

**SEC Number** AS095-008814

**File Number** \_\_\_\_\_

**CHINATRUST (PHILIPPINES) COMMERCIAL BANK CORP.**

Sixteenth to Nineteenth Floors, Fort Legend Towers,  
31<sup>st</sup> St. corner 3<sup>rd</sup> Avenue, Bonifacio Global City, Taguig City

(Company's Full Name)

**988-9287**

\_\_\_\_\_  
(Telephone Number)

**2010 December 31**

\_\_\_\_\_  
(Fiscal Year Ending)  
(Month & Day)

**SEC FORM 17-Q**

**(Amended)**

**Quarterly Report**

\_\_\_\_\_  
Form Type

\_\_\_\_\_  
Amendment Designation  
(If Applicable)

**June 30, 2010**

\_\_\_\_\_  
Period Ended Date

\_\_\_\_\_  
(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17- Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended June 30, 2010
2. Commission identification number AS095-008814
3. BIR Tax Identification No. 004-665-166
4. Exact name of registrant as specified in its charter  
Chinatrust (Philippines) Commercial Bank Corporation
5. Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code  (SEC Use Only)
7. Address of registrant's principal office Postal Code  
Sixteenth to Nineteenth Floors, Fort Legend Towers, 1634  
31st St. corner 3rd Avenue, Bonifacio Global City, Taguig City
8. Registrant's telephone number, including area code (02) 988-9287
9. Former name, former address and former fiscal year, if changed since last report  
Third Floor, Tower One, Ayala Triangle, 1200  
Ayala Avenue corner Paseo de Roxas, Makati City
10. Securities registered pursuant to Sections 4 and 8 of the RSA

<u>Title of each Class</u>	<u>Number of shares common stock outstanding and amount of debt outstanding</u>
Common ₱10.00 par value	247,968,731 shares ₱2,479,687,310

11. Are any or all of the securities listed on a Stock Exchange?

Yes [] No []

**Stock Exchange**

**Classes of Securities**

Philippine Stock Exchange

Common Stocks

12. Indicate by check mark whether the registrant:

(a) Has filed all reports required by Section 17 of the Code and SRC Rule 17 thereunder or Sections 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 the registrant was required to file such reports).

Yes [] No []

(b) has been subject to such filing requirements for the past 90 days.

Yes [] No. []

## **PART I – FINANCIAL INFORMATION**

### **Item 1. Financial Statements**

(Refer to Attached Financial Statements)

### **Item 2. Management Discussion and Analysis of Financial Condition and Results of Operation**

The Bank's net income for the six-month period ending June 30, 2010 jumped by 323% to Php302million from Php71 million in the equivalent period last year. This healthy growth pattern was evident across all revenue sources, from the interest differential business, fixed income trading business and fee-based activities. Performance indicators such as return on equity (ROE) and return on assets registered 10.96% and 2.41%, respectively.

Non-interest income surged to 84.25% brought by significant increase in both trading gain and foreign exchange amounting to Php132million from Php27million last year. With the gradual recovery of global financial markets and the positive outlook on the newly elected president and his team of new cabinet officials, the Bank took advantage of the improving market prices resulting to the increase on trading and securities gain.

Increase in net interest income of 16.72% from Php684million to Php798million pertains to a decrease in interest expenses on deposit liabilities of 39.41% attributable to the Php1.7billion drop in average volume of both peso and foreign currency high cost deposits as compared to the same period last year.

The Bank set aside Php141million as provisions for impairment and credit losses for the year, maintaining its conservative stance on loan loss provisioning. Operating expenses went down by 8% year on year from Php633million to Php583million as the Bank rein in on expenses.

Non-performing loans (NPL) ratio as of June 30, 2010 improved to 2.45% from 3.04% in December 2009. The Bank's capital adequacy ratio (CAR) remains high versus the industry at 23.75% as of June 30, 2010, better than year-end 2009 CAR of 22.96% and way above the regulatory requirement of 10%.

## Key Financial Indicators

The following ratios are used to assess the performance of the Bank presented on a comparable basis:

	June 30, 2010	June 30, 2009
Return on Average Equity (ROE)	10.96%	2.84%
Return on Average Assets (ROA)	2.41%	0.53%
Cost to Income Ratio	56.10%	68.74%

	June 30, 2010	December 31, 2009
Non-Performing Loan Ratio (NPL)	2.45%	3.04%
Non Performing Loan Cover	39.95%	35.44%
Capital Adequacy Ratio	23.75%	22.96%

The manner by which the Bank calculates the above indicators is as follows:

- Return on Average Equity ---- Net Income divided by average total capital funds for the period indicated
- Return on Average Assets ---- Net Income divided by average total resources for the period indicated
- Cost to income ratio --- Total Operating expenses divided by the sum of net interest income plus other income
- Non-Performing Loan Ratio --- Total non-performing loans divided by gross loan portfolio
- Non-Performing Loan Cover --- Total allowance for probable loan losses divided by total non-performing loans
- Capital Adequacy Ratio --- Total capital divided by risk-weighted assets

**Additional Management Discussion and Analysis (for those with variances of more than 5% June 30, 2010 vs. December 31, 2009)**

**Balance Sheet –**

Due from other banks declined by 53% from Php1.86billion to Php0.89billion brought about by lower levels of due from foreign banks.

Interbank term loans decreased from Php2.98 million to Php2.55 million due to lower level of foreign currency interbank loans.

Financial assets at FVPL increased by 275% due to the increase in the volume of Peso for Trading (HFT) – treasury notes. In addition, an increase of 9% in the available for sale investments was mainly attributable to higher volume of US dollar available for sale securities. Moreover, Held-to-maturity Investments (HTM) went up by 24% because of higher US dollar held to maturity instruments of Php139.1 million from Php92.4million.

Property and Equipment – net went up by 24% from Php187.8 million to Php232.5 million attributed to the Head Office relocation from Makati to Taguig. On the other hand, Investment Properties fell down by 7% because of six-month depreciation expense of foreclosed properties.

Deferred Income Tax increased by 5% due to higher provision expense booked this year as compared last year. Likewise, other resources went up by 7% from Php131.2million to Php140.1million due to increase in rent deposits for the new Head Office premises.

Deposit liabilities increased from Php16.97billion to Php17.75billion brought by increase in US dollar time deposits by 8% partly offset by decrease in US dollar savings deposits by 10%.

Bills payable decreased by 49% to Php326.85million from Php647million on account of lower US dollar borrowings from foreign banks as compared last year.

Outstanding Acceptances declined by 28% due to the lower volume of foreign currency acceptances. Reduction in managers checks were due to lower amount of check issuances outstanding as of the end of June 2010.

Accrued Income Tax Payable dropped by 16% attributable to the remittance of annual income tax payment to BIR. On the other hand, other liabilities went up by 20% mainly due to the increase in accounts payable.

## **Income Statement (variance analysis for June 30, 2010 vs. June 30, 2009)**

Interest income on trading and investment securities posted an 18.01% increase compared last year due to the higher average volume of dollar investments.

Interest income on deposits with other banks went down by 23% mainly attributable to lower average volume on due from BSP. Likewise, interest income on interbank loans dropped by 83% due to the decrease in the average volume of foreign currency interbank loans receivable.

Interest expense on deposits declined by 39% from Php340million to Php206million mainly owing to lower average volume on both peso and foreign currency high cost deposits. Similarly, interest expense on borrowings posted a 69.9% decrease from Php10million to Php3million due to maturities.

Service charges and commission income amounted to Php88million, 20% higher as compared to last year due to higher commission earned from credit related transactions. In addition, trading gain surged to Php69million this year due to improved market conditions and positive outlook brought about by newly elected President. Furthermore, foreign exchange gains posted a 126% increase year on year from Php27.7 million to Php62.6million. On the other hand, miscellaneous income decreased by 34% from Php30million to Php20million.

Provision for probable losses as of June 2010 totaled Php141 million, reflecting 60.67% increase versus same period last year.

Compensation and fringe benefits as of June 30, 2010 totaled Php237million reflecting an 8.54% decrease as compared to the same period last year.

Growth in the occupancy and other equipment - related costs of 13.99% mainly contributed by higher expenses on rent – bank premises due to the Head Office relocation in Taguig. Meanwhile, an increase in the depreciation and amortization of 15.27% relates to the additional infrastructure brought about also by the relocation of Head Office premises.

The decrease in the taxes and licenses expenses by 6.49% is attributable to lower documentary stamp used due to lower volume of peso high cost partly offset by higher gross receipt tax (GRT) expense as a result of higher revenues generated during the period.

Insurance expenses dropped by 9.88% due to lower insurance expense – PDIC due to lower average volume peso high cost deposits.

Amortization of software licenses went down by 16.38% from Php10million to Php8.4million as full amortization of software license was achieved this year.

Miscellaneous expenses declined by 29.01% as compared in the previous year mainly on account of lower sales agents' commission expense, advertising expenses and management and professional fees.

Furthermore, Income Tax Provision went down by 41.29% due to higher provisions for deferred income tax relating to increase in provisions for loan losses in 2010 partly offset by increase in income taxes due to higher revenues this year.

**Material Events and Uncertainties:**

There are no known trends, demand, commitments, events or uncertainties that will have material impact on the Bank's liquidity. There are also no known material commitments for capital expenditures as of reporting date. There are no known trends, events, uncertainties that had or reasonably expected to have a material favorable or unfavorable impact on income from continuing operations. There are no significant elements of income or loss that did not arise from the banks continuing operations. Likewise, there are no seasonal aspects that had material effect on the financial condition or results of operations.

There are no known events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation. Also, there are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the bank with unconsolidated entities or other persons created as of the reporting date.



**PART II – OTHER INFORMATION**

(none)

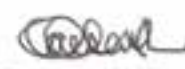
**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the registrant had duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer **Chinatrust (Philippines) Commercial Bank Corporation**

Signature  
(Title)   
**ATTY. MARITESS PARILLA-ELBINIAS**  
Corporate Information Officer

Date **August 13, 2010**

Signature  
(Title)   
**Mr. Caesar O. Gutierrez**  
AVP – Finance and Corporate Affairs Group – OIC

Date **August 13, 2010**



Republic of the Philippines)  
TAGUIG CITY ) S.S.

**SECRETARY'S CERTIFICATE**

I, **MARITESS PARILLA-ELBINIAS**, of legal age, Filipino, with business address at 18<sup>th</sup> Floor, Fort Legend Towers 3<sup>rd</sup> Avenue cor. 31<sup>st</sup> Street Bonifacio Global City, Taguig City, after being duly sworn in accordance with law, hereby state and certify that:

1. I am the duly appointed Assistant Corporate Secretary of **CHINATRUST (PHILIPPINES) COMMERCIAL BANK CORPORATION** (the "Bank"), a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office at the Fort Legend Towers 3<sup>rd</sup> Avenue cor. 31<sup>st</sup> Street Bonifacio Global City, Taguig City;
2. Caesar O. Gutierrez AVP, General Accounting Head, who has been designated as the Officer-In-Charge of the Chief Financial Officer and of the Finance and Corporate Affairs Group, and whose specimen signature appears below, is a duly authorized signatory of the Bank based on its Policy on Signing Authorities attached here as Annex "A".

**Caesar O. Gutierrez**

3. As such, the above signatory is authorized to sign SEC Form 17-Q as of June 30, 2010 which is within the area of his responsibility.

**IN WITNESS WHEREOF**, I have hereunto set my hand this AUG 13 2010 at Taguig City.

**ATTY. MARITESS PARILLA-ELBINIAS, VP**  
Legal Head/Assistant Corporate Secretary  
Corporate Information Officer

**SUBSCRIBED AND SWORN** to before me this AUG 13 2010 day of \_\_\_\_\_, affiant exhibiting to me her Passport No. SS0915619 issued at Manila on April 07, 2006.

Doc. No. 206 ;  
Page No. 93 ;  
Book No. 1 ;  
Series of 2010.

**FARRON MAE R. SEVA**  
Notary Public for Taguig City  
Commission until 31 December 2011  
8th Floor, Fort Legend Towers  
3rd Ave. corner 31st St., Bonifacio Global City, Taguig  
Appt. No. 145 (2010-2011) / Roll No. 57130  
PTR No. 0946124-D / 01-15-10 / Taguig  
IBP No. 812763 / 01-14-10 / QC

**POLICY ON SIGNING AUTHORITIES**  
As approved by the Board on March 30, 2004

1. The following classification of signing authorities will apply:
  - a. The Class "A" signatories will consists of all officers with the rank of Manager and up and the Branch Service Officers (BSO) directly involved in banking operations and financial reporting.
  - b. The Class "B" signatories will consists of all officers with the rank of Assistant Manager down to Official Assistant level and Branch Senior Service Assistants (BSSA) who are directly involved in banking operations and financial reporting .
  - c. "Limited Authority" signatories will consist of all Department Officers with the rank of Manager and above in departments of units and branches who are not directly involved in banking operations.
2. An officer shall sign only for transactions relating to his area of responsibility. Exception to this are the Group Heads who may also sign for other bank transactions outside of their respective area of responsibilities in the absence of the designated signatories of the affected group.
3. All checks, drafts, notes, acceptances, letters of credit, payment orders, debit and credit memos, inter-office accounting tickets, certificates of time deposits and other instruments obligating the bank for payment of money shall be signed by any two (2) of Class "A" or any one (1) of Class "A" with anyone (1) of Class "B" signatories.
4. Anyone (1) Class "A" or anyone (1) Class "B" signatory shall sign endorsements of checks, drafts, notes, acceptances, securities or other documents for deposit, collection or credit to the account of the bank.
5. All conveyances, mortgages and contracts assigning, transferring and conveying rights to any property in which the bank may have interest and which are not specified in the foregoing authority shall be signed by any two (2) Class "A" signatories one of whom shall be the supervising Group Head, or in his absence, any other Senior Vice President or an officer higher than a Senior Vice President.
6. The "Li mited Authority" signatories, singly, may sign for matters or documents (such as certifications, statements, reports and other non-negotiable instruments), which do not create any obligation or conveyor encumber an asset provided that the matter or document pertains to the department/unit of the office signing the same.
7. In the event that the Bank shall have to litigate, or shall have to appear in any judicial, quasi-judicial, or administrative body, the President and/or a representative duly appointed by him, shall be authorized to represent, act for, execute documents, in behalf of the Bank, and do such other acts necessary and incidental for the purpose.
8. The Human Resources Department (HRD) is designated to update the Authorized Signatories Book of the Bank based on the foregoing and will issue numbered supplements quarterly of any change(s) made on the same.
9. The authority previously granted to the officers, which are in conflict with the foregoing classification and signing requirements, shall be revoked upon approval of this proposal. Also, the authority previously granted to officers not in the foregoing list shall be, and is hereby revoked, and declared of no further force and effect.



**CHINATRUST (PHILIPPINES) COMMERCIAL BANK CORPORATION**  
**STATEMENT OF CONDITION**

(With Comparative Figures for December 31, 2009)

	June 30, 2010	December 31, 2009
	(Unaudited)	(Audited)
<b>RESOURCES</b>		
Cash and Other Cash Items	319,810,101	319,525,532
Due from Bangko Sentral ng Pilipinas	1,828,224,198	1,909,190,000
Due from Other Banks	881,302,431	1,855,613,683
Interbank Loans Receivable	2,553,642	2,979,000
Financial Assets at Fair Value through Profit or Loss	2,625,398,051	701,027,799
Available-for-Sale Investments	1,653,159,440	1,521,450,054
Held-to-Maturity Investments	263,151,925	211,820,728
Loans and Receivables - net	16,600,099,923	16,823,635,352
Property and Equipment - net	232,532,095	187,760,710
Investment Properties	3,131,841	3,379,509
Deferred Income Tax	463,957,901	440,025,959
Other Resources - net	140,129,489	131,245,932
	<b>25,013,451,037</b>	<b>24,107,654,258</b>
<b>LIABILITIES AND CAPITAL FUNDS</b>		
<b>Liabilities</b>		
<b>Deposit Liabilities</b>		
Demand	4,824,828,545	4,624,783,830
Savings	2,192,071,643	2,442,728,670
Time	10,735,466,160	9,900,645,770
	<b>17,752,366,347</b>	<b>16,968,158,270</b>
Bills Payable	326,850,000	646,800,000
Outstanding Acceptances	13,690,606	18,996,988
Manager's Checks	35,874,651	40,161,695
Accrued Interest, Taxes and Other Expenses	325,651,402	335,778,648
Income Tax Payable	8,164,756	9,677,155
Other Liabilities	896,693,449	744,798,148
	<b>19,359,291,212</b>	<b>18,764,370,904</b>
<b>Capital Funds</b>		
Common Stock	2,479,687,310	2,479,687,310
Additional Paid-in Capital	53,513,675	53,513,675
Surplus	3,120,492,526.28	2,818,233,267
Cumulative FX Translation Adjustment	(6,442,775)	(6,442,775)
Net Unrealized Gain (Loss) on Available-for-Sale Investments	6,909,088	(1,708,123)
	<b>5,654,159,825</b>	<b>5,343,283,354</b>
	<b>25,013,451,037</b>	<b>24,107,654,258</b>

CHINATRUST (PHILIPPINES) COMMERCIAL BANK CORPORATION  
 STATEMENTS OF INCOME  
 (With Comparative Figures for June 30, 2009)

	January to June		April to June	
	2010	2009	2010	2009
<b>INTEREST INCOME</b>				
Loans and receivables	882,022,433	896,156,752	438,528,379	436,908,696
Trading and investment securities	94,690,360	80,237,061	47,431,502	35,528,041
Deposits with other banks and others	26,841,593	34,933,894	13,659,911	16,140,741
Interbank loans receivable	3,972,414	22,882,366	2,129,052	9,032,993
	<b>1,007,526,801</b>	<b>1,034,210,073</b>	<b>501,748,846</b>	<b>497,610,471</b>
<b>INTEREST EXPENSE</b>				
Deposit liabilities	206,061,525	340,064,547	103,515,922	148,948,896
Bills payable and other borrowings and others	3,033,457	10,076,400	634,918	5,163,001
	<b>209,094,982</b>	<b>350,140,947</b>	<b>104,150,840</b>	<b>154,111,897</b>
<b>NET INTEREST INCOME</b>	<b>798,431,819</b>	<b>684,069,127</b>	<b>397,598,006</b>	<b>343,498,574</b>
Service charges, handling fees and commission income	88,118,010	73,336,568	39,348,916	51,734,834
Trading and securities gain - net	69,460,462	(878,359)	38,494,732	(1,956,566)
Foreign exchange gain - net	62,624,251	27,736,752	51,420,620	27,450,767
Miscellaneous - net	19,886,346	30,114,699	4,830,702	13,471,448
<b>TOTAL OPERATING INCOME</b>	<b>1,038,520,887</b>	<b>814,378,787</b>	<b>531,692,977</b>	<b>434,199,057</b>
Provision for (recovery from) impairment and credit losses	140,594,706	87,506,201	97,437,949	41,109,184
Compensation and fringe benefits	236,781,045	258,878,069	110,645,101	133,369,559
Occupancy and other equipment-related costs	163,702,540	182,574,958	110,827,045	95,648,653
Taxes, licenses and documentary stamps used	69,153,904	73,957,083	35,054,445	36,116,207
Depreciation and amortization	31,951,079	27,718,208	16,649,133	14,010,675
Insurance	20,602,168	22,861,443	10,186,482	11,555,342
Amortization of software license	8,379,262	10,021,047	4,149,073	4,978,427
Miscellaneous	52,059,473	57,226,767	2,459,345	29,748,476
<b>TOTAL OPERATING EXPENSES</b>	<b>723,224,176</b>	<b>720,743,775</b>	<b>387,408,571</b>	<b>366,536,523</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>315,296,711</b>	<b>93,635,012</b>	<b>144,284,405</b>	<b>67,662,534</b>
<b>PROVISION FOR INCOME TAX</b>	<b>13,037,452</b>	<b>22,206,574</b>	<b>(9,445,211)</b>	<b>14,985,240</b>
<b>NET INCOME</b>	<b>302,259,259</b>	<b>71,428,438</b>	<b>153,729,616</b>	<b>52,677,294</b>
<b>Basic/Diluted Earnings Per Share *</b>	<b>1.22</b>	<b>0.29</b>	<b>0.62</b>	<b>0.21</b>

\* Net income/ weighted average number of outstanding common shares (247,968,731).

**CHINATRUST (PHILIPPINES) COMMERCIAL BANK CORPORATION**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
(With Comparative Figures for June 30, 2009)

	January to June		April to June	
	2010	2009	2010	2009
<b>NET INCOME</b>	<b>302,259,259</b>	71,428,438	<b>153,729,616</b>	52,677,294
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Net Fair Value Change on Available-for-Sale Investments	8,617,211	94,224,714	4,209,984	48,115,992
	<b>8,617,211</b>	94,224,714	<b>4,209,984</b>	48,115,992
<b>TOTAL COMPREHENSIVE INCOME (LOSS), NET OF TAX</b>	<b>310,876,471</b>	165,653,151	<b>157,939,600</b>	100,793,286

**CHINATRUST (PHILIPPINES) COMMERCIAL BANK CORPORATION**  
**STATEMENTS OF CHANGES IN EQUITY**

	Common Stock	Additional Paid-in Capital	Surplus	Cumulative Translation Adjustments	Net Unrealized Gain on Available-for-Sale Investments	Total
<b>Balance at December 31, 2009</b>	<b>2,479,687,310</b>	<b>53,513,675</b>	<b>2,818,233,267</b>	<b>(6,442,775)</b>	<b>(1,708,123)</b>	<b>5,343,283,354</b>
Net income for the year	-	-	302,259,259	-	-	302,259,259
Cumulative Translation Adjustments	-	-	-	-	-	-
Net unrealized gain on available-for-sale (AFS) investments	-	-	-	-	8,617,211	8,617,211
Total Comprehensive Income for the year	-	-	302,259,259	-	8,617,211	310,876,471
<b>Balance at June 30, 2010</b>	<b>2,479,687,310</b>	<b>53,513,675</b>	<b>3,120,492,526</b>	<b>(6,442,775)</b>	<b>6,909,088</b>	<b>5,654,159,825</b>
<b>Balance at December 31, 2008</b>	<b>2,479,687,310</b>	<b>53,513,675</b>	<b>2,485,376,706</b>	<b>-</b>	<b>(102,925,729)</b>	<b>4,915,651,962</b>
Net income for the year	-	-	71,428,438	-	-	71,428,438
Cumulative Translation Adjustments	-	-	-	-	-	-
Net unrealized gain on available-for-sale (AFS) investments	-	-	-	-	94,224,714	94,224,714
Total Comprehensive Income for the year	-	-	71,428,438	-	94,224,714	165,653,151
<b>Balance at June 30, 2009</b>	<b>2,479,687,310</b>	<b>53,513,675</b>	<b>2,556,805,144</b>	<b>-</b>	<b>(8,701,015)</b>	<b>5,081,305,114</b>
<b>Balance at December 31, 2008</b>	<b>2,479,687,310</b>	<b>53,513,675</b>	<b>2,485,376,706</b>	<b>-</b>	<b>(102,925,729)</b>	<b>4,915,651,962</b>
Total Comprehensive Income for the year	-	-	332,856,561	(6,442,775)	101,217,606	427,631,392
<b>Balance at December 31, 2009</b>	<b>2,479,687,310</b>	<b>53,513,675</b>	<b>2,818,233,267</b>	<b>(6,442,775)</b>	<b>(1,708,123)</b>	<b>5,343,283,354</b>

CHINATRUST (PHILIPPINES) COMMERCIAL BANK CORPORATION  
STATEMENT OF CASH FLOWS

	For the six-month ended June 30	
	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	315,296,711	93,635,012
Adjustments for:		
Provision for (recovery from) impairment and credit losses	140,594,706	87,506,201
Depreciation and amortization	31,951,079	27,718,208
Amortization of computer software	8,379,262	10,021,047
Amortization of deferred charges	364,000	29,125
(Gain) / loss on sale of property and equipment	106,231	82,832
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Financial assets at fair value through profit and loss	(1,924,370,252)	(69,295,907)
Loans and Receivables	82,940,723	132,991,700
Interbank loans receivable	-	-
Other assets	(17,626,819)	(17,434,716)
Increase (decrease) in:		
Deposit liabilities	784,208,077	996,633,599
Manager's checks	(4,287,043)	(7,711,594)
Accrued interest and other expenses	(10,127,245)	(99,219,402)
Other liabilities	151,895,301	339,853,015
Net cash generated from (used in) operations	(440,675,269)	1,494,809,121
Income taxes paid	(38,481,793)	(30,884,461)
<b>Net cash provided by (used in) operating activities</b>	<b>(479,157,062)</b>	<b>1,463,924,660</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease (increase) in:		
Available-for-sale securities	(123,092,175)	311,163,144
Investment in bonds and other debt instruments	(51,331,197)	21,034,358
Investment in an associate		
Additions to property and equipment	(83,359,368)	(19,722,211)
Proceeds from disposals of property and equipment	6,778,341	5,509,550
Additions to investment properties	0	0
<b>Net cash provided by (used in) investing activities</b>	<b>(251,004,400)</b>	<b>317,984,841</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in:		
Bills payable	(319,950,000)	(1,091,156,080)
Outstanding Acceptances	(5,306,382)	19,213,754
Payment of dividends	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>(325,256,382)</b>	<b>(1,071,942,326)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,055,417,843)</b>	<b>709,967,175</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		
Cash and other cash items	319,525,532	351,253,539
Due from Bangko Sentral ng Pilipinas	1,909,190,000	3,536,491,101
Due from other banks	1,855,613,683	1,457,052,884
Interbank loans receivable	2,979,000	715,280,000
<b>Total</b>	<b>4,087,308,216</b>	<b>6,060,077,524</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR PER CASH FLOWS</b>	<b>3,031,890,372</b>	<b>6,770,044,699</b>
<b>CASH AND CASH EQUIVALENTS, END</b>		
Cash and other cash items	319,810,101	239,375,951
Due from Bangko Sentral ng Pilipinas	1,828,224,198	3,097,484,602
Due from other banks	881,302,431	1,617,465,458
Interbank loans receivable	2,553,642	1,815,718,688
<b>Total</b>	<b>3,031,890,372</b>	<b>6,770,044,699</b>
<b>OPERATIONAL CASH FLOWS FROM INTEREST</b>		
Interest received	969,743,978	1,081,643,074
Interest paid	(112,049,109)	(448,136,886)
	<b>857,694,869</b>	<b>633,506,187</b>



## Notes to Financial Statements Required Under SRC Rule 68.1

1. Diluted Earnings per share as of June 30, 2010 Php1.22.
2. The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the Philippines. The Bank's financial statements as of June 30, 2010 are prepared in accordance with new Philippine Financial Reporting Standards (PFRS):
  - a) The same accounting policies and methods of computation are followed in these interim financial statements as compared with the most recent annual financial statements.
  - b) Seasonal or cyclical events and/or conditions do not affect the interim operations of the bank.
  - c) Trading gains as of June 30, 2010 amounted to Php69million, compared to Php0.9million trading loss of the same period last year.
  - d) There are no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.
  - e) There are no issuances, repurchases, and repayments of debt and equity securities.
  - f) There are no cash dividends paid separately for ordinary shares and other shares.
  - g) Segment information for the period ended June 30, 2010 and 2009 are as follows:

	TREASURY GROUP		CORPORATE BANKING		RETAIL BANKING		OTHERS		TOTAL	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<b>Results of operations</b>										
(in thousands)										
Net interest income	157,822	122,093	116,980	77,888	523,554	473,292	75	10,796	798,432	684,069
Non-interest income	118,482	26,428	59,902	37,792	57,488	64,761	4,217	1,329	240,089	130,310
Total revenue	276,305	148,521	176,883	115,680	581,042	538,053	4,292	12,125	1,038,521	814,379
Noninterest expense	44,133	69,766	85,278	50,034	363,732	371,466	230,081	229,479	723,224	720,744
Income (loss) before income tax	232,172	78,755	91,605	65,647	217,310	166,587	(225,789)	(217,354)	315,297	93,635
Income tax provision (benefit)	5,050	18,052	6,441	7,460	1,444	(2,047)	103	(1,258)	13,038	22,207
<b>Net income (loss)</b>	<b>227,122</b>	<b>60,704</b>	<b>85,163</b>	<b>58,187</b>	<b>215,866</b>	<b>168,634</b>	<b>(225,892)</b>	<b>(216,096)</b>	<b>302,259</b>	<b>71,428</b>
<b>YTD Average (in Php millions)</b>										
Total assets	3,775	5,604	10,304	10,308	9,837	9,477	965	1,071	24,882	26,460
Total liabilities	2,762	6,734	5,664	3,653	10,509	10,630	605	486	19,540	21,503

- h) At the Regular Meeting of the Board of Directors held on 23 April 2010, the Board of Directors approved the restriction of the retained earnings for the following purposes:

i.) to meet the minimum capital requirement set by the Bangko Sentral Ng Pilipinas (BSP) to become a universal bank, and  
 ii.) to comply with the requirements of the Internal Capital Adequacy Assessment Process (ICAAP) pursuant to BSP Circular 639 which took effect on January 1, 2010.

- i) There are no material events subsequent to the end of the interim period that has not been reflected in the financial statements.
- j) There are no material events subsequent to the end of the interim period that has not been reflected in the financial statements.
- k) There are no changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.
- l) Summary of the Bank's commitments and contingent liabilities:

	<b>As of June 30, 2010</b>	<b>As of December 31, 2009</b>
Trust department		
Investment management accounts	3,139,228,573	2,718,046,811
Trust and other fiduciary accounts	902,980,618	958,564,256
	<u>4,042,209,191</u>	<u>3,676,611,067</u>
Forward Securities Purchased	530,669,428	3,735,568
Forward Securities Sold	332,119,671	12,701,006
Inward Bills for collection	3,047,560,667	1,434,851,421
Unused commercial letters of credit	264,331,885	251,322,193
Outstanding Guarantees	54,922,830	-
Traveller's check unsold	-	-
Outward bills for collection	73,208,262	15,640,151
Others	2,950,328	2,143,518

- m) There are no other material contingencies and any other events or transactions that are material to an understanding of the current interim period.

**CHINATRUST (PHILS.) COMMERCIAL BANK**  
**Aging of Loans and Receivables**  
**As of June 30, 2010**

**Type of Accounts Receivable**

**a) Trade Receivables**

- 1) CLIB-PESO
- 2) DBTR
- 3) IBTR- PESO
- 4) IBTR- USD
- 5) CLUA
- 6) EBP

Subtotal  
Less: Allow. For Doubtful Acct.  
**Net Trade Receivable**

**b) Non - Trade Receivables**

- 1 TIME LOAN - BSP - REDISCOUNTING
- 2 BILLS DISCOUNTED - REG -CLEAN
- 3 BILLS DISCOUNTED - REG - HO DEP
- 4 BILLS DISCOUNTED - REG - RM/CM/OT
- 5 BILLS DISCOUNTED - CHK DISC - CLEAN
- 6 TIME LOAN - ST CLEAN
- 7 TIME LOAN - SALARY LOAN
- 8 TIME LOAN - ST - HOLD-OUT DEP
- 9 TIME LOAN - CTS
- 10 TIME LOAN - ST - REM/CHM/OTHS
- 11 TIME LOAN - MT - CLEAN
- 12 TIME LOAN - MT - HOLD-OUT DEP
- 13 TIME LOAN - MT - REM/CHM/OTHS
- 14 TIME LOAN - LT - CLEAN
- 15 TIME LOAN - MORTGAGE MANAGER
- 16 TL-DREAM LOAN-CASHBACK
- 17 TIME LOAN - LT - REM/CHM/OTHS
- 18 TIME LOAN - DREAM HOME LOAN
- 19 TIME LOAN - DHL - FIVE@ZERO
- 20 SPECIAL FUNDED LOAN
- 21 TIME LOAN - LT - HOLD-OUT DEP
- 22 L & D - DOSRI - TL - MT - RM/CM/OTH
- 23 OFFICERS AND STAFF LOANS
- 24 L & D - FX - RES - HO DEP
- 25 L & D - FX - RES - CLEAN
- 26 L & D - FX - NRES - CLEAN-OFFSHORE
- 27 L & D - FX - RES - REM/CHM/OTH
- 28 L & D - FX - RES - CLEAN - OFFSHORE
- 29 PD - L & D - DOM - BD - REG
- 30 ITL - L & D - FX - RES - NDOSRI
- 31 PD - L & D - DOM - TL - ST
- 32 PD - SALARY LOAN
- 33 PD - L & D - DOM - TL - MT
- 34 PD - OFFICERS AND STAFF LOANS
- 35 PD - DREAM HOME LOAN
- 36 PD - L & D - DOM - TL - RE - HFC
- 37 PD - L & D - FX - RES - NDOSRI
- 38 PAST DUE - MORTGAGE MGR
- 39 ITL - L & D - DOM - NDOSRI
- 40 ITL - MORTGAGE MGR
- 41 ITL - DREAM HOME LOAN
- 42 RESTRUC LOANS - DOM - NDOSRI
- 43 RESTRUCTURED LOAN - MORTGAGE LOANS
- 44 RESTRUC LOANS - FX - RES - NDOSRI
- 45 PD - RESTRUC LOANS - FX - RES -NDOSRI
- 46 ITL - RESTRUCT - RES - NDOSRI
- 47 DBP - CLEAN - NDOSRI

Subtotal  
Add: Unamortized Transaction cost  
Less: Allow. For Doubtful Acct.  
**Net Non - Trade Receivable**

Accounts Receivables  
Accrued Interest Receivables  
Unquoted Debt Securities  
Dividends Receivable

Less: Allowance for impairment

**Net Receivables (a + b)**  
**Less: Unearned Interest and Discounts**

	Total	1 Month	2 - 3 Mos.	4 - 6 Mos.	7 to 11 Mos.	1 - 2 Years	3 - 5 Years	5 Years - Above	Past due accounts & Items in Litigation
1) CLIB-PESO	-	-	-	-	-	-	-	-	-
2) DBTR	256,608,081	58,907,053	84,771,067	99,177,431	-	4,790,297	-	-	8,962,233
3) IBTR- PESO	1,406,113,959	46,604,074	40,379,628	862,104,650	424,547,182	-	-	-	32,478,425
4) IBTR- USD	32,218,911	-	30,408,634	-	-	1,810,277	-	-	-
5) CLUA	13,690,606	11,453,370	2,237,237	-	-	-	-	-	-
6) EBP	62,866,465	31,948,073	30,918,392	-	-	-	-	-	-
Subtotal	1,771,498,023	148,912,570	188,714,957	961,282,081	424,547,182	6,600,575	-	-	41,440,658
Less: Allow. For Doubtful Acct.	14,454,108	-	-	-	-	-	-	-	-
<b>Net Trade Receivable</b>	1,757,043,914	148,912,570	188,714,957	961,282,081	424,547,182	6,600,575	-	-	41,440,658
1 TIME LOAN - BSP - REDISCOUNTING	-	-	-	-	-	-	-	-	-
2 BILLS DISCOUNTED - REG -CLEAN	-	-	-	-	-	-	-	-	-
3 BILLS DISCOUNTED - REG - HO DEP	104,030,541	52,745,000	13,496,497	5,364,667	13,562,601	18,861,776	-	-	-
4 BILLS DISCOUNTED - REG - RM/CM/OT	7,108,333	-	2,108,333	-	-	5,000,000	-	-	-
5 BILLS DISCOUNTED - CHK DISC - CLEAN	98,600,786	82,597,926	16,002,859	-	-	-	-	-	-
6 TIME LOAN - ST CLEAN	777,460,705	363,712,099	95,654,667	64,968,939	3,125,000	250,000,000	-	-	-
7 TIME LOAN - SALARY LOAN	3,170,166,056	346,244,025	323,409,153	445,390,080	897,022,637	1,158,100,161	-	-	-
8 TIME LOAN - ST - HOLD-OUT DEP	64,047,185	5,390,000	1,043,200	45,333,746	12,280,239	-	-	-	-
9 TIME LOAN - CTS	46,042,375	-	1,290,793	-	4,253,343	-	40,498,239	-	-
10 TIME LOAN - ST - REM/CHM/OTHS	261,020,158	129,200,000	35,460,000	40,952,458	55,407,700	-	-	-	-
11 TIME LOAN - MT - CLEAN	1,054,548,634	-	-	-	35,151,515	1,016,119,682	3,277,437	-	-
12 TIME LOAN - MT - HOLD-OUT DEP	183,238,597	-	-	-	-	183,238,597	-	-	-
13 TIME LOAN - MT - REM/CHM/OTHS	80,179,277	-	-	-	-	1,333,003	78,846,275	-	-
14 TIME LOAN - LT - CLEAN	50,162,879	-	-	38,787,879	-	-	-	11,375,000	-
15 TIME LOAN - MORTGAGE MANAGER	2,003,609,217	127,836,872	123,226,210	200,732,591	321,503,721	587,968,502	642,341,320	-	-
16 TL-DREAM LOAN-CASHBACK	59,348,416	-	-	-	-	-	-	59,348,416	-
17 TIME LOAN - LT - REM/CHM/OTHS	-	-	-	-	-	-	-	-	-
18 TIME LOAN - DREAM HOME LOAN	81,549,737	-	451,398	4,032,286	28,561,833	4,067,683	8,336,951	36,099,586	-
19 TIME LOAN - DHL - FIVE@ZERO	127,129,112	-	-	-	-	-	7,947,711	119,181,402	-
20 SPECIAL FUNDED LOAN	-	-	-	-	-	-	-	-	-
21 TIME LOAN - LT - HOLD-OUT DEP	3,090,000	700,000	-	2,390,000	-	-	-	-	-
22 L & D - DOSRI - TL - MT - RM/CM/OTH	-	-	-	-	-	-	-	-	-
23 OFFICERS AND STAFF LOANS	16,330,300	1,246,404	1,700,375	1,797,878	3,398,094	6,414,614	1,772,936	-	-
24 L & D - FX - RES - HO DEP	10,873,765	-	324,590	10,549,175	-	-	-	-	-
25 L & D - FX - RES - CLEAN	963,877,676	473,746,775.99	480,856,900.00	9,274,000.00	0.00	0.00	0.00	0.00	-
26 L & D - FX - NRES - CLEAN-OFFSHORE	741,920,000	-	-	-	-	741,920,000	-	-	-
27 L & D - FX - RES - REM/CHM/OTH	10,920,135	463,700	10,456,435	-	-	-	-	-	-
28 L & D - FX - RES - CLEAN - OFFSHORE	2,411,240,000	463,700,000	-	-	1,947,540,000	-	-	-	-
29 PD - L & D - DOM - BD - REG	3,000,000	-	-	-	-	-	-	-	3,000,000
30 ITL - L & D - FX - RES - NDOSRI	13,101,519	-	-	-	-	-	-	-	13,101,519
31 PD - L & D - DOM - TL - ST	150,067	-	-	-	-	-	-	-	150,067
32 PD - SALARY LOAN	1,372,739,118	-	-	-	-	-	-	-	1,372,739,118
33 PD - L & D - DOM - TL - MT	-	-	-	-	-	-	-	-	-
34 PD - OFFICERS AND STAFF LOANS	12,019	-	-	-	-	-	-	-	12,019
35 PD - DREAM HOME LOAN	341,389	-	-	-	-	-	-	-	341,389
36 PD - L & D - DOM - TL - RE - HFC	59,187,685	-	-	-	-	-	-	-	59,187,685
37 PD - L & D - FX - RES - NDOSRI	-	-	-	-	-	-	-	-	-
38 PAST DUE - MORTGAGE MGR	29,427,184	-	-	-	-	-	-	-	29,427,184
39 ITL - L & D - DOM - NDOSRI	48,566,652	-	-	-	-	-	-	-	48,566,652
40 ITL - MORTGAGE MGR	19,788,176	-	-	-	-	-	-	-	19,788,176
41 ITL - DREAM HOME LOAN	7,996,927	-	-	-	-	-	-	-	7,996,927
42 RESTRUC LOANS - DOM - NDOSRI	44,546,242	-	-	32,800,000	9,650,870	218,642	1,876,730	-	-
43 RESTRUCTURED LOAN - MORTGAGE LOANS	2,205,551	-	-	-	1,377,470	828,081	-	-	-
44 RESTRUC LOANS - FX - RES - NDOSRI	-	-	-	-	-	-	-	-	-
45 PD - RESTRUC LOANS - FX - RES -NDOSRI	6,301,450	-	-	-	-	-	-	-	6,301,450
46 ITL - RESTRUCT - RES - NDOSRI	-	-	-	-	-	-	-	-	-
47 DBP - CLEAN - NDOSRI	160,231,202	160,231,202	-	-	-	-	-	-	-
Subtotal	14,094,089,064	2,207,814,003	1,105,481,409	902,373,699	3,332,835,023	3,974,070,742	784,897,598	226,004,404	1,560,612,186
Add: Unamortized Transaction cost	51,928,497	-	-	-	-	-	-	-	-
Less: Allow. For Doubtful Acct.	1,369,005,304	-	-	-	-	-	-	-	-
<b>Net Non - Trade Receivable</b>	12,777,012,256	2,207,814,003	1,105,481,409	902,373,699	3,332,835,023	3,974,070,742	784,897,598	226,004,404	1,560,612,186

Notes: If the Company's collection period does not match with the above schedule and revision is necessary to make the schedule not misleading, the proposed collection period in this schedule may be changed to appropriately reflect the Company's actual collection period.