



# 2023

ANNUAL REPORT



## ABOUT THE COVER

A squircle is a shape intermediate between a “square” and a “circle”, which have been applied in design and optics.

The “Squircle” or rounded rectangle symbolizes alternate processes. The rounded rectangle is commonly used for an automated activity in the flowchart.

We, at CBS aspire to improve our operations and services with the ultimate goal of ‘Easy Banking for You’.

Automation through digitalization and other technology will ultimately help the Bank achieve this.

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## OUR CORPORATE PROFILE

China Bank Savings (“CBS” or the “Bank”) is the retail lending arm of China Banking Corporation (“Chinabank” or the “Parent Bank”) and one of the largest thrift banks in the country today. CBS is a member of the SM Group or SM Investments Corporation, one of the country’s largest conglomerates.

In 2007, CBS was acquired by Chinabank. Following the change in its majority owners, the Bank continues to operate as a thrift bank. Subsequent mergers with Unity Bank, a Pampanga-based rural bank, and Planters Development Bank (Plantersbank) have bolstered CBS’ position as a leading thrift bank in the industry. With more than 160 branches nationwide and a strong platform for retail banking, auto, housing, teachers, and enterprise finance, CBS is dedicated to servicing the needs of entry-level customers, the broad consumer market, and the strategic Small and Medium Enterprise (SME) sector. CBS is committed to promoting financial inclusiveness, and uplifting the quality of consumers and entrepreneurs in line with its Easy Banking for You brand of service.

The Bank’s *Easy Banking for You* corporate tagline promises fast, efficient, and friendly service for customers. It means that the whole CBS team is putting in more effort, to go the extra mile to make banking easy for customers. The Bank is complementing its organizational capacity with the infrastructure to deliver on the promise of Easy Banking for You through up-to-date technology, robust employee training and development programs, wide distribution network, fast and efficient processes, and competitive products and services.

The Bank’s customer acquisition strategy involves sourcing new customers from the general public through its sales channels and brick-and-mortar branch network. Chinabank and CBS ensure wider market coverage through their internal referral and customer acquisition process. CBS focuses on the “emerging mass-market” sector of the consumer banking market. On the funding side, the Bank’s principal source is the deposits from the general public.

The Bank’s website [www.cbs.com.ph](http://www.cbs.com.ph) has been enhanced to support the corporate branding campaign. The secure site was provided with a fresh look that reflects the Bank’s vibrant image and authentic commitment to entry-level customers, families, young professionals, and entrepreneurs.



## OUR VISION

To be the leading savings bank preferred by the markets we serve.

## OUR MISSION

As the leading savings bank, we deliver the best in banking, thus:

We provide wealth-building and practical products and services that fulfill the dreams and uplift the markets we serve.

We value our employees by nurturing, developing, and rewarding them, as they are vital to our success.

We maintain the highest ethical standards through good corporate governance; deliver maximum and sustainable returns for our shareholders; and serve our communities to help promote better lives.

In doing business, CBS is guided by these values:

### INTEGRITY

We conduct ourselves with honest intentions and accountability.

### TEAMWORK

We work together in harmony and we respect each other to achieve our shared goals.

### FAIRNESS AND FIRMNESS

We make decisions free from discrimination and we are resolute in our decisions.

### CORE VALUES

### CUSTOMER FOCUS

We build and maintain solid and lasting relationships that result in customer loyalty.

### SUSTAINABILITY

We consider environmental, social, and governance risks and impacts in our decisions.

### CONCERN FOR PEOPLE

We provide an equitable, respectful, and safe working environment for all our employees.

### PURSUIT OF EXCELLENCE

We have high performance standards that exceed expectations of our customers and shareholders.

## FORM AND YEAR OF ORGANIZATION

The Bank's original Certificate of Incorporation was issued by the Philippine Securities and Exchange Commission (SEC) on May 23, 1960. The Bank reopened to the public on June 26, 1999 as a thrift bank in accordance with the Monetary Board (MB) Resolution No. 512 dated April 21, 1999. Under MB Resolution No. 512. On August 20, 2009, the Board of Directors (BOD) approved the amendment of the Bank's Articles of Incorporation to extend its corporate term for another fifty (50) years, from and after May 23, 2010, the end of the original term of the Bank's corporate existence. The amendment to the Articles of Incorporation to extend the Bank's corporate term was subsequently approved by the stockholders of the Bank, who own/represent at least two thirds (2/3) of the outstanding capital stock, at the Annual Stockholders' Meeting held in October 2009. The Amended Articles of Incorporation was approved by the SEC on March 25, 2010. 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 Bank now has perpetual existence.

As of December 31, 2023 and 2022, CBC, the Parent Bank, has ownership interest in the Bank of 99.64% and 99.60%, respectively.

The registered office address of the Bank is at CBS Building, 314 Sen. Gil Puyat Avenue, Makati City.

### Bankruptcy, Receivership, or Similar Proceedings

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

### Material Reclassification Merger, Consolidation, or Purchase or Sale of Assets

### Merger between the Bank and Unity Bank, A Rural Bank

The Board of Directors of the Bank and Unity Bank, in their meetings held on June 6, 2013 and June 11, 2013, respectively, approved the proposed merger with Unity Bank, with the Bank as the surviving entity. The Plan of Merger was approved by the stockholders of both banks in their meetings

held on July 18, 2013 and July 19, 2013, respectively. Unity Bank is 99.95% owned by China Bank, having acquired the former on November 20, 2012 under the Strengthening Program for Rural Banks (SPRB) Plus of the Bangko Sentral ng Pilipinas (BSP). On December 10, 2013, the BSP approved the issuance of Certificate of Authority to register the approved Plan of Merger and Articles of Merger of the Bank and Unity Bank, with the Bank as the surviving entity. Thereafter, on January 20, 2014, the SEC formally issued the Certificate of the Filing of Articles and Plan of Merger by and between the Bank (surviving corporation) and Unity Bank (absorbed corporation). The merger was effected via a share-for-share exchange.

### Merger between the Bank and Planters Development Bank

On June 26, 2014, the Board of Directors of both the Bank and Plantersbank approved the Plan and Articles of Merger of the Bank and Plantersbank, with the former as the surviving corporation. Plantersbank is a 99.85% owned subsidiary of China Bank. The stockholders of both Plantersbank and the Bank approved, ratified and confirmed the Plan and Articles of Merger on August 14, 2014. An amended Plan of Merger was approved by the Board of Directors of both Banks on January 29, 2015.

On August 19, 2015 and December 17, 2015, the MB of the BSP and the SEC approved the merger, respectively. The salient provisions of the Articles of the Merger are as follows:

- Upon the effective date of the merger, Plantersbank shall be merged with and into the Bank. The separate and distinct existence of Plantersbank shall cease and terminate upon the effective date of merger.
- The Bank shall be the surviving corporation.
- As of the effective date, all common and preferred shares of Plantersbank shall beconverted into fully paid China Bank Savings common shares totaling to 16.5 million shares.

**RICARDO R. CHUA**  
Chairman of the Board

“  
*Our Bank will always work to repay you  
by striving to outperform, to compete,  
and to finish atop the Podium.*  
”

## THE CHAIRMAN'S MESSAGE

It is an honor and privilege to celebrate with all of you the 15<sup>th</sup> anniversary of China Bank Savings, through our new and improved Annual Report.

2023 was a milestone year, with record profitability figures, substantial growth both physically and digitally, and a rare air of palpable excitement across our CBS community.

I have been with CBS since the beginning, and I am myself quite excited with what I see now.

We are making great progress with an improved Podium Finish, closing 2023 as the second largest thrift bank in the Philippines. We are ever so close to realizing our CBS Vision of being THE leading savings bank preferred by the markets we serve. This is in fact already true in many parts of the Philippines.

We grew our customer base by 20 percent year-on-year, a clear vote of confidence by the Filipino in our capabilities as the thrift bank and retail banking arm of the China Bank group.

We have fully embraced sustainability, enshrining the key principles of resilience and climate responsibility in our core values while engaging third party experts to ensure we go beyond compliance and make a real difference in sustaining both the Philippines' environment and the Philippine banking system.

No doubt, challenges persist.

Inflation remains stubborn, affecting interest rates, other monetary policy settings, and consumer behavior.

Competition is improving, with digital banks and e-wallets innovating with the goal of capturing more market share from traditional banks such as CBS.

Nevertheless, I remain confident in our leadership, our bank, and especially all of you. Your continued loyalty and support have contributed greatly to the CBS value proposition.

Our commitments of 'Easy Banking for You' for customer centricity, and 'CBS is on the Rise, be part of the Build' for nation building are only possible through all of you. Our Bank will always work to repay you by striving to outperform, to compete, and to finish atop the Podium.

I trust you will find all our Bank's initiatives and accomplishments in 2023, as discussed in this year's annual report, are strategic and directly beneficial to you all.

Mabuhay!



# THE PRESIDENT'S MESSAGE

2023 was a milestone year, marking our 15th year of operations. I am proud to report, despite continuing challenges throughout the year, that CBS was able to outperform expectations.

CBS ended 2023 as the second largest thrift bank in the Philippines in terms of total assets, a step up from its 2022 ranking. This demonstrated the exemplary growth our bank enjoyed in multiple categories. These achievements are made even more impressive as they came amidst a backdrop of elevated inflation, which peaked at 8.7% in January 2023 and averaged 6% for the year, with Philippine GDP growth decelerating to 5.6% from 7.6% the year before.

Those economic conditions created more uncertainty in banking, as the Bangko Sentral ng Pilipinas adjusted monetary policy rates to help guide the Philippine economy throughout the year. Interest rates were raised by a total of 100 bps in 2023 to 6.5%. CBS once again navigated through external challenges and emerged a better bank. With a One CBS, One Focus approach, CBS took one more step toward finishing at the top of the podium.

Continuing our strategy of expanding our footprint nationwide, CBS opened 7 branches, 2 sales offices, 16 APD branch-lite units (BLUs), and 31 ATMs bringing CBS' presence across the Philippines to 168 branches, 3 business centers, 19 sales offices, 33 APD lending centers and 60 BLUs. The total network now stands at 261 with an ATM network of 201. We fully believe the combination of our physical expansion and an ever-improving digital banking experience will enable CBS to reach more customers. By the end of 2023, CBS' customer base reached 852,000 and posted a growth of 20% year-on-year.

In terms of profitability, we achieved a record-high P1.8 billion Net Income in 2023, up by 16%. This translated to a return on equity of 12.8% and a return on assets of 1.3%. Total assets increased by 27% to P157.4 billion. Gross loans grew by 25% to P113.6 billion as the Bank was able to capitalize on the continued network expansion and relentless efforts of the Bank's sales force.

Our APD portfolio grew by more than 52% in 2023 while demand for consumer loans, led by our retail housing and auto loan segments, also increased. When combined, our APD and consumer loans account for 87% of total loans. Despite the increased loan volume, we recorded a better-than-industry NPL ratio of 3.3%.

On the funding side, total deposits increased by 27% to P137.7 billion. CASA increased to P47.1 billion and continues to serve as a stable source of low-cost funding. CBS' capitalization is P15.6 billion, a 22% increase versus last year mainly due to the improved operations for 2023 and a P1.0 billion capital infusion by our Parent Bank. Our Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET1) Ratio are both comfortably above regulatory levels at 12.6% and 11.7%, respectively.

This 2024, the outlook for the country and for CBS is positive. A sustained downtrend in inflation should be a tailwind for the economy this year. We see inflation finally settling within the BSP's 2-4% target at 3.8% and GDP growing slightly faster at 5.8% for the full year.

Our first quarter financial performance continues to show strong results as our net income registered double-digit growth of 10% or P462 million. Sustained expansion in lending and deposit-taking drove the Bank's solid performance. Total loan portfolio grew to P120.2B, while total deposits jumped to P142.5B. The robust balance sheet and strong financial performance has CBS in a good position to continue growing. We believe CBS is well positioned for significant growth for this year and beyond. We have a solid strategy, and more importantly, a highly driven and capable team to deliver on our plans and growth ambitions.

The CBS we have built and continue to build is attributed to our stakeholders—the unwavering support of our shareholders, the critical support of our partners, and most importantly, our employees' resolve to exceed expectations day by day.

On behalf of the Board of Directors of China Bank Savings, thank you.

**JAMES CHRISTIAN T. DEE**  
President

“

*For CBS, we are determined to accelerate our growth momentum and solidify our position in the thrift banking industry with another podium finish.*

”



## FINANCIAL SUMMARY



	2023	2022
<b>PROFITABILITY</b>		
Total net interest income	<b>₱7,109,071,751</b>	₱6,581,408,070
Total non-interest income	<b>1,101,931,975</b>	969,452,353
Total non-interest expenses	<b>5,060,614,987</b>	4,320,329,546
Pre-provision profit	<b>3,150,388,739</b>	3,230,530,877
Provision for credit losses	<b>1,015,498,571</b>	1,507,585,488
Net income	<b>1,827,825,406</b>	1,576,953,263
<b>SELECTED BALANCE SHEET DATA</b>		
Liquid assets	<b>32,463,928,778</b>	22,573,522,183
Gross loans	<b>113,630,552,414</b>	90,918,573,413
Total assets	<b>157,437,893,260</b>	123,987,423,343
Deposits	<b>137,655,230,954</b>	108,196,889,850
Total equity	<b>15,649,082,024</b>	12,814,431,652
<b>SELECTED RATIOS</b>		
Return on equity	<b>12.84%</b>	13.06%
Return on assets	<b>1.30%</b>	1.44%
Capital adequacy ratio	<b>12.59%</b>	12.68%
<b>OTHERS</b>		
Headcount		
Officers	<b>1,296</b>	1,182
Staff	<b>1,389</b>	1,235

## PRODUCTS & SERVICES

CBS offers a suite of products and services that cater to the different needs of its clientele, whether for business or personal finance. CBS' customer-centric and inclusive-finance approach ensures convenience, affordability, and ease-of-access in the way it delivers its products and services.



### DEPOSITS

#### Savings

- **Easi-Save Basic** is an ideal starter, interest-earning savings account.
- **Easi-Save ATM** is an interest-earning account with the convenience of a PIN-based automatic teller machine (ATM) card.
- **Easi-Save for Kids** is an interest-earning savings account designed for children aged at least 7 until 12 years old.
- **US Dollar Savings Account** is a US Dollar-denominated savings account that comes with a passbook.
- **CBS My First Million Savings Account** is an interest-earning savings account that comes with a passbook for easy monitoring and 24/7 access via ATM, CBS Online Banking, and CBS Mobile App.

#### Checking

- **Easi-Checking Basic** is an entry-level checking account with a low initial deposit requirement.
- **Easi-Checking** is an interest-bearing checking account that comes with an EasiSave ATM card.
- **CheckMate All-in-One Check Account** is an interest-bearing checking account for the professional or entrepreneur who is always on the go. Transactions can be monitored via passbook, checkbook, ATM, and via CBS Mobile App or CBS Online 24/7.

#### Time Deposit

- **Easi-Earn Time Deposit** is a peso-denominated, short-term deposit account with terms of less than one year. Interest is credited upon maturity.
- **Easi-Earn High Five** is a peso-denominated, five-year term deposit account. It has a fixed interest rate and is tax-free.

- **US Dollar Time Deposit Account** is a US Dollar-denominated short-term deposit account with terms of less than one year. Interest is credited upon maturity.

## LOANS AND CREDIT FACILITIES

### SME Biz Loan

- **Term Loan** is a multipurpose credit source with a tenor of more than one year extended to business entities.
- **Revolving Promissory Note Line** provides ready cash for purchasing, building up inventory, or as a bridge between receivables.
- **Check Discounting Line** allows to get credit immediately every time it is needed. No more waiting time for customer's post-dated checks to clear.
- **Invoice Financing** is a supervised and directed loan offered to business entities for the purpose of financing the purchase of their inventory goods from manufacturers, suppliers, or distributors.
- **Floor Stock Financing** keeps inventory fully stocked while CBS handles the payments, oversees everything and making sure everything is paid on time.
- **Domestic Standby Letter of Credit** is a standby credit line extended to businesses to guarantee financing for a project or particular business transaction with a specific or certified beneficiary.
- **Project Financing / Development Loan** is a credit facility intended to finance the development of residential housing projects.
- **CTS Receivables Financing with Recourse** is a credit facility that provides liquidity to real estate developers through purchase of receivables from individual home buyers covered with contract-to-sell (CTS) on accredited residential housing projects.

### Small Biz Loan

- **Small Biz Term Loan** is a multipurpose credit source with a tenor of more than one year extended to business entities.

- **Small Biz Revolving Promissory Note** is a loan facility for loans worth P10.0 million and below. Interest is computed only for the amount used. A real estate mortgage (REM) or a combination of REM and deposit assignment are required
- **Small Biz Revolving Credit Line (Check Driven)** is a standby credit line that guarantees simple financing for product or specific recipient over time.

### Consumer Loan

- **Easi-Drivin' Auto Loan** makes owning a first car a breeze. Whether buying a brand-new car or a pre-owned vehicle, CBS has affordable amortization schemes and flexible terms.
- **Easi-Livin' Home Loan** makes moving in to one's dream house a reality. It can be used for lot or home purchase, home construction, home improvement or to refinance an existing home loan.
- **Easi-Funds Personal Loan** is a cash loan with no collateral. It gives one an access to cash quickly.
- **Easi-Funds Salary Loan** is a multi-purpose loan facility offered to salaried individuals employed by CBS-accredited companies.

### Easi-APDS Loan

- **Easi-APDS is an Automatic Payroll Deduction (APD) Salary Loan.** It is a multipurpose and non-collateral program offered to the teaching and non-teaching personnel of the Department of Education (DepEd), Autonomous Schools, State Universities and Colleges (SUCs), and Local Universities and Colleges (LUCs) under the Commission on Higher Education (CHED), Technical Education and Skills Development Authority (TESDA), Department of Science and Technology – Philippine Science High School (DOST-PSHS) and other APD market segments covered by an APD Memorandum of Agreement with the Bank. CBS is a duly accredited APD Private Lending Institution with Deduction Code 1151

## CASH MANAGEMENT SERVICES

- **Bills Payment System** is a tie-up arrangement with major and local utility providers, schools, insurance companies, credit card companies or charitable institutions.
- **Deposit Pick-Up Arrangement** is a special type of accommodation given to valued clients where the Bank sends a representative on an agreed schedule at the client's designated office or establishment to collect deposits.
- **Online Payroll Upload** credits employee's payroll accounts via uploading in CBS Online Corp or through the branch. Funds will be available on the same day.
- **Check Write Software** is a checking account which includes software for printing checks and monitoring disbursement electronically.
- **End to End Payroll Software** computes salary in an instant, including regular pay, overtime pay, salary adjustments, taxes, SSS, Pag-Ibig and PhilHealth contributions.

- **Direct Buyers Checking Account** is a special checking account designed to support the operation and collection efforts of the business.
- **Post Dated Check Warehousing** is a service for controlling and managing a client company's inventory of post-dated checks, using a stand-alone system to credit these checks to the client's account when the value date falls due.
- **SME Proposition** where clients are provided with equipment, gadget, business machine, or cash management services that will help them manage and grow their business through technology.
- **Easi-Padala** is a remittance service that will assist CBS account and non-account holders with their money transfer to/from their relatives: secured and fast.





## BRANCH NETWORK & ATM SERVICES

### Distribution Methods of Products and Services

CBS products and services are made available across multiple distribution and delivery channels: 168 branch network; 201 ATM network (194 in-branch and 7 off-site ATMs nationwide); 10 in-branch cash accept machine; 3 business centers and 19 sales offices mainly supporting the Bank's SME and consumer lending business and 33 APD lending centers and 60 APD branch-lite units (BLUs) primarily supporting the Bank's APD lending business.

The rapidly growing distribution network is enabled by a highly robust and integrated core banking platform FCBS by Infosys. The core banking system allows real-time access to deposit and loan balances 24/7, general ledger and management of credit facilities.

### METRO MANILA & RIZAL REGION

#### ACACIA ESTATES **ATM** **ATM**

Units 8,9,10 Town Center Acacia Estates, Acacia Estates, Brgy. Bambang, Taguig City  
(632) 8633-5472 / 8633-3245

#### ALABANG HILLS **ATM**

G/F Alabang Comm'L Citi Arcade, Don Jesus Blvd., Alabang, Muntinlupa City  
(632) 8828-4854 / 8403-2801

#### AMANG RODRIGUEZ **ATM**

Amang Rodriguez Avenue Corner Evangelista St., Santolan, Pasig City  
(632) 7964-1323 / 8645-4710

#### ANGONO **ATM**

Manila East Road Corner Don Benito St., Brgy. San Roque, Angono, Rizal  
(632) 8651-1779 / 8651-1782

#### ANTIPOLO **ATM**

E.M.S. Bldg., Ground Floor L1 M.L. Quezon, Corner F. Dimanlig St. Antipolo City  
(632) 8869-70224 / 8869-71066

#### ARANETA CENTER COD - SAVEMORE **ATM**

Gen. Romulo St., Araneta Center, Cubao, Quezon City  
(632) 8921-3149 / 7502-1437 / 0917-8099670

#### AYALA AVENUE **ATM**

6772 Ayala Avenue, Makati City  
(632) 8988-9555 local 8100 / 8101 / 8103 / 8104  
0927-9071716 / 250-6985

#### BACLARAN **ATM**

3751 Quirino Avenue Corner Sta. Rita St., Baclaran, Parañaque City  
(632) 8816-1956 / 7975-2172 / 0917-7032503

#### BANAWE **ATM**

No. 247-249 Banawe St., Sta. Mesa Heights, Brgy. Lourdes, Quezon City  
(632) 8412-6249 / 8256-4941

#### BANGKAL **ATM**

1661 Evangelista St., Bangkal, Makati City  
(632) 7621-3459 / 7621-3461

#### BF HOMES **ATM**

284 Aguirre Avenue, B.F. Homes, Parañaque  
8553-5412 / 8553-5414 / 0917-5105911  
7964-1292 / 8988-9555 local 4873

#### BINONDO - JUAN LUNA **ATM**

694-696 Juan Luna St., Binondo, Manila  
7964-1327 / 8254-7337

#### BLUMENTRITT **ATM**

Blumentritt St., Near Oroquieta St., Sta. Cruz Manila  
7968-4759 / 0917-8273205  
8562-0953 / 8256-3840

#### BONI AVENUE **ATM**

Raymond Tower Boni, 615 Boni Avenue, Plainview, Mandaluyong City  
8636-5072 / 7316-5983

#### BUENDIA - MAIN **ATM** **ATM**

314 Buendia Avenue Makati City  
8884-7600 local 3901/3902 / 8884-7645  
0917-8099638

#### CAINTA **ATM**

Lower Ground Floor 04 & 05, Ck Square Mall, Ortigas Avenue Ext., Brgy. San Juan, Cainta, Rizal  
(632) 8659-4083 / 0928-5143750

#### COMMONWEALTH AVENUE **ATM**

Unit 101, Jocfer Building, Commonwealth Avenue, Brgy. Holy Spirit, Quezon City  
8988-9555 local 4857 / 8282-5946 / 7957-0559

#### CUBAO **ATM**

Fernandina 88 Condominium 222 P. Tuazon Avenue, Araneta Center, Cubao, Quezon City  
8913-4903 / 8913-5209

#### DEL MONTE **ATM**

392 Del Monte Avenue, Barangay Sienna, Quezon City  
8741-8285 / 8741-2447

#### E. RODRIGUEZ SR. AVENUE **ATM**

Hemady Square, E. Rodriguez Avenue Corner Doña Hemady St., Quezon City  
8531-9676 / 8531-9680; 7987-4966  
0917-8085214

#### ESPAÑA - SUN MALL **ATM**

Ground Floor Sun Mall, Espana Boulevard Corner Mayon St., Brgy. Sta. Teresita, Quezon City  
8244-2477 / 7987-4962 / 0917-8103097

#### FELIX HUERTAS - JT CENTRALE **ATM**

Unit 103, Ground Floor, JT Centrale Mall, No. 1686 V. Fugoso St. Corner Felix Huertas St., Sta. Cruz, Manila  
8247-3177 / 0917-5538446

#### FILINVEST **ATM**

BC Group Bldg., East Asia Drive, Near Corner Commerce Avenue, Filinvest Corporate City, Alabang, Muntinlupa City  
(632) 8511-1145 / 0917-8046443 / 7217-3069

#### FTI HYPERMARKET TAGUIG **ATM**

DBP Avenue, Food Terminal Inc., Western Bicutan, Taguig  
8834-0408 / 0917-5615131 / 7507-4090

#### G. ARANETA **ATM**

195 G. Araneta Avenue, Quezon City  
0917-8287829 / 7978-6448 / 8711-7822

#### GIL PUYAT BAUTISTA **ATM**

Lot 25 Blk. 74 Bautista Street Corner Buendia Avenue, Makati  
8838-2312 / 8541-3514 / 8354-5923

#### GREENHILLS - ORTIGAS AVENUE **ATM**

G/F VAG Building, Ortigas Avenue, Greenhills San Juan, Metro Manila  
8721-0105 / 8724-7528 / 8353-4656

#### KALOOKAN **ATM**

Augusto Building, Rizal Avenue, Gracepark, Kalookan City  
8363-2752 / 8365-7593

#### KALOOKAN - MABINI **ATM**

AJ Building, #353 A. Mabini St., Kalookan City  
8961-2628

#### KATIPUNAN AVENUE **ATM**

One Burgundy Condominium, Katipunan Avenue, Quezon City  
8288-4360 / 0917-6283318 / 7211-7882

#### LAGRO **ATM**

G/F Bonanza Building Quirino Hi-Way, Greater Lagro Novaliches Quezon City  
8936-4988 / 8461-7214

#### LAS PIÑAS - ALMANZA UNO **ATM**

Alabang Zapote Road, Almanza Uno, Las Piñas City  
8551-4724/ 8551-4051/ 7966-9001  
0917-8173526

#### MAKATI - CHINO ROCES **ATM**

2176 Chino Roces Avenue, Makati City  
7964-1322 / 0917-5106078 / 8831-0477

#### MAKATI - J.P. RIZAL **ATM**

882 J.P. Rizal St., Makati City  
8890-1027 / 0917-5105919

#### MALABON FRANCIS MARKET - SAVEMORE **ATM**

Francis Market, Governor Pascual Corner M.H. Del Pilar Sts., Malabon  
8931-6323 / 7507-4053 / 0917-5614811

#### MANDALUYONG **ATM**

Lot 4-A3, New Panaderos Ext., Mandaluyong City  
7238-3745 / 7238-3744



**MANDALUYONG - SHAW BLVD. ATM**

G/F 500 Shaw Tower,  
500 Shaw Boulevard, Mandaluyong City  
8941-9231 / 8941-9412 / 0917-5806593

**MARIKINA ATM**

33 Bayan-Bayanan Avenue, Brgy. Concepcion 1  
Marikina City  
8477-2445 / 7907-2418 / 0917-8108618

**MARIKINA - GIL FERNANDO AVENUE ATM**

CTP Building Gil Fernando Avenue, Marikina City  
8681-2810 / 8645-8169

**NAVOTAS ATM**

FP Building No. 855 M. Naval St.,  
Brgy. Sipac-Almacen, Navotas City 1409  
0928-5142106 / 8244-7435

**NEPA - Q MART - SAVEMORE ATM**

Rose Building, 770 St. Edsa and K-G St.,  
West Kamias, Quezon City  
8351-4884 / 0917-8636069

**NINOY AQUINO AVENUE ATM**

G/F Skyfreight Building Ninoy Aquino Avenue  
Corner Pascor Drive Paranaque City  
8843-2447 / 7239-0574

**NOVALICHES ATM**

G/F Unit 11, Nova Plaza Mall,  
Quirino Avenue Corner N. Ramirez St.,  
Brgy. Novaliches Proper, District 5,  
Novaliches, Quezon City  
8442-4829 / 7968-4697 / 0917-800-5128

**N.S. AMORANTO AVENUE ATM**

Unit 101 R Place Building, 255  
N.S. Amoranto Sr. Avenue, Quezon City  
8251-6592 / 8251-6594 / 0917-8056964  
7966-9075

**ONGPIN ATM**

Unit 576-578, Ground Floor Ramada  
Manila Central Hotel, Quintin Paredes Road  
Corner Onpin Street, Brgy. 289, Binondo, Manila  
8247-3299 / 7616-1146 / 0917-3175106

**ORTIGAS CENTER ATM**

G/F Hanston Square, San Miguel Avenue,  
Ortigas Center, Pasig City  
8477-3439 / 8637-9778 / 0917-8078394

**PARAÑAQUE - BETTER LIVING ATM**

90 Doña Soledad Avenue, Better Living Subd.,  
Bicutan, Paranaque  
8551-3600 / 8831-8507/ 0917-5615576

**PARAÑAQUE - JAKA PLAZA ATM**

Jaka Plaza Center, Dr. A. Santos Avenue  
Sucat Parañaque City  
8820-6093 / 8820-6091

**PARAÑAQUE - LA HUERTA ATM**

Quirino Avenue, La Huerta, Parañaque City  
8893-1226 / 0917-5788058 / 7587-6205

**PARAÑAQUE - MOONWALK ATM**

Kassel Residence Building, E. Rodriguez Avenue,  
Moonwalk, Parañaque City  
7957-2339 / 8664-1923 / 0917-6218321

**PASAY - LIBERTAD ATM**

533 Cementina St. Libertad, Pasay City  
7907-4246 / 8541-1698 / 0917-8080695

**PASIG - CANIOGAN ATM**

Unit A, KSN Building, C. Raymundo Avenue,  
Caniogan, Pasig City  
8988-9555 local 4786 / 7957-0817  
0917-5206966

**PASIG MUTYA ATM**

Richcrest Building, Caruncho  
Corner Market Avenue, San Nicolas, Pasig City  
8640-7085 / 8642-2870 / 0917-8173133  
7906-3129

**PASIG - PADRE BURGOS ATM**

114 Padre Burgos St., Kapasigan, Pasig City  
8650-3361 / 09175747874

**PASO DE BLAS ATM**

Andoks Bldg. 629 Gen. Luis St.,  
Paso De Blas, Valenzuela City  
3443-5069 / 8984-8258

**PATEROS ATM**

Unit CC1, G/F East Mansion Townhomes,  
Elisco Road, Sto. Rosario, Pateros, Metro Manila  
8641-9556 / 8655-2349 / 0917-8130535

**PATEROS - ALMEDA ATM**

120 M. Almeda Street, Pateros, Metro Manila  
8641-6760 / 8641-6768

**PEDRO GIL ATM**

LKE Building, Pedro Gil Corner Pasaje,  
Rosario St., Paco, Manila  
8521-4056 / 7502-7101/ 0917-8636307

**PLAZA STA. CRUZ ATM**

MBI Building, Unit 103, Plaza Sta. Cruz,  
Sta. Cruz, Manila  
8734-0534 / 0917-5965826 / 7618-2241

**QUEZON AVENUE ATM**

G/F GJ Building, 385 Quezon Avenue, Quezon City  
8332-2638 / 0917-5382423

**QUEZON AVENUE - PALIGSAHAN ATM**

1184-A Ben-Lor Bldg. Brgy. Paligsahan,  
Quezon City  
8376-4546 / 8376-4548

**QUIAPO - ECHAGUE ATM**

Palanca Corner P. Gomez St., Echague,  
Quiapo, Manila  
8959-4450

**RADA ATM**

104 Rada St. Legaspi Village, Makati City  
8810-9369 / 8810-9370

**ROOSEVELT ATM**

342 Roosevelt Avenue, Quezon City  
7957-0796 / 8663-7563 / 8688-9146

**SAN JUAN ATM**

Madison Square, 264 N. Domingo St., Barangay  
Pasadena, San Juan  
8637-4759 / 0917-5615639

**SAVEMORE ANONAS ATM**

Maamo St., Road Lot 30, V. Luna and Anonas Ext.,  
Sikatuna, Quezon City  
8351-4928 / 0917-8636157

**SOUTH TRIANGLE ATM**

G/F, Sunnymede It Center, Brgy. South Triangle,  
Quezon Avenue, Quezon City  
7959-4515 / 8256-3881 / 8256-4841  
0917-8431722

**STA. ANA MANILA ATM**

Savemore, Pedro Gil St., Sta. Ana, Manila  
8523-8574 / 7987-4975 / 0917-8140390

**STA. MESA ATM**

4128 Ramon Magsaysay Blvd., Sta. Mesa, Manila  
8252-3286 / 7507-6515 / 0917-8353352

**TAFT - QUIRINO AVENUE ATM**

1945 Esther Building, Taft Avenue, Malate, Manila  
8525-6286 / 7219-4390 / 0917-5807061

**TANDANG SORA ATM**

Cecileville Bldg. III, 670 Tandang Sora Ave. Corner  
General Avenue, Tandang Sora, Quezon City  
0917-8017585 / (632) 7968-4719

**TAYTAY ATM**

C. Gonzaga Building II, Manila East Road,  
Taytay, Rizal  
8650-3367 / 8623-6113 / 0917-5786978

**TAYUMAN ATM**

1925-1929 Rizal Avenue Near Corner Tayuman St.,  
Sta. Cruz, Manila  
0917-8325078 / 7586-1618 / 8230-3091

**TIMOG ATM**

Jenkinsen Towers 80 Timog Avenue,  
Quezon City  
8371-8303 / 8371-8305

**TWO ECOM ATM**

Two E-Com Center Tower B, Ocean Drive Near  
Corner Bayshore Drive, Mall Of Asia Complex,  
Pasay City  
8802-3068 / 7587-4753

**UN AVENUE ATM**

552 United Nations Avenue, Ermita, Manila  
8400-5467 to 68 / 0917-5382421

**VALENZUELA - MARULAS ATM**

92 J MacArthur Highway, Marulas, Valenzuela City  
8291-6541/ 8709-4641

**VISAYAS AVENUE ATM**

Upper Ground Floor, Wilcon City Center Mall,  
Visayas Avenue, Quezon City  
8990-6543

**WILSON ATM**

219 Wilson St., Greenhills, San Juan City  
8584-5946 / 7748-7625

## NORTH LUZON REGION

### ANGELES - RIZAL AVENUE **ATM**

639 Rizal Street, Angeles City  
8884-7600 local 4328 / (045) 323-4303  
(045) 888-4971

### ARAYAT **ATM** **ATM**

Jm Espino St. , Cacutud, Arayat, Pampanga  
(045) 885-2390 / (045) 409-9559  
8988-9555 local 4797

### BAGUIO **ATM**

B 108 Lopez Bldg., Session Road  
Corner Assumption Road, Baguio City  
(074) 446-3993 / 0917-8493218

### BALAGTAS **ATM**

Ultra Mega Supermarket, MacArthur Highway,  
Buro 1st, Balagtas, Bulacan  
(044) 693-1849 / 884-7600 Local 4316

### BALANGA **ATM**

D.M. Banzon Avenue Corner Sto. Domingo Street,  
Balanga Bataan  
(047) 237-3666 / (047) 237-3667  
8884-7600 local 4352

### BALIBAGO **ATM**

MacArthur Highway, Balibago, Angeles City  
(045) 892-3325 / 8884-7600 local 4332

### BALIUAG **ATM**

No. 58 Plaza Naning St., Baliuag, Bulacan  
(044) 673-1338 / (044) 766-2014  
(02) 8884-7600 local 4312

### CABANATUAN - BAYAN **ATM**

Burgos Avenue Cabanatuan City  
8884-7600 local 4321 / (044) 463-0441  
(044) 600-2888

### CAUAYAN **ATM**

G/F A.V. Building, Fndy St. Along Cabatuan Road,  
Brgy. San Fermin, 6th District, Cauayan City,  
Isabela 3305  
0920-9408574

### DAGUPAN **ATM**

G/F Lyceum-Northwestern University,  
Tapuac District, Dagupan City  
(075) 522-9586 / 8884-7600 local 4362

### DAU **ATM**

MacArthur Highway, Dau, Mabalacat, Pampanga  
(045) 892-2216 / (045) 892-2216  
8988-9555 local 4868

### DOLORES **ATM**

STCI Building, MacArthur Highway  
Brgy. San Agustin, City of San Fernando  
Pampanga  
(045) 649-3724 / (045) 649-3150

### GUAGUA **ATM**

Plaza Burgos, Guagua, Pampanga  
8988-9555 Local 4789 / (045) 901-0966  
(045) 9010-640 / 8884-7600 local 4329

### GUIGUINTO - RIS **ATM**

Ris-5 Industrial Complex, No. 68 Mercado St.,  
Tabe, Guiguinto Bulacan, 3015  
(044) 235-79630 / 0917-8485249

### LA UNION **ATM**

A.G. Zambrano Building Quezon Avenue  
San Fernando City, La Union  
8884-7600 local 4353 / (072) 242-0414

### LAOAG CITY **ATM**

G/F LC Square Building, J.P. Rizal Corner M.V.  
Farinas Sts., Laoag City, Ilocos Norte  
(077) 600-1008 / (077) 600-1009

### LINGAYEN **ATM**

Unit 5-6, The Hub - Lingayen Bldg., National Road,  
Poblacion, Lingayen, Pangasinan  
(075) 523-4955/075 / (075) 523-4953 / 8988-9555  
local 77654 / 0917-8486063

### MACABEBE **ATM**

Poblacion, Macabebe, Pampanga  
8884-7600 loc. 4795 / (045) 435-5507  
0917-8218102

### MALOLOS **ATM**

Canlapan St., Sto. Rosario, Malolos City,  
Bulacan  
0917-8354684 / (044) 794-2793

### MALOLOS - CATMON **ATM**

Paseo Del Congreso, Catmon  
Malolos City, Bulacan  
(044) 791-2461 / (044) 662-7819  
(02) 8988-9555 local 4314

### MEYCAUAYAN **ATM**

Mancon Building, Calvario  
Meycauayan, Bulacan  
8884-7600 local 4326 / (044) 228-2416

### MOUNT CARMEL **ATM**

Km 78 MacArthur Highway Brgy. Saguin,  
San Fernando City Pampanga  
(045) 435-6055 / 8884-7600 local 4330

### OLONGAPO **ATM**

G/F City View Hotel, 25 Magsaysay Drive,  
New Asinan, Olongapo City  
(047) 222-1891 / 0917-8078509

### ORANI **ATM**

Brgy. Balut, Orani, Bataan  
(047) 638-1282 / 8884-7600 local 4323

### PLARIDEL **ATM**

Banga 1st, Plaridel, Bulacan  
(044) 795-0105 / 8884-7600 local 4315

### PORAC **ATM** **ATM**

Cangatba, Porac, Pampanga  
(045) 329-3188 / 0917-8703305

### SAN FERNANDO **ATM**

KHY Trading Building San Fernando-Gapan Rd.,  
San Fernando City, Pampanga  
(045) 9611415 / (045) 961-1416 /  
8988-9555 local 4812

### SAN FERNANDO - BAYAN **ATM**

JSL Building, Consunji Street,  
City Of San Fernando, Pampanga  
(045) 961-8168 / (045) 961-4575  
8988-9555 local 4780 / 8884-7600 local 4320

### SAN ILDEFONSO **ATM**

Savemore Building. San Ildefonso,  
Poblacion, Bulacan  
(044) 797-0742 / (044) 797-0974  
(02) 8988-9555 local 4853

### SAN JOSE DEL MONTE **ATM**

G/F Giron Building,  
Gov. Halili Avenue, Tungkong Mangga,  
City of San Jose Del Monte, Bulacan  
(044) 815-6616 / 0917-8354675 / (044) 233-6501

### SAN MIGUEL **ATM**

R & L Commercial Building, Tecson St.,  
Brgy. San Jose, San Miguel, Bulacan  
(044) 764-0826

### SAN NARCISO **ATM**

Olongapo-Bugallon Road, Brgy. Libertad,  
San Narciso, Zambales  
(047) 913-2245 / (047) 913-2288  
8988-9555 local 4122

### SAN RAFAEL **ATM**

Cagayan Valley Corner Cruz Na Daan Road,  
San Rafael, Bulacan  
(044) 815-8915 / (044) 913-7629  
8988-9555 local 4799

### SANTIAGO - VICTORY NORTE **ATM**

Maharlika Highway Corner Quezon St. Victory  
Norte, Santiago City  
(078) 305-0260 / (078) 305-0252  
8884-7600 local 4374

### STA. ANA **ATM**

Poblacion, Sta. Ana, Pampanga  
8988-9555 local 4793 / (045) 409-9818  
(045) 409-0335

### STA. MARIA **ATM**

Gen. Luna Corner De Leon Street,  
Sta. Maria, Bulacan  
8884-7600 local 4319 / (045) 409-9818  
(045) 409-0335

### STA. RITA **ATM**

San Vicente, Sta. Rita, Pampanga  
8988-9555 local 4791/ (045) 900-0658

### SUBIC **ATM**

Baraca, Subic, Zambales  
8988-9555 local 4852 / (047) 232-6105  
(047) 232-6104

### TARLAC **ATM**

MacArthur Highway San Nicolas, Tarlac City  
(045) 982-9652 / 0905-6793720  
8884-7600 local 4337

### TUGUEGARAO **ATM**

Metropolitan Cathedral Parish Rectory Complex  
Rizal St., Tuguegarao City  
(078) 844-0484 / 8884-7600 local 4338

**URDANETA ATM**

Brgy. Nancayasan, MacArthur Highway,  
Urdaneta City, Pangasinan  
8884-7600 local 4372 / (075) 656-2331

**VIGAN ATM**

Florentino St. and Burgos St., Vigan City  
(077) 674-0300 / 8884-7600 local 4359

**SOUTH LUZON REGION****BACOR - TALABA ATM**

Unit 103 Bacoor Town Center - E. Aguinaldo  
Highway Talaba VII, Bacoor City, Cavite  
(046) 4175-930 / (046) 512-6315 / 0917-8354691

**BATANGAS ATM**

No. 3 P. Burgos St., Batangas City  
(043) 8723-7652 / 8884-7600 local 4324  
0917-8173606

**BIÑAN ATM**

San Vicente Biñan, Laguna  
(049) 511-3638 / 8429-4878  
8884-7600 local 4327

**CABUYAO ATM**

G/F Unit 101 C-257 Centrale, National Highway,  
Brgy. Sala, 4th District, Cabuyao City, Laguna  
0920-9282824

**CALAMBA ATM**

Hk Bldg II, National Highway, Brgy. Halang,  
Calamba, Laguna  
0917-8173609 / (049) 306-0234 / 306-0238

**CARMONA ATM**

Loyola St., Brgy. Mabuhay, 5th District,  
Carmona, Cavite 4116  
0920-9250754 / 79009

**CAVITE CITY ATM**

485 P. Burgos St., Barangay 34, Caridad,  
Cavite City  
(046) 417-3102 / 8-988-9555 local 4879  
(046) 235-7537 / 0917-5615780

**DARAGA ATM**

Rizal St., Brgy. San Roque, Daraga, Albay, Bicol  
(052) 483-0706 / (052) 204-0024 / 25  
8988-9555 local 4822

**DASMARIÑAS ATM**

Veluz Plaza Building, Zone 1 Aguinaldo Highway,  
Dasmariñas Cavite  
8884-7600 local 4368 / (046) 416-0510 / 416-0501

**GENERAL TRIAS ATM**

G/F VCentral Gentri, Governor's Drive,  
New Brgy. Manggahan, General Trias, Cavite  
(046) 443-0997 / 0908-8646811

**IMUS ATM**

Tanzang Luma, Emilio Aguinaldo Highway,  
Imus Cavite  
8884-7600 local 4349 / (046) 471-4715  
(046) 476-0927

**KAWIT ATM**

Unit 105 Ground Floor, Lokal Mall Kawit,  
Centennial Road, Brgy. Magdalo, Kawit, Cavite  
0968-8907828

**LAGUNA - STA. CRUZ ATM**

E & E Building, Pedro Guevarra Avenue,  
Sta. Cruz, Laguna  
(049) 501-3084 / 0917-5615715  
02-8988-9555 local 4877

**LEGAZPI CITY ATM**

F. Imperial St., Brgy. Bitano, Legazpi City, Albay  
8988-9555 local 4133 / (052) 225-5155  
(052) 431-0820 / 0917-8360093

**LIPA ATM**

C.M. Recto Avenue, Lipa City  
(043) 756-1414 / 8884-7600 local 4325

**LOS BAÑOS CROSSING ATM**

Lopez Avenue, Batong Malake, Los Baños Laguna  
(049) 536-2596 / (049) 536-0549  
8884-7600 local 4375

**LUCENA ATM**

Corner Merchan and Evangelista Sts., Lucena City  
(042) 710-6964 / (042) 660-6964  
8884-7600 local 4347

**MOLINO ATM**

Avon Building, 817 Molino Road, Molino III,  
Bacoor, Cavite  
(046) 431-9907 / (046) 235-7542 / 0917-5615883  
8988-9555 local 4878

**NAGA ATM**

RI Building, Panganiban St., Lerma, Naga City  
8884-7600 local 4373 / (054) 472-1947

**SAN PABLO ATM**

Rizal Avenue Corner Lopez Jaena St.  
San Pablo City, Laguna  
(049) 503-2890 / (049) 562-0697  
8884-7600 local 4322

**SAN PEDRO ATM**

Gen - Ber Building, National Highway Landayan,  
San Pedro Laguna  
8988-9555 local 4837 / 8847-0585 / 8869-8221

**TSL CENTER TAGAYTAY ATM**

No. 9089 Emilio Aguinaldo Highway,  
Mendez Crossing East, Tagaytay City  
(046) 413-3871 / (632) 8988-9555 local 4876  
0917-5615344

**STA. ROSA ATM**

Sta. Rosa-Tagaytay Highway, Sta. Rosa, Laguna  
(049) 502-9134 / 988-9555 local 4872  
0917-5105951

**STA. ROSA - BALIBAGO ATM**

Old National Highway Corner Roque Lazaga St.,  
Balibago, Sta. Rosa Laguna  
8884-7600 local 4365 / (049) 534-1167  
(02) 520-8448

**STO. TOMAS ATM**

Agojo Corp. Bldg., Maharlika Highway,  
Sto. Tomas, Batangas  
(043) 778-3247 / 0917-8164577  
8884-7600 local 4389

**SORSOGON ATM**

God is Good Commercial Building Rizal St.,  
Purok 5, Piot, West District Sorsogon City,  
Sorsogon  
(056) 311-5786 / 0917-8351685

**TANAUAN CITY ATM**

Jose P. Laurel National Highway, Darasa,  
Tanauan City, Batangas  
(043) 726 2758 / 0917-863-6160

**VISAYAS & MINDANAO REGION****BACOLOD ATM**

Fordland Building I Annex, 12th Lacson Street,  
Brgy. 4, Bacolod City  
(02) 8988-9555 local 4810 or 4811  
(02) 8884-7600 local 4310 / (034) 435-7143

**BUTUAN ATM**

JMC Building, J.C. Aquino Avenue,  
Brgy. Lapu-Lapu, Butuan City, Agusan Del Norte  
(085) 818-6665 / 0917-8341071

**CAGAYAN DE ORO ATM**

Sergio Osmeña St., Cogon District,  
Cagayan De Oro City  
(088) 859-0740 / (088) 852-2066  
8884-7600 local 4234 / 4343

**CEBU LAHUG ATM**

G/F Skyrise It Building, Bgy. Apas, Lahug,  
Cebu City  
(032) 236-0810

**CEBU - MANGO AVENUE ATM**

JSP Mango Realty Building  
Corner General Maxilom Avenue  
and Echavez Sts., Cebu City  
(032) 231-4736 / (032) 231-4304  
8884-7600 local 4346

**CEBU MANDAUE BASAK ATM**

Cebu North Road Basak Mandaue City  
(032) 346-8814

**DAVAO ATM**

G/F 8990 Corporate Center, Quirino Avenue,  
Davao City  
(082) 221-3873

**DAVAO RECTO ATM**

C. Villa Abrille Building, C.M. Recto Avenue, Davao  
(082) 324-5724 / (082) 305-5808 / (02) 8884-7600  
local 4344 / 0917-8095808

**DUMAGUETE ATM**

G/F Chateau Francisca Building,  
200 North Road National Highway,  
Brgy. Bantayan, 2nd District, Dumaguete City,  
Negros Oriental  
(035) 527-5389 / 0917-8176812



**GENERAL SANTOS ATM**

Santiago Boulevard, Dadianga South,  
General Santos City, South Cotabato  
8884-7600 local 4350 / (083) 552-6330

**ILOILO - IZNART ATM**

Golden Commercial Building, Iznart, Iloilo City  
(033) 335-0213 / 0917-8078378  
8884-7600 local 4360

**ILOILO - JARO ATM**

Lopez Jaena Corner Plaza Rizal St., Jaro, Iloilo  
(033) 320-0370 / 8988-9555 local 4862

**KALIBO ATM**

Lot 3459-E-1, Toting Reyes St.,  
Brgy. Andagao, Kalibo, Aklan  
(036) 268-4379 / 0917-8047837

**MANDAUE ATM**

A. Del Rosario Avenue, Mantuyong,  
Mandaue City, Cebu  
8988-9555 loc. 4818 / (032) 520-2770

**ROXAS AVE. CAPIZ-CITYMALL ATM**

Roxas Ave, Brgy Vi, Roxas City, Capiz  
8988-9555 local 4153 / (036) 620-1177

**SAVEMORE TALISAY NEGROS OCC. ATM ATM**

Mabini St., Zone 12, Paseo Mabini,  
Talisay City, Negros Occidental  
(034) 441-6267 / (034) 441-6264 / (034) 441-6264

**TACLOBAN CITY ATM**

YVI Center, Building A, Fatima Village,  
Tacloban City, Leyte  
(053) 832-2066 / (053) 832-9174

**TAGBILARAN ATM**

Upper Ground Floor 3-4, Alta Citta Mall, Honorio  
Grupo St. and C.P. Garcia Avenue., Brgy. Poblacion  
II, 1st District, Tagbilaran City, Bohol, 6300  
(038) 417-1788

**TAGUM ATM**

Maharlika Highway Corner Lapu-Lapu Extension,  
Brgy. Magugpo Tagum City  
(084) 216-8117 / 0917-8497228  
8988-9555 local 4981

**ZAMBOANGA ATM**

City Mall, Don Alfaro St., Tetuan, Zamboanga  
(062) 955-8709 / 8988-9555 local 4828 / 4829

NO	ATM OFF-SITE	LOCATION/ADDRESS
1	CALAMBA DOCTORS HOSPITAL	KM. 49 National Highway, Parian, Calamba City, Laguna
2	RIS DEVELOPMENT CORPORATION	168 Mercado Street, Tabe, Guiguinto, Bulacan 03015
3	ZAMECO	ZAMECO II Head Office Compound, National Road, Barangay Magsaysay, Castillejos, Zambales
4	SAINT LOUIS COLLEGE	Saint Louis College, Carlatan, San Fernando, La Union
5	RACAL BUILDERS BULACAN	200 Quirino Highway, San Jose, Del Monte City, Bulacan
6	MANILA TURF CLUB	San Pioquinto, Malvar, Batangas City
7	C.P. REYES HOSPITAL	C.P. Reyes Hospital, Mabini Avenue, Tanauan, Batangas

NO	BUSINESS CENTER	LOCATION/ADDRESS
1	Cebu Business Center	2/F JSP Mango Plaza Building corner General Maxilom Avenue and Echavez Streets, Cebu City
2	Davao Business Center	8990 Corporate Center, Quirino Avenue Davao City
3	San Fernando Business Center	JSL Building, Consunji Street, San Fernando City, Pampanga

NO	SALES OFFICE	LOCATION/ADDRESS
1	BAGUIO - SESSION	D303 Lopez Building, Session Road, Assumption Road, Baguio City
2	BACOLOD	Fordland Building   Annex, 12th Lacson Street, Bacolod City
3	BOHOL	Alta Citta Mall, Upper Ground Floor, Honorio Group Street, Tagbilaran City
4	BUTUAN	CBS JMC Building, Barangay Lapu, J.C. Aquino Avenue, Butuan City, Agusan Del Norte
5	CABANATUAN - BAYAN	2/F CBS Cabanatuan, Burgos Avenue, Cabanatuan City, Nueva Ecija
6	CAGAYAN DE ORO	2/F CBS Cagayan De Oro Branch, Osmeña Street, Cogon District, Cagayan De Oro City
7	DAGUPAN	G/F Lyceum-Northwestern University, Tapuac District, Dagupan City
8	GENSAN	2/F CBS General Santos Branch, Santiago Boulevard, General Santos City
9	ILOILO - JARO	Lopez Jaena Street, corner EL 98 Jaro, Iloilo City
10	IMUS	OLMA Building, Aguinaldo Highway, Tanzang Luma 2, Imus City, Cavite
11	LA UNION	A.G. Zambrano Building Quezon Avenue San Fernando City, La Union
12	LEGAZPI	F. Imperial St. Barangay Bitano, Legazpi City, Albay
13	LIPA - CM RECTO	C.M. Recto Avenue Lipa City
14	MARIKINA	CTP Building, 3/F, Gil Fernando Avenue Marikina City
15	NAGA	RL Building, Panganiban Street, Lerma, Naga City
16	PLARIDEL	2/F CBS Building, Cagayan Valley Road, Banga 1st, Plaridel, Bulacan
17	SAN PABLO	2/F, Rizal Avenue corner A. Fule, San Pablo City
18	TACLOBAN	YVI Center, Building. A, Fatima Village, Barangay 77, Tacloban City, Leyte
19	URDANETA	Barangay Nancayasan, MacArthur Highway, Urdaneta City, Pangasinan



NO	APD LENDING CENTER	LOCATION/ADDRESS
1	BACOLOD	Fordland 1 Annex Building, 12th Street corner Lacson Street Bacolod City
2	BAGUIO	B 108 Lopez Building, Session Road Corner Assumption Road, Baguio City
3	BATANGAS P. BURGOS	2/F 3 P. Burgos Street, Barangay, Batangas City
4	BLUMENTRITT	1677 Blumentritt Street, Barangay 363, Sta. Cruz, Manila
5	BUTUAN	JMC Building, JC Aquino Avenue Barangay Lapu, Butuan City, Agusan Del Norte
6	CABANATUAN - BAYAN	2/F Dumar Building Padre Burgos Avenue Cabanatuan City, Nueva Ecija
7	CAGAYAN DE ORO	2/F Sergio Osmeña Street, Cogon District, Cagayan De Oro City
8	CEBU	Unit 204 JSP Mango Plaza Building General Maxilom Ave corner Echavez, Cebu City
9	DAVAO	8990 Corporate Center, Quirino Avenue, Davao City
10	GENERAL SANTOS	G/F, Chinabank Savings, Inc., Santiago Boulevard, General Santos City
11	ILOILO - IZNART	Golden Commercial Building, Iznart, Iloilo City
12	IMUS CAVITE	Gen. Emilio Aguinaldo Highway, Anabu II Imus Cavite
13	KALIBO	G/F Maypa Building, Toting Reyes Street, Agdagao, Kalibo Aklan
14	KALOOKAN	2/F AJ Building, #353 A. Mabini Street Kalookan City
15	LA HUERTA	Quirino Avenue, La Huerta, Parañaque City
16	LA UNION	A.G. Zambrano Building Quezon Avenue San Fernando City, La Union
17	LEGAZPI	2/F Lot 4-6 Blk. 20 PCS-1617, Sol's Subdivision, Purok 5, 37 Bitano, Legazpi City
18	LINGAYEN	The Hub Building, G/F Unit 5&6, Solis Street, Barangay Poblacion, Lingayen, Pangasinan
19	LIPA - CM RECTO	C.M. Recto Avenue, Lipa City
20	LUCENA	Corner Merchan & Evangelista Streets, Lucena City
21	MALOLOS	2/F Canlapan Street, Sto. Rosario, Malolos Bulacan
22	PAMPANGA	JSL Building Consunji Street, San Fernando, Pampanga
23	PASIG	2/F Richcrest Building, Caruncho Corner Market Avenue, San Nicolas, Pasig City
24	QUEZON AVENUE	2/F, G.J. Building, 385 Quezon Avenue, Quezon City
25	SAN PABLO	Rizal Avenue Corner Lopez Jaena Street San Pablo City, Laguna
26	SANTIAGO	JECO Building Maharlika Highway corner Quezon Avenue Victory Norte Santiago City
27	SORSOGON	JL Pena Comml Building, Rizal Street, Purok 5, Piot, West District, Sorsogon City, Sorsogon
28	TACLOBAN	YVI Center Building, Fatima Village, Barangay 77, Marasbaras, Tacloban City
29	TAGUM	City Mall Maharlika Highway corner Lapu-lapu Extension, Barangay Magugpo, Tagum City
30	TANAUAN	Jose P. Laurel National Highway, Darasa, Tanauan City, Batangas
31	TAYTAY	2/F, C. Gonzaga Building 2, Manila East Road, Taytay, Rizal
32	TUGUEGARAO	G/F, Metropolitan Cathedral Parish Rectory Complex Rizal Street, Tuguegarao City
33	VIGAN	G/F Maestro Convention Complex Florentino Street, Barangay 1, Vigan City

NO	APD BLU	LOCATION/ADDRESS
1	ALAMINOS, PANGASINAN	Unit 101 S & L Building Barangay Palamis, Alaminos City
2	BALAMBAN, CEBU	DC Sanchez Street, Sta. Cruz, Balamban, Cebu
3	BALER, AURORA PROVINCE	Stall #3, Bonifacio Street, Barangay Suklayin, Baler, Aurora
4	BALIBAGO, STA. ROSA LAGUNA	7LL Pearl Rd. Balibago Complex, Barangay Balibago, Sta. Rosa, Laguna
5	BANGUED, ABRA	OVAL ERA Mall, Taft Street, Zone 4, Bangued, Abra
6	BILIRAN	Corvera Street Barangay Santissimo Rosario, Naval, Biliran
7	BISLIG CITY, SURIGAO DEL SUR	R.B. Castillo Street, Barangay Mangagoy, Bislig City, Surigao del Sur
8	BOAC, MARINDUQUE	Deogracias Street Corner San Miguel Street, Malusak, Boac, Marinduque
9	BOGO CITY, CEBU	Sim Building, Sim Bogo Business Park, P. Rodriguez Street, Bogo City, Cebu
10	BONTOC, MT. PROVINCE	Aguana Building, Poblacion, Bontoc, Mountain Province
11	BOTOLAN, ZAMBALES	Casa Bien Building, Barangay Batonlapoc, Botolan, Zambales
12	CABARROGUIS, QUIRINO PROVINCE	P1 Gundaway, Cabarroguis, Quirino
13	CALAPAN CITY, ORIENTAL MINDORO	R. King Commercial Building. Roxas Drive, Barangay Nacoco, Calapan City, Oriental Mindoro
14	CALBAYOG CITY, SAMAR	Rosales Corner Rueda Streets, Calbayog City, Samar
15	CAMALANIUGAN, CAGAYAN	Tuzon Building, Bulala, Camalaniugan, Cagayan
16	CARCAR	Door 2 J.P. Rizal Street Poblacion Carcar City, Cebu
17	DAET	Alegre Building, J. Lukban Street Daet Camarines Norte
18	DIGOS CITY, DAVAO DEL SUR	CPP Building II, Rizal Avenue, Zone 1, Digos City, Davao Del Sur
19	DIPOLOG CITY, ZAMBOANGA DEL NORTE	SD Arcade, Rizal Avenue Dipolog City, 7100 Zamboanga Del Norte
20	DUMAGUETE	A-3 G/F, Central Arcade Building, Cervantes Street, Dumaguete City
21	ESTANCIA, ILOILO	Old Sacramento Building, Sitio Poblacion Highway Cano-An, Estancia, Iloilo
22	GERONA, TARLAC	Morayta Street Poblacion 3, Gerona, Tarlac
23	GLAN, SARANGANI PROVINCE	Jose Hombrebueno Street, Plaza Rizal, Barangay Poblacion, Glan, Sarangani Province
24	GUMACA, QUEZON PROVINCE	RM Building, Maharlika Highway, A. Bonifacio, Barangay Tabing Dagat, Gumaca, Quezon
25	ILIGAN CITY	Quezon Avenue Extension Barangay Villaverde, Poblacion, Iligan City
26	INFANTA	Plaridel Street, Poblacion 38, Infanta, Quezon Province
27	IRIGA CITY	Everest Plaza Building, Zone 5, Highway 1, San Miguel, Iriga City
28	ISULAN, SULTAN KUDARAT	JCB Building, Magbanua Street, Corner National Highway, Kalawag I, Isulan, Sultan Kudarat
29	JORDAN, GUIMARAS	Piazza Zemarkato Building, New Site, Barangay San Miguel, Jordan, Guimaras
30	KABANKALAN CITY, NEGROS OCCIDENTAL	Dinsay Building, National Highway Mabinay, Kabankalan City, Negros Occidental
31	KIDAPAWAN	Brookside Building, Datu Ingkal Street, Poblacion, Kidapawan City
32	KORONADAL CITY, SOUTH COTABATO	MCM Villamor Building, Gen. San Drive, Zone 2, Koronadal City
33	LAGAWO, IFUGAO	07 Rizal Avenue, Poblacion East Street Lagawe, Ifugao
34	LUNA, APAYAO	Stall # 3, Cristobal Building, San Isidro Sur, Luna, Apayao
35	MALAYBALAY CITY, BUKIDNON	Fortich Street, Barangay 9, Malaybalay City, Bukidnon
36	MASBATE	Ross Hotel, Quezon Street, Masbate City
37	MATI CITY, DAVAO ORIENTAL	Madayaway Distributor Inc., Rizal Extension, Mati, Davao Oriental
38	NABUNTURAN, DAVAO DE ORO	National Highway, Poblacion, Nabunturan, Davao De Oro
39	NAGA	ELS Building, Panganiban Drive, Concepcion Pequeña, Naga City
40	ODIONGAN, ROMBLON	JBM Building, Regional Highway, Torrel, Dapawan, Odiongan, Romblon
41	ORMOC CITY, LEYTE	Real Street District 22, Ormoc City, Leyte
42	OZAMIS	JME Building, Rizal Avenue corner Capistrano Street, Ozamis City, Misamis Occidental





### Status of Publicly Announced New Products and Services

PRODUCTS AND SERVICES	DATE LAUNCHED
APD Savings Account	2023

CBS launched the APD Savings Account for the DepEd employees. Since its launching in August 2023, more than 47,000 public school teachers and other personnel have benefitted from this ATM account, which allows a higher withdrawal limit and can be linked to the CBS Easi-APD salary loan.

As of December 31, 2023, CBS was also able to on board about 32,500 DepEd employees to the free Basic Deposit Account via the CBS GO digital app.

CBS aims to aggressively increase the number of teachers enrolled via CBS GO, at the same time motivate them to build up savings and improve financial wellness.

### Competition

The Philippine financial system maintained a strong performance in 2023. This was on the back of improving macroeconomic conditions as well as prudent regulatory and supervisory reforms. The banking sector, including the thrift banks, remained a key provider of credit to the economy. It exhibited satisfactory performance and sustained resilience, supported by a strong balance sheet, profitable operations, sufficient capital and liquidity buffers, and ample loan loss reserves. Amid inflationary pressures and a high-interest rate environment, key indicators of capital, asset quality, profitability, and liquidity still point to the stability and soundness of the thrift banking sector.

Thrift banks' assets increased by 7% year-on-year to ₱1.0 trillion as of December 31, 2023. Assets were largely channeled into loans, at 67%, and mainly financed by deposits. The full reopening of the domestic economy improved the credit climate. Banks' loans rose by 20% percent, reaching ₱698.1 billion. Lending remained broad-based and supportive of key productive sectors, including households.

Alongside improved economic indicators and sustained growth in credit activity, loan quality remained satisfactory, supported by ample

loan-loss reserves. As of December 31, 2023, the non-performing loan (NPL) ratio of the thrift bank industry declined to 6.46%, while the NPL coverage ratio was 66.95%. The BSP is confident that the NPLs of the thrift banking system will stay manageable, owing to thrift banks' prudent credit standards and robust risk governance framework.

Deposits aggregated ₱789.3 billion as of December 31, 2023. This marked a 7% increase, indicating the continued trust of the public in the thrift banking sector. Resident transactions helped keep deposits stable. Other sources of funding, such as bills payable, remained minimal. Conversely, the capital position held firm and provided thrift banks with a reliable buffer in times of crisis. Total capital increased by 10%, reaching ₱157.0 billion.

Thrift banks continued to be well capitalized as capital ratios were well above the minimum thresholds set by the BSP and the Bank for International Settlements. As of December 31, 2023, the capital adequacy ratio (CAR) of the thrift banking system was at 18.14%.

The operations of the thrift banking system remained profitable, driven by revenues from lending and investing activities. For the year ended December 2023, net profit increased by 13% to reach ₱18.5 billion. Amid challenging economic conditions, thrift banks were able to manage their portfolios and temper the impact of high borrowing costs. These were likewise observed in other earning indicators, particularly return on equity and return on assets, which improved from 10.59% and 1.46% in 2022 to 12.33% and 1.84% in 2023, respectively.

The thrift banks operated amid a leaner, stronger, and more inclusive and technology-enabled banking landscape. Banks also bolstered their competitiveness by investing in technological advancements. As of December 31, 2023, the total number of thrift banks declined to 42.

Based on the published statement of condition (SOC) submitted with the BSP which differs from Philippine Financial Reporting Standards (PFRS) in some respects as of December 31, 2023, CBS was the second largest thrift bank in terms of resources and deposits and third in ranking based on loan size.

NO	APD BLU	LOCATION/ADDRESS
43	PAGADIAN	Broca Street corner B. Aquino Street, Pagadian, Zamboanga
44	PASSI CITY, ILOILO	LA Building, M. Palmares Street, Barangay Poblacion Ilawod, Passi City, Iloilo
45	PUERTO PRINCESA, PALAWAN	Rizal Avenue, corner Roxas Street Barangay Tagumpay, Puerto Princesa City, Palawan
46	ROXAS	1 McKinley Building, McKinley corner San Roque Streets, Roxas City
47	SAN CARLOS, NEGROS OCCIDENTAL	V. Gustilo Street, San Carlos City, Negros Occidental
48	SAN JOSE DE BUENAVISTA	Aml Building 1, Cor. Dalipeatabay, San Jose De Buenavista, Antique
49	SAN JOSE, NUEVA ECIJA	Maharlika Highway, Barangay Malasin, San Jose City
50	SAN NICOLAS	G/F Unit 6, VYV Building, Valdez Center, Barangay 1, San Nicolas, Ilocos Norte
51	SOGOD, SOUTHERN LEYTE	Zone IV, Osmena Street Sogod Southern Leyte
52	SOLANO	2627 Zurman Plaza, 225 J.P. Rizal Avenue, Poblacion South, Solano, Nueva Vizcaya
53	SURIGAO	Gaisano Capital Mall Building, Luna Street, Surigao City
54	TABUK, KALINGA	Sebastian Building, Purok 3, Bakras, Bulanao, Tabuk City, Kalinga
55	TAGBILARAN	Old Holy Spirit School Building A, Jacinto Borja corner Remolador Street, Tagbilaran City, 6300 Bohol
56	TANAY	2/F Manila East Road Corner E. Rodriguez Avenue, Tanay, Rizal
57	TETUAN, ZAMBOANGA	Unit 05-06 G/F JSB Building., Don Alfaro Street Tetuan Zamboanga City
58	URDANETA, PANGASINAN	Alexander Street corner Belmonte Street, Barangay Poblacion, Urdaneta City, Pangasinan
59	VALENCIA, BUKIDNON	Tamay Lang Business Triangle Building, Hagkol, Sayre Highway, Valencia City
60	VIRAC	2/F Imperial Building, Gogon Centro, Virac, Catanduanes



CBS believes that local players would maintain a solid foothold in the domestic market despite the tougher competition.

#### Sources and Availability of Raw Materials and the Names of Principal Suppliers

Not applicable

#### Customer/Clients

There is no single customer that accounts for 20% or more of the Bank's deposits and loans.

#### Transaction 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 (DOS-RI). These loans and other transactions are in accordance with the Bank's policy and are regularly 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.

Transactions with related parties and with certain DOSRI are discussed in the Audited Financial Statements (Exhibit 2).

#### Trademarks, Licenses, Franchises, etc.

CBS is operating under a thrift banking license obtained in 1999. Over the years, CBS has registered its corporate brand, slogan, and product trademarks with the Intellectual Property Office (IPO) of the Philippines – Bureau of Trademarks, as follows:

- The Bank is operating under a thrift banking license per MB Resolution No. 512 dated April 21, 1999.
- The Bank is the registered owner of the logo of CBS and the trademarks: Easi-Save, Easi-Checking, Easi-Earn, Easi-Funds, Easi-Drivin', Easi-Livin', Easi-Financin' and CBS Easi-Padala.

- In 2015, the Bank obtained a bancassurance license from BSP.
- The Bank launched its new tagline, "Easy Banking For You" in 2017 and submitted with the IPO the trademark application for "Easy Banking For You" and Easi-APDS Loan.
- The Bank also filed applications for trade names 'Plantersbank' and 'Planters Development Bank'.

#### Need for Any Government Approval of Principal Products or Services

The Bank's business activities are regulated by the government agencies such as BSP, Philippine Deposit Insurance Corporation (PDIC) and SEC. Existing products and services are within the scope allowed under the Bank's regulatory licenses.

#### Effects of Existing or Probable Governmental Regulations

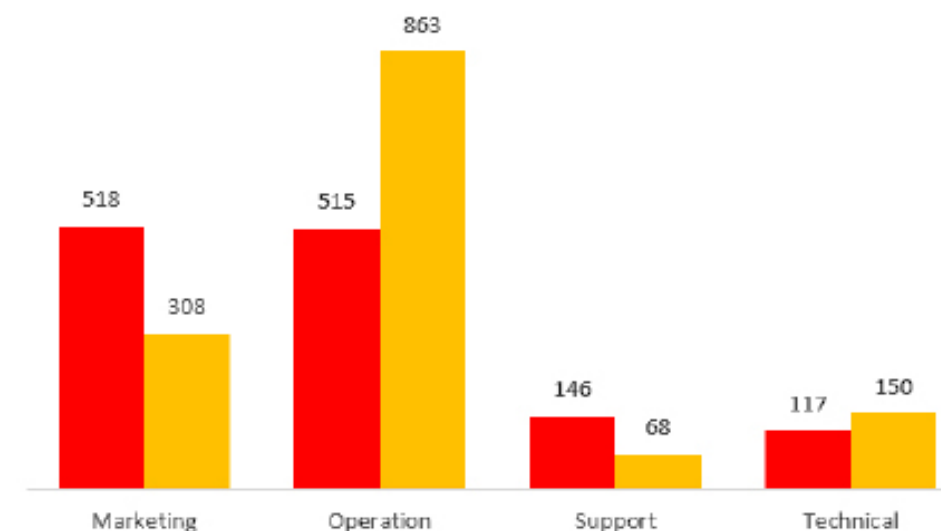
The Bank strictly complied with the BSP requirements in terms of reserves, liquidity position, capital adequacy, limits on loan exposure, cap on foreign exchange holdings, provision for losses, anti-money laundering provisions and other reportorial requirements.

#### Amount spent on research and development activities

There are no major expenses on research and development activities. Expenses incurred related to these activities are included in the regular business expense of the Bank.

#### Costs and effects of compliance with environmental laws

Not applicable.



2023 Actual Manpower

#### Total Number of Employees

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

	2023 Actual		
	Officers	Staff	Total
Marketing	518	308	826
Operations	515	863	1378
Support	146	68	214
Technical	117	150	267
<b>Grand Total</b>	<b>1296</b>	<b>1389</b>	<b>2685</b>

CBS ended the year 2023 with a total manpower of 2,685 employees. The number increased by 11% from the previous year (2022 manpower: 2,417). Of the total headcount, 48% are officers and 52% are staff. The expansion of ADPS' business largely contributed to the increase.

As part of the Bank's institutional-building program, the Bank has an Employee Recognition Program to motivate, recognize, and reward the movers and performers among its junior officers and staff, especially those who provide valuable back-office support to the marketing frontline.

The China Bank Savings Employees Union has an existing Collective Bargaining Agreement for the period November 1, 2019 to October 31, 2024.



## Risk Management Framework

The Bank is exposed to all business risks that confront all banks in general, such as credit, market, interest rate, liquidity, legal, regulatory, and operational risk. The Bank's risk management structure and process that serve as mechanism to identify, assess and manage these risks are further discussed in the Audited Financial Statements (Exhibit 2).

## Disclosure on Capital Structure and Capital Adequacy

### Regulatory Qualifying Capital

Under existing BSP regulations, the determination of the Bank's compliance with regulatory requirements and ratios is based on the amount of the Bank'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.

### Capital Fundamentals

The Bank can only achieve sustainable growth by maintaining strong capital fundamentals. Major business initiatives with the appropriate capital planning were undertaken in coordination with the Parent Bank which also took into consideration constraints and changes in the regulatory environment. This was necessary to ensure that the Bank's commercial objectives are equally aligned with its ability to maintain an adequate capital position. The Board of Directors and management recognize that a balance should be achieved with respect to the Bank's earnings outlook vis-à-vis capital fundamentals that can take advantage of growth opportunities while increasing the Bank's ability to absorb shocks.

Risk-based capital components, including deductions for 2023 and 2022 are shown below:

	2023	2022
Common Equity Tier (CET) 1 Capital:		
Paid-up common stock	₱11,541,414,900	₱10,541,414,900
Additional paid-in capital	475,349,012	485,349,012
Retained earnings	1,913,788,606	638,281,212
Undivided profits	1,919,377,186	1,867,054,672
Other comprehensive income	(43,358,364)	(82,144,316)
Unsecured DOSRI	(1,705,056)	(2,193,545)
Deferred tax assets	(1,443,430,712)	(1,319,430,712)
Goodwill	(119,621,347)	(119,621,347)
Other intangible assets	(810,990,405)	(820,030,170)
Other equity investment	(2,192,208)	(2,192,208)
Other capital adjustments	-	(493,509,489)
Defined benefit pension fund (assets) liabilities	(15,395,660)	(5,703,593)
<b>Total CET 1 Capital</b>	<b>13,413,235,952</b>	<b>10,687,274,416</b>
Additional Tier 1 Capital	2,164,200	2,164,200
<b>Total Tier 1 Capital</b>	<b>13,415,400,152</b>	<b>10,689,438,616</b>
Tier 2 Capital:		
Appraisal increment reserve	66,095,270	66,095,270
General loan Loss provision	1,020,266,509	785,367,497
<b>Total Tier 2 Capital</b>	<b>1,086,361,779</b>	<b>851,462,767</b>
<b>Total Qualifying Capital</b>	<b>₱14,501,761,931</b>	<b>₱11,540,901,383</b>

## Risk-based capital ratios:

	2023	2022
CET 1 Capital	₱15,806,571,341	₱13,449,955,480
Less regulatory adjustments	(2,393,335,389)	(2,762,681,064)
Total CET 1 Capital	13,413,235,952	10,687,274,416
Additional Tier 1 Capital	2,164,200	2,164,200
Total Tier 1 Capital	13,415,400,152	10,689,438,616
Tier 2 Capital	1,086,361,779	851,462,767
<b>Total Qualifying Capital</b>	<b>14,501,761,931</b>	<b>11,540,901,383</b>
<b>Risk Weighted Assets</b>	<b>₱115,170,904,217</b>	<b>₱91,012,765,690</b>
CET 1 Capital Ratio	11.65%	11.74%
Capital Conservation Buffer	5.65%	5.74%
Tier 1 Capital Ratio	11.65%	11.74%
Total Capital Adequacy Ratio	12.59%	12.68%

The regulatory Basel III qualifying capital of the Bank consists of Common Equity Tier 1 capital (going concern capital), which comprises paid-up common stock, additional paid-in capital, deposit for common stock subscription, retained earnings, undivided profits and other comprehensive income less required deductions such as unsecured credit accommodations to DOSRI, deferred tax assets, goodwill, other intangible assets, and other equity investment. The other component of regulatory capital is Tier 2 capital (gone-concern capital), which includes general loan loss provision and appraisal increment reserve. A capital conservation buffer of 2.50% comprised of CET 1 capital is likewise imposed in the Basel III capital ratios.

The capital requirements for Credit, Market, and Operational Risk are listed below:

	2023	2022
Credit Risk	₱103,528,046,475	₱81,600,250,664
Market Risk	464,926,621	49,526,196
Operational Risk	11,177,931,121	9,362,988,830
<b>Total Capital Requirements</b>	<b>₱115,170,904,217</b>	<b>₱91,012,765,690</b>

## Credit Risk-Weighted Assets

On-balance sheet exposures, net of specific provisions and not covered by CRM:

	As of December 31, 2023		As of December 31, 2022	
	Exposures, net of Specific Provisions	Exposures not Covered by CRM	Exposures, net of Specific Provisions	Exposures not Covered by CRM
Cash on Hand	<b>₱2,851,768,141</b>	<b>₱2,851,768,141</b>	₱2,369,380,657	₱2,369,380,657
Checks and Other Cash Items	<b>2,780,802</b>	<b>2,780,802</b>	4,875,191	4,875,191
Due from BSP	<b>11,300,316,184</b>	<b>11,300,316,184</b>	14,041,089,169	14,041,089,169
Due from Other Banks	<b>2,201,708,374</b>	<b>2,201,708,374</b>	2,233,452,981	2,233,452,981
Available-for-Sale Financial Assets	<b>12,472,507,787</b>	<b>12,472,507,787</b>	1,974,905,319	1,974,905,319
Held-to-Maturity Financial Assets	<b>6,322,204,505</b>	<b>6,322,204,505</b>	5,958,606,158	5,958,606,158
Loans and Receivables	<b>111,372,124,533</b>	<b>101,357,419,370</b>	88,683,937,232	77,774,496,032
Loans and Receivables arising from Repurchase Agreements	<b>3,646,147,859</b>	<b>3,646,147,859</b>	1,967,743,130	1,967,743,130
Sales Contract Receivables	<b>1,081,461,198</b>	<b>1,081,461,198</b>	1,006,571,964	1,006,571,964
Real and Other Properties Acquired	<b>1,766,183,683</b>	<b>1,766,183,683</b>	1,864,866,272	1,864,866,272
Other Assets	<b>3,418,970,430</b>	<b>3,418,970,430</b>	2,835,761,409	2,835,761,409
<b>Total On-Balance Sheet Assets</b>	<b>₱156,436,173,496</b>	<b>₱146,421,468,333</b>	₱122,941,189,482	₱112,031,748,282

Credit equivalent amount for off-balance sheet items, broken down by type of exposures, are as follows:

	As of December 31, 2023		As of December 31, 2022	
	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent
Direct credit substitutes	<b>₱ -</b>	<b>₱ -</b>	₱ -	₱ -
Transaction-related contingencies	<b>82,681,021</b>	<b>41,340,510</b>	84,280,000	42,140,000
Trade-related contingencies arising from movement of goods	<b>8,672,979</b>	<b>1,734,596</b>	7,000,000	1,400,000
Other commitments (which can be unconditionally cancelled at any time by the bank without prior notice)	<b>1,619,136,235</b>	-	1,454,441,562	-
<b>Total Notional Principal and Credit Equivalent Amount</b>	<b>₱ 1,710,490,235</b>	<b>₱ 43,075,106</b>	₱ 1,545,721,562	₱ 43,540,000

There is no credit equivalent amount for counterparty credit risk in the trading books as the Bank has no derivative exposures.

The following credit risk mitigants are used in the December 2023 capital adequacy ratio (CAR) report:

- guarantees by government-owned and controlled corporation (GOCC), which guarantees are counter-guaranteed by the Philippine National Government;
- holdout vs. peso deposit or deposit substitute;
- holdout vs. foreign currency-denominated unit (FCDU) deposit; and
- assignment or pledge of government securities.

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

	As of December 31, 2023		
	On-balance sheet	Off-balance sheet	Total
<b>Below 100 %</b>	<b>₱12,546,850,634</b>	<b>₱ -</b>	<b>₱12,546,850,634</b>
<b>100% and above</b>	<b>90,938,120,735</b>	<b>43,075,106</b>	<b>90,981,195,841</b>
<b>Total</b>	<b>₱103,484,971,369</b>	<b>₱43,075,106</b>	<b>₱103,528,046,475</b>

	As of December 31, 2022		
	On-balance sheet	Off-balance sheet	Total
<b>Below 100 %</b>	<b>₱9,080,216,599</b>	<b>₱ -</b>	<b>₱9,080,216,599</b>
<b>100% and above</b>	<b>72,476,494,065</b>	<b>43,540,000</b>	<b>72,520,034,065</b>
<b>Total</b>	<b>₱81,556,710,664</b>	<b>₱43,540,000</b>	<b>₱81,600,250,664</b>

Total credit risk-weighted assets, broken down by type of exposures, are as follows:

	As of December 31, 2023		
	On-balance sheet	Off-balance sheet	Total
<b>Below 100 %</b>	<b>₱12,546,850,634</b>	<b>₱ -</b>	<b>₱12,546,850,634</b>
<b>100% and above</b>	<b>90,938,120,735</b>	<b>43,075,106</b>	<b>90,981,195,841</b>
<b>Covered by CRM</b>	-	-	-
<b>Excess GLLP</b>	-	-	-
<b>Total</b>	<b>₱103,484,971,369</b>	<b>₱43,075,106</b>	<b>₱103,528,046,475</b>

	As of December 31, 2022		
	On-balance sheet	Off-balance sheet	Total
<b>Below 100 %</b>	<b>₱9,080,216,599</b>	<b>₱ -</b>	<b>₱9,080,216,599</b>
<b>100% and above</b>	<b>72,476,494,065</b>	<b>43,540,000</b>	<b>72,520,034,065</b>
<b>Covered by CRM</b>	-	-	-
<b>Excess GLLP</b>	-	-	-
<b>Total</b>	<b>₱81,556,710,664</b>	<b>₱43,540,000</b>	<b>₱81,600,250,664</b>

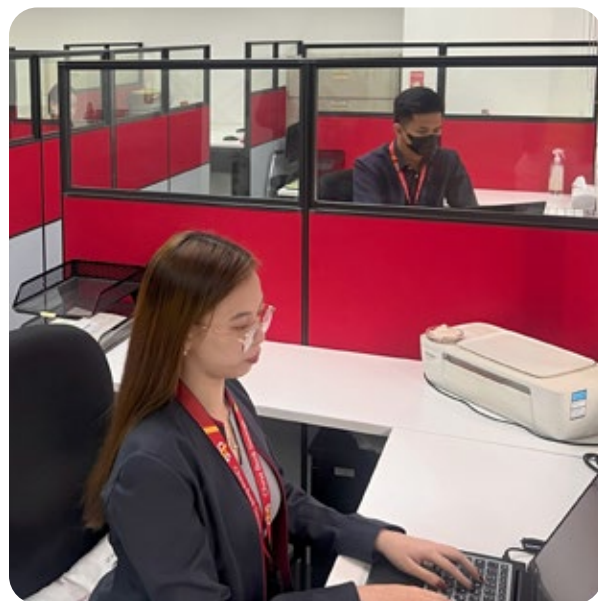
Standardized credit risk weights were used in the credit assessment of asset exposures. Third party credit assessments were based on ratings by Standard & Poor's, Moody's and Fitch, while PhilRatings were used on peso-denominated exposures to Corporates.



### Market Risk-Weighted Assets

The Standardized Approach is used in the Bank's market risk-weighted assets.

	2023	2022
Interest Rate Exposures	₱—	₱—
Specific Risk	-	-
General Market Risk	-	-
PhP	-	-
USD	-	-
Total Capital Charge	-	-
Adjusted Capital Charge	-	-
<b>Risk-Weighted Interest Rate Exposures</b>	-	-
<b>Risk-Weighted Equity Exposures</b>	-	-
Foreign Exchange Exposures		
Total Capital Charge	<b>35,539,877</b>	3,962,096
Adjusted Capital Charge	<b>44,424,847</b>	4,952,620
<b>Risk-Weighted Foreign Exchange Exposures</b>	<b>464,926,621</b>	49,526,196
<b>Risk-Weighted Options</b>	-	-
<b>Total Market Risk-Weighted Assets</b>	<b>₱464,926,621</b>	₱49,526,196



### Operational, Legal, and Other Risks

For operational risk, the exposure of the Bank is profiled using a number of methodologies which also include the analysis of reported losses arising from operations, compliance risk, environment and social risk, and legal risk as part of the Internal Capital Adequacy Assessment Process (ICAAP) to validate if the computed

capital requirement using the Basic Indicator Approach (BIA) is enough to cover the assessed exposure under plausible scenario and worst-case scenario. As of December 31, 2023, the capital allocation for operational risk amounted to ₱1,117.8 million. The analysis on past 3 years reported incidents and losses arising from above-mentioned categories disclosed that the highest actual losses per category under plausible scenario is estimated at ₱132.7 million while highest reported losses on worst-case is estimated at ₱196.3 million.

Tools such as the risks and controls self-assessment (RCSA), the analysis of historical loss reports and the monitoring of key risk indicators (KRI) and key performance indicators (KPI) further allow risk management to identify high risk areas, loss drivers, and trends which can be acted upon by management to prevent material failures in its processes, people, systems, and resiliency measures against external events. These results are periodically reported to management and cover all aspects of the business from core operating capabilities of the units, all products and services, outstanding legal cases, and even its sales and marketing practices.



For legal risk, the Bank assessed the status of pending legal cases with the objective of identifying those subject to final resolution in the next twelve months and with high probability for the Bank to lose the legal proceedings.

### Operational Risk-Weighted Assets

The Bank's Operational Risk Weighted Assets under the BIA is ₱11.2 billion and ₱9.4 billion as of December 31, 2023 and 2022, respectively.

### Internal measurement of interest rate risk in the banking book

The Bank's interest rate risk (IRR) originates from its holdings of interest rate sensitive assets and interest rate sensitive liabilities. Internally, the Earnings-at-Risk (EaR) method is used to determine the effects of adverse interest rate change on the Bank's interest earnings. The Bank's interest sensitive assets and liabilities are assumed affected by interest rate movements on its repricing date for floating rates and on its maturity for fixed rates.

Demand and savings deposits, on the other hand, are generally not interest rate sensitive. Provided in the table below are the approximate reduction in annualized interest income of a 100 bps adverse change across the PhP and USD yield curves. The loan portfolio growth that was mainly funded by short term time deposits are with yields at around 12% as compared to funding cost of around 3.74%.

Earnings-at-Risk In ₱ millions	2023	2022
PhP IRR Exposures	<b>(₱241)</b>	(₱80)
USD IRR Exposures	<b>(4)</b>	(8)

## OPERATIONAL AND FINANCIAL INFORMATION

### MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

#### 1. Market Information

The registrant's equity is not listed in any exchange. There was one (1) share transferred in 2023.

PERIOD	NO. OF SHARES TRANSFERRED	PRICE PER SHARE	
		High	Low
January 1, 2022 to December 31, 2023	1*		

\*Note: a. one (1) Shareholding of Dir. William C. Whang was transferred to newly appointed Dir. Romeo D. Uyan, Jr.

#### 2. Holders

The Bank's authorized common shares (₱100 par value) amounted to 134.0 million in 2023 and 2022 and authorized preferred shares (₱100 par value) amounted to 6.0 million in 2023 and 2022. There are approximately 1,428 stockholders of the 115,414,149 subscribed common shares as of December 31, 2023. The top 20 common shareholders as of December 31, 2023 are as follows:

NO	NAME OF STOCKHOLDER	NUMBER OF SHARES	% OF HOLDINGS
1	China Banking Corporation	114,995,882	99.64%
2	Marinduque Mining and Industrial Corp.	46,002	0.04%
3	Bogo Medellin Milling Co., Inc.	33,521	0.03%
4	Reyes, Rodrigo C.	31,205	0.03%
5	Estate of Gil J. Puyat	13,729	0.01%
6	Development Bank of the Philippines	8,418	0.01%
7	Jipson, Espinela A.	8,248	0.01%
8	Cruz, Manuel C.	6,313	0.01%
9	Puyat, Patria Gil VDA. DE	5,350	0.00%
10	Newsal Enterprise	5,036	0.00%
11	Pryce Plans, Inc.	4,984	0.00%
12	Del Rosario, Pedro R.	4,938	0.00%
13	Gocolay, Antonio K.	4,587	0.00%
14	Magsaysay, Cecilia Hernaez	4,284	0.00%
15	Hernaez, Celina R.	4,283	0.00%
16	Ponce, Teofilo L.	3,852	0.00%
17	Estate of Bienvenido P. Buan	3,789	0.00%
18	Heirs of Florencio and Rizalina Buan	3,789	0.00%
19	Reyes, Edmundo A.	3,789	0.00%
20	Reyes, Felipe Delos, and OR Reyes, Rose M. R. De Los Reyes	3,670	0.00%



#### 3. Dividends

There were no dividends declared in 2023 and 2022. The payment of the dividends in the future will depend upon the earnings and financial condition of the Bank and other factors.

#### 4. Recent Sales of Unregistered Securities or Exempt Securities

There were no unregistered securities sold by the Bank for the past three (3) years. The Bank issued new shares from its authorized but unissued shares. These securities distributions were exempt from registration requirement under Section 10.2 of the Securities Regulation Code.

### MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

#### 1. Plan of Operation

Guided by the Parent Bank's bold vision to preserve its legacy as the bank of choice for its customers, CBS aims to further strengthen its profitability and sustain market share in core business lines, intensify product innovation and cross-selling by way of optimizing resources from its distribution network, and reach untapped efficiencies as it continues to enable seamless and safer banking experiences through its digital banking platform. Over the

next years, CBS remains committed to become a top-of-mind financial services provider for both the SME and retail markets. The Bank will sustain the existing segmented strategy to maximize gains, diversify revenues, and meet customer demands with its distinct brand of quality service.

Cognizant of a challenging environment operating under elevated interest rates and inflationary headwinds, CBS will continue to support the growth of SME customers in target industries. On the retail front, CBS will further broaden access to APD, housing, auto, and personal loans across multiple touchpoints—branches, sales offices, kiosks, and digital platforms—with the goal of increasing the share of consumer loans to total credit portfolio. Maintaining a sound asset quality will remain a top priority for management as well, even as the Bank continues to balance the returns and risks from a bigger loan portfolio.

CBS will continue to leverage on its extensive distribution network, robust digital and human capabilities, and strong balance sheet to pursue growth opportunities, increase operating efficiencies, and ultimately, meet its stakeholders' expectations and deliver sustainable outcomes.

To achieve the net income target over the next twelve months, the Bank's efforts and action plan shall cover the following priority areas: (a) shift to high-yielding loan portfolio that will generate



sustainable earnings stream; (b) build-up current accounts/savings accounts (CASA) deposits on the back of CBS' wide market coverage and strong client acquisition and service culture build; (c) reduce non-performing assets (NPAs) composed of real and other properties acquired (ROPA) and non-performing loans (NPLs) as the Bank prudently manages its balance sheet and utilizes its capital efficiently; (d) increase non-interest income mainly coming from fee-based loans and deposit generation, Digital Banking Business, cash management services (CMS) products/services, Bancassurance, and NPA recovery efforts that will provide recovery income and gains from ROPA disposal; and (e) improve operational efficiency that involves refining the organizational structure, driving innovation across products and channels, and pursuing cost-efficient automation and process improvements.

The top priority is to continuously expand the higher-yielding loan products. The APD (teachers') loans and consumer loan products, composed of retail housing, auto, personal, handy salary, and handy credit loans, will continue to be the major component of CBS' loan portfolio for 2024. This strategy will enable the Bank to realize a more stable loan portfolio and generate sustainable earnings stream.

The Bank would further build up its APD loan portfolio by widening the geographical footprint of sales offices. The Bank's strategy is to bridge the market gap by expanding its distribution channels and market reach through its multi-channel customer touchpoints. In addition to the lending centers and utilization of the Bank's brick-and-mortar branch network, the Bank will establish new BLUs in strategic rural areas and in areas with a high concentration of APD market. These physical offices will be complemented by digital touchpoints for faster client onboarding and loan booking. The launching of the APD ATM savings account product in 2023 served as the Bank's unique distinction from its competitors' offerings.

The Bank's consumer business is also set to steadily expand and grow its share of the total loan portfolio while the SME/corporate segment will concentrate on growing the smaller ticket business loans, prioritizing loan growth on essential and bounce-back industries. The retail housing and auto loans segments will continue to bring in the volume in 2024.

The Bank will also continue to deepen market penetration through active leads generation, widening the branch network coverage, solidifying relationships through top-notch customer experience, and offering a broader menu of thrift banking products and services. Critical marketing and operational support shall be provided to achieve the goals. The Bank will boost its social media, online presence, and marketing campaigns, ramp up publicity, and other promotional activities. The Bank's strengthened community involvement and visibility through tie-ups and partnerships (i.e., the DepEd) will develop and result to better business relationships, well-established CBS presence and further create more lending opportunities.

The Bank will also continue its initiatives toward automating and streamlining the loan origination process to be more competitive, provide better client service and achieve a faster turn-around time to an expanding customer base. This will include the continuous improvement of the existing loans origination workflow by significantly cutting manual processes from application to approval. These improvements on credit approval will boost the Bank's ability to further compete with the big players and meet the growing business volume and greater customer demand for speed and convenience.

The Bank's lending business will continue to be funded by deposits. The existing distribution network, complemented by digital channels, will continue to serve as the primary platform for distributing the deposit products and growing the client base. Enhancing customer profitability will be a must as the Bank sheds higher cost of deposits.

To sustain CASA growth, CBS will intensify new-to-bank CASA acquisition with focus on retail and business accounts and implement enhanced CASA expansion promos. The renewed focus on CMS will aim to increase deposit stickiness amid tight competition.

The Bank's distribution network remains at the heart of its strategies to acquire customers, generate low-cost funds, and deepen customer relationships. To further improve the market coverage, additional branches will be opened and some branches will be relocated in growth areas outside of Metro Manila. The Bank believes that client proximity and a deeper understanding of its depositors' banking requirements are still the key growth factors in the banking business. The one-look program across

all of the branch network that aims to improve the facilities and improve the appearance of branches will also be continued. This initiative is expected to attract more depositors to the branches. Additional ATM network will be deployed and additional armored cars will be utilized for complementary deposit generation.

The branch network will continue to utilize a sales strategy that allows for tailor-fit and tactical outreach initiatives within each locality. The branches' focus revolves around building personal and professional ties in the community and fostering business partnerships and relationships with the Bank's clients. CBS will continue building strong customer relationships by delivering the exceptional service and solutions—both digital and in-person—as the clients expect and deserve. To support branch-based CASA build up efforts, the Bank will aggressively use social media to target the prospects in the areas where it operates. Marketing initiatives will be launched to boost consumer confidence in CBS brand, encourage foot traffic to brick-and-mortar branches and drum up interest in deposit and consumer offers like retail housing, auto, and APD loan.

As the banking industry is in a digital arms race, CBS will continue to closely work with its Parent Bank to continuously enhance its digital banking capabilities. For retail banks, online and mobile channels have become as important, if not more important, than branches and ATMs. The Bank will also capitalize on existing alternative and electronic banking channels and launch programs to drive up enrollment and utilization rates for ATMs, Cash Acceptance Machines, and the internet and mobile banking platform to facilitate efficient and secure banking transactions. The enhancement of the mobile banking application provides clients with an on-the-go and secure way of managing accounts and has marked CBS' gradual transformation from being a traditional banking partner into one of the leading financial service providers.

For asset quality, the Bank will continue to pursue a more proactive and aggressive reduction of NPAs through its active remediation and NPL Recovery Program, ROPA Reduction through sale and disposal and enhanced Customer Engagement Initiatives.

Growth in the core business will also result to the increase in non-interest income on the back of higher fee-based income from Loans and Deposits.



Fee-based income is projected to improve as segment cross-selling and up-selling initiatives continue. Additional income would also come from Digital Banking Business and CMS products/services, and Bancassurance. Central to the Bank's strategy is Digital Banking Transformation, wherein more of its services will cater to digital mediums to provide a vastly improved customer experience. Together with China Bank, CBS will develop a "true" omnichannel platform that allows clients to access financial services faster and easier online or through mobile. In line with this, the Bank's digital presence, primarily through its website, will be mobile-optimized and sales-centric. Digital marketing for clients will also be developed, including criteria-based marketing campaigns and automatic lead tracking and nurturing.

The aforementioned strategies will also be strongly supported by improved operational efficiency. The Bank will focus on addressing productivity through manpower optimization and workforce planning, process improvements and automation on the backroom support.

In terms of capitalization, the Board and the Board of the Parent Bank approved the Bank's request for an additional capital of ₱2 billion from the Parent Bank. The infusion will allow the Bank to support its sustained loan expansion and enhance its ability to cover and serve more segments of the banking and unbanked population. The first tranche of ₱1 billion was infused in 2023.





With the growth in loan portfolio, improvement in asset quality, increase in CASA, higher fee-based income and effective cost management, net income will significantly increase over the next 5 years.

## 2. Management's Discussion and Analysis

### a. Analysis of Statements of Condition

#### As of December 31, 2023 and 2022

CBS' total assets was recorded at ₱157.4 billion in 2023, 27% higher year-on-year, supported by the expansion in investment securities and net loans.

Cash and cash equivalents composed mainly of due from Bangko Sentral ng Pilipinas and due from other banks posted decreases by 20% to ₱11.3 billion and 1% to ₱2.2 billion, respectively, from the drop in year-end placements with the BSP and deposits with correspondent banks. Meanwhile, securities purchased under resale agreements rose by ₱1.7 billion to ₱3.6 billion from higher overnight placements with the BSP.

Total investment securities amounted to ₱18.7 billion, up by more than 1.4x. Financial assets at fair value through profit or loss were newly acquired during the year. Meanwhile, financial assets at fair value through other comprehensive income (FVOCI) and investment securities at amortized cost posted increases by more than 5x and 6%, respectively, with the build-up in such investments.

Gross loans grew by 25% to ₱113.6 billion. Repositioned to focus on the retail market segment, the APD loan portfolio expanded by 52% on a year-on-year basis, followed by the 18% sustained annual growth in retail housing loans and 16% annual increase in auto loans. Net loans reached ₱110.3 billion.

Non-current assets held for sale increased to ₱213.4 million due to various foreclosures and repossession activities during the year. Property and equipment increased by 18% to ₱2.0 billion driven by the business expansion activities during the year. Meanwhile, investment properties decreased by 10% to ₱1.9 billion mainly attributed to the significant sales during the year, despite continued foreclosure and repossession activities. Deferred tax assets was up 11% to ₱1.5 billion.

On the liabilities side, deposits increased by 27% to ₱137.7 billion, driven by the 47% build-up of time deposits to ₱90.5 billion which mainly supported the consistent growing demand and volume of both the APD and consumer loans. Low-cost funds accounted for 34% of total deposits. The Bank continued to focus on sourcing retail and cheaper funds. However, the high interest rate environment intensified the competition and liquidity pressure for banks, including CBS. Manager's checks increased to ₱689.7 million because of higher outstanding checks for negotiation. Accrued interest and other expenses increased 59% to ₱1.0 billion, with the setup of expense accruals. Income tax payable was at ₱2.6 million.

Total equity reached ₱15.6 billion, 22% higher than last year's ₱12.8 billion, mainly from the ₱1.0 billion capital infusion of the Parent Bank in 2023 and 45% increase in surplus attributed to the improved operations of the Bank for the year. Net unrealized losses on financial assets at FVOCI amounted to ₱70.8 million, better than last year's ₱160.4 million because of mark-to-market revaluation of the Bank's FVOCI securities. Remeasurement gains on defined benefit asset was lower at ₱20.9 million due to changes in actuarial assumptions.

The Bank's total Capital Adequacy Ratio (CAR) was computed at 12.59%, which is above the regulatory minimum requirement.



#### As of December 31, 2022 and 2021

CBS' total assets breached the ₱100-billion mark and was recorded at ₱124.0 billion in 2022, 29% higher year-on-year, supported by the expansion in investment securities and net loans.

Cash and cash equivalents composed mainly of due from Bangko Sentral ng Pilipinas and due from other banks posted increases by 46% to ₱14.0 billion and 27% to ₱2.2 billion, respectively, from the increase in year-end placements with the BSP and deposits with correspondent banks. Securities purchased under resale agreements also rose by 29% to ₱2.0 billion from higher overnight placements with the BSP.

Total investment securities amounted to ₱7.9 billion, up by 9%. Financial assets at fair value through other comprehensive income (FVOCI) and investment securities at amortized cost posted increases by 3% and 11%, respectively, with the build-up in such investments.

Gross loans grew by 32% to ₱90.9 billion. Repositioned to focus on the retail market segment, the APD loan portfolio expanded by 104% on a year-on-year basis, followed by the 16% sustained annual growth in retail housing loans and 10% annual increase in auto loans. Net loans reached ₱87.7 billion.

Non-current assets held for sale was down to ₱166.8 million mainly attributed to the significant sales during the year, despite continued foreclosure and repossession activities. Property and equipment was at ₱1.6 billion. Meanwhile, investment properties decreased by 7% to ₱2.2

billion mainly attributed to the significant sales during the year, despite continued foreclosure and repossession activities. Deferred tax assets was up 15% to ₱1.3 billion.

On the liabilities side, deposits increased by 32% to ₱108.2 billion, driven by the 5% build-up of low-cost funds to ₱46.8 billion. The Bank continued to focus on sourcing retail and cheaper funds. However, the high interest rate environment intensified the competition and liquidity pressure for banks, including CBS. During the year, the high-cost funds increased by 64% or equivalent to ₱24.0 billion which mainly supported the consistent growing demand and volume of both the APD and consumer loans. Accordingly, the significant growth in short-term high-cost deposits faster than the CASA growth resulted to a CASA ratio of 43% as of December 31, 2022. Manager's checks decreased to ₱254.6 million because of lower outstanding checks for negotiation. Accrued interest and other expenses increased 87% to ₱642.7 million, with the setup of expense accruals.

Total equity reached ₱12.8 billion, 13% higher than last year's ₱11.3 billion, mainly from the 64% increase in surplus attributed to the improved operations of the Bank for the year. Net unrealized losses on financial assets at FVOCI amounted to ₱160.4 million, worse than last year's ₱31.8 million because of mark-to-market revaluation of the Bank's FVOCI securities. Remeasurement gains on defined benefit asset was lower at ₱62.6 million due to changes in actuarial assumptions.

The Bank's total Capital Adequacy Ratio (CAR) was computed at 12.68%, which is above the regulatory minimum requirement.



## b. Discussion of Results of Operations

### For the years ended December 31, 2023 and 2022

CBS posted a 16% increase in net income to ₱1.8 billion in 2023 on the back of robust operating income and effective cost management. The ₱1.0 billion capital infusion despite the higher net profit, translated to a slightly lower return on equity of 12.84% and a return on assets of 1.30%.

Total interest income grew by 45% to ₱11.8 billion due to the continuous build-up in earning assets. Interest income from loans and receivables was up 37% to ₱10.3 billion from ₱7.5 billion on the back of robust year-on-year loan portfolio expansion. Interest income from trading and investment securities recorded a 73% growth from the build-up in securities holdings. Interest income from due from BSP and other banks, interbank loans receivable, and securities purchased under resale agreements increased by more than 1.9x to ₱976.6 million with the higher volume of placements with the BSP and other banks.

Total interest expense amounted to ₱4.6 billion, ₱3.1 billion larger than last year as interest expense on deposit liabilities increased by more than 2x arising from the deposit expansion and higher funding cost. Interest expense on lease payable was up 34% due to higher interest charged on outstanding lease liability.

Total non-interest income was higher by 14% to ₱1.1 billion from notable improvements in core fee income. Service charges, fees, and commissions rose 7% to ₱458.3 million. The upturn in sales of foreclosed assets and swing in gain on asset foreclosure and dacion transactions resulted in the increase of gain on asset exchange by 1% to ₱379.9 million.

In line with the Bank's thrust to further strengthen its balance sheet, the Bank set aside a total of ₱1.0 billion provision for impairment and credit losses.

Operating expenses (excluding provision for impairment and credit losses) increased by 17% to ₱5.1 billion mainly from higher revenue-related costs due to business growth and higher core operating expenses due to inflationary pressures. Compensation and fringe benefits were up 14% to ₱1.5 billion primarily due to the expansion of the Bank's APD lending business offset by the efforts to reduce manpower cost through its rationalization

and redeployment programs. Depreciation and amortization up by 14% to ₱489.3 million. Taxes and licenses were up 52% to ₱636.0 million mainly from higher revenue- and volume-related taxes arising from business growth. Security, clerical, messengerial and janitorial went up by 4% to ₱329.4 million. Documentary stamp taxes rose by 75% to ₱537.8 million with the ramp-up in lending and deposit-taking activities. Insurance, which includes PDIC premium payments, grew 32% to ₱344.7 million with the annual expansion in deposits. Other cost items were kept at a manageable single-digit growth, notwithstanding the continued investment in branch network expansion, technology, system upgrades, and customer acquisition initiatives



### For the years ended December 31, 2022 and 2021

CBS posted a 60% increase in net income to ₱1.6 billion in 2022 on the back of robust operating income and effective cost management. The higher net profit translated to an improved return on equity of 13.06% and a return on assets of 1.44%.

Total interest income grew by 28% to ₱8.1 billion due to the continuous build-up in earning assets. Interest income from loans and receivables was up 26% to ₱7.5 billion from ₱6.0 billion on the back of robust year-on-year loan portfolio expansion. Interest income from investment securities at amortized cost and at fair value through other comprehensive income recorded a 12% growth from the build-up in securities holdings. Interest income from due from BSP and other banks, interbank loans receivable, and securities purchased under resale agreements increased by more than 1.2x to ₱337.6 million with the higher volume of placements with the BSP and other banks and increase in market and policy rates.

Total interest expense amounted to ₱1.5 billion, ₱639.5 million or 72% larger than last year as interest expense on deposit liabilities increased by 76% arising from the deposit expansion and higher funding cost. Interest expense on lease payable was down 9% due to lower interest charged on outstanding lease liability. Total non-interest income was higher by 16% to ₱969.5 million from notable improvements in core fee income. Service charges, fees, and commissions declined 9% to

₱429.2 million. The upturn in sales of foreclosed assets and swing in gain on asset foreclosure and dacion transactions resulted in the increase of gain on asset exchange by 85% to ₱376.2 million.

In line with the Bank's thrust to further strengthen its balance sheet, the Bank set aside a total of ₱1.5 billion provision for impairment and credit losses.

Operating expenses (excluding provision for impairment and credit losses) increased by 17% to ₱4.3 billion mainly from higher revenue-related costs due to business growth and higher core operating expenses due to inflationary pressures. Compensation and fringe benefits were up 4% to ₱1.3 billion primarily due to the expansion of the Bank's APD lending business offset by the efforts to reduce manpower cost through its rationalization and redeployment programs. Depreciation and amortization declined by 1% to ₱429.7 million. Taxes and licenses were up 17% to ₱417.7 million mainly from higher revenue and volume-related taxes arising from business growth. Security, clerical, messengerial and janitorial went up by 25% to ₱315.7 million. Documentary stamp taxes rose by 47% to ₱306.7 million with the ramp-up in lending and deposit-taking activities. Insurance, which includes PDIC premium payments, grew 6% to ₱261.6 million with the annual expansion in deposits. Other cost items were kept at a manageable single-digit growth, notwithstanding the continued investment in branch network expansion, technology, system upgrades, and customer acquisition initiatives.

### c. Key Performance Indicators

#### Definition of Ratios

##### Capitalization – BSP prescribed formula

Total CAR	-	$\frac{\text{Total Qualifying Capital}}{\text{Total Risk Weighted Assets}}$
CET 1/Tier 1 Ratio	-	$\frac{\text{CET 1 / Tier 1 Capital}}{\text{Total Risk Weighted Assets}}$

##### Asset Quality

Gross Non-Performing Loans (NPL) Ratio	-	$\frac{\text{Gross Non-Performing Loans}}{\text{Gross Loans and Receivables}}$
NPL Cover	-	$\frac{\text{Total Allowance for Credit Losses on Loans and Receivables}}{\text{Gross Non-Performing Loans}}$

##### Liquidity

Liquid Assets to Total Assets	-	$\frac{\text{Total Liquid Assets}}{\text{Total Assets}}$
Loans (net) to Deposit Ratio	-	$\frac{\text{Loans and Receivables, net of Allowance}}{\text{Deposit Liabilities}}$

##### Solvency

Debt to Equity Ratio	-	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$
Asset to Equity Ratio	-	$\frac{\text{Total Assets}}{\text{Total Equity}}$

##### Profitability

Return on Equity (ROE)	-	$\frac{\text{Net Income after Tax}}{\text{Average Total Equity}}$
Return on Assets (ROA)	-	$\frac{\text{Net Income after Tax}}{\text{Average Total Assets}}$
Cost-to-Income Ratio	-	$\frac{\text{Total Operating Expenses excluding Provision for Impairment and Credit Losses}}{\text{Total Operating Income}}$

	2023	2022	2021
<b>Capitalization Ratio</b>			
Total CAR	12.59%	12.68%	14.09%
CET 1/ Tier 1 Ratio	11.65%	11.74%	13.18%
<b>Asset Quality</b>			
Gross NPL Ratio	3.30%	4.50%	6.89%
NPL Cover	88.49%	78.44%	68.79%
<b>Liquidity</b>			
Liquid Assets to Total Assets	20.62%	18.21%	17.66%
Loans (net) to Deposit Ratio	80.14%	81.07%	79.93%
<b>Solvency</b>			
Debt to Equity Ratio	906.05%	867.56%	745.19%
Asset to Equity Ratio	1,006.05%	967.56%	845.19%
<b>Profitability</b>			
ROE	12.84%	13.06%	9.12%
ROA	1.30%	1.44%	1.02%
Cost-to-Income Ratio	61.63%	57.22%	58.81%

#### Capital Adequacy

##### As of December 31, 2023 and December 31, 2022

CBS' CET 1 / Tier 1 Ratio and total CAR ratios were computed at 11.65% and 12.59%, respectively. The Bank's capital is largely comprised of CET 1 / Tier 1 (core) capital.

##### As of December 31, 2022 and December 31, 2021

CBS' CET 1 / Tier 1 CAR and total CAR ratios ended at 11.74% and 12.68%, respectively, as of December 31, 2022 and 13.18% and 14.09%, respectively, as of December 31, 2021; all well above the minimum regulatory requirements.

#### Asset Quality

##### As of December 31, 2023 and December 31, 2022

CBS recorded a non-performing loan (NPL) ratio of 3.30%, lower from previous year's 4.50% due to gross loans expansion and decrease in NPLs. NPL cover remained sufficient at 88.49%.







As of December 31, 2022 and December 31, 2021

Asset quality remained healthy amid the loans' year-on-year expansion. Gross NPL ratio further improved to 4.50% as of end-2022 from 6.89% as of end-2021. NPL cover was registered at 78.44% as of December 2022 and 68.79% as of December 2021.

**Liquidity**

As of December 31, 2023 and December 31, 2022

The Bank's liquidity position was recorded at 20.62%, higher than 18.21% as of end-2022 due to the build-up in liquid assets.

As of December 31, 2022 and December 31, 2021

The Bank's liquidity ratio was steady at 18.21% as of end-2022 compared to 17.66% as of end-2021.

**Solvency Ratios**

As of December 31, 2023 and December 31, 2022

Debt-to-equity and asset-to-equity ratios for the year were recorded at 9x and 10x, respectively.

As of December 31, 2022 and December 31, 2021

Debt-to-equity and asset-to-equity ratios as of end-2022 were recorded at 8.7x and 9.7x, respectively, slightly higher versus 7.5x and 8.5x, respectively, as of end-2021.

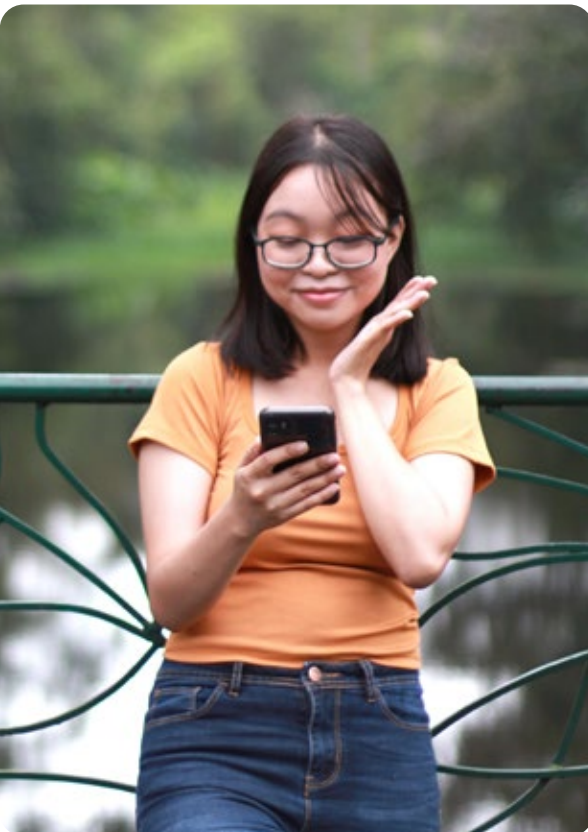
**Profitability**

For the year ended December 31, 2023 and December 31, 2022

CBS posted a net income of ₱1.8 billion, up 16% year-on-year, resulting in an improved ROE of 12.84% and ROA of 1.30%. Cost-to-income ratio increased to 61.63% from 57.22% as the Bank continued to invest heavily in the needed improvements to provide the best service to customers.

For the year ended December 31, 2022 and December 31, 2021

Full-year 2022 net income of P1.6 billion translated to an ROE of 13.06% and a ROA of 1.44%. Cost-to-income ratio improved to 57.22% in 2022 from 58.81% in 2021.



**Key Variables and Other Qualitative and Quantitative Factors**

**a. Liquidity**

The Bank manages its liquidity position to ensure that it has more than adequate funds to meet its obligations at any given time. The Bank monitors its daily liquidity and reserve position by determining inflows and outflows, short-term and long-term obligations, holdings and repayments. Short-term liquidity management identifies obligations and repayments in the next 12-months, aids in the determination of the securities trading strategy, and influences the Bank's pricing mechanism. On the other hand, long-term liquidity management covers maturing obligations and repayments of loans and investments beyond the next 12-months. The level of liquid assets remained strong, exhibiting healthy growth in both placements with BSP/other banks and investments.

With the Bank's current capitalization, current liquidity position, strong deposit growth trend, continuing development of retail and corporate accounts, and prudent liquidity management, CBS

does not anticipate encountering any cash flow or liquidity problems in the next 12 months. It remains confident of its ability to meet its obligations and is committed to providing the necessary funding to support the projected loan growth, investment activities and expenditures for 2024.

**b. Events that will Trigger Direct or Contingent Financial Obligation**

In the normal course of the Bank's operations, there are various outstanding commitments and contingent liabilities such as guarantees and commitments to extend credit, which are part of its lending and related businesses but due to their nature, may not be reflected in the accompanying financial statements. The Bank, however, does not anticipate significant losses as a result of these transactions.

Also, several suit and claims, in behalf or against the Bank in relation to its operations, are pending before the courts and quasi-judicial bodies. In the opinion of management, these suits and claims, if decided adversely, will not involve an amount having a material effect on the financial statements.



c. Material Off-Balance Sheet Transactions, Arrangements, and Obligations

The following is a summary of the Bank’s commitments and contingent liabilities at their equivalent peso contractual amounts:

	2023	2022
Committed credit lines	₱1,606,914,018	₱1,431,696,797
Standby domestic letters of credit	82,681,021	84,280,000
Late deposits/payments received	18,430,808	22,965,523
Outward bills for collection	2,026,255	2,040,344
Others	438,133	4,738,897
	₱1,710,490,235	₱1,545,721,561

None of these off-balance sheet transactions, arising in the ordinary course, either individually or in the aggregate, are expected to have a material adverse effect on the Bank’s financial condition.



c. Material Commitments for Capital Expenditures

The Bank’s capital expenditures in 2023 included expenses for renovation and relocation of existing branches and lending centers, establishment of additional branches, ATMs and cash acceptance machine, new sales offices, APD lending centers and APD BLUs, and upgrade of bank premises including infrastructure, furniture, fixtures and equipment, IT-related activities on systems and licenses. For 2024, the Bank plans to continue opening a number of brick-and-mortar branches and ATMs, APD lending centers, APD BLUs and relocate some branches, among others. Capital expenditures will be sourced from the Bank’s capital and operations.



d. Causes for Any Material Changes from Period to Period of Financial Statements

See previous discussion on Analysis of Statements of Condition and Discussion of Results of Operations.

e. Known Trends, Events or Uncertainties or Seasonal Aspects

The financial statements of the Bank have been prepared in compliance with PFRS.

FINANCIAL STATEMENTS

Please refer to the attached Exhibit 2 for the Audited Financial Statements as of and for the years ended December 31, 2023 and 2022.

Independent Public Accountant

SyCip, Gorres, Velayo, & Co. (SGV & Co.), independent certified public accountants, audited the Bank’s financial statements without qualification and in accordance with Philippine Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of its examination, in its report to the stockholders and Board of Directors.

The following table sets out the aggregate fees billed for each of the years ended December 31, 2023 and 2022 for professional services rendered by SGV & Co. for the audit of the Bank’s annual financial statements.

	2023	2022
Audit and Audit-Related Fees:		
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	₱3,062,180	₱2,836,000

The Bank did not engage the services of SGV & Co. for a non-audit related work in 2023 and 2022.

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.

Audit Committee’s Approval Policies and Procedures for Above Services

As China Bank’s subsidiary, the Bank adopted the Parent Bank’s policies and procedures on audit engagement contract for external auditors. The same was discussed and approved by the Audit Committee. Included in the duties and responsibilities of the Audit Committee as provided for in the Audit Committee Charter are to recommend to the Board of Directors the appointment, re-appointment and dismissal of external auditors; to review, and evaluate the external auditors’ qualifications, performance, independence, and objectivity; and to review the external auditors’ audit plan and scope among others.

The following are the members of Bank’s Audit Committee:

Chairman	Claire Ann T. Yap, <i>Independent Director</i>
Vice-Chairman	Genaro V. Lapez, <i>Independent Director</i>
Member	Antonio S. Espedido Jr., <i>Independent Director</i>



CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The financial statements of the Bank for the years ended December 31, 2023 and 2022 have been audited by SGV & Co. in accordance with Philippine Financial Reporting Standards. There were no changes in and disagreements with accountants on accounting and financial disclosures.

CONTROL AND COMPENSATION INFORMATION

DIRECTORS AND EXECUTIVE OFFICERS

The Members of the Board of Directors (as of December 31, 2023)

The Board of Directors is composed of distinguished members with extensive background in banking and business. The members of the Board hold the office for the remainder of the term of their successors and, with prior approval of the MB, concurrently with their position/s in the Parent Bank.

The Directors’ number of years including number of shares held are as follows:

NAME OF MEMBERS	PRINCIPAL STOCKHOLDER REPRESENTED	NUMBER OF YEARS SERVED AS DIRECTOR	NUMBER OF DIRECT AND INDIRECT SHARES HELD	PERCENTAGE OF SHARES HELD TO TOTAL OUTSTANDING SHARES OF THE BANK
1. Ricardo R. Chua	None	16 yrs. and 3 mos.	1	0.00000000948%
2. Nancy D. Yang	None	16 yrs. and 3 mos.	1	0.00000000948%
3. James Christian T. Dee	None	2 yrs. and 8 mos.	1	0.00000000948%
4. Romeo D. Uyan, Jr.	None	more than 9 mos.	1	0.00000000948%
5. Jose L. Osmeña, Jr.	None	almost 1 year	1	0.00000000948%
6. Patrick D. Cheng	None	almost 6 years	1	0.00000000948%
7. Herbert T. Sy, Jr.	None	2 yrs. and 6 mos.	1	0.00000000948%
8. Philip S. L. Tsai*	None	5 yrs. and 1 mo.	1	0.00000000948%
9. Claire Ann T. Yap*	None	more than 3 years	1	0.00000000948%
10. Genaro V. Lapez*	None	2 yrs. and 6 mos.	1	0.00000000948%
11. Antonio S. Espedido, Jr.*	None	1 year and 6 mos.	1	0.00000000948%

\*Independent Director

(Additional Info about the the Board of Directors is in pg. 96 - 103)

Executive Officers (as of December 31, 2023)

a. Non-Director Member of Executive Committee

**Aloysius C. Alday, Jr.**, 54, Filipino, is a non-director member of the Executive Committee. He is the Executive Vice President and Head of the Consumer Banking Segment for CBC, and interlocked with CBSI as of the date of his appointment. Prior to his current appointment, he was the Group Head of the Bank’s Cards Business and Customer Contact Center, which was reorganized into the Consumer Banking Segment to oversee Consumer Banking, Factoring Multi-Purpose Loans, Cash Management and Remittance Business in addition to the Cards Business and Customer Contact Center. He has over 25 years of experience in the banking industry in the Philippines and abroad, having worked at HSBC, Metrobank

Card Corporation, and Metrobank in the fields of cards and payments, retail banking, consumer and corporate credit risk, and bancassurance. Mr. Alday holds a Bachelor of Science degree in Business Administration from the University of the Philippines, and has had extensive training on AML, data privacy, and corporate governance.

b. Incumbent Executive Officers (as of December 31, 2023)

**Jan Nikolai M. Lim**, 47, Filipino, Senior Vice President, is the Head of Consumer Lending Group. He joined China Bank Savings, Inc. on December 1, 2011 as Head of Housing and Personal Loans with the rank of First Vice President I and was promoted to FVPII in January 2017. With his success in housing loans and personal loans, he was appointed as the Head of Consumer Lending Group in 2015. He has been with CBSI for 11 years now. Prior to joining the Bank, he served as the Vice President of East West Banking



Corporation, Vice President of Philippine Savings Bank, Assistant Vice President of Standard Chartered Bank and started his banking career in Citibank, N.A. as a Manager in 2001. Mr. Lim is a degree holder of Bachelor of Science in Manufacturing Engineering and Management from De La Salle University.

**Luis Bernardo A. Puhawan**, 48, Filipino, First Vice President II, is the Controller of the Bank. Prior to CBSI, he was the Controller of the former Planters Development Bank. In 2006, he joined Planters Development Bank as Assistant Vice President and Head of the Financial Reporting and Control Department. Before joining Planters Development Bank, he worked for Philippine Veterans Bank from 2002 to 2005, Deutsche Knowledge Services - Manila from 2005 to 2006 and SGV & Co. from 1997 to 2002. A Certified Public Accountant, Mr. Puhawan is a degree holder of Bachelor of Science in Accountancy from the University of Santo Tomas.

**Niel C. Jumawan**, 54, Filipino, First Vice President II, is the Head of APDS Lending Group. Before joining CBSI, he held various key positions at City Savings Bank, Inc. He also worked as Front Desk Officer of Staff Experts, Inc. (assigned at Pag-Ibig Fund), Loan Programmer of WVSU Multi-Purpose Cooperative, Sales and Training Supervisor of Forest Lake Development, Inc., Sales Manager, Branch Head and Business Development Officer of Visayas for Sky Internet, Inc. Mr. Jumawan is a degree holder of Computer Science Major in Computer Technology and Bachelor of Science in Commerce Major in Management from the University of Iloilo.

**Adonis C. Yap**, 54, Filipino, First Vice President I, is the Head of the Digital Banking Group. Mr. Yap was formerly the Head of the Marketing Group and was an Ex-Officio member of the Information Technology (IT) Steering Committee. He was hired by Planters Development Bank (PDB) in June 1999. He was also the Cash Management Services Department Head from June 1999 to September 2002 and Head of Product Management and Marketing Department from 2003 to 2007. In 2015, and during the integration of CBSI and PDB until 2017, he handled the Alternative Channels and Business Process Management Group. He also took over the Marketing Division when its Head resigned in early 2018. Mr. Yap took his Bachelor of Science major in Management at the Collegio de San Juan de Letran in 1991.

**Atty. Josephine F. Fernandez**, 61, Filipino, First Vice President, is the Head of Human Resources Division. She was a former Senior Vice President and Head of Human Resources of East West Banking Corporation, Vice President and Deputy Head of Human Resources of Bank of the Philippine Islands, and First Vice President and Deputy Head of Human Resources of Metropolitan Bank & Trust Co. She also held various positions at Equitable Banking Corporation and Bank of Tokyo-Mitsubishi. She started her career as College Instructor at University of Luzon with the Commerce Department. Atty. Fernandez is a degree holder of Bachelor of Science degree in Business Administration from the University of the Philippines - Diliman in 1983 and took her Bachelor of Laws in San Beda College and San Sebastian College, Manila in 1993.

**Francis Andre Z. De Los Santos**, 51, Filipino, First Vice President I, is a Director, and the General Manager and Chief Information Officer of Bank subsidiary CBC-PCCI. He was the Head of Business Solutions Division of the Bank prior to his secondment and the integration of Business Solutions into CBC-PCCI. He previously worked in SM Retail, Inc. and Metropolitan Bank and Trust Company, gaining significant experience in the retail and banking business. Mr. Delos Santos graduated with a Bachelor of Science degree in Business Administration – Major in Computer Applications from De La Salle University. He has had trainings in information systems, business information security, cybersecurity governance, and financial technology, among others.

*Note: Interlocked with CBSI April 27, 2023, duly approved by the BSP*

**Mary Grace F. Guzman**, 58, Filipino, Vice President II, is the Head of Asset Recovery Group (ARG). Before joining CBSI, she was an Account Officer in United Overseas Bank Phil., and consultant, Project Manager for ECLSR Project of the World Bank – LGU Guarantee Corp. She is a degree holder of Bachelor of Science in Business Administration from the University of the Philippines.

**Frederick M. Pineda**, 55 years old, Filipino, Vice President II, was appointed Head of the Centralized Operations Group (COG). Before his appointment as the COG Head, he was Deputy Head at the same Group. In addition, Mr. Pineda was CBSI's Internal Audit Division Head from 2020 to 2021, and Branch Audit Department Head at CBC from 2012 to 2019. He held various positions at Far East Bank & Trust Company before joining CBC. Mr. Pineda is a degree holder of Bachelor of Science in Commerce major in Accounting from the University of St. La Salle – Bacolod.

**Hanz Irvin S. Yoro**, 41, Filipino, Vice President II, is the Information Security Officer of the CBC. He is concurrently the Information Security Officer of CBC. Prior to joining CBC, he was the Information Security Officer of Megalink and EPacific Global. Mr. Yoro is a degree holder of Bachelor of Science in Computer Science Information Technology from Asia Pacific College.

*Note: Interlocked with CBSI April 27, 2016, duly approved by the BSP*

**Atty. Roberto M. Buenaventura**, 51, Vice President I, is the Head of the Legal Services Division. Prior to CBSI, he was with the United Coconut Planters Bank (UCPB) since 2010 as Legal Officer and Legal Services Head. He engaged in private legal practice under his own law firm from 1998 to 2010. He has served in the government as Provincial Legal Officer of the Province of Basilan from 1998 to 2007. He has also served as Associate Professor in Western Mindanao State University College of Law from 1998 to 2007 and Basilan State College Law Department from 1998 to 2000. Atty. Buenaventura took his pre-law degree in Bachelor of Arts in Public Administration from the University of the Philippines in 1993 and Bachelor of Laws Degree from San Beda College of Law in 1997.

**Charmaine S. Hao**, 46, Filipino, Vice President I, is the Treasurer of the Bank. Before CBSI, Ms. Hao joined Planters Development Bank in 2001 and was assigned as a Senior Dealer from September 3, 2001 to August 15, 2010. On August 16, 2010, she was appointed as Deputy Treasury Head until August 15, 2015. Consequently, she also became the Secretary of Assets and Liability Committee (ALCO). On December 18, 2015, after Planters Development Bank was merged with CBSI, Ms. Hao was assigned as Head of Funds Management Department. As the Funds Management Department Head, she assists the Treasury Group Head in managing and supervising the Bank's liquidity and trading activities. For the past years, she has ensured that all funding requirements of the Bank are efficiently serviced. Moreover, she has been managing the cost of short-term placements to minimize the funding cost and thereby improve the carry income of the Bank. Ms. Hao is a degree holder of Bachelor of Science in Legal Management from the Ateneo De Manila University.

**Raymond C. Apo**, 56, Filipino, Vice President I, is the Risk Management Division Head. He has more than 20 years of banking experience. Prior to joining the Bank, he held various key positions at Solidbank Corporation, First Metro Investment Corporation, Rizal Commercial Banking Corporation, Asiatrust Development Bank, and Export and Industry Bank. A Certified Public Accountant, Mr. Apo is a degree holder of Bachelor of Science in Commerce Major in Accountancy from Far Eastern University.

**Atty. Corazon T. Llagas**, 58, Vice President I, is the Chief Compliance Officer of the Bank. Prior to CBS, she was with Bank of Commerce from 2016 to 2021 as Chief Compliance Officer, and Head of Remedial and Litigation Department from 2011 to 2016. She was also with Metrobank as Compliance Specialist from 2003 to 2011 and as Legal Officer from 2003 to 2008. Atty. Llagas took her higher education from the University of the Philippines where she obtained a degree in Bachelor of Arts in Sociology in 1987, Master of Arts in Sociology in 1991, and Bachelor of Laws Degree in 1998.

**Brenda S. Santiago**, 54, Filipino, Senior Assistant Vice President, is the Head of SME Lending Group. Before joining CBSI, she was hired as the Small Biz Division Head in April 2018 and was promoted as SLG Luzon Lending Division Head effective July 15, 2021. Her previous bank stints were as an account officer starting 2002 in United Coconut Planters Bank, then to LBC Development Bank from 2007 to 2011, and then Metropolitan Bank & Trust & Co., from 2011 to 2013. Ms. Santiago worked at PBCom from 2013 to 2015 and also in Maybank from 2015 to 2018 prior to joining CBS in 2018. She took up Bachelor of Science in Information and Computer Science in 1990 and Bachelor of Science in Nursing in 2004.

**Warren Augustus D. de Guzman**, 42, Filipino, Assistant Vice President, is the Head of Customer Experience Management, Marketing Services, and Sustainability Division. His previous bank stint was with Planters Development Bank, where he completed his management training program as an Account Relationship Officer from 2003-2006. He moved to broadcast media in 2006, served as a News Anchor, Reporter, Executive Producer for ABS-CBN News Channel until 2015, and Senior Business Journalist at ABS-CBN from 2015 to 2023. He was a pioneering member of the multi award winning ABS-CBN Data Analytics Team from 2017 to 2023. Throughout his career, Mr. de Guzman built key relationships with public institutions, such as the BSP, the SEC, Philippine Stock Exchange (PSE), and major listed corporations such as Ayala Corporation and Metro Pacific Investments. He has certifications in Finance Planning and Content Marketing, and has received training in ESG (Environmental, Social and Governance) from CBC, SMIC, GIZ, and PWC. Mr. de Guzman took up his Bachelor of Arts Major in Social Science degree at the Ateneo De Manila University.

**Atty. Arturo Jose M. Constantino, III**, 40, Filipino, Assistant Vice President, is the Corporate Secretary of the Bank. Prior to joining the Bank, he served as Corporate Legal Counsel for both multinational and local companies, including Music Group of Companies and Filinvest Land, Inc. He was also an Associate Lawyer for Paras and Manlapaz Lawyers, and Valerio and Associates Law Offices, where he acted as Corporate Secretary for various clients. He holds a Juris Doctor Degree from the Ateneo De Manila Law School.

*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 officers works in the government.*

### 3. Term

The Directors are elected to hold office for one (1) year until the next succeeding annual stockholders' meeting or until the respective successors have been elected and qualified.

### 4. Significant Employees

The registrant is not highly dependent on the services of certain key personnel.

### 5. Family Relationship

None of the directors or officers is related to each other within the fourth degree either by consanguinity or affinity.

### 6. Involvement in Certain Legal Proceedings

The Bank has no knowledge of any involvement of any of the directors or executive officers in any material legal proceedings affecting their ability or integrity before any court of law or administrative body in the Philippines or elsewhere for the last five (5) years.

## EXECUTIVE COMPENSATION

Comparative amount of salaries paid for the Directors and Key Executives of the Corporation (with cut off of December 31, 2023), and, any amount of per diem including bonus of the directors.

	YEAR	SALARY	BONUS, PER DIEM, and OTHER COMPENSATION	TOTAL
<b>Total for the 5 most highly compensated executive officers</b>	2024 (estimate)	₱23,022,144	₱12,489,866	₱35,512,010
	2023 (actual)	23,559,804	12,547,092	36,106,896
	2022 (actual)	21,976,344	7,668,662	29,645,006
<b>Total for all key executive officers</b>	2024 (estimate)	25,570,380	13,789,145	39,359,525
	2023 (actual)	25,963,800	13,772,827	39,736,627
	2022 (actual)	26,513,612	9,278,235	35,791,847
<b>Total for all Directors</b>	2024 (estimate)	–	2,386,000	2,386,000
	2023 (actual)	–	2,516,000	2,516,000
	2022 (actual)	–	2,646,000	2,646,000

*\* For Years 2022-2023: Messrs. Jan Nikolai M. Lim, Niel C. Jumawan, Luis Bernardo A. Puhawan, Josephine F. Fernandez, Jaydee P. Caparas*

*\* For 2024: Messrs. Jan Nikolai M. Lim, Niel C. Jumawan, Luis Bernardo A. Puhawan, Josephine F. Fernandez, Mary Grace F. Guzman*

- The Key Executive Officers who were appointed by China Bank to CBS on a concurrent/seconded basis do not receive salaries and other bank benefits, bonuses and per diem from the registrant.
- The Directors, who hold their offices concurrently with their positions in China Bank, likewise receive no fees, per diem and bonuses from the registrant. Only the Independent Directors received per diems from the registrant.
- The only contract existing between the executive officers and the registrant is that of an employee–employer relationship.
- There are no other compensation arrangements for their services.
- There are no outstanding warrants or stock options held by the registrant's officers and directors.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

1. Security Ownership of Certain Record and Beneficial Owners

The following own more than 5% of any class securities as of December 31, 2023.

TITLE OF CLASS	NAME, ADDRESS OF RECORD OWNER, AND RELATIONSHIP W/ ISSUER	BENEFICIAL OWNER AND RELATIONSHIP W/ RECORD OWNER	CITIZENSHIP	NO. OF SHARES HELD	%
Common Stock	China Banking Corporation	Mr. Hans T. Sy, Mr. Herbert T. Sy, and Mr. Harley T. Sy and family, owning 39% in parent corporation/ parent Bank, China Banking Corporation	Filipino	114,995,882	99.64%

The Chairman, Mr. Ricardo R. Chua, is the duly authorized representative of China Banking Corporation, and shall exercise the right to vote all the above-enumerated shares by appropriate proxy.

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

2. Security Ownership of Directors and Top Management

TITLE OF CLASS	NAME OF RECORD OWNER	AMOUNT (₱)	CITIZENSHIP	PERCENTAGE
Directors				
Common Stock	Ricardo R. Chua	100	Filipino	0.00010%
Common Stock	Nancy D. Yang	100	Filipino	0.00010%
Common Stock	James Christian T. Dee	100	Filipino	0.00010%
Common Stock	Romeo D. Uyan, Jr.	100	Filipino	0.00010%
Common Stock	Patrick D. Cheng	100	Filipino	0.00010%
Common Stock	Herbert T. Sy, Jr.	100	Filipino	0.00010%
Common Stock	Jose L. Osmeña, Jr.	100	Filipino	0.00010%
Common Stock	Philip S. L. Tsai	100	Filipino	0.00010%
Common Stock	Claire Ann T. Yap	100	Filipino	0.00010%
Common Stock	Genaro V. Lapez	100	Filipino	0.00010%
Common Stock	Antonio S. Espedido, Jr.	100	Filipino	0.00010%
	Total as a Group	1,100		0.0011%

3. Voting Trust Holders of 5% or More

No other person holds more than 5% of a class under voting trust or similar agreement.



CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS

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

Related party transactions are also discussed in the Audited Financial Statements (Exhibit 2).





## CORPORATE GOVERNANCE

### GOVERNANCE MECHANISMS AND POLICIES

The corporate governance structure of the Bank is supported by the policies and mechanisms adopted to foster a culture of good governance. These are enshrined in the Bank's Corporate Governance Manual, Code of Ethics, Compliance Manual, and various internal circulars. The Bank has also adopted leading practices in corporate governance for the continuous promotion and protection of its stakeholders.

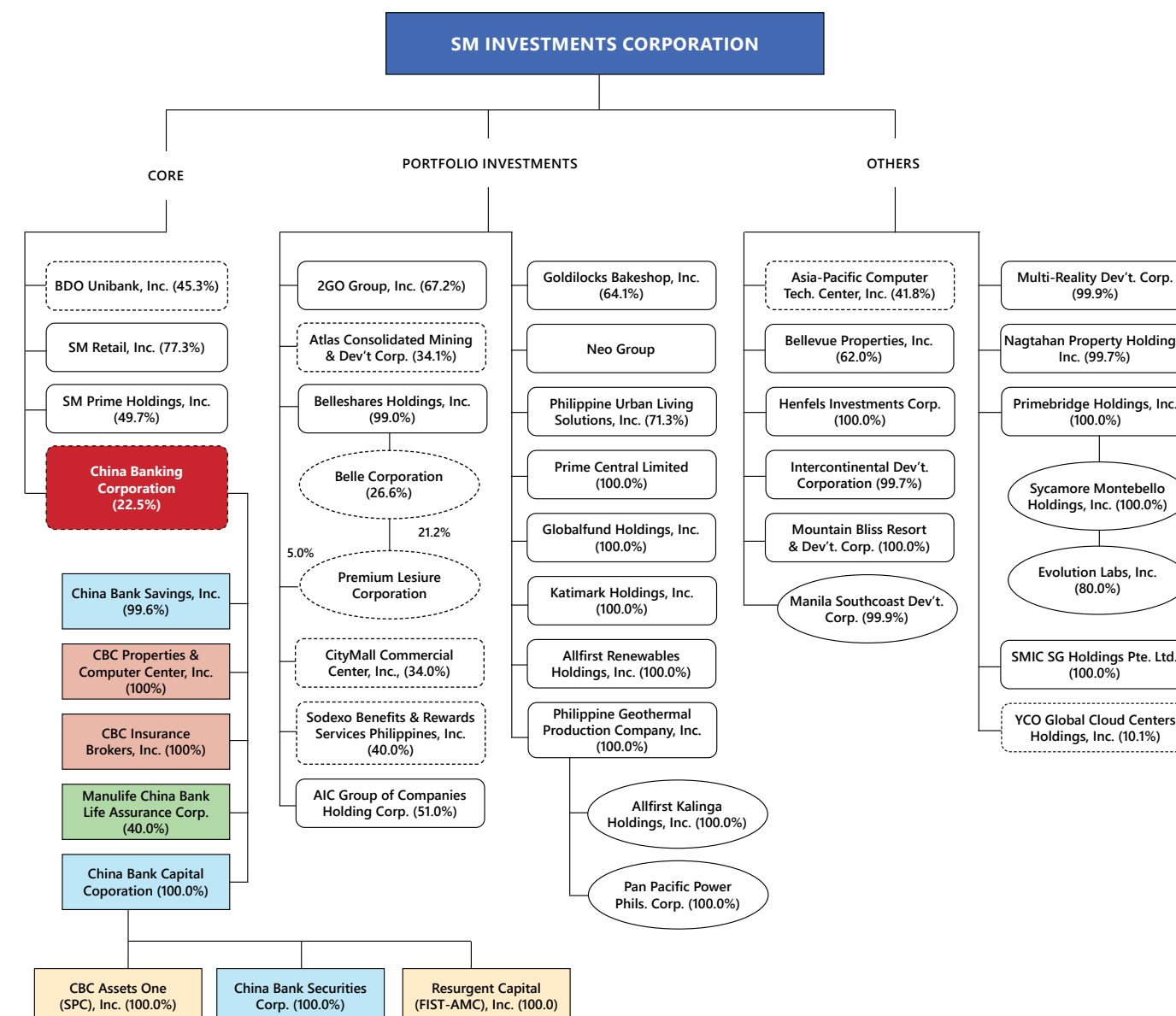
The Bank is continuously updating its Board-approved Manual on Corporate Governance. The Manual embodies the principles of good corporate governance and best practices. To comply with the new regulations issued by the BSP, the Manual was recently revised and approved by the Board. The amendment solidifies the Bank's commitment to formalize and institutionalize the principles of good corporate governance in the entire organization and strengthened the oversight function of the Board of Directors.

The Board of Directors, management, employees, and shareholders believe that good corporate governance is a necessary component of what constitutes sound strategic business management. Thus, it has, within the bounds of its resources, implemented all planned action to create a heightened and continuing awareness on good corporate governance within the organization.

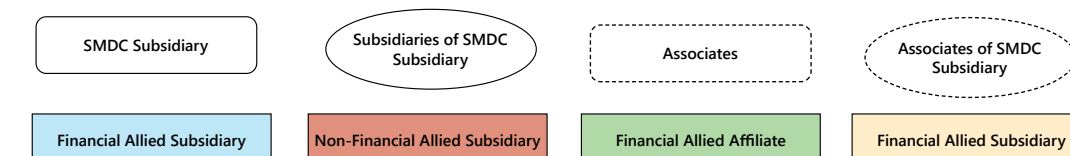
To ensure good governance, there is an evaluation system for the Board, individual Directors, and various Board Committees such as Executive Committee, Risk Oversight Committee, Audit Committee, and Corporate Governance Committee.

The Annual Corporate Governance Report (ACGR) was submitted by the Bank to the SEC for 2023 and uploaded on the Bank's website under Corporate Governance. Therefore, it is no longer necessary to submit a certification of compliance.

## CONGLOMERATE STRUCTURE

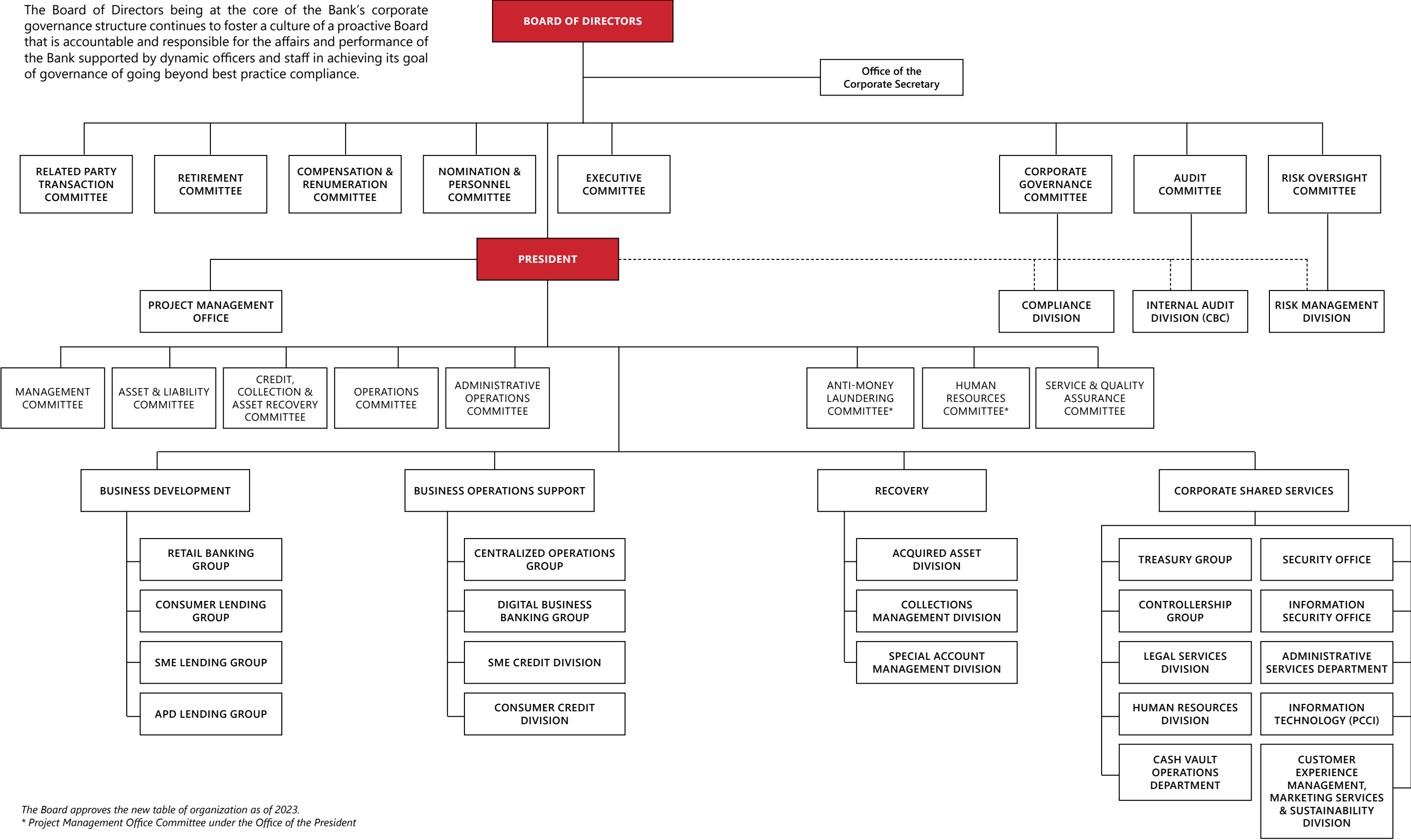


Legend:  
% Refers to the Effective Ownership Interest, except for the CBC group (subsidiaries and affiliates), where % refers to the direct shareholding of the parent company.



THE 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 supported by dynamic officers and staff in achieving its goal of governance of going beyond best practice compliance.



The Board approves the new table of organization as of 2023.  
\* Project Management Office Committee under the Office of the President



## Board of Directors

The Bank has eleven (11) directors out of eleven (11) seats as stated in its By-Laws. 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 broad 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, as well as other areas relevant to the Bank's operations.

Acknowledging the significant and crucial roles of Independent Directors, the Bank has four (4) independent directors in the Board to promote independent oversight of management by the Board of Directors. The Bank's Independent Directors are independent of management and major/substantial shareholders, and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with exercise of independent judgment in carrying out their responsibilities as directors of the Bank.

The members of the Board are given a copy of their general and specific duties and responsibilities as prescribed by the Manual of Regulations for Banks (MORB); the directors acknowledge that they have received and certify that they read and fully understood the same. Copies of the acknowledgement receipt and certification are submitted to the BSP within the prescribed period. Moreover, the Directors individually submit a Sworn Certification that they possess all the qualifications as enumerated in the MORB. These

certifications are submitted to the 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 Meetings and Supply of Information

The meetings of the Board are scheduled in advance in accordance with the Bank's By-Laws every third Thursday of each month. Special meetings are held when necessary.

The Directors are expected to prepare for, attend and participate in these meetings, and to act judiciously, in good faith and in the interest of the Bank and its shareholders, thus, they are provided Board materials related to the agenda days in advance of meetings by the Corporate Secretary.

A director may participate via telephone-conferencing when exigencies prevent him from attending a Board meeting in person.

The Board is provided with the information and resources needed to effectively discharge its fiduciary duty. The Board is informed on an ongoing basis of the Bank's performance, major business issues, new developments, and the impact of recent developments in the economic and regulatory environment.

Members of Senior Management are invited to attend Board meetings to provide the Board with detailed explanations and clarifications on proposals tabled to enable the Board to make an informed decision. The meetings of the Board and its committees are recorded in minutes, and all resolutions are documented.

For the period January to December 2023, the Board of Directors had 15 Board meetings and 82 committee meetings. The incumbent directors attended/participated in more than 50% of all the meetings, as follows:

Body	ASM	Board Members	ExCom Members	CGCom Members	AuditCom Members	ROC Members	RPTCom Members	NomCom Members	RemCom Members	RetCom Members
Total Number of Meetings	1 (June 15, 2023)	15 (12 Reg. Mtgs. & 3 Spl. Mtgs.)	26 (24 Reg. Mtgs. & 2 Spl. Mtgs.)	11 (6 Reg. Mtgs. & 5 Spl. Mtgs.)	6 (All Regular Mtgs.)	6 (All Regular Mtgs.)	14 (11 Reg. Mtgs. & 3 Spl. Mtgs.)	17 (12 Reg. Mtgs. & 5 Spl. Mtgs.)	1	1
No. of Attendance										
Ricardo R. Chua	1	14	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nancy D. Yang	1	15	26	N/A	N/A	N/A	N/A	N/A	N/A	N/A
William C. Whang <sup>1</sup>	0	3/3	5/5	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Romeo D. Uyan, Jr. <sup>2</sup>	1	10/12	17/21	N/A	N/A	N/A	N/A	N/A	N/A	N/A
James Christian T. Dee <sup>3</sup>	1	14/14	26	N/A	N/A	N/A	N/A	N/A	1	1
Jose L. Osmeña, Jr.	1	15	22	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Patrick D. Cheng	1	12	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Herbert T. Sy, Jr.	1	15	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Philip S. L. Tsai <sup>4</sup>	1	15	N/A	7/7	3/3	6	14	8/8	1	N/A
Claire Ann T. Yap	1	15	N/A	11	6	6	N/A	16	N/A	N/A
Genaro V. Lapez <sup>5</sup>	1	14	N/A	4/4	3/3	N/A	14	9/9	1	1
Antonio S. Espedido, Jr.	1	15	N/A	11	6	6	14	17	N/A	1

Legend:

1. Mr. William C. Whang was a Regular Director until March 16, 2023.
2. Mr. Romeo D. Uyan Jr., was appointed as a Regular Director on March 16, 2023.
3. Mr. James Christian T. Dee was exempted from attending the Special Board Meeting without the President on December 21, 2023.
4. Mr. Philip S.L. Tsai was a Member of AuditCom from June 16, 2022 until June 15, 2023. He was appointed as a Member of CGCom and NomCom on June 15, 2023.
5. Mr. Genaro V. Lapez was a Member of CGCom and NomCom from June 16, 2022 until June 15, 2023. He was appointed as a member of the AuditCom on June 15, 2023.

## Board Committees (Board Approved on June 15, 2023)

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

**a. Executive Committee** when the Board is not in session has the powers of the Board in the management of the business and affairs of the Bank, to the fullest extent permitted under Philippine law.

Executive Committee (ExCom)	
Chairman	Romeo D. Uyan, Jr.
Vice-Chairman	Nancy D. Yang
Member / President	James Christian T. Dee
Member	Jose L. Osmeña, Jr.
Member	Aloysius C. Alday, Jr.

*\*Note: Mr. Romeo D. Uyan, Jr., was appointed as member of the CBSI Board of Directors effective March 16, 2023.*

**b. Corporate Governance Committee** is responsible for ensuring the Board's effectiveness and due observance of Corporate Governance principles and guidelines, and oversees the periodic evaluation of the Board and its Committees, as well as of the Executive Management.

Corporate Governance Committee (CGCom)	
Chairman	Antonio S. Espedido Jr., <i>Independent Director</i>
Vice-Chairman	Claire Ann T. Yap, <i>Independent Director</i>
Member	Philip S.L. Tsai, <i>Independent Director</i>

**c. Audit Committee** primarily oversees all matters pertaining to audit, including the evaluation of the adequacy and effectiveness of the Bank's internal control system. It likewise provides oversight on the activities of management and the internal and external auditors. The Committee is also empowered to oversee the Bank's external audit functions, financial reporting and policies, by selecting the auditors and approving their fees, reviewing and discussing the scope and plan of annual audit, and reviewing and discussing with management and auditors the annual audited financial statements of the Bank. It also provides oversight over management's activities in 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.

Audit Committee (AuditCom)	
Chairman	Claire Ann T. Yap, <i>Independent Director</i>
Vice-Chairman	Genaro V. Lapez, <i>Independent Director</i>
Member	Antonio S. Espedido Jr., <i>Independent Director</i>

**d. Risk Oversight Committee** is responsible for the oversight and development of all the Bank's risk management functions, including the evaluation of the risk management plan to ensure its continued relevance, comprehensiveness, and effectiveness.

Risk Oversight Committee (ROC)	
Chairman	Philip S.L. Tsai, <i>Independent Director</i>
Vice-Chairman	Antonio S. Espedido Jr., <i>Independent Director</i>
Member	Claire Ann T. Yap, <i>Independent Director</i>

**e. Nomination Committee** is responsible for reviewing and evaluating the qualifications of all persons nominated to the Board and other appointments that require Board approval, including promotions favorably endorsed by the Promotions Review Committee. It also has the task of identifying the qualities of the nominees/appointees to the Board aligned with the Bank's strategic directions.

Nomination Committee (NomCom)	
Chairman	Antonio S. Espedido Jr., <i>Independent Director</i>
Vice Chairman	Claire Ann T. Yap, <i>Independent Director</i>
Member	Philip S.L. Tsai, <i>Independent Director</i>
Ex-Officio Member	Atty. Josephine F. Fernandez, HRD Head

**f. Remuneration Committee** provides oversight on the remuneration of Senior Management and other key personnel, ensuring that compensation is consistent with the Bank's culture, strategy, and control environment.

Remuneration Committee (RemCom)	
Chairman	Genaro V. Lapez, <i>Independent Director</i>
Vice Chairman/President	James Christian T. Dee
Member	Philip S.L. Tsai, <i>Independent Director</i>
Ex-Officio Member	Atty. Josephine F. Fernandez, HRD Head

**g. Retirement Committee** shall discharge the Board of Directors' responsibilities relating to oversight of the investment of the funds of the Company's retirement benefit plans and the performance of plan trustee and investment fiduciaries.

Retirement Committee (RetCom)	
Chairman	Genaro V. Lapez, <i>Independent Director</i>
Vice Chairman/President	James Christian T. Dee
Member	Antonio S. Espedido Jr., <i>Independent Director</i>
Ex-Officio Member	Atty. Josephine F. Fernandez, HRD Head

**h. Related Party Transaction Committee** is responsible for reviewing all material related party transactions to ensure that they are conducted in accordance with the arm's length principles.

Related Party Transaction Committee (RPTCom)	
Chairman	Genaro V. Lapez, <i>Independent Director</i>
Vice Chairman	Philip S. L. Tsai, <i>Independent Director</i>
Member	Antonio S. Espedido Jr., <i>Independent Director</i>

For the period January to December 2023, the incumbent directors and executive officer attended/participated in more than 50% of all the committee meetings, as follows:

NAME OF MEMBERS	EXCOM	CG COM	AUDIT COM	ROC	NOM COM	RET COM	RPT COM	REM COM
<b>No. of Meetings</b>	<b>26</b>	<b>11</b>	<b>6</b>	<b>6</b>	<b>14</b>	<b>17</b>	<b>1</b>	<b>1</b>
1. Ricardo R. Chua	-	-	-	-	-	-	-	-
2. Nancy D. Yang	100%	-	-	-	-	-	-	-
3. William C. Whang <sup>1</sup>	100%	-	-	-	-	-	-	-
4. Romeo D. Uyan, Jr. <sup>2</sup>	80.95%	-	-	-	-	-	-	-
5. James Christian T. Dee <sup>3</sup>	100%	-	-	-	-	-	100%	100%
6. Jose L. Osmeña, Jr.	84.62%	-	-	-	-	-	-	-
7. Patrick D. Cheng	-	-	-	-	-	-	-	-
8. Herbert T. Sy, Jr.	-	-	-	-	-	-	-	-
9. Philip S. L. Tsai <sup>4</sup>	-	100%	100%	100%	100%	100%	-	100%
10. Claire Ann T. Yap	-	100%	100%	100%	-	94.12%	-	-
11. Genaro V. Lapez <sup>5</sup>	-	100%	100%	-	100%	100%	100%	100%
12. Antonio S. Espedido, Jr.	-	100%	100%	100%	100%	100%	100%	100%
13. Aloysius C. Alday, Jr.	88.46%	-	-	-	-	-	-	-

Legend:

1. Mr. William C. Whang was a Regular Director until March 16, 2023.

2. Mr. Romeo D. Uyan Jr., was appointed as a Regular Director on March 16, 2023.

3. Mr. James Christian T. Dee was exempted from attending the Special Board Meeting without the President on December 21, 2023.

4. Mr. Philip S.L. Tsai was a Member of AuditCom from June 16, 2022 until June 15, 2023. He was appointed as a Member of CGCom and NomCom on June 15, 2023.

5. Mr. Genaro V. Lapez was a Member of CGCom and NomCom from June 16, 2022 until June 15, 2023. He was appointed as a member of the AuditCom on June 15, 2023.



## OTHER MANAGEMENT COMMITTEES *(Board Approved on December 21, 2023)*

### MANAGEMENT COMMITTEE

<b>Chairman</b>	President James Christian T. Dee
<b>Vice Chairman</b>	SVP Jan Nikolai M. Lim - Consumer Lending Group Head
<b>Members</b>	FVP II Luis Bernardo A. Puhawan - Controller
	VP II Mary Grace F. Guzman - Asset Recovery Group Head
	FVP II Niel C. Jumawan - APD Lending Group Head
	SAVP Brenda S. Santiago - SME Lending Group Head
	FVP I Atty. Josephine F. Fernandez - Human Resources Division Head
<b>Resource Person</b>	VP I Raymond C. Apo - Risk Management Division Head

### ASSET AND LIABILITY COMMITTEE (ALCO)

<b>Chairman</b>	President James Christian T. Dee
<b>Vice Chairman</b>	VP I Charmaine S. Hao - Treasurer
<b>Members</b>	SVP Jan Nikolai M. Lim - Consumer Lending Group Head
	FVP II Luis Bernardo A. Puhawan - Controller
	VP I Raymond C. Apo - Risk Management Division Head
	SAVP Brenda S. Santiago - SME Lending Group Head
	FVP II Niel C. Jumawan - APD Lending Group Head

### CREDIT, COLLECTIONS, AND ASSET RECOVERY COMMITTEE (CRECOM)

<b>Chairman</b>	President James Christian T. Dee
<b>Vice Chairman</b>	SVP Jan Nikolai M. Lim - Consumer Lending Group Head
<b>Members</b>	FVP II Luis Bernardo A. Puhawan - Controller
	SAVP Julius Joseph L. Romabiles - SME Credit Division Head
	VP II Mary Grace F. Guzman - Asset Recovery Group Head
	SAVP Ma. Jerreza D. Cabusao - Collections Services Division Head
<b>Ex-Officio</b>	VP I Atty. Roberto M. Buenaventura - Legal Services Division Head
	VP I Raymond C. Apo - Risk Management Division Head
	SAVP Brenda S. Santiago - SME Lending Group Head

### OPERATIONS COMMITTEE (OPCOM)

<b>Chairman</b>	VP II Frederick M. Pineda - Centralized Operations Group Head
<b>Vice Chairman</b>	FVP I Adonis C. Yap - Digital Banking Group Head
<b>Members</b>	SAVP Grace Z. Floresca - Consumer Credit Division Head
	Mngr. Rachelle A. Acosta - Branch Operation Support Head
	VP I Atty. Corazon T. Llagas - Chief Compliance Officer
	VP I Raymond C. Apo - Risk Management Division Head
<b>Ex-Officio</b>	AVP Richard V. Manzano - Administrative Services Department Head

## ADMINISTRATIVE INVESTIGATION COMMITTEE (AIC)

<b>Chairman</b>	FVP I Atty. Josephine F. Fernandez - Human Resources Division Head
<b>Vice Chairman</b>	FVP I Atty. Roberto M. Buenaventura - Legal Services Division Head
<b>Members</b>	FVP II Luis Bernardo A. Puhawan - Controller
	VP I Atty. Corazon T. Llagas - Chief Compliance Officer
	VP I Raymond C. Apo - Risk Management Division Head

## OTHER COMMITTEES *(Under the Office of the President as Project Management Office Committees)*

### ANTI MONEY LAUNDERING COMMITTEE (AMLACOM)

<b>Chairman</b>	VP I Atty. Corazon T. Llagas - Chief Compliance Officer
<b>Vice Chairman</b>	VP I Raymond C. Apo - Risk Management Division Head
<b>Members</b>	VP I Atty. Roberto M. Buenaventura - Legal Services Division Head
	VP II Frederick M. Pineda - Centralized Operations Group Head
	VP II Kristine Michele C. Broadhurst - Housing Loans Division Head

### HUMAN RESOURCES COMMITTEE (HRCOM)

<b>Chairman</b>	FVP I Atty. Josephine F. Fernandez - Human Resources Division Head
<b>Vice Chairman</b>	FVP II Luis Bernardo A. Puhawan - Controller
<b>Members</b>	SVP Jan Nikolai M. Lim - Consumer Lending Group Head
	VP II Frederick M. Pineda - Centralized Operations Group Head
	FVP II Niel C. Jumawan - APD Lending Group Head

### SERVICE AND QUALITY ASSURANCE COMMITTEE (SQACOM)

<b>Chairman</b>	President James Christian T. Dee
<b>Vice Chairman</b>	VP II Frederick M. Pineda - Centralized Operations Group Head
<b>Members</b>	FVP I Atty. Josephine F. Fernandez - Human Resources Division Head
	FVP I Adonis C. Yap - Digital Banking Group Head
	VP I Atty. Corazon T. Llagas - Chief Compliance Officer

## Selection Process for the Board and Senior Management

The nomination committee and/or corporate governance committee shall assist the Board of Directors in fulfilling its corporate governance responsibilities. It shall review and evaluate the qualifications of all persons nominated to the board as well as those nominated to other positions requiring appointment by the Board of Directors.

The corporate governance committee shall be responsible for ensuring the board's effectiveness and due observance of corporate governance principles and guidelines. It shall oversee the periodic performance evaluation of the board and its committees and executive management; and shall also conduct an annual self-evaluation of its performance. The committee chairman shall certify that it conducts a "proper and fit test" on the Bank's directors and Senior Management.



### Powers/Responsibilities and Duties of Directors

The duties of care and loyalty are the two key elements of the fiduciary duty of the Board. The duty of care requires the members of the Board to act on a fully informed basis, in good faith, with due diligence and care, while, the duty of loyalty is where the board members should act in the best interest of the Bank and all its stakeholder, such as the depositors, creditors, employees, and regulators.

- a. Powers of the Board of Directors. The corporate powers of the Bank shall be exercised, its business conducted, and all its property shall be controlled and held by the Board of Directors. The powers of the Board of Directors as conferred by law are original and cannot be revoked by the stockholders. The directors hold their office charged with the duty to exercise sound and objective judgment for the best interest of the Bank.
- b. General responsibility of the Board of Directors. The position of a bank director is a position of trust. A director assumes certain responsibilities to different constituencies or stakeholders, i.e., the Bank itself, its stockholders, its depositors and other creditors, its management and employees, the regulators, deposit insurer, and the public at large. These constituencies or stakeholders have the right to expect that the institution is being run in a prudent and sound manner. The Board of Directors is primarily responsible for approving and overseeing the implementation of the Bank's strategic objectives, risk strategy, corporate governance, and corporate values. Further, the Board of

Directors is also responsible for monitoring and overseeing the performance of Senior Management as the latter manages the day-to-day affairs of the institution.

- c. Specific duties and responsibilities of the Board of Directors
  - To define the Bank's corporate culture and values.
  - To approve Bank's objectives and strategies and oversee management's implementation thereof.
  - To appoint/select key members of Senior Management and heads of control functions and for the approval of a sound remuneration and other incentive policies for personnel.
  - To approve and oversee implementation of the Bank's corporate governance framework.
  - To approve the Bank's risk governance framework and oversee management's implementation thereof.
  - To approve and oversee the implementation of policies governing major areas of banking operations.
  - To consistently conduct the affairs of the institution with a high degree of integrity.
  - To constitute committees to increase efficiency and allow deeper focus in specific areas.

### Duties and Responsibilities of the Chairperson of the Board of Directors

The duties and responsibilities of the Chairperson include, among others, the following:

- a. To provide leadership in the Board of Directors. The chairperson of the board shall ensure effective functioning of the board, including maintaining a relationship of trust with board members.
- b. To ensure that the board takes an informed decision. The chairperson of the board shall ensure a sound decision making process and he should encourage and promote critical discussion and ensure that dissenting views can be expressed and discussed within the decision-making process. In relation to this, the chairperson shall guarantee that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions.

### Specific Duties and Responsibilities of a Director

- a. To remain fit and proper for the position for the duration of his term. A director is expected to remain fit and proper for the position for the duration of his term. He should possess unquestionable credibility to make decisions objectively and resist undue influence. He shall treat Board of Directorship as a profession and shall have a clear understanding of his duties and responsibilities as well as his role in promoting good governance. Hence, he shall maintain his professional integrity and continuously seek to enhance his skills, knowledge and understanding of the activities that the Bank is engaged in or intends to pursue as well as the developments in the banking industry including regulatory changes through continuing education or training.
- b. To conduct fair business transactions with the Bank and to ensure that personal interest does not bias board decisions. Directors should avoid situations that would give rise to a conflict of interest. If transactions with the institutions cannot be avoided, it should be done in the regular course of business and upon terms not less favorable to the institution than those offered to others. The basic principle to be observed is that a director should not use his



position to make profit or to acquire benefit or advantage for himself and/or his related interests. He should avoid situations that would compromise his impartiality.

- c. To act honestly and in good faith, with loyalty and in the best interest of the institution, its stockholders, regardless of the amount of their stockholdings, and other stakeholders such as its depositors, investors, borrowers, other clients and the general public. A director must always act in good faith, with the care which an ordinarily prudent man would exercise under similar circumstances. While a director should always strive to promote the interest of all stockholders, he should also give due regard to the rights and interest of other stakeholders.
- d. To devote time and attention necessary to properly discharge their duties and responsibilities. Directors should devote sufficient time to familiarize themselves with the institution's business. They must be constantly aware of the institution's condition and be knowledgeable enough to contribute meaningfully to the board's work. They must attend and actively participate in board and committee meetings, request and review meeting materials, ask questions, and request explanations. If a person cannot give





sufficient time and attention to the affairs of the institution, he should neither accept his nomination nor run for election as member of the board.

- e. To act judiciously. Before deciding on any matter brought before the Board of Directors, every director should thoroughly evaluate the issues, ask questions, and seek clarifications when necessary.
- f. To contribute significantly to the decision-making process of the board. Directors should actively participate and exercise objective independent judgment on corporate affairs requiring the decision or approval of such board.
- g. To exercise independent judgment. A director should view each problem/situation objectively. When a disagreement with others occurs, he should carefully evaluate the situation and state his position. He should not be afraid to take a position even though it might be unpopular. Corollary, he should support plans and ideas that he thinks will be beneficial to the institution.
- h. To have a working knowledge of the statutory and regulatory requirements affecting the institution, including the content of its articles of incorporation and by-laws, the

requirements of the BSP and where applicable, the requirements of other regulatory agencies. A director should also keep himself informed of the industry developments and business trends in order to safeguard the institution's competitiveness.

- i. To observe confidentiality. Directors must observe the confidentiality of non-public information acquired by reason of their position as directors.

#### Board and Committee Performance Evaluation

The Board conducts an annual assessment of its performance and effectiveness as a body, as well as its various committees, and the individual directors through self-assessment. The results thereof are reported to the Board through the Corporate Governance Committee. This exercise covers the assessment of the ongoing suitability of each board member taking into account his or her performance in the Board and board-level committees.

In 2023, there are no significant deviations noted and, in general, the Bank has complied with the provisions and requirements of the MORB and the Bank's Corporate Governance Manual.

#### Corporate Governance Manual

The Corporate Governance Manual contains the governance principles and policies that serves as a guide/reference in complying with regulations. The manual formalizes and institutionalizes the principles of good corporate governance in the Bank.

In furtherance of its responsibilities under the Manual and Corporate Governance Charter, the Corporate Governance Committee reviewed and approved the following:

- a. Revised Corporate Governance Manual;
- b. Amended Corporate Governance Charter; and
- c. Updated Board and board-level committees' Self-Assessment Questionnaires.



#### Compliance Risk Management System

The compliance risk management system is designed to specifically identify and mitigate risks that may erode the franchise value of the Bank such as risks of legal or regulatory sanctions, material financial loss, or loss to reputation, the Bank may suffer as a result of its failure to comply with laws, rules, related self-regulatory organization standards, and codes of conduct applicable to its activities.

It is the method by which the Bank manages the compliance process. It consists of rules, policies and procedures which provide assurance for an effective compliance culture in the Bank. The Bank's compliance system includes compliance policies and procedures which provide the framework for the Bank's compliance processes as source of reference of all stakeholders, the Board of Directors, officers and employees.

Compliance risk management is an integral part of the culture and risk governance framework of the Bank. Compliance is a responsibility and shared accountability of all personnel, officers, and the Board of Directors.

The Compliance System of the Bank was established pursuant to the regulatory mandate of the BSP and SEC. It is carried out through a Board-approved Compliance Program by the Compliance Office, which reports directly to the Corporate

Governance Committee. Compliance Office oversees the implementation of the Compliance Program, and is responsible for, among others, (i) identification of all relevant laws and regulations applicable to the activities and business of the Bank, and monitoring and controlling of attendant compliance risks; (ii) creating awareness on all banking laws and regulations among Bank employees with dissemination of all regulatory issuances and regular trainings; (iii) regular compliance testing of all Bank activities and products; and (iv) liaise and dialogue with BSP and other government regulatory agencies.

#### Bank Compliance Framework

The Bank's Compliance Framework was established to implement a strong compliance system. The Bank employs a triple level approach for observing laws and regulation.

- 1<sup>st</sup> level - Employee participation (compliance with the relevant regulations)
- 2<sup>nd</sup> level - Compliance Office (implementation of the compliance program)
- 3<sup>rd</sup> level - Internal Audit Department (post audit)

The Compliance Office, in particular, has an approved manpower count of 16 members including the CCO, Department Heads for AML Compliance Department, Compliance Testing Department, and



Regulatory and Corporate Governance Department including a total of 12 Compliance Officers. Unit Compliance Coordinators are assigned on each unit of the Bank to help the compliance office perform the monitoring and testing functions.

### Compliance Program

The compliance program includes an annual plan that should ensure that the Bank's compliance system is effectively running and in place, rules and regulations are adhered to, taking into account the risks involved for the protection of its clients, Bank's reputation, its employees, business efforts and strategies.

### Components of the Compliance Program

1. Review and implementation of specific policies and procedures
2. Compliance risk assessment
3. Compliance testing
4. Educating personnel on compliance matters
5. Monitoring compliance risk exposures
6. Regular reporting to the board and board-level committees

### Testing and Reporting

Compliance Office conducts its regular compliance testing in accordance with the approved Compliance Testing Plan. The basis of the Compliance Testing Plan is the result of the latest risk assessment of business units. The risk profile is used as guide of Compliance Office in the prioritization of a unit/branch to be included in the annual Compliance Testing Plan.

All bank compliance issues and concerns, including results of compliance testing and internal audit, BSP examinations results, implementation of internal control policies, and all other issues monitored by the BSP are reported to the CGCOM every other month. The Members of the CGCOM, on the other hand, provide guidance on the effectiveness of all actions taken/to be taken.

### Anti-Money Laundering Prevention

The Bank adheres to the Anti-Money Laundering Act and all related and applicable rules, regulations and issuances of the BSP. The Bank commits to protect and preserve the integrity and confidentiality of its customers' accounts and shall not allow them to be used as money laundering site for the proceeds of unlawful activity.

The Bank has in place a board-approved Money Laundering and Terrorist Prevention Program (MTPP) which contains and consolidates all laws and regulations on anti-money laundering, such as, know-your-client (KYC) requirements, monitoring of accounts and transactions, training of all officers and employees on AML laws and regulations and other relevant information. The MTPP manual is updated on an annual basis using the most recent updates on the applicable rules, regulations and issuances of the BSP.

Dissemination of laws and regulations is regularly made to all officers and employees of the Bank to equip them with necessary knowledge and information to combat money laundering activities. AML trainings are regularly given during orientation sessions of new employees and refresher courses are regularly conducted.

### Conflict of Interest

Conflict between the interest of the Bank, of the employees and related parties should be avoided at all times. In cases of conflict, the interest of the Bank should prevail. Our Directors, Officers, Stockholders, and related parties are not allowed to have direct or indirect financial interests that conflict or appear to conflict with their duties and responsibilities as employees of the Bank.

In this regard, the Directors and/or Officers concerned shall disclose any direct, indirect or on behalf of third parties, a financial interest in the transaction or matter affecting the Bank.

Directors and/or officers with personal interest, related or any form of connection which may potentially result to a conflict of interest in the transaction shall abstain from the discussion, deliberation, approval and management of such transaction or matter affecting the Bank.



### Code of Ethics

CBS is committed to carry out its business operations in accordance with the highest standards of ethics. The Bank, as a whole, together with the members of the Board of Directors, stakeholders, and all employees are dedicated in ensuring that they abide by the acceptable rules and regulations which dictate its operations.

The Code of Ethics is founded on basic standards and ethical business and personal conduct, including honesty and candor in all activities, avoidance of activities and transactions that could result or potentially result in conflicts between personal and the Bank's interest, maintenance of the Bank's reputation, avoidance of personal gain at the expense of the institution, and conduct contrary to ethical business practices. The Code also embodies policies that will prevent fraud, or the use of the facilities of the Bank in the furtherance of any unlawful or immoral pursuit. In all activities and decisions, one must consider the ethics or propriety of every situation, full transparency and be beyond reproach.

### Related Party Transactions

The Bank recognizes that transactions between and among related parties may create financial, commercial and economic benefits to individuals, institutions and to the entire group where the Bank belongs.

In this regard, as required by existing regulations for related party transaction (RPT), the Bank, its Board, management, all officers, and staff ensure that RPTs are done on an arm's length basis and that the appropriate oversight and implementation of an effective control system for the management of exposures are in place.

Therefore, the Bank's Board of Directors, management, officers, and staff are mandated to comply with the board-approved policies in the RPT Framework (RPT Framework or Framework) and shall not allow RPTs that may lead to abuses or may cause disadvantages to the Bank, its depositors, creditors, fiduciary clients, and other stakeholders.

The RPT Framework was approved by the Board on July 21, 2016 and revised on October 2, 2019. The Framework is supported by an implementing policy guideline which was approved by the Board on January 17, 2019. The RPT policy guidelines was revised to incorporate latest regulatory updates which was approved by the Corporate Governance Committee on October 20, 2022 and ratified by the Board on November 17, 2022.



## Overarching Policies and Procedures for Managing Related Party Transactions

The Bank's Policy on Related Party Transactions applies to all covered RPT of the Bank, regardless of the amount, and the Bank has set specific procedures and guidelines in managing the Bank's RPTs.

Related Party Transactions are transactions or dealings with related parties of the Bank, regardless of whether or not a price is charged. These include, but not limited to the following:

- On-and-off balance sheet credit exposures and claims and write-offs;
- Investment and / or subscription for debt/equity issuances;
- Consulting, professional, agency, and other service arrangements/ contracts;
- Purchase and sales of assets, including transfer of technology and intangible items;
- Construction arrangements/ contracts;
- Lease arrangements/ contracts;
- Trading and derivative transactions;
- Borrowings, commitments, fund transfer and guarantees;
- Sale, purchase or supply of any goods or materials; and
- Establishment of joint venture entities

RPTs shall be conducted at an arm's length terms to ensure that the transaction is conducted in the regular course of business; and not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement, etc.) to such related parties covering similar transactions with non-related parties under similar circumstances.

The concept of arm's length terms is to ensure that both parties in the transaction are acting in their own self-interest and are not subject to any pressure from the other. It ensures that parties to transaction are on equal footing. It is used specifically in the contract law to make an equitable agreement which stands up to legal scrutiny, even though parties may be closely related or may have shared interest.

In this regard, to ensure that transactions are engaged into at terms that promote the best interest of the Bank and its stakeholders, an effective Price Discovery Mechanism should be implemented.



### Related Party Transaction Committee

The committee is responsible for the following, among others:

- Evaluating on an ongoing basis existing relation between and among businesses and counterparties to ensure that all related parties are continuously identified.
- Evaluating all material RPTs.
- Ensuring that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Bank's RPT exposure, and policies on conflicts of interest or potential conflicts of interest.
- Reporting to the Board of Directors on a regular basis, the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties.
- Ensuring that transactions with Related Parties, including write-off of exposures, are subject to periodic independent review or audit process; and
- Overseeing the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures.

## Materiality Threshold

The business units (BUs) shall identify if transactions are classified as material RPTs based on the following criteria:

- If the parties and relationship of parties involved in the transaction are classified as RPs, as defined in the policy; and
- If the amount of transaction is equal or higher than the materiality threshold set by the Bank.

The materiality threshold shall be retained unless the responsible units send a change request. An email shall be sent by the BU Head to Compliance Office on the change of materiality threshold stating the proposed/recommended threshold and justification for changing the same.

### A. Approval Requirements of Material RPTs

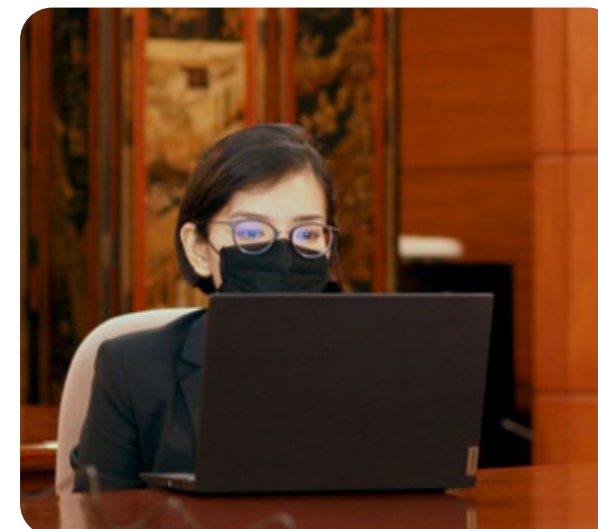
All material RPTs shall be endorsed to the RPT Committee using the prescribed forms and approved by the Board of Directors.

All board-approved material RPT shall be ratified by the Stockholders (by majority vote) during the Annual Stockholders' Meeting.

### B. Approval Requirements of Non-material RPTs

All non-material RPTs shall follow the existing approval requirements of the respective business unit transactions.

### C. For credit transactions to DOSRI, approval by the Board of Directors shall be required.



## Health and Safety: Prioritizing Employee Wellbeing

At CBS, the Bank remains steadfast in its commitment to providing a safe and healthy work environment for its employees and officers. The Corporate Safety and Health Committee (CSHC) spearheads initiatives to foster a culture of safety and well-being within the organization.

The CSHC's objectives are clear:

- Plan, develop, and implement policies and programs on employee safety and health;
- Monitor and look into all aspects of work pertaining to general safety and health programs of all employees following the environmental, safety, and health rules and practices; and
- Ensure that employees are protected against injuries, illnesses, and hazards.

Every employee and officer play a vital role in maintaining a safe and healthy workplace by adhering to safety protocols, reporting accidents, injuries, and unsafe conditions, and promoting a violence-free environment.

### *Navigating the Pandemic: Proactive Response and Support*

During the COVID-19 pandemic, CBS swiftly formed the CBS Medical Team to establish and implement health and safety protocols, monitor infected employees, conduct contact tracing, and facilitate testing, vaccination, and preventive measures. The Bank also provided COVID Care Kits containing essential supplies, financial assistance to those infected, and shuttle services to ensure employee safety during lockdowns and transportation limitations.

### *Embracing the New Normal: Lifting of Health Protocols*

As the State of Public Health Emergency throughout the Philippines due to COVID-19 was lifted on July 21, 2023, CBS adapted its safety and health protocols accordingly. While encouraging continued vigilance and voluntary precautionary measures, such as wearing face masks, practicing good hand hygiene, and maintaining physical distancing as needed, the Bank remains committed to fostering a workplace that promotes productivity, community, and care for one another.



### Proactive Health Initiatives

CBS recognizes the importance of preventive measures in maintaining a healthy workforce. In July 2023, the Bank offered employees at the Buendia Head Office, Salcedo Towers, and VGP Center the opportunity to receive the trusted Vaxigrip flu vaccine by Sanofi at a discounted rate, administered conveniently on-site by the company nurse.

### Staying Vigilant: Respiratory Illness Precautions

As respiratory illnesses continue to circulate, CBS encourages voluntary face mask use in the office or crowded areas, especially for those experiencing symptoms or with underlying health conditions. The Bank also emphasizes good hygiene practices, proper cough etiquette, adequate ventilation, and staying home when ill to prevent the spread of illnesses in the workplace.

The CSHC remains dedicated to monitoring health-related matters and implementing appropriate measures to safeguard the well-being of CBS employees. By fostering a culture of safety and prioritizing employee health, CBS aims to create a productive and caring work environment for its valued workforce.



### Performance Assessment Program

The Bank has a Performance Management System (PMS), a vital tool for aligning individual performance with the Bank's strategic direction and operational business plans. It is an integrated process by which the organization involves its employees in improving organizational effectiveness towards the accomplishment of its mission and strategic goals.

### Orientation and Education Program

The Bank has a CBS Academy that serves as the central facility for training and development of the Bank's professionals in line with the Easy Banking for You service promise of the Bank. CBS Academy boasts a full-scale mock-up CBS branch, a lecture hall and several conference rooms.

The opening of the CBS Academy boosted the efforts of the Bank's Human Resources Division in delivering a high level of professional training and banking skills to help each one of them optimize his / her full potential. It is imperative that such a dedicated facility is available to bring everyone under one roof to deliver greater efficiency and to meet the competency, training, and developmental needs of the Bank's employees at all levels that will help them grow and contribute within the Bank's overall framework.

With the continuing and growing footprint of CBS in the banking industry, the CBS Academy plays a very central and crucial role. In today's dynamic environment, it is essential that the Bank continues to keep abreast of the latest trends and developments in the financial services world. CBS owes it to its customers, who put their trust in the



Bank. Knowledge, skills and attitude assimilation is a very important aspect of ensuring the continuing competitiveness of any financial institution. The Bank looks upon its people as one of its key stakeholders, and investing in their personal development is integral to the Bank's corporate responsibility.

CBS Academy is committed to systematically improve the competency and quality of our workforce by providing a meaningful and value-added certification program – whether for personal or professional development. These certification programs include Certification on Banking Fundamentals, Certification on Revenue Generation, Certification on Branch Banking, Certification on Support and Operations, and Certification on Credit and Collections. This strength should be then be translated into results which will lead to improved employee productivity and increased revenues. In addition to expanding their knowledge base and skills, these certification programs enable its workforce to enhance their career development prospects. It is of great importance though that the Bank ensures that the Training Academy remains current and relevant. The Bank will ensure that they are perfectly aligned to the Bank's strategy and business needs, as well as in sync with emerging regulatory requirements.

### Retirement and Succession Policy

The Bank believes that excellent leadership talent positively contributes to the overall organizational performance. The Bank implements and maintains a Succession Planning and Management Program that ensures the availability of qualified officers for key positions for the entire life of the organization.

- Board of Directors – any vacancy, except those caused by removal by the stockholders or by expiration of term, may be filled by election or appointment by the remaining Directors, if still constituting a quorum. If there is no quorum, the vacancy must be filled by the stockholders owning and/or representing majority of the subscribed capital stock at a special meeting duly called for the purpose.
- Chairman of the Board – vacancy will be temporarily filled up by the Vice Chairman, until such time the Board of Directors elects a successor who will hold office for the unexpired term. In the absence or inability of both the Chairman and the Vice Chairman, the President shall preside the meeting of the Board in order not to hold up important matters requiring the action of the Board, and in which case the decision on all matters to be considered must be unanimous.



- c. Vice Chairman – it will be filled by a successor in the same manner the position of Chairman is filled. The successor will serve and hold office for the unexpired term.
- d. President/Chief Executive Officer – will be temporarily filled by the next highest ranking officer, who will act as Officer-in-Charge until such time that the Board of Directors, by majority vote, elects a successor who will hold office for the unexpired term.
- e. Corporate Secretary - the Assistant Corporate Secretary, if any, or if none, the Chief Legal Counsel, will temporarily assume the position until such time the Board of Directors appoints a successor.
- f. Treasurer - will be temporarily filled by the next ranking officer, who will act as Officer-in-Charge, until such time the Board of Directors appoints a successor.
- g. Internal Auditor - will be temporarily filled by the Assistant Auditor or the next most senior ranking officer in the Internal Audit Department, who will act as Officer-in-Charge, until such time the Board of Directors appoints a successor.
- h. Operations Group Head - will be temporarily filled by the next most senior ranking officer in the Group, who will act as Officer-in-Charge, until such time the Board of Directors appoints a successor.
- i. Risk Officer - will be temporarily filled by the next most senior ranking officer in the Risk Management Division, who will act as Officer-in-Charge, until such time the Board of Directors appoints a successor.
- j. Compliance Officer - will be temporarily filled by the Assistant Compliance Officer or the next most senior ranking officer, who will act as Officer-in-Charge, until such time the Board of Directors appoints a successor.
- k. Chief Legal Counsel - will be temporarily filled by the next most senior ranking Legal Officer, who will act as Officer-in-Charge, until such time the Board of Directors appoints a successor.

- l. Other Group/Division Heads - will be temporarily filled by the next most senior ranking officer, who will act as Officer-in-Charge, until such time the Board of Directors appoints a successor.

#### Remuneration Policy

The Bank grants annual salary increases to its officers in accordance with its Pay for Performance policy. The increases are given in the form of merit increases which vary depending on the officers' performance rating and corporate rank for the given year. On top of the regular bonuses, CBS officers are entitled to a performance bonus based on their previous year's performance rating. On a continuing and regular basis, the Bank, through its Senior Management evaluates recommendations of various Division/Department Heads for the promotion of their subordinate officers to the following corporate rank. Those whose promotions are approved are given promotion increase in addition to the change in their fringe benefits package.

#### Dividend Policy

In accordance with the Amended By-Laws of the Bank, dividends shall be declared and paid out of surplus and/or net profits of the Bank, after allocating the percentage of the net profits, as often and such time as the Board of Directors may determine and in accordance with the provisions of law and the regulations of the BSP. There were no dividends declared in 2023 and 2022.

#### Consumer Welfare Protection

The Board of Directors is ultimately responsible in ensuring that consumer protection practices are embedded in the Bank's operations. The Bank adheres to the highest standards and embraces a culture of fair and responsible dealings in the conduct of its business.

The Board and Senior Management are responsible for the Bank's protection strategy and establishing an effective oversight function over the Bank's consumer protection programs. The Board is primarily responsible for approving and overseeing the implementation of the consumer protection policies of the Bank.



The Bank subscribes to the perspective that creating a positive customer experience and performing excellent customer service means managing customer expectations and delivering what is promised, in a manner that manifests its mission that is: "We understand the needs of our customers, thus, we provide value-enhancing, customer-driven solutions through their preferred channels" and one of its core values on Customer Service Focus: "We value our relationships with all our stakeholders."

The Bank undertakes to manage customer expectations and resolve complaints within the bounds of pertinent policies and guidelines. It endeavors to institute appropriate actions to continuously improve or minimize, if not, prevent the recurrence of complaints.

The Consumer Protection Risk Management System (CPRMS) is a means by which the Bank identifies, measures, monitors and controls consumer protection risks inherent in its operations. These include both risks to the financial consumers and the Bank.

Independent of the compliance function, the Audit Division reviews the Bank's consumer protection practices, adherence to internal policies and procedures, and compliance with existing laws, rules and regulations. The Bank's internal audit of the different business units/functions includes the Consumer Protection Audit Program.

The Human Resources Division and respective business units ensure that all relevant personnel specifically those whose roles and responsibilities have customer interface, receive specific and comprehensive training that reinforces and helps implement written policies and procedures on consumer protection. The training program should be able to address changes in consumer protection laws, rules and regulations and policies and procedures should be provided in a timely manner.

The Bank increased its awareness and adherence to the Consumer Act of the Philippines and such other regulations promoting consumer protection. As part of its intensified drive for a positive customer experience and excellent customer service, the Service Quality and Assurance Committee (ServCom) meets on a quarterly basis not only to address complaints but to dynamically reposition the Bank to meet customer expectation.

Conformably with BSP Circular No. 1160, in relation to consumer protection, the Bank continues to track the significant statistics on customer concerns.

#### Corporate Social Responsibility Initiatives

Being a socially responsible corporate citizen is a requisite for operating a sustainable corporation. The focus of CBS' CSR efforts continues to be in community investment and engagement in programs in public education and social

development. The Bank supports a wide range of noteworthy projects for the underserved sector, provides educational assistance to promising children, undertakes charitable fundraising, and encourages employee volunteerism in its efforts to give back to society.

CBS was bestowed the Kapit-Bisig Partner in Empowerment, Advocacy and Commitment to Excellent (Peace) award by the Metrobank Foundation, Inc. for its continuing engagement. The MBFI bestows the Peace award to institutions from the academe, business, non-government and socio-civic organizations, national government agencies, media, and diplomatic missions. The award is done every five years to recognize partners that have collaborated impactfully with MBFI in the mission of enriching the lives of the most vulnerable and underserved sectors in Philippine society.

**BrigadaEskwela** - CBS supports clean, safe, learner-friendly school facilities and improving the quality of public education in the country.

The Bank has been a regular participant of Brigada Eskwela since 2016, the annual campaign of the DepEd to mobilize parents, students, faculty and private sector stakeholders to clean, refurbish and rehabilitate public elementary and high school campuses and facilities before the start of each school year.

In 2023, CBS distributed construction materials, housekeeping supplies, office equipment, electronic devices, sanitation kits, and school and office supplies and mobilized employees to provide volunteer labor in 737 campuses nationwide.

	2023	2022
No. of Beneficiary Schools	737	416
Donations include assorted construction materials, housekeeping supplies, office equipment, electronic devices, sanitation kits, school and office supplies	₱6,858,000	₱4,889,335

This is the Bank’s largest and most extensive participation under Brigada Eskwela, for which CBS was recognized by the DepEd for “unwavering commitment, exceptional collaboration and invaluable contribution in support of the **MATATAG** Agenda for the DepEd Basic Education Plan to provide quality basic education to all learners.”

**National Teachers’ Day** – CBS is the major sponsor of **National Teachers’ Day**, an annual celebration organized by the national government to honor educators. In 2023, the event was held in Butuan City, during which CBS was the major sponsor providing publicity and donating prizes and giveaways worth ₱8,500,000:

	2023 Butuan City	2022 Bangued - Abra
Total Donation	₱8,500,000	₱5,860,000
Prizes and Giveaways	One brand new multi-purpose vehicle; one brand new car; 20 motorcycles, 35 laptops, 10 smart TVs, 500 shirts and 3,000 freebies	One brand new multi-purpose vehicle; 30 motorcycles, 26 laptops, and 3,700 gift bags

CBS is committed to closer private sector-DepEd cooperation, in line with our nationwide CBS Build & Rise Initiative that envisions and aspires to help Build and Raise a nation that enjoys common prosperity; a country where Filipinos can all pursue lives that are strongly-rooted, comfortable, and secure. Among the anchors of the CBS Build & Rise Initiative is financial inclusion. During the year, CBS expanded its network of BLUs and opened ATM and deposit services in these units to meet the growing demand for banking services of teachers and employees of the DepEd, especially in the countryside.

**Heritage Conservation** – CBS undertook a key heritage conservation project as part of the Bank’s support for the country’s annual celebration of National Arts Month in February 2023. On Valentine’s Day, the Bank relocated and rededicated the brass sculpture of Filipino Entrepreneurs, one of the last monumental works by Abdulmari Imao, the first National Artist of Tausug heritage. The sculpture can be found in the front of the CBS head office in Makati.

The event was graced by the Mayor and officials of Makati City, leading members of the Muslim Moro community, heritage conservation advocates, the National Commission for Culture and the Arts, officials of the DepEd, and the media.

By refurbishing and making the sculpture accessible to the public, CBS aims to raise public awareness and appreciation for the arts and to spark continuous efforts for the preservation of Filipino cultural heritage.

	2023
Platform and Landscaping	₱167,000
Sculpture Refurbishment and Installation	75,000
Program and Publicity	19,000
Steel Commemorative Plaque	10,000
TOTAL DONATION	₱271,000

Additionally, this project generated work for 22 persons, including 12 art studio workers, six builders/landscapers, and four engravers.



**Nature Conservation** – CBS China Bank Savings officers and staff mobilized as eco-warriors on July 23 to plant 750 tree saplings and seedlings at the La Mesa Watershed in Novaliches, Quezon City. The reforestation project is part of the Bank’s commitment to help mitigate the impact of climate change and to be a proactive participant in the Philippine sustainability agenda.

CBS employees returned to La Mesa Watershed on August 17 to turn over forestry management equipment, including two machine grass-cutters, purchased with proceeds from the CBS Project heART Exhibit and Auction.

**Project heART** featured art work by employees and friends of CBS. A highlight of this exhibit were photographs from marine conservationist and National Geographic Explorer, Noel Guevara. Pieces from his wildlife fine art collection entitled “Sanctuary” featured underwater photos of endangered sea turtles—the Hawksbill and Green Sea Turtles—from Tubbataha Reefs Natural Park.

Part of the proceeds from the sale of the art works and photos were donated to sustain reforestation in La Mesa Watershed and marine conservation initiatives in Tubbataha Reefs Natural Park, the UNESCO World Heritage site in Cagayancillo, Palawan.



CBS Conservation Projects

	2023
<b>LA MESA REFORESTATION.</b> 750 seedlings, cost of site preparation, donation of tools, supplies and forestry management equipment including two grass cutters to the La Mesa Watershed.	₱25,788
<b>MARINE CONSERVATION.</b> Financial donation to Tubbataha Reef conservation project through National Geographic explorer and conservationist Noel Guevara.	20,000
TOTAL DONATION	₱45,788



**Financial Inclusion** – With the easing of public health restriction, the Bank reintroduced the CBS speaker series. For the health and safety of employees and guests, the gatherings were kept to a limited number of participants and were by-invitation only.

Our SME Lending Group reeled off the “SME Kapihan” speaker series to introduce CBS and our SME’s finance facilities to owners of select small and medium-scale businesses. The Kapihans were held in Angeles City, Baliwag (Bulacan), Cagayan de Oro, Iloilo City, Pasig City, Roxas City, San Pablo City, and Zamboanga City. The “SME Kapihan Roadshow” provided 114 entrepreneurs with the opportunity to consult CBS on financial, marketing, and management-related matters.

Also in 2023, CBS piloted the Financial Wellness and Literacy Trainings with clients and partners including Path Foundation Philippines, the International Justice Mission, and the Quezon City LGU. From July to December 2023, the Bank trained 237 individuals on financial wellness and proper financial planning.

CBS will continue both the “SME Kapihan” speaker series and the Financial Wellness and Literacy Training program in 2024.

Furthermore, CBS affirmed its support to the BSP and its drive to shift to a cash-lite economy, by joining the Calabarzon leg of the Paleng-QR PH roadshow in Bacoor City, Cavite on December 11 to 12.

Paleng-QR PH, in cooperation with local government units and financial institutions, aims to build the digital payments ecosystem in the country by promoting cashless payments in shops, markets, and public transportation. A combined team from CBS Retail Banking Group, Cash Management Services, and Digital Business Banking Group was present at the two-day activity to respond to inquiries about digital banking offerings from market vendors, shopkeepers, and transport associations at the Paleng-QR PH orientation and financial literacy seminar.

CBS sees its active engagement with Paleng-QR PH consistent with its Build and Rise Initiative.



JOURNEY TOWARDS SUSTAINABILITY

CBS provides financial products and services to entry-level customers, the broad consumer market, and the strategic Small and Medium Enterprise (SME) sector. In line with its mission to promote financial inclusion and uplift the quality of life of the communities it serves, CBS is in the process of adopting sustainability principles and policies to guide its business operations, risk management, and decision-making process.

CBS is committed to sustainability and to creating positive economic, social, and environmental outcomes. Sustainability is an institutional commitment at CBS and regarded as fundamental to sound business practices and good corporate citizenship. CBS recognizes that the continued growth of business is interconnected with the fulfillment of broader development goals, including environmental and social sustainability. And as investors and customers become more aware of the world’s environmental and social challenges, the Bank sharpens its focus not only on delivering strong financial performance, but also in making a positive social and environmental impact.

The Bank is currently developing its Sustainable Finance Framework, aligning it with BSP’s Circular No. 1085, and the Parent Bank’s standards and principles to define the strategies in the Bank’s continuing journey towards sustainability.

CBS is also moving forward in a sustainable manner. To improve its resilience and sustainability in the face of accelerating climate change, CBS engaged the services of international consultant, Deloitte. The engagement is already underway, and capacity building activities with senior CBS officials and board members alongside the CBS and China Bank sustainability departments have already taken place. The engagement is expected to push CBS to the forefront of sustainable finance in the Thrift Bank category.

In compliance with BSP Circular No. 1085, the Bank documented its transition plan which was subsequently approved by the Board of Directors on October 21, 2021. The sustainability principles were embedded in the Corporate Governance Manual; and the sustainable finance roles were incorporated in the respective charters of the Corporate Governance Committee, Audit Committee, Risk Oversight Committee, and Credit Committee. Additionally, CBS is already taking steps to further analyze its client portfolio and financed projects and activities in compliance with BSP Circular 1187 or the Philippine Sustainable Finance Taxonomy Guidelines released in February 2024.

Board Statement

The Board and Management of CBS including its Parent Bank, are committed to fully comply with all the material requirements of the Sustainable Finance Framework (BSP Circular No. 1085) of the BSP. The Board recognizes its obligation to perform well in order to fulfill broader development goals. The practice of good corporate citizenship means social responsibility and environmental sustainability will be woven into the pursuit of growth and profitability in CBS.

Sustainability Framework

To contribute to a more inclusive banking landscape for customers, generate shareholder value, and protect stakeholders, CBS adopted the Global Reporting Initiative (GRI) Framework of its Parent Bank.





GRI is an appropriate, sustainable and comprehensive reporting model, which embraces the economic, environmental, social and governance (EESG) concerns of CBS. Sustainability reporting allows the Bank to identify, better understand, and effectively manage and assess sustainability risks and opportunities for the future.

CBS is also preparing for any possible shift away from GRI standards alongside its Parent Bank, cognizant of the ever changing global standards regarding sustainability reporting.

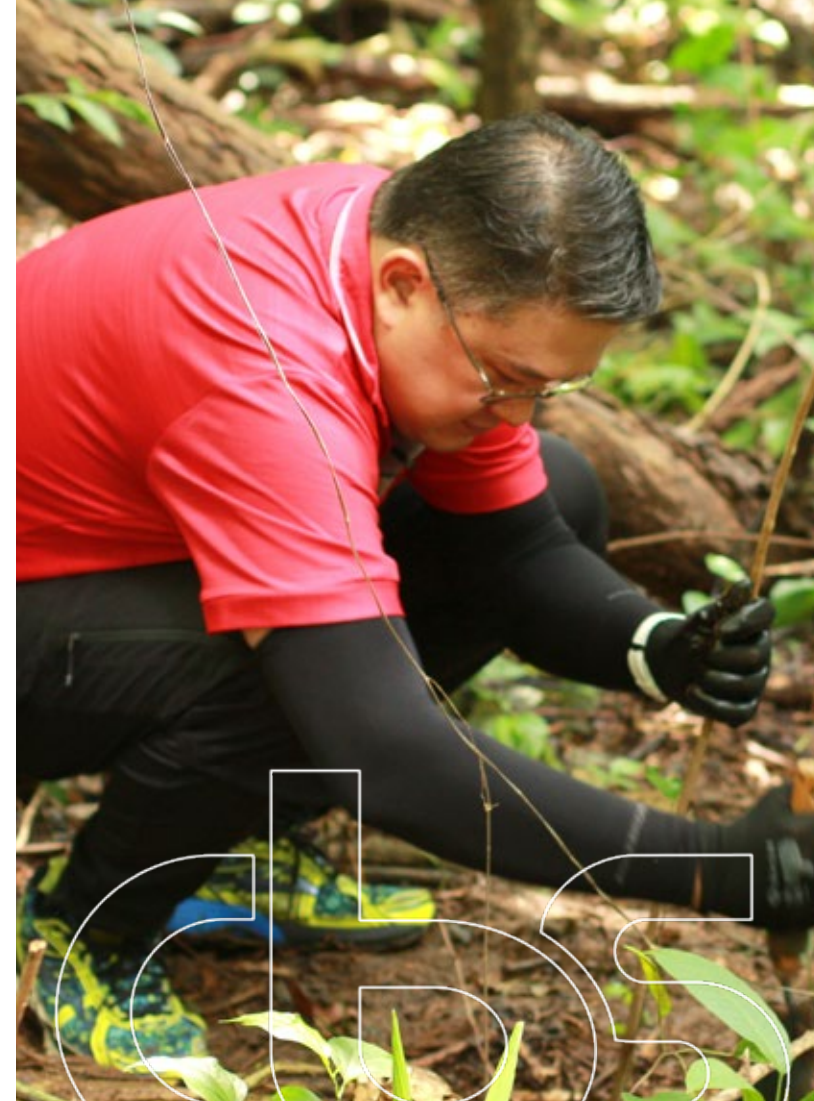
### Sustainability Strategy

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

In doing so, the Bank operates under conditions that are Viable to the company and the community. The Bank will ensure that its contributions are Equitable to the environment and society, and that risks are Manageable. It shall be governed by its Corporate Governance and Risk Management framework.

### The Approach

Recognizing CBS' vital role in advancing sustainable development—not just by being responsible in managing the impact of its operations, but also in making responsible decisions in lending, investing, and the services it offers—the Bank has been progressively integrating sustainability principles on three fronts: through value creation, through its contribution, and through its resilience.



# A BANK OF PURPOSE

## The China Bank Savings Sustainability Report

*"We consider environmental, social, and governance risks and impacts in our decisions."*

China Bank Savings (CBS) takes its brand promise of easy banking to heart. More than banking and financial services, we are committed to improving the quality of life of the communities we serve. We promote financial wellness and inclusivity for our partners and clients. We inspire social and environmental awareness among our employees.

### Environmental and Social Awareness

In July 2023, CBS partnered with the Department of Environment and Natural Resources (DENR) and mobilized a team of volunteers to plant 750 seedlings and saplings at the La Mesa Watershed. The Bank's objective was to promote environmental consciousness and to help mitigate the effects of climate change. This initiative contributed toward the Bank's internal goal of planting one (1) million trees nationwide and formed part of the Bank's Sustainability Report in fulfillment of its commitment to the Bangko Sentral ng Pilipinas (BSP) to build the country's resilience amidst evolving social and environmental risks.

The Bank also held its first run of the CBS Project heART Art Exhibit and Auction in the same month. Employees and friends of the Bank were invited to submit personal photographs and artwork. The activity was highlighted by pieces from National Geographic Explorer Noel Guevara's collection entitled "Sanctuary" — snapshots of the endangered Hawksbill and Green Sea Turtles. Proceeds from the activity were utilized to support



the preservation efforts of the La Mesa Watershed and the Tubbataha Reefs. Due to a positive response from employees and guests, the Project heART Art Exhibit and Auction was extended for a second week.





## TAKING SUSTAINABILITY TO THE NEXT LEVEL

From L-R : CBS China Bank Savings CEM, Marketing Services and Sustainability Head Warren Augustus D. de Guzman, Deloitte Engagement Partner Mariam Hazel Pugoy, CBS China Bank Savings President James Christian T. Dee, Deloitte Partner Jesus Ma. Lava, III, and Deloitte Engagement Partner Shinji Timothy Caday.

We, at China Bank Savings (CBS) are committed to sustainability and creating positive economic, social, and environmental outcomes to the Bank's practices and developmental goals to focus on financial performance, while creating social and environmental impact.

We are conscious of the profound impact of the environmental and social (E&S) risk to its exposures, operations, and stakeholders. Thus, E&S risk management is integrated into our core business with a design that does not only mitigate risks, but also harnesses potential opportunities aligned with its objective of being a sustainable bank. We believe in its application of sustainability, through lending and operations due to crucial success, and as a growing thrift bank in the Philippines.

In November 2023, China Bank Savings (CBS) partnered with Deloitte to provide the Bank with an Environmental and Social Risk Management System (ESRMS) Advisory Services to develop a tool that includes Risk Identification, Risk Assessment, and

Risk Response that will significantly contribute to the Bank's efforts to promote a more sustainable future. This collaborative effort ensures synchronization and coordination of the existing credit and operational approach to risk management that will strengthen its resilience in the long-term. These risk assessments aim to strategically position the Bank to navigate the challenges and opportunities presented by climate change.

This partnership has set a guidance for effective identification, assessment, monitoring, reporting, and management of E&S risks related to the Bank's portfolio. Ensuring that present and future clients effectively manage risks associated with them through assessments in compliance with the sustainability-related standards, laws, and regulations as part of the process, while remaining to be within the risk appetite for severity impacts

associated with. With consistency, and resilience, the Bank will progressively increase its loaning portfolio targets for sustainable financing for all.



## Financial Literacy

The Bank believes that financial inclusion, proactive personal finance management, and proper risk assessment and management contributes to nation-building towards a resilient Philippine economy. With this, the Bank spearheaded a series of nationwide financial literacy training courses. By the end of 2023, the Bank completed nine (9) financial literacy training courses with 237 trainees. Apart from clients and guests, the Bank facilitated trainings for partners from the Local Government Unit of Quezon City, Path Foundation Philippines, International Justice Mission, and the Rotary Club of San Juan Supreme.



## Sustainable Clothing

In collaboration with Filipino clothing brand Bayo, the Bank initiated an arrangement for carbon offsetting to minimize its environmental impact. Through this agreement, Bayo can contribute to sustainable projects intended to offset carbon emissions resulting from the production of CBS' red shirt uniforms, on behalf of the Bank. One of the beneficiaries of this initiative is the Burgos Wind Project in Ilocos Norte.







## NATIONAL TEACHERS' DAY 2023

Our Bank recognizes the important role of teachers in driving national development. As a long-time partner of DepEd, CBS actively supports programs to reward and motivate public school teachers, such as the annual National Teachers' Day (NTD) celebration. CBS donated ₱8.5 million in prizes—one Toyota Innova, one Toyota Raize, 20 Honda motorcycles, 35 Dell laptops, 10 Samsung smart TVs, and 6000 freebies—for teachers at the 2023 NTD culminating event in Butuan City.



CBS celebrating National Teachers' Day in Butuan City together with Hon. Sara Z. Duterte, Vice President and DepEd Secretary.



CBS has been an active proponent of Brigada Eskwela, the annual campaign of the Department of Education (DepEd) which mobilizes parents, learners, faculty, community members, and the private sector partners to help refurbish and rehabilitate public elementary and high school campuses and facilities before the start of each school year. In 2023, CBS redoubled efforts for Brigada Eskwela, supporting 737 public schools nationwide and complementing the initiative with the CBS Gadget Assistance Program, which provided new computer laptops for lead personnel in DepEd regional offices. CBS donated a total of ₱6.86 million worth of construction materials, housekeeping supplies, office equipment, electronic devices, sanitation kits, and school and office supplies.







### Heritage Conservation

CBS made a contribution to heritage conservation in Makati City by putting the once "hidden cultural treasure," the sculpture Filipino Entrepreneurs by National Artist Abdulmari Asia Imao, Sr. in the public view. Timed with the celebration of National Arts Month, the relocation of Filipino Entrepreneurs also known as Mga Maninikap (Hard-

Working Filipinos) adds value to the public landscape of Makati, and aims to spark more efforts for cultural heritage conservation and making Makati a haven for arts and creativity. Considered one of the last monumental works of the country's first Moro National Artist, the cultural landmark was unveiled on February 14 at the entrance of the China Bank Savings (CBS) head office at 314 Sen. Gil Puyat Avenue, Makati City from its original site in the rear driveway of the building.



A Key Core Value of the Bank is Concern for People. CBS makes it a point to provide an equitable, respectful, and safe working environment for all our employees. In 2023, CBS hired 736, pushing the total workforce to 2,685.

Each business card the Bank has a key tenet that governs this aggressive focus on people. CBS on the Rise, Be part of the Build! At China Bank Savings (CBS), the goal is not to grow profits by cutting corners or reducing the human element through automation, as some new tech centered banks are doing. The goal is to expand with more people, through more physical touch points, to provide a distinctly human touch to the banking experience. This is achieved through the maximization of human resources.



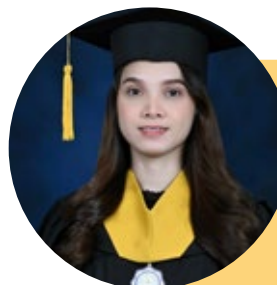




## A Legacy to Learn and Lead

China Bank Savings (CBS) supports initiatives that foster diversity, equity, and inclusion. Personnel, pre-identified and assessed based on potential, availability of a regular post, and more importantly, the drive to pursue a college degree while working, are given the opportunity to do so. While these initiatives do not work like scholarships, the candidates are offered a wide range of support. Their work arrangements are adjusted so they remain aligned with the Bank's requirements while allowing the personnel to attend classes. This helps them pay for their own education, an achievement they can be truly proud of. They are also given the full support of their team and colleagues, and use of CBS facilities for any academic requirements. Upon finishing their degree, they are now eligible for career advancement.

The Bank purposely creates opportunities in the workplace to enable its most valued assets—its people, to take a step closer toward building a society where everyone has an equal opportunity to grow, learn, and thrive. It recognizes that diversity, equity and inclusion require equal opportunities through initiatives like education. CBS is proud of what it has accomplished, for its first batch of graduates, and will continue to accomplish for the next candidates.



**JHESCHEL BARRETO**  
Facilities Assistant, Administrative Services Department  
Bachelor of Science in Office Administration, Philippine Christian University



**DONALD BUDOSO**  
Loans Processor, APD LC Iloilo  
Bachelor of Science in Criminology, Samson College of Science & Technology



**LOUIE JAY SENICA**  
Facilities Assistant, Administrative Services Department  
Bachelor of Science in Office Administration, Philippine Christian University



## Channels Enrolled Accounts

	2021	2022	2023
Mobile Banking	43,722	63,447	107,563
Retail Banking	11,485	11,849	12,405
Corporate Internet	1,798	2,630	2,773

## Breaking Through

Even though China Bank Savings (CBS) is focused on Building and Rising with a growing workforce, it is still engaging in technological innovation to fulfill its promise to customers of "Easy Banking for You."

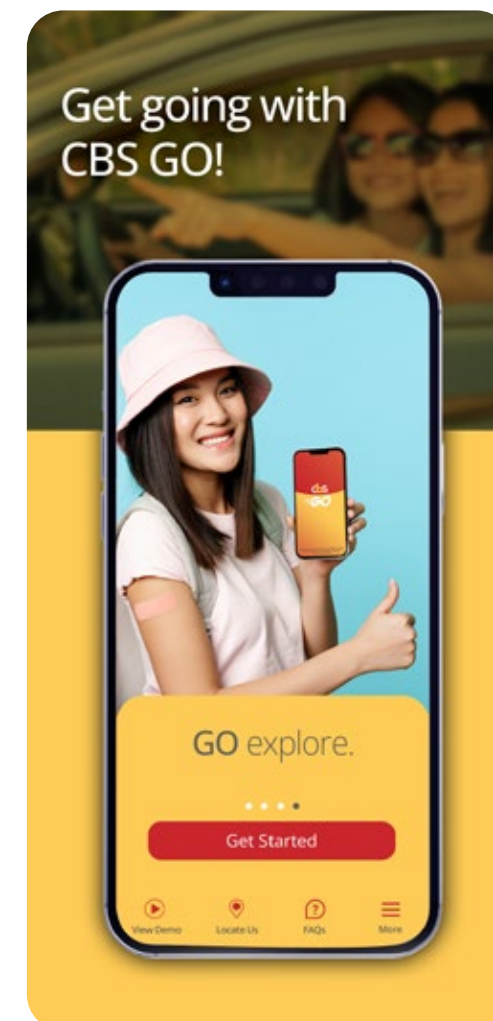
Through the CBS Go and CBS Personal Mobile App, China Bank Savings (CBS) is doing exactly that. In 2023 CBS deployed the CBS GO as a key part of its APD operations, to help public school teachers experience the convenience of online banking.

The CBS Personal Mobile App has enjoyed significant growth. From 2022 to 2023, users have increased to 107,563, breaching 100,000 for the first time ever. The year-on-year growth of 44,116 users was the biggest in CBS history.

CBS has also been busy expanding its communications channels to ensure that all CBS clients are able to contact the Bank whenever they have a new banking need or concern.

**₱ 83.64M**

Channels Fee Income for Y2023





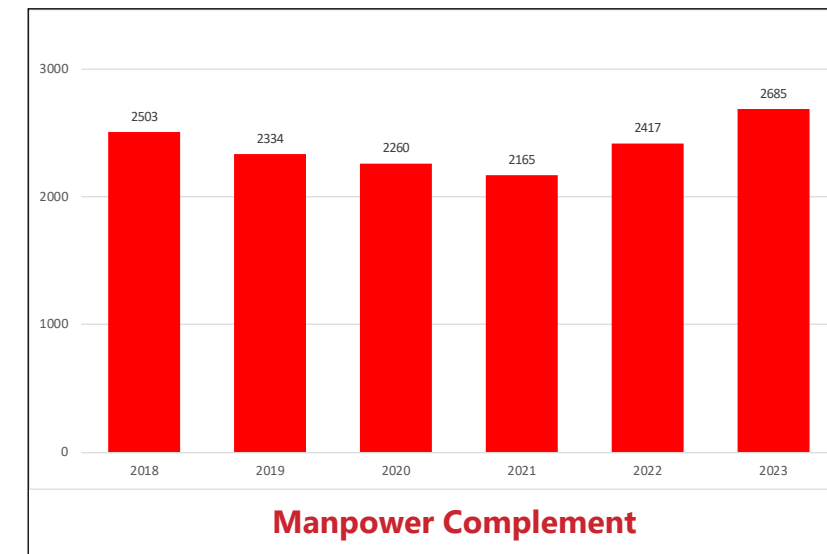


### Building and Rising through adversity

After a steady decline in headcount, China Bank Savings (CBS) ramped up hiring under President James Dee starting 2021. It expanded its physical footprint and workforce despite difficult circumstances caused by the COVID-19 pandemic. The CBS network of branches, business centers, APD offices, and ATMs was grown to ensure the Bank can provide Easy Banking for more communities across the Philippines. The Bank's performance over the past years, including 2023, speaks for itself.

CBS NETWORK as of December 31, 2023	
Branches	168
Business Center	3
Sales Offices	19
APD RBCs	37
APD Lending Kiosk	58

CBS ended the year 2023 with a total manpower of 2,685 employees. The number increased by 11% from the previous year (2022 manpower: 2,417). Of the total headcount, 48% are officers and 52% are staff.



CBS Tagbilaran Branch inauguration together with Mr. John Geesnell Yap, former City Mayor.



CBS Acacia Estates Branch inauguration together with Ms. Tiffany Princess Gatchalian, First Lady of Valenzuela.





# THE MEMBERS OF THE **BOARD OF DIRECTORS**



*From Left to Right*  
Ricardo R. Chua, Chairman  
Nancy D. Yang, Vice Chairman  
James Christian T. Dee, President

*First Row L-R*  
Philip S.L. Tsai, Independent Director  
Antonio S. Espedido, Jr., Independent Director  
Claire Ann T. Yap, Independent Director  
Genaro V. Lapez, Independent Director

*Second Row L-R*  
Romeo D. Uyan, Jr., Director  
Herbert T. Sy, Jr., Director  
Jose L. Osmeña, Jr., Director  
Patrick D. Cheng, Director



# THE BOARD PROFILES



## RICARDO R. CHUA

Chairman of the Board since 2007  
Filipino, 72

He is the advisor to the Board of CBC since November 1, 2017. He held several key positions with CBC, including 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 currently sits in the boards of other CBC subsidiaries: Chairman of China Bank Capital Corporation (CBCC) and Director of CBC Properties and Computer Center, Inc. (CBC-PCCI) and also in other companies not listed in the PSE - CAVACON Corporation, and Sun & Earth Corporation, among others. A Certified Public Accountant, Mr. Chua earned his Bachelor of Science degree in Business Administration, Major in Accounting, *cum laude*, from the University of the East, and finished his Master's in Business Management (MBM) degree from the Asian Institute of Management. He has had extensive training in banking operations and corporate directorship, and attended Anti-Money Laundering (AML) and corporate governance seminars, among others.



## NANCY D. YANG

Vice Chairman of the Board since 2007  
Filipino, 84

She is the Vice Chairman of the Executive Committee. She held the position of Senior Vice President and the Head of CBC Retail Banking Business from 1995 to 2016. She also holds various positions in the following institutions: Val Gardena Development Corporation, Hamersley Development Corporation, GDSK Development Corporation, Pacifica Royale Properties, Makati Curb Holdings Corporation, Great Expectation Holdings, Inc., The Big D Holdings Corporation, Richesse Development Corporation, and Azureblue Properties, Inc. Mrs. Yang is a degree holder of Bachelor of Liberal Arts Major in Home Economics from the Philippine Women's University and Human Development & Child Psychology from Merrill Palmer Institute in Detroit, Michigan, USA. She has attended the Allen Management Program in 1990, BAI Retail Delivery Conference in Phoenix, Arizona, USA in 1994, Environmental Risk Management Program for Bankers conducted by the Bank of America in 1997, BAI Retail Delivery Conference in Miami Beach, Florida in 1999, and BAI Retail Delivery Conference in Orlando, Florida in 2008. She has also attended corporate governance trainings from the Institute of Corporate Directors and others.



## JAMES CHRISTIAN T. DEE

President & Director  
Filipino, 50

Prior to his election as President & Director of CBSI, he was the Asset-Liability Management Head of the Treasury Group of China Bank Corporation since 2009 and Treasurer and Head of Treasury Group of CBSI since 2012. He is also a member of CBSI Board-level committees: Vice Chairman of the Retirement Committee and Remuneration Committee, and a member of the Executive Committee. He was appointed on November 16, 2023 as Director of Manulife China Bank Life Assurance Corporation. In the past, he held several key positions at the Trust Group of China Bank and Citibank N.A. Philippines. Mr. Dee is a degree holder of Bachelor of Science in Mechanical Engineering from the University of the Philippines and Master's degree in Business Management from the AIM. He trained with the Regional Treasury Certifications from Citigroup, N.A., Treasury Certification Program from Ateneo-BAP, and ICAAP Risk Models Validation from SGV. He likewise graduated with distinction on the one (1) year course on Trust Operation from Trust Institute Foundation of the Philippines. He has also attended corporate governance trainings from the Institute of Corporate Directors and others

*Note: Seconded to CBS and duly approved by the BSP.*



## ROMEO D. UYAN, JR.

Director  
Filipino, 61

He was appointed as Director of CBSI on March 16, 2023. He is the chairman of the Executive Committee. He is the President of CBC since April 1, 2023. He does not hold any directorship position in any other Philippine Stock Exchange (PSE)-listed company apart from CBC. He also serves in the boards of CBC subsidiaries: China Bank Capital Corporation (CBCC); China Bank Securities Corporation (CBSC); Resurgent Capital Inc., (FISTC-AMC) He is the Chairman of Executive Committee of CBSI. He is actively involved in the boards of Banker's Association of the Philippines and Philippine Payments Management Inc. An investment banker with over two decades of trading, financing, and structuring experience in the Asia Pacific region, Mr. Uyan was previously the President of China Bank Capital and the Managing Director of UBS AG-Singapore Branch and Barclays Capital. He graduated cum laude from the Ateneo de Manila University with a Bachelor of Science degree in Management Engineering, and with Distinction from the Johnson Graduate School of Management in Cornell University, New York, with a Master's degree in Business Administration (MBA). He has had extensive training in banking, securities and futures products, fraud awareness, Foreign Account Tax Compliance Act, environmental and social risk, AML, and corporate governance.



### HERBERT T. SY, JR.

Director  
Filipino, 38

He was elected as a Regular Director on June 17, 2021. Mr. Sy presently works for SM Retail, Inc., under the SM Group of Companies. For the SM Markets Merchandising Group, he has been serving as Executive Director since 2015. He handles product selection for the SM Markets stores, which include SM Supermarkets, Hypermart and Savemore. Mr. Sy manages international house brand procurement, store orders, and negotiates with suppliers. For SM Markets Marketing Group, he oversees in-store promotions and marketing. For SM Markets Operations Group, he manages overall store operations and expenses, and contributes to store efficiencies with inventory, while for the SM Markets Online Group, he handles online retail operations, development and expansion, as well as negotiations with third party online retailers. He graduated with a degree in Bachelor of Science in Marketing Management from De La Salle University in Manila in 2009. He has had trainings in corporate governance from the Institute of Directors and others.



### JOSE L. OSMEÑA, JR.

Director  
Filipino, 64

He is a CBSI Director and a member of the CBSI Executive Committee. He is an Executive Vice President and the Co-Segment Head of Retail Branch Banking (RBBS) of CBC. He has been with CBC for more than 30 years. He previously worked at Insular Bank of Asia and America and Producers Bank of the Philippines. Mr. Osmeña holds a Bachelor of Science degree in Commerce, Major in Accounting, from the University of San Carlos, 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, service quality management, channels marketing, corporate governance, and AML.



### PATRICK D. CHENG

Director  
Filipino, 61

Mr. Cheng has been a Director of CBSI since December 2017. He is a CBSI Director. He is also an Executive Vice President and the Chief Finance Officer of CBC. He is also in the board of another China Bank subsidiary—China Bank Insurance Brokers, Inc. (CIBI) as Chairman, and in the Bank's affiliate - Manulife China Bank Life Assurance Corporation (MCBL) as Director. He likewise serves on the boards of Manila Overseas Commercial Inc., and SR Holdings Corporation. In the past, he held several key positions at the Philippine Bank of Communications, HSBC Savings Bank (Philippines), HSBC (Philippine Branch), Citicenter Condominium Corp., and Citibank N.A. (Philippine Branch). He was the President and Chief Executive Officer of HSBC Savings Bank (Philippines) from 2008 to 2013 and was also a two-term President of the Chamber of Thrift Banks from 2011 to 2012. 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 earned his Master's degree in Management, with Distinction, from the Hult International Business School in Cambridge, Massachusetts, and finished the Trust Operations and Investment Management course, also with Distinction, from the Trust Institute of the Philippines. In 2010, he received the Distinguished Alumnus Award from the Virata School of Business of the University of the Philippines-Diliman. He has had extensive training in corporate governance, AML, asset liability management, operational risk, and information security.



### PHILIP S.L. TSAI

Independent Director  
Filipino, 73

He was elected as Independent Director of CBSI and CBC on November 2018. He likewise serves as an Independent Director of China Bank subsidiaries namely, China Bank Capital Corporation (CBCC) and China Bank Insurance Brokers, Inc. (CBC-IBI). Mr. Tsai is a member of the following CBSI Board-level committees: Chairman of the Risk Oversight Committee, Vice Chairman of the Related Party Transaction Committee and member of the Corporate Governance Committee, Nomination Committee, Remuneration Committee. Aside from the China Bank Group, he does not hold any position in other PSE-listed companies. He has had more than 36 years of banking experience. He previously held 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 CBC's Retail Banking Business until his retirement in 2015. Director Tsai earned his Bachelor of Science degree in Business Administration from the University of the Philippines, and received his Master's degree in Business Administration from the Roosevelt University in Chicago, Illinois. He had attended various banking, marketing, and governance trainings, including the training on AML updates, cybersecurity governance, and managing finances in the digital age in August 2022, and the forum on sustainability organized by SMIC and WWF Philippines.





### CLAIRE ANN T. YAP

Independent Director  
Filipino, 67

She has been an Independent Director of CBSI since December 2020. She also serves as Independent Director in CBC subsidiaries CBCC, CBSC, and in CBCC's subsidiary RCI, and as Board Trustee and Vice Chairperson in Vedruna Foundation, Inc. Mrs. Yap is a member of the following CBSI Board-level committees: Chairman of the Audit Committee, Vice Chairman of the Corporate Governance Committee, Vice Chairman of the Nomination Committee, and member of the Risk Oversight Committee. She held the position of 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 more than 30 years of experience in banking and finance in the Philippines. She has extensive leadership experience in operations beginning with local financial institutions and expanding to global organizations, with considerable exposure from credit card and payments to financial technology solutions in a shared services environment. She has exposures in cross-geographical and cultural team integration, strategic business unit development, revenue generation and cost control, client relationship management, financial and credit analytics, merchant life cycle management, industry standard audits and compliance, and process improvement. In the past, she held executive leadership roles at Australia and New Zealand Banking Group Ltd./Metrobank Card Corporation and Hongkong Shanghai Banking Corporation. She was also Chairman of the Credit Card Association of the Philippines from 2009 to 2010 and President from 2007 to 2009. A Certified Public Accountant, Ms. Yap is a graduate of Bachelor of Science in Accounting, cum laude, from the De La Salle University. She has had various trainings in Managing Customer Experience, Credit Card Fraud and Security, Information Security, Data Privacy, and corporate governance



### GENARO V. LAPEZ

Independent Director  
Filipino, 66

He was elected as an Independent Director of CBSI on June 17, 2021. He is a member of CBSI Board-level committees, namely: Chairman of the Related Party Transaction Committee, Chairman of the Retirement Committee, Chairman of the Remuneration Committee, and Vice Chairman of the Audit Committee. 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 also serves as Independent Director in the China Banking Corporation subsidiary CBSC. 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, Technology Governance for Directors in 2021 and on Advanced Corporate Governance in 2022 from the Institute of Corporate Directors and others.



### ANTONIO S. ESPEDIDO, JR.

Independent Director  
Filipino, 67

He is an Independent Director of CBSI. He has more than 20 years of experience in banking and finance in the Philippines. He is a member of CBSI Board-level committees, namely: Chairman of the Nomination Committee, Chairman of the Corporate Governance Committee, Vice-Chairman of the Risk Oversight Committee, and a member of the Audit Committee, Retirement Committee and Related Party Transaction Committee. Mr. Espedido was a consultant for Intellect Design Arena, a company that provides banking system/solutions. He has extensive leadership experience in treasury and marketing operations. He was a Consultant in the implementation of the Treasury system in China Banking Corporation from June 2016 to September 2016. Prior to this, he was CBC's Executive Vice President, Treasurer and Financial Market Business Segment, responsible in managing the investment portfolio of the bank in fixed income and exposure in foreign exchange. He was likewise responsible in managing the bank's liquidity and funding requirements. He also provided direction in identifying market coverage for expanding client base product offerings and helped identify and structure financial funding options based on client's requirements, on the Investment Banking side. He joined CBC as early as 1990 as its Treasurer, responsible in managing fixed income portfolio and foreign exchange exposure. He was a Director of CBSI and CBC Forex from June 2004 to June 2016. While holding such positions with CBC, he was also a member of the Capital Market Committee of the Bankers Association of the Philippines (BAP) from April 2011 to April 2015 and Director of the Association of Foreign Exchange Dealers of the Philippines from January 1997 to January 1998. Mr. Espedido held the positions in the Bank of the Philippine Islands (BPI) and Citytrust Banking Corporation handling proprietary exposures in fixed income and foreign exchange. His most recent trainings were hosted by the Asian Development Bank (ADB) on Financial Situation Caused by Covid-19 pandemic, Digital Transformation in Banking, and on corporate governance. He earned his Bachelor's Degree in Business Administration from the University of San Francisco, California, U.S.A. in 1979.

*Note: All the foregoing Directors had been involved in the banking industry for more than five (5) years, except for Mr. Herbert T. Sy, Jr., who has been in SM Group of Companies since 2009.*

*None of the above-mentioned Directors works with the Government.*



# THE MANAGEMENT COMMITTEE



*From Left to Right*  
James Christian T. Dee, President  
Jan Nikolai M. Lim, Consumer Lending Group Head  
Atty. Josephine F. Fernandez, Human Resources Division Head



*From Left to Right*  
Mary Grace F. Guzman, Asset Recovery Group Head  
Niel C. Jumawan, APDS Lending Group Head  
Brenda S. Santiago, SME Lending Group Head  
Luis Bernardo A. Puhawan, Controller



## THE CHINA BANK SAVINGS EXECUTIVE OFFICERS



**JAMES CHRISTIAN T. DEE**  
President



**JAN NIKOLAI M. LIM**  
SVP - Consumer Lending Group Head



**NIEL C. JUMAWAN**  
FVP II - APDS Lending Group Head



**LUIS BERNARDO A. PUHAWAN**  
FVP II - Controller



**ATTY. JOSEPHINE F. FERNANDEZ**  
FVP - Human Resources Division Head



**MARY GRACE F. GUZMAN**  
VP II - Asset Recovery Group Head



**RAYMOND C. APO**  
VP I - Risk Management Division Head



**BRENDA S. SANTIAGO**  
SAVP - SME Lending Group Head



**ADONIS C. YAP**  
FVP I - Digital Banking Group Head



**FRANCIS ANDRE Z. DE LOS SANTOS**  
FVP I - Business Solutions Division Head



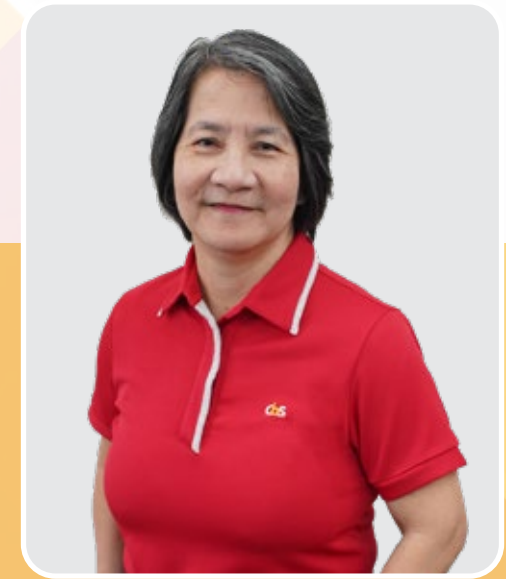
**FREDERICK M. PINEDA**  
VP II - Centralized Operations Group Head



**HANZ IRVIN S. YORO**  
VP II - Information Security Officer



**ATTY. ROBERTO M. BUENAVENTURA**  
VP I - Legal Services Division Head



**ATTY. CORAZON T. LLAGAS**  
VP I - Chief Compliance Officer





**CHARMAINE S. HAO**  
VP I - Treasury Division Head



**WARREN AUGUSTUS D. DE GUZMAN**  
AVP - Customer Experience Management,  
Marketing Services and Sustainability Division Head



**ATTY. ARTURO JOSE M. CONSTANTINO, III**  
AVP - Corporate Secretary



## THE AUDITED FINANCIAL STATEMENTS



SCAN THE CODE FOR THE  
AUDITED FINANCIAL STATEMENTS

**China Bank Savings, Inc.**  
*(A Subsidiary of China Banking Corporation)*

Financial Statements  
December 31, 2023 and  
December 31, 2022  
and for the years ended December 31,  
2023, December 31, 2022 and 2021

and

Independent Auditor's Report



## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS


The management of **CHINA BANK SAVINGS, INC.** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the year ended December 31, 2023, 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 financial statements that are free from material misstatement, whether due to fraud or error.


In preparing the financial statements, management is responsible for assessing the 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 Company or to cease operations, or has no realistic alternative to do so.

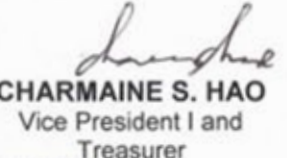
The Board of Directors is responsible for overseeing the Company's financial reporting process.


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

**SyCip Gorres Velayo & Co. (SGV & Co.)**, the independent auditor appointed by the stockholders has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

  
**RICARDO R. CHUA**  
Chairman of the Board

  
**JAMES CHRISTIAN T. DEE**  
President

  
**CHARMAINE S. HAO**  
Vice President I and  
Treasurer

  
**LUIS BERNARDO A. PUHAWAN**  
First Vice President II and  
Controller

**MAKATI CITY**  
SUBSCRIBED AND SWORN to before me this 11 day of APR 2024 2024 affiant(s)  
exhibiting to me their government-issued identification cards, as follows:

NAME	NUMBER
Ricardo R. Chua	SSS No. 03-2416389-8
James Christian T. Dee	SSS No. 33-49988673
Charmaine S. Hao	P6588111A
Luis Bernardo A. Puhawan	Unified Multi-Purpose ID No. CRN-0033-4600510-6

Doc. No. 388  
Page No. 37  
Book No. 41  
Series of 2024.

**ATTY. EUGENIO GAMAL FERRER**  
Notary Public for and in Makati city  
Until Dec. 31, 2024 (2023-2024), Appt. No. M-522  
Roll No. 85695, TIN 208286514  
Rm. 412, 4th Flr. VGP Center, Ayala, Makati City  
PTR N. 10075927, 01/03/2024, Makati City

## INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors  
China Bank Savings, Inc.

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of China Bank Savings, Inc. (the Bank), a subsidiary of China Banking Corporation, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2023 and 2022, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2023 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 Financial Statements* section of our report. We are independent of the Bank 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 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.

#### 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, 2023, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022 are expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 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 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 Financial Statements**

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

In preparing the 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.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Bank'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 Bank'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 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### **Report on the Supplementary Information Required Under Section 174 of Manual of Regulations for Banks and Revenue Regulations No. 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 Section 174 of Manual of Regulations for Banks and Revenue Regulations 15-2010 in Note 30 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 Bank Savings, Inc. 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.

SYCIP GORRES VELAYO & CO.

*Redgimald G. Radam*

Redgimald G. Radam

Partner

CPA Certificate No. 118866

Tax Identification No. 249-000-259

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-141-2021, April 27, 2021, valid until April 26, 2024

PTR No. 10079995, January 6, 2024, Makati City

March 21, 2024



**CHINA BANK SAVINGS, INC.**  
**(A Subsidiary of China Banking Corporation)**  
**STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2023	2022
<b>ASSETS</b>		
Cash and Cash Equivalents (Notes 6 and 23)	₱20,001,169,247	₱20,615,819,887
Financial Assets at Fair Value through Profit or Loss (Note 7)	50,900,076	–
Financial Assets at Fair Value through Other Comprehensive Income (Note 7)	12,411,859,455	1,957,702,296
Investment Securities at Amortized Cost (Note 7)	6,258,780,708	5,897,415,630
Loans and Receivables (Note 8)	110,315,101,840	87,710,830,245
Non-current Assets Held for Sale (Note 9)	213,368,762	166,771,807
Property and Equipment (Note 10)	1,965,413,487	1,660,962,436
Investment Properties (Note 11)	1,950,006,358	2,164,036,936
Branch Licenses (Note 12)	74,480,000	74,480,000
Software Costs (Note 12)	49,440,405	58,480,170
Deferred Tax Asset (Note 22)	1,495,380,660	1,341,911,234
Other Assets (Notes 13 and 23)	2,651,992,262	2,339,012,702
	<b>₱157,437,893,260</b>	<b>₱123,987,423,343</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Deposit Liabilities (Notes 15 and 23)		
Demand	₱25,981,327,810	₱24,253,375,850
Savings	21,138,613,497	22,524,549,072
Time	90,535,289,647	61,418,964,928
	<b>137,655,230,954</b>	<b>108,196,889,850</b>
Manager's Checks	689,698,725	254,559,553
Accrued Interest and Other Expenses (Note 16)	1,021,694,150	642,707,097
Income Tax Payable	2,591,417	11,344
Other Liabilities (Notes 16 and 24)	2,419,595,990	2,078,823,847
	<b>141,788,811,236</b>	<b>111,172,991,691</b>
<b>Equity</b>		
Capital stock (Note 18)	11,543,579,100	10,543,579,100
Additional paid-in capital (Note 18)	475,049,814	485,049,814
Other equity - stock grants (Note 18)	17,299,450	17,277,400
Other equity reserves (Note 27)	(2,248,520,637)	(2,248,520,637)
Surplus (Note 18)	5,863,598,152	4,035,772,746
Remeasurement gains on retirement benefit (Note 20)	20,858,617	62,564,193
Net unrealized losses on financial assets at fair value through other comprehensive income (Note 7)	(70,830,608)	(160,439,115)
Cumulative translation adjustment	48,048,136	79,148,151
	<b>15,649,082,024</b>	<b>12,814,431,652</b>
	<b>₱157,437,893,260</b>	<b>₱123,987,423,343</b>

See accompanying Notes to Financial Statements.

**CHINA BANK SAVINGS, INC.**  
**(A Subsidiary of China Banking Corporation)**  
**STATEMENTS OF INCOME**

	Years Ended December 31		
	2023	2022	2021
<b>INTEREST INCOME</b>			
Loans and receivables (Notes 8 and 23)	₱10,302,663,084	₱7,494,313,474	₱5,955,951,115
Due from Bangko Sentral ng Pilipinas and other banks (Notes 6 and 23)	807,401,467	266,726,823	126,186,058
Trading and investment securities (Note 7)	472,994,630	273,068,574	242,801,087
Securities purchased under resale agreements (Note 6)	169,178,245	70,835,452	29,351,355
	<b>11,752,237,426</b>	<b>8,104,944,323</b>	<b>6,354,289,615</b>
<b>INTEREST EXPENSE</b>			
Deposit liabilities (Notes 15 and 23)	4,590,953,033	1,484,426,834	841,037,755
Lease liabilities (Note 21)	52,212,642	39,109,419	43,017,890
	<b>4,643,165,675</b>	<b>1,523,536,253</b>	<b>884,055,645</b>
<b>NET INTEREST INCOME</b>	<b>7,109,071,751</b>	<b>6,581,408,070</b>	<b>5,470,233,970</b>
Service charges, fees and commissions	458,307,082	429,240,918	471,562,919
Gain on asset exchange - net (Notes 9 and 11)	379,935,234	376,181,268	202,952,436
Income from property rentals (Notes 11, 21 and 23)	49,862,036	49,157,087	58,804,838
Trading and securities gains - net (Note 7)	365,441	–	15,123,373
Miscellaneous (Note 19)	213,462,182	114,873,080	85,568,387
<b>TOTAL OPERATING INCOME</b>	<b>8,211,003,726</b>	<b>7,550,860,423</b>	<b>6,304,245,923</b>
Compensation and fringe benefits (Notes 20 and 23)	1,519,425,423	1,331,232,664	1,275,225,169
Provision for impairment and credit losses (Note 14)	1,015,498,571	1,507,585,488	1,246,979,955
Taxes and licenses	636,025,917	417,738,766	357,274,981
Documentary stamp taxes	537,823,446	306,664,676	208,543,219
Depreciation and amortization (Notes 10, 11 and 12)	489,267,845	429,654,413	435,646,811
Insurance	344,671,610	261,649,400	246,850,371
Security, clerical, messengerial and janitorial	329,390,588	315,748,912	252,474,530
Acquired asset and other litigation expenses	192,032,629	288,336,187	200,911,325
Transportation and travel	162,311,953	135,525,399	102,765,466
Occupancy costs (Note 21)	152,224,055	145,333,551	105,445,275
Utilities	113,630,855	108,849,238	88,991,334
Entertainment, amusement and recreation (Note 22)	90,455,583	88,557,677	89,924,769
Data processing and information technology (Note 23)	76,215,660	64,450,418	47,259,282
Stationery, supplies and postage	33,677,936	30,188,618	32,556,116
Management and other professional fees	7,399,915	5,063,951	6,554,546
Miscellaneous (Notes 19)	376,061,572	391,335,676	256,863,413
<b>TOTAL OPERATING EXPENSES</b>	<b>6,076,113,558</b>	<b>5,827,915,034</b>	<b>4,954,266,562</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>2,134,890,168</b>	<b>1,722,945,389</b>	<b>1,349,979,361</b>
<b>PROVISION FOR INCOME TAX</b> (Note 22)	<b>307,064,762</b>	<b>145,992,126</b>	<b>363,523,499</b>
<b>NET INCOME</b>	<b>₱1,827,825,406</b>	<b>₱1,576,953,263</b>	<b>₱986,455,862</b>

See accompanying Notes to Financial Statements.

CHINA BANK SAVINGS, INC.  
(A Subsidiary of China Banking Corporation)

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2023	2022	2021
NET INCOME	¥1,827,825,406	¥1,576,953,263	¥986,455,862
OTHER COMPREHENSIVE INCOME			
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 (Note 7)	81,149,047	(133,339,660)	(38,318,200)
Cumulative translation adjustment	(31,100,015)	40,535,812	9,577,830
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, net of tax (Note 7)	8,459,460	4,683,628	2,236,096
Remeasurement gains (losses) on retirement asset (liability), net of tax (Note 20)	(41,705,576)	(3,549,431)	66,518,179
	16,802,916	(91,669,651)	40,013,905
TOTAL COMPREHENSIVE INCOME	¥1,844,628,322	¥1,485,283,612	¥1,026,469,767

See accompanying Notes to Financial Statements.

CHINA BANK SAVINGS, INC.  
(A Subsidiary of China Banking Corporation)  
STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 18)	Additional Paid-in Capital (Note 18)	Other Equity - Stock Grants (Note 18)	Other Equity Reserves (Note 27)	Surplus (Note 18)	Remeasurement Gains on Retirement Benefit (Note 20)	Net Unrealized Losses on Financial Assets at Fair Value through Other Comprehensive Income (Note 7)	Cumulative Translation Adjustment	Total Equity
Balances at January 1, 2023	¥10,543,579,100	¥485,049,814	¥17,277,400	¥2,248,520,637	¥4,035,772,746	¥62,564,193	¥160,439,115	¥79,148,151	¥12,814,431,652
Issuance of capital stock	1,000,000,000	(10,000,000)	-	-	-	-	-	-	990,000,000
Total comprehensive income (loss) for the year	-	-	-	-	1,827,825,406	(41,705,576)	89,608,507	(31,100,015)	1,844,628,322
Stock grants (Note 18)	-	-	22,050	-	-	-	-	-	22,050
Balances at December 31, 2023	¥11,543,579,100	¥475,049,814	¥17,299,450	¥2,248,520,637	¥5,863,598,152	¥20,858,617	¥70,830,608	¥48,048,136	¥15,649,082,024
Balances at January 1, 2022	¥10,543,579,100	¥485,049,814	¥17,277,400	¥2,248,520,637	¥2,458,819,483	¥66,113,624	¥31,783,083	¥38,612,339	¥11,329,148,040
Total comprehensive income (loss) for the year	-	-	-	-	1,576,953,263	(3,549,431)	(128,656,032)	40,535,812	1,485,283,612
Balances at December 31, 2022	¥10,543,579,100	¥485,049,814	¥17,277,400	¥2,248,520,637	¥4,035,772,746	¥62,564,193	¥160,439,115	¥79,148,151	¥12,814,431,652
Balances at January 1, 2021	¥10,543,579,100	¥485,049,814	¥18,286,290	¥2,248,520,637	¥1,472,363,621	¥(404,555)	¥4,299,021	¥29,034,509	¥10,303,687,163
Total comprehensive income (loss) for the year	-	-	-	-	986,455,862	66,518,179	(36,082,104)	9,577,830	1,026,469,767
Stock grants (Note 18)	-	-	(1,008,890)	-	-	-	-	-	(1,008,890)
Balances at December 31, 2021	¥10,543,579,100	¥485,049,814	¥17,277,400	¥2,248,520,637	¥2,458,819,483	¥66,113,624	¥31,783,083	¥38,612,339	¥11,329,148,040

See accompanying Notes to Financial Statements.



**CHINA BANK SAVINGS, INC.**  
**(A Subsidiary of China Banking Corporation)**  
**STATEMENTS OF CASH FLOWS**

	Years Ended December 31		
	2023	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	₱2,134,890,168	₱1,722,945,389	₱1,349,979,361
Adjustments for:			
Provision for impairment and credit losses (Note 14)	1,015,498,571	1,507,585,488	1,246,979,955
Depreciation and amortization (Notes 10, 11 and 12)	489,267,845	429,654,413	435,646,811
Gain on asset exchange (Notes 9, 11 and 23)	(379,935,234)	(376,181,268)	(202,952,436)
Interest on lease liabilities (Note 21)	52,212,642	39,109,419	43,017,890
Amortization of premium on investment securities	12,995,821	36,511,967	47,999,579
Realized trading gains on financial assets at fair value through other comprehensive income (Note 7)	(365,441)	—	(15,123,373)
Stock grants (Note 18)	22,050	—	(1,008,890)
Changes in operating assets and liabilities:			
Decrease (increase) in the amounts of:			
Financial assets at fair value through profit or loss	(50,900,076)	—	—
Loans and receivables	(24,568,905,021)	(24,448,446,068)	(2,150,499,948)
Other assets (Note 13)	(457,531,493)	80,588,617	743,557,820
Increase (decrease) in the amounts of:			
Deposit liabilities	29,458,341,104	26,401,723,835	(3,663,576,643)
Manager's checks	435,139,172	(133,686,911)	(113,887,391)
Accrued interest and other expenses	378,987,053	299,676,353	142,960,867
Other liabilities (Note 16)	82,748,602	182,081,322	(282,654,556)
Net cash generated from (used in) operations	8,602,465,763	5,741,562,556	(2,419,560,954)
Income tax paid (Note 22)	(446,056,218)	(323,634,787)	(323,273,569)
Net cash provided by (used in) operating activities	8,156,409,545	5,417,927,769	(2,742,834,523)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of:			
Financial assets at fair value through other comprehensive income	(10,822,787,584)	(149,720,981)	(1,234,574,317)
Investment securities at amortized cost	(934,384,243)	(2,674,609,330)	(67,900,069)
Property and equipment (Note 10)	(402,502,281)	(388,711,433)	(194,970,740)
Software costs (Note 12)	(7,053,232)	(35,863,358)	(6,507,841)
Proceeds from sale/maturity of:			
Investment properties (Note 11)	1,094,062,530	897,932,696	707,861,301
Investment securities at amortized cost	558,658,064	2,067,000,000	199,548,000
Financial assets at fair value through other comprehensive income	465,089,387	—	768,751,800
Non-current assets held for sale (Note 9)	404,923,249	504,667,774	712,456,137
Property and equipment (Note 10)	93,151,093	137,893,929	14,315,678
Net cash provided by (used in) investing activities	(9,550,843,017)	358,589,297	898,979,949
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Net proceeds from capital infusion (Notes 18 and 23)	990,000,000	—	—
Payments of principal portion of lease liabilities (Note 21)	(262,454,969)	(233,139,024)	(235,555,861)
Net cash provided by (used in) investing activities	727,545,031	(233,139,024)	(235,555,861)
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	52,237,801	60,668,343	32,671,151
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(614,650,640)	5,604,046,385	(2,046,739,284)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	20,615,819,887	15,011,773,502	17,058,512,786
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	₱20,001,169,247	₱20,615,819,887	₱15,011,773,502
<b>OPERATIONAL CASH FLOWS FROM INTEREST</b>			
Interest received	₱11,725,492,904	₱8,198,291,816	₱6,874,027,454
Interest paid	4,290,525,512	1,325,671,162	905,850,428

See accompanying Notes to Financial Statements.

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China Bank Savings is a subsidiary of China Banking Corporation

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