



Analysts' Briefing

FY 2024 Results

March 4, 2025



Domestic Retail Bank of the Year -
Philippines
China Banking Corporation





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 2024 Financial Performance



<div>P24.8 Bn FY 2024 Net Income</div>	<div>15.6% Return on Equity</div>	<div>15.3% CET-1 Ratio</div>	<div>P62.6 Book value per share</div>
<div>Income Statement</div>	<div><ul style="list-style-type: none">✓ FY2024 Net income grew 13% to P24.8 billion;✓ Resilient NII despite pressure on funding cost; NIM improved by 21 bps YoY to 4.45% in 2024;</div>		
<div>Balance Sheet</div>	<div><ul style="list-style-type: none">✓ Gross Loans (+18%) and Investment securities (+8%) registered strong YoY growth;✓ NPL ratio has declined; NPL cover more than adequate</div>		
<div>Capital Position</div>	<div><ul style="list-style-type: none">✓ Strong internal capital generation results to higher buffer<ul style="list-style-type: none">✓ CET-1 ratio at 15.3%✓ Capital Adequacy Ratio (CAR) at 16.2%✓ Declared P2.20/sh dividends, 16% higher vs. last year</div>		

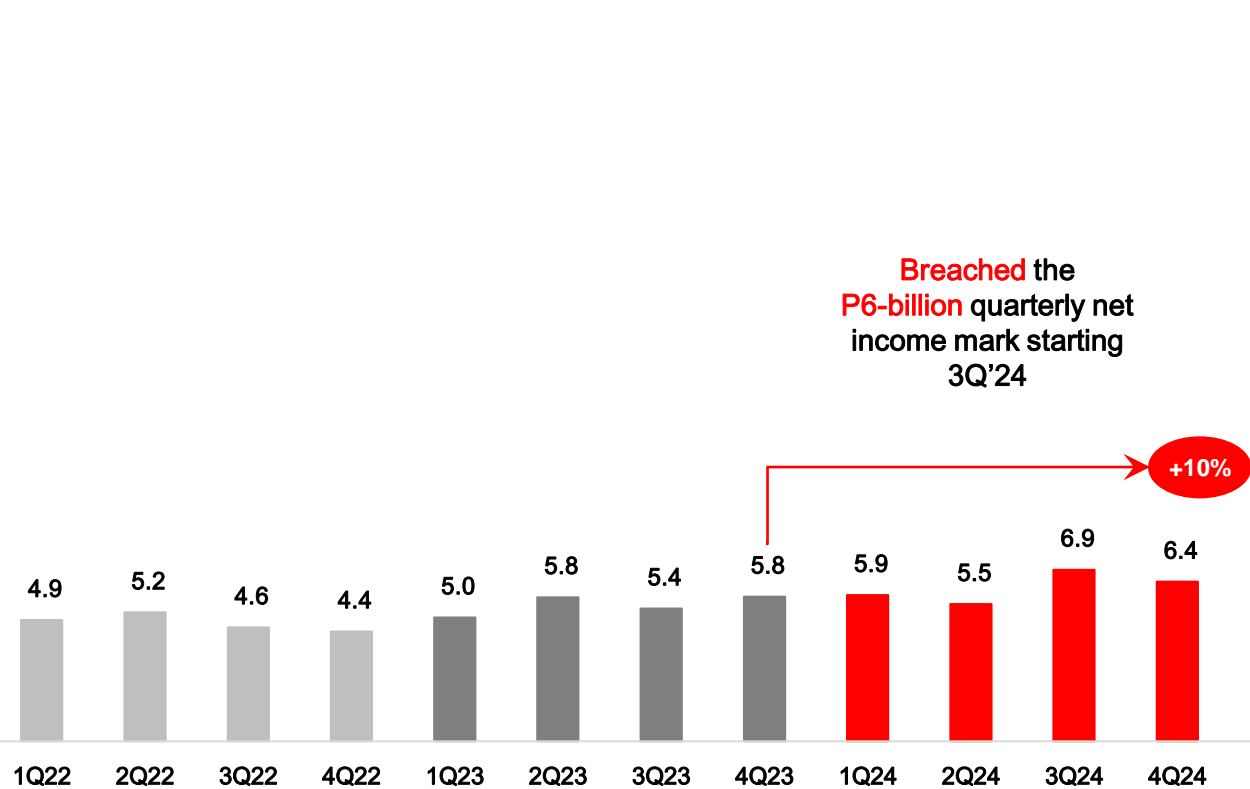
INCOME STATEMENTS (In Php millions)	FY2023	FY2024	YoY change
Interest income	79,368	93,754	18%
Interest expense	(25,840)	(30,215)	17%
Net interest income	53,528	63,539	19%
Fee-based income	564	1,950	246%
Total revenue	54,091	65,489	21%
Operating expenses	(27,037)	(30,749)	14%
Income before provisions and taxes	27,054	34,740	28%
Provision for impairment and credit losses	(1,246)	(3,315)	166%
Income before income tax	25,808	31,425	22%
Provision for income tax	(3,790)	(6,614)	75%
Net income	22,018	24,811	13%
Return on Equity	15.5%	15.6%	
Return on Assets	1.6%	1.6%	
Net interest margin	4.2%	4.5%	
Cost-to-income ratio	50%	47%	

BALANCE SHEETS (In Php millions)	Dec 2023	Dec 2024	YoY change
Liquid Assets	155,279	133,767	(14%)
Investment Securities	504,581	542,695	8%
Net Loans	771,992	915,230	19%
Other Assets	46,192	54,402	18%
Total Assets	1,478,043	1,646,093	11%
Deposits	1,186,724	1,331,147	12%
CASA	575,257	593,628	3%
Time Deposits	611,467	737,518	21%
Bills and Bonds Payable	104,788	112,133	7%
Other Liabilities	36,233	34,234	(6%)
Total Liabilities	1,327,745	1,477,514	11%
Total Equities	150,298	168,580	12%
Total Liabilities and Equities	1,478,043	1,646,093	11%

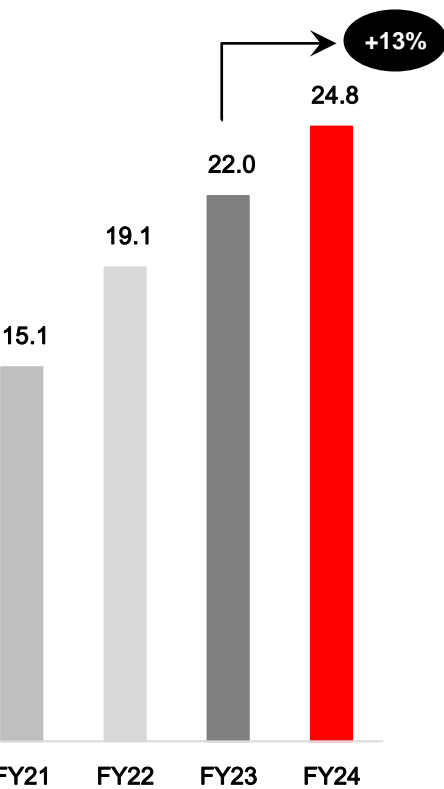
NPL Ratio	2.5%	1.6%
NPL Cover	104%	139%
Tier 1/CET 1 Ratio	15.3%	15.3%
Capital Adequacy Ratio (CAR)	16.1%	16.2%

Sustained profitability amidst a challenging environment

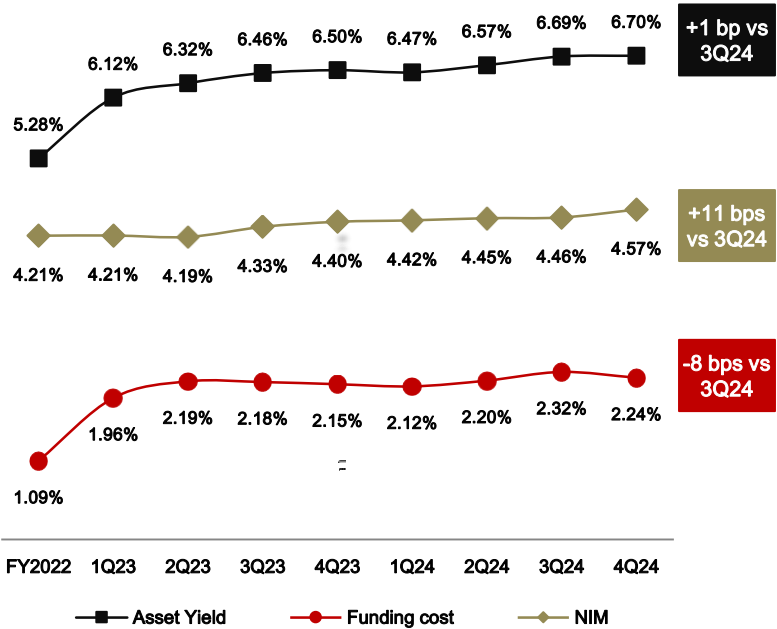
Quarterly Net Income (In PHP Bn)



Annual Net Income (In PHP Bn)

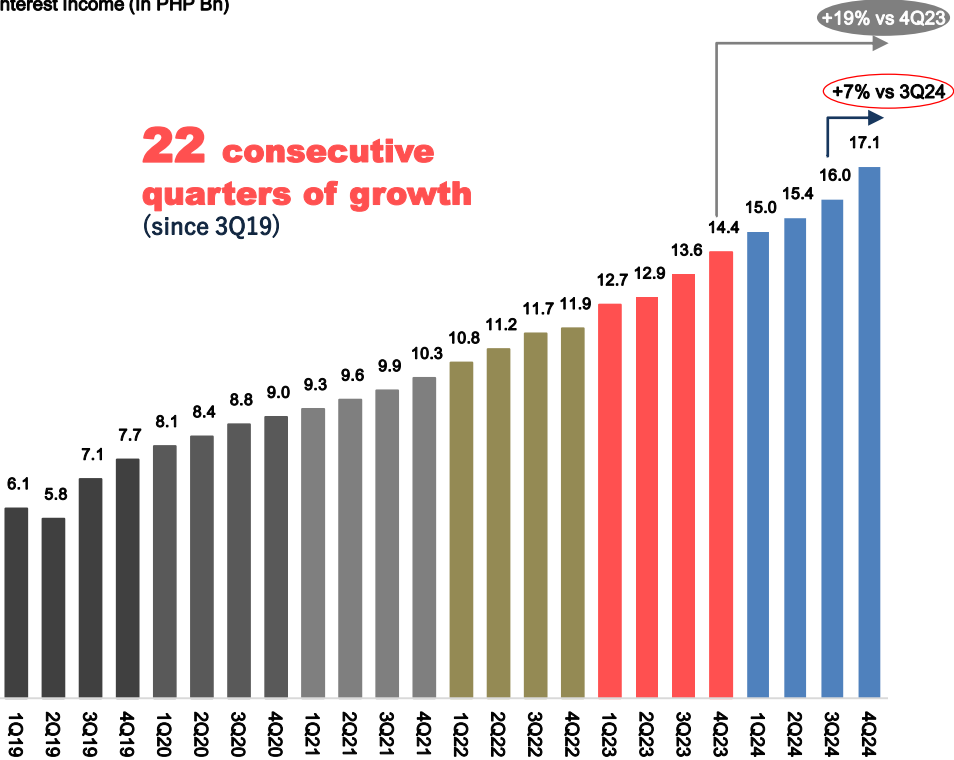


NIM stabilizes above 4%



Net interest income continues to grow Q-on-Q

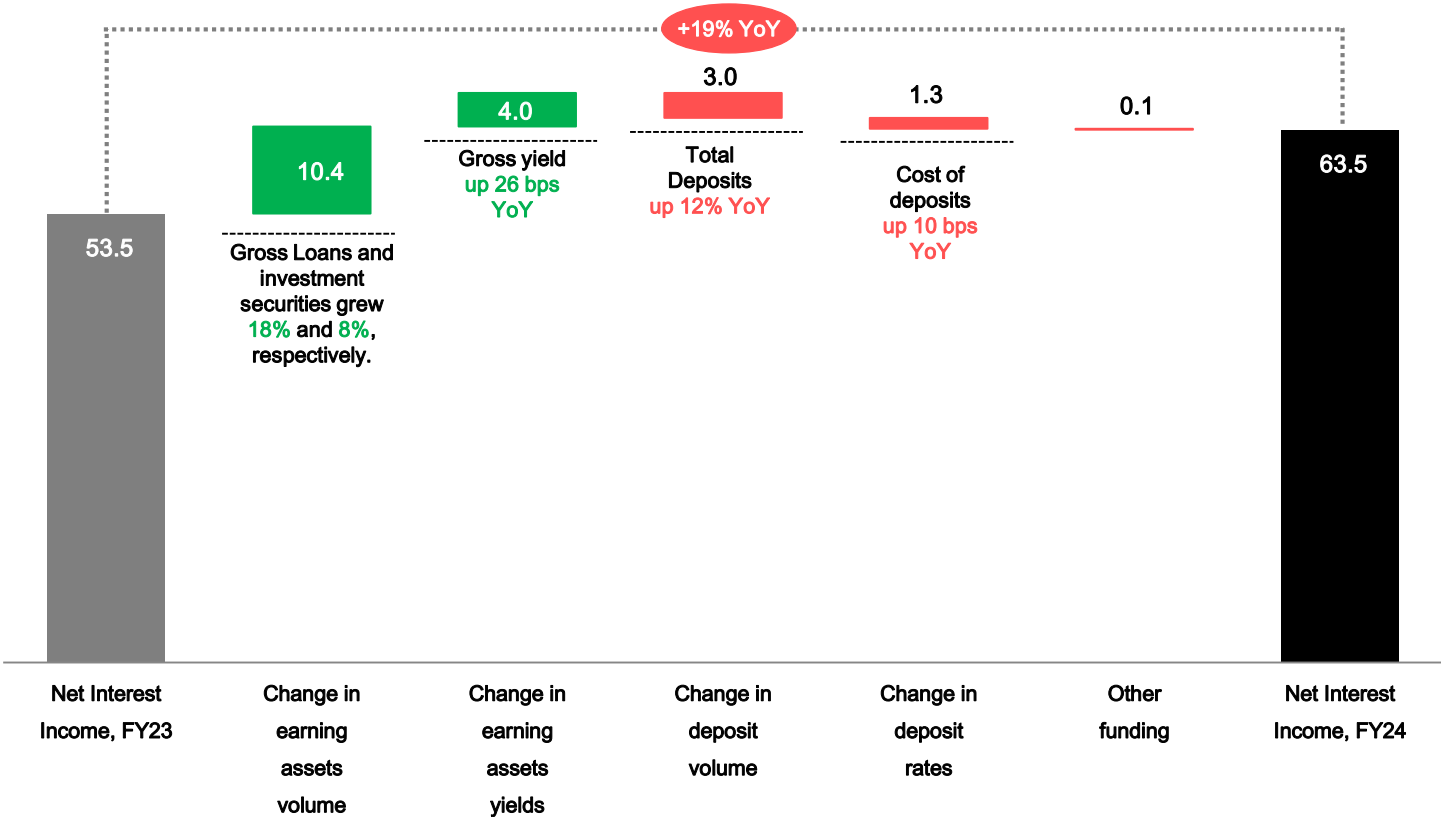
Net Interest Income (In PHP Bn)



Resilient NII despite pressure on funding costs

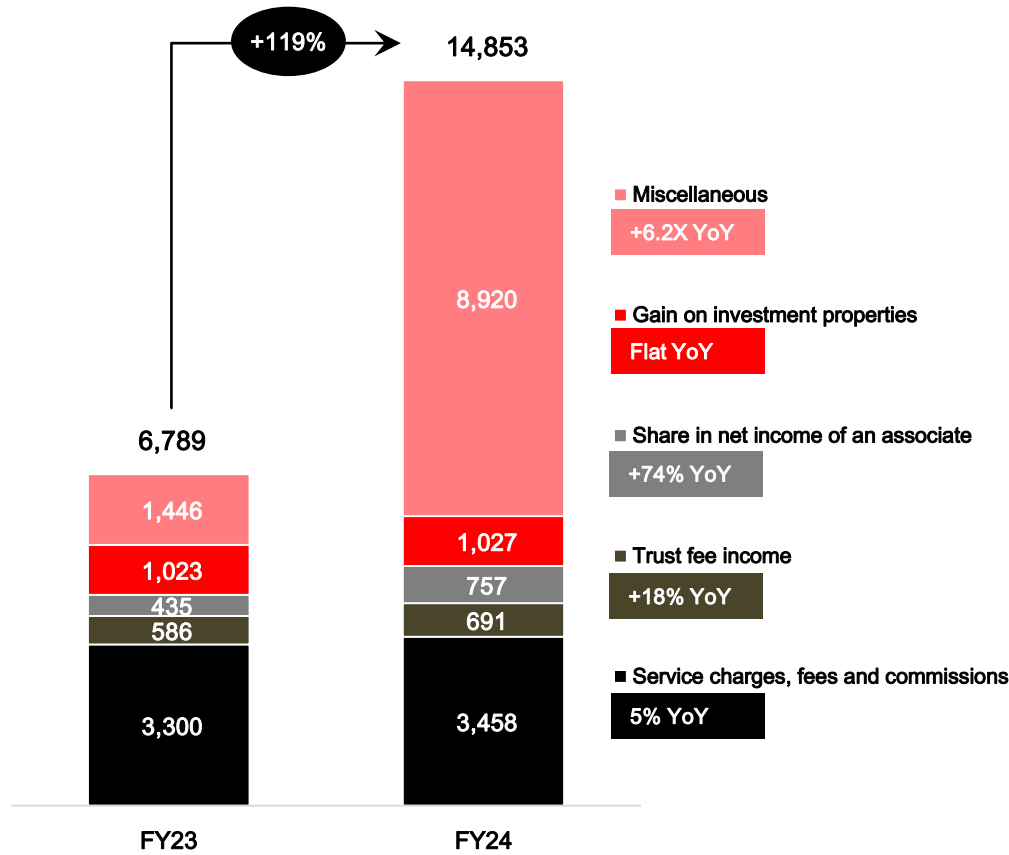
Net interest income continues to grow

Net Interest Income (In PHP Bn)



Core fee-based income remains strong

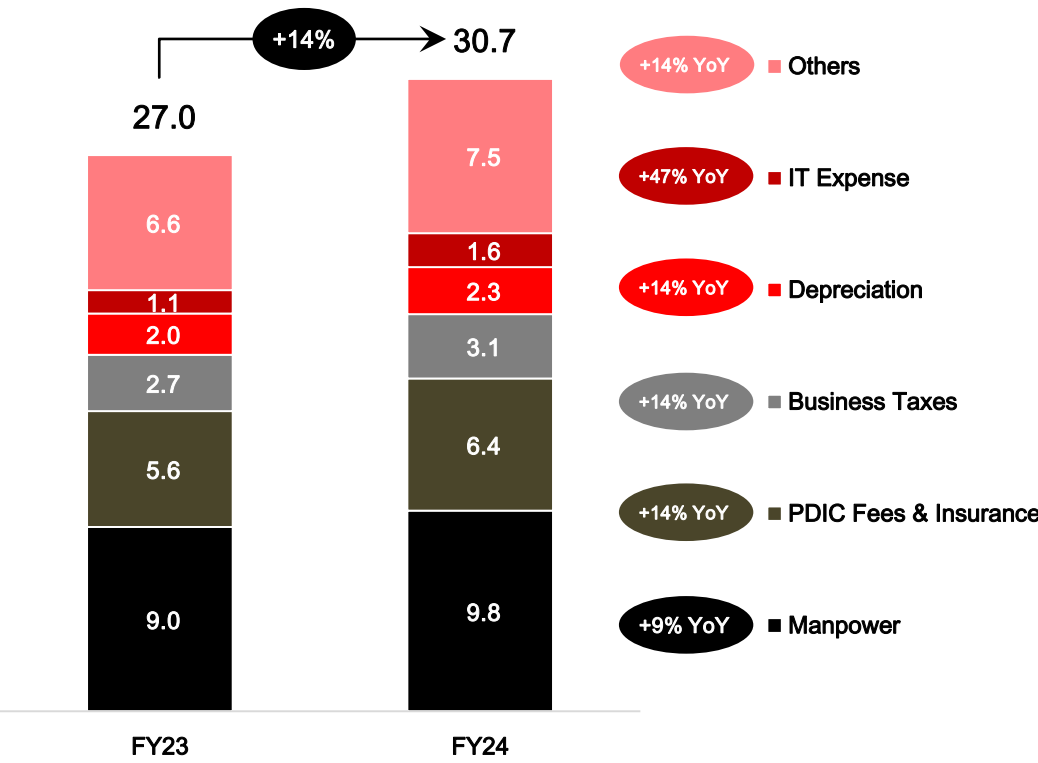
Fee-based Income, ex trading and FX losses (In PHP Mn)



- ✓ Core fee income continues to grow on higher deposits, Trust and transaction-based income
- ✓ Share in net income of bancassurance JV grew 74% YoY due to higher management fees and timing difference in booking of insurance reserves

Demonstrated strategic cost efficiency

Operating Expenses ex provisions (in PHP Bn)

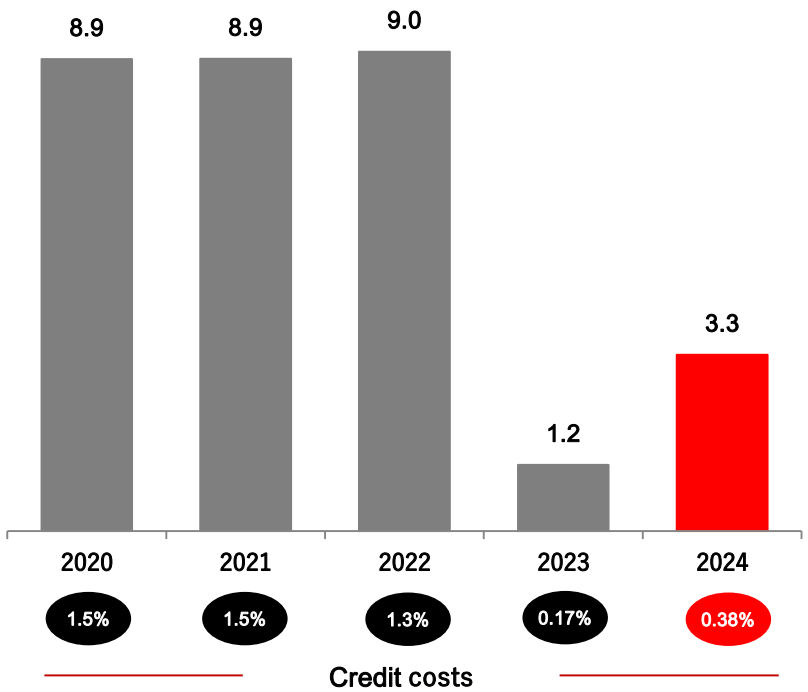


- ✓ Volume-related taxes higher due to bigger deposit balances and higher gross revenues
- ✓ IT expense grew 47% YoY on sustained investments in technology and infrastructure

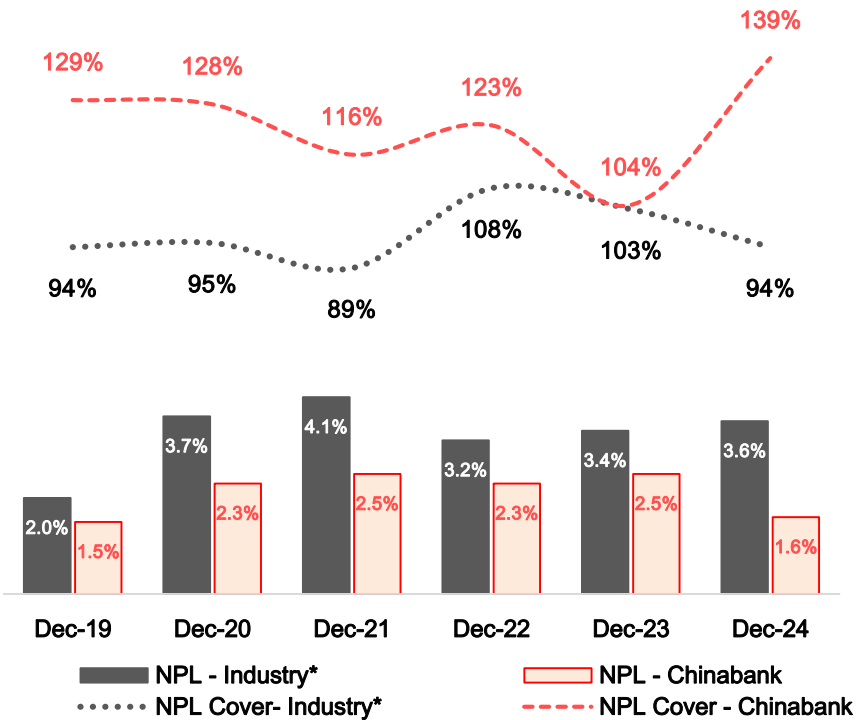
Improving asset quality and sufficient NPL cover

Taking a more proactive stance against portfolio risks

Provisions (In PHP Bn)



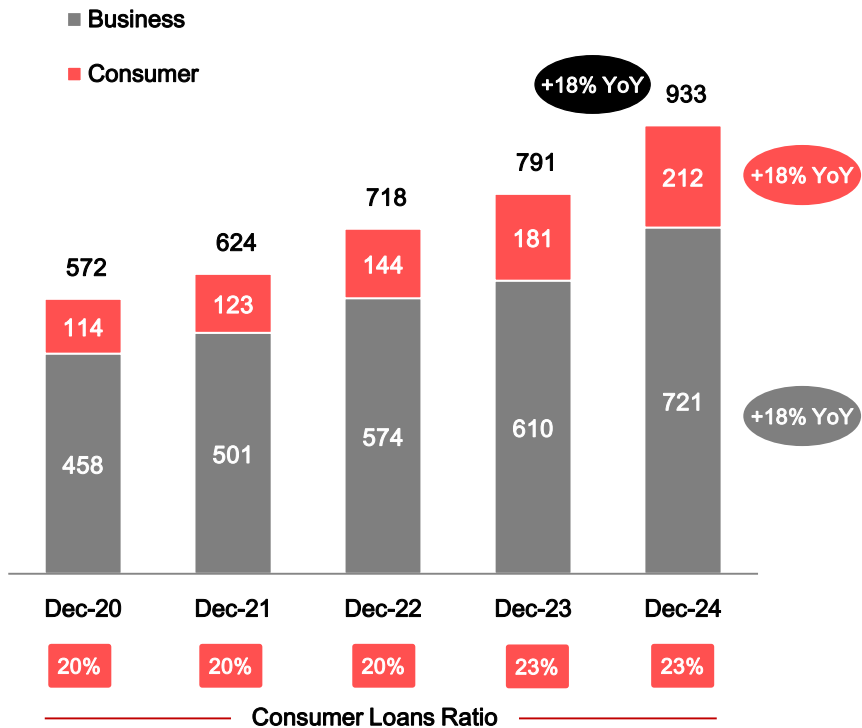
NPL ratio has improved; NPL cover more than adequate



*BSP data (UKB + TB), as of Nov 2024

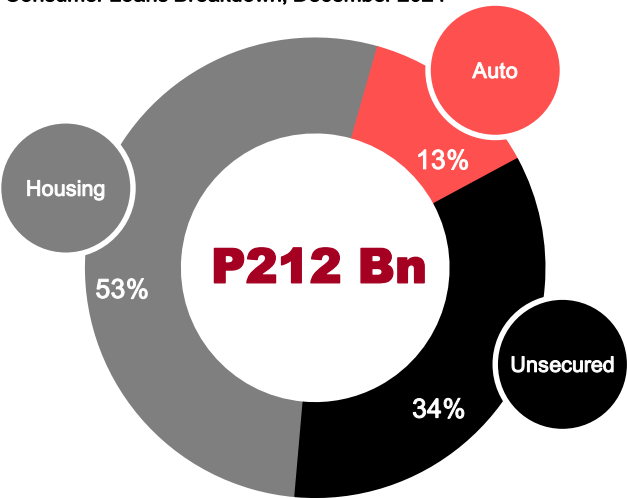
Continued expansion in both consumer and business segments

Gross Loans (In PHP Bn)



Well-secured consumer lending portfolio

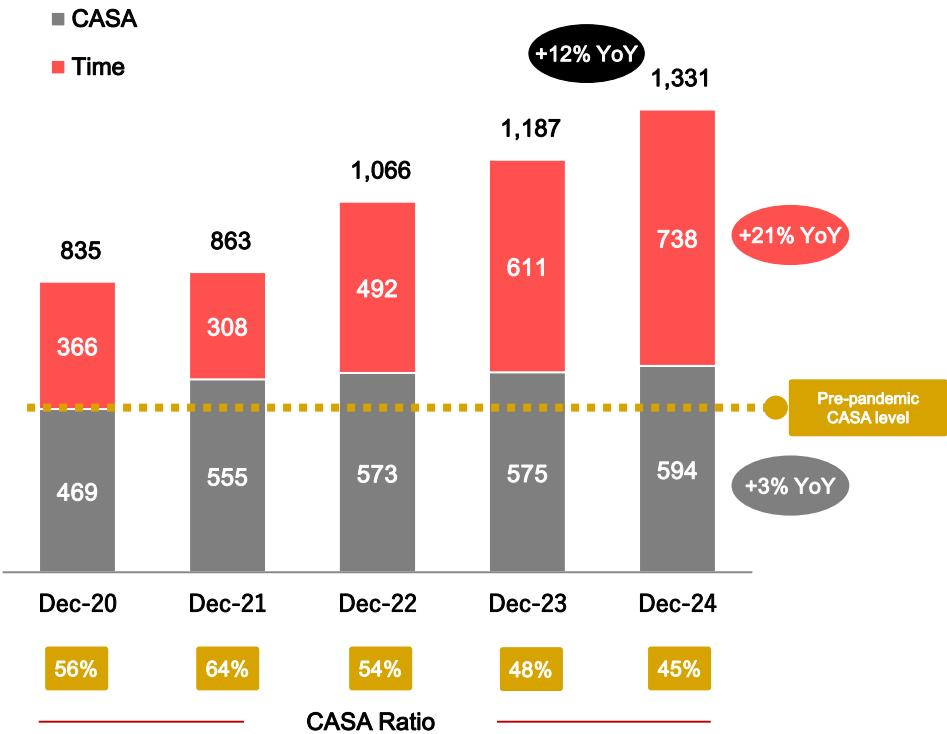
Consumer Loans Breakdown, December 2024



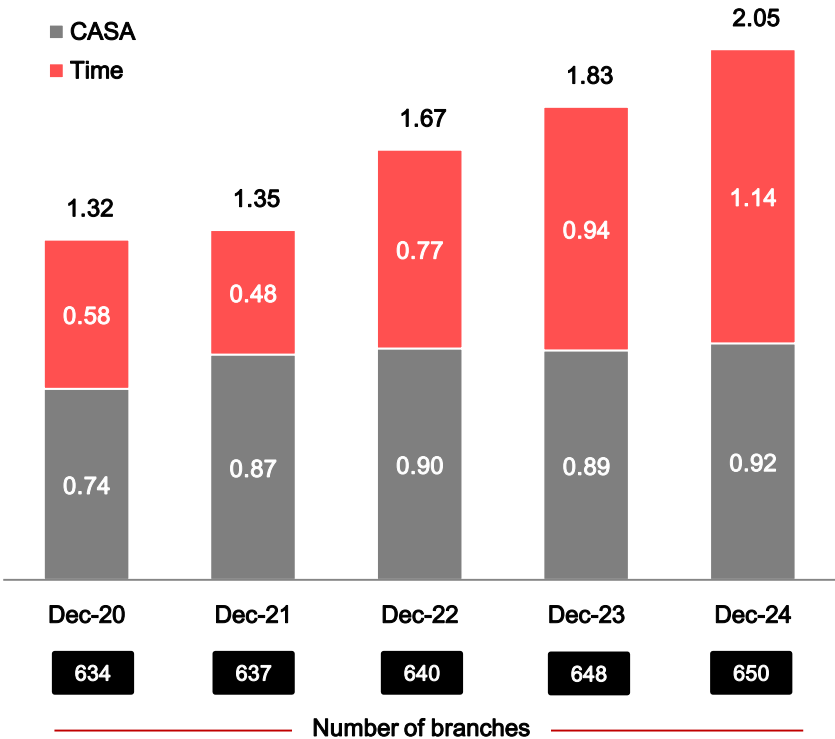
NPL Ratio per Segment	Dec 2024	Dec 2023
Business Loans	1.2%	2.5%
Consumer Lending:	2.7%	2.8%
Housing	3.0%	3.3%
Auto	2.4%	2.0%
Unsecured	2.5%	2.3%
Total	1.6%	2.5%

CASA inched up and still above pre-pandemic level

Deposits (In PHP Bn)

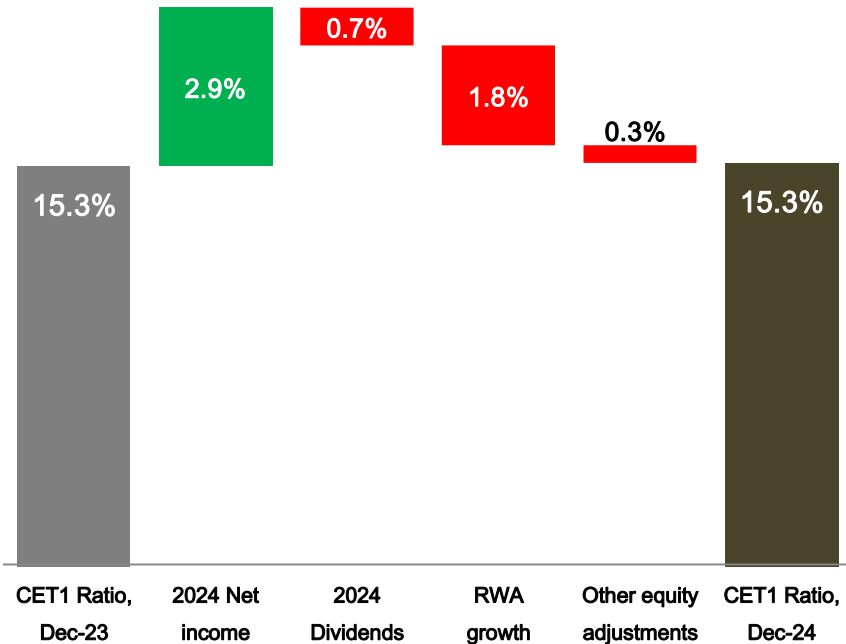
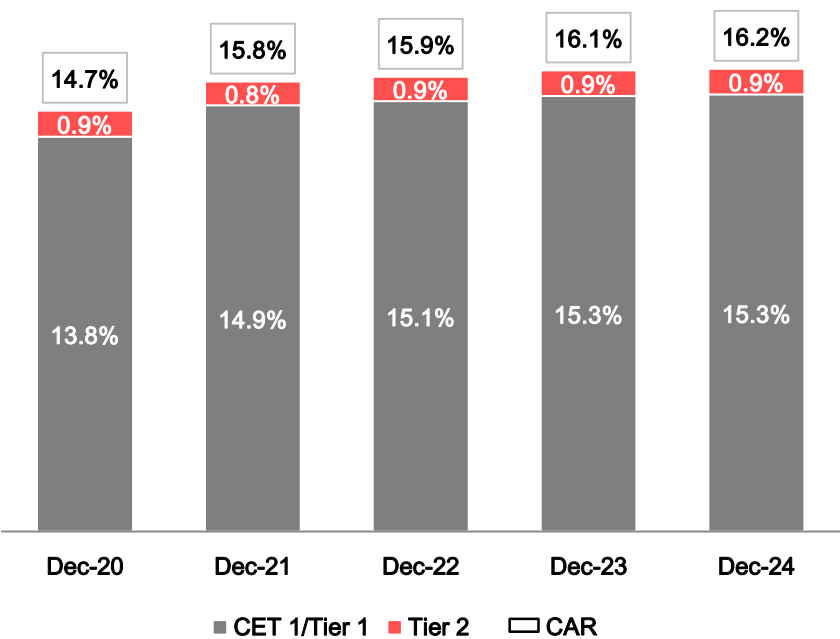


Deposits per branch (In PHP Bn)

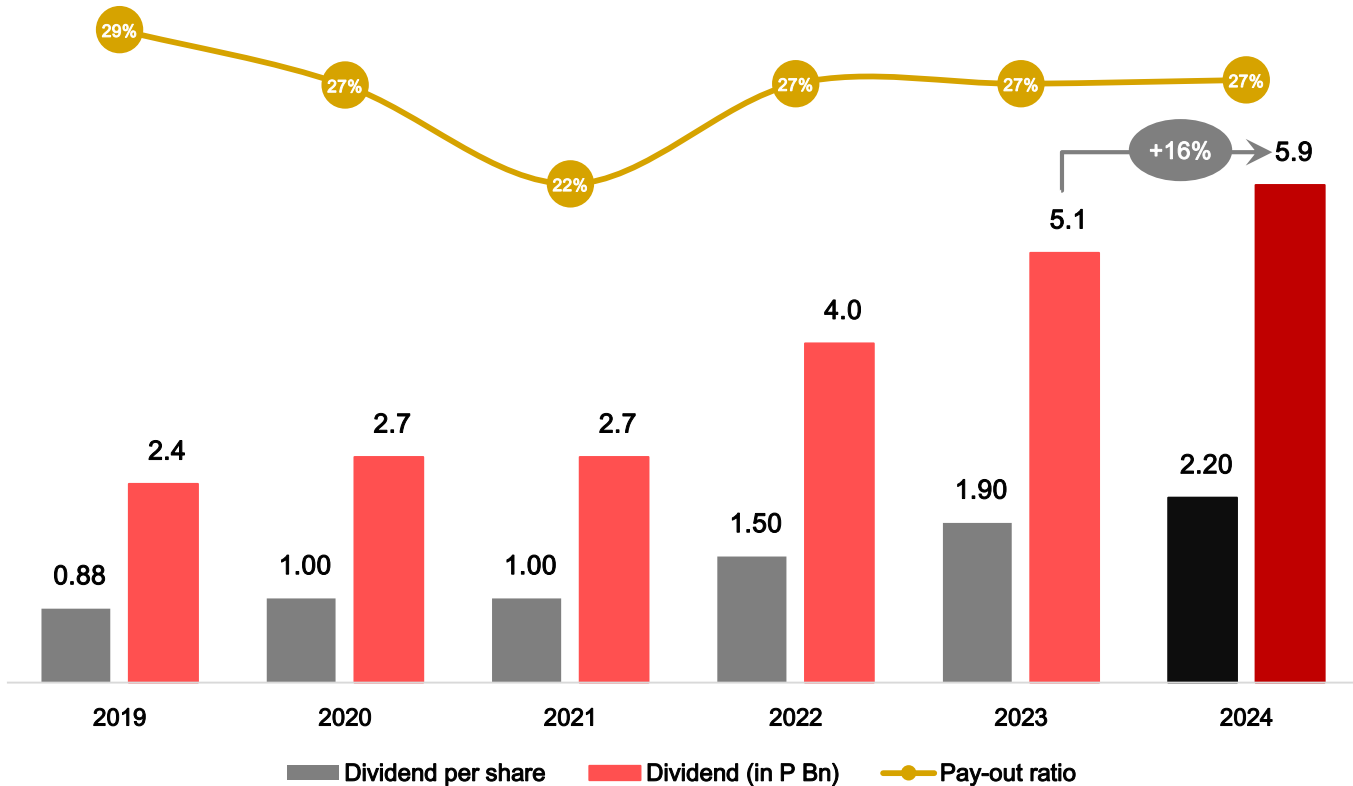


Enough capital buffer:

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



Increasing dividend payments to Shareholders



Expanded Business Relationships

- ✓ Encouraged clients to access both sides of the balance sheet;
- ✓ Identified opportunities to cross-sell additional products or services

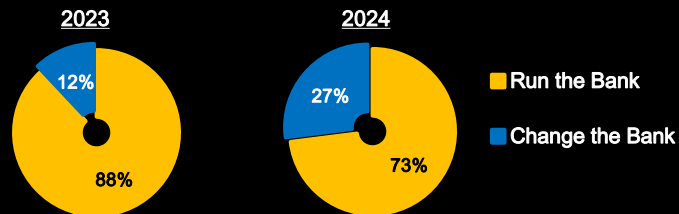
Increased contributions from ancillary businesses

+18% *Trust Fees*

+21% *Bancassurance Commissions*

Increased digital investments

IT expenses now comprise **≈7% of OPEX**



Strengthened Management Team

- ✓ Strategically recruited experienced professionals with strong expertise in their fields
- ✓ Average of **30+ years** banking experience

In summary, Chinabank continues to be..



		2022	2023	2024
Profitable	Return on Equity	15.1%	15.5%	15.6%
	Return on Assets	1.6%	1.6%	1.6%
Adequately-capitalized	CET 1/Tier 1 Ratio	15.1%	15.3%	15.3%
	Capital Adequacy Ratio	15.9%	16.1%	16.2%
Well-managed	NPL Ratio	2.3%	2.5%	1.6%
	NPL Cover	123%	104%	139%

Q & A

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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 - 2024

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

2024. Launched a brand refresh program. Changed ticker symbol to **"CBC"**.



Extensive Distribution Channels*



650
Branches



1,081
ATMs



11,350
Employees

Subsidiaries & Affiliates



Investment Grade Credit Rating



Best in Corporate Governance



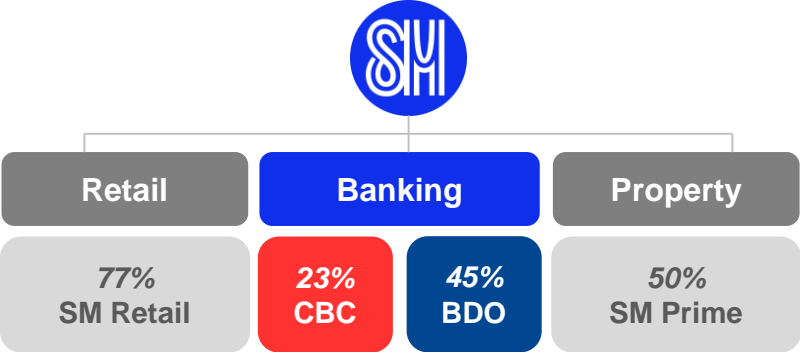
Five Golden-Arrow Recognition, the highest corporate governance award given by the **Institute of Corporate Directors (ICD)**.

*As of December 31, 2024

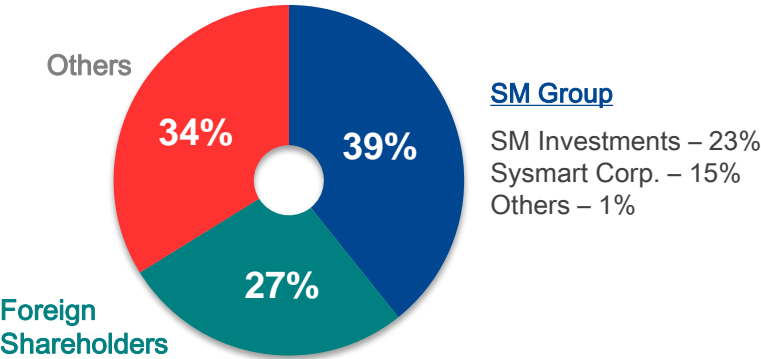
SM Group: Strong Support & Synergies

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

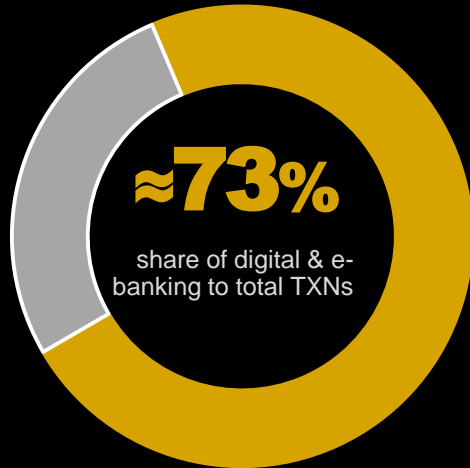
1 Access to the SM Group's ecosystem of merchants, suppliers and contractors to promote the Bank's products

2 **55 branches** and **148 ATMs** in SM Group's shopping malls, SaveMore, CityMall and Alfamart locations

Digital Banking

FY 2024 vs FY 2023

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



+30%
Digital TXNs
year-on-year

+20%
O/S Active Users
year-on-year


+23%
O/S Enrollments
year-on-year

+30%
Digital Gross TXN
Value
year-on-year



Awards & Achievements





Best Credit Card for Travelers in the Philippines,

Chinabank Destinations Mastercard

2024



Best Home Loan Financing in the Philippines

Chinabank HomePlus

2024



Suntrust P25 Bn Project Finance Facility

Debt Deal of the Year - Philippines

2024



Repower Energy Development Corporation IPO

IPO Deal of the Year - Philippines

2024



Best Managed Fund for Bond Long-Term Dollar Category

2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017



Cesar E.A. Virata Award (Bank Category)

2024



Top Brokering Participant for Retail Transactions

2024, 2023



Top Fixed-Income Dealing Participant

2024



Top Corporate Issue Manager/Arranger (Investment House Category)

2024



Best Bond Adviser (Domestic)

2024



Best IPO - Repower Energy Development Corporation

2024



Best Equity Deal - ACEN Corp.'s P25 Bn Preferred Shares Offering

2024

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 CBC since 2014
- Over 30 years of banking experience



Patrick D. Cheng
EVP and Chief Finance Officer

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



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

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



Magnolia Luisa N. Palanca
EVP, Head - Financial Markets

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



Gerardo Susmerano
EVP, Co-Head – Retail Banking

- With CBC since 2024
- Over 30 years of banking experience



Stephen Y. Tan
EVP and Co-Head – Retail Banking

- With CBC since 2007
- Over 30 years of banking experience



Lilian Yu
EVP, Head – Institutional Banking

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



Ananias S. Cornelio III
SVP and Chief Risk Officer

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



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

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



Christopher Ma. Carmelo Y. Salazar
SVP and Treasurer

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



Jeruel N. Lobien
SVP and Chief Audit Executive

- With CBC since 2023
- Over 15 years of banking experience



Atty. Aileen Paulette De Jesus
FVP and Chief Compliance Officer

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

TRADING INFORMATION

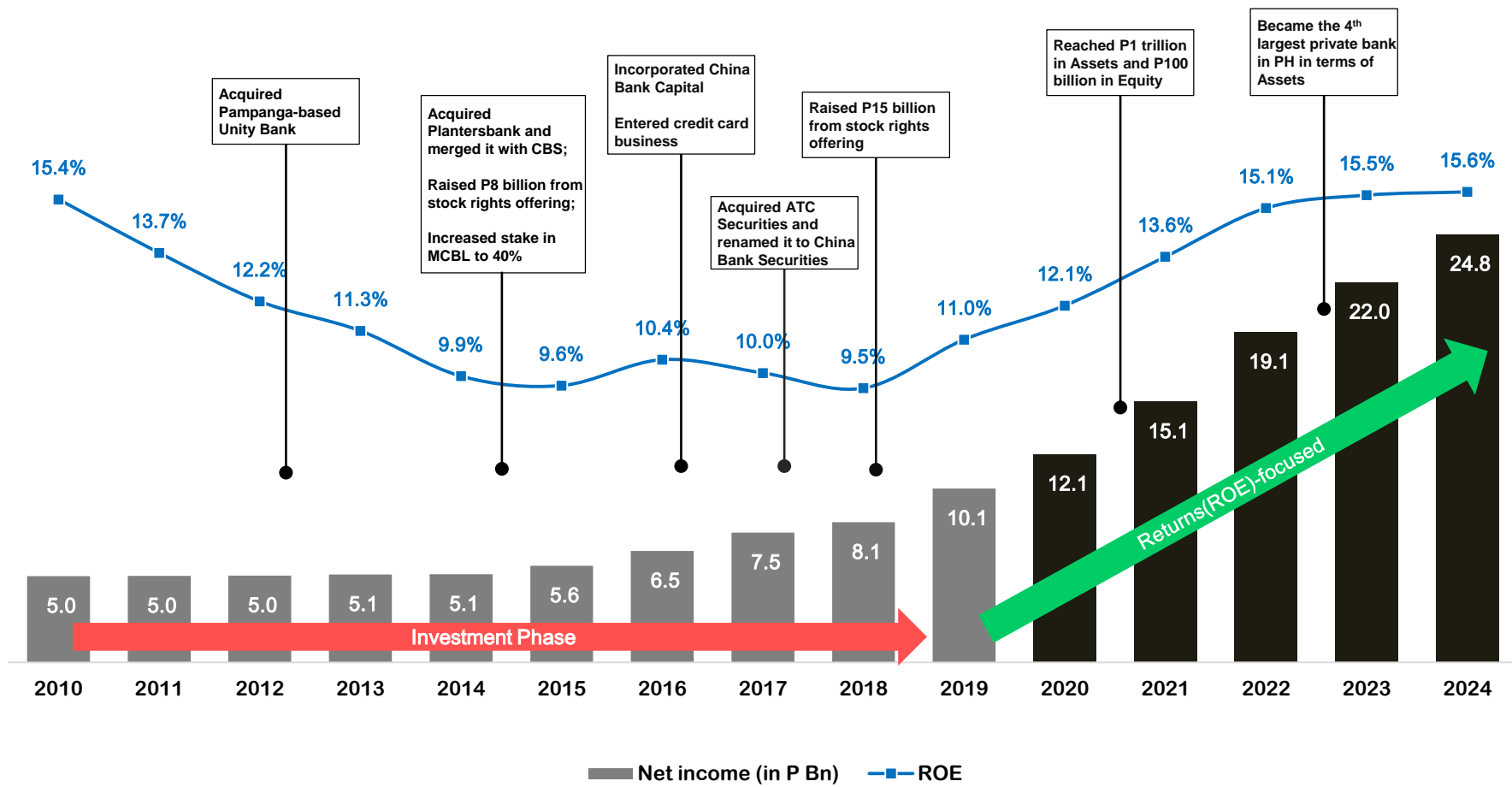
Ticker (Bloomberg Reuters)	CBC PM CBC.PS
Par value (PHP)	10.00
Outstanding shares	2,691,343,012
Stock price as of February 25, 2025	86.80
52-week range (Low High)	34.10 93.00
Market Cap in PHP Mn	233,609
Market Cap in USD Mn	4,037
Public float as of Dec 31, 2024	57.65%
Foreign ownership as of Dec 31, 2024	27.31%

MARKET VALUATION

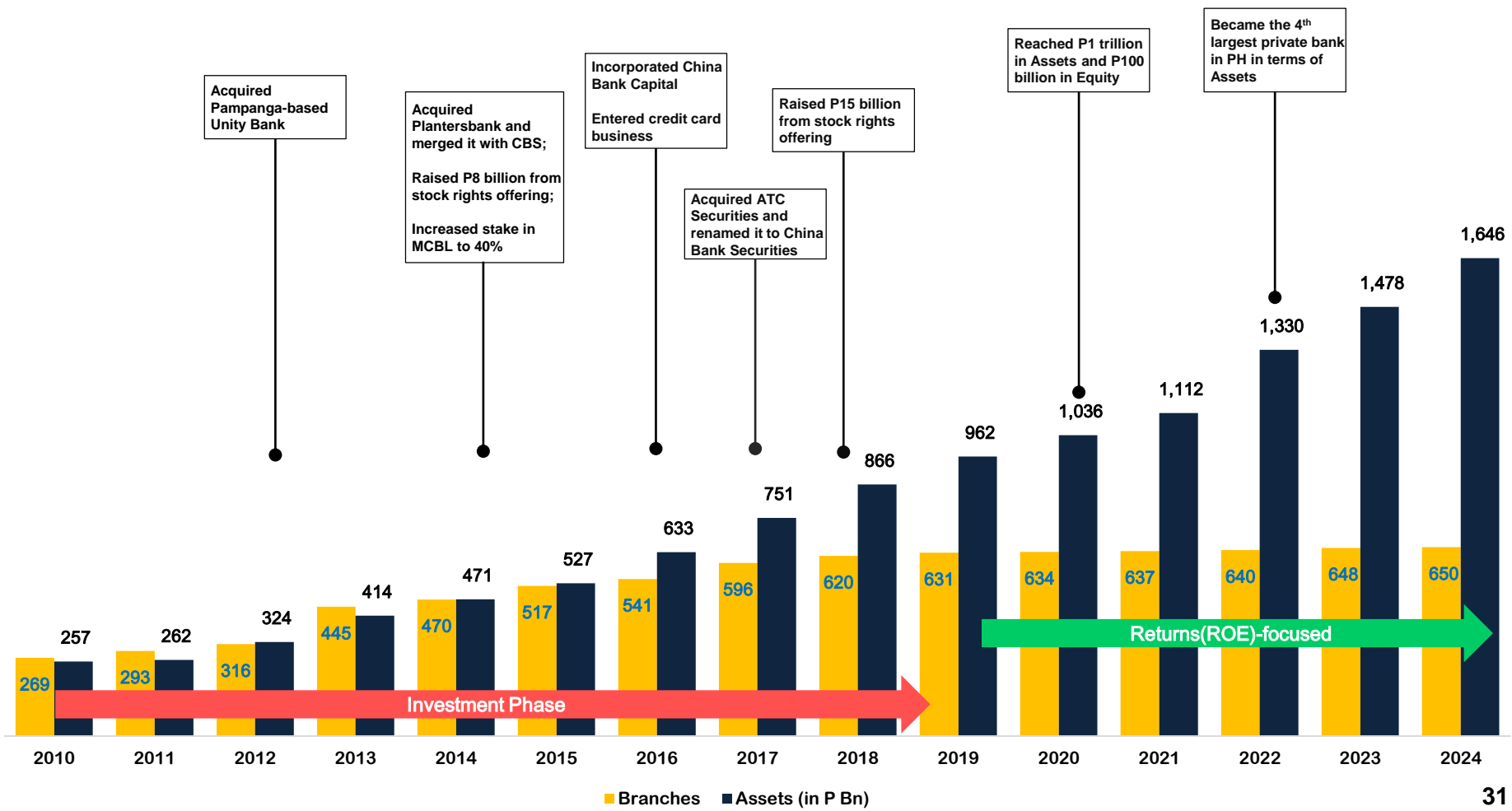
	<u>Dec-22</u>	<u>Dec-23</u>	<u>Dec-24</u>
Book value per share	50.0	55.8	62.6
Earnings per share	7.1	8.2	9.2
Price to book (x)*	0.5	0.6	1.4
Price to earnings (x)*	3.9	4.2	9.4
Dividend per share	1.50	1.90	2.20
Dividend yield*	5.6%	6.2%	2.5%

** based on February 25, 2025 stock price*

Profitability significantly improved since 2019



Focus on optimizing branches in the last 5 years



Historical Financial Highlights



BALANCE SHEETS In Php billions, except %	Dec 2019	Dec 2020	Dec 2021	Dec 2022	Dec 2023	Dec 2024	Dec 24 vs Dec 23
Liquid Assets	144	205	188	178	155	134	(14%)
Investment Securities	213	236	279	412	505	543	8%
Net Loans	569	557	609	700	772	915	19%
Other Assets	37	38	36	40	46	54	18%
TOTAL ASSETS	962	1,036	1,112	1,330	1,478	1,646	11%
Deposits	775	835	863	1,066	1,187	1,331	12%
<i>CASA</i>	<i>412</i>	<i>469</i>	<i>555</i>	<i>573</i>	<i>575</i>	<i>594</i>	<i>3%</i>
<i>Time Deposits</i>	<i>364</i>	<i>366</i>	<i>308</i>	<i>492</i>	<i>611</i>	<i>738</i>	<i>21%</i>
Bills and Bonds Payable	71	76	108	99	105	112	7%
Other Liabilities	20	20	22	31	36	34	-6%
TOTAL LIABILITIES	866	931	993	1,195	1,328	1,478	11%
TOTAL EQUITY	96	105	119	135	150	169	12%
TOTAL EQUITY AND LIABILITIES	962	1,036	1,112	1,330	1,478	1,646	11%
NPL Ratio	1.5%	2.3%	2.5%	2.3%	2.5%	1.6%	
NPL Cover	129%	128%	116%	123%	104%	139%	
Tier 1/CET 1 Ratio	12.8%	13.8%	14.9%	15.1%	15.3%	15.3%	
Capital Adequacy Ratio (CAR)	13.7%	14.7%	15.8%	15.9%	16.1%	16.2%	

Historical Financial Highlights

INCOME STATEMENTS In Php billions, except %	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY24 vs FY23
Interest income	47.7	47.7	46.5	57.2	79.4	93.8	18%
Interest expense	(21.6)	(13.3)	(7.4)	(11.6)	(25.8)	(30.2)	17%
Net interest income	26.1	34.4	39.1	45.6	53.5	63.5	19%
Fee-based income	8.4	9.5	9.6	10.1	0.6	2.0	246%
Total revenue	34.5	43.9	48.7	55.7	54.1	65.5	21%
Operating expenses	(20.3)	(21.5)	(22.3)	(24.4)	(27.0)	(30.7)	14%
Income before provisions and taxes	14.2	22.3	26.3	31.3	27.1	34.7	28%
Provision for impairment and credit losses	(2.6)	(8.9)	(8.9)	(9.0)	(1.2)	(3.3)	166%
Income before income tax	11.6	13.5	17.5	22.3	25.8	31.4	22%
Provision for income tax	(1.5)	(1.4)	(2.4)	(3.1)	(3.8)	(6.6)	75%
Net income	10.1	12.1	15.1	19.1	22.0	24.8	13%
Return on Equity	11.0%	12.1%	13.6%	15.1%	15.5%	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%	4.5%	
Cost-to-income ratio	59%	49%	46%	44%	50%	47%	

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INVESTOR RELATIONS:

28th Floor, BDO Equitable Tower
8751 Paseo de Roxas Street,
Makati City

Phone: (632) 8 885 5609
E-mail: investor-relations@chinabank.ph
Website: www.chinabank.ph

INVESTOR RELATIONS CONTACT:

Gerald O. Florentino, Investor Relations Head
(GOFlorentino@chinabank.ph)

Victorina Jane N. Quisido, Investor Relations Officer
(VJNQuisido@chinabank.ph)

Thank You!

