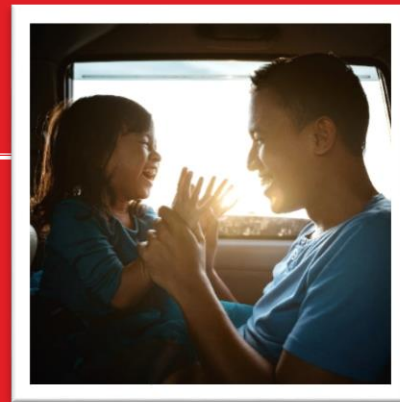


ANALYSTS' BRIEFING

3Q 2023 Results

November 8, 2023



Disclaimer

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Panelists



Patrick D. Cheng
Chief Finance Officer



Gerald O. Florentino
Investor Relations Head



Domini S. Velasquez
Chief Economist

REMINDERS

- ✓ Microphones and cameras are disabled during the presentation.
- ✓ For the Q & A, attendees may:
 - ✓ Post a live question
click the “Raise Hand” button to be recognized
 - ✓ Send questions thru the chat box



Macroeconomic Outlook

Macroeconomic Outlook

Chinabank's view

INFLATION 6.1%
from 5.8% in FY 2022

- ✓ Inflation to remain above the BSP's target for the rest of the year but will settle to $\leq 4\%$ in Q1 2024
- ✓ Next year, inflation will likely fall within target at 3.6% but risks are to the upside
- ✓ Key risks:
 - Supply disruptions, especially on food
 - El Niño to persist until H1 2024
 - Higher global oil prices

POLICY RATE & FX 6.50%
+450 bps since May 2022

- ✓ BSP to hold rates at 6.50% until Q3 2024
- ✓ Risks to inflation will likely move RRR cuts to H2 2024 followed by policy rate cuts likely Q4
- ✓ Peso to appreciate against the US dollar in 2024 in anticipation of Fed rate cuts
- ✓ Export recovery in 2024 will support the peso

GDP 5.2%
from 7.6% in FY 2022

- ✓ Moderate growth due to prolonged elevated interest rates
- ✓ Household consumption is still softening amid elevated inflation
- ✓ Government consumption recovers as it ramps up spending; Infrastructure spending gains traction
- ✓ In 2024, external tailwinds are resilient US economy and Chinese economic recovery

Macroeconomic Outlook

Chinabank's view

	FY 2022A	Latest 2023	FY 2023F	FY 2024F
GDP growth (%)	7.6	5.3	5.2	5.8
Inflation (%)	5.8	6.4	6.1	3.6
Policy rate (end, %)	5.50	6.50	6.50	6.00
10-Year BVAL Rate (end, %)	6.986	6.60 (as of Nov 6)	6.8	5.2
USDPHP (end)	55.76	56.12 (as of Nov 7)	55.50	54.00

Key Takeaways

1. **Modest economic growth in 2023** due to heightened domestic and external risks but potential recovery in 2024
2. **Inflation will remain above target for longer and high interest rates are here to stay**
3. **Growth prospects hinge on the government's ability to increase spending and improvements in FDIs**

A man and a woman are sitting in the front seats of a car, looking at a screen together. The man is on the right, and the woman is on the left. They are both smiling and appear to be engaged in a conversation. The background is dark, and the car's interior is visible.

9M 2023 Financial Performance

9M 2023 Financial Highlights

P16.2 Bn

9M'23 Net Income

15.6%

Return on Equity

1.6%

Return on Assets

P52.5

Book value per share

Income Statement

- ✓ 9M'23 Net income grew 10% YoY to P16.2 Bn;
- ✓ Resilient NII despite pressure on funding cost; NIM improved by 14 bps QoQ to 4.33% in 3Q'23;
- ✓ Provisions declined as NPL stabilized

Balance Sheet

- ✓ Loans (+10%) and Investment securities (+24%) registered double-digit YoY growth;
- ✓ NPL ratio has stabilized; NPL cover remains adequate

Capital Position

- ✓ Strong internal capital generation results to higher buffer
 - CET-1 ratio at 14.9%
 - Capital Adequacy Ratio (CAR) at 15.8%
- ✓ Distributed P1.90/sh dividends, 27% higher vs. last year

9M 2023 Financial Highlights

INCOME STATEMENTS In Php billions, except %	9M2022	9M2023	YoY
Interest income	40.6	58.2	44%
Interest expense	(6.8)	(19.0)	179%
Net interest income	33.7	39.2	16%
Fee-based income	8.3	1.6	-80%
Total revenue	42.0	40.8	-3%
Operating expenses	(18.0)	(20.5)	14%
Income before provisions and taxes	24.0	20.3	-16%
Provision for impairment and credit losses	(6.9)	(1.3)	-81%
Income before income tax	17.1	19.0	11%
Provision for income tax	(2.4)	(2.8)	17%
Net income	14.7	16.2	10%
Return on Equity	15.6%	15.6%	
Return on Assets	1.6%	1.6%	
Net interest margin	4.2%	4.2%	
Cost-to-income ratio	43%	50%	

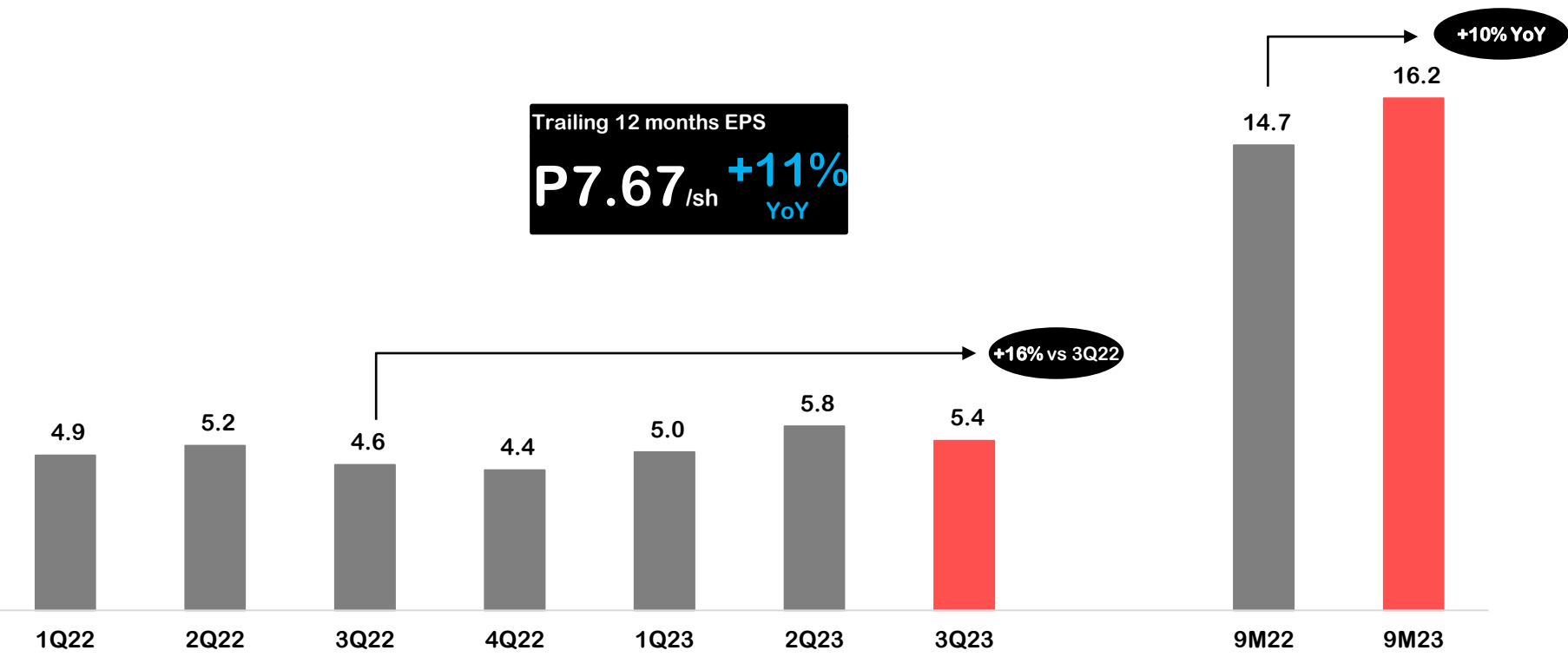
9M 2023 Financial Highlights

BALANCE SHEETS in Php billions, except %	Sep 2022	Dec 2022	Sep 2023	Sep 23 vs Sep 22	Sep 23 vs Dec 22
Liquid Assets	168	178	136	-19%	-23%
Investment Securities	391	412	485	24%	18%
Net Loans	676	700	746	10%	7%
Other Assets	40	40	43	10%	9%
TOTAL ASSETS	1,274	1,330	1,411	11%	6%
Deposits	1,001	1,066	1,145	14%	7%
<i>CASA</i>	<i>582</i>	<i>573</i>	<i>563</i>	-3%	-2%
<i>Time Deposits</i>	<i>420</i>	<i>492</i>	<i>582</i>	39%	18%
Bills and Bonds Payable	115	99	94	-18%	-5%
Other Liabilities	25	31	31	21%	1%
TOTAL LIABILITIES	1,142	1,195	1,270	11%	6%
TOTAL EQUITY	133	135	141	7%	5%
TOTAL EQUITY AND LIABILITIES	1,274	1,330	1,411	11%	6%
NPL Ratio	2.0%	2.3%	2.2%		
NPL Cover	161%	123%	126%		
Tier 1/CET 1 Ratio	14.9%	15.1%	14.9%		
Capital Adequacy Ratio (CAR)	15.7%	15.9%	15.8%		

Sustained profitability amidst a challenging environment

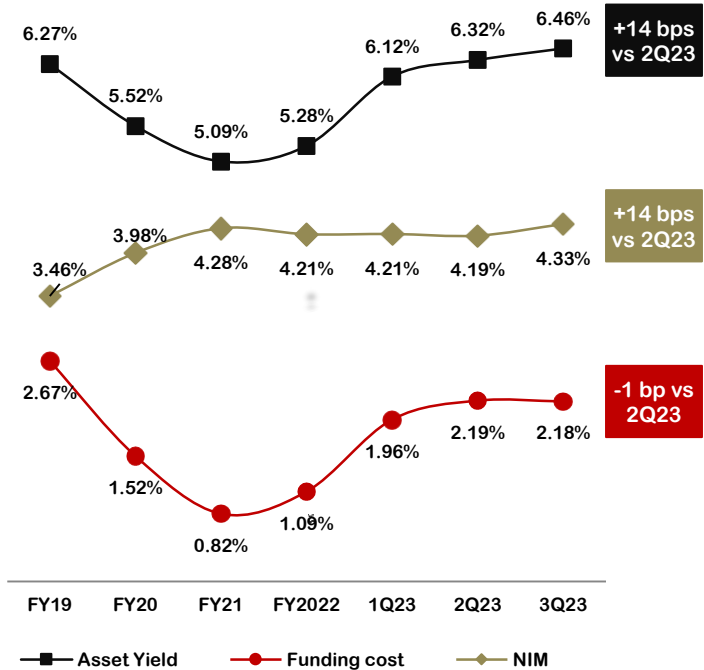
Quarterly Net Income (In PHP Bn)

YTD Net Income (In PHP Bn)



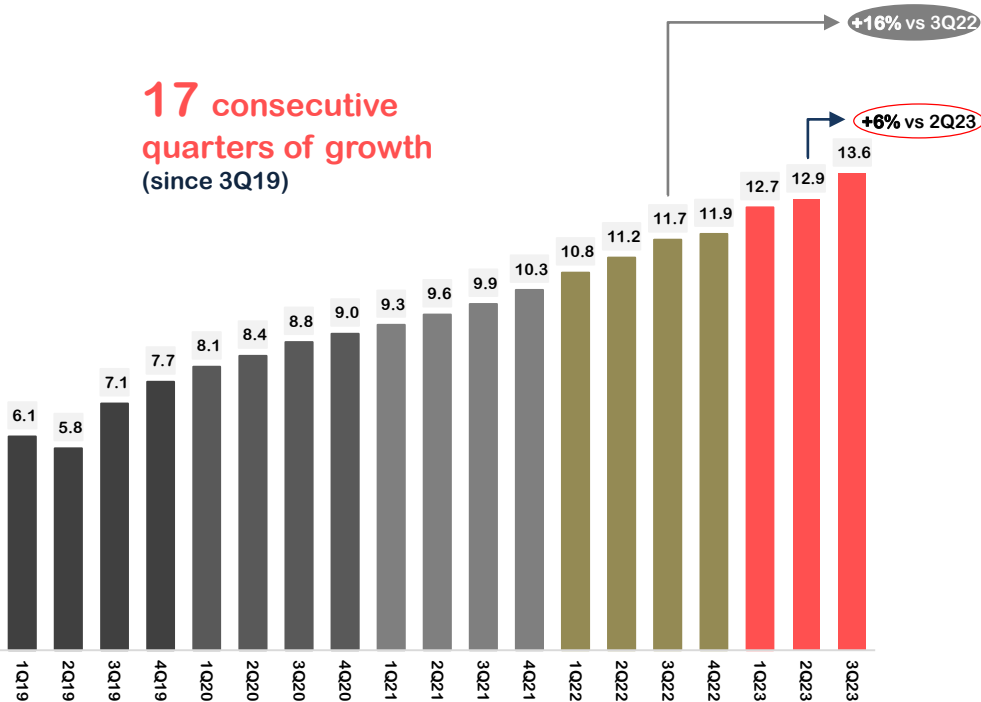
Resilient NII despite pressure on funding costs

NIM stabilizes above 4%



Net interest income continues to grow Q-on-Q

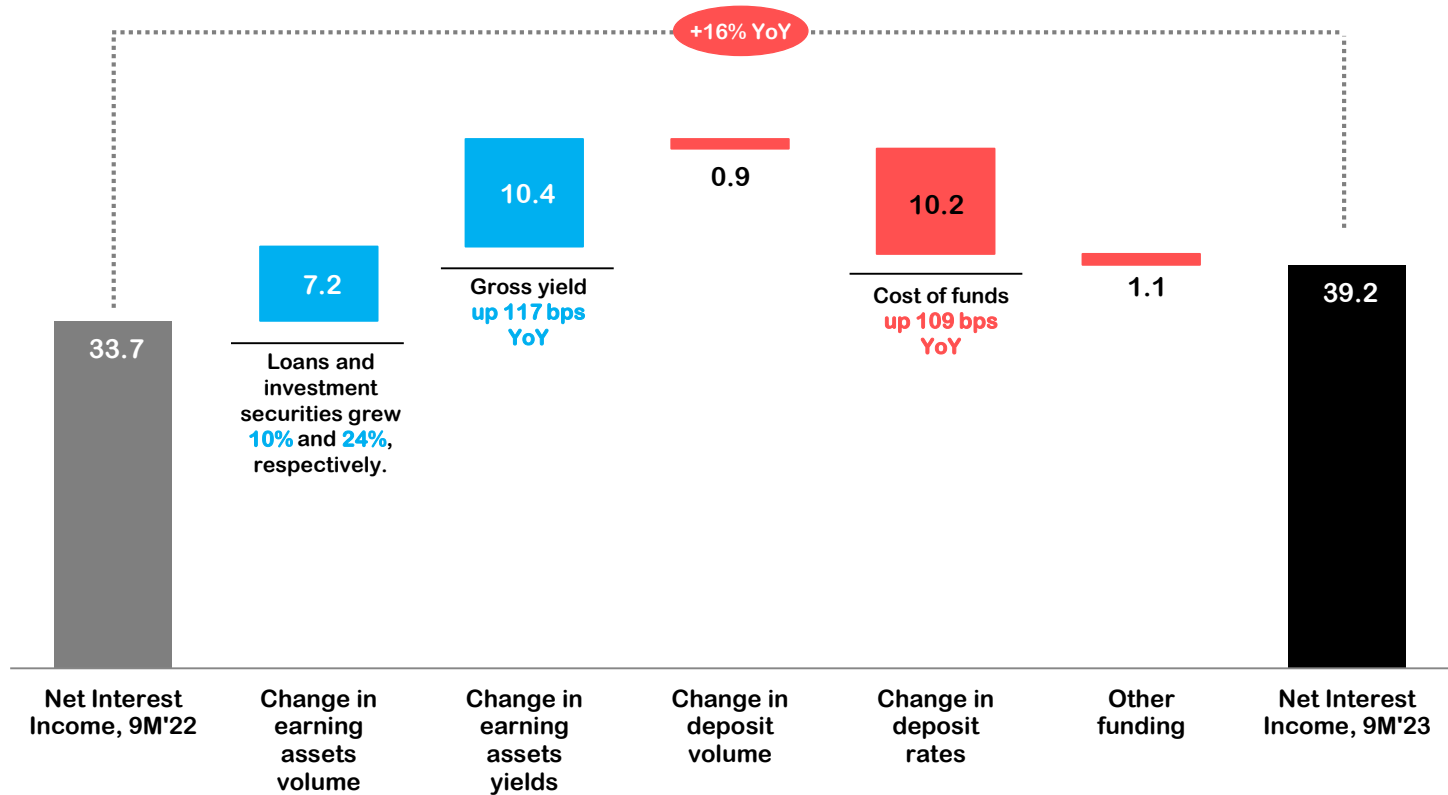
Net Interest Income (In PHP Bn)



Resilient NII despite pressure on funding costs

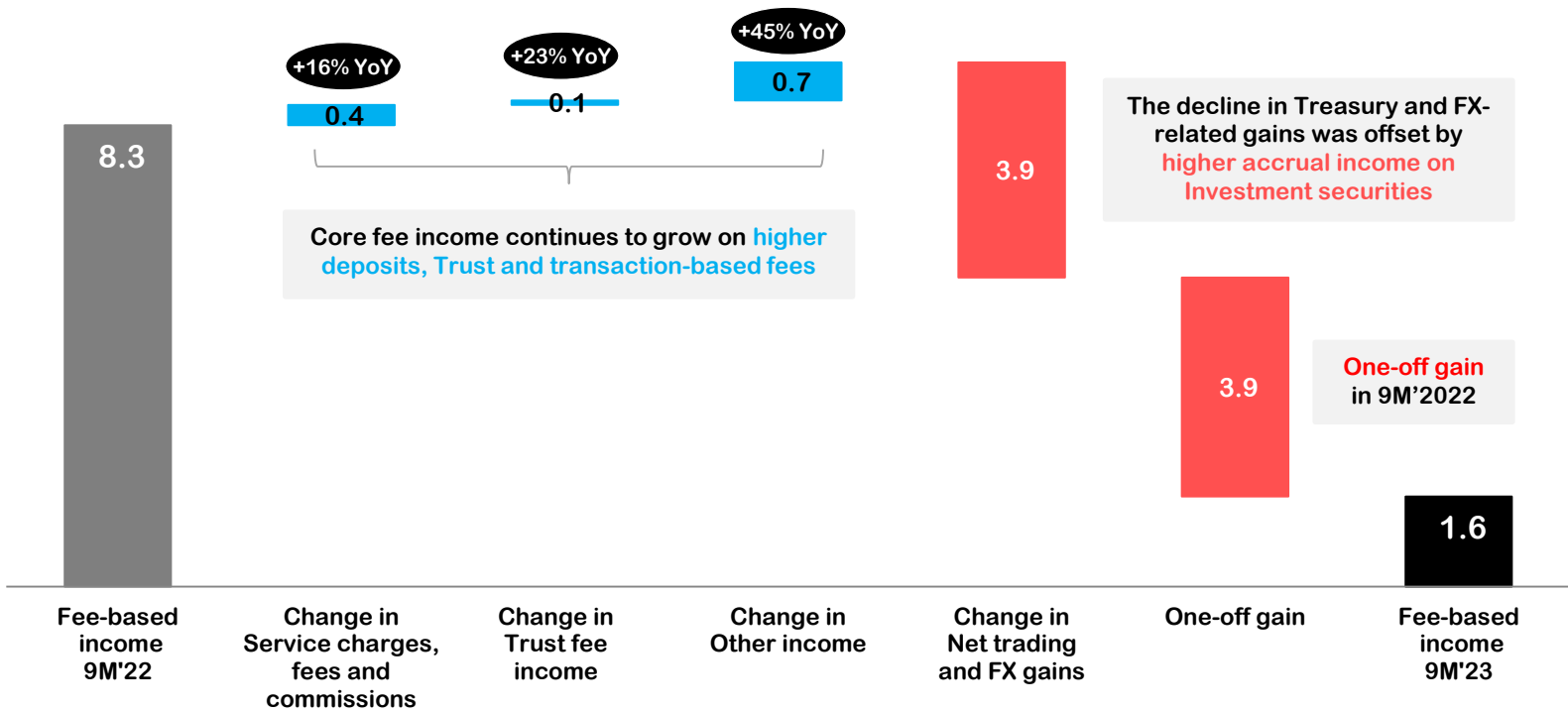
Net interest income continues to grow

Net Interest Income (In PHP Bn)



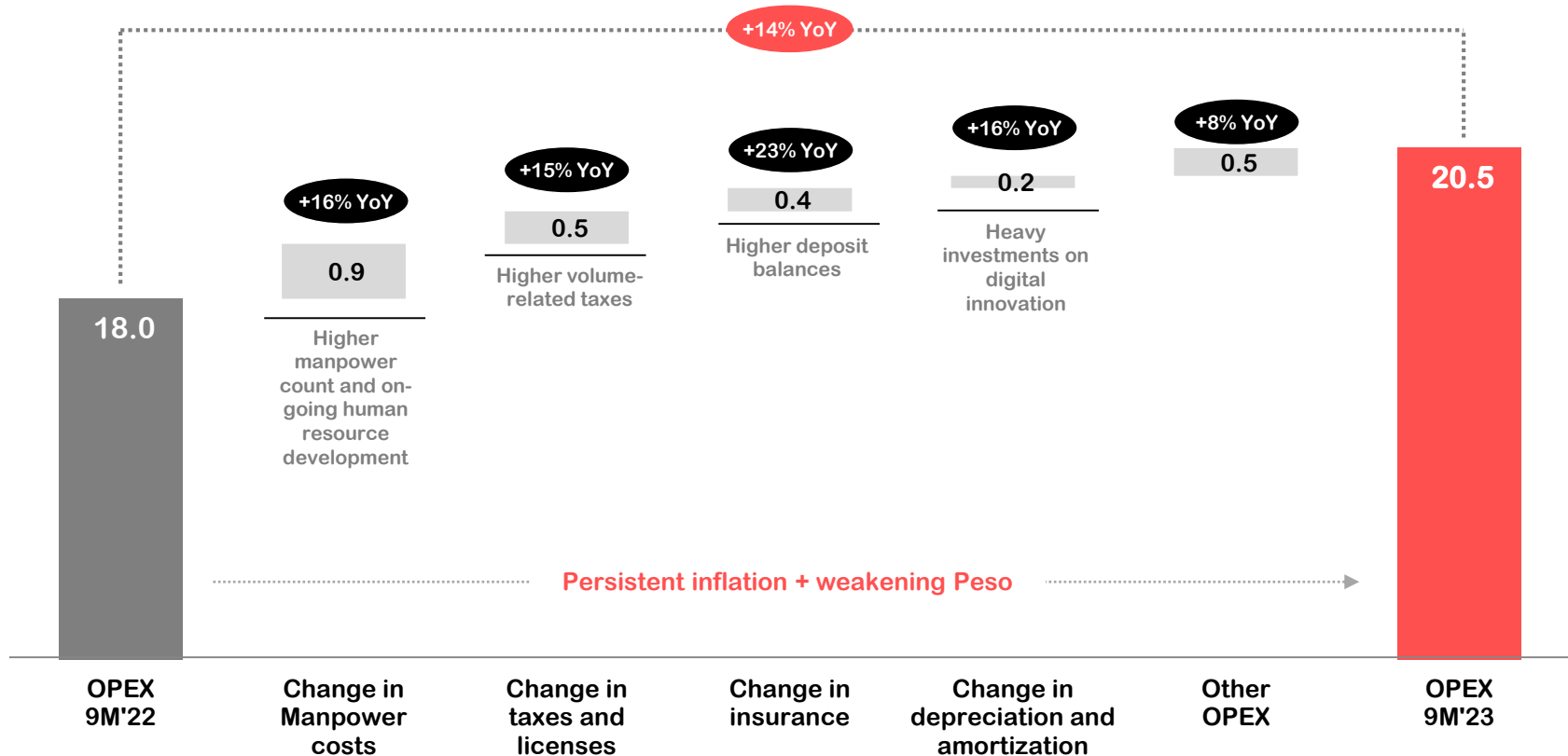
Core fee-based income remains strong

Fee-based Income (In PHP Bn)



Operating expenses impacted by **persistently high inflation** during the period

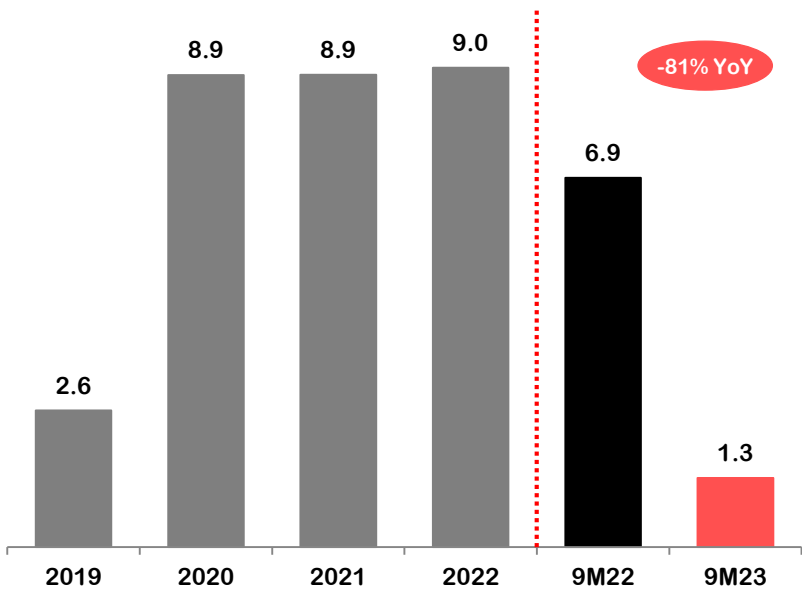
Operating Expenses ex provisions (in PHP Bn)



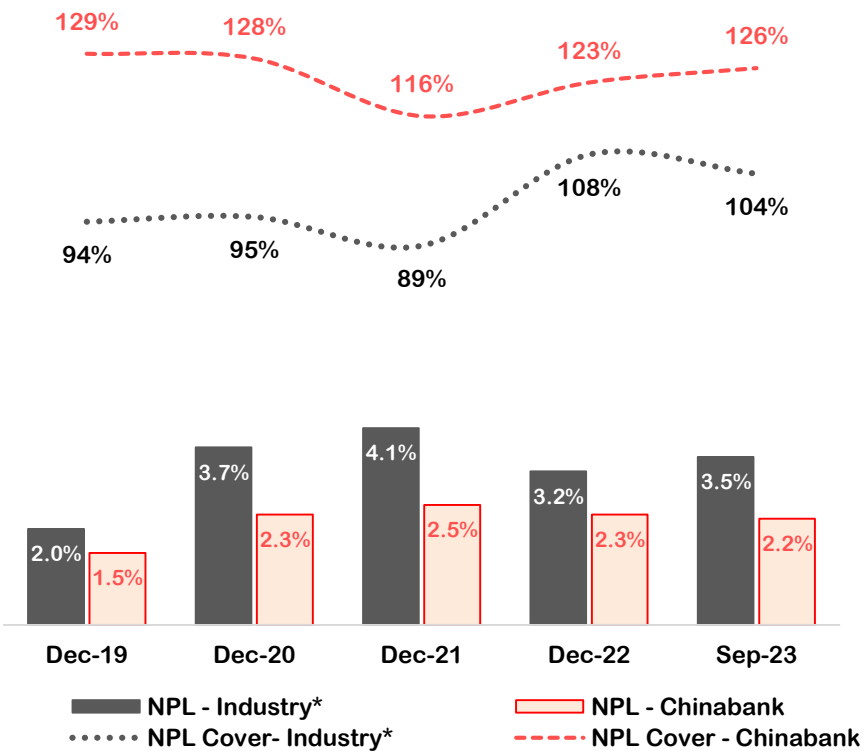
Stable asset quality and sufficient NPL cover

Stable asset quality results to lower provisions

Provisions (In PHP Bn)



NPL ratio has stabilized; NPL cover remains adequate

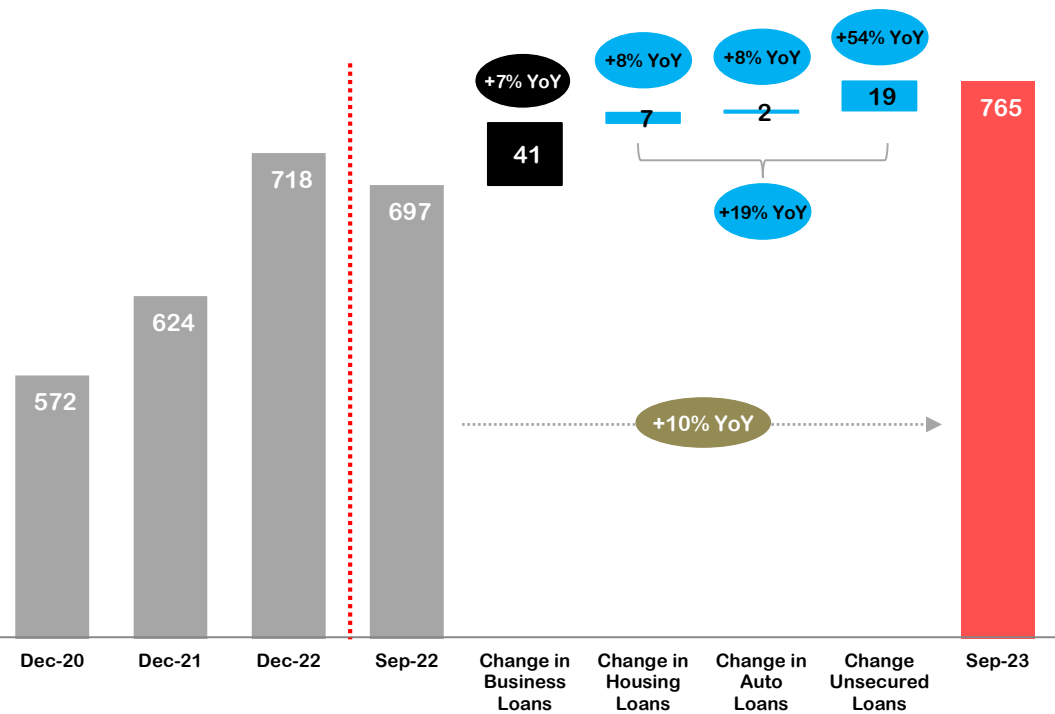


*BSP data (UKB + TB), as of Aug 2023

Sustained loan growth

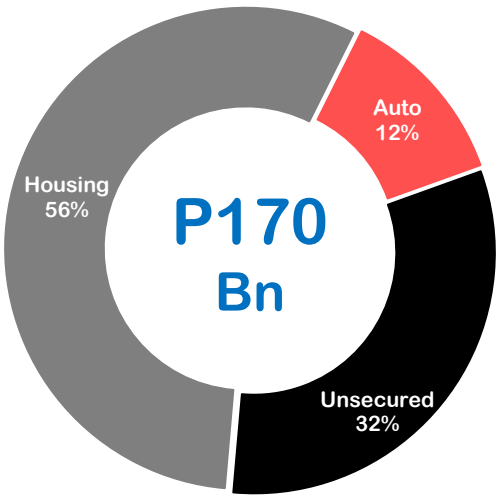
Continued expansion in both consumer and business segments

Gross Loans (In PHP Bn)



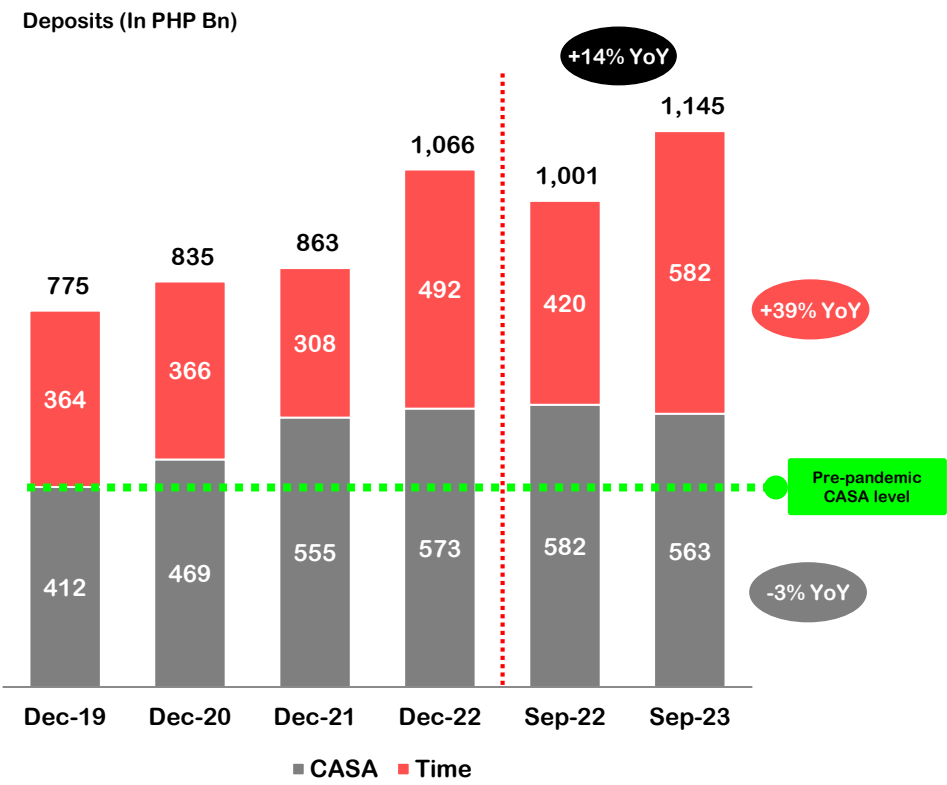
Well-secured consumer lending portfolio

Consumer Loans Breakdown, September 2023

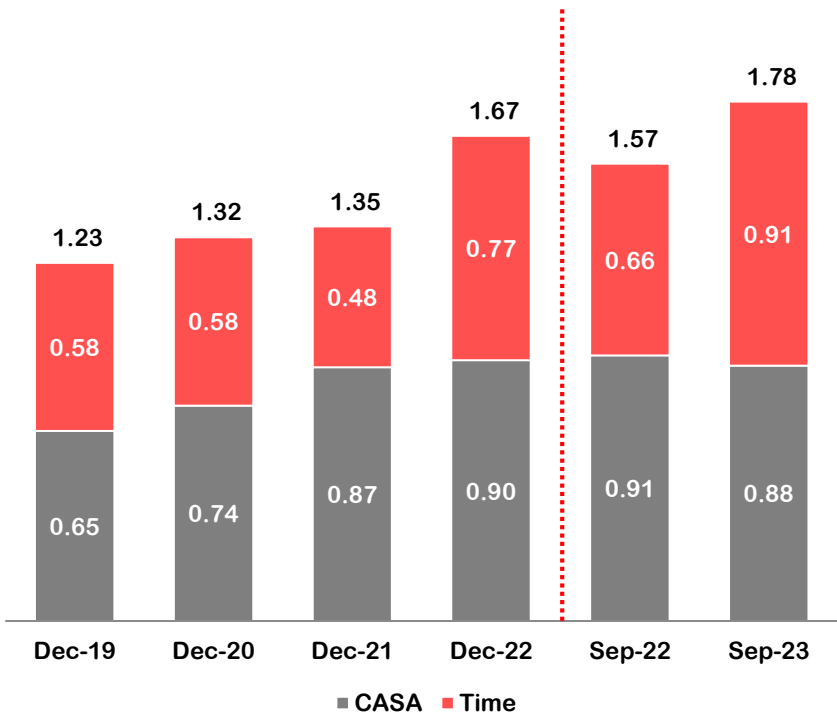


Strong Deposit growth

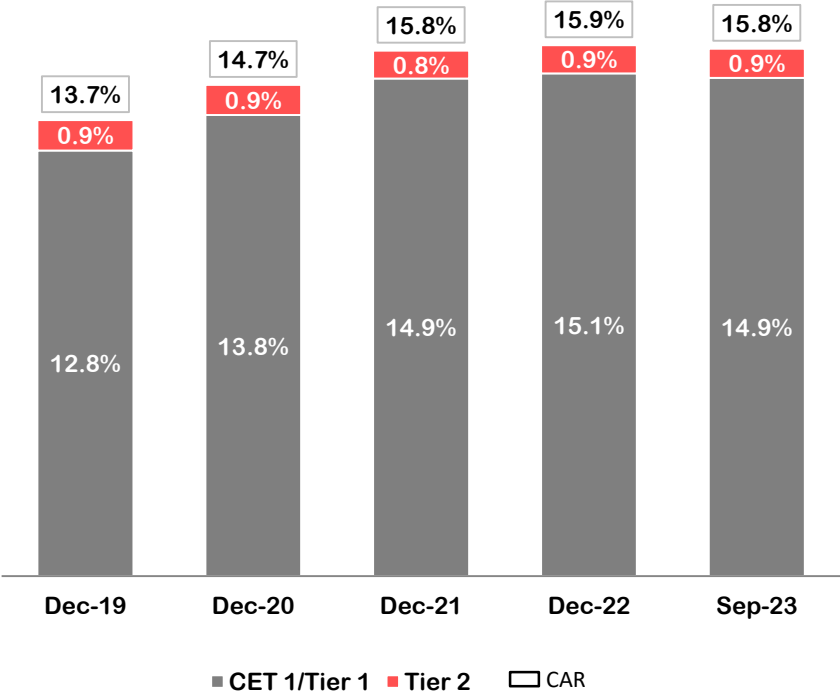
CASA declined but still above pre-pandemic level



Deposits per branch (In PHP Bn)

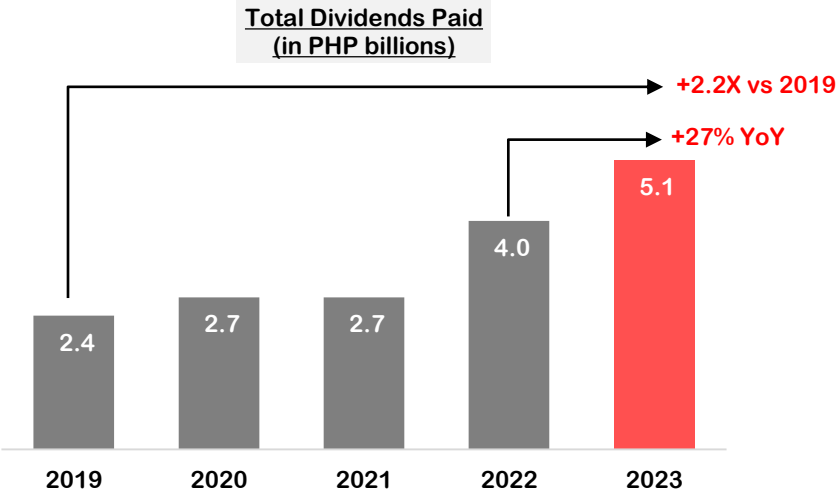


Strong internal capital generation results to higher buffer



Enough capital buffer:

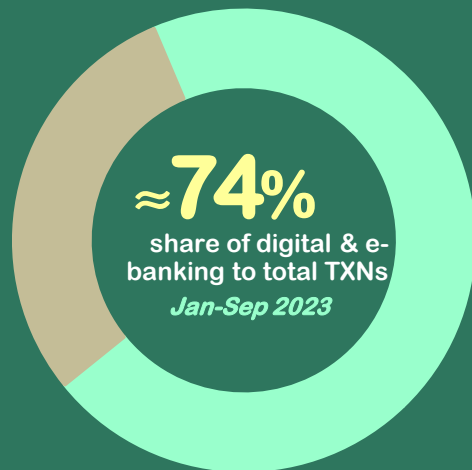
- ✓ to absorb credit shock;
- ✓ to support Asset growth; and
- ✓ to sustain dividend payment to shareholders



Digital Banking

Retail, 9M'23 vs 9M'22

Bringing our signature touch in relationship banking to our customers anytime, anywhere.



+51%
Digital TXNs
year-on-year



+30%
O/S Active Users
year-on-year



+28%
O/S Enrollments
year-on-year



+35%
Gross TXN Value
year-on-year

Awards & Distinctions



Chinabank was recognized by the ASEAN Capital Markets Forum as among the **ASEAN Asset Class, ASEAN Top 20, and Top 3 Philippine Publicly Listed Companies**



Chinabank is the **best governed bank for 2 years in a row** and still **the only bank awarded with the Five Golden-Arrow Recognition**, the highest corporate governance award given by the **Institute of Corporate Directors (ICD)**.



People Management Association
of the Philippines

2023 EMPLOYER OF THE YEAR

Other Citations

 <p>Chinabank Easy Tax</p> <p>Best Digital Business Banking Initiative</p> <p>2022</p>	 <p>2nd Strongest Bank in the Philippines</p> <p>2021</p>	 <p>Cesar E.A. Virata Award (Bank Category)</p> <p>2021</p>	 <p>Mobile Banking & Payment Initiative of the Year Philippines</p> <p>2020</p>	 <p>Top Corporate Securities Market Makers and Top Fixed-income Brokering participants</p> <p>2019</p>	 <p>Apo Agua Infrastructure Php9 Billion financing</p> <p>Utility Deal of the Year Philippines</p> <p>2019</p>
 <p>Atlantic Gulf and Pacific Company Php6 Billion term loan</p> <p>Oil and Gas Deal of the Year Philippines</p> <p>2019</p>	 <p>Best Bond Adviser</p> <p>Domestic Bond Category</p> <p>2019, 2018, 2017</p>	 <p>Chinabank Corporation P30 Billion Fixed Rate Retail Bond</p> <p>Best Retail Bond Philippines</p> <p>2019</p>	 <p>Autotax Payment Facility</p> <p>Most Innovative Public Sector System Philippines</p> <p>2019</p>	 <p>Best Corporate Governance Disclosure and Transparency Award</p> <p>2019</p>	 <p>Pagtugon Award for Universal and Commercial Banks</p> <p>2018, 2019</p>
 <p>Best Managed Fund for Bond Long-Term Dollar Category</p> <p>2019, 2018, 2017</p>	 <p>Best Managed Fund for Balanced Peso Category</p> <p>2018</p>	 <p>Best Fixed Income Deal - PHP181 Billion ROP Bureau of the Treasury's Retail Treasury Bond</p> <p>2018</p>	 <p>Best Fixed Income Deal - Ayala Corporation US\$400 Million Fixed-For-life Bonds (Ayala USD Fixed For Life)</p> <p>2018</p>	 <p>Best Investor Relations Bank Philippines</p> <p>2019, 2018, 2016</p>	 <p>Top Corporate Issue Manager / Arranger Investment House Category</p> <p>2018, 2017</p>

In summary, Chinabank continues to be..

		9M'22	FY2022	9M'23
Profitable	Return on Equity	15.6%	15.1%	15.6%
	Return on Assets	1.6%	1.6%	1.6%
Adequately-capitalized	CET 1/Tier 1 Ratio	14.9%	15.1%	14.9%
	Capital Adequacy Ratio	15.7%	15.9%	15.8%
Well-managed	NPL Ratio	2.0%	2.3%	2.2%
	NPL Coverage Ratio	161%	123%	126%

Q & A

- ✓ Please click the “Raise Hand” button to be recognized.
- ✓ You may also send questions thru the chat box.

A man and a woman are sitting in the front seats of a car, smiling and clapping their hands. The woman is on the left, and the man is on the right. They are both looking at each other. The background is a bright, hazy view of a city or landscape through the car window.

Additional Information

History of Chinabank

Pre-2000s



1920. Chinabank opened for business on August 16, 1920

1927. Became one of the first companies to be listed on the Manila Stock Exchange

2007 - 2015

2007. Acquired Manila Bank and operated it as China Bank Savings;

Entered into a bancassurance JV with Manulife to form:



2012-2014. Acquired Unity Bank and Plantersbank; Raised P8 Bn from stock rights offering;

Increased MCBL stake to 40%

2015. Incorporated Chinabank Capital, a full-fledged investment house subsidiary

2016 - 2019



2016. Acquired ATC Securities and renamed it to Chinabank Securities

2017. Raised P15 Bn from stock rights offering

2018. Infused P500 Mn to China Bank Savings; Signed US\$150 Mn green bond agreement with IFC

2019. Raised P30 Bn via maiden issue of fixed-rate retail bonds

2020 - 2022

2020. Raised P15 Bn via fixed-rate retail bonds; Celebrated 100 years and restored Binondo Business Center

2021. Raised P20 Bn via fixed-rate retail bonds

2022. Became the 4th largest privately-owned universal bank in the country in terms of assets and breached the trillion-mark in deposits



Company Profile

Extensive Distribution Channels



642
Branches



1,064
ATMs

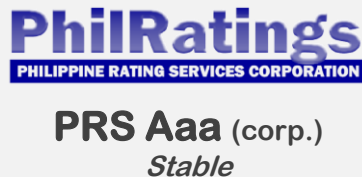


10,507
Employees

Subsidiaries & Affiliates



Investment Grade Credit Rating



Best in Corporate Governance

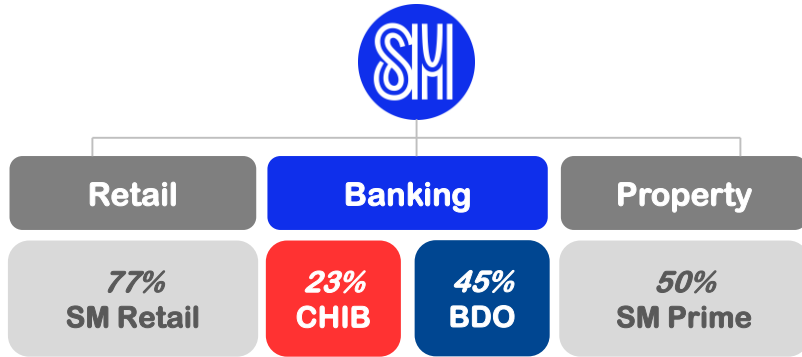


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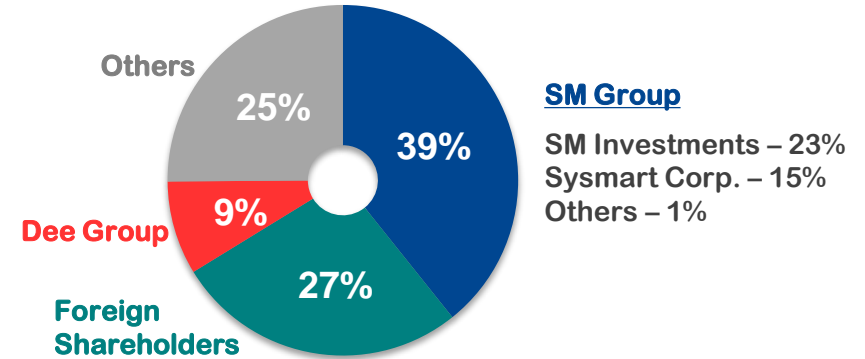
SM Group: Strong Support & Synergies

Chinabank benefits from being part of one of the largest and most diversified conglomerates in the Philippines

Snapshot of SM Group Business Lines



Chinabank's Current Shareholdings



**Data as of June 2023*

Distinct benefits for Chinabank

1 Access to the SM Group's ecosystem of merchants, suppliers and contractors to promote the Bank's products

2 51 branches and 141 ATMs in SM Group's shopping malls, SaveMore, CityMall and Alfamart locations

Highly capable management team



Hans T. Sy
Chairman of the Board



Gilbert U. Dee
Vice Chairman of the Board



Romeo D. Uyan, Jr.
President and Chief Executive Officer



Patrick D. Cheng
Executive Vice President and Chief Finance Officer



Aloysius C. Alday, Jr.
Executive Vice President and Head of Consumer Banking Segment and Customer Contact Center Group



Jose L. Osmeña, Jr.
Executive Vice President and Head of Retail Banking Business Segment



Magnolia Luisa N. Palanca
Executive Vice President and Head of Financial Markets Segment



Lilian Yu
Executive Vice President and Head of Institutional Banking Segment



Ananias S. Cornelio III
Senior Vice President and Chief Risk Officer



Delfin Jay M. Sabido IX
Senior Vice President, Chief Innovation & Transformation Officer and Head of Innovation and Transformation Segment



Christopher Ma. Carmelo Y. Salazar
Senior Vice President, Treasurer and Head of Treasury Group



Manuel C. Tagaza
Senior Vice President and Chief Digital Officer



Atty. Aileen Paulette De Jesus
Vice President II and Chief Compliance Officer

Historical Financial Highlights

BALANCE SHEETS in Php billions, except %	Dec 2019	Dec 2020	Dec 2021	Dec 2022	Sep 2022	Sep 2023	Sep 23 vs Sep 22	Sep 23 vs Dec 22
Liquid Assets	144	205	188	178	168	136	-19%	-23%
Investment Securities	213	236	279	412	391	485	24%	18%
Net Loans	569	557	609	700	676	746	10%	7%
Other Assets	37	38	36	40	40	43	10%	9%
TOTAL ASSETS	962	1,036	1,112	1,330	1,274	1,411	11%	6%
Deposits	775	835	863	1,066	1,001	1,145	14%	7%
<i>CASA</i>	<i>412</i>	<i>469</i>	<i>555</i>	<i>573</i>	<i>582</i>	<i>563</i>	<i>-3%</i>	<i>-2%</i>
<i>Time Deposits</i>	<i>364</i>	<i>366</i>	<i>308</i>	<i>492</i>	<i>420</i>	<i>582</i>	<i>39%</i>	<i>18%</i>
Bills and Bonds Payable	71	76	108	99	115	94	-18%	-5%
Other Liabilities	20	20	22	31	25	31	21%	1%
TOTAL LIABILITIES	866	931	993	1,195	1,142	1,270	11%	6%
TOTAL EQUITY	96	105	119	135	133	141	7%	5%
TOTAL EQUITY AND LIABILITIES	962	1,036	1,112	1,330	1,274	1,411	11%	6%
NPL Ratio	1.5%	2.3%	2.5%	2.3%	2.0%	2.2%		
NPL Cover	129%	128%	116%	123%	161%	126%		
Tier 1/CET 1 Ratio	12.8%	13.8%	14.9%	15.1%	14.9%	14.9%		
Capital Adequacy Ratio (CAR)	13.7%	14.7%	15.8%	15.9%	15.7%	15.8%		

Historical Financial Highlights

INCOME STATEMENTS In Php billions, except %	FY2019	FY2020	FY2021	FY2022	9M2022	9M2023	9M'23 vs 9M'22
Interest income	47.7	47.7	46.5	57.2	40.6	58.2	44%
Interest expense	(21.6)	(13.3)	(7.4)	(11.6)	(6.8)	(19.0)	179%
Net interest income	26.1	34.4	39.1	45.6	33.7	39.2	16%
Fee-based income	8.4	9.5	9.6	10.1	8.3	1.6	-80%
Total revenue	34.5	43.9	48.7	55.7	42.0	40.8	-3%
Operating expenses	(20.3)	(21.5)	(22.3)	(24.4)	(18.0)	(20.5)	14%
Income before provisions and taxes	14.2	22.3	26.3	31.3	24.0	20.3	-16%
Provision for impairment and credit losses	(2.6)	(8.9)	(8.9)	(9.0)	(6.9)	(1.3)	-81%
Income before income tax	11.6	13.5	17.5	22.3	17.1	19.0	11%
Provision for income tax	(1.5)	(1.4)	(2.4)	(3.1)	(2.4)	(2.8)	17%
Net income	10.1	12.1	15.1	19.1	14.7	16.2	10%
Return on Equity	11.0%	12.1%	13.6%	15.1%	15.6%	15.6%	
Return on Assets	1.1%	1.2%	1.5%	1.6%	1.6%	1.6%	
Net interest margin	3.4%	4.0%	4.3%	4.2%	4.2%	4.2%	
Cost-to-income ratio	59%	49%	46%	44%	43%	50%	



THANK YOU

