin deposits	**–**	**–**	**–**	**–**	**–**	**–**
Other credits – dormant	**–**	**351**	**–**	**–**	**47**	**398**
Due to the Treasurer of the Philippines	**–**	**535**	**–**	**–**	**–**	**535**
Miscellaneous	**–**	**611**	**–**	**–**	**–**	**611**
Total liabilities	**578,913**	**552,665**	**46,425**	**10,181**	**4,781**	**1,186,849**
Net Position	**(₱441,329)**	**(₱287,151)**	**₱49,809**	**₱92,265**	**₱713,372**	**₱126,966**

	Consolidated					
	December 31, 2021					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
Financial Assets						
Cash and other cash items	₱16,025	₱–	₱–	₱–	₱–	₱16,025
Due from BSP	124,283	–	–	–	–	124,283
Due from other banks	10,697	–	–	–	–	10,697
Interbank loans receivable and SPURA	1,528	35,031	–	–	–	36,559
Derivative contracts designated as hedges	–	25	31	555	726	1,337
Financial assets at FVTPL	1,705	2,233	92	225	4,296	8,551
Financial assets at FVOCI	11	2,694	2,440	1,974	59,272	66,391
Financial assets at AC		15,691	22,474	28,344	151,071	217,580
Loans and receivables	–	157,593	54,659	48,550	363,523	624,325
	154,249	213,267	79,696	79,648	578,888	1,105,748
Financial Liabilities						
Deposit liabilities						
Demand	252,325	–	–	–	–	252,325
Savings	302,885	–	–	–	–	302,885
Time	–	290,456	3,376	10,346	3,472	307,650

(Forward)

	Consolidated					
	December 31, 2021					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
Bills payable	₱13	₱59,094	₱6,699	₱–	₱–	₱65,806
Manager's checks	–	1,855	–	–	–	1,855
Accrued interest and other expenses	–	4,746	–	–	–	4,746
Derivative contracts designated as hedges	–	254	573	1,671	174,524	177,022
Derivative liabilities	–	999	–	–	–	999
Bonds payable	–	22,596	2,878	19,877	–	45,351
Other liabilities:						
Lease payable	–	289	372	449	1,737	2,847
Accounts payable	–	4,941	–	–	–	4,941
Acceptances payable	–	1,483	–	–	–	1,483
Due to PDIC	–	786	–	–	–	786
Margin deposits	–	1	–	–	–	1
Other credits – dormant	–	337	–	–	50	387
Due to the Treasurer of the Philippines	–	346	–	–	–	346
Miscellaneous	–	1,244	–	–	–	1,244
Total liabilities	555,223	389,427	13,898	32,343	179,783	1,170,674
Net Position	(₱400,974)	(₱176,160)	₱65,798	₱47,305	₱399,105	(₱64,926)

	Parent Company					
	December 31, 2022					
	On demand	**Less than 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 5 years**	**Total**
Financial Assets						
Cash and other cash items	**₱10,074**	**₱–**	**₱–**	**₱–**	**₱–**	**₱10,074**
Due from BSP	**92,921**	**–**	**–**	**–**	**–**	**92,921**
Due from other banks	**12,347**	**–**	**–**	**–**	**–**	**12,347**
Interbank loans receivable and SPURA	**–**	**41,598**	**–**	**–**	**–**	**41,598**
Derivative contracts designated as hedges	**–**	**69**	**3,506**	**2,765**	**–**	**6,340**
Financial assets at FVTPL	**–**	**650**	**88**	**295**	**1,254**	**2,287**
Financial assets at FVOCI	**–**	**3,071**	**2,719**	**7,097**	**40,886**	**53,773**
Financial assets at AC		**34,689**	**34,743**	**24,218**	**258,635**	**352,285**
Loans and receivables	**–**	**156,001**	**38,515**	**52,315**	**380,724**	**627,555**
	115,342	**236,078**	**79,571**	**86,690**	**681,499**	**1,199,180**
Financial Liabilities						
Deposit liabilities						
Demand	**248,861**	**–**	**–**	**–**	**–**	**248,861**
Savings	**279,502**	**–**	**–**	**–**	**–**	**279,502**
Time	**–**	**430,436**	**548**	**56**	**16**	**431,056**
Bills payable	**5,472**	**40,823**	**21,284**	**2,796**	**–**	**70,375**
Manager's checks	**–**	**1,296**	**–**	**–**	**–**	**1,296**
Accrued interest and other expenses	**–**	**5,400**	**–**	**–**	**–**	**5,400**
Derivative contracts designated as hedges	**–**	**70**	**15**	**4,176**	**–**	**4,261**
Derivative liabilities	**–**	**1,550**	**–**	**–**	**–**	**1,550**
Bonds payable	**–**	**8,381**	**19,932**	**–**	**–**	**28,313**
Other liabilities:	**–**	**–**	**–**	**–**	**–**	**–**
Lease payable	**–**	**41**	**329**	**799**	**1,224**	**2,393**
Accounts payable	**–**	**4,694**	**–**	**–**	**–**	**4,694**
Acceptances payable	**–**	**2,912**	**–**	**–**	**–**	**2,912**
Due to PDIC	**–**	**901**	**–**	**–**	**–**	**901**
Margin deposits	**–**	**–**	**–**	**–**	**–**	**–**
Other credits – dormant	**–**	**351**	**–**	**–**	**–**	**351**
Due to the Treasurer of the Philippines	**–**	**503**	**–**	**–**	**–**	**503**
Miscellaneous	**–**	**461**	**–**	**–**	**–**	**461**
Total liabilities	**533,835**	**497,819**	**42,108**	**7,827**	**1,240**	**1,082,829**
Net Position	**(₱418,493)**	**(₱261,741)**	**₱37,463**	**₱78,863**	**₱680,259**	**₱116,351**

	Parent Company					
	December 31, 2021					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
Financial Assets						
Cash and other cash items	₱13,649	₱–	₱–	₱–	₱–	₱13,649
Due from BSP	114,529	–	–	–	–	114,529
Due from other banks	9,897	–	–	–	–	9,897
Interbank loans receivable and SPURA	–	35,031	–	–	–	35,031
Derivative contracts designated as hedges	–	25	31	555	726	1,337
Financial assets at FVTPL	–	2,186	92	225	4,296	6,799
Financial assets at FVOCI	–	2,584	1,920	1,525	58,212	64,241
Financial assets at AC		13,091	21,914	27,632	148,936	211,573
Loans and receivables	–	133,008	41,144	39,913	342,773	556,838
	138,075	185,925	65,101	69,850	554,943	1,013,894
Financial Liabilities						
Deposit liabilities						
Demand	229,350	–	–	–	–	229,350
Savings	282,598	–	–	–	–	282,598
Time	–	263,014	978	6,224	55	270,271
Bills payable	13	59,094	6,699	–	–	65,806
Manager's checks	–	1,466	–	–	–	1,466
Accrued interest and other expenses	–	4,325	–	–	–	4,325
Derivative contracts designated as hedges	–	254	573	1,671	174,524	177,022
Derivative liabilities	–	999	–	–	–	999
Bonds payable	–	22,596	2,878	19,877	–	45,351
Other liabilities:						
Lease payable	–	87	148	449	1,505	2,189
Accounts payable	–	3,580	–	–	–	3,580
Acceptances payable	–	1,483	–	–	–	1,483
Due to PDIC	–	786	–	–	–	786
Margin deposits	–	1	–	–	–	1
Other credits – dormant	–	337	–	–	–	337
Due to the Treasurer of the Philippines	–	314	–	–	–	314
Miscellaneous	–	524	–	–	–	524
Total liabilities	511,961	358,860	11,276	28,221	176,084	1,086,402
Net Position	(₱373,886)	(₱172,935)	₱53,825	₱41,629	₱378,859	(₱72,508)

Liquidity risk is monitored and controlled primarily by a gap analysis of maturities of relevant assets and liabilities reflected in the MCO report, as well as an analysis of available liquid assets. Instead of relying solely on contractual maturities profile, the Parent Company uses Behavioral MCO to capture a going concern view. Furthermore, internal liquidity ratios and monitoring of large fund providers have been set to determine sufficiency of liquid assets over deposit liabilities. Liquidity is managed by the Parent Company and its subsidiaries on a daily basis, while scenario stress tests and sensitivity analysis are conducted periodically.

7. Due From BSP and Other Banks

Due from BSP

This account consists of:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Demand deposit account (Note 17)	**₱77,550,280**	₱80,272,888	**₱73,920,525**	₱77,728,758
Special deposit account	**29,550,000**	44,010,212	**19,000,000**	36,800,000
Others	**15**	15	**15**	15
	₱107,100,295	₱124,283,115	**₱92,920,540**	₱114,528,773

Due from Other Banks
This consists of deposit accounts with:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Local banks	**₱7,284,505**	₱8,675,169	**₱7,284,505**	₱8,675,168
Foreign banks	**6,330,104**	2,019,143	**5,062,664**	1,222,096
	₱13,614,609	₱10,694,312	**₱12,347,169**	₱9,897,264

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

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Due from BSP	**₱218,951**	₱311,645	₱180,394	**₱136,287**	₱129,874	₱49,762
Due from other banks	**948,607**	1,216,160	783,050	**656,515**	1,088,850	605,858
	₱1,167,558	₱1,527,805	₱963,444	**₱792,802**	₱1,218,724	₱655,620

The average interest rates on Due from BSP and Other Banks are disclosed in Note 6.

8. Interbank Loans Receivable and Securities Purchased Under Resale Agreements

This account consists of:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Interbank loans receivable	**₱28,769,544**	₱19,230,679	**₱28,769,545**	₱19,230,679
SPURA	**14,795,426**	17,328,545	**12,828,404**	15,800,318
	₱43,564,970	₱36,559,224	**₱41,597,949**	₱35,030,997

Interbank Loans Receivable
As of December 31, 2022 and 2021, interbank loans receivable includes short-term foreign currency-denominated loans granted to other banks.

In 2022, 2021 and 2020, the interest rates of foreign currency-denominated interbank loans receivable range from 4.25% to 4.60%, from 0.05% to 0.16%, and from 0.07% to 0.30%, respectively.

In 2020, the interest rates of peso-denominated interbank loans receivable range from 1.00% to 1.13%.

Securities Purchased Under Resale Agreement
This account represents overnight placements with the BSP where the underlying securities cannot be sold or repledged to parties other than the BSP.

In 2022, 2021 and 2020, the interest rate of SPURA is 5.5%, 2.00%, and from 2.00% to 4.00%, respectively, for the Group and Parent Company.

9. Trading and Investment Securities

Financial Assets at FVTPL

This account consists of:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Held for trading				
Government bonds	**₱382,861**	₱179,909	**₱382,861**	₱179,909
Treasury notes	**563,548**	58,684	**563,548**	58,684
Treasury bills	**201,779**	1,790,306	**201,779**	1,790,306
Private bonds	**760,600**	2,884,863	**760,600**	1,334,070
Quoted equity shares	**700,112**	1,063,897	**590,126**	1,014,037
	2,608,900	5,977,659	**2,498,914**	4,377,006
Financial assets designated at FVTPL	**1,103,018**	151,209	**–**	–
Derivative assets (Note 26)	**1,015,662**	1,080,799	**1,015,662**	1,080,798
Total	**₱4,727,580**	₱7,209,667	**₱3,514,576**	₱5,457,804

As of December 31, 2022 and 2021, HFT securities include fair value loss of ₱98.39 million and fair value gain of ₱2.07 million, respectively, for the Group. As of December 31, 2022 and 2021, HFT securities include fair value loss of ₱91.18 million and fair value loss of ₱12.70 million, respectively, for the Parent Company.

Effective interest rates for peso-denominated financial assets at FVTPL for both the Group and the Parent Company range from 0.18% to 8.98% in 2022, from 0.65% to 8.80% in 2021, and from 0.32% to 8.04% in 2020. Effective interest rates for foreign currency-denominated financial assets at FVTPL for the Group and Parent Company range from 1.27% to 6.84% in 2022, 0.12% to 7.10% in 2021, and from 0.53% to 7.17% in 2020.

Financial Assets at FVOCI

This account consists of:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Debt Securities				
Government bonds (Note 29)	**₱27,447,647**	₱17,713,051	**₱25,454,732**	₱15,654,511
Private bonds	**15,236,902**	10,305,710	**15,088,429**	10,245,868
	42,684,549	28,018,761	**40,543,161**	25,900,379
Equity Securities				
Quoted equity shares	**603,898**	635,114	**588,192**	604,968
Unquoted equity shares	**28,310**	18,365	**19,772**	18,365
	632,208	653,479	**607,964**	623,333
Total	**₱43,316,757**	₱28,672,240	**₱41,151,125**	₱26,523,712

Unquoted equity securities

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

Net unrealized gains (losses)
As of December 31, 2022, financial assets at FVOCI include fair value losses of ₱4.42 billion for the Group and the Parent Company, while as of December 31, 2021, it includes fair value gains of ₱19.71 million and ₱20.20 million for the Group and the Parent Company, respectively. The fair value gains are recognized under OCI. As of December 31, 2022, accumulated credit losses on debt financial assets at FVOCI amounted to ₱124.31 million and ₱124.38 million for the Group and the Parent Company, respectively, while as of December 31, 2021, it amounted to ₱61.50 million and ₱61.00 million for the Group and the Parent Company, respectively.

Effective interest rates for peso-denominated financial assets at FVOCI for both the Group and Parent Company range from 1.75% to 8.50% in 2022, from 1.40% to 5.40% in 2021, and from 1.74% to 5.06% in 2020.

Effective interest rates for foreign currency-denominated financial assets at FVOCI for both the Group and Parent Company range from 1.37% to 7.95% in 2022, from 0.83% to 7.00% in 2021, and from 0.83% to 7.00% in 2020.

Investment Securities at Amortized Cost
This account consists of:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Government bonds (Note 19)	**₱226,517,019**	₱116,246,059	**₱221,225,162**	₱111,060,036
Private bonds	**129,128,451**	124,678,017	**128,434,431**	123,933,996
	355,645,470	240,924,076	**349,659,593**	234,994,032
Unamortized premium – net	**2,879,276**	4,523,400	**2,676,055**	4,239,922
Allowance for credit losses (Note 16)	**(538,820)**	(3,093,747)	**(532,771)**	(2,886,272)
	₱357,985,926	₱242,353,729	**₱351,802,877**	₱236,347,682

Effective interest rates for peso-denominated investment securities at amortized cost for the Group and the Parent Company range from 1.66% to 7.14% in 2022, from 1.28% to 7.14% in 2021, and from 1.06% to 8.92% in 2020. Effective interest rates for foreign currency-denominated investment securities at amortized cost for the Group and the Parent Company range from 0.57% to 10.34% in 2022, from 0.01% to 10.35% in 2021, and from 0.57% to 10.35% in 2020.

Sale of Investment Securities at Amortized Cost
In 2022, an investment security at amortized cost held by the Parent Company with a carrying value prior to sale of ₱76.9 million was redeemed by the counterparty issuer in accordance with the terms and conditions in the bond indenture which resulted in a gain of ₱1.92 million. In 2021 and 2020, the Parent Company sold investment securities at amortized cost whose carrying values prior to the sale amounted to ₱55.77 billion and ₱30.14 billion, respectively. Details of these sales, including the reason for selling, are presented in the succeeding tables.

In 2021, the Parent Company sold the following investment securities at amortized cost (amounts in millions):

	Parent Company	
Reason for selling	Carrying amount	Gain on sale
Additional liquidity to support planned loan growth	₱51,316	₱3,787
Redemption by issuer to effect its debt refinancing or in view of minimal outstanding amounts	3,735	226
Additional liquidity to take advantage of a change in a regulatory loan limit *	589	27
A change in the funding profile of the Parent Company **	134	24
Total	₱55,774	₱4,064

**The sales are based on the assessments made in 2020.*
***The sales are based on the assessments made in 2019.*

In 2020, the Parent Company sold the following investment securities at amortized cost (amounts in millions):

	Parent Company	
Reason for selling	Carrying amount	Gain on sale
Additional liquidity to take advantage of a change in a regulatory loan limit	₱25,761	₱1,782
Redemption by issuer to effect its debt refinancing	2,641	145
A change in the funding profile of the Parent Company *	698	243
To address requirements on regulatory and internal limit of the Parent Company	536	5
A highly probable change in regulations with a potentially adverse impact to the financial assets' contractual cash flows	507	12
Total	₱30,143	₱2,187

** The sales are based on the assessments made in 2019.*

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

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

	Consolidated			**Parent Company**		
	2022	2021	2020	**2022**	2021	2020
Financial assets at FVOCI	**₱1,479,250**	₱900,827	₱3,595,277	**₱1,423,113**	₱847,216	₱3,531,285
Investment securities at amortized cost	**13,580,803**	8,292,920	6,427,897	**13,353,283**	8,087,436	6,203,399
	₱15,060,053	₱9,193,747	₱10,023,174	**₱14,776,396**	₱8,934,652	₱9,734,684

10. **Loans and Receivables**

This account consists of:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Loans and discounts				
Corporate and commercial lending	**₱555,410,114**	₱489,078,422	**₱539,155,413**	₱472,722,122
Consumer lending	**144,464,852**	122,675,849	**70,988,726**	72,016,473
Trade-related lending	**17,725,069**	12,453,552	**17,391,202**	12,079,859
Others*	**115,200**	116,896	**19,126**	20,292
	717,715,235	624,324,719	**627,554,467**	556,838,746
Unearned discounts	**(1,177,922)**	(260,378)	**(182,760)**	(177,124)
	716,537,313	624,064,341	**627,371,707**	556,661,622
Allowance for impairment and credit losses (Note 16)	**(16,942,524)**	(15,057,609)	**(14,174,453)**	(12,489,884)
	₱699,594,789	₱609,006,732	**₱613,197,254**	₱544,171,738

*Others include employee loans and foreign bills purchased.

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

	Consolidated				Parent Company			
	2022		2021		**2022**		2021	
	Amounts	**%**	Amounts	%	**Amounts**	**%**	Amounts	%
Loans secured by								
Real estate	**₱94,305,837**	**13.14**	₱85,021,052	13.62	**₱63,717,907**	**10.15**	₱58,622,700	10.53
Chattel mortgage	**21,083,673**	**2.94**	22,096,827	3.54	**4,708,259**	**0.75**	7,459,462	1.34
Guarantee by the Republic of the Philippines	**80,362**	**0.01**	3,315	0.00	**80,362**	**0.01**	3,315	0.00
Deposit hold out	**6,034,139**	**0.84**	2,506,588	0.40	**5,765,877**	**0.92**	2,214,506	0.40
Shares of stock of other banks	**8,332,250**	**1.16**	8,350,600	1.34	**8,332,250**	**1.33**	8,350,600	1.50
Others	**104,383,376**	**14.54**	82,803,122	13.26	**104,276,013**	**16.62**	82,680,304	14.85
	234,219,637	**32.63**	200,781,504	32.16	**186,880,668**	**29.78**	159,330,887	28.62
Unsecured loans	**483,495,598**	**67.37**	423,543,215	67.84	**440,673,799**	**70.22**	397,507,859	71.38
	₱717,715,235	**100.00**	₱624,324,719	100.00	**₱627,554,467**	**100.00**	₱556,838,746	100.00

Modification of Loans and Receivables

On March 25, 2020, Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act ("Bayanihan 1 Act") was enacted. Bayanihan 1 Act provides that all covered institutions shall implement a 30-day grace period for all loans with principal and/or interest and lease amortization falling due within the enhanced community quarantine (ECQ) period without incurring interest on interest, penalties, fees and other charges. Subsequently, on September 11, 2020, Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act ("Bayanihan 2 Act"), was enacted. Under Bayanihan 2 Act, a one-time 60-day grace period is granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interests, penalties, fees, or other charges and thereby extending the maturity of the said loans. Furthermore, a minimum 30-day grace period shall also be granted by covered institutions to all payments due within the period of community quarantine on rent and utility-related expenditures without incurring penalties, interest and other.

In 2020, the Group and the Parent Company, in addition to the reliefs provided under Bayanihan 1 Act and Bayanihan 2 Act, offered financial reliefs to their borrowers or counterparties as a response to the effect of the COVID-19 pandemic, particularly the modification of existing loans and receivables which includes extension of payment terms.

Based on the Group's and the Parent Company's assessments, the modifications in the contractual cash flows as a result of the above reliefs are not substantial and, therefore, do not result in the derecognition of the affected financial assets but would require the recognition of modification losses. The total modification losses resulting from Bayanihan 1 Act and Bayanihan 2 Act are not material for the Parent Company. For CBS, the total modification loss amounted to ₱203.75 million. The net impact of the loan modification after subsequent accretion in 2020 of the modified loans amounted to ₱141.79 million. In 2022 and 2021, the accretion on the modified loans amounted to ₱44.09 million and ₱69.57 million, respectively.

The Group's loans and receivables that had loss allowances measured at an amount equal to lifetime ECL and whose cash flows were modified in 2020 but have not resulted in derecognition had an amortized cost before modification amounting to ₱6.79 billion and ₱5.28 billion for the Group and the Parent Company, respectively. The modification loss for these loans and receivables is not material to the Parent Company. For CBS, the modification loss on these loans and receivables amounted to ₱5.90 million in 2020.

The Group's loans and receivables having loss allowance measured at an amount equal to lifetime ECL at the time of modification but were not derecognized in 2020 and for which credit risk has significantly improved as at the end of reporting period, resulting in a change in loss allowance to 12-month ECL, had an amortized cost as follows (figures in billions):

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
As of end of reporting period	**₱1.66**	₱1.14	**₱1.36**	₱0.98
Prior to loan modification	**2.01**	1.32	**1.57**	1.06

Interest Income on Loans and Receivables

As of December 31, 2022 and 2021, 60.30% and 62.29%, respectively, of the total receivables from customers of the Group and 63.55% and 63.85%, respectively, of the total receivables from customers of the Parent Company were subject to interest repricing.

Remaining receivables of the Group carry annual fixed interest rates ranging from 4.00% to 10.50% in 2022, from 2.25% to 10.50% in 2021, and from 2.84% to 5.05% in 2020 for foreign currency-denominated receivables and from 2.00% to 39.42% in 2022, from 1.75% to 39.42% in 2021, and from 0.95% to 39.42% in 2020 for peso-denominated receivables.

Remaining receivables of the Parent Company carry annual fixed interest rates ranging from 4.00% to 10.50% in 2022, from 2.38% to 10.50% in 2021, and from 2.84% to 5.05% in 2020 for foreign currency-denominated receivables and from 2.00% to 30.00% in 2022, from 1.75% to 30.00% in 2021 and from 0.95% to 30.00% in 2020 for peso-denominated receivables.

In 2022, the Group changed the presentation of CBSI's upfront fees that are integral part of the effective interest rate of loans from "Service charges, fees and commissions" to "Interest income on loans and receivables". The Group effected the change in the comparative financial information to be consistent with the 2022 presentation, increasing "Interest income on loans and receivables" and decreasing "Service charges, fees and commissions" by ₱770.81 million in 2021 and ₱548.64 million in 2020.

11. Equity Investments

This account consists of investments in:

A. Subsidiaries

	2022	2021
Balance at beginning of the year		
CBSI	**₱14,059,458**	₱13,006,556
CBCC	**2,694,466**	2,406,507
CBC-PCCI	**80,625**	77,367
CIBI	**356,796**	264,361
	17,191,345	15,754,791
Share in net income		
CBSI	**1,624,613**	1,027,189
CBCC	**318,085**	292,847
CBC-PCCI	**(3,440)**	10,154
CIBI	**105,428**	92,313
	2,044,686	1,422,503
Share in Other Comprehensive Income		
Items that recycle to profit or loss in subsequent periods:		
Net unrealized gain (loss) on FVOCI		
CBSI	**(120,193)**	(38,759)
CBCC	**13,172**	(2,260)
CBC-PCCI	–	(11,017)
	(107,021)	(52,037)
Cumulative translation adjustments		
CBSI	**34,911**	11,603
	34,911	11,603
Other Equity-stock grants		
CBSI	–	(1,009)
CBCC	–	(11)
CBC-PCCI	–	(145)
CIBI	–	(34)
	–	(1,199)

(Forward)

	2022	2021
Items that do not recycle to profit or loss in subsequent periods:		
Net unrealized gain (loss) on equity financial assets at FVOCI		
CBSI	**(₱3,789)**	₱2,236
CBCC	**(10,585)**	(2,809)
	(14,374)	(573)
Remeasurement gains (losses) on defined benefit assets/obligations		
CBSI	**(3,588)**	51,640
CBCC	**2,053**	193
CBC-PCCI	**(7,232)**	4,266
CIBI	**(1,984)**	157
	(10,751)	56,256
Cash Dividends		
PCCI	**(25,000)**	–
CIBI	**(50,000)**	–
	(75,000)	–
Balance at end of the year		
CBSI	**15,591,412**	14,059,458
CBCC	**3,017,191**	2,694,466
CBC-PCCI	**44,953**	80,625
CIBI	**410,240**	356,796
	₱19,063,796	₱17,191,345

B. Associates:

	2022	2021
Balance at beginning of the year	**₱796,519**	₱912,647
Share in net income	**285,059**	(1,609)
Share in OCI:		
Items that do not recycle to profit or loss in subsequent periods		
Remeasurement gains on life insurance reserves	**110,416**	31,874
Remeasurement on defined benefit plan	**4,693**	(3,245)
Item that recycle to profit or loss in subsequent periods:		
Net unrealized gain on FVOCI	**(213,444)**	(103,148)
Cash dividends	**–**	(40,000)
Balance at end of the year	**₱983,243**	₱796,519

<u>CBSI</u>
Cost of investment includes the original amount incurred by the Parent Company from its acquisition of CBSI in 2007 amounting to ₱1.07 billion.

Merger of CBSI with PDB

The BOD of both CBSI and PDB, in their meeting held on June 26, 2014, approved the proposed merger of PDB with CBSI, with the latter as the surviving bank. On November 6, 2015, the BSP issued the Certificate of Authority on the Articles of Merger and the Plan of Merger, as amended, of CBSI and PDB. On December 17, 2015, CBSI obtained SEC's approval of its merger with PDB, whereby the entire assets and liabilities of PDB shall be transferred to and absorbed by CBSI.

Acquisition of PDB

In 2014, the Parent Company made tender offers to non−controlling stockholders of PDB. As of December 31, 2014, the Parent Company owns 99.85% and 100.00% of PDB's outstanding common and preferred stocks, respectively.

The consideration transferred for the acquisition of PDB amounted to:

Acquisition of majority of PDB's capital stock	₱1,421,346
Tender offers	255,354
	₱1,676,700

In 2014 and 2015, the Parent Company made additional capital infusion to PDB amounting to ₱1.30 billion and ₱1.70 billion, respectively.

In 2015, the MB of the BSP granted to the Group investment and merger incentives in the form of waiver of special licensing fees for 67 additional branch licenses in restricted areas. This is in addition to the initial investment and merger incentives of 30 new branches in restricted areas and 35 branches to be transferred from unrestricted to restricted areas granted to the Parent Company by the MB in 2014. These branch licenses were granted under the Strengthening Program for Rural Bank (SPRB) Plus Framework.

The branch licenses have the following fair values:

114 Commercial Bank branch licenses	₱2,280,000
18 Thrift Bank branch licenses	270,000
	2,550,000
Deferred tax liability	765,000
	₱1,785,000

On April 6, 2016, the Parent Company's BOD approved the allocation of the 67 additional branch licenses in restricted areas as follows: 49 to the Parent Company and 18 to CBSI. Pursuant to a memorandum dated March 18, 2017, the 67 branch licenses were awarded as incentives by the Monetary Board as a result of the Parent Company's acquisition of PDB. Goodwill from acquisition of PDB is computed as follows:

Consideration transferred		₱1,676,700
Less: Fair value of identifiable assets and liabilities acquired		
Net liabilities of PDB*	(₱725,207)	
Branch licenses, net of deferred tax liability (Note 14)	1,785,000	1,059,793
		₱616,907

**inclusive of the existing branch licenses of PDB with an aggregate fair value of ₱289.50 million (Note 14)*

CIBI
On February 8, 2022, the BOD declared and approved cash dividends amounting to ₱50 million for stockholders on record as of declaration date, payable on March 1, 2022.

PCCI
On June 1, 2022, the BOD declared and approved cash dividends amounting to ₱25 million for stockholders on record as of July 30, 2022, payable on August 5, 2022.

CBCC
On April 1, 2015, the BOD approved the investment of the Parent Company in an investment house subsidiary, CBCC, up to the amount of ₱500.00 million. On April 30, 2015, the BSP approved the Parent Company's investment of up to 100% or up to ₱500.00 million common shares in CBCC. On November 27, 2015, the SEC approved the Articles of Incorporation and By–Laws of CBCC and granted CBCC the license to operate as an investment house.

CBCC acquisition of CBCSec (formerly ATC Securities, Inc.)
On May 19, 2016, the BOD of CBCC approved the acquisition of ATC Securities, Inc. (ATC).

On June 29, 2016, CBCC and the shareholders of ATC (the Original Shareholders) entered into an Agreement for the Purchase of Shares (Agreement), whereby CBCC agreed to buy, and the Original Shareholders agreed to sell, 3,800,000 shares representing 100% of the issued and outstanding shares of ATC.

On July 6, 2017, the SEC approved the change of name from ATC Securities, Inc. to China Bank Securities Corporation.

CBC Assets One (SPC) Inc.
CBC Assets One (SPC) Inc. was incorporated on June 15, 2016 as a wholly-owned special purpose company of CBCC for asset-backed securitization. It has not yet commenced commercial operations.

Resurgent Capital (FIST-AMC) Inc.
Resurgent Capital (FIST-AMC) Inc. was incorporated on September 6, 2021 as a wholly-owned FIST Corporation of CBCC. The primary purpose is to invest in, or acquire, Non-Performing Assets ("NPAs)" of any financial institution. It has not yet commenced commercial operations.

Investment in Associates
Investment in associates in the consolidated and the parent company financial statements pertain to investment in MCB Life and CBC-PCCI's investment in Urban Shelters (accounted for by CBC–PCCI in its financial statements as an investment in an associate). Investment in Urban Shelters is carried at nil amount as of December 31, 2022 and 2021.

MCB Life
In 2006, the Parent Company and Manufacturers Life Insurance Company (Manulife) entered into a joint project where the Parent Company will invest in a life insurance company owned by Manulife, and such company will be offering innovative insurance and financial products for health, wealth and education through the Parent Company's branches nationwide. The Parent Company acquired 5.00% interest in Manulife China Bank Life Assurance Corporation (MCB Life) on August 8, 2007. This investment is accounted for as an investment in an associate by virtue of the Bancassurance Alliance Agreement which provides the Parent Company the right to be represented in MCB Life's BOD and, thus, exercise significant influence over the latter.

The BSP requires the Parent Company to maintain a minimum of 5.00% ownership over MCB Life in order for MCB Life to be allowed to continue distributing its insurance products through the Parent Company's branches.

On September 12, 2014, the BSP approved the request of the Parent Company to raise its capital investment in MCB Life from 5.00% to 40.00% of its authorized capital through purchase of 1.75 million common shares.

On December 5, 2018, the Parent Company's BOD approved the additional capital infusion in the amount of ₱40.00 million in MCB Life. This represents 40% of the ₱100.00 million total capital infusion in MCB Life with the balance of ₱60.00 million to be provided by Manulife Philippines. On top of complying with the higher capital requirements for insurance companies, the additional capital will improve MCB Life's capacity to underwrite more business and enhance its competitive position. On February 22, 2019, the BSP approved the Bank's capital infusion of ₱40.0 million to MCB Life to comply with the capitalization requirement of the Insurance Commission for insurance companies, which was paid on March 21, 2019.

On January 11, 2021, the Parent Company received ₱40 million cash dividends from MCB Life. The following tables show the summarized financial information of MCB Life:

	2022	2021
Total assets	**₱62,278,613**	₱55,544,393
Total liabilities	**59,869,929**	53,602,517
Equity	**2,408,684**	1,941,876

	2022	2021
Revenues	**₱13,402,185**	₱16,502,813
Benefits, claims and operating expenses	**12,540,513**	16,535,119
Income before income tax	**861,672**	(32,306)
Net income	**712,647**	(4,023)

Commission income earned by the Group from its bancassurance agreement is included under 'Miscellaneous income' in the statements of income (Note 22).

12. Bank Premises, Furniture, Fixtures and Equipment and Right-of-use Assets

The composition of and movements in this account follow:

	Consolidated							
	2022							
	Land (Note 24)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction−in−Progress	Right-of-use Assets Land	Right-of-use Assets Building	Total
Cost								
Balance at beginning of year	**₱3,288,630**	**₱7,591,749**	**₱2,135,583**	**₱2,332,201**	**₱164,049**	**₱173,372**	**₱4,083,498**	**₱19,769,082**
Additions	**751,044**	**672,624**	**100,908**	**258,753**	**166,042**	–	**591,492**	**2,540,863**
Disposals/transfers (Note 14)*	–	**(396,866)**	**104,571**	**(13,306)**	**(132,138)**	–	**(232,169)**	**(669,908)**
Balance at end of year	**4,039,674**	**7,867,507**	**2,341,062**	**2,577,648**	**197,953**	**173,372**	**4,442,821**	**21,640,037**
Accumulated Depreciation and Amortization								
Balance at beginning of year	–	**6,502,808**	**1,285,935**	**1,792,013**	–	**85,578**	**1,869,889**	**11,536,223**
Depreciation and amortization	–	**499,943**	**69,362**	**204,736**	–	**15,235**	**662,836**	**1,452,112**
Disposals/transfers (Note 14)*	–	**(297,589)**	**180,724**	**(33,310)**	–	–	**(535,383)**	**(685,558)**
Balance at end of year	–	**6,705,162**	**1,536,021**	**1,963,439**	–	**100,813**	**1,997,342**	**12,302,777**
Net Book Value at End of Year	**₱4,039,674**	**₱1,162,345**	**₱805,041**	**₱614,209**	**₱197,953**	**₱72,559**	**₱2,445,479**	**₱9,337,260**

*Includes transfers from investment properties amounting to ₱26.23 million.

	Consolidated 2021							
	Land (Note 24)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction–in–Progress	Right-of-use Assets Land	Right-of-use Assets Building	Total
Cost								
Balance at beginning of year	₱3,288,630	₱7,202,584	₱2,074,105	₱2,358,640	₱81,461	₱173,372	₱3,639,500	₱18,818,292
Additions	–	462,932	52,661	23,614	92,902	–	447,449	1,079,558
Disposals/transfers (Note 14)*	–	(73,767)	8,817	(50,053)	(10,314)	–	(3,451)	(128,768)
Balance at end of year	3,288,630	7,591,749	2,135,583	2,332,201	164,049	173,372	4,083,498	19,769,082
Accumulated Depreciation and Amortization								
Balance at beginning of year	–	6,201,653	1,223,048	1,631,012	–	70,343	1,269,519	10,395,575
Depreciation and amortization	–	543,245	67,242	216,712	–	15,235	628,346	1,470,780
Disposals/transfers (Note 14)*	–	(242,090)	(4,355)	(55,711)	–	–	(27,976)	(330,132)
Balance at end of year	–	6,502,808	1,285,935	1,792,013	–	85,578	1,869,889	11,536,223
Net Book Value at End of Year	₱3,288,630	₱1,088,941	₱849,648	₱540,188	₱164,049	₱87,794	₱2,213,609	₱8,232,859

*Includes transfers from investment properties amounting to ₱27.63 million.

	Parent Company 2022							
	Land (Note 24)	**Furniture, Fixtures and Equipment**	**Buildings**	**Leasehold Improvements**	**Construction–in–Progress**	**Right-of-use Assets Land**	**Right-of-use Assets Building.**	**Total**
Cost								
Balance at beginning of year	**₱2,890,661**	**₱6,274,945**	**₱1,411,257**	**₱1,641,021**	**₱7,593**	**₱181,451**	**₱3,046,270**	**15,453,198**
Additions	**751,044**	**513,336**	**71,435**	**138,480**	**66,717**	**–**	**469,136**	**2,010,149**
Disposals/transfers (Note 14)*	**–**	**(361,097)**	**104,571**	**(13,306)**	**(5,174)**	**–**	**(85,160)**	**(360,165)**
Balance at end of year	**3,641,705**	**6,427,184**	**1,587,263**	**1,766,195**	**69,136**	**181,451**	**3,430,246**	**17,103,180**
Accumulated Depreciation and Amortization								
Balance at beginning of year	**–**	**5,380,492**	**765,171**	**1,205,028**	**–**	**85,578**	**1,416,790**	**8,853,059**
Depreciation and amortization	**–**	**354,034**	**58,696**	**199,125**	**–**	**15,235**	**463,892**	**1,090,982**
Disposals/transfers (Note 14)*	**–**	**(230,698)**	**192,107**	**(83,548)**	**–**	**–**	**(389,284)**	**(511,423)**
Balance at end of year	**–**	**5,503,828**	**1,015,974**	**1,320,605**	**–**	**100,813**	**1,491,398**	**9,432,618**
Net Book Value at End of Year	**₱3,641,705**	**₱923,356**	**₱571,289**	**₱445,590**	**₱69,136**	**₱80,638**	**₱1,938,848**	**₱7,670,562**

*Includes transfers from investment properties amounting to ₱26.23 million.

	Parent Company 2021							
	Land (Note 24)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction–in–Progress	Right-of-use Assets Land	Right-of-use Assets Building	Total
Cost								
Balance at beginning of year	₱2,890,661	₱5,890,301	₱1,350,906	₱1,670,745	₱14,498	₱181,451	₱2,786,874	₱14,785,436
Additions	–	353,223	51,533	20,329	3,409	–	205,402	633,896
Disposals/transfers (Note 14)*	–	31,421	8,818	(50,053)	(10,314)	–	53,994	33,866
Balance at end of year	2,890,661	6,274,945	1,411,257	1,641,021	7,593	181,451	3,046,270	15,453,198
Accumulated Depreciation and Amortization								
Balance at beginning of year	–	5,089,267	702,039	1,096,037	–	70,343	950,791	7,908,477
Depreciation and amortization	–	432,652	67,255	164,702	–	15,235	428,850	1,108,694
Disposals/transfers (Note 14)*	–	(141,427)	(4,123)	(55,711)	–	–	37,149	(164,112)
Balance at end of year	–	5,380,492	765,171	1,205,028	–	85,578	1,416,790	8,853,059
Net Book Value at End of Year	₱2,890,661	₱894,453	₱646,086	₱435,993	₱7,593	₱95,873	₱1,629,480	₱6,600,139

*Includes transfers from investment properties amounting to ₱27.63 million.

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

As of December 31, 2022 and 2021, the gross carrying amount of fully depreciated furniture, fixtures and equipment still in use amounted to ₱3.69 billion and ₱3.29 billion, respectively, for the Group and ₱2.93 billion and ₱2.44 billion, respectively, for the Parent Company.

Gains on sale of furniture, fixtures and equipment amounting to ₱2.40 million, nil, and ₱1.25 million in 2022, 2021 and 2020, respectively, for the Group and ₱2.40 million, nil, and ₱0.02 million in 2022, 2021 and 2020, respectively, for the Parent Company are included in the statements of income under 'Miscellaneous income' account (Note 22).

In 2020, depreciation and amortization amounting to ₱1.57 billion and ₱1.20 billion for the Group and Parent Company, respectively, are included in the statements of income under 'Depreciation and amortization' account.

13. Investment Properties

The composition of and movements in this account follow:

	Consolidated		
	2022		
	Land	**Buildings and Improvements**	**Total**
Cost			
Balance at beginning of year	**₱2,919,414**	**₱2,748,948**	**₱5,668,362**
Additions	**382,970**	**406,435**	**789,405**
Disposals/write-off/transfers*	**(474,760)**	**(346,990)**	**(821,750)**
Balance at end of year	**2,827,624**	**2,808,393**	**5,636,017**
Accumulated Depreciation and Amortization			
Balance at beginning of year	**–**	**1,021,540**	**1,021,540**
Depreciation and amortization	**–**	**145,753**	**145,753**
Disposals/write-off/transfers*	**–**	**(153,138)**	**(153,138)**
Balance at end of year	**–**	**1,014,155**	**1,014,155**
Allowance for Impairment Losses (Note 16)			
Balance at beginning of year	**309,204**	**344,280**	**653,484**
Provisions (reversals) during the year	**123,058**	**(69,571)**	**53,487**
Balance at end of year	**432,262**	**274,709**	**706,971**
Net Book Value at End of Year	**₱2,395,362**	**₱1,519,529**	**₱3,914,891**

*Includes transfers to bank premises amounting to ₱26.23 million (Note 12).

	Consolidated		
	2021		
	Land	Buildings and Improvements	Total
Cost			
Balance at beginning of year	₱3,130,005	₱2,760,986	₱5,890,991
Additions	430,594	322,162	752,756
Disposals/write-off/transfers*	(641,185)	(334,200)	(975,385)
Balance at end of year	2,919,414	2,748,948	5,668,362
Accumulated Depreciation and Amortization			
Balance at beginning of year	–	989,831	989,831
Depreciation and amortization	–	150,229	150,229
Disposals/write-off/transfers*	–	(118,520)	(118,520)
Balance at end of year	–	1,021,540	1,021,540

(Forward)

	Consolidated		
	2021		
	Land	Buildings and Improvements	Total
Allowance for Impairment Losses (Note 16)			
Balance at beginning of year	₱612,988	₱303,233	₱916,221
Provisions (reversals) during the year	(296,785)	75,000	(221,785)
Disposals/write-off/reclassification*	(6,999)	(33,953)	(40,952)
Balance at end of year	309,204	344,280	653,484
Net Book Value at End of Year	₱2,610,210	₱1,383,128	₱3,993,338

*Includes transfers to bank premises amounting to ₱27.63 million (Note 12).

	Parent Company		
	2022		
	Land	**Buildings and Improvements**	**Total**
Cost			
Balance at beginning of year	**₱1,067,631**	**₱1,444,203**	**₱2,511,834**
Additions	**117,439**	**156,212**	**273,651**
Disposals/write-off/transfers*	**(93,718)**	**(116,849)**	**(210,567)**
Balance at end of year	**1,091,352**	**1,483,566**	**2,574,918**
Accumulated Depreciation and Amortization			
Balance at beginning of year	**–**	**545,792**	**545,792**
Depreciation and amortization	**–**	**89,274**	**89,274**
Disposals/write-off/transfers*	**–**	**(83,492)**	**(83,492)**
Balance at end of year	**–**	**551,574**	**551,574**
Allowance for Impairment Losses (Note 16)			
Balance at beginning of year	**384,983**	**201,689**	**586,672**
Provisions (reversals) during the year	**135,258**	**(185,844)**	**(50,586)**
Balance at end of year	**520,241**	**15,845**	**536,086**
Net Book Value at End of Year	**₱571,111**	**₱916,147**	**₱1,487,258**

*Includes transfers to bank premises amounting to ₱26.23 million (Note 12).

	Parent Company		
	2021		
	Land	Buildings and Improvements	Total
Cost			
Balance at beginning of year	₱1,342,507	₱1,533,910	₱2,876,417
Additions	50,406	30,730	81,136
Disposals/write-off/transfers*	(325,282)	(120,437)	(445,719)
Balance at end of year	1,067,631	1,444,203	2,511,834
Accumulated Depreciation and Amortization			
Balance at beginning of year	–	519,697	519,697
Depreciation and amortization	–	91,715	91,715
Disposals/write-off/transfers*	–	(65,620)	(65,620)
Balance at end of year	–	545,792	545,792

(Forward)

	Parent Company		
	2021		
	Land	Buildings and Improvements	Total
Allowance for Impairment Losses (Note 16)			
Balance at beginning and end of year	₱676,098	₱201,689	₱877,787
Provisions (reversals) during the year	(296,785)	–	(296,785)
Disposals/write-off/reclassification*	5,670	–	5,670
Balance at end of year	384,983	201,689	586,672
Net Book Value at End of Year	₱682,648	₱696,722	₱1,379,370

*Includes transfers to bank premises amounting to ₱27.63 million (Note 12).

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

In 2020, depreciation and amortization amounting to ₱157.57 million and ₱96.26 million for the Group and Parent Company, respectively, are included in the statements of income under 'Depreciation and amortization' account.

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

	Consolidated		
	2022	2021	2020
Rent income on investment properties	**₱89,903**	₱96,759	₱66,493
Direct operating expenses on investment properties generating rent income	**1,277**	1,277	1,537
Direct operating expenses on investment properties not generating rent income	**91,414**	74,293	69,651

	Parent Company		
	2022	2021	2020
Rent income on investment properties	**₱44,640**	₱54,400	₱47,209
Direct operating expenses on investment properties generating rent income	**371**	371	815
Direct operating expenses on investment properties not generating rent income	**21,843**	32,765	22,753

Rent income earned from leasing out investment properties is included under 'Miscellaneous income' in the statements of income (Note 22).

Direct operating expenses include occupancy cost, repairs and maintenance, and taxes and licenses related to the investment properties.

On August 26, 2011, the Parent Company was registered as an Economic Zone Information Technology (IT) Facilities Enterprise with the Philippine Economic Zone Authority (PEZA) to operate and maintain a proposed 17-storey building located inside the CBP-IT Park in Barangays Mabolo, Luz, Hipodromo, Carreta, and Kamputhaw, Cebu City, for lease to PEZA-registered IT enterprises, and to be known as Chinabank Corporate Center. This registration is under PEZA Registration Certificate No. 11-03-F.

Under this registration, the Parent Company is entitled to five percent (5.00%) final tax on gross income earned from locator IT enterprises and related operations in accordance with existing PEZA rules. The Parent Company shall also be exempted from the payment of all national and local taxes in relation to this registered activity.

14. **Goodwill and Intangible Assets**

Goodwill

Goodwill represents the excess of the acquisition costs over the fair value of the identifiable assets and liabilities of companies acquired by the Group.

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

As of December 31, 2022 and 2021, the amount of goodwill per CGU follows:

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

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

	2022		2021	
	RBB	**CBSI**	RBB	CBSI
Discount rate	**9.62%**	**10.66%**	9.08%	11.84%
Long-term growth rate	**1.00%**	**1.00%**	1.00%	1.00%

With regard to the assessment of value-in-use of the CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to materially exceed its recoverable amount as of December 31, 2022 and 2021.

Branch Licenses
Branch licenses of the Group arose from the acquisitions of CBSI, Unity Bank, and PDB. As of December 31, 2022 and 2021, details of branch licenses in the Group's and the Parent Company's financial statements follow:

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

**mostly attributable to the Parent Company*

Each branch to which the branch license is attributed is the CGU that is tested independently for impairment assessment. As of December 31, 2022, other than loans and deposits growth rates, the Parent Company and CBSI use the discount rate of 9.62% and 10.20%, respectively and long-term growth rate of 1.00% for computing for the recoverable values of the CGUs. The Group uses the discount rate of 9.08% and long-term growth rate of 1.00% for computing the recoverable amounts of the CGUs as of December 31, 2021.

Capitalized Software Costs

The movements in the account follow:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Cost				
Balance at beginning of year	**₱1,989,078**	₱1,919,187	**₱1,935,527**	₱1,836,621
Additions	**135,198**	104,662	**97,442**	94,060
Disposals/Write-off/Reclassifications (Note 12)	**(22,834)**	(34,771)	**(6,579)**	4,846
Balance at end of year	**2,101,442**	1,989,078	**2,026,390**	1,935,527
Accumulated Depreciation and Amortization				
Balance at beginning of year	**1,577,287**	1,433,616	**1,565,087**	1,400,685
Depreciation and amortization	**139,279**	166,157	**136,903**	163,915
Disposals/Write-off/Reclassifications (Note 12)	**(2,669)**	(22,486)	**1,086**	487
Balance at end of year	**1,713,897**	1,577,287	**1,703,076**	1,565,087
Net Book Value at End of Year	**₱387,545**	₱411,791	**₱323,314**	₱370,440

Exchange Trading Right

As of December 31, 2022 and 2021, the Group has an exchange trading right with the following carrying value:

Cost	₱12,000
Less: Allowance for impairment losses	3,500
	₱8,500

The trading right has an indefinite useful life and, thus, is not amortized but is subject for impairment at every reporting date. The exchange trading right, as of December 31, 2022 and 2021, remains to be unimpaired.

Under the PSE rules, all exchange membership seats are pledged at its full value to the PSE to secure the payment of all debts to other members of the exchange arising out of or in connection with the present or future members' contracts.

15. Other Assets

This account consists of:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Financial assets				
Accounts receivable	**₱2,785,372**	₱2,664,413	**₱1,654,697**	₱1,673,539
SCR	**1,470,031**	1,163,371	**218,909**	243,355
RCOCI	**162,048**	205,933	**110,051**	181,477
Others	**30,687**	17,675	**8,704**	9,660
	4,448,138	4,051,392	**1,992,361**	2,108,031
Non-financial assets				
Net plan assets (Note 25)	**400,416**	483,001	**287,120**	300,391
Prepaid expenses	**484,093**	494,381	**413,011**	427,713
Creditable withholding taxes	**412,316**	446,253	**383,928**	435,700
Security deposit	**372,088**	157,070	**319,586**	155,197
Documentary stamps	**227,704**	305,942	**152,759**	244,461
Sundry debits	**224,659**	105,776	**160,077**	36,131
Miscellaneous	**880,876**	1,105,627	**454,796**	313,666
	3,002,152	3,098,050	**2,171,277**	1,913,259
	7,450,290	7,419,442	**4,163,638**	4,021,290
Allowance for impairment losses (Note 16)	**(711,830)**	(685,057)	**(329,713)**	(379,619)
	₱6,738,460	₱6,464,385	**₱3,833,925**	₱3,641,671

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

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

In 2022 and 2021, SCR bears fixed interest rates per annum ranging from 5.50% to 10.00%, while 5.00% to 10.00% in 2020.

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

16. Allowance for Impairment and Credit Losses

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

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Balances at beginning of year				
Loans and receivables	**₱15,057,609**	₱14,739,918	**₱12,489,884**	₱12,527,657
Investment securities at amortized cost	**3,093,747**	2,389,845	**2,886,272**	2,383,800
Financial assets at FVOCI *	**61,495**	30,384	**60,998**	30,056
Investment properties	**653,484**	916,219	**586,672**	877,787
Accrued interest receivable	**478,814**	337,785	**182,375**	36,609
Intangible assets	**293,002**	293,002	**57,000**	57,000
Investment in subsidiaries	–	–	**59,902**	59,902
Other assets	**685,057**	523,092	**379,619**	234,109
Off-balance sheet exposures *	**740,877**	467,117	**730,859**	457,099
	21,064,085	19,697,362	**17,433,581**	16,664,019
Provisions charged to operations	**9,012,633**	8,876,744	**7,427,202**	7,679,877
Accounts charged off and others	**(8,980,575)**	(7,510,021)	**(7,613,406)**	(6,910,315)
	32,058	1,366,723	**(186,204)**	769,562
Balances at end of year				
Loans and receivables (Note 10)	**16,942,524**	15,057,609	**14,174,453**	12,489,884
Investment securities at amortized cost (Note 9)	**538,820**	3,093,747	**532,771**	2,886,272
Financial assets at FVOCI * (Note 9)	**124,309**	61,495	**124,378**	60,998
Investment properties (Note 13)	**706,971**	653,484	**536,086**	586,672
Accrued interest receivable	**996,346**	478,814	**660,751**	182,375
Intangible assets	**293,002**	293,002	**57,000**	57,000
Investment in subsidiaries	–	–	**59,902**	59,902
Other assets (Note 15)	**711,830**	685,057	**329,713**	379,619
Off-balance sheet exposures * (Note 21)	**782,341**	740,877	**772,323**	730,859
	₱21,096,143	₱21,064,085	**₱17,247,377**	₱17,433,581

** The allowance for credit and impairment losses in the above table are presented as contra-asset in determining the carrying amount of the related asset accounts, except for the expected credit losses on "Financial assets at FVOCI" and "Off-balance sheet exposures" which are presented under "Net unrealized gain (loss) on financial assets at FVOCI" (Equity) and "Other Liabilities" (Liability), respectively.*

At the current level of allowance for impairment and credit losses, management believes that the Group has sufficient allowance to cover any losses that may be incurred from the non-collection or non-realization of its loans and receivables and other risk assets.

The separate valuation allowance of acquired loans and receivables from PDB amounting to ₱1.59 billion was not recognized by the Group on the effectivity date of acquisition as these receivables were measured at fair value at acquisition date. Any uncertainties about future cash flows of these receivables were included in their fair value measurement (Note 11). Also, the separate valuation allowance of acquired investment properties from PDB amounting to ₱199.15 million was not recognized by the Group on the effectivity date of acquisition as these properties were measured at fair value on acquisition date.

Below is the breakdown of provision for credit losses in 2022, 2021, and 2020.

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Loans and receivables:						
Corporate and commercial lending	**₱6,851,108**	₱5,887,208	₱6,620,171	**₱6,064,157**	₱6,228,681	₱6,300,097
Consumer lending	**(33,430)**	1,803,215	1,626,588	**(500,018)**	533,013	1,076,445
Trade-related lending	**(232,200)**	21,737	(34,744)	**(241,718)**	25,858	(43,355)
Others	**(519)**	855	2,889	**(328)**	328	–
Investments:						
Investment securities at amortized cost	**1,365,391**	394,228	1,337,700	**1,251,442**	369,383	1,336,947
Financial assets at FVOCI (debt securities)	**58,111**	13,226	21,208	**58,677**	13,057	20,930
	8,008,461	8,120,469	9,573,812	**6,632,212**	7,170,320	8,691,064
Impact to profit or loss of movements in ECL for off-books exposures	**26,637**	271,578	(772,850)	**26,637**	271,578	(772,850)
Other assets	**977,535**	484,697	67,957	**768,353**	237,979	64,992
Provisions charged to operations	**₱9,012,633**	₱8,876,744	₱8,868,919	**₱7,427,202**	₱7,679,877	₱7,983,206

The tables below illustrate the movements of the allowance for impairment and credit losses during 2022 (effect of movements in ECL due to transfers between stages are shown in the total column):

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Loss allowance at January 1, 2022	**₱3,015,176**	**₱3,204,874**	**₱5,814,240**	**₱12,034,290**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(190,176)	823,884	–	633,708
Transfer from Stage 1 to Stage 3	(730)	–	113,269	112,539
Transfer from Stage 2 to Stage 1	32,783	(232,131)	–	(199,348)
Transfer from Stage 2 to Stage 3	–	(1,400,135)	5,627,387	4,227,252
Transfer from Stage 3 to Stage 1	140	–	(5,396)	(5,256)
Transfer from Stage 3 to Stage 2	–	1,124	(119,364)	(118,240)
New financial assets originated *	2,718,295	622,610	532,548	3,873,453
Changes in PDs / LGDs / EADs	58,593	(225,633)	677,027	509,987
Financial assets derecognized during the period	(748,143)	(708,608)	(715,580)	(2,172,331)
FX and other movements	(7,926)	(2,469)	(261)	(10,656)
Provision for credit losses during the period	**1,862,836**	**(1,121,358)**	**6,109,630**	**6,851,108**
Other movements				
Write-offs, foreclosures, and other movements	7,926	2,469	(4,306,402)	(4,296,007)
Total other movements	**7,926**	**2,469**	**(4,306,402)**	**(4,296,007)**
Loss allowance at December 31, 2022	**₱4,885,938**	**₱2,085,985**	**₱7,617,468**	**₱14,589,391**

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

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Loss allowance at January 1, 2022	**₱570,316**	**₱175,111**	**₱2,043,684**	**₱2,789,111**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(29,074)	55,808	–	26,734
Transfer from Stage 1 to Stage 3	(3,995)	–	219,387	215,392
Transfer from Stage 2 to Stage 1	1,626	(67,053)	–	(65,427)
Transfer from Stage 2 to Stage 3	–	(18,507)	185,771	167,264
Transfer from Stage 3 to Stage 1	237	–	(126,143)	(125,906)
Transfer from Stage 3 to Stage 2	–	757	(139,229)	(138,472)
New financial assets originated *	771,609	76,340	50,798	898,747
Changes in PDs / LGDs / EADs	(441,222)	150,142	(184,945)	(476,025)
Financial assets derecognized during the period	(67,251)	(28,149)	(440,337)	(535,737)
FX and other movements	–	–	–	–
Provision for credit losses during the period	**231,930**	**169,338**	**(434,698)**	**(33,430)**
Other movements				
Write-offs, foreclosures, and other movements	–	–	(534,528)	(534,528)
Total other movements	**–**	**–**	**(534,528)**	**(534,528)**
Loss allowance at December 31, 2022	**₱802,246**	**₱344,449**	**₱1,074,458**	**₱2,221,153**

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

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, 2022	**₱123,568**	**₱14,772**	**₱92,124**	**₱230,464**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	**57,512**	**16,127**	–	**73,639**
Changes in PDs / LGDs / EADs	**149**	**66**	**(10,491)**	**(10,276)**
Financial assets derecognized during the period	**(123,508)**	**(14,721)**	**(1,357)**	**(139,586)**
FX and other movements	**(154,923)**	**(1,054)**	–	**(155,977)**
Provision for credit losses during the period	**(220,770)**	**418**	**(11,848)**	**(232,200)**
Other movements				
Write-offs, foreclosures, and other movements	**154,923**	**1,054**	**(24,701)**	**131,276**
Total other movements	**154,923**	**1,054**	**(24,701)**	**131,276**
Loss allowance at December 31, 2022	**₱57,721**	**₱16,244**	**₱55,575**	**₱129,540**

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

Others	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2022	**₱3**	**₱–**	**₱3,741**	**₱3,744**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	**1**	–	**162**	**163**
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	**1**	**330**	**331**
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	**73**	**153**	**482**	**708**
Changes in PDs / LGDs / EADs	**(7)**	**(14)**	**(644)**	**(665)**
Financial assets derecognized during the period	**(3)**	**(1)**	**(1,052)**	**(1,056)**
FX and other movements	–	–	–	–
Provision for credit losses during the period	**64**	**139**	**(722)**	**(519)**
Other movements				
Write-offs, foreclosures, and other movements	–	–	**(785)**	**(785)**
Total other movements	–	–	**(785)**	**(785)**
Loss allowance at December 31, 2022	**₱67**	**₱139**	**₱2,234**	**₱2,440**

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

Loans and receivables – total	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2022	**₱3,709,063**	**₱3,394,757**	**₱7,953,789**	**₱15,057,609**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	**(219,250)**	**879,692**	–	**660,442**
Transfer from Stage 1 to Stage 3	**(4,724)**	–	**332,818**	**328,094**
Transfer from Stage 2 to Stage 1	**34,409**	**(299,184)**	–	**(264,775)**
Transfer from Stage 2 to Stage 3	–	**(1,418,641)**	**5,813,488**	**4,394,847**
Transfer from Stage 3 to Stage 1	**377**	–	**(131,539)**	**(131,162)**
Transfer from Stage 3 to Stage 2	–	**1,881**	**(258,593)**	**(256,712)**
New financial assets originated *	**3,547,489**	**715,230**	**583,828**	**4,846,547**
Changes in PDs / LGDs / EADs	**(382,487)**	**(75,439)**	**480,947**	**23,021**

(Forward)

Loans and receivables – total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	Consolidated			
	ECL Staging			
Financial assets derecognized during the period	**(₱938,905)**	**(₱751,479)**	**(₱1,158,326)**	**(₱2,848,710)**
FX and other movements	**(162,849)**	**(3,523)**	**(261)**	**(166,633)**
Provision for credit losses during the period	**1,874,060**	**(951,463)**	**5,662,362**	**6,584,959**
Other movements				
Write-offs, foreclosures, and other movements	**162,849**	**3,523**	**(4,866,416)**	**(4,700,044)**
Total other movements	**162,849**	**3,523**	**(4,866,416)**	**(4,700,044)**
Loss allowance at December 31, 2022	**₱5,745,972**	**₱2,446,817**	**₱8,749,735**	**₱16,942,524**

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

Investment securities at amortized cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	Consolidated			
	ECL Staging			
Loss allowance at January 1, 2022	**₱447,645**	**₱38,388**	**₱2,607,714**	**₱3,093,747**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	**(6,794)**	**26,811**	–	**20,017**
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	**743**	**(27,696)**	–	**(26,953)**
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	**37,525**	**2,557**	–	**40,082**
Changes in PDs / LGDs / EADs	**34,827**	**5,146**	**1,339,286**	**1,379,259**
Financial assets derecognized during the period	**(16,908)**	**(162)**	–	**(17,070)**
FX and other movements	**(29,675)**	**(269)**	–	**(29,944)**
Provision for credit losses during the period	**19,718**	**6,387**	**1,339,286**	**1,365,391**
Other movements				
Write-offs, foreclosures, and other movements	**26,413**	**269**	**(3,947,000)**	**(3,920,318)**
Total other movements	**26,413**	**269**	**(3,947,000)**	**(3,920,318)**
Loss allowance at December 31, 2022	**₱493,776**	**₱45,044**	**₱–**	**₱538,820**

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

Financial assets at FVOCI (debt securities)	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	Consolidated			
	ECL Staging			
Loss allowance at January 1, 2022	**₱59,958**	**₱1,537**	**₱–**	**₱61,495**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	**(1)**	**1**	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	**71**	**(1,537)**	–	**(1,466)**
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	**30,552**	**25,375**	–	**55,927**
Changes in PDs / LGDs / EADs	**8,851**	–	–	**8,851**
Financial assets derecognized during the period	**(498)**	–	–	**(498)**
FX and other movements	**(4,422)**	**(281)**	–	**(4,703)**
Provision for credit losses during the period	**34,553**	**23,558**	–	**58,111**
Other movements				
Write-offs, foreclosures, and other movements	**4,422**	**281**	–	**4,703**
Total other movements	**4,422**	**281**	–	**4,703**
Loss allowance at December 31, 2022	**₱98,933**	**₱25,376**	**₱–**	**₱124,309**

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

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Loss allowance at January 1, 2022	**₱2,957,844**	**₱3,152,298**	**₱4,839,259**	**₱10,949,401**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	**(161,104)**	**795,711**	–	**634,607**
Transfer from Stage 1 to Stage 3	**(458)**	–	**102,778**	**102,320**
Transfer from Stage 2 to Stage 1	**31,662**	**(231,045)**	–	**(199,383)**
Transfer from Stage 2 to Stage 3	–	**(1,394,846)**	**4,974,946**	**3,580,100**
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	**1,007**	**(114,702)**	**(113,695)**
New financial assets originated *	**2,622,787**	**544,328**	**315,151**	**3,482,266**
Changes in PDs / LGDs / EADs	**81,114**	**(175,806)**	**698,682**	**603,990**
Financial assets derecognized during the period	**(729,903)**	**(690,844)**	**(594,645)**	**(2,015,392)**
FX and other movements	**(7,926)**	**(2,469)**	**(261)**	**(10,656)**
Provision for credit losses during the period	**1,836,172**	**(1,153,964)**	**5,381,949**	**6,064,157**
Other movements				
Write-offs, foreclosures, and other movements	**7,926**	**2,469**	**(3,683,270)**	**(3,672,875)**
Total other movements	**7,926**	**2,469**	**(3,683,270)**	**(3,672,875)**
Loss allowance at December 31, 2022	**₱4,801,942**	**₱2,000,803**	**₱6,537,938**	**₱13,340,683**

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

	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, 2022	**₱478,079**	**₱154,386**	**₱681,717**	**₱1,314,182**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	**(27,951)**	**49,778**	–	**21,827**
Transfer from Stage 1 to Stage 3	**(3,455)**	–	**42,563**	**39,108**
Transfer from Stage 2 to Stage 1	**253**	**(59,680)**	–	**(59,427)**
Transfer from Stage 2 to Stage 3	–	**(15,882)**	**25,477**	**9,595**
Transfer from Stage 3 to Stage 1	–	–	**(6,600)**	**(6,600)**
Transfer from Stage 3 to Stage 2	–	**301**	**(96,279)**	**(95,978)**
New financial assets originated *	**49,912**	**1,253**	**1,597**	**52,762**
Changes in PDs / LGDs / EADs	**(371,369)**	**160,340**	**(146,175)**	**(357,204)**
Financial assets derecognized during the period	**(44,978)**	**(23,040)**	**(36,083)**	**(104,101)**
FX and other movements	–	–	–	–
Provision for credit losses during the period	**(397,588)**	**113,070**	**(215,500)**	**(500,018)**
Other movements				
Write-offs, foreclosures, and other movements	–	–	**(95,925)**	**(95,925)**
Total other movements	–	–	**(95,925)**	**(95,925)**
Loss allowance at December 31, 2022	**₱80,491**	**₱267,456**	**₱370,292**	**₱718,239**

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

	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, 2022	**₱120,643**	**₱14,702**	**₱90,628**	**₱225,973**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	**57,511**	**2,037**	–	**59,548**
Changes in PDs / LGDs / EADs	**149**	**147**	**(10,352)**	**(10,056)**

(Forward)

Trade-related lending	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Financial assets derecognized during the period	(₱120,583)	(₱14,650)	₱–	(₱135,233)
FX and other movements	(154,923)	(1,054)	–	(155,977)
Provision for credit losses during the period	(217,846)	(13,520)	(10,352)	(241,718)
Other movements				
Write-offs, foreclosures, and other movements	154,923	1,054	(24,701)	131,276
Total other movements	154,923	1,054	(24,701)	131,276
Loss allowance at December 31, 2022	₱57,720	₱2,236	₱55,575	₱115,531

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

Others	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2022	₱–	₱–	₱328	₱328
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	–	–	–	–
Changes in PDs / LGDs / EADs	–	–	–	–
Financial assets derecognized during the period	–	–	(328)	(328)
FX and other movements	–	–	–	–
Provision for credit losses during the period	–	–	(328)	(328)
Other movements				
Write-offs, foreclosures, and other movements	–	–	–	–
Total other movements	–	–	–	–
Loss allowance at December 31, 2022	₱–	₱–	₱–	₱–

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

Loans and receivables – total	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2022	₱3,556,566	₱3,321,386	₱5,611,932	₱12,489,884
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(189,055)	845,489	–	656,434
Transfer from Stage 1 to Stage 3	(3,913)	–	145,341	141,428
Transfer from Stage 2 to Stage 1	31,915	(290,725)	–	(258,810)
Transfer from Stage 2 to Stage 3	–	(1,410,728)	5,000,423	3,589,695
Transfer from Stage 3 to Stage 1	–	–	(6,600)	(6,600)
Transfer from Stage 3 to Stage 2	–	1,308	(210,981)	(209,673)
New financial assets originated *	2,730,210	547,618	316,748	3,594,576
Changes in PDs / LGDs / EADs	(290,106)	(15,319)	542,155	236,730
Financial assets derecognized during the period	(895,464)	(728,534)	(631,056)	(2,255,054)
FX and other movements	(162,849)	(3,523)	(261)	(166,633)
Provision for credit losses during the period	1,220,738	(1,054,414)	5,155,769	5,322,093
Other movements				
Write-offs, foreclosures, and other movements	162,849	3,523	(3,803,896)	(3,637,524)
Total other movements	162,849	3,523	(3,803,896)	(3,637,524)
Loss allowance at December 31, 2022	₱4,940,153	₱2,270,495	₱6,963,805	₱14,174,453

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

Investment securities at amortized cost	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2022	**₱436,596**	**₱38,388**	**₱2,411,288**	**₱2,886,272**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	**(6,794)**	**26,811**	–	**20,017**
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	**743**	**(27,696)**	–	**(26,953)**
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	**34,775**	**2,556**	–	**37,331**
Changes in PDs / LGDs / EADs	**34,826**	**5,146**	**1,220,337**	**1,260,309**
Financial assets derecognized during the period	**(12,418)**	**(162)**	–	**(12,580)**
FX and other movements	**(26,413)**	**(269)**	–	**(26,682)**
Provision for credit losses during the period	**24,719**	**6,386**	**1,220,337**	**1,251,442**
Other movements				
Write-offs, foreclosures, and other movements	**26,413**	**269**	**(3,631,625)**	**(3,604,943)**
Total other movements	**26,413**	**269**	**(3,631,625)**	**(3,604,943)**
Loss allowance at December 31, 2022	**₱487,728**	**₱45,043**	**₱–**	**₱532,771**

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

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, 2022	**₱59,461**	**₱1,537**	**₱–**	**₱60,998**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	**71**	**(1,537)**	–	**(1,466)**
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	**30,552**	**25,375**	–	**55,927**
Changes in PDs / LGDs / EADs	**9,024**	–	–	**9,024**
Financial assets derecognized during the period	**(105)**	–	–	**(105)**
FX and other movements	**(4,422)**	**(281)**	–	**(4,703)**
Provision for credit losses during the period	**35,120**	**23,557**	–	**58,677**
Other movements				
Write-offs, foreclosures, and other movements	**4,422**	**281**	–	**4,703**
Total other movements	**4,422**	**281**	–	**4,703**
Loss allowance at December 31, 2022	**₱99,003**	**₱25,375**	**₱–**	**₱124,378**

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

Comparative figures for the movement of allowance for credit and impairment losses for 2021 are shown below:

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2021	₱4,536,289	₱3,213,081	₱4,628,126	₱12,377,496
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(265,804)	405,942	–	140,138
Transfer from Stage 1 to Stage 3	(19,149)	–	976,835	957,686
Transfer from Stage 2 to Stage 1	26,858	(109,652)	–	(82,794)
Transfer from Stage 2 to Stage 3	–	(2,461,394)	2,668,435	207,041
Transfer from Stage 3 to Stage 1	45	–	(4,278)	(4,233)
Transfer from Stage 3 to Stage 2	–	152,158	(284,566)	(132,408)
New financial assets originated *	1,316,932	1,923,910	578,704	3,819,546
Changes in PDs / LGDs / EADs	(831,490)	273,731	4,325,035	3,767,276
Financial assets derecognized during the period	(1,748,505)	(192,902)	(783,973)	(2,725,380)
FX and other movements	(48,112)	(11,112)	(440)	(59,664)
Provision for credit losses during the period	(1,569,225)	(19,319)	7,475,752	5,887,208
Other movements				
Write-offs, foreclosures, and other movements	48,112	11,112	(6,289,638)	(6,230,414)
Total other movements	48,112	11,112	(6,289,638)	(6,230,414)
Loss allowance at December 31, 2021	₱3,015,176	₱3,204,874	₱5,814,240	₱12,034,290

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

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2021	₱332,094	₱155,749	₱1,593,086	₱2,080,929
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(21,355)	67,308	–	45,953
Transfer from Stage 1 to Stage 3	(4,530)	–	195,646	191,116
Transfer from Stage 2 to Stage 1	19,388	(42,397)	–	(23,009)
Transfer from Stage 2 to Stage 3	–	(20,763)	301,488	280,725
Transfer from Stage 3 to Stage 1	3,084	–	(70,099)	(67,015)
Transfer from Stage 3 to Stage 2	–	31,980	(361,359)	(329,379)
New financial assets originated *	169,078	39,175	213,930	422,183
Changes in PDs / LGDs / EADs	123,269	(22,668)	1,488,672	1,589,273
Financial assets derecognized during the period	(50,712)	(33,273)	(222,647)	(306,632)
FX and other movements	–	–	–	–
Provision for credit losses during the period	238,222	19,362	1,545,631	1,803,215
Other movements				
Write-offs, foreclosures, and other movements	–	–	(1,095,033)	(1,095,033)
Total other movements	–	–	(1,095,033)	(1,095,033)
Loss allowance at December 31, 2021	₱570,316	₱175,111	₱2,043,684	₱2,789,111

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

Trade-related lending	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2021	₱133,667	₱23,814	₱121,123	₱278,604
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(8)	8	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	60	(99)	–	(39)
Transfer from Stage 2 to Stage 3	–	(411)	23,794	23,383
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	123,508	13,656	–	137,164
Changes in PDs / LGDs / EADs	(58)	388	19,498	19,828
Financial assets derecognized during the period	(133,601)	(22,584)	–	(156,185)
FX and other movements	(2,407)	(7)	–	(2,414)
Provision for credit losses during the period	(12,506)	(9,049)	43,292	21,737
Other movements				
Write-offs, foreclosures, and other movements	2,407	7	(72,291)	(69,877)
Total other movements	2,407	7	(72,291)	(69,877)
Loss allowance at December 31, 2021	₱123,568	₱14,772	₱92,124	₱230,464

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

Others	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2021	₱1	₱48	₱2,840	₱2,889
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	35	–	35
Transfer from Stage 1 to Stage 3	–	–	658	658
Transfer from Stage 2 to Stage 1	–	(31)	–	(31)
Transfer from Stage 2 to Stage 3	–	–	9	9
Transfer from Stage 3 to Stage 1	–	–	(211)	(211)
Transfer from Stage 3 to Stage 2	–	–	(6)	(6)
New financial assets originated *	3	–	477	480
Changes in PDs / LGDs / EADs	–	(44)	1,200	1,156
Financial assets derecognized during the period	(1)	(8)	(1,226)	(1,235)
FX and other movements	–	–	–	–
Provision for credit losses during the period	2	(48)	901	855
Other movements				
Write-offs, foreclosures, and other movements	–	–	–	–
Total other movements	–	–	–	–
Loss allowance at December 31, 2021	₱3	₱–	₱3,741	₱3,744

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

Loans and receivables – total	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2021	₱5,002,051	₱3,392,692	₱6,345,175	₱14,739,918
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(287,167)	473,293	–	186,126
Transfer from Stage 1 to Stage 3	(23,679)	–	1,173,139	1,149,460
Transfer from Stage 2 to Stage 1	46,306	(152,179)	–	(105,873)
Transfer from Stage 2 to Stage 3	–	(2,482,568)	2,993,726	511,158
Transfer from Stage 3 to Stage 1	3,129	–	(74,588)	(71,459)
Transfer from Stage 3 to Stage 2	–	184,138	(645,931)	(461,793)
New financial assets originated *	1,609,521	1,976,741	793,111	4,379,373
Changes in PDs / LGDs / EADs	(708,279)	251,407	5,834,405	5,377,533

(Forward)

Loans and receivables – total	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Financial assets derecognized during the period	(₱1,932,819)	(₱248,767)	(₱1,007,846)	(₱3,189,432)
FX and other movements	(50,519)	(11,119)	(440)	(62,078)
Provision for credit losses during the period	(1,343,507)	(9,054)	9,065,576	7,713,015
Other movements				
Write-offs, foreclosures, and other movements	50,519	11,119	(7,456,962)	(7,395,324)
Total other movements	50,519	11,119	(7,456,962)	(7,395,324)
Loss allowance at December 31, 2021	₱3,709,063	₱3,394,757	₱7,953,789	₱15,057,609

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

Investment securities at amortized cost	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2021	₱387,575	₱–	₱2,002,270	₱2,389,845
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(5,718)	32,451	–	26,733
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	121,126	5,937	–	127,063
Changes in PDs / LGDs / EADs	(29,762)	–	409,018	379,256
Financial assets derecognized during the period	(28,047)	–	–	(28,047)
FX and other movements	(126,906)	(3,712)	19,841	(110,777)
Provision for credit losses during the period	(69,307)	34,676	428,859	394,228
Other movements				
Write-offs, foreclosures, and other movements	129,377	3,712	176,585	309,674
Total other movements	129,377	3,712	176,585	309,674
Loss allowance at December 31, 2021	₱447,645	₱38,388	₱2,607,714	₱3,093,747

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

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)
Provision for credit losses during the period	12,194	1,032	–	13,226
Other movements				
Write-offs, foreclosures, and other movements	17,380	505	–	17,885
Total other movements	17,380	505	–	17,885
Loss allowance at December 31, 2021	₱59,958	₱1,537	₱–	₱61,495

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

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2021	₱4,441,063	₱3,158,914	₱3,281,557	₱10,881,534
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(259,998)	401,008	–	141,010
Transfer from Stage 1 to Stage 3	(18,486)	–	951,502	933,016
Transfer from Stage 2 to Stage 1	24,677	(107,799)	–	(83,122)
Transfer from Stage 2 to Stage 3	–	(2,460,478)	2,627,237	166,759
Transfer from Stage 3 to Stage 1	37	–	(3,977)	(3,940)
Transfer from Stage 3 to Stage 2	–	150,926	(229,165)	(78,239)
New financial assets originated *	1,316,388	1,923,874	578,642	3,818,904
Changes in PDs / LGDs / EADs	(843,891)	259,691	4,346,872	3,762,672
Financial assets derecognized during the period	(1,701,946)	(173,837)	(492,932)	(2,368,715)
FX and other movements	(48,112)	(11,112)	(440)	(59,664)
Provision for credit losses during the period	(1,531,331)	(17,727)	7,777,739	6,228,681
Other movements				
Write-offs, foreclosures, and other movements	48,112	11,111	(6,220,037)	(6,160,814)
Total other movements	48,112	11,111	(6,220,037)	(6,160,814)
Loss allowance at December 31, 2021	₱2,957,844	₱3,152,298	₱4,839,259	₱10,949,401

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

	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	–	–	–	–
Provision for credit losses during the period	263,884	43,905	225,224	533,013
Other movements				
Write-offs, foreclosures, and other movements	–	–	(594,962)	(594,962)
Total other movements	–	–	(594,962)	(594,962)
Loss allowance at December 31, 2021	₱478,079	₱154,386	₱681,717	₱1,314,182

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

	Parent			
	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

(Forward)

Trade-related lending	Parent ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Financial assets derecognized during the period	(₱132,679)	(₱22,584)	₱–	(₱155,263)
FX and other movements	(2,407)	(7)	–	(2,414)
Provision for credit losses during the period	(14,517)	(9,119)	49,494	25,858
Other movements				
Write-offs, foreclosures, and other movements	2,407	7	(72,291)	(69,877)
Total other movements	2,407	7	(72,291)	(69,877)
Loss allowance at December 31, 2021	₱120,643	₱14,702	₱90,628	₱225,973

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

Others	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2021	₱–	₱–	₱–	₱–
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	–	–	328	328
Changes in PDs / LGDs / EADs	–	–	–	–
Financial assets derecognized during the period	–	–	–	–
FX and other movements	–	–	–	–
Provision for credit losses during the period	–	–	328	328
Other movements				
Write-offs, foreclosures, and other movements	–	–	–	–
Total other movements	–	–	–	–
Loss allowance at December 31, 2021	₱–	₱–	₱328	₱328

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

Loans and receivables – total	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2021	₱4,788,011	₱3,293,209	₱4,446,437	₱12,527,657
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(278,078)	447,157	–	169,079
Transfer from Stage 1 to Stage 3	(21,557)	–	1,041,174	1,019,617
Transfer from Stage 2 to Stage 1	41,643	(134,296)	–	(92,653)
Transfer from Stage 2 to Stage 3	–	(2,476,451)	2,893,925	417,474
Transfer from Stage 3 to Stage 1	2,597	–	(36,038)	(33,441)
Transfer from Stage 3 to Stage 2	–	180,587	(564,390)	(383,803)
New financial assets originated *	1,564,736	1,972,467	638,679	4,175,882
Changes in PDs / LGDs / EADs	(678,507)	258,985	4,608,111	4,188,589
Financial assets derecognized during the period	(1,862,279)	(220,271)	(528,236)	(2,610,786)
FX and other movements	(50,519)	(11,119)	(440)	(62,078)
Provision for credit losses during the period	(1,281,964)	17,059	8,052,785	6,787,880
Other movements				
Write-offs, foreclosures, and other movements	50,519	11,118	(6,887,290)	(6,825,653)
Total other movements	50,519	11,118	(6,887,290)	(6,825,653)
Loss allowance at December 31, 2021	₱3,556,566	₱3,321,386	₱5,611,932	₱12,489,884

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

Investment securities at amortized cost	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2021	₱381,530	₱–	₱2,002,270	₱2,383,800
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(5,718)	32,451	–	26,733
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	118,552	5,937	–	124,489
Changes in PDs / LGDs / EADs	(29,762)	–	409,018	379,256
Financial assets derecognized during the period	(28,006)	–	–	(28,006)
FX and other movements	(129,377)	(3,712)	–	(133,089)
Provision for credit losses during the period	(74,311)	34,676	409,018	369,383
Other movements				
Write-offs, foreclosures, and other movements	129,377	3,712	–	133,089
Total other movements	129,377	3,712	–	133,089
Loss allowance at December 31, 2021	₱436,596	₱38,388	₱2,411,288	₱2,886,272

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

Financial assets at FVOCI (debt securities)	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2021	₱30,056	₱–	₱–	₱30,056
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	42,511	1,537	–	44,048
Changes in PDs / LGDs / EADs	(9,555)	–	–	(9,555)
Financial assets derecognized during the period	(3,551)	–	–	(3,551)
FX and other movements	(17,380)	(505)	–	(17,885)
Provision for credit losses during the period	12,025	1,032	–	13,057
Other movements				
Write-offs, foreclosures, and other movements	17,380	505	–	17,885
Total other movements	17,380	505	–	17,885
Loss allowance at December 31, 2021	₱59,461	₱1,537	₱–	₱60,998

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

The corresponding movement of the gross carrying amount of the financial assets during 2022 are shown below:

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	**12–month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Gross carrying amount at January 1, 2022	**₱428,829,243**	**₱50,618,381**	**₱9,630,798**	**₱489,078,422**
Transfers:				
Transfer from Stage 1 to Stage 2	**(28,933,747)**	**28,933,747**	–	–
Transfer from Stage 1 to Stage 3	**(210,472)**	–	**210,472**	–
Transfer from Stage 2 to Stage 1	**4,822,541**	**(4,822,541)**	–	–
Transfer from Stage 2 to Stage 3	–	**(6,882,377)**	**6,882,377**	–
Transfer from Stage 3 to Stage 1	**16,701**	–	**(16,701)**	–
Transfer from Stage 3 to Stage 2	–	**144,674**	**(144,674)**	–
New financial assets originated *	**209,925,720**	**16,508,948**	**1,112,976**	**227,547,644**
Changes in EADs	**(20,565,292)**	**(6,923,647)**	**(59,585)**	**(27,548,524)**
Financial assets derecognized during the period	**(108,888,843)**	**(19,299,892)**	**(1,243,369)**	**(129,432,104)**
Write-offs, foreclosures, and other movements	–	–	**(4,235,324)**	**(4,235,324)**
Total movements of carrying amount	**56,166,608**	**7,658,912**	**2,506,172**	**66,331,692**
Gross carrying amount at December 31, 2022	**₱484,995,851**	**₱58,277,293**	**₱12,136,970**	**₱555,410,114**

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

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	**12–month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Gross carrying amount at January 1, 2022	**₱100,240,891**	**₱16,369,705**	**₱6,065,253**	**₱122,675,849**
Transfers:				
Transfer from Stage 1 to Stage 2	**(6,379,023)**	**6,379,023**	–	–
Transfer from Stage 1 to Stage 3	**(690,604)**	–	**690,604**	–
Transfer from Stage 2 to Stage 1	**2,718,825**	**(2,718,825)**	–	–
Transfer from Stage 2 to Stage 3	–	**(773,367)**	**773,367**	–
Transfer from Stage 3 to Stage 1	**191,424**	–	**(191,424)**	–
Transfer from Stage 3 to Stage 2	–	**746,478**	**(746,478)**	–
New financial assets originated *	**58,478,093**	**1,246,320**	**434,540**	**60,158,953**
Changes in EADs	**(11,143,173)**	**(1,460,699)**	**(330,038)**	**(12,933,910)**
Financial assets derecognized during the period	**(18,717,706)**	**(5,087,062)**	**(1,019,190)**	**(24,823,958)**
Write-offs, foreclosures, and other movements	–	–	**(612,082)**	**(612,082)**
Total movements of carrying amount	**24,457,836**	**(1,668,132)**	**(1,000,701)**	**21,789,003**
Gross carrying amount at December 31, 2022	**₱124,698,727**	**₱14,701,573**	**₱5,064,552**	**₱144,464,852**

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

	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, 2022	**₱11,232,490**	**₱966,231**	**₱254,831**	**₱12,453,552**
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	**16,754,797**	**754,444**	–	**17,509,241**
Changes in EADs	–	**(1,925)**	**(2,541)**	**(4,466)**
Financial assets derecognized during the period	**(11,224,490)**	**(959,231)**	**(24,836)**	**(12,208,557)**
Write-offs, foreclosures, and other movements	–	–	**(24,701)**	**(24,701)**
Total movements of carrying amount	**5,530,307**	**(206,712)**	**(52,078)**	**5,271,517**
Gross carrying amount at December 31, 2022	**₱16,762,797**	**₱759,519**	**₱202,753**	**₱17,725,069**

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

Others	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2022	**₱105,130**	**₱7,030**	**₱4,736**	**₱116,896**
Transfers:				
Transfer from Stage 1 to Stage 2	**(88)**	**88**	–	–
Transfer from Stage 1 to Stage 3	**(471)**	–	**471**	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	**(958)**	**958**	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	**58,394**	**12,650**	**2,812**	**73,856**
Changes in EADs	**(9,052)**	**(1,428)**	**(644)**	**(11,124)**
Financial assets derecognized during the period	**(59,129)**	**(3,439)**	**(1,075)**	**(63,643)**
Write-offs, foreclosures, and other movements	–	–	**(785)**	**(785)**
Total movements of carrying amount	**(10,346)**	**6,913**	**1,737**	**(1,696)**
Gross carrying amount at December 31, 2022	**₱94,784**	**₱13,943**	**₱6,473**	**₱115,200**

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

Loans and receivables – total	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2022	**₱540,407,754**	**₱67,961,347**	**₱15,955,618**	**₱624,324,719**
Transfers:				
Transfer from Stage 1 to Stage 2	**(35,312,858)**	**35,312,858**	–	–
Transfer from Stage 1 to Stage 3	**(901,547)**	–	**901,547**	–
Transfer from Stage 2 to Stage 1	**7,541,366**	**(7,541,366)**	–	–
Transfer from Stage 2 to Stage 3	–	**(7,656,702)**	**7,656,702**	–
Transfer from Stage 3 to Stage 1	**208,125**	–	**(208,125)**	–
Transfer from Stage 3 to Stage 2	–	**891,152**	**(891,152)**	–
New financial assets originated *	**285,217,004**	**18,522,362**	**1,550,328**	**305,289,694**
Changes in EADs	**(31,717,517)**	**(8,387,699)**	**(392,808)**	**(40,498,024)**
Financial assets derecognized during the period	**(138,890,168)**	**(25,349,624)**	**(2,288,470)**	**(166,528,262)**
Write-offs, foreclosures, and other movements	–	–	**(4,872,892)**	**(4,872,892)**
Total movements of carrying amount	**86,144,405**	**5,790,981**	**1,455,130**	**93,390,516**
Gross carrying amount at December 31, 2022	**₱626,552,159**	**₱73,752,328**	**₱17,410,748**	**₱717,715,235**

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

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, 2022	**₱233,410,560**	**₱3,566,516**	**₱3,947,000**	**₱240,924,076**
Transfers:				
Transfer from Stage 1 to Stage 2	**(2,098,004)**	**2,098,004**	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	**2,968,142**	**(2,968,142)**	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	**190,261,714**	**324,828**	–	**190,586,542**
Changes in EADs	**(2,066,581)**	**(1)**	–	**(2,066,582)**
Financial assets derecognized during the period	**(79,484,999)**	**(65,000)**	–	**(79,549,999)**
Write-offs, foreclosures, and other movements	**9,619,036**	**79,397**	**(3,947,000)**	**5,751,433**
Total movements of carrying amount	**119,199,308**	**(530,914)**	**(3,947,000)**	**114,721,394**
Gross carrying amount at December 31, 2022	**₱352,609,868**	**₱3,035,602**	**₱–**	**₱355,645,470**

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

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, 2022	**₱27,611,006**	**₱407,755**	**₱–**	**₱28,018,761**
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	403,647	(403,647)	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	19,248,977	1,314,996	–	20,563,973
Changes in EADs	(2,561,524)	–	–	(2,561,524)
Financial assets derecognized during the period	(3,423,435)	(4,108)	–	(3,427,543)
Write-offs, foreclosures, and other movements	90,882	–	–	90,882
Total movements of carrying amount	13,758,547	907,241	–	14,665,788
Gross carrying amount at December 31, 2022	**₱41,369,553**	**₱1,314,996**	**₱–**	**₱42,684,549**

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

Corporate and commercial lending	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2022	**₱421,975,891**	**₱44,133,134**	**₱6,613,097**	**₱472,722,122**
Transfers:				
Transfer from Stage 1 to Stage 2	(25,458,513)	25,458,513	–	–
Transfer from Stage 1 to Stage 3	(178,002)	–	178,002	–
Transfer from Stage 2 to Stage 1	4,688,561	(4,688,561)	–	–
Transfer from Stage 2 to Stage 3	–	(6,229,937)	6,229,937	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	130,245	(130,245)	–
New financial assets originated *	201,681,491	14,337,374	797,455	216,816,320
Changes in EADs	(18,543,995)	(3,539,737)	(795)	(22,084,527)
Financial assets derecognized during the period	(106,708,510)	(17,108,742)	(869,058)	(124,686,310)
Write-offs, foreclosures, and other movements	–	–	(3,612,192)	(3,612,192)
Total movements of carrying amount	55,481,032	8,359,155	2,593,104	66,433,291
Gross carrying amount as at December 31, 2022	**₱477,456,923**	**₱52,492,289**	**₱9,206,201**	**₱539,155,413**

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

Consumer lending	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2022	**₱53,630,564**	**₱14,419,615**	**₱3,966,294**	**₱72,016,473**
Transfers:				
Transfer from Stage 1 to Stage 2	(5,811,653)	5,811,653	–	–
Transfer from Stage 1 to Stage 3	(418,097)	–	418,097	–
Transfer from Stage 2 to Stage 1	2,025,099	(2,025,099)	–	–
Transfer from Stage 2 to Stage 3	–	(526,334)	526,334	–
Transfer from Stage 3 to Stage 1	71,880	–	(71,880)	–
Transfer from Stage 3 to Stage 2	–	703,528	(703,528)	–
New financial assets originated *	17,282,658	144,851	7,382	17,434,891
Changes in EADs	(4,390,466)	(1,198,623)	(234,982)	(5,824,071)
Financial assets derecognized during the period	(7,462,546)	(4,606,358)	(396,184)	(12,465,088)
Write-offs, foreclosures, and other movements	–	–	(173,479)	(173,479)
Total movements of carrying amount	1,296,875	(1,696,382)	(628,240)	(1,027,747)
Gross carrying amount as at December 31, 2022	**₱54,927,439**	**₱12,723,233**	**₱3,338,054**	**₱70,988,726**

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

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, 2022	**₱10,911,196**	**₱941,208**	**₱227,455**	**₱12,079,859**
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	**16,754,798**	**418,650**	–	**17,173,448**
Changes EADs	–	–	–	–
Financial assets derecognized during the period	**(10,903,196)**	**(934,208)**	–	**(11,837,404)**
Write-offs, foreclosures, and other movements	–	–	**(24,701)**	**(24,701)**
Total movements of carrying amount	**5,851,602**	**(515,558)**	**(24,701)**	**5,311,343**
Gross carrying amount as at December 31, 2022	**₱16,762,798**	**₱425,650**	**₱202,754**	**₱17,391,202**

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

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, 2022	**₱19,939**	**₱–**	**₱353**	**₱20,292**
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	–	–	–	–
Changes in EADs	**(815)**	–	–	**(815)**
Financial assets derecognized during the period	–	–	**(351)**	**(351)**
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	**(815)**	–	**(351)**	**(1,166)**
Gross carrying amount as at December 31, 2022	**₱19,124**	**₱–**	**₱2**	**₱19,126**

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

Loans and receivables – total	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, 2022	**₱486,537,590**	**₱59,493,957**	**₱10,807,199**	**₱556,838,746**
Transfers:				
Transfer from Stage 1 to Stage 2	**(31,270,166)**	**31,270,166**	–	–
Transfer from Stage 1 to Stage 3	**(596,099)**	–	**596,099**	–
Transfer from Stage 2 to Stage 1	**6,713,660**	**(6,713,660)**	–	–
Transfer from Stage 2 to Stage 3	–	**(6,756,271)**	**6,756,271**	–
Transfer from Stage 3 to Stage 1	**71,880**	–	**(71,880)**	–
Transfer from Stage 3 to Stage 2	–	**833,773**	**(833,773)**	–
New financial assets originated *	**235,718,947**	**14,900,875**	**804,837**	**251,424,659**
Changes in EADs	**(22,935,276)**	**(4,738,360)**	**(235,777)**	**(27,909,413)**
Financial assets derecognized during the period	**(125,074,252)**	**(22,649,308)**	**(1,265,593)**	**(148,989,153)**
Write-offs, foreclosures, and other movements	–	–	**(3,810,372)**	**(3,810,372)**
Total movements of carrying amount	**62,628,694**	**6,147,215**	**1,939,812**	**70,715,721**
Gross carrying amount as at December 31, 2022	**₱549,166,284**	**₱65,641,172**	**₱12,747,011**	**₱627,554,467**

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

Investment securities at amortized cost	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2022	**₱227,795,892**	**₱3,566,515**	**₱3,631,625**	**₱234,994,032**
Transfers:				
Transfer from Stage 1 to Stage 2	**(2,098,004)**	**2,098,004**	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	**2,968,142**	**(2,968,142)**	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	**187,487,105**	**324,829**	–	**187,811,934**
Changes in EADs	**(2,141,972)**	–	–	**(2,141,972)**
Financial assets derecognized during the period	**(76,890,599)**	**(65,000)**	–	**(76,955,599)**
Write-offs, foreclosures, and other movements	**9,503,427**	**79,396**	**(3,631,625)**	**5,951,198**
Total movements of carrying amount	**118,828,099**	**(530,913)**	**(3,631,625)**	**114,665,561**
Gross carrying amount as at December 31, 2022	**₱346,623,991**	**₱3,035,602**	**₱–**	**₱349,659,593**

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

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, 2022	**₱25,496,732**	**₱403,647**	**₱–**	**₱25,900,379**
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	**403,647**	**(403,647)**	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	**19,049,256**	**1,314,996**	–	**20,364,252**
Changes in EADs	**(2,413,796)**	–	–	**(2,413,796)**
Financial assets derecognized during the period	**(3,307,674)**	–	–	**(3,307,674)**
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	**13,731,433**	**911,349**	–	**14,642,782**
Gross carrying amount as at December 31, 2022	**₱39,228,165**	**₱1,314,996**	**₱–**	**₱40,543,161**

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

Comparative figures for the movement of gross carrying amount for 2021 are shown below:

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*

Others	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2021	₱131,951	₱3,497	₱6,889	₱142,337
Transfers:				
Transfer from Stage 1 to Stage 2	(2,619)	2,619	–	–
Transfer from Stage 1 to Stage 3	(1,589)	–	1,589	–
Transfer from Stage 2 to Stage 1	2,288	(2,288)	–	–
Transfer from Stage 2 to Stage 3	–	(21)	21	–
Transfer from Stage 3 to Stage 1	510	–	(510)	–
Transfer from Stage 3 to Stage 2	–	14	(14)	–
New financial assets originated *	65,101	4,368	519	69,988
Changes in EADs	(19,754)	(540)	(796)	(21,090)
Financial assets derecognized during the period	(70,758)	(619)	(2,962)	(74,339)
Write-offs, foreclosures, and other movements	–	–		
Total movements of carrying amount	(26,821)	3,533	(2,153)	(25,441)
Gross carrying amount at December 31, 2021	₱105,130	₱7,030	₱4,736	₱116,896

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

Loans and receivables – total	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2021	₱494,741,279	₱57,530,675	₱20,073,000	₱572,344,954
Transfers:				
Transfer from Stage 1 to Stage 2	(25,852,467)	25,852,467	–	–
Transfer from Stage 1 to Stage 3	(2,536,119)	–	2,536,119	–
Transfer from Stage 2 to Stage 1	10,654,396	(10,654,396)	–	–
Transfer from Stage 2 to Stage 3	–	(7,797,813)	7,797,813	–
Transfer from Stage 3 to Stage 1	520,492	–	(520,492)	–
Transfer from Stage 3 to Stage 2	–	4,800,934	(4,800,934)	–
New financial assets originated *	244,452,672	19,003,710	1,080,148	264,536,530
Changes in EADs	(29,262,201)	(2,589,313)	(6,027)	(31,857,541)
Financial assets derecognized during the period	(152,310,298)	(18,184,917)	(3,246,242)	(173,741,457)
Write-offs, foreclosures, and other movements	–	–	(6,957,767)	(6,957,767)
Total movements of carrying amount	45,666,475	10,430,672	(4,117,382)	51,979,765
Gross carrying amount at December 31, 2021	₱540,407,754	₱67,961,347	₱15,955,618	₱624,324,719

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

Investment securities at amortized cost	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2021	₱195,420,861	₱–	₱3,631,625	₱199,052,486
Transfers:				
Transfer from Stage 1 to Stage 2	(1,731,257)	1,731,257	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	99,846,490	1,784,965	–	101,631,455
Changes in EADs	2,791,802	50,294	–	2,842,096
Financial assets derecognized during the period	(62,821,820)	–	–	(62,821,820)
Write-offs, foreclosures, and other movements	(95,516)	–	315,375	219,859
Total movements of carrying amount	37,989,699	3,566,516	315,375	41,871,590
Gross carrying amount at December 31, 2021	₱233,410,560	₱3,566,516	₱3,947,000	₱240,924,076

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

Financial assets at FVOCI (debt securities)	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2021	₱19,601,316	₱–	₱–	₱19,601,316
Transfers:				
Transfer from Stage 1 to Stage 2	(4,131)	4,131	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	19,706,665	403,647	–	20,110,312
Changes in EADs	360,885	(23)	–	360,862
Financial assets derecognized during the period	(12,066,616)	–	–	(12,066,616)
Write-offs, foreclosures, and other movements	12,887	–	–	12,887
Total movements of carrying amount	8,009,690	407,755	–	8,417,445
Gross carrying amount at December 31, 2021	₱27,611,006	₱407,755	₱–	₱28,018,761

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

Corporate and commercial lending	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2021	₱387,946,594	₱32,994,569	₱8,240,131	₱429,181,294
Transfers:				
Transfer from Stage 1 to Stage 2	(19,059,999)	19,059,999	–	–
Transfer from Stage 1 to Stage 3	(1,323,623)	–	1,323,623	–
Transfer from Stage 2 to Stage 1	6,468,118	(6,468,118)	–	–
Transfer from Stage 2 to Stage 3	–	(6,028,117)	6,028,117	–
Transfer from Stage 3 to Stage 1	10,123	–	(10,123)	–
Transfer from Stage 3 to Stage 2	–	2,795,255	(2,795,255)	–
New financial assets originated *	192,001,895	15,975,179	755,392	208,732,466
Changes in EADs	(17,986,765)	(2,322,614)	(131,493)	(20,440,872)
Financial assets derecognized during the period	(126,080,452)	(11,873,019)	(739,615)	(138,693,086)
Write-offs, foreclosures, and other movements	–	–	(6,057,680)	(6,057,680)
Total movements of carrying amount	34,029,297	11,138,565	(1,627,034)	43,540,828
Gross carrying amount as at December 31, 2021	₱421,975,891	₱44,133,134	₱6,613,097	₱472,722,122

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

Consumer lending	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2021	₱47,709,517	₱14,314,162	₱5,168,929	₱67,192,608
Transfers:				
Transfer from Stage 1 to Stage 2	(4,976,724)	4,976,724	–	–
Transfer from Stage 1 to Stage 3	(625,150)	–	625,150	–
Transfer from Stage 2 to Stage 1	3,065,004	(3,065,004)	–	–
Transfer from Stage 2 to Stage 3	–	(1,346,074)	1,346,074	–
Transfer from Stage 3 to Stage 1	323,869	–	(323,869)	–
Transfer from Stage 3 to Stage 2	–	1,725,586	(1,725,586)	–
New financial assets originated *	20,219,304	1,706,268	86,374	22,011,946
Changes in EADs	(6,169,530)	(1,419,713)	(163,992)	(7,753,235)
Financial assets derecognized during the period	(5,915,726)	(2,472,334)	(788,660)	(9,176,720)
Write-offs, foreclosures, and other movements	–	–	(258,126)	(258,126)
Total movements of carrying amount	5,921,047	105,453	(1,202,635)	4,823,865
Gross carrying amount as at December 31, 2021	₱53,630,564	₱14,419,615	₱3,966,294	₱72,016,473

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

Trade-related lending	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2021	₱7,040,805	₱1,012,598	₱275,045	₱8,328,448
Transfers:				
Transfer from Stage 1 to Stage 2	(39,688)	39,688	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	11,460	(11,460)	–	–
Transfer from Stage 2 to Stage 3	–	(24,701)	24,701	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	10,903,196	896,400	–	11,799,596
Changes EADs	(3,460)	(15,352)	–	(18,812)
Financial assets derecognized during the period	(7,001,117)	(955,965)	–	(7,957,082)
Write-offs, foreclosures, and other movements	–	–	(72,291)	(72,291)
Total movements of carrying amount	3,870,391	(71,390)	(47,590)	3,751,411
Gross carrying amount as at December 31, 2021	₱10,911,196	₱941,208	₱227,455	₱12,079,859

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

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Others	12–month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount as at January 1, 2021	₱28,392	₱–	₱29	₱28,421
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	–	–	328	328
Changes in EADs	(8,453)	–	(4)	(8,457)
Financial assets derecognized during the period	–	–	–	–
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	(8,453)	–	324	(8,129)
Gross carrying amount as at December 31, 2021	₱19,939	₱–	₱353	₱20,292

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

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Loans and receivables – total	12–month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount as at January 1, 2021	₱442,725,308	₱48,321,329	₱13,684,134	₱504,730,771
Transfers:				
Transfer from Stage 1 to Stage 2	(24,076,411)	24,076,411	–	–
Transfer from Stage 1 to Stage 3	(1,948,773)	–	1,948,773	–
Transfer from Stage 2 to Stage 1	9,544,582	(9,544,582)	–	–
Transfer from Stage 2 to Stage 3	–	(7,398,892)	7,398,892	–
Transfer from Stage 3 to Stage 1	333,992	–	(333,992)	–
Transfer from Stage 3 to Stage 2	–	4,520,841	(4,520,841)	–
New financial assets originated *	223,124,395	18,577,847	842,094	242,544,336
Changes in EADs	(24,168,208)	(3,757,679)	(295,489)	(28,221,376)
Financial assets derecognized during the period	(138,997,295)	(15,301,318)	(1,528,275)	(155,826,888)
Write-offs, foreclosures, and other movements	–	–	(6,388,097)	(6,388,097)
Total movements of carrying amount	43,812,282	11,172,628	(2,876,935)	52,107,975
Gross carrying amount as at December 31, 2021	₱486,537,590	₱59,493,957	₱10,807,199	₱556,838,746

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

	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	Stage 2	Stage 3	
	12–month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount as at January 1, 2021	₱17,733,151	₱–	₱–	₱17,733,151
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased *	18,799,138	403,647	–	19,202,785
Changes in EADs	366,062	–	–	366,062
Financial assets derecognized during the period	(11,401,619)	–	–	(11,401,619)
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	7,763,581	403,647	–	8,167,228
Gross carrying amount as at December 31, 2021	₱25,496,732	₱403,647	₱–	₱25,900,379

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

While the Group recognizes through the statement of income the movements in the expected credit losses computed using the models, the Group also complies with BSP's regulatory requirement to appropriate a portion of its retained earnings at an amount necessary to bring to at least 1% the allowance for credit losses on loans (Note 24).

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Provision for Impairment and Credit Losses	**₱9,012,633**	₱8,876,744	₱8,868,919	**₱7,427,202**	₱7,679,877	₱7,983,206
Appropriation of Retained Earnings	**651,536**	811,587	(765,263)	**651,536**	811,587	(765,263)
	₱9,664,169	₱9,688,331	₱8,103,656	**₱8,078,738**	₱8,491,464	₱7,217,943

17. **Deposit Liabilities**

As of December 31, 2022 and 2021, 39.47% and 28.26%, respectively, of the total deposit liabilities of the Group, and 43.86% and 31.17%, respectively, of the Parent Company are subject to periodic interest repricing. The remaining deposit liabilities bear annual fixed interest rates ranging from 0.05% to 4.55% in 2022, from 0.05% to 4.55% in 2021, and from 0.13% to 4.25% in 2020 for the Group and Parent Company.

Interest Expense on Deposit Liabilities
This account consists of:

	Consolidated			**Parent Company**		
	2022	2021	2020	**2022**	2021	2020
Demand	**₱325,725**	₱301,420	₱284,620	**₱296,702**	₱266,605	₱243,035
Savings	**2,294,286**	1,556,758	2,215,388	**2,229,503**	1,495,056	2,122,076
Time	**6,204,472**	3,253,399	7,137,167	**4,815,806**	2,510,671	5,828,476
	₱8,824,483	₱5,111,577	₱9,637,175	**₱7,342,011**	₱4,272,332	₱8,193,587

BSP Circular No. 830 requires reserves against deposit liabilities. As of December 31, 2022 and 2021, Due from BSP amounting to ₱77.55 billion and ₱80.27 billion, respectively, for the Group and ₱73.92 billion and ₱77.73 billion, respectively, for the Parent Company were set aside as reserves for deposit liabilities per latest report submitted to the BSP.

On May 27, 2020, BSP issued Circular No. 1087 *Alternative Compliance with the Reserve Requirements of Banks and Non-Bank Financial Institutions with Quasi-Banking Functions (NBQBs),* which provides the following allowable modes of alternative compliance with the required reserves against deposit and deposit liabilities, provided that the following loans were granted, renewed, or restructured after March 15, 2020:

a. Peso-denominated loans that are granted to micro-, small- and medium enterprises (MSMEs)
b. Peso-denominated loans that are granted to large enterprises, excluding banks and NBQBs; provided that large enterprises are directly and adversely impacted by the Covid-19 outbreak

Subsequently on October 8, 2020, BSP issued Circular No. 1100 *Amendment to the Alternative Compliance with the Reserve Requirements of Banks and Non-Bank Financial Institutions with Quasi-Banking Functions (NBQBs)*, which states that a bank/NBQB may continue to utilize past due or non-performing MSME and large enterprise loan as alternative compliance with the reserve requirements for an additional thirty (30) calendar days from the date the loan becomes past due or non-performing, whichever comes earlier.

The use of MSME loans as allowable alternative compliance with the reserve requirement shall be available to banks/NBQBs from April 24, 2020 to December 29, 2022 while the use of loans to a large enterprise as allowable alternative compliance with the reserve requirements shall be available to banks/NBQBs from May 29, 2020 to December 29, 2022. However, the subsequent issuance of BSP Circular No. 1155 *Amendments to the Alternative Compliance with the Reserve Requirements of Banks and NBQBs* further extended the use of MSME loans and loans to a large enterprise as allowable alternative compliance from December 29, 2022 to June 30, 2023.

As of December 31, 2022 and 2021, the Group is in compliance with the reserve requirement.

<u>Long Term Negotiable Certificates of Deposits (LTNCD)</u>
On August 3, 2016, the BOD of the Parent Company approved the issuance of Long Term Negotiable Certificates of Deposits (LTNCD) of up to ₱20.00 billion in tranches of ₱5.00 billion to ₱10.00 billion each and with tenors ranging from 5 to 7 years to support the Group's strategic initiatives and business growth. On October 27, 2016, the Monetary Board of the BSP approved the LTNCD issuances. On November 18, 2016, the Parent Company issued the first tranche at par with aggregate principal amount of ₱9.58 billion, which matured on May 18, 2022. The LTNCDs bear a fixed coupon rate of 3.65% per annum, payable quarterly in arrears. Subject to BSP rules, the Group has the option to pre-terminate the LTNCDs as a whole but not in part, prior to maturity and on any interest payment date at face value plus accrued interest covering the accrued and unpaid interest.

On June 2, 2017, the Parent Company issued at par LTNCDs with aggregate principal amount of ₱6.35 billion, which bear a fixed coupon rate of 3.65% per annum, payable quarterly in arrears, and matured on December 22, 2022, representing the second tranche of the ₱20.00 billion.

On March 7, 2018, the Board of Directors approved the Bank's Peso funding program of up to ₱50.00 billion via a combination of Long-Term Negotiable Certificate of Time Deposit and/or Retail Bonds and/or Commercial Papers.

On July 12, 2018, the Parent Company issued at par LTNCDs with aggregate principal amount of ₱10.25 billion due January 12, 2024, representing the first tranche of the ₱20 billion LTNCD approved by BSP on June 14, 2018. The LTNCDs bear a fixed coupon rate of 4.55% per annum, payable quarterly in arrears. The ₱20.00 billion LTNCD program is part of the Group's funding program amounting to ₱50.00 billion.

The LTNCDs are included under the 'Time deposit liabilities' account.

18. **Bonds Payable**

The Parent Company's bonds payable consists of:

₱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.

₱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 matured 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 matured on January 10, 2021.

BSP Circular No. 830 requires reserves against peso-denominated bonds. As of December 31, 2022 and 2021, the Group is in compliance with such regulation.

$150.00 Million Bonds Payable to IFC
On June 18, 2019, the Parent Company issued a $150 million, seven-year bond to International Finance Corporation. The bond reprices semi-annually and carries an interest margin of 120 basis points over 6-month LIBOR.

Shortly thereafter, the Parent Company entered into a seven-year pay-fixed, receive-floating IRS (see Note 26) with the same principal terms to hedge the exposure to interest rate risk attributable to variable cash flow payments on the floating-rate bonds payable (Note 6).

The Bond Subscription Agreement contains certain financial covenants with which the Parent Company should comply during the term of the bond, including the following:

- Risk Weighted Capital Adequacy Ratio of not less than ten per cent (10%);
- Equity to Assets Ratio of not less than five per cent (5%);
- Aggregate Large Exposures Ratio of not more than four hundred per cent (400%);
- Open Credit Exposures Ratio of not more than twenty-five per cent (25%);
- Fixed Assets Plus Equity Participations Ratio of not more than thirty-five per cent (35%);
- Aggregate Foreign Exchange Risk Ratio of not more than twenty-five per cent (25%);
- Single Currency Foreign Exchange Risk Ratio of not more than ten per cent (10%);
- Interest Rate Risk Ratio of not less than negative twenty-five per cent (-25%) and not more than twenty five per cent (25%);
- Aggregate Interest Rate Risk Ratio of not less than negative fifty per cent (-50%) and not more than twenty per cent (20%);
- Open FX Position of 25% of Qualifying Capital and USD 150 million, whichever is lower.

In addition, the Parent Company should also comply with the regulatory requirements related to Economic Group Exposure and Related Party Exposure set by the BSP or the Bond Subscription Agreement, whichever is more stringent.

Non-compliance with these obligations may require the Parent Company to pay the bond immediately. As of December 31, 2022 and 2021, the Parent Company is in compliance with these covenants and regulatory requirements.

The movements in the Parent Company's total unamortized discount and debt issue cost of the above bonds payable follow:

	2022	2021
Beginning balance	**₱176,292**	₱137,772
Additions	**151**	121,542
Amortization	**(126,063)**	(83,022)
Ending balance	**₱50,380**	₱176,292

19. **Bills Payable**

The Parent Company's bills payable consist of:

	2022	2021
Interbank loans payable and securities sold under repurchase agreements	**₱70,375,267**	₱65,697,274
Promissory Notes	**–**	109,000
	₱70,375,267	₱65,806,274

Interbank loans payable and securities sold under repurchase agreements
Interbank loans payable consists of dollar-denominated borrowings of the Parent Company with annual interest ranging from 0.38% to 6.25%, from 0.31% to 1.60%, and from 0.79% to 1.60%, in 2022, 2021, and 2020, respectively.

The carrying amount of foreign currency-denominated investment securities at amortized cost pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱64.40 billion and ₱48.85 billion as of December 31, 2022 and 2021, respectively. The carrying amount of the peso-denominated investment securities at amortized cost pledged by the Parent Company as collateral for its interbank borrowings amounted to nil and ₱14.63 billion as of December 31, 2022 and 2021, respectively.

The aggregate fair value of investment securities at amortized cost pledged as collateral amounted to ₱75.45 billion and ₱79.90 billion as of December 31, 2022 and 2021, respectively. The aggregate fair value of financial assets at FVOCI pledged as collateral amounted to nil and ₱3.25 billion as of December 31, 2022 and 2021, respectively.

As of December 31, 2022 and 2021, margin deposits amounting to ₱7.60 billion and ₱3.91 billion, respectively, are deposited with various counterparties to meet the collateral requirements for its interbank loans payable.

20. Accrued Interest and Other Expenses

This account consists of:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Accrued payable for employee benefits	**₱2,412,429**	₱1,841,197	**₱2,412,430**	₱1,841,197
Accrued interest payable	**2,043,498**	913,513	**1,805,386**	873,266
Accrued taxes and other licenses	**304,547**	267,721	**174,828**	149,889
Accrued other expenses payable	**1,355,415**	1,723,430	**1,006,981**	1,461,074
	₱6,115,889	₱4,745,861	**₱5,399,625**	₱4,325,426

21. Other Liabilities

This account consists of:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Financial liabilities				
Accounts payable	**₱6,556,555**	₱4,941,102	**₱4,693,982**	₱3,580,280
Lease liabilities (Note 27)	**2,970,301**	2,846,018	**2,393,362**	2,187,898
Due to PDIC	**901,387**	786,195	**901,387**	786,195
Acceptances payable	**2,912,388**	1,482,761	**2,912,388**	1,482,761
Expected credit losses on off-balance sheet exposures (Note 16)	**782,341**	740,877	**772,323**	730,859
Due to the Treasurer of the Philippines	**535,029**	345,945	**502,686**	313,569
Other credits–dormant	**351,231**	336,777	**351,231**	336,777
Margin deposits	**483**	626	**483**	626
Miscellaneous	**611,125**	1,050,140	**460,685**	329,893
	15,620,840	12,530,441	**12,988,527**	9,748,858
Non-financial liabilities				
Withholding taxes payable	**425,435**	171,033	**372,261**	149,455
Retirement liabilities (Note 25)	**22,689**	10,613	**–**	–
	448,124	181,646	**372,261**	149,455
	₱16,068,964	₱12,712,087	**₱13,360,788**	₱9,898,313

Accounts payable includes payables to suppliers and service providers, and loan payments and other charges received from customers in advance.

Miscellaneous mainly includes sundry credits, inter-office float items, and dormant deposit accounts.

22. Other Operating Income and Miscellaneous Expenses

Service Charges, Fees and Commissions

Details of this account are as follows:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Service and collection charges:						
Deposits	**₱724,365**	₱544,450	₱419,564	**₱655,020**	₱544,450	₱419,565
Loans	**191,466**	337,719	178,182	**13,099**	21,252	20,363
Remittances	**189,575**	217,191	223,756	**189,575**	217,191	223,756
Others	**320,381**	206,148	204,742	**246,405**	204,335	202,241
	1,425,787	1,305,598	1,026,244	**1,104,099**	987,228	865,925
Fees and commissions	**1,437,291**	1,409,864	1,123,845	**594,291**	451,386	351,105
	₱2,863,078	₱2,715,372	₱2,150,089	**₱1,698,390**	₱1,438,614	₱1,217,030

Trading and Securities Gain – Net
This account consists of:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Financial assets at FVOCI	**₱3,465**	₱60,316	₱3,173,881	**₱3,465**	₱40,937	₱3,145,147
Financial assets designated at FVTPL (Note 9)	**–**	1,168	–	**–**	–	–
Held–for–trading (Note 9)	**(266,127)**	(194,502)	257,480	**(279,956)**	(220,693)	245,513
Derivatives (Note 26)	**1,190,200**	69,013	(197,489)	**1,190,200**	69,013	(197,489)
	₱927,538	(₱64,005)	₱3,233,872	**₱913,709**	(₱110,743)	₱3,193,171

Miscellaneous Income
Details of this account are as follows:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Bancassurance (Note 11)	**₱452,420**	₱473,010	₱313,988	**₱394,198**	₱432,082	₱282,000
Dividends (Note 8)	**100,627**	102,867	136,957	**98,748**	99,326	123,494
Rental on investment properties	**118,898**	101,601	53,352	**69,741**	42,796	34,069
Rental of safety deposit boxes	**30,693**	31,057	27,645	**30,693**	31,057	27,645
Fund transfer fees	**17,144**	21,211	15,140	**17,144**	21,211	15,140
Miscellaneous income (Notes 12, 13, and 30)	**4,502,397**	533,095	405,168	**4,387,751**	492,259	365,387
	₱5,222,179	₱1,262,841	₱952,250	**₱4,998,275**	₱1,118,731	₱847,735

Miscellaneous income includes recovery of charged-off assets and gain on sale of certain assets.

Miscellaneous Expenses
Details of this account are as follows:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Information technology	**₱810,466**	₱1,349,236	₱984,849	**₱1,040,601**	₱1,281,146	₱925,366
Litigations	**332,029**	261,282	121,720	**95,482**	83,308	23,141
Service charges	**128,809**	142,951	146,769	**125,376**	142,894	146,769
Freight	**67,650**	63,662	58,184	**44,774**	45,844	43,818
Clearing and processing fee	**27,827**	12,376	14,801	**27,827**	12,376	14,801
Membership fees and dues	**20,648**	20,290	15,662	**19,589**	18,767	14,433
Broker's fee	**19,896**	20,671	26,991	**19,896**	20,664	25,834
Miscellaneous expense	**1,612,772**	1,381,395	1,130,959	**1,230,723**	1,168,518	946,834
	₱3,020,097	₱3,251,863	₱2,499,935	**₱2,604,268**	₱2,773,517	₱2,140,996

23. Maturity Analysis of Assets and Liabilities

The following tables present both the Group's and the Parent Company's assets and liabilities as of December 31, 2022 and 2021 analyzed according to whether they are expected to be recovered or settled within one year and beyond one year from the respective reporting date:

	Consolidated					
	2022			2021		
	Within Twelve Months	**Over Twelve Months**	**Total**	Within Twelve Months	Over Twelve Months	Total
Financial assets						
Cash and other cash items	**₱13,689,421**	**₱–**	**₱13,689,421**	₱16,024,863	₱–	₱16,024,863
Due from BSP	**107,100,295**	**–**	**107,100,295**	124,283,115	–	124,283,115
Due from other banks	**13,614,609**	**–**	**13,614,609**	10,694,312	–	10,694,312
Interbank loans receivable and SPURA	**43,564,970**	**–**	**43,564,970**	36,559,224	–	36,559,224
Financial assets at FVTPL	**4,716,692**	**10,888**	**4,727,580**	7,199,707	9,960	7,209,667
Derivative Contracts Designated as Hedge	**–**	**6,203,379**	**6,203,379**	–	1,139,233	1,139,233
Financial assets at FVOCI	**1,388,456**	**41,928,301**	**43,316,757**	135,486	28,536,754	28,672,240
Investment securities at amortized cost	**14,517,748**	**344,006,998**	**358,524,746**	6,410,730	239,036,746	245,447,476
Loans and receivables – gross	**180,664,506**	**537,050,729**	**717,715,235**	154,942,216	469,382,503	624,324,719
Accrued interest receivable – gross	**10,778,149**	**–**	**10,778,149**	8,095,506	–	8,095,506
Other assets – gross	**2,978,107**	**1,470,031**	**4,448,138**	2,878,020	1,173,372	4,051,392
	393,012,953	**930,670,326**	**1,323,683,279**	367,223,179	739,278,568	1,106,501,747

(Forward)

	Consolidated					
	2022			2021		
	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	**₱–**	**₱9,337,260**	**₱9,337,260**	₱–	₱8,232,859	₱8,232,859
Investment properties − net of accumulated depreciation	**–**	**4,621,862**	**4,621,862**	–	4,646,821	4,646,821
Deferred tax assets	**–**	**4,552,692**	**4,552,692**	–	4,624,981	4,624,981
Investments in associates	**–**	**983,243**	**983,243**	–	796,519	796,519
Intangible assets	**–**	**4,076,645**	**4,076,645**	–	4,100,891	4,100,891
Goodwill	**–**	**839,748**	**839,748**	–	839,748	839,748
Other assets – gross	**2,601,736**	**400,416**	**3,002,152**	2,615,049	483,002	3,098,051
	2,601,736	**24,811,866**	**27,413,602**	2,615,049	23,724,821	26,339,870
Allowance for impairment and credit losses (Note 16)			**(20,189,493)**			(20,261,713)
Unearned discounts (Note 10)			**(1,177,922)**			(260,378)
			(21,367,415)			(20,522,091)
			1,329,729,466			1,112,319,526
Financial liabilities						
Deposit liabilities	**1,055,547,844**	**10,366,833**	**1,065,914,677**	845,666,109	17,193,788	862,859,897
Bills payable	**70,375,267**	**–**	**70,375,267**	59,106,708	6,699,566	65,806,274
Bonds payable	**–**	**28,312,870**	**28,312,870**	22,596,330	19,877,228	42,473,558
Manager's checks	**1,550,669**	**–**	**1,550,669**	1,854,606	–	1,854,606
Accrued interest and other expenses*	**5,811,342**	**–**	**5,811,342**	4,478,140	–	4,478,140
Derivative liabilities	**1,549,561**	**–**	**1,549,561**	998,721	–	998,721
Derivative contracts designated as hedges	**4,156,612**	**–**	**4,156,612**	–	162,399	162,399
Other liabilities	**15,620,840**	**–**	**15,620,840**	12,530,441	–	12,530,441
	1,154,612,135	**38,679,703**	**1,193,291,838**	947,231,055	43,932,981	991,164,036
Non-financial liabilities						
Accrued interest and other expenses	**304,547**	**–**	**304,547**	267,721	–	267,721
Deferred tax liabilities	**–**	**794,432**	**794,432**	–	798,212	798,212
Income tax payable	**311,915**	**–**	**311,915**	785,091	–	785,091
Other liabilities	**425,435**	**22,689**	**448,124**	171,033	10,613	181,646
	1,041,897	**817,121**	**1,859,018**	1,223,845	808,825	2,032,670
	₱1,155,654,032	**₱39,496,824**	**₱1,195,150,856**	₱948,454,900	₱44,741,806	₱993,196,706

*Accrued interest and other expenses include accrued interest payable and accrued other expenses payable (Note 19).

	Parent Company					
	2022			2021		
	Within Twelve Months	**Over Twelve Months**	**Total**	Within Twelve Months	Over Twelve Months	Total
Financial assets						
Cash and other cash items	**₱10,073,767**	**₱–**	**₱10,073,767**	₱13,649,247	₱–	₱13,649,247
Due from BSP	**92,920,540**	**–**	**92,920,540**	114,528,773	–	114,528,773
Due from other banks	**12,347,169**	**–**	**12,347,169**	9,897,264	–	9,897,264
Interbank loans receivable and SPURA	**41,597,949**	**–**	**41,597,949**	35,030,997	–	35,030,997
Financial assets at FVTPL	**3,503,688**	**10,888**	**3,514,576**	5,447,844	9,960	5,457,804
Derivative Contracts Designated as Hedge	**–**	**6,203,379**	**6,203,379**	–	1,139,233	1,139,233
Financial assets at FVOCI	**939,856**	**40,211,269**	**41,151,125**	15,616	26,508,096	26,523,712
Investment securities at amortized cost	**13,957,866**	**338,377,782**	**352,335,648**	3,602,648	235,631,306	239,233,954
Loans and receivables – gross	**156,001,047**	**471,553,420**	**627,554,467**	133,008,434	423,830,312	556,838,746
Accrued interest receivable − gross	**9,391,461**	**–**	**9,391,461**	6,610,940	–	6,610,940
Other assets – gross	**1,773,452**	**218,909**	**1,992,361**	1,864,676	243,355	2,108,031
	342,506,795	**856,575,647**	**1,199,082,442**	323,656,439	687,362,262	1,011,018,701
Non-financial assets						
Bank premises, furniture, fixtures and equipment − net of accumulated depreciation and amortization	**–**	**7,670,562**	**7,670,562**	–	6,600,139	6,600,139
Investment properties − net of accumulated depreciation	**–**	**2,023,344**	**2,023,344**	–	1,966,042	1,966,042
Deferred tax assets	**–**	**3,150,610**	**3,150,610**	–	3,409,600	3,409,600
Investments in subsidiaries	**–**	**19,123,698**	**19,123,698**	–	17,251,247	17,251,247
Investment in associates	**–**	**983,243**	**983,243**	–	796,519	796,519
Intangible assets	**–**	**778,314**	**778,314**	–	825,440	825,440
Goodwill	**–**	**222,841**	**222,841**	–	222,841	222,841
Other assets – gross	**1,884,157**	**287,120**	**2,171,277**	1,612,868	300,391	1,913,259
	1,884,157	**34,239,732**	**36,123,889**	1,612,868	31,372,219	32,985,087
Allowances for impairment and credit losses (Note 16)			**(16,350,676)**			(16,641,724)
Unearned discounts (Note 10)			**(182,760)**			(177,124)
			(16,533,436)			(16,818,848)
			₱1,218,672,895			₱1,027,184,940

(Forward)

	Parent Company					
	2022			2021		
	Within Twelve Months	**Over Twelve Months**	**Total**	Within Twelve Months	Over Twelve Months	Total
Financial liabilities						
Deposit liabilities	**₱958,799,325**	**₱619,244**	**₱959,418,569**	₱774,961,350	₱7,257,550	₱782,218,900
Bills payable	**70,375,267**	**–**	**70,375,267**	59,106,708	6,699,566	65,806,274
Bonds payable	**–**	**28,312,870**	**28,312,870**	22,596,330	19,877,228	42,473,558
Manager's checks	**1,296,109**	**–**	**1,296,109**	1,466,359	–	1,466,359
Accrued interest and other expenses*	**5,224,797**	**–**	**5,224,797**	4,175,537	–	4,175,537
Derivative liabilities	**1,549,561**	**–**	**1,549,561**	998,721	–	998,721
Derivative Contracts Designated as Hedge	**4,156,612**		**4,156,612**	–	162,399	162,399
Other liabilities	**12,988,527**	**–**	**12,988,527**	9,748,858	–	9,748,858
	1,054,390,198	**28,932,114**	**1,083,322,312**	873,053,863	33,996,743	907,050,606
Non-financial liabilities						
Accrued interest and other expenses	**174,828**	**–**	**174,828**	149,889	–	149,889
Income tax payable	**293,422**	**–**	**293,422**	754,026	–	754,026
Other liabilities	**372,261**	**–**	**372,261**	149,455	–	149,455
	840,511	**–**	**840,511**	₱1,053,370	–	₱1,053,370
	₱1,055,230,709	**₱28,932,114**	**₱1,084,162,823**	₱874,107,233	₱33,996,743	₱908,103,976

*Accrued interest and other expenses include accrued interest payable, accrued payable for employee benefits and accrued other expenses payable (Note 19).

24. Equity

The Parent Company's capital stock consists of (amounts in thousands, except for number of shares):

	2022		2021	
	Shares	**Amount**	Shares	Amount
Common stock – ₱10.00 par value				
Authorized – shares	**3,300,000,000**		3,300,000,000	
Issued and outstanding				
Balance at beginning of year	**2,691,288,212**	**₱26,912,882**	2,685,899,812	**₱26,858,998**
Issuance through stock grant	**–**	**–**	5,388,400	**53,884**
Balance at end of year	**2,691,288,212**	**₱26,912,882**	2,691,288,212	**₱26,912,882**

The Parent Company shares are listed in the Philippine Stock Exchange.

The summarized information on the Parent Company's registration of securities under the Securities Regulation Code follows:

Date of SEC Approval	Authorized Shares*
April 12, 1991	100,000,000
October 7, 1993	150,000,000
August 30, 1994	200,000,000
July 26, 1995	250,000,000
September 12, 1997	500,000,000
September 5, 2005	1,000,000,000
September 14, 2007	1,600,000,000
September 5, 2008	2,000,000,000
August 29, 2014	2,500,000,000
September 29, 2018	3,300,000,000

** Restated to show the effects of the ten–for–one stock split in 2012*

As reported by the Parent Company's transfer agent, Stock Transfer Service, Inc., the total number of stockholders is 1,875 and 1,881 as of December 31, 2022 and 2021, respectively.

Centennial Stock Grant
In light of the Parent Company's 100th anniversary, the Board of Directors approved on August 5, 2020 a Centennial Stock Grant Plan to issue common shares to eligible grantees.

The Centennial Stock Grant Plan was approved and ratified by the stockholders on October 1, 2020 and the approvals of the relevant regulatory agencies were completed in 2021. New shares were issued from the Parent Company's authorized but unissued shares in favor of the Group's regular employees and certain other officers and contractual employees as of August 16, 2020, numbering around 8,400.

On August 9, 2021, the Philippine Stock Exchange (PSE) approved the Parent Company's application to list 5,451,600 common shares, with a par value of ₱10.00 per share, to cover the Group's Centennial Stock Grant Plan. The Parent Company issued a total of 5.39 million shares on September 1, 2021. This resulted in an increase in the Parent Company's 'Capital stock' and 'Capital paid in excess of par value' totaling ₱132.02 million as of the grant date. The difference in the fair value of the stock grants upon issuance of shares is recognized in the profit or loss.

Dividends
Details of the Parent Company's cash dividend payments follow:

Cash Dividends

Date of Declaration	Date of Record	Date of Payment	Cash Dividend Per Share
May 5, 2022	May 20, 2022	June 3, 2022	1.50
May 6, 2021	May 21, 2021	June 4, 2021	1.00
June 18, 2020	July 3, 2020	July 17, 2020	1.00
May 2, 2019	May 17, 2019	May 31, 2019	0.88
May 3, 2018	May 17, 2018	June 1, 2018	0.83
May 4, 2017	May 18, 2017	June 2, 2017	0.80
May 5, 2016	May 23, 2016	June 3, 2016	1.00
May 7, 2015	August 12, 2015	September 9, 2015	1.00
May 8, 2014	September 19, 2014	October 15, 2014	1.00
May 2, 2013	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, 2022 and 2021, surplus includes the amount of ₱1.37 billion, net of deferred tax effect of ₱456.17 million, representing transfer of revaluation increment on land which was carried at deemed cost when the Group transitioned to PFRS in 2005 (Note 12). This amount will be available to be declared as dividends upon sale of the underlying land.

In the consolidated financial statements, a portion of the Group's surplus corresponding to the net earnings of the subsidiaries and associates amounting to ₱7.43 billion and ₱5.10 billion as of December 31, 2022 and 2021, respectively, is not available for dividend declaration. The accumulated equity in net earnings becomes available for dividends upon declaration and receipt of cash dividends from the investees.

Reserves
In compliance with BSP regulations, 10.00% of the Parent Company's profit from trust business is appropriated to surplus reserve. This annual appropriation is required until the surplus reserves for trust business equals 20.00% of the Parent Company's authorized capital stock.

Upon adoption of PFRS 9, BSP requires appropriation of a portion of the Group's Surplus at an amount necessary to bring to at least 1% the allowance for credit losses on loans (Note 16).

Capital Management
The primary objectives of the Group's capital management are to ensure that it complies with externally imposed capital requirements and that it maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes as of December 31, 2022 and 2021.

Regulatory Qualifying Capital
Under existing BSP regulations, the determination of the Parent Company's compliance with regulatory requirements and ratios is based on the amount of the Parent Company's unimpaired capital (regulatory capital) as reported to the BSP. This is determined on the basis of regulatory accounting policies which differ from PFRS in some respects.

In addition, the risk–based capital ratio of a bank, expressed as a percentage of qualifying capital to risk–weighted assets (RWA), should not be less than 10.00% for both solo basis (head office and branches) and consolidated basis (Parent Company and subsidiaries engaged in financial allied undertakings but excluding insurance companies). Qualifying capital and RWA are computed based on BSP regulations. RWA consists of total assets less cash on hand, due from BSP, loans covered by hold–out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non–risk items determined by the Monetary Board of the BSP.

On August 4, 2006, the BSP, under BSP Circular No. 538, issued the prescribed guidelines implementing the revised risk–based capital adequacy framework for the Philippine banking system to conform to Basel II capital adequacy framework. The BSP guidelines took effect on July 1, 2007. Thereafter, banks were required to compute their CAR using these guidelines.

Standardized credit risk weights were used in the credit assessment of asset exposures. Third party credit assessments were based on ratings by international credit assessment agencies Standard & Poor's, Moody's and Fitch, and BSP-recognized domestic credit assessment agencies such as PhilRatings. Per BSP guidelines, domestic debt issuances may be rated by Bangko Sentral-recognized domestic credit assessment agencies or by international credit assessment agencies which have developed a national rating system acceptable to the Bangko Sentral. Internationally-issued debt obligations shall be rated by Bangko Sentral-recognized international credit assessment agencies only.

On January 15, 2013, the BSP issued Circular No. 781, Basel III Implementing Guidelines on Minimum Capital Requirements, which provides the implementing guidelines on the revised risk–based capital adequacy framework particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi–banks, in accordance with the Basel III standards. The circular took effect on January 1, 2014.

The Circular sets out a minimum Common Equity Tier 1 (CET1) ratio of 6.00% and Tier 1 capital ratio of 7.50%. It also introduces a capital conservation buffer of 2.50% comprised of CET1 capital. The BSP's existing requirement for Total CAR remains unchanged at 10.00% and this ratio shall be maintained at all times.

Further, existing capital instruments as of December 31, 2010 which do not meet the eligibility criteria for capital instruments under the revised capital framework shall no longer be recognized as capital upon the effectivity of Basel III. Capital instruments issued under BSP Circular Nos. 709 and 716 (the circulars amending the definition of qualifying capital particularly on Hybrid Tier 1 and Lower Tier 2 capitals), starting January 1, 2011 and before the effectivity of BSP Circular No. 781, shall be recognized as qualifying capital until December 31, 2017. In addition to changes in minimum capital requirements, this Circular also requires various regulatory adjustments in the calculation of qualifying capital.

On April 28, 2020, the BSP issued BSP Memorandum No. M-2020-034 *Relaxation in the Credit Risk Weight for Loans to MSMEs under the BSP's Risk –Based Capital Adequacy Framework,* which provides temporary relaxation in the assigned credit risk weight for loans to micro-, small- and medium enterprises (MSMEs) for purposes of computing compliance with the BSP's Risk-Based Capital Adequacy Frameworks.

The following exposures to MSMEs, as defined under Basel III shall be assigned a credit risk weight of 50 percent:

a. MSME exposures that meet the criteria of qualified MSME portfolio, and
b. Current MSME exposures that do not qualify as a highly diversified MSME portfolio

The foregoing provision under BSP Memorandum No. M-2020-034 shall apply until December 31, 2021. However, it was extended until December 31, 2022 by the subsequent issuance of BSP Memorandum No. M-2022-004 *Extension of BSP Prudential Relief Measures* and further extended until June 30, 2023 by the subsequent issuance of BSP Memorandum No. M-2022-041 *Extension of BSP Prudential Relief Measure on the Relaxation in the Credit Risk Weight for Loans to MSMEs under the BSP's Risk-Based Capital Adequacy Frameworks.*

The CAR of the Group and the Parent Company as of December 31, 2022 and 2021 as reported to the BSP are shown in the table below.

	Consolidated		**Parent Company**	
	2022	2021	**2022**	2021
	(Amounts in Million Pesos)			
CET 1 Capital	**₱132,695**	₱116,675	**₱129,945**	₱113,954
Less: Regulatory Adjustments	**13,079**	12,278	**24,533**	22,099
	119,616	104,397	**105,412**	91,855
Additional Tier 1 Capital	–	–	–	–
Less: Regulatory Adjustments	–	–	–	–
	–	–	–	–
Net Tier 1 Capital	**119,616**	104,397	**105,412**	91,855
Tier 2 Capital	**6,683**	5,807	**6,125**	5,464
Less: Regulatory Adjustments	–	–	–	–
Net Tier 2 Capital	**6,683**	5,807	**6,125**	5,464
Total Qualifying Capital	**₱126,299**	₱110,204	**₱111,538**	₱97,319

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
	(Amounts in Million Pesos)			
Credit RWA	**₱695,054**	₱610,687	**₱612,227**	₱546,185
Market RWA	**28,309**	28,261	**28,358**	28,194
Operational RWA	**70,188**	60,599	**59,861**	50,603
Total RWA	**₱793,551**	₱699,547	**₱700,446**	₱624,982
CET 1 capital ratio	**15.07%**	14.92%	**15.05%**	14.70%
Tier 1 capital ratio	**15.07%**	14.92%	**15.05%**	14.70%
Total capital ratio	**15.92%**	15.75%	**15.92%**	15.57%

The Group and the Parent Company have complied with all externally imposed capital requirements throughout the period.

The issuance of BSP Circular No. 639 covering the ICAAP in 2009 supplements BSP's risk-based capital adequacy framework under Circular No. 538. In compliance with this circular, the Parent Company has adopted and developed its ICAAP framework to ensure that appropriate level and quality of capital are maintained by the Group. Under this framework, the assessment of risks extends beyond the Pillar 1 set of credit, market, and operational risks and onto other risks deemed material by the Parent Company. The level and structure of capital are assessed and determined in light of the Parent Company's business environment, plans, performance, risks, and budget, as well as regulatory edicts. BSP normally requires submission of the ICAAP document every March 31.

However, for 2021 and 2022, in view of the pandemic, the BSP adjusted the deadline for submission from March 31 to June 30. The Group has complied with this requirement. On April 16, 2021, the BSP issued Circular No. 1113, which requires that the recovery plan shall be distinct and separate from the ICAAP document. It should be submitted every June 30, beginning in 2022. The Group has also complied with this requirement. On October 18, 2022, the BSP issued Circular No. 1158, which enumerates the new guidelines on recovery plan of banks.

Leverage Ratio

On June 9, 2015, BSP issued circular No. 881, which approved the guidelines for the implementation of the Basel III Leverage Ratio in the Philippines. The Basel III Leverage Ratio is designed to act as a supplementary measure to the risk-based capital requirements. The leverage ratio intends to restrict the build-up of leverage in the banking sector to avoid destabilizing deleveraging processes which can damage the broader financial system and the economy. Likewise, it reinforces the risk-based requirements with a simple, non-risk based "backstop" measure. The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator). The monitoring of the leverage ratio was implemented as a Pillar 1 minimum requirement effective on 1 July 2018.

The BLR of the Group and the Parent Company as of December 31, 2022 and 2021 as reported to the BSP are shown in the table below.

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
	(Amounts in Millions)			
Tier 1 Capital	**₱119,616**	₱104,397	**₱105,413**	₱91,855
Exposure Measure	**1,365,346**	1,058,243	**1238956**	959,770
Leverage Ratio	**8.76%**	9.87%	**8.51%**	9.57%

Liquidity Coverage Ratio
On 18 February 2016, BSP issued circular no. 905 which approved the attached liquidity standards, which include guidelines on liquidity coverage ratio (LCR), and LCR disclosure standards that are consistent with the Basel III framework. Banks are required to adopt Basel III's Liquidity Coverage Ratio (LCR) aimed at strengthening the short-term liquidity position of banks. This requires banks to have available High Quality Liquid Assets (HQLA) to meet anticipated net cash outflow for a 30-day period under stress conditions. The standard prescribes that, under a normal situation, the value of the liquidity ratio be no lower than 100% on a daily basis because the stock of unencumbered HQLA is intended to serve as a defense against potential onset of liquidity stress. Beginning January 1, 2019, the prescribed minimum ratio of LCR is 100.00%. As of December 31, 2022 and 2021, the LCR in single currency is 117.00% and 120.94%, respectively, for the Group and 115.79% and 119.49%, respectively, for the Parent Company. The Basel III Leverage ratio of the banks shall not be less than 5.00%.

Net Stable Funding Ratio
On 24 May 2018, BSP issued Circular No. 1007 which approved the implementing guidelines on the adoption of the Basel III Framework on Liquidity Standards - Net Stable Funding Ratio (NSFR). Banks are required to adopt Basel III's Net Stable Funding Ratio (NSFR) aimed to promote long-term resilience of banks against liquidity risk. Banks shall maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. The NSFR complements the Liquidity Coverage Ratio (LCR), which promotes short-term resilience of a Bank's liquidity profile. The Group started monitoring and reporting NSFR to the BSP in 2019. The banks shall maintain a NSFR of at least 100.00% at all times. As of December 31, 2022 and 2021, the NSFR is 115.96% and 117.03%, respectively, for the Group and 114.63% and 116.15%, respectively, for the Parent Company.

25. **Retirement Plan**

The Group has separate funded noncontributory defined benefit retirement plans covering substantially all its officers and regular employees. The retirement plans are administered by the Parent Company's Trust Group which acts as the trustee of the plans. Under these retirement plans, all covered officers and employees are entitled to cash benefits after satisfying certain age and service requirements. The latest actuarial valuation studies of the retirement plans were made as of December 31, 2022.

The Group's annual contribution to the retirement plan consists of a payment covering the current service cost, unfunded actuarial accrued liability and interest on such unfunded actuarial liability.

The amounts of net defined benefit asset in the balance sheets follow:

	Consolidated		**Parent Company**	
	2022	2021	**2022**	2021
Net plan assets (Note 15)	**₱400,416**	₱483,001	**₱287,120**	₱300,391
Retirement liabilities (Note 21)	**(22,689)**	(10,613)	**–**	–
	₱377,727	₱472,388	**₱287,120**	₱300,391

The movements in the defined benefit asset, present value of defined benefit obligation and fair value of plan assets follow:

	Consolidated											
		Net benefit cost				Remeasurements in OCI						
	January 1, 2022	Current service cost	Net interest	Net pension expense*	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	Total remeasurements in OCI	Contribution by employer	December 31, 2022
	(a)	(b)	(c)	(d) = b + c	(e)	(f)	(g)	(h)	(i)	(j) = f + g + h + i	(k)	(l) = a + d + e + j + k
Fair value of plan assets	₱5,602,106	₱–	₱258,678	₱258,678	(₱392,776)	₱59,768	₱–	₱–	₱–	₱59,768	₱270,292	₱5,798,068
Present value of defined benefit obligation	5,129,718	523,487	237,540	761,027	(392,776)	–	166,546	(267,822)	23,648	(77,628)	–	5,420,341
Net defined benefit asset	₱472,388	(₱523,487)	₱21,138	(₱502,349)	₱-	₱59,768	(₱166,546)	₱267,822	(₱23,648)	₱137,396	₱270,292	₱377,727

**Presented under Compensation and fringe benefits in the statements of income.*

	Consolidated											
		Net benefit cost				Remeasurements in OCI						
	January 1, 2021	Current service cost	Net interest	Net pension expense*	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	Total remeasurements in OCI	Contribution by employer	December 31, 2021
	(a)	(b)	(c)	(d) = b + c	(e)	(f)	(g)	(h)	(i)	(j) = f + g + h + i	(k)	(l) = a + d + e + j + k
Fair value of plan assets	₱5,204,266	₱–	₱145,943	₱145,943	(₱281,350)	₱188,056	₱–	₱–	₱–	₱188,056	₱345,191	₱5,602,106
Present value of defined benefit obligation	5,088,757	561,738	142,897	704,635	(281,350)	–	17,139	(417,862)	18,399	(382,324)	–	5,129,718
Net defined benefit asset	₱115,509	(₱561,738)	₱3,046	(₱558,692)	₱–	₱188,056	(₱17,139)	₱417,862	(₱18,399)	₱570,380	₱345,191	₱472,388

**Presented under Compensation and fringe benefits in the statements of income.*

Parent Company

		Net benefit cost					Remeasurements in OCI						
	January 1, 2022	Current service cost	Net interest	Net pension expense*	Transfer from Affiliates	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	Total remeasurements in OCI	Contribution by employer	December 31, 2022
	(a)	(b)	(c)	(d) = b + c	(e)	(e)	(f)	(g)	(h)	(i)	(j) = f + g + h + i	(k)	(l) = a + d + e + j + k
Fair value of plan assets	**₱4,862,046**	**₱–**	**₱227,057**	**₱227,057**	**₱-**	**(₱359,829)**	**₱102,669**	**₱–**	**₱–**	**₱–**	**₱102,669**	**₱253,000**	**₱5,084,943**
Present value of defined benefit obligation	**4,561,655**	**431,784**	**213,066**	**644,850**	**888**	**(359,829)**	**–**	**142,589**	**(197,051)**	**4,721**	**(49,741)**	**–**	**4,797,823**
Net defined benefit asset	**₱300,391**	**(₱431,784)**	**₱13,991**	**(₱417,793)**	**(₱888)**	**₱-**	**₱102,669**	**(₱142,589)**	**₱197,051**	**(₱4,721)**	**₱152,410**	**₱253,000**	**₱287,120**

**Presented under Compensation and fringe benefits in the statements of income.*

Parent Company

		Net benefit cost					Remeasurements in OCI						
	January 1, 2021	Current service cost	Net interest	Net pension expense*	Transfer from Affiliates	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	Total remeasurements in OCI	Contribution by employer	December 31, 2021
	(a)	(b)	(c)	(d) = b + c	(e)	(e)	(f)	(g)	(h)	(i)	(j) = f + g + h + i	(k)	(l) = a + d + e + j + k
Fair value of plan assets	₱4,562,287	₱–	₱129,113	₱129,113	₱–	(₱268,950)	₱179,596	₱–	₱–	₱–	₱179,596	₱260,000	₱4,862,046
Present value of defined benefit obligation	4,529,678	461,787	128,190	589,977	–	(268,950)	–	23,864	(339,777)	26,863	(289,050)	–	4,561,655
Net defined benefit asset	₱32,609	(₱461,787)	₱923	(₱460,864)	₱–	₱–	₱179,596	(₱23,864)	₱339,777	(₱26,863)	₱468,646	₱260,000	₱300,391

The Group and the Parent Company are recommended to contribute to its defined benefit pension plan in 2022 amounting to ₱794.87 million and ₱689.10 million, respectively.

In 2022 and 2021, the major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Parent Company shares (Note 30)	**25.84%**	25.33%	**29.46%**	29.19%
Equity instruments	**13.73%**	4.87%	**13.03%**	3.02%
Cash and cash equivalents	**0.09%**	0.08%	**0.10%**	0.09%
Debt instruments	**57.35%**	67.12%	**56.62%**	67.70%
Other assets	**2.99%**	2.60%	**0.79%**	0.00%
	100.00%	100.00%	**100.00%**	100.00%

The following table shows the breakdown of fair value of the plan assets:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Deposits in banks	**₱5,286**	₱4,207	**₱5,246**	₱4,172
Financial assets at FVTPL				
Quoted debt securities	**3,235,622**	3,135,600	**2,879,178**	2,776,713
Quoted equity securities	**795,788**	272,770	**662,570**	146,879
Parent Company shares	**1,498,200**	1,419,060	**1,498,200**	1,419,060
Investments in unit investment trust fund	**89,704**	624,772	**–**	515,222
Loans and receivable	**116**	–	**116**	–
Investment properties*	**3,000**	–	**3,000**	–
Other assets	**170,352**	145,697	**36,633**	–
	₱5,798,068	₱5,602,106	**₱5,084,943**	₱4,862,046

* Investment properties comprise properties located in Manila.

The principal actuarial assumptions used in 2022 and 2021 in determining the present value of defined benefit obligation for the Group's and Parent Company's retirement plans are shown below:

	2022					
	Parent	**CBSI**	**CIBI**	**CBC–PCCI**	**CBCC**	**CBSC**
Discount rate:						
January 1	**4.67%**	**4.14%**	**4.14%**	**4.91%**	**4.35%**	**4.55%**
December 31	**6.70%**	**6.52%**	**6.79%**	**6.93%**	**6.79%**	**6.79%**
Salary increase rate	**6.00%**	**6.00%**	**6.00%**	**6.00%**	**6.00%**	**6.00%**

	2021					
	Parent	CBSI	CIBI	CBC–PCCI	CBCC	CBSC
Discount rate:						
January 1	2.83%	2.54%	2.36%	3.02%	2.54%	2.54%
December 31	4.67%	4.14%	4.14%	4.91%	4.35%	4.55%
Salary increase rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

The sensitivity analysis below has been determined based on the impact of reasonably possible changes of each significant assumption on the present value of defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

December 31, 2022	**Parent**	**CBSI**	**CIBI**	**CBC−PCCI**	**CBCC**	**CBSC**
Discount rate						
(+1%)	**(₱64,933)**	**(₱19,719)**	**(₱906)**	**(₱3,109)**	**(₱1,828)**	**(₱309)**
(−1%)	**82,712**	**23,554**	**1,117**	**3,688**	**2,191**	**376**
Salary increase rate						
(+1%)	**78,408**	**22,861**	**1,076**	**3,535**	**2,140**	**367**
(−1%)	**(63,002)**	**(19,627)**	**(891)**	**(3,042)**	**(1,823)**	**(307)**

December 31, 2021	Parent	CBSI	CIBI	CBC−PCCI	CBCC	CBSC
Discount rate						
(+1%)	(₱106,672)	(₱24,926)	(₱793)	(₱3,850)	(₱1,701)	(₱407)
(−1%)	162,386	31,463	1,144	5,392	2,045	504
Salary increase rate						
(+1%)	148,933	28,909	1,048	4,950	1,947	479
(−1%)	(100,531)	(23,610)	(764)	(3,708)	(1,662)	(397)

The weighted average durations (in years) of the defined benefit obligation are presented below:

	December 31, 2022	December 31, 2021
Parent Company	**8**	8
CBSI	**6**	5
CIBI	**9**	5
CBC−PCCI	**12**	12
CBCC	**9**	6
CBSC	**9**	7

The maturity analyses of the undiscounted benefit payments as of December 31, 2022 and 2021 are as follows:

December 31, 2022	**Parent**	**CBSI**	**CIBI**	**CBC−PCCI**	**CBCC**	**CBSC**	**Total**
1 year and less	**₱1,435,367**	**₱5,560**	**₱1,282**	**₱8,139**	**₱–**	**₱–**	**₱1,450,348**
More than 1 year to 5 years	**1,760,894**	**122,392**	**557**	**41,500**	**–**	**–**	**1,925,343**
More than 5 years to 10 years	**2,371,016**	**538,013**	**18,695**	**47,423**	**–**	**1,533**	**2,976,679**
More than 10 years to 15 years	**3,746,795**	**751,224**	**6,995**	**181,585**	**56,401**	**10,042**	**4,753,041**
More than 15 years to 20 years	**6,093,752**	**935,257**	**16,053**	**295,088**	**77,345**	**15,065**	**7,432,559**
More than 20 years	**28,332,630**	**9,734,299**	**811,738**	**999,191**	**456,819**	**229,195**	**40,563,871**

December 31, 2021	Parent	CBSI	CIBI	CBC−PCCI	CBCC	CBSC	Total
1 year and less	₱1,300,595	₱21,773	₱–	₱5,110	₱–	₱–	₱1,327,479
More than 1 year to 5 years	1,595,647	81,504	5,650	35,704	–	–	1,718,504
More than 5 years to 10 years	2,432,513	438,804	18,259	33,146	–	1,289	2,924,011
More than 10 years to 15 years	3,094,497	786,403	4,349	154,175	56,832	6,510	4,102,764
More than 15 years to 20 years	5,565,237	835,852	15,653	224,592	31,960	13,212	6,686,507
More than 20 years	26,551,956	8,797,118	664,878	1,166,267	472,706	205,038	37,857,963

The defined benefit plan exposes the Group and the Parent Company to actuarial risks such as longevity risk, investment risk, market risk and salary risk.

26. **Derivative Financial Instruments**

Occasionally, the Parent Company enters into forward exchange contracts as an accommodation to its clients. These derivatives are not designated as accounting hedges. As of December 31, 2022 and 2021, the fair values of these derivatives follow:

	2022		2021	
	Derivative Asset	**Derivative Liability**	Derivative Asset	Derivative Liability
Currency forwards	**₱397,445**	**₱1,028,042**	₱395,201	₱264,783
Interest rate swaps (IRS)	**533,294**	**521,398**	675,638	706,112
Futures	**49,903**	**–**	–	27,826
Cross currency swaps	**24,132**	**121**	–	–
Warrants	**10,888**	**–**	9,960	–
	₱1,015,662	**₱1,549,561**	₱1,080,799	₱998,721

As of December 31, 2022 and 2021, the aggregate notional amount of outstanding currency forwards and its weighted average rate are as follows:

		2022		2021	
		Notional Amount	**Weighted Average Rate**	Notional Amount	Weighted Average Rate
US Dollar					
	Buy	**\$580,792**	**₱57.21**	\$687,896	₱50.52
	Sell	**\$495,222**	**₱55.87**	\$291,629	₱50.31
Euro					
	Buy	**€42,113,043**	**₱57.92**	–	–
	Sell	**€38,780**	**₱59.46**	€9,128	₱58.03
Japanese Yen					
	Sell	**¥267,660**	**₱0.43**	–	–
Chinese Yuan					
	Buy	**CNY20,000**	**₱8.08**	–	–
New Zealand Dollar					
	Buy	–	–	NZD 10,628	₱34.77
Canadian Dollar					
	Buy	–	–	CAD 695	₱40.37
Australian Dollar					
	Sell	–	–	AUD 10,750	₱36.99

The aggregate notional amounts of the outstanding IRS as of December 31, 2022 and 2021 are as follows:

		2022			2021		
		Notional Amount	**Derivative Asset**	**Derivative Liability**	Notional Amount	Derivative Asset	Derivative Liability
Peso-denominated							
	Fixed Receiver	**₱500,000**	**₱–**	**₱2,905**	₱500,000	₱1,572	₱1,511
	Fixed Payer	**₱500,000**	**–**	**4,201**	₱500,000	–	28,582
US dollar-denominated							
	Fixed Receiver	**$151,000**	**–**	**514,292**	$184,000	666,807	–
	Fixed Payer	**$200,464**	**533,294**	**–**	$187,000	7,259	676,019
			₱533,294	**₱521,398**		₱675,638	₱706,112

The aggregate notional amounts of the outstanding futures amounted to US$62 million and US$ 100.5 million as of December 31, 2022 and 2021, respectively.

The aggregate notional amounts of the outstanding CCS as of December 31, 2022 are as follows:

	2022			2021		
	Notional Amount	**Derivative Asset**	**Derivative Liability**	Notional Amount	Derivative Asset	Derivative Liability
US dollar						
Buy	**$17,180**	**₱24,132**	**₱121**	₱–	₱–	₱–
	$17,180	**₱24,132**	**₱121**	₱–	₱–	₱–

Fair Value Changes of Derivatives

The net movements in fair value changes of derivative instruments are as follows:

	2022	2021
Balance at beginning of year	**₱82,078**	(₱79,893)
Fair value changes during the year	**(1,621,474)**	(309,456)
Net settled transactions	**1,005,497**	471,427
Balance at end of year	**(₱533,899)**	₱82,078*

*Included in financial assets at FVTPL

The net movements in the value of the derivatives are presented in the statements of income under the following accounts:

	2022	2021	2020
Foreign exchange gain (loss)	**(₱2,811,674)**	(₱378,469)	₱683,826
Trading and securities gain (loss)* (Note 22)	**1,190,200**	69,013	(197,489)
	(₱1,621,474)	(₱309,456)	₱486,337

*Net movements in the value related to IRS and futures.

Interest income on IRS in 2022, 2021 and 2020 amounted to ₱227.20 million, ₱332.18 million, and ₱264.09 million respectively, while interest expense on IRS in 2022, 2021 and 2020 amounted to ₱250.64 million, ₱350.32 million, and ₱288.73 million, respectively.

Derivative contracts designated as hedges

The Parent Company enters into hedging transactions, particularly cash flow hedges, to hedge its exposure to variability in future cash flows associated with its assets, liabilities, or highly probable forecast trasactions. The following table shows the summary of the hedging transactions of the Parent Company designated as cash flow hedges:

				2022				
Hedged Item	**Hedging Instrument**	**Notional Amount**	**Date of Hedge Designation**	**Derivative Asset**	**Derivative Liability**	**Cash Flow Hedge Reserve**	**Cost of Hedge Reserve**	**Total Hedge-related Reserve**
Floating rate bonds payable	Receive float/ Pay fix IRS	$150,000	June 18, 2019	**₱638,504**	**₱–**	**₱638,504**	**₱–**	**₱638,504**
Current and forecasted issuance of Treasury time deposits	Receive float/ Pay fix IRS	500,000	June 7, 2021	**1,780,228**	**–**	**1,780,228**	**–**	**1,780,228**
Current and forecasted issuance of RBB time deposits	Receive float/ Pay fix IRS	600,000	October 20, 2021	**3,767,017**	**–**	**3,767,017**	**–**	**3,767,017**
Cash short position in the RBU books and future interest payments pertaining to certain FX spot transactions	Spot element of FX forward contract	1,753,507	July 20, 2022	**17,630**	**4,156,612**	**–**	**(703,757)**	**(703,757)**
Total		**$3,003,507**		**₱6,203,379**	**₱4,156,612**	**₱6,185,749**	**(₱703,757)**	**₱5,481,992**

				2021				
Hedged Item	Hedging Instrument	Notional Amount	Date of Hedge Designation	Derivative Asset	Derivative Liability	Cash Flow Hedge Reserve	Cost of Hedge Reserve	Total Hedge-related Reserve
Floating rate bonds payable	Receive float/ Pay fix IRS	$150,000	June 18, 2019	–	₱162,399	(₱162,399)	₱–	(₱162,399)
Current and forecasted issuances of Treasury time deposits	Receive float/ Pay fix IRS	500,000	June 7, 2021	480,133	–	480,133	–	480,133
Current and forecasted issuances of RBB time deposits	Receive float/ Pay fix IRS	600,000	October 20, 2021	659,100	–	659,100	–	659,100
Total		$1,250,000		₱1,139,233	₱162,399	₱976,834	₱–	₱976,834

As of December 31, 2022 and 2021, the Parent Company assessed that the hedging relationships are expected to be highly effective.

The aggregate net interest income on the IRS designated as hedge amounted to ₱76.56 million in 2022, the aggregate net interest expense on the IRS designated as hedge amounted to ₱226.51 million and ₱61.20 million in 2021 and 2020, respectively.

27. Lease Contracts

The lease contracts are for periods ranging from one (1) to 15 years from the dates of the contracts and are renewable under certain terms and conditions. Various lease contracts include escalation clauses, most of which bear an annual rent increase of 5.00% to 10.00%.

Movements in the lease liabilities account are as follows:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Beginning Balance	**₱2,846,018**	₱2,996,003	**₱2,187,898**	₱2,392,891
Additions	**591,491**	447,449	**469,136**	205,402
Interest expenses	**181,789**	195,310	**141,000**	152,194
Payments	**(648,997)**	(792,744)	**(404,672)**	(562,589)
Ending Balance	**₱2,970,301**	₱2,846,018	**₱2,393,362**	₱2,187,898

Expenses related to short-term leases amounting to ₱713.25 million and ₱565.72 million for the Group and Parent Company in 2022, respectively, and ₱618.67 million and ₱512.93 million for the Group and Parent Company in 2021, respectively, are included in the 'Occupancy cost' account.

Total cash outflows for leases amounted to ₱1.36 billion and ₱0.97 billion for the Group and Parent Company in 2022, respectively, and ₱1.43 billion and ₱1.09 billion for the Group and Parent Company in 2021, respectively.

The Group and the Parent Company have also entered into commercial property leases on its investment properties (Note 13).

Future minimum rentals receivable under noncancellable operating leases follow:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Within one year	**₱18,118**	₱4,341	**₱5,399**	₱4,049
After one year but not more than five years	**83,042**	109,170	**20,246**	–
	₱101,160	₱113,511	**₱25,645**	₱4,049

Future minimum rentals payable under noncancellable leases follow:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Within one year	**₱698,057**	₱687,755	**₱647,202**	₱509,857
After one year but not more than five years	**2,134,999**	1,901,881	**1,695,903**	1,527,304
After more than five years	**750,376**	440,377	**604,134**	359,201
	₱3,583,432	₱3,030,013	**₱2,947,239**	₱2,396,362

28. **Income and Other Taxes**

Income taxes include corporate income tax and FCDU final taxes, as discussed below, and final tax paid at the rate of 20.00% on gross interest income from government securities and other deposit substitutes. These income taxes, as well as the deferred tax benefits and provisions, are presented as 'Provision for income tax' in the statements of income.

Republic Act (RA) No. 9337, An Act Amending National Internal Revenue Code, as amended by RA 10963 otherwise known as the Tax Reform for Acceleration and Inclusion (TRAIN) and RA 11534 otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE), provides that RCIT rate shall be 25.00% while interest expense allowed as a deductible expense is reduced to 20.00% of interest income subject to final tax.

An MCIT of 1.00% until June 30, 2023, under CREATE Law, on modified gross income is computed and compared with the RCIT. Any excess MCIT over RCIT is deferred and can be used as a tax credit against future income tax liability for the next three years. In addition, the NOLCO is allowed as a deduction from taxable income in the next three years from the year of inception.

Effective in May 2004, RA No. 9294 restored the tax exemption of FCDUs and offshore banking units (OBUs). Under such law, the income derived by the FCDU from foreign currency transactions with nonresidents, OBUs, local commercial banks including branches of foreign banks is tax−exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10.00% gross income tax. Lastly, all other income of the FCDU was subject to 30.00% corporate tax and eventually, is subject to the 25.00% corporate tax under the CREATE Law.

Current tax regulations also provide for the ceiling on the amount of entertainment, amusement and recreation (EAR) expense that can be claimed as a deduction against taxable income. Under the regulations, EAR expense allowed as a deductible expense is limited to the actual EAR paid or incurred but not to exceed 1.00% of the Parent Company's net revenue.

<u>TRAIN Law</u>
RA No. 10963, the Tax Reform for Acceleration and Inclusion (TRAIN), is the first package of the comprehensive tax reform program of the government. The bill was signed into law on December 19, 2018 and took effect on January 1, 2018, amending some provisions of the old Philippine tax system.

Except for resident foreign corporations, which is still subject to the existing rate of 7.50%, tax on interest income of foreign currency deposit was increased to 15% under TRAIN. Documentary stamp tax on bank checks, drafts, certificate of deposit not bearing interest, all debt instruments, bills of exchange, letters of credit, mortgages, deeds and others are now subjected to a higher rate.

<u>CREATE Law</u>
RA 11534 otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) was signed into law by President Rodrigo Duterte last March 26, 2021. The law became effective on April 11, 2021, fifteen (15) days after its publication in a newspaper of general circulation on March 27, 2021.

The key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Bank are the following:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations.
- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
- Interest income of foreign currency remittance transaction deposit received by resident foreign corporations are now subject to 15% final tax.

In 2021, the Group applied the provisions of the CREATE Act on its income tax payable, deferred tax assets and deferred tax liabilities as of December 31, 2020.

There were no tax-related contingent liabilities and contingent assets arising from the changes in the tax rates due to CREATE Act.

Relevant Tax Update

RR 4-2011
On March 15, 2011, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 4−2011 which prescribed the attribution and allocation of expenses between FCDUs/EFCDUs or OBU and RBU and within RBU.

On April 6, 2015, the Bank and other member banks of the Bankers Association of the Philippines (BAP), filed a Petition for Declaratory Relief with Application for Temporary Restraining Order (TRO) and/or Writ of Preliminary Injunction with the Regional Trial Court of Makati (Makati Trial Court). Further, in Civil Case No. 15-287, the Bank and other BAP member banks assailed the validity of RR 4-2011 on the ground, among others, that (a) the RR violates the petitioner-banks substantive due process rights; (b) it is not only illegal but also unfair; (c) that it serves as a deterrent to banks to invest in capital market transactions to the prejudice of the economy; (d) it sets a dangerous precedent for the disallowance of full deductions due to the prescribes method of allocation; and (e) it violates the equal protection clause of the Constitution.

On April 8, 2015, the Makati Trial Court issued a TRO enjoining the BIR from enforcing RR 4-2011. Also, on April 25, 2015, the Makati Trial Court issued a Writ of Preliminary Injunction enjoining the BIR from enforcing, carrying out, or implementing in any way or manner RR 4-2011 against the Bank and other BAP member banks, including issuing Preliminary Assessment Notice or Final Assessment Notice against them during the pendency of the litigation, unless sooner dissolved.

On June 10, 2015, the Makati Trial Court issued a Confirmatory Order stating that the TRO and Writ of Preliminary Injunction also prohibits the BIR from ruling or deciding on any administrative matter pending before it in relation to the subject revenue regulations and insofar as the Bank and other BAP member banks are concerned.

On May 25, 2019, the Makati Trial Court issued a decision annulling RR 4-2011 and making the Writ of Preliminary Injunction permanent.

On May 10, 2022, the Supreme Court Decision promulgated on December 1, 2021 ruled that RR No. 4-2011 is invalid and void.

The provision for income tax consists of:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Current						
Final tax	**₱1,820,926**	₱927,631	₱1,425,341	**₱1,811,756**	₱917,411	₱1,415,116
RCIT	**1,293,540**	1,359,129	1,759,466	**829,345**	952,844	1,467,636
	3,114,466	2,286,760	3,184,807	**2,641,101**	1,870,255	2,882,752
Deferred	**35,196**	70,240	(1,793,703)	**220,887**	197,296	(1,396,154)
	₱3,149,662	₱2,357,000	₱1,391,104	**₱2,861,988**	₱2,067,551	₱1,486,598

The details of net deferred tax assets follow:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Deferred tax assets (liabilities) on:				
Allowance for impairment and credit losses	**₱4,752,238**	₱4,955,236	**₱3,612,417**	₱3,803,881
Revaluation increment on land (Notes 12 and 24)	**(456,171)**	(456,171)	**(456,171)**	(456,171)
Fair value adjustments on asset foreclosure and dacion transactions - net of depreciated portion	**(23,963)**	38,370	**(118,704)**	(20,973)
Net defined benefit asset	**(99,504)**	(123,121)	**(78,518)**	(75,098)
Others	**380,092**	210,667	**191,586**	157,961
	₱4,552,692	₱4,624,981	**₱3,150,610**	₱3,409,600

Others pertains primarily to the deferred tax assets on derivatives, leases and foreign exchange revaluation.

The details of net deferred tax liabilities follow:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Deferred tax liabilities (assets) on:				
Branch licenses arising from acquisition of PDB	**₱637,500**	₱637,500	**₱–**	₱–
Fair value adjustments on net assets/ liabilities of PDB and Unity Bank, and others	**156,932**	160,712	**–**	–
	₱794,432	₱798,212	**₱–**	₱–

In 2022 and 2021, deferred tax debited to OCI (excluding CREATE impact in 2021) amounted to ₱35.08 million and ₱144.49 million, respectively, for the Group and ₱38.10 million and ₱117.16 million, respectively, for the Parent Company.

The Group did not set up deferred tax assets on the following temporary differences as it believes that it is highly probable that these temporary differences will not be realized in the near foreseeable future:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Allowance for impairment and credit losses	**₱899,580**	₱628,002	**₱–**	₱–
Others	**16,761**	21,085	**–**	–
	₱916,341	₱649,087	**₱–**	₱–

The reconciliation of the statutory income tax to the provision for income tax follows:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Statutory income tax	**₱5,571,366**	₱4,365,806	₱4,038,766	**₱5,492,373**	₱4,288,971	₱4,064,771
Tax effects of						
FCDU income	**(1,207,137)**	(408,410)	(558,048)	**(1,201,231)**	(402,305)	(553,550)
Non−taxable income	**(2,016,646)**	(1,650,965)	(445,898)	**(1,856,145)**	(1,560,515)	(2,227,782)
Interest income subjected to final tax	**(414,022)**	(257,644)	(2,375,355)	**(386,422)**	(179,194)	(642,318)
Nondeductible expenses	**1,357,123**	685,021	1,476,130	**918,033**	631,661	1,062,266
Others	**(141,022)**	(713,337)	(744,491)	**(104,620)**	(1,088,232)	(216,789)
CREATE adjustment - deferred tax	**–**	593,418	–	**–**	614,018	–
CREATE adjustment – current tax	**–**	(256,889)	–	**–**	(236,853)	–
Provision for income tax	**₱3,149,662**	₱2,357,000	₱1,391,104	**₱2,861,988**	₱2,067,551	₱1,486,598

29. Trust Operations

Securities and other properties (other than deposits) held by the Parent Company in fiduciary or agency capacities for clients and beneficiaries are not included in the accompanying balance sheets since these are not assets of the Parent Company (Note 31).

In compliance with the requirements of current banking regulations relative to the Parent Company's trust functions : (a) government bonds included under financial assets at FVOCI with total face value of ₱2.38 billion and ₱2.26 billion as of December 31, 2022 and 2021, respectively, are deposited with the BSP as security for the Parent Company's faithful compliance with its fiduciary obligations (Note 9); and (b) a certain percentage of the Parent Company's trust fee income is transferred to surplus reserve. This yearly transfer is required until the surplus reserve for trust function equals 20.00% of the Parent Company's authorized capital stock.

30. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Group's related parties include:

- key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family members,
- significant investors
- subsidiaries, joint ventures and associates and their respective subsidiaries, and
- post-employment benefit plans for the benefit of the Group's employees.

The Group has several business relationships with related parties. Transactions with such parties are normally made in the ordinary course of business and based on the terms and conditions discussed below. Transactions with related parties are settled in cash, unless otherwise indicated.

Transactions with Retirement Plans

Under PFRS, certain post-employment benefit plans are considered as related parties. The Parent Company has business relationships with a number of its retirement plans pursuant to which it provides trust and management services to these plans. Income earned by Parent Company from such services amounted to ₱53.24 million in 2022, ₱49.48 million in 2021, and ₱48.31 million in 2020.

The Group's retirement funds may hold or trade the Parent Company's shares or securities. Significant transactions of the retirement fund, particularly with related parties, are approved by the Trust Investment Committee (TIC) of the Parent Company. The members of the TIC are directors and key management personnel of the Parent Company.

A summary of transactions with related party retirement plans follows:

	Consolidated		**Parent Company**	
	2022	2021	**2022**	2021
Deposits in banks	**₱5,287**	₱4,207	**₱5,246**	₱4,172
Financial assets at FVTPL	**1,498,200**	1,419,060	**1,498,200**	1,419,060
Dividend income	**54,579**	54,579	**54,579**	54,579
Interest income	**46**	41	**44**	22
Total market value of shares	**1,498,200**	1,419,060	**1,498,200**	1,419,060
Number of shares held	**54,579**	54,579	**54,579**	54,579

In 2020, dividend income and interest income of the retirement plan from investments and placements in the Parent Company amounted to ₱54.58 million and ₱0.25 million, respectively, for the Group, and ₱54.58 million and ₱0.13 million, respectively, for the Parent Company.

Financial assets at FVTPL represent shares of stock of the Parent Company. Voting rights over the Parent Company's shares are exercised by an authorized trust officer.

Remunerations of Directors and other Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly. The Group considers the members of the ManCom to constitute key management personnel for purposes of PAS 24.

Total remunerations of key management personnel are as follows:

	Consolidated			**Parent Company**		
	2022	2021	2020	**2022**	2021	2020
Short–term employee benefits	**₱897,964**	₱762,878	₱557,390	**₱788,136**	₱669,174	₱468,427
Post–employment benefits	**3,477**	3,176	2,683	**1,663**	2,003	1,661
	₱901,441	₱766,054	₱560,073	**₱789,799**	₱671,177	₱470,088

Members of the BOD are entitled to a per diem and to four percent (4.00%) of the Parent Company's net earnings, with certain deductions in accordance with BSP regulation. On July 18, 2022, the SEC approved the amendment of the Parent Company's by-laws increasing the per diem of the directors for attendance at each meeting of the Board or of any committees to an amount up to ₱10,000 (previously, a fixed amount of ₱500.00) to align with the current industry practice and standards.

Non-executive directors do not receive any performance-related compensation. Directors' remuneration covers all Parent Company's Board activities and membership of committees and subsidiary companies.

The Group also provides banking services to directors and other key management personnel and persons connected to them. These transactions are presented in the tables below.

Other Related Party Transactions

Transactions between the Parent Company and its subsidiaries meet the definition of related party transactions. Transactions between the Group and its associated companies also qualify as related party transactions. Details of the Parent Company's subsidiaries and associate are disclosed in Notes 1 and 10.

Group

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

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

Category	Amount / Volume	Outstanding Balance	Terms and Conditions
	December 31, 2021		
Significant Investor			
Loans and receivables		₱8,340,600	Secured with shares of stocks, with interest rate ranging from 4% to 4.18% with remaining maturity between 2.72 years and 6.91 years. Allowance for probable losses to ₱2.4 million.
Issuances	6,000,000		
Repayments	(2,350)		
Deposit liabilities		2,477	These are checking accounts with annual average rate of 0.13%.
Deposits	496		
Withdrawals	(1)		
Associate			
Deposit liabilities		256,587	These are checking accounts with annual average rate of 0.13%.
Deposits	541,470		
Withdrawals	(324,277)		
Key Management Personnel			
Loans and receivables		4,024	Unsecured officer's accounts from credit card with interest of 2% maturing within 1 year and OEL accounts with interest rate ranging from 4% to 5%, with remaining maturity between 0.63 and 0.76 years and unsecured employee loans with interest rate of 5% maturing in 7.61 years.
Issuances	3,876		
Repayments	(1,584)		
Deposit liabilities		29,632	These are checking, savings and time deposits with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	229,407		
Withdrawals	(294,090)		
Other Related Parties			
Loans and receivables		47,614,775	Secured and unsecured loans with interest rate ranging from 2.25% to 9.69% with remaining maturity between 3 days and 19.14 years. Allowance for probable losses amounted to ₱21.78 million.
Issuances	20,297,184		
Repayments	(16,595,015)		
Deposit liabilities		160,864	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	9,566,217		
Withdrawals	(11,092,240)		

Interest income earned and interest expense incurred from the above loans and deposit liabilities in 2022, 2021, and 2020 follow:

	Significant Investor			**Associate**		
	2022	2021	2020	**2022**	2021	2020
Interest income	**₱340,483**	₱155,890	₱93,718	**₱–**	₱–	₱–
Interest expense	**2**	3	2	**900**	2,896	500

	Key Management Personnel			**Other Related Parties**		
	2022	2021	2020	**2022**	2021	2020
Interest income	**₱164**	₱101	₱87	**₱2,161,943**	₱1,809,292	₱2,158,577
Interest expense	**4,139**	1,383	1,459	**990**	689	1,467

Related party transactions of the Group with significant investor, associate and other related parties pertain to transactions of the Parent Company with these related parties.

Parent Company

Related party transactions of the Parent Company by category of related party are presented below.

Category	**Amount / Volume**	**Outstanding Balance**	**Nature, Terms and Conditions**
	December 31, 2022		
Significant Investor			
Loans and receivables		**₱8,332,250**	Secured with shares of stocks; with interest rates ranging from 4% to 4.18%; with remaining term to maturity between 1.17 years to 5.89 years; with allowance for probable losses of ₱4.51 million
Issuances	–		
Repayments	**(8,350)**		
Deposit liabilities		–	These are checking accounts with annual average rate of 0.13%.
Deposits	**600**		
Withdrawals	**(2,582)**		
Subsidiaries			
Deposit liabilities		**345,557**	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	**224,719**		
Withdrawals	**(383,498)**		

(Forward)

Category	December 31, 2022 Amount / Volume	Outstanding Balance	Nature, Terms and Conditions
Associate			
Deposit liabilities		**₱2,970**	These are checking accounts with annual average rate of 0.13%.
Deposits	**3,941**		
Withdrawals	**(40,283)**		
Key Management Personnel			
Loans and receivables		**99**	Unsecured officer's credit card accounts with interest of 2%.
Issuances	**–**		
Repayments	**(1,018)**		
Deposit liabilities		**27,205**	These are checking, savings and time deposit account with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	**449,687**		
Withdrawals	**(452,521)**		
Other Related Parties			
Loans and receivables		**50,923,783**	Secured and unsecured loans with interest rates ranging from 2.25 % to 9.69%; with remaining term to maturity between .017 years to 9.87 years; with allowance for probable losses of ₱318.04 million.
Issuances	**7,870,487**		
Repayments	**(4,561,478)**		
Deposit liabilities		**131,224**	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	**541,484**		
Withdrawals	**(1,762,978)**		

Category	December 31, 2021 Amount / Volume	Outstanding Balance	Nature, Terms and Conditions
Significant Investor			
Loans and receivables		₱8,340,600	Secured with shares of stocks, with interest rate ranging from 4% to 4.18% with remaining maturity between 2.72 years and 6.91 years. Allowance for probable losses to 2.4 million.
Issuances	6,000,000		
Repayments	(2,350)		
Deposit liabilities		1,982	These are checking accounts with annual average rate of 0.13%.
Deposits	487		
Withdrawals	–		
Subsidiaries			
Deposit liabilities		504,336	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	5,949,780		
Withdrawals	(5,949,780)		
Associate			
Deposit liabilities		39,312	These are checking accounts with annual average rate of 0.13%.
Deposits	181,157		
Withdrawals	(181,239)		
Key Management Personnel			
Loans and receivables		1,117	Unsecured officer's accounts from credit card with interest of 2% maturing within 1 year and OEL accounts with interest rate ranging from 4% to 5%, secured and currently maturing.
Issuances	258		
Repayments	(873)		
Deposit liabilities		30,039	These are checking, savings and time deposit account with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	249,524		
Withdrawals	(313,800)		
Other Related Parties			
Loans and receivables		47,614,775	Secured and unsecured loans with interest rate ranging from 2.25% to 9.69% with remaining maturity between 3 days and 19.14 years. Allowance for probable losses amounted to ₱21.78 million.
Issuances	20,297,184		
Repayments	(16,595,015)		
Deposit liabilities		1,352,718	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	18,996,452		
Withdrawals	(19,330,621)		

The related party transactions shall be settled in cash.

Interest income earned and interest expense incurred from the above loans and deposit liabilities in 2022, 2021 and, 2020 follow:

	Subsidiaries			**Associate**		
	2022	2021	2020	**2022**	2021	2020
Interest income	**₱–**	₱–	₱–	**₱–**	₱–	₱–
Interest expense	**426**	437	850	**900**	2,896	500

	Key Management Personnel			**Other Related Parties**		
	2022	2021	2020	**2022**	2021	2020
Interest income	**₱2**	₱36	₱87	**₱2,161,943**	₱1,809,292	₱2,158,577
Interest expense	**29**	34	63	**290**	218	257

	Significant Investor		
	2022	2021	2020
Interest income	**₱340,483**	₱155,890	₱93,718
Interest expense	**2**	3	2

Outright purchases and outright sale of debt securities of the Parent Company with its subsidiaries in 2022 and 2021 follow:

	Subsidiaries	
	2022	2021
Peso-denominated		
Outright purchase	**₱–**	₱515,053
Outright sale	**2,839,426**	1,232,410
Dollar-denominated		
Outright purchase	**–**	3,074
Outright sale	**–**	5,584

The following table shows the amount and outstanding balance of other related party transactions included in the financial statements:

	Subsidiaries		
	2022	2021	**Nature, Terms and Conditions**
Balance Sheet			
Accounts receivable	**₱3,845**	₱50,450	This pertains to various expenses advanced by CBC in behalf of various subsidiaries.
Security deposits	**10,420**	10,420	This pertains to the rental deposits with CBSI and CBCC for office space leased out to the Parent Company

	Subsidiaries			
	2022	2021	2020	**Nature, Terms and Conditions**
Income Statement				
Trust fee income	**₱1,104**	₱189	₱640	Trust Fee earned by Parent Company from CBCC
Rent income	**3,191**	3,039	2,895	Rent Income from CBCC
Miscellaneous income	**9,984**	2,850	2,850	Certain functions provided by the Parent Company to its subsidiaries such as accounting, human resources, audit, treasury operations, administrative, corporate marketing, and financial control services. Under the agreement between the Parent Company and its subsidiaries, the subsidiaries shall pay the Parent Company an annual fee
Interest Income	**251**	497	466	Interest earned from cash in bank and short-term investment of Parent Company
Other Income	**3,623**	14,769	11,347	Unrealized gain on money market funds of Parent Company
Occupancy cost	**37,267**	42,359	11,808	Certain units of the condominium owned by CBSI are being leased to the Parent Company for a term of five years, with no escalation clause.
Deferred charges	**2,228**	5,371	2,862	Arranger fees paid by the Parent Company to CBCC for the issuance of its fixed rate bonds.
Information technology	**294,483**	240,651	225,428	This pertains to the computer and general banking services provided by CBC-PCCI to the Parent Company to support its reporting requirements.
Miscellaneous expenses	**5,123**	5,718	2,948	Brokerage fees paid by the Parent Company to CBSec

31. Commitments and Contingent Assets and Liabilities

In the normal course of the Group's operations, there are various outstanding commitments and contingent liabilities which are not reflected in the accompanying financial statements. Management does not anticipate any material losses as a result of these transactions.

There are several suits, assessments or notices and claims that remain contested. Management believes, based on the opinion of its legal counsels, that the ultimate outcome of such suits, assessments and claims will not have a material effect on the Group's and the Parent Bank's financial position and results of operations.

The following is a summary of contingencies and commitments of the Group and the Parent Company with the equivalent peso contractual amounts:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Trust department accounts (Note 29)	**₱222,474,444**	₱223,398,641	**₱222,474,444**	₱223,398,641
Committed credit lines	**1,906,400**	12,765,975	**1,906,400**	12,765,975
Unused commercial letters of credit (Note 30)	**17,158,800**	12,971,604	**17,074,520**	12,877,643
Foreign exchange bought	**138,040,375**	35,113,101	**138,040,375**	35,113,101
Foreign exchange sold	**33,914,815**	22,898,059	**33,914,815**	22,898,059
Credit card lines	**18,625,491**	14,320,597	**18,625,491**	14,320,597
IRS receivable	**90,289,612**	83,669,379	**90,289,612**	83,669,379
Outstanding guarantees issued	**2,971,605**	1,274,727	**1,539,908**	743,643
Inward bills for collection	**2,697,770**	1,229,608	**2,697,770**	1,229,608
Standby credit commitment	**3,550,516**	3,565,978	**3,550,516**	3,565,978
Spot exchange sold	**2,792,488**	1,653,448	**2,792,488**	1,653,448
Spot exchange bought	**3,407,837**	1,347,052	**3,407,837**	1,347,052
Deficiency claims receivable	**280,195**	281,780	**280,195**	281,780
Late deposits/payments received	**309,488**	46,125	**286,522**	37,805
Outward bills for collection	**21,378**	18,336	**19,337**	16,469
Others	**35,237**	105,768	**30,498**	105,664

32. Segment Information

The Group's operating businesses are recognized and managed separately according to the nature of services provided and the markets served, with each segment representing a strategic business unit. The businesses are organized to cater to the banking needs of market segments, facilitate customer engagement, ensure timely delivery of products and services as well as achieve cost efficiency and economies of scale. In 2022, the Lending Business Segment was split into two separate segments, namely, Institutional Banking Segment and Consumer Banking Segment to integrate various business units for synergy and maximization of potential value in terms of market share, product line, customer base and operational efficiency. Corresponding segment information for all periods presented herein are restated to reflect such change.

The Group's business segments are as follows:

a. Institutional Banking – principally handles lending, trade finance, and corollary banking products and services offered to corporate and institutional customers as well as selected middle market clients;

b. Consumer Banking – principally handles home loans, contract-to-sell receivables, loans to developers, auto loans and credit cards for individual and/or corporate customers;

c. Retail Banking Business – principally handles retail and commercial loans, individual and corporate deposits, overdrafts and funds transfer facilities, trade facilities and all other services for retail customers;

d. Financial Markets – principally provides money market, trading, and treasury services, manages the Group's funding operations by the use of government securities, placements, and acceptances with other banks as well as offers advisory and capital-raising services to corporate clients and remittance transactions; and
e. Others – handles other services including, but not limited to, trust and investment management services, wealth management services to high net-worth customers, asset management, insurance brokerage, credit management, thrift banking business, operations and financial control, and other support services.

The Group reports its primary segment information to the Chief Operating Decision Maker (CODM) on the basis of the above-mentioned segments. The CODM of the Group is the President of the Parent Company.

Segment assets are those operating assets that are employed by a segment in its operating activities that are either directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Segment liabilities are those operating liabilities that result from the operating activities of a segment and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Interest income is reported net as management primarily relies on the net interest income as performance measure, not the gross income and expense.

The segment results include internal transfer pricing adjustments across business units as deemed appropriate by management. Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest is charged/credited to the business units based on its assets' and liabilities' repricing or maturity date using market-based yield curve approved by the Asset Liability Committee (ALCO).

Other operating income mainly consists of trading and securities gain (loss) − net, service charges, fees and commissions, trust fee income and foreign exchange gain − net. Other operating expense mainly consists of compensation and fringe benefits, provision for impairment and credit losses, taxes and licenses, occupancy, depreciation and amortization, stationery, supplies and postage and insurance. Other operating income and expense are allocated between segments based on equitable sharing arrangements.

The Group has no significant customers which contributes 10.00% or more of the consolidated revenues.

The Group's asset producing revenues are located in the Philippines (i.e., one geographical location); therefore, geographical segment information is no longer presented.

The following tables present relevant financial information regarding business segments measured in accordance with PFRS as of and for the years ended December 31, 2022, 2021 and 2020:

	Institutional Banking			Consumer Banking		
	2022	2021	2020	**2022**	2021	2020
Results of Operations						
Net interest income						
Third party	**₱25,742,307**	₱23,363,847	₱21,775,224	**₱5,075,687**	₱4,504,508	4,469,286
Intersegment	**(17,783,228)**	(14,492,769)	(14,511,577)	**(2,156,039)**	(1,958,541)	(2,856,734)
	7,959,079	8,871,078	7,263,647	**2,919,648**	2,545,967	1,612,552
Other operating income	**4,718,342**	704,887	449,785	**604,030**	118,648	414,146
Total revenue	**12,677,421**	9,575,965	7,713,432	**3,523,678**	2,664,615	2,026,698
Other operating expense	**(2,956,595)**	(1,943,869)	(1,940,970)	**(1,841,603)**	(1,602,155)	(1,554,952)
Income before provisions and taxes	**9,720,826**	7,632,096	5,772,462	**1,682,075**	1,062,460	471,746
Provision for impairment and credit losses	**(8,001,988)**	(6,365,299)	(5,897,453)	**496,119**	(533,561)	(1,067,789)
Income before income tax	**1,718,838**	1,266,797	(124,991)	**2,178,194**	528,899	(596,043)
Provision for income tax	**(173,284)**	(215,239)	(6,426)	**25,723**	214,281	278,818
Net income	**₱1,545,554**	₱1,051,558	(₱131,417)	**₱2,203,917**	₱743,180	(₱317,225)
Total assets	**₱487,101,912**	₱434,242,804	₱381,161,440	**₱74,317,662**	₱71,628,745	₱66,766,155
Total liabilities	**₱1,423,175**	₱740,158	₱6,785,920	**₱1,658,271**	₱1,258,197	₱1,391,343
Depreciation and amortization	**₱10,270**	₱9,576	₱12,807	**₱31,988**	₱28,738	₱94,718
Capital expenditures	**₱13,633**	₱9,485	₱4,622	**₱23,344**	₱13,541	₱14,523

	Retail Banking Business			Financial Markets		
	2022	2021	2020	**2022**	2021	2020
Results of Operations						
Net interest income						
Third party	**₱1,330,276**	₱2,246,145	(₱536,497)	**₱6,686,447**	₱3,511,779	₱4,200,939
Intersegment	**19,599,439**	16,743,174	18,378,910	**(92,666)**	(373,322)	(817,485)
	20,929,715	18,989,319	17,842,413	**6,593,781**	3,138,457	3,383,454
Other operating income	**3,350,278**	2,371,764	1,927,955	**(265,107)**	4,919,675	5,566,213
Total revenue	**24,279,993**	21,361,083	19,770,368	**6,328,674**	8,058,132	8,949,667
Other operating expense	**(12,296,179)**	(11,263,339)	(11,441,685)	**(2,679,584)**	(2,310,737)	(2,069,231)
Income before provisions and taxes	**11,983,814**	10,097,744	8,328,683	**3,649,090**	5,747,395	6,880,436
Provision for impairment and credit losses	**41,781**	(719,487)	(860,197)	**36,702**	(61,124)	(91,974)
Income before income tax	**12,025,595**	9,378,257	7,468,486	**3,685,792**	5,686,271	6,788,462
Provision for income tax	**(1,167,406)**	(1,545,878)	(230,093)	**(1,547,022)**	(727,990)	(1,504,703)
Net income	**₱10,858,189**	₱7,832,379	₱7,238,393	**₱2,138,770**	₱4,958,281	₱5,283,759
Total assets	**₱638,675,682**	₱628,223,856	₱587,770,303	**₱453,178,093**	₱313,935,966	₱291,325,133
Total liabilities	**₱650,550,449**	₱658,061,048	₱631,763,776	**₱516,851,926**	₱184,942,985	₱141,939,942
Depreciation and amortization	**₱1,248,459**	₱803,283	₱1,004,822	**₱26,443**	₱34,554	₱330,527
Capital expenditures	**₱161,139**	₱144,043	₱55,564	**₱17,512**	₱8,746	₱4,837

	Other Business and Support Units			Total		
	2022	2021	2020	**2022**	2021	2020
Results of Operations						
Net interest income						
Third party	**₱6,754,815**	₱5,458,689	₱4,482,271	**₱45,589,532**	₱39,084,968	₱34,391,223
Intersegment	**432,494**	81,458	(193,114)	**–**	–	–
	7,187,309	5,540,147	4,289,157	**45,589,532**	39,084,968	34,391,223
Other operating income	**1,655,349**	1,475,158	1,104,313	**10,062,892**	9,590,132	9,462,412
Total revenue	**8,842,658**	7,015,305	5,393,470	**55,652,424**	48,675,100	43,853,635
Other operating expense	**(4,580,368)**	(5,215,033)	(4,515,324)	**(24,354,329)**	(22,335,133)	(21,522,162)
Income before provisions and taxes	**4,262,290**	1,800,272	878,146	**31,298,095**	26,339,967	22,331,473
Provision for impairment and credit losses	**(1,585,247)**	(1,197,273)	(951,506)	**(9,012,633)**	(8,876,744)	(8,868,919)
Income before income tax	**2,677,043**	602,999	(73,360)	**22,285,462**	17,463,223	13,462,554
Provision for income tax	**(287,673)**	(82,174)	71,300	**(3,149,662)**	(2,357,000)	(1,391,104)
Net income	**₱2,389,370**	₱520,825	(₱2,060)	**₱19,135,800**	₱15,106,223	₱12,071,450
Total assets	**(₱323,543,883)**	(₱335,711,845)	(₱291,011,382)	**₱1,329,729,466**	₱1,112,319,526	₱1,036,011,649
Total liabilities	**₱24,667,035**	₱148,194,318	₱149,145,306	**₱1,195,150,856**	₱993,196,706	₱931,026,287
Depreciation and amortization	**₱419,984**	₱911,015	₱452,025	**₱1,737,144**	₱1,787,166	₱1,894,899
Capital expenditures	**₱413,126**	₱311,190	₱197,335	**₱628,754**	₱487,005	₱276,881

The Group's share in net income (loss) of an associate included in other operating income amounting to ₱285.06 million, (₱1.60 million), and ₱152.44 million in 2022, 2021 and 2020, respectively are reported under 'Other Business and Support Units'.

33. Earnings Per Share

Basic EPS amounts are calculated by dividing the net income for the year by the weighted average number of common shares outstanding during the year (adjusted for stock dividends).

The following reflects the income and share data used in the basic earnings per share computations:

	2022	2021	2020
a. Net income attributable to equity holders of the parent	**₱19,107,504**	₱15,088,332	₱12,062,637
b. Weighted average number of common shares outstanding – basic (Note 24)	**2,691,288**	2,687,696	2,685,900
c. Weighted average number of common shares outstanding – diluted (Note 24)	**–**	–	2,687,247
d. Basic (a/b) and diluted (a/c) earnings per share*	**₱7.10**	₱5.61	₱4.49

**In 2020, the Group's centennial stock grants are potential common shares that have dilutive effect to the EPS. However, the basic and diluted EPS in 2020 are the same after rounding-off.*

As of December 31, 2022 and 2021, there were no outstanding dilutive potential common shares.

34. Supplementary Information for Cash Flow Analysis

The following is a summary of certain non−cash investing activities that relate to the analysis of the statements of cash flows:

	Consolidated		
	2022	2021	2020
Addition to investment properties from settlement of loans	**₱789,405**	₱752,756	₱294,326
Fair value gain on FVOCI financial assets	**(4,160,403)**	(50,087)	2,932,752
Cumulative translation adjustment	**10,473**	12,270	(5,165)
Addition to chattel mortgage from settlement of loans	**77,886**	596,009	32,568

	Parent Company		
	2022	2021	2020
Addition to investment properties from settlement of loans	**₱273,651**	₱81,136	₱117,660
Fair value gain (loss) in FVOCI financial assets	**(4,036,849)**	(16,220)	2,870,805
Cumulative translation adjustment	**(25,046)**	465	7,210
Addition to chattel mortgage from settlement of loans	**–**	15,830	2,006

The following table shows the reconciliation analysis of bonds payable, bills payable and lease liability under financing activities for both the Group and Parent Company for the years ended December 31, 2022 and 2021:

	Consolidated			
	2022			
	Bills Payable	**Bonds Payable**	**Lease Liability**	**Total**
Balance at beginning of year	**₱65,806,274**	**₱42,473,558**	**₱2,846,018**	**₱111,125,850**
Cash flows during the year				
Proceeds	**402,436,767**	**–**	**–**	**402,436,767**
Settlement/payment	**(403,994,487)**	**(15,000,000)**	**(648,997)**	**(419,643,484)**
Non-cash changes				
Additions	**–**	**–**	**591,491**	**591,491**
Accretion of interest	**–**	**126,063**	**181,789**	**307,852**
Foreign exchange movement	**6,126,713**	**713,249**	**–**	**6,839,962**
Balance at end of year	**₱70,375,267**	**₱28,312,870**	**₱2,970,301**	**₱101,658,438**

	Consolidated			
	2021			
	Bills Payable	Bonds Payable	Lease Liability	Total
Balance at beginning of year	₱23,655,851	₱52,065,678	₱2,996,003	₱78,717,532
Cash flows during the year				
Proceeds	193,908,669	19,878,458	–	213,787,127
Settlement/payment	(152,843,847)	(30,000,000)	(792,745)	(183,636,592)
Non-cash changes				
Additions	–	–	447,449	447,449
Accretion of interest	–	83,022	195,311	278,333
Foreign exchange movement	1,085,601	446,400	–	1,532,001
Balance at end of year	₱65,806,274	₱42,473,558	₱2,846,018	₱111,125,850

	Parent Company			
	2022			
	Bills Payable	**Bonds Payable**	**Lease Liability**	**Total**
Balance at beginning of year	**₱65,806,274**	**₱42,473,558**	**₱2,187,898**	**₱110,467,730**
Cash flows during the year				
Proceeds	**402,436,767**	**–**	**–**	**402,436,767**
Settlement/payment	**(403,994,487)**	**(15,000,000)**	**(404,672)**	**(419,399,159)**
Non-cash changes				
Additions	**–**	**–**	**469,136**	**469,136**
Accretion of interest	**–**	**126,063**	**141,000**	**267,063**
Foreign exchange movement	**6,126,713**	**713,249**	**–**	**6,839,962**
Balance at end of year	**₱70,375,267**	**₱28,312,870**	**₱2,393,362**	**₱101,081,499**

	Parent Company			
	2021			
	Bills Payable	Bonds Payable	Lease Liability	Total
Balance at beginning of year	₱23,655,851	₱52,065,678	₱2,392,891	₱78,114,420
Cash flows during the year				
Proceeds	193,908,669	19,878,458	–	213,787,127
Settlement/payment	(152,843,847)	(30,000,000)	(562,590)	(183,406,437)
Non-cash changes				
Additions	–	–	205,402	205,402
Accretion of interest	–	83,022	152,195	235,217
Foreign exchange movement	1,085,601	446,400	–	1,532,001
Balance at end of year	₱65,806,274	₱42,473,558	₱2,187,898	₱110,467,730

35. Offsetting of Financial Assets and Liabilities

The amendments to PFRS 7 require the Group to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under enforceable master netting agreements or similar arrangements. The effects of these arrangements are disclosed in the succeeding tables.

December 31, 2022

Financial instruments recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial position [a−b]	Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria: Financial instruments	Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria: Fair value of financial collateral	Net exposure [c−d]
	[a]	[b]	[c]	[d]		[e]
Financial assets						
SPURA	**₱12,828,404**	**₱–**	**₱12,828,404**	**₱12,828,404**	**₱12,828,404**	**₱-**
Currency forwards	**33,264,783**	**–**	**33,264,783**	**10,593,404**	**-**	**22,671,379**
IRS	**533,294**	**–**	**533,294**	**25,939**	**-**	**507,355**
	₱46,626,481	**₱–**	**₱46,626,481**	**₱23,447,747**	**₱12,828,404**	**₱23,178,734**
Financial liabilities						
Bills payable	**₱70,375,267**	**₱–**	**₱70,375,267**	**₱70,375,267**	**₱70,375,267**	**₱-**
Currency forwards	**11,697,274**	**–**	**11,697,274**	**10,593,404**	**-**	**1,103,870**
IRS	**521,398**	**–**	**521,398**	**25,939**	**-**	**495,459**
	₱82,593,939	**₱–**	**₱82,593,939**	**₱80,994,610**	**₱70,375,267**	**₱1,599,329**

December 31, 2021

Financial instruments recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial position [a−b]	Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria: Financial instruments	Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria: Fair value of financial collateral	Net exposure [c−d]
	[a]	[b]	[c]	[d]		[e]
Financial assets						
SPURA	₱15,800,317	₱–	₱15,800,317	₱15,800,317	₱15,800,317	₱–
Currency forwards	35,148,537	–	35,148,537	14,670,502	–	20,478,035
IRS	675,638	–	675,638	12,966	–	662,671
	₱51,624,492	₱–	₱51,624,492	₱30,483,785	₱15,800,317	₱21,140,706
Financial liabilities						
Bills payable	₱65,806,274	₱–	₱65,806,274	₱73,840,623	₱78,154,719	₱–
Currency forwards	15,597,807	–	15,597,807	14,670,502	–	927,306
IRS	706,111	–	706,111	12,966	–	693,145
	₱82,110,192	₱–	₱82,110,192	₱88,524,091	₱78,154,719	₱1,620,451

The amounts disclosed in column (d) include those rights to set-off amounts that are only enforceable and exercisable in the event of default, insolvency or bankruptcy. These include amounts related to financial collateral both received and pledged, whether cash or non-cash collateral, excluding the extent of over-collateralization.

36. Covid-19 Pandemic

On March 13, 2020, amid the COVID 19 outbreak, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. These measures have caused disruptions to businesses and economic activities, and its impact on businesses continues to evolve.

Bayanihan to Heal as One Act
On March 25, 2020, President Duterte signed into law the Bayanihan to Heal as One Act (RA 11469). The law provides the President, among others, the power to direct all private and public banks, quasi-banks, financing companies, lending companies and other financial institutions, including the Government Service Insurance System, Social Security System and Pag-ibig Fund to implement a grace period of 30 days minimum, for the payment of all loans falling due within the enhanced community quarantine (ECQ) without interests, penalties, fees or other charges. In a separate Frequently Asked Questions (FAQ) released by BSP on May 18, 2020, it clarified that the modified enhance community quarantine (MECQ) shall have the same effect as the ECQ with respect to the application of the mandatory grace period for the payment of all loans falling due within the period of MECQ.

The Implementing Rules and Regulations (IRR) of the said law provides that borrowers have the option to pay the interest accrued during the mandatory grace period either in lumpsum on the new due date or on staggered basis over the life of the loan. Nonetheless, covered financial institutions are not precluded from offering less onerous payment schemes with the consent of the borrower, such as allowing lump sum payment of accrued interest on the last payment date of the loan, provided that the accrued interest during the mandatory grace period will not be charged with interest on interest, fees and other charges.

On March 14, 2020, the BSP issued BSP Memorandum No. M-2020-008 *Regulatory Relief for BSFIs Affected by the Corona Virus Disease 2019 (COVID-19).* The said memorandum provides for certain temporary regulatory and rediscounting relief measures for financial institutions supervised by the BSP. Accordingly, the Parent Company informed the BSP of its intention to avail the following:

- Provide financial assistance to officers affected by the present health emergency subject to submission by the Parent Company of a request for BSP approval within 30 calendar days from the approval thereof of the Parent Company's Board of Directors;

- Exclude from the computation of past due ratio, loans by borrowers in affected areas, subject to the following: (i) such loans shall be reported to the BSP; (ii) extension shall be for a period of one year from 08 March 2020; and (iii) BSP documentary requirements for restructuring of loans may be waived provided that the Bank will adopt appropriate and prudent operational control measures;

- Non-imposition of monetary penalties for delays incurred in the submission of all supervisory reports to BSP due to be submitted from 08 March 2020 up to six months thereafter;

- Allow staggered booking of allowance for credit losses computed under Section 143 of the Manual of Regulation for Banks (MORB) over a maximum period of five years for all types of credits extended to individuals and businesses directly affected by COVID-19 as of 08 March 2020, subject to prior approval of the BSP;

- Non-imposition of penalties on legal reserve deficiencies computed under Section 255 of the MORB starting from reserve week following 08 March 2020 up to six months thereafter, subject to prior approval of the BSP;

- Rediscounting relief as follows:

  a. Grant of a 60-day grace period, upon application with BSP, to settle outstanding rediscounting obligations as of 08 March 2020, provided that interest shall be charged but no penalty shall be imposed;
  b. Allowing the Parent Company to restructure with BSP, the outstanding rediscounted loans as of 08 March 2020 of its end-user borrowers affected by the COVID-19, subject to the terms and conditions stated in Appendix 133 of the MORB; and
  c. relaxation of eligibility requirements by excluding the criteria on reserve requirement for the renewal of rediscounting line and for the availment of rediscounting loans from 08 March 2020 up to six months thereafter.

  As of December 31, 2022 and 2021, there was no actual availment of the foregoing regulatory reliefs.

37. Approval of the Financial Statements

The accompanying consolidated and parent company financial statements were authorized for issue by the Parent Company's BOD on February 27, 2023.

38. Supplementary Information Required Under BSP Circular 1074

Presented below is the supplementary information required by BSP under Appendix 55 of BSP Circular 1074 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

Basic quantitative indicators of financial performance
The following basic ratios measure the financial performance of the Group and the Parent Company:

	Consolidated			**Parent Company**		
	2022	2021	2020	**2022**	2021	2020
Return on average equity	**15.07%**	13.58%	12.09%	**15.07%**	13.58%	12.09%
Return on average assets	**1.56%**	1.45%	1.21%	**1.70%**	1.58%	1.32%
Net interest margin	**4.21%**	4.28%	3.98%	**3.93%**	4.02%	3.82%

Description of capital instruments issued

The Group and the Parent Company consider its common stock as capital instruments eligible as Tier 1 capital.

Significant credit exposures

	Consolidated			
	2022		2021	
	Amounts	**%**	Amounts	%
Real estate, renting and business services	**₱185,743,662**	**25.88**	₱172,217,058	27.59
Financial intermediaries	**122,768,549**	**17.11**	91,545,065	14.66
Electricity, gas and water	**84,314,281**	**11.75**	76,631,134	12.27
Manufacturing	**58,232,646**	**8.11**	34,264,150	5.49
Wholesale and retail trade	**48,849,880**	**6.81**	45,125,057	7.23
Transportation, storage and communication	**44,443,178**	**6.19**	58,116,995	9.31
Arts, entertainment and recreation	**38,666,435**	**5.39**	33,762,320	5.41
Mining and quarrying	**13,340,903**	**1.86**	10,967,237	1.76
Construction	**10,178,863**	**1.42**	10,387,329	1.66
Accommodation and food service activities	**9,613,592**	**1.34**	11,379,789	1.82
Agriculture	**9,010,166**	**1.26**	7,312,462	1.17
Education	**3,894,828**	**0.54**	4,446,512	0.71
Professional, scientific and technical activities	**947,422**	**0.13**	841,426	0.13
Public administration and defense	**191,203**	**0.03**	60,036	0.01
Others*	**87,519,627**	**12.18**	67,268,149	10.78
	₱717,715,235	**100.00**	₱624,324,719	100.00

*Others consist of industry/sector under administrative and support service, health, household and other activities which, individually, is not a significant credit exposure.

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	Parent Company			
	2022		2021	
	Amounts	**%**	Amounts	%
Real estate, renting and business services	**₱158,474,935**	**25.25**	₱149,067,673	26.77
Financial intermediaries	**122,139,768**	**19.46**	90,964,720	16.34
Electricity, gas and water	**82,579,587**	**13.16**	74,796,648	13.43
Manufacturing	**56,478,328**	**9.00**	32,469,098	5.83
Wholesale and retail trade	**46,391,648**	**7.39**	42,312,303	7.60
Transportation, storage and communication	**43,018,144**	**6.85**	56,097,019	10.07
Arts, entertainment and recreation	**38,648,650**	**6.16**	33,719,927	6.06
Mining and quarrying	**13,340,695**	**2.13**	10,966,519	1.97
Construction	**9,131,937**	**1.46**	9,545,693	1.71
Accommodation and food service activities	**9,047,908**	**1.44**	10,740,999	1.93
Agriculture	**7,062,774**	**1.13**	5,897,613	1.06
Education	**3,503,357**	**0.56**	4,023,325	0.72
Professional, scientific and technical activities	**881,915**	**0.14**	761,461	0.14
Public administration and defense	**191,203**	**0.03**	60,036	0.01
Others*	**36,663,618**	**5.84**	35,415,712	6.36
	₱627,554,467	**100.00**	₱556,838,746	100.00

*Others consist of industry/sector under administrative and support service, health, household and other activities which, individually, is not a significant credit exposure.

The BSP considers significant credit exposures when the total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio or 10.00% of Tier 1 capital (see Note 24).

Status of loans

Information on the amounts of performing and non-performing loans and receivables (gross of allowance for impairment and credit losses) of the Group and Parent Company are as follows:

	Consolidated					
	2022			2021		
	Performing	**Non-Performing**	**Total**	Performing	Non-Performing	Total
Loans and discounts						
Corporate and commercial lending	**₱543,990,429**	**₱11,288,208**	**₱555,278,637**	₱479,884,768	₱9,088,162	₱488,972,930
Consumer lending:						
Housing	**83,063,410**	**3,448,501**	**86,511,911**	80,518,808	3,948,376	84,467,184
Auto	**19,729,996**	**707,533**	**20,437,529**	17,922,533	1,280,521	19,203,054
Credit Card	**2,068,069**	**41,999**	**2,110,068**	1,294,196	79,525	1,373,721
Others	**33,491,096**	**867,497**	**34,358,593**	16,783,524	693,141	17,476,665
Trade-related lending	**17,522,315**	**202,754**	**17,725,069**	12,197,050	256,502	12,453,552
Others*	**109,960**	**5,546**	**115,506**	111,997	5,238	117,235
	₱699,975,275	**₱16,562,038**	**₱716,537,313**	₱608,712,876	₱15,351,465	₱624,064,341

	Parent Company					
	2022			2021		
	Performing	**Non-Performing**	**Total**	Performing	Non-Performing	Total
Loans and discounts						
Corporate and commercial lending	**₱530,046,824**	**₱8,980,119**	**₱539,026,943**	₱466,015,296	₱6,609,892	₱472,625,188
Consumer lending:						
Housing	**60,633,934**	**3,026,183**	**63,660,117**	61,463,351	3,360,182	64,823,533
Auto	**4,823,796**	**328,563**	**5,152,359**	5,208,436	527,528	5,735,964
Credit Card	**2,068,069**	**41,999**	**2,110,068**	1,294,196	79,525	1,373,721
Others	**11,611**	**280**	**11,891**	3,066	–	3,066
Trade-related lending	**17,188,448**	**202,754**	**17,391,202**	11,852,404	227,455	12,079,859
Others*	**19,125**	**2**	**19,127**	19,961	330	20,291
	₱614,791,807	**₱12,579,900**	**₱627,371,707**	₱545,856,710	₱10,804,912	₱556,661,622

Loans per security

As of December 31, 2022 and 2021, secured and unsecured non-performing loans (NPLs) of the Group and the Parent Company follow:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Secured	**₱11,477,782**	₱6,909,212	**₱9,210,369**	₱4,140,524
Unsecured	**5,084,256**	8,442,253	**3,369,531**	6,664,388
	₱16,562,038	₱15,351,465	**₱12,579,900**	₱10,804,912

According to BSP Circular 941, *Amendments to the Regulations on Past Due and Non-Performing Loans* effective January 1, 2018, loans shall be considered non-performing, even without any missed contractual payments, when it is considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and/or there is evidence that full repayment of principal and interest is unlikely without foreclosure of collateral, if any. All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid for more than ninety (90) days from contractual due date, or accrued interests for more than ninety (90) days have been capitalized, refinanced, or delayed by agreement.

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

	Consolidated				Parent Company			
	2022		2021		**2022**		2021	
	Amounts	**%**	Amounts	%	**Amounts**	**%**	Amounts	%
Loans secured by								
Real estate	**₱94,305,837**	**13.14**	₱85,021,052	13.62	**₱63,717,907**	**10.15**	₱58,622,700	10.53
Chattel mortgage	**21,083,673**	**2.94**	22,096,827	3.54	**4,708,259**	**0.75**	7,459,462	1.34
Guarantee by the Republic of the Philippines	**80,362**	**0.01**	3,315	0.00	**80,362**	**0.01**	3,315	0.00
Deposit hold out	**6,034,139**	**0.84**	2,506,588	0.40	**5,765,877**	**0.92**	2,214,506	0.40
Shares of stock of other banks	**8,332,250**	**1.16**	8,350,600	1.34	**8,332,250**	**1.33**	8,350,600	1.50
Others	**104,383,376**	**14.54**	82,803,122	13.26	**104,276,013**	**16.62**	82,680,304	14.85
	234,219,637	**32.63**	200,781,504	32.16	**186,880,668**	**29.78**	159,330,887	28.62
Unsecured loans	**483,495,598**	**67.37**	423,543,215	67.84	**440,673,799**	**70.22**	397,507,859	71.38
	₱717,715,235	**100.00**	₱624,324,719	100.00	**₱627,554,467**	**100.00**	₱556,838,746	100.00

Secured liability and assets pledged as security

The carrying amount of foreign currency-denominated investment securities at amortized cost pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱64.40 billion and ₱48.85 billion as of December 31, 2022 and 2021, respectively. The carrying amount of the peso-denominated investment securities at amortized cost pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱14.63 billion and ₱23.59 billion as of December 31, 2022 and 2021, respectively. The fair value of investment securities at amortized cost pledged as collateral amounted to ₱75.45 billion and ₱78.15 billion as of December 31, 2022 and 2021, respectively. The aggregate fair value of financial assets at FVOCI pledged as collateral amounted to nil and ₱3.25 billion as of December 31, 2022 and 2021, respectively.

Related party loans
As required by the BSP, the Group discloses loan transactions with its and affiliates and investees and with certain directors, officers, stockholders and related interests (DOSRI). Under existing banking regulations, the limit on the amount of individual loans to DOSRI, of which 70.00% must be secured, should not exceed the regulatory capital or 15.00% of the total loan portfolio, whichever is lower. These limits do not apply to loans secured by assets considered as non-risk as defined in the regulations.

BSP Circular No. 423, dated March 15, 2004, amended the definition of DOSRI accounts. The following table shows information relating to the loans, other credit accommodations and guarantees classified as DOSRI accounts under regulations existing prior to said Circular, and new DOSRI loans, other credit accommodations granted under said Circular:

	Consolidated			
	2022		**2021**	
	DOSRI Loans	**Related Party Loans (inclusive of DOSRI Loans)**	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)
Total outstanding DOSRI loans	**₱9,162,853**	**₱59,971,643**	₱8,734,613	₱55,963,128
Percent of DOSRI/Related Party loans to total loan portfolio	**1.28%**	**8.36%**	1.40%	8.96%
Percent of unsecured DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	**2.88%**	**67.95%**	0.37%	75.56%
Percent past due DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	**–**	**–**	–	–
Percent of non-performing DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	**–**	**–**	–	–

	Parent Company			
	2022		**2021**	
	DOSRI Loans	**Related Party Loans (inclusive of DOSRI Loans)**	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)
Outstanding DOSRI loans	**₱9,156,873**	**₱59,256,132**	₱8,727,598	₱55,955,965
Percent of DOSRI/Related Party loans to total loan portfolio	**1.46%**	**9.44%**	1.57%	10.05%
Percent of unsecured DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	**2.88%**	**68.77%**	0.37%	75.57%
Percent past due DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	**–**	**–**	–	–
Percent of non-performing DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	**–**	**–**	–	–

The amounts of loans disclosed for related parties above differ with the amounts disclosed for key management personnel since the composition of DOSRI is more expansive than that of key management personnel.

BSP Circular No. 560 provides that the total outstanding loans, other credit accommodation and guarantees to each of the bank's/quasi-bank's subsidiaries and affiliates shall not exceed 10.00% of the net worth of the lending bank/quasi-bank, provided that the unsecured portion of which shall not exceed 5.00% of such net worth. Further, the total outstanding loans, credit accommodations and guarantees to all subsidiaries and affiliates shall not exceed 20.00% of the net worth of the lending bank/quasi-bank; and the subsidiaries and affiliates of the lending bank/quasi-bank are not related interest of any director, officer and/or stockholder of the lending institution, except where such director, officer or stockholder sits in the BOD or is appointed officer of such corporation as representative of the bank/quasi-bank.

On May 12, 2009, BSP issued Circular No. 654 allowing a separate individual limit of twenty−five (25.00%) of the net worth of the lending bank/quasi−bank to loans of banks/quasi−banks to their subsidiaries and affiliates engaged in energy and power generation.

Commitments and contingencies

The following is a summary of contingencies and commitments of the Group and the Parent Company with the equivalent peso contractual amounts:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Trust department accounts	**₱22,474,444**	₱223,398,641	**₱222,474,444**	₱223,398,641
Committed credit lines	**1,906,400**	12,765,975	**1,906,400**	12,765,975
Unused commercial letters of credit	**17,158,800**	12,971,604	**17,074,520**	12,877,643
Foreign exchange bought	**138,040,375**	35,113,101	**138,040,375**	35,113,101
Foreign exchange sold	**33,914,815**	22,898,059	**33,914,815**	22,898,059
Credit card lines	**18,625,491**	14,320,597	**18,625,491**	14,320,597
IRS receivable	**90,289,612**	83,669,379	**90,289,612**	83,669,379
Outstanding guarantees issued	**2,971,605**	1,274,727	**1,539,908**	743,643
Inward bills for collection	**2,697,770**	1,229,608	**2,697,770**	1,229,608
Standby credit commitment	**3,550,516**	3,565,978	**3,550,516**	3,565,978
Spot exchange sold	**2,792,488**	1,653,448	**2,792,488**	1,653,448
Spot exchange bought	**3,407,837**	1,347,052	**3,407,837**	1,347,052
Deficiency claims receivable	**280,195**	281,780	**280,195**	281,780
Late deposits/payments received	**309,488**	46,125	**286,522**	37,805
Outward bills for collection	**21,378**	18,336	**19,337**	16,469
Others	**35,237**	105,768	**30,498**	105,664

39. Supplementary Information Required Under RR No. 15−2010

In compliance with the requirements set forth by RR No. 15−2010, hereunder are the details of percentage and other taxes paid or accrued by the Parent Company in 2022.

Gross receipts tax	₱2,036,848
Documentary stamps tax	1,225,965
Local taxes	95,180
Fringe benefit tax	15,301
Others	583,344
Total for the year	₱3,956,638

Withholding Taxes
Details of total remittances of withholding taxes in 2022 and amounts outstanding as of December 31, 2022 are as follows:

	Total remittances	Amounts outstanding
Final withholding taxes	₱1,558,442	₱337,993
Withholding taxes on compensation and benefits	774,381	69,876
Expanded withholding taxes	184,613	11,550
	₱2,517,436	₱419,419

Tax Assessment
As of December 31, 2022, the Parent Company has no pending tax assessment from the BIR.

SyCip Gorres Velayo & Co.
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1226 Makati City
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**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES**

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of China Banking Corporation and Subsidiaries (the Group) as at December 31, 2022 and 2021 and for each of the three years ended December 31, 2022, included in this Form 17-A, and have issued our report thereon dated February 27, 2023. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

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

February 27, 2023

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of China Banking Corporation and Subsidiaries (the Group) as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 and have issued our report thereon dated February 27, 2023. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be compara ble to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2022 and for each of the three years in the period ended December 31, 2022 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

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

February 27, 2023

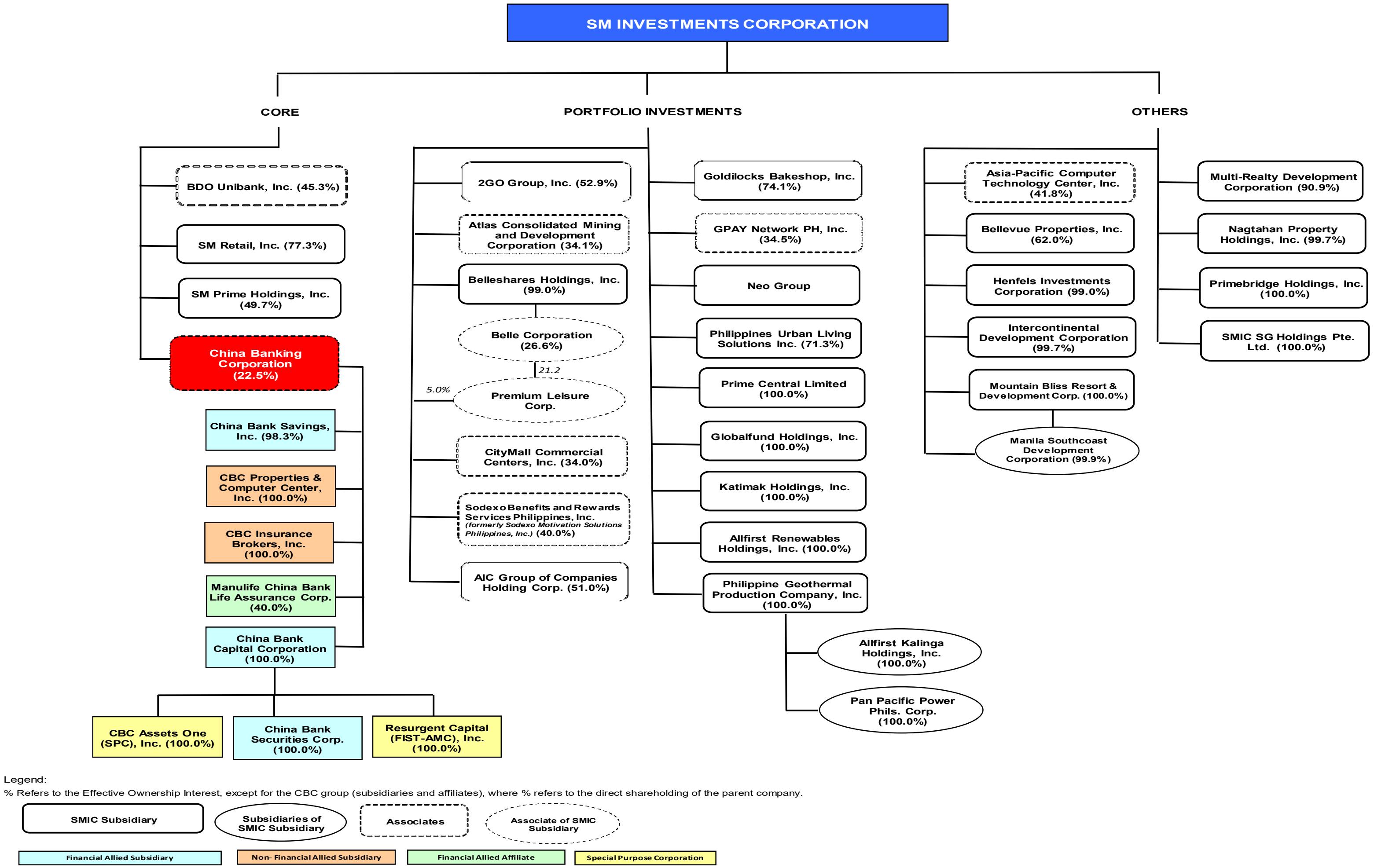
CHINA BANKING CORPORATION AND SUBSIDIARIES
INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2022

CHINA BANKING CORPORATION AND SUBSIDIARIES
8745 Paseo de Roxas corner Villar Street Makati City

SCHEDULE I
RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
AS OF DECEMBER 31, 2022
(Amounts in Thousands)

Unappropriated Retained Earnings, Beginning		**₱70,205,517**
Adjustments:		
Prior years non-actual/unrealized income net of tax (2007-2021)	(6,122,819)	
Transfer of revaluation increment to surplus	(1,277,277)	
Prior years' net earnings of subsidiaries and associates not available for dividends	(5,101,906)	
		(12,502,002)
Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning		**57,703,515**
Add: **Net income during the period**	**19,107,504**	
Less: **Non-actual/unrealized income net of tax**		
Fair value adjustments (mark-to-market gains)	154,494	
Net earnings of subsidiaries not available for dividends	2,044,686	
Equity in net income of associate	285,059	
Fair value gain on initial recognition of investment properties	181,624	
Sub-total	**2,665,863**	
Add: **Non-actual losses**		
Reversal of net fair value gains recognized at initial recognition upon disposal if investment properties	37,838	
	37,838	
Net income actually earned/ realized during the period		**16,479,479**
Less: Cash dividend declared during the period	4,036,932	
Appropriation of Retained Earnings during the period	651,536	
Transfer from Surplus to Surplus Reserves	47,383	
		(4,735,851)
Unappropriated Retained Earnings, Ending, Available for Dividend Declaration		**₱69,447,143**

SCHEDULE II
MAP SHOWING RELATIONSHIPS BETWEEN AND AMONG PARENT COMPANY, SUBSIDIARIES, AN ASSOCIATE, AND JOINT VENTURE



China Banking Corporation
Schedule A – Financial Assets
December 31, 2022
(Amounts in Thousands)

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds or notes	Amounts shown on the balance sheet*	Valued based on market quotation at end of reporting period	Income accrued
Financial Assets at Fair Value through Profit or Loss				
Philippine government	₱1,068,456	₱1,071,229	₱1,071,229	₱3,023
Private corporations, other sovereign bonds, and unit investment trust funds	991,110	1,940,577	991,545	9,764
Equity securities	78,887 shares	700,112	1,649,144	–
Various derivative counterparties		1,004,774	1,004,774	41,321
	20 warrants	10,888	10,888	–
		₱4,727,580	₱4,727,580	₱54,108
Financial Assets at Fair Value through Other Comprehensive Income				
Philippine government	₱28,071,816	₱26,951,610	₱25,951,610	₱260,040
Private corporations and other sovereign bonds	18,910,590	15,732,939	15,732,939	212,984
Equity securities	33,175 shares	632,208	632,208	–
		₱43,316,757	₱42,316,757	₱474,024
Financial Assets at Amortized Cost				
Philippine government	₱215,074,308	₱218,514,361	₱210,653,879	₱2,025,770
Private corporations	140,444,597	139,471,565	129,446,589	1,567,717
	₱355,518,905	₱357,985,926	₱340,100,468	₱3,593,487
Derivative Contracts Designated as Hedges				
Various derivative counterparties		₱6,203,379	₱6,203,379	₱92,951

*FVTPL and FVOCI are carried at fair value. Investment securities at AC are carried at amortized cost

China Banking Corporation
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2022

Name of Debtor	Balance at beginning of period	Additions	Amounts Collected	Amounts Written -off	Current	Non-Current	Balance at end of period

The Group has no receivables from directors, officers, employees, related parties and principal stockholders that did not arise from ordinary course of business.

China Banking Corporation
Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements
December 31, 2022
(Amounts in Thousands)

Name of Debtor	Relationship	Balance at beginning of period	Additions	Amounts Collected	Amounts Written-off	Current	Non- Current	Balance at end of period
China Bank Savings, Inc.	Subsidiary	₱48,077	₱3,123	₱48,077	₱–	₱3,123	₱–	₱3,123
China Bank Capital Corporation	Subsidiary	1,629	34	1,629	–	34	–	34
China Bank Securities Corporation	Subsidiary	92	–	92	–	–	–	–
China Bank Insurance Brokers, Inc.	Subsidiary	–	38	–	–	38	–	38
CBC Properties and Computer Center, Inc (PCCI)	Subsidiary	652	–	–	–	651	–	651
		₱50,450	₱3,195	₱49,798	₱–	₱3,846	₱–	₱3,846

China Banking Corporation
Schedule D - Long-Term Debt
December 31, 2022
(Amounts in Thousands)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt' in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rate %	Maturity Date
Peso-denominated:					
LTNCD-Tranche 3*	₱10,250,000	₱–	₱10,230,646	4.55%	January 12,
₱20 Billion Peso Fixed Rate Bonds due in 2024**	20,000,000	–	19,931,987	2.50%	February 18, 2024
Foreign-currency-denominated:					
$150 Million Bonds Payable to IFC**	$150,000	–	8,380,883	6-month LIBOR + 120	June 18, 2026
Securities sold under repurchase					
Various	$431,886	–	₱24,079,817	0.39% to 5.40%	Various

*The LTNCDs are included in "Time Deposits" under the caption "Deposit liabilities".
**The amounts are presented in the caption "Bonds payable".
***The amounts are included in the caption "Bills payable".

China Banking Corporation
Schedule E - Indebtedness to Related Parties
(Long-term Loans from Related Companies)
December 31, 2022

Name of Related Parties [(i)]	Balance at beginning of period	Balance at end of period [(ii)]

None to Report

[(i)] The related parties named shall be grouped as in Schedule D. The information called shall be stated for any persons whose investments shown separately in such related schedule.
[(ii)] For each affiliate named in the first column, explain in a note hereto the nature and purpose of any material increase during the period that is in excess of 10 percent of the related balance at either the beginning or end of the period.

China Banking Corporation
Schedule F - Guarantees of Securities of Other Issuers
December 31, 2022

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding [(i)]	Amount owned by person of which statement is filed	Nature of guarantee [(ii)]

None to Report

(i) Indicate in a note any significant changes since the date of the last balance sheet file. If this schedule is filed in support of consolidated financial statements, there shall be set forth guarantees by any person included in the consolidation except such guarantees of securities which are included in the consolidated balance sheet.
(ii) There must be a brief statement of the nature of the guarantee, such as “Guarantee of principal and interest”, “Guarantee of Interest”, or “Guarantee of Dividends”. If the guarantee is of interest, dividends, or both, state the annual aggregate amount of interest or dividends so guaranteed.

China Banking Corporation
Schedule G - Capital Stock
December 31, 2022

(Absolute numbers of shares)

Title of Issue [i]	Number of shares authorized	Number of shares issued and outstanding as shown under the related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties [ii]	Directors, officers and employees	Others [iii]
Common stock - ₱10 par value						
Authorized – shares	3,300,000,000					
Issued and outstanding		2,691,288,212		1,022,330,736	133,795,160	1,535,162,316

(i) Include in this column each type of issue authorized
(ii) Related parties referred to include persons for which separate financial statements are filed and those included in the consolidated financial statements, other than the issuer of the particular security.
(iii) Indicate in a note any significant changes since the date of the last balance sheet filed.

China Banking Corporation
Schedule H – Schedule for Listed Companies with a Recent Offering of Securities to the Public
December 31, 2022
(Amounts in Thousand)

	Gross Proceeds as disclosed in the Final Prospectus	Expenditure Items	Net Proceeds as disclosed in the Final Prospectus	Actual Gross Proceeds	Actual Net Proceeds	Balance of the proceeds as of the reporting period

None to Report

CHINA BANKING CORPORATION AND SUBSIDIARIES
FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020

Ratio	Formula	2022	2021	2020
PROFITABILITY (%)		Amounts in Php millions, except for the ratios		
Return on Assets	Net Income after Income Tax / Average Total Assets[1]	**1.56**	1.45	1.21
		19,108	15,106	12,071
		1,221,024	1,039,074	997,175
Return on Equity	Net Income after Income Tax / Average Total Equity[1]	**15.07**	13.58	12.09
		19,108	15,106	12,071
		126,796	111,223	99,809
Net Interest Margin	Net Interest Income / Average Interest Earning Assets[1,2]	**4.21**	4.20	3.92
		45,590	38,314	33,842
		1,083,719	912,732	863,819
Cost to Income Ratio	Operating Expense less Provision for Impairment and Credit Losses / Total Operating Income	**44**	46	49
		24,354	22,335	21,522
		55,652	48,675	43,854
LIQUIDITY (%)				
Liquid Assets to Total Assets	Total Liquid Assets[3] / Total Assets	**44**	42	43
		590,203	466,936	440,552
		1,329,729	1,112,320	1,036,012
Loans (net) to Deposit Ratio	Loans (Net) / Deposit Liabilities	**66**	71	67
		699,595	609,007	557,214
		1,065,915	862,860	835,231

(Forward)

Ratio	Formula	2022	2021	2020
ASSET QUALITY (%)				
Gross Non-Performing Loans Ratio	Gross Non-Performing Loans / Gross Loans	**2.3**	2.5	2.3
		16,562	15,351	12,983
		716,537	624,064	571,954
Non-performing Loan (NPL) Cover	Total Allowance for Impairment and Credit Losses on Receivables from Customers plus Retained Earnings Appropriated for General Loan Loss Provision / Gross Non-Performing Loans	**123**	116	128
		20,412	17,828	16,574
		16,562	15,351	12,983
SOLVENCY RATIOS				
Debt to Equity Ratio	Total Liabilities / Total Equity	**8.9**	8.3	8.9
		1,195,151	993,197	931,026
		134,579	119,123	104,985
Asset to Equity Ratio	Total Assets / Total Equity	**9.9**	9.3	9.9
		1,329,729	1,112,320	1,036,012
		134,579	119,123	104,985
Interest Rate Coverage Ratio	Net Income Before Tax and Interest Expense / Interest Expense	**2.9**	3.4	2.0
		33,907	24,875	26,758
		11,622	7,411	13,295
CAPITALIZATION (%)				
Capital Adequacy Ratio CET 1 / Tier 1	CET 1 / Tier 1 Capital / Total Risk Weighted Assets	**15.07**	14.92	13.82
		119,616	104,397	90,750
		793,551	699,885	656,582

(Forward)

Ratio	Formula	**2022**	2021	2020
Total CAR	Total Qualifying Capital / Total Risk Weighted Assets	**15.92**	15.75	14.73
		126,299	110,204	96,736
		793,551	699,885	656,582

[1]*Average end of year balances for 2022, monthly balances for 2021 and 2020*
[2]*Interest earning assets composed of due from Bangko Sentral ng Pilipinas, due from other banks, interbank loans receivable, securities purchased under resale agreement, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets at amortized costs, current loans and performing sales contract receivables, gross of applicable allowance for credit losses and unearned interest and discounts.*
[3]*Composed of cash and other cash items, due from Bangko Sentral ng Pilipinas, due from other banks, interbank loans receivable, securities purchased under resale agreement, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortized costs, net of applicable allowance for credit losses.*

SCHEDULE "A"

GUIDELINES FOR PARTICIPATION VIA REMOTE COMMUNICATION AND VOTING *IN ABSENTIA*

April 20, 2023 at 4:00 P.M.

The 2023 Annual Stockholders' Meeting (ASM) of the China Banking Corporation (China Bank) is scheduled on April 20, 2023 at 4:00 P.M. (Manila Time) and the Board of Directors has set the close of business on March 1, 2023 as the record date for the determination of stockholders entitled to the notice of, to attend, and to vote during the 2023 ASM and any adjournment thereof.

As China Bank continue to prioritize the health and safety of the stockholders and participants, the Board of Directors of China Bank has approved and authorized the stockholders to participate in the 2023 ASM via remote communication and to exercise their right to vote *in absentia* from the safety and comfort of their homes.

ONLINE REGISTRATION

Stockholders who wish to attend and participate in the 2023 ASM must go through the entire registration process in order for them to gain access to China Bank's secure Online Voting Portal. Online registration shall be open until April 14, 2023.

Stockholders can access the Online Registration Portal, Voting Portal, Livestream Broadcast, as well as additional information about the event through China Bank's official 2023 ASM website at www.chinabank.ph/asm2023.

To begin the online registration process, the stockholders must visit the 2023 ASM website and navigate through the Registration page by clicking on the REGISTER button. The stockholders will then be prompted to provide an active email address. Once provided, the system will send an automated verification email containing a link which the stockholder must click in order to verify that his/her email is active.

To complete the registration process, the stockholders/representatives must upload/provide the following information/documents when prompted by the system:

1. Full Name (last name, given name, middle name)
2. Valid and active email address
3. Alternate email address (optional)
4. Tax Identification Number (optional)
5. Landline/Mobile Number (optional)
6. Government issued ID with photo and signature (scanned front and back)

In addition, the following documents must be submitted based on the capacity in which the registrants are attending and participating in the 2023 ASM:

- Individual Certificated Stockholders
  1. Stock Certificate Number

  If appointing a proxy:
    a. Copy of the duly signed proxy form of the stockholder

b. Email address and contact number of the proxy

- Representative of a Joint Account
  1. Stock Certificate Number of the Representative
  2. Authorization Letter

  The authorization letter will serve as proof of authority of the stockholder voting the shares for and on behalf of the other registered stockholders. The authorization letter must reflect the stock certificate number of each of the representative's fellow joint account holders. A template format can be downloaded from the ASM website.

- Representative of Corporate Stockholders
  1. Secretary's Certificate

  Along with the necessary authorizations and approvals appointing the representative to participate in the 2023 ASM, the Secretary's Certificate must reflect the Stock Certificate Number of the Corporate Stockholder.

- Stockholders with Shares in a Broker's Account
  1. Secretary's Certificate

  If appointing a proxy:

  c. Copy of the duly signed proxy form of the stockholder

  d. Email address and contact number of the proxy

A stockholder attending and participating in the ASM in multiple capacities must go through the online registration process for each capacity. To illustrate, a stockholder participating in his/her individual capacity and at the same time as representative of a Corporate Stockholder, must register twice (one time in his/her personal capacity and another time as company representative).

Registering stockholders must exert all effort to provide complete and accurate information. Stockholders must refrain from sending duplicate and inconsistent information which can result in failure of the registration process.

Once registration is complete, the information shall be verified and validated by China Bank. If successful, an automated email will be sent to the stockholders' registered email address containing their log-in credentials for the Online Voting Portal.

VOTING *IN ABSENTIA*

Stockholders who have received their log-in credentials may now access the Online Voting Portal.

Step 1. The stockholders must visit the Online Voting Portal at www.chinabank.ph/asm2023.

Step 2. The stockholders will use log-in credentials, sent to them by automated email, to access the Online Voting Portal.

Step 3. The stockholders can vote on each agenda item. A brief description of each item for stockholders' approval is appended to the Notice of the Meeting.

3.1. The stockholders may choose to vote "Yes", "No" or "Abstain" on each agenda item for approval.

3.2. For the election of directors, the stockholders will have the option to vote for all the nominees, or vote for certain nominees only.

The stockholder may vote such number of shares for as many persons as there are directors to be elected or cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of shares owned, or distribute them on the same principle among as many candidates as may be seen fit, provided that the total number of votes cast shall not exceed the number of shares owned by the stockholder.

Step 4. Once the stockholders are satisfied with their votes, they can complete the online voting process by clicking the "Submit" button.

A stockholder attending and participating in the ASM in multiple capacities must go through the voting process for each capacity.

PARTICIPATION THROUGH REMOTE COMMUNICATION

The 2023 ASM will be broadcasted live and stockholders who have successfully registered can participate via remote communication. Details of the meeting, reminders, and step-by-step procedures will be sent to stockholders in the email they have provided to China Bank. Instructions on how to access the livestream are posted on the ASM website www.chinabank.ph/asm2023.

Audio and video recordings of the ASM will be adequately maintained by China Bank.

QUESTIONS AND ANSWERS

Stockholders may submit questions and comments, preferably on or before 5:30 P.M. on April 19, 2023, which will be read and answered during the livestream broadcast. Any questions or comments submitted and received but not addressed during the livestream shall be answered directly by email to the stockholder concerned. Additional questions or comments may be sent to investor-relations@chinabank.ph.

For any concerns, please contact China Bank's Office of the Corporate Secretary at (+632) 8885-5135 or OCSSTOCKS@chinabank.ph, or Investor and Corporate Relations Group at (+632) 8885-5609 or investor-relations@chinabank.ph.

For complete information on China Bank's 2023 ASM, please visit www.chinabank.ph/asm2023.

MINUTES OF THE 2022 ANNUAL MEETING OF STOCKHOLDERS OF CHINA BANKING CORPORATION

Held via Remote Communication at https://www.chinabank.ph/asm2022
05 May 2022 at 4:00 P.M.

Directors Present:

Mr. Hans T. Sy	-	Chairman of the Board, and Chairman of the Executive Committee
Mr. Gilbert U. Dee	-	Vice Chairman of the Board, and Member of the Executive Committee
Mr. William C. Whang	-	Director, President, and Member of the Executive and Trust Investment Committees
Mr. Peter S. Dee	-	Director, Chairman of the Trust Investment Committee, and Member of the Executive Committee
Mr. Joaquin T. Dee	-	Director, and Member of the Executive, Audit and Compliance Committees
Mr. Herbert T. Sy	-	Director, and Member of the Remuneration Committee
Mr. Harley T. Sy	-	Director, and Member of the Compliance and Trust Investment Committees
Mr. Jose T. Sio	-	Director, and Member of the Trust Investment Committee
Ms. Margarita L. San Juan	-	Lead Independent Director, Chairperson of the Corporate Governance, Nominations and Compliance Committees, and Member of the Risk Oversight and Related Party Transaction Committees
Mr. Philip S.L. Tsai	-	Independent Director, Chairman of the Risk Oversight Committee, and Member of the Audit, Related Party Transaction and Remuneration Committees
Ms. Claire Ann T. Yap	-	Independent Director, Chairperson of the Audit Committee, and Member of the Corporate Governance, Risk Oversight and Nominations Committees
Mr. Genaro V. Lapez	-	Independent Director, Chairman of the Related Party Transaction and Remuneration Committees, and Member of the Corporate Governance and Nominations Committees

Director Absent:

None

Also Present:

Mr. Ricardo R. Chua	-	Advisor to the Board
Atty. Leilani B. Elarmo	-	Corporate Secretary
Mr. Romeo D. Uyan, Jr.	-	Chief Operating Officer
Mr. Patrick D. Cheng	-	Chief Finance Officer
Mr. Gerald O. Florentino	-	Head of Investor and Corporate Relations Group
Mr. Christopher Ma. Carmelo Y. Salazar	-	Treasurer
Atty. Aileen Paulette S. De Jesus	-	Chief Compliance Officer
Ms. Janet A. Paraiso	-	Sycip Gorres Velayo & Co. (SGV), External Auditor, and Team
Mr. Joel S. Cortez	-	Stock Transfer Service, Inc., Transfer Agent

Stockholders present through remote communication, by proxy, or *in absentia*:

2,100,880,043 shares (See Annex A for the list of stockholders and other attendees)

I. CALL TO ORDER

After the video presentations of the ad campaign "*Times Change, but Values Remain*" were shown, and the Philippine National Anthem was played, Investor and Corporate Relations Group (ICRG) Head Gerald O. Florentino introduced the current members of the Board of Directors and Advisor to the Board Ricardo R. Chua, as well as the members of the Bank's Management Team which included Chief Operating Officer Romeo D. Uyan, Jr. and Chief Finance Officer Patrick D. Cheng. Then, he gave the floor to the Chairman.

Mr. Hans T. Sy, Chairman of the Board, welcomed the stockholders and guests to the Bank's 2022 Annual Stockholders' Meeting, which was an online-only event in order to continue to safeguard the health and safety of the stockholders and participants given the present situation, similar to last year's annual meeting. He called the meeting to order and presided over the same. Atty. Leilani B. Elarmo, Corporate Secretary, took the minutes of the proceedings.

The list of the stockholders present through remote communication, by proxy, or *in absentia*, with their respective number of shares, is hereto attached as Annex "A".

II. PROOF OF NOTICE OF MEETING

Chairman Hans Sy inquired from the Corporate Secretary about the sending of the required Notice of Meeting to the stockholders.

Atty. Elarmo reported that the stockholders were notified about the meeting in accordance with the Securities and Exchange Commission's (SEC) Memorandum Circular No. 6, series of 2020, Sections 23, 49, 50, 57 and other related provisions of the Revised Corporation Code, and SEC Notice dated 16 February 2022 on the alternative modes of distributing documents in relation with the holding of annual stockholders' meeting for 2022.

Moreover, the Notice was published in business section of The Philippine Star and Philippine Daily Inquirer, in print and online formats, on 31 March and 01 April 2022. Likewise, electronic copies of the Notice of Meeting with Explanation of Agenda Items, Information Statement (SEC Form 20-IS), Management Report, Annual Report (SEC Form 17-A) and other pertinent documents were made available in the Bank's website www.chinabank.ph and Philippine Stock Exchange's (PSE) EDGE Submission System.

The Corporate Secretary certified that the required Notice of Meeting via remote communication was sent in compliance with the Bank's By-Laws, the laws and rules and regulations of the Bangko Sentral ng Pilipinas (BSP), SEC and PSE.

III. CERTIFICATION OF QUORUM

The Chairman asked the Corporate Secretary about the presence of quorum.

Based on the final count of attendees, as verified by SyCip Gorres Velayo & Co. (SGV), the independent party tasked to count and validate the votes at the meeting, out of 2,691,288,212 total subscribed and outstanding shares of the Bank, the holders of 2,100,880,043 shares representing 78.062% or more than two-thirds (2/3) of the outstanding capital stock of the Bank are present through remote communication, by proxy, or *in absentia*. The Corporate Secretary certified and declared the existence of a quorum competent to transact business.

The Guidelines for Participation via Remote Communication and Voting *in Absentia* was included as Schedule "A" of the Bank's Information Statement.

IV. APPROVAL OF MINUTES OF 06 MAY 2021 ANNUAL MEETING OF STOCKHOLDERS

The Chairman proceeded to the next item in the Agenda, which is the approval of minutes of the annual stockholders' meeting held on 06 May 2021. The minutes was included in the Definitive Information Statement and can also be accessed through the Bank's website www.chinabank.ph.

Atty. Elarmo presented the following proposed resolution and the approval by the stockholders based on the votes cast:

> "The reading of the minutes of the Annual Meeting of Stockholders held on 06 May 2021 was dispensed with, and all matters included in the minutes were considered complete and accurate, and were approved for all intents and purposes."

Opinion		Votes Cast		Percentage (based on shares present or represented at the meeting)
For	-	2,100,817,052	-	99.997%
Against	-	-	-	-
Abstain	-	62,991	-	0.003%

V. ANNUAL REPORT TO STOCKHOLDERS

Chairman Hans Sy gave the floor to President William C. Whang who delivered his report on the Bank's activities, business and financial performance, and other relevant data for the year 2021.

President William began his report by expressing his positive outlook that the toll of COVID-19 on global health and its wider economic and social impact are waning and everyone can now focus on sustainable recovery and building up resilience should the said virus become endemic. Moreover, he reported that while 2021 continued to be challenging, it has been a year of hope and optimism as infection cases dropped amid higher vaccination rates, and business activities increased with the reopening of the economy. Despite being battered by the pandemic and typhoons Fabian and Odette, the country showed great resilience in 2021.

The Philippines' Gross Domestic Product grew by 12% in the second quarter of 2021, effectively lifting the country out of recession and the further easing of mobility restrictions in the fourth quarter perked up consumer spending and brought the full-year economic growth to 5.6% from -9.6% in 2020. The accelerated vaccination drive, combined with the government's policy support and game-changing reforms boosted the country's rebound in 2021 and strong growth prospects in 2022. The BSP also kept the policy rate at its record low of 2% for the entire year. 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 were signed into law to help the Philippine economy recover from the pandemic shock.

With respect to the Bank, President Whang emphasized its continued priority of the people's safety as it pursued growth and contributed to a more vibrant economy. The Bank ended 2021 with 9,747 employees and as of May 2022, 98% of the workforce have been fully vaccinated, while booster shots are also being administered since late last year. The Bank's 637 branches nationwide are safe havens for face-to-face transactions, while the digital platforms and electronic banking channels, which include 1,037 ATMs, enable convenient banking access and support the transition to a cashless society. Transactions via China Bank Online, mobile app, and e-banking facilities like ATM continued to surge, accounting for 67% of the total banking transactions for 2021.

President Whang reported that as part of the Bank's pursuit of digital transformation to provide customers convenience and security, the Bank enhanced its mobile app, with the addition of the scan-to-pay feature for easy QR code payments and the InstaPay 2.0 Multi-proxy feature for secure fund transfers with the use of mobile number or email address. The Bank plans to continue with more digital initiatives this year, including the launch of China Bank START so new customers can easily open a China Bank account via app, China Bank Digital 2.0, a new institutional website, and automated marketing.

President Whang continued his report on the Bank's financial highlights for the year 2021. He commended the Bank's strong performance with its P15.1B net income, 25% higher compared to 2020, which translated to an improved return on equity of 13.6% and return on assets of 1.5%. Net interest income grew 13% to P38.3B, driven by loans growth and lower interest expense. Net interest margin further improved to 4.2%. Fee-based income, on the other hand, went up by 3% to P10.4B, underpinned by a 39% increase in core fee-based income. The growth in operating expenses was controlled at 4% to P22.3B. The Bank's conscious efforts to manage expenses while investing in growth strategies resulted in a better cost-to-income ratio of 46% from 49%, the lowest among its peer banks.

Other key indicators were likewise positive: total assets of P1.1T or an increase by 7%; total deposits of P863B, up 3%, with an improved CASA ratio of 64% from 56%; and net loans of P609B, or an increase by 9%. Further, the Bank's non-performing loans ratio of 2.5% and NPL coverage of 116% were better than industry average.

President Whang further narrated that the total capital increased by 13% to P119B. The healthy capital ratios reflected the Bank's financial soundness - common equity tier 1 (CET1) ratio of 14.9% and total capital adequacy ratio (CAR) of 15.7%.

With respect to bond and equity market, through the Bank's investment banking arm, China Bank Capital, the Bank 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. He noted that China Bank Capital has maintained its position as the leading investment house in the domestic debt capital markets and the number one book runner for fixed income deals in the Philippines.

President Whang next highlighted the awards and recognitions received by the Bank. To start, it was named the Best Bank in the Philippines in 2021, while China Bank Capital was the Best Bond Adviser (Domestic) for the sixth consecutive year by The Asset. The Bank also emerged as the second strongest bank in the Philippines and among the Top 20% in the Asia Pacific region in The Asian Banker's 500 Strongest Banks ranking in 2021. Further, Moody's Investors Service affirmed the Bank's investment grade credit rating of Baa2 while the Philippine Rating Services Corporation (PhilRatings) gave it the highest credit rating of PRS Aaa (corp.); both ratings carry a stable outlook. Moreover, The ASEAN Capital Markets Forum distinguished the Bank as among the Top 3 publicly-listed companies in the Philippines and among the Top 20 in ASEAN, and as an ASEAN Asset Class. For its corporate governance efforts, the Bank received the Institute of Corporate Directors' highest recognition for corporate governance, the Four Golden Arrow. Lastly, as recognition for its strong support for the various initiatives to build an inclusive and increasingly digital Philippine economy, BSP named the Bank as an outstanding stakeholder.

For its shareholders, the Bank paid a total of P2.69B or P1.00 per share cash dividends in 2021, which is a testament to China Bank's financial well-being and future prospects. It also issued 5.4M 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 the Bank's partners in success.

For the revival of Manila and for the next generation of China Bankers and customers, President Whang announced the completion of the restoration of the original headquarters in Binondo and the construction of the China Bank Museum. The Binondo Business Center bears the historical markers from the National Historical Commission of the Philippines (NHCP) and the National Museum, signifying the NHCP's recognition of the 100-year history and of the original head office of the Bank, built in 1924, as a heritage site, and the National Museum's confirmation of the building's cultural significance to the country.

Moving forward, President Whang signifies his confidence in the Bank's capabilities to achieve its goals amid the challenges and opportunities ahead. The Bank is determined to expand its business through CASA and loans growth, and to future proof such growth by focusing on asset quality, digital banking transformation, and ESG implementation. He stated that the pandemic has taught the Bank the importance of preparing for and adapting to shifting conditions while remaining supportive of the customers and communities it serves. Speaking of adapting to shifting conditions, he updated that the Mega Tower extension office is now operational, achieving the 100% onsite workers capacity with about 32% of the employees working in the head office and main offices in Makati transferring to this new state-of-the-art facility in Mandaluyong which is equipped with modern air ventilation, air filtration, and UV technologies to ensure our employees' health and safety.

Finally, President Whang ended his report with genuine hope that the new elected leader will be able to unite the country to take on the difficult challenges ahead. He then thanked everyone on behalf of the China Bank Board for staying the course with and believing in the Bank.

After the presentation, Chairman Hans Sy thanked the President and asked the Corporate Secretary for the proposed resolution and voting results.

Atty. Elarmo presented the following proposed resolution and its approval by the stockholders based on the votes cast:

> "The Annual Report, an electronic copy of which having been made available on the Bank's website and on the Philippine Stock Exchange's (PSE) EDGE Submission System, and as presented by Bank President William C. Whang, was approved."

Opinion		Votes Cast		Percentage (based on shares present or represented at the meeting)
For	-	2,099,848,678	-	99.951%
Against	-	-	-	-
Abstain	-	1,031,365	-	0.049%

VI. AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

For this item in the agenda, Chairman Hans Sy stated that the President, in his annual report earlier, presented the financial performance and changes in the financial position of the Bank for the year 2021. He then asked the Corporate Secretary for the proposed resolution and voting results.

Atty. Elarmo presented the following proposed resolution and its approval by the stockholders based on the votes cast:

> "The audited financial statements for the year ended 31 December 2021, attached as Annex E of the Definitive Information Statement, posted on the Bank's website and PSE's EDGE Submission System, and covered in part by the presentation of the Bank President William C. Whang, was approved."

Opinion		Votes Cast		Percentage (based on shares present or represented at the meeting)
For	-	2,099,848,678	-	99.951%
Against	-	-	-	-
Abstain	-	1,031,365	-	0.049%

VII. RATIFICATION OF ALL ACTS OF THE BOARD OR DIRECTORS, EXECUTIVE COMMITTEE, OTHER COMMITTEES, AND MANAGEMENT

Continuing with the next item in the agenda and after being asked by the Chairman, Atty. Elarmo presented the following proposed resolution and its approval by the stockholders based on the votes cast:

> "All the acts of the Board of Directors, which include the following related party transactions discussed in the Definitive Information Statement and Audited Financial Statements, the proposed amendment to Article III, Section 1 of the By-Laws relating to the schedule of regular meeting of stockholders as approved by the Board of Directors exercising its delegated power to amend the By-Laws of the Bank on 02 February 2022, and all the acts of the Executive Committee and of the various committees of the Bank and Management, during the fiscal year 2021 and immediately preceding this stockholders' meeting, were approved, confirmed and ratified for all intents and purposes:

Related Party	Total Amount /1	Total Outstanding Balance /2
CBC Group	₱ 4.3 B $ 6.1 M	-
SM Group	₱ 106.7 B $ 653.0 M	₱ 10.4 B $ 174.6 M
Other Related Parties	₱ 71.2 B $ 8.5 M	₱ 2.2 B

1/ Covers all transactions
2/ For loan transactions approved in 2021

Changes in the By-Laws	From	To	Purpose
Article III (Meeting of Stockholders) Section 1 <u>Regular Meeting</u>	The regular meeting of stockholders shall be held annually on <u>the first Thursday of the month of May of each year at such hour and place as may be fixed by the Board of Directors, provided, however, that should said day fall on a holiday, then the meeting shall instead be held on the second Thursday of the month of May</u> at such hour and place as may be fixed by the Board of Directors.	The regular meeting of stockholders shall be held annually on <u>any date after April 15 of each year as determined by the Board of Directors and</u> at such hour and place as may be fixed by the Board of Directors.	To enable the Bank to apprise earlier its stockholders and stakeholders of the Bank's performance and agenda matters, and enhance corporate governance.

Opinion		Votes Cast		Percentage (based on shares present or represented at the meeting)
For	-	2,099,848,678	-	99.951%
Against	-	-	-	-
Abstain	-	1,031,365	-	0.049%

VIII. ELECTION OF THE BOARD OF DIRECTORS

On the next item in the agenda, which is the election of the members of the Board of Directors for the ensuing year, the Chairman called on Lead Independent Director and Chairperson of the Nominations and Corporate Governance Committees, Ms. Margarita L. San Juan, to announce the nominees for election.

According to Ms. San Juan, based on the determination by the Nominations and Corporate Governance Committees, and as confirmed by the Board of Directors, the following nominees for directors and independent directors were found to possess all the qualifications and none of the disqualifications of a director or independent director, and their capabilities are aligned with the Bank's strategic directions: (a) Nominees for director – Mr. Hans T. Sy, Mr. Gilbert U. Dee, Mr. William C. Whang, Mr. Peter S. Dee, Mr. Joaquin T. Dee, Mr. Herbert T. Sy, Mr. Harley T. Sy, and Mr. Jose T. Sio; and (b) Nominees for independent director – Ms. Margarita L. San Juan, Mr. Philip S.L. Tsai, Ms. Claire Ann T. Yap, and Mr. Genaro V. Lapez.

The Chairman thanked Ms. San Juan and then asked Atty. Elarmo to present the results of the election. Atty. Elarmo presented the following proposed resolution and its approval by the stockholders based on the votes cast, as confirmed by SGV:

> "Based on the tally of votes and as confirmed by SyCip Gorres Velayo & Co. (SGV) - the independent party tasked to count and validate the votes at today's meeting, the twelve (12) nominees, including the four (4) nominees for independent directors, enumerated by the Chairperson of the Nominations and Corporate Governance Committees, Ms. Margarita L. San Juan, and listed in the Definitive Information Statement, are declared duly elected directors.

Name of Director	Type of Director	Votes Cast		
Mr. Hans T. Sy	Director	For	-	2,100,559,120
		Against	-	257,932
		Abstain	-	62,991
Mr. Gilbert U. Dee	Director	For	-	2,097,824,250
		Against		257,932
		Abstain		2,797,861
Mr. William C. Whang	Director	For	-	2,100,141,096
		Against		58,200
		Abstain		680,747
Mr. Peter S. Dee	Director	For	-	2,100,758,852
		Against		58,200
		Abstain		62,991
Mr. Joaquin T. Dee	Director	For	-	2,100,559,120
		Against		257,932
		Abstain		62,991
Mr. Herbert T. Sy	Director	For	-	2,100,758,852
		Against		58,200
		Abstain		62,991
Mr. Harley T. Sy	Director	For	-	2,100,758,852
		Against		58,200
		Abstain		62,991
Mr. Jose T. Sio	Director	For	-	2,100,646,044
		Against		162,408
		Abstain		71,591
Ms. Margarita L. San Juan	Independent Director	For	-	2,100,817,052
		Against		-
		Abstain		62,991
Mr. Philip S.L. Tsai	Independent Director	For	-	2,100,817,052
		Against		-
		Abstain		62,991
Ms. Claire Ann T. Yap	Independent Director	For	-	2,100,758,852
		Against		58,200
		Abstain		62,991
Mr. Genaro V. Lapez	Independent Director	For	-	2,100,817,052
		Against		-
		Abstain		62,991

IX. APPOINTMENT OF EXTERNAL AUDITOR

Proceeding with the next item in the agenda, the Chairman called on Ms. Claire Ann T. Yap, Director and Chairperson of the Audit Committee, to make the recommendation.

Ms. Yap stated that the Audit Committee, composed of herself, Director Joaquin T. Dee and Independent Director Philip S.L. Tsai, has evaluated the performance during the past year of the Bank's current external auditor, SGV, and found it to be satisfactory. The Committee, therefore, as well as the Board of Directors, agreed to endorse the re-appointment of SGV as the Bank's external auditor for the ensuing year.

The Chairman asked Atty. Elarmo for the resolution and voting results. Atty. Elarmo then presented the following proposed resolution and its approval by the stockholders based on the votes cast:

> "The incumbent external auditor, SyCip Gorres Velayo & Co. (SGV), was re-appointed external auditor of the Bank for the ensuing year."

Opinion		Votes Cast		Percentage (based on shares present or represented at the meeting)
For	-	2,100,817,052	-	99.997%
Against	-	-	-	-
Abstain	-	62,991	-	0.003%

X. OTHER MATTERS

The Chairman announced that the Board of Directors, in their meeting held on 04 May 2022, approved the declaration of a regular cash dividend of P1.00 per share, and special cash dividend of P0.50 per share. Further, the Board approved to set and/or recommend 20 May 2022 as the record date and 03 June 2022 as the payment/issuance date of the cash dividends.

Next, the Chairman stated that it is time to address the questions and comments from the stockholders sent via e-mail. As provided in the Guidelines for participation in the meeting via remote communication, which was posted on the Bank's website, questions or comments submitted and received but not addressed during the livestream, shall be answered directly by e-mail to the stockholder concerned. Chairman Hans Sy then gave the floor to ICRG Head Mr. Florentino, to read aloud the questions and comments.

Mr. Florentino began by reading the question sent by stockholder, Mr. Jaime dela Cruz. Mr. dela Cruz would like to know if the Bank is open to tie-ups with foreign banks just like what has been done by some of its peers and competitors. President Whang in response said that the Bank is open to any strategic investor who can bring value to the Bank's business; value in terms of strengthening its core business, such as introducing technology that can bring a competitive advantage to the Bank.

Mr. Florentino continued with the question sent by stockholder, Ms. Hannah Lopez. Ms. Lopez asked how the Bank encourages its customers to save and increase CASA deposits amid the increase in competition and very low rates for checking and savings accounts. President Whang replied that this year, the Bank introduced several sales incentives starting with the launch of external and internal CASA promotions to reward its loyal customers while increasing awareness among the branch personnel on the value of CASA to the business, at the same time generating new-to-bank accounts to ensure growth. President Whang then stressed that preserving personal relationship is the gold standard for customer delight.

The last question read by Mr. Florentino was from stockholder Gilbert Antiquiera. Mr. Antiquiera inquired how the Bank is ensuring the security and protection of its clients' accounts considering the massive online fraud incidents that transpired late last year.

President Whang emphasized that the Bank takes the security of its customers' accounts and transactions very seriously. In fact, security has one of the Bank's biggest annual operating budget and it will continue to be in the future. The Bank also has a cybersecurity program aligned with best practice and this is constantly reviewed together by the Bank's Information Security Office, Risk Management and IT team.

Thereafter, Mr. Florentino announced the conclusion of the question and answer session, and undertook to reply by e-mail to all other questions directly to the stockholders.

XI. ADJOURNMENT

There being no other business to transact and other matters to be taken up, Chairman Hans Sy, on behalf of the Board of Directors and Management of the Bank, expressed gratitude to all those who participated in the meeting. He thanked everyone for their continued support. Thereafter, the meeting was adjourned at 4:37 P.M.

Prepared by:

(Original Signed)
LEILANI B. ELARMO
Corporate Secretary
and Secretary of the Meeting

Attested by:

(Original Signed)
HANS T. SY
Chairman of the Board and
Chairman of the Meeting