

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 stocks registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of China Bank on May 6, 2021, 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
William C. Whang	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 June 18, 2020 Annual Meeting of Stockholders and October 1, 2020 Special Meeting of Stockholders

☐ Yes ☐ No ☐ Abstain

3. Approval of Annual Report

☐ Yes ☐ No ☐ Abstain

4. Approval of audited financial statements for the year ended December 31, 2020

☐ Yes ☐ No ☐ Abstain

5. Ratification of all acts of the Board of Directors, Executive Committee, other Committees, and Management, including 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. Delegation to the Board of Directors of Power to Amend By-Laws

☐ Yes ☐ No ☐ Abstain

9. 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 30, 2021, the deadline for submission of proxies.

This proxy shall continue until such time as the same is withdrawn by the stockholder through notice in writing, or superseded by subsequent proxy, delivered to the Secretary at least three (3) business days before any scheduled meeting, but shall not apply in instances where the stockholder personally attends the meeting in person and expresses his/her intention to vote in person. 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 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

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Please be notified that pursuant to Article III, Section 1 of the Amended By-Laws of China Banking Corporation (China Bank), the annual meeting of stockholders will be conducted virtually via <https://www.chinabank.ph/asm2021> on May 6, 2021, 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 the Minutes of Annual Meeting of Stockholders on June 18, 2020 and Special Meeting of Stockholders on October 1, 2020
5. Annual Report to Stockholders
6. Approval of the Audited Financial Statements for the year ended December 31, 2020
7. Ratification of all acts of the Board of Directors, Executive Committee, other Committees, and Management during the year 2020, including the ratification of related party transactions
8. Election of Directors
9. Appointment of External Auditor
10. Amendment of By-Laws
11. Delegation to the Board of Directors of Power to Amend By-laws
12. Other Matters
13. Adjournment

Stockholders of record as of March 19, 2021 shall be entitled to notice of and vote at the meeting. The stock and transfer books of China Bank will be closed from April 15 to May 6, 2021.

Because of the present situation, stockholders may attend the meeting by remote communication through an online live broadcast and exercise their right to vote *in absentia* through the 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 the right to vote *in absentia* should register through the Bank's online registration system on or before April 30, 2021. All information submitted shall be subject to verification and validation of the Corporate Secretary. After verification and validation, an e-mail containing their log-in details for the online voting system shall be sent to the stockholders. The procedures for online registration and verification, online voting *in absentia*, and participation in the meeting through remote communication are set forth in Schedule "B" of the Information Statement which can be accessed through China Bank's website: www.chinabank.ph/asm2021.

Stockholders who have successfully registered and been duly verified can access the online live broadcast of the annual stockholders' meeting and vote *in absentia*.

Stockholders intending to participate by appointing a proxy should submit their proxy forms to the Office of the Corporate Secretary at 11th Floor, China Bank Building, 8745 Paseo de Roxas corner Villar St., Makati City, by e-mail (OCSSTOCKS@chinabank.ph), or by fax [(+632) 888-55135] not later than April 30, 2021, 5:00 P.M.

Makati City, March 16, 2021.


ATTY. CORAZON I. MORANDO
Vice President & Corporate Secretary


*For the explanation of each agenda item, please refer to the attached Annex "A."

EXPLANATION OF AGENDA ITEMS

1. Call to Order

Chairman Hans T. Sy will welcome the stockholders and guests and formally begin the 2021 annual meeting of stockholders of China Bank. He will also highlight that stockholders will be given the opportunity to ask questions or raise their comments prior to submitting each agenda item for their action.

2. Proof of Notice of Meeting

Atty. Corazon I. Morando, Corporate Secretary, will certify the date the notice of meeting with the information statement was posted in the Bank's website and Philippine Stock Exchange (PSE) EDGE and/or sent to stockholders of record as of March 19, 2021 and to the Securities and Exchange Commission (SEC) and the PSE, in accordance with the China Bank by-laws and the SEC and PSE rules and regulations, and the date such notice was published in newspapers of general circulation.

3. Certification of Quorum

Atty. Morando will certify the existence of quorum. A meeting where the 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* shall constitute a quorum and be competent to transact business.

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 30, 2021. All information submitted shall be subject to verification and validation of the Corporate Secretary. After verification and validation, an e-mail containing their log-in details for the online voting system shall be sent to the stockholders. The procedures for online registration and verification, online voting *in absentia*, and participation in the meeting through remote communication are set forth in Schedule "B" of the Information Statement which can be accessed through China Bank's website: www.chinabank.ph/asm2021.

4. Approval of the Minutes of the Annual Meeting of Stockholders on June 18, 2020 and Special Meeting of Stockholders on October 1, 2020

Stockholders will be asked to approve the minutes of the stockholders' meetings held on June 18 and October 1, 2020, which contain, among others, the annual report to stockholders and approval of financial statements, ratification of all acts of the Board of Directors, Executive Committee, other committees and Management, during the fiscal year 2019 and immediately preceding the meeting, election of the Board of Directors, appointment of external auditor, amendment of by-laws, announcement of the declaration of cash dividends, and centennial stock grant. The minutes may be accessed through China Bank website, www.chinabank.ph.

5. Annual Report to Stockholders

Stockholders will be provided information about the Bank's activities, business and financial performance, and other relevant data for the year 2020. The annual report may be accessed through China Bank website, www.chinabank.ph.

6. Approval of the Audited Financial Statements for the year ended December 31, 2020

Stockholders will be provided information about the financial position, performance and changes in financial position of the Bank. The financial statements will be included in the Information Statement to be sent to the stockholders prior to the meeting.

7. Ratification of all acts of the Board of Directors, Executive Committee, other Committees, and Management during the year 2020, including the ratification of related party transactions

All acts of the Board of Directors, Executive Committee, other Committees, and Management during the year 2020, including the ratification of related party transactions, will be presented to the stockholders for their approval and ratification.

8. Election of the Directors

The Chairman of the Nominations Committee and/or Corporate Governance Committee will present the nominees for election as members of the Board of Directors, including the independent directors. The list of nominees, with their profiles, will be provided in the Information Statement.

9. Appointment of External Auditor

The stockholders will be asked to ratify the selection by the Audit Committee and Board of the auditors of China Bank.

10. Amendment of By-laws

The Board resolutions of March 3 and 10, 2021 amending the By-laws in order to address the comments of the Bangko Sentral ng Pilipinas (BSP), to conform with the BSP's Manual of Regulations for Banks and the Revised Corporation Code of the Philippines, and to enhance corporate governance will be presented to the stockholders for their approval.

11. Delegation to the Board of Directors of Power to Amend By-laws

The Board resolution delegating the amendments of by-laws to the Board of Directors to address the requirements of regulatory agencies as regards such amendments which have been filed and pending and/or to be filed by the Bank will be presented to the stockholders for their approval.

12. Other Matters

All matters that arise after the notice, agenda, and information statement have been sent out may be presented for the consideration of the stockholders. Other businesses as may properly come before the stockholders may also be raised.

13. Adjournment

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



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 securityholders:
- Date: **May 6, 2021**
Time: **4:00 P.M.**
Place: **virtually via** <https://www.chinabank.ph/asm2021>
9. Approximate date on which the Information Statement is first to be sent or given to securityholders:
April 5, 2021 (posted in the Bank's website and PSE EDGE)
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	2,685,899,812

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 : May 6, 2021
Time : 4:00 P.M.
Place : virtually via <https://www.chinabank.ph/asm2021>

Mailing address of principal office: 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: **April 5, 2021 (posted in the Bank's website and PSE EDGE)**

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 meeting which may give rise to the exercise by a security holder 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. In order 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:** 2,685,899,812 common shares entitled to vote as of February 28, 2021

(b) **Record Date:** Stockholders of record as of March 19, 2021 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 March 2, 2021, and later on amended to March 18, 2021 for independent director, 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 candidate, indicating the nominee 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 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, a stockholder is allowed to vote through remote communication or *in absentia*. On March 25, 2020, the Board of Directors approved the amendment of the Bank's By-laws which allows the voting through remote communication or *in absentia*. On March 3, 2021, the Board of Directors approved to allow the conduct of the Annual Stockholders' Meeting on May 6, 2021 and participation therein by the stockholders via remote communication or *in absentia*, in accordance with the Securities and Exchange Commission's (SEC) Memorandum Circular No. 6, Series of 2020. Please refer to Schedule "B" of the Information Statement for the Guidelines for the Participation via Remote Communication. 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 February 28, 2021:

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

* Based on the list provided by the Philippine Depository & Trust Corporation to the Bank's transfer agent, Stock Transfer Service, Inc., as of February 28, 2021, The Hongkong and Shanghai Banking Corporation Limited (396,732,386 shares or 14.77%) and BDO Securities Corporation (188,274,208 shares or 7.01%) hold 5% or more of the Bank's securities. The beneficial owners, such as the clients of PCD Nominee Corporation, have the power to decide how their shares are to be voted.

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

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

(ii) Directors and Management as of February 28, 2021:

	Title of Class	Name	Position	Citizenship	Amount & Nature of Beneficial / Record Ownership	Percentage
(a)	Directors					
	Common	Hans T. Sy	Chairman of the Board	Filipino	4,383,462	0.163%
	Common	Gilbert U. Dee	Vice Chairman	Filipino	12,832,906	0.478%
	Common	William C. Whang	Director and President	Filipino	17,518	0.001%
	Common	Peter S. Dee	Director	Filipino	301,305	0.011%
	Common	Joaquin T. Dee	Director	Filipino	51,686,912	1.924%
	Common	Herbert T. Sy	Director	Filipino	735,431	0.027%
	Common	Harley T. Sy	Director	Filipino	897,254	0.033%
	Common	Jose T. Sio	Director	Filipino	3,517	0.000%
	Common	Alberto S. Yao	Independent Director	Filipino	548,876	0.020%
	Common	Margarita L. San Juan	Independent Director	Filipino	95,238	0.004%
	Common	Philip S.L. Tsai	Independent Director	Filipino	2,000	0.000%
	Common	Claire Ann T. Yap	Independent Director	Filipino	100	0.000%
			Total		71,504,519	2.662%
(b)	Executive Officers (in addition to Messrs. Gilbert U. Dee and William C. Whang)					
	Common	Rosemarie C. Gan	Executive Vice President	Filipino	130,032	0.005%
	Common	Patrick D. Cheng	Executive Vice President & CFO	Filipino	617,756	0.023%
	Common	Alexander C. Escucha	Senior Vice President	Filipino	83,886	0.003%
	Common	Benedict L. Chan	First Vice President II	Filipino	15,678	0.001%
	Common	Gerard T. Dee	First Vice President II	Filipino	277,864	0.010%
	Common	Shirley G.K.T. Tan	First Vice President II	Filipino	12,863	0.000%
	Common	Delia Marquez	First Vice President II	Filipino	23,560	0.001%
	Common	Lilibeth R. Cariño	First Vice President	Filipino	4,167	0.000%
	Common	Angela D. Cruz	First Vice President	Filipino	1,639,876	0.061%
	Common	Elizabeth C. Say	First Vice President	Filipino	3,433	0.000%
	Common	Maria Rosanna				
		Catherina L. Testa	First Vice President	Filipino	6,340	0.000%
	Common	Stephen Y. Tan	First Vice President	Filipino	2,746	0.000%
	Common	Marisol M. Teodoro	First Vice President	Filipino	21,323	0.001%
	Common	Layne Y. Arpon	First Vice President	Filipino	10,732	0.000%
	Common	Belenette C. Tan	First Vice President	Filipino	5,008	0.000%
	Common	Manuel M. Te	First Vice President	Filipino	3,199	0.000%
	Common	Clara C. Sy	First Vice President	Filipino	2,973,304	0.111%
			Total		5,831,767	0.217%
			GRAND TOTAL		77,336,286	2.879%

5. Directors and Principal Officers

(a) Incumbent Directors and Advisor

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

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

William C. Whang, 62, Filipino, is Director and President of the Bank since November 1, 2017. Aside from China Bank, he does not hold any directorship position in any other PSE-listed company. He also sits in the boards of Bank subsidiaries China Bank Savings, Inc. (CBSI), China Bank Insurance Brokers, Inc. (CBC-IBI), CBC-PCCI, China Bank Capital Corporation (CBCC), and China Bank Securities Corporation (CBSC). He also holds other directorship positions, representing China Bank, in BancNet, Inc., Banker's Association of the Philippines, Philippine Payments Management Inc., and Manulife China Bank Life Assurance Corporation (MCBLife). He has over 40 years of banking experience, previously holding key positions in local and international financial institutions, including Sterling Bank of Asia, Security Bank Corporation, Union Bank of the Philippines, International Exchange Bank, First Philippine International Bank, Metrobank, Westmont Bank, and Republic Bank of New York. Director and President Whang earned his Bachelor of Science degree in Commerce, Major in Business Management, from the De La Salle University. He underwent various trainings in banking and other related fields such as corporate governance, AML, branch-based marketing, quality service management, sales management, principle-centered leadership, and corporate strategy.

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

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

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

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

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

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

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

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

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

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

Ricardo R. Chua, 69, Filipino, is Advisor to the Board since November 1, 2017. He previously held several key positions in the Bank: as Director from 2008 up to October 2017, President and Chief Executive Officer from September 2014 up to October 2017, and Chief Operating Officer from 2012 to 2014. He is the Advisor of the Bank 's Technology Steering Committee, and sits in the boards of the following Bank subsidiaries: Chairman of CBSI and CBCC and Director of CBC-PCCI. A Certified Public Accountant, Mr. Chua graduated with a Bachelor of Science degree in Business Administration, Major in Accounting, *cum laude*, from the University of the East, and completed his Master's in Business Management from the AIM. He has had trainings in banking operations and corporate directorship, and attended AML and corporate governance seminars, among others.

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

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

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

^(a) 5 out of 6, from January 2020 until her passing on April 11, 2020

^(b) 3 out of 3, from her election on October 1, 2020

Attendance of directors in the committee meetings is discussed in Annex C - Compliance with Leading Practice on Corporate Governance. Their attendance in the regular annual stockholders' meeting on June 18, 2020 and special stockholders' meeting on October 1, 2020 is included in Schedules "C" and "D" of the Definitive Information Statement.

(b) Corporate Officers

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

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

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

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

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

trainings related to banking, legal, compliance and governance, such as on data privacy, anti-money laundering, legal liabilities and proceedings affecting banks, performance management, and corporate governance.

(c) Principal Officers

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

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

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

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

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

Manuel C. Tagaza, 58, Filipino, Senior Vice President, is the Head of the Bank's Digital Banking Group. He is also currently the General Manager of Bank subsidiary CBC-PCCCI. For over 30 years, Mr. Tagaza has handled key positions in companies engaged in banking and technology solutions. Before joining the Bank, he was Senior Vice President at the Bank of the Philippine Islands, Senior Vice President at TIM Corporation, and Vice President at PCI Bank. He currently chairs the Philippine QR Payments Technical Working Group and he is the country representative to the ASEAN Inter-operable QR Payments Working Group. He graduated with a Bachelor of Science degree in Industrial Engineering from the University of Santo Tomas. He attended Harvard Business Publishing's Leadership Management Course as well as other local and international seminars and banking conferences such as those relating to leadership management, retail payments, and real time payments.

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

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

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

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

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

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

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

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

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

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

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

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

Angela D. Cruz, 61, Filipino, First Vice President I, is the Head of Wealth Management Group. She also presently serves as Director of Wellington Investment and Manufacturing Corporation and holds key positions in Suntree Holdings Corporation and JJACCIS Development Corporation. Prior to joining the Bank, she held executive positions at Citibank N.A., Far East Bank and Trust Company, and Equitable PCI Bank. Ms. Cruz earned her Bachelor of Science degree in Commerce, Major in Management of Financial Institutions, from the De La Salle University. Her professional trainings related to banking operations include Bourse Game, account management, and customer service. She is related within the first civil degree of consanguinity to Bank Director Joaquin T. Dee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) Nominees for election as Directors and Independent Directors

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	Zenaida C. Milan, no relation
Gilbert U. Dee	Linda Susan T. Mendoza	Philip S.L. Tsai	Alvin A. Quintanilla, no relation
William C. Whang	George C. Yap	Claire Ann T. Yap	Regina Capital Development Corporation, no relation
Peter S. Dee	Nancy D. Yang	Genaro V. Lapez	Regina Capital Development Corporation, no relation
Joaquin T. Dee	Christopher T. Dee		
Herbert T. Sy	Sysmart Corporation		
Harley T. Sy	SM Investments Corporation		
Jose T. Sio	SM Investments Corporation		

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

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

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

(e) Involvement in Legal Proceedings

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

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

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

(f) Significant Employees

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

(g) 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. Alexander C. Escucha, Mr. Patrick D. Cheng, Ms. Rosemarie C. Gan, and four (4) independent directors: Messrs. Alberto S. Yao and Philip S.L. Tsai, and Mesdames Margarita L. San Juan and Claire Ann T. Yap.

- 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), William C. Whang, Lilian Yu, Magnolia Luisa N. Palanca and three (3) independent directors: Messrs Philip S.L. Tsai and Alberto S. Yao, and Ms. Margarita L. San Juan. CBCC's business is supplemented by its wholly-owned subsidiaries: a) China Bank Securities Corporation (formerly ATC Securities, Inc.), an equity broker-dealer; and b) CBC Assets One (SPC) Inc., a special purpose corporation.
- iii. *CBC Assets One (SPC) Inc. (CBC Assets)* – is a special purpose subsidiary of CBCC. It was incorporated on June 15, 2016, with the primary purpose of securitization of assets which include receivables, mortgage loans and other debt instruments. CBC Assets is 100% owned by CBCC, with the following Board members: Messrs. Ryan Martin L. Tapia (Chairman/President/CEO), Juan Paolo E. Colet, Ariel A. Soner, and Roberto A. Cabusay, and Ms. Marjorie T. Esplana.
- iv. *China Bank Securities Corporation (CBSC)* – formerly known as ATC Securities, Inc. (ATC), it is a wholly-owned subsidiary of CBCC. CBSC operates as a stock brokerage licensed by the SEC to engage in dealing, for its own and its customers' accounts, securities listed in the PSE as well as providing securities research and analysis services. On April 19, 2018, CBSC became one of the PSE Trading Participants eligible to trade dollar-denominated securities or DDS. ATC originally started out as Cathay Asia Securities, Inc. which was incorporated on December 13, 1978. On April 12, 1984, Cathay Asia Securities changed its name to ATC Securities, Inc. On June 29, 2016, CBCC and the stockholders of ATC executed a Share Purchase Agreement for the purchase by CBCC of 100% shares in ATC. The SEC approved CBCC's intended purchase of ATC on August 23, 2016, subject to certain documentary filing. The acquisition of ATC was eventually approved by the PSE on February 22, 2017 and the closing of the purchase of ATC was completed on March 6, 2017. On July 6, 2017, the SEC approved CBSC's amended articles of incorporation, including its change in corporate name from ATC Securities, Inc. to China Bank Securities Corporation. The company's Board of Directors is comprised of: Messrs. William C. Whang (Chairman), Romeo D. Uyan, Jr. (Vice Chairman), Ryan Martin L. Tapia, Mesdames Marisol M. Teodoro (President & CEO) and Lilian Yu and two (2) independent directors: Mr. Alberto S. Yao and Ms. Claire Ann T. Yap.
- v. *CBC Properties and Computer Center, Inc. (CBC PCCI)* – incorporated on April 14, 1982 to render general services of computer and other computer-related products and services solely to the Bank and its business group. CBC PCCI is 100% owned by the Bank, with the following Board members: Messrs. Gilbert U. Dee (Chairman), Peter S. Dee (President), Ricardo R. Chua, and William C. Whang (Treasurer), and Ms. Rosemarie C. Gan.
- vi. *Chinabank Insurance Brokers, Inc. (CIBI)* - Incorporated on November 03, 1998 as a full service insurance broker, providing insurance advice and solutions for retail and corporate customers, with a wide and comprehensive range of products for non-life and life insurance requirements. CIBI offers Property, Motor, Marine, Bonds, Construction All Risk, Liability, Financial Lines, Travel and Group Personal Accident for the Bank clients including non-mortgaged accounts. CIBI is 100% owned by the Bank, 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.
- vii. *ManulifeChinabank Life Assurance Corporation (MCBLife)* – the Board approved on August 2, 2006 the joint project proposal of the Bank with The Manufacturers Life Insurance Company (Manulife). In September 2007, the BSP approved the Bank's request to invest in Manulife-owned insurance company that would offer innovative insurance and financial products for health, wealth and education through the branch network and bank offices. The life insurance company was initially incorporated as The Pramerica Life Insurance Company, Inc. in 1998 but the name was changed to Manulife China Bank Life Assurance Corporation (MCBLife) on March 23, 2007. The Bank initially held a 5% interest in MCBLife, the minimum stake required by the BSP. On September 12, 2014, the BSP approved the increase of the Bank's capital investment in the venture to 40%, giving the Bank better opportunities to expand its fee-based business. The following are MCBLife's Board members: Sachin Shah (Chairman), Sandeep Deobhakta (Director/President & CEO), Richard Bates, William Whang, Patrick Cheng, Matthew Lawrence, Janette Peña, Rhoda Regina Rara and 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 2020:

The table below shows the Bank's material related party transactions and outstanding balances for the year 2020:

Related Party	Total Amount ^{/1}	Total Outstanding Balance ^{/2}
CBC Group	₱ 16.8 B \$ 354,832	₱ 55.6 M
SM Group	₱ 141.3 B \$ 212.6 M	₱ 3.7 B \$ 130 M
Other Related Parties	₱ 50.3 B \$ 2.2 M	₱ 15.6 B

1/ Covers all transactions

2/ For loan transactions approved in 2020

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

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

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

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

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

7. Independent Public Accountants

SyCip Gorres Velayo & Co. (SGV & Co.) has been the Bank's independent auditor for more than 20 years and was again approved for appointment at the annual stockholders' meeting on June 18, 2020. In compliance with SEC Memorandum Circular No. 8, Series of 2003, and Amendments to SRC Rule 68 on the rotation of external auditors or signing partners of a firm every after five (5) years of engagement, Ms. Josephine Adrienne A. Abarca was assigned starting 2020 as SGV & Co. partner-in-charge for the Bank.

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

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

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

Audit and Audit-Related Fees cover services rendered for the performance of the audit or review of the Bank's financial statements including the combined financial statements of Trust Group, and the issuance of comfort letters relative to the Bank's bond issuances amounting to P15 billion in 2020 and P30 billion in 2019. The 2020 and 2019 audit fees were taken up and approved by the Audit Committee.

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

The Board/Audit Committee likewise discussed, approved, and authorized to engage the services of SGV & Co in non-audit work for review and advisory services (2020 only), independent Third Party Vulnerability Assessment and Penetration Testing (2019 only), and independent validation of votes in the annual stockholders' meeting (2020 and 2019). Payment for these services are included under All Other Fees.

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

8. Compensation Plans

In light of the Bank'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 Bank will issue new shares from its authorized but unissued shares for the stock grant. The Board of Directors further clarified its intent relative to the Stock Grant in its meeting on September 2, 2020.

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, subject to the approval of 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. See "Dividend Policy".

- 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 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 2020 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 June 18, 2020 and Special Stockholders' Meeting held on October 1, 2020, which tackled the following matters, with the corresponding votes:

- June 18, 2020 Annual Stockholders' Meeting

- (i) annual report to stockholders – to provide information about the Bank's activities, business and financial performance, and other relevant data for the preceding year;

Opinion	Votes cast		Percentage (based on shares present or represented at the meeting)	
For	-	2,108,343,378	-	99.947%
Against	-	0	-	0.000%
Abstain	-	1,123,060	-	0.053%

- (ii) approval of the audited financial statements for the year ended December 31, 2019 – to provide information about the financial position, performance and changes in financial position of the Bank;

Opinion	Votes cast		Percentage (based on shares present or represented at the meeting)	
For	-	2,108,343,378	-	99.947%
Against	-	0	-	0.000%
Abstain	-	1,123,060	-	0.053%

- (iii) ratification of all acts of the Board of Directors, including the fund raising exercise of up to P75 Billion in several tranches for the next three (3) years which may be in the form of retail bonds and/or commercial papers, conduct of capital raising exercise of up to P15 Billion in the form of PHP-denominated Tier 2 capital notes, issuance of long term

negotiable certificates of time deposit of up to P20 Billion, and the related party transactions discussed in the Definitive Information Statement and Audited Financial Statements; and all the acts of the Executive Committee and of the various committees of the Bank and Management, during the fiscal year 2019 and immediately preceding this stockholders' meeting – to further bind the Bank of the actions made for the covered period;

Opinion	Votes cast		Percentage (based on shares present or represented at the meeting)
For	-	2,106,621,175	- 99.865%
Against	-	0	- 0.000%
Abstain	-	2,845,263	- 0.135%

(iv) election of the Board of Directors – who will serve as such for the ensuing year;

Name of Director	Type of Director	Votes Cast		
Hans T. Sy	Director	For	-	2,102,244,223
		Against	-	80,700
		Abstain	-	5,329,849
Gilbert U. Dee	Director	For	-	2,121,260,816
		Against	-	80,700
		Abstain	-	5,257,489
William C. Whang	Director	For	-	2,107,573,807
		Against	-	80,700
		Abstain	-	-
Peter S. Dee	Director	For	-	2,102,377,220
		Against	-	80,700
		Abstain	-	5,257,489
Joaquin T. Dee	Director	For	-	2,102,243,958
		Against	-	80,700
		Abstain	-	5,329,849
Herbert T. Sy	Director	For	-	2,102,316,318
		Against	-	80,700
		Abstain	-	5,257,489

Harley T. Sy	Director	For	-	2,102,243,958
		Against	-	80,700
		Abstain	-	5,329,849
Jose T. Sio	Director	For	-	2,102,243,458
		Against	-	81,200
		Abstain	-	5,329,849
Alberto S. Yao	Independent Director	For	-	2,107,137,352
		Against	-	444,795
		Abstain	-	72,360
Margarita L. San Juan	Independent Director	For	-	2,107,655,922
		Against	-	-
		Abstain	-	-
Philip S.L. Tsai	Independent Director	For	-	2,107,583,562
		Against	-	-
		Abstain	-	72,360

- (v) re-appointment of SyCip Gorres Velayo & Co. (SGV) as external auditor – for the stockholders to ratify the Audit Committee’s and Board’s selection of auditors

Opinion	Votes cast		Percentage (based on shares present or represented at the meeting)	
For	-	2,109,382,552	-	99.996%
Against	-	0	-	0.000%
Abstain	-	83,886	-	0.004%

- (vi) amendment of by-laws – to approve, confirm and ratify the Board resolution of March 25, 2020 on the amendment of By-laws order to update and clarify the processes and practices of the business and to comply with the requirements under the revised Corporation Code and the Bangko Sentral ng Pilipinas

Opinion	Votes cast		Percentage (based on shares present or represented at the meeting)		Percentage (based on total outstanding shares)	
For	-	2,107,660,349	-	99.914%	-	78.471%
Against	-	0	-	0.000%	-	0.000%
Abstain	-	1,806,089	-	0.086%	-	0.067%

- (vii) announcement of the Board's approval of a cash dividend in the total peso amount of P2.7 Billion, from P2.4 Billion last year, representing One Peso (P1.00) per share, and other discussions on the Bank's performance, effect of the pandemic on the Bank's operations, and how the Bank is addressing the challenges of the pandemic.

- October 1, 2020 Special Stockholders' Meeting
 - i) election of Ms. Claire Ann T. Yap as independent director

Name of Director	Type of Director	Votes Cast		
Claire Ann T. Yap	Independent Director	For	-	2,102,023,009
		Against	-	-
		Abstain	-	1,556,198

- ii) Centennial Stock Grant Plan – for the stockholders to approve, confirm and ratify the Board resolutions of August 5, 2020 and September 2, 2020 approving a Centennial Stock Grant Plan to issue common shares to eligible grantees and further approving to delegate to the President, Chief Operating Officer and Chief Finance Officer 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

Opinion	Votes cast		Percentage (based on shares present or represented at the meeting)		Percentage (based on total outstanding shares)	
For	-	2,103,258,284	-	99.985%	-	78.307%
Against	-	257,932	-	0.012%	-	0.010%
Abstain	-	62,991	-	0.003%	-	0.002%

Please refer to Schedules "C" and "D" for the list of directors, officers and stockholders who attended the annual stockholders meeting on June 18, 2020 and the special stockholders meeting on October 1, 2020, as well as a description of the opportunity given to stockholders to ask questions and a record of the questions asked and answers given, submitted or discussed.

- 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, 2020 – 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, and Centennial Stock Grant Plan - to further bind the Bank of the actions made for the covered period;
- 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. Amendment of By-laws for the stockholders to approve, confirm and ratify the Board resolutions of March 3 and 10, 2021 on the further amendments to the By-Laws of the Bank to address the comments of the Bangko Sentral ng Pilipinas (BSP), conform to the BSP's Manual of Regulations for Banks (MORB), conform to the Revised Corporation Code of the Philippines, and enhance corporate governance (See schedule A for the comparative table of amendments);
- h. Delegation to the Board of Directors of the power to amend By-Laws - for the stockholders to approve, confirm and ratify the Board resolution on the delegation of the power to amend the by-laws to address the requirements of the regulatory agencies as regards such amendments which have been filed and pending and/or to be filed by the Bank;
- i. 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 – Not applicable

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

On March 25, 2020, the Board approved to amend several provisions in the By-laws of the Bank in order to update and clarify processes and practices of the business and comply with the requirements of the Revised Corporation Code and the Bangko Sentral ng Pilipinas' Manual of Regulations for Banks. Such Board approval was ratified by the stockholders in their meeting on June 18, 2020. The amendments are subject to the approval of the regulatory agencies.

For 2021, the March 3 and 10, 2021 Board approvals of the further amendments to the By-laws of the Bank will be submitted to the stockholders for their approval and ratification. Please see Schedule A for the table of amendments.

18. Other Proposed Action – Not applicable

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 of the Philippines requires otherwise, the 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 19, 2021 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 April 30, 2021. All information submitted shall be subject to verification and validation of the Corporate Secretary. After verification and validation, an e-mail containing their log-in details for the online voting system shall be sent to the stockholders. Please refer to Schedule "B" of the Information Statement for 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. For the amendment of by-laws, the affirmative vote by the stockholders representing at least a majority of the outstanding capital stock shall be required, in accordance with Section 47 of the Revised Corporation Code. For the delegation of power to the Board to amend or repeal the by-laws or adopt new by-laws, the affirmative vote by stockholders representing at least 2/3 of the outstanding capital stock shall be required, in accordance with Section 47 of the Revised Corporation Code.

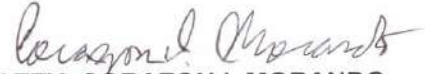
All votes will be counted and tabulated by the Office of the Corporate Secretary, to be assisted by the transfer agent, Stock Transfer Service, Inc., and the results are set to be validated by the external auditor, SGV & Co.

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 30th day of March 2021.

CHINA BANKING CORPORATION

By:



ATTY. CORAZON I. MORANDO
Vice President and Corporate Secretary

H ROP

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MARGARITA L. SAN JUAN**, Filipino, of legal age and resident of 15 First Street, St. Ignatius Village, Quezon City, 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 (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 Savings, Inc.	Independent Director	2013 - Present
China Bank Capital Corporation	Independent Director	2018 - Present
China Bank Insurance Brokers, Inc.	Independent Director	2018 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Bank, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of the 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 Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.
7. I shall inform the Corporate Secretary of the Bank of any changes in the above-mentioned information within five (5) days from its occurrence.


MAR 15 2021

Done this _____ at Makati City.


MARGARITA L. SAN JUAN

SUBSCRIBED AND SWORN to before me this MAR 15 2021 at Makati City, affiant personally appeared before me and exhibited to me her SSS No. 03-3300959-0.

Doc. No. 415
Page No. 84
Book No. 129
Series of 2021.


BELETTE Y. CHING-TAN
Notary Public for Makati City
Appt. No. M-191 until 31 December 2021
4/F Philippine Building,
8755 Pasong Asoy Rd., Makati City
PTR No. 8533032; 01-01-21, Makati City
IBP No. 137037; 12-29-20; Makati City
Roll of Attorneys No. 37110

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **PHILIP S.L. TSAI**, Filipino, of legal age and resident of 157 Oscar Arellano Street, San Juan City, 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 (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 - Present
China Bank Insurance Brokers, Inc.	Independent Director	2018 - Present
China Bank Capital Corporation	Independent Director	2019 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Bank, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of the 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 Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.
7. I shall inform the Corporate Secretary of the Bank of any changes in the above-mentioned information within five (5) days from its occurrence.

Done this 15 MAR 2021 at Makati City.

15 MAR 2021


PHILIP S.L. TSAI

SUBSCRIBED AND SWORN to before me this _____ at Makati City, affiant personally appeared before me and exhibited to me his Passport No. P7396029A valid until May 30, 2028.

Doc. No. 405
Page No. 82
Book No. 129
Series of 2021.

BELENETTE Y. CHUNG-TAN
Notary Public for Makati City
Appt. No. M-191 until 31 December 2021
4/F Philcom Building,
8755 Paseo de Roxas, Makati City
PTR No. 8533032; 01-04-21, Makati City
IBP No. 137037; 12-29-20; Makati City
Roll of Attorney's No. 37110

CERTIFICATION OF INDEPENDENT DIRECTOR

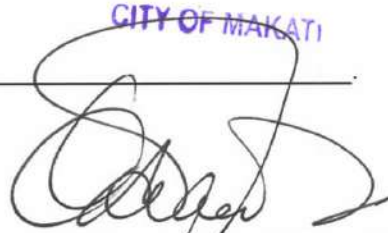
I, **CLAIRE ANN T. YAP**, Filipino, of legal age and a resident of 16 Pugad Lawin Street, Ayala Heights Subdivision, Matandang Balara, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

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 - Present
China Bank Securities Corporation	Independent Director	2020 - Present
Vedruna Foundation Inc.	Vice Chairperson	2002 - 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, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any of the directors/officers/substantial shareholders 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 Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of China Bank of any changes in the above-mentioned information within five days from its occurrence.

Done, this MAR 29 2021 day of CITY OF MAKATI, at CITY OF MAKATI



CLAIRE ANN T. YAP

SUBSCRIBED AND SWORN to before me this MAR 29 2021 day of CITY OF MAKATI, affiant personally appeared before me and exhibited to me her Philippine Passport No. P3099451B valid until September 5, 2029.

BELENETTE Y. CHING-TAN

Notary Public for Makati City

Appt. No. M-191 until 31 December 2021

4/F Philern Building,

8755 Paseo de Roxas, Makati City

PTR No. 8533032; 01-04-21, Makati City

IBP No. 137037; 12-29-20; Makati City

Roll of Attorneys No. 371

Doc. No. 525;
Page No. 106;
Book No. 129;
Series of 2021.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **GENARO V. LAPEZ**, Filipino, of legal age and a resident of 297 Haig St., Brgy. Bagong Silang, Mandaluyong City, 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).
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Union Bank of the Philippines	Consultant	January 2018 to April 2021

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, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any of the directors/officers/substantial shareholders 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 Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of China Bank of any changes in the above-mentioned information within five days from its occurrence.

23 MAR 2021

Done, this _____ day of _____, at Makati City.

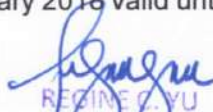


GENARO V. LAPEZ

23 MAR 2021

SUBSCRIBED AND SWORN to before me this _____ day of _____ at Makati City, affiant personally appeared before me and exhibited to me his Philippine Passport No. P5929865A issued at DFA Manila on 06 February 2018 valid until 05 February 2028.

Doc. No. 202;
Page No. 42;
Book No. 4;
Series of 2021.



REGINE C. YU

Notary Public for Makati City

Appt. No. M-187 until December 31, 2021

4/F Philcom Building

8755 Paseo de Roxas, Makati City

PTR No. 8533580; January 04, 2021; Makati City

IBP Lifetime No. 016425; Makati City

Roll of Attorneys No. 68781

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, China Bank Securities, Chinabank Insurance Brokers (CIBI), and Manulife China Bank Life Assurance Corp (MCBLife). Its banking franchise stems from its 100-year history, a factor that has enabled it to become deeply entrenched within the socioeconomic fabric of the Chinese-Filipino community.

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

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

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

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

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

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

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

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

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

and PesoNet fees, increasing ATM withdrawal limits, and ensuring the availability of digital banking channels, among others.

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

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

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

Subsidiary	Effective Percentages of Ownership		Country of Incorporation	Principal Activities
	2020	2019		
Chinabank Insurance Brokers, Inc. (CIBI)	100.00%	100.00%	Philippines	Insurance brokerage
CBC Properties and Computer Center, Inc. (CBC-PCCI)	100.00%	100.00%	Philippines	Computer services
China Bank Savings, Inc. (CBSI)	98.29%	98.29%	Philippines	Retail and consumer banking
China Bank Capital Corporation (CBCC)	100.00%	100.00%	Philippines	Investment house
CBC Assets One (SPC) Inc.	100.00%	100.00%	Philippines	Special purpose corporation
China Bank Securities Corporation (CBCSec)	100.00%	100.00%	Philippines	Stock brokerage

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

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

2. Business of Issuer

(a) Principal Products and Services

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

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

DEPOSITS & RELATED SERVICES

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

LOANS & CREDIT FACILITIES

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

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

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

INTERNATIONAL BANKING PRODUCTS & SERVICES

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

INVESTMENT BANKING SERVICES

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

OVERSEAS KABABAYAN SERVICES

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

TRUST SERVICES

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

TREASURY SERVICES

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

INSURANCE PRODUCTS

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

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

PAYMENT & SETTLEMENT SERVICES

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

CASH MANAGEMENT SOLUTIONS

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

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

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

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

POS Solutions - ChinaBank Debit POS; ChinaBank POS Cash Out

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

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

CHINA BANK SECURITIES

Stock Brokerage; Research Services

(b) Distribution Methods of Products and Services:

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

China Bank Parent

Metro Manila Branches

1. MAKATI MAIN BRANCH (Head Office) - CBC Bldg., 8745 Paseo de Roxas cor. Villar Sts., Makati City***
2. BINONDO BUSINESS CENTER - CBC Bldg., Dasmariñas cor. Juan Luna St., Brgy. 287, Zone 27, District III, Binondo, Manila*
3. 999 MALL BRANCH - Unit 3D-5 & 3D-7 999 Shopping Mall, Bldg. 2, Recto - Soler Sts., Binondo, Manila*
4. A. BONIFACIO - MAUBAN BRANCH - G/F Urban Oasis Residences, 423-431 A. Bonifacio Ave., Brgy. San Jose, Quezon City*
5. ALABANG HILLS BRANCH - G/F RBC-MDC Corporate Center, Don Jesus Blvd., Alabang Hills Village, Brgy. Cupang, Muntinlupa City*
6. ALVARADO BRANCH - HS Commercial Tower, 854 Alvarado St. Binondo, Manila
7. ANONAS BRANCH - Anonas corner Marang Streets, Brgy. Quirino, Project 2, Quezon City*
8. ANTIPOLLO CITY BRANCH - G/F Budget Lane Arcade, No. 6, Provincial Road, Brgy. San Jose, Antipolo City, Rizal*
9. ANTIPOLLO - SUMULONG HIGHWAY BRANCH - No. 219 Sumulong Highway, Brgy. Mambungan, Antipolo City, Rizal*
10. ANTIPOLLO CITY-TAKTAK BRANCH - Sumulong Highway corner Taktak Road, Brgy. Dela Paz, Antipolo City, Rizal*
11. ARANETA AVE. BRANCH - Philippine Whithasco Bldg., 420 Araneta Ave., cor. Bayani St., Doña Imelda, Quezon City*
12. ARNAIZ AVE. BRANCH - United Life Assurance Building, A. Arnaiz Ave. (Pasay Road), Makati City*
13. ARRANQUE BRANCH - Don Felipe Bldg., 675 Tomas Mapua St., Brgy. 301 Sta. Cruz, Manila*
14. ASUNCION BRANCH - Units G6 & G7 Chinatown Steel Towers, 531 Asuncion St., San Nicolas, Manila*
15. AURORA BLVD. - NEW MANILA BRANCH - Aurora Blvd., Brgy. Valencia, Quezon City*
16. AYALA - ALABANG BRANCH - G/F CBC Bldg., Acacia Ave., Madrigal Business Park, Ayala Alabang, Muntinlupa City*
17. AYALA AVE. - AMORSOLO BRANCH - G/F Teleperformance Bldg., Ayala Ave., Legazpi Village, Makati City*
18. AYALA - COLUMNS BRANCH - G/F The Columns Tower 3, Ayala Ave cor. Sen. Gil Puyat Ave., Brgy. Bel-Air., Makati City*
19. AYALA MALLS - MANILA BAY BRANCH - Level 2 Ayala Malls Manila Bay, D. Macapagal Ave., Parañaque City*
20. BACLARAN - FB HARRISON BRANCH - BAGPI Main Bldg., 2935 Ortigas St. near cor. F.B. Harrison St., Pasay City*
21. BALINTAWAK - BONIFACIO BRANCH - 657 A. Bonifacio Ave., Balintawak, Quezon City*
22. BALUT BRANCH - North Bay Shopping Center, Honorio Lopez Boulevard, Balut, Tondo, Manila*
23. BANAWA BRANCH - CBC Bldg., 680 Banawe Ave., Sta. Mesa Heights, District I, Quezon City*
24. BANAWA - CALAMBA BRANCH - G/F One Banawe Complex Bldg., #119 Banawe St. cor Calamba St., Brgy. Sto. Domingo, Quezon City*
25. BEL - AIR BRANCH - 2/F Saville Bldg., 8728 Paseo de Roxas, Makati City*
26. BEL - AIR - JUPITER BRANCH - Buendia Car Exchange, Jupiter Street, Makati City*
27. BETTER LIVING SUBD. BRANCH - 128 Doña Soledad Ave., Better Living, Brgy. Don Bosco, Parañaque City*
28. BF HOMES BRANCH - Aguirre cor. El Grande Aves., United BF Homes, Parañaque City*
29. BF HOMES - AGUIRRE BRANCH - Margarita Centre, Aguirre Ave. cor. Elsie Gaches St., BF Homes, Parañaque City*
30. BF RESORT VILLAGE BRANCH - BF Resort Drive cor. Gloria Diaz St., BF Resort Village, Talon Dos, Las Piñas City*
31. BGC - ICON PLAZA BRANCH - G/F Icon Plaza Bldg., 25th cor 5th Sts. Bonifacio South, Fort Bonifacio Global City, Taguig City*
32. BGC - ONE WORLD PLACE BRANCH - G/F One World Place, 32nd Avenue, Fort Bonifacio Global City, Taguig City*
33. BGC - WORLD PLAZA BRANCH - Unit 5 G/F World Plaza Bldg., L4B5 E-Square Information Technology Park, Crescent Park West, 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, Quezon City*
39. CAINTA BRANCH - CBC Bldg., F.P. Felix Ave., Brgy. San Isidro, Cainta, Rizal*
40. CAINTA - POBLACION BRANCH - A. Bonifacio Ave., Poblacion, Brgy. Sto. Domingo, Cainta, Rizal*
41. CAPITOL HILLS BRANCH - G/F Design Pro Bldg., Capitol Hills, Old Balara, Quezon City*
42. CENTURY CITY - KNIGHTS BRIDGE BRANCH - Unit 17 & 18 Knightsbridge Residences, Century City, Kalayaan Ave., Makati City*
43. CIRCUIT MAKATI BRANCH - Level 3, Ayala Mall, Circuit Makati, Hippodromo St., Brgy. Carmona, Makati City*
44. COMMONWEALTH AVE. BRANCH - LGF Ever Gotesco Mall, Commonwealth Ave. cor. Don Antonio Road, Quezon City*
45. COMMONWEALTH AVE. EXTENSION - CASA MILAN BRANCH - ALX Center Building, Commonwealth Ave. Ext., Brgy. North Fairview, Quezon City*

46. CONGRESSIONAL AVENUE BRANCH - G/F Unit C, The Arete Square, Congressional Ave., Project 8, Quezon City*
47. CONGRESSIONAL AVE. EXTENSION - MIRA NILA BRANCH - CBC Building, #71 Lot 28 Blk 2 Mira Nila Homes, Congressional Ave. Ext., Quezon City*
48. CONGRESSIONAL AVE. - PROJECT 8 BRANCH - 159 Congressional Ave., Brgy. Bahay Toro, Project 8, Quezon City*
49. CORINTHIAN HILLS BRANCH - G/F The Clubhouse, Corinthian Hills, Temple Drive, Brgy. Ugong Norte, Quezon City*
50. CUBAO - ARANETA BRANCH - Level 2, Ali Mall, Araneta Center, Cubao, Quezon City*
51. CUBAO - AURORA BRANCH - 911 Aurora Boulevard Extension cor. Miami St., Cubao, Quezon City
52. CUBAO - P. TUAZON BRANCH - No. 287 P. Tuazon Ave. near corner 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, Quezon City*
63. EASTWOOD CITY FELINA CORPORATE PLAZA BRANCH - G/F Felina Corporate Plaza, #5 Eastwood Ave., Eastwood City, Quezon City*
64. EDSA - KALOOKAN BRANCH - G/F HGL Building, 554 EDSA, Kalookan City*
65. EDSA - PHILAM BRANCH - 917 EDSA, Brgy. Philam, Quezon City*
66. EDSA - TIMOG AVE. BRANCH - G/F Richwell Corporate Center, 102 Timog Ave., Brgy. Sacred Heart, Quezon City*
67. ELCANO BRANCH - G/F Elcano Tower, Elcano St., Binondo, Manila
68. E. RODRIGUEZ - ACROPOLIS BRANCH - G/F Suncrest Building, 82 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City*
69. E. RODRIGUEZ - CORDILLERA BRANCH - 291 E. Rodriguez Sr. Blvd., Brgy. Doña Josefa, Quezon City*
70. E. RODRIGUEZ - HILLCREST BRANCH - No. 402 RCR Bldg., E. Rodriguez Sr. Blvd., Brgy. Immaculate Concepcion, Cubao, Quezon City*
71. E. RODRIGUEZ SR. BLVD. BRANCH - CBC Bldg., #286 E. Rodriguez Sr. Blvd., Brgy. Damayang Lagi, Quezon City*
72. ERMITA BRANCH - G/F Ma. Natividad Bldg., #470 T. M. Kalaw cor. Cortada Sts., Brgy. 666, Ermita, Manila*
73. ESCOLTA BRANCH - Burke Building, Escolta corner Burke Streets, Binondo, Manila*
74. ESPAÑA BRANCH - 878 España cor. Valencia Sts., Sampaloc, Manila*
75. EVANGELISTA BRANCH - 1748 AMV Building, Evangelista cor. Gen Estrella Sts., Bangkal, Makati City*
76. EXAMINER BRANCH - No. 1525 Quezon Ave. cor. Examiner St., West Triangle, Quezon City*
77. FAIRVIEW BRANCH - G/F Angelenix House, Commonwealth Ave. cor. Camaro Sts., Fairview Park Subdivision, Fairview, Quezon City*
78. FAIRVIEW TERRACES BRANCH - LGF Fairview Terraces, Quirino Hiway cor. Maligaya Drive, Brgy. Pasong Putik, Novaliches, Quezon City*
79. FILINVEST CORPORATE CITY BRANCH - G/F Wilcon Depot, Alabang- Zapote Rd cor. Bridgeway Ave., Filinvest Corporate City, Alabang, Muntinlupa City*
80. FILINVEST CORP. CITY - COMMERCENTER BRANCH - G/F Commercenter Bldg., Commerce Ave. cor. Filinvest Ave., Filinvest Corp City, Alabang, Muntinlupa City
81. FILINVEST CORP. CITY - NORTHGATE BRANCH - G/F Aeon Centre Building, Northgate Cyberzone, Filinvest Corporate City, Alabang, Muntinlupa City*
82. FIVE E - COM CENTER BRANCH - G/F Five E-com Center, Harbor Drive, MOA Complex, Pasay City*
83. FORT BONIFACIO GLOBAL CITY BRANCH - G/F Marajo Tower, 26th St. cor. 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, Quezon City*
85. GIL PUYAT AVENUE BRANCH - Mitsui Bldg., No. 65 Sen. Gil Puyat Ave., Brgy. Palanan, Makati City*
86. GIL PUYAT - ELIZABETH PLACE BRANCH - G/F Elizabeth Place Condominium, 322 H.V. Dela Costa St., Brgy. Bel-Air, Makati City*
87. GIL PUYAT - REPOSO BRANCH - G/F 331 Bldg., Sen. Gil Puyat Ave., Brgy. Bel-Air, Makati City*
88. GREENBELT 1 BRANCH - G/F Greenbelt 1, Legaspi St. near cor. Paseo de Roxas, San Lorenzo, Makati City*
89. GREENHILLS BRANCH - G/F Gift Gate Bldg., Greenhills Shopping Center, San Juan City, Metro Manila**
90. GREENHILLS - ANNAPOLIS BRANCH - Mercedes 1 Condominium, Annapolis St., Greenhills, San Juan City*
91. GREENHILLS - CONNECTICUT BRANCH - 101 Missouri Square Bldg., Missouri cor. Connecticut St., Northeast Greenhills, San Juan City*
92. GREENHILLS - ORTIGAS BRANCH - CBC Bldg., 14 Ortigas Ave. Greenhills, San Juan City, Metro Manila*
93. HEROES HILLS BRANCH - Quezon Ave. cor. J. Abad Santos St., Heroes Hills, Brgy. Sta. Cruz, Quezon City*
94. HOLY SPIRIT DRIVE BRANCH - CBC Building Lot 18 Block 6 Holy Spirit Drive, Don Antonio Heights, Brgy. Holy Spirit, Quezon City*
95. ILAYA BRANCH - #947 APL-YSL Bldg., Ilaya, Tondo, Manila
96. INTRAMUROS BRANCH - Sitio Grande, No. 409 A. Soriano Ave., Intramuros, Manila*
97. J. ABAD SANTOS AVENUE BRANCH - 2159 J. Abad Santos Ave. cor. Batangas St., Tondo, Manila*

98. J. ABAD SANTOS AVE. - QUIRICADA BRANCH - #1714 J. Abad Santos Ave. near corner Quiricada Street, Brgy. 252, Tondo, Manila*
99. JUAN LUNA BRANCH - G/F Aclem Bldg., 501 Juan Luna St., Binondo, Manila*
100. KALAYAAN AVE. BRANCH - G/F PPS Bldg., Kalayaan Ave., Quezon City*
101. KALOOKAN - 8TH AVE. BRANCH - No. 279 Rizal Ave. cor, 8th Ave., Grace Park, Kalookan City*
102. KALOOKAN - 10TH AVE. BRANCH - No. 275 10th Ave. corner 3rd Street, Grace Park, Kalookan City*
103. KALOOKAN BRANCH - CBC Bldg., 167 Rizal Ave. Extension, Grace Park, Kalookan City*
104. KALOOKAN - CAMARIN BRANCH - L8B4 La Forteza Subd., Brgy. 175, Camarin, Kalookan City*
105. KALOOKAN - MONUMENTO BRANCH - CBC Bldg., 779 McArthur Highway, District 2, Brgy. 78, Kalookan City*
106. KAMIAS BRANCH - G/F CRM Bldg., 116 Kamias Road cor. Kasing-Kasing St., Quezon City*
107. KAMUNING BRANCH - SKY47 Bldg., #47 Kamuning Road, Quezon City*
108. KANLAON BRANCH - Kanlaon near corner N. Roxas Streets, Quezon City*
109. KARUHATAN BRANCH - No. 253-B McArthur Highway cor, Bizotte St., Karuhatan, Valenzuela City*
110. KATIPUNAN AVE. - LOYOLA HEIGHTS BRANCH - GF Elizabeth Hall Bldg., Katipunan Ave., Loyola Heights, Quezon City*
111. KATIPUNAN AVE. - ST. IGNATIUS BRANCH - CBC Bldg., No. 121 Katipunan Ave., Brgy. St. Ignatius, Quezon City*
112. LAGRO BRANCH - CBC Building, Lot 32 Blk 125, Quirino Highway, Greater Lagro, Quezon City*
113. LAS PIÑAS BRANCH - CBC Bldg., Alabang-Zapote Road cor. Aries St., Pamplona Park Subd., Las Piñas City*
114. LAS PIÑAS - MANUELA BRANCH - CBC Bldg., Alabang-Zapote Road cor. Philamlife Ave., Pamplona Dos, Las Piñas City*
115. LAS PIÑAS - MARCOS ALVAREZ BRANCH - Metro Towne Center, 2020 Marcos Alvarez Ave., Talon 5, Moonwalk, Las Piñas City*
116. LAS PIÑAS - NAGA ROAD BRANCH - Lot 3, Naga Road, Pulanglupa 2, Las Piñas City*
117. LAVEZARES BRANCH - 412 Lavezares Street, San Nicolas, Manila*
118. LEGASPI VILLAGE - AIM BRANCH - G/F Cacho-Gonzales Bldg, 101 Aguirre cor. Trasierra Sts., Legaspi Vill., San Lorenzo, Makati City*
119. LEGASPI VILLAGE - AMORSOLO BRANCH - G/F CAP Bldg., Herrera cor. Amorsolo Sts., Legaspi Village, San Lorenzo, Makati City*
120. LEGASPI VILLAGE - C. PALANCA BRANCH - G/F JCS Building, 119 Dela Rosa corner C. Palanca St., Legaspi Village, Makati City*
121. LEGASPI VILLAGE - ESTEBAN BRANCH - G/F PPI Bldg., No. 109 Esteban St., Legaspi Village, Makati City*
122. LEGASPI VILLAGE - PEREA BRANCH - G/F Greenbelt Mansion, 106 Perea St., Legaspi Village, Brgy. San Lorenzo, Makati City*
123. LEGASPI VILLAGE - SALCEDO BRANCH - G/F Fedman Suites, 199 Salcedo St., Legaspi Village, Brgy. San Lorenzo, Makati City*
124. M. DELA FUENTE - TRABAJO MARKET BRANCH - #771 M. Dela Fuente St., Sampaloc, Manila*
125. MACAPAGAL AVE. - ASEANA SQUARE BRANCH - Aseana Square (Caltex Area), D. Macapagal Ave., Aseana City, Brgy. Tambo, Parañaque City*
126. MACAPAGAL AVE. - BIOPOLIS BRANCH - G/F The Biopolis, Central Business Park, 1-A Diosdado Macapagal Avenue, Pasay City*
127. MACAPAGAL AVE. - DOUBLE DRAGON BRANCH - G/F Phase 1, DD Meridian Park Plaza, Macapagal Ave. cor. EDSA Ext., Pasay City*
128. MAGALLANES VILLAGE BRANCH - G/F DHI Bldg., No. 2 Lapu-Lapu Ave. cor. EDSA, Magallanes Village, Magallanes, Makati City*
129. MAKATI AVENUE BRANCH - G/F CBC Bldg., Makati Ave. cor. Hercules St., Bel-Air Village, Brgy. Bel-Air, Makati City*
130. MAKATI - COMEMBO BRANCH - F & V Bldg., No. 46 JP Rizal Ext., Brgy. Comembo, Makati City*
131. MAKATI - JP RIZAL BRANCH - GF Casa Catalina Bldg., JP Rizal corner Honradez Streets, Brgy. Olympia, Makati City*
132. MAKATI - KALAYAAN AVE. BRANCH - GF Zentro Bldg., 8445 Mercedes St. cor. Buntal St., Brgy. Poblacion, Makati City*
133. MAKATI - YAKAL BRANCH - G/F Yakal Place #173 Yakal St. near corner Ayala Ave. Ext., Makati City*
134. MALABON - CONCEPCION BRANCH - Gen. Luna cor. Paez Sts., Concepcion, Malabon City*
135. MALABON - GOV. PASCUAL BRANCH - CBC Bldg., Gov. Pascual Ave., Brgy. Acacia, Malabon City*
136. MALABON - POTRERO BRANCH - CBC Bldg., McArthur Highway, Potrero, Malabon*
137. MALANDAY BRANCH - CBC Bldg. McArthur Highway, Mandalay, Valenzuela City*
138. MANDALUYONG - BONI AVE. BRANCH - G/F VOS Bldg. Boni Ave. cor. San Rafael St., Plain View, Mandaluyong City*
139. MANDALUYONG BONI - SAN ROQUE BRANCH - #768 Bonifacio Ave. cor. San Roque St., Brgy. Barangka Ilaya, Mandaluyong City*
140. MANDALUYONG - D. GUEVARA BRANCH - Libertad Plaza, #19 Domingo Guevara St., Highway Hills, Mandaluyong City*
141. MANDALUYONG - PIONEER BRANCH - UG-05 Globe Telecom Plaza Tower I, Pioneer St., Brgy. Ilaya, Mandaluyong City*
142. MANDALUYONG - THE PODIUM - 3/F The Podium, ADB Avenue, Ortigas Center, Mandaluyong City*
143. MANILA - MACEDA BRANCH - M. Daguman Bldg., A. Maceda St., Sampaloc, Manila*
144. MARIKINA - FAIRLANE BRANCH - G/F E & L Patricio Bldg., No. 809 J.P. Rizal Ave., Concepcion Uno, Marikina City*
145. MARIKINA - GIL FERNANDO BRANCH - Block 9 Lot 14 Gil Fernando Ave., Marikina City*
146. MARIKINA - SSS VILLAGE BRANCH - Lilac corner Rainbow Sts., Rancho Estate IV, Concepcion Dos, Marikina City*
147. MARIKINA - STA. ELENA BRANCH - 250 J.P. Rizal St., Sta. Elena, Marikina City*
148. MASANGKAY BRANCH - 959-961 G. Masangkay St., Binondo, Manila*
149. MASANGKAY - MAYHALIGUE BRANCH - No. 1417-1419 G. Masangkay St., Sta. Cruz, Manila*
150. MAYON BRANCH - 480 Mayon St., Sta. Mesa Heights, Quezon City*
151. MAYON - ROTONDA BRANCH - G/F One Mayon Place, #68 Mayon Street, Brgy. Sta. Teresita, Quezon City*
152. MEDICAL CENTER PARAÑAQUE - GF Medical Center Paranaque, Dr. Arcadio Santos Ave., San Antonio, Paranaque City*
153. MINDANAO AVE. BRANCH - 30 Mindanao Avenue, Brgy. Tandang Sora, Quezon City*
154. MUNTINLUPA - PUTATAN BRANCH - G/F Teknikos Bldg., National Highway, Brgy. Putatan, Muntinlupa City*

155. N. DOMINGO BRANCH - G/F The Main Place Bldg., No.1 Pinaglabanan cor. N. Domingo Sts., San Juan City*
156. NAVOTAS BRANCH - No. 500 M. Naval St. near cor. Lacson St. Brgy. North Bay Blvd. North (NBBN), Navotas City*
157. NOVALICHES - BAGBAG BRANCH - No. 658 Quirino Highway, Bagbag, Novaliches, Quezon City
158. NOVALICHES - GULOD BRANCH - 858 Krystle Building, Quirino Highway, Gulod, Novaliches, Quezon City*
159. NOVALICHES - SANGANDAAN BRANCH - CBC Bldg., Quirino Highway cor. Tandang Sora Ave., Brgy. Sangandaan, Novaliches, QC*
160. NOVALICHES - STA. MONICA BRANCH - G/F E & V Bldg., Quirino Highway corner Dumalay St., Novaliches, Quezon City*
161. NOVALICHES - TALIPAPA BRANCH - 528 Copengco Bldg., Quirino Highway, Talipapa, Novaliches, Quezon City*
162. NOVALICHES - ZABARTE - G/F C.I. Bldg 1151 Quirino Highway cor. Zabarte Road, Brgy. Kaligayahan, Novaliches, Quezon City*
163. NUEVA BRANCH - Unit Nos. 557 & 559 G/F Ayson Bldg., Yuchengco St., Binondo, Manila*
164. ONGPIN BRANCH - G/F Se Jo Tong Bldg., 814 & 816 Ongpin St., Brgy. 297, Sta. Cruz, Manila*
165. OROQUIETA BRANCH - No. 1225 Oroquieta St., Sta. Cruz, Manila*
166. ORTIGAS - ADB AVE. BRANCH - LGF Cityland Mega Plaza Bldg., ADB Ave. cor. Garnet Road, Ortigas Center, Brgy. San Antonio, Pasig City*
167. ORTIGAS AVE. EXT. - RIVERSIDE BRANCH - Unit 2-3 Riverside Arcade, Ortigas Ave Ext. cor. Riverside Drive, Brgy. Sta. Lucia, Pasig City*
168. ORTIGAS CENTER BRANCH - Unit 101 Parc Chateau Condominium Onyx cor. Sapphire Sts, Ortigas Center, Pasig City*
169. ORTIGAS COMPLEX BRANCH - G/F Padilla Bldg., F. Ortigas Jr. Road, Ortigas Center, Brgy. San Antonio, Pasig City*
170. ORTIGAS - JADE DRIVE BRANCH - Unit G-03, Antel - Global Corporate Center, Jade Drive, Ortigas Center, Brgy. San Antonio, Pasig*
171. ORTIGAS - TEKTITE BRANCH - Unit EC-06B PSE Center (TekTite), Exchange Road, Ortigas Center, Pasig City*
172. PACO BRANCH - 1049 Gen. Luna cor. Escoda St., Paco, Manila*
173. PACO - ANGEL LINA O BRANCH - Unit 1636 & 1638 Angel Linao St. Paco, Manila*
174. PACO - OTIS BRANCH - G/F Union Motor Corporation Bldg., 1760 Dra. Paz Guanzon St., Paco, Manila*
175. PADRE FAURA BRANCH - G/F Regal Shopping Center, A. Mabini cor. Padre Faura Sts., Ermita, Manila*
176. PADRE RADA BRANCH - G/F Gosiupo Bldg., Padre Rada corner Elcano Sts., Tondo, Manila
177. PARAÑAQUE - BACLARAN BRANCH - TCCT Bldg., 123 Quirino Avenue cor. Aragon St., Bacalaran, Parañaque City*
178. PARAÑAQUE - MOONWALK BRANCH - G/F JDLA Bldg., Milky Way St. cor. Armstrong Avenue, Moonwalk Village, Brgy. Moonwalk, Parañaque City*
179. PARAÑAQUE - NAI A BRANCH - G/F AFCI Bldg., 4988 Ninoy Aquino Ave., cor. Kabihansan 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, Quezon City*
212. SALCEDO VILLAGE - LP LEVISTE BRANCH - Unit 1-B G/F The Athenaeum, #160 LP Leviste St., Salcedo Village, Brgy. Bel-Air, Makati City*
213. SALCEDO VILLAGE - TORDESILLAS BRANCH - G/F Prince Tower Condominium, 14 Tordesillas St., Salcedo Village, Makati City*
214. SALCEDO VILLAGE - VALERO BRANCH - G/F Valero Tower, 122 Valero St., Salcedo Village, Makati City*
215. SALES - RAON BRANCH - 611 Sales St., Quiapo, Manila*
216. SAN ANTONIO VILLAGE - KAMAGONG BRANCH - Kamagong near corner St. Paul Streets, San Antonio Vill., Makati City*
217. SAN ANTONIO VILLAGE - P. OCAMPO BRANCH - JM Macalino Auto Center, 1405 P. Ocampo Street cor. Dungon St., San Antonio Village, Makati*
218. SAN JUAN - J. ABAD SANTOS BRANCH - Unit 3 Citiplace Bldg., 8001 Jose Abad Santos St., Little Baguio, San Juan City*
219. SAN JUAN BRANCH - No. 17 F. Blumentritt St., San Juan, Metro Manila*
220. SCT. BORROMEO BRANCH - G/F The Forum Building, 71- A Sgt. Borromeo St., Diliman, Quezon City*
221. SCT. CHUATOCO BRANCH - Estuar Building, No.880 Quezon Ave., Brgy. Paligsahan, Quezon City
222. SHAW - GOMEZVILLE BRANCH - Gomezville Street cor. Shaw Blvd., Mandaluyong City
223. SHAW - HAIG BRANCH - G/F First of Shaw Bldg, Shaw Blvd, cor. Haig St, Mandaluyong City*
224. SHAW - PASIG BRANCH - G/F RCC Center, No. 104 Shaw Boulevard, Pasig City*
225. SHAW - SUMMIT ONE BRANCH - Unit 102 Summit One Office Tower, 530 Shaw Boulevard, Mandaluyong City*
226. SM AURA PREMIER BRANCH - LGF SM Aura Premier, McKinley Parkway, Fort Bonifacio Global City, Taguig City*
227. SM CITY BF PARAÑAQUE BRANCH - G/F SM City BF Parañaque, Dr. A. Santos Ave. cor. President's Ave., BF Homes, Parañaque City*
228. SM CITY BICUTAN BRANCH - LGF Bldg. B, SM City Bicutan Doña Soledad Ave. cor. West Service Road, Parañaque City**
229. SM CITY FAIRVIEW BRANCH - LGF SM City Fairview, Quirino Ave. cor. Regalado Ave. Fairview, Greater Lagro, Quezon City*
230. SM CITY MARIKINA BRANCH - G/F SM City Marikina, Marcos Highway, Brgy. Calumpang, Marikina City*
231. SM CITY MASINAG BRANCH - LGF SM City Masinag, Marcos Highway, Brgy. Mayamot Antipolo City, Rizal*
232. SM CITY SAN LAZARO BRANCH - UGF (Units 164-166) SM City San Lazaro, Felix Huertas St. cor. A.H. Lacson Ext., Sta. Cruz, Manila*
233. SM CITY TAYTAY BRANCH - Unit 147 Bldg. B, SM City Taytay, Manila East Road, Brgy. Dolores, Taytay, Rizal*
234. SM MALL OF ASIA BRANCH - G/F Main Mall Arcade, SM Mall of Asia, Bay Blvd., Pasay City**
235. SM MEGAMALL BRANCH - LGF Bldg. A, SM Megamall, EDSA cor. Julia Vargas St., Mandaluyong City*
236. SM NORTH EDSA BRANCH - GF Cyberzone Carpark Bldg., SM City North Ave cor. EDSA, Brgy. Sto. Cristo, Bago Bantay, Quezon City*
237. SM NORTH TOWERS BRANCH - SM City North EDSA North Towers, SM City North EDSA Complex, Quezon City*
238. SM SOUTHMALL BRANCH - UGF SM Southmall, Alabang-Zapote Road, Almanza Uno, Las Piñas City *
239. SOLEMARE BRANCH - G-11 Solemare Parksuites, 5A Bradco Avenue, Aseana Business Park, Parañaque City*
240. SOLER - ARRANQUE BRANCH - #715 T. Alonzo St. near corner CM Recto Avenue, Sta. Cruz, Manila*
241. SOLER - 168 BRANCH - G/F R&S Bldg., Soler St., Binondo, Manila*
242. SOUTH TRIANGLE BRANCH - G/F Sunshine Blvd. Plaza, Quezon Ave. cor. Sgt. Santiago and Panay Ave., Brgy. South Triangle, QC*
243. STA. MESA BRANCH - 1-B G. Araneta Avenue, Brgy. Doña Imelda, Quezon City*
244. STO. CRISTO BRANCH - E-Square Bldg., 622 Sto. Cristo St. Binondo, Manila
245. STO. CRISTO - CM RECTO BRANCH - 858 Sto. Cristo Street, San Nicolas, Manila
246. STO. DOMINGO AVE. BRANCH - GF JRich Holdings Bldg., Sto. Domingo Ave., Brgy. Sto. Domingo, Quezon City*
247. T. ALONZO BRANCH - Anttan Residences, 908 T. Alonzo cor. Espeleta Sts., Brgy. 298, Sta. Cruz, Manila*
248. TAFT AVE. - NAKPIL BRANCH - G Square Taft Ave. corner Nakpil St., Malate, Manila*
249. TAFT AVE. - QUIRINO BRANCH - The Gregorian Bldg., 2178 Taft Ave. near cor. Quirino Ave., Malate, Manila*
250. TANDANG SORA - VISAYAS AVE. BRANCH - #250 Tandang Sora Ave., Brgy. Tandang Sora, Quezon City*
251. TAYTAY - ORTIGAS EXTENSION BRANCH - The Gate, Baltao Compound, Ortigas Ave. Ext., San Isidro Taytay, Rizal*
252. TAYTAY - SAN JUAN BRANCH - Velasquez St., Sitio Bangiad, Brgy. San Juan, Taytay, Rizal**
253. THE MEDICAL CITY BRANCH - 2/F Medical Arts Building, The Medical City, Ortigas Ave., Pasig City
254. TIMOG AVE. BRANCH - G/F Prince Jun Condominium, #42 Timog Ave., Brgy. Laging Handa, Quezon City*
255. TOMAS MAPUA - LAGUNA BRANCH - CBC Building, Tomas Mapua St., Sta. Cruz, Manila*
256. TOMAS MORATO - E. RODRIGUEZ BRANCH - #42 Metrofocus Bldg., Tomas Morato Avenue, Brgy. Kristong Hari, Quezon City*
257. TOMAS MORATO EXTENSION BRANCH - G/F QY Bldg., Tomas Morato Avenue, Brgy. South Triangle, Quezon City*
258. TRINOMA BRANCH - Unit P002, Level P1, Triangle North of Manila, North Ave. cor. EDSA, Brgy. Pag-asa, Quezon City*
259. TUTUBAN PRIME BLOCK BRANCH - Rivera Shophouse, Podium Area, Tutuban Center Prime Block, C.M. Recto Ave. cor. Rivera St., Manila*
260. UP TECHNO HUB BRANCH - UP Ayala Land Techno Hub, Commonwealth Ave., Quezon City*
261. UP VILLAGE - MAGINHAWA BRANCH - LTR Bldg, No. 46 Maginhawa St., UP Village, Quezon City*

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

China Bank Parent

Provincial Branches

1. ALBAY BRANCH - Rizal St. cor. Gov. Reynold Street, Old Albay District, Legazpi City, Albay*
2. ANGELES CITY BRANCH - CBC Bldg., 949 Henson St., Angeles City, Pampanga*
3. ANGELES CITY - BALIBAGO BRANCH - Diamond Square Bldg., Service Road McArthur Highway cor. Charlotte St., Balibago, Angeles City, Pampanga*
4. ANGELES CITY - MARQUEE MALL BRANCH - G/F Activity Center, Marquee Mall, Angeles City, Pampanga*
5. ANGELES - MCARTHUR HIGHWAY BRANCH - CBC Bldg., San Pablo St. cor. McArthur Highway, Brgy. CM Recto, Angeles City, Pampanga*
6. ANGELES - STO. ROSARIO BRANCH - Angeles Business Center Bldg., Teresa Ave., Nepo Mart Complex, Angeles City, Pampanga*
7. ANTIQUE - SAN JOSE BRANCH - Felrosa Bldg., Gen. Fullon St. cor. Cerdana St., San Jose, Antique*
8. APALIT BRANCH - CBC Bldg., McArthur Highway, San Vicente, Apalit, Pampanga*
9. BACOLOD - ARANETA BRANCH - CBC Bldg., Araneta cor. San Sebastian Sts., Bacolod City, Negros Occidental*
10. BACOLOD - LACSON BRANCH - GF Soliman Bldg., Lacson corner Luzuriaga Sts., Brgy. 29, Bacolod City, Negros Occidental*
11. BACOLOD - LIBERTAD BRANCH - Libertad St., Brgy. 40, Bacolod City, Negros Occidental*
12. BACOLOD - MANDALAGAN BRANCH - COFA Building, Lacson St., Brgy. Mandalagan, Bacolod City, Negros Occidental*
13. BACOLOD - NORTH DRIVE BRANCH - Unit 1, Anesa Bldg., B.S. Aquino Drive, Brgy. Villamonte, Bacolod City, Negros Occidental*
14. BAGUIO CITY BRANCH - G/F Juniper Bldg., A. Bonifacio St., Brgy. ACRB, Baguio City, Benguet*
15. BAGUIO CITY - ABANAO BRANCH - G/F Paladin Hotel, No. 136 Abanao Ext. cor. Cariño St., Baguio City, Benguet*
16. BALANGA CITY BRANCH - G/F Dilig Bldg., Don Manuel Banzon St., Balanga City, Bataan*
17. BALER BRANCH - Uy Bldg., Quezon St., Barrio Suklayain, Baler, Aurora**
18. BALIWAG BRANCH - Km. 51, Doña Remedios Trinidad (DRT) Highway, Baliwag, Bulacan*
19. BATAAN - DINALUPIHAN BRANCH - GNI Building, San Ramon Highway corner Doña Rosa Street and Mabini Ext., Dinalupihan, Bataan*
20. BATANGAS CITY BRANCH - P. Burgos St., Brgy. 10, Poblacion, Batangas City, Batangas*
21. BATANGAS CITY - KUMINTANG ILAYA BRANCH - CBC Building, Brgy. Kumintang Ilaya, Batangas City, Batangas*
22. BATANGAS - BALAYAN BRANCH - CBC Building, Barrio Ermita, Balayan, Batangas*
23. BATANGAS - BAUAN BRANCH - 62 Kapitan Ponso St., Bauan, Batangas*
24. BATANGAS - LEMERY BRANCH - Miranda Bldg., Ilustre Ave. Lemery, Batangas*
25. BATANGAS - ROSARIO BRANCH - Dr. Gualberto Ave., Brgy. B. Poblacion, Rosario, Batangas*
26. BATANGAS - SAN JUAN BRANCH - Rizal St. near corner Gen. Luna St., Poblacion, San Juan, Batangas*
27. BATANGAS - TANAUAN BRANCH - J.P Laurel Highway, Tanauan City, Batangas*
28. BAYBAY CITY BRANCH - Brodeth Bldg., R. Magsaysay Ave., Baybay City, Leyte*
29. BORONGAN BRANCH - E. Daza cor. Cardona St., Balud II, Poblacion Borongan, Eastern Samar*
30. BULACAN - BALAGTAS BRANCH - G/F RES Bldg., McArthur Highway, Brgy. San Juan, Balagtas, Bulacan*
31. BULACAN - GUIGUINTO BRANCH - CBC Building, Cagayan Valley Road, Brgy. Sta. Rita, Guiguinto, Bulacan*
32. BULACAN - PLARIDEL BRANCH - CBC Building, Cagayan Valley Road, Brgy. Banga I, Plaridel, Bulacan*
33. BULACAN - STA. MARIA BRANCH - J.P Rizal cor. C. De Guzman St., Poblacion, Sta. Maria, Bulacan*
34. BUTUAN CITY BRANCH - CBC Building, J.C. Aquino Avenue, Brgy. Imadejas, Butuan City, Agusan del Norte*
35. CABANATUAN CITY BRANCH - Melencio cor. Sanciungco Sts., Cabanatuan City, Nueva Ecija*
36. CABANATUAN - MAHARLIKA BRANCH - CBC Bldg., Maharlika Highway, Brgy. Dicarma, Cabanatuan City, Nueva Ecija*
37. CAGAYAN DE ORO - CARMEN BRANCH - G/F GT Realty Bldg., Max Suniel St. cor. Yakal St., Carmen, Cagayan De Oro City, Misamis Oriental*
38. CAGAYAN DE ORO - DIVISORIA BRANCH - RN Abejuela St., South Divisoria, Cagayan de Oro City, Misamis Oriental*
39. CAGAYAN DE ORO - GAISANO CITY MALL BRANCH - G/F Gaisano City Mall, C. M. Recto Ave. cor. Corrales Ext., Cagayan De Oro City, Misamis Oriental*
40. CAGAYAN DE ORO - LAPASAN BRANCH - CBC Bldg., Claro M. Recto Ave., 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 Glicería Concepcion Bldg., J.P. Rizal St., San Vicente, Calapan City, Oriental Mindoro*
43. CALBAYOG BRANCH - Cajurao cor. Gomez Sts., Balud, Calbayog Dist., Calbayog City, Samar*
44. CAMALANIUGAN BRANCH - CBC Building, National Highway, Brgy. Dugo, Camalaniugan, Cagayan*
45. CANDON CITY BRANCH - CBC Bldg., National Road, San Isidro, Candon City, Ilocos Sur*
46. CARMONA BRANCH - CBC Bldg, Paseo de Carmona, Brgy. Maduya, Carmona, Cavite*
47. CATARMAN BRANCH - Cor. Rizal & Quirino Sts, Brgy. Jose P. Rizal, Catarman, Northern Samar*
48. CATBALOGAN BRANCH - CBC Bldg. Del Rosario St. cor. Taft Ave., Catbalogan City, Samar*
49. CAUAYAN CITY BRANCH - G/F Prince Christopher Bldg. Maharlika Highway, Cauayan City, Isabela*
50. CAVITE - DASMARIÑAS BRANCH - G/F CBC Bldg., Gen. E. Aguinaldo Highway, Dasmariñas, Cavite**
51. CAVITE - GEN. TRIAS BRANCH - Lot 12 Brookside Lane 5 Arnaldo Highway, Brgy. San Francisco, Gen. Trias City, Cavite*
52. CAVITE - IMUS BRANCH - G/F CBC Bldg., Nueno Ave., Tanzang Luma, Imus, Cavite*
53. CAVITE - MOLINO BRANCH - Patio Jacinto, Molino Road, Molino 3, Bacoor, Cavite*
54. CAVITE - ROSARIO BRANCH - G/F CBC Bldg., Gen Trias Drive, Rosario, Cavite*
55. CAVITE - SILANG BRANCH - CBC Building, J.P Rizal St., Poblacion, Silang, Cavite*
56. CAVITE - SM CITY BACOR BRANCH - LGF SM City Bacoor Tirona Highway cor. Aguinaldo Highway Bacoor, Cavite*
57. CEBU - AYALA BRANCH - Unit 101 G/F Insular Life Cebu Business Center, Mindanao Ave. cor. Biliran Road, Cebu Business Park, Cebu City, Cebu*
58. CEBU - BANAWA BRANCH - G/F The J Block, Duterte St., Banawa, Guadalupe, Cebu City, Cebu*
59. CEBU - BANILAD BRANCH - CBC Bldg., A.S. Fortuna St., Banilad, Cebu City, Cebu*
60. CEBU - BASAK - SAN NICOLAS BRANCH - Bai Center, N. Bacalso Ave., Brgy. Basak San Nicolas, Cebu City, Cebu*
61. CEBU - BOGO BRANCH - G/F SIM Bldg., P. Rodriguez St., Bogo City Cebu*
62. CEBU BUSINESS CENTER BRANCH - G/F Chinabank Corporate Center, Samar Loop cor. Panay Road, Cebu Business Park, Cebu City, Cebu*
63. CEBU - CARCAR BRANCH - Dr. Jose Rizal St, Poblacion I, Carcar, Cebu City, Cebu*
64. CEBU - CONSOLACION BRANCH - G/F SM City Consolacion, Brgy. Lamac, Consolacion, Cebu*
65. CEBU - ESCARIO BRANCH - Units 3 & 5, Escario Central, Escario Road, Cebu City, Cebu*
66. CEBU - F. RAMOS BRANCH - G/F Cebu Velez Hospital, 41-3 F. Ramos St., Brgy. Cogon, Cebu City, Cebu*
67. CEBU - GORORDO BRANCH - No 424, Gorordo Ave., Bo. Kamputhaw, Cebu City, Cebu*
68. CEBU - GUADALUPE BRANCH - CBC Bldg., M. Velez St., cor. V. Rama Ave., Guadalupe, Cebu City, Cebu*
69. CEBU - IT PARK BRANCH - G/F, The Link, Cebu IT Park, Apas, Cebu City, Cebu*
70. CEBU - LAHUG BRANCH - JY Square Mall, No. 1 Salinas Dr., Lahug, Cebu City, Cebu*
71. CEBU - LAPU LAPU PUSOK BRANCH - G/F Goldberry Suites, President Quezon National Highway, Pusok, Lapu-Lapu City, Cebu*
72. CEBU - LAPU LAPU CENTRO BRANCH - A. Geson Bldg., G.Y Dela Serna St., Poblacion, Lapu Lapu City, Cebu*
73. CEBU - MAGALLANES BRANCH - CBC Bldg., Magallanes cor. Jakosalem Sts., Brgy. Sto. Niño, Cebu City, Cebu*
74. CEBU - MANDAUE BRANCH - SV Cabahug Bldg., 155-B SB Cabahug St., Brgy. Centro, Mandaue City, Cebu*
75. CEBU - MANDAUE CABANCALAN BRANCH - G/F A. Geson Bldg., M.L. Quezon St., Cabancalan, Mandaue City, Cebu*
76. CEBU - MANDAUE - J. CENTRE MALL BRANCH - LGF J Centre Mall, A.S. Fortuna Ave., Bakilid Mandaue City, Cebu*
77. CEBU - MANDAUE NORTH ROAD BRANCH - G/F Basak Commercial Bldg., North Road, Tabok, Mandaue City, Cebu*
78. CEBU - MANDAUE NRA BRANCH - G/F Bai Hotel Cebu, Ouano Ave. cor. Seno Blvd, North Reclamation Area, Mandaue City, Cebu*
79. CEBU - MINGLANILLA BRANCH - Unit 9 Plaza Margarita, Linao-Lipata, Minglanilla, Cebu*
80. CEBU - NAGA BRANCH - Leah's Square, National South Highway, East Poblacion, Naga City, Cebu*
81. CEBU - SM CITY BRANCH - UGF SM City Cebu, Juan Luna cor. A. Soriano Ave., North Reclamation Area, Brgy. Mabolo, Cebu City, Cebu**
82. CEBU - SM SEASIDE CITY BRANCH - LGF SM Seaside City, SM Seaside Complex, South Road Properties, Mambaling, Cebu City, Cebu*
83. CEBU - SUBANGDAKU BRANCH - G/F A.D. Gothong I.T. Center, Subangdaku, Mandaue City, Cebu*
84. CEBU - TALAMBAN BRANCH - Unit UG-7 Gaisano Grand Mall Talamban, Gov. Cuenco Ave., Brgy. Talamban, Cebu City, Cebu*
85. CEBU - TALISAY BRANCH - CBC Bldg., 1055 Cebu South National Road, Bulacao, Talisay City, Cebu*
86. CLARK FREEPORT ZONE BRANCH - G/F Stotsenberg Lifestyle Center, N. Aquino corner S. Osmeña & E. Jacinto Sts., Clark Freeport Zone, Mabalacat, Pampanga*
87. COTABATO CITY BRANCH - No. 76 BH Century Inc., S.K. Pendatun Ave., Cotabato City, Maguindanao*
88. DAET BRANCH - Vinzons Ave., Daet, Camarines Norte*
89. DAGUPAN - M.H.DEL PILAR BRANCH - Carried Realty Bldg., No. 28 M.H. del Pilar St., Dagupan City, Pangasinan*
90. DAGUPAN - PEREZ BRANCH - GF Siapno Bldg., Perez Boulevard, Brgy. Pogo Chico, Dagupan City, Pangasinan*
91. DAVAO - BAJADA BRANCH - B.I. Zone Bldg., J.P. Laurel Ave., Bajada, Davao City, Davao del Sur*

92. DAVAO - BUHANGIN BRANCH - Km. 5 Buhangin Road, Davao City, Davao del Sur*
93. DAVAO - CALINAN BRANCH - G/F TNE Bldg., Davao-Bukidnon National Hwy - Riverside, Calinan Proper, Davao City, Davao del Sur**
94. DAVAO - INSULAR VILLAGE BRANCH - Km. 8, Insular Village I, Lanang, Davao City, Davao del Sur*
95. DAVAO - MA-A BRANCH - G/F Lapeña Bldg., Mac Arthur Highway, Matina, Davao City, Davao del Sur*
96. DAVAO - MATINA BRANCH - Comglasco Bldg., Km. 4 McArthur Highway, Matina, Davao City, Davao del Sur*
97. DAVAO - MONTEVERDE BRANCH - Doors 1 & 2, Sunbright Bldg., Monteverde St., Brgy. 27-C, Poblacion District, Davao City, Davao del Sur*
98. DAVAO - PANABO BRANCH - Grajeda Bldg (Major Building), Quezon St., Brgy New Pandan, Panabo City, Davao del Norte
99. DAVAO - RECTO BRANCH - CBC Bldg., C.M. Recto Ave. cor. J. Rizal St. Davao City, Davao del Sur*
100. DAVAO - SM LANANG BRANCH - G/F SM Lanang Premier, J.P. Laurel Ave., Davao City, Davao del Sur*
101. DAVAO - STA. ANA BRANCH - R. Magsaysay Ave. cor. F. Bangoy St., Sta. Ana District, Davao City, Davao del Sur*
102. DAVAO - TAGUM BRANCH - 153 Pioneer Ave., Tagum, Davao del Norte*
103. DAVAO - TORIL BRANCH - JFI Building, Mc Arthur Highway cor. St. Peter St., Crossing Bayabas, Toril, Davao City, Davao del Sur*
104. DIPOLOG CITY BRANCH - CBC Bldg., Gen Luna cor. Gonzales Sts. Dipolog City, Zamboanga del Norte*
105. DOLORES BRANCH - CBC Bldg., McArthur Highway, Dolores, City of San Fernando, Pampanga*
106. DUMAGUETE CITY BRANCH - CBC Bldg., Real St., Dumaguete City, Negros Oriental*
107. GAPAN BRANCH - G/F Walter Mart Center - Gapan, Maharlika Highway, Brgy. Bayanihan, Gapan, Nueva Ecija*
108. GEN. SANTOS CITY BRANCH - CBC Bldg., I. Santiago Blvd., Gen. Santos City South Cotabato*
109. GEN. SANTOS CITY - DADIANGAS BRANCH - M. Roxas Ave. corner Lapu-Lapu Street, Brgy. Dadiangas East, General Santos City, South Cotabato*
110. GUAGUA BRANCH - Yabut Bldg., Plaza Burgos, Guagua, Pampanga*
111. ILIGAN CITY BRANCH - Lai Bldg., Quezon Ave. Extension, Pala-o, Iligan City, Lanao del Norte*
112. ILIGAN CITY - SOLANA DISTRICT BRANCH - G/F Andres Bonifacio Highway, Brgy. San Miguel, Iligan City, Lanao del Norte*
113. ILOCOS NORTE - SAN NICOLAS BRANCH - National Highway, Brgy. 2, San Baltazar, San Nicolas, Ilocos Norte*
114. ILOILO - IZNART BRANCH - G/F John A. Tan Bldg., Iznart St., Iloilo City, Iloilo*
115. ILOILO - JARO BRANCH - CBC Bldg., E. Lopez St., Iloilo City, Iloilo*
116. ILOILO - MABINI BRANCH - Tomas Sun Bldg., A. Mabini St., Iloilo City, Iloilo*
117. ILOILO - 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 - G/F North Star Mall, Maharlika Highway, Brgy. Alibagu, Ilagan, Isabela*
121. ISABELA - ROXAS BRANCH - National Road, Brgy. Bantug, Roxas, Isabela*
122. KALIBO BRANCH - Aklan Catholic College, Arch. Gabriel M. Reyes St., 5600, Kalibo, Aklan*
123. KIDAPAWAN CITY BRANCH - Datu Ingkal St., Brgy. Poblacion, Kidapawan City
124. KORONADAL CITY BRANCH - G/F LBU Bldg., Gen. Santos Drive cor. Aquino St. Koronadal City, South Cotabato*
125. LA TRINIDAD BRANCH - G/F SJV Bulasao Bldg., Halsema Highway, Km. 4, La Trinidad, Benguet*
126. LA UNION - AGOO BRANCH - National Highway, San Jose Norte, Agoo, La Union*
127. LA UNION - SAN FERNANDO BRANCH - Roger Pua Phee Bldg., National Highway, Brgy. 3, San Fernando, La Union*
128. LAGUNA - BIÑAN BRANCH - G/F Raja Cordelle Bldg, National Highway, Brgy. San Vicente, Biñan, Laguna*
129. LAGUNA - CABUYAO BRANCH - G/F Centro Mall, Pulo, Cabuyao City, Laguna*
130. LAGUNA - CALAMBA BRANCH - CBC Bldg., National Highway, Crossing, Calamba, Laguna*
131. LAGUNA - LOS BAÑOS BRANCH - JM Place, National Road, San Antonio, Los Baños, Laguna*
132. LAGUNA - SAN PEDRO BRANCH - No. 365 National Highway, Brgy. Nueva, San Pedro City, Laguna*
133. LAGUNA - STA. CRUZ BRANCH - A. Regidor St., Poblacion IV, Sta. Cruz, Laguna*
134. LAOAG CITY BRANCH - Liberato Abadilla St., Brgy 17, San Francisco, Laoag City, Ilocos Norte*
135. LEGAZPI CITY BRANCH - G/F Emma Chan Bldg., F. Imperial St., Brgy. Capantawan, Legazpi City, Albay*
136. LIPA CITY - TAMBO BRANCH - President Jose P. Laurel Highway, Tambo, Lipa City, Batangas*
137. LUCENA CITY BRANCH - Georkimart Bldg., 223 Quezon Ave., Lucena City, Quezon*
138. MAASIN CITY BRANCH - G/F SJC Bldg., Tomas Oppus St., Brgy. Tunga-Tunga, Maasin City, Southern Leyte*
139. MABALACAT - DAU BRANCH - One North Mall, #1 McArthur Highway, Dau, Mabalacat, Pampanga*
140. MALAYBALAY CITY BRANCH - G/F Bethelda Bldg., Sayre Highway, Malaybalay City, Bukidnon*
141. MALOLOS CITY BRANCH - G/F Graceland Mall, BSU Grounds, McArthur Highway, Guinhawa, Malolos City, Bulacan
142. MARILAO BRANCH - G/F SM City Marilao, Km. 21, Brgy. Ibayo, Marilao, Bulacan*
143. MARIVELES - FAB BRANCH - GF Tamayo's Building, Avenue of the Phils. Brgy. Malaya, Freeport Area of Bataan (FAB), Mariveles, Bataan*
144. MASBATE BRANCH - G/F Espinosa Bldg., Zurbito St., Brgy. Pating, Masbate City, Masbate*

145. MEYCAUAYAN BRANCH - CBC Bldg., Malhacan Road, Meycauayan, Bulacan*
146. MIDSAYAP BRANCH - CBC Building, Quezon Ave., Poblacion 2, Midsayap, Cotabato*
147. NAGA CITY BRANCH - CBC Building, Penafrancia Avenue, Naga City, Camarines Sur*
148. NEGROS OCCIDENTAL - KABANKALAN BRANCH - CBC Bldg., National Hwy, Brgy. 1, Kabankalan, Negros Occidental*
149. NEGROS OCCIDENTAL - SAN CARLOS BRANCH - Rizal cor. Carmona Sts., San Carlos City, Negros Occidental*
150. NUEVA ECIJA - STA ROSA BRANCH - CBC Bldg., Maharlika Highway, Poblacion, Sta Rosa, Nueva Ecija*
151. OCCIDENTAL MINDORO - SAN JOSE BRANCH - Liboro cor. Rizal St., San Jose, Occidental Mindoro*
152. OLONGAPO - DOWNTOWN BRANCH - CBC Building, No. 2 corner 20th St., East Bajac-Bajac, Olongapo City, Zambales*
153. ORMOC CITY BRANCH - CBC Bldg., Real cor. Lopez Jaena Sts., Ormoc City, Leyte*
154. OZAMIZ CITY BRANCH - Gomez corner Kaamino Streets, Ozamiz City, Misamis Oriental*
155. PAGADIAN CITY BRANCH - G/F Marasigan Bldg., F.S. Pajares Ave., Pagadian City, Zamboanga del Sur*
156. PANGASINAN - ALAMINOS CITY BRANCH - Montemayor Bldg., Marcos Ave., Brgy. Palamis, Alaminos City, Pangasinan*
157. PANGASINAN - BAYAMBANG BRANCH - CBC Bldg., Poblacion Sur, Bayambang, Pangasinan*
158. PANGASINAN - ROSALES BRANCH - CBC Building, Calle Dewey, Rosales, Pangasinan*
159. PANGASINAN - URDANETA BRANCH - EF Square Bldg., Poblacion St., MacArthur Highway, Urdaneta City, Pangasinan*
160. PASEO DE STA. ROSA BRANCH - Unit 3, Paseo 5, Paseo de Sta. Rosa, Sta. Rosa City, Laguna*
161. PUERTO PRINCESA CITY BRANCH - Bobby L. Castro Bldg., Malvar St. near cor. Valencia St., Puerto Princesa City, Palawan*
162. QUEZON - CANDELARIA BRANCH - Pan Philippine Highway cor. Del Valle Street, Poblacion, Candelaria, Quezon*
163. ROXAS CITY BRANCH - 1063 Roxas Ave. cor. Bayot Drive, Sumulong Highway, Brgy. 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 CITY CABANATUAN - UGF SM City Cabanatuan, Maharlika Highway, Brgy. H. Concepcion, Cabanatuan City, Nueva Ecija*
171. SM CDO DOWNTOWN PREMIER BRANCH - G/F SM CDO Downtown Premier, Claro M. Recto St., Lapasan, Cagayan de Oro City, Misamis Oriental*
172. SM CITY CLARK BRANCH - G/F (Unit 172-173) SM City Clark, M. Roxas St., CSEZ, Angeles City, Pampanga**
173. SM CITY DASMARIÑAS BRANCH - LGF SM City Dasmariñas, Gov Drive, Pala-Pala, City of Dasmariñas, Cavite*
174. SM CITY LIPA BRANCH - G/F (Units 1111-1113) SM City Lipa, J.P. Laurel Highway, Brgy. Maraouy, Lipa City, Batangas*
175. SM CITY NAGA BRANCH - SM City Naga, CBD II, Brgy. Triangulo, Naga City, Camarines Sur*
176. SM CITY OLONGAPO CENTRAL BRANCH - G/F SM City Olongapo Central, East Tapinac, Olongapo City, Zambales*
177. SM CITY PAMPANGA BRANCH - Unit AX3 102, Bldg. 4, SM City Pampanga, Mexico, Pampanga*
178. SM CITY SAN JOSE DEL MONTE BRANCH - UGF SM City San Jose Del Monte, Quirino Highway, Brgy. Tungkong Mangga, San Jose Del Monte City, Bulacan*
179. SM CITY SAN PABLO BRANCH - G/F SM City San Pablo, National Highway, Brgy. San Rafael, San Pablo City, Laguna*
180. SM CITY STA. ROSA BRANCH - G/F SM City Sta. Rosa, Bo. Tagapo, Sta. Rosa, Laguna*
181. SM CITY TELABASTAGAN BRANCH - G/F SM City Telabastagan, San Fernando City, Pampanga*
182. SOLANO BRANCH - National Highway, Brgy. Quirino, Solano, Nueva Vizcaya*
183. SORSOGON BRANCH - CBC Bldg., Ramon Magsaysay Ave., Brgy. Sirangan, Sorsogon City, Sorsogon*
184. SUBIC BAY FREEPORT ZONE BRANCH - CBC Bldg., Rizal Highway, Subic Bay Gateway Park, Subic Bay Freeport Zone, Zambales*
185. SURIGAO CITY BRANCH - CBC Bldg., Amat St., Barrio Washington, Surigao City, Surigao Del Norte*
186. TABACO CITY BRANCH - G/F ANG Bldg., Ziga Ave. cor. Berces St., Tabaco City, Albay*
187. TACLOBAN CITY BRANCH - Uytingkoc Bldg., Avenida Veteranos, Tacloban City, Leyte*
188. TAGAYTAY CITY BRANCH - Foggy Heights Subdivision, E. Aguinaldo Highway, Tagaytay City, Cavite*
189. TAGBILARAN CITY BRANCH - G/F Melrose Bldg., Carlos P. Garcia Ave., Tagbilaran City, Bohol*
190. TALAVERA BRANCH - CBC Bldg., Maharlika Highway, Marcos District, Talavera, Nueva Ecija*
191. TARLAC - BAMBAN BRANCH - National Road, Brgy. Anupul, Bamban, Tarlac*
192. TARLAC - CAMILING BRANCH - Savewise Bldg., Romulo St., Poblacion, Camiling Tarlac*
193. TARLAC - CONCEPCION BRANCH - G/F Descanzo Bldg., F. Timbol St., San Nicolas, Poblacion, Concepcion, Tarlac*
194. TARLAC - PANIQUE BRANCH - G/F Cedasco Bldg., M. H del Pilar St., Poblacion, Panique, Tarlac*
195. TARLAC BRANCH - CBC Bldg., Panganiban near cor. F. Tañedo St., Brgy. San Nicolas, Tarlac City, Tarlac*
196. TARLAC - SAN RAFAEL BRANCH - CBC Building, MacArthur Highway, San Rafael, Tarlac City, Tarlac*
197. THE DISTRICT IMUS BRANCH - G/F The District Imus, Emilio Aguinaldo Highway, Anabu II, Imus, Cavite*
198. TRECE MARTIRES BRANCH - G/F Walter Mart, Governor's Drive cor. City Hall Road, Brgy. San Agustin, Trece Martires City, Cavite*
199. TUGUEGARAO - BALZAIN BRANCH - Editha Bldg., Balzain Highway, Tuguegarao City, Cagayan*

200. TUGUEGARAO CITY BRANCH - A. Bonifacio St., Brgy. Centro 6, Tuguegarao, Cagayan *
201. VALENCIA BRANCH - Tamay Lang Bldg., A. Mabini St., Brgy. Poblacion, Valencia, Bukidnon*
202. VIGAN CITY BRANCH - Burgos St. near cor. Rizal St., Vigan City, Ilocos Sur*
203. VIRAC BRANCH - Quezon Avenue, Brgy. Salvacion, Virac, Catanduanes*
204. ZAMBALES - BOTOLAN BRANCH - National Highway, Brgy. Batonlapoc, Botolan, Zambales*
205. ZAMBOANGA CITY BRANCH - CBC Bldg., Gov. Lim Ave. cor. Nuñez St., Zone III, Zamboanga City, Zamboanga del Sur*
206. ZAMBOANGA - GUIWAN BRANCH - G/F Yang's Tower, Ma. Clara Lorenzo Lobregat National Highway, Guiwan, Zamboanga City, Zamboanga del Sur*
207. ZAMBOANGA - SAN JOSE GUSU BRANCH - Yubenco Star Mall, San Jose Gusu, Zamboanga City, Zamboanga del Sur**

* One (1) ATM

** Two (2) ATMs

*** Four (4) ATMs

China Bank Savings

Metro Manila Branches

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

41. MARIKINA BRANCH - 33 Bayan-Bayanan Ave., Brgy. Concepcion 1, Marikina City*
42. MARIKINA-GIL FERNANDO AVENUE - CTP Bldg., Gil Fernando Ave., Brgy. San Roque, Marikina City*
43. MUÑOZ – JACKMAN BRANCH - Jackman Plaza, Lower Ground Floor, EDSA-Munoz, Quezon City*
44. NEPA-Q-MART -SAVEMORE BRANCH - Rose Bldg., 770 St. EDSA and K-G St., West Kamias, Quezon City*
45. NINOY AQUINO AVENUE- Ground Floor Skyfreight Bldg., Ninoy Aquino Ave. cor. Pascor Drive, Parañaque City*
46. ORTIGAS BRANCH - Ground Floor, Hanston Square, San Miguel Ave., Ortigas Center, Pasig City*
47. PARAÑAQUE - BETTER LIVING - 90 Dona Soledad Avenue, Better Living Subdivision, Parañaque*
48. PARAÑAQUE - BF HOMES BRANCH - 284 Aguirre Ave., B.F. Homes, Paranaque*
49. PARAÑAQUE-JAKA - Jaka Plaza Center, Dr. A. Santos Ave. (Sucat Road), Brgy. San Isidro, Parañaque City*
50. PARAÑAQUE - LA HUERTA – 1070 Quirino Ave., La Huerta, Paranaque City*
51. PARAÑAQUE – MOONWALK – Kassel Residence Building, E. Rodriguez Avenue, Moonwalk Parañaque City*
52. PASAY-LIBERTAD – 533 Cementina St. Libertad, Pasay City*
53. PASIG CANIOGAN - KSN Building, C. Raymundo Avenue, Caniogan, Pasig City *
54. PASIG-MUTYA – Richcrest Building, Caruncho corner Market Avenue, San Nicolas, Pasig City*
55. PASIG – PADRE BURGOS BRANCH - 114 Padre Burgos St., Kapasigan, Pasig City*
56. PASO DE BLAS- Andok's Bldg., 629 General Luis St., Malinta Interchange-NLEX, Paso de Blas, Valenzuela City*
57. PATEROS BRANCH – Unit CC1, GF East Mansion Townhomes, Sto. Rosario, Pateros*
58. PATEROS-ALMEDA - 120 Almeda St., Pateros, Metro Manila*
59. PEDRO GIL - LKE Bldg. Pedro Gil corner Pasaje, Rosario st. Paco, Manila
60. PLAZA STA. CRUZ BRANCH – MBI Building, Unit 103, Plaza Sta. Cruz, Sta. Cruz, Manila*
61. QUEZON AVENUE BRANCH - G/F GJ Bldg., 385 Quezon Ave., Quezon City*
62. QUEZON AVENUE-PALIGSAHAN - 1184-A Ben-Lor Bldg., Quezon Ave., Brgy. Paligsahan, Quezon City*
63. QUIAPO – ECHAGUE - Palanca corner P. Gomez streets, Echague, Quiapo, City of Manila
64. QUIAPO – QUEZON BLVD. – 416 Quezon Boulevard, Quiapo Manila*
65. RADA- LEGASPI - HRC Center , 104 Rada St., Legaspi Village, Makati City*
66. ROOSEVELT – 342 Roosevelt Avenue, Quezon City*
67. SAN JUAN - Madison Square, 264 N. Domingo St., Barangay Pasadena, San Juan*
68. SOUTH TRIANGLE - Ground Floor, SUNNYMEDE IT CENTER, Brgy. South Triangle, Quezon Ave., QC
69. STA. MESA - 4128 Ramon Magsaysay Blvd., Sta. Mesa Manila*
70. TANDANG SORA – Cecileville Bldg. III, 670 Tandang Sora Ave. corner General Ave., Tandang Sora, Quezon City*
71. TAYUMAN – 1925-1929 Rizal Avenue near corner Tayuman St., Sta. Cruz, Manila*
72. TIMOG- Jenkins Towers, 80 Timog Ave., Brgy. Sacred Heart, Quezon City*
73. TWO E-COM – Two E-Com Center Tower B, Ocean Drive near cor. Bayshore Ave., Mall of Asia Complex, Pasay City*
74. UN AVENUE- 552 U.N. Ave., Ermita, Manila*
75. VALENZUELA-MARULAS- Ong-Juanco Bldg., 92 - J McArthur Highway, Marulas, Valenzuela City*
76. VISAYAS AVENUE- Wilcon City Center Mall, Visayas Ave., Quezon City*
77. ANTIPOLLO- EMS Bldg., M.L. Quezon St. cor. F. Dimanlig St., Antipolo City, Rizal*
78. ANGONO- Manila East Road cor. Don Benito St., Brgy. San Roque, Angono, Rizal*
79. TAYTAY BRANCH - C. Gonzaga Bldg. II, Manila East Road, Taytay, Rizal*

China Bank Savings

Provincial Branches

1. ANGELES-RIZAL AVENUE - 639 Rizal St., Angeles City*
2. ARAYAT BRANCH - Cicutud, Arayat, Pampanga**
3. BACOLOD BRANCH - SKT Saturn Bldg., Lacson cor. Rizal Sts., Bacolod City*
4. BACORR - TALABA - Coastal Road cor. Aguinaldo Highway, Brgy. Talaba VII, Bacorr City, Cavite*
5. BAGUIO - SESSION - B108 Lopez Bldg., Session Road, Baguio City*
6. BALAGTAS- McArthur Highway, Wawa, Balagtas, Bulacan*
7. BALANGA - DM BANZON - D.M. Banzon St., Balanga City*
8. BALIBAGO- JEV Bldg., McArthur Highway, Balibago, Angeles City*
9. BALIUAG- Plaza Naning, Poblacion, Baliuag, Bulacan*
10. BATANGAS - P. BURGOS - No. 3 P. Burgos St., Batangas City*
11. BIÑAN- Nepa Highway, San Vicente, Biñan, Laguna*
12. CABANATUAN-BAYAN - Burgos Ave., Cabanatuan City, Nueva Ecija*
13. CAGAYAN DE ORO BRANCH - Sergio Osmeña St., Cogon District, Cagayan de Oro City*
14. CALAMBA BRANCH - HK Bldg II, National Highway, Brgy. Halang, Calamba, Laguna*
15. CAVITE CITY - 485 P. Burgos St., Brgy. 34, Caridad, Cavite City*
16. CEBU – MANDAUE BRANCH - A. Del Rosario Ave., Mantuyong, Mandaue City, Cebu*

17. CEBU – MANGO AVENUE, JSP Mango Plaza, Gen. Maxilom Ave. cor. Echavez St., Cebu City*
18. CEBU-LAHUG BRANCH - G/F Skyrise IT Bldg., Brgy. Apas, Lahug, Cebu City*
19. CEBU-MANDAUE BASAK - Co Tiao King Bldg., Cebu North Road Basak, Mandaue City*
20. DAGUPAN BRANCH - G/F Lyceum-Northwestern University, Tapuac District, Dagupan City*
21. DARAGA BRANCH - Rizal St., Brgy. San Roque, Daraga, Albay, Bicol*
22. DASMARIÑAS- Veluz Plaza Bldg., Zone I, Aguinaldo Highway, Dasmariñas City, Cavite*
23. DAU BRANCH - MacArthur Highway, Dau, Mabalacat, Pampanga*
24. DAVAO – RECTO- C. M Ville Abrille Bldg., C. M. Recto St. Davao City*
25. DAVAO BRANCH - G/F 8990 Corporate Center, Quirino Ave., Davao City*
26. DOLORES- STCI Bldg., McArthur Highway, San Agustin, City of San Fernando, Pampanga*
27. GENERAL SANTOS- I. Santiago Boulevard General, Santos City*
28. GUAGUA BRANCH - Plaza Burgos, Guagua, Pampanga*
29. ILOILO – JARO BRANCH - Lopez Jaena cor. EL 98 Sts., Jaro, Iloilo*
30. ILOILO – IZNART - Golden Commercial Center Bldg, Iznart St. Iloilo City*
31. IMUS- TANZANG LUMA - Tanzang Luma, Aguinaldo Highway, Imus City, Cavite*
32. KALIBO-CITYMALL – F. Quimpo St. connecting Mabini and Toting Reyes Streets, Kalibo, Aklan*
33. LA UNION- AG Zambrano Bldg., Quezon Ave., San Fernando City, La Union*
34. LAGUNA-STA. CRUZ - E & E Building, Pedro Guevarra St., Sta. Cruz, Laguna.*
35. LAOAG - J.P Rizal St. corner Balintawak St. Laoag City, Ilocos Norte*
36. LEGAZPI CITY - F. Imperial Street, Barangay Bitano, Legazpi City*
37. LINGAYEN - Unit 5-6, The Hub - Lingayen Building , National Road, Poblacion, Lingayen, Pangasinan
38. LIPA - CM RECTO - C.M. Recto Ave., Lipa City*
39. LOS BAÑOS-CROSSING- Lopez Ave., Batong Malaki, Los Baños, Laguna*
40. LUCENA- Merchan cor., Evangelista St., Lucena City*
41. MACABEBE BRANCH - Poblacion, Macabebe, Pampanga*
42. MALOLOS BRANCH - Canlapan St., Sto. Rosario, Malolos City, Bulacan*
43. MALOLOS-CATMON - Paseo del Congreso, Catmon, City of Malolos, Bulacan*
44. MEYCAUAYAN- Mancon Bldg., McArthur Highway, Calvario, Meycauayan, Bulacan*
45. MOLINO-BACOR - 817 Molino Road Molino III, Bacor, Cavite*
46. MOUNT CARMEL- AMB Bldg., Km. 78 McArthur Highway, Brgy. Saguin, City of San Fernando, Pampanga*
47. NAGA BRANCH - RL Bldg., Panganiban St., Lerma, Naga City*
48. OLONGAPO BRANCH - Ground Floor, City View Hotel, 25 Magsaysay Drive, New Asinan, Olongapo City*
49. ORANI BRANCH - Brgy. Balut, Orani, Bataan**
50. PLARIDEL- 0226 Cagayan Valley Road, Banga 1st, Plaridel, Bulacan*
51. PORAC BRANCH - Cangatba, Porac, Pampanga**
52. ROXAS AVE.-CAPIZ CITYMALL - Roxas Ave, brgy VI, Roxas City, Capiz
53. SAN FERNANDO BRANCH - KHY Trading Bldg., San Fernando-Gapan Rd., San Fernando City, Pampanga*
54. SAN FERNANDO – BAYAN BRANCH - JSL Building, Consunji St., San Fernando, Pampanga*
55. SAN ILDEFONSO-SAVEMORE BRANCH - Savemore San Ildefonso, Poblacion, San Ildefonso, Bulacan*
56. SAN JOSE DEL MONTE BRANCH - Ground Floor, Giron Bldg., Gov. Halili Ave., Tungkong Mangga, City of San Jose Del Monte, Bulacan*
57. SAN MIGUEL- Norberto St., San Jose, San Miguel, Bulacan*
58. SAN NARCISO BRANCH - Brgy. Libertad, San Narciso, Zambales*
59. SAN PABLO-RIZAL AVE. BRANCH – Rizal Avenue cor. Lopez Jaena St. San Pablo City, Laguna*
60. SAN PEDRO BRANCH - Gen - Ber Bldg. National Highway Landayan, San Pedro Laguna*
61. SAN RAFAEL BRANCH - Cagayan Valley cor. Cruz na Daan Roads, San Rafael, Bulacan*
62. SANTIAGO - VICTORY NORTE - JECO Bldg., Maharlika Highway cor. Quezon St., Victory Norte, Santiago City*
63. STA. ANA BRANCH - Poblacion, Sta. Ana, Pampanga*
64. STA. MARIA- JC De Jesus cor. M. De Leon, Poblacion, Sta. Maria, Bulacan*
65. STA. RITA BRANCH - San Vicente, Sta. Rita, Pampanga*
66. STA. ROSA BRANCH - Sta. Rosa-Tagaytay Highway, Sta. Rosa, Laguna*
67. STA. ROSA-BALIBAGO - National Highway cor. Lazaga St. Balibago, Sta. Rosa, Laguna*
68. STO. TOMAS- MAHARLIKA - Agojo Bldg., Maharlika Highway, Sto. Tomas, Batangas*
69. SUBIC BRANCH - Baraca, Subic, Zambales*
70. TACLOBAN CITY – GF,YVI Center, Bldg A, Fatima Village, Tacloban City, Leyte*

71. TAGAYTAY-MENDEZ-SEVEMORE - Mendez Crossing West, Tagaytay-Nasugbu Highway corner Mendez - Tagaytay Rd, Tagaytay City*
72. TAGUM-CITYMALL – Maharlika Highway cor. Lapu-Lapu Extension, Brgy. Magugpo Tagum City*
73. TALISAY-NEGROS-SEVEMORE BRANCH – Talisay, Mabini St., Zone 12 Paseo Mabini Talisay City NegrosOccidental*
74. TANAUAN CITY - Jose P. Laurel National Highway, Darasa, Tanauan City, Batangas
75. TARLAC - MAC ARTHUR - McArthur Highway, San Nicolas, Tarlac City*
76. TUGUEGARAO- Metropolitan Cathedral Parish, Rectory Complex, Rizal St., Tuguegarao City*
77. URDANETA- MacArthur Highway, Nancayasan, Urdaneta City, Pangasinan*
78. VIGAN- Plaza Maestro Convention Center, Florentino St. and Burgos St. Vigan City, Ilocos Sur*
79. ZAMBOANGA-CITYMALL BRANCH – CityMall, Don Alfaro St., Tetuan, Zamboanga*

China Bank - Off Branch ATM Directory

Metro Manila

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

45. LANDMARK - TRINOMA - ATM Slot 4, 2F Landmark Trinoma, North Ave. cor. EDSA, Quezon City
46. LIANA'S SAMPALOC - 537 Earnshaw St., Sampaloc, Manila
47. LOYOLA GRAND VILLAS - Loyola Grand Villas Lifeline, Soliven Ave., Quezon City
48. LRT 2 PUREZA - Westbound, LRT 2 Pureza Station, R. Magsaysay Blvd., Sta. Mesa, Manila
49. LRT 2 RECTO EAST - East Side, LRT 2 Recto Station, Recto Avenue, Sta. Cruz, Manila
50. LRT 2 RECTO WEST - West Side, LRT 2 Recto Station, Recto Avenue, Sta. Cruz, Manila
51. LRT 2 V. MAPA - Westbound, LRT 2 V. Mapa Station, R. Magsaysay Blvd., Sta. Mesa, Manila
52. MALABON CITISQUARE - G/F Malabon Citisquare, C-4 Road cor. Dagat-dagatan Ave., Malabon City
53. MARKET! MARKET! 1 - Market! Market!, Fort Bonifacio Global City, Taguig City
54. MARKET! MARKET! 2 - 2F Market! Market!, Fort Bonifacio Global City, Taguig City
55. MARKET! MARKET! 3 - G/F ATM Center in Fiesta Market, Market! Market!, Fort Bonifacio Global City, Taguig City
56. MEDICAL CITY - Medical City, Ortigas Ave., Pasig City
57. METRO POINT MALL - 3F Metro Point Mall, EDSA cor. Taft Ave., Pasay City
58. METROWALK - ATM 1 Bldg C, G/F Metrowalk Commercial Complex, Meralco Ave., Pasig City
59. MIDAS HOTEL - Midas Hotel, 2702 Roxas Blvd., Pasay City
60. MONDE MY SAN CAINTA - Gracia St., Marick Subdivision, Cainta, Rizal
61. MRT - BONI STATION - MRT - Boni Station, EDSA, Mandaluyong City
62. MRT - CUBAO STATION - MRT - Cubao Station, EDSA, Quezon City
63. MRT - SHAW - MRT - Shaw Station, EDSA, Mandaluyong City
64. MULTINATIONAL CLUBHOUSE - Clubhouse, Nazareth cor. Judea St., Multinational Village, Parañaque City
65. NEWPORT MALL 4F - 4F Newport Mall, Resorts World, Newport City, Pasay City
66. NOVA SQUARE - G/F Nova Square, Quirino Highway, Brgy. San Bartolome, Novaliches, Quezon City
67. ONE E - COM CENTER - G/F One E-Com Center, Palm Coast Ave., SM MOA Complex, Pasay City
68. ONE MALL VALENZUELA - Gen. T. De Leon, Valenzuela City
69. PROMENADE GREENHILLS - Missouri Entrance, Promenade Mall, Greenhills Shopping Center, San Juan City
70. PUREGOLD - BLUMENTRITT - 286 Blumentritt St., Sta Cruz, Manila
71. PUREGOLD - E. RODRIGUEZ - ATM #1 Puregold E. Rodriguez, Cosco Bldg., E. Rodriguez Ave. cor. G. Araneta Ave., Quezon City
72. PUREGOLD - LAKEFRONT - Puregold Lakefront, Presidio Subdivision, Lakefront, Muntinlupa City
73. PUREGOLD - PASO DE BLAS - LGF Puregold Plaso de Blas, Plaso de Blas cor. Gen. Luis St., Malinta Ex, Valenzuela City
74. PUREGOLD JR. - PANDACAN - Puregold Jr. Pandacan, West J. Zamora St., Pandacan, Manila
75. PUREGOLD MAYPAJO KALOOKAN - Puregold Maypajo, J.P. Rizal St., Brgy. Maypajo, Caloocan City
76. QUICKLEAN MAYBUNGA - 369 Dr. Sixto Antonio Avenue, Maybunga, Pasig City
77. REGALIA PARK TOWER - 150 P. Tuazon Blvd., Cubao, Quezon City
78. RESORTS WORLD GAMING AREA - G/F Casino Gaming Area, Resorts World, Pasay City
79. ROBINSONS FORUM PIONEER - ATM Center Pioneer Side, Forum Robinsons, Pioneer St. cor. EDSA, Mandaluyong City
80. ROBINSONS GALLERIA - Robinsons Galleria, EDSA cor. Ortigas Ave., Pasig City
81. ROBINSONS GALLERIA 2 - Robinsons Galleria, EDSA cor. Ortigas Ave., Pasig City
82. ROBINSONS GALLERIA 3 - West Wing, Robinsons Galleria, EDSA cor. Ortigas Ave., Pasig City
83. ROBINSONS PLACE - MANILA - G/F Padre Faura Entrance, Robinsons Place Manila, Pedro Gil cor. Adriatico St., Ermita, Manila
84. ROCKWELL BUSINESS CENTER - Rockwell Business Center, Ortigas Ave., Pasig City
85. ROCKWELL POWER PLANT - Stall No. 060 Ground Level, Power Plant Mall, Makati City
86. SAVERS CENTER - G/F Savers Center (right side of Main Entrance), along EDSA cor. Taft Ave., Pasay City
87. SHOP N RIDE - 248 Gen. Luis St., Brgy. Nova Proper, Novaliches, Quezon City
88. SHOP N RIDE 2 - ATM 2, 248 Gen. Luis St., Brgy. Nova Proper, Novaliches, Quezon City
89. SHOP N RIDE STA. MONICA - Shop & Ride Sta. Monica, 1004 Quirino Highway, Dumalay Street, Brgy. Sta. Monica, Novaliches, QC
90. SHOPWISE - ANTIPOLO - Shopwise Bldg., M.L. Quezon St. cor. Circumferential Road, San Roque, Antipolo City
91. SHOPWISE - COMMONWEALTH - Shopwise, Blk 17, Commonwealth Ave., Quezon City
92. SHOPWISE MARKETPLACE EAST BAY - Marketplace East Bay, East Service Road, Muntinlupa City
93. SHOPWISE METLIVE PASAY - Blue Wave Mall, Diosdado Macapagal cor. EDSA, Metropolitan Park Bay City, Pasay
94. SHOPWISE SUCAT - Shopwise Sucat, Dr. A. Santos Avenue corner Soreena Avenue, Paranaque City
95. SM CENTER LAS PIÑAS - G/F SM Center Las Piñas, Alabang - Zapote Road, Las Piñas City

96. SM CITY THE BLOCK - GF Hypermarket - The Block, SM City North EDSA, North Avenue corner EDSA, Quezon City
97. SM HYPERMARKET - MANDALUYONG - SM Hypermarket Mandaluyong, 121 Shaw Blvd. cor. E. Magalona St., Brgy. Bagong Silang, Mandaluyong City
98. SM MANILA - UGF SM Manila Main Entrance, Natividad A. Lopez cor. Antonio Villegas St., Ermita, Manila
99. SM MEGAMALL BLDG. B - Level 2 Bldg. B, SM Megamall, EDSA cor. Julia Vargas St., Mandaluyong City
100. SM MOA HYPERMARKET - G/F SM Hypermarket, SM Mall of Asia, Pasay City
101. SM MOA SEASIDE FERRY TERMINAL - SM MOA Seaside Blvd. near Esplanade, Pasay City
102. SM MUNTINLUPA - ATM 2 G/F (beside Rear Entrance) SM Muntinlupa, National Road, Brgy. Tunasan, Muntinlupa City
103. SM TAYTAY OFF-BRANCH - 2F Bldg. A, SM Taytay, Manila East Road, Brgy. Dolores, Taytay, Rizal
104. SOLAIRE MANILA 2 - Entertainment City, Aseana Ave., Tambo, Parañaque City
105. SOLAIRE RESORT & CASINO - Entertainment City, Aseana Ave., Tambo, Parañaque City
106. SOUTHGATE MALL - Alphaland Southgate Mall, EDSA cor. Chino Roces Ave., Makati City
107. ST. FRANCIS SQUARE - Basement 1 St. Francis Square, Doña Julia Vargas Ave. cor. Bank Drive, Ortigas Center, Mandaluyong City
108. ST. JUDE COLLEGE - Dimasalang St. cor. Don Quijote St., Sampaloc, Manila
109. ST. LUKE'S - THE FORT - Basement, St. Luke's Medical Center, 5th Ave., Fort Bonifacio Global City, Taguig City
110. ST. LUKE'S - THE FORT 2 - Basement, St. Luke's Medical Center, 5th Ave., Fort Bonifacio Global City, Taguig City
111. STI - DELOS SANTOS MEDICAL CENTER - 201 E. Rodriguez Sr. Blvd., Quezon City
112. TAFT - U.N. - G/F Times Plaza, T.M. Kalaw cor. Gen. Luna St., Ermita, Manila
113. TIENDESITAS - Tiendesitas, Ortigas Ave. cor. E. Rodriguez Ave., Pasig City
114. TRINOMA OFF-BRANCH 1 - Level 1 Trinoma, North Ave. cor. EDSA, Quezon City
115. TRINOMA OFF-BRANCH 2 - Level 1 Trinoma, North Ave. cor. EDSA, Quezon City
116. TWO SHOPPING CENTER - Two Shopping Center, Taft Ave. Ext., 026 Zone 10, Pasay City
117. UNIMART GREENHILLS - B1 Unimart Greenhills Shopping Center, Ortigas Ave., San Juan City
118. UP TOWN CENTER - 2F UP Town Center, Katipunan Ave., Brgy. UP Campus Diliman, Quezon City
119. UPM - PGH - Faculty Medical Arts Bldg., PGH Compound, Taft Ave., Ermita, Manila
120. URDANETA VILLAGE - Urdaneta Village Clubhouse, Urdaneta Ave., Makati City
121. UST - DOCTOR'S CLINIC - University of Sto. Tomas Hospital, Vestibule and New Doctor's Clinic, A.H. Lacson Ave., Sampaloc, Manila
122. UST HOSPITAL - University of Sto. Tomas Hospital, A.H. Lacson Ave., Sampaloc, Manila
123. UST HOSPITAL 3 - G/F Clinical Division, University of Sto. Tomas Hospital, A.H. Lacson Ave., Sampaloc, Manila
124. VICTORY CENTRAL MALL - ATM 2 G/F Victory Central Mall, #717 Old Victory Compound, Rizal Ave., Monumento, Caloocan City
125. VICTORY FOOD MARKET BACLARAN - Victory Food Market, Redemptorist Road, Baclaran, Parañaque City
126. VICTORY PASAY MALL - Victory Pasay Mall, Antonio S. Arnaiz Ave., Pasay City
127. WACK WACK GOLF & COUNTRY CLUB - Main Lobby Clubhouse, Wack Wack Golf & Country Club, Shaw Blvd., Mandaluyong City
128. WALTER MART - MAKATI - G/F Waltermart Makati, 790 Chino Roces Ave. cor. Antonio Arnaiz, Makati City
129. WALTER MART - NORTH EDSA - Walter Mart Bldg., EDSA, Quezon City
130. WALTER MART - SUCAT - Walter Mart Sucat, Dr. A. Santos Ave., Brgy. San Isidro, Sucat, Parañaque City
131. WHITE PLAINS CLUBHOUSE - 10 Natabo Rd., White Plains Clubhouse Area, Quezon City
132. WORLD CITI MEDICAL ANONAS - Lobby Entrance, 960 Aurora Blvd. corner Anonas St., Quezon City
133. ZABARTE TOWN CENTER - Basement Zabarte Town Center, 588 Camarin Road corner Zabarte Road, Caloocan City

China Bank - Off Branch ATM Directory

Provincial

1. 2 MANGO AVENUE - 2 Mango Ave. - Solara Bldg., General Maxilom Ave, Cebu City
2. 7-11 CHDG LA TRINIDAD - MB 73 Pugu, La Trinidad, Benguet
3. 7-11 IMUS BAYAN LUMA - Aguinaldo Highway cor. Patindig Araw Road, Bayan Luma VIII, Imus, Cavite
4. 7-11 IMUS TANZANG LUMA - Aguinaldo Highway cor. Captain B. Paredes St., Tanzang Luma 1, Imus, Cavite
5. A. BONIFACIO - MCDONALD'S BAGUIO - Villanueva Bldg., Lower Bonifacio St., Baguio City
6. ABREEZA MALL - Abreeza Mall, J.P. Laurel Ave., Bajada, Davao City, Davao del Sur
7. ACC HYPERMART SAN ANDRES - San Andres, Catanduanes
8. ACIENDA DESIGNER OUTLET SILANG - G/F Acienda Designer Outlet, E. Aguinaldo Highway, Silang, Cavite
9. ADVENTIST UNIVERSITY OF THE PHILIPPINES - Adventist University of the Philippines, Sta. Rosa - Tagaytay Road, Puting Kahoy, Silang, Cavite
10. AG&P - Atlantic, Gulf & Pacific Company of Manila Inc., Brgy. San Roque, Bauan, Batangas
11. ALFAMART - LUMINA - Alfamart Lumina, Aguinaldo Highway cor. Nueno Ave., Imus, Cavite
12. ALFAMART - TRECE MARTIRES - CPC Bldg., Governor's Drive cor. Hugo Perez, Trece Martires, Cavite
13. ALFAMART FILINVEST TANZA - Alfamart Filinvest Tanza, Filinvest Ave., Westwood Place Subd. Ph. 2, Brgy. Paradahan, Tanza, Cavite
14. ALFAMART GOLDEN CITY - Molino-Paliparan Road, Salawag, Dasmariñas City, Cavite
15. ALFAMART ILANG-ILANG TANZA - Alfamart Ilang-Ilang Tanza, Ilang-ilang St., De Roman Subd., Daang Amaya 1, Tanza, Cavite

16. ALFAMART LANCASTER - Alfamart Lancaster, MCS Bldg., Advincula Ave., Alapan II-A, Imus, Cavite
17. ALFAMART L'PASEO ARCADE INDANG - LGF L'Paseo Building, Indang-Trece Martires Road, Indang, Cavite
18. ALFAMART PACITA COMPLEX - Alfamart, Block 3 Phase 3A Pacita Complex, San Pedro, Laguna
19. ALFAMART POBLACION 4 CALACA - #149 Marasigan St., Poblacion 4, Calaca, Batangas
20. ALFAMART POBLACION ROSARIO - Alfamart Poblacion Rosario, 153 Gen. Trias Drive, Brgy. Poblacion, Rosario, Cavite
21. ALFAMART SAN ROQUE DAU LUBAO - San Roque Dau, Lubao, Pampanga
22. ALFAMART SONGCO FLORIDABLANCA - Songco St., Poblacion, Floridablanca, Pampanga
23. ALFAMART TABANGG PLARIDEL - 2586 F. Ignacio St., Santa Ines, Tabang, Plaridel, Bulacan
24. ALFAMART VILLA CATALINA DASMARIÑAS - Lot 6123 Don Placido Campos Avenue, San Agustin, Dasmariñas City, Cavite
25. ALFAMART YAKAL SILANG CAVITE - G/F Alfamart Yakal Silang Cavite, 137 Pedro Montoya St. cor. Yakal, Silang, Cavite
26. ALLEN AVENUE CATBALOGAN - Centro Mall, Allen Ave., Brgy. 04, Catbalogan City, Samar
27. ALWANA BUSINESS PARK - National Highway, Brgy. Cugman, Cagayan de Oro City, Misamis Oriental
28. ANGELES UNIVERSITY FOUNDATION MEDICAL CENTER - Basement, Angeles University Foundation Medical Center, McArthur Highway cor. Diego Silang St., Angeles City, Pampanga
29. ARAULLO UNIVERSITY - Araullo University, Maharlika Highway, Brgy. Bitas, Cabanatuan City, Nueva Ecija
30. ATENEO DE DAVAO UNIVERSITY - Ateneo de Davao University, Roxas Ave, Poblacion Dist., Davao City, Davao del Sur
31. ATHLETES VILLAGE BLDG. 2 - New Clark City Registration Center, Capas, Tarlac
32. AVENUE HOTEL BACOLOD - Avenue Suites Hotel and Spa, 12th St. cor Lacson St., Bacolod City, Negros Occidental
33. AYALA CENTER CEBU - Level 3 ATM 1 Ayala Center Cebu, Cebu Business Park, Cebu City
34. BRENT INTERNATIONAL SCHOOL MANILA - Brentville Subdivision, Mamplasan, Biñan, Laguna
35. CALTEX - SLEX 1 - South Luzon Expressway - Northbound, Brgy. San Antonio, San Pedro, Laguna
36. CAPITOL HILL HOTEL ANGELES - Sierra Madre St., Angeles City, Pampanga
37. CB MALL URDANETA - CB Mall, McArthur Highway, Brgy. Nancayasan, Urdaneta City, Pangasinan
38. CDO MEDICAL CENTER - CDO Medical Center Bldg. 2, Tiano Brothers cor. Nacalaban St., Cagayan de Oro City, Misamis Oriental
39. CEBU DOCTORS' HOSPITAL - Cebu Doctors' University Hospital, Osmeña Blvd., Cebu City, Cebu
40. CEBU DOCTORS' UNIVERSITY - Cebu Doctors' University Hospital, #1 Potenciano Larrazabal Ave., North Reclamation Area, Mandaue City, Cebu
41. CELEBES COCONUT BUTUAN - Km. 9, Brgy. Taguibo, Butuan City, Agusan Del Norte
42. CENTRIO MALL - G/F Centrio Mall, CM Recto cor. Corrales St., Cagayan de Oro, Misamis Oriental
43. CLARK GATEWAY - Clark Gateway Commercial Complex, Gil Puyat Ave., Brgy. San Francisco, Mabalacat, Pampanga
44. CORPUS CHRISTI - Corpus Christi School, Tomas Saco St., Macasandig, Cagayan de Oro City, Misamis Oriental
45. DAGUPAN - NEPO MALL - G/F Nepo Mall Dagupan, Arellano St., Dagupan City, Pangasinan
46. DAVAO ADVENTIST HOSPITAL - Davao Adventist Hospital, Km. 7 McArthur Highway, Bangkal, Davao City, Davao del Sur
47. DAVAO METRO SHUTTLE - Pereyras Terminal 1, Magugpo West, Tagum City, Davao del Norte
48. DIPOLOG CENTER MALL - Dipolog Center Mall, 138 Rizal Ave., Dipolog City, Zamboanga del Norte
49. DIPSSCOR - Davao Integrated Port And Stevedoring Services Corporation Bldg., International Port of Davao, Sasa Wharf, Davao City, Davao del Sur
50. DLSU - DASMARIÑAS - College of Engineering, DLSU Dasmariñas, Dasmariñas City, Cavite
51. DLSU - HEALTH SCIENCE CAMPUS - De La Salle University Health Science Campus Inc., Congressional Road, Dasmariñas City, Cavite
52. DLSU MAC - G/F Medical Arts Centre Bldg., DLSU Medical Center Compound, Congressional Road, Dasmariñas City, Cavite
53. DUSIT THANI D2 DAVAO - Stella Hizon Reyes Drive, Bo. Pampanga, Davao City, Davao del Sur
54. EAGLE RIDGE COUNTRY CLUB - Clubhouse, Eagle Ridge and Country Club, Brgy. Javalera, Gen. Trias, Cavite
55. ECCO BUILDING - G/F ECCO Bldg. (beside unit A), Fil-Am Friendship Highway, Brgy. Anunas, Angeles City, Pampanga
56. FAMILY MART BALITI PAMPANGA - McArthur Hiway cor. Baliti Road, San Fernando, Pampanga
57. FAMILY MART ONE NORTHMALL - McArthur Hiway, Dau, Mabalacat, Pampanga
58. FESTIVE WALK - ANNEX BLDG. - Annex Bldg., Iloilo Festive Walk, Megaworld Blvd., Iloilo Business Park, Mandurriao, Iloilo City
59. FESTIVE WALK - FOOD HALL - Food Hall, Iloilo Festive Walk, Megaworld Blvd., Iloilo Business Park, Mandurriao, Iloilo City
60. FESTIVE WALK - OUTDOOR - Outdoor Area, Iloilo Festive Walk, Megaworld Blvd., Iloilo Business Park, Mandurriao, Iloilo City
61. FESTIVE WALK - WILCON - Wilcon Area, Iloilo Festive Walk, Megaworld Blvd., Iloilo Business Park, Mandurriao, Iloilo City
62. FRIENDSHIP SUPERMARKET MUÑOZ NE - D. Delos Santos St., Science City of Muñoz, Nueva Ecija
63. GAISANO - BULUA - Gaisano Bulua Mall, Bulua St., Cagayan de Oro City, Misamis Oriental
64. GAISANO - ILIGAN - G/F Gaisano Citi Super Mall, Iligan City, Lanao del Norte
65. GAISANO - LAPU-LAPU CITY - Gaisano Mactan Island Mall, Pusok, Lapu-Lapu City, Cebu

66. GAISANO - MASBATE - Gaisano Capital Masbate, Quezon St., Crossing, Masbate City, Masbate
67. GAISANO - PUERTO - Unit #1 ATM - 2nd Level Gaisano Puerto, Sayre Highway, Puerto, Cagayan de Oro City, Misamis Oriental
68. GAISANO MALL - BAJADA DAVAO - Gaisano Mall of Davao, J.P. Laurel Ave., Bajada, Davao City, Davao del Sur
69. GAISANO MALL - CAGAYAN DE ORO - Unit #3 Level 2 Atrium Gaisano Mall, Corrales Extension cor. CM Recto Ave., Cagayan de Oro City, Misamis Oriental
70. GOLDEN PRINCE HOTEL - Golden Prince Hotel & Suites, Acacia St. cor. Archbishop Reyes Ave., Cebu City, Cebu
71. GOOD SAMARITAN HOSPITAL - Good Samaritan Compound, Burgos Ave., Cabanatuan City, Nueva Ecija
72. GREEN CITY MEDICAL CENTER DOLORES - Gapan Olongapo Road, San Fernando, Pampanga
73. GROSVENOR SQUARE - Grosvenor Square, Josefa St., Angeles City, Pampanga
74. HOLY ANGEL UNIVERSITY 2 - G/F Holy Angel University Student's Center, Sto. Rosario St., Angeles City, Pampanga
75. ILIGAN LIGHT AND POWER - Iligan Light and Power, Main Office Bldg. Bro. Jeffrey road, Pala-o, Iligan City
76. JENRA JUMBO DOLORES - Olongapo-Gapan Road, Dolores, San Fernando, Pampanga
77. JENRA MALL - JENRA Grand Mall, Sto. Rosario St., Angeles City, Pampanga
78. JOLLIBEE - MABALACAT - ATM 2 ATM Center (beside Jollibee), McArthur Highway, Brgy. San Francisco, Mabalacat City, Pampanga
79. JOLLIBEE FLORIDABLANCA - Macabulos St., Floridablanca, Pampanga
80. JOLLIBEE FLORIDABLANCA 2 - Macabulos St., Floridablanca, Pampanga
81. JOLLIBEE GUAGUA - Jollibee Compound, Jose Abad Santos Avenue, Guagua, Pampanga
82. JOLLIBEE MONCADA - McArthur Highway, Poblacion 1, Moncada, Tarlac
83. KCC MALL - GENSAN - G/F KCC Mall GenSan, J. Catolico Sr. Ave., Gen. Santos City, South Cotabato
84. KCC MALL DE ZAMBOANGA - KCC Mall de Zamboanga, Gov. Camins Rd., Camino Nuevo, Zamboanga City, Zamboanga del Sur
85. KMSCI - Kidapawan Medical Specialist Center Inc., Sudapin, Kidapawan City, North Cotabato
86. LA NUEVA MINGLANILLA - La Nueva Supermart Inc., Poblacion, Minglanilla, Cebu
87. LA NUEVA SUPERMART - La Nueva Supermart Inc., G.Y. Dela Serna St., Lapu-Lapu, Cebu City, Cebu
88. LAKEVIEW BINANGONAN - Manila East Road, Tagpos, Binangonan, Rizal
89. LCC PEÑARANDA - LCC Supermarket, Peñaranda cor. Rizal St., Legazpi City, Albay
90. LCC SUPERMARKET AYALA LEGAZPI - Liberty Center, Quezon Ave., Capantawan, Legazpi City, Albay
91. LEE HYPERMARKET - G/F Lee Hypermart, Jose E. Romero Sr. Ave., Bagacay, Dumaguete City, Negros Oriental
92. LEE SUPER PLAZA - G/F Lee Super Plaza, M. Perdices cor. San Jose St., Dumaguete City, Negros Oriental
93. LEGAZPI INTERNATIONAL AIRPORT - Magayon Dr., Legazpi City International Airport, Legazpi City, Albay
94. LIM KET KAI MALL - M4-193B LIMKETKAI Mall, Lim Ket Kai Drive, Cagayan de Oro City, Misamis Oriental
95. LITE PORT TAGBILARAN - Celestino Gallares St., Poblacion 2, Tagbilaran City, Bohol
96. LOPUE'S EAST CENTRE - Lopue's East Centre, Burgos St. cor. Carlos Hilado National Highway, Bacolod City, Negros Occidental
97. LORMA HOSPITAL - Lorma Medical Center, San Fernando, La Union
98. LOTRIM DAVAO CITY - GF LCI Building 2, 100 Roxas Avenue, Barangay 32-D Poblacion, Davao City, Davao del Sur
99. LOTUS CENTRAL MALL - G/F Lotus Central Mall, Nuevo Ave., Imus, Cavite
100. LVGH VALENCIA - La Viña General Hospital, ML Quezon St., Poblacion, Valencia City, Bukidnon
101. MAAP - Maritime Academy of Asia and the Pacific, Kamaya Point Road, Mariveles, Bataan
102. MACTAN ISLA RESORT - Agus Road, Ibabao, Marigondon, Lapu Lapu City, Cebu
103. MACTAN MARINA MALL - G/F Mactan Marina Mall, MEPZ 1, Lapu-Lapu City, Cebu
104. MAGIC MALL - G/F Magic Mall, Alexander St., Poblacion, Urdaneta City, Pangasinan
105. MAGIC STARMALL - UGF Magic Star Mall, Romulo Blvd., Brgy. Cut-Cut 1, Tarlac City, Tarlac
106. MALOLOS OFF-BRANCH - G/F Graceland Mall, Bulacan State University Grounds, McArthur Highway, Guinhawa, Malolos City, Bulacan
107. MALTA HOSPITAL TORIL - Malta Hospital Toril, McArthur Highway, Toril, Davao City, Davao del Sur
108. MARIA REYNA HOSPITAL - Beside Hospital Entrance/Exit, Maria Reyna Hospital, T.J. Hayes St., Cagayan De Oro City, Misamis Oriental
109. MARITON GROCERY DON DOMINGO - Mariton Grocery, Don Domingo, Tuguegarao City, Cagayan
110. MARKET CITY - Market City Bldg., Bus Terminal, Agora, Cagayan De Oro, Misamis Oriental
111. MARQUEE MALL 1 - G/F Activity Center, Marquee Mall, Aniceto Gueco St., Angeles City, Pampanga
112. MATINA TOWN SQUARE - G/F Strip Bldg., Matina Town Center, along McArthur Highway, Matina, Davao City, Davao del Sur
113. MCIA - DOMESTIC CHECK-IN AREA - Mactan Cebu International Airport, Lapu-Lapu Airport Road, Lapu-Lapu City, Cebu
114. MCIA - DOMESTIC DEPARTURE HALL - Mactan Cebu International Airport, Lapu-Lapu Airport Road, Lapu-Lapu City, Cebu
115. MCIA DEPARTURE CHECK-IN SOUTHWING - Mactan Cebu International Airport, Lapu-Lapu Airport Road, Lapu-Lapu City, Cebu
116. MCIA DOMESTIC ARRIVAL - Mactan Cebu International Airport, Lapu-Lapu Airport Road, Lapu-Lapu City, Cebu
117. MERCY HOSPITAL ILIGAN - Sister of Mercy Road, Iligan City, Lanao del Norte
118. MHAM CEBU - Entrance Matias H. Aznar, Memorial College, R. Duterte St., Cebu City, Cebu
119. MINDANAO SANITARIUM AND HOSPITAL - Mindanao Sanitarium and Hospital, Tibanga Highway, Iligan City, Lanao del Norte
120. MJS HOSPITAL - Manuel J. Santos Hospital, 554 Montilla Blvd., Butuan City, Agusan del Norte

121. MONDE MY SAN CALAMBA - Carmelray II, Ridge Ave., Calamba, Laguna
122. MOTHER TERESA HOSPITAL - Mother Teresa of Calcutta Medical Center, McArthur Highway, Brgy. Maimpis, City of San Fernando, Pampanga
123. MUZON UPTOWN - G/F Muzon Uptown, Brgy. Muzon, San Jose Del Monte, Bulacan
124. NAGA PAROCHIAL SCHOOL - Corner Bagumabayan Sur and Ateneo Avenue, Naga City, Camarines Sur
125. NAGALAND E-MALL - P.Diaz cor. Elias Angeles St., San Francisco, Naga City, Cebu
126. NAKASHIN DAVAO INTERNATIONAL - Malagamot Road, Kilometer 14, Panacan, Davao City
127. NEPO MALL - ANGELES - Nepo Mall Angeles, Doña Teresa Ave. cor. St. Joseph St., Nepo Mart Complex, Angeles, Pampanga
128. NEWPOINT ANGELES - GF ATM Center Newpoint Mall, Plaridel St., Sto. Rosario, Angeles City, Pampanga
129. NORTHSIDE DOCTORS HOSPITAL - Northside Doctors Hospital, Guimod, Bantay, Vigan City, Ilocos Sur
130. NOTRE DAME DE CHARTRES HOSPITAL - Notre Dame De Chartres Hospital, #25 Gen. Luna Road, Baguio City, Benguet
131. NUEVA ECIJA DOCTORS HOSPITAL - Nueva Ecija Doctors Hospital, Maharlika Highway, Cabanatuan City, Nueva Ecija
132. NUVALI SOLENAD 2 - G/F Solenad 2 Nuvali, Sta. Rosa-Tagaytay Road, Don Jose, Sta. Rosa, Laguna
133. NUVALI SOLENAD 3 BLDG. B - G/F Bldg. B Solenad 3 Nuvali, Sta. Rosa-Tagaytay Road, Don Jose, Sta. Rosa, Laguna
134. NUVALI SOLENAD HAWKERS MARKET - Hawkers Market, Solenad 3 Nuvali, Sta. Rosa-Tagaytay Road, Don Jose, Sta. Rosa, Laguna
135. ORCHARD GOLF AND COUNTRY CLUB - Gate 2, The Orchard Golf and Country Club Inc., Jose Abad Santos, Dasmariñas City, Cavite
136. OSPA - FARMERS' MEDICAL CENTER - Ormoc Sugarcane Planters Association - Farmers Medical Center, Carlota Hills, Brgy. Can-Adieng, Ormoc City, Leyte
137. OUR LADY OF THE PILLAR - G/F Our Lady of the Pillar Medical Center (near Emergency Room), Tamsui Ave., Bayan Luma II, Imus, Cavite
138. PACIFIC MALL 2 - Pacific Mall Bldg., Landco Business Park, F. Imperial St., Legazpi Port District, Legazpi City
139. PANGASINAN MEDICAL CENTER - Pangasinan Medical Center, Nable St., Dagupan City, Pangasinan
140. PAVILION MALL - G/F Bldg. A, Pavilion Mall, KM. 35 Brgy. San Antonio, Biñan, Laguna
141. PELCO 1 MEXICO - Jose Abad Santos Ave., Mexico, Pampanga
142. PELCO III APALIT - PELCO III, Mc Arthur Highway, Sampaloc, Apalit, Pampanga
143. PLAZA FINA MAGALANG - Plaza Fina, Don Andres Luciano St., Magalang, Pampanga
144. PLG ECOZONE HERMOSA BATAAN - PLG Prime Global, FTI Group Bldg., GF Ecozone, Hermosa, Bataan
145. PORTA VAGA MALL - Porta Vaga Mall, Along Session Road, Baguio City, Benguet
146. PPL MCDONALD'S ORMOC - G/F IAL Building, Burgos St. cor. Rizal St., Ormoc City, Leyte
147. Primeway Plaza Cebu - F. Ramos St., Sta. Cruz, Cebu City, Cebu
148. PRINCE HYPERMART BAGO - Poblacion, Bago City, Negros Occidental
149. PRINCE HYPERMART DAANBANTAYAN - Prince Hypermart, Poblacion, Daanbantayan, Cebu
150. PRINCE HYPERMART HIMAMAYLAN - Brgy. Poblacion, Himamaylan City, Negros Occidental
151. PRINCE HYPERMART MANOLO FORTICH - Prince Hypermart, Sayre Highway, Manolo Fortich, Bukidnon
152. PRINCE HYPERMART TALISAY - Poblacion, Talisay City, Negros Occidental
153. PRINCE MALL OF BAYBAY - Prince Town Baybay, Andres Bonifacio & Manuel L. Quezon St., Baybay, Leyte
154. PUREGOLD - DAU - Lot 9 Blk 19 Cosco Building, McArthur Highway, Dau, Mabalacat, Pampanga
155. PUREGOLD LUCENA - Brgy. Gulang Gulang, Quezon Ave., Lucena City, Quezon
156. PUREGOLD OBANDO - Puregold Obando, P. Sevilla St., Brgy. Catanghalan, Obando, Bulacan
157. PUREMART MARAGONDON - Poblacion 1-A, Maragondon, Cavite
158. QUICKMART DARAGA - Quickmart Bldg., Rizal St., Daraga, Albay
159. RIVERA HOSPITAL PANABO - Rivera Medical Center, National Highway, 7302 Brgy. San Francisco, Panabo City, Davao Del Norte
160. ROBINSONS CALASIAO - Robinsons Place Pangasinan, Brgy. San Miguel, Calasiao, Pangasinan
161. ROBINSONS GENSAN - G/F Robinsons Gensan, Jose Catolico Sr. Ave., Brgy. Lagao, General Santos City, South Cotabato
162. ROBINSONS TAGUM - National Highway, Tagum, Davao del Norte
163. ROYAL DUTY FREE 2 - Bldg. 1109, Palm St., Subic Gateway District, Subic Bay Freeport Zone. Olongapo City, Zambales
164. ROYCE HOTEL - Royce Hotel, Manuel A. Roxas Highway cor. Ninoy Aquino Avenue, Clark Freeport Zone, Mabalacat, Pampanga
165. ROYCE HOTEL 2 - Royce Hotel, Manuel A. Roxas Highway cor. Ninoy Aquino Avenue, Clark Freeport Zone, Mabalacat, Pampanga
166. ROYCE HOTEL 3 - Royce Hotel, Manuel A. Roxas Highway cor. Ninoy Aquino Avenue, Clark Freeport Zone, Mabalacat, Pampanga
167. RPGMC TUGUEGARAO - Ronald P. Guzman Medical Center, Enrile Blvd., Carig, Tuguegarao City, Cagayan
168. SAMULCO - Sta. Ana Multi-Purpose Cooperative, Bldg. 1, Monteverde St., Davao City, Davao del Sur
169. SAN FERNANDINO HOSPITAL - San Fernandino Hospital, McArthur Highway, Bo. Dolores, San Fernando, Pampanga
170. SAVEWISE - POZORRUBIO - Savewise Bldg., Caballero St., Brgy. Cablong, Pozorrubio, Pangasinan
171. SHOP N RIDE GROTTTO - Santa Maria Tungkong Mangga Road, San Jose Del Monte, Bulacan
172. SHOPWISE - CEBU - Shopwise Bldg., N. Bacalso Ave., Basak, San Nicolas, Cebu City, Cebu
173. SHOPWISE - SAN PEDRO - Shopwise, National Highway, Brgy. Landayan, San Pedro, Laguna
174. SHOPWISE BUHAY NA TUBIG IMUS - Brgy. Buhay na Tubig, Imus, Cavite

175. SHOPWISE GRAND TERMINAL BATANGAS - Diversion Road, Brgy. Alangilan, Batangas City, Batangas
176. SHOPWISE LANCASTER IMUS - G/F Shopwise Lancaster City, Advincula Avenue, Imus City, Cavite
177. SIBALOM MUNICIPAL ANTIQUE - G/F Sibalom Municipal Hall, Sibalom, Antique
178. SKYRISE REALTY - G/F Skyrise IT Bldg., Gorordo Ave. cor. N. Escario St., Cebu City, Cebu
179. SM BAGUIO - SM Baguio, Luneta Hill, Upper Session Road, Baguio City, Benguet
180. SM CENTER ANGONO - SM Center Angono, Quezon Ave. Angono, Rizal
181. SM CENTER DAGUPAN - 2F SM Center Dagupan, M.H. del Pilar, Dagupan City
182. SM CENTER IMUS - N.I.A Road, Barangay Bucandala III, Imus, Cavite
183. SM CENTER TUGUEGARAO - 2F SM Center Tuguegarao Downtown, Luna St. cor Mabinit St., Tuguegarao City, Cagayan
184. SM CITY BACOLOD - G/F Bldg. A, ATM #3 SM City Bacolod, Reclamation Area, Bacolod City, Negros Occidental
185. SM CITY BALIWAG - G/F SM City Baliwag, Doña Remedios Trinidad Highway, Brgy. Pagala, Baliwag, Bulacan
186. SM CITY BATANGAS - SM City Batangas, M. Pastor Ave., Pastor Village, Brgy. Pallocan Kanluran, Batangas City, Batangas
187. SM CITY BATANGAS 2 - SM City Batangas, M. Pastor Ave, Pastor Village, Brgy. Pallocan Kanluran, Batangas City, Batangas
188. SM CITY CABANATUAN - ATM Center, SM City Cabanatuan, Maharlika Highway, Brgy. H. Concepcion, Cabanatuan City, Nueva Ecija
189. SM CITY CAGAYAN DE ORO - ATM Center 2, Main Entrance, SM City Cagayan de Oro, Masterson Ave., Cagayan De Oro, Misamis Oriental
190. SM CITY CALAMBA - G/F SM City Calamba, National Road, Brgy. Real, Calamba City, Laguna
191. SM CITY CALAMBA 2 - 2F SM City Calamba, National Road, Brgy. Real, Calamba City, Laguna
192. SM CITY CALAMBA 3 - SM City Calamba, National Road, Brgy. Real, Calamba City, Laguna
193. SM CITY CAUAYAN - Maharlika Highway, Brgy. District II, Cauayan City, Isabela
194. SM CITY CLARK OFF-BRANCH - ATM #1 SM City Clark (in-front of transport terminal), M. Roxas Highway, CSEZ, Angeles City, Pampanga
195. SM CITY DASMARIÑAS 2 - G/F SM City Dasmariñas, Governor's Drive cor. Aguinaldo Hiway, Brgy. Sampaloc 1, Dasmariñas, Cavite
196. SM CITY GENERAL SANTOS - SM City Gen Santos, Santiago Blvd. cor. San Miguel St., Brgy. Lagao, Gen. Santos City, South Cotabato
197. SM CITY ILOILO - GF SM City Iloilo, Old Iloilo-Capiz Road, Iloilo City
198. SM CITY LIPA OFF-BRANCH - ATM 2, SM City Lipa, Ayala Highway, Brgy. Maraouy, Lipa City, Batangas
199. SM CITY OLONGAPO CENTRAL 2F - 2F East Tapinac, Olongapo City, Zambales
200. SM CITY ROSALES - SM City Rosales, MacArthur Highway, Carmen East, Rosales, Pangasinan
201. SM CITY TARLAC - G/F SM City Tarlac, McArthur Highway, Brgy. San Roque, Tarlac City, Tarlac
202. SM CITY URDANETA - McArthur Highway, Urdaneta, Pangasinan
203. SM DAVAO - ATM Center 1, SM City Davao, Quimpo Blvd. cor. Tulip Drive, Ecoland Subd., Brgy. Matina, Davao City, Davao del Sur
204. SM LANANG PREMIER OFF-BRANCH - UGF SM Lanang Premier, J.P. Laurel Ave., Brgy. San Antonio, Davao City, Davao del Sur
205. SM LEMERY - SM Center Lemery, Ilustre Avenue, Lemery, Batangas
206. SM MARILAO OFF-BRANCH - G/F SM City Marilao, MacArthur Highway, Marilao, Bulacan
207. SM MARKET MALL - ATM 3 SM Market Mall Dasmariñas, Congressional Ave., Dasmariñas Bagong Bayan, Dasmariñas, Cavite
208. SM SUPERCENTER MOLINO - G/F SM Supercenter Molino, Molino Road, Brgy. Molino 4, Bacoar, Cavite
209. SOCSARGEN COUNTY HOSPITAL - Socsargen County Hospital, Arradaza St., General Santos City, South Cotabato
210. SOUTH TOWN CENTRE TALISAY - South Gate Mall, Tabunok, Talisay, Cebu
211. SOUTHWAY MALL - The Southway Square Mall, Gov. Lim Ave. cor. La Purisima St., Zamboanga City, Zamboanga del Sur
212. ST. ELIZABETH HOSPITAL - L. Santiago Blvd. corner National Highway, General Santos City
213. ST. ELIZABETH HOSPITAL 2 - Lobby Out Patient, L. Santiago Blvd. corner National Highway, General Santos City
214. STA. ROSA HOSPITAL - Sta. Rosa Hospital and Medical Center, San Lorenzo Road, Brgy. Balibago, Sta. Rosa, Laguna
215. SUPER METRO CARCAR - Natalio B. Bacalso National Highway, Carcar City, Cebu
216. SUPERL PHILS BACOLOR - Angeles Industrial Park, PEZA, Brgy. Calibutbut, Bacolor, Pampanga
217. TARGET MALL 1 - G/F Target Mall, Sta. Rosa Commercial Complex, Brgy. Balibago, Sta. Rosa, Laguna
218. TARGET MALL 2 - ATM 4 Canopy Area, Target Mall, Sta. Rosa Commercial Complex, Brgy. Balibago, Sta. Rosa, Laguna
219. THE DISTRICT - DASMARIÑAS - G/F The District - Dasmariñas, Molino-Paliparan Road, Dasmariñas City, Cavite
220. THE DISTRICT - IMUS - The District Imus, Aguinaldo Highway cor. Daang Hari Road, Brgy. Anabu II-D, Imus, Cavite
221. THREADNETICS PULILAN - San Bernardino St., Dampot II-B, Pulilan, Bulacan
222. TOYOTA SAN NICOLAS - Brgy. 16 San Marcos, San Nicolas, Ilocos Norte
223. UNION CHRISTIAN COLLEGE - Union Christian College, Widdoes St., Brgy. II, San Fernando, La Union
224. UNIVERSITY OF BAGUIO - University of Baguio, Assumption Road, Baguio City, Benguet
225. UNIVERSITY OF BOHOL - University of Bohol, Ma. Clara St., Tagbilaran City, Bohol
226. UNIVERSITY OF PERPETUAL HELP - BIÑAN - Dr. Jose Tamayo Medical Bldg., University of Perpetual Help System Laguna, Brgy. Sto. Niño, Biñan, Laguna
227. UNIVERSITY OF SAN CARLOS - University of San Carlos Main University Bldg., Pantaleon del Rosario St., Cebu City, Cebu
228. USC - TALAMBAN - USC Talamban Campus, Gov. M. Cuenco Ave., Brgy. Nasipit, Talamban, Cebu City, Cebu
229. VIRAC TOWN CENTER - Catanduanes Circumferential Road, Virac, Catanduanes

230. VISION FEEDMILLS ROSARIO - Rosario - San Juan - Candelaria Road, Rosario, Batangas
231. WALTER MART - CABANATUAN - Maharlika Highway, Brgy. Dicarma, Cabanatuan City, Nueva Ecija
232. WALTER MART - CALAMBA - G/F Waltermart Calamba, Real St., Brgy. Real, Calamba City, Laguna
233. WALTER MART - CARMONA - G/F Walter Mart Carmona, Macaria Business Center, Governor's Drive, Carmona, Cavite
234. WALTER MART - DASMARIÑAS - G/F Walter Mart Dasmariñas, Barrio Burol Aguinaldo Highway, Dasmariñas City, Cavite
235. WALTER MART - GEN. TRIAS - G/F Waltermart General Trias, Governors Drive, Barrio Mangahan, General Trias, Cavite
236. WALTER MART - SAN FERNANDO - Walter Mart San Fernando, McArthur Highway, Brgy. San Agustin, San Fernando, Pampanga
237. WALTER MART - STA. ROSA 1 - UGF Waltermart Sta. Rosa, San Lorenzo Village, Balibago Road, Brgy. Balibago, Sta. Rosa, Laguna
238. WALTER MART - STA. ROSA 2 - UGF Waltermart Sta. Rosa, San Lorenzo Village, Balibago Road, Brgy. Balibago, Sta. Rosa, Laguna
239. WALTER MART - STA. ROSA BEL-AIR - Walter Mart Bel-Air, Sta. Rosa Tagaytay Road, Pulong Sta. Cruz, Sta. Rosa, Laguna
240. WALTER MART - TAGAYTAY - G/F Ayala Mall Serin, Tagaytay-Nasugbu Highway, Silang Junction South, Tagaytay City, Cavite
241. WALTER MART - TANAUAN - Walter Mart Tanauan, J. P. Laurel National Highway, Brgy. Darasa, Tanauan, Batangas
242. WELLCOME MINIMART BASISTA - National highway, Basista, Pangasinan
243. WESLEYAN UNIVERSITY - Wesleyan University of the Philippines, Mabini St. Extension, Cabanatuan City, Nueva Ecija
244. WNU STI UNIVERSITY - STI West Negros University, Burgos cor. Hilado St., Bacolod City, Negros Occidental
245. XAVIER UNIVERSITY - G/F Library Annex, Xavier University, Corrales Ave., Cagayan De Oro City, Misamis Oriental
246. YASHANO MALL LEGAZPI - Yashano Mall, F. Imperial St. cor. Terminal Rd. 1, Legazpi Port District, Legazpi City, Albay
247. YUBENCO STARMALL - Yubenco Starmall, Maria Clara Lorenzo Lobregat Highway, Putik, Zamboanga City, Zamboanga del Sur
248. YU-YU CAFÉ & DESSERT SHOPPE TAGUM - National Hiway cor. Quirante II St., Magugpo Poblacion, Tagum City, Davao del Norte
249. ZAMBOANGA PENINSULA MEDICAL CENTER - Zamboanga Peninsula Medical Center, Maria Clara Lorenzo Lobregat Highway, Putik, Zamboanga City, Zamboanga del Sur

China Bank Savings - Off Branch ATM Directory

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

3. Status of Publicly Announced New Products and Services

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

4. Competition

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

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

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

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 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
- China Bank GS Fund
- China Bank Online
- China Bank Diamond Savings Account
- China Bank Dollar Fund
- China Bank Check Plus
- China Bank HomePlus
- China Bank AutoPlus
- China Bank Platinum
- China Bank Prime
- China Bank World
- China Bank Money Plus
- China Bank Cash Management
- China Bank Check Write Plus
- China Bank Check Depot
- China Bank Sure Sweep
- China Bank Sure Collect
- China Bank Bills Pay Plus
- China Bank ACA Auto-Credit Arrangement
- China Bank ADA Auto-Debit Arrangement
- China Bank EGOV
- China Bank Corporate Bills Payment
- China Bank Escrow Agency Service POEA
- China Bank Partnership Banking
- China Bank EIPS Electronic Invoicing and Payment Solution

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

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)	2020	2019	2018
Education & Training	27,325	71,165	50,837
Advertising Expenses	87,179	55,197	32,729
Technology	1,159,747	1,186,258	892,431

12. Cost and effect of compliance with environmental laws.

Not applicable.

13. Total number of employees

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

	2021	2020
Officers	3,888	3,705
Staff	6,109	6,120
Total	9,997	9,825

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

MARKET INFORMATION AND RELATED MATTERS**(1) Market Information**

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

Actual Prices:

2021	HIGH	LOW	CLOSE
January	25.80	23.80	24.30
February	25.00	23.80	24.10

Actual Prices: *

2020	HIGH	LOW	CLOSE
Jan - Mar	25.30	17.00	20.15
April - Jun	22.00	18.86	21.00
Jul – Sept	22.00	19.38	21.75
Oct – Dec	26.10	21.60	24.95

Actual Prices*

2019	HIGH	LOW	CLOSE
Jan - Mar	29.40	26.80	26.85
April - Jun	28.70	26.10	27.45
Jul – Sept	28.00	24.90	25.00
Oct – Dec	26.20	24.75	25.05

* No adjusted prices as no stock rights or stock dividends were issued in 2018 and 2019.

- **Market value as of December 29, 2020 (last trading day of 2020): P24.95**
- **Price Information as of March 12, 2021 (latest practicable trading date): P23.80**

(2) Holders

▪ Top 20 Stockholders

(As of February 28, 2021)

	Name of Stockholder	Number of Shares	Percentage
1	PCD Nominee Corporation (Non-Fil.)	709,850,891	26.429
2	PCD Nominee Corporation (Filipino)	570,973,230	21.258
3	SM Investments Corporation	463,922,761	17.273
4	Sysmart Corporation	415,995,323	15.488
5	JJACCIS Development Corporation	56,949,897	2.120
6	CBC Employees Retirement Plan	53,278,951	1.984
7	Joaquin T. Dee &/or Family	45,705,005	1.702
8	GDSK Development Corporation	31,458,583	1.171
9	Syntrix Holdings, Inc.	21,552,649	0.802
10	Suntree Holdings Corporation	20,138,332	0.750
11	Hydee Management & Resource Corp.	14,334,603	0.534
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	0.211
15	Robert Y. Dee, Jr.	5,569,499	0.207
16	Ansaldo, Godinez & Co., Inc.	5,037,498	0.188
17	Michael John G. Dee	3,963,468	0.148
18	Cheng Siok Tuan	3,864,332	0.144
19	Rosario Chua Siu Choe	3,631,816	0.135
20	Kristin Dee Belamide	3,520,559	0.131
TOTAL		2,447,315,551	91.117%

▪ **Total number of shareholders** (as of February 28, 2021) – 1,891

▪ **Summary of Filipino and Non-Filipino Holdings** (as of February 28, 2021)

Nationality	Number of Stockholders	Number of Shares	Percentage
Filipino	1,818	1,968,762,273	73.300
Non-Filipino (PCD)	1	709,850,891	26.429
Chinese	49	3,539,378	0.132
American	12	2,403,317	0.089
Australian	2	4,513	0.000
British	2	97,631	0.004
Canadian	2	450,163	0.017
Dutch	1	62,198	0.002
Spanish	1	107	0.000
Taiwanese	3	729,341	0.027
TOTAL	1,891	2,685,899,812	100.0%

(3) Dividend History

	2020	2019	2018	2017	2016	2015
Stock Dividend	--	--	--	8%	8%	8%
Cash Dividend	10.0%	8.8%	8.3%	8%	10%	10%

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	-	2,685,899,812 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. However, there were new securities issued resulting from the stock rights offering of 483,870,967 common shares in 2017, and declaration of 8% stock dividend in 2017 to come from the Bank's unissued shares. These securities distributions were exempt from registration requirement under Section 10.1 of the Securities Regulation Code.

(5) Free Float Level

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

COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

Sustainable Banking through Responsible Stewardship

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

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

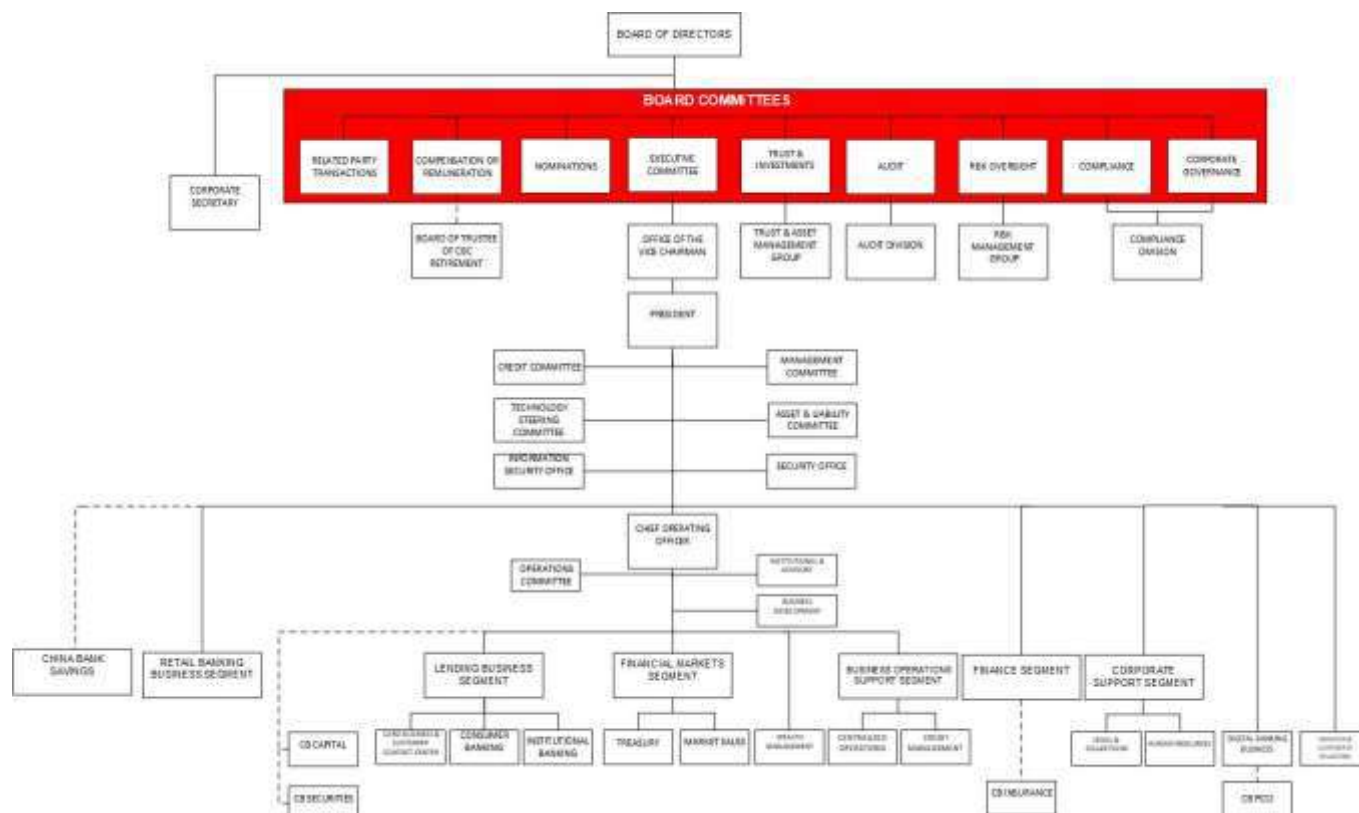
The Bank recognizes good corporate governance as a critical factor for its continued success and resilience. It is committed to doing business the right way — in accordance with relevant regulations, sustainability principles, global best practices, and best interest of all stakeholders. Its robust governance,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

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

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

Organizational Structure

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



Board of Directors

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

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

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

Board Committees

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

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

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

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

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

^(a) Member up to June 17, 2020; Chairman from June 18, 2020

^(b) Chairman up to June 17, 2020; Member from June 18, 2020

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

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

- **Audit Committee** primarily oversees all matters pertaining to audit – mainly the evaluation of the adequacy and effectiveness of the Bank's internal control system, as well as the integrity of its financial statements. It appoints, reviews, and concurs in the appointment or replacement of the Chief Audit Executive (CAE), and is responsible for ensuring that the CAE and internal audit function are free from interference by outside parties. It also ensures that an annual review is performed with regard to the effectiveness of the internal audit mechanism, including compliance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and Code of Ethics. It provides oversight over Management's activities in maintaining an adequate internal control framework, managing credit, market, liquidity, operational, legal and other risks of the Bank,

including regular receipts from management of information on risk exposures and risk management activities. It likewise ensures that internal and external auditors remain independent and are given unrestricted access to records, properties and personnel, to enable them to perform their respective audit functions. It has the explicit authority to investigate any matter within its terms of reference, in order to ensure the effectiveness and efficiency of the Bank's internal controls. The Audit Committee had 11 meetings in 2020.

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

^(a) Member from June 18, 2020; attended 6 out of 6 meetings of Audit Committee

^(b) Member up to June 17, 2020; attended 5 out of 5 meetings of Audit Committee

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

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

- **Risk Oversight Committee** is responsible for the development and oversight of the Bank's risk management functions, including the evaluation of the effectiveness of the enterprise risk management framework and ensuring that corrective actions are in place to address concerns in a timely manner. It oversees the risk-taking activities of the Bank and warrants the continued relevance, comprehensiveness, and overall value of the institutional risk management plan. The Risk Oversight Committee had 11 meetings in 2020, including 2 joint meetings with the Executive Committee.

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

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

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

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

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

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

^(b) Member from January 1 to June 17, 2020; Chairman from June 18, 2020 up to October 6, 2020; Member from October 7, 2020

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

- **Remuneration Committee** provides oversight over the remuneration of senior management and other key personnel, ensuring that compensation is consistent with the interest of all stakeholders and the Bank's culture, strategy and control environment. The Remuneration Committee had 2 meetings in 2020.

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

^(a) Member up to June 17, 2020; Chairman from June 18, 2020

^(b) Chairman up to June 17, 2020; Member from June 18, 2020

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

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

^(a) Member up to June 17, 2020; Chairman from June 18, 2020

^(b) Chairman up to June 17, 2020; Member from June 18, 2020

^(c) Member from October 7, 2020; attended 2 out of 2 meetings of Related Party Transaction Committee

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

- **Trust Investment Committee** provides oversight functions, overall strategic business development, and financial policy directions to the Trust and Asset Management Group. It oversees the trust, investment management and fiduciary activities of the Bank, and ensures that they are conducted in accordance with applicable rules and regulations, and judicious practices. Moreover, it ensures that prudent operating standards and internal controls are in place and that the Board's objectives are clearly understood and duly implemented by the concerned units and personnel. The Trust Investment Committee convened 10 times in 2020.

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

^(a) Chairman from August 2020

^(b) Chairman for July 2020; Member from August 2020

^(c) Chairman and Member up to June 2020

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

Corporate Secretary

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

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

Board Training and Orientation Program

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

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

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

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

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

Rating	Description
0	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. The assessment shall be validated by an external facilitator every three (3) years.

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

Compliance System

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

Compliance Division is headed by the Chief Compliance and Governance Officer, Atty. Aileen Paulette S. De Jesus, who reports functionally to the Compliance and the Corporate Governance committees and administratively to the Bank’s President. The Compliance function is supported by a duly approved Compliance Charter that defines the duties and responsibilities, mandate, independence, and manner on which compliance is implemented. At the helm of this function is the *Regulatory Compliance Department*, which ensures that the compliance system is updated and implemented accordingly. The *Corporate Governance Department* carries out and manages the implementation of the corporate governance mandates, which includes managing compliance with the Code of Corporate Governance, BSP and SEC rules on governance and international best practices. The *AML Department* manages the Bank’s compliance with Anti-Money Laundering laws and regulations, and implementation of Money Laundering and Terrorist Financing Prevention Program (MTPP). On the other hand, the *IT Compliance Department* provides the necessary IT support to the AML Compliance Department in the administration of the Bank’s AML system, the Base60. The *Subsidiaries Oversight Department* ensures group-wide compliance to relevant rules, laws and regulations by providing direction and support to the Bank’s subsidiaries. The *Associated Person* is responsible for the Bank’s compliance with the Securities Regulations Code, including relevant laws and issuances related thereon. All units in the Bank have Compliance Coordinators to ensure that all risks associated to the operations and business of the individual units are identified, monitored, and mitigated.

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

1. Cascades all recent laws, rules, and regulations to all concerned;
2. Acts as liaison for the Board and Management on regulatory compliance matters, with the regulatory agencies;
3. Provides advisory services, including reviewing proposed Bank products and services;
4. Reviews and updates the Compliance Manual, MTPP and Corporate Governance Manual annually or as necessary, to align with recent regulatory requirements;
5. Continuously educates Bank employees about compliance, anti-money laundering, good governance and its benefits, the Bank's Code of Ethics, the policy on avoidance of conflict of interest, among others, to ensure that everyone in the institution is in the same direction towards good governance and to develop a culture of trust and integrity and to enable the employees of the Bank embrace the principles set forth by the Board;
6. Conducts briefings for Compliance Coordinators in the branches and Head Office to raise the level of awareness and understanding of the principles, concepts, and elements of good corporate governance and compliance. The Compliance Coordinators are required to cascade their learnings to their respective areas; and
7. Conducts lectures to all new employees of the Bank for the basic orientation on Compliance System, AML, Whistleblowing, and Corporate Governance giving them an overview of the Bank's Compliance Risk Management System. Compliance Division also conducts lectures during the Junior Executive Development (JED) and Supervisory Development Program (SDP), among others.

Governance Policies

▪ Corporate Governance Manual

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

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

▪ Board Remuneration

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

▪ Dividend Policy

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

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

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

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

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

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

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

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

▪ **Whistleblowing**

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

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

▪ **Code of Ethics**

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

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

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

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

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

- **Policy on Conflict of Interest**

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

- **Disclosure and Transparency**

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

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

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

(a) Financial and Operating Highlights

Balance Sheet Indicators

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

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

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

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

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

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

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

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

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

Total equity reached P105.0 billion, 9.2% higher than last year's P96.2 billion, mainly from 20.8% increase in retained

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Income Statement Indicators

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

Analysis of Consolidated Statements of Income

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

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

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

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

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

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

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

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

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

Analysis of Consolidated Statements of Income

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

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

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

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

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

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

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

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

Analysis of Consolidated Statements of Income

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

The Bank recorded a 7.9% improvement in **net income** to P8.1 billion, which translated to a 9.54% return on equity

(ROE) and 1.04% return on assets (ROA).

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

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

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

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

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

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

Total Comprehensive Income

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

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

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

(b) Key Performance Indicators

Definition of Ratios

Profitability Ratios:

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

Liquidity Ratios:

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

Asset Quality Ratios:

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

Solvency Ratios:

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

Capital Adequacy Ratio:

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

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

Profitability

December 31, 2020 and December 31, 2019

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

December 31, 2019, 2018 and 2017

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

Liquidity

December 31, 2020 and December 31, 2019

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

December 31, 2019, 2018 and 2017

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

Asset Quality

December 31, 2020 and December 31, 2019

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

December 31, 2019, 2018 and 2017

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

Solvency Ratios**December 31, 2020 and December 31, 2019**

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

December 31, 2019, 2018 and 2017

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

Capitalization**December 31, 2020 and December 31, 2019**

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

December 31, 2019, 2018 and 2017

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

(c) Past Financial Conditions and Results of Operations

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

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

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

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

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

(d) Future Prospects

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

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

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

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

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

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

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

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

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

(e) Material Changes

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

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

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

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

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

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

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

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

UNDERTAKING

The Bank undertakes to furnish a copy of its Annual Report (SEC Form 17-A) exclusive of attachments, free of charge, upon the written request of the stockholder addressed to the Office of the Corporate Secretary, 11th Floor China Bank Building, 8745 Paseo de Roxas cor. Villar St., Makati City.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

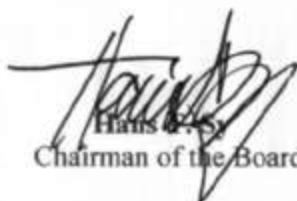
The management of China Banking Corporation (the Bank) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

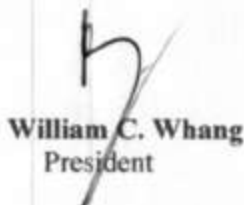
In preparing the consolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the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

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

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

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


Hans T. Sy
Chairman of the Board


William C. Whang
President


Patrick D. Cheng
Chief Finance Officer

Republic of the Philippines }
City of Makati }


11 MAR 2021

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

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

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

Doc. No.: 402
Page No.: 82
Book No.: 82
Series of: 2021


ALVIN A. QUINTANILLA
Notary Public for Makati City
Appt. No. M-281 until December 31, 2021
4/F Mallcom Building,
8755 Palarod Road, Makati City
PTR No. R533562, 01-04-21, Makati City
LUP No. 137033; 12-29-20; Cavite
Roll of Attorneys No. 40925

China Banking Corporation and Subsidiaries

Financial Statements
December 31, 2020 and 2019
and for the years ended December 31, 2020,
2019 and 2018

and

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
China Banking Corporation

Report on the Consolidated and Parent Company Financial Statements

Opinion

We have audited the consolidated financial statements of China Banking Corporation and its subsidiaries (the Group) and the parent company financial statements of China Banking Corporation, which comprise the consolidated and parent company balance sheets as at December 31, 2020 and 2019, and the consolidated and parent company statements of income, consolidated and parent company statements of comprehensive income, consolidated and parent company statements of changes in equity and consolidated and parent company statements of cash flows for each of the three years in the period ended December 31, 2020, and notes to the consolidated and parent company financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and parent company financial statements present fairly, in all material respects, the financial position of the Group and the Parent Company as at December 31, 2020 and 2019, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2020 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

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



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

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

Adequacy of allowance for credit losses

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

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

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

Audit Response

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

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



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

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

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

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

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

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

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

Audit response

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

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



Impairment testing of goodwill and branch licenses with indefinite useful life

Under PFRS, the Group and the Parent Company are required to perform annual impairment test of goodwill and branch licenses with indefinite useful life. As of December 31, 2020, the goodwill recognized in the consolidated and parent company financial statements amounting to ₱222.84 million is attributed to the Parent Company's Retail Banking Business (RBB) segment, while goodwill of ₱616.91 million in the consolidated financial statements is attributed to the subsidiary bank, China Bank Savings, Inc. (CBSI). In addition, the respective branches are identified as the cash-generating unit (CGU) for purposes of impairment testing of branch licenses. The Group and the Parent Company performed the impairment testing using the CGUs' value-in-use.

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

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

Audit Response

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

Applicable to the audit of the Consolidated Financial Statements

Recoverability of deferred tax assets

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

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



Audit Response

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020, but does not include the consolidated and parent company financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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



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.

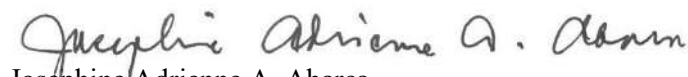
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 Josephine Adrienne A. Abarca.

SYCIP GORRES VELAYO & CO.



Josephine Adrienne A. Abarca
Partner

CPA Certificate No. 92126

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

November 13, 2018, valid until November 12, 2021

Tax Identification No. 163-257-145

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

December 3, 2020, valid until December 2, 2023

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

February 24, 2021



CHINA BANKING CORPORATION AND SUBSIDIARIES

BALANCE SHEETS

(Amounts in Thousands)

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

See accompanying Notes to Financial Statements.



CHINA BANKING CORPORATION AND SUBSIDIARIES

STATEMENTS OF INCOME

(Amounts in Thousands)

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

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

See accompanying Notes to Financial Statements.



CHINA BANKING CORPORATION AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

Consolidated													
Equity Attributable to Equity Holders of the Parent Company													
	Capital Stock (Note 24)	Capital Paid in Excess of Par Value (Note 24)	Other Equity - Stock Grants (Note 24)	Surplus Reserves (Notes 24 and 29)	Surplus (Notes 24 and 29)	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, 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
Balance at January 1, 2019	₱26,858,998	₱17,122,626	₱-	₱4,031,009	₱40,497,255	(₱702,509)	₱117,047	(₱91,700)	₱19,154	₱-	₱87,851,880	₱4,707	₱87,856,587
Total comprehensive income (loss) for the year	-	-	-	-	10,068,960	1,043,488	(485,578)	98,535	1,501	(51,949)	10,674,957	7,643	10,682,600
Transfer from surplus to surplus reserves	-	-	-	35,708	(35,708)	-	-	-	-	-	-	-	-
Appropriation of retained earnings (Note 16)	-	-	-	(468,442)	468,442	-	-	-	-	-	-	-	-
Realized loss on sale of equity securities at FVOCI	-	-	-	-	(76,597)	76,597	-	-	-	-	-	-	-
Cash dividends - ₱0.88 per share	-	-	-	-	(2,363,592)	-	-	-	-	-	(2,363,592)	-	(2,363,592)
Balance at December 31, 2019	₱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
Balance at January 1, 2018	₱26,847,717	₱17,096,229	₱-	₱3,659,318	₱34,987,863	₱417,576	₱283,763	(₱38,699)	(₱12,220)	₱-	₱82,697,415	(₱2,099)	₱82,695,316
Total comprehensive income (loss) for the year	-	-	-	-	8,110,380	(575,953)	(166,716)	(53,001)	31,374	-	7,346,084	6,806	7,352,890
Transfer from surplus to surplus reserves	-	-	-	31,282	(31,282)	-	-	-	-	-	-	-	-
Appropriation of retained earnings (Note 16)	-	-	-	340,409	(340,409)	-	-	-	-	-	-	-	-
Issuance of common shares (₱31.00 per share)	11,281	26,397	-	-	-	-	-	-	-	-	37,678	-	37,678
Cash dividends - ₱0.83 per share	-	-	-	-	(2,229,297)	-	-	-	-	-	(2,229,297)	-	(2,229,297)
Balance at December 31, 2018	₱26,858,998	₱17,122,626	₱-	₱4,031,009	₱40,497,255	(₱702,509)	₱117,047	(₱91,700)	₱19,154	₱-	₱87,851,880	₱4,707	₱87,856,587

See accompanying Notes to Financial Statements.



	Parent Company										
						Net Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income (Note 9)	Remeasurement Gain (Loss) on Defined Benefit Asset or Liability (Note 25)	Cumulative Translation Adjustment	Remeasurement Gain (Loss) on Life Insurance Reserves	Cash Flow Hedge Reserve	Total Equity
	Capital Stock (Note 24)	Capital Paid in Excess of Par Value (Note 24)	Other Equity - Stock Grants (Note 24)	Surplus Reserves (Notes 24 and 29)	Surplus (Notes 24 and 29)						
Balance at January 1, 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	(469,476)	₱5,535	(₱45,903)	(₱521,209)	₱104,961,862
Balance at January 1, 2019	₱26,858,998	₱17,122,626	₱–	₱4,031,009	₱40,497,255	(₱702,509)	₱117,047	(₱91,700)	₱19,154	₱–	₱87,851,880
Total comprehensive income (loss) for the year	–	–	–	–	10,068,960	1,043,488	(485,578)	98,535	1,501	(51,949)	10,674,957
Transfer from surplus to surplus reserves	–	–	–	35,708	(35,708)	–	–	–	–	–	–
Appropriation of retained earnings (Note 16)	–	–	–	(468,442)	468,442	–	–	–	–	–	–
Realized loss on sale of equity securities at FVOCI	–	–	–	–	(76,597)	76,597	–	–	–	–	–
Cash dividends - ₱0.88 per share	–	–	–	–	(2,363,592)	–	–	–	–	–	(2,363,592)
Balance at December 31, 2019	₱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
Balance at January 1, 2018	26,847,717	₱17,096,229	₱–	₱3,659,318	₱34,987,863	₱417,576	₱283,763	(₱38,699)	(₱12,220)	₱–	₱82,697,415
Total comprehensive income (loss) for the year	–	–	–	–	8,110,380	(575,953)	(166,716)	(53,001)	31,374	–	7,346,084
Transfer from surplus to surplus reserves	–	–	–	31,282	(31,282)	–	–	–	–	–	–
Appropriation of retained earnings (Note 16)	–	–	–	340,409	(340,409)	–	–	–	–	–	–
Issuance of common shares (₱31.00 per share)	11,281	26,397	–	–	–	–	–	–	–	–	37,678
Cash dividends - ₱0.83 per share	–	–	–	–	(2,229,297)	–	–	–	–	–	(2,229,297)
Balance at December 31, 2018	₱26,858,998	₱17,122,626	₱–	₱4,031,009	₱40,497,255	(₱702,509)	₱117,047	(₱91,700)	₱19,154	₱–	₱87,851,880

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

(Forward)



	Consolidated			Parent Company		
	Years Ended December 31					
	2020	2019	2018	2020	2019	2018
Proceeds from issuance of common shares (Note 24)	₱—	₱—	₱37,678	₱—	₱—	₱37,678
Transaction cost on the issuance of common shares (Note 24)	—	—	—	—	—	—
Payments of principal portion lease liabilities	(766,888)	(787,381)	—	(533,414)	(589,613)	—
Net cash provided by financing activities	1,688,538	27,597,447	17,516,882	1,922,012	27,795,215	17,516,882
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	60,708,976	4,968,521	(6,536,584)	66,697,722	(3,994,533)	(8,657,174)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR						
Cash and other cash items	16,839,755	15,639,474	12,685,984	14,856,844	13,705,304	11,160,173
Due from Bangko Sentral ng Pilipinas (Note 7)	100,174,398	101,889,773	98,490,014	88,109,650	95,092,944	91,717,037
Due from other banks (Note 7)	9,900,642	9,455,447	15,641,476	8,645,547	7,837,894	14,066,620
Interbank Loans Receivable and SPURA (Note 8)	17,036,460	11,998,040	18,751,845	10,027,609	8,998,040	17,347,522
	143,951,255	138,982,734	145,569,319	121,639,650	₱125,634,182	134,291,352
CASH AND CASH EQUIVALENTS AT END OF YEAR						
Cash and other cash items	15,984,210	16,839,755	15,639,474	13,724,265	14,856,844	13,705,304
Due from Bangko Sentral ng Pilipinas (Note 7)	152,156,449	100,174,398	101,889,773	141,811,190	88,109,650	95,092,944
Due from other banks (Note 7)	18,228,721	9,900,642	9,455,447	17,197,750	8,645,547	7,837,894
Securities purchased under resale agreements (Note 8)	18,290,851	17,036,460	11,998,040	15,604,167	10,027,609	8,998,040
	₱204,660,231	₱143,951,255	₱138,982,734	₱188,337,372	₱121,639,650	₱125,634,182

OPERATING CASH FLOWS FROM INTEREST

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

See accompanying Notes to Financial Statements.



CHINA BANKING CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

China Banking Corporation (the Parent Company) is a publicly listed universal bank incorporated in the Philippines. The Parent Company acquired its universal banking license in 1991. It provides expanded commercial banking products and services such as deposit products, loans and trade finance, domestic and foreign fund transfers, treasury products, trust products, foreign exchange, corporate finance and other investment banking services through a network of 476 and 473 local branches as of December 31, 2020 and 2019, respectively.

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

The Parent Company has the following subsidiaries:

Subsidiary	Effective Percentages of Ownership		Country of Incorporation and Place of Business	Principal Activities
	2020	2019		
Chinabank Insurance Brokers, Inc. (CIBI)	100.00%	100.00%	Philippines	Insurance brokerage
CBC Properties and Computer Center, Inc. (CBC-PCCI)	100.00%	100.00%	Philippines	Computer services
China Bank Savings, Inc. (CBSI)	98.29%	98.29%	Philippines	Retail and consumer banking
China Bank Capital Corporation (CBCC)	100.00%	100.00%	Philippines	Investment house
CBC Assets One (SPC) Inc.	100.00%	100.00%	Philippines	Special purpose corporation
China Bank Securities Corporation (CBCSec)	100.00%	100.00%	Philippines	Stock brokerage

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

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



2. Summary of Significant Accounting Policies

Basis of Preparation

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

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

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

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

Statement of Compliance

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

Presentation of Financial Statements

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

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

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

Basis of Consolidation and Investments in Subsidiaries

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

Subsidiaries are consolidated from the date on which control is transferred to the Parent Company. The Group controls an investee if and only if the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);



- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

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

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

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

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

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

Non-Controlling Interest

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

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



Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amendments to PFRS and Philippine Accounting Standards (PAS) which became effective as of January 1, 2020. Except as otherwise indicated, these changes in the accounting policies did not have any significant impact on the financial position or performance of the Group:

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

Significant Accounting Policies

Foreign Currency Translation

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

Transactions and balances

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

FCDU

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



Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

Cash and Cash Equivalents

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



considers as cash equivalents wherein withdrawals can be made to meet the Group's cash requirements as allowed by the BSP.

SPURA

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

Financial Instruments - Initial Recognition

Date of recognition

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

Initial recognition of financial instruments

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

'Day 1' difference

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

Classification and Measurement

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

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

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



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

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

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

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

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

The Group's measurement categories are described below:

Financial assets at Amortized Cost

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

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

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

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



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

Financial Assets at FVTPL

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

A financial asset is considered as held for trading if:

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

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

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

Derivative instruments

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

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

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

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



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

Financial Assets at FVOCI - Equity Investments

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

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

Financial Assets at FVOCI - Debt Investments

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

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

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

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

Reclassification

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

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

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



Impairment of Financial assets

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

For non-credit-impaired financial instruments:

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

For credit-impaired financial instruments:

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

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

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

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

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

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



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

Restructured loans

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

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

Hedge Accounting

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

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

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

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

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

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

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



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

Cash flow hedges

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

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

Financial Liabilities

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

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

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

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

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

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

Derecognition of Financial Assets and Liabilities

Financial assets

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

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



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

Modification of financial assets

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

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

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

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

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

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

Financial liabilities

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



Exchange or modification of financial liabilities

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

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

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

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

Financial Guarantees and Undrawn Loan Commitments

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

Write-offs

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



Investment in Associates

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

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

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

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

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

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

Investment in Subsidiaries

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

Business Combinations and Goodwill

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

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

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



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

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

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

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

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

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

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

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

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

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

Bank Premises, Furniture, Fixtures and Equipment

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



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

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

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

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

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

Investment Properties

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

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

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

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



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

Intangible Assets

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

Software costs

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

Branch licenses

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

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

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

Exchange Trading Right

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

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

Impairment of Nonfinancial Assets

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



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

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

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

Accounting policy on Leases effective January 1, 2019

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

Group as a lessee

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

i) Right-of-use assets

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

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

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



ii) Lease liabilities

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

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

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

Group as a lessor

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

Leases (Prior to January 1, 2019)

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

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

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



Group as a lessee

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

Group as a lessor

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

Capital Stock

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

Revenue Recognition

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

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

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

Fee and commission income

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

- a. *Fee income earned from services that are provided over a certain period of time*
Fees earned for the provision of services over a period of time are accrued over that period. These fees include investment fund fees, custodian fees, fiduciary fees, credit related fees, asset management fees, portfolio and other management fees, and advisory fees.
- b. *Fee income from providing transactions services*
Fees arising from negotiating or participating in the negotiation of a transaction for a third party - such as commission income, underwriting fees, corporate finance fees and brokerage fees for the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses - are recognized on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria.

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



Service charges and penalties

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

Other income

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

Revenues outside the scope of PFRS 15

Interest income

For all interest-bearing financial assets, interest income is recorded at either EIR, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability, or at rate stated in the contract. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options), includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, as applicable, but not future credit losses. The adjusted carrying amount is calculated based on the original EIR. The change in carrying amount is recorded as 'Interest income'. Loan commitment fees for loans that are likely to be drawn down are deferred (together with any incremental costs) and recognized as an adjustment to the EIR on the loan. If the commitment expires without the Group making the loan, the commitment fees are recognized as other income on expiry.

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

Dividend income

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

Trading and securities gain (loss) - net

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

Gain on disposal of investment securities at amortized cost

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

Expense Recognition

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

Interest expense

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

Other expenses

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



Retirement Benefits

Defined benefit plan

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

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

Defined benefit costs comprise the following:

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

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

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

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

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

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



Employee leave entitlement

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

Share-based Payments (Stock Grants)

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

Equity-settled transactions

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

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

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

Provisions and Contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the



statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

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

Income Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as of the reporting date. Effective January 1, 2019, management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred tax

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

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

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

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

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

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



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

Earnings per Share

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

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

Dividends on Common Shares

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

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 32. The Group's revenue producing assets are located in the Philippines (i.e., one geographical location). Therefore, geographical segment information is no longer presented.

Fiduciary Activities

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

Events after the Reporting Period

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

Standards Issued but Not Yet Effective

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

Effective beginning on or after January 1, 2021

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

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

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



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

The Group shall also disclose information about:

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

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

Effective beginning on or after January 1, 2022

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

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

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

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

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

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

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

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

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



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

- *Annual Improvements to PFRSs 2018-2020 Cycle*

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

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

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

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

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

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

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

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

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

Effective beginning on or after January 1, 2023

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

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

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



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

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

- PFRS 17, *Insurance Contracts*

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

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

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

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

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. Significant Accounting Judgments and Estimates

The preparation of the financial statements in accordance with PFRS requires the Group to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities at reporting date. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change.



The effects of any change in judgments and estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

a. Financial instruments

Where the fair values of financial assets and financial liabilities recorded on the balance sheet or disclosed in the notes cannot be derived from active markets, they are determined using discounted cash flow model, incorporating inputs such as current market rates of comparable instruments. The carrying values and corresponding fair values of financial instruments, as well as the manner in which fair values were determined, are discussed in more detail in Note 5.

b. Contingencies

The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the Group's defense in these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material adverse effect on the financial statements (Note 31). It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

c. Evaluation of business model in managing financial assets

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

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

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

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



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

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

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

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

d. Testing the cash flow characteristics of financial assets

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

e. Hedge accounting

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



Estimates

a. Expected credit losses on financial assets and commitments

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

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

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

b. Impairment of goodwill

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit (CGU) to which the goodwill relates. The recoverable amount of the CGU is determined based on a VIU calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. For VIU, the Group estimates the discount rate used for the computation of the net present value by reference to the weighted cost of capital of comparable banks. The impairment assessment process requires significant judgment and is based on assumptions, specifically loan and deposit growth rates, discount rate and the long-term growth rates.

Where the recoverable amount is less than the carrying amount of the CGU to which goodwill has been allocated, an impairment loss is recognized immediately in the statement of income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The carrying values of the Group's goodwill are disclosed in Note 14.



c. Impairment of branch licenses

The Group conducts an annual review for any impairment in the value of branch licenses. Branch licenses are written down for impairment where the recoverable value is insufficient to support the carrying value. The recoverable amount of branch licenses is determined based on a VIU calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. For VIU, the Group estimates the discount rate used for the computation of the net present value by reference to weighted cost of capital of comparable banks. The impairment assessment process requires significant judgment and is based on assumptions, specifically loan and deposit growth rates, discount rate and the long-term growth rates.

The carrying values of the Group's branch licenses are disclosed in Note 14.

d. Net plan assets and retirement expense

The determination of the Group's net plan assets and annual retirement expense is determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These assumptions include, among others, discount rates and salary rates.

The assumed discount rates were determined using the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as of the reporting date. The salary increase rates were based on the Group's expectations of future salary increases.

The present value of the retirement obligation and fair value of plan assets, including the details of the assumptions used in the calculation are disclosed in Note 25.

e. Recognition of deferred income taxes

Deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management discretion is required to determine the amount of deferred tax assets that can be recognized, based on the forecasted level of future taxable profits and the related future tax planning strategies. Key assumptions used in forecast of future taxable income include loan portfolio and deposit growth rates.

The Group believes it will be able to generate sufficient taxable income in the future to utilize its recorded deferred tax assets. Taxable income is sourced mainly from interest income from lending activities and earnings from service charge, fees, commissions and trust activities.

The recognized and unrecognized deferred tax assets are disclosed in Note 28.

f. Impairment on non-financial assets

The Group assesses impairment on its nonfinancial assets (e.g., investment properties and bank premises, furniture, fixtures and equipment) and considers the following impairment indicators:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.



An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Except for investment properties where recoverable amount is determined based on fair value less cost to sell, the recoverable amount of all other nonfinancial assets is determined based on the asset's value in use computation which considers the present value of estimated future cash flows expected to be generated from the continued use of the asset. The Group is required to make estimates and assumptions that can materially affect the carrying amount of the asset being assessed.

The carrying values of the Group's nonfinancial assets are disclosed in Notes 12 and 13.

4. Financial Instrument Categories

The following table presents the total carrying amount of the Group's and the Parent Company's financial instruments per category:

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

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

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

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

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



5. Fair Value Measurement

The Group has assets and liabilities in the consolidated and Parent Company balance sheets that are measured at fair value on a recurring and non-recurring basis after initial recognition. Recurring fair value measurements are those that another PFRS requires or permits to be recognized in the balance sheet at the end of each financial reporting period. These include financial assets and liabilities at FVTPL and financial assets at FVOCI.

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

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



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

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

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

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

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

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

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

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

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

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

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



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

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs that are not based on observable market data or unobservable inputs.

As of December 31, 2020 and 2019, the fair value hierarchy of the Group's and the Parent Company's assets and liabilities are presented below:

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



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

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

(Forward)



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

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

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

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



There were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements in 2020 and 2019.

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

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

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

Inputs used in estimating fair values of financial instruments carried at cost and categorized under Level 3 include risk-free rates and applicable risk premium.

The fair values of the Group's and Parent Company's investment properties have been determined by the appraisal method by independent external and in-house appraisers based on highest and best use of the property being appraised. Valuations were derived on the basis of recent sales of similar properties in the same areas as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made and comparability of similar properties sold with the property being valued.

The table below summarizes the valuation techniques used and the significant unobservable inputs used in the valuation for each type of investment properties held by the Group and the Parent Company:

	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.



Significant unobservable inputs

Shape	Particular form or configuration of the lot. A highly irregular shape limits the usable area whereas an ideal lot configuration maximizes the usable area of the lot which is associated in designing an improvement which conforms with the highest and best use of the property.
Location	Location of comparative properties whether on a Main Road, or secondary road. Road width could also be a consideration if data is available. As a rule, properties located along a Main Road are superior to properties located along a secondary road.
Time Element	“An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investors’ perceptions of the market over time”. In which case, the current data is superior to historic data.
Discount	Generally, asking prices in ads posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.
Corner influence	Bounded by two (2) roads.

6. Financial Risk Management Objectives and Policies

The Group’s activities are principally related to the profitable use of financial instruments. Risks are inherent in these activities but are managed by the Group through a rigorous, comprehensive and continuous process of identification, measurement, monitoring and mitigation of these risks, partly through the effective use of risk and authority limits and thresholds, process controls and monitoring, and independent controls. As reflected in its corporate actions and organizational improvements, the Group has placed due importance on expanding and strengthening its risk management process and considers it as a vital component to the Group’s continuing profitability and financial stability. Central to the Group’s risk management process is its adoption of a risk management program intended to avoid unnecessary risks, manage and mitigate inherent risks and maximize returns from taking acceptable risks necessary to sustain its business viability and good financial position in the market.

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



Risk Management Structure

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

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

The Risk Management Group (RMG) is the operating unit of the ROC primarily responsible for the implementation of the risk management strategies approved by the Board of Directors. The implementation cuts across all departments of the Parent Company and involves all of the Parent Company's financial instruments, whether "on-books" or "off-books." The RMG is likewise responsible for monitoring the implementation of specific risk control procedures and enforcing compliance thereto. The RMG is also directly involved in the day-to-day monitoring of material risks ensuring that the Parent Company, in its transactions and dealings, engages only in risk taking activities duly approved by the ROC. The RMG also ensures that relevant information are accurately and completely captured on a timely basis in the management reporting system of the Parent Company. The RMG regularly reports the results of the risk measurements to the ROC. The RMG is headed by the Chief Risk Officer (CRO).

Apart from RMG, each business unit has created and put in place various process controls which ensure that all the external and internal transactions and dealings of the unit are in compliance with the unit's risk management objectives.

The Internal Audit Division also plays a crucial role in risk management primarily because it is independent of the business units and reports exclusively to the Audit Committee which, in turn, is comprised of independent directors. The Internal Audit Division focuses on ensuring that adequate controls are in place and on monitoring compliance to controls. The regular audit covers all processes and controls, including those under the risk management framework handled by the RMG. The audit of these processes and controls is undertaken at least annually. The audit results and exceptions, including recommendations for their resolution or improvement, are discussed initially with the business units concerned before these are presented to the Audit Committee.

Risk Management Reporting

The CRO reports to the ROC and is a resource to the Management Committee (ManCom) and the Credit Committee (CreCom). The CRO reports on key risk indicators and specific risk management issues that would need resolution from top management. This is undertaken after the risk issues and key risk indicators have been discussed with the business units concerned. The RMG's function, particularly, that of the CRO, as well as the Board's risk oversight responsibilities are articulated under BSP Circular No. 971, Guidelines on Risk Governance.

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



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

Risk Mitigation

The Parent Company uses derivatives to manage exposures in its financial instruments resulting from changes in interest rates and foreign currencies exposures. However, the nature and extent of use of these financial instruments to mitigate risks are limited to those allowed by the BSP for the Parent Company and its subsidiaries. For interest rate risk from the bonds payable to IFC (Note 18), the Parent Company entered into a pay-fixed, receive-floating interest rate swap (Note 26) with the same principal terms to hedge the exposure to variable cash flow payments. The hedge relationship would eliminate the risk that variability in the floating rates will compress the net interest margin. The IRS designated as hedge is reflected in the Earnings-at-Risk report of RMG.

To further mitigate risks throughout its different business units, the Parent Company formulates risk management policies and continues to improve its existing policies. These policies further serve as the framework and set of guidelines in the creation or revisions of operating policies and manuals for each business unit. In the process design and implementation, preventive controls are preferred over detection controls. Clear delineation of responsibilities and separation of incompatible duties among officers and staff, as well as, among business units are reiterated in these policies. To the extent possible, reporting and accounting responsibilities are segregated from units directly involved in operations and front line activities (i.e., players must not be scorers). This is to improve the credibility and accuracy of management information. Any inconsistencies in the operating policies and manuals with the risk framework created by the RMG are taken up and resolved in the ROC and ManCom.

Based on the approved Operational Risk Assessment Program, RMG spearheaded the bankwide (all Head Office units and branches) risk identification and self-assessment process. This would enable determination of priority risk areas, assessment of mitigating controls in place, and institutionalization of additional measures to ensure a controlled operating environment. RMG was also mandated to maintain and update the Parent Company's Centralized Loss Database wherein all reported incidents of losses shall be encoded to enable assessment of weaknesses in the processes and come up with viable improvements to avoid recurrence.

Monitoring and controlling risks are primarily performed based on various limits and thresholds established by the top management covering the Group's transactions and dealings. These limits and thresholds reflect the Group's business strategies and market environment, as well as the levels of risks that the Group is willing to tolerate, with additional emphasis on selected industries. In addition, the Parent Company monitors and measures the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Liquidity and interest rate risk exposures are measured and monitored through the Maximum Cumulative Outflow and Earnings-at-Risk reports from the Asset and Liability Management (ALM) system. It was implemented in 2013 and was upgraded in 2018 to a new version which include modules for calculating Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The system also has a Funds Transfer Pricing module used by the Treasury Group and Corporate Planning Group.



For the measurement of market risk exposures, the Parent Company uses Historical Simulation VaR approach for all treasury traded instruments, including fixed income bonds, foreign exchange swaps and forwards, interest rate swaps and equity securities. Market risk exposures are measured and monitored through reports from the Market Risk Management System which has been implemented in 2018 to enhance risk measurement and automate daily reporting.

BSP issued Circular No. 639 dated January 15, 2009 which mandated the use of the Internal Capital Adequacy Assessment Process (ICAAP) by all universal and commercial banks to determine their minimum required capital relative to their business risk exposures. In this regard, the Board approved the engagement of the services of a consultant to assist in the bank-wide implementation and embedding of the ICAAP, as provided for under Pillar 2 of Basel II and BSP Circular No. 639.

On November 4, 2020, the BOD approved the changes in the methodology for the Management Action Trigger (MAT) on capital ratios. There were no changes made in the Priority Risk Areas of the Parent Company and the approved trigger events for the review of Capital Ratios MAT and Priority Risks.

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

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

Group's Response to the COVID-19 Pandemic

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

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

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



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

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

Credit Risk

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

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

Credit Risk Rating and Scoring Models

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

In compliance with BSP requirements, the Parent Company established an internal Credit Risk Rating System (ICRRS) for the purpose of measuring credit risk for corporate borrowers in a consistent manner, as accurately as possible, and thereafter uses the risk information for business and financial decision making. The ICRRS covers corporate borrowers with total assets, total facilities, or total credit exposures amounting to ₱15.00 million and above.

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



On February 6, 2019, the Board of Directors approved the recalibrated ICRRS model. Among the changes made was in the rating scale which was expanded from ten to fourteen rating grades, ten of which fall under unclassified accounts, with the remaining four falling under classified accounts in accordance with regulatory provisioning guidelines.

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

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

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

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

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

Concentration of Assets and Liabilities and Off-Balance Sheet Items

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

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

The distribution of the Group's and Parent Company's assets and liabilities, and credit commitment items by geographic region as of December 31, 2020 and 2019 (in millions) follows:

	Consolidated					
	2020			2019		
	Assets	Liabilities	Commitment*	Assets	Liabilities	Commitment*
Geographic Region						
Philippines	₱943,498	₱906,192	₱31,030	₱871,435	₱840,712	₱70,016
Asia	19,628	9,495	6,486	15,110	6,717	7,638
Europe	35,592	2,750	1,172	39,071	10,116	1,065
United States	11,390	8,785	458	10,185	321	199
Others	129	21	184	1,447	4,844	87
	₱1,010,237	₱927,243	₱39,330	₱937,248	₱862,710	₱79,005

*Consists of Committed credit lines, Unused commercial letters of credit, Credit card lines, Outstanding guarantees issued and Standby credit commitments



	Parent Company					
	2020			2019		
	Assets	Liabilities	Commitment*	Assets	Liabilities	Commitment*
Geographic Region						
Philippines	₱848,803	₱818,571	₱30,635	₱774,207	₱750,004	₱69,564
Asia	19,628	9,495	6,486	15,110	6,717	7,638
Europe	35,592	2,750	1,172	39,071	10,116	1,065
United States	11,390	8,785	458	10,185	321	200
Others	129	21	184	1,447	4,844	87
	₱915,542	₱839,622	₱38,935	₱840,020	₱772,002	₱78,554

*Consists of Committed credit lines, Unused commercial letters of credit, Credit card lines, Outstanding guarantees issued and Standby credit commitments

Information on credit concentration as to industry of financial assets is presented below:

	Consolidated				
	2020				
	Loans and Receivables	Financial Investments	Loans and Advances to Banks	Others	Total
Real estate, renting and business services	₱145,914,294	₱104,182,177	₱—	₱721,351	₱250,817,823
Electricity, gas and water	77,295,952	1,057,897	—	5,903,340	84,257,189
Wholesale and retail trade	48,797,393	10,789	—	6,087,617	54,895,800
Transportation, storage and communication	54,792,752	31,918	—	1,089,860	55,914,530
Financial intermediaries	67,320,876	126,232,618	188,161,354	10,048,951	391,763,800
Manufacturing	33,567,819	4,851	—	3,850,988	37,423,658
Arts, entertainment and recreation	23,687,515	123,599	—	74,557	23,885,670
Accommodation and food service activities	12,904,107	215,084	—	807,123	13,926,314
Construction	13,955,942	13,394	—	4,659,875	18,629,211
Mining and quarrying	8,000,701	—	—	998,853	8,999,555
Agriculture	7,929,762	—	—	321,822	8,251,584
Education	5,290,900	793,673	—	281,370	6,365,942
Public administration and defense	2,055,542	—	—	448,303	2,503,845
Professional, scientific and technical activities	860,778	26,731	—	1,494,877	2,382,387
Others*	69,970,620	2,062,288	2,573,272	2,540,929	77,147,109
	₱572,344,954	₱234,755,020	₱190,734,625	₱39,329,818	₱1,037,164,417

*Others consist of administrative and support service, health, household and other activities.

	Consolidated				
	2019				
	Loans and Receivables	Financial Investments	Loans and Advances to Banks	Others	Total
Real estate, renting and business services	₱131,554,416	₱54,807,417	₱—	₱7,279,938	₱193,641,771
Electricity, gas and water	80,765,283	1,636,634	—	16,899,703	99,301,620
Wholesale and retail trade	59,338,780	4,770	—	15,309,344	74,652,894
Transportation, storage and communication	57,770,020	33,403	—	8,426,228	66,229,651
Financial intermediaries	63,584,092	154,096,601	128,674,636	3,789,184	350,144,513
Manufacturing	32,405,243	—	—	5,049,128	37,454,371
Arts, entertainment and recreation	17,899,693	69,499	—	4,073,295	22,042,487
Accommodation and food service activities	12,818,690	2,088	—	3,509,765	16,330,543
Construction	13,131,862	—	—	4,141,360	17,273,223
Mining and quarrying	9,995,905	—	—	421,633	10,417,539
Agriculture	6,636,039	—	—	195,184	6,831,223
Education	6,321,846	758,537	—	247,077	7,327,460
Public administration and defense	8,475,590	—	—	369,423	8,845,013
Professional, scientific and technical activities	2,425,097	—	—	7,167,361	9,592,458
Others*	74,747,762	759,299	565,412	2,126,442	78,198,914
	₱577,870,318	₱212,168,249	₱129,240,048	₱79,005,066	₱998,283,681

*Others consist of administrative and support service, health, household and other activities.



Parent Company					
2020					
	Loans and Receivables	Financial Investments	Loans and Advances to Banks	Others	Total
Real estate, renting and business services	₱123,150,868	₱103,771,477	₱—	₱721,351	₱227,643,696
Electricity, gas and water	75,367,275	1,035,733	—	5,903,340	82,306,348
Financial intermediaries	45,324,442	—	—	5,914,716	51,239,158
Wholesale and retail trade	52,346,480	26,299	—	1,089,860	53,462,639
Transportation, storage and communication	66,402,640	119,603,856	174,613,107	10,048,951	370,668,555
Manufacturing	31,988,437	4,851	—	3,835,488	35,828,776
Arts, entertainment and recreation	23,630,122	123,599	—	74,557	23,828,278
Accommodation and food service activities	11,892,441	211,150	—	787,123	12,890,714
Construction	12,886,246	—	—	4,657,525	17,543,771
Mining and quarrying	7,998,397	—	—	998,853	8,997,251
Agriculture	6,372,652	—	—	321,557	6,694,210
Public administration and defense	4,735,250	679,254	—	281,370	5,695,875
Education	2,055,542	—	—	448,303	2,503,845
Professional, scientific and technical activities	788,324	26,731	—	1,494,877	2,309,932
Others*	39,791,654	162,296	514,667	2,356,729	42,825,345
	₱504,730,771	₱225,645,246	₱175,127,774	₱38,934,602	₱944,438,392

*Others consist of administrative and support service, health, household and other activities.

Parent Company					
2019					
	Loans and Receivables	Financial Investments	Loans and Advances to Banks	Others	Total
Real estate, renting and business services	₱108,067,826	₱53,845,497	₱—	₱7,279,938	₱169,193,261
Electricity, gas and water	78,802,898	1,636,634	—	16,899,703	97,339,235
Financial intermediaries	55,222,983	—	—	14,861,742	70,084,725
Wholesale and retail trade	55,429,738	33,403	—	8,426,228	63,889,369
Transportation, storage and communication	62,178,902	149,875,310	106,782,806	3,789,184	322,626,201
Manufacturing	29,753,750	—	—	5,049,128	34,802,878
Arts, entertainment and recreation	17,799,562	69,499	—	4,073,295	21,942,356
Accommodation and food service activities	11,591,121	—	—	3,509,765	15,100,886
Construction	11,985,485	—	—	4,141,360	16,126,846
Mining and quarrying	9,991,633	—	—	421,633	10,413,266
Agriculture	5,076,970	—	—	191,234	5,268,204
Public administration and defense	5,667,447	638,679	—	247,077	6,553,203
Education	8,475,590	—	—	369,423	8,845,013
Professional, scientific and technical activities	2,338,562	—	—	7,167,361	9,505,923
Others*	47,777,227	79,342	565,412	2,126,442	50,548,422
	₱510,159,693	₱206,178,364	₱107,348,218	₱78,553,514	₱902,239,789

*Others consist of administrative and support service, health, household and other activities.

Maximum exposure to credit risk

The tables below provide the analysis of the maximum exposure to credit risk of the Group's and the Parent Company's financial instruments, excluding those where the carrying values as reflected in the balance sheets and related notes already represent the financial instrument's maximum exposure to credit risk, before and after taking into account collateral held or other credit enhancements:

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



Consolidated 2019			
	Gross maximum exposure	Net exposure	Financial effect of collateral or credit enhancement
Credit risk exposure relating to on-balance sheet items are as follows			
Loans and receivables	₱568,919,164	₱319,163,000	₱249,756,164
Interbank loans receivable and SPURA	17,036,460	–	17,036,460
Sales contracts receivable	1,132,439	–	1,132,439
	₱587,088,063	₱319,163,000	₱267,925,063

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

Parent 2019			
	Gross maximum exposure	Net exposure	Financial effect of collateral or credit enhancement
Credit risk exposure relating to on-balance sheet items are as follows			
Loans and receivables	₱502,930,197	₱289,396,593	₱213,533,604
Interbank loans receivable and SPURA	10,027,609	–	10,027,609
Sales contracts receivable	210,706	–	210,706
	₱513,168,512	₱289,396,593	₱223,771,919

For the Group, the fair values of collateral held for loans and receivables and sales contracts receivable amounted to ₱314.67 billion and ₱2.59 billion, respectively, as of December 31, 2020 and ₱281.92 billion and 2.38 billion, respectively, as of December 31, 2019.

For the Parent Company, the fair values of collateral held for loans and receivables and sales contracts receivable amounted to ₱273.93 billion and ₱0.86 billion, respectively, as of December 31, 2020 and ₱245.70 billion and ₱0.91 billion, respectively, as of December 31, 2019.

Credit risk, in respect of derivative financial products, is limited to those with positive fair values, which are included under financial assets at FVTPL (Note 9). As a result, the maximum credit risk, without taking into account the fair value of any collateral and netting agreements, is limited to the amounts on the balance sheet plus commitments to customers such as unused commercial letters of credit, outstanding guarantees and others as disclosed in Note 31 to the financial statements.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented with regards to the acceptability of types of collateral and valuation parameters.



The main types of collateral obtained are as follows:

- For securities lending and reverse repurchase transactions - cash or securities
- For consumer lending - real estate and chattel over vehicle
- For corporate lending and commercial lending- real estate, chattel over properties, assignment of deposits, shares of stocks, bonds, and guarantees

Management requests additional collateral in accordance with the underlying agreement and takes into consideration the market value of collateral during its review of the adequacy of allowance for credit losses.

It is the Group's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim. In most cases, the Parent Company does not occupy repossessed properties for business use.

Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Group's balance sheet. However, the fair value of collateral affects the calculation of loss allowances. It is generally assessed, at a minimum, at inception and re-assessed on an annual basis. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by internal or external appraisers.

Credit quality per class of financial assets

Loans and Receivables

The credit quality of financial assets is managed by the Group using an internal credit rating system for the purpose of measuring credit risk in a consistent manner as accurately as possible. The model on risk ratings is assessed regularly because the Group uses this information as a tool for business and financial decision making. Aside from the periodic review by the Parent Company's Internal Audit Group, the Parent Company likewise engaged the services of third-party consultants in 2014, 2015, and 2017 for purposes of conducting an independent validation of the credit risk rating model.

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

The rating categories are further described below.

High Grade

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



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

A. ICRRS-Covered

- Borrower Risk Rating (BRR) 1 (Exceptional)
- BRR 2 (Excellent)
- BRR 3 (Strong)
- BRR 4 (Good)

B. BCS-Covered

- Strong

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

Standard Grade

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

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

A. ICRRS-Covered

- BRR 5 (Satisfactory)
- BRR 6 (Acceptable)
- BRR 7 (Fair)

B. BCS-Covered

- Satisfactory
- Acceptable

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

Sub-Standard Grade

In terms of borrower credit ratings, this includes the following:

Unclassified

A. ICRRS-Covered

- BRR 8 (Watchlist)
- BRR 9 (Speculative)
- BRR 10 (Highly Speculative)



B. BCS-Covered

- Watchlist

Adversely Classified

A. ICRRS and BCS--Covered

- BRR 11 (Especially Mentioned)
- BRR 12 (Substandard)
- BRR 13 (Doubtful)
- BRR 14 (Loss)

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

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

For consumer loans that are covered by application scorecards which provide either a pass/fail score, the basis for credit quality rating is the BSP classification for those that are booked as Current (i.e. Standard Grade if Unclassified and Sub Standard Grade if Classified and impairment status for those that are booked as Past Due / Items in Litigation.

The financial assets are also grouped according to stage whose description is explained as follows:

Stage 1 - those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 - those that are considered in default or demonstrate objective evidence of impairment as of reporting date.



The following tables illustrate the Group's and the Parent Company's credit exposures (amounts in millions).

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

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

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

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



Consolidated	2019			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Corporate and commercial lending				
Neither past due nor impaired				
High grade	P50,613	P4,271	P—	P54,884
Standard grade	295,112	5,899	—	301,011
Sub-Standard	88,999	8,542	—	97,541
Unrated	723	1	—	724
Past due but not impaired	13	725	—	738
Past due and impaired	—	—	4,785	4,785
Gross carrying amount	P435,460	P19,438	P4,785	P459,683

Consolidated	2019			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Consumer Lending				
Neither past due nor impaired				
High grade	P40,222	P—	P—	P40,222
Standard grade	48,761	744	—	49,505
Sub-Standard	7,433	435	—	7,868
Unrated	2,281	1,862	—	4,143
Past due but not impaired	106	1,562	—	1,668
Past due and impaired	—	—	3,496	3,496
Gross carrying amount	P98,803	P4,603	P3,496	P106,902

Consolidated	2019			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Trade-related Lending				
Neither past due nor impaired				
High grade	P250	P—	P—	P250
Standard grade	8,436	37	—	8,473
Sub-Standard	2,169	37	—	2,206
Unrated	—	—	—	—
Past due but not impaired	32	—	—	32
Past due and impaired	—	—	236	236
Gross carrying amount	P10,887	P74	P236	P11,197

Consolidated	2019			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Others				
Neither past due nor impaired				
High grade	P8	P—	P—	P8
Standard grade	—	—	—	—
Sub-Standard	—	—	—	—
Unrated	34	—	—	34
Past due but not impaired	—	—	—	—
Past due and impaired	—	—	5	5
Gross carrying amount	P42	P—	P5	P47



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

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

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

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

Parent Company		2019		
		ECL Staging		
		Stage 1	Stage 2	Stage 3
Corporate and commercial lending		12-month ECL	Lifetime ECL	Lifetime ECL
				Total
Neither past due nor impaired				
High grade		₱29,392	₱4,271	₱–
Standard grade		295,114	5,155	–
Sub-Standard		88,999	8,528	–
Unrated		724	1	–
Past due but not impaired		12	50	–
Past due and impaired		–	–	2,229
Gross carrying amount		₱414,241	₱18,005	₱2,229
				₱434,475



Parent Company		2019		
		ECL Staging		
		Stage 1	Stage 2	Stage 3
		12-month ECL	Lifetime ECL	Lifetime ECL
Consumer Lending				Total
Neither past due nor impaired				
High grade		P224	P–	P–
Standard grade		48,760	714	–
Sub-Standard		7,433	430	–
Unrated		2,281	1,862	–
Past due but not impaired		–	624	–
Past due and impaired		–	–	2,420
Gross carrying amount		P58,698	P3,630	P2,420
				P64,748

Parent Company		2019		
		ECL Staging		
		Stage 1	Stage 2	Stage 3
		12-month ECL	Lifetime ECL	Lifetime ECL
Trade-related Lending				Total
Neither past due nor impaired				
High grade		P250	P–	P–
Standard grade		8,141	38	–
Sub-Standard		2,169	37	–
Unrated		–	–	–
Past due but not impaired		32	–	–
Past due and impaired		–	–	236
Gross carrying amount		P10,592	P75	P236
				P10,903

Parent Company		2019		
		ECL Staging		
		Stage 1	Stage 2	Stage 3
		12-month ECL	Lifetime ECL	Lifetime ECL
Others				Total
Neither past due nor impaired				
High grade		P–	P–	P–
Standard grade		–	–	–
Sub-Standard		–	–	–
Unrated		34	–	–
Past due but not impaired		–	–	–
Past due and impaired		–	–	–
Gross carrying amount		P34	P–	P–
				P34

Depository accounts with the BSP and counterparty banks, Trading and Investment Securities

For these financial assets, outstanding exposure is rated primarily based on external risk rating of S&P, Moody's, and/or Fitch when available; otherwise, rating is based on risk grades by Philratings or mapped internal credit risk ratings (ICRRS). When the counterparty has no available external or internal ratings, it is included under "Unrated".

The external risk rating of the Group's depository accounts with the BSP and counterparty banks, trading and investment securities, is grouped as follows:

Credit Quality Rating		Credit Rating		Mapped ICRRS	
External Credit Risk Rating		Agency		BRR	
High grade	AAA, AA+, AA, AA–	S&P			
	Aaa, Aa1, Aa2, Aa3	Moody's		1 to 3	
	AAA, AA+, AA, AA–	Fitch			
Standard grade	A+, A, A–, BBB+, BBB, BBB–	S&P			
	A1, A2, A3, Baa1, Baa2, Baa3	Moody's		4 to 7	
	A+, A, A–, BBB+, BBB, BBB–	Fitch			
Substandard grade	BB+, BB, BB–, B/B+, CCC, R, SD &	S&P			
	Ba1, Ba2, Ba3, B1, B2, R, SD & D	Moody's		8 to 14	
	BB+, BB, BB–, B/B+, CCC, R, SD &	Fitch			



AAA – An obligor has extremely strong capacity to meet its financial commitments.

AA – An obligor has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors at a minimal degree.

A – An obligor has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

BBB and below:

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

BB – An obligor is less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments.

B – An obligor is more vulnerable than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.

CCC – An obligor is currently vulnerable and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitments.

CC – An obligor is currently vulnerable. The rating is used when a default has not yet occurred, but expects default to be a virtual certainty, regardless of the anticipated time to default.

R – An obligor is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others.

SD and D – An obligor is in default on one or more of its financial obligations including rated and unrated financial obligations but excluding hybrid instruments classified as regulatory capital or in non-payment according to terms.

In the case of PHP-denominated securities which are not rated by either S&P, Moody's, or Fitch, but have an external rating by Philratings, the following grouping was applied.

Credit Quality Rating	External Credit Risk Rating
High grade	PRSAaa, PRSAa+, PRSAa, PRSAa–
Standard grade	PRSA+, PRSA, PRSA–, PRSBaa+, PRSBaa, PRSBaa–
Substandard grade	PRSBa+, PRSBa, PRSBa–, PRSB+, PRSB, PRSB–, PRSCaa+, PRSCaa, PRSCaa–, PRSCa+, PRSCa, PRSCa–, PRSC+, PRSC, PRSC–

PRSAaa – The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

PRSAa – The obligor's capacity to meet its financial commitment on the obligation is very strong.



PRSA – With favorable investment attributes and are considered as upper-medium grade obligations. Although obligations rated ‘PRSA’ are somewhat more susceptible to the adverse effects of changes in economic conditions, the obligor’s capacity to meet its financial commitments on the obligation is still strong.

PRSBaa – An obligation rated ‘PRSBaa’ exhibits adequate protection parameters. However, adverse economic conditions and changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. PRSBaa-rated issues may possess certain speculative characteristics.

PRSBa – An obligation rated ‘PRSBa’ is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties relating to business, financial or economic conditions, which could lead to the obligor’s inadequate capacity to meet its financial commitment on the obligation.

PRSB – An obligation rated ‘PRSB’ is more vulnerable to nonpayment than obligations rated ‘PRSBa’, but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse economic conditions will likely impair the obligor’s capacity to meet its financial commitment on the obligation. The issue is characterized by high credit risk.

PRSCaa – An obligation rated ‘PRSCaa’ is presently vulnerable to nonpayment and is dependent upon favorable business, financial and economic conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation. The issue is considered to be of poor standing and is subject to very high credit risk.

PRSCa – An obligation rated “PRSCa” is presently highly vulnerable to nonpayment. Likely already in or very near default with some prospect for partial recovery of principal or interest.

PRSC – An obligation is already in default with very little prospect for any recovery of principal or interest.

The succeeding tables show the credit exposure of the Group and the Parent Company related to these financial assets.

Consolidated	2020				2019			
	ECL Staging			Total	Stage 1	Stage 2	Stage 3	Total
Investment securities at amortized cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		12-month ECL	Lifetime ECL	Lifetime ECL	
Neither past due nor impaired								
High grade	₱38,401	₱–	₱–	₱38,401	₱25,859	₱–	₱–	₱25,859
Standard grade	148,468	–	–	148,468	109,042	336	–	109,378
Sub-Standard	8,482	–	–	8,482	1,183	–	–	1,183
Unrated	69	–	–	69	15,721	8,302	–	24,023
Past due but not impaired	–	–	–	–	–	–	–	–
Impaired	–	–	3,632	3,632	–	–	–	–
Gross carrying amount	₱195,420	₱–	₱3,632	₱199,052	₱151,805	₱8,638	₱–	₱160,443



Consolidated	2020				2019			
	ECL Staging			Total	ECL Staging			Total
Financial assets at FVOCI	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Neither past due nor impaired								
High grade	₱1,141	₱—	₱—	₱1,141	₱1,205	₱—	₱—	₱1,205
Standard grade	18,034	—	—	18,034	22,822	—	—	22,822
Sub-Standard	1,032	—	—	1,032	107	—	—	107
Unrated	20	—	—	20	1,980	—	—	1,980
Past due but not impaired	—	—	—	—	—	—	—	—
Impaired	—	—	17	17	—	—	19	19
Gross carrying amount	₱20,227	₱—	₱17	₱20,244	₱26,114	₱—	₱19	₱26,133

Parent Company	2020				2019			
	ECL Staging			Total	ECL Staging			Total
Investment securities at amortized cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Neither past due nor impaired								
High grade	₱37,683	₱—	₱—	₱37,683	₱24,491	₱—	₱—	₱24,491
Standard grade	144,105	—	—	144,105	106,682	336	—	107,018
Sub-Standard	8,482	—	—	8,482	1,183	—	—	1,183
Unrated	—	—	—	—	15,720	8,302	—	24,022
Past due but not impaired	—	—	—	—	—	—	—	—
Impaired	—	—	3,632	3,632	—	—	—	—
Gross carrying amount	₱190,270	₱—	₱3,632	₱193,902	₱148,076	₱8,638	₱—	₱156,714

Parent Company	2020				2019			
	ECL Staging			Total	ECL Staging			Total
Financial assets at FVOCI	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Neither past due nor impaired								
High grade	₱951	₱—	₱—	₱951	₱555	₱—	₱—	₱555
Standard grade	16,344	—	—	16,344	21,528	—	—	21,528
Sub-Standard	1,032	—	—	1,032	107	—	—	107
Unrated	19	—	—	19	1,981	—	—	1,981
Past due but not impaired	—	—	—	—	—	—	—	—
Impaired	—	—	—	—	—	—	—	—
Gross carrying amount	₱18,346	₱—	₱—	₱18,346	₱24,171	₱—	₱—	₱24,171

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

Parent Company	2019				
	High Grade	Standard Grade	Substandard Grade	Unrated	Total
Due from BSP	₱—	₱88,110	₱—	₱—	₱88,110
Due from other banks	374	8,249	3	20	8,646
Interbank loans receivable and SPURA	—	10,028	—	—	10,028
Financial assets at FVTPL	3,510	11,580	483	2,871	18,444
	₱3,884	₱117,967	₱486	₱2,891	₱125,228



Renegotiated Loans

The following table presents the carrying amount of financial assets of the Group and Parent Company as of December 31, 2020 and 2019 that would have been considered past due or impaired if not renegotiated:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Loans and advances to customers				
Corporate and commercial lending	₱2,345,933	₱312,787	₱2,091,813	₱35,673
Consumer lending	43,577	115,370	42,521	114,185
Total renegotiated financial assets	₱2,389,510	₱428,157	₱2,134,334	₱149,858

Impairment Assessment (Including the Impact of the COVID-19 Pandemic)

The Group recognizes a credit loss allowance on a financial asset based on whether it has had a significant increase in credit risk since initial recognition. Accordingly, the Group categorizes its financial assets into three categories: stage 1 – financial asset that has not had a significant increase in credit risk; stage 2 – financial asset that has had a significant increase in credit risk; and stage 3 – financial asset in default.

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

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, in all cases when the borrower becomes at least 90 days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted. An instrument is considered to be no longer in default (i.e., to have cured) when it no longer meets any of the default criteria for a consecutive period of 180 days (i.e. consecutive payments from the borrowers for 180 days).

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

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



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

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

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

Exposure at Default (EAD)

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

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

Probability of default (PD)

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

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

Loss given default (LGD)

The Group's LGD model considers certain factors such as the historical cash flow recovery and reasonable and supportable information about future economic conditions, where appropriate. Generally, the model utilizes the Group's existing loan exposure rating system which is designed to capture these factors as well as the characteristics of collaterals related to an exposure. In cases wherein this does not apply, the Group looks into the standard characteristics of collaterals (e.g., car and housing loans) in order to estimate an LGD factor. In the case of exposures without collaterals (e.g., securities), the Group uses internationally-accepted standard LGD factors. As of December 31, 2020, the Group has updated all available collateral information in order to incorporate the impact of the pandemic, to the extent possible, in measuring LGD.



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

Credit Review

In accordance with BSP Circular 855, credit reviews are conducted on loan accounts to evaluate whether loans are granted in accordance with the Parent Company's policies, to assess loan quality and appropriateness of classification.

Results of credit reviews are promptly reported to management to apprise them of any significant findings for proper corrective actions.

Market Risk

Market risk is the risk of loss that may result from changes in the value of a financial product. The Parent Company's market risk originates from its holdings of domestic and foreign-denominated debt securities, foreign exchange instruments, equities, foreign exchange derivatives and interest rate derivatives.

The RMG of the Parent Company is responsible for assisting the ROC with its responsibility for identifying, measuring, managing and controlling market risk. Market risk management measures the Parent Company market risk exposures through the use of VaR. VaR is a statistical measure that estimates the maximum potential loss from a portfolio over a holding period, within a given confidence level.

VaR assumptions

The Parent Company calculates the VaR in trading activities. The Parent Company uses the Historical Simulation Full Valuation approach to measure VaR for all treasury traded instruments, using a 99.00% confidence level and a 1-day holding period.

The use of a 99.00% confidence level means that, within a one day horizon, losses exceeding the VaR figure should occur, on average, not more than once every hundred days. The validity of the VaR model is verified through back testing, which examines how frequently actual and hypothetical daily losses exceeds daily VaR. The Parent Company measures and monitors the VaR and profit and loss on a daily basis.

Since VaR is an integral part of the Parent Company's market risk management, VaR limits have been established for all trading positions and exposures are reviewed daily against the limits by management. Further, stress testing is performed for monitoring extreme events.

Limitations of the VaR Methodology

The VaR models are designed to measure market risk in a normal market environment using equally weighted historical data. The use of VaR has limitations because it is based on historical correlations and volatilities in market prices and assumes that future price movements will follow the same distribution. Due to the fact that VaR relies heavily on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated if changes in risk factors fail to align with the assumptions. VaR may also be under- or over-estimated due to the assumptions placed on risk factors and the relationship between such factors for specific instruments. Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99.00% confidence level.



In practice, the actual trading results will differ from the VaR calculation and, in particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored regularly to test the validity of the assumptions and the parameters used in the VaR calculation. Market risk positions are also subject to regular stress tests to ensure that the Group would withstand an extreme market event.

A summary of the VaR position of the trading portfolio of the Parent Company is as follows:

	Interest Rate ¹	Foreign Exchange ²	Price ³	Interest Rate ⁴	Interest Rate ⁵
	(In Millions)				
2020					
31 December	₱139.14	₱11.86	₱13.90	₱4.51	₱2.52
Average daily	98.93	29.67	14.39	7.98	3.08
Highest	202.55	108.73	18.00	18.35	5.35
Lowest	11.69	2.16	12.23	2.22	1.79
2019					
31 December	₱69.41	₱21.89	₱17.85	₱12.53	₱5.54
Average daily	82.81	25.42	23.89	8.75	7.78
Highest	134.67	73.41	42.90	14.60	16.15
Lowest	44.49	1.84	17.29	3.36	5.22

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, 2020 and 2019, 65.48% and 72.55% of the Group's total loan portfolio, respectively, comprised of floating rate loans which are repriced periodically by reference to the transfer pool rate which reflects the Group's internal cost of funds. In keeping with banking industry practice, the Group aims to achieve stability and lengthen the term structure of its deposit base, while providing adequate liquidity to cover transactional banking requirements of customers.

Interest is not paid on demand accounts, which constituted 25.86% and 24.76% of total deposits of the Parent Company as of December 31, 2020 and 2019, respectively.

Interest is paid on savings accounts and time deposits accounts, which constitute 31.76% and 42.35%, respectively, of total deposits of the Parent Company as of December 31, 2020, and 30.56% and 44.68%, respectively, as of December 31, 2019

Savings account interest rates are set by reference to prevailing market rates, while interest rates on time deposits and special savings accounts are usually priced by reference to prevailing rates of short-term government bonds and other money market instruments, or, in the case of foreign currency deposits, inter-bank deposit rates and other benchmark deposit rates in international money markets with similar maturities.



The Group is likewise exposed to fair value interest rate risk due to its holdings of fixed rate government bonds as part of its financial assets at FVOCI and FVTPL portfolios. Market values of these investments are sensitive to fluctuations in interest rates. The following table provides for the average effective interest rates of the Group and of the Parent Company as of December 31, 2020 and 2019:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Peso				
Assets				
Due from BSP	0.67%	0.29%	0.53%	0.07%
Due from banks	0.23%	0.22%	0.08%	0.11%
Interbank Loans Receivable and SPURA	3.65%	6.12%	3.65%	6.12%
Investment securities*	5.24%	5.47%	5.27%	5.47%
Loans and receivables	6.34%	7.09%	6.19%	6.89%
Liabilities				
Deposit liabilities	1.29%	2.63%	1.22%	2.54%
Bills payable	5.80%	4.86%	5.80%	4.86%
Bonds payable	5.84%	3.02%	5.84%	3.02%
USD				
Assets				
Due from banks	0.11%	0.99%	0.11%	1.02%
Interbank Loans Receivable and SPURA	0.74%	6.12%	0.74%	6.12%
Investment securities*	3.63%	3.58%	3.65%	3.56%
Loans and receivables	3.74%	4.13%	3.73%	4.07%
Liabilities				
Deposit liabilities	0.80%	1.66%	0.81%	1.66%
Bills payable	2.62%	4.99%	2.62%	4.00%
Bonds payable	2.45%	1.71%	2.45%	1.71%

* Consisting of financial assets at FVTPL, Financial assets at FVOCI and Investment securities at amortized cost.

The repricing gap analysis method is used by the Group to measure the sensitivity of its assets and liabilities to interest rate fluctuations. This analysis measures the Group's susceptibility to changes in interest rates. The repricing gap is calculated by first distributing the assets and liabilities contained in the Group's balance sheet into tenor buckets according to the time remaining to the next repricing date (or the time remaining to maturity if there is no repricing), and then obtaining the difference between the total of the repricing (interest rate sensitive) assets and the total of repricing (interest rate sensitive) liabilities.

A gap is considered negative when the amount of interest rate sensitive liabilities exceeds the amount of interest rate sensitive assets. A gap is considered positive when the amount of interest rate sensitive assets exceeds the amount of interest rate sensitive liabilities.

Accordingly, during a period of rising interest rates, a bank with a positive gap would be in a position to invest in higher yielding assets earlier than it would need to refinance its interest rate sensitive liabilities. During a period of falling interest rates, a bank with a positive gap would tend to see its interest rate sensitive assets repricing earlier than its interest rate sensitive liabilities, restraining the growth of its net income or resulting in a decline in net interest income.



The following tables set forth the repricing gap position of the Group and Parent Company as of December 31, 2020 and 2019 (in millions):

	Consolidated							
	2020				2019			
	Up to 3 Months	>3 to 12 Months	>12 Months	Total	Up to 3 Months	>3 to 12 Months	>12 Months	Total
Financial Assets								
Due from BSP	₱149,620	₱—	₱2,536	₱152,156	₱96,254	₱—	₱3,920	₱100,174
Due from other banks	18,229	—	—	18,229	9,901	—	—	9,901
Interbank Loans Receivable and SPURA	18,291	—	—	18,291	17,036	—	—	17,036
Investment securities	21,759	4,555	209,578	235,892	3,815	6,637	202,384	212,836
Loans and receivables	237,391	126,106	193,717	557,214	257,385	111,758	199,776	568,919
Total financial assets	445,290	130,661	405,831	981,782	384,391	118,395	406,080	908,866
Financial Liabilities								
Deposit liabilities	292,534	34,663	508,034	835,231	313,164	37,636	424,628	775,428
Bills payable	12,466	4,490	6,700	23,656	18,409	14,972	—	33,381
Bonds payable	29,470	7,596	15,000	52,066	—	7,394	30,000	37,394
Total financial liabilities	334,470	46,749	529,734	910,953	331,573	60,002	454,628	846,203
Repricing gap	₱110,820	₱83,912	(₱123,903)	₱70,829	₱52,818	₱58,393	(₱48,548)	₱62,663

	Parent Company							
	2020				2019			
	Up to 3 Months	>3 to 12 Months	>12 Months	Total	Up to 3 Months	>3 to 12 Months	>12 Months	Total
Financial Assets								
Due from BSP	₱141,811	₱—	₱—	₱141,811	₱88,110	—	—	₱88,110
Due from other banks	17,198	—	—	17,198	8,646	—	—	8,646
Interbank Loans Receivable and SPURA	15,604	—	—	15,604	10,028	—	—	10,028
Investment securities	19,658	4,407	202,717	226,782	3,815	4,671	198,360	206,846
Loans and receivables	228,754	96,248	166,992	491,994	248,190	81,756	172,984	502,930
Total financial assets	423,025	100,655	369,709	893,389	358,789	86,427	371,344	816,560
Financial Liabilities								
Deposit liabilities	267,674	22,937	460,362	750,973	288,786	16,873	382,105	687,764
Bills payable	12,466	4,490	6,700	23,656	18,409	14,972	—	33,381
Bonds payable	29,470	7,595	15,000	52,065	—	7,394	30,000	37,394
Total financial liabilities	309,610	35,022	482,062	826,694	307,195	39,239	412,105	758,539
Repricing gap	₱113,415	₱65,633	(₱112,353)	₱66,695	₱51,594	₱47,188	(₱40,761)	₱58,021

The Group monitors its exposure to fluctuations in interest rates by using scenario analysis to estimate the impact of interest rate movements on its interest income. This is done by modeling the impact to the Group's interest income and interest expenses to parallel changes in the interest rate curve in a given 12-month period. Interest rate risk exposure is managed through approved limits.

The following tables set forth the estimated change in the Group's and Parent Company's annualized net interest income due to a parallel change in the interest rate curve as of December 31, 2020 and 2019:

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



Consolidated				
2019				
Change in interest rates (in basis points)				
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱966	₱483	(₱483)	(₱966)
As a percentage of the Group's net interest income for the year ended December 31, 2019	3.58%	1.79%	(1.79%)	(3.58%)
Parent Company				
2020				
Change in interest rates (in basis points)				
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱1,626	₱813	(₱813)	(₱1,626)
As a percentage of the Parent Company's net interest income for the year ended December 31, 2020	4.81%	2.40%	(2.40%)	(4.81%)
Parent Company				
2019				
Change in interest rates (in basis points)				
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱870	₱435	(₱435)	(₱870)
As a percentage of the Parent Company's net interest income for the year ended December 31, 2019	3.67%	1.84%	(1.84%)	(3.67%)

The following tables set forth the estimated change in the Group's and Parent Company's income before tax and equity due to a reasonably possible change in the market prices of quoted bonds classified under financial assets at FVTPL and financial assets at FVOCI, brought about by movement in the interest rate curve as of December 31, 2020 and 2019 (in millions):

Consolidated				
2020				
Change in interest rates (in basis points)				
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(₱99)	(₱40)	₱40	₱99
Change in equity	(281)	(112)	112	281
Consolidated				
2019				
Change in interest rates (in basis points)				
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(₱183)	(₱73)	₱73	₱183
Change in equity	(369)	(148)	148	369



Parent Company				
2020				
Change in interest rates (in basis points)				
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(P99)	(P40)	P40	P99
Change in equity	(253)	(101)	101	253

Parent Company				
2019				
Change in interest rates (in basis points)				
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(P183)	(P73)	P73	P183
Change in equity	(356)	(142)	142	356

Foreign Currency Risk

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

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

Foreign currency liabilities are generally used to fund the Group's foreign exchange assets which generally consist of foreign currency-denominated loans and investments in the FCDU. Banks are required by the BSP to match the foreign currency-denominated assets with liabilities held in the FCDU that are denominated in the same foreign currency. In addition, the BSP requires a 30.00% liquidity reserve on all foreign currency-denominated liabilities held in the FCDU.

The Group's policy is to maintain foreign currency exposure within existing regulations, and within acceptable risk limits. The Group believes in ensuring its foreign currency is at all times within limits prescribed for financial institutions who are engaged in the same types of businesses in which the Group and its subsidiaries are engaged.

The table below summarizes the Group's and Parent Company's exposure to foreign exchange risk. Included in the table are the Group's and Parent Company's assets and liabilities at carrying amounts (stated in US Dollars), categorized by currency with its PHP equivalent:

Consolidated								
	2020				2019			
	USD	Other Currencies*	Total in USD	PHP	USD	Other Currencies*	Total in USD	PHP
Assets								
Cash and other cash items	\$4,005	\$3,402	\$7,408	P355,735	\$2,258	\$2,377	\$4,635	P234,704
Due from other banks	77,760	6,758	84,518	4,058,824	118,692	4,983	123,675	6,262,264
Financial assets at FVTPL	15,363	—	15,363	737,772	15,396	34,582	49,978	2,530,668
Financial assets at FVOCI	16,638	2,488	19,126	918,512	13,543	2,284	15,827	801,358
Investment securities at amortized cost	28,868	31,460	60,328	2,897,396	25,838	—	25,838	1,308,285
Loans and receivables	18,954	38,232	57,186	2,746,248	31,901	39,692	71,593	3,625,127
Accrued interest receivable	761	286	1,047	50,279	654	287	941	47,644
Other assets	17,652	24	17,676	848,835	1,156	2	1,158	58,661
	180,001	82,650	262,652	12,613,601	209,438	84,207	293,645	14,868,711
Liabilities								
Deposit liabilities	69,549	20,081	89,630	4,304,282	64,221	32,506	96,727	4,897,774
Bills payables	131,776	—	131,776	6,328,295	388,225	62,731	450,956	22,834,146
Accrued interest and other expenses	215	1	216	10,371	2,227	1	2,228	112,788
Other liabilities	20,292	1,979	22,271	1,069,520	7,790	793	8,583	434,593
	221,832	22,061	243,893	11,712,468	462,463	96,031	558,494	28,279,301
Currency spot	(4,000)	—	(4,000)	(192,092)	(21,103)	103	(21,000)	(1,063,314)
Currency forwards	49,804	(59,397)	(9,593)	(460,666)	284,866	32,397	317,263	16,064,529
Net Exposure	\$3,973	\$1,192	\$5,166	P248,375	\$10,738	\$20,676	\$31,414	P1,590,625

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



	Parent Company							
	2020				2019			
	USD	Other Currencies*	Total in USD	PHP	USD	Other Currencies*	Total in USD	PHP
Assets								
Cash and other cash items	\$163	\$3,402	\$3,566	₱171,234	\$148	\$2,377	\$2,525	₱127,857
Due from other banks	58,309	6,758	65,067	3,124,739	98,334	4,983	103,317	5,231,428
Financial assets at FVTPL	15,363	—	15,363	737,772	15,396	34,582	49,978	2,530,668
Financial assets at FVOCI	—	2,488	2,488	119,487	—	2,284	2,284	115,629
Investment securities at amortized cost	—	31,460	31,460	1,511,082	—	—	—	—
Loans and receivables	15,980	38,232	54,212	2,603,419	24,445	39,692	64,137	3,247,606
Accrued interest receivable	65	286	351	16,848	103	287	390	19,737
Other assets	17,632	24	17,656	847,915	1,137	2	1,139	57,691
	\$107,512	\$82,650	\$190,163	₱9,132,496	\$139,563	\$84,207	\$223,770	₱11,330,616
Liabilities								
Deposit liabilities	189	20,081	20,270	973,406	140	32,506	32,646	1,653,048
Bills payables	131,776	—	131,776	6,328,295	388,225	62,731	450,956	22,834,146
Accrued interest and other expenses	187	1	187	9,004	2,126	1	2,127	107,687
Other liabilities	19,182	1,979	21,160	1,016,183	7,597	793	8,390	424,785
	151,334	22,061	173,393	8,326,888	398,088	96,031	494,119	25,019,666
Currency spot	(4,000)	—	(4,000)	(192,092)	(21,103)	103	(21,000)	(1,063,314)
Currency forwards	49,804	(59,397)	(9,593)	(460,666)	284,866	32,397	317,263	16,064,529
Net Exposure	\$1,982	\$1,192	\$3,177	₱152,850	\$5,238	\$20,676	\$25,914	₱1,312,165

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

The following table sets forth, for the period indicated, the impact of the range of reasonably possible changes in the US\$ exchange rate and other currencies per Philippine peso on the pre-tax income and equity (in millions).

	Consolidated				
	2020		2019		
	Change in Foreign Exchange Rate	Sensitivity of Pretax Income	Sensitivity of Equity	Sensitivity of Pretax Income	Sensitivity of Equity
USD	2%	₱20	₱98	₱126	₱238
Other	1%	—	1	—	1
USD	(2%)	(20)	(98)	(126)	(238)
Other	(1%)	—	(1)	—	(1)

	Parent Company				
	2020		2019		
	Change in Foreign Exchange Rate	Sensitivity of Pretax Income	Sensitivity of Equity	Sensitivity of Pretax Income	Sensitivity of Equity
USD	2%	₱20	₱90	₱126	₱225
Other	1%	—	1	—	1
USD	(2%)	(20)	(90)	(126)	(225)
Other	(1%)	—	(1)	—	(1)

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

Equity Price Risk

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



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

	Consolidated		Parent Company	
	Change in equity index	Effect on Equity	Change in equity index	Effect on Equity
2020	+10%	(P0.9)	+10%	(P3.9)
	-10%	(7.4)	-10%	(5.1)
2019	+10%	P9.7	+10%	P10.0
	-10%	(0.3)	-10%	(2.5)

Liquidity Risk and Funding Management

Liquidity risk is generally defined as the current and prospective risk to earnings or capital arising from the Group's inability to meet its obligations when they become due without incurring unacceptable losses or costs.

The Group's liquidity management involves maintaining funding capacity to accommodate fluctuations in asset and liability levels due to changes in the Group's business operations or unanticipated events created by customer behavior or capital market conditions. The Group seeks to ensure liquidity through a combination of active management of liabilities, a liquid asset portfolio composed of deposits reserves and high quality securities, the securing of money market lines, and the maintenance of repurchase facilities to address any unexpected liquidity situations.

The tables below show the maturity profile of the Group's and the Parent Company's assets and liabilities, based on contractual undiscounted cash flows (in millions):

	Consolidated					
	December 31, 2020					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
Financial Assets						
Cash and other cash items	₱15,984	₱–	₱–	₱–	₱–	₱15,984
Due from BSP	152,156	–	–	–	–	152,156
Due from other banks	18,189	40	–	–	–	18,229
SPURA	2,687	15,604	–	–	–	18,291
Financial assets at FVTPL	150	4,190	617	1,502	6,109	12,568
Financial assets at FVOCI	–	2,745	1,553	1,266	34,280	39,844
Loans and receivables	–	163,452	30,855	43,019	332,626	569,952
	189,166	186,031	33,025	45,787	373,015	827,022
Financial Liabilities						
Deposit liabilities						
Demand	₱212,467	₱–	₱–	₱–	₱–	₱212,467
Savings	256,407	–	–	–	–	256,407
Time	5	354,378	1,729	3,345	6,900	366,357
Bills payable	–	23,656	–	–	–	23,656
Manager's checks	–	1,568	–	–	–	1,568
Accrued interest and other expenses	5	3,899	2	–	–	3,906
Derivative liabilities	–	1,217	–	–	–	1,217
Bonds payable	–	30,000	–	14,882	7,184	52,066
Other liabilities:						
Lease payable	–	734	712	368	1,529	3,343
Accounts payable	–	4,322	–	–	–	4,322
Acceptances payable	–	478	–	–	–	478
Due to PDIC	–	756	–	–	–	756
Margin deposits	–	–	–	–	–	–
Other credits – dormant	–	357	–	–	–	357
Due to the Treasurer of the Philippines	–	390	–	–	–	390
Miscellaneous	–	947	–	–	–	947
Total liabilities	468,884	422,702	2,443	18,595	15,612	928,236
Net Position	(₱279,718)	(₱236,671)	₱30,582	₱27,192	₱357,402	(₱101,214)



Consolidated						
December 31, 2019						
	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	P16,840	P—	P—	P—	P—	P16,840
Due from BSP	100,174	—	—	—	—	100,174
Due from other banks	9,901	—	—	—	—	9,901
SPURA	7,009	10,028	—	—	—	17,037
Financial assets at FVTPL	—	2,027	1,795	3,564	15,642	23,028
Financial assets at FVOCI	—	1,691	4,908	739	35,287	42,625
Loans and receivables	—	167,173	37,239	27,712	343,835	575,959
	133,924	180,919	43,942	32,015	394,764	785,564
Financial Liabilities						
Deposit liabilities						
Demand	P186,955	P—	P—	P—	P—	P186,955
Savings	224,872	—	—	—	—	224,872
Time	—	308,305	253	6	4	308,568
Bills payable	—	33,381	—	—	—	33,381
Manager's checks	—	1,999	—	—	—	1,999
Accrued interest and other expenses	—	4,121	—	—	—	4,121
Derivative liabilities	—	1,036	—	—	—	1,036
Bonds payable	—	—	29,828	—	7,566	37,394
Other liabilities:						
Lease payable	—	568	538	476	2,382	3,964
Accounts payable	—	3,221	—	—	—	3,221
Acceptances payable	—	413	—	—	—	413
Due to PDIC	—	692	—	—	—	692
Margin deposits	—	6	—	—	—	6
Other credits – dormant	—	447	—	—	—	447
Due to the Treasurer of the Philippines	—	416	—	—	—	416
Miscellaneous	—	683	—	—	—	683
Total liabilities	411,827	355,307	30,619	482	9,951	808,188
Net Position	(P277,904)	(P174,387)	P13,322	P31,533	P384,813	(P22,624)

Parent Company						
December 31, 2020						
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
Financial Assets						
Cash and other cash items	P13,724	P—	P—	P—	P—	P13,724
Due from BSP	141,811	—	—	—	—	141,811
Due from other banks	17,198	—	—	—	—	17,198
SPURA	—	15,604	—	—	—	15,604
Financial assets at FVTPL	—	2,575	617	1,502	6,109	10,802
Financial assets at FVOCI	—	2,581	1,317	995	33,242	38,135
Loans and receivables	—	140,997	17,617	33,955	312,161	504,731
	172,733	161,757	19,551	36,452	351,512	742,005
Financial Liabilities						
Deposit liabilities						
Demand	194,231	—	—	—	—	194,231
Savings	238,602	—	—	—	—	238,602
Time	—	316,635	471	909	125	318,140
Bills payable	—	23,656	—	—	—	23,656
Manager's checks	—	1,066	—	—	—	1,066
Accrued interest and other expenses	—	3,589	—	—	—	3,589
Derivative liabilities	—	1,217	—	—	—	1,217
Bonds payable	—	30,000	—	14,882	7,184	52,066
Other liabilities:						
Lease payable	—	538	476	368	1,338	2,721
Accounts payable	—	2,810	—	—	—	2,810
Acceptances payable	—	478	—	—	—	478
Due to PDIC	—	756	—	—	—	756
Margin deposits	—	—	—	—	—	—
Other credits – dormant	—	303	—	—	—	303
Due to the Treasurer of the Philippines	—	371	—	—	—	371
Miscellaneous	—	491	—	—	—	491
Total liabilities	432,833	381,910	947	16,159	8,647	840,497
Net Position	(P260,100)	(P220,153)	P18,604	P20,293	P342,865	(P98,492)



	Parent Company					
	December 31, 2019					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
Financial Assets						
Cash and other cash items	₱14,857	₱—	₱—	₱—	₱—	₱14,857
Due from BSP	88,110	—	—	—	—	88,110
Due from other banks	8,646	—	—	—	—	8,646
SPURA	—	10,028	—	—	—	10,028
Financial assets at FVTPL	—	1,971	1,795	3,564	15,642	22,972
Financial assets at FVOCI	—	993	4,517	523	26,443	32,476
Loans and receivables	—	144,745	25,030	19,176	320,917	509,869
	111,613	157,737	31,342	23,263	363,002	686,958
Financial Liabilities						
Deposit liabilities						
Demand	₱170,280	₱—	₱—	₱—	₱—	₱170,280
Savings	210,191	—	—	—	—	210,191
Time	—	308,305	253	6	4	308,568
Bills payable	—	33,381	—	—	—	33,381
Manager's checks	—	1,536	—	—	—	1,536
Accrued interest and other expenses	—	3,650	—	—	—	3,650
Derivative liabilities	—	1,036	—	—	—	1,036
Bonds payable	—	—	29,828	—	7,566	37,394
Other liabilities:						
Lease payable	—	568	538	476	1,706	3,288
Accounts payable	—	2,179	—	—	—	2,179
Acceptances payable	—	413	—	—	—	413
Due to PDIC	—	692	—	—	—	692
Margin deposits	—	6	—	—	—	6
Other credits – dormant	—	447	—	—	—	447
Due to the Treasurer of the Philippines	—	416	—	—	—	416
Miscellaneous	—	323	—	—	—	323
Total liabilities	380,471	352,952	30,619	482	9,276	773,800
Net Position	(₱268,858)	(₱195,215)	₱723	₱22,781	₱353,726	(₱86,842)

Liquidity risk is monitored and controlled primarily by a gap analysis of maturities of relevant assets and liabilities reflected in the MCO report, as well as an analysis of available liquid assets. Instead of relying solely on contractual maturities profile, the Parent Company uses Behavioral MCO to capture a going concern view. Furthermore, internal liquidity ratios and monitoring of large fund providers have been set to determine sufficiency of liquid assets over deposit liabilities. Liquidity is managed by the Parent Company and its subsidiaries on a daily basis, while scenario stress tests and sensitivity analysis are conducted periodically.

7. Due From BSP and Other Banks

Due from BSP

This account consists of:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Demand deposit account (Note 17)	₱77,986,434	₱92,674,383	₱75,311,175	₱80,609,635
Special deposit account	74,170,000	7,500,000	66,500,000	7,500,000
Others	15	15	15	15
	₱152,156,449	₱100,174,398	₱141,811,190	₱88,109,650



Due from Other Banks

This comprises of deposit accounts with:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Local banks	₱14,032,433	₱3,067,833	₱14,032,433	₱2,224,644
Foreign banks	4,196,288	6,832,809	3,165,317	6,420,903
	₱18,228,721	₱9,900,642	₱17,197,750	₱8,645,547

Interest Income on Due from BSP and Other Banks

This account consists of:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Due from BSP	₱180,394	₱232,148	₱124,557	₱49,762	₱83,124	₱67,039
Due from other banks	783,050	229,197	135,818	605,858	162,709	101,994
	₱963,444	₱461,345	₱260,375	₱655,620	₱245,833	₱169,033

8. Interbank Loans Receivable and Securities Purchased Under Resale Agreements

	Consolidated		Parent Company	
	2020	2019	2020	2019
Interbank loans receivable	₱6,268,203	₱4,580,316	₱6,268,203	₱4,580,316
SPURA	12,022,648	12,456,144	9,335,964	5,447,293
	₱18,290,851	₱17,036,460	₱15,604,167	₱10,027,609

Interbank Loans Receivable

As of December 31, 2020 and 2019, interbank loans receivable includes short-term foreign currency-denominated loans granted to other banks with annual interest rates ranging from 0.07% to 0.30% and 1.90% to 2.10%, respectively.

As of December 31, 2020, interbank loans receivable also includes short-term peso-denominated loans granted to other banks with annual interest rates ranging from 1.00% to 1.13%.

Securities Purchased Under Resale Agreement

This account represents overnight placements with the BSP where the underlying securities cannot be sold or repledged to parties other than the BSP.

In 2020, 2019 and 2018, the interest rate of SPURA is 2.00%, 4.00%, and 4.75%, respectively, for the Group and Parent Company.



9. Trading and Investment Securities

Financial Assets at FVTPL

This account consists of:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Held for trading				
Government bonds (Note 28)	₱3,531,521	₱8,451,126	₱3,531,521	₱8,451,126
Treasury notes	2,126,819	2,386,226	2,126,819	2,386,226
Treasury bills	1,892,770	1,378,137	1,892,770	1,378,137
Private bonds	3,358,210	4,372,734	1,812,303	4,372,734
Quoted equity shares	1,210,665	1,243,938	1,141,487	1,187,928
	12,119,985	17,832,161	10,504,900	17,776,151
Financial Assets designated at FVTPL	150,000	–	–	–
Derivative assets (Note 26)	1,136,878	667,950	1,136,878	667,950
Total	₱13,406,863	₱18,500,111	₱11,641,778	₱18,444,101

As of December 31, 2020 and 2019, HFT securities include fair value loss of ₱26.75 million and ₱14.33 million respectively, for the Group. As of December 31, 2020 and 2019, HFT securities include fair value loss of ₱27.48 million and ₱22.14 million respectively, for the Parent Company.

Effective interest rates for peso-denominated financial assets at FVTPL for both the Group and the Parent Company range from 0.32% to 8.04% in 2020, from 1.41% to 7.26% in 2019 and from 0.06% to 7.11% in 2018. Effective interest rates for foreign currency-denominated financial assets at FVTPL for the Group range from 0.32% to 8.04% in 2020, from 0.71% to 5.81% in 2019 and from 0.71% to 6.28% in 2018. Effective interest rates for foreign currency-denominated financial assets at FVTPL for the Parent Company range from 0.53% to 7.17% in 2020, from 0.71% to 5.81% in 2019 and from 0.71% to 6.28% in 2018.

Financial Assets at FVOCI

This account consists of:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Debt Securities				
Government bonds (Notes 18 and 28)	₱13,004,496	₱22,540,516	₱11,403,601	₱21,052,633
Private bonds	6,596,820	2,953,271	6,329,550	2,512,588
	19,601,316	25,493,787	17,733,151	23,565,221
Equity Securities				
Quoted Equity Shares	624,722	621,208	594,004	587,043
Unquoted Equity Shares	18,365	18,365	18,365	18,365
	643,087	639,573	612,369	605,408
Total	₱20,244,403	₱26,133,360	₱18,345,520	₱24,170,629

Unquoted equity securities

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

Net unrealized gains (losses)

Financial assets at FVOCI include fair value gains of ₱263.74 million for the Group and the Parent Company as of December 31, 2020 and fair value losses of ₱399.06 million for the Group and the Parent Company as of December 31, 2019. The fair value gains are recognized under OCI.

Allowance for credit losses on debt financial assets at FVOCI of the Group and the Parent Company amounted to ₱30.38 million and ₱30.06 million as of December 31, 2020, respectively. Allowance



for credit losses on debt financial assets at FVOCI of the Group and the Parent Company amounted to ₱18.52 million and ₱18.47 million as of December 31, 2019, respectively.

Effective interest rates for peso-denominated financial assets at FVOCI for both the Group and Parent Company range from 1.74% to 5.06% in 2020, from 3.94% to 6.87% in 2019 and from 4.25% to 5.58% in 2018.

Effective interest rates for foreign currency-denominated financial assets at FVOCI for both the Group and Parent Company range from 0.83% to 7.00% in 2020, from 0.83% to 5.65% in 2019 and from 2.33% to 8.48% in 2018.

Investment Securities at Amortized Cost

This account consists of:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Government bonds (Note 18)	₱95,852,375	₱108,061,363	₱91,543,048	₱105,602,176
Private bonds	103,200,111	52,381,323	102,358,761	51,112,073
	199,052,486	160,442,686	193,901,809	156,714,249
Unamortized premium – net	5,577,990	8,848,025	5,276,817	8,600,024
Allowance for credit losses	(2,389,845)	(1,087,983)	(2,383,800)	(1,082,690)
	₱202,240,631	₱168,202,728	₱196,794,826	₱164,231,583

Effective interest rates for peso-denominated investment securities at amortized cost for the Group range from 1.06% to 8.92% in 2020, 2019, and 2018. Effective interest rates for foreign currency-denominated investment securities at amortized cost range from 0.57% to 10.35% in 2020, 1.82% to 6.97% in 2019 and 0.58% to 7.37% in 2018.

Sale of Investment Securities at Amortized Cost

The Parent Company sold the following investment securities at amortized cost in 2020 (amounts in millions):

Reason for selling	Parent Company	
	Carrying amount	Gain on sale
Additional liquidity to take advantage of a change in a regulatory loan limit	₱25,761	₱1,782
Redemption by issuer to effect its debt refinancing	2,641	145
A change in the funding profile of the Parent Company*	698	243
To address requirements on regulatory and internal limit of the Parent Company	536	5
A highly probable change in regulations with a potentially adverse impact to the financial assets' contractual cash flows*	507	12
Total	₱30,143	₱2,187

* The sales are based on the assessments made in 2019.



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

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

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

Interest Income on Investment Securities

This account consists of:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Financial assets at FVOCI	₱3,595,277	₱665,379	₱596,864	₱3,531,285	₱600,160	₱525,774
Investment securities at amortized cost	6,427,897	9,162,697	5,279,064	6,203,399	8,762,267	5,033,783
	₱10,023,174	₱9,828,076	₱5,875,928	₱9,734,684	₱9,362,427	₱5,559,557

10. Loans and Receivables

This account consists of:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Loans and discounts				
Corporate and commercial lending	₱449,665,226	₱459,683,487	₱429,181,294	₱434,474,621
Consumer lending	114,003,342	106,901,801	67,192,608	64,748,163
Trade-related lending	8,534,049	11,196,919	8,328,448	10,902,568
Others*	142,337	46,830	28,421	34,341
	572,344,954	577,829,037	504,730,771	510,159,693
Unearned discounts	(390,552)	(349,897)	(208,638)	(290,711)
	571,954,402	577,479,140	504,522,133	509,868,982
Allowance for impairment and credit losses (Note 16)	(14,739,918)	(8,559,976)	(12,527,657)	(6,938,785)
	₱557,214,484	₱568,919,164	₱491,994,476	₱502,930,197

*Others include employee loans and foreign bills purchased.

As of December 31, 2020 and 2019, loans of the Parent Company amounting to ₱5.75 billion and ₱3.28 billion, respectively, are rediscounted with the BSP (Note 19).



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

	Consolidated				Parent Company			
	2020		2019		2020		2019	
	Amounts	%	Amounts	%	Amounts	%	Amounts	%
Loans secured by								
Real estate	₱77,049,605	13.46	₱100,722,095	17.43	₱51,972,071	10.30	₱75,049,610	14.71
Chattel mortgage	23,902,079	4.18	26,294,676	4.55	8,334,760	1.65	10,602,721	2.08
Guarantee by the Republic of the Philippines	2,274,070	0.40	4,574,220	0.79	2,274,070	0.45	4,574,220	0.90
Deposit hold out	3,018,427	0.53	3,166,911	0.55	2,539,755	0.50	2,286,341	0.45
Shares of stock of other banks	2,354,950	0.41	2,345,300	0.41	2,354,950	0.47	2,345,300	0.46
Others	90,569,698	15.82	119,011,685	20.60	90,289,852	17.89	118,675,412	23.26
	199,168,829	34.80	256,114,887	44.33	157,765,458	31.26	213,533,604	41.86
Unsecured loans	373,176,125	65.20	321,714,150	55.67	346,965,313	68.74	296,626,089	58.14
	₱572,344,954	100.00	₱577,829,037	100.00	₱504,730,771	100.00	₱510,159,693	100.00

As of December 31, 2020 and 2019, the Parent Company does not have credit concentration in any particular industry.

Modification of Loans and Receivables

On March 25, 2020, Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act (“Bayanihan 1 Act”) was enacted. Bayanihan 1 Act provides that all covered institutions shall implement a 30-day grace period for all loans with principal and/or interest and lease amortization falling due within the enhanced community quarantine (ECQ) period without incurring interest on interest, penalties, fees and other charges. Subsequently, on September 11, 2020, Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act (“Bayanihan 2 Act”), was enacted. Under Bayanihan 2 Act, a one-time 60-day grace period is granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interests, penalties, fees, or other charges and thereby extending the maturity of the said loans. Furthermore, a minimum 30-day grace period shall also be granted by covered institutions to all payments due within the period of community quarantine on rent and utility-related expenditures without incurring penalties, interest and other

In 2020, the Group and the Parent Company, in addition to the reliefs provided under Bayanihan 1 Act and Bayanihan 2 Act, have offered financial reliefs to their borrowers or counterparties as a response to the effect of the COVID-19 pandemic, particularly the modification of existing loans and receivables which includes extension of payment terms.

Based on the Group’s and the Parent Company’s assessments, the modifications in the contractual cash flows as a result of the above reliefs are not substantial and, therefore, do not result in the derecognition of the affected financial assets but would require the recognition of modification losses. The total modification losses resulting from Bayanihan 1 Act and Bayanihan 2 Act amounted to ₱605.15 million for the Group and ₱401.40 million for the Parent Company. For the Group, the net impact of the loan modification after subsequent accretion of the modified loans amounted to ₱141.79 million. For the Parent Company, the net impact of the loan modification after subsequent accretion of the modified loans is not material to the Parent Company’s financial statements.



The Group's loans and receivables that had loss allowances measured at an amount equal to lifetime ECL and whose cash flows were modified in 2020 but have not resulted in derecognition had an amortized cost before modification amounting to ₱6.79 billion and ₱5.28 billion for the Group and the Parent Company, respectively. Modification loss recognized for these loans and receivables amounted to ₱27.51 million and ₱21.61 million for the Group and the Parent Company, respectively.

The Group's loans and receivables having loss allowance measured at an amount equal to lifetime ECL at the time of modification but were not derecognized in 2020 and for which credit risk has significantly improved as at the end of reporting period, resulting in a change in loss allowance to 12-month ECL, had an amortized cost before modification amounting to ₱1.28 billion and ₱1.13 billion for the Group and the Parent Company, respectively. As of December 31, 2020, these loans and receivables had a gross carrying amount of ₱1.25 billion and ₱1.10 billion for the Group and the Parent Company, respectively.

Interest Income on Loans and Receivables

As of December 31, 2020 and 2019, 65.48% and 72.55%, respectively, of the total receivables from customers of the Group were subject to interest repricing. As of December 31, 2020 and 2019, 68.02% and 75.54%, respectively, of the total receivables from customers of the Parent Company were subject to interest repricing. Remaining receivables carry annual fixed interest rates ranging from 1.02% to 16.25% in 2020, from 1.66% to 10.50% in 2019, and from 1.65% to 10.50% in 2018 for foreign currency-denominated receivables and from 0.95% to 30.00% in 2020, 2019 and 2018 for peso-denominated receivables.

11. Equity Investments

This account consists of investments in:

A. Subsidiaries

	2020	2019
Balance at beginning of the year		
CBSI	₱12,479,647	₱12,117,074
CBCC	2,236,902	1,846,455
CBC-PCCI	60,800	42,739
CIBI	351,769	327,299
	15,129,118	14,333,567
Share in net income		
CBSI	506,068	345,165
CBCC	215,971	350,421
CBC-PCCI	7,704	18,061
CIBI	60,739	56,981
	790,482	770,628

(Forward)



	2020	2019
Share in Other Comprehensive Income		
<i>Items that recycle to profit or loss in subsequent periods:</i>		
Net unrealized gain (loss) on FVOCI		
CBSI	₱15,054	₱143,236
CBCC	4,048	34,527
CBC-PCCI	11,017	—
CIBI	1,584	12,732
	31,703	190,495
Cumulative translation adjustments		
CBSI	(12,166)	17,015
	(12,166)	17,015
Other Equity-stock grants		
CBSI	18,286	—
CBCC	211	—
CBC-PCCI	2,776	—
CIBI	657	—
	21,930	—
<i>Items that do not recycle to profit or loss in subsequent periods:</i>		
Remeasurement gain on defined benefit assets		
CBSI	59,569	(66,609)
CBCC	(625)	5,499
CBC-PCCI	(4,930)	—
CIBI	(388)	4,757
	53,626	(56,353)
Realized loss on sale of equity securities at FVOCI	—	(76,597)
	—	(76,597)
Additional Investments		
CBSI	—	363
	—	363
Impairment		
CBSI	(59,902)	—
	(59,902)	—
Cash Dividends		
CBCC	(50,000)	—
CIBI	(150,000)	(50,000)
	(200,000)	(50,000)
Balance at end of the year		
CBSI	13,006,556	12,479,647
CBCC	2,406,507	2,236,902
CBC-PCCI	77,367	60,800
CIBI	264,361	351,769
	₱15,754,791	₱15,129,118



B. Associates:

	2020	2019
Balance at beginning of the year	₱704,169	₱335,092
Share in net income	152,441	184,661
Share in OCI:		
<i>Items that do not recycle to profit or loss in subsequent periods</i>		
Remeasurement loss on life insurance reserves	(66,558)	(11,021)
Remeasurement on defined benefit plan	3,415	2,985
<i>Item that recycle to profit or loss in subsequent periods:</i>		
Net unrealized gain on FVOCI	119,180	152,452
Additional investments	—	40,000
Balance at end of the year	₱912,647	₱704,169

CBSI

Cost of investment includes the original amount incurred by the Parent Company from its acquisition of CBSI in 2007 amounting to ₱1.07 billion.

Merger of CBSI with PDB

The BOD of both CBSI and PDB, in their meeting held on June 26, 2014, approved the proposed merger of PDB with CBSI, with the latter as the surviving bank. On November 6, 2015, the BSP issued the Certificate of Authority on the Articles of Merger and the Plan of Merger, as amended, of CBSI and PDB. On December 17, 2015, CBSI obtained SEC's approval of its merger with PDB, whereby the entire assets and liabilities of PDB shall be transferred to and absorbed by CBSI.

Acquisition of PDB

In 2014, the Parent Company made tender offers to non-controlling stockholders of PDB. As of December 31, 2014, the Parent Company owns 99.85% and 100.00% of PDB's outstanding common and preferred stocks, respectively.

As of December 31, 2014, the Parent Company's cost of investment in PDB consists of:

Acquisition of majority of PDB's capital stock	₱1,421,346
Additional capital infusion	1,300,000
Tender offers	255,354
	₱2,976,700

On March 31, 2015, the Parent Company made additional capital infusion to PDB amounting to ₱1.70 billion. Of the total cost of investment, the consideration transferred for the acquisition of PDB follows:

Acquisition of majority of PDB's capital stock	₱1,421,346
Tender offers	255,354
	₱1,676,700



In 2015, the MB of the BSP granted to the Group investment and merger incentives in the form of waiver of special licensing fees for 67 additional branch licenses in restricted areas. This is in addition to the initial investment and merger incentives of 30 new branches in restricted areas and 35 branches to be transferred from unrestricted to restricted areas granted to the Parent Company by the MB in 2014. These branch licenses were granted under the Strengthening Program for Rural Bank (SPRB) Plus Framework.

The branch licenses have the following fair values:

114 Commercial Bank branch licenses	₱2,280,000
18 Thrift Bank branch licenses	270,000
	2,550,000
Deferred tax liability	765,000
	₱1,785,000

On April 6, 2016, the Parent Company's BOD approved the allocation of the 67 additional branch licenses in restricted areas as follows: 49 to the Parent Company and 18 to CBSI. Pursuant to a memorandum dated March 18, 2017, the 67 branch licenses were awarded as incentives by the Monetary Board as a result of the Parent Company's acquisition of PDB. Goodwill from acquisition of PDB is computed as follows:

Consideration transferred	₱1,676,700
Less: Fair value of identifiable assets and liabilities acquired	
Net liabilities of PDB*	(₱725,207)
Branch licenses, net of deferred tax liability (Note 14)	1,785,000
	1,059,793
	₱616,907

*inclusive of the existing branch licenses of PDB with an aggregate fair value of ₱289.50 million (Note 14)

CIBI

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

On October 16, 2019, the BOD declared and approved cash dividends of ₱50 million for stockholders on record as of declaration date, payable on December 19, 2019.

CBCC

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

On April 1, 2015, the BOD approved the investment of the Parent Company in an investment house subsidiary, CBCC, up to the amount of ₱500.00 million, subject to the requirements of relevant regulatory agencies. On April 30, 2015, the BSP approved the request of the Parent Company to invest up to 100% or up to ₱500.00 million common shares in CBCC, subject to certain conditions. On November 27, 2015, the SEC approved the Articles of Incorporation and By-Laws of CBCC. It also granted CBCC the license to operate as an investment house.



CBCC acquisition of CBCSec (formerly ATC Securities, Inc.)

On May 19, 2016, the BOD of CBCC approved the acquisition of ATC Securities, Inc. (ATC).

On June 29, 2016, CBCC and the shareholders of ATC (the Original Shareholders) entered into an Agreement for the Purchase of Shares (Agreement), whereby CBCC agreed to buy, and the Original Shareholders agreed to sell, 3,800,000 shares representing 100% of the issued and outstanding shares of ATC.

On July 6, 2017, the SEC approved the change of name from ATC Securities, Inc. to China Bank Securities Corporation.

CBC Assets One (SPC) Inc.

CBC Assets One (SPC) Inc. was incorporated on June 15, 2016 as a wholly-owned special purpose company of CBCC for asset-backed securitization. It has not yet commenced commercial operations.

Investment in Associates

Investment in associates in the consolidated and the parent company financial statements pertain to investment in MCB Life and CBC-PCCI's investment in Urban Shelters (accounted for by CBC-PCCI in its financial statements as an investment in an associate). Investment in Urban Shelters is carried at nil amount as of December 31, 2020 and 2019.

MCB Life

On August 2, 2006, the BOD approved the joint project proposal of the Parent Company with Manufacturers Life Insurance Company (Manulife). Under the proposal, the Parent Company will invest in a life insurance company owned by Manulife, and such company will be offering innovative insurance and financial products for health, wealth and education through the Parent Company's branches nationwide. The life insurance company was incorporated as The Pramerica Life Insurance Company Inc. in 1998. The name was changed to Manulife China Bank Life Assurance Corporation on March 23, 2007. The Parent Company acquired 5.00% interest in MCB Life on August 8, 2007. This investment is accounted for as an investment in an associate by virtue of the Bancassurance Alliance Agreement which provides the Parent Company the right to be represented in MCB Life's BOD and, thus, exercise significant influence over the latter.

The BSP requires the Parent Company to maintain a minimum of 5.00% ownership over MCB Life in order for MCB Life to be allowed to continue distributing its insurance products through the Parent Company's branches.

On September 12, 2014, the BSP approved the request of the Parent Company to raise its capital investment in MCB Life from 5.00% to 40.00% of its authorized capital through purchase of 1.75 million common shares.

On December 5, 2018, the Parent Company's BOD approved the additional capital infusion in the amount of ₱40.00 million in MCB Life. This represents 40% of the ₱100.00 million total capital infusion in MCB Life with the balance of ₱60.00 million to be provided by Manulife Philippines. On top of complying with the higher capital requirements for insurance companies, the additional capital will improve MCB Life's capacity to underwrite more business and enhance its competitive position. On February 22, 2019, the BSP approved the Bank's capital infusion of ₱40.0 million to MCB Life to comply with the capitalization requirement of the Insurance Commission for insurance companies, which was paid on March 21, 2019.



The following tables show the summarized financial information of MCB Life:

	2020	2019
Total assets	₱43,089,159	₱39,276,563
Total liabilities	40,856,962	37,565,561
Equity	2,232,197	1,711,002

	2020	2019
Revenues	₱9,402,315	₱8,628,345
Benefits, claims and operating expenses	8,932,982	8,104,905
Income before income tax	469,333	523,440
Net income	381,102	461,652

Commission income earned by the Group from its bancassurance agreement amounting to ₱282.00 million, ₱303.45 million, ₱357.79 million in 2020, 2019 and 2018, respectively, is included under 'Miscellaneous income' in the statements of income (Note 22).

12. Bank Premises, Furniture, Fixtures and Equipment and Right-of-use Assets

The composition of and movements in this account follow:

Consolidated								
2020								
	Land (Note 23)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction- in-Progress	Right-of-use Assets Land	Right-of-use Assets Building	Total
Cost								
Balance at beginning of year	₱3,236,995	₱6,982,242	₱1,961,818	₱2,326,571	₱59,439	₱181,451	₱3,506,393	₱18,254,909
Additions	51,635	273,890	105,272	65,800	44,680	—	167,762	709,039
Disposals/transfers (Note 14)*	—	(53,548)	7,015	(33,731)	(22,658)	(8,079)	(34,655)	(145,656)
Balance at end of year	3,288,630	7,202,584	2,074,105	2,358,640	81,461	173,372	3,639,500	18,818,292
Accumulated Depreciation and Amortization								
Balance at beginning of year	—	5,802,599	1,157,640	1,467,601	—	13,556	658,280	9,099,676
Depreciation and amortization	—	564,984	69,561	238,980	—	56,787	642,024	1,572,336
Disposals/transfers (Note 14)*	—	(165,930)	(4,153)	(75,569)	—	—	(30,785)	(276,437)
Balance at end of year	—	6,201,653	1,223,048	1,631,012	—	70,343	1,269,519	10,395,575
Net Book Value at End of Year	₱3,288,630	₱1,000,931	₱851,057	₱727,628	₱81,461	₱103,029	₱2,369,981	₱8,422,717

*Includes transfers from investment properties amounting to ₱14.46 million.

Consolidated								
2019								
	Land (Note 23)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction- in-Progress	Right-of-use Assets Land	Right-of-use Assets Building	Total
Cost								
Balance at beginning of year	₱3,218,263	₱7,909,078	₱1,789,412	₱2,189,884	₱24,727	₱181,451	₱3,260,478	₱18,573,293
Additions	—	388,704	95,138	108,863	82,649	—	247,310	922,664
Disposals/transfers (Note 14)*	18,732	(1,315,540)	77,268	27,824	(47,937)	—	(1,397)	(1,241,050)
Balance at end of year	3,236,995	6,982,242	1,961,818	2,326,571	59,439	181,451	3,506,391	18,254,907
Accumulated Depreciation and Amortization								
Balance at beginning of year	—	6,360,109	1,063,973	1,256,824	—	—	—	8,680,906
Depreciation and amortization	—	581,985	108,578	233,081	—	13,556	657,228	1,594,428
Disposals/transfers (Note 14)*	—	(1,139,495)	(14,911)	(22,304)	—	—	1,049	(1,175,661)
Balance at end of year	—	5,802,599	1,157,640	1,467,601	—	13,556	658,277	9,099,673
Net Book Value at End of Year	₱3,236,995	₱1,179,643	₱804,178	₱858,970	₱59,439	₱167,895	₱2,848,114	₱9,155,234

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



Parent Company								
	Land (Note 23)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction- in-Progress	Right-of-use Assets Land	Right-of-use Assets Bldg.	2020 Total
Cost								
Balance at beginning of year	₱2,889,705	₱5,665,067	₱1,235,690	₱1,642,879	₱19,370	₱181,451	₱2,730,534	₱14,364,696
Additions	956	223,555	104,259	61,672	17,786	—	56,340	464,568
Disposals/transfers (Note 14)*	—	1,679	10,957	(33,806)	(22,658)	—	—	(43,828)
Balance at end of year	2,890,661	5,890,301	1,350,906	1,670,745	14,498	181,451	2,786,874	14,785,436
Accumulated Depreciation and Amortization								
Balance at beginning of year	—	4,749,235	645,600	995,684	—	13,556	491,975	6,896,050
Depreciation and amortization	—	453,352	56,352	175,989	—	56,787	458,816	1,201,296
Disposals/transfers (Note 14)*	—	(113,320)	87	(75,636)	—	—	—	(188,869)
Balance at end of year	—	5,089,267	702,039	1,096,037	—	70,343	950,791	7,908,477
Net Book Value at End of Year	₱2,890,661	₱801,034	₱648,867	₱574,708	₱14,498	₱111,108	₱1,836,083	₱6,876,959

*Includes transfers from investment properties amounting to ₱14.46 million.

Parent Company								
	Land (Note 23)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction- in-Progress	Right-of-use Assets Land	Right-of-use Assets Bldg.	2019 Total
Cost								
Balance at beginning of year	₱2,786,310	₱6,628,787	₱1,104,030	₱1,536,024	₱24,727	₱181,451	₱2,544,985	₱14,806,314
Additions	—	292,340	90,988	80,222	42,494	—	185,549	691,593
Disposals/transfers (Note 14)*	103,395	(1,256,060)	40,672	26,633	(47,851)	—	—	(1,133,211)
Balance at end of year	2,889,705	5,665,067	1,235,690	1,642,879	19,370	181,451	2,730,534	14,364,696
Accumulated Depreciation and Amortization								
Balance at beginning of year	—	5,381,253	580,504	852,735	—	—	—	6,814,492
Depreciation and amortization	—	455,240	61,486	165,524	—	13,556	491,975	1,187,781
Disposals/transfers (Note 14)*	—	(1,087,258)	3,610	(22,575)	—	—	—	(1,106,223)
Balance at end of year	—	4,749,235	645,600	995,684	—	13,556	491,975	6,896,050
Net Book Value at End of Year	₱2,889,705	₱915,832	₱590,090	₱647,195	₱19,370	₱167,895	₱2,238,559	₱7,468,646

*Includes transfers from investment properties amounting to ₱28.90 million

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

As of December 31, 2020 and 2019, the gross carrying amount of fully depreciated furniture, fixtures and equipment still in use amounted to ₱2.90 billion and ₱2.73 billion, respectively, for the Group and ₱2.09 billion and ₱1.99 billion, respectively, for the Parent Company.

Gain on sale of furniture, fixtures and equipment amounting to ₱1.25 million, ₱1.44 million and ₱1.81 million in 2020, 2019 and 2018, respectively, for the Group and ₱0.02 million, ₱1.44 million and ₱1.60 million in 2020, 2019 and 2018, respectively, for the Parent Company are included in the statements of income under 'Miscellaneous income' account (Note 22).

In 2018, depreciation and amortization amounting to ₱1.01 billion and ₱742.53 million for the Group and Parent Company, respectively, are included in the statements of income under 'Depreciation and amortization' account.



13. Investment Properties

The composition of and movements in this account follow:

		Consolidated	
	Land	Buildings and Improvements	2020 Total
Cost			
Balance at beginning of year	₱3,649,943	₱2,730,718	₱6,380,661
Additions	129,272	165,054	294,326
Disposals/write-off/transfers*	(649,210)	(134,786)	(783,996)
Balance at end of year	3,130,005	2,760,986	5,890,991
Accumulated Depreciation and Amortization			
Balance at beginning of year	₱—	₱914,465	₱914,465
Depreciation and amortization	—	157,568	157,568
Disposals/write-off/transfers*	—	(82,200)	(82,200)
Balance at end of year	—	989,833	989,833
Allowance for Impairment Losses (Note 16)			
Balance at beginning of year	874,363	254,649	1,129,012
Provisions during the year	—	29,986	29,986
Disposals/write-off/reclassification*	(261,375)	18,596	(242,779)
Balance at end of year	612,988	303,231	916,219
Net Book Value at End of Year	₱2,517,017	₱1,467,922	₱3,984,939

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

		Consolidated	
	Land	Buildings and Improvements	2019 Total
Cost			
Balance at beginning of year	₱4,285,852	₱2,659,748	₱6,945,600
Additions	405,996	445,622	851,618
Disposals/write-off/transfers*	(1,041,905)	(374,652)	(1,416,557)
Balance at end of year	3,649,943	2,730,718	6,380,661
Accumulated Depreciation and Amortization			
Balance at beginning of year	—	880,766	880,766
Depreciation and amortization	—	173,378	173,378
Disposals/write-off/transfers*	—	(139,679)	(139,679)
Balance at end of year	—	914,465	914,465
Allowance for Impairment Losses (Note 16)			
Balance at beginning of year	942,559	332,673	1,275,232
Disposals/write-off/reclassification*	(68,196)	(78,024)	(146,220)
Balance at end of year	874,363	254,649	1,129,012
Net Book Value at End of Year	₱2,775,580	₱1,561,604	₱4,337,184

*Includes transfers to bank premises amounting to ₱28.90 million (Note 12).



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

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

	Parent Company		2019
	Land	Buildings and Improvements	Total
Cost			
Balance at beginning of year	₱1,420,279	₱1,329,938	₱2,750,217
Additions	174,610	315,738	490,348
Disposals/write-off/transfers*	(66,810)	(106,911)	(173,721)
Balance at end of year	1,528,079	1,538,765	3,066,844
Accumulated Depreciation and Amortization			
Balance at beginning of year	—	440,455	440,455
Depreciation and amortization	—	101,933	101,933
Disposals/write-off/transfers*	—	(87,046)	(87,046)
Balance at end of year	—	455,342	455,342
Allowance for Impairment Losses (Note 16)			
Balance at beginning and end of year	919,276	201,689	1,120,965
Disposals/write-off/reclassification*	(6,450)	—	(6,450)
Balance at end of year	912,826	201,689	1,114,515
Net Book Value at End of Year	₱615,253	₱881,734	₱1,496,987

*Includes transfers to bank premises amounting to ₱28.90 million (Note 12).

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

In 2018, depreciation and amortization amounting to ₱170.98 million and ₱89.93 million for the Group and Parent Company, respectively, are included in the statements of income under 'Depreciation and amortization' account.



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

	Consolidated		
	2020	2019	2018
Rent income on investment properties	₱28,127	₱38,288	₱35,323
Direct operating expenses on investment properties generating rent income	1,537	12,952	1,451
Direct operating expenses on investment properties not generating rent income	69,651	55,424	66,011
	Parent Company		
	2020	2019	2018
Rent income on investment properties	₱8,843	₱8,460	₱10,994
Direct operating expenses on investment properties generating rent income	815	12,150	649
Direct operating expenses on investment properties not generating rent income	22,753	20,503	29,584

Rent income earned from leasing out investment properties is included under ‘Miscellaneous income’ in the statements of income (Note 22).

On August 26, 2011, the Parent Company was registered as an Economic Zone Information Technology (IT) Facilities Enterprise with the Philippine Economic Zone Authority (PEZA) to operate and maintain a proposed 17-storey building located inside the CBP-IT Park in Barangays Mabolo, Luz, Hipodromo, Carreta, and Kamputhaw, Cebu City, for lease to PEZA-registered IT enterprises, and to be known as Chinabank Corporate Center. This registration is under PEZA Registration Certificate No. 11-03-F.

Under this registration, the Parent Company is entitled to five percent (5.00%) final tax on gross income earned from locator IT enterprises and related operations in accordance with existing PEZA rules. The Parent Company shall also be exempted from the payment of all national and local taxes in relation to this registered activity.

14. Goodwill and Intangible Assets

Goodwill

Goodwill represents the excess of the acquisition costs over the fair value of the identifiable assets and liabilities of companies acquired by the Group.

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



As of December 31, 2020 and 2019, amount of goodwill per CGU follows:

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

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

	2020		2019	
	RBB	CBSI	RBB	CBSI
Discount rate	6.12%	7.25%	6.29%	10.19%
Long-term growth rate	1.00%	1.00%	1.00%	1.00%

With regard to the assessment of value-in-use of the CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to materially exceed its recoverable amount as of December 31, 2020 and 2019.

Branch Licenses

Branch licenses of the Group arose from the acquisitions of CBSI, Unity Bank, and PDB. As of December 31, 2020 and 2019, details of branch licenses in the Group's and the Parent Company's financial statements follow:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Branch license from CBSI acquisition	₱477,600	₱477,600	₱455,000	₱455,000
Branch license from Unity Bank acquisition	360,000	360,000	—	—
Branch license from PDB acquisition*	2,839,500	2,839,500	—	—
	3,677,100	3,677,100	455,000	455,000
Allowance for probable losses	(289,502)	(229,600)	(57,000)	(57,000)
	₱3,387,598	₱3,447,500	₱398,000	₱398,000

*mostly attributable to the Parent Company

The calculation of the value-in-use of the CGU is most sensitive to the following assumptions:

- Discount rates
- Long-term growth rate used to extrapolate cash flows beyond the budget period



Capitalized software costs

The movements in the account follow:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Cost				
Balance at beginning of year	₱1,878,745	₱1,000,739	₱1,785,403	₱895,105
Additions	68,133	95,620	52,371	79,070
Disposals/Write-off/Reclassifications (Note 12)	(27,691)	782,386	(1,153)	811,228
Balance at end of year	1,919,187	1,878,745	1,836,621	1,785,403
Accumulated Depreciation and Amortization				
Balance at beginning of year	1,268,667	407,277	1,237,487	377,574
Depreciation and amortization	164,995	174,854	163,221	173,378
Disposals/Write-off/Reclassifications (Note 12)	(46)	686,536	(23)	686,535
Balance at end of year	1,433,616	1,268,667	1,400,685	1,237,487
Net Book Value at End of Year	₱485,571	₱610,078	₱435,936	₱547,916

Exchange Trading Right

As of December 31, 2020 and 2019, the Group has an exchange trading right with the following carrying value:

Cost	₱12,000
Less: allowance for impairment losses	3,500
	₱8,500

The trading right has an indefinite useful life and, thus, is not amortized but is subject for impairment at every reporting date. The last transacted price of the trading right is ₱8.50 million as approved by the BOD of PSE. The exchange trading right, as of December 31, 2020 and 2019, remains to be unimpaired.

Under the PSE rules, all exchange membership seats are pledged at its full value to the PSE to secure the payment of all debts to other members of the exchange arising out of or in connection with the present or future members' contracts.

Republic Act (RA) No. 8799, entitled SRC, prescribed the conversion of the PSE into a stock corporation effective on August 8, 2001, pursuant to a conversion plan approved by the SEC. In August 2001, the SEC approved the conversion plan with the following salient features, among others:

- the existing 184 member-brokers as of August 8, 2001 are eligible to subscribe to the shares and to retain access to the trading facilities of the PSE;
- each member shall subscribe to 50,000 shares at a par value of ₱1.00;
- the balance of the members' contribution amounting to ₱277.40 million shall be treated as additional paid-in capital;
- the separation of ownership of the PSE from access to trading;
- issuance of certificate of trading right;
- policy of imposing a moratorium on the issuance of new trading right; and
- transferability of trading right.



15. Other Assets

This account consists of:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Financial assets				
Accounts receivable	₱2,279,947	₱2,394,849	₱1,223,657	₱1,464,942
SCR	1,203,482	1,162,106	209,692	235,049
RCOCI	124,705	424,364	90,566	342,018
Others	855,122	966,441	304,975	330,363
	4,463,256	4,947,760	1,828,890	2,372,372
Nonfinancial assets				
Net plan assets (Note 25)	127,937	543,471	32,609	499,711
Prepaid expenses	336,626	338,754	309,436	303,794
Creditable withholding taxes	598,278	544,634	489,157	476,107
Security deposit	256,804	268,602	177,479	189,277
Documentary stamps	209,699	198,093	137,302	157,020
Sundry debits	609,383	278,761	627,227	278,761
Miscellaneous	422,119	332,751	—	—
	2,560,846	2,505,066	1,773,210	1,904,670
	7,024,102	7,452,826	3,602,100	4,277,042
Allowance for impairment losses (Note 16)	(523,092)	(565,319)	(234,109)	(294,913)
	₱6,501,010	₱6,887,507	₱3,367,991	₱3,982,129

Accounts receivable

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

Sales Contract Receivable

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

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

Miscellaneous

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



16. Allowance for Impairment and Credit Losses

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

	Consolidated		Parent Company	
	2020	2019	2020	2019
Balances at beginning of year				
Loans and receivables	₱8,559,976	₱6,829,280	₱6,938,785	₱5,425,713
Investment securities at amortized cost	1,087,983	375,102	1,082,690	214,938
Financial Assets at FVOCI	18,521	(4,023)	18,471	—
Investment properties	1,129,012	1,275,232	1,114,515	1,120,965
Accrued interest receivable	275,888	303,555	39,261	45,247
Intangible assets	233,100	73,100	57,000	57,000
Other assets	565,319	772,004	294,913	477,454
	11,869,799	9,624,250	9,545,635	7,341,317
Provisions charged to operations	8,868,919	2,570,168	7,983,206	2,205,062
Accounts charged off and others	(1,508,473)	(324,619)	(1,321,921)	(744)
	7,360,446	2,245,549	6,661,285	2,204,318
Balances at end of year				
Loans and receivables (Note 10)	14,739,918	8,559,976	12,527,657	6,938,785
Investment securities at amortized cost	2,389,845	1,087,983	2,383,800	1,082,690
Financial Assets at FVOCI (Note 9)	30,384	18,521	30,056	18,471
Investment properties (Note 13)	916,219	1,129,012	877,787	1,114,515
Accrued interest receivable	337,785	275,888	36,609	39,261
Intangible assets	293,002	233,100	57,000	57,000
Investment in subsidiaries	—	—	59,902	—
Other assets (Note 15)	523,092	565,319	234,109	294,913
	₱19,230,245	₱11,869,799	₱16,206,920	₱9,545,635

At the current level of allowance for impairment and credit losses, management believes that the Group has sufficient allowance to cover any losses that may be incurred from the non-collection or

Non-realization of its loans and receivables and other risk assets.

The separate valuation allowance of acquired loans and receivables from PDB amounting to ₱1.59 billion was not recognized by the Group on the effectivity date of acquisition as these receivables were measured at fair value at acquisition date. Any uncertainties about future cash flows of these receivables were included in their fair value measurement (Note 11). Also, the separate valuation allowance of acquired investment properties from PDB amounting to ₱199.15 million was not recognized by the Group on the effectivity date of acquisition as these properties were measured at fair value on acquisition date.

The tables below illustrate the movements of the allowance for impairment and credit losses during 2020 (effect of movements in ECL due to transfers between stages are shown in the total column):

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	Total
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	
Loss allowance at January 1, 2020	₱3,406,716	₱493,312	₱3,017,416	₱6,917,444
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(110,125)	1,795,484	—	1,685,359
Transfer from Stage 1 to Stage 3	(333,940)	—	2,259,231	1,925,291
Transfer from Stage 2 to Stage 1	111,168	(243,190)	—	(132,022)
Transfer from Stage 2 to Stage 3	—	(57,867)	815,965	758,098
Transfer from Stage 3 to Stage 1	32	—	(4,661)	(4,629)

(Forward)



	Consolidated			
	ECL Staging			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Corporate and commercial lending				
Transfer from Stage 3 to Stage 2	₱–	₱179	(₱22,117)	(₱21,938)
New financial assets originated *	1,893,028	1,171,035	451,313	3,515,376
Changes in PDs/LGDs/EADs	614,376	168,604	(263,803)	519,177
Financial assets derecognized during the period	(1,044,910)	(114,476)	(614,627)	(1,774,013)
Fx and other movements	15,527	788	133,157	149,472
Total net P&L charge during the period	1,145,156	2,720,557	2,754,458	6,620,171
Other movements without P&L impact				
Write-offs, foreclosures and other movements	(15,583)	(788)	(1,143,748)	(1,160,119)
Total movements without P&L impact	(15,583)	(788)	(1,143,748)	(1,160,119)
Loss allowance at December 31, 2020	₱4,536,289	₱3,213,081	₱4,628,126	₱12,377,496

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

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

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

	Consolidated			
	ECL Staging			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Trade-related lending				
Loss allowance at January 1, 2020	₱127,073	₱429	₱207,015	₱334,517
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(900)	882	–	(18)
Transfer from Stage 1 to Stage 3	(253)	–	22,748	22,495
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	204	(11,808)	(11,604)
New financial assets originated *	130,287	22,522	26,235	179,044
Changes in PDs/LGDs/EADs	648	96	(106,093)	(105,349)
Financial assets derecognized during the period	(123,188)	(319)	–	(123,507)
Fx and other movements	275	–	3,920	4,195
Total net P&L charge during the period	6,869	23,385	(64,998)	(34,744)
Other movements without P&L impact				
Write-offs, foreclosures and other movements	(275)	–	(20,894)	(21,169)
Total movements without P&L impact	(275)	–	(20,894)	(21,169)
Loss allowance at December 31, 2020	₱133,667	₱23,814	₱121,123	₱278,604

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



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

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

Investments measured at Amortized Cost	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance at January 1, 2020	₱276,088	₱811,828	₱-	₱1,087,916
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	13,447	(21,613)	-	(8,166)
Transfer from Stage 2 to Stage 3	-	(784,940)	2,002,270	1,217,330
Transfer from Stage 3 to Stage 1	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated *	159,142	-	-	159,142
Changes in PDs/LGDs/EADs	(35,080)	-	-	(35,080)
Financial assets derecognized during the period	(24,960)	(5,275)	-	(30,235)
Fx and other movements	34,709	-	-	34,709
Total net P&L charge during the period	147,258	(811,828)	2,002,270	1,337,700
Other movements without P&L impact				
Write-offs, foreclosures and other movements	(35,771)	-	-	(35,771)
Total movements without P&L impact	(35,771)	-	-	(35,771)
Loss allowance at December 31, 2020	₱387,575	₱-	₱2,002,270	₱2,389,845

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

Investments measured at FVOCI (Debt)	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance at January 1, 2020	₱18,521	₱-	₱-	₱18,521
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 1	-	-	-	-

(Forward)



	Consolidated			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
Investments measured at FVOCI (Debt)	12-month ECL	Lifetime ECL	Lifetime ECL	
Transfer from Stage 3 to Stage 2	₪–	₪–	₪–	₪–
New financial assets originated *	13,467	–	–	13,467
Changes in PDs/LGDs/EADs	2,946	–	–	2,946
Financial assets derecognized during the period	(4,550)	–	–	(4,550)
Fx and other movements	9,345	–	–	9,345
Total net P&L charge during the period	21,208	–	–	21,208
Other movements without P&L impact				
Write-offs, foreclosures and other movements	(9,345)	–	–	(9,345)
Total movements without P&L impact	(9,345)	–	–	(9,345)
Loss allowance at December 31, 2020	₪30,384	₪–	₪–	₪30,384

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

	Parent			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	Total
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	
Loss allowance at January 1, 2020	₱3,316,660	₱485,666	₱1,939,230	₱5,741,556
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(88,400)	1,768,208	–	1,679,808
Transfer from Stage 1 to Stage 3	(331,620)	–	2,028,750	1,697,130
Transfer from Stage 2 to Stage 1	110,960	(242,929)	–	(131,969)
Transfer from Stage 2 to Stage 3	–	(53,579)	476,664	423,085
Transfer from Stage 3 to Stage 1	3	–	(1,750)	(1,747)
Transfer from Stage 3 to Stage 2	–	38	(11,004)	(10,966)
New financial assets originated *	1,860,151	1,161,153	427,996	3,449,300
Changes in PDs/LGDs/EADs	591,037	154,171	(63,162)	682,046
Financial assets derecognized during the period	(1,017,672)	(113,814)	(504,576)	(1,636,062)
Fx and other movements	15,527	788	133,157	149,472
Total net P&L charge during the period	1,139,986	2,674,036	2,486,075	6,300,097
Other movements without P&L impact				
Write-offs, foreclosures and other movements	(15,583)	(788)	(1,143,748)	(1,160,119)
Total movements without P&L impact	(15,583)	(788)	(1,143,748)	(1,160,119)
Loss allowance at December 31, 2020	₱4,441,063	₱3,158,914	₱3,281,557	₱10,881,534

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

	Parent			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	Total
Consumer lending	12-month ECL	Lifetime ECL	Lifetime ECL	
Loss allowance at January 1, 2020	₱145,051	₱12,423	₱704,737	₱862,211
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(32,668)	93,437	–	60,769
Transfer from Stage 1 to Stage 3	(8,925)	–	604,704	595,779
Transfer from Stage 2 to Stage 1	1,198	(1,698)	–	(500)
Transfer from Stage 2 to Stage 3	–	(1,826)	35,021	33,195
Transfer from Stage 3 to Stage 1	74	–	(7,851)	(7,777)
Transfer from Stage 3 to Stage 2	–	714	(17,434)	(16,720)
New financial assets originated *	52,797	13,663	29,628	96,088
Changes in PDs/LGDs/EADs	87,549	(3,400)	2,702	86,851
Financial assets derecognized during the period	(30,881)	(2,832)	(24,961)	(58,674)
Fx and other movements	–	–	287,434	287,434
Total net P&L charge during the period	69,144	98,058	909,243	1,076,445

(Forward)



Consumer lending	Parent			Total
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Other movements without P&L impact				
Write-offs, foreclosures and other movements	—	—	(562,525)	(562,525)
Total movements without P&L impact	—	—	(562,525)	(562,525)
Loss allowance at December 31, 2020	₱214,195	₱110,481	₱1,051,455	₱1,376,131

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

	Parent Company			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
12-month ECL	Lifetime ECL	Lifetime ECL		
Trade-related lending				
Loss allowance at January 1, 2020	₱127,073	₱429	₱207,015	₱334,517
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(900)	882	—	(18)
Transfer from Stage 1 to Stage 3	(253)	—	22,748	22,495
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	204	(11,808)	(11,604)
New financial assets originated *	129,366	22,522	26,235	178,123
Changes in PDs/LGDs/EADs	656	96	(113,791)	(113,039)
Financial assets derecognized during the period	(123,189)	(319)	—	(123,508)
Fx and other movements	276	—	3,920	4,196
Total net P&L charge during the period	5,956	23,385	(72,696)	(43,355)
Other movements without P&L impact				
Write-offs, foreclosures and other movements	(276)	—	(20,894)	(21,170)
Total movements without P&L impact	(276)	—	(20,894)	(21,170)
Loss allowance at December 31, 2020	₱132,753	₱23,814	₱113,425	₱269,992

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

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

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



Investments in debt instruments (FVOCI)	Parent			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance at January 1, 2020				
Movements with P&L impact	₱18,471	₱–	₱–	₱18,471
Transfers:				
Transfer from Stage 1 to Stage 2				
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	–	–	–	–
Changes in PDs/LGDs/EADs	13,217	–	–	13,217
Financial assets derecognized during the period	2,918	–	–	2,918
Fx and other movements	(4,550)	–	–	(4,550)
Total net P&L charge during the period	9,345	–	–	9,345
Other movements without P&L impact	20,930	–	–	20,930
Write-offs, foreclosures and other movements				
Total movements without P&L impact	(9,345)	–	–	(9,345)
	(9,345)	–	–	(9,345)
Loss allowance at December 31, 2020	₱30,056	₱–	₱–	₱30,056

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

Comparative figures for the movement of allowance for credit and impairment losses for 2019 are shown below:

Corporate and commercial lending	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance at January 1, 2019	₱2,775,127	₱983,660	₱1,590,107	₱5,348,894
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(52,828)	117,697	–	64,869
Transfer from Stage 1 to Stage 3	(1,359)	–	128,216	126,857
Transfer from Stage 2 to Stage 1	161,584	(806,673)	–	(645,089)
Transfer from Stage 2 to Stage 3	–	(35,349)	466,611	431,262
Transfer from Stage 3 to Stage 1	11,821	–	(18,807)	(6,986)
Transfer from Stage 3 to Stage 2	–	207	(207)	–
New financial assets originated *	1,653,940	153,502	654,294	2,461,736
Changes in PDs/LGDs/EADs	(173,129)	119,883	518,155	464,909
Financial assets derecognized during the period	(968,397)	(39,618)	(205,387)	(1,213,402)
Fx and other movements	17,673	20	12,192	29,885
Total net P&L charge during the period	649,305	(490,331)	1,555,067	1,714,041
Other movements without P&L impact				
Write-offs, Foreclosures and other movements	(17,716)	(17)	(127,758)	(145,491)
Total movements without P&L impact	(17,716)	(17)	(127,758)	(145,491)
Loss allowance at December 31, 2019	₱3,406,716	₱493,312	₱3,017,416	₱6,917,444

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



	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Consumer lending				
Loss allowance at January 1, 2019	₱223,382	₱16,576	₱1,141,577	₱1,381,535
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(5,909)	11,613	–	5,704
Transfer from Stage 1 to Stage 3	(3,345)	–	74,421	71,076
Transfer from Stage 2 to Stage 1	2,134	(2,300)	–	(166)
Transfer from Stage 2 to Stage 3	–	(7,011)	17,168	10,157
Transfer from Stage 3 to Stage 1	12,565	–	(32,749)	(20,184)
Transfer from Stage 3 to Stage 2	–	3,004	(10,610)	(7,606)
New financial assets originated*	80,141	8,549	102,033	190,723
Changes in PDs/LGDs/EADs	(59,675)	4,088	(127,824)	(183,411)
Financial assets derecognized during the period	(22,734)	(3,584)	(86,203)	(112,521)
Fx and other movements	(15)	–	2,016	2,001
Total net P&L charge during the period	3,162	14,359	(61,748)	(44,227)
Other movements without P&L impact				
Write-offs, Foreclosures and other movements	–	–	(31,668)	(31,668)
Total movements without P&L impact	–	–	(31,668)	(31,668)
Loss allowance at December 31, 2019	₱226,544	₱30,935	₱1,048,161	₱1,305,640

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

	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Trade-related lending				
Loss allowance at January 1, 2019	₱53,678	₱25,774	₱19,400	₱98,852
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(14)	88	–	74
Transfer from Stage 1 to Stage 3	(242)	–	46,387	46,145
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated*	127,018	341	141,229	268,588
Changes in PDs/LGDs/EADs	17	–	(1)	16
Financial assets derecognized during the period	(53,384)	(25,774)	–	(79,158)
Fx and other movements	297	–	–	297
Total net P&L charge during the period	73,692	(25,345)	187,615	235,962
Other movements without P&L impact				
Write-offs, foreclosures and other movements	(297)	–	–	(297)
Total movements without P&L impact	(297)	–	–	(297)
Loss allowance at December 31, 2019	₱127,073	₱429	₱207,015	₱334,517

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

	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Investments measured at Amortized Cost				
Loss allowance at January 1, 2019	₱208,949	₱14,317	₱151,836	₱375,102
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(12,351)	697,085	–	684,734
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	29	(486)	–	(457)
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased*	14,762	101,535	–	116,297

(Forward)



	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Investments measured at Amortized Cost				
Changes in PDs/LGDs/EADs	₱78,542	₱4,099	₱–	₱82,641
Financial assets derecognized during the period	(18,712)	(4,722)	(151,836)	(175,270)
Fx and other movements	23,248	1,681	–	24,929
Total net P&L charge during the period	85,518	799,192	(151,836)	732,874
Other movements without P&L impact				
Write-offs, foreclosures and other movements	(18,379)	(1,681)	–	(20,060)
Total movements without P&L impact	(18,379)	(1,681)	–	(20,060)
Loss allowance at December 31, 2019	₱276,088	₱811,828	₱–	₱1,087,916

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

	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Investments measured at FVOCI (Debt)				
Loss allowance at January 1, 2019	₱3,496	₱2	₱–	₱3,498
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	19	(2)	–	17
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased*	9,688	–	–	9,688
Changes in PDs/LGDs/EADs	6,227	–	–	6,227
Financial assets derecognized during the period	(909)	–	–	(909)
Fx and other movements	1,637	–	–	1,637
Total net P&L charge during the period	16,662	(2)	–	16,660
Other movements without P&L impact				
Write-offs, foreclosures and other movements	(1,637)	–	–	(1,637)
Total movements without P&L impact	(1,637)	–	–	(1,637)
Loss allowance at December 31, 2019	₱18,471	₱–	₱–	₱18,471

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

	Parent Company			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Corporate and commercial lending				
Loss allowance at January 1, 2019	₱2,646,168	₱961,778	₱909,762	₱4,517,708
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(51,341)	116,210	–	64,869
Transfer from Stage 1 to Stage 3	(862)	–	127,719	126,857
Transfer from Stage 2 to Stage 1	161,245	(806,334)	–	(645,089)
Transfer from Stage 2 to Stage 3	–	(33,631)	464,893	431,262
Transfer from Stage 3 to Stage 1	10	–	(6,996)	(6,986)
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	1,625,381	153,094	633,358	2,411,833
Changes in PDs/LGDs/EADs	(161,930)	116,189	(9,589)	(55,330)
Financial assets derecognized during the period	(901,968)	(21,640)	(64,352)	(987,960)
Fx and other movements	17,673	17	12,193	29,883
Total net P&L charge during the period	688,208	(476,095)	1,157,226	1,369,339
Other movements without P&L impact				
Write-offs, foreclosures and other movements	(17,716)	(17)	(127,758)	(145,491)
Total movements without P&L impact	(17,716)	(17)	(127,758)	(145,491)
Loss allowance at December 31, 2019	₱3,316,660	₱485,666	₱1,939,230	₱5,741,556

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



	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2019	₱94,166	₱5,721	₱714,022	₱813,909
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(1,968)	7,672	–	5,704
Transfer from Stage 1 to Stage 3	(2,068)	–	73,144	71,076
Transfer from Stage 2 to Stage 1	599	(765)	–	(166)
Transfer from Stage 2 to Stage 3	–	(621)	10,778	10,157
Transfer from Stage 3 to Stage 1	192	–	(20,376)	(20,184)
Transfer from Stage 3 to Stage 2	–	94	(7,700)	(7,606)
New financial assets originated*	67,474	2,365	83,338	153,177
Changes in PDs/LGDs/EADs	(3,877)	(342)	(32,708)	(36,927)
Financial assets derecognized during the period	(9,452)	(1,701)	(86,110)	(97,263)
Fx and other movements	(15)	–	2,016	2,001
Total net P&L charge during the period	50,885	6,702	22,382	79,969
Other movements without P&L impact				
Write-offs, foreclosures and other movements	–	–	(31,668)	(31,668)
Total movements without P&L impact	–	–	(31,668)	(31,668)
Loss allowance at December 31, 2019	₱145,051	₱12,423	₱704,736	₱862,210

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

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Trade-related lending	12-month ECL	Lifetime ECL	Lifetime ECL	
Loss allowance at January 1, 2019	₱48,922	₱25,774	₱19,400	₱94,096
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(14)	88	–	74
Transfer from Stage 1 to Stage 3	(242)	–	46,387	46,145
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated*	127,018	341	141,229	268,588
Changes in PDs/LGDs/EADs	17	–	(1)	16
Financial assets derecognized during the period	(48,628)	(25,774)	–	(74,402)
Fx and other movements	297	–	–	297
Total net P&L charge during the period	78,448	(25,345)	187,615	240,718
Other movements without P&L impact				
Write-offs, foreclosures and other movements	(297)	–	–	(297)
Total movements without P&L impact	(297)	–	–	(297)
Loss allowance at December 31, 2019	₱127,073	₱429	₱207,015	₱334,517

	Parent Company			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
<u>Investments in debt instruments (AC)</u>				
Loss allowance at January 1, 2019	₱200,622	₱14,317	₱–	₱214,939
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(12,351)	697,085	–	684,734
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	29	(486)	–	(457)
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased*	13,489	101,535	–	115,024

(Forward)



	Parent Company			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Investments in debt instruments (AC)				
Changes in PDs/LGDs/EADs	₱78,542	₱4,099	₱—	₱82,641
Financial assets derecognized during the period	(9,536)	(4,721)	—	(14,257)
Fx and other movements	18,379	1,681	—	20,060
Total net P&L charge during the period	88,552	799,193	—	887,745
Write-offs, foreclosures and other movements	(18,379)	(1,681)	—	(20,060)
Total movements without P&L impact	(18,379)	(1,681)	—	(20,060)
Loss allowance at December 31, 2019	₱270,795	₱811,829	₱—	₱1,082,624

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

	Parent Company			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Investments in debt instruments (FVOCI)				
Loss allowance at January 1, 2019	₱3,496	₱2	₱—	₱3,498
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	—	—	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	19	(2)	—	17
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated or purchased*	9,638	—	—	9,638
Changes in PDs/LGDs/EADs	(96)	—	—	(96)
Financial assets derecognized during the period	(909)	—	—	(909)
Fx and other movements	1,637	—	—	1,637
Total net P&L charge during the period	10,289	(2)	—	10,287
Write-offs, foreclosures and other movements	(1,637)	—	—	(1,637)
Total movements without P&L impact	(1,637)	—	—	(1,637)
Loss allowance at December 31, 2019	₱12,148	₱—	₱—	₱12,148

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

The corresponding movement of the gross carrying amount of the financial assets during 2020 are shown below:

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

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



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

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

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

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

	Consolidated			Total
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Others	12-month ECL	Lifetime ECL	Lifetime ECL	
Gross carrying amount at January 1, 2020	₱41,987	₱–	₱4,843	₱46,830
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(2,887)	2,887	–	–
Transfer from Stage 1 to Stage 3	(2,224)	–	2,224	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	(6)	6	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated*	81,129	610	–	81,739
Changes in EADs	651,455	6	(141)	651,320
Financial assets derecognized during the period	(637,509)	–	(44)	(637,553)
Write-offs, Foreclosures and other movements	–	–	–	–
Total movements of carrying amount	89,964	3,497	2,045	95,506
Gross carrying amount at December 31, 2020	₱131,951	₱3,497	₱6,888	₱142,336

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



	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	Total
Investments measured at Amortized Cost	12-month ECL	Lifetime ECL	Lifetime ECL	
Gross carrying amount at January 1, 2020	₱151,804,525	₱8,638,161	₱–	₱160,442,686
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	4,566,011	(4,566,011)	–	–
Transfer from Stage 2 to Stage 3	–	(3,631,625)	3,631,625	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased*	76,662,322	–	–	76,662,322
Changes in /EADs	(3,158,904)	–	–	(3,158,904)
Financial assets derecognized during the period	(34,393,876)	(440,525)	–	(34,834,401)
Write-offs, Foreclosures and other movements	(59,217)	–	–	(59,217)
Total movements of carrying amount	43,616,336	(8,638,161)	3,631,625	38,609,800
Gross carrying amount at December 31, 2020	₱195,420,861	₱–	₱3,631,625	₱199,052,486

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

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Investments measured at FVOCI (Debt)	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2020	₱25,493,787	₱–	₱–	₱25,493,787
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased*	15,042,008	–	–	15,042,008
Changes in EADs	(54,738)	–	–	(54,738)
Financial assets derecognized during the period	(20,880,289)	–	–	(20,880,289)
Write-offs, Foreclosures and other movements	548	–	–	548
Total movements of carrying amount	(5,892,471)	–	–	(5,892,471)
Gross carrying amount at December 31, 2020	₱19,601,316	₱–	₱–	₱19,601,316

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

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

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



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

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

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

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

	Parent Company			Total
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Others				
Gross carrying amount as at January 1, 2020	₱34,041	₱–	₱299	₱34,340
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated*	–	–	–	–
Changes in EADs	(5,649)	–	(270)	(5,919)
Financial assets derecognized during the period	–	–	–	–
Write-offs, foreclosures and other movements	–	–	–	–
Total movements of carrying amount	(5,649)	–	(270)	(5,919)
Gross carrying amount as at December 31, 2020	₱28,392	₱–	₱29	₱28,421

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



	Parent Company			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Investments in amortized cost				
Gross carrying amount as at January 1, 2020	₱148,076,088	₱8,638,161	₱–	₱156,714,249
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	4,566,011	(4,566,011)	–	–
Transfer from Stage 2 to Stage 3	–	(3,631,625)	3,631,625	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased*	74,557,360	–	–	74,557,360
Changes in EADs	(3,105,720)	–	–	(3,105,720)
Financial assets derecognized during the period	(33,865,976)	(440,525)	–	(34,306,501)
Write-offs, foreclosures and other movements	42,421	–	–	42,421
Total movements of carrying amount	42,194,096	(8,638,161)	3,631,625	37,187,560
Gross carrying amount as at December 31, 2020	₱190,270,184	₱–	₱3,631,625	₱193,901,809

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

	Parent Company			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Investments at FVOCI (debt)				
Gross carrying amount as at January 1, 2020	₱23,565,221	₱–	₱–	₱23,565,221
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased*	13,615,307	–	–	13,615,307
Changes in EADs	(60,033)	–	–	(60,033)
Financial assets derecognized during the period	(19,387,343)	–	–	(19,387,343)
Write-offs, foreclosures and other movements	–	–	–	–
Total movements of carrying amount	(5,832,069)	–	–	(5,832,069)
Gross carrying amount as at December 31, 2020	₱17,733,152	₱–	₱–	₱17,733,152

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

Comparative figures for the movement of gross carrying amount for 2019 are shown below:

	Consolidated			
	ECL Staging			Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
Corporate and commercial lending				
Gross carrying amount at January 1, 2019	₱390,540,527	₱17,424,690	₱3,835,233	₱411,800,450
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(9,834,545)	9,834,545	–	–
Transfer from Stage 1 to Stage 3	(718,875)	–	718,875	–
Transfer from Stage 2 to Stage 1	9,676,644	(9,676,644)	–	–
Transfer from Stage 2 to Stage 3	–	(138,087)	138,087	–
Transfer from Stage 3 to Stage 1	76,817	–	(76,817)	–
Transfer from Stage 3 to Stage 2	–	2,092	(2,092)	–
New financial assets originated*	210,489,203	6,683,212	979,440	218,151,855
Changes in /EADs	(18,208,483)	(1,851,903)	(156,935)	(20,217,321)
Financial assets derecognized during the period	(146,536,480)	(2,839,497)	(473,862)	(149,849,839)
Write-offs, Foreclosures and other movements	(24,425)	–	(177,233)	(201,658)
Total movements of carrying amount	44,919,856	2,013,718	949,463	47,883,037
Gross carrying amount at December 31, 2019	₱435,460,383	₱19,438,408	₱4,784,696	₱459,683,487

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



	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2019	₱80,691,641	₱3,210,598	₱3,312,700	₱87,214,939
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(2,665,015)	2,665,015	—	—
Transfer from Stage 1 to Stage 3	(1,116,995)	—	1,116,995	—
Transfer from Stage 2 to Stage 1	449,278	(449,278)	—	—
Transfer from Stage 2 to Stage 3	—	(147,539)	147,539	—
Transfer from Stage 3 to Stage 1	197,297	—	(197,297)	—
Transfer from Stage 3 to Stage 2	—	61,078	(61,078)	—
New financial assets originated*	39,667,155	649,833	206,737	40,523,725
Changes in /EADs	(6,141,036)	(598,191)	(254,693)	(6,993,920)
Financial assets derecognized during the period	(11,957,718)	(788,449)	(676,052)	(13,422,219)
Write-offs, Foreclosures and other movements	(321,915)	(1)	(98,808)	(420,724)
Total movements of carrying amount	18,111,051	1,392,468	183,343	19,686,862
Gross carrying amount at December 31, 2019	₱98,802,692	₱4,603,066	₱3,496,043	₱106,901,801

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

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Trade-related lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2019	₱12,110,169	₱1,684,378	₱23,319	₱13,817,866
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(11,355)	11,355	—	—
Transfer from Stage 1 to Stage 3	(57,565)	—	57,565	—
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated*	10,583,215	64,584	160,927	10,808,726
Changes in PDs/LGDs/EADs	(3,548)	(1,442)	(5,905)	(10,895)
Financial assets derecognized during the period	(12,028,751)	(1,684,378)	—	(13,713,129)
Write-offs, Foreclosures and other movements	294,351	-	-	294,351
Total movements of carrying amount	(1,223,653)	(1,609,881)	212,587	(2,620,947)
Gross carrying amount at December 31, 2019	₱10,886,516	₱74,497	₱235,906	₱11,196,919

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

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Investments measured at Amortized Cost	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2019	₱158,916,818	₱4,040,112	₱151,836	₱163,108,766
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(7,275,056)	7,275,056	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	60,759	(60,759)	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated or purchased*	26,085,288	469,763	—	26,555,051
Changes in /EADs	(5,655,491)	(259,085)	—	(5,914,576)
Financial assets derecognized during the period	(20,380,991)	(2,826,926)	(151,836)	(23,359,753)
Write-offs, Foreclosures and other movements	15	—	—	15
Total movements of carrying amount	(7,165,476)	4,598,049	(151,836)	(2,719,263)
Gross carrying amount at December 31, 2019	₱151,751,342	₱8,638,161	₱—	₱160,389,503

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



	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Investments measured at FVOCI (Debt)				
Gross carrying amount at January 1, 2019	₱9,978,200	₱1,676	₱–	₱9,979,876
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	1,676	(1,676)	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased*	19,413,175	–	–	19,413,175
Changes in PDs/LGDs/EADs	163,055	–	–	163,055
Financial assets derecognized during the period	(4,109,314)	–	–	(4,109,314)
Write-offs, Foreclosures and other movements	46,995	–	–	46,995
Total movements of carrying amount	15,515,587	(1,676)	–	15,513,911
Gross carrying amount at December 31, 2019	₱25,493,787	₱–	₱–	₱25,493,787

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

	Parent Company			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Corporate and commercial lending				
Gross carrying amount as at January 1, 2019	₱363,535,045	₱16,801,373	₱1,067,931	₱381,404,349
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(9,329,629)	9,329,629	–	–
Transfer from Stage 1 to Stage 3	(211,470)	–	211,470	–
Transfer from Stage 2 to Stage 1	9,561,196	(9,561,196)	–	–
Transfer from Stage 2 to Stage 3	–	(531,115)	531,115	–
Transfer from Stage 3 to Stage 1	6,996	–	(6,996)	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated*	200,668,864	6,559,799	759,822	207,988,485
Changes in PDs/LGDs/EADs	(18,203,942)	(1,850,721)	(36,121)	(20,090,784)
Financial assets derecognized during the period	(131,739,122)	(2,742,800)	(120,500)	(134,602,422)
Write-offs, Foreclosures and other movements	(47,774)	–	(177,233)	(225,007)
Total movements of carrying amount	50,705,119	1,203,596	1,161,557	53,070,272
Gross carrying amount as at December 31, 2019	₱414,240,164	₱18,004,969	₱2,229,488	₱434,474,621

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

	Parent Company			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Consumer lending				
Gross carrying amount as at January 1, 2019	₱47,908,408	₱2,823,817	₱1,952,306	₱52,684,531
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(1,992,394)	1,992,394	–	–
Transfer from Stage 1 to Stage 3	(930,638)	–	930,638	–
Transfer from Stage 2 to Stage 1	361,429	(361,429)	–	–
Transfer from Stage 2 to Stage 3	–	(90,866)	90,866	–
Transfer from Stage 3 to Stage 1	168,023	–	(168,023)	–
Transfer from Stage 3 to Stage 2	–	48,004	(48,004)	–
New financial assets originated*	23,337,705	421,402	176,486	23,935,593
Changes in PDs/LGDs/EADs	(6,130,304)	(596,418)	(175,417)	(6,902,139)
Financial assets derecognized during the period	(4,019,642)	(606,707)	(240,318)	(4,866,667)
Write-offs, foreclosures and other movements	(4,345)	–	(98,810)	(103,155)
Total movements of carrying amount	10,789,834	806,380	467,418	12,063,632
Gross carrying amount as at December 31, 2019	₱58,698,242	₱3,630,197	₱2,419,724	₱64,748,163

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



	Parent Company			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Trade-related lending				
Gross carrying amount as at January 1, 2019	₱11,229,908	₱1,684,378	₱23,319	₱12,937,605
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(11,355)	11,355	—	—
Transfer from Stage 1 to Stage 3	(57,565)	—	57,565	—
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated*	10,583,215	64,584	160,927	10,808,726
Changes in PDs/LGDs/EADs	(3,548)	(1,442)	(5,905)	(10,895)
Financial assets derecognized during the period	(11,148,490)	(1,684,378)	—	(12,832,868)
Write-offs, foreclosures and other movements	—	—	—	—
Total movements of carrying amount	(637,743)	(1,609,881)	212,587	(2,035,037)
Gross carrying amount as at December 31, 2019	₱10,592,165	₱74,497	₱235,906	₱10,902,568

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

	Parent Company			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Investments in amortized cost				
Gross carrying amount as at January 1, 2019	₱150,639,222	₱4,040,112	₱—	₱154,679,334
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(7,275,056)	7,275,056	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	60,759	(60,759)	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated or purchased*	25,123,628	469,763	—	25,593,391
Changes in PDs/LGDs/EADs	(5,655,491)	(259,085)	—	(5,914,576)
Financial assets derecognized during the period	(14,816,974)	(2,826,926)	—	(17,643,900)
Write-offs, foreclosures and other movements	—	—	—	—
Total movements of carrying amount	(2,563,134)	4,598,049	—	2,034,915
Gross carrying amount as at December 31, 2019	₱148,076,088	₱8,638,161	₱—	₱156,714,249

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

	Parent Company			
	ECL Staging			Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
Investments at FVOCI (debt)				
Gross carrying amount as at January 1, 2019	₱8,141,359	₱1,676	₱—	₱8,143,035
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	—	—	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	1,676	(1,676)	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated or purchased*	18,997,616	—	—	18,997,616
Changes in PDs/LGDs/EADs	136,794	—	—	136,794
Financial assets derecognized during the period	(3,712,224)	—	—	(3,712,224)
Write-offs, foreclosures and other movements	—	—	—	—
Total movements of carrying amount	15,423,862	(1,676)	—	15,422,186
Gross carrying amount as at December 31, 2019	₱23,565,221	₱—	₱—	₱23,565,221

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



While the Group recognizes through the statement of income the movements in the expected credit losses computed using the models, the Group also complies with BSP's regulatory requirement to appropriate a portion of its retained earnings at an amount necessary to bring to at least 1% the allowance for credit losses on loans (Note 24).

	Consolidated			Parent		
	2020	2019	2018	2020	2019	2018
Provision for Impairment and Credit Losses	₱8,809,017	₱2,570,168	₱141,076	₱7,923,304	₱2,205,062	(₱1,957)
Retained Earnings, appropriated	(765,263)	(468,442)	340,409	(765,263)	(468,442)	340,409
	₱8,043,754	₱2,101,726	₱481,485	₱7,158,041	₱1,736,620	₱338,452

17. Deposit Liabilities

As of December 31, 2020 and 2019, 35.70% and 38.34%, respectively, of the total deposit liabilities of the Group, and 38.87% and 40.85%, respectively, of the Parent Company are subject to periodic interest repricing. The remaining deposit liabilities bear annual fixed interest rates ranging from 0.13% to 4.55% in 2020, 2019 and 2018.

Interest Expense on Deposit Liabilities

This account consists of:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Demand	₱284,620	₱242,838	₱257,380	₱243,035	₱189,776	₱182,521
Savings	2,215,388	6,356,024	3,490,378	2,122,076	6,247,134	3,429,446
Time	7,137,167	11,968,306	7,873,305	5,828,476	9,478,197	6,124,047
	₱9,637,175	₱18,567,168	₱11,621,063	₱8,193,587	₱15,915,107	₱9,736,014

BSP Circular No. 830 requires reserves against deposit liabilities. As of December 31, 2020 and 2019, Due from BSP amounting to ₱77.99 billion and ₱92.67 billion, respectively, for the Group and ₱75.31 billion and ₱80.61 billion, respectively, for the Parent Company were set aside as reserves for deposit liabilities per latest report submitted to the BSP.

On May 27, 2020, the BSP issued BSP Circular No. 1087 *Alternative Compliance with the Reserve Requirements of Banks and Non-Bank Financial Institutions with Quasi-Banking Functions (NBQBs)*, which provides the following alternative modes of compliance with the required reserves against deposit and deposit liabilities, provided that the following loans were granted, renewed or restructured after March 15, 2020:

- Peso-denominated loans that are granted to micro-, small- and medium enterprises (MSMEs)
- Peso-denominated loans that are granted to large enterprises, excluding banks and NBQBs

The use of MSME loans as allowable alternative compliance with the reserve requirement shall be available to banks from April 24, 2020 to December 29, 2022 while the use of loans to a large enterprise as allowable alternative compliance with the reserve requirements shall be available to banks from May 29, 2020 to December 29, 2022.

As of December 31, 2020 and 2019, the Group is in compliance with the reserve requirement.



Long Term Negotiable Certificates of Deposits (LTNCD)

On August 3, 2016, the BOD of the Parent Company approved the issuance of Long Term Negotiable Certificates of Deposits (LTNCD) of up to ₱20.00 billion in tranches of ₱5.00 billion to ₱10.00 billion each and with tenors ranging from 5 to 7 years to support the Group's strategic initiatives and business growth. On October 27, 2016, the Monetary Board of the BSP approved the LTNCD issuances. On November 18, 2016, the Parent Company issued the first tranche at par with aggregate principal amount of ₱9.58 billion due May 18, 2022. The LTNCDs bear a fixed coupon rate of 3.65% per annum, payable quarterly in arrears. Subject to BSP rules, the Group has the option to pre-terminate the LTNCDs as a whole but not in part, prior to maturity and on any interest payment date at face value plus accrued interest covering the accrued and unpaid interest.

On June 2, 2017, the Parent Company issued at par LTNCDs with aggregate principal amount of ₱6.35 billion due December 22, 2022, representing the second tranche of the ₱20.00 billion.

On March 7, 2018, the Board of Directors approved the Bank's Peso funding program of up to ₱50 billion via a combination of Long-Term Negotiable Certificate of Time Deposit and/or Retail Bonds and/or Commercial Papers.

On July 12, 2018, the Parent Company issued at par LTNCDs with aggregate principal amount of ₱10.25 billion due January 12, 2024, representing the first tranche of the ₱20 billion LTNCD approved by BSP on June 14, 2018. The LTNCDs bear a fixed coupon rate of 4.55% per annum, payable quarterly in arrears. The ₱20.00 billion LTNCD program is part of the Group's funding program amounting to ₱50 billion.

The LTNCDs are included under the 'Time deposit liabilities' account.

18. Bonds Payable

The Parent Company's bonds payable consists of:

₱15.00 Billion Peso Fixed Rate Bonds due in 2022

On October 22, 2020, the Parent Company issued ₱15.00 billion peso fixed rate bonds, which bears a fixed coupon rate of 2.75% per annum, payable quarterly, and is due on October 22, 2022.

₱30.00 Billion Peso Fixed Rate Bonds due in 2021

On July 10, 2019, the Parent Company issued ₱30.00 billion peso fixed rate bonds, which bears a fixed coupon rate of 5.70% per annum, payable monthly, and is due on January 10, 2021. This was settled in 2021 as scheduled.

BSP Circular No. 830 requires reserves against peso-denominated bonds. As of December 31, 2020 and 2019, the Group is in compliance with such regulation.

₱20.00 Billion Peso Fixed Rate Bonds due in 2024

On February 18, 2021, the Parent Company issued ₱20.00 billion peso fixed rate bonds, which bears a fixed coupon rate of 2.50% per annum, payable monthly, and is due on February 18, 2024. This issuance is the second drawdown under the ₱45 billion bond and commercial paper program established in September 2020.



\$150.00 Million Bonds Payable to IFC

On June 18, 2019, the Parent Company issued a \$150 million, seven-year bond to International Finance Corporation. The bond reprices semi-annually and carries an interest margin of 120 basis points over 6-month LIBOR.

Shortly thereafter, the Parent Company entered into a seven-year pay-fixed, receive-floating interest rate swap (see Note 26) with the same principal terms to hedge the exposure to variable cash flow payments on the floating-rate bonds payable attributable to interest rate risk (Note 6).

The Bond Subscription Agreement contains certain financial covenants with which the Parent Company should comply during the term of the Bond, including the following:

- Risk Weighted Capital Adequacy Ratio of not less than ten per cent (10%);
- Equity to Assets Ratio of not less than five per cent (5%);
- Aggregate Large Exposures Ratio of not more than four hundred per cent (400%);
- Open Credit Exposures Ratio of not more than twenty five per cent (25%);
- Fixed Assets Plus Equity Participations Ratio of not more than thirty five per cent (35%);
- Aggregate Foreign Exchange Risk Ratio of not more than twenty five per cent (25%);
- Single Currency Foreign Exchange Risk Ratio of not more than ten per cent (10%);
- Interest Rate Risk Ratio of not less than negative twenty five per cent (-25%) and not more than twenty five per cent (25%);
- Aggregate Interest Rate Risk Ratio of not less than negative fifty per cent (-50%) and not more than twenty per cent (20%);
- Open FX Position of not more than \$50,000,000.

In addition, the Parent Company should also comply with the regulatory requirements related to Economic Group Exposure and Related Party Exposure set by the BSP or the Bond Subscription Agreement, whichever is more stringent.

Noncompliance of these obligations may require the Parent Company to pay the bond immediately. As of December 31, 2020 and 2019, the Parent Company is in compliance with these covenants and regulatory requirements.

The movements in the Parent Company's total unamortized discount and debt issue cost of the above bonds payable follows:

	2020	2019
Beginning balance	₱200,852	₱—
Additions	133,117	270,633
Amortization	(196,197)	(69,781)
Ending balance	₱137,772	₱200,852



19. Bills Payable

The Parent Company's bills payable consist of:

	2020	2019
Interbank loans payable	₱17,518,091	₱21,867,053
BSP rediscounting (Note 10)	5,747,160	3,280,000
Promissory Notes	390,600	2,082,200
Trade finance	—	6,152,153
	₱23,655,851	₱33,381,406

Interbank loans payable

Interbank loans payable consists of short-term dollar-denominated borrowings of the Parent Company with annual interest ranging from 0.79% to 1.60% and from 1.30% to 3.15% in 2020 and 2019, respectively.

The carrying amount of foreign currency-denominated investment securities at amortized cost pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱13.09 billion and ₱9.00 billion as of December 31, 2020 and 2019, respectively. The carrying amount of the peso-denominated investment securities at amortized cost pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱7.21 billion and ₱10.39 billion as of December 31, 2020 and 2019, respectively. The fair value of investment securities at amortized cost pledged as collateral amounted to ₱21.66 billion and ₱19.71 billion as of December 31, 2020 and 2019, respectively.

As of December 31, 2020 and 2019, margin deposits amounting to ₱2.35 billion and ₱992.56 million, respectively, are deposited with various counterparties to meet the collateral requirements for its interbank loans payable.

Trade finance

As of December 31, 2020 and 2019, trade finance consists of the Parent Company's borrowings from financial institutions using bank trade assets as the basis for borrowing foreign currency. The refinancing amount should not exceed the aggregate amount of trade assets.

20. Accrued Interest and Other Expenses

This account consists of:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Accrued payable for employee benefits	₱1,347,783	₱1,042,750	₱1,347,783	₱1,042,750
Accrued interest payable	886,362	1,889,291	824,321	1,702,098
Accrued taxes and other licenses	233,188	316,536	167,145	195,979
Accrued other expenses payable	1,438,612	872,725	1,240,370	709,512
	₱3,905,945	₱4,121,302	₱3,579,619	₱3,650,339



21. Other Liabilities

This account consists of:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Financial liabilities				
Accounts payable	₱4,321,936	₱3,221,353	₱2,809,866	₱2,178,540
Lease liabilities (Note 27)	2,996,003	3,394,925	2,392,891	2,719,524
Due to PDIC	755,977	692,262	755,977	692,262
Acceptances payable	477,662	413,149	477,662	413,149
Expected credit losses on off-balance sheet exposures	467,117	1,239,967	457,099	1,229,949
Due to the Treasurer of the Philippines	389,621	435,287	370,778	416,444
Other credits–dormant	303,056	447,346	303,056	447,346
Margin deposits	291	5,586	291	5,586
Miscellaneous (Note 23)	947,319	807,734	490,962	323,283
	10,658,982	10,657,609	8,058,582	8,426,083
Nonfinancial liabilities				
Withholding taxes payable	227,909	341,901	203,886	296,613
Retirement liabilities (Note 25)	12,428	15,191	–	–
	240,337	357,092	203,886	296,613
	₱10,899,319	₱11,014,701	₱8,262,468	₱8,722,696

Accounts payable includes payables to suppliers and service providers, and loan payments and other charges received from customers in advance.

Miscellaneous mainly includes sundry credits, inter-office float items, and dormant deposit accounts.

22. Other Operating Income and Miscellaneous Expenses

Service Charges, Fees and Commissions

Details of this account are as follows:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Service and collection charges:						
Deposits	₱419,564	₱510,517	₱606,051	₱419,565	₱510,517	₱606,051
Loans	726,819	806,509	303,817	20,363	46,967	47,397
Remittances	223,756	315,050	330,520	223,756	315,050	330,520
Others	204,742	252,254	109,290	202,241	228,734	107,652
	1,574,881	1,884,330	1,349,678	865,925	1,101,268	1,091,620
Fees and commissions	1,123,845	1,412,343	1,427,605	351,105	523,435	438,107
	₱2,698,726	₱3,296,673	₱2,777,283	₱1,217,030	₱1,624,703	₱1,529,727

Trading and Securities Gain – Net

This account consists of:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Financial assets at FVOCI	₱3,173,881	₱269,478	(₱2,104)	₱3,145,147	₱240,310	(₱2,451)
Financial assets designated at FVTPL (Note 9)	–	(8,928)	(36,766)	–	–	(40,831)
Held-for-trading (Note 9)	257,480	712,910	(212,855)	245,513	712,910	(212,855)
Derivatives (Note 26)	(197,489)	(88,978)	(19,827)	(197,489)	(115,345)	(19,827)
	₱3,233,872	₱884,482	(₱271,552)	₱3,193,171	₱837,875	(₱275,964)



Miscellaneous Income

Details of this account are as follows:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Bancassurance (Note 10)	₱282,000	₱303,454	₱357,786	₱282,000	₱300,664	₱357,786
Dividends (Note 8)	136,957	107,969	127,084	123,494	107,050	126,386
Rental on bank premises	91,719	121,507	111,572	72,435	88,848	80,388
Recovery of charged off assets	39,059	244,947	144,924	27,494	219,055	100,517
Rental safety deposit boxes	27,645	28,987	26,341	27,645	28,987	26,341
Fund transfer fees	15,140	52,976	49,171	15,140	52,976	49,171
Miscellaneous income						
(Notes 12, 13, 21 and 15)	359,730	333,216	444,863	299,527	265,215	389,545
	₱952,250	₱1,193,056	₱1,261,741	₱847,735	₱1,062,795	₱1,130,134

Miscellaneous Expenses

Details of this account are as follows:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Information technology	₱984,849	₱635,422	₱500,459	₱925,366	₱575,316	₱452,540
Service charges	146,769	207,782	231,895	146,769	206,754	231,895
Litigations	121,720	243,124	198,011	23,141	60,811	65,157
Freight	58,184	58,397	37,593	43,818	38,911	24,352
Broker's fee	26,991	27,370	35,843	25,834	27,370	31,891
Membership fees and dues	15,662	21,525	17,756	14,433	17,369	16,260
Clearing and processing fee	14,801	15,331	22,024	14,801	15,331	17,355
Miscellaneous expense	1,130,959	1,113,987	1,011,053	946,834	948,159	779,702
	₱2,499,935	₱2,322,938	₱2,054,634	₱2,140,996	₱1,890,021	₱1,619,152

23. Maturity Analysis of Assets and Liabilities

The following tables present both the Group's and the Parent Company's assets and liabilities as of December 31, 2020 and 2019 analyzed according to whether they are expected to be recovered or settled within one year and beyond one year from the respective reporting date:

	Consolidated					
	2020			2019		
	Within Twelve Months	Over Twelve Months	Total	Within Twelve Months	Over Twelve Months	Total
Financial assets						
Cash and other cash items	₱15,984,210	₱—	₱15,984,210	₱16,839,755	₱—	₱16,839,755
Due from BSP	152,156,449	—	152,156,449	100,174,398	—	100,174,398
Due from other banks	18,228,721	—	18,228,721	9,900,642	—	9,900,642
Interbank loans receivable and SPURA	18,290,851	—	18,290,851	17,036,460	—	17,036,460
Financial assets at FVTPL	12,255,997	1,150,866	13,406,863	17,302,294	1,197,817	18,500,111
Financial assets at FVOCI	2,163,764	18,080,639	20,244,403	894,386	25,238,974	26,133,360
Investment securities at amortized cost	6,482,819	198,147,657	204,630,476	5,173,757	164,116,954	169,290,711
Loans and receivables – gross	163,451,586	408,893,368	572,344,954	167,801,401	410,027,636	577,829,037
Accrued interest receivable – gross	8,867,657	—	8,867,657	7,434,382	—	7,434,382
Other assets – gross	3,259,774	1,203,482	4,463,256	3,785,654	1,162,106	4,947,760
	401,141,828	627,476,012	1,028,617,840	346,343,129	601,743,487	948,086,616
Nonfinancial assets						
Bank premises, furniture, fixtures and equipment – net of accumulated depreciation and amortization	—	8,422,717	8,422,717	—	9,155,234	9,155,234
Investment properties – net of accumulated depreciation	—	4,901,158	4,901,158	—	5,466,196	5,466,196
Deferred tax assets	—	5,172,435	5,172,435	—	3,370,949	3,370,949
Investments in associates	—	912,647	912,647	—	704,169	704,169
Intangible assets	—	4,174,671	4,174,671	—	4,299,178	4,299,178
Goodwill	—	839,748	839,748	—	839,748	839,748
Other assets – gross	2,010,790	550,056	2,560,846	1,628,845	876,221	2,505,066
	2,010,790	24,973,432	26,984,222	1,628,845	24,711,695	26,340,540
Allowance for impairment and credit losses (Note 16)			(19,199,861)			(11,851,278)
Unearned discounts (Note 10)			(390,552)			(349,897)
			₱1,036,011,649			₱962,225,981



Consolidated						
	2020			2019		
	Within Twelve Months	Over Twelve Months	Total	Within Twelve Months	Over Twelve Months	Total
Financial liabilities						
Deposit liabilities	₱823,257,082	₱11,973,748	₱835,230,830	₱764,810,192	₱10,617,668	₱775,427,860
Bills payable	23,655,851	—	23,655,851	33,381,406	—	33,381,406
Bonds payable	37,183,590	14,882,088	52,065,678	29,828,359	7,566,039	37,394,398
Manager's checks	1,568,232	—	1,568,232	1,998,678	—	1,998,678
Accrued interest and other expenses*	2,324,974	—	2,324,974	2,762,016	—	2,762,016
Derivative liabilities	1,216,771	—	1,216,771	1,036,052	—	1,036,052
Derivative Contract Designated as Hedge	521,209	—	521,209	51,949	—	51,949
Other liabilities	10,658,982	—	10,658,982	10,657,609	—	10,657,609
	900,386,691	26,855,836	927,242,527	844,526,261	18,183,707	862,709,968
Nonfinancial liabilities						
Accrued interest and other expenses	233,188	1,347,783	1,580,971	316,536	1,042,750	1,359,286
Deferred tax liabilities	—	1,116,362	1,116,362	—	1,083,378	1,083,378
Income tax payable	846,090	—	846,090	540,662	—	540,662
Other liabilities	227,909	12,428	240,337	217,076	140,016	357,092
	1,307,187	2,476,573	3,783,760	1,074,274	2,266,144	3,340,418
	₱901,643,748	₱29,332,409	₱931,026,287	₱845,600,535	₱20,449,851	₱866,050,386

*Accrued interest and other expenses include accrued interest payable and accrued other expenses payable (Note 19).

Parent Company						
	2020			2019		
	Within Twelve Months	Over Twelve Months	Total	Within Twelve Months	Over Twelve Months	Total
Financial assets						
Cash and other cash items	₱13,724,265	₱—	₱13,724,265	₱14,856,844	₱—	₱14,856,844
Due from BSP	141,811,190	—	141,811,190	88,109,650	—	88,109,650
Due from other banks	17,197,750	—	17,197,750	8,645,547	—	8,645,547
Interbank loans receivable and SPURA	15,604,167	—	15,604,167	10,027,609	—	10,027,609
Financial assets at FVTPL	10,490,912	1,150,866	11,641,778	17,246,285	1,197,816	18,444,101
Financial assets at FVOCI	1,999,447	16,346,073	18,345,520	410,565	23,760,064	24,170,629
Investment securities at amortized cost	6,289,102	192,889,524	199,178,626	4,645,719	160,668,554	165,314,273
Loans and receivables – gross	140,997,182	363,733,589	504,730,771	144,905,958	365,253,735	510,159,693
Accrued interest receivable – gross	6,870,225	—	6,870,225	6,565,736	—	6,565,736
Other assets – gross	1,619,198	209,692	1,828,890	2,137,323	235,049	2,372,372
	356,603,438	574,329,744	930,933,182	297,551,236	551,115,218	848,666,454
Nonfinancial assets						
Bank premises, furniture, fixtures and equipment – net of accumulated depreciation and amortization	—	6,876,959	6,876,959	—	7,468,646	7,468,646
Investment properties – net of accumulated depreciation	—	2,356,720	2,356,720	—	2,611,502	2,611,502
Deferred tax assets	—	3,732,048	3,732,048	—	2,287,956	2,287,956
Investments in subsidiaries	—	15,814,693	15,814,693	—	15,129,118	15,129,118
Investment in associates	—	912,647	912,647	—	704,169	704,169
Intangible assets	—	890,936	890,936	—	1,002,916	1,002,916
Goodwill	—	222,841	222,841	—	222,841	222,841
Other assets – gross	1,740,601	32,609	1,773,210	1,404,959	499,711	1,904,670
	1,740,601	30,839,453	32,580,054	1,404,959	29,926,859	31,331,818
Allowances for impairment and credit losses (Note 16)			(16,176,864)			(9,527,164)
Unearned discounts (Note 10)			(208,638)			(290,711)
			(16,385,502)			(9,817,875)
			₱947,127,734			₱870,180,397
Financial liabilities						
Deposit liabilities	749,468,113	1,504,795	750,972,908	687,530,863	233,590	687,764,453
Bills payable	23,655,851	—	23,655,851	33,381,406	—	33,381,406
Bonds payable	37,183,590	14,882,088	52,065,678	29,828,359	7,566,039	37,394,398
Manager's checks	1,066,098	—	1,066,098	1,535,936	—	1,535,936
Accrued interest and other expenses*	2,064,691	—	2,064,691	2,411,610	—	2,411,610
Derivative liabilities	1,216,771	—	1,216,771	1,036,052	—	1,036,052
Derivative Contract Designated as Hedge	521,209	—	521,209	51,949	—	51,949
Other liabilities	8,058,582	—	8,058,582	8,426,083	—	8,426,083
	823,234,905	16,386,883	839,621,788	764,202,258	7,799,629	772,001,887
Nonfinancial liabilities						
Accrued interest and other expenses	167,145	1,347,783	1,514,928	195,979	1,042,750	1,238,729
Income tax payable	825,270	—	825,270	479,923	—	479,923
Other liabilities	203,886	—	203,886	296,613	—	296,613
	1,196,301	1,347,783	2,544,084	972,515	1,042,750	2,015,265
	₱824,431,206	₱17,734,666	₱842,165,872	₱765,174,773	₱8,842,379	₱774,017,152

*Accrued interest and other expenses include accrued interest payable and accrued other expenses payable (Note 19).



24. Equity

The Parent Company's capital stock consists of (amounts in thousands, except for number of shares):

	2020		2019	
	Shares	Amount	Shares	Amount
Common stock – P10.00 par value				
Authorized – shares	3,300,000,000		3,300,000,000	
Issued and outstanding				
Balance at beginning and end of year	2,685,899,812	P26,858,998	2,685,899,812	P26,858,998

The Parent Company shares are listed in the Philippine Stock Exchange.

The summarized information on the Parent Company's registration of securities under the Securities Regulation Code follows:

Date of SEC Approval	Authorized Shares*
April 12, 1991	100,000
October 7, 1993	150,000
August 30, 1994	200,000
July 26, 1995	250,000
September 12, 1997	500,000
September 5, 2005	1,000,000
September 14, 2007	1,600,000
September 5, 2008	2,000,000
August 29, 2014	2,500,000
September 29, 2018	3,300,000

* Restated to show the effects of the ten-for-one stock split in 2012

As reported by the Parent Company's transfer agent, Stock Transfer Service, Inc., the total number of stockholders is 1,890 and 1,902 as of December 31, 2020 and 2019, respectively.

Centennial Stock Grant

In light of the Parent Company's 100th anniversary, the Board of Directors approved on August 5, 2020 a Centennial Stock Grant Plan to issue common shares to eligible grantees.

The Centennial Stock Grant Plan was approved and ratified by the stockholders on October 1, 2020, subject to the approval of the relevant regulatory agencies. New shares will be issued from the Parent Company's authorized but unissued shares in favor of the Group's regular employees and certain other officers and contractual employees as of August 16, 2020, numbering around 8,400. The stock grant will involve the issuance of around 5 million shares.

The Group is still awaiting approval of the relevant regulatory agencies as of December 31, 2020. Accordingly, the increase in equity related to the stock grant amounting to P140.92 million as of December 31, 2020 is recognized under 'Other equity - stock grants' in the Group's balance sheet.

Dividends

Details of the Parent Company's cash dividend payments follow:



Cash Dividends

Date of Declaration	Date of Record	Date of Payment	Cash Dividend Per Share
June 18, 2020	July 03, 2020	July 17, 2020	1.00
May 02, 2019	May 17, 2019	May 31, 2019	0.88
May 03, 2018	May 17, 2018	June 01, 2018	0.83
May 04, 2017	May 18, 2017	June 02, 2017	0.80
May 05, 2016	May 23, 2016	June 03, 2016	1.00
May 07, 2015	August 12, 2015	September 09, 2015	1.00
May 08, 2014	September 19, 2014	October 15, 2014	1.00
May 02, 2013	July 19, 2013	August 14, 2013	1.20

Stock Dividends

Date of Declaration	Date of Record	Date of Payment	Stock Dividend Per Share
March 15, 2017	October 20, 2017	November 03, 2017	8%
May 05, 2016	May 23, 2016	June 03, 2016	8%
May 07, 2015	August 12, 2015	September 09, 2015	8%
May 08, 2014	September 19, 2014	October 15, 2014	8%
May 02, 2013	July 19, 2013	August 14, 2013	10%

Surplus

The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 11 issued in December 2008 differs to a certain extent from the computation following BSP guidelines.

As of December 31, 2020 and 2019, surplus includes the amount of ₱1.28 billion, net of deferred tax liability of ₱547.40 million, representing transfer of revaluation increment on land which was carried at deemed cost when the Group transitioned to PFRS in 2005 (Note 12). This amount will be available to be declared as dividends upon sale of the underlying land.

In the consolidated financial statements, a portion of the Group's surplus corresponding to the net earnings of the subsidiaries and associates amounting to ₱3.68 billion and ₱2.74 billion as of December 31, 2020 and 2019, respectively, is not available for dividend declaration. The accumulated equity in net earnings becomes available for dividends upon declaration and receipt of cash dividends from the investees.

Reserves

In compliance with BSP regulations, 10.00% of the Parent Company's profit from trust business is appropriated to surplus reserve. This annual appropriation is required until the surplus reserves for trust business equals 20.00% of the Parent Company's authorized capital stock.

Upon adoption of PFRS 9, BSP requires appropriation of a portion of the Group's Surplus at an amount necessary to bring to at least 1% the allowance for credit losses on loans (Note 16).

Capital Management

The primary objectives of the Group's capital management are to ensure that it complies with externally imposed capital requirements and that it maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.



The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes as of December 31, 2020 and 2019.

Regulatory Qualifying Capital

Under existing BSP regulations, the determination of the Parent Company's compliance with regulatory requirements and ratios is based on the amount of the Parent Company's unimpaired capital (regulatory capital) as reported to the BSP. This is determined on the basis of regulatory accounting policies which differ from PFRS in some respects.

In addition, the risk-based capital ratio of a bank, expressed as a percentage of qualifying capital to risk-weighted assets (RWA), should not be less than 10.00% for both solo basis (head office and branches) and consolidated basis (Parent Company and subsidiaries engaged in financial allied undertakings but excluding insurance companies). Qualifying capital and RWA are computed based on BSP regulations. RWA consists of total assets less cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items determined by the Monetary Board of the BSP.

On August 4, 2006, the BSP, under BSP Circular No. 538, issued the prescribed guidelines implementing the revised risk-based capital adequacy framework for the Philippine banking system to conform to Basel II capital adequacy framework. The BSP guidelines took effect on July 1, 2007. Thereafter, banks were required to compute their CAR using these guidelines.

Standardized credit risk weights were used in the credit assessment of asset exposures. Third party credit assessments were based on ratings by international credit assessment agencies Standard & Poor's, Moody's and Fitch, and BSP-recognized domestic credit assessment agencies such as PhilRatings. Per BSP guidelines, domestic debt issuances may be rated by Bangko Sentral-recognized domestic credit assessment agencies or by international credit assessment agencies which have developed a national rating system acceptable to the Bangko Sentral. Internationally-issued debt obligations shall be rated by Bangko Sentral-recognized international credit assessment agencies only.

On January 15, 2013, the BSP issued Circular No. 781, Basel III Implementing Guidelines on Minimum Capital Requirements, which provides the implementing guidelines on the revised risk-based capital adequacy framework particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. The circular took effect on January 1, 2014.

The Circular sets out a minimum Common Equity Tier 1 (CET1) ratio of 6.00% and Tier 1 capital ratio of 7.50%. It also introduces a capital conservation buffer of 2.50% comprised of CET1 capital. The BSP's existing requirement for Total CAR remains unchanged at 10.00% and this ratio shall be maintained at all times.

Further, existing capital instruments as of December 31, 2010 which do not meet the eligibility criteria for capital instruments under the revised capital framework shall no longer be recognized as capital upon the effectivity of Basel III. Capital instruments issued under BSP Circular Nos. 709 and 716 (the circulars amending the definition of qualifying capital particularly on Hybrid Tier 1 and Lower Tier 2 capitals), starting January 1, 2011 and before the effectivity of BSP Circular No. 781, shall be recognized as qualifying capital until December 31, 2017. In addition to changes in



minimum capital requirements, this Circular also requires various regulatory adjustments in the calculation of qualifying capital.

On April 28, 2020, the BSP issued BSP Memorandum No. M-2020-34 *Relaxation in the Credit Risk Weight for Loans to MSMEs under the BSP's Risk-Based Capital Adequacy Framework*, which provides temporary relaxation in the assigned credit risk weight for loans to micro-, small- and medium enterprises (MSMEs) for purposes of computing compliance with the BSP's Risk-Based Capital Adequacy Frameworks.

The following exposures to MSMEs, as defined under Basel III shall be assigned a credit risk weight of 50 percent:

- MSME exposures that meet the criteria of qualified MSME portfolio, and
- Current MSME exposures that do not qualify as a highly diversified MSME portfolio

The foregoing provision under BSP Memorandum No. M-2020-34 shall apply until December 31, 2021.

The CAR of the Group and the Parent Company as of December 31, 2020 and 2019 as reported to the BSP are shown in the table below.

	Consolidated		Parent Company	
	2020	2019	2020	2019
	(Amounts in Million Pesos)			
CET 1 Capital	₱103,104	₱92,758	₱100,378	₱89,999
Less: Regulatory Adjustments	12,354	11,492	21,286	19,496
	90,750	81,266	79,092	70,503
Additional Tier 1 Capital	—	—	—	—
Less: Regulatory Adjustments	—	—	—	—
	—	—	—	—
Net Tier 1 Capital	90,750	81,266	79,092	70,503
Tier 2 Capital	5,986	5,799	5,302	5,118
Less: Regulatory Adjustments	—	—	—	—
Net Tier 2 Capital	5,986	5,799	5,302	5,118
Total Qualifying Capital	₱96,736	₱87,065	₱84,394	₱75,621

	Consolidated		Parent Company	
	2020	2019	2020	2019
	(Amounts in Million Pesos)			
Credit RWA	₱597,826	₱579,653	₱528,980	₱511,015
Market RWA	6,835	11,433	6,739	11,434
Operational RWA	51,921	45,623	42,559	36,385
Total RWA	₱656,582	₱636,709	₱578,278	₱558,834
CET 1 capital ratio	13.82%	12.76%	13.68%	12.62%
Tier 1 capital ratio	13.82%	12.76%	13.68%	12.62%
Total capital ratio	14.73%	13.67%	14.59%	13.53%

The Parent Company has complied with all externally imposed capital requirements throughout the period.

The issuance of BSP Circular No. 639 covering the ICAAP in 2009 supplements the BSP's risk-based capital adequacy framework under Circular No. 538. In compliance with this circular, the



Parent Company has adopted and developed its ICAAP framework to ensure that appropriate level and quality of capital are maintained by the Group. Under this framework, the assessment of risks extends beyond the Pillar 1 set of credit, market and operational risks and onto other risks deemed material by the Parent Company. The level and structure of capital are assessed and determined in light of the Parent Company's business environment, plans, performance, risks and budget, as well as regulatory edicts. BSP normally requires submission of the ICAAP document every March 31. However, for 2020, in view of the current pandemic, the BSP changed the reference date from December 31, 2019 to June 30, 2020, and correspondingly adjusted the deadline for submission from March 31, 2020 to October 31, 2020. The Group has complied with this requirement.

Leverage Ratio

On June 9, 2015, BSP issued circular No. 881, which approved the guidelines for the implementation of the Basel III Leverage Ratio in the Philippines. The Basel III Leverage Ratio is designed to act as a supplementary measure to the risk-based capital requirements. The leverage ratio intends to restrict the build-up of leverage in the banking sector to avoid destabilizing deleveraging processes which can damage the broader financial system and the economy. Likewise, it reinforces the risk-based requirements with a simple, non-risk based "backstop" measure. The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator). The monitoring of the leverage ratio was implemented as a Pillar 1 minimum requirement effective on 1 July 2018.

The BLR of the Group and the Parent Company as of December 31, 2020 and 2019 as reported to the BSP are shown in the table below.

	Consolidated		Parent Company	
	2020	2019	2020	2019
	(Amounts in Million Pesos)			
Tier 1 Capital	₱90,750	₱81,266	₱79,092	₱70,503
Exposure Measure	1,027,936	975,329	926,668	871,678
Leverage Ratio	8.83%	8.33%	8.54%	8.09%

Liquidity Coverage Ratio

On 18 February 2016, BSP issued circular no. 905 which approved the attached liquidity standards, which include guidelines on liquidity coverage ratio (LCR), and LCR disclosure standards that are consistent with the Basel III framework. Banks are required to adopt Basel III's Liquidity Coverage Ratio (LCR) aimed at strengthening the short-term liquidity position of banks. This requires banks to have available High Quality Liquid Assets (HQLA) to meet anticipated net cash outflow for a 30-day period under stress conditions. The standard prescribes that, under a normal situation, the value of the liquidity ratio be no lower than 100% on a daily basis because the stock of unencumbered HQLA is intended to serve as a defense against potential onset of liquidity stress. As of December 31, 2020 and 2019, the LCR in single currency is 117.14% and 127.65%, respectively, for the Group and 115.84% and 126.29%, respectively, for the Parent Company.

Net Stable Funding Ratio

On 24 May 2018, BSP issued Circular No. 1007 which approved the implementing guidelines on the adoption of the Basel III Framework on Liquidity Standards - Net Stable Funding Ratio (NSFR). Banks are required to adopt Basel III's Net Stable Funding Ratio (NSFR) aimed to promote long-term resilience of banks against liquidity risk. Banks shall maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. The NSFR complements the Liquidity Coverage Ratio (LCR), which promotes short-term resilience of a Bank's liquidity profile. The Bank started monitoring and reporting NSFR to the BSP in 2019. As of December 31, 2020 and 2019, the



NSFR is 119.48% and 121.31%, respectively, for the Group and 118.85% and 120.01%, respectively, for the Parent Company.

25. Retirement Plan

The Group has separate funded noncontributory defined benefit retirement plans covering substantially all its officers and regular employees. The retirement plans are administered by the Parent Company's Trust Group which acts as the trustee of the plans. Under these retirement plans, all covered officers and employees are entitled to cash benefits after satisfying certain age and service requirements. The latest actuarial valuation studies of the retirement plans were made as of December 31, 2020.

The Group's annual contribution to the retirement plan consists of a payment covering the current service cost, unfunded actuarial accrued liability and interest on such unfunded actuarial liability.

The amounts of net defined benefit asset in the balance sheets follow:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Net plan assets (Note 15)	₱127,937	₱543,471	₱32,609	₱499,711
Retirement liabilities (Note 21)	(12,428)	(15,191)	—	—
	₱115,509	₱528,280	₱32,609	₱499,711



The movements in the defined benefit asset, present value of defined benefit obligation and fair value of plan assets follow:

Consolidated												
	January 1, 2020	Net benefit cost			Benefits paid	Remeasurements in OCI						December 31, 2020
		Current service cost	Net interest	Net pension expense*		Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	Changes in remeasurement gains (losses)	Contribution by employer	
	(a)	(b)	(c)	(d) = b + c	(e)	(f)	(g)	(h)	(i)	(j) = f + g + h + i	(k)	(l) = a + d + e + j + k
Fair value of plan assets	₱5,340,401	₱–	₱227,744	₱227,744	(₱277,475)	(₱410,930)	₱–	₱–	₱–	(₱410,930)	₱324,526	₱5,204,266
Present value of defined benefit obligation	4,812,121	518,068	210,658	728,726	(275,756)	–	(56,521)	758,972	(878,786)	(176,335)	–	5,088,757
Net defined benefit asset	₱528,280	(₱518,068)	₱17,086	(₱500,982)	(₱1,719)	(₱410,930)	₱56,521	(₱758,972)	₱878,786	(₱234,595)	₱324,526	₱115,509

*Presented under Compensation and fringe benefits in the statements of income.

Consolidated												
	January 1, 2019	Net benefit cost			Benefits paid	Remeasurements in OCI					Contribution by employer	December 31, 2019
		Current service cost	Net interest	Net pension expense*		Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	Changes in remeasurement gains (losses)		
	(a)	(b)	(c)	(d) = b + c	(e)	(f)	(g)	(h)	(i)	(j) = f + g + h + i	(k)	(l) = a + d + e + j + k
Fair value of plan assets	₱4,859,249	₱—	₱347,965	₱347,965	(₱307,702)	(₱188,983)	₱—	₱—	₱—	(₱188,983)	₱629,871	₱5,340,401
Present value of defined benefit obligation	4,090,108	398,065	292,955	691,020	(307,702)	—	(48,548)	830,609	(443,366)	338,695	—	4,812,121
Net defined benefit asset	₱769,141	(₱398,065)	₱55,010	(₱343,055)	₱—	(₱188,983)	(₱48,548)	(₱830,609)	(₱443,366)	(₱527,678)	₱629,871	₱528,280

*Presented under Compensation and fringe benefits in the statements of income.



	Parent Company												
	January 1, 2020	Net benefit cost			Transfer from Affiliates	Benefits paid	Remeasurements in OCI						December 31, 2020
		Current service cost	Net interest	Net pension expense*			Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	Changes in remeasurement gains (losses)	Contribution by employer	
(a)	(b)	(c)	(d) = b + c	(e)	(e)	(f)	(g)	(h)	(i)	(j) = f + g + h + i	(k)	(l) = a + d + e + j + k	
Fair value of plan assets	₱4,783,615	₱–	₱208,566	₱208,566		(₱267,313)	(₱242,580)	₱–	₱–	₱–	(₱242,580)	₱80,000	₱4,562,287
Present value of defined benefit obligation	4,283,904	408,223	186,783	595,007	873	(265,594)	–	(34,618)	570,519	(620,412)	(84,511)	–	4,529,678
Net defined benefit asset	₱499,711	(₱408,223)	₱21,783	(₱386,441)	(₱873)	(₱1,719)	(₱242,580)	₱34,618	(₱570,519)	₱620,412	(₱158,069)	₱80,000	₱32,609

*Presented under Compensation and fringe benefits in the statements of income.

	Parent Company												
	Remeasurements in OCI												
	January 1, 2019	Net benefit cost		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	Changes in remeasurement gains (losses)	Contribution by employer	December 31, 2019
	(a)	(b)	(c)	(d) = b + c	(c)	(e)	(f)	(g)	(h)	(i)	(j) = f + g + h + i	(k)	(l) = a + d + e + j + k
Fair value of plan assets	₱4,467,637	₱–	₱319,436	₱319,436		(₱286,575)	(₱196,884)	₱–	₱–	₱–	(₱196,884)	₱480,000	₱4,783,615
Present value of defined benefit obligation	3,711,477	311,538	265,378	576,916	260	(286,575)	–	(29,515)	650,700	(339,360)	281,826	–	4,283,904
Net defined benefit asset	₱756,160	(₱311,538)	₱54,058	(₱257,480)	(₱260)	₱–	(₱196,884)	₱29,515	(₱650,700)	₱339,360	(₱478,710)	₱480,000	₱499,711



The Group and the Parent Company is recommended to contribute to its defined benefit pension plan in 2021 amounting to ₱275.32 million and ₱255.53 million, respectively.

In 2020 and 2019, the major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Parent Company shares (Note 30)	26.17%	25.60 %	29.85%	28.58%
Equity instruments	4.70%	3.85%	3.39%	3.21%
Cash and cash equivalents	0.15%	0.99%	0.04%	0.82%
Debt instruments	66.81%	61.76%	66.72%	63.48%
Other assets	2.17%	7.80%	0.00%	3.91%
	100.00%	100.00%	100.00%	100.00%

The following table shows the breakdown of fair value of the plan assets:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Deposits in banks	₱7,878	₱52,757	₱1,849	₱39,407
Financial assets at FVTPL				
Quoted debt securities	2,915,597	2,981,233	2,587,492	2,754,412
Quoted equity securities	244,627	205,620	154,610	153,330
Parent Company shares	1,361,752	1,367,210	1,361,752	1,367,210
Investments in unit investment trust fund	561,329	316,929	456,584	282,059
Loans and receivable	—	1,921	—	1,921
Investment properties*	—	162,323	—	162,323
Other assets	113,084	252,409	—	22,952
	₱5,204,267	₱5,340,402	₱4,562,287	₱4,783,614

* Investment properties comprise properties located in Manila.

The principal actuarial assumptions used in 2020 and 2019 in determining the retirement asset (liability) for the Group's and Parent Company's retirement plans are shown below:

	Parent	2020				
		CBSI	CIBI	CBC-PCCI	CBCC	CBSC
Discount rate:						
January 1	4.36%	4.47%	4.47%	4.76%	4.30%	4.24%
December 31	2.83%	2.54%	2.36%	3.02%	2.54%	2.54%
Salary increase rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
	Parent	2019				
		CBSI	CIBI	CBC-PCCI	CBCC	CBSC
Discount rate:						
January 1	7.15%	7.27%	7.33%	7.33%	7.38%	7.40%
December 31	4.36%	4.47%	4.47%	4.76%	4.30%	4.24%
Salary increase rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%



The sensitivity analysis below has been determined based on the impact of reasonably possible changes of each significant assumption on the defined benefit liability as of the end of the reporting period, assuming all other assumptions were held constant:

December 31, 2020	Parent	CBSI	CIBI	CBC-PCCI	CBCC	CBSC
Discount rate						
(+1%)	(P209,890)	(P36,453)	(P937)	(P6,779)	(P1,858)	(P32)
(-1%)	302,556	44,539	1,108	10,729	2,231	406
Salary increase rate						
(+1%)	273,413	40,633	1,004	9,716	2,071	378
(-1%)	(198,188)	(34,277)	(872)	(6,461)	(1,776)	(312)
December 31, 2019	Parent	CBSI	CIBI	CBC-PCCI	CBCC	CBSC
Discount rate						
(+1%)	(P227,157)	(P45,326)	(P723)	(P4,021)	(P1,330)	(P234)
(-1%)	325,654	58,726	1,065	9,049	1,628	297
Salary increase rate						
(+1%)	301,453	55,151	992	8,431	1,547	282
(-1%)	(218,813)	(43,755)	(705)	(3,918)	(1,296)	(228)

The weighted average duration (in years) of the defined benefit obligation are presented below:

	December 31, 2020	December 31, 2019
Parent Company	8	9
CBSI	5	11
CIBI	4	11
CBC-PCCI	11	16
CBCC	5	8
CBSC	5	7

The maturity analyses of the undiscounted benefit payments as of December 31, 2020 and 2019 are as follows:

December 31, 2020	Parent	CBSI	CIBI	CBC-PCCI	CBCC	CBSC
1 year and less	P1,143,078	P14,526	P-	P-	P-	P-
More than 1 year to 5 years	1,382,813	84,373	1,182	34,908	-	-
More than 5 years to 10 years	2,498,436	346,179	16,990	23,094	-	1,303
More than 10 years to 15 years	2,706,056	795,042	6,293	130,483	16,071	4,243
More than 15 years to 20 years	5,260,877	844,853	18,074	180,316	78,979	15,106
More than 20 years	28,539,408	10,154,177	605,215	1,245,968	416,103	166,606
December 31, 2019	Parent	CBSI	CIBI	CBC-PCCI	CBCC	CBSC
1 year and less	P1,010,732	P10,639	P-	P3,192	P-	P-
More than 1 year to 5 years	1,245,756	70,231	5,084	32,698	-	-
More than 5 years to 10 years	2,559,422	305,122	9,295	20,648	-	1,381
More than 10 years to 15 years	2,557,933	726,316	5,788	107,204	-	-
More than 15 years to 20 years	4,691,189	896,080	7,612	118,326	106,708	3,986
More than 20 years	28,578,876	10,967,703	537,282	1,260,108	360,469	127,967



The defined benefit plan exposes the Group and the Parent Company to actuarial risks such as longevity risk, investment risk, market risk and salary risk.

26. Derivative Financial Instruments

Occasionally, the Parent Company enters into forward exchange contracts as an accommodation to its clients. These derivatives are not designated as accounting hedges.

As of December 31, 2020 and 2019, the aggregate notional amount of outstanding forwards and its weighted average rate are as follows:

		2020		2019	
		Notional Amount	Weighted Average Rate	Notional Amount	Weighted Average Rate
US Dollar	Buy	\$358,209	₱48.40	\$548,790	₱51.52
	Sell	\$253,506	₱48.49	\$297,009	₱51.10
Euro	Buy	—	—	€29,000	₱56.56
	Sell	€44,900	₱58.72	€17,709	₱55.88
Japanese Yen	Buy	—	—	¥2,189,180	₱0.46
Singapore Dollar	Sell	SGD1,007	₱36.14	SGD541	₱37.66

The aggregate notional amounts of the outstanding futures as of December 31, 2019 amounted to US\$40 million.

The aggregate notional amounts of the outstanding IRS as of December 31, 2020 and 2019 amounted to ₱18.53 billion and ₱26.52 billion, respectively.

As of December 31, 2020 and 2019, the fair values of derivatives follow:

	2020		2019	
	Derivative Asset	Derivative Liability	Derivative Asset	Derivative Liability
Currency forwards	₱107,900	₱124,137	₱113,384	₱425,976
IRS	1,019,600	1,092,634	528,238	610,077
Futures	—	—	16,439	—
Warrants	9,378	—	9,889	—
	₱1,136,878	₱1,216,771	₱667,950	₱1,036,053

Fair Value Changes of Derivatives

The net movements in fair value changes of derivative instruments are as follows:

	2020	2019
Balance at beginning of year	(₱368,103)	(₱47,303)
Fair value changes during the year	486,337	330,793
Settled transactions	(198,127)	(651,593)
Balance at end of year	(₱79,893)	(₱368,103)



The net movements in the value of the derivatives are presented in the statements of income under the following accounts:

	2020	2019	2018
Foreign exchange gain (loss)	₱683,826	₱446,139	(₱269,191)
Trading and securities gain (loss)* (Note 22)	(197,489)	(115,346)	(19,827)
	₱486,337	₱330,793	(₱289,018)

*Net movements in the value related to embedded credit derivatives and IRS.

In 2019, the Parent Company established a monitoring process to properly account for the net movements in the value of foreign exchange contracts which pertain to funding and trading activities.

Funding activities pertain to activities undertaken by the Parent Company to obtain funds in one currency in exchange of another currency through the use of foreign exchange derivatives. Foreign exchange gains (losses) in the statements of income consisted of the net movements in the value of foreign exchange contracts amounting to ₱102.63 million loss and ₱316.09 million gain for funding and trading activities, respectively, in 2020 and ₱402.93 million loss and ₱646.69 million gain for funding and trading activities, respectively, in 2019.

Interest income on Interest Rate Swap (IRS) in 2020 and 2019 amounted to ₱264.09 million and ₱223.63 million, respectively, while the interest expense amounted to ₱288.73 million in 2020 and ₱228.06 million in 2019.

Derivative contract designated as hedge

In 2019, the Parent Company designated an interest rate swap contract (IRS) with a corresponding notional amount of US\$150 million to hedge the cash flow variability of its floating rate bonds payable. The fair value of the IRS designated as a hedging instrument amounted to ₱521.21 million and ₱51.95 million as of December 31, 2020 and 2019, respectively.

The IRS designated as cash flow hedge has the same principal terms as the hedged bonds payable (Note 18). Accordingly, as of December 31, 2020, the Parent Company assessed that the hedging relationship is expected to be highly effective and no ineffective portion was recognized in profit or loss.

Net interest expense on the IRS designated as hedge amounted to ₱61.20 million in 2020 and net interest income amounted to ₱14.27 million in 2019.

27. Lease Contracts

The lease contracts are for periods ranging from one to 25 years from the dates of contracts and are renewable under certain terms and conditions. Various lease contracts include escalation clauses, most of which bear an annual rent increase of 5.00% to 10.00%.



Movements in the lease liabilities account follows:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Beginning Balance	₱3,394,925	₱3,669,457	₱2,719,524	₱2,915,844
Additions	167,762	247,310	56,340	185,549
Interest expenses	232,584	264,246	182,821	207,744
Lease concessions	(32,380)	—	(32,380)	—
Payments	(766,888)	(786,088)	(533,414)	(589,613)
Ending Balance	₱2,996,003	₱3,394,925	₱2,392,891	₱2,719,524

As a result of the pandemic, the Parent Company was given lease concessions by its lessors. The lease concessions resulted to a decrease in lease payable and an increase in miscellaneous income amounting to ₱32.38 million.

Expenses related to short-term leases amounting to ₱403.71 million and ₱398.57 million for the Group and Parent Company in 2020, respectively, and ₱523.71 million and ₱388.83 million for the Group and Parent Company in 2019, respectively, are included in the 'Occupancy cost' account.

Total cash outflows for leases amounted to ₱1.19 billion and ₱1.00 billion for the Group and Parent Company in 2020, respectively, and ₱1.51 billion and ₱1.18 billion for the Group and Parent Company in 2019, respectively.

The Group and the Parent Company have also entered into commercial property leases on its investment properties (Note 13).

Future minimum rentals receivable under noncancellable operating leases follow:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Within one year	₱4,664	₱6,146	₱4,664	₱6,146
After one year but not more than five years	5,228	12,705	3,498	8,162
After more than five years	—	13,518	—	—
	₱9,892	₱32,369	₱8,162	₱14,308

Future minimum rentals payable under noncancellable leases follow:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Within one year	₱1,301,541	₱1,129,705	₱568,029	₱564,852
After one year but not more than five years	2,094,499	1,106,402	1,016,816	1,106,402
After more than five years	2,074,369	2,182,639	1,706,197	2,182,639
	₱5,470,409	₱4,418,746	₱3,289,042	₱3,853,893



28. Income and Other Taxes

Income taxes include corporate income tax and FCDU final taxes, as discussed below, and final tax paid at the rate of 20.00% on gross interest income from government securities and other deposit substitutes. These income taxes, as well as the deferred tax benefits and provisions, are presented as 'Provision for income tax' in the statements of income.

Republic Act (RA) No. 9337, An Act Amending National Internal Revenue Code, provides that RCIT rate shall be 30.00% while interest expense allowed as a deductible expense is reduced to 33.00% of interest income subject to final tax.

An MCIT of 2.00% on modified gross income is computed and compared with the RCIT. Any excess MCIT over RCIT is deferred and can be used as a tax credit against future income tax liability for the next three years. In addition, the NOLCO is allowed as a deduction from taxable income in the next three years from the year of inception.

Effective in May 2004, RA No. 9294 restored the tax exemption of FCDUs and offshore banking units (OBUs). Under such law, the income derived by the FCDU from foreign currency transactions with nonresidents, OBUs, local commercial banks including branches of foreign banks is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10.00% gross income tax.

Interest income on deposit placements with other FCDUs and OBUs is taxed at 15% while all other income of the FCDU is subject to the 30.00% corporate tax.

Relevant Tax Updates

TRAIN Law

RA No. 10963, the Tax Reform for Acceleration and Inclusion (TRAIN), is the first package of the comprehensive tax reform program of the government. The bill was signed into law on December 19, 2018 and took effect on January 1, 2018, amending some provisions of the old Philippine tax system.

Except for resident foreign corporations, which is still subject to the existing rate of 7.5%, tax on interest income of foreign currency deposit was increased to 15% under TRAIN. Documentary stamp tax on bank checks, drafts, certificate of deposit not bearing interest, all debt instruments, bills of exchange, letters of credit, mortgages, deeds and others are now subjected to a higher rate.

CREATE Bill

The Corporate Recovery and Tax Incentives for Enterprise (CREATE) bill aims to reduce the corporate income tax rate from 30% to 25% starting July 2020 and to rationalize the current fiscal incentives.

On February 1, 2021, the Bicameral Conference Committee approved the reconciled version of the CREATE Bill of the House of Representatives and the Senate. The Bill is pending the signature of the President for it to become a law.

RR 4-2011

On March 15, 2011, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 4-2011 which prescribed the attribution and allocation of expenses between FCDUs/EFCDUs or OBU and RBU and within RBU.



On April 6, 2015, the Bank and other member banks of the Bankers Association of the Philippines (BAP), filed a Petition for Declaratory Relief with Application for Temporary Restraining Order (TRO) and/or Writ of Preliminary Injunction with the Regional Trial Court of Makati (Makati Trial Court). Further, in Civil Case No. 15-287, the Bank and other BAP member banks assailed the validity of RR 4-2011 on the ground, among others, that (a) the RR violates the petitioner-banks substantive due process rights; (b) it is not only illegal but also unfair; (c) that it serves as a deterrent to banks to invest in capital market transactions to the prejudice of the economy; (d) it sets a dangerous precedent for the disallowance of full deductions due to the prescribes method of allocation; and (e) it violates the equal protection clause of the Constitution.

On April 8, 2015, the Makati Trial Court issued a TRO enjoining the BIR from enforcing RR 4-2011. Also, on April 25, 2015, the Makati Trial Court issued a Writ of Preliminary Injunction enjoining the BIR from enforcing, carrying out, or implementing in any way or manner RR 4-2011 against the Bank and other BAP member banks, including issuing Preliminary Assessment Notice or Final Assessment Notice against them during the pendency of the litigation, unless sooner dissolved.

On June 10, 2015, the Makati Trial Court issued a Confirmatory Order stating that the TRO and Writ of Preliminary Injunction also prohibits the BIR from ruling or deciding on any administrative matter pending before it in relation to the subject revenue regulations and insofar as the Bank and other BAP member banks are concerned.

On May 25, 2019, the Makati Trial Court issued a decision annulling RR 4-2011 and making the Writ of Preliminary Injunction permanent.

Current tax regulations also provide for the ceiling on the amount of entertainment, amusement and recreation (EAR) expense that can be claimed as a deduction against taxable income. Under the regulations, EAR expense allowed as a deductible expense is limited to the actual EAR paid or incurred but not to exceed 1.00% of the Parent Company's net revenue.

The provision for income tax consists of:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Current						
Final tax	₱1,425,341	₱1,420,644	₱908,756	₱1,415,116	₱1,402,657	₱836,560
RCIT	1,759,466	962,712	1,070,191	1,467,636	680,187	926,792
MCIT	—	—	46,051	—	—	—
	3,184,807	2,383,356	2,024,998	2,882,752	2,082,844	1,763,352
Deferred	(1,793,703)	(870,706)	246,424	(1,396,154)	(405,124)	495,881
	₱1,391,104	₱1,512,650	₱2,271,422	₱1,486,598	₱1,677,720	₱2,259,233



The details of net deferred tax assets follow:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Net deferred tax assets on:				
Allowance for impairment and credit losses	₱5,407,554	₱3,670,628	₱4,183,930	₱2,845,003
Revaluation Increment on land (Notes 11 and 22)	(547,405)	(547,405)	(547,405)	(547,405)
Fair value adjustments on asset foreclosure and dacion transactions - net of depreciated portion	272,994	271,947	34,054	23,376
Net defined benefit asset	(27,086)	(166,955)	(11,551)	(151,420)
Others	66,377	142,734	73,020	118,402
	₱5,172,434	₱3,370,949	₱3,732,048	₱2,287,956

The details of net deferred tax liabilities follow:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Net deferred tax liabilities on:				
Fair value adjustments on asset foreclosure and dacion transactions – net of depreciated portion	₱145,781	₱143,487	₱–	₱–
Fair value adjustments on net assets (liabilities) of PDB and Unity Bank	128,846	128,846	–	–
Others	841,735	811,045	–	–
	₱1,116,362	₱1,083,378	–	–

In 2020 and 2019, deferred tax credited to OCI amounted to ₱29.76 million and ₱143.61 million respectively, for the Group and ₱47.94 million and ₱143.61 million, respectively, for the Parent Company.

The Group did not set up deferred tax assets on the following temporary differences as it believes that it is highly probable that these temporary differences will not be realized in the near foreseeable future:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Allowance for impairment and credit losses	₱937,610	₱1,684,183	₱–	₱–
Accrued compensated absences	–	57,182	–	–
Excess of MCIT over RCIT	–	83,204	–	–
Others	25,580	34,065	–	–
	₱963,190	₱1,858,634	₱–	₱–



As of December 31, 2020, details of the excess of MCIT over RCIT of a Subsidiary follow:

Inception Year	Original Amount	Used Amount	Expired Amount	Remaining Balance	Expiry Year
2017	P—	P—	P—	P—	2020
2018	46,643	—	—	46,643	2021
2019	36,560	—	—	36,560	2022
	P83,203	P—	P—	P83,203	

The reconciliation of the statutory income tax to the provision for income tax follows:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Statutory income tax	P4,038,766	P3,476,287	P3,116,258	P4,064,771	P3,524,004	P3,110,884
Tax effects of						
FCDU income	(558,048)	(730,776)	(250,305)	(553,550)	(714,703)	(252,809)
Non-taxable income	(445,898)	(690,059)	(984,372)	(2,227,782)	(1,458,268)	(895,392)
Interest income subjected to final tax	(2,375,355)	(1,609,292)	(318,857)	(642,318)	(622,878)	(276,675)
Nondeductible expenses	1,476,130	1,439,020	827,904	1,062,266	1,244,697	676,253
Others	(744,491)	(372,530)	(119,206)	(216,789)	(295,132)	(103,028)
Provision for income tax	P1,391,104	P1,512,650	P2,271,422	P1,486,598	P1,677,720	P2,259,233

29. Trust Operations

Securities and other properties (other than deposits) held by the Parent Company in fiduciary or agency capacities for clients and beneficiaries are not included in the accompanying balance sheets since these are not assets of the Parent Company (Note 31).

In compliance with the requirements of current banking regulations relative to the Parent Company's trust functions : (a) government bonds included under financial assets at FVOCI with total face value of P2.32 billion and P1.87 billion as of December 31, 2020 and 2019, respectively, are deposited with the BSP as security for the Parent Company's faithful compliance with its fiduciary obligations (Note 9); and (b) a certain percentage of the Parent Company's trust fee income is transferred to surplus reserve. This yearly transfer is required until the surplus reserve for trust function equals 20.00% of the Parent Company's authorized capital stock.

30. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Group's related parties include:

- key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family members,
- significant investors
- subsidiaries, joint ventures and associates and their respective subsidiaries, and
- post-employment benefit plans for the benefit of the Group's employees.



The Group has several business relationships with related parties. Transactions with such parties are normally made in the ordinary course of business and based on the terms and conditions discussed below.

Transactions with Retirement Plans

Under PFRS, certain post-employment benefit plans are considered as related parties. The Group has business relationships with a number of its retirement plans pursuant to which it provides trust and management services to these plans. Income earned by the Group and Parent Company from such services amounted to ₱48.31 million and ₱42.52 million, respectively, in 2020, ₱50.78 million and ₱44.70 million, respectively, in 2019, and ₱47.60 million and ₱44.38 million, respectively, in 2018.

The Group's retirement funds may hold or trade the Parent Company's shares or securities. Significant transactions of the retirement fund, particularly with related parties, are approved by the Trust Investment Committee (TIC) of the Parent Company. The members of the TIC are directors and key management personnel of the Parent Company.

A summary of transactions with related party retirement plans follows:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Deposits in banks	₱7,879	₱52,757	₱1,849	₱39,407
Financial assets at FVTPL	1,361,752	1,367,210	1,361,752	1,367,210
Dividend income	54,579	48,126	54,579	48,126
Interest income	245	21,484	133	18,975
Total market value of shares	1,361,752	1,367,210	1,361,752	1,367,210
Number of shares held	54,579	54,688	54,579	54,688

In 2018, dividend income and interest income of the retirement plan from investments and placements in the Parent Company amounted to ₱45.30 million and ₱16.88 million, respectively, for the Group, and ₱45.30 million and ₱13.31 million, respectively, for the Parent Company.

Financial assets at FVOCI represent shares of stock of the Parent Company. Voting rights over the Parent Company's shares are exercised by an authorized trust officer.

Remunerations of Directors and other Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The Group considers the members of the ManCom to constitute key management personnel for purposes of PAS 24.

Total remunerations of key management personnel are as follows:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Short-term employee benefits	₱557,390	₱550,767	₱533,995	₱468,427	₱468,271	₱441,361
Post-employment benefits	2,683	5,395	5,064	1,661	4,718	4,418
	₱560,073	₱556,162	₱539,059	₱470,087	₱472,989	₱445,779

Members of the BOD are entitled to a per diem of ₱500.00 for attendance at each meeting of the Board or of any committees and to four percent (4.00%) of the Parent Company's net earnings, with certain deductions in accordance with BSP regulation. Non-executive directors do not receive any performance-related compensation. Directors' remuneration covers all Parent Company's Board activities and membership of committees and subsidiary companies.



The Group also provides banking services to directors and other key management personnel and persons connected to them. These transactions are presented in the tables below.

Other Related Party Transactions

Transactions between the Parent Company and its subsidiaries meet the definition of related party transactions. Transactions between the Group and its associated companies also qualify as related party transactions. Details of the Parent Company's subsidiaries and associate are disclosed in Notes 1 and 10.

Group

Related party transactions of the Group by category of related party are presented below.

Category	December 31, 2020		
	Amount / Volume	Outstanding Balance	Terms and Conditions
Significant Investor			
Loans and receivables	₱—	₱2,345,300	Partially secured Loans with interest rate of 2.00%-5.12% and maturity of two to seven years.
Issuances	—		
Repayments	—		
Deposit liabilities		1,982	These are checking accounts with annual average rate of 0.13%.
Deposits	487		
Withdrawals	—		
Associate			
Deposit liabilities		39,394	These are savings accounts with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	181,158		
Withdrawals	(442,383)		
Key Management Personnel			
Loans and receivables		2,179	Unsecured Officer's accounts from Credit card with interest of 3% and currently maturing and Fully secured OEL accounts with interest of 6%; Secured; no impairment; with annual fixed interest rates ranging from 0% to 5.50%
Issuances	—		
Repayments	(433)		
Deposit liabilities		94,315	These are checking, savings and time deposits with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	282,538		
Withdrawals	(266,986)		
Other Related Parties			
Deposit liabilities		1,686,887	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	19,107,945		
Withdrawals	(17,824,347)		
December 31, 2019			
Category	Amount / Volume	Outstanding Balance	Terms and Conditions
Significant Investor			
Loans and receivables	₱—	₱2,345,300	Partially secured loans with interest rate of 2 – 5.12% and maturity of two to seven years.
Issuances	—	—	
Repayments	(4,421,200)	—	
Deposit liabilities		1,496	These are checking accounts with annual average rate of 0.13%.
Deposits	1,123	—	
Withdrawals	—	—	
Associate			
Deposit liabilities		300,620	These are savings accounts with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	666,996	—	
Withdrawals	(532,748)	—	
Key Management Personnel			
Loans and receivables		427	Unsecured Officer's accounts from Credit card with interest of 3% and currently maturing and fully secured OEL accounts with interest of 6%; Secured; no impairment; with annual fixed interest rates ranging from 0% to 5.50%
Issuances	—	—	
Repayments	(61)	—	
Deposit liabilities		78,763	These are checking, savings and time deposits with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	255,582	—	
Withdrawals	(257,836)	—	
Other Related Parties			
Deposit liabilities		389,714	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	22,632,109	—	
Withdrawals	(22,523,755)	—	



Interest income earned and interest expense incurred from the above loans and deposit liabilities in 2020, 2019, and 2018 follow:

	Significant Investor			Associate		
	2020	2019	2018	2020	2019	2018
Interest income	₱92,254	₱46,906	₱42,601	₱—	₱—	₱—
Interest expense	2	2	3	500	655	168

	Key Management Personnel			Other Related Parties		
	2020	2019	2018	2020	2019	2018
Interest income	₱82	₱26	₱7,921	₱—	₱—	₱—
Interest expense	1,459	1,952	2,121	1,467	2,376	2,129

Related party transactions of the Group with significant investor, associate and other related parties pertain to transactions of the Parent Company with these related parties.

Parent Company

Related party transactions of the Parent Company by category of related party, except those already presented in the Group disclosures, are presented below.

Category	December 31, 2020		
	Amount / Volume	Outstanding Balance	Nature, Terms and Conditions
Significant Investor			
Loans and receivables		₱2,345,300	Secured with Shares of Stocks of Other Banks/NBFI-PSE listed, interest rate of 5.25% and will mature on September 5, 2024
Issuances			
Repayments			
Deposit liabilities		1,982	These are checking accounts with annual average rate of 0.13%.
Deposits	₱487		
Withdrawals			
Subsidiaries			
Deposit liabilities		504,336	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	5,949,780		
Withdrawals	(5,926,690)		
Associate			
Deposit liabilities		39,394	These are savings accounts with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	181,158		
Withdrawals	(442,383)		
Key Management Personnel			
Deposit liabilities		94,315	These are checking, savings and time deposit account with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	282,538		
Withdrawals	(266,986)		
Other Related Parties			
Deposit liabilities		1,686,887	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	19,107,945		
Withdrawals	(17,824,347)		

Category	December 31, 2019		
	Amount / Volume	Outstanding Balance	Nature, Terms and Conditions
Significant Investor			
Loans and receivables		₱2,345,300	Partially secured Loans with interest rate of 2.00-5.25% and maturity of two to seven years.
Issuances			
Repayments	(₱4,421,200)		
Deposit liabilities		1,496	These are checking accounts with annual average rate of 0.13%.
Deposits	1,123		
Withdrawals			
Subsidiaries			
Deposit liabilities		481,247	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	3,673,806		
Withdrawals	(3,306,898)		
Associate			
Deposit liabilities		300,538	These are savings accounts with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	666,995		
Withdrawals	(532,748)		
Key Management Personnel			
Loans and receivables		426,50	Unsecured Officer's accounts from Credit card with interest of 3% and currently maturing and fully secured OEL accounts with interest of 6%
Issuances			
Repayments	(61.14)		
Deposit liabilities		27,009	These are savings account with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	229,243		
Withdrawals	(216,803)		
Other Related Parties			
Deposit liabilities		168,085	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	22,528,359		
Withdrawals	(22,474,211)		



In 2019, the Parent Company sold its investment property to a related party for a total cash selling price of ₱382.33 million and recognized gain of ₱377.18 million.

The related party transactions shall be settled in cash. There are no provisions for credit losses in 2020, 2019 and, 2018 in relation to amounts due from related parties.

Interest income earned and interest expense incurred from the above loans and deposit liabilities in 2020, 2019 and, 2018 follow:

	Subsidiaries			Associate		
	2020	2019	2018	2020	2019	2018
Interest Income	₱2,020	₱-	₱-	₱2,020	₱-	₱-
Interest expense	850	743	375	500	654	168

	Key Management Personnel			Other Related Parties		
	2020	2019	2018	2020	2019	2018
Interest income	₱2,020	₱26	₱11,277	₱2,020	₱-	₱-
Interest expense	1,459	36	19	₱1,467	210	131

	Significant Investor		
	2020	2019	2018
Interest income	₱2,020	₱46,906	₱42,601
Interest expense	₱2	2	3

Outright purchases and outright sale of debt securities of the Parent Company with its subsidiaries in 2020 and 2019 follow:

	Subsidiaries	
	2020	2019
Peso-denominated		
Outright purchase	₱248,570	₱3,390,547
Outright sale	2,715,570	854,135
Dollar-denominated (equity)		
Outright purchase	5,000	6,550
Outright sale	6,000	450

The following table shows the amount and outstanding balance of other related party transactions included in the financial statements:

	Subsidiaries		
	2020	2019	Nature, Terms and Conditions
Balance Sheet			
Accounts receivable	₱1,322	₱1,144	This pertains to various expenses advanced by CBC in behalf of CBSI
Security deposits	1,878	2,270	This pertains to the rental deposits with CBSI for office space leased out to the Parent Company
Accounts payable	11	12,941	This pertains to various unpaid rental to CBSI



	Subsidiaries			Nature, Terms and Conditions
	2020	2019	2018	
Income Statement				
Miscellaneous income	₱1,800	₱1,800	₱1,800	Human resources functions provided by the Parent Company to its subsidiaries (except CBC Forex and Unity Bank) such as recruitment and placement, training and development, salary and benefits development, systems and research, and employee benefits. Under the agreement between the Parent Company and its subsidiaries, the subsidiaries shall pay the Parent Company an annual fee
Occupancy cost	₱11,808	₱20,067	₱19,937	Certain units of the condominium owned by CBSI are being leased to the Parent Company for a term of five years, with no escalation clause
Miscellaneous expense	225,428	222,414	204,749	This pertains to the computer and general banking services provided by CBC-PCCI to the Parent Company to support its reporting requirements

31. Commitments and Contingent Assets and Liabilities

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

There are several suits, assessments or notices and claims that remain contested. Management believes, based on the opinion of its legal counsels, that the ultimate outcome of such suits, assessments and claims will not have a material effect on the Group's and the Parent Bank's financial position and results of operations.

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

	Consolidated		Parent Company	
	2020	2019	2020	2019
Trust department accounts (Note 29)	₱210,776,272	₱169,339,175	₱210,776,272	₱169,339,175
Committed credit lines	9,551,472	46,506,112	9,551,472	46,506,112
Unused commercial letters of credit (Note 30)	14,445,630	18,227,610	14,338,580	18,110,275
Foreign exchange bought	17,338,436	30,941,342	17,338,436	30,941,342
Foreign exchange sold	15,385,289	18,229,910	15,385,289	18,229,910
Credit card lines	12,492,933	11,048,767	12,492,933	11,048,767
IRS receivable	25,351,615	26,523,850	25,351,615	26,523,850
Outstanding guarantees issued	1,187,256	1,022,261	899,090	688,045
Inward bills for collection	1,862,824	4,423,799	1,862,824	4,423,799
Standby credit commitment	1,652,526	2,200,316	1,652,526	2,200,316
Spot exchange sold	2,113,123	11,965,938	2,113,123	11,965,938
Spot exchange bought	1,920,935	10,896,547	1,920,935	10,896,547
Deficiency claims receivable	283,842	285,745	283,842	285,745
Late deposits/payments received	342,103	525,953	319,833	492,597
Outward bills for collection	150,073	88,197	148,316	86,344
Others	1,110,325	37,114	1,110,163	36,951



32. Segment Information

The Group's operating businesses are recognized and managed separately according to the nature of services provided and the markets served, with each segment representing a strategic business unit.

The Group's business segments are as follows:

- a. Lending Business – principally handles all the lending, trade finance and corollary banking products and services offered to corporate and institutional customers as well as selected middle market clients. It also handles home loans, contract-to-sell receivables, auto loans and credit cards for individual and/or corporate customers. Aside from the lending business, it also provides cash management services and remittance transactions;
- b. Retail Banking Business – principally handles retail and commercial loans, individual and corporate deposits, overdrafts and funds transfer facilities, trade facilities and all other services for retail customers;
- c. Financial Markets – principally provides money market, trading and treasury services, manages the Group's funding operations by the use of government securities, placements and acceptances with other banks as well as offers advisory and capital-raising services to corporate clients and wealth management services to high-net-worth customers; and
- d. Others – handles other services including but not limited to trust and investment management services, asset management, insurance brokerage, credit management, thrift banking business, operations and financial control, and other support services.

The Group's businesses are organized to cater to the banking needs of market segments, facilitate customer engagement, ensure timely delivery of products and services as well as achieve cost efficiency and economies of scale. Accordingly, the corresponding segment information for all periods presented herein are restated to reflect such change.

The Group reports its primary segment information to the Chief Operating Decision Maker (CODM) on the basis of the above-mentioned segments. The CODM of the Group is the President.

Segment assets are those operating assets that are employed by a segment in its operating activities that are either directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Segment liabilities are those operating liabilities that result from the operating activities of a segment and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Interest income is reported net as management primarily relies on the net interest income as performance measure, not the gross income and expense.

The segment results include internal transfer pricing adjustments across business units as deemed appropriate by management. Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest is charged/credited to the business units based on its assets' and liabilities' repricing or maturity date using market-based yield curve approved by the Asset Liability Committee (ALCO).



Other operating income mainly consists of trading and securities gain (loss) – net, service charges, fees and commissions, trust fee income and foreign exchange gain – net. Other operating expense mainly consists of compensation and fringe benefits, provision for impairment and credit losses, taxes and licenses, occupancy, depreciation and amortization, stationery, supplies and postage and insurance. Other operating income and expense are allocated between segments based on equitable sharing arrangements.

The Group has no significant customers which contributes 10.00% or more of the consolidated revenues.

The Group's asset producing revenues are located in the Philippines (i.e., one geographical location); therefore, geographical segment information is no longer presented.

The following tables present relevant financial information regarding business segments measured in accordance with PFRS as of and for the years ended December 31, 2020, 2019 and 2018:

	Lending Business			Retail Banking Business		
	2020	2019	2018	2020	2019	2018
Results of Operations						
Net interest income						
Third party	₱26,243,948	₱24,613,498	₱19,034,015	(₱537,797)	(₱5,338,849)	(₱871,505)
Intersegment	(17,367,936)	(18,388,536)	(12,956,205)	18,378,843	18,020,023	11,763,393
	8,876,012	6,224,962	6,077,810	17,841,046	12,681,174	10,891,888
Other operating income	1,014,330	2,281,689	1,794,959	1,924,001	2,209,567	1,619,591
Total revenue	9,890,342	8,506,651	7,872,769	19,765,047	14,890,741	12,511,479
Other operating expense	(3,603,526)	(3,771,960)	(1,888,154)	(11,276,218)	(9,785,604)	(7,034,881)
Income before provisions and taxes	6,286,816	4,734,691	5,984,615	8,488,829	5,105,137	5,476,598
Provision for impairment and credit losses	(6,987,211)	(1,836,780)	328,404	(888,952)	(443,621)	(103,780)
Income before income tax	(700,395)	2,897,911	6,313,019	7,599,877	4,661,516	5,372,818
Provision for income tax	271,102	(45,149)	210,176	(244,334)	(419,750)	–
Net income	(₱429,293)	₱2,852,762	₱6,523,195	₱7,355,543	₱4,241,766	₱5,372,818
Total assets	₱447,944,431	₱438,731,372	₱376,187,705	₱587,770,303	₱516,900,229	₱471,540,704
Total liabilities	₱8,177,263	5,042,977	4,819,787	₱631,763,776	569,897,912	499,955,967
Depreciation and amortization	₱126,699	54,477	73,475	₱1,004,571	1,185,539	437,201
Capital expenditures	₱21,087	₱29,405	₱66,105	₱55,564	₱177,348	₱148,179

	Financial Markets			Other Business and Support Units		
	2020	2019	2018	2020	2019	2018
Results of Operations						
Net interest income						
Third party	₱4,200,824	₱3,462,384	₱4,028,486	₱3,935,611	₱3,314,264	₱735,190
Intersegment	(817,457)	1,041,115	(434,176)	(193,450)	(672,602)	1,626,988
	3,383,367	4,503,499	3,594,310	3,742,161	2,641,662	2,362,178
Other operating income	5,564,672	1,994,224	522,523	1,508,046	1,945,309	1,721,223
Total revenue	8,948,039	6,497,723	4,116,833	5,250,207	4,586,971	4,083,401
Other operating expense	(2,040,542)	(1,760,735)	(864,332)	(4,601,876)	(5,005,997)	(8,268,513)
Income before provisions and taxes	6,907,497	4,736,988	3,252,501	648,331	(419,026)	(4,185,112)
Provision for impairment and credit losses	(103,465)	(92,689)	(51,689)	(889,291)	(197,078)	(314,011)
Income before income tax	6,804,032	4,644,299	3,200,812	(240,960)	(616,104)	(4,499,123)
Provision for income tax	(1,514,395)	(1,240,335)	(730,643)	96,523	192,584	(1,750,955)
Net income	₱5,289,637	₱3,403,964	₱2,470,169	(₱144,437)	(₱423,520)	(₱6,250,078)
Total assets	₱291,325,133	₱230,368,926	₱170,463,397	(₱291,028,218)	(₱223,774,546)	(₱152,120,166)
Total liabilities	₱141,939,942	₱118,786,174	₱88,040,610	₱149,145,306	₱172,323,323	₱185,398,689
Depreciation and amortization	₱329,510	₱52,328	₱49,433	₱434,119	₱650,316	₱737,576
Capital expenditures	₱4,837	₱8,542	₱60,838	₱195,393	₱209,829	₱299,388



	Total		
	2020	2019	2018
Results of Operations			
Net interest income			
Third party	₱33,842,586	₱26,051,297	₱22,926,186
Intersegment	—	—	—
	33,842,586	26,051,297	22,926,186
Other operating income	10,011,049	8,430,789	5,658,296
Total revenue	43,853,635	34,482,086	28,584,482
Other operating expense	(21,522,162)	(20,324,296)	(18,055,880)
Income before provisions and taxes	22,331,473	14,157,790	10,528,602
Provision for impairment and credit losses	(8,868,919)	(2,570,168)	(141,076)
Income before income tax	13,462,554	11,587,622	10,387,526
Provision for income tax	(1,391,104)	(1,512,650)	(2,271,422)
Net income	₱12,071,450	₱10,074,972	₱8,116,104
Total assets	₱1,036,011,649	₱962,225,981	₱866,071,640
Total liabilities	₱931,026,287	₱866,050,386	₱778,215,053
Depreciation and amortization	₱1,894,899	₱1,942,660	₱1,297,685
Capital expenditures	₱276,881	₱425,124	₱574,510

The Group's share in net income of an associate included in other operating income amounting to ₱152.44 million, ₱184.66 million and ₱101.01 million in 2020, 2019 and 2018, respectively are reported under 'Other Business and Support Units'.

33. Earnings Per Share

Basic EPS amounts are calculated by dividing the net income for the year by the weighted average number of common shares outstanding during the year (adjusted for stock dividends).

The following reflects the income and share data used in the basic earnings per share computations:

	2020	2019	2018
a. Net income attributable to equity holders of the parent	₱12,062,636	₱10,068,960	₱8,110,379
b. Weighted average number of common shares outstanding (Note 23)	2,685,900	2,685,900	2,685,826
c. EPS (a/b)	₱4.49	₱3.75	₱3.02

As of December 31, 2020, the centennial stock grant has a dilutive effect to the EPS. Accordingly, for 2020, the diluted EPS amounts to ₱4.49 after adjusting the weighted average number of common shares outstanding during the year with the impact of stock grant. As of December 31, 2019 and 2018, there were no outstanding dilutive potential common shares.



34. Supplementary Information for Cash Flow Analysis

The following is a summary of certain non-cash investing activities that relate to the analysis of the statements of cash flows:

	Consolidated		
	2020	2019	2018
Addition to investment properties from settlement of loans	₱385,519	₱832,290	₱523,343
Fair value gain on FVOCI financial assets	2,932,752	892,644	(451,786)
Cumulative translation adjustment	(17,496)	98,830	(52,900)
Addition to chattel mortgage from settlement of loans	32,568	618,298	626,182
	Parent Company		
	2020	2019	2018
Addition to investment properties from settlement of loans	₱117,661	₱471,020	₱240,680
Fair value gain in FVOCI financial assets	2,870,805	670,487	(381,791)
Cumulative translation adjustment	(5,118)	81,518	(58,792)
Addition to chattel mortgage from settlement of loans	2,006	10,332	20,135

The following table shows the reconciliation analysis of bonds and bills payable under financing activities for the years ended December 31, 2020 and 2019:

	2020	2019
Balance at beginning of year	₱70,775,805	₱39,826,532
Cash flows during the year		
Proceeds	131,188,100	180,468,980
Settlement	(124,743,600)	(147,998,921)
Non-cash changes		
Foreign exchange movement	(1,560,349)	(1,319,934)
Amortization of transaction cost	61,572	(200,852)
Balance at end of year	₱75,721,528	₱70,775,805

35. Offsetting of Financial Assets and Liabilities

The amendments to PFRS 7 require the Group to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under enforceable master netting agreements or similar arrangements. The effects of these arrangements are disclosed in the succeeding tables.



December 31, 2020						
Financial instruments recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial position [a-b]	Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
				Financial instruments	Fair value of financial collateral	Net exposure [c-d]
	[a]	[b]	[c]	[d]		[e]
Financial assets						
SPURA	₱12,022,648	₱-	₱12,022,648	₱12,022,648	₱12,022,648	₱-
Currency forwards	106,327	-	106,327	30,790	-	75,537
IRS	37,171	-	37,171	32,616	-	4,555
	₱12,166,146	₱-	₱12,166,146	₱12,086,054	₱12,022,648	₱80,092
Financial liabilities						
Bills payable	₱23,655,851	₱-	₱23,655,851	₱20,298,521	₱21,664,145	₱1,991,706
Currency forwards	41,935	-	41,935	30,790	-	11,145
IRS	97,055	-	97,055	32,616	-	64,439
	₱23,794,841	₱-	₱23,794,841	₱20,361,927	₱21,664,145	₱2,067,290
December 31, 2019						
Financial instruments recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial position [a-b]	Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
				Financial instruments	Fair value of financial collateral	Net exposure [c-d]
	[a]	[b]	[c]	[d]		[e]
Financial assets						
SPURA	₱5,447,293	₱-	₱5,447,293	₱5,447,293	₱5,447,293	₱-
Currency forwards	101,067	-	101,067	10,786	-	90,281
IRS	2,082	-	2,082	15	-	2,067
	₱5,550,442	₱-	₱5,550,442	₱5,458,094	₱5,447,293	₱2,348
Financial liabilities						
Bills payable	₱21,867,053	₱-	₱21,867,053	₱19,385,705	₱19,706,128	₱2,160,925
Currency forwards	278,942	-	278,942	37,058	-	241,883
IRS	44,355	-	44,355	10,786	-	33,569
	₱22,190,350	₱-	₱22,190,350	₱19,433,549	₱19,706,128	₱2,436,377

The amounts disclosed in column (d) include those rights to set-off amounts that are only enforceable and exercisable in the event of default, insolvency or bankruptcy. These include amounts related to financial collateral both received and pledged, whether cash or non-cash collateral, excluding the extent of over-collateralization.

36. Covid-19 Pandemic

On March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine (ECQ) throughout the island of Luzon. The ECQ was originally set to last until April 12, 2020 but, upon the recommendation of the Inter-Agency Task Force on Emerging Infectious Disease (IATF-EID), President Duterte extended it until April 30, 2020. On May 1, 2020, it was further extended until May 15 but only on selected places considered high-risk. On May 12, 2020, a modified ECQ (MECQ) was imposed on Metro Manila and selected provinces effective May 16 until May 31. Meanwhile, other areas transitioned to general community quarantine (GCQ) starting May 16. On June 1, Metro Manila and selected provinces were downgraded to GCQ, while the rest of the country was placed under modified GCQ. On August 4, Metro Manila, and the provinces of Laguna, Cavite, Rizal, and Bulacan reverted back to modified ECQ amid the rising number of COVID-19 positive cases. The MECQ lasted until August 18. On August 17, on the recommendation of IATF-EID, the



President announced that Metro Manila and its neighboring provinces of Bulacan, Cavite and Laguna will be downgraded to GCQ starting August 19. These measures have caused disruptions to businesses and economic activities, and its impact on businesses continues to evolve.

Bayanihan to Heal as One Act

On March 25, 2020, President Duterte signed into law the Bayanihan to Heal as One Act (RA 11469). The law provides the President, among others, the power to direct all private and public banks, quasi-banks, financing companies, lending companies and other financial institutions, including the Government Service Insurance System, Social Security System and Pag-ibig Fund to implement a grace period of 30 days minimum, for the payment of all loans falling due within the enhanced community quarantine (ECQ) without interests, penalties, fees or other charges. In a separate Frequently Asked Questions (FAQ) released by BSP on May 18, 2020, it clarified that the modified enhance community quarantine (MECQ) shall have the same effect as the ECQ with respect to the application of the mandatory grace period for the payment of all loans falling due within the period of MECQ.

The Implementing Rules and Regulations (IRR) of the said law provides that borrowers have the option to pay the interest accrued during the mandatory grace period either in lumpsum on the new due date or on staggered basis over the life of the loan. Nonetheless, covered financial institutions are not precluded from offering less onerous payment schemes with the consent of the borrower, such as allowing lump sum payment of accrued interest on the last payment date of the loan, provided that the accrued interest during the mandatory grace period will not be charged with interest on interest, fees and other charges.

On March 14, 2020, the BSP issued BSP Memorandum No. M-2020-008 *Regulatory Relief for BSFIs Affected by the Corona Virus Disease 2019 (COVID-19)*. The said memorandum provides for certain temporary regulatory and rediscounting relief measures for financial institutions supervised by the BSP. Accordingly, the Parent Company informed the BSP of its intention to avail the following:

- Provide financial assistance to officers affected by the present health emergency subject to submission by the Parent Company of a request for BSP approval within 30 calendar days from the approval thereof of the Parent Company's Board of Directors;
- Exclude from the computation of past due ratio, loans by borrowers in affected areas, subject to the following: (i) such loans shall be reported to the BSP; (ii) extension shall be for a period of one year from 08 March 2020; and (iii) BSP documentary requirements for restructuring of loans may be waived provided that the Bank will adopt appropriate and prudent operational control measures;
- Non-imposition of monetary penalties for delays incurred in the submission of all supervisory reports to BSP due to be submitted from 08 March 2020 up to six months thereafter;
- Allow staggered booking of allowance for credit losses computed under Section 143 of the Manual of Regulation for Banks (MORB) over a maximum period of five years for all types of credits extended to individuals and businesses directly affected by COVID-19 as of 08 March 2020, subject to prior approval of the BSP;
- Non-imposition of penalties on legal reserve deficiencies computed under Section 255 of the MORB starting from reserve week following 08 March 2020 up to six months thereafter, subject to prior approval of the BSP;



- Rediscounting relief as follows:
 - a. Grant of a 60-day grace period, upon application with BSP, to settle outstanding rediscounting obligations as of 08 March 2020, provided that interest shall be charged but no penalty shall be imposed;
 - b. Allowing the Parent Company to restructure with BSP, the outstanding rediscounted loans as of 08 March 2020 of its end-user borrowers affected by the COVID-19, subject to the terms and conditions stated in Appendix 133 of the MORB; and
 - c. relaxation of eligibility requirements by excluding the criteria on reserve requirement for the renewal of rediscounting line and for the availment of rediscounting loans from 08 March 2020 up to six months thereafter.

As of December 31, 2020, there was no actual availment of the foregoing regulatory reliefs.

37. Approval of the Financial Statements

The accompanying consolidated and parent company financial statements were authorized for issue by the Parent Company's BOD on February 24, 2021.

38. Supplementary Information Required Under BSP Circular 1074

Presented below is the supplementary information required by BSP under Appendix 55 of BSP Circular 1074 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

Basic quantitative indicators of financial performance

The following basic ratios measure the financial performance of the Group and the Parent Company:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Return on average equity	12.09%	11.04%	9.54%	12.09%	11.04%	9.54%
Return on average assets	1.21%	1.10%	1.04%	1.32%	1.22%	1.17%
Net interest margin	3.92%	3.39%	3.56%	3.82%	3.26%	3.42%

Description of capital instruments issued

The Group and the Parent Company considers its common stock as capital instruments eligible as Tier 1 capital.

Significant credit exposures

	Consolidated			
	2020		2019	
	Amounts	%	Amounts	%
Real estate, renting and business services	₱145,914,295	25.49	₱131,554,263	22.77
Electricity, gas and water	77,295,952	13.51	80,765,270	13.98
Wholesale and retail trade	48,797,394	8.53	59,338,753	10.27
Transportation, storage and communication	54,792,752	9.57	57,770,004	10
Financial intermediaries	67,320,876	11.76	63,584,082	11
Manufacturing	33,567,819	5.86	32,405,226	5.61
Arts, entertainment and recreation	23,687,514	4.14	17,899,693	3.1

(Forward)



	Consolidated			
	2020		2019	
	Amounts	%	Amounts	%
Accommodation and food service activities	₱12,904,107	2.25	₱12,818,682	2.22
Construction	13,955,942	2.44	13,131,855	2.27
Mining and quarrying	8,000,701	1.40	9,995,905	1.73
Agriculture	7,929,762	1.39	6,636,029	1.15
Education	5,290,900	0.92	6,321,842	1.09
Public administration and defense	2,055,542	0.36	4,100,000	0.71
Professional, scientific and technical activities	860,778	0.15	771,566	0.13
Others*	69,970,620	12.23	80,735,867	13.98
	₱572,344,954	100.00	₱577,829,037	100.00

*Others consist of administrative and support service, health, household and other activities.

	Parent Company			
	2020		2019	
	Amounts	%	Amounts	%
Real estate, renting and business services	₱123,150,868	24.40	₱108,067,826	21.18
Electricity, gas and water	75,367,275	14.93	78,802,898	15.45
Financial intermediaries	66,402,640	13.16	62,178,902	12.19
Wholesale and retail trade	45,324,442	8.98	55,222,983	10.82
Transportation, storage and communication	52,346,480	10.37	55,429,738	10.86
Manufacturing	31,988,437	6.34	29,757,318	5.83
Arts, entertainment and recreation	23,630,122	4.68	17,799,562	3.49
Accommodation and food service activities	11,892,441	2.36	11,591,121	2.27
Construction	12,886,246	2.55	11,985,485	2.35
Mining and quarrying	7,998,397	1.58	9,991,633	1.96
Agriculture	6,372,652	1.26	5,076,970	1.00
Public administration and defense	2,055,542	0.94	4,100,000	0.80
Education	4,735,251	0.41	5,667,447	1.11
Professional, scientific and technical activities	788,324	0.16	685,031	0.13
Others*	39,791,654	7.88	53,802,779	10.55
	₱504,730,771	100.00	₱510,159,693	100.00

*Others consist of administrative and support service, health, household and other activities.

The BSP considers that loan concentration exists when the total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio. As of December 31, 2020 and 2019, the Parent Company does not have credit concentration in any particular industry.

Status of loans

Information on the amounts of performing and non-performing loans and receivables (gross of allowance for impairment and credit losses) of the Group and Parent Company are as follows:

	Consolidated					
	2020			2019		
	Performing	Non-Performing	Total	Performing	Non-Performing	Total
Loans and discounts						
Corporate and commercial lending	₱444,111,245	₱5,391,246	₱449,502,491	₱454,852,808	₱4,690,104	₱459,542,912
Consumer lending:						
Housing	71,659,301	5,136,896	76,796,197	69,504,381	2,427,211	71,931,592
Auto	19,748,879	1,209,090	20,957,969	22,155,296	702,476	22,857,772
Credit Card	1,014,155	392,156	1,406,311	1,209,616	304,222	1,513,838
Others	14,070,206	544,918	14,615,124	10,061,522	327,756	10,389,278
Trade-related lending	8,230,427	303,622	8,534,049	10,954,527	242,392	11,196,919
Others*	137,620	4,641	142,261	42,358	4,471	46,829
	₱558,971,833	₱12,982,569	₱571,954,402	₱568,780,508	₱8,698,632	₱577,479,140



	Parent Company			2019		
	2020			2019		
	Performing	Non-Performing	Total	Performing	Non-Performing	Total
Loans and discounts						
Corporate and commercial lending	₱426,469,140	₱2,587,729	₱429,056,869	₱432,104,596	₱2,229,449	₱434,334,045
Consumer lending:						
Housing	54,940,444	4,140,628	59,081,072	53,033,152	1,908,416	54,941,568
Auto	6,349,025	271,150	6,620,175	7,956,005	185,153	8,141,158
Credit Card	1,014,155	392,156	1,406,311	1,209,616	304,222	1,513,838
Others	838	-	838	1,463	-	1,463
Trade-related lending	8,053,403	275,045	8,328,448	10,666,662	235,906	10,902,568
Others*	28,392	28	28,420	34,340	1	34,341
	₱496,855,397	₱7,666,736	₱504,522,133	₱505,005,834	₱4,863,147	₱509,868,981

Loans per security

As of December 31, 2020 and 2019, secured and unsecured non-performing loans (NPLs) of the Group and the Parent Company follow:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Secured	₱3,966,218	₱3,177,507	₱775,355	₱935,742
Unsecured	9,016,351	5,521,125	6,891,381	3,927,405
	₱12,982,569	₱8,698,632	₱7,666,736	₱4,863,147

According to BSP Circular 941, *Amendments to the Regulations on Past Due and Non-Performing Loans* effective January 1, 2018, loans shall be considered non-performing, even without any missed contractual payments, when it is considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and/or there is evidence that full repayment of principal and interest is unlikely without foreclosure of collateral, if any. All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid for more than ninety (90) days from contractual due date, or accrued interests for more than ninety (90) days have been capitalized, refinanced, or delayed by agreement.

Secured liability and assets pledged as security

The carrying amount of foreign currency-denominated investment securities at amortized cost pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱13.09 billion and ₱9.00 billion for 2020 and 2019, respectively. The carrying amount of the peso-denominated investment securities at amortized cost pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱7.21 billion and ₱10.39 billion for 2020 and 2019, respectively. The fair value of investment securities at amortized cost pledged as collateral amounted to ₱21.66 billion and ₱19.71 billion for 2020 and 2019, respectively.

Related party loans

As required by the BSP, the Group discloses loan transactions with its and affiliates and investees and with certain directors, officers, stockholders and related interests (DOSRI). Under existing banking regulations, the limit on the amount of individual loans to DOSRI, of which 70.00% must be secured, should not exceed the regulatory capital or 15.00% of the total loan portfolio, whichever is lower. These limits do not apply to loans secured by assets considered as non-risk as defined in the regulations.



BSP Circular No. 423, dated March 15, 2004, amended the definition of DOSRI accounts. The following table shows information relating to the loans, other credit accommodations and guarantees classified as DOSRI accounts under regulations existing prior to said Circular, and new DOSRI loans, other credit accommodations granted under said Circular:

	Consolidated			
	2020		2019	
	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)
Total outstanding DOSRI loans	₱3,224,094	₱55,523,024	₱3,782,090	₱53,032,123
Percent of DOSRI/Related Party loans to total loan portfolio	0.56%	9.70%	0.65%	9.18%
Percent of unsecured DOSRI/Related Party loans to total loan portfolio	0.14%	78.14%	5.16%	75.00%
Percent past due DOSRI/Related Party loans to total loan portfolio	—	—	—	—
Percent of non-performing DOSRI/Related Party loans to total loan portfolio	—	—	—	—
	Parent			
	2020		2019	
	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)
Outstanding DOSRI loans	₱3,217,097	₱54,839,195	₱3,775,723	₱52,200,773
Percent of DOSRI/Related Party loans to total loan portfolio	0.64%	10.87%	0.74%	10.23%
Percent of unsecured DOSRI/Related Party loans to total loan portfolio	0.10%	94.25%	5.16%	76.16%
Percent past due DOSRI/Related Party loans to total loan portfolio	—	—	—	—
Percent of non-performing DOSRI/Related Party loans to total loan portfolio	—	—	—	—

The amounts of loans disclosed for related parties above differ with the amounts disclosed for key management personnel since the composition of DOSRI is more expansive than that of key management personnel.

BSP Circular No. 560 provides that the total outstanding loans, other credit accommodation and guarantees to each of the bank's/quasi-bank's subsidiaries and affiliates shall not exceed 10.00% of the net worth of the lending bank/quasi-bank, provided that the unsecured portion of which shall not exceed 5.00% of such net worth. Further, the total outstanding loans, credit accommodations and guarantees to all subsidiaries and affiliates shall not exceed 20.00% of the net worth of the lending bank/quasi-bank; and the subsidiaries and affiliates of the lending bank/quasi-bank are not related interest of any director, officer and/or stockholder of the lending institution, except where such director, officer or stockholder sits in the BOD or is appointed officer of such corporation as representative of the bank/quasi-bank.

On May 12, 2009, BSP issued Circular No. 654 allowing a separate individual limit of twenty-five (25.00%) of the net worth of the lending bank/quasi-bank to loans of banks/quasi-banks to their subsidiaries and affiliates engaged in energy and power generation.



Commitments and contingencies

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

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

39. Supplementary Information Required Under RR No. 15–2010

In compliance with the requirements set forth by RR No. 15–2010, hereunder are the details of percentage and other taxes paid or accrued by the Parent Company in 2020.

Gross receipts tax	₱1,848,753
Documentary stamps tax	1,544,089
Local taxes	81,506
Fringe benefit tax	14,126
Others	10,013
Total for the year	₱3,498,487

Withholding Taxes

Details of total remittances of withholding taxes in 2020 and amounts outstanding as of December 31, 2020 are as follows:

	Total remittances	Amounts outstanding
Final withholding taxes	₱2,069,386	₱117,052
Withholding taxes on compensation and benefits	599,004	65,192
Expanded withholding taxes	125,323	11,597
	₱2,793,713	₱193,841




INDEPENDENT AUDITOR'S REPORT

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of China Banking Corporation and Subsidiaries (the Group) and the financial statements of China Banking Corporation (the Parent Bank) as at December 31, 2020, included in this Form 17-A, and have issued our report thereon dated February 24, 2021. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Josephine Adrienne A. Abarca
Partner

CPA Certificate No. 92126
SEC Accreditation No. 0466-AR-4 (Group A),
November 13, 2018, valid until November 12, 2021
Tax Identification No. 163-257-145
BIR Accreditation No. 08-001998-061-2020,
December 3, 2020, valid until December 2, 2023
PTR No. 8534208, January 4, 2021, Makati City

February 24, 2021



CHINA BANKING CORPORATION
INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2020

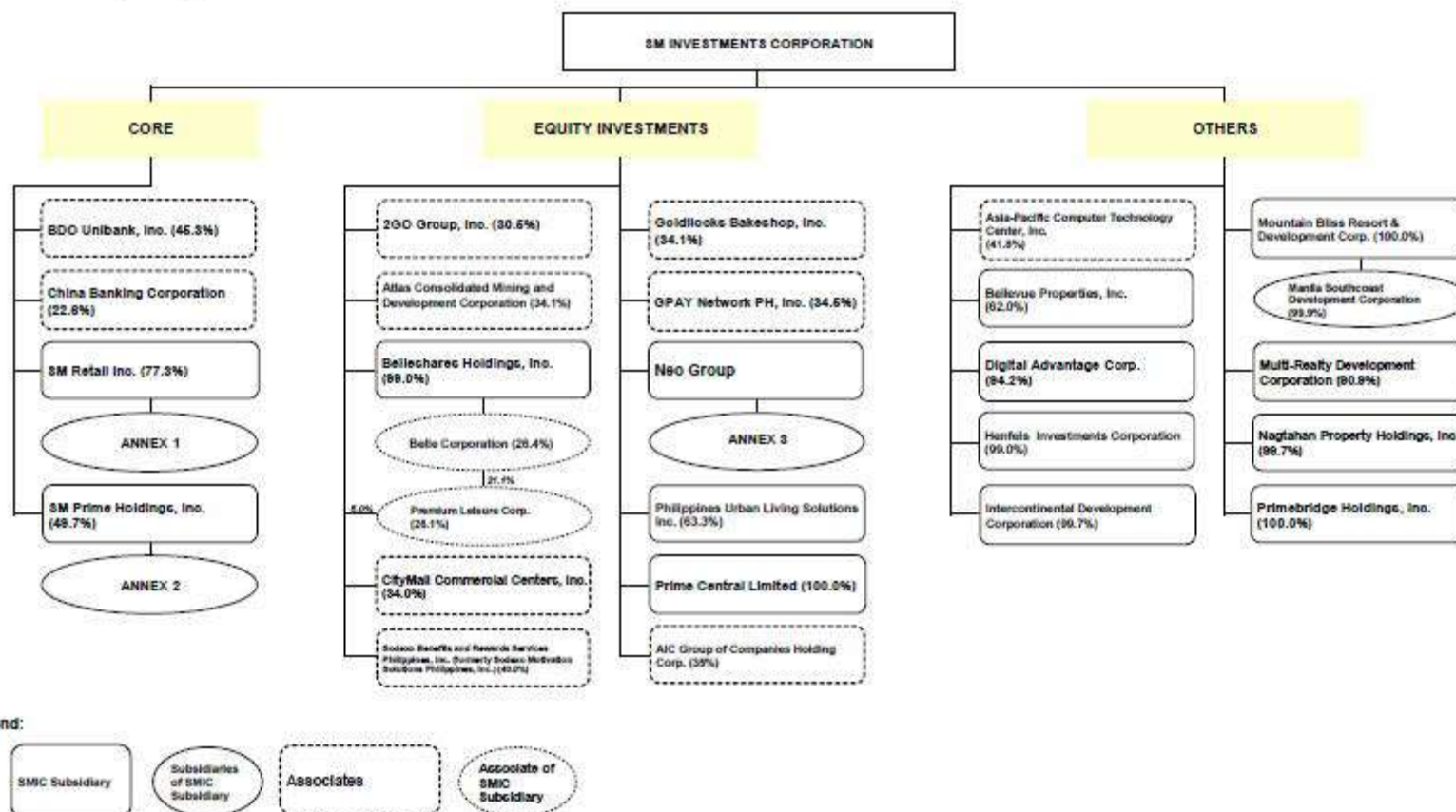
Part I		
Schedule	Content	Page No.
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II	Map showing relationships between and among parent, subsidiaries, an associate, and joint venture <i>(Part I 5G)</i>	2
Part II		
A	Financial Assets Financial assets at fair value through profit or loss Financial assets at fair value through other comprehensive income Financial assets at amortized cost <i>(Part II 7D, Annex 68-J, A)</i>	3
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties) <i>(Part II 7D, Annex 68-J, B)</i>	4
C	Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements <i>(Part II 7D, Annex 68-J, C)</i>	5
D	Long-Term Debt <i>(Part II 7D, Annex 68-J, D)</i>	6
E	Indebtedness to Related Parties (included in the consolidated balance sheet) <i>(Part II 7D, Annex 68-J, E)</i>	7
F	Guarantees of Securities of Other Issuers <i>(Part II 7D, Annex 68-J, F)</i>	8
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H	Financial Soundness Indicators <i>(Part II 7D, Annex 68-J, H)</i>	10
I	Schedule for Listed Companies with a Recent Offering of Securities to the Public <i>(Part II 7D, Annex 68-J, I)</i>	11

CHINA BANKING CORPORATION
8745 Paseo de Roxas corner Villar Street Makati City

SCHEDULE I
RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2020
(Amounts in Thousands)

Unappropriated Retained Earnings, Beginning		₱48,558,760
Adjustments:		
Prior years non-actual/unrealized income net of tax (2007-2019)	(₱4,718,763)	
Transfer of revaluation increment to surplus	(1,277,277)	
Prior years' net earnings of subsidiaries not available for dividends	(2,736,481)	
		(8,732,522)
Unappropriated Retained Earnings, As adjusted, Beginning		39,826,239
Add: Net income during the period	12,062,637	
Less: Non-actual/unrealized income net of tax		
Provision for deferred taxes	1,396,154	
Equity in net income of associate	152,441	
Fair value adjustments (mark-to-market gains)	22,114	
Net earnings of subsidiaries not available for dividends	790,482	
Fair value adjustments of investment property resulting to gain	56,308	
Sub-total	2,417,499	
Add: Non-actual losses		
Loss on fair value adjustment on investment property (after tax)	47,551	
Net income actually earned/ realized during the period		9,692,689
Less: Cash dividend declared during the period	2,685,900	
Appropriation of Retained Earnings during the period	(765,263)	
Transfer from Surplus to Surplus Reserves	40,992	
		(1,961,629)
Unappropriated Retained Earnings, Ending, Available for Dividend Declaration		₱47,557,299

SCHEDULE II
MAP SHOWING RELATIONSHIPS BETWEEN AND AMONG PARENT
SUBSIDIARIES, AN ASSOCIATE, AND JOINT VENTURE



China Banking Corporation
Schedule A – Financial Assets
December 31, 2020
(Amounts in Thousands)

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds or notes	Amount shown on the balance sheet	Valued based on market quotation at end of reporting period	Income accrued
<u>Financial Assets at Fair Value through Profit or Loss</u>				
Government Bonds	₱3,268,899	₱3,531,521	₱3,531,521	₱25,504
Treasury Notes	1,996,516	2,126,819	2,126,819	9,352
Treasury Bills	1,904,607	1,892,770	1,892,770	–
Private Bonds	1,807,991	3,358,210	3,358,210	19,325
Quoted equity shares	56,237 shares	489,081	489,081	–
	720,345	721,584	721,584	16,883
Financial Assets designated at FVTPL	117,853 units	150,000	150,000	–
Derivative assets	1,127,500	1,127,500	1,127,500	64,376
	20 warrants	9,378	9,378	–
		₱13,406,863	₱13,406,863	₱135,440
<u>Financial Assets at Fair Value through Other Comprehensive Income</u>				
Government Bonds	₱12,583,041	₱13,004,496	₱13,004,496	₱110,230
Private Bonds	6,450,822	6,596,820	6,596,820	67,942
Equities	47,184 shares	643,087	643,087	–
		₱20,244,403	₱20,244,403	₱178,172
<u>Financial Assets at Amortized Cost</u>				
Government Bonds	₱95,725,809	₱100,606,146	₱110,454,734	₱1,490,615
Private Bonds	103,200,111	101,634,485	109,589,297	1,148,003
	₱198,925,920	₱202,240,631	₱220,044,031	₱2,638,619

China Banking Corporation
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and
Principal Stockholders (Other than Related Parties)
December 31, 2020

Name of Debtor	Balance at beginning of period	Additions	Amounts Collected	Amounts Written- off	Current	Non- Current	Balance at end of period
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The Group has no receivables from directors, officers, employees, related parties and principal stockholders that did not arise from ordinary course of business.

China Banking Corporation
Schedule C - Amounts Receivable from Related Parties which are eliminated
during the consolidation of financial statements
December 31, 2020
(Amounts in Thousands)

Name of Debtor	Balance at beginning of period	Additions	Amounts Collected	Amounts Written-off	Current	Non- Current	Balance at end of period
China Bank Savings	₱1,144	₱1,322	₱1,144	₱-	₱1,322	₱-	₱1,322

China Banking Corporation
Schedule D - Long-Term Debt
December 31, 2020
(Amounts in Thousand)

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 1	₱9,588,000	—	₱9,565,337	3.25%	May 18, 2022
LTNCD-Tranche 2	6,348,000	—	6,327,572	3.65%	December 2, 2022
LTNCD-Tranche 3	10,250,000	—	10,198,837	4.55%	January 12, 2024
₱30 Billion Peso Fixed Rate Bonds due in 2021	30,000,000	30,000,000	—	5.70%	January 10, 2021
₱15 Billion Peso Fixed Rate Bonds due in 2022	15,000,000	—	14,882,088	2.75%	October 22, 2022
Foreign-currency-denominated:					
\$150 Million Bonds Payable to IFC	\$150,000	—	\$149,586	6-month libor + 120 bps	June 18, 2026

China Banking Corporation
Schedule E - Indebtedness to Related Parties
(Long-term from Related Companies)
December 31, 2020

Name of Related Parties ⁽ⁱ⁾	Balance at beginning of period	Balance at end of period ⁽ⁱⁱ⁾
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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, 2020

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding ⁽ⁱ⁾	Amount owned by person of which statement is filed	Nature of guarantee ⁽ⁱⁱ⁾
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None to Report

- (i) Indicate in a note any significant changes since the date of the last balance sheet file. If this schedule is filed in support of consolidated financial statements, there shall be set forth guarantees by any person included in the consolidation except such guarantees of securities which are included in the consolidated balance sheet.
- (ii) There must be a brief statement of the nature of the guarantee, such as "Guarantee of principal and interest", "Guarantee of Interest", or "Guarantee of Dividends". If the guarantee is of interest, dividends, or both, state the annual aggregate amount of interest or dividends so guaranteed.

China Banking Corporation
Schedule G - Capital Stock
December 31, 2020

(Absolute numbers of shares)

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		2,685,899,812		1,021,693,594	130,145,134	1,534,061,084

(i) Include in this column each type of issue authorized

(ii) Related parties referred to include persons for which separate financial statements are filed and those included in the consolidated financial statements, other than the issuer of the particular security.

(iii) Indicate in a note any significant changes since the date of the last balance sheet filed.

CHINA BANKING CORPORATION
SCHEDULE H- FINANCIAL SOUNDNESS INDICATORS

	2020	2019	2018
<i>PROFITABILITY (%)</i>			
Return on Assets ¹	1.21	1.10	1.04
Return on Equity ²	12.09	11.04	9.54
Net Interest Margin ³	3.92	3.39	3.56
Cost to Income Ratio	49	59	63
<i>LIQUIDITY (%)</i>			
Liquid Assets to Total Assets	43	37	38
Loans (net) to Deposit Ratio	67	73	70
<i>ASSET QUALITY (%)</i>			
Gross Non-Performing Loans Ratio ⁴	2.3	1.5	1.2
Non-performing Loan (NPL) Cover ⁵	128	129	167
<i>SOLVENCY RATIOS</i>			
Debt to Equity Ratio	8.9	9.0	8.9
Asset to Equity Ratio	9.9	10.0	9.9
Interest Rate Coverage Ratio ⁶	2.0	1.5	1.9
<i>CAPITALIZATION (%)</i>			
Capital Adequacy Ratio			
CET 1 / Tier 1	13.82	12.76	12.16
Total CAR	14.73	13.67	13.09

Notes

1. Net income divided by average total assets for the period indicated. Average total assets is based on the average monthly balances for the respective periods indicated.
2. Net income divided by average total equity for the period indicated. Average total equity is based on the average monthly balances for the respective periods indicated.
3. Net interest income divided by average interest-earning assets which is based on the average monthly balances for the respective periods indicated. Interest-earning assets include due from other banks, due from BSP, securities purchased under resale agreement, financial assets at fair value through profit or loss, available-for-sale financial assets, held-to-maturity financial assets, and loans and receivables.
4. Total NPLs divided by loans and receivables, net of unearned discount and gross of allowance for credit and impairment losses.
5. The sum of total allowance for impairment and credit losses on receivables from customers and retained earnings appropriated for general loan loss provision divided by total NPLs.
6. Net Income before Tax and Interest Expense divided by Interest Expense

China Banking Corporation
SCHEDULE I – SCHEDULE FOR LISTED COMPANIES WITH A RECENT OFFERING OF
SECURITIES TO THE PUBLIC
December 31, 2020
(Amounts in Thousand)

	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
₱15 Billion Peso Fixed Rate Bonds	₱15,000,000	₱128,682	₱14,871,318	₱15,000,000	₱14,871,318	₱–

Schedule “A”

**PROPOSED AMENDMENTS OF BY-LAWS
CHINA BANKING CORPORATION**

Changes	From	To	Purpose
Article III (Meeting of Stockholders) Section 1 <u>Regular Meeting</u>	The regular meeting of stockholders shall be held annually on 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 at such hour and place as may be fixed by the Board of Directors.	The regular meeting of stockholders shall be held annually on the third Thursday of the month of April of each year at such hour and place as may be fixed by the Board of Directors, or <u>if not practicable, on any day within</u> the month of April 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.
Article VI.A. (Officers of the Corporation) Section 1. <u>Corporate* Officers</u>	The <u>Corporate*</u> Officers of the Corporation shall be: a Chairman , a Vice-Chairman, a President and one or more Executive Vice-Presidents, and* Senior Vice-Presidents, a <u>Corporate*</u> Secretary, a Treasurer, an Internal Auditor, a Compliance Officer* and such other officers as the Board of Directors may deem necessary.	The Corporate Officers of the Corporation shall be: a Vice-Chairman, a President and one or more Executive Vice-Presidents, and Senior Vice-Presidents, a Corporate Secretary, a Treasurer, an Internal Auditor, a Compliance Officer and such other officers as the Board of Directors may deem necessary.	To comply with Sections 131 and 132 of the BSP's MORB.
Article VI.A. (Officers of the Corporation) Section 5. <u>Chairman</u>	Section 5. <u>Chairman</u> - The Chairman of the Board of Directors shall preside at all meetings of the stockholders and of the Board of Directors. He shall have such other powers as may be assigned to him by the Board of Directors.	Section 5.1. Chairman - The Chairman of the Board of Directors shall preside at all meetings of the stockholders and of the Board of Directors. He shall have such other powers as may be assigned to him by the Board of Directors, <u>except powers and functions of management such as those ordinarily performed by the Bank's regular officers.</u>	To comply with Sections 131 and 132 of the MORB.
Article VI.A. (Officers of the Corporation)	None	<u>Section 5.2. Vice-Chairman – In the absence or incapacity of the Chairman, the Vice-Chairman of the Board of Directors shall preside at meetings of the stockholders and of the Board of Directors. He shall have such other powers as may be assigned to him by the Board of Directors, including powers and functions of management such as those ordinarily performed by the Bank's regular officers.</u>	To comply with Section 131 (j) of the MORB.
Article XI (Subscriptions, Certificates of Stock and Transfer of Shares) Section 4 <u>Loss or Destruction</u>	In case of loss or destruction of any stock certificate, a new certificate shall be issued in lieu of the stock certificate which has been lost, stolen, or destroyed after compliance with the requirements of existing laws, including Section 73* of the Corporation Code .	In case of loss or destruction of any stock certificate, a new certificate shall be issued in lieu of the stock certificate which has been lost, stolen, or destroyed after compliance with the requirements of existing laws, including Section 73 of the Revised Corporation Code of the Philippines .	To reflect the complete name of the Code.

* Part of the 2020 Proposed Amendment, pending with the Bangko Sentral ng Pilipinas

Schedule “B”

GUIDELINES FOR PARTICIPATION VIA REMOTE COMMUNICATION AND VOTING *IN ABSENTIA*

May 6, 2021 at 4:00PM

The 2021 Annual Stockholders' Meeting (ASM) of the China Banking Corporation (Bank) is scheduled on May 6, 2021 at 4:00PM (Manila Time) and the Board of Directors of the Bank has set the close of business on March 19, 2021 as the record date for the determination of stockholders entitled to the notice of, to attend, and to vote during the 2021 ASM and any adjournment thereof.

As part of the Bank's initiative to continuously promote shareholder rights, and in the interest and consideration of the participants' health and safety during the current pandemic brought about by the novel coronavirus disease (COVID-19), the Board of Directors of the Bank has approved and authorized stockholders to participate in the 2021 ASM via remote communication and to exercise their right to vote *in absentia* from the safety and comfort of their own homes.

ONLINE REGISTRATION

Stockholders who wish to attend and participate in the 2021 ASM must go through the entire registration process in order for them to gain access to the Bank's secure Online Voting Portal. Online registration shall be open until April 30, 2021.

Stockholders can access the Online Registration Portal, Voting Portal, Livestream Broadcast, as well as additional information about the event, through the Bank's official 2021 ASM website at www.chinabank.ph/asm2021.

To begin the online registration process, the Stockholders must visit the 2021 ASM website and navigate to 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. Mobile Number
6. Landline/Alternate Mobile Number (optional)
7. Government issued ID with photo and signature (scanned front and back)

In addition to the foregoing, the following additional documents must be submitted based on the capacity in which the registrants are attending and participating in the 2021 ASM:

- Individual Certificated Stockholders
 1. Stock Certificate Number

If appointing a proxy:

- a. Copy of the duly signed proxy form by 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. This Authorization Letter must also 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.

- Representatives of Corporate Stockholders
 1. Secretary's Certificate

Along with the necessary authorizations and approvals appointing the representative to participate in the 2021 ASM, the Secretary Certificate must reflect the Stock Certificate Number of the Corporate Stockholder.

- Stockholders with Shares in a Broker's Account
 1. Broker's Certification of Shareholding

If appointing a proxy:

- a. Copy of the duly signed proxy form by the stockholder
- b. 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 a 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 likewise refrain from sending duplicate and inconsistent data which can result in failure of the registration process.

Once registration is complete, the information shall be verified and validated by the 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/asm2021.
- Step 2. The Stockholders will use the 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.
 - 4.1. The Stockholders may choose to vote "**Yes**", "**No**", or "**Abstain**" on each agenda item for approval.
 - 4.2. For the election of directors, the Stockholders will have the option to vote for all nominees, withhold vote for any of 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 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.
- 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. Stockholders must exert all effort in ensuring that their votes are proper prior to submitting the same.

PARTICIPATION THROUGH REMOTE COMMUNICATION

The 2021 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 emails they have provided to the Bank. Instructions on how to access the livestream are also posted at www.chinabank.ph/asm2021.

Audio and video recordings of the ASM will be adequately maintained by the Bank and will be made available in the Bank's website.

QUESTIONS AND ANSWERS

Stockholders may submit questions and comments, preferably on or before 5:00PM on May 5, 2021, 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 the 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 the Bank's 2021 ASM, please visit www.chinabank.ph/asm2021.

MINUTES OF THE 2020 ANNUAL MEETING OF STOCKHOLDERS OF CHINA BANKING CORPORATION

*Held via Remote Communication at <https://www.chinabank.ph/asm2020>
June 18, 2020 at 4:00 P.M.*

Directors Present:

- | | |
|---------------------------|--|
| Mr. Hans T. Sy | - Chairman of the Board, Chairman of the Executive and Compliance Committees, and Member of the Risk Oversight and Remuneration Committees |
| 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, and Member of the Executive and Trust Investment Committees |
| Mr. Joaquin T. Dee | - Director, and Member of the Executive, Audit, and Compliance Committees |
| Mr. Harley T. Sy | - Director, and Member of the Remuneration Committee |
| Mr. Herbert T. Sy | - Director, and Chairman of the Trust Investment Committee |
| Mr. Jose T. Sio | - Director, and Member of the Trust Investment Committee |
| Mr. Alberto S. Yao | - Lead Independent Director, Chairman of the Audit Committee, and Member of the Corporate Governance, Risk Oversight, Related Party Transactions, Nominations, Compliance, and Remuneration Committees |
| Ms. Margarita L. San Juan | - Independent Director, Chairman of the Risk Oversight Committee, and Member of the Corporate Governance, Related Party Transactions, Nominations, and Remuneration Committees |
| Mr. Phillip S.L. Tsai | - Independent Director, Chairman of the Corporate Governance, Related Party Transactions, and Remuneration Committees, and Member of the Audit and Nominations Committees |

Director Absent:

None

Also Present:

- | | |
|--|---|
| Mr. Ricardo R. Chua | - Advisor to the Board |
| Atty. Corazon I. Morando | - Corporate Secretary |
| Mr. Romeo D. Uyan, Jr. | - Chief Operating Officer |
| Mr. Patrick D. Cheng | - Chief Finance Officer |
| Mr. Alexander C. Escucha | - Head of the Investor and Corporate Relations Group |
| Mr. Christopher Ma. Carmelo Y. Salazar | - Treasurer |
| Ms. Aileen Paulette S. De Jesus | - Chief Compliance Officer |
| Mr. Ray Francis C. Balagtas | - SyCip Gorres Velayo & Co. (SGV), External Auditor, and Team |
| Mr. Zaldy Adana | - Stock Transfer Service, Inc., Transfer Agent, and Team |

Stockholders present by remote communication, voting *in absentia* and by proxy:

2,109,466,438 shares (See Annex A for the list of stockholders and other attendees)

I. CALL TO ORDER

After the Bank Centennial video was shown, and the Philippine National Anthem was played, Investor and Corporate Relations Group (ICRG) Head Alexander C. Escucha introduced the current members of the Board and Advisor to the Board Ricardo R. Chua. 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 2020 annual stockholders' meeting, an online-only event for the first time in the Bank's 100-year history. He called the meeting to order and presided over the same. Atty. Corazon I. Morando, Corporate Secretary, took the minutes of the proceedings.

The list of the stockholders present by remote communication, voting *in absentia* and by proxy, 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 notice of meeting to the stockholders.

Atty. Morando 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, Section 49 of the Revised Corporation Code, and the SEC Notice dated April 20, 2020 on the alternative mode of distributing documents in connection with the holding of annual stockholders' meeting for 2020. Further, the Notice of Meeting was published in The Philippine Star and Philippine Daily Inquirer, in print and online formats, on May 27 and 28, 2020. Finally, electronic copies of the Notice of Meeting with Explanation of Agenda Items and the Information Statement (SEC Form 20-IS) and Management Report, as well as the Annual Report (SEC Form 17-A), were made available in the Bank website and the 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 and the law 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.

The Corporate Secretary announced that out of 2,685,899,812 total subscribed and outstanding shares of the Bank, the holders of 2,109,466,438 shares representing 78.539% or more than 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 "B" of the Bank's Definitive Information Statement.

HS *CM*

HS *CM*

IV. APPROVAL OF MINUTES OF THE MAY 2, 2019 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 May 2, 2019. A summary of the minutes was included in the Information Statement, and the minutes can be accessed through the Bank's website www.chinabank.ph.

Atty. Morando presented the following proposed resolution and its approval by the stockholders based on the votes cast:

"The reading of the minutes of the annual meeting of stockholders held on May 2, 2019 was dispensed with, and all matters included therein 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	-	2,109,382,552	-	99.996%
Against	-	0	-	0.000%
Abstain	-	83,886	-	0.004%

V. ANNUAL REPORT TO STOCKHOLDERS

Chairman Hans Sy gave the floor to Mr. William C. Whang, President, for him to report on the Bank's activities, financial performance, and other relevant data for the year 2019.

The President began by saying that this year marks a momentous year for the Bank – its 100th year. As proud and excited the Bank is about this milestone, collective consciousness has been focused on the COVID-19 pandemic and its far reaching health, social, and economic impact. Throughout the various states of community quarantines, the Bank focused on business continuity, the safety and well-being of employees and customers, and with proactive support from the monetary and regulatory authorities, to partly cushion the impact of the disruption in economic activity.

Starting off with the operating environment, Mr. Whang reported that global economic growth in 2019 slowed to 2.9% from 3.6% in 2018, its weakest pace since the global financial crisis a decade ago. The Philippines' GDP growth likewise decelerated to 6% in 2019 from 6.3% in 2018 mainly due to the delay in infrastructure spending.

In terms of the 2019 financial highlights of the Bank, he stated that amid the slowdown in 2019, the Bank built on the growth momentum of the past three years and set new record highs. The Bank continued to grow to a customer base of 1.7 Million served thru 631 branches and 1,002 ATMs. Net income reached P10.1 Billion, or an increase of 24%. return on equity (ROE) was at 11.0% and return on assets (ROA) at 1.1%. Net interest income was up 14% to P26.1 Billion, while non-interest income grew 49% to P8.4 Billion. Despite the 13% increase in operating expenses to P20.3 Billion, cost to income ratio improved to 59% from 63% because of higher operating income. Assets grew 11% to P962 Billion, of which P569 Billion was accounted for by loan portfolio which grew by 12%. This was funded by total deposits of P775 Billion, which grew 7%. The Bank ended 2019 with P96 Billion in capital, up 9%.

H. Sy

W. C. Whang

In terms of corporate milestones in 2019, the Bank had its P30 Billion maiden retail bonds issue which was six times oversubscribed and was one of the largest bond issuances for the year. The Bank also issued its first green bond of \$150 Million to IFC. The investment grade credit rating of the Bank of Baa2 was affirmed by Moody's. The Bank also began the restoration of its original head office in Binondo built in 1924.

The Bank was able to provide satisfactory returns to its shareholders with the consistent profit growth driven by stable core recurring income. In 2019, a total of P2.4 Billion cash dividends was paid, 6% higher than in 2018.

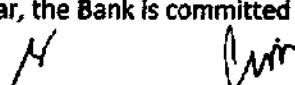

President Whang agreed that the COVID-19 pandemic is a global economic disruption on a scale not seen in over a hundred years. For the Philippines, the latest estimate of the BSP is a 2% to 3.4% decline in GDP in 2020. In the first quarter of the year, GDP contracted by 0.2%. In May, inflation slowed to 2.1%, while the PSEi closed at 5,800.

With respect to the Bank's first quarter 2020 performance, he reported that the Bank continued to support its customers' banking needs. Loans continued to grow even during the lockdown periods thru May. Similarly, deposits grew during the same period. The Bank continued to be profitable, with net income increasing 19% to P2.2 Billion, which translated to an ROE of 9.2% and ROA of 0.9%. Net interest income grew 34% to P7.9 Billion as net interest margin improved to 3.82% from 3.32%. Operating expenses increased 22% to P5.8 Billion as the Bank provided for COVID-19 related expenses. Despite the scaled-down branch operations during the enhanced community quarantine (ECQ), total assets expanded 10% to P984 Billion, net loans grew 15% to P584 Billion, and deposits rose 9% to P785 Billion. Non-performing loan (NPL) ratio remained stable at 1.7%. The Bank increased provisions by 51% with corresponding NPL cover of 109%. More provisions are intended in the coming quarters in anticipation of possible higher credit losses arising from the stoppage of economic activities in many key sectors of the economy. Total capital stood at P97 Billion, with capital ratios well above regulatory levels.

Next, the President talked about the Bank's resilience through good governance. According to him, one of the reasons for the Bank's resilience is its commitment to conducting business ethically and responsibly, for which it has been recognized with awards for excellence in corporate governance and customer service. In 2019, it received the Four-Arrow Recognition from the Institute of Corporate Directors, the only bank among the six listed companies awarded in this category. The ASEAN Capital Markets Forum named the Bank as one of the top 50 listed companies in Southeast Asia in 2018. The Bank also received from the BSP an award for the Best Corporate Governance Disclosure and Transparency, and, for the second year in a row, the Pagtugon Award for Universal and Commercial Banks for the Bank's quick responses to customer complaints.

At that juncture, President Whang took the opportunity to honor a valued member of the Board, Director Angeline Ann H. Hwang, who passed on April 11, 2020. Director Hwang was the Bank's fourth independent director, elected during the 2019 annual stockholders' meeting, and was also on the Boards of Bank subsidiaries China Bank Savings and China Bank Securities. For less than a year, Director Hwang made meaningful contributions in board proceedings, especially on credit matters and issues of accountability. President Whang recognized that Director Hwang is a real loss to the Bank and to the community, and she will be greatly missed.

Lastly, the President focused on banking in the new normal. He stressed that on its centennial year, the Bank is committed to remain a sustainable bank, capable of doing more good now and in the

future. It is focusing efforts on four priority areas: (1) growth of business, (2) operational excellence, (3) customer centricity, and (4) employee engagement. The Bank is navigating the new normal with everyone's safety in mind, and with recalibrated strategies and contingency plans to adapt to current constraints and market conditions. In place are team rotation work schedules, work from home arrangements, mandatory health and safety measures, and case management protocols. During the ECQ, the Bank ensured the well-being of China Bankers through adjusted banking hours, logistical support for frontliners, HMO coverage for COVID-related treatment, continued payment of full salaries and benefits, and financial assistance for agency personnel, among others. For the customers, the Bank ensured that branches remained open, extended loan and credit card payments, waived certain fees for bank transfers and remittances, and implemented other measures to ease consumer pain. As customers were encouraged to safely bank from home during the ECQ, e-channel transactions surged, particularly China Bank Mobile App. From January to May, China Bank Mobile App users increased 83% and transactions more than doubled. The Bank is continuously strengthening cyber security accordingly. Leveraging technology and ensuring that all enhancements increasingly translate into seamless innovative banking services will shape the next 100 years of the progress of the Bank.

The President expressed gratitude to the front liners in the branches and the skeletal force in the operating and support units who made it possible for the Bank to service its customers' requirements during the various stages of community quarantine. On behalf of the Bank's Board of Directors and leadership team, he then thanked the shareholders and customers for their continued trust and patronage. He ended by saying that it is the Bank's privilege and ongoing mission to help businesses succeed and make a positive difference in the lives of the people and communities it serves.

After the presentation, the Chairman thanked the President and asked the Corporate Secretary for the proposed resolution and voting results.

Atty. Morando presented the following proposed resolution and its approval by the stockholders based on the votes cast:

"The Annual Report, electronic copy of which having been made available in the Bank website and in the Philippine Stock Exchange's (PSE) EDGE Submission System, and as Bank President William C. Whang presented, was approved."

Opinion	Votes cast		Percentage (based on shares present or represented at the meeting)
For	-	2,108,343,378	- 99.947%
Against	-	0	- 0.000%
Abstain	-	1,123,060	- 0.053%

VI. AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

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 2019. He then asked the Corporate Secretary for the proposed resolution and voting results.

Atty. Morando presented the following proposed resolution and its approval by the stockholders based on the votes cast:

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"The audited financial statements for the year ended December 31, 2019, attached as Annex E of the Definitive Information Statement, posted in 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	-	2,108,343,378	-	99.947%
Against	-	0	-	0.000%
Abstain	-	1,123,060	-	0.053%

VII. RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS, EXECUTIVE COMMITTEE, OTHER COMMITTEES, AND MANAGEMENT

After being asked by the Chairman, Atty. Morando 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 fund raising exercise of up to P75 Billion in several tranches for the next three (3) years which may be in the form of retail bonds and/or commercial papers, conduct of capital raising exercise of up to P15 Billion in the form of PHP-denominated Tier 2 capital notes, issuance of long term negotiable certificates of time deposit of up to P20 Billion, and the following related party transactions discussed in the Definitive Information Statement and Audited Financial Statements; and all the acts of the Executive Committee and of the various committees of the Bank and Management, during the fiscal year 2019 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	₱ 19.8 B \$ 1.4 B	₱ 9.0 M
SM Group	₱ 134.5 B \$ 224.5 M	₱ 13.7 B \$ 170 M
Other Related Parties	₱ 37.7 B \$ 8.9 M	₱ 11.5 B

1/ Covers all transactions

2/ For loan transactions approved in 2019

Opinion		Votes cast		Percentage (based on shares present or represented at the meeting)
For	-	2,106,621,175	-	99.865%
Against	-	0	-	0.000%
Abstain	-	2,845,263	-	0.135%

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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 the Chairman of the Corporate Governance Committee, Mr. Philip S.L. Tsai, to announce the nominees for election.

According to Mr. Tsai, 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 – Mr. Alberto S. Yao, Ms. Margarita L. San Juan, and Mr. Philip S.L. Tsai.

Mr. Tsai further stated that while the Bank's Amended Articles of Incorporation and Amended By-Laws provide for 12 directors, only 11 directors are nominated at this time, as independent director Angeline Ann H. Hwang passed away on April 11, 2020. He added that the present quarantine conditions have effectively prevented the conduct of a meaningful and thorough search of a suitable candidate for independent director. He also said that the search will commence as soon as conditions allow, and the Nominations and Corporate Governance Committees will nominate an appropriate candidate for independent director at the proper time for the approval of the Board and ratification by the stockholders at the next stockholders' meeting.

The Chairman thanked Mr. Tsai. Before proceeding with the results of the election, Chairman Han Sy took the opportunity to thank Ms. Angeline Ann H. Hwang for having provided a strong element of independence and objectivity in the Board, and having given invaluable insights on credit risk, account and relationship management. The Chairman recalled that Ms. Hwang was elected to the Board in 2019 and was the Chairman of the Nominations Committee. She was also an independent director of China Bank Savings, Inc. and China Bank Securities Corporation. On behalf of the Board, Chairman Sy extended his deep gratitude and sincere condolences to the family of Ms. Hwang.

The Chairman then asked the Corporate Secretary, Atty. Morando, to present the results of the election. Atty. Morando presented the following proposed resolution and its approval by the stockholders based on the votes cast, as confirmed by the Bank's transfer agent, Stock Transfer Service, Inc., and by SyCip Gorres Velayo & Co., the Independent party tasked to count and validate the votes at the meeting:

"The eleven (11) nominees, including the three (3) nominees for independent directors, enumerated by the Corporate Governance Committee Chairman Philip S.L. Tsai, and also listed in the Definitive Information Statement, were declared duly elected directors.

The Board of Directors, through the Nomination and Corporate Governance Committees, is authorized to continue the search for the 12th director who will also be the 4th independent director of the Board, and upon determination of the proper qualifications, to be elected to the Board, subject to ratification by the stockholders at the next stockholders' meeting."

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Name of Director	Type of Director	Votes Cast		
Hans T. Sy	Director	For	-	2,102,244,223
		Against	-	80,700
		Abstain	-	5,329,849
Gilbert U. Dee	Director	For	-	2,121,260,816
		Against	-	80,700
		Abstain	-	5,257,489
William C. Whang	Director	For	-	2,107,573,807
		Against	-	80,700
		Abstain	-	-
Peter S. Dee	Director	For	-	2,102,377,220
		Against	-	80,700
		Abstain	-	5,257,489
Joaquin T. Dee	Director	For	-	2,102,243,958
		Against	-	80,700
		Abstain	-	5,329,849
Herbert T. Sy	Director	For	-	2,102,316,318
		Against	-	80,700
		Abstain	-	5,257,489
Harley T. Sy	Director	For	-	2,102,243,958
		Against	-	80,700
		Abstain	-	5,329,849
Jose T. Sio	Director	For	-	2,102,243,458
		Against	-	81,200
		Abstain	-	5,329,849
Alberto S. Yao	Independent Director	For	-	2,107,137,352
		Against	-	444,795
		Abstain	-	72,360
Margarita L. San Juan	Independent Director	For	-	2,107,655,922
		Against	-	-
		Abstain	-	-
Philip S.L. Tsai	Independent Director	For	-	2,107,583,562
		Against	-	-
		Abstain	-	72,360

IX. APPOINTMENT OF EXTERNAL AUDITOR

Proceeding with the next item in the agenda, the Chairman called on Mr. Alberto S. Yao, Lead Independent Director and Chairman of the Audit Committee, to make the recommendation.

Mr. Yao stated that the Audit Committee evaluated the performance during the past year of the Bank's present external auditor, SyCip Gorres Velayo & Co., and found it to be satisfactory. The Committee, therefore, as well as the Board of Directors, agreed to endorse the re-appointment of Sycip Gorres Velayo & Co. as the Bank's external auditor for the ensuing year.

Chairman Sy thanked Mr. Yao and asked Atty. Morando for the resolution and voting results. Atty. Morando 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."

H. Sy

Atty. Morando

Opinion	Votes cast		Percentage (based on shares present or represented at the meeting)
For	-	2,109,382,552	- 99.996%
Against	-	0	- 0.000%
Abstain	-	83,886	- 0.004%

X. AMENDMENT OF BY-LAWS

The Chairman next informed the Body that the Board of Directors approved on March 25, 2020 to amend several provisions in the Bank's By-laws.

On motion duly made and seconded, the following resolutions were unanimously approved –

'WHEREAS, on March 25, 2020, the Board of Directors of the Corporation approved the following resolutions:

The Board members discussed extensively about the need to amend the Bank's By-Laws in order to update and clarify processes and practices of the business and comply with the requirements of the Revised Corporation Code and the Bangko Sentral ng Pilipinas' Manual of Regulations for Banks.

After discussion, on motion duly made and seconded, a majority of the members of the Board approved the following resolutions –

'RESOLVED, that subject to the ratification or confirmation by at least a majority of the outstanding capital stock of the Bank at the scheduled regular annual meeting of the stockholders on May 07, 2020, or any adjournment thereof, and thereafter to the evaluation and approval of the Bangko Sentral ng Pilipinas and Securities and Exchange Commission, the following provisions of the By-laws of the Bank are hereby endorsed for approval:

Changes	From	To	Purpose
Article III (Meeting of Stockholders) Section 4. <u>Notice of Regular Meeting</u>	The regular meeting of stockholders shall be called by written or printed notice delivered personally or deposited in the post office, postage prepaid, addressed to each stockholder at the address appearing in the registry book of the Corporation, not less than fifteen (15) working days prior to the date of such meeting.	The regular meeting of stockholders shall be called by written or printed notice delivered personally, or deposited in the post office, postage prepaid, addressed to each stockholder at the address appearing in the registry book of the Corporation, <u>or by electronic mail (e-mail), or by publication in a newspaper of general circulation</u> , not less than fifteen (15) working days prior to the date of such meeting.	To comply with Section 49 of the Revised Corporation Code of the Philippines (RCCP) allowing notice via e-mail, and to align with the current practice of the Bank on publication of notice.
Article III (Meeting of Stockholders)	Special meetings shall be called by written or printed notice delivered personally, or deposited	Special meetings shall be called by written or printed notice delivered personally, or deposited in the post	To comply with Section 49 of the RCCP allowing notice via e-mail, and to

Section 5. <u>Notice of Special Meeting</u>	in the post office, postage prepaid, addressed to each stockholder at the address appearing in the registry book of the Corporation, not less than fifteen (15) working days prior to the date of such meeting. In such notice there shall appear, in addition to the date, hour and place of meeting, a statement of the matters to be taken up at such meeting.	office, postage prepaid, addressed to each stockholder at the address appearing in the registry book of the Corporation, <u>or by electronic mail (e-mail), or by publication in a newspaper of general circulation</u> , not less than fifteen (15) working days prior to the date of such meeting. In such notice there shall appear, in addition to the date, hour and place of meeting, a statement of the matters to be taken up at such meeting.	align with the current practice of the Bank on publication of notice.
Article III (Meeting of Stockholders) Section 6. <u>Quorum</u>	No meeting of stockholders shall be competent to transact business unless a majority of the outstanding capital stock, exclusive of treasury stock, is represented, except to adjourn from day to day, or until such time as may be deemed proper.	No meeting of stockholders shall be competent to transact business unless a majority of the outstanding capital stock, exclusive of treasury stock, is represented, except to adjourn from day to day, or until such time as may be deemed proper. <u>Stockholders who participate through remote communication or in absentia, shall be deemed present for purposes of quorum.</u>	To comply with Sections 23 and 57 of the RCCP allowing the counting of stockholders voting through remote communication or <i>in absentia</i> for purposes of quorum.
Article III (Meeting of Stockholders) Section 7. <u>Manner of Voting</u>	In all meetings of stockholders, 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 made in accordance with the requirements of existing rules and regulations.	In all meetings of stockholders, any stockholder who is not delinquent in his subscription shall be allowed to vote in person, <u>through remote communication, in absentia</u> , or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact, <u>subject to compliance</u> with the requirements of existing rules and regulations.	To comply with Section 23 of the RCCP, allowing voting through remote communication and electronic voting <i>in absentia</i> .
Article III (Meeting of Stockholders) Section 8. <u>Proxies</u>	Unless otherwise provided in the proxy, it shall be valid only for the meeting for which it is intended. No proxy, however, shall be valid and effective for a period longer than five (5) years at any one time. All proxies must be in the hands of the Secretary not later than three (3) banking days before the time set for the meeting. xxx	Unless otherwise provided in the proxy, it shall be valid only for the meeting for which it is intended. No proxy, however, shall be valid and effective for a period longer than five (5) years at any one time. All proxies must be in the hands of the Secretary not later <u>than</u> three (3) banking days before the time set for the meeting. xxx	To correct a clerical error.
Article III (Meeting of Stockholders) Section 9. <u>Closing of Transfer Books or Fixing of Record Date</u>	For the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof, or to receive payment of any dividend, or of making a determination of stockholders for any other proper purpose, the Board of Directors may provide that the stock and transfer books	For the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof, or to receive payment of any dividend, or of making a determination of stockholders for any other proper purpose, the stock and transfer books <u>shall be closed for at least twenty (20) days for regular meetings and</u>	To comply with Section 49 of the RCCP on the closing of the stock and transfer book for regular and special meetings.

	<p>be closed for a stated period of at least ten (10) banking days. If the stock and transfer books be closed for the purpose of determining stockholders entitled to notice of, or to vote at, a meeting of stockholders, such books shall be closed for at least ten (10) banking days immediately preceding such meeting. In lieu of closing the stock and transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of stockholders. Such date shall in no case be less than ten (10) banking days prior to the date on which the particular action requiring such determination of stockholders is to be taken, except in instances where applicable rules and regulations provide otherwise.</p>	<p><u>seven (7) days for special meetings before the scheduled date of the meeting.</u> If the stock and transfer books be closed for the purpose of determining stockholders entitled to notice of, or to vote at, a meeting of stockholders, such books shall be closed for <u>the same number of days</u> immediately preceding such meeting, except in instances where applicable rules and regulations provide otherwise.</p>	
<p>Article IV (Board of Directors) Section 1. <u>Composition/ Powers</u></p>	<p>The corporate powers of the Corporation shall be vested in and exercised, its business conducted and its property controlled by a Board of twelve (12) Directors who shall be elected from the stockholders. Without prejudice to such general powers and such other powers as may be granted by law, the Board of Directors shall have the following powers: xxx</p>	<p>The corporate powers of the Corporation shall be vested in and exercised, its business conducted and its property controlled by a Board of twelve (12) Directors who shall be elected from the stockholders. <u>The Board of Directors shall include such number of independent directors as may be required by the Bangko Sentral ng Pilipinas (BSP) and Securities and Exchange Commission (SEC).</u> Without prejudice to such general powers and such other powers as may be granted by law, the Board of Directors shall have the following powers: xxx</p>	<p>To comply with the regulatory requirements on the number of independent directors.</p>
<p>Article IV (Board of Directors) Section 1. <u>Composition / Powers</u></p>	<p>Section 1. <u>Composition/Powers</u> (f) To authorize, with the prior approval of the Central Bank, the establishment of branches at such points as will serve the interest of the public and that of the Corporation.</p>	<p>Section 1. <u>Composition/Power</u> (f) To authorize, with the prior approval of the <u>BSP</u>, the establishment of branches at such points as will serve the interest of the public and that of the Corporation.</p>	<p>To align with the current name of the BSP.</p>
<p>Article IV (Board of Directors) Section 3. <u>Vacancies</u></p>	<p>Vacancies in the Board of Directors may be filled by election or appointment made by the remaining directors, if still constituting a quorum, or otherwise said vacancy shall be filled by the stockholders in a regular or special meeting called</p>	<p>Vacancies in the Board of Directors may be filled by election or appointment made by the remaining directors, if still constituting a quorum, or otherwise said vacancy shall be filled by the stockholders in a regular or special meeting called for the purpose, in accordance with law.</p>	<p>To conform with the provisions of the RCCP on vacancies.</p>

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	for the purpose. The person so elected to fill a vacancy shall hold office only for the unexpired term of his predecessor in office. Whether any such vacancy shall or shall not be filled shall be left to the discretion of the Board of Directors.	The person so elected to fill a vacancy shall hold office only for the unexpired term of his predecessor in office.	
Article IV (Board of Directors) Section 8. <u>Quorum</u>	A majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board, and whenever required by existing laws and regulations.	A majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board, and whenever required by existing laws and regulations. <u>Directors who cannot physically attend or vote at Board or Committee meetings can participate and vote through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication that allow them reasonable opportunities to participate.</u>	To comply with Section 52, par. 5 of the RCCP.
Article IV (Board of Directors) Section 11. <u>Per Diems</u>	In addition to the compensation determined in Article VIII, the directors shall receive a per diem of FIVE Hundred Pesos for attendance at each session of the Board of Directors or of any Committee.	In addition to the compensation determined in Article VIII, the directors shall receive a per diem of <u>up to Ten Thousand Pesos</u> for attendance at each session of the Board of Directors or of any Committee.	To align with current industry and standards.
Article VI.A. (Officers of the Corporation) Section 1. <u>Officers</u>	Section 1. <u>Officers</u> – The Officers of the Corporation shall be: a Chairman, a Vice-Chairman, a President and one or more Executive Vice-Presidents, Senior Vice-Presidents and Vice-Presidents as the Board of Directors may determine, a Secretary, a Treasurer, an Internal Auditor and such other officers as the Board of Directors may deem necessary.	Section 1. <u>Corporate Officers</u> – The <u>Corporate</u> Officers of the Corporation shall be: a Chairman, a Vice-Chairman, a President, one or more Executive Vice-Presidents <u>and</u> Senior Vice-Presidents, a <u>Corporate</u> Secretary, a Treasurer, an Internal Auditor, a <u>Compliance Officer</u> and such other officers as the Board of Directors may deem necessary.	To align the provisions with the current practice of the Bank and with Section 24 of the RCCP on the election of Compliance Officer.
Article VI.A. (Officers of the Corporation)	The President, shall be the Chief Executive Officer of the Corporation. He shall be subject to	The President, shall be the Chief Executive Officer of the Corporation. He shall be subject to the control of the	To reflect minor and clerical corrections.

Section 6. <u>President</u>	the control of the Board of Directors, have direct charge of the business of the Corporation and general supervision of the business affairs and property of the Corporation. In the absence or inability of the Chairman and the Vice-Chairman, he shall preside over the meetings of the stockholders and of the Board of Directors of the Corporation.	Board of Directors, have direct charge of the business of the Corporation and general supervision of the business affairs and property of the Corporation. In the absence, inability, or incapacity of the Chairman and the Vice-Chairman, <u>the President</u> shall preside over the meetings of the stockholders and of the Board of Directors of the Corporation.	
Article VI.A. (Officers of the Corporation) Section 8. <u>Secretary</u>	Section 8. <u>Secretary</u> – The Secretary who shall be a resident and citizen of the Philippines, xxx	Section 8. <u>Corporate Secretary</u> – The <u>Corporate Secretary</u> who shall be a resident and citizen of the Philippines, xxx	To reflect the complete title of the position.
Article VI.A. (Officers of the Corporation) Section 10. <u>Compliance Officer</u> (new)	None	<u>Sec. 10. Compliance Officer – The Chief Compliance Officer, who shall be independent, shall report functionally to the Board through a duly designated Board-level Committee and administratively to the President. He shall oversee implementation of the Bank's compliance risk management system to ensure compliance with the applicable laws, rules and regulations.</u>	To align with the current practice of the Bank and with Section 24 of the RCCP on the election of a compliance officer for corporations vested with public interest.
Article VI.A. (Officers of the Corporation) Section 10. <u>Other Officers</u>	Sec. 10. <u>Other Officers</u>	Sec. 11. <u>Other Officers</u>	Renumbered
Article VI.B. (Trust and Asset Management Group)	B. <u>Trust Group</u>	B. <u>Trust and Asset Management Group</u>	To reflect the complete name of the Group.
Article VI.B. (Trust and Asset Management Group) Section 1. <u>Organization</u>	<p>The trust and other fiduciary business of the Bank shall be carried out through the Trust Group which shall be organizationally, operationally, administratively and functionally separate and distinct from the other groups, departments, divisions and/or businesses of the Bank.</p> <p>The Bank's investment management activities, shall be conducted through its Trust Group and/or the Treasury Division and/or similar group, department or</p>	<p>The trust and other fiduciary business of the Bank shall be carried out through the Trust <u>and Asset Management</u> Group which shall be organizationally, operationally, administratively and functionally separate and distinct from the other groups, departments, divisions and/or businesses of the Bank.</p> <p>The Bank's investment management activities, shall be conducted through its Trust <u>and Asset Management</u> Group. The responsibilities of the Board of Directors, Trust <u>Investment</u></p>	To comply with the provisions under the Manual of Regulations for Banks.

	<p>division. The responsibilities of the Board of Directors, Trust Committee and the Trust Officer shall be construed to include the proper administration and management of investment management activities.</p> <p>The Bank shall not undertake any of the trust and other fiduciary business and investment management activities outside the direct control, authority and management of the Trust Group and/or through any group, department, division or office which is involved in the other businesses of the Bank, such as the Treasury Division, or any similar department or division, otherwise, any such business shall be considered part of the Bank's real liabilities.</p>	<p>Committee and the Trust Officer shall be construed to include the proper administration and management of investment management activities.</p> <p>The Bank shall not undertake any of the trust and other fiduciary business and investment management activities outside the direct control, authority and management of the Trust and Asset Management Group or through any group, department, division or office which is involved in the other businesses of the Bank, such as the Treasury Group, or any similar department or division, otherwise, any such business shall be considered part of the Bank's real liabilities.</p> <p><u>The Bank Proper and the Trust and Asset Management Group may share the following activities: (1) electronic data processing; (2) credit investigation; (3) collateral appraisal; and (4) messengerial, janitorial and security services.</u></p>	
<p>Article VI.B. (Trust and Asset Management Group) Section 2. <u>Accountability</u></p>	<p>The Trust Group, Trust Officer and other subordinate officers of the Group shall only be directly responsible to the Trust Committee which shall in turn be only directly responsible to the Board of Directors.</p> <p>No director, officer or employee taking part in the management of trust and other fiduciary accounts shall perform duties in other groups, departments, divisions or the Audit Committee of the Bank and vice versa.</p> <p>The organization structure and definition of duties and responsibilities of the trust committee, officers and employees of the trust group or department shall reflect adherence to the minimum internal control standards prescribed by the Central Bank.</p> <p>The Trust Officer who is a lawyer and/or the Legal group shall see to it that legal assistance is readily available in the review of proposed and/or existing trust and fiduciary</p>	<p>The Trust and Asset Management Group, Trust Officer and other subordinate officers of the Group shall only be directly responsible to the Trust <u>Investment</u> Committee which shall in turn be only directly responsible to the Board of Directors.</p> <p>No director, officer or employee taking part in the management of trust and other fiduciary accounts shall perform duties in other groups, departments, divisions or the Audit Committee of the Bank and vice versa. <u>However, branch managers duly authorized by the Board of Directors may, for or on behalf of the Trust Officer, sign pre-drawn trust instruments such as UITFs.</u></p> <p>The organization structure and definition of duties and responsibilities of the Trust <u>Investment</u> Committee, officers and employees of the Trust and Asset Management Group shall reflect adherence to the minimum internal control standards prescribed by the <u>BSP</u>.</p> <p><u>Provisions shall be made by the</u></p>	<p>To comply with the provisions under the Manual of Regulations for Banks.</p>

	agreements and documents and in the handling of legal and tax matters related thereto.	<u>Bank to have legal assistance</u> readily available in the review of proposed and/or existing trust and fiduciary agreements and documents and in the handling of legal and tax matters related thereto.	
Article VI.B. (Trust and Asset Management Group) Section 3. <u>Composition of the Trust Investment Committee</u>	<p>The Trust Committee shall be composed of five (5) members: (a) three (3) directors who are appointed by the Board on a regular rotation basis and who are not operating officers of the institution; (b) the President; and (c) the Trust Officer. No member of the Audit Committee shall be concurrently designated as a member of the Trust Committee.</p> <p>The Board shall indicate in the Minutes the Committee Members and designate the Chairman who shall be one of the three (3) directors referred to in item "(a)" above.</p>	<p>The Trust <u>Investment</u> Committee shall be composed of five (5) members: (a) three (3) <u>non-executive</u> directors or <u>independent directors</u> who are <u>not part of the Audit Committee</u>; (b) the President; and (c) the Trust Officer.</p> <p>The Board shall indicate in the Minutes the Committee Members and designate the Chairman who shall be one of the three (3) directors referred to in item "(a)" above.</p>	To comply with the provisions under the Manual of Regulations for Banks.
Article VI.B. (Trust and Asset Management Group) Section 4. <u>Qualifications of Committee Members, Officers and Staff</u>	The Trust Department shall be staffed by persons of competence, integrity and honesty. Directors, committee members and officers charged with the administration of trust and other fiduciary activities shall, in addition to meeting the qualification standards prescribed for directors and officers of financial institutions, possess the necessary technical expertise in such business. Provided, that trust officers who shall be appointed after October 16, 1990 shall have at least two (2) years of actual experience or training in trust operations.	<p>The Trust <u>and Asset Management Group</u> shall be staffed by persons of competence, integrity and honesty. Directors, committee members and officers charged with the administration of trust and other fiduciary activities shall, in addition to meeting the qualification standards prescribed for directors and officers of <u>banks</u>, possess the necessary technical expertise <u>and relevant experience</u> in such business.</p> <p><u>A Trust Investment Committee member should be familiar with Philippine laws, rules and regulations on trust business, as well as uphold at all times ethical and good governance standards. The Trust Officer who shall be appointed shall possess any of the following: (a) at least five (5) years of actual experience in trust operations; (b) at least three (3) years of actual experience in trust operations and must have (i) completed at least ninety (90) training hours in trust, other fiduciary business or investment management activities acceptable to the BSP or (ii) completed a relevant global or local professional</u></p>	To comply with the provisions under the Manual of Regulations for Banks.

		<p><u>certification program; or (c) at least five (5) years of actual experience as an officer of a bank and must have (i) completed at least ninety (90) training hours in trust, other fiduciary business, or investment management activities acceptable to the BSP or (ii) completed a relevant global or local professional certification program.</u></p>	
<p>Article VI.B. (Trust and Asset Management Group) Section 5. <u>Responsibilities of Administration</u></p>	<p>a. <u>Board of Directors.</u> The Board of Directors is responsible for the proper administration and management of trust and other fiduciary business. Funds and properties held in trust or in any fiduciary capacity shall be administered with the skill, care, prudence and diligence necessary under the circumstances then prevailing that a prudent man, acting in like capacity and familiar with such matters, would exercise in the conduct of an enterprise of like character and with similar aims.</p> <p>The responsibilities of the Board shall include but need not be limited to the following:</p> <ol style="list-style-type: none"> 1. It shall determine and formulate general policies and guidelines on the: (a) acceptance, termination, or closure of trust and other fiduciary accounts; (b) proper administration and management of each trust and other fiduciary accounts; and (c) investment, reinvestment and disposition of funds or property held by the Trust Group in its capacity as trustee or fiduciary; 2. It shall direct and review the actions of the Trust Committee and all officers and employees 	<p>a. <u>Board of Directors.</u> The Board of Directors shall ensure an appropriate degree of independence between the activities of the bank proper and Trust and Asset Management Group.</p> <p>b. <u>Trust Investment Committee.</u> The Trust Investment Committee is a special committee which reports directly to the Board of Directors and is primarily responsible for overseeing the fiduciary activities of the Bank. In discharging its function, it shall:</p> <ol style="list-style-type: none"> 1. <u>ensure that fiduciary activities are conducted in accordance with applicable laws, rules and regulations, and prudent practices;</u> 2. <u>ensure that policies and procedures that translate the Board's objectives and risk tolerance into prudent operating standards are in place and continue to be relevant, comprehensive and effective;</u> 3. <u>oversee the implementation of the risk management framework and ensure that internal controls are in place relative to the fiduciary activities;</u> 4. <u>adopt an appropriate organizational structure/staffing pattern and operating budgets that shall enable the Trust and</u> 	

	<p>designated to manage the trust and other fiduciary accounts, especially in the absence of specific agreements on investments, or in the case of discretionary accounts;</p> <p>3. It shall approve or confirm the acceptance, termination or closure of all trust and other fiduciary accounts and shall record such in its minutes;</p> <p>4. Upon the acceptance of an account, it shall immediately review all non-cash assets received for management. Likewise, it shall make a review of the trust and/or fiduciary assets at least once every twelve (12) months to determine the advisability of retaining or disposing of such assets;</p> <p>5. It shall be responsible for taking appropriate action on the examination reports of supervisory agencies, internal and/or external auditors on the Bank's trust and other fiduciary business; and recording such actions thereon in the minutes;</p> <p>6. It shall designate the members of the Trust Committee, the Trust Officer and subordinate officers of the Trust Group and shall be responsible for requiring reports from said committee and officers and recording its actions thereon in the minutes; and</p> <p>7. It shall establish an appropriate staffing pattern and adopt operating budgets that shall enable the Trust</p>	<p><u>Asset Management Group to effectively carry out its functions:</u></p> <p>5. <u>oversee and evaluate the performance of the Trust Officer;</u></p> <p>6. <u>conduct regular meetings at least once every quarter, or more frequently as necessary, depending on the size and complexity of the fiduciary business; and</u></p> <p>7. <u>report regularly to the Board of Directors on matters arising from fiduciary activities.</u></p> <p>c. <u>Trust Officer. The management of day-to-day fiduciary activities shall be vested in the Trust Officer. In this regard, the Trust Officer shall:</u></p> <p>1. <u>ensure adherence to the basic standards in the administration of trust, other fiduciary and investment management accounts;</u></p> <p>2. <u>develop and implement relevant policies and procedures on fiduciary activities;</u></p> <p>3. <u>observe sound risk management practices and maintain necessary controls to protect assets under custody and held in trust or other fiduciary capacity;</u></p> <p>4. <u>carry out investment and other fiduciary activities in accordance with agreements with clients and parameters set by the Trust Investment Committee as approved by the Board of Directors;</u></p> <p>5. <u>report regularly to the Trust Investment Committee on business performance and other matters requiring its attention;</u></p> <p>6. <u>maintain adequate books, records and files</u></p>	
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	<p>Group to effectively carry out its functions. It shall likewise be responsible for providing the officers and staff of the Bank with appropriate training programs in the administration and operation of all phases of trust and other fiduciary business.</p> <p>The Board of Directors may, by action duly entered in the minutes, delegate its authority for the acceptance, termination, closure or management of trust and other fiduciary accounts to the Trust Committee or to the Trust Officer subject to certain guidelines approved by the Board.</p> <p>b. <u>Trust Committee.</u> The Trust Committee duly constituted and authorized by the Board shall act within the sphere of authority which may provided in the by-laws and/or as may be delegated by the Board, such as but not limited to the following:</p> <ol style="list-style-type: none"> 1. The acceptance and closing of trust and other fiduciary accounts; 2. The initial review of assets placed under the trustee's or fiduciary's custody; 3. The investment, reinvestment and disposition of funds or property; 4. The review and approval of transactions between trust and/or fiduciary accounts; and 5. The review of trust and other fiduciary accounts at least once every twelve (12) months to determine the advisability of retaining or disposing of the trust or fiduciary assets, and/or whether 	<p><u>for each trust or other fiduciary account and provide timely and regular disclosure to clients on the status of their accounts; and</u></p> <p>7. <u>submit periodic reports to regulatory agencies on the conduct of the trust operations.</u></p> <p>d. <u>Other Trust Officers.</u> This Group shall have <u>subordinate officers under several divisions/departments</u> whose principal duty is to assist the Trust Officer in the performance of his duties and responsibilities including the marketing of trust <u>and fiduciary products and services, investment and liquidity management, business and product development,</u> and operations of the Group.</p> <p>The group may have such subordinate officer/s as the exigencies of the operations may require as determined by the Trust Officer and/or the Trust <u>Investment</u> Committee, the office/s or position/s of which is/are created by the Board of Directors, and whose principal functions shall be defined by the Board.</p>	
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	<p>the account is being managed in accordance with the instrument creating the trust or other fiduciary relationship.</p> <p>For this purpose, the Trust Committee shall meet whenever necessary and keep minutes of its actions and make periodic reports thereon to the Board.</p> <p>c. <u>Trust Officer.</u> The Trust Officer designated by the Board as head of the Trust Group shall act and represent the institution in all trust and other fiduciary matters within the sphere of authority as may be provided in the By-Laws or as may be delegated by the Board. His responsibilities shall include, but need not be limited to the following:</p> <ol style="list-style-type: none"> 1. The administration of trust and other fiduciary account; 2. The implementation of policies and instructions of the Board of Directors and the Trust Committee; 3. The submission of reports on matters which require the attention of the Trust Committee and the Board of Directors; 4. The maintenance of adequate books, records and files for each trust or other fiduciary account; and 5. The maintenance of necessary controls and measures to protect assets under his custody and held in trust or other fiduciary capacity. <p>d. <u>Other Trust Officers.</u> This Group shall have an Assistant Manager (AM) or Assistant Trust Officer (ATO) whose principal duties is to assist the Trust Officer in the performance of his duties and</p>		
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	<p>responsibilities including the marketing of the trust products, business development, liquidity management and the operations of the group. The AM or ATO shall be complemented by a Financial Business Development Section, Trust Account Administration Section and Investments Administration Section.</p> <p>The group may have such subordinate officers as the exigencies of the operations may require as determined by the Trust Officer and/or the Trust Committee, the office/s or position/s of which is/are created by the Board of Directors, and whose principal functions shall be defined by the Board.</p>		
Article VI.C. (Nomination Committee) Section 1. <u>Organization</u>	The Board shall have a Nomination Committee composed of at least three (3) members of the Board of Directors, at least one of whom (preferably all) shall be independent directors as defined by the Bangko Sentral ng Pilipinas and the Securities & Exchange Commission (SEC).	The Board shall have a Nomination Committee composed of at least three (3) members of the Board of Directors, <u>majority of whom</u> shall be independent directors as defined by the <u>BSP</u> and the <u>SEC</u> . <u>The Chairman shall at all times be an independent director.</u>	To simplify and align with Bank and best practices.
Article VI.C. (Nomination Committee) Section 2. <u>Meetings</u>	None	<u>The Committee shall meet at least twice a year.</u>	To align with Bank and best practices.
Article VI.C. (Nomination Committee) Section 3. <u>Duties and Functions</u>	<p>Sec. 2. Duties and Functions. -</p> <p>a. The Committee shall review and evaluate the qualifications of all persons nominated to the Board, as well as those nominated to other positions requiring election / appointment by the Board of Directors and all promotions favorably endorsed by the Promotions Review Committee.</p> <p>b. It shall promulgate the guidelines or criteria to govern the conduct of the nomination, and the same shall be</p>	<p>Sec. 3. Duties and Functions. -</p> <p>a. The Committee, <u>together with the Corporate Governance Committee</u>, shall review and evaluate the qualifications of all persons nominated to the Board <u>and of all persons appointed to positions beginning from Department and Division Head, as well as</u> all promotions <u>to any Bank Officer position.</u></p> <p>b. It shall promulgate the guidelines or criteria to govern the conduct of the nomination, and the same shall be properly disclosed in the company's information or proxy</p>	

	properly disclosed in the company's information or proxy statement or such other reports required to be submitted to the SEC.	statement or such other reports required to be submitted to the SEC.	
c.	The nomination of all director, more particularly of independent directors, shall be conducted by the Committee prior to a stockholders' meeting. All nominations or recommendations shall be signed by the nominating stockholders together with the acceptance and conformity of the nominees.	e. The nomination of all directors, more particularly of independent director/s, shall be conducted by the Committee prior to a stockholders' meeting. All nominations or recommendations shall be signed by the nominating stockholders together with the acceptance and conformity of the nominees.	
d.	The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters that meet at least the minimum requirements of SEC Memorandum Circular No. 16 and BSP Circular No. 296 Series of 2001 to facilitate its task to effectively review the qualifications of the nominees for directors, more specifically for independent director/s.	d. The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters that meet at least the minimum requirements of <u>relevant BSP and SEC circulars and issuances</u> to facilitate its task to effectively review the qualifications of the nominees for directors, more specifically for independent director/s.	
e.	After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for directors, more particularly for independent directors, as required under Part IV (A) and (C) of Annex "C" of SRC Rule 12, which list shall be made available to the SEC and to all stockholders through the filing and distribution of the Information Statement or Proxy Statement, in accordance with SRC Rule 17.1 (b) or SRC Rule 20, through the filing and distribution of the Information Statement or Proxy Statement, in accordance with SRC Rule 17.1 (b) or SRC Rule 20,	e. After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for directors, more particularly for independent directors, as required <u>by existing laws and relevant circulars and issuances</u> .	
		f. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the actual annual stockholders' meeting.	

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	<p>respectively, or in such other reports the company is required to submit to the SEC. The name of the person or group of persons who recommended the nomination of the independent director/s shall be identified in such report including any relationship with the nominee.</p> <p>f. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors, more specifically for Independent Directors. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the actual annual stockholders' meeting, except in the unlikely event that a particular nominee/s make/s a last minute withdrawal of his/their acceptance and conformity, become/s incapacitated or otherwise no longer available for any reason whatsoever.</p>		
<p>Article VI.C. (Nomination Committee) Section 4. <u>Election of Independent Directors</u></p>	<p>Sec. 3 - <u>Election of Independent Director/s</u></p> <p>a. Except as those required under SEC Memorandum Circular No. 16, Series of 2002, and subject to pertinent existing laws, rules and regulations of the Commission, the conduct of the election of independent directors and the other directors shall be made in accordance with the standard election procedures of these By-Laws.</p> <p>b. It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory</p>	<p>Sec. 4. <u>Election of Independent Directors.</u> - Except as those required under existing laws, rules, and regulations of the SEC, the conduct of the election of independent directors and the other directors shall be made in accordance with the standard election procedures of these By-Laws.</p>	

	<p>requirement of electing independent directors. He shall ensure that independent directors are elected during the stockholders' meeting.</p> <p>c. Specific slots for independent directors shall not be filled-up by unqualified nominees.</p> <p>d. In case of failure of election for independent directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.</p>		
Article VII (Reserves) Section 1. <u>Reserves Against Deposit Liabilities</u>	The Corporation shall maintain such reserves against its deposit liabilities as may from time to time be required by the Central Bank.	The Corporation shall maintain such reserves against its deposit liabilities as may from time to time be required by the <u>BSP</u> .	To align with the current name of the BSP.
Article X (Authorized Signatures) Section 1 (no title)	Sec. 1. (no title) -	Sec. 1. <u>Payment of Money</u> -	Title placed
Article X (Authorized Signatures) Section 2 (no title)	Sec. 2. (no title) -	Sec. 2. <u>Other Commercial Documents</u> -	Title placed
Article XI (Subscriptions, Certificates of Stock and Transfer of Shares) Section 2 (no title)	Sec. 2. (no title) -	Sec. 2. <u>Nationality</u> -	Title placed
Article XI (Subscriptions, Certificates of Stock and Transfer of Shares) Section 4. <u>Loss or Destruction</u>	In case of loss or destruction of any stock certificate, a new certificate shall be issued in lieu of the stock certificate which has been lost, stolen or destroyed after compliance with the requirements of existing laws, including Section 73 of the Corporation Code.	In case of loss or destruction of any stock certificate, a new certificate shall be issued in lieu of the stock certificate which has been lost, stolen or destroyed after compliance with the requirements of existing laws, including Section 72 of the Corporation Code.	To reflect the renumbering of sections in the RCCP.

'RESOLVED ALSO, that the Board and/or any of the Executive Officer/s be authorized, as it/he is hereby authorized, to make such approvals/s or amendments to these

resolutions as may be necessary to comply with any other requirement/s of the regulatory agency/ies concerned.'

'RESOLVED, FINALLY, that the Corporate Secretary/Assistant Corporate Secretary be authorized, as she is hereby authorized, to give notice of the foregoing approvals to the regulatory offices concerned.'

'NOW, THEREFORE, BE IT RESOLVED, that the Stockholders of this Corporation approve, as they hereby approve *en toto*, the resolutions of the Board of Directors during their special meeting on March 25, 2020 as above-quoted, approving the amendments of the By-laws.

'BE IT RESOLVED FINALLY, that the Board of Directors is hereby fully empowered and authorized to do such other act/s as may be necessary or required by the regulatory agency/ies concerned to carry into effect the amendments of the By-laws.'

Opinion	Votes cast	Percentage (based on shares present or represented at the meeting)	Percentage (based on total outstanding shares)
For	- 2,107,660,349	- 99.914%	- 78.471%
Against	- 0	- 0.000%	- 0.000%
Abstain	- 1, 806,089	- 0.086%	- 0.067%

XI. OTHER MATTERS

The Chairman announced that the Board of Directors, in their meeting held earlier, approved a cash dividend in the total peso amount of P2.7 Billion, from P2.4 Billion last year, representing One Peso (P1.00) per share. Further, the Board approved to set and/or recommend July 3, 2020 as the record date and July 17, 2020 as the payment/issuance date of the cash dividends, and to delegate to the President the authority to change the foregoing date/s as may be required to comply with the regulatory requirements.

Next, the Chairman stated that it is time to address the questions and comments from the stockholders sent via e-mail. As mentioned in the Guidelines for participation in the meeting via remote communication, which was posted in 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 Sy then gave the floor to the Head of Investor and Corporate Relations Group, Mr. Alexander C. Escucha, to read aloud the questions and comments.

Mr. Escucha read the questions sent by stockholder, Dra. Genevieve Huang. Dra. Huang wanted to know the first quarter 2020 financial performance of the Bank, any cash dividend declaration, and how the COVID 19 pandemic affected the business of the Bank. Considering that the first two questions have already been answered by the President in his annual report and by the Chairman in his announcement earlier, Mr. Escucha requested the President to answer the third question.

President Whang began by saying that the pandemic has affected the whole world in epic proportions, from the ordinary person to all kinds of industry. He recognized that it has been affecting the way the Bank conducts business with its clients and employees. For the employees, the President emphasized that the Bank has taken steps to ensure they are properly protected and taken care of, by

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giving them facemasks and face shields and forming a task force to monitor cases of infection across the Bank. The Bank has kick-started its business continuity program, identifying key departments that handle the backbone of the Bank and splitting them into two and having them report in different locations to ensure that a team continues operations in case the other gets infected. Skeletal team was put in place and the Bank provided affected employees with hotel accommodations, meals and shuttle services to and from their residences if needed. For the rest of the workforce, Management mandated them to stay at home while the Bank continued paying their salaries without deducting leave credits.

On the business side, President Whang stated that the Bank's business slowed down considerably especially during the first few months. The Bank has taken steps by increasing loan loss provisions for possible higher credit losses and will continue to do so as it sees fit. Even after this exercise, he assured the stakeholders that the Bank will remain with a strong and healthy balance sheet.

The next question came from Mr. Manuel Sy, who wanted to know how the Bank is preparing for the so-called New Normal and how it is preparing to make sure that depositors and employees are safe. President Whang replied that as he stated in his report earlier, the Bank complies with the Department of Health (DOH) safety, health and sanitation protocols. Temperature checks are done for everyone entering Bank premises, disinfectants like alcohol are placed for everyone to use, and plastic and acrylic covers are installed for frontliners. Because of the need for social distancing, some members of the Bank workforce are working from home. The Bank has also endeavored to continue strengthening its cyber security infrastructure for its internal operations as well as for its clients who should feel safe doing business with the Bank in the digital space.

Mr. Escucha read the next question from stockholder, Ms. Marilyn Yuchenkang. Ms. Yuchenkang asked about how the Bank is helping clients whose businesses were disrupted by the pandemic. President Whang explained that the Bank is fully supportive of the BSP's proactive measures in response to the pandemic, such as granting grace period to ease the burden of payment of loans under the Bayanihan to Heal as One Act. The Bank has been closely in touch with its clients and has continued to extend credit facilities to them. The Bank recognizes that different industries and companies are affected differently, and the Bank closely monitors developments at the company and account level. Overall, he assured the stakeholders that the Bank is prepared to extend its help, just as it did in previous crises.

Mr. Escucha next relayed the question sent by Atty. Bernard Tan. Atty. Tan inquired about the Bank's plans in terms of branch network expansion and digital banking services. As to the question on branch network, President Whang explained that the Bank is completing its branch expansion program this year using the remaining branch licenses from the Plantersbank acquisition. On digitization, the Bank believes that bricks-and-mortar presence remains an important channel especially in the provinces with a wide population of unbanked. However, the Bank also recognizes the market demands for digital products and services. In support of the BSP's financial inclusion program, the Bank has organized a Digital Banking Office to spearhead efforts and projects for this segment. To name a few of its digitization accomplishments, the Bank is among the first banks to participate in Instapay, among the first to adopt the QR Code, and the first to launch RFID loading in its mobile banking app and Beep card reloading via ATM. The President expressed confidence that these are just the beginning and the Bank will continue to expand its digital platforms in due time.

Mr. Escucha announced the conclusion of the question and answer session, and undertook to reply by e-mail to all other questions directly to the Bank stockholders.

Handwritten initials: N and Cnt

Handwritten signature: B. Tan

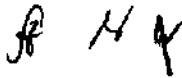
XII. ADJOURNMENT

There being no other business to transact or matter 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 4:44 P.M.

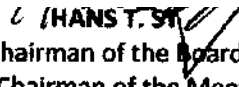
Prepared by:

Attested by:

ATTY. CORAZON L. MORANDO
Corporate Secretary
and Secretary of the Meeting



HANS T. SY
Chairman of the Board
and Chairman of the Meeting



**LIST OF STOCKHOLDERS PRESENT IN PERSON OR BY PROXY WITH THEIR RESPECTIVE NUMBER OF SHARES IN
THE 2020 ANNUAL STOCKHOLDERS' MEETING**

S/N	FULL NAME	PROXY	SHARES
1	BENHAR INTERNATIONAL, INC.		
2	CBC EMPLOYEES RETIREMENT PLAN		
3	CHAM MAN BEE		
4	CHAM MAN LU		
5	CHAM TENG HUI		
6	CHAM TENG YOUNG		
7	CHAM TING YAO		
8	CHUA SIU CHOE, ROSARIO		
9	CHUASON, BENEDICTA GRACE UY		
10	CHUASON, CAROLINE ANN UY		
11	CHUASON, DOROTHY UY		
12	CHUASON, JOSEPH UY		
13	CHUASON, JUDITH HOPE UY		
14	CHUASON, SAMUEL ROBERT UY, JR.		
15	CHUASON, SAMUEL ROBERT UY, JR. ITF SAMUEL SHAUN TIMOTHY L. CHUASON III		
16	CHUASON, SAMUEL ROBERT UY, JR. ITF SHANIA TAMMI L. CHUASON		
17	CHUASON, SAMUEL ROBERT UY, JR. ITF SHANNON TRACI L. CHUASON		
18	CHUASON, TINA		
19	DEE, ALICE T.		
20	DEE, CHRISTINE E. Y.		
21	DEE, FREDERICK TIMOTHY Y. AND/OR CHRISTINE DEE ARANETA		
22	DEE, FREDERICK Y.		
23	DEE, GERARD T.		
24	DEE, REGINA Y. ITF CHRISTINE E. DEE		
25	DEE, REGINA Y. ITF FREDERICK T. DEE		
26	DEE, REGINA YUI		
27	DY BUNCIO, ALEXANDER BENJAMIN G.		
28	DY BUNCIO, ALEXANDER BENJAMIN S.		
29	DY BUNCIO, BENJAMIN L.		
30	DY BUNCIO, RAQUEL S.		
31	ESCALONA, ARIELLE SHARON H.		
32	ESTATE OF SEGUNDO SEANGIO		
33	HERNANDEZ, BORIS RUEL O.		
34	HERNANDEZ, HELEN O.		
35	HERNANDEZ, JON DAVID O.		
36	JOSE, ANGELINA P.		
37	KUA KA TIN		
38	KUA KA TIN &/OR GRACE CHUA		
39	KUA KA TIN &/OR WUYINCHIH KUA		
40	LU, ALESSANDRA NERISE YIU		
41	LU, NELLIE Y. (a.k.a. NELLIE YIU)		
42	MAGUAN, CHERRY SY		
43	MAGUAN, EDGAR C.		
44	MAGUAN, EDMER CHONG		
45	MAGUAN, EDRIC C.		
46	MAGUAN, ELIOT C.		
47	MAGUAN, ELLIS C.		
48	MAGUAN, ELLIS C. &/OR MING-MING C. MAGUAN &/OR EDGAR C. MAGUAN		
49	MAGUAN, ELLIS C. &/OR MING-MING C. MAGUAN &/OR EDMER C. MAGUAN		
50	MAGUAN, ELLIS C. &/OR MING-MING C. MAGUAN &/OR EDRIC C. MAGUAN		
51	MAGUAN, ELLIS C. OR MING-MING C. MAGUAN OR EDGAR C. MAGUAN OR EDRIC C. MAGUAN OR EDMER C. MAGUAN		

52	MAGUAN, GRACE C.
53	MAGUAN, MING-MING C.
54	MAGUAN, MING-MING C. OR ELLIS C. MAGUAN
55	MENDOZA, LINDA SUSAN T. &/OR MARIA KRISTINA T. TAM
56	MENDOZA, MANUEL S. &/OR LINDA SUSAN T. MENDOZA A/C #2
57	MENIADO, RUSSELL V. &/OR MARIBEL S. MENIADO
58	ONG BENG
59	ONG, ALEX L.
60	ONG, CAROLINE ANN C.
61	ONG, EVANGELINE L.
62	PALANCA, ANGELINA D.
63	PO KIM UY CHUASON
64	RELIANCE COMMODITIES, INC.
65	SANTOS, ELISA S.
66	SEANGIO, ALBERTO D.
67	SEANGIO, ALFONSO
68	SEANGIO, BARBARA D.
69	SEANGIO, BETTY
70	SEANGIO, JAMES
71	SEANGIO, JOHN KENNETH D.
72	SEANGIO, VICTOR
73	SEANGIO, VIRGINIA
74	SEE, GRACE MAGUAN
75	SEE, MARK DENVER M.
76	SWAN MANUFACTURING CORPORATION
77	TACCAD, EVANGELINE C.
78	TAN TIAN CHOAN
79	TAN YEE TONG
80	TAN, BENEDICTA GRACE C.
81	TEE LING KIAT &/OR FREDERICK LEE &/OR LEE LIN HO
82	TEE, ELIZABETH QUA
83	TRANS-OCEAN FOOD PRODUCTS, INC.
84	TY, JUDITH HOPE C.
85	UNITY SYNTHETIC CORPORATION
86	UY, ALBERT
87	UY, DOUGLAS
88	UY, ELIZABETH GO
89	UY, GEORGE Y.
90	UY, GEORGE Y. &/OR ELIZABETH G. UY &/OR ROANNA VICTORIA G. UY
91	UY, GEORGE Y. &/OR ROANNA VICTORIA G. UY
92	UY, HARRY
93	UY, JOHNNY L.
94	UY, MARIBEL Y. &/OR ROGELIO L. UY
95	UY, MELANIE ROSE Y. &/OR MARIBEL Y. UY
96	UY, PHILIP
97	UY, ROANNA VICTORIA GO
98	UY, ROGER GREGORY Y. &/OR MARIBEL Y. UY
99	YIU, PHILIP C. JR.
100	YIU, PHILIP C. JR. &/OR JUSTIN PHILIPPE TAN YIU
101	YU, DUNCAN U.
102	YU, MARY L.
103	YU, NELLIE T.
104	DEE, GILBERT U. (CHINA BANK SECURITIES CORPORATION)
105	CHINA BANK SECURITIES CORPORATION (FAO ALICE DEE OR GILBERT DEE JR.)
106	DELFIN, ALEJANDRO JULIAN T.
107	DELFIN, FRANCISCO JAVIER T.

108	LEE CHI CHIAO
109	LEE, DANIEL GO
110	LEE, HARRY GO
111	LEE, HERBERT GO
112	LETRAN, JERALD LEE
113	LETRAN, JEREMY LEE
114	LETRAN, JUDY LEE
115	MORANDO, CORAZON I.
116	REGINA CAPITAL DEVELOPMENT CORPORATION
117	REGINA CAPITAL DEVELOPMENT CORPORATION (ACCT. #000351)
118	SM INVESTMENTS CORPORATION
119	SY, HANS T.
120	SY, HARLEY T.
121	SY, HERBERT T.
122	SYNTRIX HOLDINGS, INC.
123	SYSMART CORPORATION
124	TIU, LILY
125	BDO SECURITIES CORPORATION (FAO - SM Investments Corp. (SMIC))
126	BDO SECURITIES CORPORATION (FAO - SYNTRIX CORPORATION)
127	BDO SECURITIES CORPORATION (FAO - SYSMART CORPORATION)
128	CBC TRUST & ASSET MANAGEMENT GROUP
129	CHENG, PATRICK DEE OR GEMA ONG CHENG (BDO SECURITIES CORPORATION)
130	CHENG, RUBY DEE OR PATRICK DEE CHENG (BDO SECURITIES CORPORATION)
131	CITIBANK N.A.
132	DEUTSCHE BANK MANILA-CLIENTS A/C
133	GLOBALINKS SECURITIES & STOCKS, INC.
134	GLOBALINKS SECURITIES & STOCKS, INC.
135	LUCKY SECURITIES, INC.
136	LUCKY SECURITIES, INC.
137	REGINA CAPITAL DEVELOPMENT CORPORATION
138	REGINA CAPITAL DEVELOPMENT CORPORATION
139	REGINA CAPITAL DEVELOPMENT CORPORATION
140	REGINA CAPITAL DEVELOPMENT CORPORATION
141	RTG & COMPANY, INC.
142	RTG & COMPANY, INC.
143	STANDARD SECURITIES CORPORATION
144	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -Client'S ACCT.
145	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -Client'S ACCT.
146	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -Client'S ACCT.
147	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -Client'S ACCT.
148	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -Client'S ACCT.
149	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -Client'S ACCT.
150	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -Client'S ACCT.
151	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -Client'S ACCT.
152	CITIBANK N.A.
153	DEUTSCHE BANK MANILA-CLIENTS A/C
154	DEUTSCHE BANK MANILA-CLIENTS A/C
155	LUCKY SECURITIES, INC.
156	LUCKY SECURITIES, INC.
157	LUCKY SECURITIES, INC.
158	LUCKY SECURITIES, INC.
159	MORANDO, CORAZON I.
160	REGINA CAPITAL DEVELOPMENT CORPORATION
161	REGINA CAPITAL DEVELOPMENT CORPORATION (ACCT. #000351)
162	SM INVESTMENTS CORPORATION
163	SY, HANS T.

164	SY, HARLEY T.
165	SY, HERBERT T.
166	SYNTRIX HOLDINGS, INC.
167	SYSMART CORPORATION
168	BDO SECURITIES CORPORATION (FAO - SM Investments Corp. (SMIC)
169	BDO SECURITIES CORPORATION (FAO - SYNTRIX CORPORATION)
170	BDO SECURITIES CORPORATION (FAO - SYSMART CORPORATION)
171	GLOBALINKS SECURITIES & STOCKS, INC.
172	GLOBALINKS SECURITIES & STOCKS, INC.
173	LUCKY SECURITIES, INC.
174	LUCKY SECURITIES, INC.
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177	REGINA CAPITAL DEVELOPMENT CORPORATION
178	REGINA CAPITAL DEVELOPMENT CORPORATION
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181	RTG & COMPANY, INC.
182	RTG & COMPANY, INC.
183	STANDARD SECURITIES CORPORATION
184	LUCKY SECURITIES, INC.
185	MORANDO, CORAZON I.
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187	SM INVESTMENTS CORPORATION
188	SY, HANS T.
189	SY, HARLEY T.
190	SY, HERBERT T.
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196	GLOBALINKS SECURITIES & STOCKS, INC.
197	GLOBALINKS SECURITIES & STOCKS, INC.
198	LUCKY SECURITIES, INC.
199	LUCKY SECURITIES, INC.
200	LUCKY SECURITIES, INC.
201	LUCKY SECURITIES, INC.
202	REGINA CAPITAL DEVELOPMENT CORPORATION
203	REGINA CAPITAL DEVELOPMENT CORPORATION
204	REGINA CAPITAL DEVELOPMENT CORPORATION
205	REGINA CAPITAL DEVELOPMENT CORPORATION
206	RTG & COMPANY, INC.
207	RTG & COMPANY, INC.
208	STANDARD SECURITIES CORPORATION
209	CHAM, JOHN
210	DEE, ANGELA T.
211	DEE, ANGELA TY
212	DEE, ANTHONY T.
213	DEE, CHRISTOPHER T. ITF CAITLIN ANNE A. DEE
214	DEE, CHRISTOPHER T. ITF KYLE NATHAN A. DEE
215	DEE, CHRISTOPHER TY
216	DEE, CONSUELO T.
217	DEE, CONSUELO TY
218	DEE, DOMINGO T.
219	DEE, IRENE TY

220	DEE, JAMES CHRISTIAN T. ITF ETHAN ANDREI H. DEE
221	DEE, JAMES CHRISTIAN T. ITF MEGAN ASHLEY H. DEE
222	DEE, JAMES CHRISTIAN T. ITF ZAYNE EVAN H. DEE
223	DEE, JAMES CHRISTIAN TY
224	DEE, JOAQUIN &/OR LETICIA DEE IN TRUST FOR JEANNETTE TY DEE
225	DEE, JOAQUIN T. &/OR JAMES CHRISTIAN T. DEE ITF ZAYNE EVAN H. DEE
226	DEE, JOAQUIN T. &/OR LETICIA TY DEE &/OR ANGELA DEE
227	DEE, JOAQUIN T. &/OR LETICIA TY DEE &/OR CHRISTOPHER DEE
228	DEE, JOAQUIN T. &/OR LETICIA TY DEE &/OR CONSUELO DEE
229	DEE, JOAQUIN T. &/OR LETICIA TY DEE &/OR JAMES CHRISTIAN DEE
230	DEE, JOAQUIN T. &/OR LETICIA TY DEE &/OR STEPHANIE DEE
231	DEE, LAUREANO, JR.
232	DEE, STEPHANIE
233	DEE, STEPHANIE T.
234	ENTERPRISE REALTY CORPORATION
235	JJACCIS DEVT. CORP.
236	SUNTREE HOLDINGS CORPORATION
237	ALABANZA, TERENCE JONATHAN L. &/OR MARIE EUGENIE ELENA G. SYCIP ITF TENNY KRISTANNA S. ALABANZA
238	ALABANZA, TERENCE JONATHAN L. &/OR MARIE EUGENIE ELENA G. SYCIP ITF TERENA JOELLE S. ALABANZA
239	ALABANZA, TERENCE JONATHAN L. &/OR MARIE EUGENIE ELENA G. SYCIP ITF ZAVIER JUAN S. ALABANZA
240	ANG, VICTOR
241	ANSALDO, GODINEZ & CO., INC.
242	ANSALDO, GODINEZ & CO., INC. ACCT. #1001
243	BELAMIDE, KRISTIN DEE
244	BELTRAN, TERESITA B.
245	CARIÑO, LILIBETH R.
246	CHUA LE CHIT
247	CHUA, ANNIE K. ROXAS
248	CHUA, EVANGELINE L.
249	CHUA, JONATHAN ROXAS
250	CHUA, JONATHAN ROXAS &/OR GENEVIEVE YAM ROXAS CHUA
251	CHUA, JONATHAN ROXAS &/OR GENEVIEVE YAM ROXAS CHUA ITF JOHN ALFONSO ROXAS CHUA
252	CHUA, JONATHAN ROXAS &/OR GENEVIEVE YAM ROXAS CHUA ITF JOHN LEONARDO ROXAS CHUA
253	CHUA, JONATHAN ROXAS &/OR GENEVIEVE YAM ROXAS CHUA ITF JOHN MICHAEL ROXAS CHUA
254	CHUA, KENNETH
255	CHUA, MARCELINO ROXAS
256	CHUA, MARY DY
257	CHUA, PAULINE L.
258	CHUA, VICTORIA L.
259	CLEMENTE, VICTORINA M.
260	CO, FRANCES DEE &/OR BALDWIN DEE CO
261	CO, FRANCES DEE &/OR BALDWIN DEE CO &/OR CATHRINA CO HOUSEAL &/OR DELWIN DEE CO
262	CO, FRANCES DEE &/OR BALDWIN SCOTT CO
263	CO, FRANCES DEE &/OR CATHRINA CO HOUSEAL ITF BALDWIN BRENT CO
264	CO, FRANCES DEE &/OR CATHRINA CO HOUSEAL ITF BALDWIN SHAWN CO
265	CO, FRANCES DEE &/OR CATHRINA CO HOUSEAL ITF DELWIN CO, JR.
266	CO, FRANCES DEE &/OR CATHRINA CO HOUSEAL ITF FRANCESCA DENYS CO
267	CO, FRANCES DEE &/OR CATHRINA CO HOUSEAL ITF PATRICIA DENYS CO
268	CO, FRANCES DEE &/OR CATHRINA DEE CO
269	CO, FRANCES DEE &/OR DELWIN DEE CO
270	CO, YLAINE MARIE Y. &/OR PAOLO EMMANUEL Y. CO

271	CO, YLAINE MARIE Y. &/OR YVETTE MAS
272	DE OCAMPO, JOSE
273	DEE, DIANE G.
274	DEE, DINO G.
275	DEE, DINO G. &/OR SAMANTHA UY DEE
276	DEE, GEORGE S. JR.
277	DEE, GEORGE S. JR. &/OR WALTER WAYNE G. DEE &/OR GEORGENE MARGARET G. DEE
278	DEE, GEORGE S. JR. ITF GEORGENE MARGARET
279	DEE, GRACIE S.
280	DEE, HELEN Y.
281	DEE, HERMAN ANGSANTO
282	DEE, MARY SYCIP
283	DEE, MICHAEL JOHN G.
284	DEE, NELSON Y.
285	DEE, OLIVIA Y.
286	DEE, PETER S. &/OR HELEN Y. DEE
287	DEE, ROBERT Y., JR.
288	DEE, VIOLETA G.
289	DEL ROSARIO, REYLENITA M.
290	DESENGAÑO, JULIANA U.
291	ENCINAS, MARY ANN HABALO
292	EVANGELISTA, ADELA A.
293	FUNTILA, ROMEO T. JR.
294	GABUNA, ANGELITA M.
295	GALANG, HYACINTH M.
296	GDSK DEVELOPMENT CORPORATION
297	GISON, HELENA
298	GISON, VIOLETA P.
299	GO, EILEEN C.
300	GO, KAREN CHRISTINE L.
301	GO, KEVIN CHRISTOPHER L.
302	GO, KIM CHRISTOPHER L.
303	GO, LOURDES REGINA L.
304	GO, LOURDES REGINA L. ITF KAREN CHRISTINE L. GO
305	GO, PRISCILLA DEE
306	GODIACO, MICHICO KENGI C.
307	GODIACO, RIKISHA KIM C.
308	GODIACO, THOMAS HOWARD C.
309	GODIACO, THOMAS JOEL C.
310	GODINEZ, MARIANO U.
311	GODINEZ, TERESITA C.
312	GODINEZ, TERESITA C. ITF JOHN KENNETH C. GODINEZ
313	GOHOC, JOSUA
314	GOSINGCO, MANUEL
315	HYDEE MANAGEMENT & RESOURCE CORPORATION
316	LAO, CAROLINE CUA
317	LEE CHAO HENG
318	LI HAO, ROSA
319	LIAO, ANTHONY EMMANUEL S.
320	LIAO, ANTHONY NUBLA
321	LIAO, CARMELA GRACE S.
322	LIAO, CHERRY LEE OR ERIC LIM HERRERA OR ELBERT LIM HERRERA
323	LIAO, JUDE MANUEL SP III
324	LIAO, LILLIAN VERONICA N.
325	LIAO, LOURDES REGINA N.

326	LIAO, LUCY ANN N.
327	LIAO, MA. CRISTINA M.
328	LIAO, MANUEL N. JR.
329	LIAO, MANUEL N. JR. &/OR SONIA SAN PEDRO LIAO
330	LIAO, MANUEL N. JR. ITF JERICO MANUEL SAN PEDRO LIAO IV
331	LIAO, MANUEL N. JR. ITF SAMANTHA THERESE SAN PEDRO LIAO
332	LIAO, MANUEL N. JR. ITF SOPHIA ANNE SAN PEDRO LIAO
333	LIAO, PATRICK STEPHEN N.
334	LIAO, PATRICK STEPHEN N. ITF ALYSSA ANNE M. LIAO
335	LIAO, PATRICK STEPHEN N. ITF STEVEN CODY M. LIAO
336	LIAO, PAUL ANTHONY N.
337	LIAO, PAUL MICHAEL S.
338	LIAO, SARAH JESSICA SP
339	LIAO, TRINIDAD S.
340	LICUAN, MARTIN
341	LOPEZ, JEANETT J.
342	LUNA, JOSEPH ANTHONY N. ITF MARIA GABRIELLE LOUISE N. LUNA
343	LUNA, KIM ANTHONY N.
344	LUNA, MARIA BIANCA LOUISE N.
345	MAGSAYSAY, MARIO NICOLAS LIAO
346	MARQUEZ, DELIA
347	MAS, YVETTE &/OR STUART YANG
348	NUBLA FOUNDATION
349	NUBLA, EDNA
350	NUBLA, ESTHER D.
351	NUBLA, JESSE NINO
352	NUBLA, JOEL H.
353	NUBLA, JOHN JOSEPH B.
354	NUBLA, JOSEPH CORNELIUS
355	NUBLA, JOSEPH MARK G.
356	NUBLA, MA. CECILE #3
357	NUBLA, MA. CECILE #6
358	NUBLA, MA. CECILE L.
359	NUBLA, MA. JONNAH ALLYSUS BASA
360	NUBLA, MA. JONNAH B.
361	NUBLA, MA. JONNAH B. ITF WILLIAM MARIO B. NUBLA
362	NUBLA, MA. TERESITA L.
363	NUBLA, MARY JANE #1
364	NUBLA, MARY JANE #2
365	NUBLA, MICHAEL MELCHOR L.
366	NUBLA, RALPH, JR.
367	NUBLA, VICTOR CHARLES #1
368	NUBLA, VICTOR CHARLES #2
369	NUBLA, VIRGINIA
370	NUBLA, ZENaida F. #1
371	NUBLA, ZENaida F. #2
372	NUBLA, ZENaida P.
373	ONG BUN PHOK
374	ONG, ALLEN C.
375	ONG, CHERRY E.
376	ONG, GEORGE A.
377	ONG, KATHERINE A.
378	ONG, LOUIS A.
379	ORTOLL, MA. INMACULADA Z.
380	PUA, JOSEFINA
381	RAMIREZ, BETTY CHOA

382	SO, BRIAN JENKIN O.
383	SO, VALERIE BERNICE O.
384	SY, CRISELDA M.
385	SY, JAMES
386	SY, KIMBERLY
387	SY, MARIA TERESITA N.
388	SY, TERESITA GABALDON
389	SYCIP, EUGENE T.
390	SYCIP, EUGENE T. &/OR MARIE EUGENIE ELENA G. SYCIP
391	SYCIP, LYNN-MARIE Y.
392	SYCIP, MARIE EUGENIE G. &/OR TERENCE JONATHAN L. ALABANZA ITF TENNY KRISTANNA S. ALABANZA
393	SYCIP, MARIE EUGENIE G. &/OR TERENCE JONATHAN L. ALABANZA ITF TERENA JOELLE S. ALABANZA
394	SYCIP, MARIE EUGENIE G. &/OR TERENCE JONATHAN L. ALABANZA ITF ZAVIER JUAN SYCIP ALABANZA
395	TAN, ANNA LIZA M.
396	TAN, JACQUELINE C.
397	TAN, MA. MARGARET NUBLA &/OR MA. TERESITA NUBLA SY
398	TAN, MARIA MARGARET N.
399	TAN, SHIRLEY T.
400	TENEFRANCIA, MARY JEAN S. &/OR CHARLENE JOY S. TENEFRANCIA ITF MADISON GRACE T. SMITH
401	TENEFRANCIA, MARY JEAN S. &/OR CHARLENE JOY T. SMITH ITF TYLER ANDREW T. SMITH
402	TENEFRANCIA, MARY JEAN S. &/OR SHERI ANN S. TENEFRANCIA ITF HANNAH GRACE T. MOMANEY
403	TENEFRANCIA, MARY JEAN S. &/OR SHERI ANN S. TENEFRANCIA ITF RACHEL FAITH T. MOMANEY
404	TENEFRANCIA, MARY JEAN S. &/OR VALERIE MAY T. TORRES ITF BRYAN ANDREW T. TORRES
405	TENEFRANCIA, MARY JEAN S. &/OR VALERIE MAY T. TORRES ITF KATHLEEN MEGAN T. TORRES
406	TENEFRANCIA, MARY JEAN S. &/OR VALERIE MAY T. TORRES ITF KRISTEN ELIZABETH T. TORRES
407	TENEFRANCIA, MARY JEAN S. &/OR VALERIE MAY T. TORRES ITF WILLIAM DANIEL T. TORRES
408	THE FIRST RESOURCES MANAGEMENT & SECURITIES CORPORATION
409	TIAN, ROBERT
410	TIU, ALDO YUTINGCO &/OR REBECCA LOO TIU ITF EUNICE ABIGAE L. LOO TIU
411	TIU, ALDO YUTINGCO &/OR REBECCA LOO TIU ITF FAYANNE ALISON LOO TIU
412	TIU, ALDO YUTINGCO &/OR REBECCA LOO TIU ITF GERARD ANTHONY LOO TIU
413	TIU, CHRISTOPHER YUTINGCO &/OR GRACE KELLY TIU ITF KAMILLE CLAIRE YU TIU
414	TIU, CHRISTOPHER YUTINGCO &/OR GRACE KELLY TIU ITF LEWIS YU TIU
415	TIU, DEXTER YUTINGCO &/OR KATRI ONG TIU
416	TIU, DEXTER YUTINGCO &/OR KATRI ONG TIU ITF MIKAELA GABRIELLE ONG TIU
417	TIU, MARIANO C. &/OR LILY YUTINGCO TIU
418	TORRES, WILLIAM O. &/OR VALERIE MAY T. TORRES
419	UY, VIRGINIA
420	UY, VIRGINIA YU
421	UYQUIENGCO, MA. THERESA L.
422	VILLA, ROGELIO T. ITF JOHN MICHAEL CHAN VILLA
423	VILLA, ROGELIO T. ITF ROSELYNN VILLA
424	WEE, FREDERICK S. &/OR BONNIE TIU WEE ITF FERGUS JORELL TIU WEE
425	WEE, FREDERICK S. &/OR BONNIE TIU WEE ITF FILBERT HEINRICH TIU WEE
426	WEE, FREDERICK S. &/OR BONNIE TIU WEE ITF FRANCINE BERYL ISABEL TIU WEE
427	YANDOC, CARINA L.
428	YANG, NANCY D. &/OR STEPHEN PAUL D. YANG ITF IZABELLE VIANCA Y. YANG
429	YANG, NANCY D. &/OR STEPHEN PAUL D. YANG ITF SEDRIC STEVEN Y. YANG

430	YANG, NANCY D. &/OR YLAINE MARIE Y. CO ITF MARCUS VINCENT Y. CO
431	YANG, NANCY D. &/OR YLAINE MARIE Y. CO ITF PAOLO EMMANUEL Y. CO
432	YANG, NANCY D. &/OR YLAINE MARIE Y. CO ITF RAPHAEL REECE Y. CO
433	YANG, NANCY D. &/OR YVETTE MARIE Y. MAS &/OR STEPHEN PAUL D. YANG &/OR YLAINE MARIE Y. CO &/OR YVONNE MARIE D. YANG &/OR STUART PAUL D. YANG
434	YANG, NANCY D. &/OR YVETTE MARIE Y. MAS ITF ARTHUR BRYANNE Y. MAS
435	YANG, NANCY D. &/OR YVETTE MARIE Y. MAS ITF DANIELLE MARIE Y. MAS
436	YANG, NANCY DEE
437	YANG, STEPHEN PAUL D.
438	YANG, STEPHEN PAUL DEE &/OR IVY ALLYSON YAP YANG
439	YANG, STUART PAUL D.
440	YANG, YVONNE D.
441	YANG, YVONNE MARIE D. &/OR STEPHEN PAUL D. YANG
442	YOUNG, ELIZABETH D. &/OR TRACY ELLICE D. YOUNG
443	MORANDO, CORAZON I.
444	REGINA CAPITAL DEVELOPMENT CORPORATION
445	REGINA CAPITAL DEVELOPMENT CORPORATION (ACCT. #000351)
446	SM INVESTMENTS CORPORATION
447	SYNTRIX HOLDINGS, INC.
448	SYSMART CORPORATION
449	BDO SECURITIES CORPORATION (FAO - SM Investments Corp. (SMIC))
450	BDO SECURITIES CORPORATION (FAO - SYNTRIX CORPORATION)
451	BDO SECURITIES CORPORATION (FAO - SYSMART CORPORATION)
452	GLOBALINKS SECURITIES & STOCKS, INC.
453	GLOBALINKS SECURITIES & STOCKS, INC.
454	LUCKY SECURITIES, INC.
455	LUCKY SECURITIES, INC.
456	LUCKY SECURITIES, INC.
457	LUCKY SECURITIES, INC.
458	RTG & COMPANY, INC.
459	YAO, ALBERTO S. (CHINA BANKING CORPORATION TRUST GROUP)
460	SIO, JOSE T.
461	SAN JUAN, MARGARITA L.
462	TSAI, PHILIP S. L. (AP SECURITIES, INCORPORATED)
463	FORTICH, DOMINGO C.
464	WHANG, WILLIAM C. (GOLDSTAR SECURITIES, INC.)
465	MORANDO, CORAZON I.
466	COL FINANCIAL GROUP, INC. (ALEXANDER C. ESCUCHA)
467	UNICAPITAL SECURITIES, INC. (MARIE CAROLINA CHUA)
468	ELARMO, GORGONIO B. JR. &/OR LEILANI B. ELARMO ITF LILIA BEATRICE B. ELARMO
469	ELARMO, GORGONIO B. JR. &/OR LEILANI B. ELARMO ITF GABRIEL JOHN B. ELARMO
470	JAIME G. DELA CRUZ
471	LAMBERTO R. CERVANIA
472	COL FINANCIAL GROUP, INC. (EDWARD YAO)
473	ALVINA IELEEN SY
474	JULIUS J. SANVICTORES
475	FRANCIS ALEXANDER S. ORQUIOLA
	TOTAL

ATTENDEES VIA LIVESTREAM

	FIRST NAME	LAST NAME	REMARKS
1	CHINA BANK 2020 ASM (Host)	Pearl Hannah N. Lopez	Via Livestream
2	Alberto	Yao	Via Livestream

3	Gilbert	Dee	Via Livestream
4	Harley	Sy	Via Livestream
5	Herbert	Sy	Via Livestream
6	Joaquin	Dee	Via Livestream
7	Jose	Sio	Via Livestream
8	Margarita	San Juan	Via Livestream
9	Peter	Dee	Via Livestream
10	Philip	Tsai	Via Livestream
11	Ricardo Chua	Chua	Via Livestream
12	Patrick	Cheng	Via Livestream
13	Alexander	Escucha	Via Livestream
14	Angeli Anne	Gumpal	Via Livestream
15	Hershey Marie	Villegas	Via Livestream
16	Victoria Jane	Quisido	Via Livestream
17	Jai	Romulo	Via Livestream
18	Adele Melinda	Nadal	Via Livestream
19	Ae Rom	Reyes	Via Livestream
20	Agnes	Calimbahin	Via Livestream
21	Aileen Paulette	De Jesus	Via Livestream
22	Albert	Regis	Via Livestream
23	Alexander	Pomento	Via Livestream
24	Amelia Caridad	Castelo	Via Livestream
25	Ananias	Cornelio	Via Livestream
26	Angela	Cruz	Via Livestream
27	Angela	Ceneza	Via Livestream
28	Angelyn Clare	Liao	Via Livestream
29	Ann	Ducanes	Via Livestream
30	Anna mae	Umayam	Via Livestream
31	Antonio	Acpal	Via Livestream
32	Antonio Jose	Dominguez	Via Livestream
33	April	Mayuga	Via Livestream
34	Art	Esquivel	Via Livestream
35	Arturo	Constantino	Via Livestream
36	Carlos Luis	Roxas	Via Livestream
37	Cesare' Edwin	Garcia	Via Livestream
38	Charon	Wambangco	Via Livestream
39	Belenette	Tan	Via Livestream
40	Christelle	Lao	Via Livestream
41	christine	yap	Via Livestream
42	Claire	Sy	Via Livestream
43	Clarissa Maria	Villaion	Via Livestream
44	Cristina	Gotuaco	Via Livestream
45	David Andrew	Valdellon	Via Livestream
46	Delia	Marquez	Via Livestream
47	Denise	Aman	Via Livestream
48	Deofel	Usuquen	Via Livestream
49	Doris	Dumlao-Abadilla	Via Livestream
50	Dorothy	Maceda	Via Livestream
51	Edna	Torralba	Via Livestream
52	Elizabeth	Say	Via Livestream
53	Elizel	Del Remedio	Via Livestream
54	Ellis	Maguan	Via Livestream
55	Elmer	Serrano	Via Livestream
56	Eunice Michelle	Mundo	Via Livestream
57	Ernanie	Silvino	Via Livestream
58	Edgar	Neri	Via Livestream

59	Esperose	De Claro	Via Livestream
60	Eunice	Sotto	Via Livestream
61	eve	ramos	Via Livestream
62	Evelyn	Alameda	Via Livestream
63	Faye Theresa	Babasa	Via Livestream
64	Faye Abigail	Fagano	Via Livestream
65	Feliza	Cuya	Via Livestream
66	Francis	Orquiola	Via Livestream
67	Francis	Jerum A. Conde	Via Livestream
68	Francisco Eduardo	Samiento	Via Livestream
69	Frederic	DyBuncio	Via Livestream
70	Genevieve	Huang	Via Livestream
71	George	Yap	Via Livestream
72	George Michael	Punzalan	Via Livestream
73	Gerard	Dee	Via Livestream
74	Glenn	Calacal	Via Livestream
75	Glenn	Altea	Via Livestream
76	Grace	Ho	Via Livestream
77	Hans Jr	Sy	Via Livestream
78	Hanz	Yoro	Via Livestream
79	Harvey Christopher	Sy	Via Livestream
80	Hector	Holgado	Via Livestream
81	Heidi	Austria	Via Livestream
82	Honey Mae	Castillo	Via Livestream
83	Howard	Sy	Via Livestream
84	Hudson	Uy	Via Livestream
85	Hyacinth	Galang	Via Livestream
86	Ina	Sison	Via Livestream
87	Ira Xarah Marie	Balaibat	Via Livestream
88	Irena	Go See It	Via Livestream
89	J. Carlitos	Cruz	Via Livestream
90	Jaime	Dela Cruz	Via Livestream
91	Jam	Jongko	Via Livestream
92	Jan	Dayro	Via Livestream
93	Jaydee	Caparas	Via Livestream
94	Jeffrey	Lim	Via Livestream
95	Jemimah	Lalucis	Via Livestream
96	Joanne	Serrano	Via Livestream
97	Joel	Dumayaca	Via Livestream
98	Jonathan	Camarillo	Via Livestream
99	Jose	Sio	Via Livestream
100	Jose Miguel	Escucha	Via Livestream
101	Joseph Adrien	Soriao	Via Livestream
102	Joseph Lloyd	San Andres	Via Livestream
103	Josephine	Abarca	Via Livestream
104	Juan Paolo	Colet	Via Livestream
105	Julie Ann	Santiago	Via Livestream
106	Julius	Sanvictores	Via Livestream
107	Karyn	Lim	Via Livestream
108	Katherine Jean	Diamante	Via Livestream
109	Kathleen	Villapando	Via Livestream
110	Kathrina	Nicolas	Via Livestream
111	Katrina	Walit	Via Livestream
112	Katrina	Quiambao	Via Livestream
113	keith	atienza	Via Livestream
114	Kimberly	Abellon	Via Livestream



115	Kristha	Abores-Mangahas	Via Livestream
116	Lala	Rimando	Via Livestream
117	Lauro	Valera	Via Livestream
118	Lawrence	Agcaoli	Via Livestream
119	Layne	Arpon	Via Livestream
120	Leah	Quiambao	Via Livestream
121	Leilani	Elarmo	Via Livestream
122	Lilian	Yu	Via Livestream
123	Linda Susan	Mendoza	Via Livestream
124	Love	Baking	Via Livestream
125	Luis	Afable	Via Livestream
126	Luis	Apostol	Via Livestream
127	Luis Bernardo	Puhawan	Via Livestream
128	Ma. Cecilia	Chiu	Via Livestream
129	Ma. Chimene	Alvarez	Via Livestream
130	Ma. Christina	Billedo	Via Livestream
131	Ma. Cristina	Hernandez	Via Livestream
132	Ma. Edita Lynn	Trinidad	Via Livestream
133	Ma. Hildelita	Alano	Via Livestream
134	Ma. Luisa	Baylosis	Via Livestream
135	Ma. Teresa	Lao	Via Livestream
136	Magnolia Luisa	Palanca	Via Livestream
137	Maia	Oriana	Via Livestream
138	Malu	Salud	Via Livestream
139	Mandrake	Medina	Via Livestream
140	Manuel	Te	Via Livestream
141	Manuel	Tagaza	Via Livestream
142	Manuel Jr	Iiao	Via Livestream
143	Maria Carolina	Yonzon	Via Livestream
144	Maria Cristina	Lapina	Via Livestream
145	Maria Luz	Favis	Via Livestream
146	Maria Rosanna Catherina	Testa	Via Livestream
147	Marie	Chua	Via Livestream
148	Marilyn	Yuchenkang	Via Livestream
149	Marisol	Teodoro	Via Livestream
150	Marissa	Garcia	Via Livestream
151	Mariz	Tupaz	Via Livestream
152	Marvin	Obordo	Via Livestream
153	Marvin Ray	Isleta	Via Livestream
154	Mary	Pe	Via Livestream
155	Mary Ann	Llanes	Via Livestream
156	May	Ching	Via Livestream
157	Mayvelin	Caraballo	Via Livestream
158	Melani	Hilario	Via Livestream
159	Melissa	Corpus	Via Livestream
160	Michael	Chong	Via Livestream
161	Michaela	Teng	Via Livestream
162	Michelle	Arriola	Via Livestream
163	Michelle	Farcon	Via Livestream
164	Monica	Fortaleza	Via Livestream
165	Nancy	Yang	Via Livestream
166	Nenette	Pauig	Via Livestream
167	Niko	Lim	Via Livestream
168	Nina	Reynoso	Via Livestream
169	Nita	Ciaravall	Via Livestream
170	Noel	Cachero	Via Livestream

171	odel	s. janda	Via Livestream
172	Princess Cresed Ann	Castillo	Via Livestream
173	Ray Francis	Balagtas	Via Livestream
174	Remedios Emilia	Oliver	Via Livestream
175	Renato	De Borja	Via Livestream
176	Rhoel	Reyes	Via Livestream
177	Ric	Prado	Via Livestream
178	Richard	Borja	Via Livestream
179	Robert	Ilagan	Via Livestream
180	Rochelle	Japzon	Via Livestream
181	Ronald	R. Marcaida	Via Livestream
182	Rosa Maria	Musico	Via Livestream
183	Rosemarie	Gan	Via Livestream
184	Ryan Martin	Tapia	Via Livestream
185	Ryan Vincent	Cordova	Via Livestream
186	Salina	Trinidad	Via Livestream
187	Sandeep	Deobhakta	Via Livestream
188	Sarah Jane	Azores	Via Livestream
189	Shari	Ngo	Via Livestream
190	Sherla	Apolinar	Via Livestream
191	Sherry	Canillas	Via Livestream
192	Stephen	Tan	Via Livestream
193	Thess	Lee	Via Livestream
194	Tim	Daniels	Via Livestream
195	Ting	Arellano	Via Livestream
196	Tristan	Choa	Via Livestream
197	Victor Jr.	Marcelo	Via Livestream
198	Virginia	Yap	Via Livestream
199	Virginia	Go	Via Livestream
200	Wilfred	Martinez	Via Livestream
201	Wilson	Tan	Via Livestream
202	Edward	Yao	Via Livestream
203	Yasmin	Biticon	Via Livestream
204	Zaldy	Adana	Via Livestream

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MINUTES OF THE 2020 SPECIAL MEETING OF STOCKHOLDERS OF CHINA BANKING CORPORATION

*Held via Remote Communication at <https://www.chinabank.ph/asm2020/ssm2020>
October 1, 2020 at 4:08 P.M.*

Directors Present:

- | | |
|---------------------------|--|
| Mr. Hans T. Sy | - Chairman of the Board, Chairman of the Executive and Compliance Committees, and Member of the Risk Oversight and Remuneration Committees |
| 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, Member of the Executive Committee, and Chairman of the Trust Investment Committee |
| Mr. Joaquin T. Dee | - Director, and Member of the Executive, Audit, and Compliance Committees |
| Mr. Harley T. Sy | - Director, and Member of the Trust Investment Committee |
| Mr. Herbert T. Sy | - Director, and Member of the Remuneration Committee |
| Mr. Jose T. Sio | - Director, and Member of the Trust Investment Committee |
| Mr. Alberto S. Yao | - Lead Independent Director, Chairman of the Audit Committee, and Member of the Corporate Governance, Risk Oversight, Related Party Transactions, Nominations, Compliance, and Remuneration Committees |
| Ms. Margarita L. San Juan | - Independent Director, Chairman of the Corporate Governance Committee, Related Party Transactions, Nominations, and Remuneration Committee, and Member of the Audit Committee |
| Mr. Philip S.L. Tsai | - Independent Director, Chairman of the Risk Oversight Committee, and Member of the Corporate Governance, Related Party Transactions, Nominations, and Remuneration Committees |

Director Absent:

None

Also Present:

- | | |
|--|--|
| Mr. Ricardo R. Chua | - Advisor to the Board |
| Atty. Corazon I. Morando | - Corporate Secretary |
| Ms. Claire Ann T. Yap | - Nominee for Independent Director |
| Mr. Romeo D. Uyan, Jr. | - Chief Operating Officer |
| Mr. Patrick D. Cheng | - Chief Finance Officer |
| Mr. Alexander C. Escucha | - Head of the Investor and Corporate Relations Group |
| Mr. Christopher Ma. Carmelo Y. Salazar | - Treasurer |
| Ms. Aileen Paulette S. De Jesus | - Chief Compliance Officer |
| Ms. Katrina Quiambao | - SyCip Gorres Velayo & Co. (SGV), External Auditor |
| Mr. John Chrysler L. Gutierrez | - SyCip Gorres Velayo & Co. (SGV), External Auditor |
| Mr. Racez Jay G. Gabon | - SyCip Gorres Velayo & Co. (SGV), External Auditor |

Stockholders present by remote communication, voting *in absentia* and by proxy:

2,103,579,207 shares (See Annex A for the list of stockholders and other attendees)

I. CALL TO ORDER

After the Bank Centennial Celebration and frontliners appreciation videos were shown, and the Philippine National Anthem was played, Investor and Corporate Relations Group (ICRG) Head Alexander C. Escucha introduced the current members of the Board and Advisor to the Board Ricardo R. Chua. He then gave the floor to the Chairman.

Mr. Hans T. Sy, Chairman of the Board, welcomed the stockholders and guests to the Bank's special stockholders' meeting, an online-only event because of the current circumstances. He called the meeting to order and presided over the same. Atty. Corazon I. Morando, Corporate Secretary, took the minutes of the meeting.

The list of the stockholders present by remote communication, voting *in absentia* and by proxy, with their respective number of shares is hereto attached as Annex "A".

II. PROOF OF NOTICE OF MEETING

The Chairman inquired from the Corporate Secretary about the sending of the required notice of meeting to the stockholders.

Atty. Morando 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, and Section 49 of the Revised Corporation Code. She also mentioned that the Bank has asked the SEC to allow the Bank to resort to the alternative mode of distributing and providing documents in connection with the holding of special stockholders' meeting in view of the declaration of quarantine conditions similar to the circumstances present during the annual stockholders' meeting held on June 18, 2020. Further, the Notice of Meeting was published in The Philippine Star and Philippine Daily Inquirer, in print and online formats, on September 2, 3, and 4, 2020. Finally, electronic copies of the Notice of Meeting with Explanation of Agenda Items and the Information Statement (SEC Form 20-IS) and Management Report, were made available in the Bank website and the 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 and the law 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.

Atty. Morando announced that, out of 2,685,899,812 total subscribed and outstanding shares of the Bank, the holders of 2,103,579,207 shares representing 78.319%, or more than 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 Definitive Information Statement.

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IV. ELECTION OF INDEPENDENT DIRECTOR

For the next item in the agenda, which is the election of independent director, the Chairman called on the Chairman of the Nominations and Corporate Governance Committees, Ms. Margarita L. San Juan, to announce the nominee for election.

Ms. San Juan stated that based on the determination by the Nominations and Corporate Governance Committees, and as confirmed by the Board of Directors, the nominee for the vacant independent director position, Ms. Claire Ann T. Yap, was found to possess all the qualifications and none of the disqualifications of an independent director, and her capabilities are aligned with the Bank's strategic directions.

The Chairman then asked the Corporate Secretary, Atty. Morando, to present the results of the election. Atty. Morando presented the following proposed resolution and its approval by the stockholders based on the votes cast, as confirmed by the Bank's transfer agent, Stock Transfer Service, Inc., and by SyCip Gorres Velayo & Co., the independent party tasked to count and validate the votes at the meeting:

"The nominee for independent director mentioned by the Chairman of the Nominations and Corporate Governance Committees, and also listed in the Definitive Information Statement, Ms. Claire Ann T. Yap, was declared duly elected independent director."

The percentage of votes garnered is as follows:

Name of Director	Type of Director	Votes Cast	
Claire Ann T. Yap	Independent Director	For	2,102,023,009
		Against	-
		Abstain	1,556,198

V. CENTENNIAL STOCK GRANT

The Chairman next called on the President, Mr. William C. Whang, to provide a brief background and details on the recommended Centennial Stock Grant Plan of the Bank, which was taken up and approved by the Board of Directors on August 5, 2020 and further on September 2, 2020.

The President mentioned that the generous gesture originated from the Chairman and was supported by the Board of Directors as part of the 100th anniversary of the Bank. The Board approved the stock grant plan in its meeting on August 5, 2020 and the intent was further clarified in its meeting on September 2, 2020. The President further mentioned that the stock grant will involve the issuance of up to 5.6 million shares, valued at ₱115.36 Million based on the closing price as of August 26, 2020. About 8,400 employees are qualified to the stock grant.

On motion duly made and seconded, the following resolutions were unanimously approved –

'WHEREAS, on August 5, 2020, the Board of Directors of the Corporation approved the following resolution/s:

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**"EMPLOYEE STOCK GRANT –
BD-8-5-2020-(20)**

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After discussion, the Board, on motion duly made and seconded, approved a Centennial Stock Grant Plan to issue common shares to eligible grantees with the following key details:

Grantee Eligibility Requirements	<ul style="list-style-type: none"> • All regular employees (officers and rank & file employees) and certain recently retired employees retained as consultant (as specified by the Chairman of the Board) of the China Banking Corporation Group (CBC, and its subsidiaries CBC Properties and Computer Center, Inc., China Bank Insurance Brokers, Inc., China Bank Capital Corporation, China Bank Securities Corporation, and China Bank Savings, Inc.) as of 16 August 2020. • Minimum service tenure of at least 1 year as of 16 August 2020. • No future service or performance condition is required. • Grantees who resign, retire, or otherwise leave the CBC group after 16 August 2020 will still qualify to receive the shares.
Number of Shares to be issued to each Grantee	<ul style="list-style-type: none"> • 100 shares per year of service, based on tenure as of 16 August 2020. • For China Bank Savings, Inc. (CBSI) employees, only CBSI tenure will be counted. • Tenure will not be rounded up. Any fraction of a year will be dropped from the computation.
Holding Period	<ul style="list-style-type: none"> • Minimum holding period of two years from 16 August 2020. The shares may only be sold, encumbered, or disposed after 16 August 2022.
Costs	<ul style="list-style-type: none"> • Taxes and other costs for the issuance of the shares to the grantees and the listing thereof in the Philippine Stock Exchange shall be for the account of the Bank. The issue price for the shares shall be determined by the authorized officers.

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The Board further approved to delegate to the President, Chief Operating Officer and Chief Finance Officer 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 foregoing shall be subject to the approval and ratification of the stockholders at a meeting called for the purpose, and the approval of the relevant regulatory agencies."

"WHEREAS, on September 2, 2020, the Board of Directors of the Corporation approved the following resolution/s in order to further clarify its intent relative to the stock grant:

**"CENTENNIAL STOCK GRANT –
BD-9-2-2020-(40)**

"In accordance with the memorandum dated 02 September 2020, after discussion, in order to further clarify the intent of the Board, specifically on grantee eligibility requirements and on the number of shares to be issued to each grantee, all the members of the Board present, upon motion duly made and seconded, unanimously approved the following amendments on key terms of the Centennial Stock Grant Plan, thereby amending the approval of the Board on 05 August 2020:

Grantee Eligibility Requirements	<ul style="list-style-type: none">• All regular employees (officers and rank & file employees) and certain other officers and contractual employees, (as specified by the Chairman of the Board) of the China Banking Corporation Group (CBC and its subsidiaries CBC Properties and Computer Center, Inc., China Bank Insurance Brokers, Inc., China Bank Capital Corporation, China Bank Securities Corporation, and China Bank Savings, Inc.) as of 16 August 2020.• Minimum service tenure of at least one (1) year as of 16 August 2020.• No future service or performance condition is required.
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	<ul style="list-style-type: none"> Grantees who resign, retire, or otherwise leave the CBC group after 16 August 2020 will still qualify to receive the shares, provided that any grantee whose employment or contract with a CBC group entity is terminated for cause effective after 16 August 2020 (whether such cause or case arises or occurs before or after 16 August 2020 but prior to the actual issue date of the grant shares) shall not be entitled to any grant shares (subject to such rules as may be approved by the Designated Officers).
No. of Shares to be issued to each Grantee	<ul style="list-style-type: none"> 100 shares per year of service, based on tenure as of 16 August 2020. For China Bank Savings, Inc. (CBSI) employees, only CBSI tenure will be counted. For China Bank Securities Corporation (CBSEC) employees, only CBSEC tenure will be counted. Tenure will not be rounded up. Any fraction of a year will be dropped from the computation.
Holding Period	<ul style="list-style-type: none"> Minimum holding period of two years from 16 August 2020. The shares may only be sold, encumbered, or disposed after 16 August 2022.
Costs	<ul style="list-style-type: none"> Taxes and other costs for the issuance of the shares to the grantees and the listing thereof in the Philippine Stock Exchange shall be for the account of the Bank. The issue price for the shares shall be determined by the Designated Officers.

The Board reiterated its approval to delegate to the President, Chief Operating Officer, and Chief Finance Officer ("Designated Officers") the authority to perform the following for and on behalf of the Bank:

- (a) to prepare and approve a comprehensive stock grant plan consistent with the key terms and conditions above (including authority to issue supplemental terms, conditions, and guidelines in relation to the foregoing);
- (b) to apply for and obtain confirmation of exemption from registration with the Securities and Exchange Commission for the grant and issuance of the contemplated shares;
- (c) to apply for and, as applicable, obtain approval (or statement of no objection) from the Bangko Sentral ng Pilipinas on the stock grant;
- (d) to apply for and obtain approval of listing of such shares with the Philippine Stock Exchange, Inc.; and
- (e) to negotiate, execute, and deliver such agreements, instruments, and/or other documents, and perform such other actions or deeds, in each case as they may deem necessary or desirable in connection with and in furtherance of the foregoing."

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'NOW, THEREFORE, BE IT RESOLVED, that the Stockholders of this Corporation approve, as they hereby approve *en toto*, the resolutions of the Board of Directors during their regular meeting on September 2, 2020, further clarifying the Board's intent in the resolutions during their regular meeting on August 5, 2020, as above-quoted, approving the Centennial Stock Grant Plan of the Bank.

'BE IT RESOLVED FINALLY, that the Board of Directors is hereby fully empowered and authorized to do such other act/s as may be necessary or required by the regulatory agency/ies concerned to carry into effect the stock grant plan.'"

Opinion	Votes cast	Percentage (based on shares present or represented at the meeting)	Percentage (based on total outstanding shares)
For	2,103,258,284	99.985%	78.307%
Against	257,932	0.012%	0.010%
Abstain	62,991	0.003%	0.002%

VI. OTHER MATTERS

The Chairman stated that it is time to address the questions and comments from the stockholders sent via e-mail. He gave the floor to the Head of Investor and Corporate Relations Group, Mr. Alexander C. Escucha, to read aloud the questions and comments.

Mr. Escucha stated that no questions were received. He undertook to reply by e-mail to any questions which may be sent after the meeting.

VII. ADJOURNMENT

There being no other business to transact or matter 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 4:20 P.M.

Prepared by:

Attested by:

ATTY. CORAZON I. MORANDO
Corporate Secretary
and Secretary of the Meeting

HANS SY
Chairman of the Board
and Chairman of the Meeting

**LIST OF STOCKHOLDERS PRESENT IN PERSON OR BY PROXY WITH THEIR RESPECTIVE NUMBER OF
SHARES IN THE 2020 SPECIAL MEETING OF STOCKHOLDERS**

S/N	FULL NAME	PROXY	SHARES
1	BENHAR INTERNATIONAL, INC.		
2	CBC EMPLOYEES RETIREMENT PLAN		
3	CHAM MAN BEE		
4	CHAM MAN LU		
5	CHAM TENG HUI		
6	CHAM TENG YOUNG		
7	CHAM TING YAO		
8	CHINA BANK SECURITIES CORPORATION (FAO ALICE DEE OR GILBERT DEE, JR.)		
9	CHUA SIU CHOE, ROSARIO		
10	CHUASON, BENEDICTA GRACE UY		
11	CHUASON, CAROLINE ANN UY		
12	CHUASON, DOROTHY UY		
13	CHUASON, JOSEPH UY		
14	CHUASON, JUDITH HOPE UY		
15	CHUASON, SAMUEL ROBERT UY, JR.		
16	CHUASON, SAMUEL ROBERT UY, JR. ITF SAMUEL SHAUN TIMOTHY L. CHUASON III		
17	CHUASON, SAMUEL ROBERT UY, JR. ITF SHANIA TAMMI L. CHUASON		
18	CHUASON, SAMUEL ROBERT UY, JR. ITF SHANNON TRACI L. CHUASON		
19	CHUASON, TINA		
20	DEE, ALICE T.		
21	DEE, CHRISTINE E. Y.		
22	DEE, FREDERICK TIMOTHY Y. AND/OR CHRISTINE DEE ARANETA		
23	DEE, FREDERICK Y.		
24	DEE, GERARD T.		
25	DEE, GILBERT U. (CHINA BANK SECURITIES CORPORATION)		
26	DEE, REGINA Y. ITF CHRISTINE E. DEE		
27	DEE, REGINA Y. ITF FREDERICK T. DEE		
28	DEE, REGINA YUI		
29	DY BUNCIO, ALEXANDER BENJAMIN G.		
30	DY BUNCIO, ALEXANDER BENJAMIN S.		
31	DY BUNCIO, BENJAMIN L.		
32	DY BUNCIO, RAQUEL S.		
33	ESCALONA, ARIELLE SHARON H.		
34	ESTATE OF SEGUNDO SEANGIO		
35	HERNANDEZ, BORIS RAELO		
36	HERNANDEZ, HELEN O.		
37	HERNANDEZ, JON DAVID O.		
38	JOSE, ANGELINA P.		
39	LU, ALESSANDRA NERISE YIU		
40	LU, NELLIE Y. (a.k.a. NELLIE YIU)		
41	MAGUAN, CHERRY SY		
42	MAGUAN, EDGAR C.		
43	MAGUAN, EDMER CHONG		
44	MAGUAN, EDRIC C.		
45	MAGUAN, ELIOT C.		
46	MAGUAN, ELLIS C.		
47	MAGUAN, ELLIS C. &/OR MING-MING C. MAGUAN &/OR EDGAR C. MAGUAN		
48	MAGUAN, ELLIS C. &/OR MING-MING C. MAGUAN &/OR EDMER C. MAGUAN		

49	MAGUAN, ELLIS C. &/OR MING-MING C. MAGUAN &/OR EDRIC C. MAGUAN
50	MAGUAN, ELLIS C. OR MING-MING C. MAGUAN OR EDGAR C. MAGUAN OR EDRIC C. MAGUAN OR EDMER C. MAGUAN
51	MAGUAN, GRACE C.
52	MAGUAN, MING-MING C.
53	MAGUAN, MING-MING C. OR ELLIS C. MAGUAN
54	MENDOZA, LINDA SUSAN T. &/OR MARIA KRISTINA T. TAM
55	MENDOZA, MANUEL S. &/OR LINDA SUSAN T. MENDOZA A/C #2
56	MENIADO, RUSSELL V. &/OR MARIBEL S. MENIADO
57	ONG BENG
58	ONG, ALEX L.
59	ONG, CAROLINE ANN C.
60	ONG, EVANGELINE L.
61	PALANCA, ANGELINA D.
62	PO KIM UY CHUASON
63	RELIANCE COMMODITIES, INC.
64	SANTOS, ELISA S.
65	SEANGIO, ALBERTO D.
66	SEANGIO, ALFONSO
67	SEANGIO, BARBARA D.
68	SEANGIO, BETTY
69	SEANGIO, JAMES
70	SEANGIO, JOHN KENNETH D.
71	SEANGIO, VICTOR
72	SEANGIO, VIRGINIA
73	SEE, GRACE MAGUAN
74	SEE, MARK DENVER M.
75	SWAN MANUFACTURING CORPORATION
76	TACCAD, EVANGELINE C.
77	TAN YEE TONG
78	TAN, BENEDICTA GRACE C.
79	TEE LING KIAT &/OR FREDERICK LEE &/OR LEE LIN HO
80	TEE, ELIZABETH QUA
81	TRANS-OCEAN FOOD PRODUCTS, INC.
82	TY, JUDITH HOPE C.
83	UNITY SYNTHETIC CORPORATION
84	UY, ALBERT
85	UY, DOUGLAS
86	UY, ELIZABETH GO
87	UY, GEORGE Y.
88	UY, GEORGE Y. &/OR ELIZABETH G. UY &/OR ROANNA VICTORIA G. UY
89	UY, GEORGE Y. &/OR ROANNA VICTORIA G. UY
90	UY, HARRY
91	UY, JOHNNY L.
92	UY, MARIBEL Y. &/OR ROGELIO L. UY
93	UY, MELANIE ROSE Y. &/OR MARIBEL Y. UY
94	UY, PHILIP
95	UY, ROANNA VICTORIA GO
96	UY, ROGER GREGORY Y. &/OR MARIBEL Y. UY
97	YIU, PHILIP C. JR.
98	YIU, PHILIP C. JR. &/OR JUSTIN PHILIPPE TAN YIU
99	YU, DUNCAN U.
100	YU, MARY L.
101	YU, NELLIE T.

102	BDO SECURITIES CORPORATION (FAO - SM INVESTMENTS CORP. (SMIC))
103	BDO SECURITIES CORPORATION (FAO - SYNTRIX CORPORATION)
104	BDO SECURITIES CORPORATION (FAO - SYSMART CORPORATION)
105	CBC TRUST & ASSET MANAGEMENT GROUP
106	CHENG, PATRICK DEE OR GEMA ONG CHENG (BDO SECURITIES CORPORATION)
107	CHENG, RUBY DEE OR PATRICK DEE CHENG (BDO SECURITIES CORPORATION)
108	CITIBANK N.A.
109	DELFIN, ALEJANDRO JULIAN T.
110	DELFIN, FRANCISCO JAVIER T.
111	GLOBALINKS SECURITIES & STOCKS, INC.
112	GLOBALINKS SECURITIES & STOCKS, INC.
113	HUANG, GENEVIEVE
114	LEE CHI CHIAO
115	LEE, DANIEL GO
116	LEE, HARRY GO
117	LEE, HERBERT GO
118	LETRAN, JERALD LEE
119	LETRAN, JEREMY LEE
120	LETRAN, JUDY LEE
121	LUCKY SECURITIES, INC.
122	LUCKY SECURITIES, INC.
123	MORANDO, CORAZON I.
124	PO, RONALD
125	REGINA CAPITAL DEVELOPMENT CORPORATION
126	REGINA CAPITAL DEVELOPMENT CORPORATION
127	REGINA CAPITAL DEVELOPMENT CORPORATION
128	REGINA CAPITAL DEVELOPMENT CORPORATION
129	REGINA CAPITAL DEVELOPMENT CORPORATION
130	REGINA CAPITAL DEVELOPMENT CORPORATION (ACCT. #000351)
131	RTG & COMPANY, INC.
132	RTG & COMPANY, INC.
133	SM INVESTMENTS CORPORATION
134	STANDARD SECURITIES CORPORATION
135	SY, HANS T.
136	SY, HARLEY T.
137	SY, HERBERT T.
138	SYNTRIX HOLDINGS, INC.
139	SYSMART CORPORATION
140	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -Client'S ACCT.
141	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -Client'S ACCT.
142	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -Client'S ACCT.
143	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -Client'S ACCT.
144	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -Client'S ACCT.
145	CITIBANK N.A.
146	DEUTSCHE BANK MANILA-CLIENTS A/C
147	DEUTSCHE BANK MANILA-CLIENTS A/C
148	DEUTSCHE BANK MANILA-CLIENTS A/C
149	LUCKY SECURITIES, INC.
150	LUCKY SECURITIES, INC.
151	LUCKY SECURITIES, INC.
152	LUCKY SECURITIES, INC.
153	STANDARD CHARTERED BANK

154	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -Client's ACCT.
155	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -Client's ACCT.
156	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -Client's ACCT.
157	BDO SECURITIES CORPORATION (FAO - SM INVESTMENTS CORP. (SMIC)
158	BDO SECURITIES CORPORATION (FAO - SYNTRIX CORPORATION)
159	BDO SECURITIES CORPORATION (FAO - SYSMART CORPORATION)
160	GLOBALINKS SECURITIES & STOCKS, INC.
161	GLOBALINKS SECURITIES & STOCKS, INC.
162	LUCKY SECURITIES, INC.
163	LUCKY SECURITIES, INC.
164	LUCKY SECURITIES, INC.
165	LUCKY SECURITIES, INC.
166	MORANDO, CORAZON I.
167	REGINA CAPITAL DEVELOPMENT CORPORATION
168	REGINA CAPITAL DEVELOPMENT CORPORATION
169	REGINA CAPITAL DEVELOPMENT CORPORATION
170	REGINA CAPITAL DEVELOPMENT CORPORATION
171	REGINA CAPITAL DEVELOPMENT CORPORATION
172	REGINA CAPITAL DEVELOPMENT CORPORATION (ACCT. #000351)
173	RTG & COMPANY, INC.
174	RTG & COMPANY, INC.
175	SM INVESTMENTS CORPORATION
176	STANDARD SECURITIES CORPORATION
177	SY, HANS T.
178	SY, HARLEY T.
179	SY, HERBERT T.
180	SYNTRIX HOLDINGS, INC.
181	SYSMART CORPORATION
182	LUCKY SECURITIES, INC.
183	BDO SECURITIES CORPORATION (FAO - SM INVESTMENTS CORP. (SMIC)
184	BDO SECURITIES CORPORATION (FAO - SYNTRIX CORPORATION)
185	BDO SECURITIES CORPORATION (FAO - SYSMART CORPORATION)
186	GLOBALINKS SECURITIES & STOCKS, INC.
187	GLOBALINKS SECURITIES & STOCKS, INC.
188	LUCKY SECURITIES, INC.
189	LUCKY SECURITIES, INC.
190	LUCKY SECURITIES, INC.
191	LUCKY SECURITIES, INC.
192	MORANDO, CORAZON I.
193	REGINA CAPITAL DEVELOPMENT CORPORATION
194	REGINA CAPITAL DEVELOPMENT CORPORATION
195	REGINA CAPITAL DEVELOPMENT CORPORATION
196	REGINA CAPITAL DEVELOPMENT CORPORATION
197	REGINA CAPITAL DEVELOPMENT CORPORATION
198	RTG & COMPANY, INC.
199	RTG & COMPANY, INC.
200	SM INVESTMENTS CORPORATION
201	STANDARD SECURITIES CORPORATION
202	SY, HANS T.
203	SY, HARLEY T.
204	SY, HERBERT T.
205	SYNTRIX HOLDINGS, INC.
206	SYSMART CORPORATION

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207	CHAM, JOHN
208	DEE, ANGELA T.
209	DEE, ANGELA TY
210	DEE, ANTHONY T.
211	DEE, CHRISTOPHER T. ITF CAITLIN ANNE A. DEE
212	DEE, CHRISTOPHER T. ITF KYLE NATHAN A. DEE
213	DEE, CHRISTOPHER TY
214	DEE, CONSUELO T.
215	DEE, CONSUELO TY
216	DEE, DOMINGO T.
217	DEE, IRENE TY
218	DEE, JAMES CHRISTIAN T. ITF ETHAN ANDREI H. DEE
219	DEE, JAMES CHRISTIAN T. ITF MEGAN ASHLEY H. DEE
220	DEE, JAMES CHRISTIAN T. ITF ZAYNE EVAN H. DEE
221	DEE, JAMES CHRISTIAN TY
222	DEE, JOAQUIN &/OR LETICIA DEE IN TRUST FOR JEANNETTE TY DEE
223	DEE, JOAQUIN T. &/OR JAMES CHRISTIAN T. DEE ITF ZAYNE EVAN H. DEE
224	DEE, JOAQUIN T. &/OR LETICIA TY DEE &/OR ANGELA DEE
225	DEE, JOAQUIN T. &/OR LETICIA TY DEE &/OR CHRISTOPHER DEE
226	DEE, JOAQUIN T. &/OR LETICIA TY DEE &/OR CONSUELO DEE
227	DEE, JOAQUIN T. &/OR LETICIA TY DEE &/OR JAMES CHRISTIAN DEE
228	DEE, JOAQUIN T. &/OR LETICIA TY DEE &/OR STEPHANIE DEE
229	DEE, LAUREANO, JR.
230	DEE, STEPHANIE
231	DEE, STEPHANIE T.
232	ENTERPRISE REALTY CORPORATION
233	JJACCIS DEV'T. CORP.
234	SUNTREE HOLDINGS CORPORATION
235	ALABANZA, TERENCE JONATHAN L. &/OR MARIE EUGENIE ELENA G. SYCIP ITF TENNY KRISTANNA S. ALABANZA
236	ALABANZA, TERENCE JONATHAN L. &/OR MARIE EUGENIE ELENA G. SYCIP ITF TERENA JOELLE S. ALABANZA
237	ALABANZA, TERENCE JONATHAN L. &/OR MARIE EUGENIE ELENA G. SYCIP ITF ZAVIER JUAN S. ALABANZA
238	ANSALDO, GODINEZ & CO., INC.
239	ANSALDO, GODINEZ & CO., INC. ACCT. #1001
240	BELAMIDE, KRISTIN DEE
241	BELTRAN, TERESITA B.
242	CARIÑO, LILIBETH R.
243	CHUA, ANNIE K. ROXAS
244	CHUA, EVANGELINE L.
245	CHUA, KENNETH
246	CHUA, MARCELINO ROXAS
247	CHUA, MARY DY
248	CHUA, PAULINE L.
249	CHUA, VICTORIA L.
250	CLEMENTE, VICTORINA M.
251	CO, FRANCES DEE &/OR BALDWIN DEE CO
252	CO, FRANCES DEE &/OR BALDWIN DEE CO &/OR CATHRINA CO HOUSEAL &/OR DELWIN DEE CO
253	CO, FRANCES DEE &/OR BALDWIN SCOTT CO
254	CO, FRANCES DEE &/OR CATHRINA CO HOUSEAL ITF BALDWIN BRENT CO
255	CO, FRANCES DEE &/OR CATHRINA CO HOUSEAL ITF BALDWIN SHAWN CO
256	CO, FRANCES DEE &/OR CATHRINA CO HOUSEAL ITF DELWIN CO, JR.

257	CO, FRANCES DEE &/OR CATHRINA CO HOUSEAL ITF FRANCESCA DENYS CO
258	CO, FRANCES DEE &/OR CATHRINA CO HOUSEAL ITF PATRICIA DENYS CO
259	CO, FRANCES DEE &/OR CATHRINA DEE CO
260	CO, FRANCES DEE &/OR DELWIN DEE CO
261	CO, YLAINE MARIE Y. &/OR PAOLO EMMANUEL Y. CO
262	CO, YLAINE MARIE Y. &/OR YVETTE MAS
263	DE OCAMPO, JOSE
264	DEE, DIANE G.
265	DEE, DINO G.
266	DEE, DINO G. &/OR SAMANTHA UY DEE
267	DEE, GEORGE S. JR.
268	DEE, GEORGE S. JR. &/OR WALTER WAYNE G. DEE &/OR GEORGENE MARGARET G. DEE
269	DEE, GEORGE S. JR. ITF GEORGENE MARGARET
270	DEE, GRACIE S.
271	DEE, HELEN Y.
272	DEE, HERMAN ANGSANTO
273	DEE, MICHAEL JOHN G.
274	DEE, NELSON Y.
275	DEE, OLIVIA Y.
276	DEE, PETER S. &/OR HELEN Y. DEE
277	DEE, ROBERT Y., JR.
278	DEE, VIOLETA G.
279	DEL ROSARIO, REYLENITA M.
280	DESENGAÑO, JULIANA U.
281	ENCINAS, MARY ANN HABALO
282	EVANGELISTA, ADELA A.
283	FUNTILA, ROMEO T. JR.
284	GABUNA, ANGELITA M.
285	GALANG, HYACINTH M.
286	GDSK DEVELOPMENT CORPORATION
287	GISON, HELENA
288	GISON, VIOLETA P.
289	GO, EILEEN C.
290	GO, KAREN CHRISTINE L.
291	GO, KEVIN CHRISTOPHER L.
292	GO, KIM CHRISTOPHER L.
293	GO, LOURDES REGINA L.
294	GO, LOURDES REGINA L. ITF KAREN CHRISTINE L. GO
295	GO, PRISCILLA DEE
296	GODIACO, MICHIKO KENGI C.
297	GODIACO, RIKISHA KIM C.
298	GODIACO, THOMAS HOWARD C.
299	GODIACO, THOMAS JOEL C.
300	GODINEZ, MARIANO U.
301	GODINEZ, TERESITA C.
302	GODINEZ, TERESITA C. ITF JOHN KENNETH C. GODINEZ
303	GOSINGCO, MANUEL
304	HYDEE MANAGEMENT & RESOURCE CORPORATION
305	LAO, CAROLINE CUA
306	LEE CHAO HENG
307	LI HAO, ROSA
308	LIAO, ANTHONY EMMANUEL S.

309	LIAO, ANTHONY NUBLA
310	LIAO, CARMELA GRACE S.
311	LIAO, CHERRY LEE OR ERIC LIM HERRERA OR ELBERT LIM HERRERA
312	LIAO, JUDE MANUEL SP III
313	LIAO, LILLIAN VERONICA N.
314	LIAO, LOURDES REGINA N
315	LIAO, LUCY ANN N.
316	LIAO, MA. CRISTINA M.
317	LIAO, MANUEL N. JR. &/OR SONIA SAN PEDRO LIAO
318	LIAO, MANUEL N. JR. ITF JERICHO MANUEL SAN PEDRO LIAO IV
319	LIAO, MANUEL N. JR. ITF SAMANTHA THERESE SAN PEDRO LIAO
320	LIAO, MANUEL N. JR. ITF SOPHIA ANNE SAN PEDRO LIAO
321	LIAO, PATRICK STEPHEN N.
322	LIAO, PATRICK STEPHEN N. ITF ALYSSA ANNE M. LIAO
323	LIAO, PATRICK STEPHEN N. ITF STEVEN CODY M. LIAO
324	LIAO, PAUL ANTHONY N.
325	LIAO, PAUL MICHAEL S.
326	LIAO, SARAH JESSICA SP
327	LIAO, TRINIDAD S.
328	LOPEZ, JEANETT J.
329	LUNA, JOSEPH ANTHONY N. ITF MARIA GABRIELLE LOUISE N. LUNA
330	LUNA, KIM ANTHONY N.
331	LUNA, MARIA BIANCA LOUISE N.
332	MAGSAYSAY, MARIO NICOLAS LIAO
333	MARQUEZ, DELIA
334	MAS, YVETTE &/OR STUART YANG
335	NUBLA FOUNDATION
336	NUBLA, EDNA
337	NUBLA, ESTHER D.
338	NUBLA, JESSE NINO
339	NUBLA, JOEL H.
340	NUBLA, JOHN JOSEPH B.
341	NUBLA, JOSEPH CORNELIUS
342	NUBLA, JOSEPH MARK G.
343	NUBLA, MA. CECILE #3
344	NUBLA, MA. CECILE #6
345	NUBLA, MA. CECILE L.
346	NUBLA, MA. JONNAH ALLYSUS BASA
347	NUBLA, MA. JONNAH B.
348	NUBLA, MA. JONNAH B. ITF WILLIAM MARIO B. NUBLA
349	NUBLA, MA. TERESITA L.
350	NUBLA, MARY JANE #1
351	NUBLA, MARY JANE #2
352	NUBLA, MICHAEL MELCHOR L.
353	NUBLA, RALPH, JR.
354	NUBLA, VICTOR CHARLES #1
355	NUBLA, VICTOR CHARLES #2
356	NUBLA, VIRGINIA
357	NUBLA, ZENAIDA F. #1
358	NUBLA, ZENAIDA F. #2
359	NUBLA, ZENAIDA P.
360	ONG BUN PHOK
361	ONG, ALLEN C.

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362	ONG, CHERRY E.
363	ONG, GEORGE A.
364	ONG, KATHERINE A.
365	ONG, LOUIS A.
366	PUA, JOSEFINA
367	RAMIREZ, BETTY CHOA
368	SO, BRIAN JENKIN O.
369	SO, VALERIE BERNICE O.
370	SY, CRISELDA M.
371	SY, JAMES
372	SY, KIMBERLY
373	SY, MARIA TERESITA N.
374	SY, TERESITA GABALDON
375	SYCIP, EUGENE T.
376	SYCIP, EUGENE T. &/OR MARIE EUGENIE ELENA G. SYCIP
377	SYCIP, LYNNA-MARIE Y
378	SYCIP, MARIE EUGENIE G. &/OR TERENCE JONATHAN L. ALABANZA ITF TENNY KRISTANNA S. ALABANZA
379	SYCIP, MARIE EUGENIE G. &/OR TERENCE JONATHAN L. ALABANZA ITF TERENA JOELLE S. ALABANZA
380	SYCIP, MARIE EUGENIE G. &/OR TERENCE JONATHAN L. ALABANZA ITF ZAVIER JUAN SYCIP ALABANZA
381	TAN, JACQUELINE C.
382	TAN, MA. MARGARET NUBLA &/OR MA. TERESITA NUBLA SY
383	TAN, MARIA MARGARET N.
384	TAN, SHIRLEY T.
385	TENEFRANCIA, MARY JEAN S. &/OR CHARLENE JOY S. TENEFRANCIA ITF MADISON GRACE T. SMITH
386	TENEFRANCIA, MARY JEAN S. &/OR CHARLENE JOY T. SMITH ITF TYLER ANDREW T. SMITH
387	TENEFRANCIA, MARY JEAN S. &/OR SHERI ANN S. TENEFRANCIA ITF HANNAH GRACE T. MOMANEY
388	TENEFRANCIA, MARY JEAN S. &/OR SHERI ANN S. TENEFRANCIA ITF RACHEL FAITH T. MOMANEY
389	TENEFRANCIA, MARY JEAN S. &/OR VALERIE MAY T. TORRES ITF BRYAN ANDREW T. TORRES
390	TENEFRANCIA, MARY JEAN S. &/OR VALERIE MAY T. TORRES ITF KATHLEEN MEGAN T. TORRES
391	TENEFRANCIA, MARY JEAN S. &/OR VALERIE MAY T. TORRES ITF KRISTEN ELIZABETH T. TORRES
392	TENEFRANCIA, MARY JEAN S. &/OR VALERIE MAY T. TORRES ITF WILLIAM DANIEL T. TORRES
393	THE FIRST RESOURCES MANAGEMENT & SECURITIES CORPORATION
394	TIAN, ROBERT
395	TIU, ALDO YUTINGCO &/OR REBECCA LOO TIU ITF EUNICE ABIGAE L LOO TIU
396	TIU, ALDO YUTINGCO &/OR REBECCA LOO TIU ITF FAYANNE ALISON LOO TIU
397	TIU, ALDO YUTINGCO &/OR REBECCA LOO TIU ITF GERARD ANTHONY LOO TIU
398	TIU, CHRISTOPHER YUTINGCO &/OR GRACE KELLY TIU ITF KAMILLE CLAIRE YU TIU
399	TIU, CHRISTOPHER YUTINGCO &/OR GRACE KELLY TIU ITF LEWIS YU TIU
400	TIU, DEXTER YUTINGCO &/OR KATRI ONG TIU
401	TIU, DEXTER YUTINGCO &/OR KATRI ONG TIU ITF MIKAELA GABRIELLE ONG TIU
402	TIU, MARIANO C. &/OR LILY YUTINGCO TIU
403	TORRES, WILLIAM O. &/OR VALERIE MAY T. TORRES

404	UY, VIRGINIA
405	UY, VIRGINIA YU
406	UYQUIENGCO, MA. THERESA L
407	VILLA, ROGELIO T. ITF JOHN MICHAEL CHAN VILLA
408	VILLA, ROGELIO T. ITF ROSELYNN VILLA
409	WEE, FREDERICK S. &/OR BONNIE TIU WEE ITF FERGUS JORELL TIU WEE
410	WEE, FREDERICK S. &/OR BONNIE TIU WEE ITF FILBERT HEINRICH TIU WEE
411	WEE, FREDERICK S. &/OR BONNIE TIU WEE ITF FRANCINE BERYL ISABEL TIU WEE
412	YANDOC, CARINA L.
413	YANG, NANCY D. &/OR STEPHEN PAUL D. YANG ITF IZABELLE VIANCA Y. YANG
414	YANG, NANCY D. &/OR STEPHEN PAUL D. YANG ITF SEDRIC STEVEN Y. YANG
415	YANG, NANCY D. &/OR YLAINE MARIE Y. CO ITF MARCUS VINCENT Y. CO
416	YANG, NANCY D. &/OR YLAINE MARIE Y. CO ITF PAOLO EMMANUEL Y. CO
417	YANG, NANCY D. &/OR YLAINE MARIE Y. CO ITF RAPHAEL REECE Y. CO
418	YANG, NANCY D. &/OR YVETTE MARIE Y. MAS &/OR STEPHEN PAUL D. YANG &/OR YLAINE MARIE Y. CO &/OR YVONNE MARIE D. YANG &/OR STUART PAUL D. YANG
419	YANG, NANCY D. &/OR YVETTE MARIE Y. MAS ITF ARTHUR BRYANNE Y. MAS
420	YANG, NANCY D. &/OR YVETTE MARIE Y. MAS ITF DANIELLE MARIE Y. MAS
421	YANG, NANCY DEE
422	YANG, STEPHEN PAUL D.
423	YANG, STEPHEN PAUL DEE &/OR IVY ALLYSON YAP YANG
424	YANG, STUART PAUL D.
425	YANG, YVONNE D.
426	YANG, YVONNE MARIE D. &/OR STEPHEN PAUL D. YANG
427	YOUNG, ELIZABETH D. &/OR TRACY ELLICE D. YOUNG
428	BDO SECURITIES CORPORATION (FAO - SM INVESTMENTS CORP. (SMIC)
429	BDO SECURITIES CORPORATION (FAO - SYNTRIX CORPORATION)
430	BDO SECURITIES CORPORATION (FAO - SYSMART CORPORATION)
431	GLOBALINKS SECURITIES & STOCKS, INC.
432	GLOBALINKS SECURITIES & STOCKS, INC.
433	LUCKY SECURITIES, INC.
434	LUCKY SECURITIES, INC.
435	LUCKY SECURITIES, INC.
436	LUCKY SECURITIES, INC.
437	MORANDO, CORAZON I.
438	REGINA CAPITAL DEVELOPMENT CORPORATION
439	REGINA CAPITAL DEVELOPMENT CORPORATION (ACCT. #000351)
440	RTG & COMPANY, INC.
441	SM INVESTMENTS CORPORATION
442	SYNTRIX HOLDINGS, INC.
443	SYSMART CORPORATION
444	YAO, ALBERTO S. (CHINA BANKING CORPORATION TRUST GROUP)
445	CAMPOS LANUZA & CO., INC.
446	MAYBANK ATR KIM ENG
447	SIO, JOSE T.
448	ELARMO, GORGONIO B. JR. &/OR LEILANI B. ELARMO ITF LILIA BEATRICE B. ELARMO
449	ELARMO, GORGONIO B. JR. &/OR LEILANI B. ELARMO ITF GABRIEL JOHN B. ELARMO
450	SAN JUAN, MARGARITA L.

451	TSAI, PHILIP S. L. (AP SECURITIES, INCORPORATED)
452	WHANG, WILLIAM C. (GOLDSTAR SECURITIES, INC.)
453	MORANDO, CORAZON I.
454	YUCHENKANG, MARILYN
455	DELA CRUZ, JAIME G.
456	CERVANIA, LAMERTO R.
457	LIAO, MANUEL N. JR.
	TOTAL

ATTENDEES VIA LIVESTREAM

	FIRST NAME	LAST NAME	REMARKS
1	CHINA BANK 2020 SSM (Host)	Pearl Hannah N. Lopez	Via Livestream
2	Hans	Sy	Via Livestream
3	Gilbert	Dee	Via Livestream
4	Alberto	Yao	Via Livestream
5	Claire Ann	Yap	Via Livestream
6	Harley	Sy	Via Livestream
7	Jose	Sio	Via Livestream
8	Margarita	San Juan	Via Livestream
9	Peter	Dee	Via Livestream
10	Philip	Tsai	Via Livestream
11	William	Whang	Via Livestream
12	Ricardo	Chua	Via Livestream
13	Corazon	Morando	Via Livestream
14	Patrick	Cheng	Via Livestream
15	Alexander	Escucha	Via Livestream
16	Ananias	Comello	Via Livestream
17	Angeli Anne	Gumpal	Via Livestream
18	Antonio Jose	Dominguez	Via Livestream
19	Belinda	Mendoza	Via Livestream
20	Benedict	Chan	Via Livestream
21	Benjie	Senires	Via Livestream
22	Botschaft	Cheng	Via Livestream
23	Charito	Cole-Alfaro	Via Livestream
24	Christopher Ma. Carmelo	Salazar	Via Livestream
25	Claire	Young	Via Livestream
26	Cris	Arceo	Via Livestream
27	Delia	Marquez	Via Livestream
28	Edgar	Neri	Via Livestream
29	Francis	San Diego	Via Livestream
30	Gerard	Dee	Via Livestream
31	Gigi	Liao	Via Livestream
32	Jaime	Dela Cruz	Via Livestream
33	Joanne	Serrano	Via Livestream
34	John	Angelo Blanco	Via Livestream
35	John	Gutierrez	Via Livestream
36	Jonathan	Pabilona	Via Livestream
37	Jose	Osmena	Via Livestream
38	Julius	Sanvictores	Via Livestream
39	Katrina	Quiambao	Via Livestream
40	Keena	Walit	Via Livestream
41	Kristha	Mangahas	Via Livestream

42	Lauro	Valera	Via Livestream
43	Layne	Arpon	Via Livestream
44	Leilani	Elamo	Via Livestream
45	Lilibeth	Carino	Via Livestream
46	Madel	Fontanilla	Via Livestream
47	Magnolia Luisa	Palanca	Via Livestream
48	Marynette	Gravador	Via Livestream
49	Manuel	Liao Jr.	Via Livestream
50	Maria Luz	Favis	Via Livestream
51	Marie Carolina	Chua	Via Livestream
52	Marilyn	Yuchenkang	Via Livestream
53	Marisol	Teodoro	Via Livestream
54	Mary Ann	Lim	Via Livestream
55	May	Ching	Via Livestream
56	Meann	Bigay	Via Livestream
57	Melissa	Corpus	Via Livestream
58	Noel	Lim	Via Livestream
59	Paul	Banal	Via Livestream
60	Paulette	De Jesus	Via Livestream
61	Racez	Gabon	Via Livestream
62	Romeo	Uyan	Via Livestream
63	Ronald	Po	Via Livestream
64	Stephen	Tan	Via Livestream
65	Linda Susan	Mendoza	Via Livestream
66	Vicky	Quisido	Via Livestream
67	Wilfred Francis	Martinez	Via Livestream

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