

Analysts' Briefing

Full Year 2023 Results

March 5, 2024

RISE with the
DRAGON



Panelists



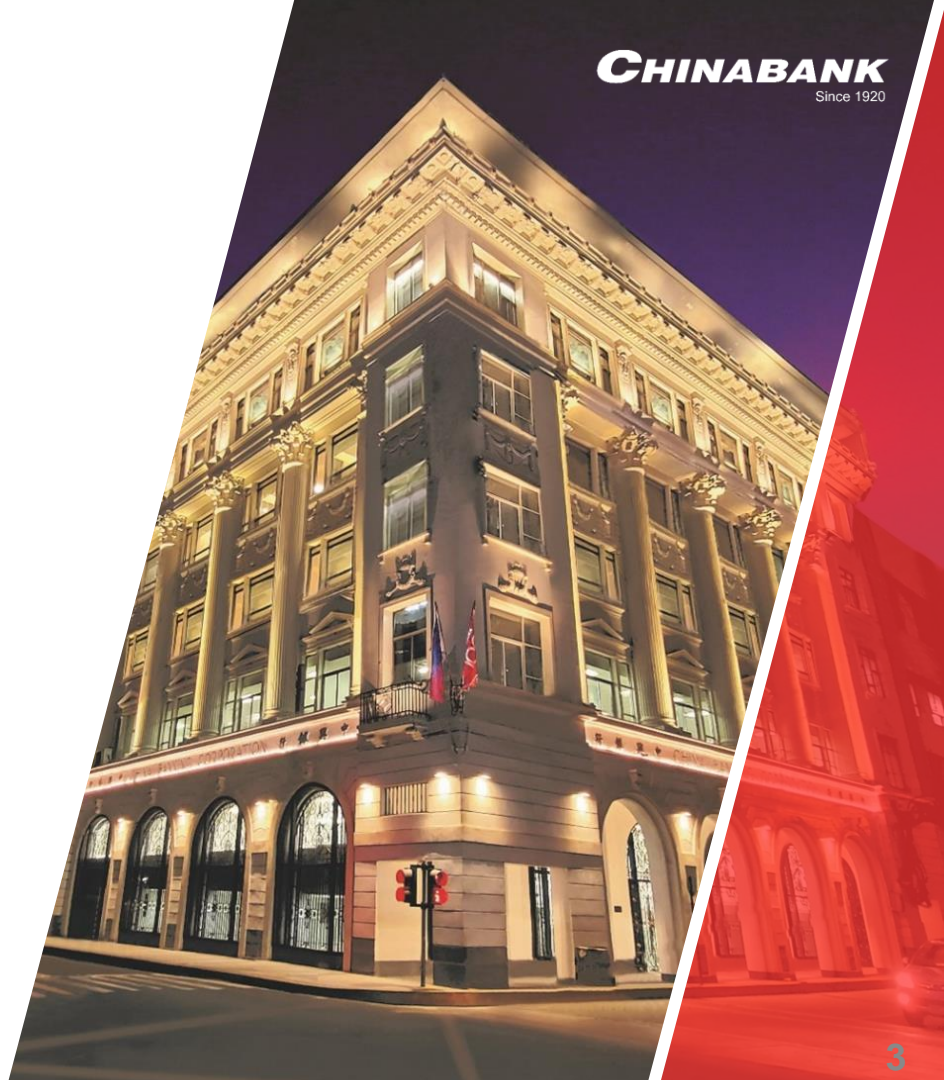
Patrick D. Cheng
Chief Finance Officer



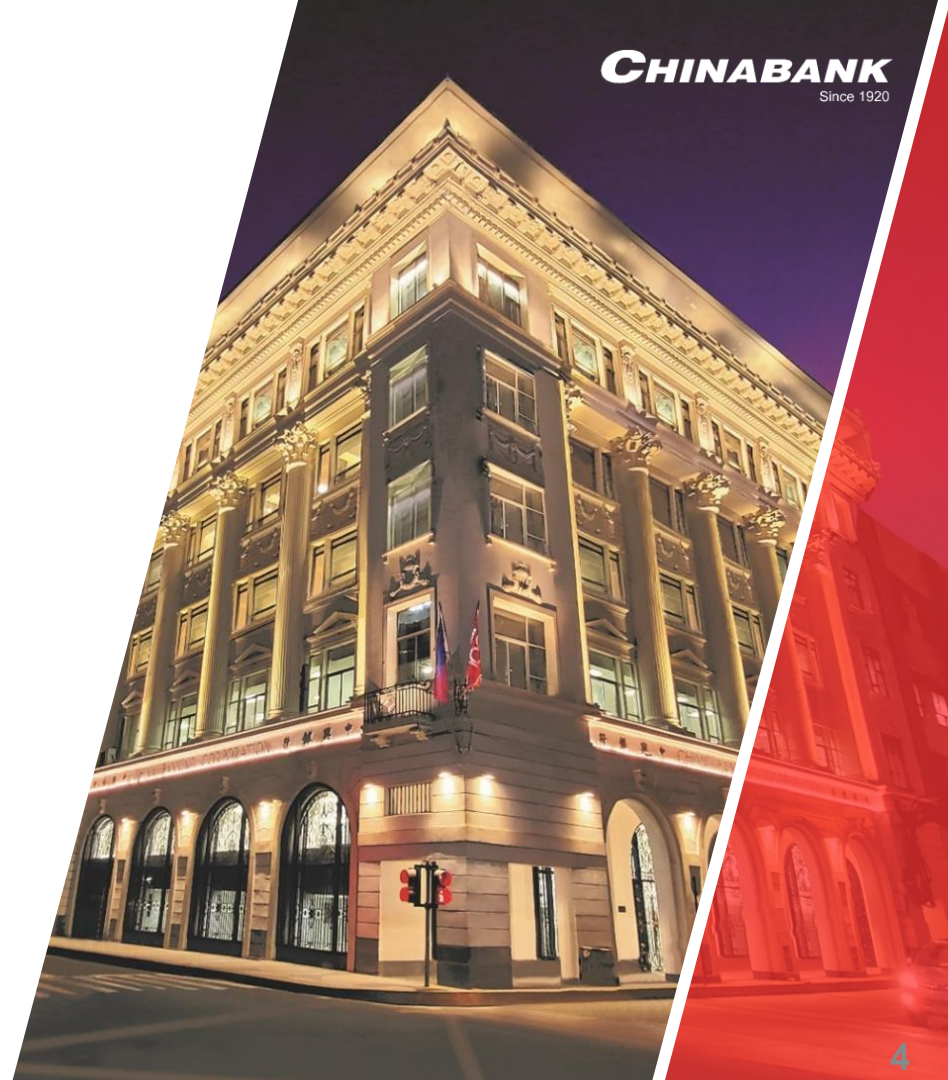
Gerald O. Florentino
Investor Relations Head

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**



FY 2023 Financial Performance





FY 2023 Financial Highlights

P22.0 Bn

2023 Net Income

15.5%

Return on Equity

15.3%

CET-1 Ratio

P55.82

Book value per share

Income Statement

- ✓ FY2023 Net income grew 15% to P22.0 billion;
- ✓ Resilient NII despite pressure on funding cost; NIM improved by 7 bps QoQ to 4.40% in 4Q'23;
- ✓ Provisions declined as NPL stabilized

Balance Sheet

- ✓ Loans (+10%) and Investment securities (+22%) 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 15.3%
 - Capital Adequacy Ratio (CAR) at 16.1%
- ✓ Distributed P1.90/sh dividends, 27% higher vs. last year



FY 2023 Financial Highlights

INCOME STATEMENTS In Php billions, except %	2022	2023	YoY change
Interest income	57.2	79.4	39%
Interest expense	(11.6)	(25.8)	122%
Net interest income	45.6	53.5	17%
Fee-based income	10.1	0.6	-94%
Total revenue	55.7	54.1	-3%
Operating expenses	(24.4)	(27.0)	11%
Income before provisions and taxes	31.3	27.1	-14%
Provision for impairment and credit losses	(9.0)	(1.2)	-86%
Income before income tax	22.3	25.8	16%
Provision for income tax	(3.1)	(3.8)	20%
Net income	19.1	22.0	15%
Return on Equity	15.1%	15.5%	
Return on Assets	1.6%	1.6%	
Net interest margin	4.2%	4.2%	
Cost-to-income ratio	44%	50%	



FY 2023 Financial Highlights

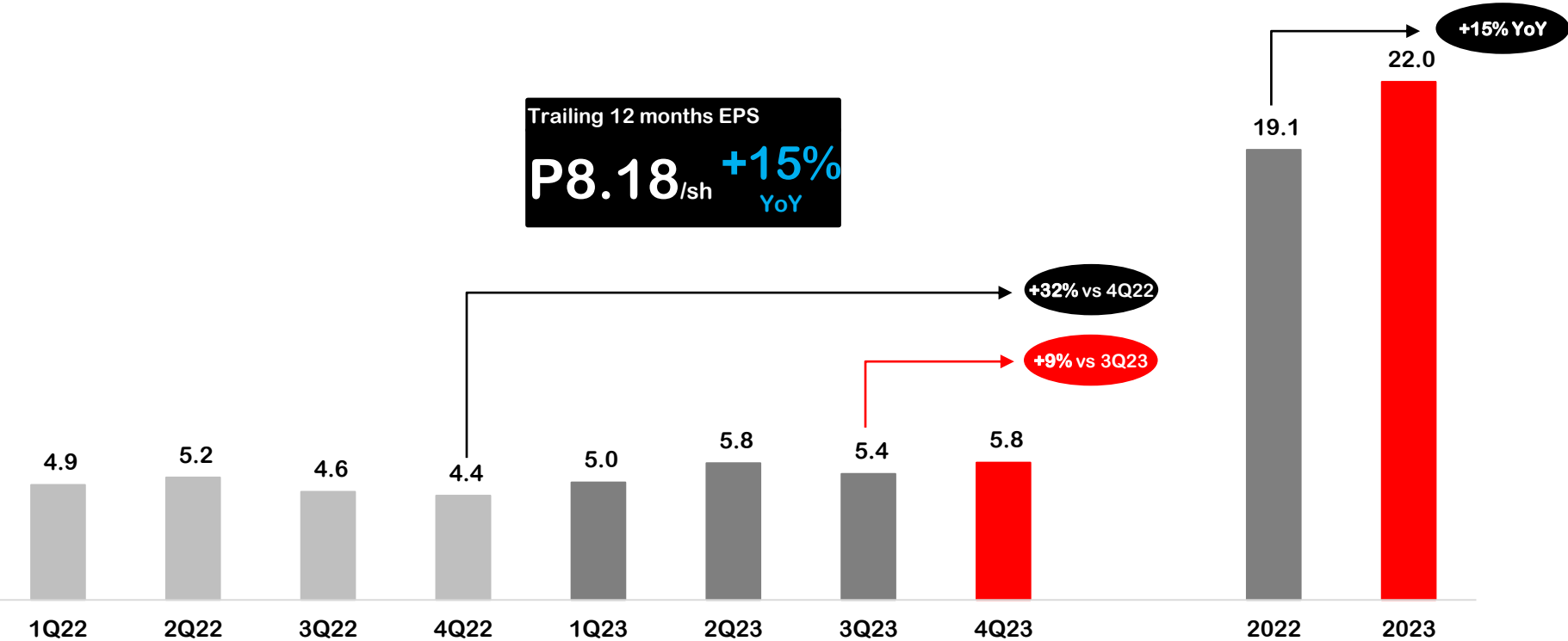
BALANCE SHEETS in Php billions, except %	2022	2023	YoY change
Liquid Assets	178	155	-13%
Investment Securities	412	505	22%
Net Loans	700	772	10%
Other Assets	40	46	16%
TOTAL ASSETS	1,330	1,478	11%
Deposits	1,066	1,187	11%
CASA	573	575	0%
Time Deposits	492	611	24%
Bills and Bonds Payable	99	105	6%
Other Liabilities	31	36	19%
TOTAL LIABILITIES	1,195	1,328	11%
TOTAL EQUITY	135	150	12%
TOTAL EQUITY AND LIABILITIES	1,330	1,478	11%
NPL Ratio	2.3%	2.5%	
NPL Cover	123%	104%	
Tier 1/CET 1 Ratio	15.1%	15.3%	
Capital Adequacy Ratio (CAR)	15.9%	16.1%	

Sustained profitability amidst a challenging environment



Quarterly Net Income (In PHP Bn)

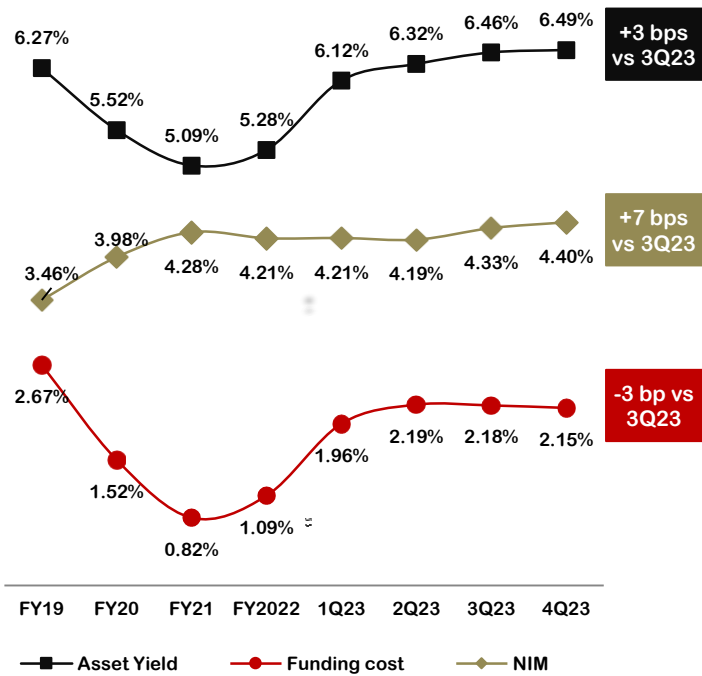
Annual Net Income (In PHP Bn)



Resilient NII despite pressure on funding costs

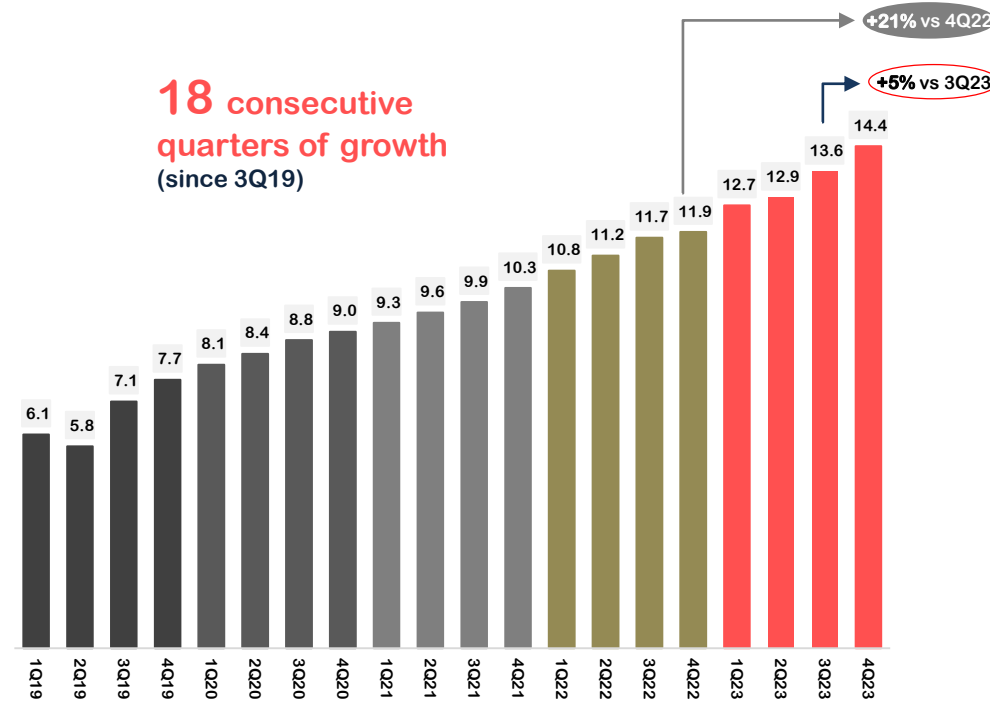


NIM stabilizes above 4%



Net interest income continues to grow Q-on-Q

Net Interest Income (In PHP Bn)

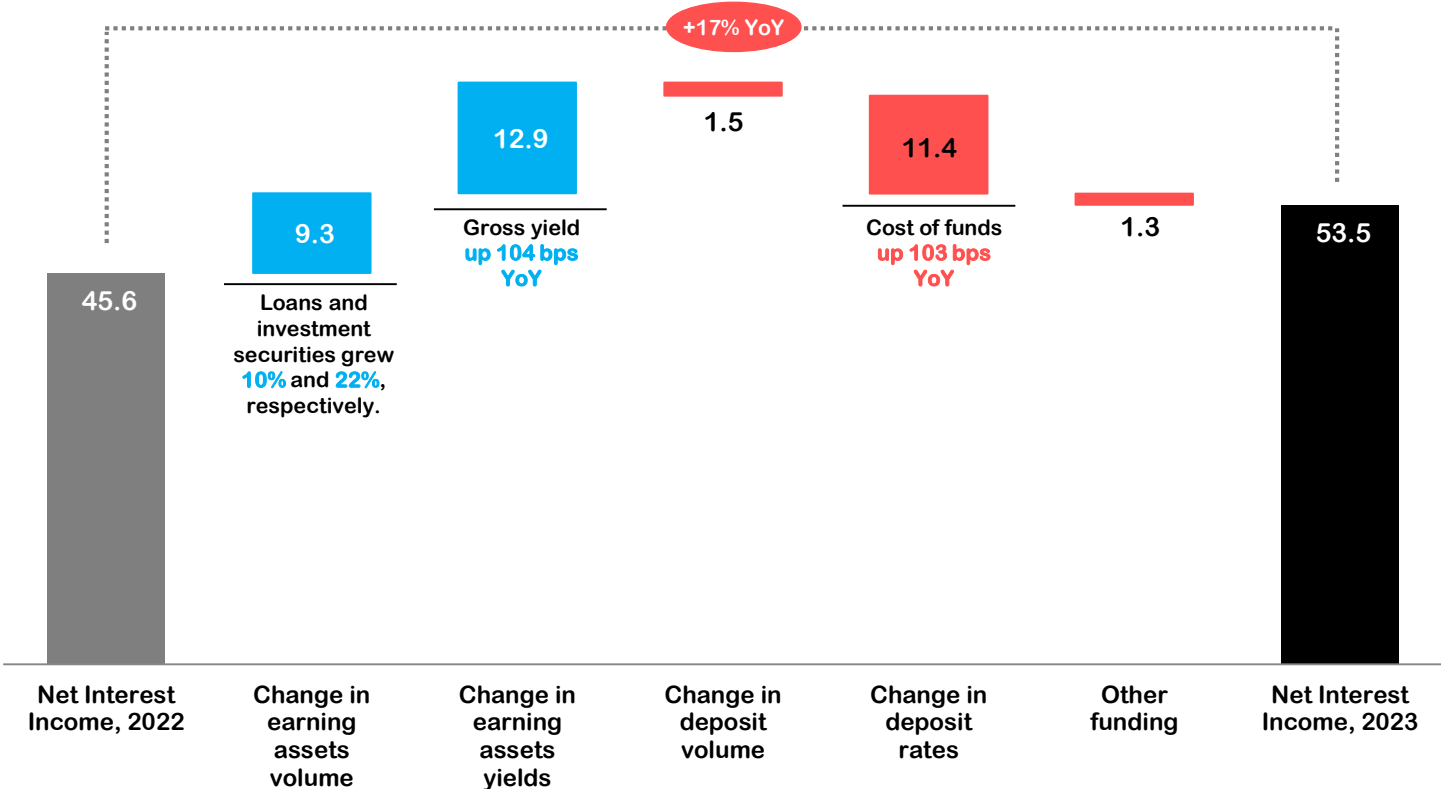


Resilient NII despite pressure on funding costs



Net interest income continues to grow

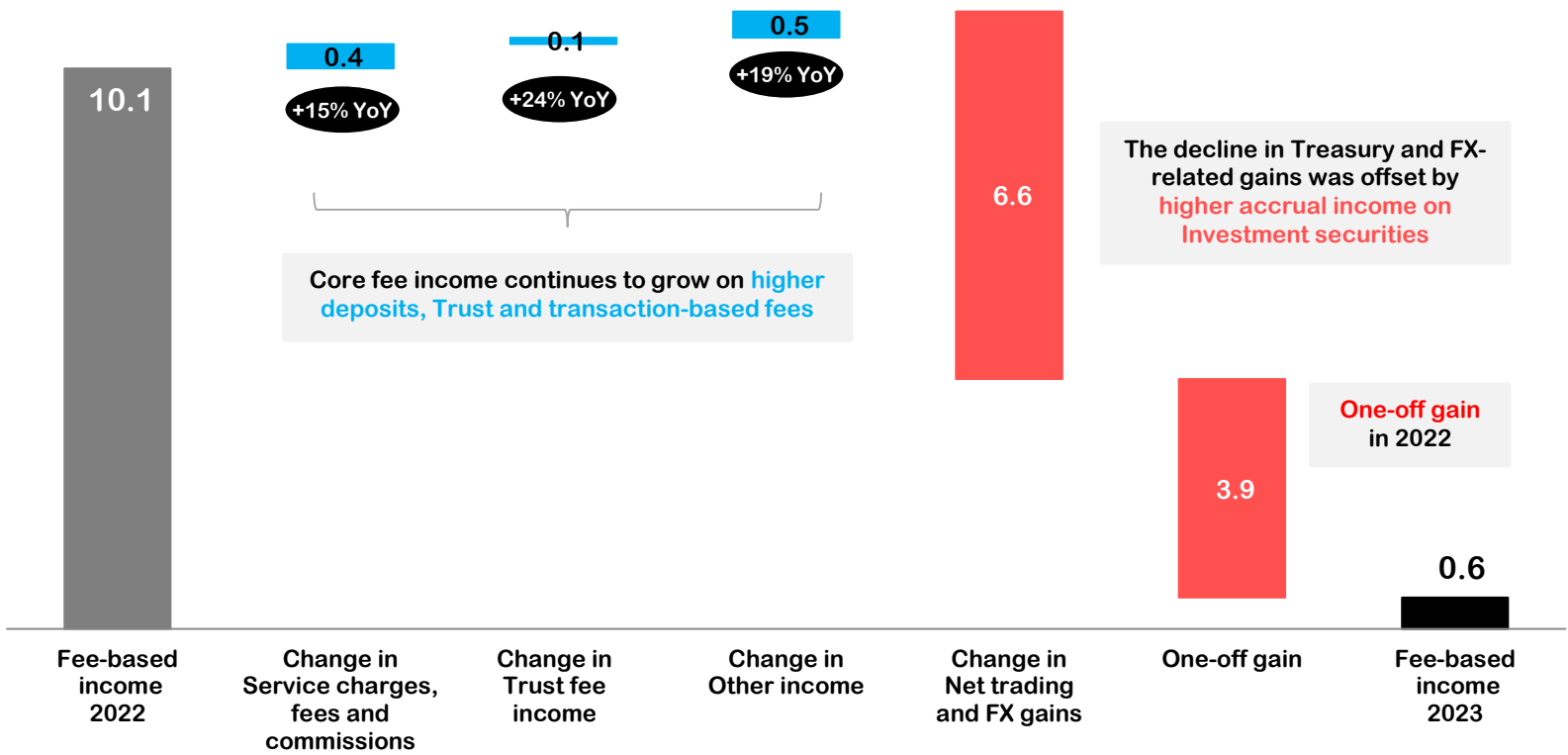
Net Interest Income (In PHP Bn)





Core fee-based income remains strong

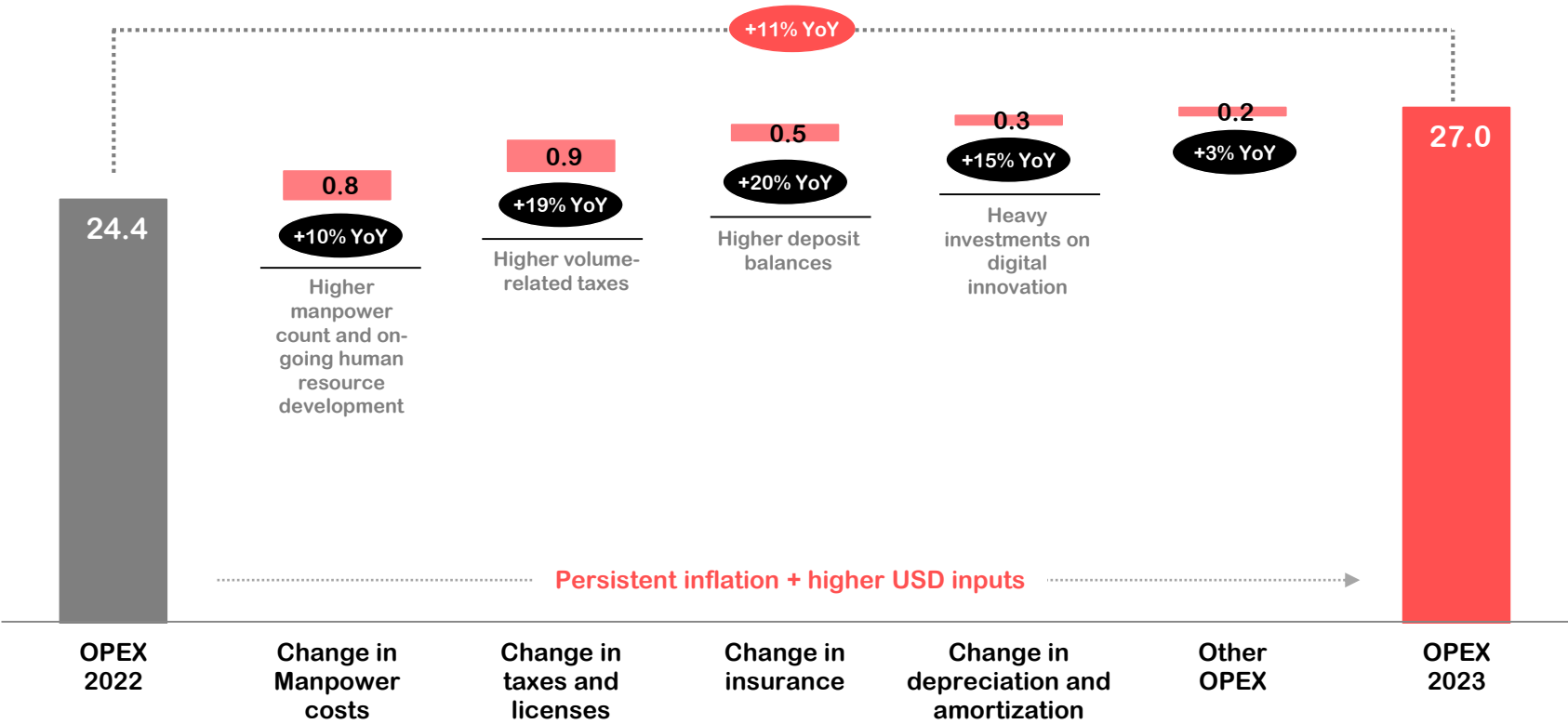
Fee-based Income (In PHP Bn)





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

Operating Expenses ex provisions (in PHP Bn)

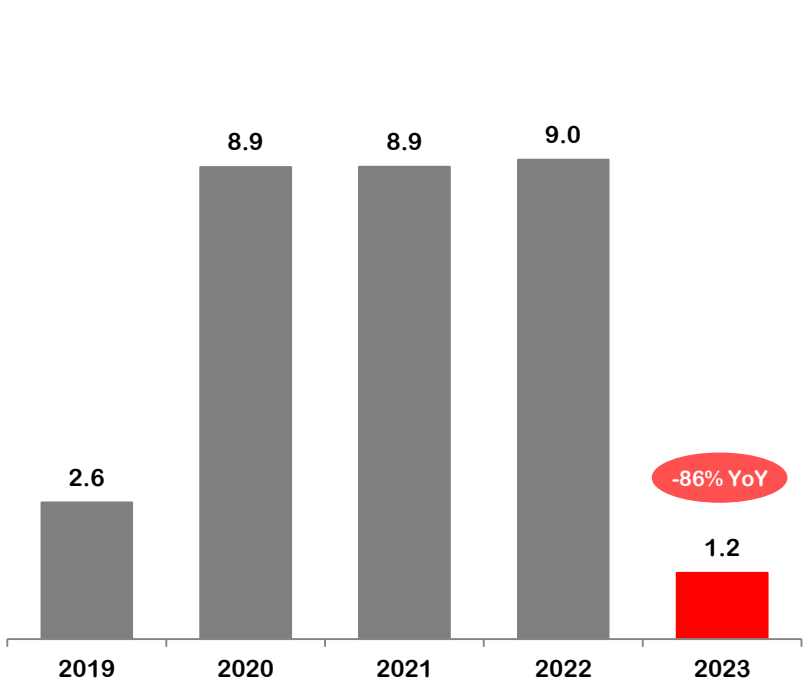


Stable asset quality and sufficient NPL cover

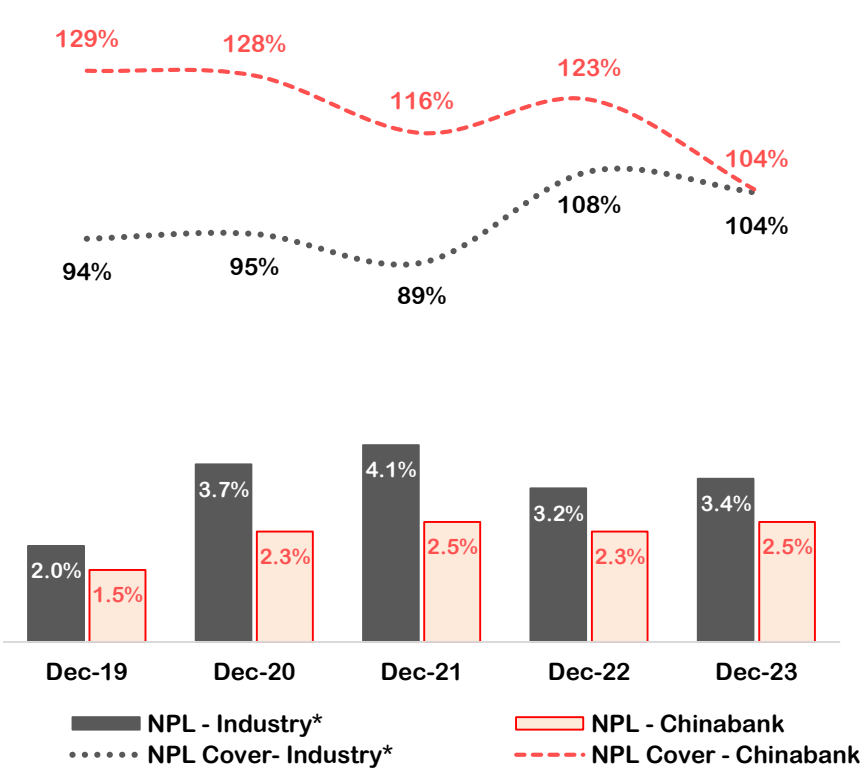


Stable asset quality results to lower provisions

Provisions (In PHP Bn)



NPL ratio has stabilized; NPL cover remains adequate



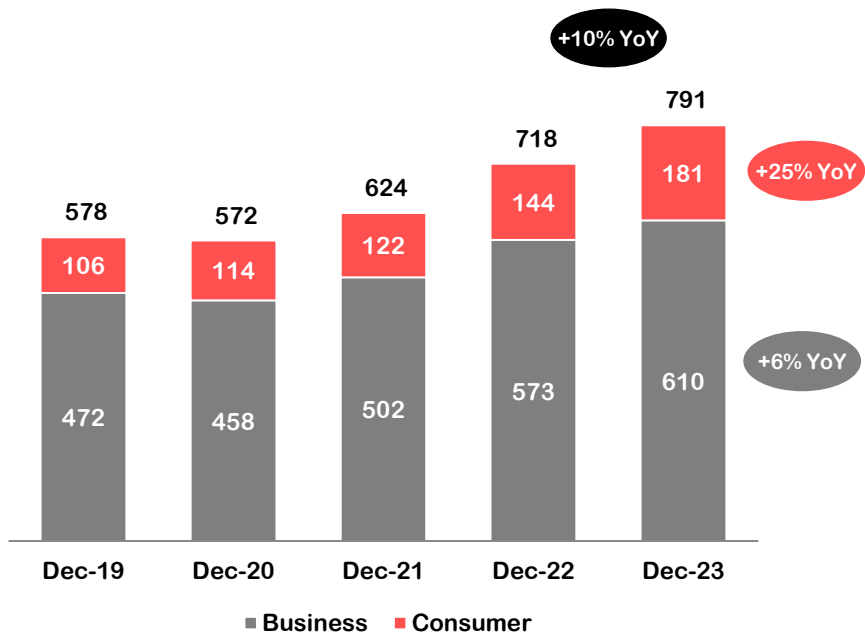
*BSP data (UKB + TB), as of Dec 2023

Sustained loan growth



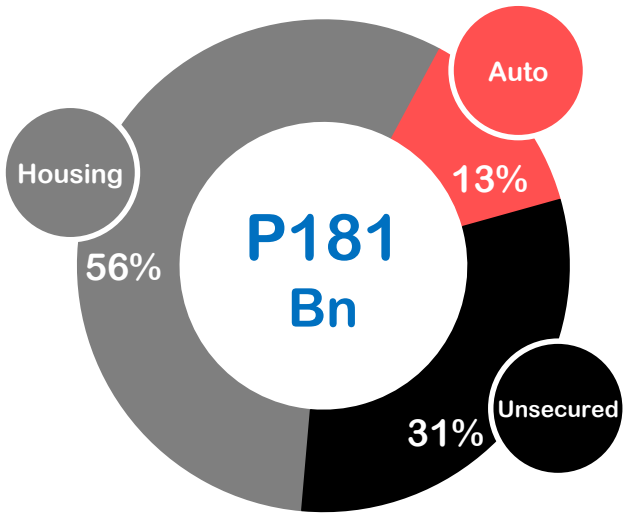
Continued expansion in both consumer and business segments

Gross Loans (In PHP Bn)



Well-secured consumer lending portfolio

Consumer Loans Breakdown, December 2023

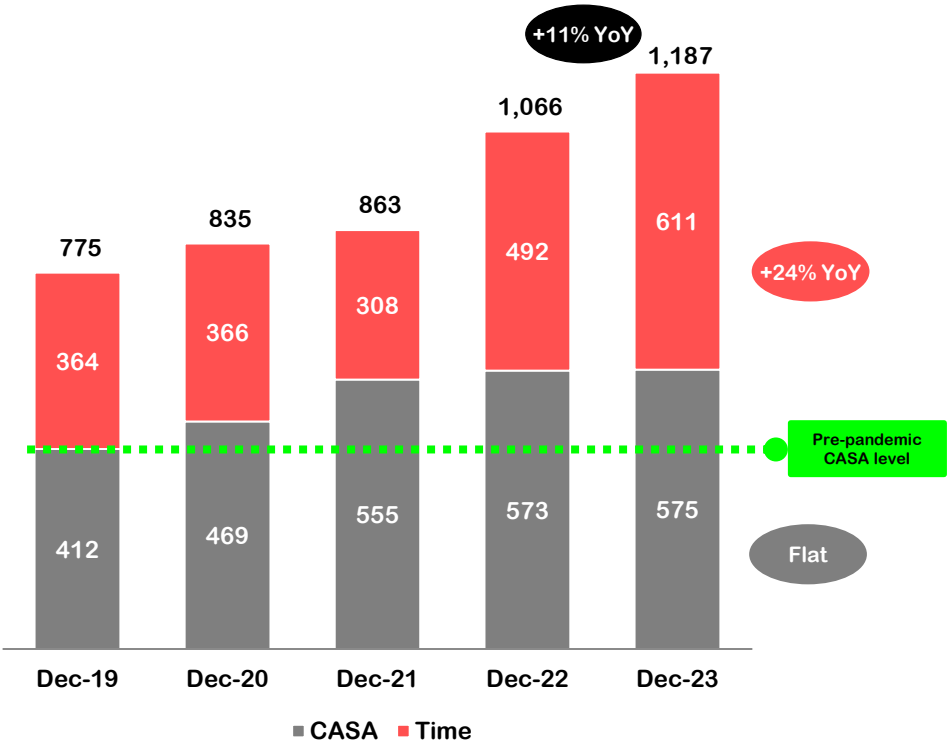


Strong Deposit growth

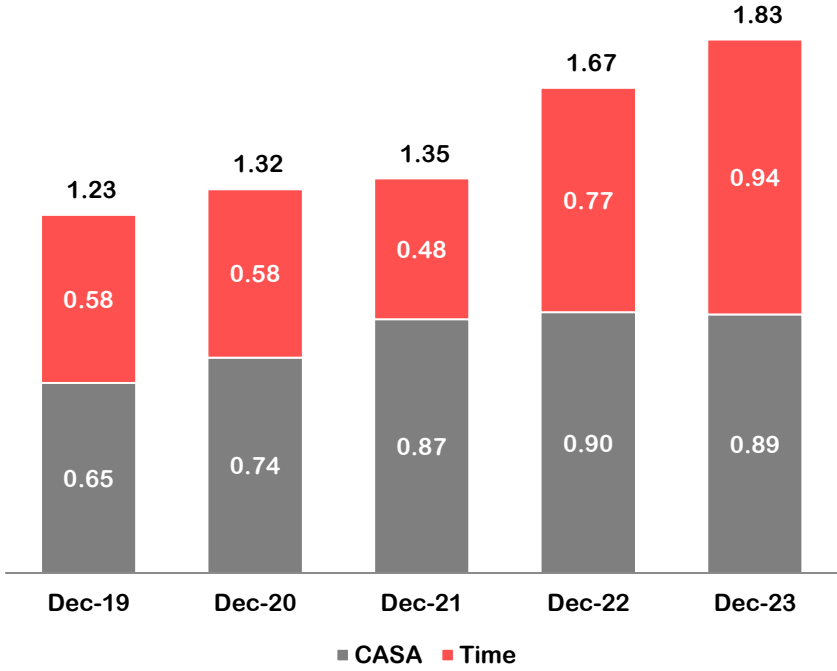


CASA declined but still above pre-pandemic level

Deposits (In PHP Bn)



Deposits per branch (In PHP Bn)

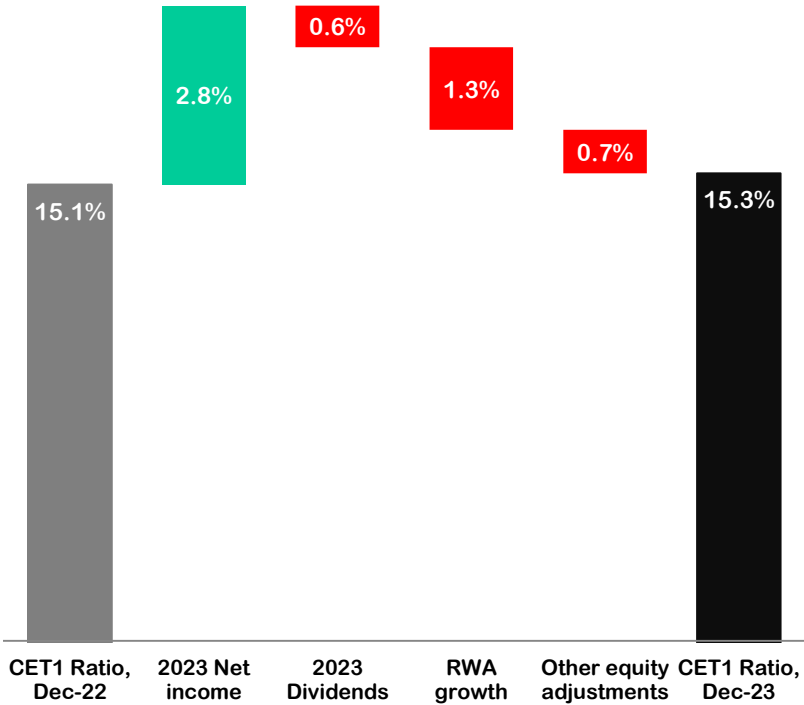
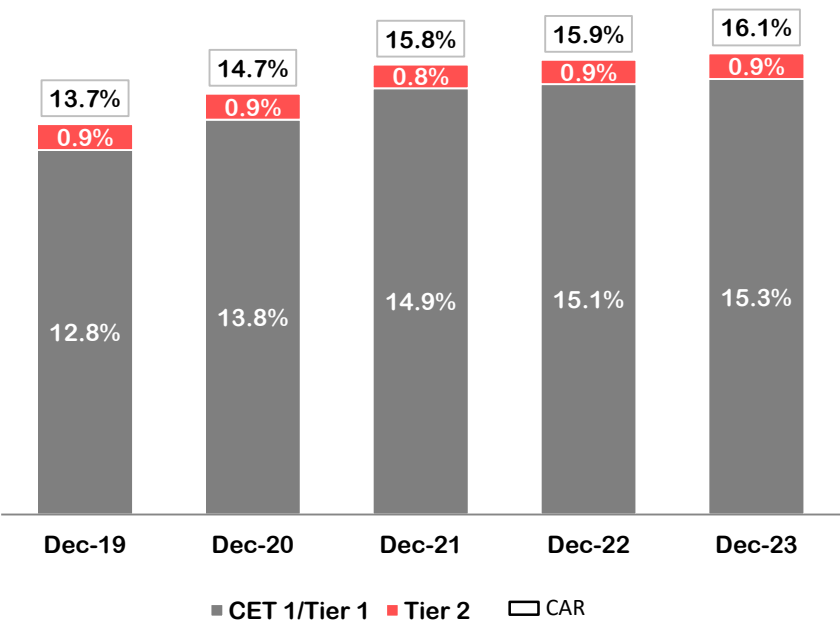


Strong internal capital generation results to higher buffer

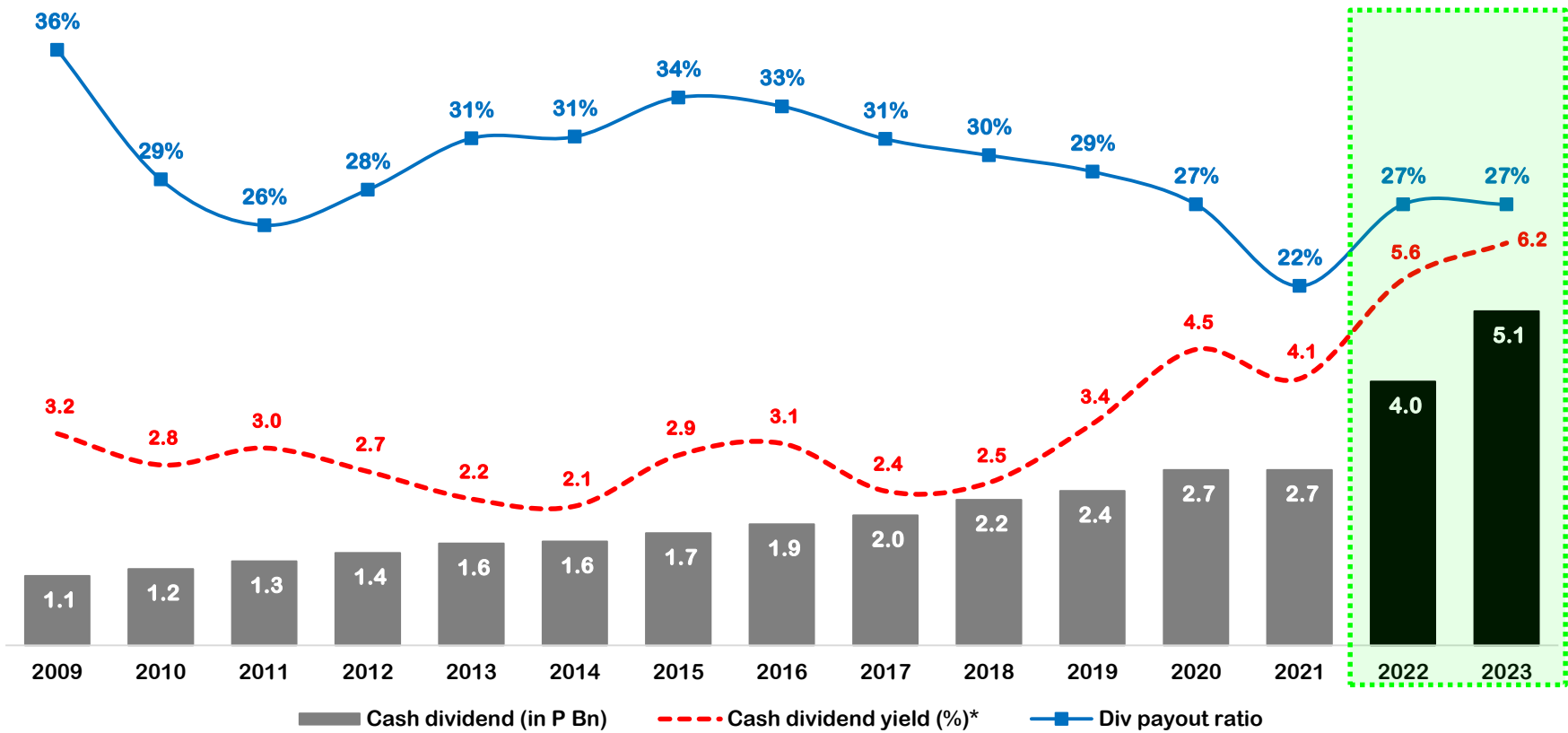


Enough capital buffer:

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

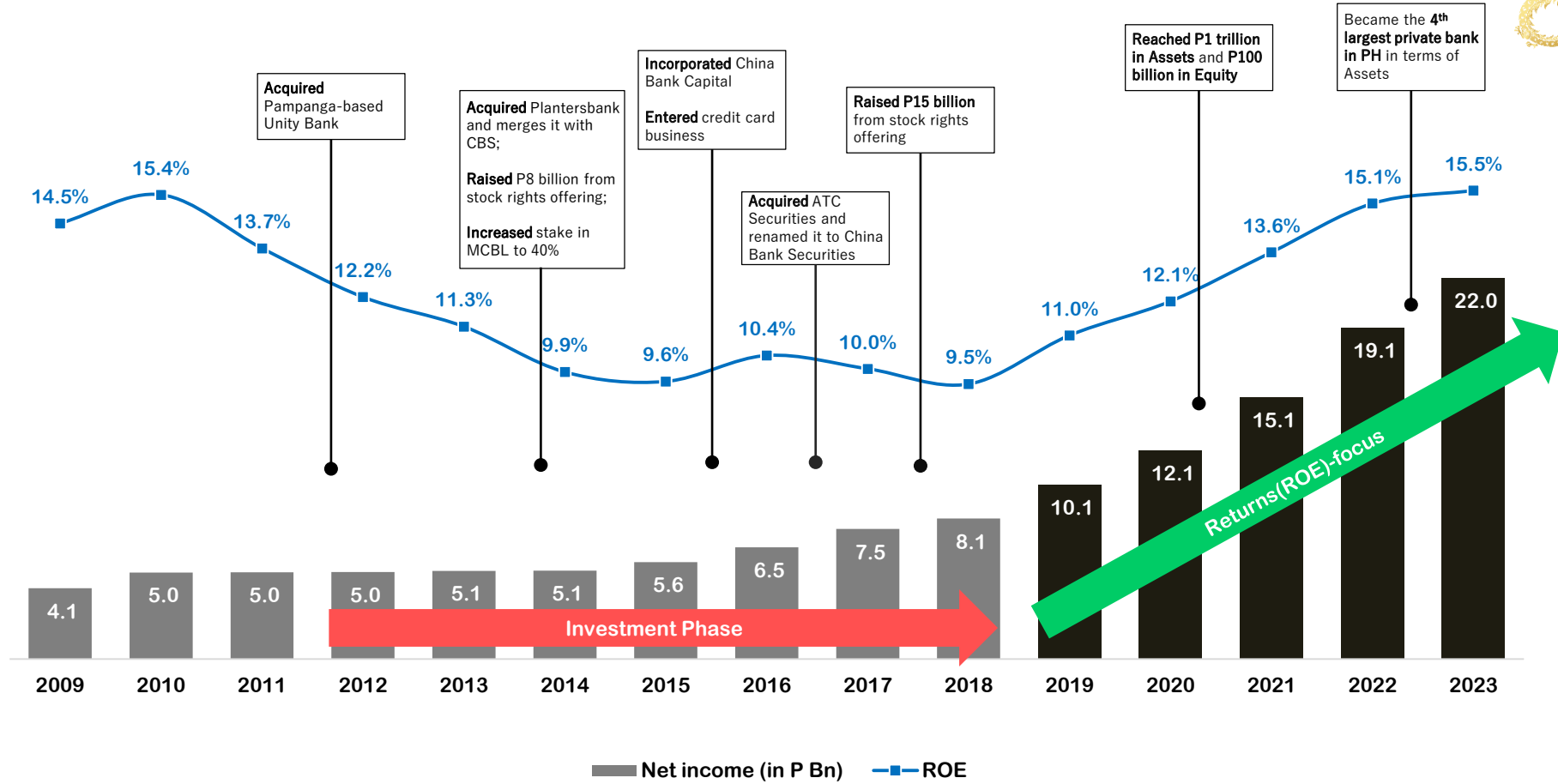


Increasing dividend payments to Shareholders

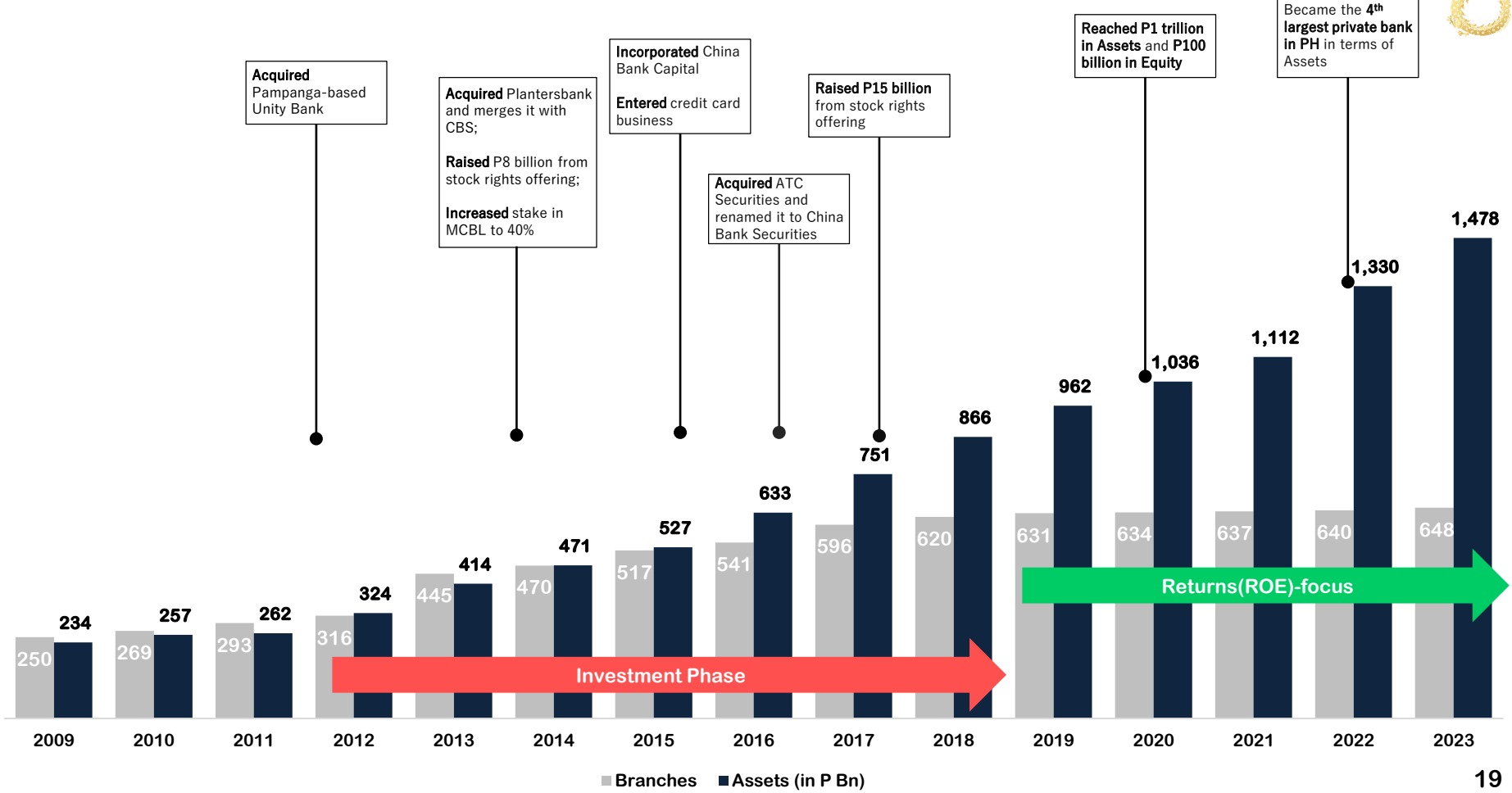


*Using end-of-year stock price

Net Income and ROE significantly improved over the last 5 years



Focus on optimizing branches in the last 5 years



In summary, Chinabank continues to be..



Profitable

	FY2021	FY2022	FY2023
Return on Equity	13.6%	15.1%	15.5%
Return on Assets	1.5%	1.6%	1.6%

Adequately-capitalized

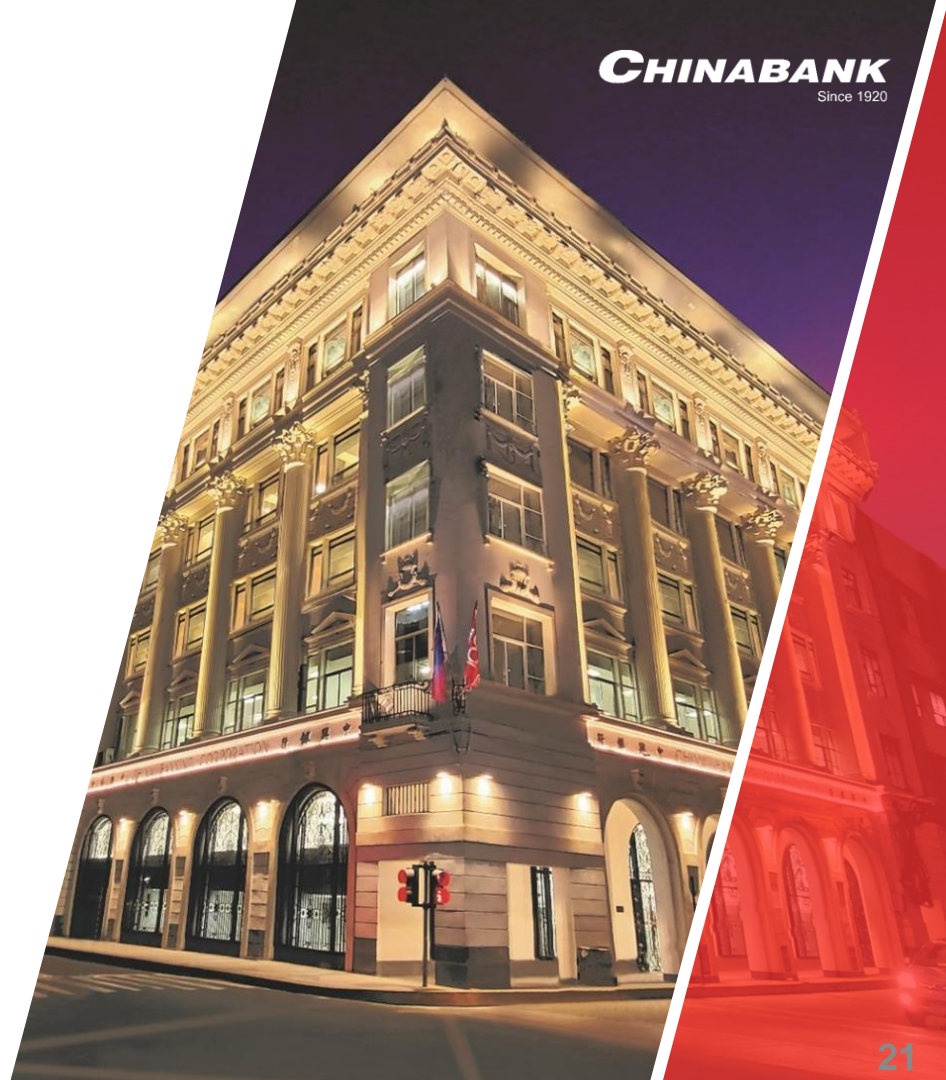
CET 1/Tier 1 Ratio	14.9%	15.1%	15.3%
Capital Adequacy Ratio	15.8%	15.9%	16.1%

Well-managed

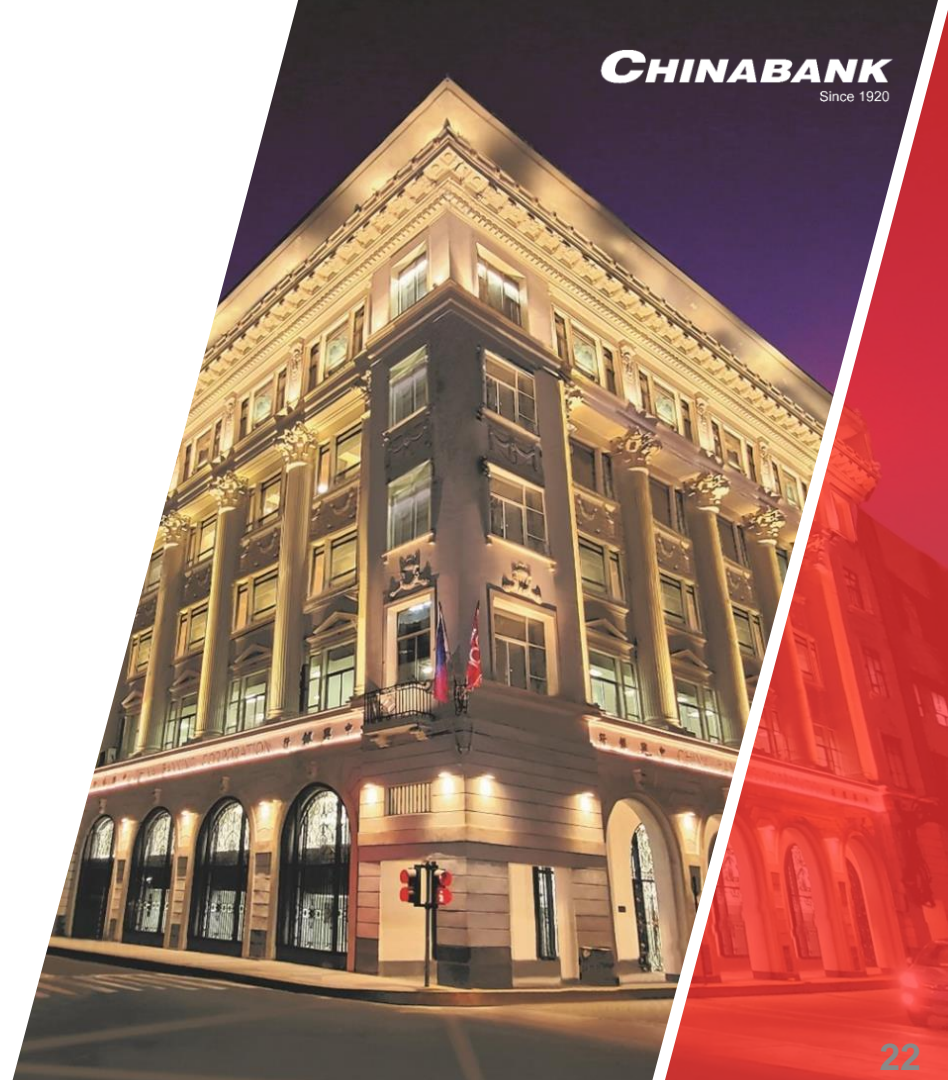
NPL Ratio	2.5%	2.3%	2.5%
NPL Coverage Ratio	116%	123%	104%

Q & A

- ✓ Please click the **“Raise Hand”** button to be recognized.
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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



Extensive Distribution Channels*



648
Branches



1,070
ATMs



10,662
Employees

Subsidiaries & Affiliates



Investment Grade Credit Rating



Best in Corporate Governance



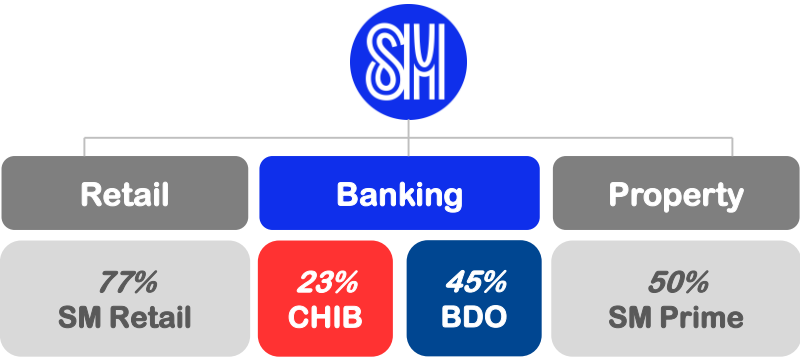
Chinabank was recognized by the ASEAN Capital Markets Forum as among the **ASEAN Asset Class**, **ASEAN Top 20**, and **Top 3 Philippine Publicly Listed Companies**

*As of December 31, 2023

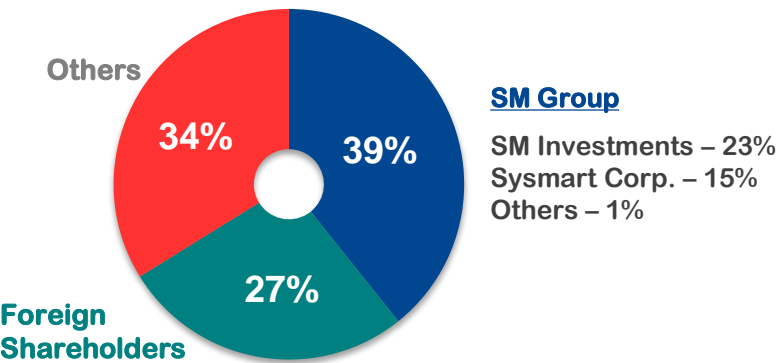
SM Group: Strong Support & Synergies

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



Distinct benefits for Chinabank

1

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

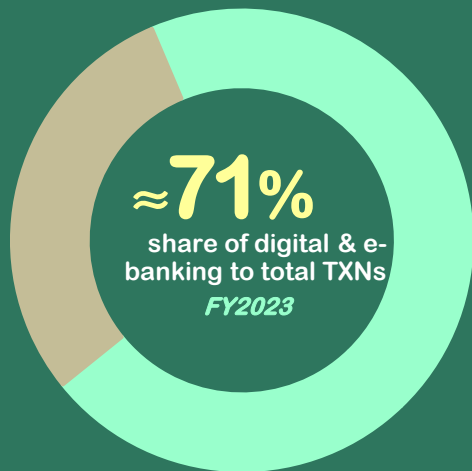
2

54 branches and 138 ATMs in SM Group's shopping malls, SaveMore, CityMall and Alfamart locations

Digital Banking

2023 vs 2022

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



+19%
Digital TXNs
year-on-year



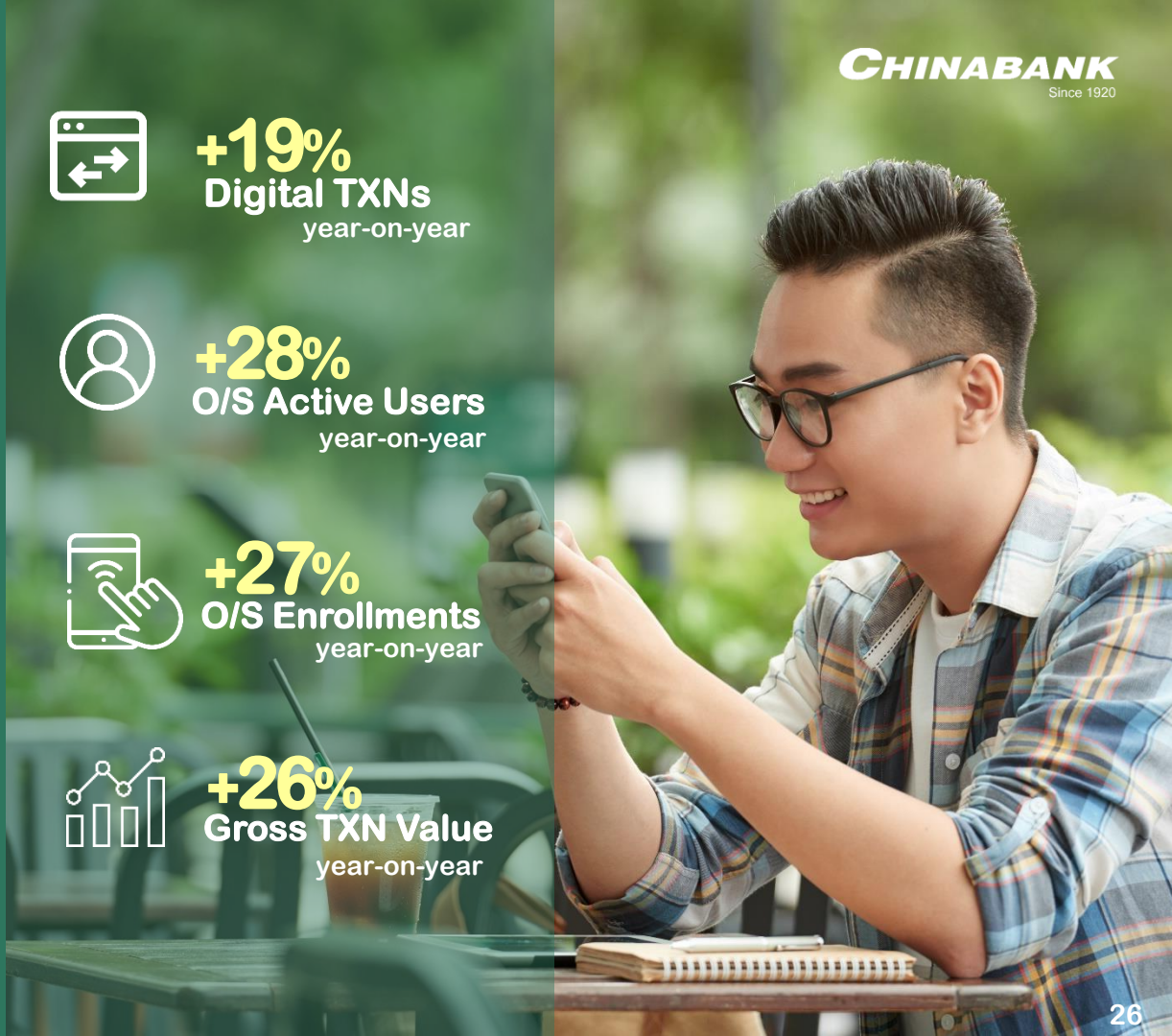
+28%
O/S Active Users
year-on-year



+27%
O/S Enrollments
year-on-year



+26%
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



Chinabank Easy Tax

Best Digital Business Banking Initiative

2022



2nd 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



Chinabank 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

Highly capable management team



Hans T. Sy
Chairman of the Board

- Chairman since 2011
- Member of the Board since 1986



Gilbert U. Dee
Vice Chairman of the Board

- Vice Chairman since 2011
- Member of the Board since 1969



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

- With CHIB since 2014
- Over 30 years of banking experience



Patrick D. Cheng
EVP and Chief Finance Officer

- With CHIB since 2015
- Over 30 years of banking experience



Aloysius C. Alday, Jr.
EVP, Head – Consumer Banking

- With CHIB since 2021
- Over 25 years of banking experience



Jose L. Osmeña, Jr.
EVP, Co-Head – Retail Banking

- With CHIB since 1992
- Over 30 years of banking experience



Magnolia Luisa N. Palanca
EVP, Head - Financial Markets

- With CHIB since 2019
- Over 30 years of banking experience



Clara C. Sy
EVP and Co-Head – Retail Banking

- With CHIB since 1982
- Over 35 years of banking experience



Lilian Yu
EVP, Head – Institutional Banking

- With CHIB since 2017
- Over 30 years of banking experience



Ananias S. Cornelio III
SVP and Chief Risk Officer

- With CHIB since 2012
- Over 25 years of banking experience



Delfin Jay M. Sabido IX
SVP, Chief Innovation & Transformation Officer

- With CHIB since 2022
- Over 25 years of IT experience



Christopher Ma. Carmelo Y. Salazar
SVP and Treasurer

- With CHIB since 2019
- Over 25 years of banking experience



Atty. Aileen Paulette De Jesus
VP and Chief Compliance Officer

- With CHIB since 2018
- Over 30 years of legal experience

TRADING INFORMATION

Ticker (Bloomberg Reuters)	CHIB PM CHIB.PS
Par value (PHP)	10.00
Outstanding shares	2,691,340,312
Stock price as of Mar 4, 2024	34.75
52-week range (Low High)	29.00 35.30
Market Cap in PHP Mn	93,524
Market Cap in USD Mn	1,661
Public float as of Dec 31, 2023	56.83%
Foreign ownership as of Dec 31, 2023	26.88%

MARKET VALUATION

	<u>2021</u>	<u>2022</u>	<u>2023</u>
Book value per share	44.2	50.0	55.8
Earnings per share	5.6	7.1	8.2
Price to book (x)*	0.6	0.5	0.6
Price to earnings (x)*	4.6	3.9	4.2
Dividend per share	1.00	1.50	1.90
Dividend yield*	4.1%	5.6%	5.5%

* based on Mar 4, 2024 stock price



Historical Financial Highlights

BALANCE SHEETS in Php billions, except %	Dec 2019	Dec 2020	Dec 2021	Dec 2022	Dec 2023	Dec23 vs Dec22
Liquid Assets	144	205	188	178	155	-13%
Investment Securities	213	236	279	412	505	22%
Net Loans	569	557	609	700	772	10%
Other Assets	37	38	36	40	46	16%
TOTAL ASSETS	962	1,036	1,112	1,330	1,478	11%
Deposits	775	835	863	1,066	1,187	11%
<i>CASA</i>	<i>412</i>	<i>469</i>	<i>555</i>	<i>573</i>	<i>575</i>	<i>0%</i>
<i>Time Deposits</i>	<i>364</i>	<i>366</i>	<i>308</i>	<i>492</i>	<i>611</i>	<i>24%</i>
Bills and Bonds Payable	71	76	108	99	105	6%
Other Liabilities	20	20	22	31	36	19%
TOTAL LIABILITIES	866	931	993	1,195	1,328	11%
TOTAL EQUITY	96	105	119	135	150	12%
TOTAL EQUITY AND LIABILITIES	962	1,036	1,112	1,330	1,478	11%
NPL Ratio	1.5%	2.3%	2.5%	2.3%	2.5%	
NPL Cover	129%	128%	116%	123%	104%	
Tier 1/CET 1 Ratio	12.8%	13.8%	14.9%	15.1%	15.3%	
Capital Adequacy Ratio (CAR)	13.7%	14.7%	15.8%	15.9%	16.1%	



Historical Financial Highlights

INCOME STATEMENTS In Php billions, except %	FY2019	FY2020	FY2021	FY2022	FY2023	FY23 vs FY22
Interest income	47.7	47.7	46.5	57.2	79.4	39%
Interest expense	(21.6)	(13.3)	(7.4)	(11.6)	(25.8)	122%
Net interest income	26.1	34.4	39.1	45.6	53.5	17%
Fee-based income	8.4	9.5	9.6	10.1	0.6	-94%
Total revenue	34.5	43.9	48.7	55.7	54.1	-3%
Operating expenses	(20.3)	(21.5)	(22.3)	(24.4)	(27.0)	11%
Income before provisions and taxes	14.2	22.3	26.3	31.3	27.1	-14%
Provision for impairment and credit losses	(2.6)	(8.9)	(8.9)	(9.0)	(1.2)	-86%
Income before income tax	11.6	13.5	17.5	22.3	25.8	16%
Provision for income tax	(1.5)	(1.4)	(2.4)	(3.1)	(3.8)	20%
Net income	10.1	12.1	15.1	19.1	22.0	15%
Return on Equity	11.0%	12.1%	13.6%	15.1%	15.5%	
Return on Assets	1.1%	1.2%	1.5%	1.6%	1.6%	
Net interest margin	3.4%	4.0%	4.3%	4.2%	4.2%	
Cost-to-income ratio	59%	49%	46%	44%	50%	

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Website: www.chinabank.ph

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Thank You!

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Since 1920

