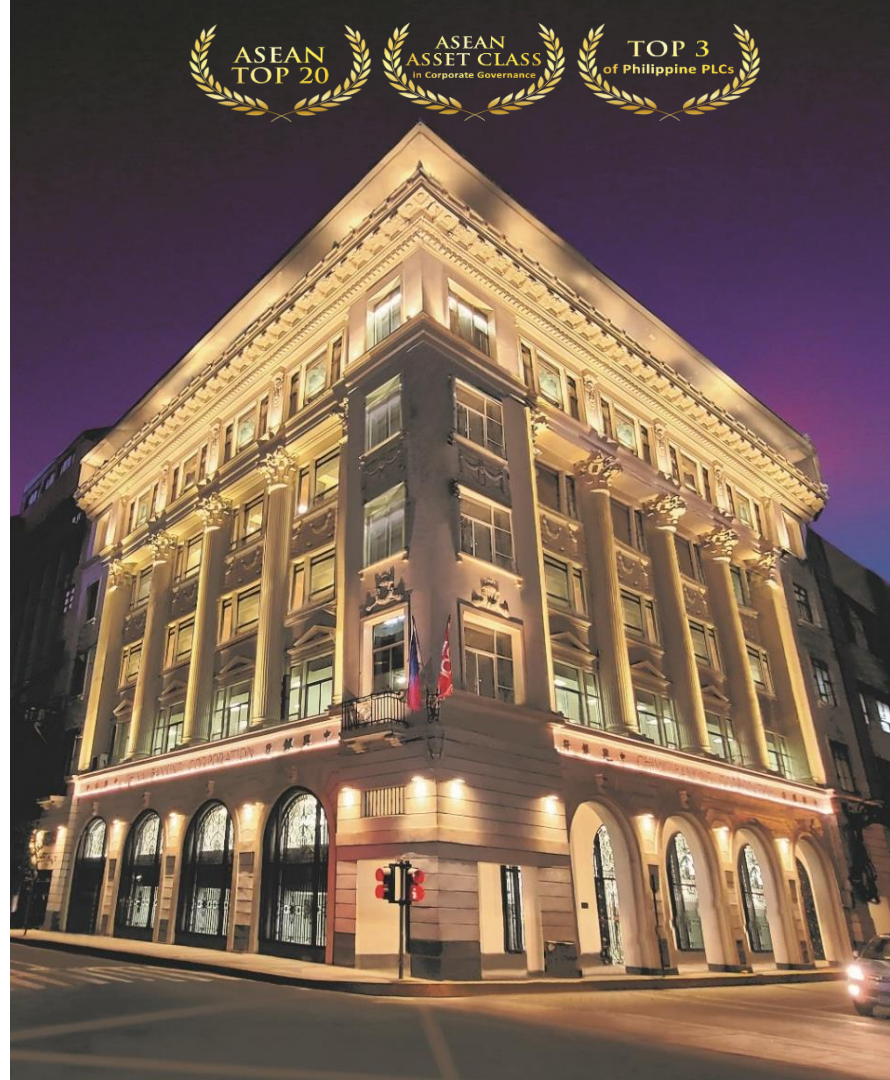


China Banking Corporation

ANALYSTS' BRIEFING

FY 2022 Results

March 14, 2023



ANY INVESTMENT DECISION TO PURCHASE SECURITIES IN THE CONTEXT OF A PROPOSED OFFERING, IF ANY, SHOULD BE MADE ON THE BASIS OF THE FINAL TERMS AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN THE OFFERING CIRCULAR PUBLISHED IN RELATION TO SUCH AN OFFERING AND NOT ON THE BASIS OF THIS DOCUMENT WHICH DOES NOT CONSTITUTE OR FORM PART OF AN OFFER OR SOLICITATION OF AN OFFER TO PURCHASE OR SUBSCRIBE FOR ANY SECURITIES.

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This document contains “forward-looking statements”, which include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or that include the words “will”, “would”, “aim”, “aimed”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “estimating”, “intend”, “plan”, “contemplate”, “seek to”, “seeking to”, “trying to”, “target”, “propose to”, “future”, “objective”, “goal”, “project”, “should”, “can”, “could”, “may”, “will pursue” or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond CHIB’s control, that may change at any time, and could cause the actual results, performance or achievements of CHIB to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Recipients are cautioned not to place substantial or undue reliance on these forward-looking statements. All forward-looking statements included in this presentation are made only as of the date of this presentation and neither CHIB, the Dealers, nor any of their respective affiliates, agents, advisors or representatives (including directors, officers and employees) intend or has any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this document as a result of new information, future events or any other factors.

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Patrick D. Cheng
Chief Finance Officer



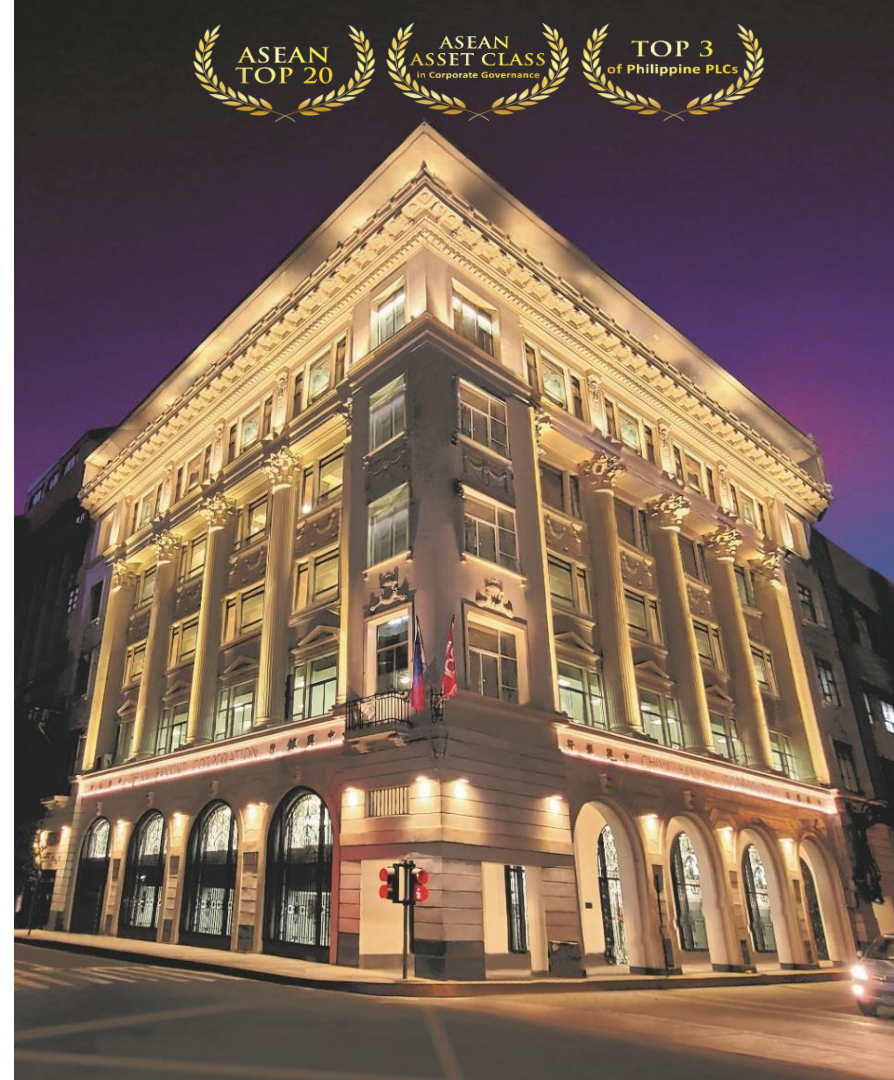
Gerald O. Florentino
Investor Relations Head



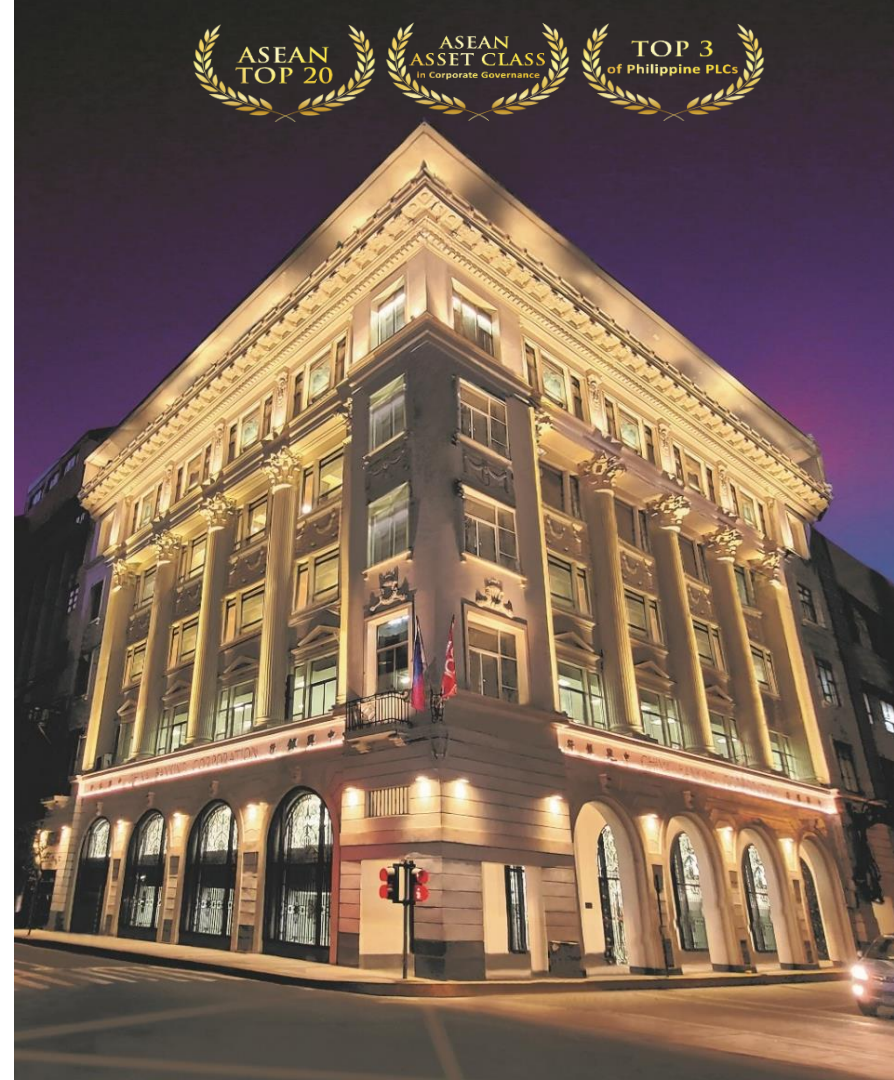
Domini S. Velasquez
Chief Economist

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





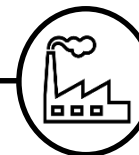
Inflation

1. Inflation likely **peaked in January** at 8.7%
2. Downward trajectory starting February and **expected to fall to 4%** or below by November
3. FY 2023 average **will breach the BSP's upper end target** at 6.1%
4. Key risks:
 - a. Domestic food shortages
 - b. Higher-than-expected wage hike
 - c. Transport hike
 - d. Globally, increase in commodity prices



Interest Rates & FX

1. The BSP' already hiked by 400 bps since May 2022. We expect **another 25-bp rate hike** this March
2. Domestic interest rates will be on a **downward trend by Q2**
3. The Fed is signaling **higher for longer interest rate** hikes
4. Past peak dollar strength; USDPHP likely to **settle between 53.00 and 57.00**
5. Narrower current account deficit as **import prices soften**



Economic Growth

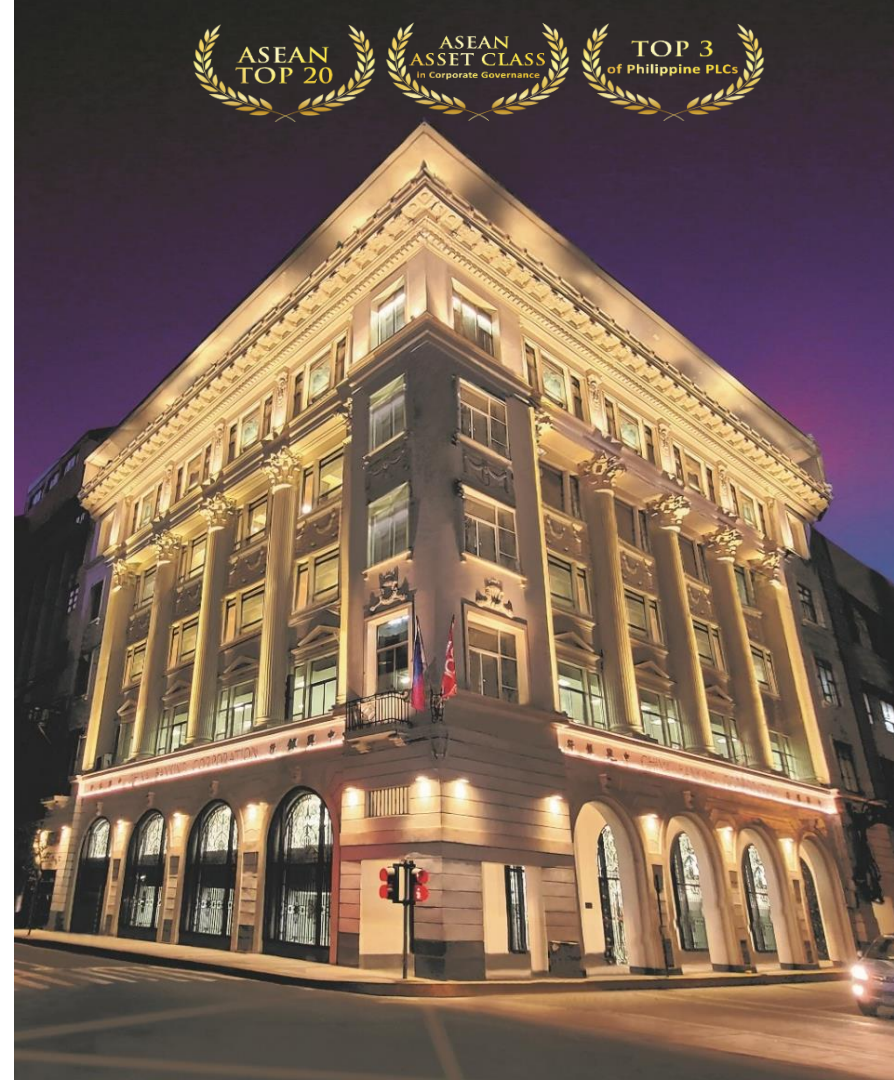
1. Better-than-expected global growth due to **shallower recessions and China reopening**
2. Domestically, pent-up demand **likely to fade**
3. High interest rate and elevated inflation will be **detrimental to economic growth**
4. Services will continue to drive growth. Moderation in the industry sector (e.g. construction)

	FY 2021A	FY 2022A	FY 2023F
GDP growth (%)	5.6	7.6	5.8
Inflation (%)	3.9	5.8	6.1
Policy rate (end, %)	2.00	5.50	6.25
10-Year BVAL Rate (end, %)	4.829	6.994	5.9
USDPHP (end)	50.999	55.755	55.6

Key Takeaways

- 1. **Moderate economic growth in 2023** due to heightened domestic risks: inflation and interest rates
- 2. **Liberalization of industries and infrastructure push** to drive the economy in the medium term
- 3. **Better prospects for the global economy** compared with last year's outlook

FY 2022 Financial Performance



FY 2022 Performance Highlights

We delivered **sector-leading*** returns.

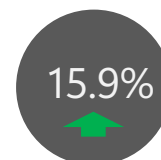
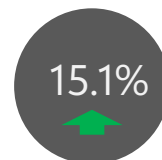
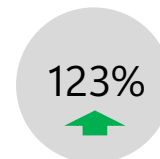
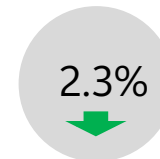
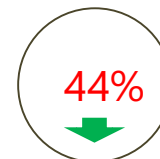
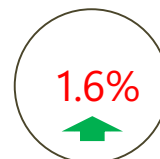
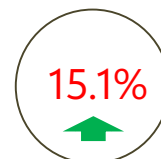
1st in return on equity (ROE)

1st in cost-to-income ratio

2nd in return on assets (ROA)

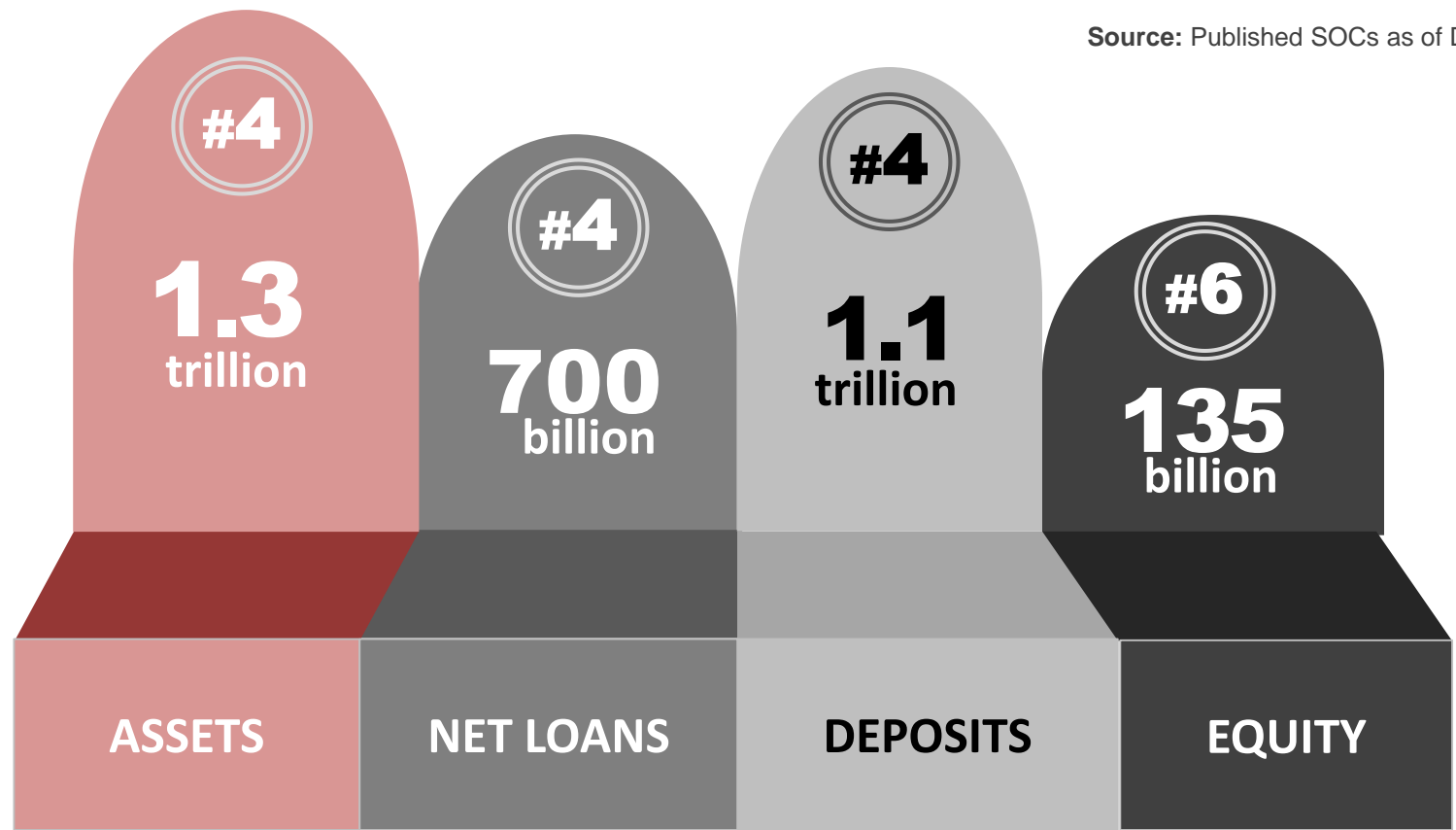
We maintained a **strong balance sheet** and **disciplined risk management**.

We sustained a **strong capital position** and we are **committed to distributing excess capital** to shareholders.



*Among domestic universal banks

We are the 4th largest privately-owned universal bank



Source: Published SOC's as of Dec-2022

2022 Financial Highlights

INCOME STATEMENTS In Php billions, except %	FY2021	FY2022	YoY Growth
Interest income	46.5	57.2	23%
Interest expense	(7.4)	(11.6)	57%
Net interest income	39.1	45.6	17%
Fee-based income	9.6	10.1	5%
Total revenue	48.7	55.7	14%
Operating expenses	(22.3)	(24.4)	9%
Income before provisions and taxes	26.3	31.3	19%
Provision for impairment and credit losses	(8.9)	(9.0)	2%
Income before income tax	17.5	22.3	28%
Provision for income tax	(2.4)	(3.1)	34%
Net income	15.1	19.1	27%

	FY2021		FY2022
Return on Equity	13.58%	+149 bps	15.07%
Return on Assets	1.45%	+11 bps	1.56%
Net interest margin	4.28%	-7 bps	4.21%
Cost-to-income ratio	46%	-2 pp	44%
Earnings per share	5.6	+P1.5	7.1

2022 Financial Highlights

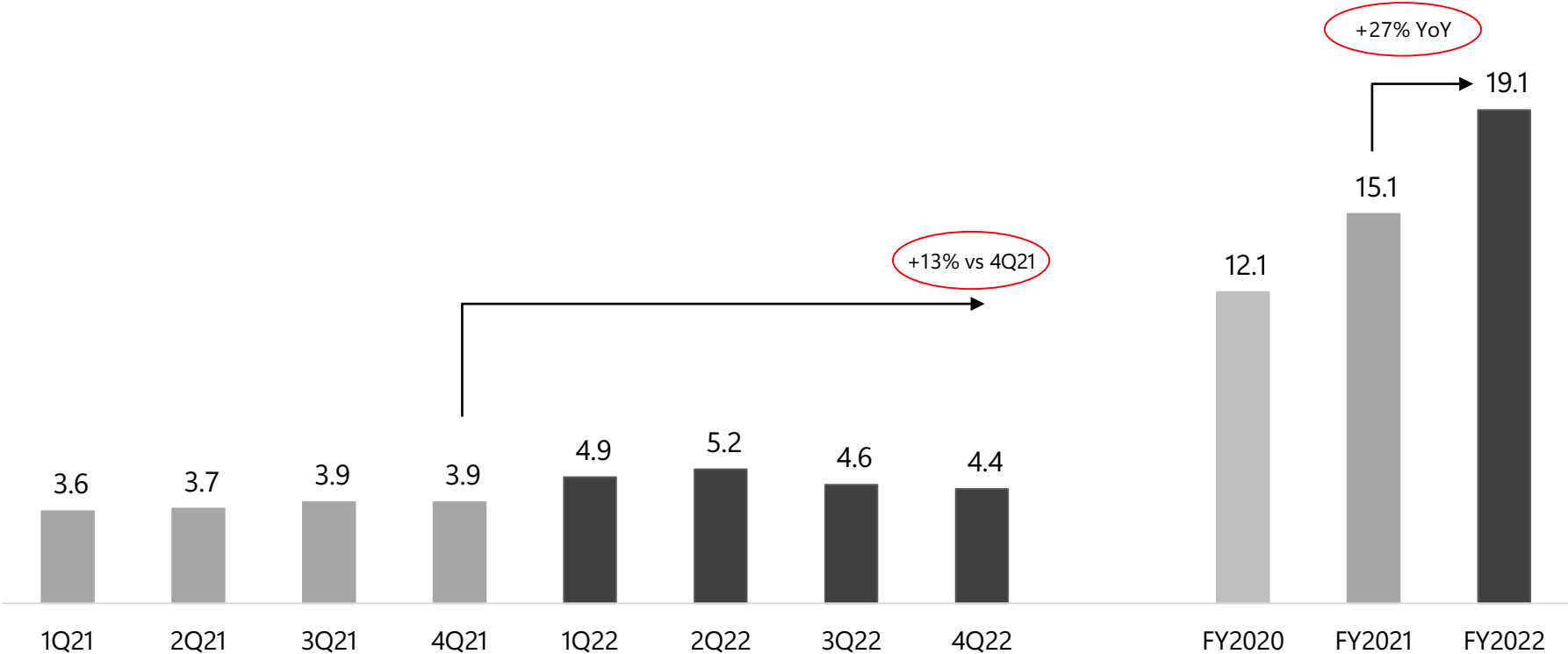
BALANCE SHEETS in Php billions, except %	Dec 31, 2021	Dec 31, 2022	YoY Growth
Liquid Assets	188	178	-5%
Investment Securities	279	412	48%
Net Loans	609	700	15%
Other Assets	36	40	10%
Total Assets	1,112	1,330	20%
Deposits	863	1,066	24%
<i>CASA</i>	<i>555</i>	<i>573</i>	<i>3%</i>
<i>Time Deposits</i>	<i>308</i>	<i>492</i>	<i>60%</i>
Bills and Bonds Payable	108	99	-9%
Other Liabilities	22	31	38%
Total Liabilities	993	1,195	20%
Total Equity	119	135	13%
Total Liabilities and Equities	1,112	1,330	20%

	FY2021		FY2022
NPL Ratio	2.5%	-15 bps	2.3%
NPL Cover	116%	+7 pp	123%
Tier 1/CET 1 Ratio	14.92%	+15 bps	15.07%
CAR	15.75%	+17 bps	15.92%
Book value per share	44.2	+P5.7	50.0

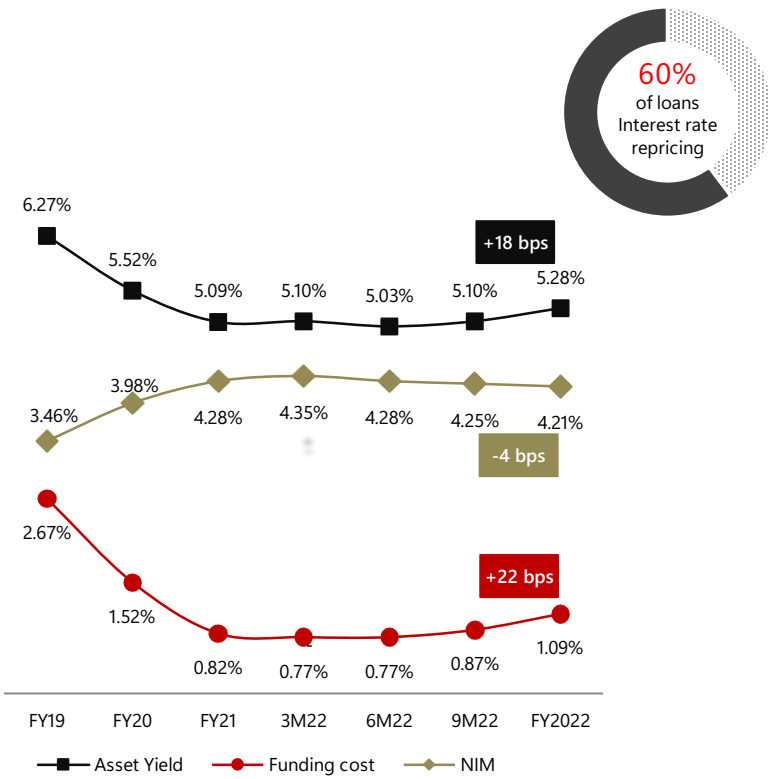
Sustained profitability amidst a challenging environment

Quarterly Net Income (In PHP Bn)

Annual Net Income (In PHP Bn)

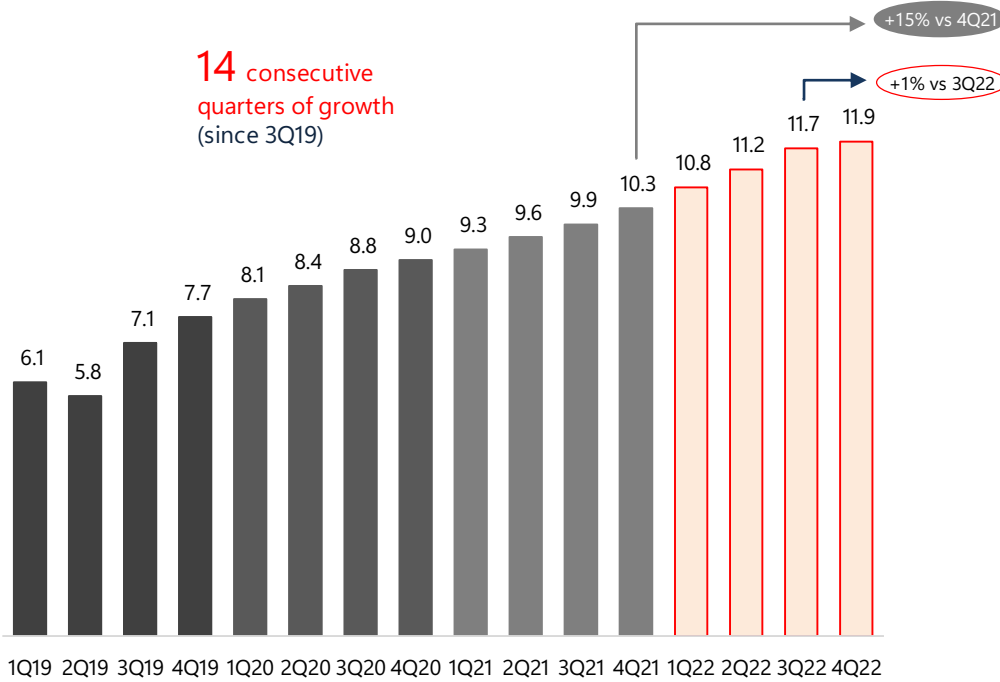


NIM stabilizes above 4%



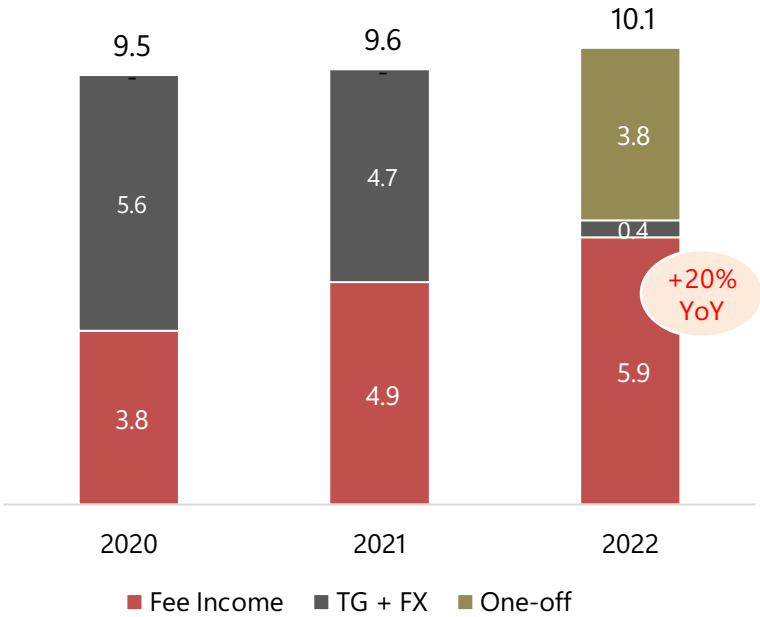
Net interest income continues to grow Q-on-Q

Net Interest Income (In PHP Bn)



Core Fee income continues to grow

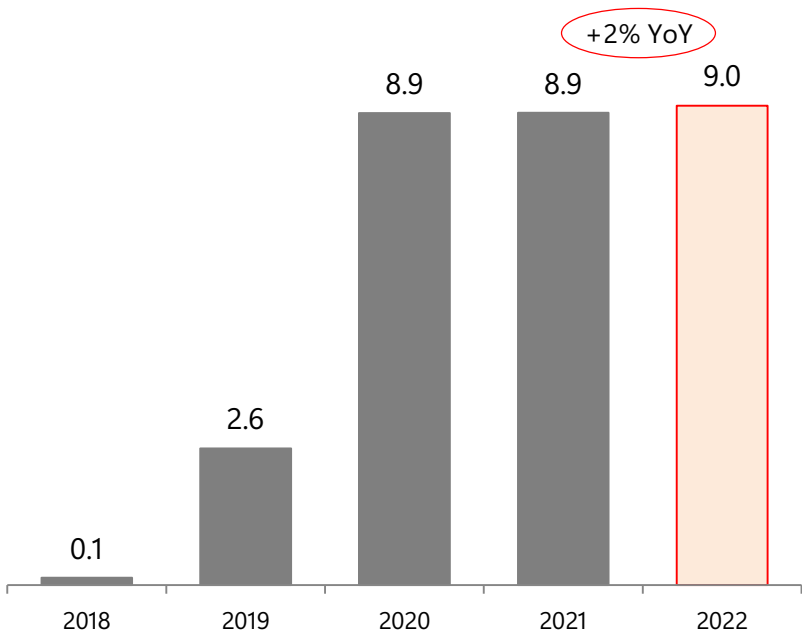
Fee-based Income (In PHP Bn)



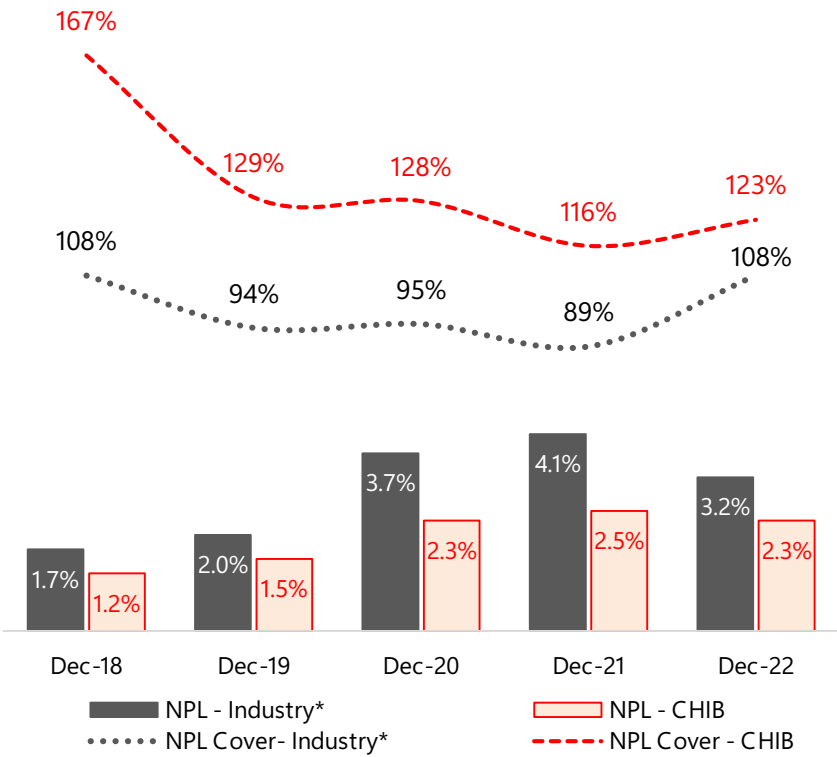
- ✓ Core fee income grew **20%** YoY to **P5.9 billion**.
- ✓ The decline in Treasury-related gains was offset by **higher accrual income on Investment securities**.

Conservative policy results to higher provisions

Provisions (In PHP Bn)

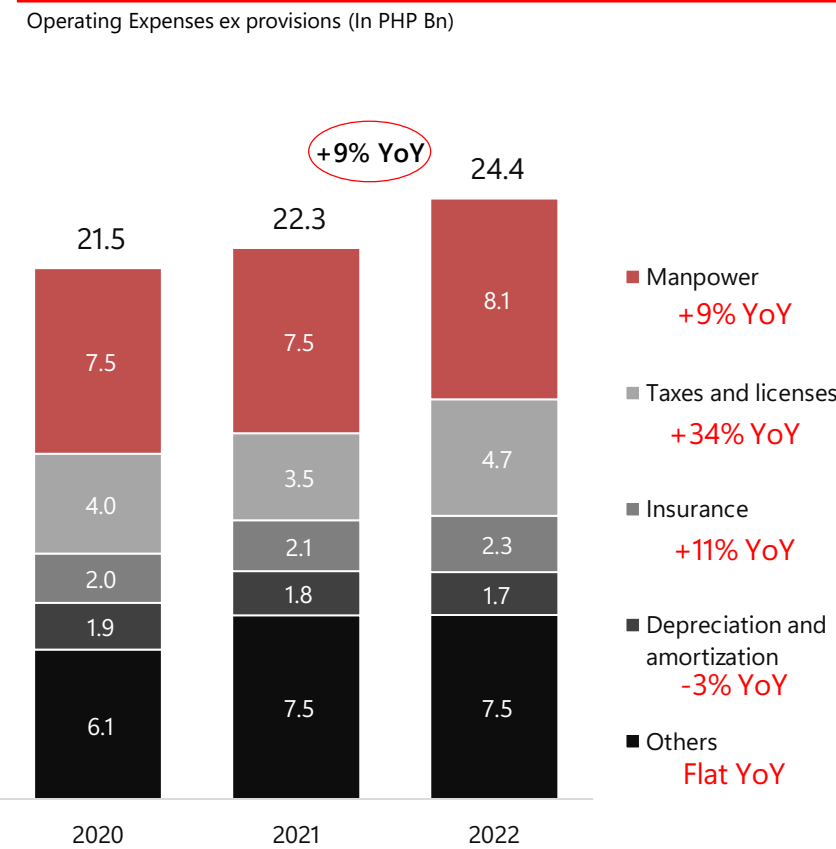


NPL has stabilized; NPL cover remains adequate



*BSP data (UKB + TB), as of December 2022

Prudent cost management



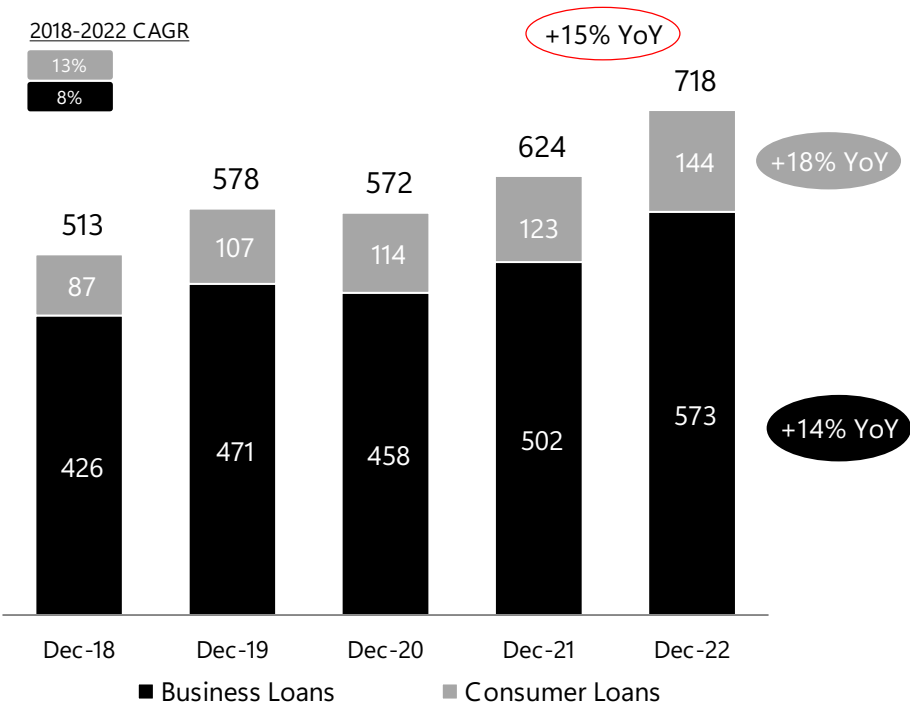
Improving efficiency

	2020	2021	2022
Headcount	9,825	9,747	10,237
Branches	634	637	640
ATMs	1,022	1,037	1,044
Cost-to-income ratio	49%	46%	44%

Disciplined loan growth

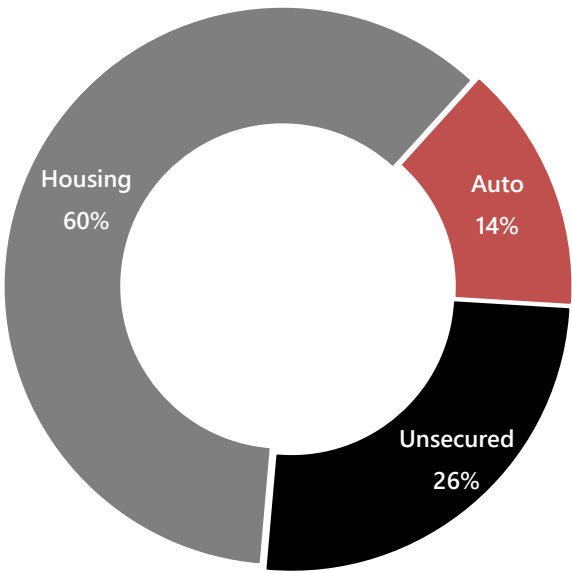
Continued expansion in both consumer and corporate segments

Gross Loans (In PHP Bn)



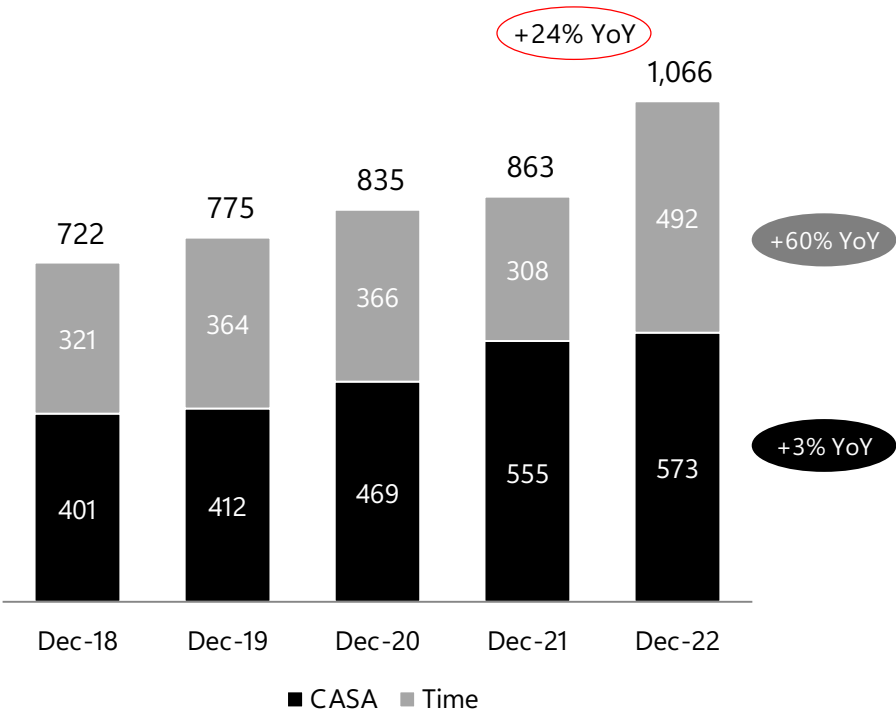
Well-secured consumer lending portfolio

Consumer Loans Breakdown, Dec-22



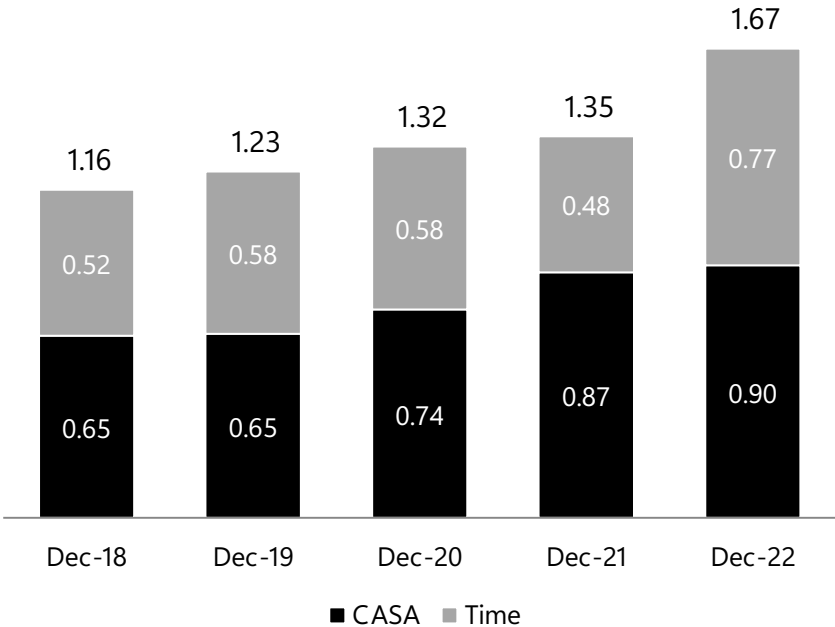
Sustained CASA growth and steady funding mix

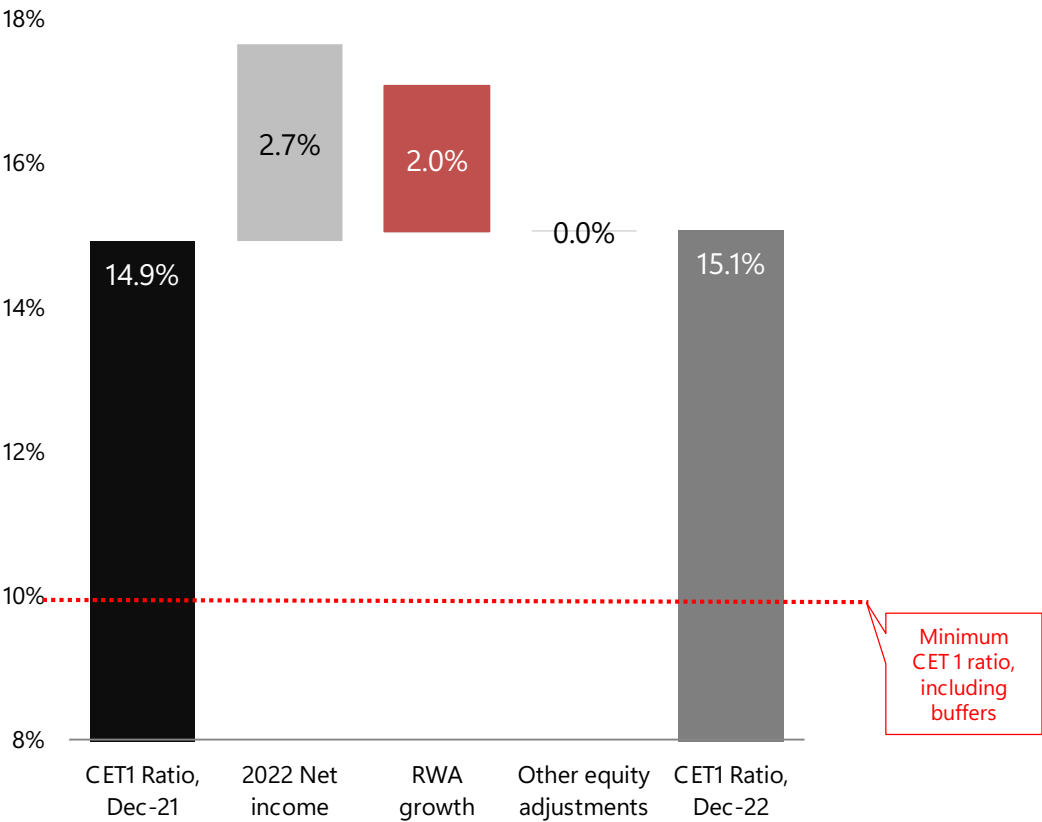
Deposits (In PHP Bn)



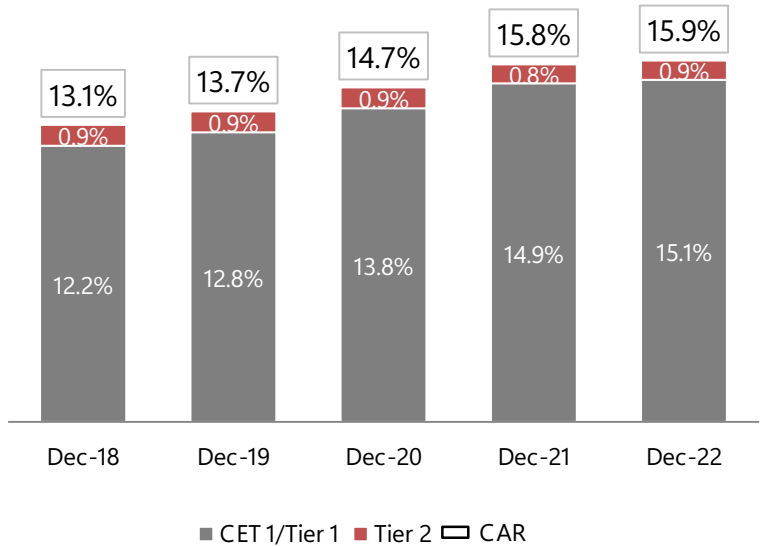
Improving CASA per branch

Deposits per branch (In PHP Bn)





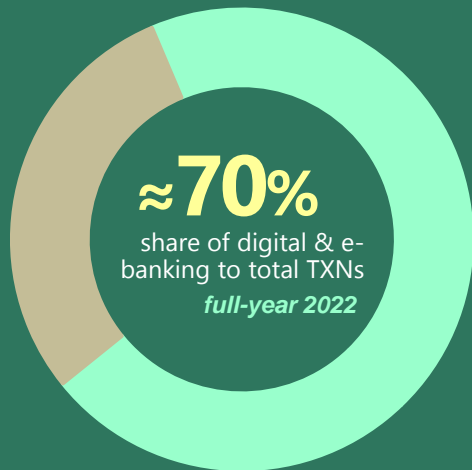
- Enough capital buffer:
- to absorb credit shock;
 - to support Asset growth; and
 - to sustain dividend payment to shareholders



Digital Banking

Retail, FY'22 vs FY'21

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



+35%
Digital TXNs
year-on-year



+16%
O/S Active Users
year-on-year



+36%
O/S Enrollments
year-on-year



+35%
Gross TXN Value
year-on-year

CHINABANK
Since 1920



Awards & Distinctions



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



The Bank also received the **Five-Golden Arrow Recognition**, the *highest corporate governance award* given by the Institute of Corporate Directors

CHIB is the **only Bank** to receive this coveted award, together with two other PLCs, at this year's awarding

Other Citations

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

In summary, CHIB continues to be..

Profitable

	2020	2021	2022
Return on Equity	12.1%	13.6%	15.1%

Return on Assets	1.2%	1.5%	1.6%
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Adequately-capitalized

CET 1/Tier 1 Ratio	13.8%	14.9%	15.1%
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Capital Adequacy Ratio	14.7%	15.8%	15.9%
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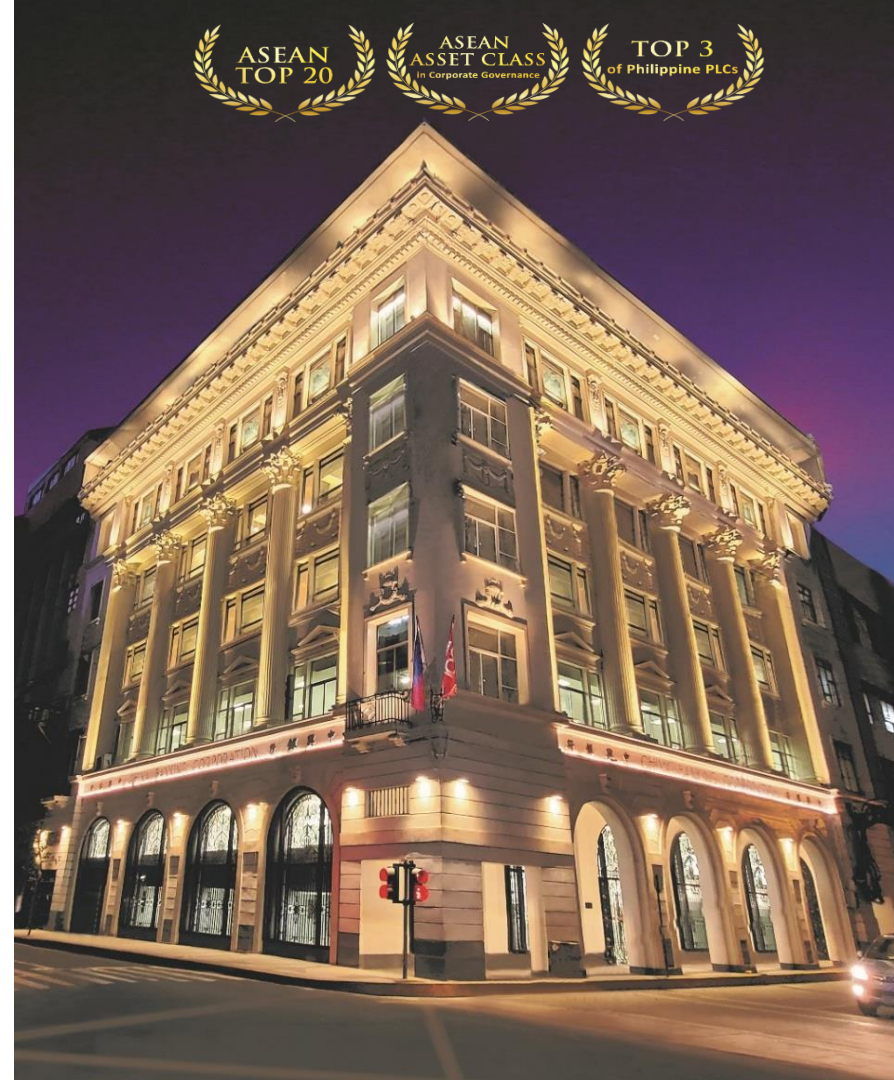
Well-managed

NPL Ratio	2.3%	2.5%	2.3%
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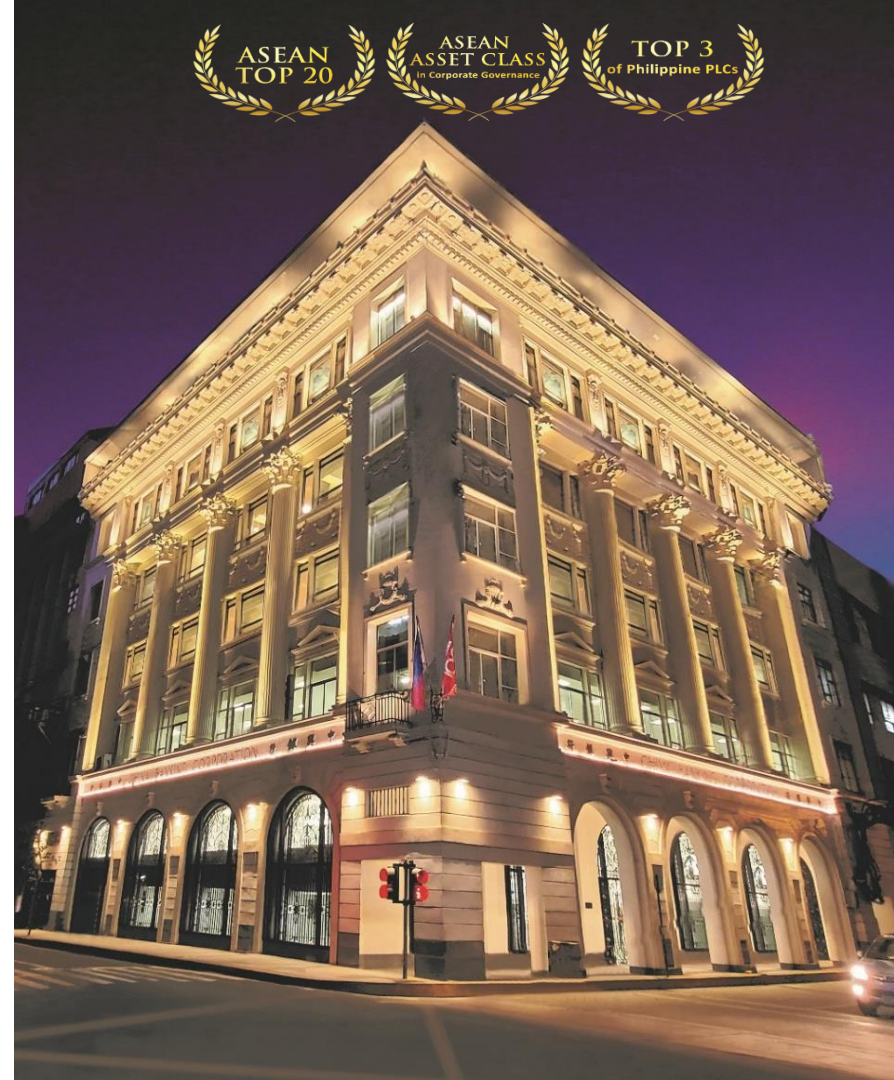
NPL Coverage Ratio	128%	116%	123%
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Q & A

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



Additional Information



Who we are

- ✓ One of the oldest privately owned banks, established in 1920
- ✓ Publicly-listed since 1927 on the Manila Stock Exchange
- ✓ Strong presence in the entrepreneur, middle market and business segments
- ✓ Longest relationship with Chinese-Filipinos, serving up to the 4th generation
- ✓ Best practice in Corporate Governance



640 branches*



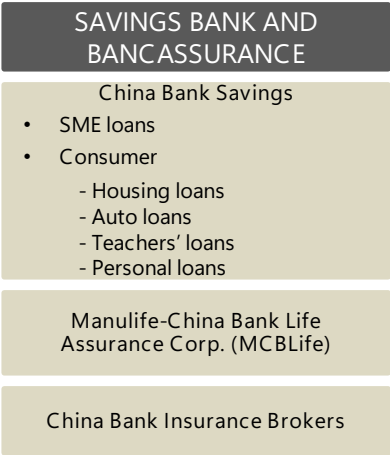
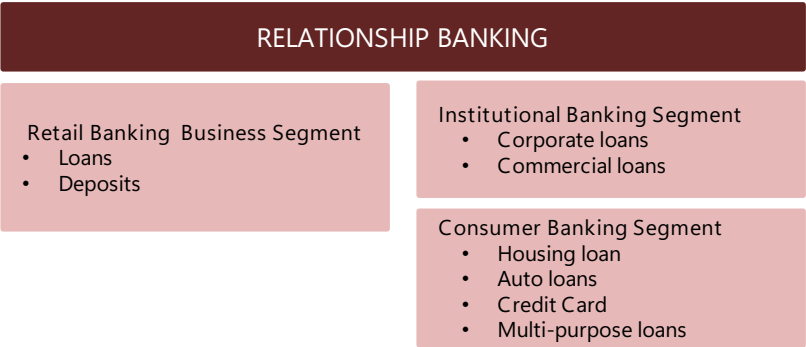
1,044 ATMs*



10,237 Employees*

**As of December 31, 2022*

Full Service Platform



EQUITY PROFILE

Particulars	March 10, 2022
Ticker	CHIB
Stock Price	Php31.35
Market Cap (in PHP Mn)	84,372
Market Cap (in USD Mn)	1,527*
Book Value per Share	Php50.0
Earnings per Share	Php7.1
Price to Book	0.6
Price to Earnings	4.4

*Based of Mar 10, 2022 USDPHP exchange rate of PHP 55.238

CREDIT RATINGS



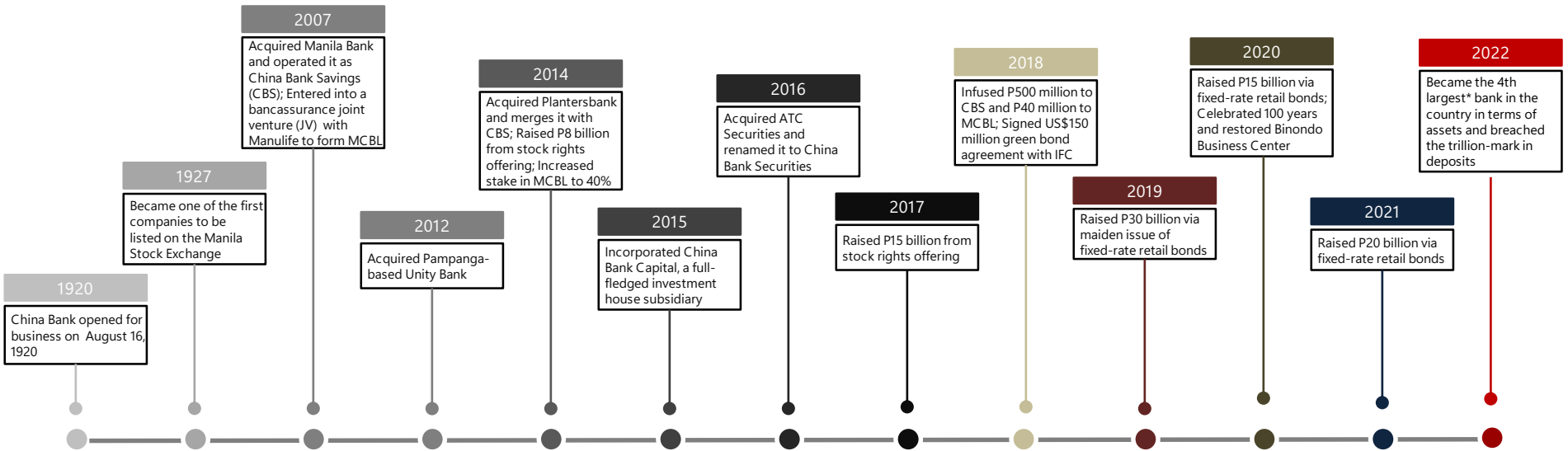
- Investment grade credit rating of [Baa2](#) with [stable outlook](#) from May 2017
- Same level as the Philippine sovereign rating and at par with the country's three biggest banks
- Affirmed in July 2022



- Investment grade issuer rating of [PRS Aaa \(corp.\)](#) with [stable outlook](#) in February 2019
- Affirmed in October 2021

China Bank Profile

Corporate Milestones

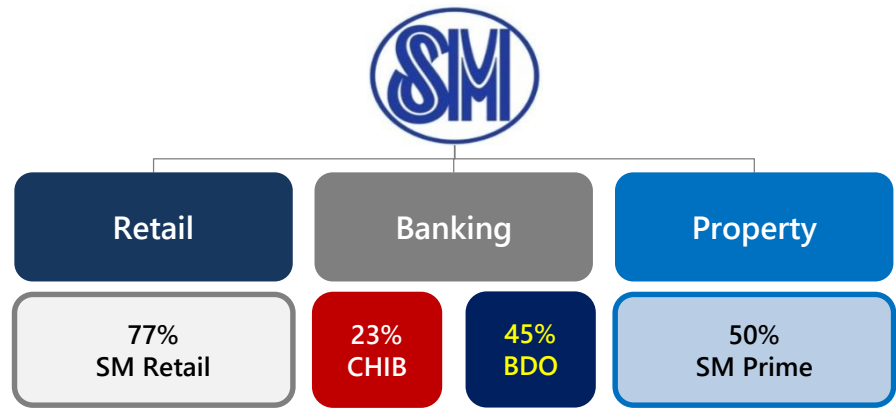


*Among private universal banks

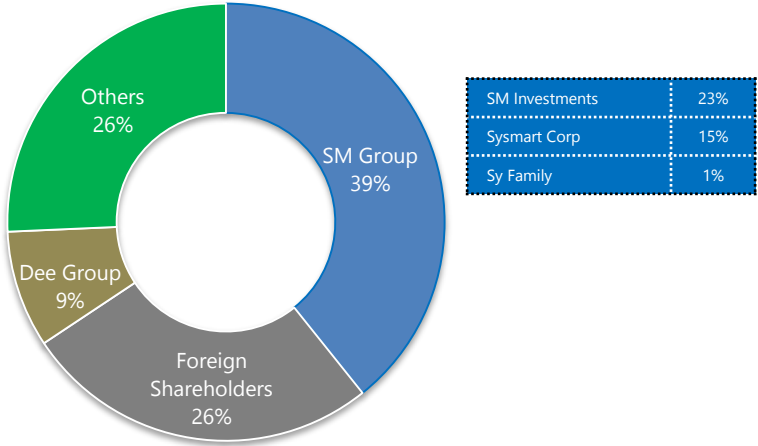
Strong Support and Synergies with the SM Group

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

Snapshot of SM Group Business Lines



Current Shareholdings



Distinct Benefits for China Bank



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



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



William C. Whang*
Director and President



Romeo D. Uyan, Jr.**
Senior Executive Vice President and Chief Operating 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

**Retiring effective March 31, 2023*
***Appointed as President and CEO effective April 1, 2023*

Thank You!

