

SEC NUMBER 00016962
File Number _____

CHINABANK SAVINGS, INC.
(Company's Full Name)

6772 AYALA AVENUE MAKATI CITY
(Company's Address)

Tel. No. 988-9555
(Telephone No. of the Corporation)

SEC FORM 17 - A
(Form Type)

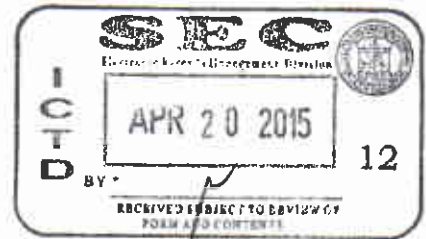
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Secondary License Type and File Name

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17 - A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended : December 31, 2014
2. SEC Identification Number : 000016962
3. BIR Tax Identification Code : 000-504-532
4. Exact Name of Registrant as Specified in its charter : CHINA BANK SAVINGS, INC.
5. Province, country or other jurisdiction or organization : Makati City Philippines
6. Industry Classification Code : (SEC Use Only)
7. Address of principal office : 6772 Ayala Avenue, Makati City
8. Registrant's telephone number including area code : (632)988-9555
9. Former Name or former address, if changed since last report: N/A
10. Securities registered pursuant to Section 8 and 12 of the Code and Section 4 and 8 of the RSA (information on the number of shares and amount of debt is applicable only to corporate registrants):



Title of Each Class	Number of Shares Outstanding or Amount of Debt Outstanding
Common Shares	8,794,590

11. Are any or all of the registrant's securities listed on a stock exchange?
Yes () No (/)
12. Check whether the issuer:
- (a) has filed all the reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)
Yes (/) No ()
- (b) Has been subject to such filing requirements for the past ninety (90) days.
Yes (/) No ()

PART 1 – BUSINESS AND GENERAL INFORMATION

Item 1. DESCRIPTION OF BUSINESS

(1) Business Development

China Bank Savings, Inc. (CBS) is the thrift bank subsidiary of China Banking Corporation (China Bank). It is focused on the retail side of the market with a full range of personal and commercial banking services for individual and business customers. It aims to operate and grow as a profitable community-oriented institution, offering value-enhancing, customer-driven solutions at very accessible locations, including supermarkets, and through secure and convenient electronic banking channels.

CBS began operations on September 8, 2008, following China Bank's acquisition of Manila Bank, the oldest savings bank in the Philippines, in 2007. From a lone branch in Ayala Avenue, CBS branched out to six locations in just one year. In 2009, it introduced *Easi-Earn High Five*, a five-year time deposit account that earns interest tax free; *Easi-Save for Kids* for little savers aged 12 and below; and *Easi-Checking Diary*, a checking account with a passbook for easier monitoring. In 2010, CBS opened ten more branches and launched *Easi-Drivin' Auto Loan* and *Easi-Save Basic*, a zero initial deposit and maintaining balance ATM account. CBS expanded its loans portfolio by offering *Easi-Livin' Home Loan* and *Easi-Funds Personal Loan* the following year.

In 2012, CBS embarked on a re-branding program to leverage on the legacy and strength of its parent bank China, while developing a distinct identity and recognizable look to its more retail and younger customer segment. CBS became the bank that's "*Madaling Kausap*" (easy to talk to) and this brand promise is carried over to every aspect of CBS' operations. To complete the transformation and guide CBS' future direction, a new vision, mission, and core value statements were formulated and embedded into the CBS culture.

In the same year, China Bank acquired Pampanga-based Rural Bank, Unity Bank, to fast-track CBS' branch expansion program. The acquisition boosted CBS' network with 15 Unity Bank branches and additional 24 branch licenses in the restricted areas granted by Bangko Sentral ng (BSP) under the Strengthening Program for Rural Banks (SPRB) Plus. The merger was completed in 2013, and at the end of that year, CBS' branch network had grown to 72 branches nationwide.

To expand more efficiently, CBS launched the mini branch concept in July 2013. The mini branches, renamed *Easi-Banking Branches* in 2014, complete CBS' hub and spoke business model—to serve a big area with a traditional branch complemented by small branches that also offer a full range of services and are open for longer hours—from 10 am to 7 pm, 7 days a week. Branches in "in-store" locations like Savemore cost less to operate than conventional branches. *Easi-Banking Branches* are typically only 25 sq.m. in size and manned by just three personnel.

Easi-Banking Branches, which reached a total of 12 at the end of 2014, offer the best of both worlds—face to face interaction with tellers and fast and convenient service through e-banking

channels. Each mini branch is equipped with an ATM, Cash Accept Machine, and Online Banking Kiosk where customers can already do their banking transactions as early as 7 or 8 am when Savemore opens.

To realize its vision to be the financial partner of SMEs and Consumers and lead them to prosperity, CBS needs to accelerate its growth. China Bank acquired the country's leading SME bank, Planters Development Bank (Plantersbank), with 78 branches and two unopened licenses, in 2014—to be merged with CBS in 2015, with CBS as the surviving bank. This latest acquisition will greatly enhance CBS' capability to support the needs of the consumer and SME market.

CBS embarked on an integration journey with Plantersbank to build a bigger, better, stronger "new bank"—a CBS founded on the strength of China Bank and the solid association of Plantersbank with SMEs, and reorganized and revitalized to effectively support customers' strategic goals.

With the battle cry "We are One", the presidents of CBS and Plantersbank have been going around the countryside since May 2014 with a small group of their key executives to visit clients and personally convey a clear message of solidarity and a continued commitment to building a stronger platform for SME finance. A series of cocktails was likewise hosted for Plantersbank's SME clients to celebrate the forthcoming merger and the resulting bigger, better, and stronger "new bank." For employees, Project Pipeline was launched in June 2014, a mechanism to support the marketing efforts of CBS and Plantersbank. A series of product briefings were conducted to familiarize the sales groups of both banks with their respective SME and consumer loan products and to guide them in identifying primary target markets.

CBS expanded its product offerings in 2014 with *Easi-Funds* Student loan, an easy and affordable private education loan program, and *Easi-Padala*, the country's first domestic money transfer service via a local bank. In partnership with Cebuana Lhuillier, CBS *Easi-Padala* was developed to provide a fast, secure, and affordable domestic money transfer service.

In line with its financial inclusion advocacy, CBS also launched in 2014 its *Banking on Your Future* Program to teach children the value of saving. Under the program, public school pupils can open an account with just P1 initial deposit.

Moving forward, CBS will continue to remain true to its brand promise, "*Madaling Kausap*"; by developing products that are responsive to its target market's needs, including offering bancassurance, and by being more accessible—through branches that are close to where customers live and work and via electronic channels that provide banking convenience anytime, anywhere. With the collective efforts of CBS and Plantersbank employees, the new bigger, better, stronger CBS will be ideally positioned to lead its customers to prosperity.

(2) Business of Issuers

(a) Description of Registrant

(i) **Principal Products and Services**

ChinaBank Savings, Inc. offers a wide range of products on deposits, loans, and other bank services that cater to the needs of corporate, middle, retail and consumer markets, to wit:

DEPOSIT PRODUCTS

Savings Account: *Easi-Save Passbook; Easi Save ATM, Easi-Save Loaded, Easi-Save for Kids, Easi-Save Basic*

Current Account: *Easi-Checking Account, Easi-Checking Diary*

Time Deposit: *Easi-Earn, Easi-Earn High-Five*

Dollar Deposit: *Dollar Savings Account, Dollar Time Deposit*

DEPOSIT SERVICES

Payroll Services; Deposit/Pick-up Services; Bills Payment; ATM Services: Bills Payment, Fund Transfer, Balance Inquiry, Deposit/Withdrawal

LOANS PRODUCTS AND SERVICES

Commercial & Industrial Loans: Working Capital Loans (Omnibus Credit, Revolving Credit, Domestic Bills Purchase & Rediscounting Lines), Enduser/Individual Housing Loan, Development Loan, Loan Syndication.

Consumer Loans: Auto Loans, Housing Loans, Personal Loans, & Teachers Loan.

ONLINE BANKING

Internet Banking; Mobile Banking; ATM Banking; Phone Banking; POS; eShopping; Online Loan Application

CASH MANAGEMENT SERVICES

Collection Services such as Biller Merchant, Auto-Debit Arrangement, Point of Sale (Debit and Credit Card) Accreditation. Disbursement Services such as Auto-Credit, Payroll Upload, Check Writing.

Liquidity Management Services such as Corporate Online Banking with Account Inquiry, Bills Payment, Fund Transfer and Forex Sale.

TRUST SERVICES

Unit Investment Trust Funds, Investment Management, Escrow, Safekeeping; Personal Trust: Living Trust, Insurance Trust; Corporate Trust: Employee Benefit trust, Trusteeship of Pre-need Trust Fund.

FOREIGN SERVICES

Foreign Remittances; Domestic Remittances; Foreign Exchange

DOMESTIC REMITTANCE

CBS Easi-Padala

ONLINE BANKING

Internet Banking; Mobile Banking; ATM Banking; Bills Payment; Fund Transfer

OTHER SERVICES

Cashier's And Gift Checks; Safety Deposit Boxes

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

(iii) Distribution Methods of the products and services

The Bank's products and services are marketed and distributed across growing multiple distribution channels: seventy-eight (78) traditional brick-and-mortar branches nationwide with seventy-four (74) Automated Teller Machines (ATMs), enabling access to more than 5,000 ATMs nationwide of BancNet, Megalink, Expressnet, Encash, Nationlink, eCTK networks, e-Banking channels such as CBS Online via www.cbs.com.ph, Mobile Banking available through subscribers of all three major telecommunication companies and Phone Banking as well as the Trust Department. Auto loan products and services are channeled from various auto dealers and agents, the branch network, online loan application via www.cbs.com.ph and strategic business centers, while newly-launched housing loans are primarily sourced from real estate developers, brokers, tie-up with remittance outfits targeting OFWs as well as via www.cbs.com.ph online loan application. Personal Loans are mainly made available via www.cbs.com.ph and previously the support from more than ten (100 accredited sales agencies) nationwide. However, personal loans portfolio was scaled down in the last quarter of 2014. Commercial and SME loans continuous to leap as it was made robust by additions of PDB interlocked officers beefing up the lean pool of account officers, and aided as well by direct marketing in the branches.

BRANCHES

METRO MANILA BRANCHES (with ATMs)

1. AYALA MAIN – Ground Floor, VGP Center, 6772 Ayala Avenue, Makati City
2. QUEZON AVE. – Ground Floor, G.J. Building, 385 Quezon Ave., Quezon City
3. ALABANG HILLS – Ground Floor, Alabang Commercial Citi Arcade, Don Jesus Blvd., Cupang, Alabang, Muntinlupa City
4. KALOOKAN – Augusto Bldg. Rizal Ave., Grace Park, Kalookan City
5. GREENHILLS-WILSON – 219 Wilson St., Greenhills San Juan City
6. MARIKINA – 33 Bayan-Bayanan Ave., Brgy. Concepcion Uno Marikina City
7. PATEROS – 500 Elisco Rd., Sto. Rosario Pateros Metro Manila
8. LAS PIÑAS – Ground Floor, Parco Supermarket J. Aguilar Ave. (formerly CAA Rd.), Las Piñas City
9. MCKINLEY HILL – U-B Commerce & Industry Plaza Mckinley Towncenter, Fort Bonifacio, Taguig City
10. VALENZUELA – 385 McArthur Highway, Malinta, Valenzuela C
11. FILINVEST CORPORATE CITY – BC Group Bldg., East Asia Drive, near corner Commerce Ave., Filinvest Corporate City, Alabang, Muntinlupa City

12. BF HOMES – 284 Aguirre Avenue, B.F Homes, Paranaque
13. CHINO ROCES – 2176 Chino Roces Avenue, Makati City
14. MAKATI – J.P RIZAL – 882 J.P Rizal St., Poblacion, Makati City
15. LAS PINAS – ALMANZA UNO – Alabang Zapote Road, Almanza Uno, Las Pinas City
16. ORTIGAS – Ground Floor GF Hariston Square, San Miguel Avenue, Ortigas Center, Pasig City
17. PASIG-PADRE BURGOS – 114 Padre Burgos St., Kapasigan, Pasig City
18. SAvEMORE ARANETA CENTER COD – Gen. Romulo St., Araneta Center, Cubao, Quezon City
19. SAvEMORE ANONAS – Maamo St. Road Lot 30, V. Luna St. corner Anonas Extension Sikatuna Village, Quezon City
20. SAvEMORE AVENIDA – 665 Rizal Avenue, Jennet and Lord Theater Sta. Cruz, Manila
21. SAvEMORE JACKMAN – Lower G/F, Jackman Plaza, Edsa – Munoz Quezon City
22. SAvEMORE NEPA-Q-MART – G/F & 2/F, 770 St. Rose Bldg., EDSA and K-G St. West Kamias Quezon City
23. SAvEMORE NOVA PLAZA MALL – Novaliches Plaza Mall, Quirino Highway cor. Ramirez St., Novaliches Proper, Quezon City
24. SAvEMORE PEDRO GIL – Pedro Gil cor. Singalong Sts., Manila
25. SAvEMORE TAFT – MASAGANA – Parkview Plaza, Trida Bldg. Taft Avenue corner T.M. Kalaw St., Ermita, Manila
26. SAvEMORE TAGUIG – ACACIA ESTATES – Acacia Taguig, Town Center, Acacia Estates, Barangay Ususan, Taguig City
27. SAvEMORE AMANG RODRIGUEZ – Amang Rodriguez Ave., cor Evangelista St. Brgy. Santolan Pasig City
28. TAYTAY – C. Gonzaga Bldg. II, Manila East Road, Taytay, Rizal
29. *BINONDO – JUAN LUNA – 694-696 Juan Luna St., Binondo, Manila
30. SM Hypermarket Adriatico - Adriatico St., Malate, Manila
31. Mandaluyong – Shaw Boulevard - 500 Shaw Tower 500 Shaw Boulevard, Mandaluyong City
32. Two E-Com Center - Two E-Com Center Tower B, Ocean Drive near corner Bayshore Avenue, Mall of Asia Complex, Pasay City
33. La Huerta - 1070 Quirino Avenue, La Huerta, Parañaque City
34. Savemore Malabon – Francis Market - Governor Pascual corner M.H del Pilar St. Malabon
35. Better Living - 90 Dona Soledad Avenue, Better Living Subdivision, Parañaque
36. San Juan - Madison Square, 264 N. Domingo St., Barangay Pasadena,
37. SM Hypermarket FTI – Taguig - DBP Avenue, Food Terminal Inc., Western Bicutan, Taguig

OFF-SITE ATM

1. SAVEMORE MARKET A. VENUE – A. Venue, Makati Avenue, Poblacion, Makati City

PROVINCIAL BRANCHES (with ATMs)

1. SAN FERNANDO – KHY Trading Building, San Fernando-Gapan Road, San Fernando City, Pampanga
2. LIPA – Ground Floor, Tibayan Building 1705 CM Recta Ave. cor. Rizal St., Lipa City
3. DAGUPAN – Ground Floor, Lyceum-Northwestern University (LNU), Tapuac District, Dagupan City
4. CABANATUAN – Km 115 Maharlika Highway, Cabanatuan City
5. BAGUIO – Upper G/F KDC Building 91 Marcos Highway, Baguio City
6. IMUS – Gen Emilio Aguinaldo Highway Anabu II, Imus, Cavite
7. DARAGA – Rizal St., Brgy. San Roque Daraga, Albay
8. SANTIAGO – City Rd., Centro East Santiago City, Isabela
9. TARIAC – Camiling-Baguio Bypass Rd., Tarlac City, Tarlac
10. CEBU-LAHUG – Ground Floor, Skyrise IT Building, Barangay Apas, Lahug, Cebu City
11. BACOLOD – SKT Saturn Building, Lacson cor. Rizal Sts., Bacolod City
12. MANDAUE – A. Del Rosario Ave. Mantuyong, Mandaue City
13. CAGAYAN DE ORO – Sergio Osmeña St., Cogon District, Cagayan De Oro City
14. DAVAO – Ground Floor, 8990 Corporate Center, Quirino Ave., Davao City
15. ZAMBOANGA – Nuñez Extension, Camino Nuevo, Zamboanga City
16. SAN PEDRO – Gen-Ber Bldg. National Highway Landayan, San Pedro Laguna
17. SAN PABLO – P. Zamora St. Brgy. VII – B, San Pablo City
18. ANGELES – Miranda Ext., corner Asuncion St., Angeles City
19. NAGA – RL Building, Panganiban St., Lerma, Naga City
20. SAN JOSE DEL MONTE – Ground Floor, Giron Building, Gov. Halili Avenue, Tungkong Mangga City of San Jose Del Monte, Bulacan
21. BACOR – FRC Mall, Gen. Evangelista St., Talaba V, Bacor, Cavite
22. MALOLOS – Canlapan Street, Sto. Rosario, Malolos City, Bulacan
23. BATANGAS CITY – Miriel's Place, National Highway, Pallocan West, Batangas City
24. CALAMBA – HK Building II, National Highway, Brgy. Halang, Calamba City, Laguna
25. FILOIL TANAUAN- SUPLANG – FilOil Gas Station, Brgy. Suplang, Tanauan, Batangas City
26. ILOILO – JARO – Lopez Jaena corner EL 98 Sts., Jaro, Iloilo
27. ILOILO – QUEZON – Ground Floor, 132 Quezon St., Iloilo City
28. OLONGAPO – G/F City View Hotel, 25 Magsaysay Drive, New Asinan, Olongapo City
29. STA. RITA – Ocampo St., San Vicente, Sta. Rita, Pampanga
30. STA. ROSA – Sta. Rosa – Tagaytay Highway, Sta. Rosa, Laguna
31. GUAGUA – Plaza Burgos, Guagua, Pampanga
32. ARAYAT – Cicutud, Arayat, Pampanga
33. BALANGA – Capitol Drive, Balanga City, Bataan
34. SAN FERNANDO – BAYAN* – V. Tiomico St., City of San Fernando, Pampanga
35. MACABEBE – Poblacion, Macabebe, Pampanga
36. PORAC – Cangatba, Porac, Pampanga
37. SAN ILDEFONSO – Rose Vic Bldg., Cagayan Valley Road, Poblacion San Ildefonso, Bulacan
38. SAN JOSE* – Sto. Rosario St., San Jose, Angeles City
39. SAN NARCISO* – Brgy. Libertad, San Narciso, Zambales
40. SAN RAFAEL* – Cagayan Valley cor. Cruz na Daan Roads, San Rafael, Bulacan

41. STA. ANA – Poblacion, Sta. Ana, Pampanga
42. SUBIC – Baraca, Subic, Zambales
43. DAU – MacArthur Highway, Dau, Mabalacat, Pampanga
44. ORANI – Brgy. Balut, Orani, Bataan
45. Savemore Talisay – Negros - Talisay, Mabini St., Zone 12 Paseo Mabini Talisay City
Negros Occidental
46. Savemore Tagaytay – Mendez - Mendez Crossing West, Tagaytay-Nasugbu Highway corner
Mendez - Tagaytay Road, Tagaytay City
47. Cavite City - 485 P. Burgos St., Brgy. 34, Caridad, Cavite City
48. Laguna – Sta. Cruz - E & E Building, Pedro Guevarra St., Sta. Cruz, Laguna.

*no ATM

(iv) Status of Publicly Announced New Products or Services

On July 1, 2012, the Bank's new and improved corporate website www.cbs.com.ph was unveiled as its portal to its electronic banking services.

On August 13 2012, Easi-Funds Personal Loans was initially launched to provide a new product to address the needs of the consumer market. And later on September 3, 2012, it was made available nationwide.

On September 27, 2013, Easi-Funds Student Loans was launched, in partnership with National University.

On June 18, 2014, the bank launched its domestic remittance product called "CBS Easi-Padala", in partnership with Cebuana Lhuillier.

In 2014, it resumed roll-out of its Teachers' Loan, a product it had inherited from Unity Bank.

(v) Competition

The Philippine banking system remains one of the strongest in Asia with credit growth seen strengthening in the next few years. Philippine banks possess excess liquidity with robust consumer demand growth while property prices continue to pick up steam.

The thrift banking industry plays a vital role in the economy. Thrift banks remain committed to their niche markets and continue to help develop the various sectors considered to be part of the growth drivers of the economy. The industry continues to work towards revitalizing the economy by providing financial assistance to these vital sectors of the economy.

The industry maintained its stability with key indicators marked by sustained growth in resources, lending and profitability. There has been a steady improvement in the industry's loan and asset quality. This was also supported by increased deposit mobilization, adequate capitalization as well as enhanced asset quality.

Confidence in the industry remained high as deposit liabilities grew by 10% year-on-year to reach P697.598 billion as of December 2014. Total capital reached P108.413 billion in December 2014, up by 27% from a year ago level of P85.567 billion.

Thrift banks continued to provide support to the domestic economy given the broad-based growth in loans and investment inflows to key economic sectors, particularly on the housing sector.

After 5 years following the Bank's re-launch in 2008, CBS has leaped to 9th in the industry in terms of total assets and total deposits, and 8th in terms of net loans and will continue to move up once merged with PDB.

(vi) Sources and availability of raw materials and the names of principal suppliers

Not applicable

(vii) Disclose how dependent the business is upon a single customer or a few customers.

The Bank's customers are spread across the entire market spectrum, and as diverse as its products. It is not solely dependent upon single customer, much less few customers. Top 20 borrowers as of December 31, 2014 represent only 16% of the total loan portfolio. The Manual of Regulation for Banks mandates the limit for single borrower (SBL) at not more than 25% of Net Capital Accounts (BSP MORB, Sec. X303). Prudent management demands that the Bank Risk Management set a Management Action Trigger (MAT) on SBL at eighty percent (80%) of the regulatory SBL. Exposure to the top borrower is less than 40% of the regulatory SBL. Moreover, the Bank complied with BSP MORB Sec. X301.6 definition of large exposures, set at 5% of the Bank's qualifying capital equivalent to around P107 million. Large exposures are constantly monitored and reported, along with the top borrowers and loans classified according to type and according to industry. MAT on industry division was also set at 20% for industries with high and moderate growth forecast and 5% for industries with low growth forecast. Stress testing of large exposures and reverse stress test are likewise performed periodically and the results are reported to the Risk Management Committee.

(viii) Transaction with and/or dependence on related parties.

China Bank Savings, Inc. has loans and other transactions with directors, officers, stockholders and related interests (DOSRI) as of 31 December 2014.

(ix) Trademarks, Licenses, Franchises, etc.

The Bank is operating under a thrift banking license per Monetary Board (MB) Resolution No. 512 dated April 21, 1999.

The Bank filed in the Intellectual Property of the Philippines (IPO) the logo of CBS and its tag line Madaling Kausap, plus the following products for trademark: Easi-Save, Easi-Checking, Easi-Earn, Easi-Funds, Easi-Drivin', Easi-Livin', Easi-Financin' and CBS Easi-Padala.

(x) Need for any government approval of principal products or services

The Bank's business activities are regulated by the government agencies such as BSP, SEC and PDIC. New banking products or services to be offered within the thrift banks charter do not require prior BSP approval as a general rule.

(xi) Effects of existing or probable governmental regulations

The Bank has generally complied with the BSP requirements in terms of reserve, liquidity position, limits on loans exposure and other reportorial requirements.

(xii) Research and Development Activities

The Business Intelligence Division embarked on the task of helping increase the Bank's market share and profitability by spotting prospective market segments based from studies of existing Bank customers. The Division provided reports and analyses that connect auto dealers, house developers and branches to the management statistics that are to be monitored. Opportunities to increase growth are envisioned and were brought forward to the attention of the Bank's management.

The Division provides analytics and reports for portfolio management, credit policy formulation and revision, collection and recovery, post-approval review, as well as marketing strategy formulation. It also provides empirical-based predictive models that support underwriting process especially for auto loans.

BID expedites the internal needs of data support for analytics and modeling by providing the platform for the integration of data from different data sources.

On the branch network development, CBS launched mini branches in Savemore. The footprint was a marked departure from the traditional branch as occupies only an average of 25 sq.m. of leased space and manned by two staff and one branch sales and service officer. Yet it offers all the products and services of a regular branch, and equipped with an ATM, and an Online Banking Terminal. These are open daily, even on holidays, from 10:00 a.m. to 7:00 p.m., providing greater convenience to customers.

Being madaling kausap, the Bank repositioned itself to being close by to talk to and being very approachable. Savemore Market is a chain of neighborhood grocery stores under the SM Food Retail Group, which includes SM Supermarket, SM Hypermarket and Makro. Savemore outlets are located outside an SM mall to bring the SM shopping experience closer to where shoppers live and work. A broad cross-section of households residing within ten or more blocks of a Savemore Market comes in to shop two or three times a week, thus creating opportunities for CBS to open accounts with and offer services to individuals who would otherwise not enter one of its conventional branches.

Both CBS and Savemore see this new branch concept as mutually beneficial. CBS can expand its market share from the supermarket's flow of shoppers, and Savemore can expect increased sales as more of CBS' customers choose to shop at a Savemore Market housing a CBS branch.

On the information technology, a new core banking system was implemented for CBS and its parent bank, CBC. As Initial discussions regarding the eventual integration of PDB systems to CBC/CBS

systems progressed, CBS IT continued to provide the necessary technical support to business users for already implemented systems. Simultaneously, several applications and systems were developed designed to aid business users facilitate handling of their respective tasks. Some of the applications and systems that were deployed in 2014 are as follows: Document Deficiency Tracking System, Employee Utilization Tool, Post Dated Check Consolidator, Branch Tax Remittance System, Loan Interest Repricing System, Document Registration and Encumbrance System, ALD Reports Portal and Loss and Incident Reporting System.

Major projects lined up for 2015 were hinged on the merger of the PDB with Bank, including the implementation of the new core banking system, the integration of PDB systems into CBC/CBS systems, the enhancement/upgrade of the Loans Origination System. The LOS includes the implementation of a robust credit scoring engine, adoption/implementation in CBS of several selected PDB systems even ahead of the planned integration of PDB systems into CBC/CBS systems and consolidation of CBS IT under CBC-PCCI. All these are expected to further speed up the delivery of critical IT support to the business.

(xiii) Costs and effects of compliance with environmental laws
Not applicable

(xiv) Number of the registrant's present employees

In 2014, the Bank's manpower grew by 21%, up by 140 from last year's 668. The upsurge was brought about by the sustained branch expansion and heightened support services. The resources are broken down into 302 officers and 506 rank and file employees. The increase in officer complement was also flat, growing only by 11 or 4%. This is in view of the interlocking positions between PDB and even from the parent bank, CBC, and held back further by the anticipated pooling of resources upon merger of PDB into CBS. A similar flat trend occurred in the rank and file, growing only by 5% from 483 to 506, brought about by efficient streamlining and redeployment.

(xv) Major Risks involved

As in the immediately preceding year, the Bank heightened the importance of expanding and strengthening its risk management process and considers it as a vital component to its profitability and financial stability. Central to the Bank's risk management process is its adoption of a Risk Management Manual intended to set baseline standards to avoid unnecessary risks, manage and mitigate unavoidable risks and maximize returns from taking acceptable risks necessary to sustain its business viability and good financial position in the market.

The key financial risks that the Bank faces are: credit risk, market risk (i.e. interest rate risk), operational risk and liquidity risk. The Bank's risk management objective is primarily focused on controlling and mitigating these risks. The gravity of the risks, the magnitude of the financial instruments involved, and regulatory requirements are primary considerations to the scope and extent of the risk management processes put in place for the Bank.

The Board of Directors (BOD) of the Bank is ultimately responsible for the oversight of the Bank's risk management process. The BOD has delegated to the Risk Management Committee (RMC) the

implementation of the risk management process which includes, among others, the development of various risk strategies and principles, control guidelines, policies and procedures, implementation of risk measurement tools, monitoring of key risk indicators, and the imposition and monitoring of risk limits. The RMC is composed of five members of the BOD.

The Risk Management Unit (RMU) is the direct support of the RMC in the day-to-day risk management and the implementation of the risk management strategies approved by the RMC. The RMU is likewise responsible for monitoring the implementation of specific risk control procedures and enforcing compliance thereto. The RMU is also directly involved in the day-to-day risk measurement and monitoring to make sure that the Bank, in its transactions and dealings, engages only in acceptable and manageable financial risks. The RMU also ensures that risk measurements are accurately and completely captured on a timely basis in the management reporting system of the Bank. The RMU regularly reports the results of the risk measurements to the Assets and Liability Committee (ALCO) and to the RMC. The RMU is headed by a Risk Officer and supported by three Risk Specialists.

With the planned merger with PDB, Risk Management shall be a department with 5 units namely: Market and Liquidity Risk, Portfolio Credit Risk, Credit Review, Operational Risk, and Information Technology and Business Continuity Risks. Total manpower shall increase to 14 risk officers, inclusive of the Chief Risk Officer and 5 unit heads.

Apart from RMU, each business unit has created and put in place various process controls which ensure that all the external and internal transactions and dealings of the unit are in compliance with the unit's risk management objectives.

The Internal Audit Division also plays a crucial role in risk management primarily because it is independent of the business units and reports exclusively to the Audit Committee which in turn is comprised of independent directors. The Internal Audit Division focuses not on the implementation of controls but on ensuring that adequate controls are in place and on monitoring compliance to controls. The regular audit covers all processes and controls, including those under the risk management framework handled by the RMU. The audit of these processes and controls is undertaken periodically. The audit results and exceptions, including recommendations for their resolution or improvement, are discussed initially with the business units concerned before these are presented to the Audit Committee.

The RMC discusses risk management issues on a quarterly basis. Monthly report is also provided to the RMC. The RMC discusses key risks and specific risk management issues that would need resolution from top management. The report on key risks includes information on the Bank's aggregate credit exposure, market risk analysis, utilization of market and credit limits, liquidity ratios, overall loan loss provisioning and risk profile changes. Any changes to risk management functions are presented and discussed in the ALCO prior to presentation to the RMC. Market risk, liquidity risk and capital adequacy are reported weekly to the ALCO while interest repricing risk and top credit exposures are reported monthly.

The Credit Committee (CreCom) reviews and resolves credit-related issues such as credit facility approval, credit and collection strategies on a particular account, and credit monitoring. Loan loss

provisioning and credit limit utilization are also discussed in more detail in the CreCom. A comprehensive risk report is submitted to the BOD every quarter for an overall assessment of the level of risks taken by the Bank.

The Bank uses risk management tools to manage exposures resulting from changes in interest rates, foreign currencies, credit risks, and exposures arising from forecast transactions. To further mitigate risk throughout its different business and supporting units, the Bank is in continuous process of improving the existing risk management policies and making vast improvements to existing policies. These policies further serve as the framework and set of guidelines in the creation or revisions of operating policies and manuals for each business unit. In the process design and implementation, process controls are preferred over detection controls. Clear delineation of responsibilities and separation of incompatible duties among officers and staff as well as among business units are reiterated in these policies. To the extent possible, reporting and accounting responsibilities are segregated from units directly involved in operations and front line activities. This is to improve the credibility and accuracy of management information. Any inconsistencies in the operating policies and manuals with the risk framework established by risk management policies are taken up and resolved in the RMC and ManCom.

Based on the approved Operational Risk Assessment Program, RMU spearheaded the bank wide (all Head Office units and branches) risk identification and self-assessment process. This would enable determination of priority risk areas, assessment of mitigating controls in place, and institutionalization of additional measures to ensure a controlled operating environment. RMU also maintained the Bank's Centralized Loss Database wherein all reported incidents of losses shall be encoded to enable assessment of weaknesses in the processes and come up with viable improvements to avoid recurrence.

RMU also spearheaded the establishment of a Fraud Prevention and Control. The risk management head chairs the Fraud Control Committee and focus on identification of weaknesses and recommending controls to prevent recurrence of fraud.

Monitoring and controlling risks are primarily performed based on various limits established by the top management covering the Bank's transactions and dealings. These limits reflect the Bank's business strategies and market environment as well as the levels of risks that the Bank is willing to tolerate. In addition, the Bank monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Concentration risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration indicates the relative sensitivity of the Bank's performance to developments affecting a particular industry or geographical location. In order to avoid excessive concentration of risk, the Bank has policies and procedures focused on maintaining a diversified portfolio. Identified concentration of credit risks is controlled and managed accordingly.

Credit risk is the risk of financial loss due to one party to a financial product failing to discharge an obligation. The Bank faces potential credit risks every time it extends funds to borrowers, commits funds to counterparties, guarantees the paying performance of its clients, invests funds to issuers (i.e., investment securities issued by either sovereign or corporate entities), through implied or actual contractual agreements (i.e., on or off-balance sheet exposures). The Bank manages its credit risk at various levels (i.e., strategic level, portfolio level down to individual credit or transaction).

The Bank has risk limits setting for purposes of monitoring and managing credit risk from individual counterparties and groups of counterparties. It also conducts periodical assessment of the creditworthiness of its counterparties. In addition, the Bank obtains collateral where appropriate, enters into master netting agreements and collateral arrangements with counterparties, and limits the duration of exposures.

In coordination with the parent bank, the Bank shall be adopting an Internal Credit Risk Rating System and a Credit Scoring System for the purpose of measuring credit risk for auto loan borrowers on a consistent manner, as accurately as possible. The risk information shall be valuable for business and financial decision-making.

On specific product and/or departmental or unit risk, the bank is exposed to all business risks that confront all banks in general. These specific risks involved the following:

Products/Services	Major Risk Involved
Deposits & Borrowing	Operations, interest rate & liquidity risks
Loans/Lending Products	Credit, interest rate, operations, legal & strategic risks
Foreign Exchange	Operations and foreign exchange risks
Trust Services	Operational risks, Credit Risks, Market Risks

Item 2. PROPERTIES

China Bank Savings, whose principal office is located at 6772 Ayala Avenue, Makati City, owns several properties situated in various locations in Metro Manila and provinces. (See details in attached Annex "A")

Bank-Owned Properties.

PROPERTIES	LOCATION	AREA (SQM)
TMBC Condominium	VGP Center, 6772, Ayala Avenue, Makati City (8th, 7th, 3rd, 2nd, Mezzanine & Ground Floors)	4,933.84
Lot with Improvements (CBS - Angeles Branch)	Miranda cor. Asuncion Sts. Angeles City	462
Lot with Improvements (CBS - Dau Branch)	McArthur Highway, Dau Mabalacat, Pampanga	400
Lot with Improvements (CBS - Orani Branch)	Barangay Balut, Orani, Bataan	589
Leased unto China Bank BF Resort Branch	BF Resort Vill, Talon, Las Piñas City	486
Leased unto China Bank CDO Branch	South Divisoria, Cagayan De Oro City	265
Leased unto PR Savings Bank	Brgy. 1, Crossing, Calamba, Laguna	402
Leased unto China Bank Caloocan Branch	McArthur Highway, Caloocan City	700
Leased unto China Bank España Branch	España cor. Valencia Sts., Sampaloc Manila	458
Lot with Improvements (vacant)	Dadiangas East, General Santos City	446
Leased unto China Bank Las Piñas Branch	Philam Ave., Pamplona Dos, Las Piñas City	650
Leased unto China Bank Ortigas Branch	Emerald Ave., Ortigas Center, Pasig City	1,749
Leased unto China Bank Philam Branch	East Lawin Drive, Philam Homes, QC	195
Leased unto Chick Boy Restaurant	Alexander cor. Belmonte Sts., Urdaneta City	300
Antipolo Property (vacant)	Valley Golf Club, Antipolo, Rizal	1,786

All bank-owned properties are free from any and all liens and encumbrances.

Leased Properties

BRANCHES	LOCATION
Quezon Ave. Branch	Ground Floor G.J. Building, 385 Quezon Ave. Quezon City
Alabang Hills Branch	Ground Floor Alabang Commercial Citi Arcode, Don Jesus Blvd., Cupang, Alabang, Muntinlupa City
Kalookan Branch	Augusto Bldg., Rizal Ave., Grace Park, Kalookan City
Greenhills-Wilson Branch	Wilson St., Greenhills, San Juan City
Marikina Branch	33 Bayan-Bayanan Ave., Brgy. Concepcion Uno Marikina City
Pateros Branch	500 Elisco Rd., Sto. Rosario Pateros Metro Manila
Las Piñas Branch	G/F Parco Supermarket, J. Aguilar Ave. (formerly CAA Rd.) Las Piñas City
Mckinley Hill Branch	U-B Commerce & Industry Plaza Mckinley Towncenter Fort Bonifacio Taguig City
San Fernando Branch	KHY Trading Building, San Fernando-Gapan Road, San Fernando City Pampanga
Lipa City Branch	G/F Tibayan Building, 1705 CM Recto Ave. cor. Rizal St. Lipa City
Dagupan Branch	G/F Lyceum-Northwestern University (LNU), Tapuac District, Dagupan City
Cebu-Lahug Branch	Ground Floor Skyrise IT Building, Barangay Apas, Lahug, Cebu City
Bacolod Branch	SKT Saturn Building, Lacson cor. Rizal Sts., Bacolod City
Cagayan De Oro Branch	Sergio Osmeña St., Cogon District, Cagayan De Oro
Davao Branch	G/F 8990 corporate Center, Quirino Ave., Davao City
Baguio Branch	Upper G/F KDC Building, 91 Marcos Highway, Baguio City
Cabanatuan Branch	Km. 11.5 Cagayan Valley Rd., Maharlika Highway, Cabanatuan City
Valenzuela Branch	385 McArthur Highway, Malinta, Valenzuela City
Imus Branch	Gen. Emilio Aguinaldo Highway, Anabu II, Imus, Cavite

Daraga Branch	Rizal St., Brgy. San Roque, Daraga, Albay
Cebu-Mandaue Branch	A. Del Rosario Ave., Mantuyong, Mandaue City, Cebu
Zamboanga Branch	Nunez Extension, Camino Nuevo, Zamboanga City
Tarlac Branch	Camiling Baguio By pass Road, Tarlac City
Santiago Branch	City Road, Centro East, Santiago City
San Pedro Branch	Gen – Ber Bldg. National Highway Landayan, San Pedro, Laguna
San Pablo Branch	P. Zamora St., Brgy. VII-B, San Pablo City
Angeles Branch	Miranda Ext., corner Asuncion St., Angeles City
Naga Branch	RI Building, Panganiban St., Ierna, Naga City
San Jose Del Monte Branch	Ground Floor, Giron Building, Gov. Halili Avenue, Tungkong Mangga City of San Jose Del Monte, Bulacan
Bacoor Branch	FRC Mall, Gen. Evangelista St., Talaba V, Bacoor, Cavite
Malolos Branch	Canlapan Street, Sto. Rosario, Malolos City, Bulacan
Filinvest Corporate City Branch	BC Group Bldg., East Asia Drive, near corner Commerce Avenue Filinvest Corporate City, Alabang, Muntinlupa City, Las Piñas
Almanza Uno Branch	Alabang Zapote Road, Almanza Uno, Las Piñas City
Calamba Branch	HK Bldg II, National Highway, Brgy. Halang, Calamba, Laguna
Batangas City Branch	Miriell's Place, National Road, Pallocan West, Batangas City
Savemore Araneta Center COD	Gen. Ramulo St., Araneta Center, Cubao, Quezon City
Iloilo – Quezon Branch	Ground Floor, 132 Quezon St., Iloilo City
Ortigas Branch	Ground floor, Hanston Square, San Miguel Avenue, Ortigas Center Pasig City
FilOil Tanauan Branch	Suplang FilOil Gas Station, Brgy. Suplang, Tanauan, Batangas
Savemore Pedro Gil Branch	Pedro Gil cor Singalong Sts., Manila
Savemore Nepa Q-Mart Branch	G/F & 2/F, 770 St. Rose Bldg., EDSA and K-G, St. West Kamias Quezon City
Savemore Anonas Branch	Maamo St. Road Lot 30, V. Luna St. corner Anonas Extension Sikatuna Village, Quezon City
Savemore Jackman Branch	Lower G/F, Jackman Plaza, Edsa-Muñoz Quezon City
Savemore Nova Plaza Mall Br.	Novaliches Plaza Mall, Quirino Highway cor. Ramirez St. Novaliches Proper, Quezon City
Savemore Avenida Branch	665 Rizal Avenue, Jennet and Lord Theater Sta. Cruz Manila
Iloilo – Jaro Branch	Lopez Jaena corner EL 98 streets, Jaro, Iloilo City
Olongapo City Branch	GF City View Hotel 25 Magsaysay Drive, New Asinan, Olongapo City
Savemore Taft Branch	Masagana Parkview Plaza, Trida bldg. Taft Avenue corner T.M. Kalaw St. Ermita, Manila

BRANCHES	LOCATION
Pasig-Padre Burgos Branch	114 Padre Burgos St., Kapasigan, Pasig City
Taytay Branch	C. Gonzaga Building 2, Manila East Road, Taytay, Rizal
Makati - J.P Rizal Branch	882 J.P Rizal St., Poblacion, Makati City
Chino Roces Branch	2176 Chino Roces Avenue, Makati City
BF Homes Branch	284 Aguirre Avenue, B.F Homes, Paranaque
Binondo-Juan Luna Branch	694-696 Juan Luna Street, Binondo, Manila
Sta. Rosa Branch	Lot 2 Block 5 Phase 2A, Avida Commercial, Sta. Rosa-Tagaytay Road Barangay Sto. Domingo, Sta. Rosa, Laguna
Savemore Taguig- Acacia Estates	Acacia Taguig, Town Center, Acacia Estates, Barangay Ususan Taguig City
Savemore Amang Rodriguez Br.	Amang Rodriguez Ave., COR. Evangelista St. Brgy. Santolan Pasig City
Arayat Branch	Cacutud, Arayat, Pampanga
BalangaBranch	Capitol Drive, Balanga City, Bataan
San Fernando Branch	V. Tiomica St., City of San Fernando, Pampanga
Guagua Branch	Plaza Burgos, Guagua, Pampanga
Macabebe Branch	Poblacion, Macabebe, Pampanga
Porac Branch	Cangatba, Porac, Pampanga
San Ildefonso Branch	Rose Vic Bldg., Cagayan Valley Road, Poblacion San Ildefonso Bulacan
San Jose Branch	Sto. Rosario St., San Jose, Angeles City
San Narciso Branch	Brgy. Libertad, San Narciso, Zambales
San Rafael Branch	Cagayan Valley cor. Cruz na Daan Roads, San Rafael, Bulacan
Sta. Ana Branch	Poblacion, Sta. Ana, Pampanga
Sta. Rita Branch	San Vicente, Sta. Rita, Pampanga
Subic Branch	Baraca, Subic, Zambales

Description of Properties The Bank Intends To Acquire/Lease In The Next 12 Months.

In line with the thrust of the Bank to stretch further the scope of its footprint nationwide, the Bank will continue to expand its distribution network in 2015. In pursuit of this, the Bank will lease additional properties circumscribed only by the BSP's approval on the requisite branch licenses. On this note, Bank sees great potential in the following areas for branch expansion and accordingly projects to lease properties in the following locations this year, to wit:

1	Davao – Bajada	14	Moonwalk, Paraque
2	Davao – Digos	15	Angono
3	Cebu City	16	Baliuag
4	Cainta, Rizal	17	La Union
5	Kalibo, Aklan	18	Laoag
6	South Cotabato	19	Meycauayan
7	Cagayan De Oro 2	20	Urdaneta
8	España, Manila	21	Vigan
9	E. Rodriguez, Sr., Quezon City	22	Molino, Bacoor
10	La Trinidad, Benguet	23	U.P Los Baños
11	Sta. Ana, Manila	24	Roxas City
12	Ongpin St., Manila	25	Cebu – Mango Avenue
13	Lucena		

Item 3. LEGAL PROCEEDINGS

There are pending cases for and against the Bank arising from normal business activities. In the opinion of the Management and Legal Counsel, the Bank has no material pending legal proceedings to which the Bank is a party or which any of its property is the subject.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There is a matter that will be calendared in the agenda of the annual stockholders' meeting that may give rise to the exercise by a dissenting stockholder of the right of appraisal and demand payment of the fair value of his shares under Section 81 of the Corporation Code (Batas Pambansa Blg. 68), specifically the following:

Amendment of the Articles of Incorporation, amending Article III thereof, to read as follows:

"THIRD – The Head Office of the corporation shall be at Plantersbank Building,
314 Sen. Gil J. Puyat Avenue, Makati City."

The appraisal right may be exercised by a minority stockholder as mandated by Section 82 to 86, inclusive, of the Corporation Code of the Philippines.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. MARKET REGISTRANT'S COMMON EQUITY & RELATED STOCKHOLDER MATTERS

(A) Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

5.1 Market Information

The registrant's equity is not listed in any exchange. Below is a summary of the transfer in the previous eight quarters:

Period	No. of Shares Transferred	PRICE PER SHARE	
		High	Low
2013			
January 1 – March 31	No Transaction		
April 1 – June 30	No Transaction		
July 1 – September 30	No Transaction		
October 1 – December 31	No Transaction		

Period	No. of Shares Transferred	PRICE PER SHARE	
		High	Low
2014			
January 1 – March 31	2,562,075	1,1486	1.1486
	4,063,388	123.05	123.05
April 1 – June 30	947	214.65	214.65
	2,526,528	118.74	118.74
July 1 – September 30	No Transaction		
October 1 – December 31	No Transaction		

5.2 Holders

The Bank has an authorized capital stock of 3.0 Billion distributed as follows: 24.0 Million Common Shares and 6.0 Million Preferred Shares. There are approximately 1,421 stockholders of the 20,580,029 issued shares as of December 31, 2014. The top 20 common shareholders as of December 31, 2014 are as follows:

	<u>No. of Shares</u>	<u>% of Holdings</u>
1 CHINA BANKING CORPORATION	17,186,682	83.5994%
2 VIC ROSSANO C. IGNACIO**	909,013	4.4216%
3 VIFEL I. GARCIA**	617,269	3.0025%
4 JOSEFINA I. MALLARI**	617,269	3.0025%
5 PATRICIA S. JIMENEZ**	258,528	1.2575%
6 TERESITA H. IGNACIO**	199,112	0.9685%
7 ESTATE OF GIL J. PUYAT	163,243	0.7941%
8 SURIGAO DEVELOPMENT CORP.	46,040	0.2239%
9 MARINDUQUE MINING &	46,002	0.2237%
10 BOGO MEDELLIN MILLING CO, INC.	33,521	0.1631%
11 COMMUNITY OF BENEDICTINE SISTERS	33,521	0.1631%
12 REYES, RODRIGO C.	31,205	0.1518%
13 FERNANDEZ, JOSE P.	22,041	0.1072%
14 LOYOLA LIFE PLAN, INC. TRUST FUND	16,151	0.0786%
15 GOPENGCO, PURIFICACION	14,441	0.0702%
16 GROUP DEVELOPERS, INC.	10,557	0.0513%
17 PJS INVESTMENT CORPORATION	10,314	0.0501%
18 MARCO ANTONIO B. JIMENEZ**	8,698	0.0423%
19 DEVELOPMENT BANK OF THE PHILS.	8,418	0.0410%
20 JISON, ESPINELA A.	8,248	0.0401%

** Previous owner of Unity Bank, A Rural Bank, Inc. In the process of transfer to CBC.

(3) Dividends

For the year 2014, there were no dividends declared.

(4) Recent Sales of Unregistered Securities.

The registrant did not sell any share that was not registered under the Code.

Item 6. MANAGEMENT'S DISCUSSION & ANALYSIS OR PLAN OF OPERATION
(See Attached Annex "B")

Item 7. FINANCIAL STATEMENTS

Attached are the Audited Financial Statements (RBU and FCDU) duly received by the BIR and marked as (Annex "C")

Item 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The Bank has no disagreement with accountants on accounting and financial disclosures for the year 2014.

External Audit Fees and Services

Pursuant to SEC Memorandum Circular No. 8 (Rotation of External Auditor) ChinaBank Savings, Inc. will retain *Sycip Gorres Velayo & Co. (SGV)* as independent auditor of the Bank. In accordance with Section X165 and Appendix 43 of the Manual of Regulations for Banks (MORB), as amended by BSP Circular No. 660 dated August 25, 2009,* which mandates, among others, that the External Auditor hired by the parent corporation, China Banking Corporation (CBC), shall also be in-charge of the audit of its subsidiary that is engaged in allied activities such as China Bank Savings, Inc. Ms. Vicky Lee Salas will continue for the 5th time to be the partner-in-charge assigned for the ensuing year.

Ms. Vicky Lee Salas and other representatives of SGV are expected to be present at the stockholders' meeting and will have the opportunity to make statement if they desire to do so and will be available to answer appropriate questions.

The amount of professional fees paid to SGV for the years 2013 and 2014 are Php580,000.00 and Php730,000.00, respectively. Additional sum of Php650,000.00 was paid as professional fee to SGV related to the performance of audit and review of financial statements of CBS ended April 30, 2014 for purposes of merger of PDB with CBS.

The above audit fees are inclusive of the following:

- a. Other assurance and related services by the External Auditor that are reasonably related to the performance of the audit or review of the Bank's financial statements.
- b. All other fees.

The Bank's Audit Committee, composed of Mr. Roberto F. Kuan as Chairman, and with Ms. Margarita L. San Juan and Mr. Alberto S. Yao, as members, approves the audit fees and fees for non-audit services, if any, of external auditors, among others, as emphasized in Article IV, paragraph 8 of the Committee's Charter.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. DIRECTORS AND EXECUTIVE OFFICERS (as of March 31, 2015)

9.1(a). List of Directors and Executive Officers, with their ages, position/offices held and business experience for the last five (5) years

Board of Directors

The members of the Board, who hold the office for the remainder of the term of their successors, with prior approval of the Monetary Board, and hold such office concurrently with their position/s in CBC, are as follows:

Ricardo R. Chua, 63, Chairman, holds a Bachelor of Science Degree in Business Administration, Major in Accounting, *cum laude*, from the University of the East. He obtained his Master in Business Management (MBM) degree from Asian Institute of Management (AIM) in 1975. He is concurrently a Director and President of CBC. He joined CBC in 1975 after a stint with *Sycip Gorres & Velayo and Company*. He is a Director of the following affiliates/subsidiaries of CBC, namely, CBC-IBI since 1998, CBC Forex since 1997, and CBC-PCCI since 1990, and PDB. He was the past Chairman of the Board of BancNet, Inc., as well as Director of other corporations, some of which are Philippine Clearing House Corporation (PCHC) and CAVACON Corporation.

Nancy D. Yang, 75, Vice Chairman, obtained her Bachelor of Arts degree from the Philippine Women's University and a degree in Human Development & Child Psychology from Merrill Palmer Institute in Detroit, Michigan, USA, 1961. She has attended the Allen Management Program in 1990, BAI Retail Delivery Conferences in San Francisco, Phoenix, Arizona, and Miami, Florida, USA, Environmental Risk Management Program for Bankers conducted by the Bank of America in 1997, and BAI Retail Delivery Conference in Miami Beach, Florida in 1999, and BAI Retail Delivery Conference in Orlando, Florida in 2008. She concurrently holds the position of Senior Vice President and the Head of the Branch Banking Group and Binondo Business Center of CBC. She joined CBC in 1963, occupying various positions. She is also a Director of CBC-IBI and Director and Vice Chairperson of Executive Committee of PDB.

Alberto Emilio V. Ramos, 55, Director and President, obtained a Bachelor of Art degree in Political Science and a Bachelor of Science degree in Marketing Management from the De La Salle University and Master of Business Management from Asian Institute of Management. He used to be the Head of Private Banking Group of CBC. Prior to joining CBC, he was the President of Philam Asset Management, Inc. He has held several officership positions in Bank of the Philippine Islands, Citytrust Banking Corporation, Western State Bank, Tokai Bank of California, Urban Development Bank, and Filinvest Credit Corporation. He is a recipient of the Treasury Professional Certificate from the Banker's Association of the Philippines. He has also attended trainings on credit and financial analysis, performance appraisal and asset-liability management, treasury products, and strategic marketing planning. He is likewise a Director and member of the Executive Committee of PDB.

Antonio S. Espedido, Jr., 59, Director, holds a Bachelor of Science degree in Business Administration from University of San Francisco. He is concurrently CBC's Head of Financial Capital Markets & Investment Segment, as well the Treasury Group, with the rank of Executive Vice President. He is likewise a Director of CBC subsidiaries, namely: CBC Forex Corporation and PDB. He held various executive positions at the Bank of the Philippine Islands (BPI) and Citytrust/BPI and ACI Phils. (Forex). He has had trainings both here and abroad on the various facets of Treasury Operation, Fund and Portfolio Management.

Ramon R. Zamora, 66, Director, holds a Bachelor of Arts degree in Economics from Ateneo de Manila University. He is concurrently a Senior Vice President and the Group Head for Centralized Operations Group, the Head for Remittance Business Operations and Correspondent Banking. He joined CBC in 1997, after 25 years of banking experience in Citibank N.A. where he held various managerial positions, as a Vice President from the Operations Group, to the Marketing Group as a Senior Relationship Manager and Credit Officer, to the Regional Corporate Audit Group as VP for Global Transaction Banking Specialist covering South Asia Citibank N.A. branches. He is likewise concurrently a Director of CBC Forex, and CBC-PCCI. He is likewise a Director of PDB.

Rene J. Sarmiento, 61, Director, obtained his Bachelor of Science degree in Commerce, Major in Accounting, *magna cum laude* from De La Salle University and his Masters degree in Business Management from AIM in 1978. He is concurrently the Senior Vice President and Head of the Trust Group of CBC. He was appointed as the Vice President and Head of the Trust Group in 1994. Before joining the Bank, he occupied several positions in Ayala Investment and Development Corporation, For East Bank & Trust Company and Security Bank Corporation.

Alexander C. Escucha, 58, Director, holds a Bachelor of Arts degree in Economics, *cum laude* from the University of the Philippines. He is concurrently the Head of CBC's Investor and Corporate Relations Group with the rank of Senior Vice President. He is likewise a Director of PDB, the chairman of the UP Visayas Foundation, Inc. and is an international resource person at The Asian Banker Summit. He had served as chairman of the Federation of ASEAN Economic Associations, and as president of the Philippine Economic Society of the Philippines, Bank Marketing Association of the Philippines and the Corporate Planning Society of the Philippines. Before CBC, he was a vice president at International Corporate Bank.

Rosemarie C. Gan, 57, Director, holds a Bachelor of Science degree in Business Administration, Major in Management from the University of Santo Tomas where she graduated *magna cum laude* and was a recipient of the distinguished Rector's Award. She is concurrently the Senior Vice President of CBC effective February 13, 2014, subject to confirmation by the Monetary Board. Likewise, She is likewise the Deputy Group Head of Retail Banking Business (formerly, Branch Banking Group of CBC) effective February 1, 2014 and concurrent Head of Binondo Business Center – the strong foothold of CBC at Chinatown. She has been with CBC for over 35 years, having extensive exposure in marketing and training in financial analysis, credit portfolio management, strategic planning and corporate governance. She attended the Advanced Bank Management Program of AIM in 2013.

Alberto S. Yao, 68, Independent Director, obtained his Bachelor of Science degree in Business Administration from Mapua Institute of Technology. He was the Vice-President for Merchandising of Zenco Sales, Inc. from 1968 to 1975. His present directorship/officership in other corporations include Richwell Trading Corp., Richwell Phils., Inc., Europlay Distributor Co., Inc., Richphil House, Inc., and Megarich Property Ventures Corp. He has been an Independent Director of CBC since 2009 and of PDB since 2014.

Roberto F. Kuan, 66, Independent Director, holds a Bachelor of Science degree in Business Administration from the University of the Philippines. He obtained his Master in Business Management from Asian Institute of Management (AIM) in 1975 and attended the Top Management Program conducted by AIM in Bali, Indonesia in 1993. In 2011, he was conferred a doctorate degree in Humanities *Honoris Causa* by the Lyceum Northwestern University. He has been the Chairman of the Board of Trustees of St. Luke's Medical Center since 1996, member of the Board of Trustees of St. Luke's College of Medicine since 1996, Director of Far Eastern University since 2004, member of the Board of Trustees of Brent International School of Manila since 1989, and Director of Seaoil Phils., Inc. since 2008. He is also the founder and the President of Chowking Food Corporation from 1985 until 2000. He has been an Independent Director of CBC since May 2005 and of PDB since 2014.

Margarita L. San Juan, 61, Independent Director, obtained her Bachelor of Science degree in Business Administration from the University of the Philippines in 1974. She also took up Advance Bank Management Program from the Asian Institute of Management in 1992. She started her career as Credit Analyst in Ayala Investment & Dev't. Corp. (AIDC) and left the company as Sr. Project Assistant in 1978. She moved to Commercial Bank & Trust Co. (ComTrust) where she held the position of Sr. Loan Assistant with the rank of Manager. In August 1980, she joined CBC as Manager I and rising therefrom until she became the Head of the Account Management Group with the rank of First Vice President II. She retired from being a full-time officer of CBC on November 30, 2008. She is likewise a Director and member of the Executive Committee of PDB.

BOARD OVERSIGHT COMMITTEES (as of March 31, 2015)

A. Executive Committee (EXCOM)

- | | | |
|---|---|---------------|
| 1. Mr. Ricardo R. Chua | - | Chairman |
| 2. Ms. Nancy D. Yang | - | Vice-Chairman |
| 3. Mr. Alberto Emilio V. Ramos | | |
| 4. Ms. Rosemarie C. Gan (effective February 20, 2014) | | |
| 5. Ms. Margarita L. San Juan | | |

B. Risk Management Committee

- | | | |
|--|---|----------|
| 1. Mr. Mr. Roberto F. Kuan | - | Chairman |
| 2. Ms. Margarita L. San Juan (Effective February 20, 2014) | | |
| 3. Ms. Nancy D. Yang | | |
| 4. Mr. Ramon R. Zamora | | |
| 5. Mr. Alexander C. Escucha | | |

C. Audit Committee (AUDITCOM)

- | | | |
|------------------------------|---|----------|
| 1. Mr. Roberto F. Kuan | - | Chairman |
| 2. Ms. Margarita L. San Juan | | |
| 3. Mr. Alberto S. Yao | | |

D. Corporate Governance Committee/ (Nomination and Personnel Committee)

- | | | |
|---------------------------------|---|----------|
| 1. Mr. Alberto S. Yao | - | Chairman |
| 2. Mr. Ricardo R. Chua | | |
| 3. Mr. Roberto F. Kuan | | |
| 4. Mr. Antonio S. Espedido, Jr. | | |
| 5. Mr. Alexander C. Escucha | | |

E. Trust Committee (TRUSTCOM)

1. Mr. Antonio S. Espedido, Jr.
2. Mr. Alexander C. Escucha
3. Ms. Anna Maria P. Ylagan
4. Mr. Alberto Emilio V. Ramos
5. Mr. Ramon R. Zamora

Chairman (effective August 14, 2014)

F. Compensation/ Remuneration Committee

1. Mr. Ricardo R. Chua
2. Mr. Alberto Emilio V. Ramos
3. Ms. Maria Rosanna L. Testa

Chairman

OTHER MANAGEMENT COMMITTEES

A. Management Committee (MANCOM)

1. Mr. Alberto Emilio V. Ramos
2. Mr. Jaime Valentin L. Araneta
3. Mr. Emmanuel C. Geronimo
4. Mr. James Christian T. Dee
5. Ms. Ma. Edralin G. Agbayani
6. Ms. Anna Maria P. Ylagan
7. Ms. Ma. Consuelo S. Ruffy
8. Mr. Jan Nikolai M. Lim
9. Mr. Jose Ramon O. Santamaria
10. Ms. Rosalinda T. Munsayac
11. Ms. Maria Consuelo A. Babas
- Ms. Consolacion R. Saur

Chairman

Vice Chairman

Adviser/Consultant

B. IT Steering Committee

Voting Members

1. Mr. Alberto Emilio V. Ramos
2. Mr. Jaime Valentin L. Araneta
3. Mr. Emmanuel C. Geronimo
4. Ms. Edralin G. Agbayani
5. Ms. Rosalinda T. Munsayac
6. Ms. Ma. Consuelo S. Ruffy
7. Mr. Jan Nikolai M. Lim
8. Mr. Jose Ramon O. Santamaria

Chairman

Vice Chairman

Non-Voting Members

1. Mr. Restituto B. Bayudan
2. Ms. Consolacion R. Saur

C. Credit Committee (CRECOM)

1. Mr. Alberto Emilio V. Ramos
2. Mr. Jaime Valentin L. Araneta

Chairman

Vice-Chairman

3. Mr. Jezreel R. Pimentel
4. Ms. Edralin G. Agbayani
5. Ms. Ma. Consuelo S. Ruffy*
6. Mr. Jan Nikolai M. Lim*
7. Mr. Jose Ramon O. Santamaria*
 Ms. Consolacion R. Saur - Adviser/Consultant
**participation limited to their specific business area only*

D. Asset Liability Management Committee (ALCO)

1. Mr. Alberto Emilio V. Ramos - Chairman
2. Mr. Jaime Valentin L. Araneta - Vice Chairman
3. Mr. Emmanuel C. Geronimo
4. Ms. Ma. Consuelo S. Ruffy
5. Mr. Jan Nikolai M. Lim
6. Mr. Jose Ramon O. Santamaria
7. Mr. James Christian T. Dee
8. Ms. Edralin G. Agbayani
 Ms. Consolacion R. Saur - consultant

E. Anti-Money Laundering Committee

1. Mr. Rex P. Bautista - Chairman
2. Mr. Jaime Valentin L. Araneta
3. Atty. Edgar D. Dumlao
4. Ms. Rosalinda T. Munsayac

F. Operations Committee

1. Mr. Jaime Valentin L. Araneta - Chairman
2. Ms. Rosalinda T. Munsayac - Vice Chairman
3. Mr. Emmanuel C. Geronimo
4. Mr. Moises S. Santos
5. Mr. Raymond C. Apo
6. Mr. Rex P. Bautista

G. Collections Committee

1. Mr. Alberto Emilio V. Ramos - Chairman
2. Mr. Jan Nikolai M. Lim
3. Mr. Jose Ramon O. Sta. Maria
4. Mr. Emmanuel C. Geronimo
5. Mr. Raymond C. Apo

H. Pricing Committee (Auto)

1. Mr. Alberto Emilio V. Ramos - Chairman
2. Mr. Jaime Valentin L. Araneta - Vice Chairman
3. Mr. Jose Ramon O. Santamaria
4. Atty. Edgar D. Dumlao
5. Ms. Edralin G. Agbayani
6. Mr. Emmanuel M. Gomez

I. Fraud Committee

- | | |
|----------------------------------|----------|
| 1. Mr. Raymond C. Apo | Chairman |
| 2. Atty. Edgar D. Dumlaog | |
| 3. Ms. Rosalinda T. Munsayac | |
| 4. Ms. Edralin G. Agbayani | |
| <i>Ex-Officio Member</i> | |
| 1. Mr. Jaime Valentin L. Araneta | |

Executive Officers

Jaime Valentin L. Araneta, **59, Executive Vice President & Operations Head, holds a Bachelor of Arts degree in Philosophy from Ateneo de Manila University. He finished Master of Divinity from Asian Theological Seminary, and units in Law and MBA from Ateneo Graduate School of Business. Prior to joining the Bank on August 15, 2011, he was a Senior Vice President of Philippine Savings Bank. He has more than three decades of banking experience. He was the former President of Unity Bank, a rural bank that was acquired by CBC that was merged with CBS in 2014. He is concurrently the Operations Head of PDB. He is likewise a member of PDB's MANCOM, IT Steering Committee and Operations Committee of PDB.

James Christian T. Dee, ***41, Treasurer, holds a Bachelor of Science in Mechanical Engineering from the University of the Philippines and Master in Business Management from Asian Institute of Management. He likewise graduated with distinction on the 1 year course on Trust Operation from Trust Institute Foundation of the Philippines. He likewise trained with the Regional Treasury Certifications from Citigroup, N.A., Treasury Certification Program from Ateneo-BAP, and ICAAP Risk Models Validation from SGV. In 2001, he initially was a Trust Portfolio Officer of the Trust Group of CBC before moving to Citibank N.A. Philippines – GCG Treasury in 2003. At Citibank, N.A. Philippines, he became the Portfolio Officer with the rank of Assistant Vice President of the GCG Treasury until he returned to CBC in 2009. He is concurrently the Asset Liability Management Head of the Treasury Group of CBC since 2009. Likewise, he is concurrently the Treasury Head & Vice Chairman of ALCO of PDB.

Liberty S. Basilio, ** 61, SME Lending Group Head, earned her BS Business Administration degree from the University of the Philippines and a holder of a Certificate in Business Economics - Strategic Business Economics Program from the University of Asia and the Pacific. She is concurrently the Head of SME Banking Group 1 with the rank Senior Vice President of PDB. She is likewise a member of the PDB's ManCom and ALCO. Before joining PDB, she was a First Vice President, Group Head of Corporate Banking Group of Bank of Commerce. From the same bank, she held the position of Vice President, Remedial Management Department. She also worked with PCI Bank as Financial Analyst of Credit Processing Department, as Account Officer Assistant of Account Management Group and as Account Officer of Commercial Loans Unit until she held the position as Vice President of the Special Accounts Management Division where she also held the same position as Area Credit & Marketing Officer.

Gary A. Vargas ** 65, Consumer Lending Group Head, holds a degree in Bachelor of Arts in Economics from the Aquinas University of Legazpi and earned his Master's in Business Administration at the Ateneo de Manila University. He is concurrently the Head of PDB's Consumer Banking Group with the rank of Senior Vice President. He is likewise a member of PDB's ManCom and ALCO. He spent ten (10) years at PCIBank and Equitable PCI Bank as of the real estate division (retail and wholesale) and consumer banking (housing and auto) for provincial areas. He has also handled Account Management at Philippine Veteran's Bank and Philippine Banking Corporation, Remedial Management at Union Bank, collection and specialized lending with Republic Planters

Bank (now MayBank) and agro-industrial development financing with the Development Bank of the Philippines. Before joining PDB, he was consultant at Equicom Savings Bank involved in organizing the consumer lending operations, especially real estate and CTS financing, and the preparation of credit policy manuals for the same.

Jose F. Acetre, ** 61, Collections & Assets Recovery Group Head, holds a B.S. Business Economics degree from the University of the Philippines. He is concurrently PDB's Collection and Asset Recovery Group Head with the rank of Senior Vice President. He is likewise a member of PDB's ManCom and Credit Committee (CRECOM) and member of Collection and Asset Recovery Committee (CARCOM). Before joining PDB, he was Account Officer in Far East Bank and Trust Company from 1977 to 1981. From 1981 to 1993, he was Account Officer/Division head in PCI Bank, Sector/Group Head in Bank of Commerce from 1993 to 2001. He was Group Head in United Overseas Bank Philippines from 2001 – 2008.

Jeffrey D. Bognot, ** 41, Branch Sales Group Head, was a consistent Dean's lister and graduated with a Bachelor of Science degree major in Accountancy from the University of the Assumption – San Fernando, Pampanga. He is concurrently PDB's Officer-In-Charge of the Branch Banking Group with the rank of First Vice President. He is likewise a member of PDB's ManCom and ALCO. He joined PDB on May 31, 1999 as Branch Manager of San Fernando, Pampanga, the position he held until June 2005. He was PDB's Cluster Head and Concurrent Branch Manager with the rank of Senior Assistant Vice President from 2005 to 2009. Likewise, he was PDB's Area Head of the North Luzon Area 2 from year 2010 to June 2011. Finally, he was PDB's Area Head – North Luzon 1 with the rank of Vice President until July 2011 when he assumed the position as Officer-In-Charge of the Branch Banking Group.

Roberto F. Banaag, ** 53, Marketing Communications Services Head, earned his Bachelor of Arts degree in Philosophy from the University of the Philippines, Diliman. He is concurrently the Head of PDB's Corporate Communications Department with the rank of First Vice President. He joined PDB in 1998 as Assistant Vice President. He is responsible for the internal and external communications of the Bank including brand building initiatives and the PDB's Corporate Responsibility Program. He is the Environment Officer in a concurrent capacity. Mr. Banaag started his professional career with McGeorge Food Industries then Jollibee Foods Corporation. He was a Marketing Manager with American Beverage Corporation before joining the Marketing Department of Far East Bank and Trust Company.

Luis Bernardo A. Puhawan, ** 39, Controllershship Group Head, graduated from the University of Sto. Tomas with a degree of Bachelor of Science in Accountancy in 1996. He is a Certified Public Accountant. He is concurrently the head of PDB's Controllershship Group with the rank of First Vice President. He is a member of PDB's ManCom, ALCO, CARCOM, IT Steering Committee and Internal Affairs Committee (IAC). He is likewise the Vice Chairperson of PDB's AMLA Committee (AMLACOM). He joined PDB in May 2006 as Assistant Vice President and head of the Financial Reporting and Control Department until his recent promotion as First Vice President and head of the Controllershship Group. Prior to his joining PDB, he was Senior Associate of *Sycip, Gorres, Velayo & Co.* from January 1, 1997 to April 16, 2002. He also worked for Philippine Veterans Bank from August 1, 2002 to August 31, 2005 and transferred to Deutsche Knowledge Services – Manila as Senior Associate from September 1, 2005 up to March 31, 2006.

Adonis C. Yap, ** 45, Special Banking Services Head, finished his baccalaureate degree at the Colegio de San Juan de Letran with a degree in Commerce major in Business Management. He is concurrently the Head of PDB's Transaction Banking Department with the rank of First Vice President. He is the former Head of Product Development and Management Department. He was also former President of PDB SME Solutions Inc., an e-business solutions provider in the country. Starting at PDB as Assistant Vice President and Department Head for Cash Management Service and eventually holding the position of First Vice President for Product Development

and Management Department. Mr. Yap also served as director and treasurer of the Philippine Internet Commerce Society (PICS) in 2008.

Alessandra E. Tiaoqui,** 54, Credit Management Group Head, earned her BS in Financial Management degree from St. Scholastica's College. She is concurrently the Head of PDB's Credit Support and Services Group with the rank of First Vice President. Earlier, she held the position as Head of the SME Banking Group – Metro Manila Lending Department 2. She is likewise a member of PDB's MANCOM, CRECOM, ALCO, CARCOM and AMLA Com. Before joining PDB, she started as Account Officer of Equitable PCI Bank – Commercial Banking, Account Officer – Special Account Management and as Division Head – Credit Policy and Support – EO. She also worked with Security Bank Corporation as Remedial Officer – Remedial Management Division and as Deputy Head of the same division.
 Birthday: October 29, 1960.

Eleanor R. Recana,** 57, Information Technology Head, is a B.S. Statistics graduate of the University of the Philippines. She is concurrently PDB's Chief Information Officer and the Head of the Information and Technology Department (ITCD) with the rank of First Vice President. She is likewise a member of PDB's ManCom, IT Steering Committee and Operations Committee. She has over 25 years of experience in the IT industry, mostly focused on the banking industry, both local and international. Her main areas of competency include development and design of core banking applications, information systems to enhance customer relationship management and data warehousing applications that integrate core systems data for business intelligence. Prior to joining PDB, Ms. Recana was a consultant of Teradata Korea and Singapore, SAS Philippines and Satyam Computer Services Ltd., (Australia). She was Assistant Vice President - Senior Data Architect of Development Bank of Singapore for almost six years. Her local banking experience include, being Vice President – Data Warehouse Manager of the Bank of the Philippine Islands and Vice President – Head, Executive Information Systems Division of PCIBank.

Odel S. Janda,** 57, Legal Department Head, holds a degree of Bachelor of Laws obtained the University of the East. He is concurrently the Head of PDB's Legal Support Services Department (LSSD) with the rank of Five Vice President. He is likewise PDB's Assistant Corporate Secretary since January 15, 2014 up to present. He held the position of the Corporate Secretary of PDB from August 1, 2011 to January 15, 2015. Before joining PDB, he was Active Bank's Head of Legal, Personnel and Security.

Allan E. Borreo,** 60, Corporate Planning Head, holds a degree of Bachelor of Arts – Economics from the University of the Philippines – Diliman. He is concurrently the Head of PDB's Corporate Planning Unit with the rank of Vice President. He was likewise the former Assistant Corporate Secretary and Secretary of its Management Committee. Before joining PDB in 2004, he held key positions in Corporate Planning at the ABN AMRO Bank (formerly Great Pacific Savings Bank and BA Savings Bank), Solidbank and Interbank. He also worked with the Integrated Resources Corporation (IRC), Construction & Development Corporation of the Philippines (CDCP) and the National Economic and Development Authority (NEDA).

Victoria T. Alfonso,** 40, Human Resources Head, is a graduate of Ateneo de Manila University, Manila, Philippines with a degree in Psychology and took her BA Business Administration, Cum Laude from the American College in London, London, UK. She also took her Masters in Financial Economics, Magna Cum Laude from Boston University, USA. She is concurrently the Vice President and head of PDB's HR/Premises Group with supervision over the Human Resources Department, Training Unit and General Services Department. She is likewise a member of PDB's MANCOM and Human Resources/Retirement Committee (HR/RETCOM). Before joining PDB, she worked with Standard Chartered Bank, Manila, Philippines – from June to December 1996 as Customer Service Assistant of Consumer Banking Department, from January 1997 to June 1998 as Senior

Relationship Assistant of Corporate Banking Department and from June 1998 to February 2000 as Senior Assistant Manager of Treasury Department. She also worked with Chase Manhattan, in London, UK – Compliance Department from September to December 1995 as Staff Assistant and with Cable News Network (CNN) in London, UK from September to December 1994 as Student Intern.

Maria Rosanna L. Testa, *55, Vice President and Head of Human Resources Group, obtained her Bachelor of Arts Degree degree in Business Administration from the Assumption College in 1980. She obtained her Master's degree in Business Administration from Ateneo Graduate School of Business. For the last two years prior to joining CBC, she was the HR director of multinational company, Thunderbird Resorts, South American Entertainment Corporation II Ltd., reporting to CEO. She has 30 years experience and in-depth specialist knowledge of human resources. She is concurrently the Head of CBC's Human Resources Division.

Joseph IT Reyes, 44, Vice President and Internal Auditor, holds a Bachelor of Science degree in Accountancy from Philippine School of Business Administration. He started as Senior Associate at and was with *Sycip Gorres Velayo & Co.* in 1998 to 2001. He joined the banking industry in 2005 with Asiatrust Bank, Inc. before going back to audit firms KPMG Lao Co., Ltd., SGV, and DELOITTE & Touche LLP (Singapore) from 2005 to 2012. In 2013, he rejoined the banking industry as Vice President & Director of Equicom Shared Services, Inc.

Anna Maria P. Ylagan, 55, Vice President and Trust Officer, holds a Bachelor of Science degree in Commerce, Major in Management from the Assumption College. She obtained her Master's degree in Business Administration from the Ateneo Graduate School of Business. She has more than 30 years of experience in Trust.

Edgar D. Dumlao, ** 55, Vice President and Corporate Secretary, obtained his Bachelor of Laws degree from Ateneo de Manila University in 1984 and Master's degree in Business Administration at the Ateneo Graduate School of Business (*cand.*). He is also a Senior Partner of *Alcala Dumlao Alameda Tan Alano & Maningding* Law Offices. He was a Director of the Bank from September 2007 up to October 2009. Prior to joining the Bank full-time in 2010, he was with CBC for 13 years. He is concurrently the Corporate Secretary of PDB since January 15, 2014.

Raymond C. Apo, **46, Assistant Vice President and Risk Officer, obtained his Bachelor of Science in Commerce degree major in Accountancy from Far Eastern University in 1998. He is also a Certified Public Accountant. Prior to joining the Bank, he was with Solidbank Corporation, First Metro Investment Corp., Rizal Commercial Banking Corp., AsiatrustDev. Bank, and Export and Industry Bank where he held positions of Auditor, I.T. Auditor, Operations Risk Officer, Audit Head and Credit and Operations Risk Officer. He has more 20 years of banking experience. He is concurrently PDB's Head of Risk Management Department.

Atty. Maribel M. Dimayuga, **40, Compliance Officer, graduated from De La Salle University with the degree of Bachelor of Arts, Major in Political Science and finished Bachelor of Laws at San Sebastian College-Recoletos in 1999. She is concurrently PDB's Chief Compliance officer with the rank of Assistant Vice President. Prior to joining PDB, Atty. Dimayuga was the Compliance Officer of Tong Yang Savings Bank. She was the Corporate Legal Counsel of Filipino Merchants Insurance Corporation from June 2001 to March 2003 and Rico General Insurance Corporation from June 2003 to June 2005.

Baldwin A. Aguilar, * 42, Assistant Vice President and General Services Head. Mr. Aguilar holds a Bachelor of Science degree in Civil Engineering from Mapua Institute of Technology. He is concurrently the Division Head of the General Service Division of CBC. Prior to joining CBC, he was UCPB's Department Head of the General Service Department. Earlier, he was a Team Head at Union Bank from 2006 to 2009, and a Sector Head at

International Exchange Bank. Before joining the banking industry, he was a project engineer at Cityland Development Corp. from 1995 to 1998.

Hanz Irvin S. Yoro,* 33, Information Security Officer. Mr. Yoro graduated with a Bachelor of Science degree in Computer Science Information Technology from Asia Pacific College. He is concurrently the Information Security Officer with the rank of Assistant Vice President of CBC since July 2014 and of PDB since August 2014. Prior to joining CBC, he was with Megalink as Information Security Officer from 2006 to 2009. Earlier, he was likewise the Information Security Officer at EPacific Globa, a Security Consultant at Mod.Net.Ph and Unix Specialist at I-Sentry Security.

Ma. Teresa E. Santos, 38**, Manager and Customer Experience Management Head. She holds a Bachelor of Science degree in Business Management from Assumption College. She started her banking career at BPI Family Savings Bank as a Marketing Assistant in 1998. Prior to that she was a Customer Service Associate at Philippine Airlines. She joined PS Bank in 2005 where she held the position of Senior Assistant Manager until 2012 when she joined the Bank.

Henry C. Perez, 49**, Security Officer. Mr. Perez earned his degree in Bachelor of Science in Commerce, major in Marketing from the Far Eastern University in March 1992. He is concurrently the Chief Security Officer with the rank of Assistant Vice President of PDB, a position he holds since November 2005. Before joining the Bank, he was Assistant Department Head – Security Administration with a rank of Supervisor in 1994 and Junior Assistant Manager from 1997 to 2000 of PCIBank. In 2000 to 2002, he was the Security Officer with a rank of Assistant Manager of Banco de Oro and from October 2002 to March 2005 as Chief Security Officer with a rank of Manager of UCPB.

* with interlocking position in CBC

** with interlocking position in PDB.

*** with interlocking positions in PDB & CBC

Note: All interlocking officers positions are subject to the approval of the BSP.

9.1(b). 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.

9.2 Significant Employees

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

9.3. Family Relationship

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

9.4. Involvement in Certain Legal Proceedings.

China Bank Savings 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.

Item 10. EXECUTIVE COMPENSATION

Comparative amount of salaries paid for the Directors and Top Executives of the Corporation (up to Asst. Vice President and cut off of December 31, 2014) and any amount of per diem including bonus of the directors for the last three years.

	Year	Salary	Bonus	Total
Executive Officers	2015 (estimate)	29,493,861.09	8,412,572.70	37,906,433.79
	2014 (actual)	28,089,391.51	8,011,974.00	36,101,365.51
	2013 (actual)	22,049,276.00	3,680,302.00	25,729,578.00
	2012 (actual)	21,489,900.00	3,581,650.00	25,071,550.00
			Per Diem	
Directors	2015 (estimate)	00.00	754,600.00	00.00
	2014 (actual)	00.00	686,000.00	00.00
	2013 (actual)	00.00	00.00	00.00
	2012 (actual)	00.00	00.00	00.00

2) The names of the top five (5) highest paid officers of the Bank are Mr. Jaime Valentin L. Araneta, EVP, Mr. Jan Nikolai M. Lim, FVP, Mr. Jose Ramon O. Santamaria, FVP, Ms. Edralin G. Agbayani, VP, and Atty. Edgar D. Dumlao, VP.

- The Top Executive Officers whose compensation were considered above are as follows:

Mr. Jaime Valentin L. Araneta, *EVP*

Mr. Jan Nikolai M. Lim, *FVP & Housing and Personal Loans Head*

Mr. Jose Ramon O. Santamaria, *FVP & Auto Loans Department Head*

Ms. Anna Maria P. Ylagan, *VP & Trust Officer*

Mr. Emmanuel C. Geronimo, *VP & former* Controllershship Group Head*

Ms. Maria Consuelo S. Ruffy, *VP & former* Head, Commercial and SME Loans*

Ms. Rosalinda T. Munsayac, *VP & former* Head, Operations Group*

Ms. Edralin G. Agbayani, *VP & former* Head, Credit Management Group*

Atty. Edgar D. Dumlao, *VP, Corporate Secretary*

Engr. Winifredo G. Solis, *Asst. Vice President & Head, Business Intelligence Unit*

Engr. Jezreel M. Pimentel, *Asst. Vice President & Head, Credit Services*

Ms. Lani Z. Larion, *Asst. Vice President & Head, Ayala Branch*

Ms. Marilou M. De Guzman, *Asst. Vice President & Head, Alternative Channels Division*

Ms. Maria Consuelo A. Babas, *Asst. Vice President & Head, Marketing Division*

* Subject to BSP approval of interlocked PDB officers

-
- The Top Executive Officers who were appointed by CBC and/or PDB 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 CBC and PDB, 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 officers and directors.

Item 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

1,718,668,200.00	83.5994%
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11.1 Security ownership of certain record and beneficial owners.

The following stockholders own more than 5% of any class securities as of December 31, 2014.

Title of Class	Name, Address of record owner & relationship w/ Issuer	Beneficial owner & relationship w/ record owner	Citizenship	No. of shares held	Percentage
Common Stock	China Banking Corporation (CBC)		Filipino	17,186,682	83.5994%
Common Stock	Former Majority Owners of Unity Bank, A Rural Bank, Inc. Shares are in the process of transfer to China Banking Corp.	China Banking Corporation/ Buyer		2,610,462	12.6978%

11.2 Security ownership of directors and top management (As of March 31, 2015)

Title of Class	Name of record owner	Amount (Php)	Citizenship	Percentage
Directors				
Common Stock	Ricardo R. Chua	100	Filipino	0.00%
	Nancy D. Yang	100	Filipino	0.00%
	Antonio S. Espedido, Jr.	100	Filipino	0.00%
	Ramon R. Zamora	100	Filipino	0.00%
	Alberto Emilio V. Ramos	100	Filipino	0.00%
	Rene J. Sarmiento	100	Filipino	0.00%
	Alexander C. Escucha	100	Filipino	0.00%
	Rosemarie C. Gan	100	Filipino	0.00%
	Roberto F. Kuan	100	Filipino	0.00%
	Alberto S. Yao	100	Filipino	0.00%
	Margarita L. San Juan	100	Filipino	0.00%
	Total as a Group	1,100		0.00%

11.3 Voting Trust Holders of 5% or More.

With the exception of China Banking Corporation, there are no persons who hold more than 5% of a class under voting trust or similar agreement.

Item 12. 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 interest (DOSRI), which were made substantially on terms not less favorable to the Bank than those offered by others. Full disclosures for these transactions were made through reports with the BSP.

Other related party transactions conducted in the normal course of business include the availment of computers and general banking services of an affiliate to meet the Parent Company's reporting requirements.

Finally, there are no other related party transactions other than those disclosed in Notes 26 of the Audited Financial Statements ended 2013 (Annex "C").

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

Item 13. CORPORATE GOVERNANCE

The Bank continues to update its Board-approved Manual on Corporate Governance. The Manual embodies the principles of good corporate governance and best practices. While the Compliance Office is the lead implementor of the manual, its implementation is the ultimate responsibility of the Board of Directors. 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.

The Bank adheres to the following basic principles of good governance:

Accountability involves providing adequate incentives and instilling in the business environment the discipline to act in the best interest of the Bank.

Fairness or equity, implying that the rights of all concerned parties are protected. The Board of Directors continue to be prudently guided not only to promote the interest of the stockholders but also that of other stakeholders such as depositors, investors and borrowers and the banking public in general.

Integrity or Bank's strict adherence to a moral code, reflected in transparent honesty and complete harmony in what one thinks, says and does.

To ensure good governance, there is an evaluation system for the Board, individual Directors and the various Board Committees: Executive Committee, Risk Management Committee, Audit Committee, Corporate Governance Committee, Trust Committee and Compensation/Remuneration Committee.

For 2014, the Bank submitted to the SEC the annual Certification of Compliance on good corporate governance on January 28, 2015.

Finally, the SEC Corporate Governance Self Rating Performance Evaluation System continues to be implemented to measure and determine the level of compliance by the Board of Directors and top level management with the existing Manual on Corporate Governance.

PART IV – EXHIBITS AND SCHEDULES

Item 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

(a) Exhibits

ANNEX "A" -	List of properties of China Bank Savings, Inc.
ANNEX "B" -	Management's Discussion and Analysis
ANNEX "C" -	Audited Financial Statements
ANNEX "D" -	Statement of Management Responsibility

Reports on SEC Form 17-C

Date ReportedReport

February 25, 2014

- a) Election of Ms. Rosemarie C. Gan, as member of Board of Directors and Executive Committee, concurrent with her position as senior Vice President & Deputy Group Head, Branch Banking Group of China Banking Corporation, subject to the approval of the Monetary Board.
- b) Appointment of the following effective February 20, 2014, namely:
- i. Ms. Margarita L. San Juan, as member of Risk Management Committee.
 - ii. Mr. Antonio S. Espedido, Jr., as member of Trust Committee.
 - iii. Mr. Alberto Emilio V. Ramos, as member of Retirement Committee.
- c. Resignation of Mr. Samuel I. Chiong from the following positions in China Bank Savings, Inc. effective January 31, 2014, to wit:

Board of Director	-	Member
Executive Committee	-	Member
Risk Management Committee	-	Member
Retirement Committee	-	Member

August 20, 2014

- a) Presentation of Audited Financial Statements for the year ended December 31, 2013 and the Interim Financial Statements as of April 30, 2014.
- a) Ratification of the acts of the Board of Directors and Officers of the Corporation during the year 2014 and the immediately preceding year
- b) Election of Directors and Officers for the ensuing year
- c) Appointment of External Auditors
- d) Merger of Planters Development Bank with China Bank Savings, Inc.
- e) Increase in Authorized Capital Stock (From Php3.0 Billion to Php8.0 Billion)
- f) Amendments of the Articles of Incorporation

October 17, 2014

- a) Appointment of Mr. Joseph L. Reyes as Internal Audit Head with the rank of Vice President effective November 3, 2014.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, in the City of Makati on this ____ day of April 2015.

CHINA BANK SAVINGS, INC.

By:


ALBERTO EMILIO V. RAMOS
President


JAIME VALENTIN L. ARANETA
Executive Vice President &
Operations Group Head


JAMES CHRISTIAN T. DEE
Treasurer

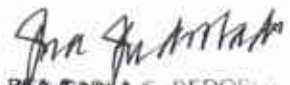

EMMANUEL C. GERONIMO
Comptroller


Atty. EDGAR D. DUMLAOG
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 17, 2015 day of April 2015 at Makati City, affiants exhibited to me their government issued identification cards, as follows:

NAME	NUMBER	DATE OF ISSUE	PLACE ISSUED
Alberto Emilio V. Ramos	SSS No. 03-6734669-8		
Jaime Valentin L. Araneta	Driver's License No. NII - 75000963	Expiring on February 14, 2017	
James Christian T. Dee	SSS No. 33-49988673		
Emmanuel C. Geronimo	SSS No. 03-4132482-7		
Edgar D. Dumlaog	Unified Multi-Purpose ID No. CRN-0033-0323285-7		

Doc. No. 176
Page No. 46
Book No. 4
Series of 2015.


Atty. BEA CARLA E. REDONDO
Notary Public for Makati City
Appl No. M-146 until 31 Dec 2015
7/F VGP Centre
6772 Ayala Ave., Makati City
PTR No. 4749036; Makati City
IBP No. 0981247; Makati City
Roll of Attorneys No. _____
NOTARY PUBLIC: 09123456789

ANNEX A

BANK-OWNED PROPERTIES

PROPERTIES	LOCATION	AREA (in sq.m.)
TMBC Condominium (8 th , 7 th , 3 rd , 2 nd , Mezzanine & Ground Floors)	VGP Center, 6772, Ayala Avenue, Makati City	5,219.71
Lot with Improvements (CBS - Angeles Branch)	Miranda cor. Asuncion Sts. Angeles City	462
Lot with Improvements (CBS – Dau Branch)	McArthur Highway, Dau Mabalacat, Pampanga	400
Lot with Improvements (CBS – Orani Branch)	Barangay Balut, Orani, Bataan	589
Leased unto China Bank BF Resort Branch	BF Resort Vill, Talon, Las Piñas City	486
Leased unto China Bank CDO Branch	South Divisoria, Cagayan De Oro City	265
Lot with Improvements (vacant)	Brgy. 1, Crossing, Calamba, Laguna	402
Leased unto China Bank Caloocan Branch	McArthur Highway, Caloocan City	700
Leased unto China Bank España Branch	España cor. Valencia Sts., Sampaloc Manila	458
Lot with Improvements (vacant)	Dadiangas East, General Santos City	446
Leased unto China Bank Las Piñas Branch	Philam Ave., Pamplona Dos, Las Piñas City	650
Leased unto China Bank Ortigas Branch	Emerald Ave., Ortigas Center, Pasig City	223
Leased unto China Bank Philam Branch	East Lawin Drive, Philam Homes, QC	195
Lot with Improvements (vacant)	Alexander cor. Belmonte Sts., Urdaneta City	300
Antipolo Property (vacant)	Valley Golf Club, Antipolo, Rizal	1,786

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Financial Highlights (Amount in Millions)

	2014	2013	2012	INCREASE/(DECREASE)			
				2014 vs. 2013		2013 vs. 2012	
				Amount	%	Amount	%
At Year End							
Total Resources	20,625	15,340	9,591	5,285	34.45%	5,749	59.94%
Loans & Receivables	15,019	9,613	4,484	5,406	56.24%	5,129	114.38%
Investment Securities	1,140	1,015	819	125	12.32%	196	23.93%
Investment Properties	535	245	293	290	118.37%	(48)	-16.38%
Deposit Liabilities	17,567	13,980	8,319	3,587	25.66%	5,661	68.05%
Capital Funds	2,151	1,017	1,033	1,134	111.50%	(16)	-1.55%
For the Year							
Net Interest Income	955	449	178	506	112.69%	271	152.25%
Other Income	178	406	187	(228)	-56.16%	219	117.11%
Other Expenses	1,290	853	532	437	51.23%	321	60.34%
Net Income/(Loss)	(157)	2	(167)	(159)	-7950.00%	169	-101.20%

Total Resources stood at ₱ 20.625 billion as of December 31, 2014, registering an increase of 34.45% or ₱ 5.285 billion, from ₱ 15.340 billion in December 31, 2013. The growth in total resources this year may be attributed to the rise in the Bank's Loans and Receivables. It went up by 56.24% or ₱ 5.406 billion, from ₱ 9.613 billion last year, to ₱ 15.019 billion this year. Auto and Housing Loans were the major contributors to the said increase. Investment Securities also increased by ₱ 125 million or 12.32%, from ₱ 1.015 billion at year end 2013, to ₱ 1.140 billion at year end 2014. Majority of which is due to the purchase of Government Securities. Investment Properties went up significantly by ₱ 290 million or 118.37%, from last year's ₱ 245 million, to this year's ₱ 535 million. The registered increase in the Bank's major Balance Sheet accounts was a result of its merger with Unity Bank.

Deposit liabilities grew by 25.66% or ₱ 3.587 billion, from the previous year's ₱ 13.980 billion, to ₱ 17.567 billion this year, an offshoot of the increase in the number of branches of the Bank, from fifty seven (57) to seventy eight (78). Capital Funds went up, from ₱ 1.017 million last year, to ₱ 2.151 billion this year, a substantial increase of 111.50% or ₱ 1.134 billion, significant of which is the Parent Bank's (China Banking Corporation) additional capital infusion to the Bank. The Bank recognized a net loss after tax of ₱ 157 million this year, which was ₱ 159 million lower than the previous year's net income after tax of ₱ 2 million.

KEY PERFORMANCE INDICATORS	<u>2014</u>	<u>2013</u>	<u>2012</u>
1. <u>Capital Adequacy Ratio (CAR)</u>			
Capital to Risk Assets Ratio	15.46%	11.15%	16.80%
2. <u>Asset Quality</u>			
Non-Performing Loans (NPL) to Total Loans	4.01%	3.10%	2.72%
Non-Performing Assets (NPA) to Total Assets	5.80%	3.85%	5.03%
3. <u>Liquidity</u>			
Liquid Assets to Total Deposits	15.69%	26.73%	41.30%
4. <u>Profitability</u>			
Return on Equity (ROE)	-7.43%	1.25%	-13.99%
Return on Assets (ROA)	-0.66%	0.13%	-2.21%
5. <u>Cost Efficiency</u>			
Operating Expenses to Total Income	113.84%	99.72%	145.87%

Capital to risk assets ratio as of December 31, 2014 was at 15.46%, higher than the 11.15% recorded in December 31, 2013, and above the minimum capital level required by the Bangko Sentral ng Pilipinas (BSP). NPL ratio increased to 4.01% as of year end 2014 as compared to the year-end 2013 level of 3.10%. NPA ratio also increased from 3.85% as of December 31, 2013 to 5.80% in December 31, 2014. Liquidity ratio went down from 26.73% to 15.69% of the current year. ROE and ROA for the year 2014 are at -7.43% and -0.66%, respectively, against year-end 2013 level of 1.25% and 0.13% respectively. Cost efficiency ratio was at 113.84% as of the December 31, 2014, which was higher than the December 31, 2013 level of 99.72%.

Discussion and analysis of material events, and uncertainties known to management that would address the past and would have an impact on future operation:

- a. SPAV Law created an opportunity for banks to liquefy acquired assets.
- b. The Bank's non-performing assets composed of ROPA were transferred to First Sovereign Assets Management, Inc. (FSAMI) via the Special Purpose Vehicle (SPV) in exchange for subordinated notes of equivalent value.
- c. Accounts that registered material changes of 5% or more and the causes thereof are as follows:

Statement of Condition 12/31/14 vs. 12/31/13	Amt in Millions Increase/ (Decrease)	Remarks
ASSETS		
Cash and Cash Equivalents	(981)	Decrease in SDA w/ BSP
Available for Sale Financial Assets	124	Purchase of GS
Loans and Receivables	5,406	Increase in Consumer Lending
Non Current Assets Held for Sale	64	Increase in Foreclosed Chattel
Property & Equipment	40	Due to bank expansion
Investment Properties	290	Due to merger
Branch Licenses	347	Due to merger
Software Costs	1	Due to bank expansion
Others Assets	(7)	Decrease in various accts
LIABILITIES		
Deposits	3,586	Due to bank expansion
Manager's Checks	45	Increase in transactions
Accrued Interest & Other Expenses	88	Increase in various accounts
Deferred Tax Liabilities	129	Due to merger
Advances from Parent Company	313	CBC capital infusion
Other Liabilities	(9)	Increase in various accounts
EQUITY		
Capital Stock	1,176	CBC capital infusion & UBI merger
Additional Paid-In Capital	132	CBC capital infusion & UBI merger
Surplus/(Deficit)	(157)	Decrease in Undivided Profits
Remeasurement Gains/(Losses) on Retirement Liab	(40)	per PAS 19
Net Unrealized Gains/(Losses) on AFS	18	Increase in Bond Prices

Statement of Income and Expenses 12/31/14 vs. 12/31/13	Amt in Millions Increase/ (Decrease)	Remarks
Interest Income	541	Increase in Consumer Lending
Interest Expense	35	Increase in Deposits
Operating Income:		
Gains on Asset Foreclosures	60	ROPA accounts disposed
Trust Fee	(2)	Decrease in transactions
Trading and Securities Gain	(288)	No GS sold for the current year
Foreign Exchange Gains/(Losses)	(5)	Decrease in exchange rate
Service Charges, Fees and Commisions	46	Increase in various fees collected
Miscellaneous	5	Increase in various income accounts
Other Expenses:		
Compensation and Fringe Benefits	99	Increase in personnel complement
Provision for Impairment & Credit Losses	145	Increase in Loan loss provisions
Depreciation and Amortization	16	Opening of additional branches
Occupancy Costs	42	Opening of additional branches
Security, Messengerial and Janitorial	32	Opening of additional branches
Insurance	29	Increase in Deposits
Utilities	5	Opening of additional branches
Transportation & Travel	3	Due to Bank expansion
Management and Other Professional Fees	9	Addl service providers
Stationery, Supplies and Postage	1	Due to Bank expansion
Miscellaneous	37	Increase in various operating expenses

- d. CBC acquired the Bank as approved by the Monetary Board in its Resolution No. 1327 dated November 22, 2007.
- e. UBI was merged with the Bank, as approved by the SEC last January 20, 2014.
- f. CBC infused Capital to the Bank, amounting to ₱ 1.112 Billion.
- g. There are no seasonal aspects that had a material effect on the financial condition or result of operation.
- h. There are no other significant elements of income or loss that did not arise from the Bank's continuing operations.
- i. The bank is not aware of trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the net income from continuing operations.

Aside from the information disclosed, no other data needs to be reported.

Financial Plans for 2015

Currently, the Bank is operating seventy eight (78) branches and plans to open an additional twenty two (22) this year. Under the new management, the Bank will focus on consumer loan products such as auto, housing and personal loans. Loans to small and medium enterprises will continue to be part of the product offerings this coming year as well as new products and services to provide innovative banking solutions that customers will find easy to understand and use.

Financial Information

Attached herewith is a copy of the Audited Financial Statements (*Annex C*) and the Notes to Financial Statements (*with reference to Annex J, K and L of SRC Rule 68*) for the fiscal year 2014, audited and certified by SyCip Gorres Velayo & Co., and the Statement of Management's Responsibility for the Financial Statements (*Annex D*).

Schedules A to K (as required under Annex M of SRC Rule 68):

A.	Marketable Securities	This item is disclosed in the AFS under Note 7
B.	Amounts Receivable from DOSRI	This item is disclosed in the AFS under Note 26
C.	Non-Current Marketable Equity Securities, Other Long Term Investments in Stock and Other Investments	NA
D.	Indebtedness of Unconsolidated Subsidiaries and Affiliates	This item is disclosed in the AFS under Note 26
E.	Property, Plant and Equipment	This item is disclosed in the AFS under Note 10
F.	Accumulated Depreciation	This item is disclosed in the AFS under Notes 10 and 11
G.	Intangible Assets and Other Assets	This item is disclosed in the AFS under Notes 12 and 13
H.	Long Term Debt	NA
I.	Indebtedness to Affiliates and Related Parties	This item is disclosed in the AFS under Note 26
J.	Guarantees of Securities of Other Issuers	NA
K.	Capital Stock	This item is disclosed in the AFS under Note 19

STATEMENT OF MANAGEMENT'S RESPONSIBILITY ON THE FINANCIAL STATEMENTS

The management of **CHINA BANK SAVINGS, INC.** is responsible for all information and representations contained in the financial statements for the year ended December 31, 2014. The financial statements have been prepared in conformity with generally accepted accounting principles in the Philippines and reflect amounts that are based on the best estimates and informed judgment of management with appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. The management likewise discloses to the company's audit committee and to its external auditor: (i) all significant deficiencies in the design or operation of internal controls that could adversely affect its ability to record, process, and report financial data; (ii) material weaknesses in the internal controls; and (iii) any fraud that involves management or other employees who exercise significant roles in internal controls.

The Board of Directors reviews the financial statements before such statements are approved and submitted to the stockholders of the company.

SyCip Gorres Velayo & Co. (SGV & Co.), the independent auditors appointed by the stockholders, have examined the financial statements of the bank in accordance with auditing standards generally accepted in the Philippines and have expressed their opinion on the fairness of presentation upon completion of such examination, in its report to the Board of Directors and stockholders.


RICARDO R. CHUA
Chairman of the Board


ALBERTO EMILIO V. RAMOS
President

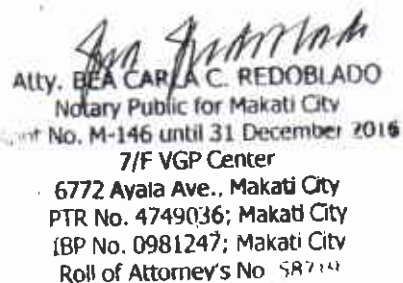

JAMES CHRISTIAN T. DEE
Treasurer


EMMANUEL C. GERONIMO
Vice President and Comptroller

SUBSCRIBED AND SWORN to before me this APR 17 2015 day of April 2015 affiant(s) exhibiting to me their government-issued identification cards, as follows:

<u>NAMES</u>	<u>SSS NO.</u>	<u>DATE OF ISSUE</u>	<u>PLACE OF ISSUE</u>
Ricardo R. Chua	03-2416389-8		
Alberto Emilio V. Ramos	03-6734669-8		
James Christian T. Dee	33-4998867-3		
Emmanuel C. Geronimo	03-4132482-7		

Doc. No. 174
Page No. 46
Book No. 4
Series of 2015.


Atty. BEA CARLA C. REDOBLADO
Notary Public for Makati City
No. M-146 until 31 December 2016
7/F VGP Center
6772 Ayala Ave., Makati City
PTR No. 4749036; Makati City
IBP No. 0981247; Makati City
Roll of Attorney's No. 58714

Republic of the Philippines)
City of Makati.....)ss



CERTIFICATION

We, **JAMES CHRISTIAN T. DEE** and **EMMANUEL C. GERONIMO**, Treasurer and Comptroller, respectively, of China Bank Savings, Inc., hereby certify that the enclosed CD copy of the Audited Financial Statements (AFS) of China Bank Savings, Inc. contains the same basic or material data in the hard copies of the Audited Financial Statements of China Bank Savings, Inc. submitted herewith.

IN WITNESS WHEREOF, we have hereunto set our hands this APR 17 2015 day of April 2015 in the City of Makati.


EMMANUEL C. GERONIMO
Comptroller


JAMES CHRISTIAN T. DEE
Treasurer

SUBSCRIBED AND SWORN to me before this APR 17 2015 of April 2015, affiants exhibiting to me their proof of identification, as follows:


NAMES	Proof of Identification
Emmanuel C. Geronimo	SSS No. 03-4132482-7
James Christian T. Dee	SSS No. 33-4998867-3

Doc. No. 175

Page No. 46

Book No. 4

Series of 2015


Atty. **BEA CARLA C. REDOBLADO**
Notary Public for Makati City
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IBP No. 0981247; Makati City
Roll of Attorney's No. 58710
MCLE No. IV-0010427; 12/13/2015

2014 Annual Report Assessment Checklist
 CHINA BANK SAVINGS, INC.
 Stand – Alone Thrift Banks
 As of December 31, 2014 Annual Report

	Conditions	Reference	
		Page	Section
I.	<i>Compliance with Subsection X190.5 – Disclosure requirements</i>		
1.	Financial Performance	Page 1 and 2 – Income Statement	Annex C – AAFS
2.	Financial Position and Changes therein:	Page 1 – Balance Sheet	Annex C – AAFS
3.	Overall risk management philosophy (i.e. general statement of the risk management policy adopted by the bank's board of directors which serves as the basis for the establishment of its risk management system), risk management system and structure;	Pages 13 to 16	Part 1 – Annual Report
4.	Qualitative and quantitative information on risk exposures (credit, market, liquidity, operational, legal and other risks); and	Pages 15 to 16 Pages 30 to 41	Part 1 – Annual Report Annex C – AAFS
5.	Basic business management and corporate governance information such as the bank's organizational structure, incentive structure including its remuneration policies, nature and extent of transactions with affiliates and related parties.	Pages 20 to 36 Pages 30 to 41	Part II and Part III – Annual Report Annex C – AAFS
II.	<i>Compliance with Appendix 63c of the MORB – Disclosures in the Annual Reports and Published Balance Sheet</i>		
1.	Tier 1 capital and a breakdown of its components (including deductions solely from Tier 1);	Page 56	Annex C – AAFS
2.	Tier 2 capital and a breakdown of its components;	Page 56	Annex C – AAFS
3.	Deductions from Tier (50%) and Tier 2 (50%) capital;	Page 56	Annex C – AAFS
4.	Total qualifying capital;	Page 56	Annex C – AAFS
5.	Capital requirements for credit risk;	Pages 32 to 35	Annex C – AAFS
6.	Capital requirements for market risk;	Pages 36 to 38	Annex C – AAFS
7.	Capital requirements for operational risk; and		
8.	Total and Tier 1 capital adequacy ratio on both solo and consolidated bases.	Page 56	Annex C – AAFS

Certified Correct:


 Atty. Edgar D. Dumlaog
 Corporate Secretary

SECRETARY'S CERTIFICATE

KNOW ALL MEN BY THESE PRESENTS:

I, **EDGAR D. DUMIAO**, of legal age, Filipino citizen, married, with business address at 7th/F VGP Center, Ayala Ave., Makati City, Metro Manila, hereby depose and state:

1. That I am the duly elected and qualified Corporate Secretary of **CHINA BANK SAVINGS, INC.**, a corporation duly organized and existing under the laws of the Philippines, with principal office at the VGP Center, 6772 Ayala Ave., Makati City;

2. That as the Corporate Secretary of the said Corporation, I am in custody of all the books, minutes of regular and special meetings, dry seal and other documents of the Corporation;

3. That at the regular meeting of the Board of Directors of the Corporation duly called and convened on March 19, 2015 at which meeting a *quorum* was present and voting, the following resolution was duly passed and approved:

"RESOLVED, AS IT IS HEREBY RESOLVED, to approve and note the Audited Financial Statements (Combined Regular Banking Unit and FCDU) as of and for the year ended December 31, 2014, prepared and submitted by Sycip, Gorres and Velayo (SGV).

On motion duly made and seconded, the following members of the Board present have taken note and authorized for issue said Audited Financial Statements and resolved to continue with significant policies, practices, systems and procedures of the Bank:

1. Ricardo R. Chua	Chairman of the Board
2. Nancy D. Yang	Vice Chairman
3. Alberto Emilio V. Ramos	President/Director
4. Ramon R. Zamora	Director
5. Rene J. Sarmiento	Director
6. Antonio S. Espedido, Jr.	Director
7. Rosemarie C. Gan	Director
8. Alberto S. Yao	Independent Director
9. Roberto F. Kuan	Independent Director
10. Margarita L. San Juan	Independent Director

IN WITNESS WHEREOF, I have hereunto affixed my signature on this APR 17 2015 at Makati City.


Atty. **EDGAR D. DUMIAO**
Corporate Secretary

SUBSCRIBED AND SWORN TO before me in Makati City, Metro Manila, this APR 17 2015 day of April 2015, affiant having exhibited to me his CRN - 0033-0323285-7.

Doc. No. 178
Page No. 47
Book No. 4
Series of 2015


100

2016

V
IV
III