

February 3, 2017

MR. JOSE VALERIANO B. ZUÑO III
OIC - Disclosure Department
Philippine Stock Exchange, Inc.
3/F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Dear Mr. Zuño,

We are pleased to furnish your good office with a copy of China Banking Corporation's Balance Sheets as of December 31, 2016.

Thank you.

Very truly yours,



Alexander C. Escucha
Senior Vice President
Corporate Information Officer

CHINA BANKING CORPORATION

8745 Paseo de Roxas corner Villar St., Makati City

BALANCE SHEET
(Head Office and Branches)
As of December 31, 2016

ASSETS		Current Quarter	Previous Quarter
Cash and Cash Items	P	10,654,465,653.43	6,773,806,191.19
Due from Bangko Sentral ng Pilipinas		85,132,577,403.42	68,736,181,081.16
Due from Other Banks		8,370,130,028.46	12,041,571,921.71
Financial Assets at Fair Value through Profit or Loss		7,232,882,111.93	7,519,102,545.64
Available-for-Sale Financial Assets-Net		31,134,344,714.01	38,174,344,714.01
Held-to-Maturity (HTM) Financial Assets-Net		54,069,021,381.22	39,914,245,355.16
Unquoted Debt Securities Classified as Loans-Net		3,979,528,012.26	2,447,081,765.72
Investments in Non-Marketable Equity Security-Net		19,412,705.00	19,412,705.00
Loans and Receivables - Net		327,323,330,683.82	288,443,339,586.87
Loans to Bangko Sentral ng Pilipinas		0.00	0.00
Interbank Loans Receivable		0.00	0.00
Loans and Receivables - Others		327,878,800,844.77	288,573,368,599.78
Loans and Receivables Arising from RA/CA/PR/SLB		2,958,465,090.00	3,596,821,503.00
General Loan Loss Provision		3,513,935,250.95	3,726,850,515.91
Other Financial Assets		2,884,257,235.70	2,626,494,948.36
Equity Investment in Subsidiaries, Associates and Joint Ventures-Net		9,237,084,376.75	7,802,457,836.08
Bank Premises, Furniture, Fixture and Equipment-Net		4,048,791,140.31	3,937,139,730.65
Real and Other Properties Acquired-Net		605,714,944.52	649,835,075.56
Non-Current Assets Held for Sale		0.00	0.00
Other Assets-Net		8,176,861,768.50	8,927,576,458.80
TOTAL ASSETS	P	552,868,394,721.56	488,012,589,915.91
LIABILITIES			
Financial Liabilities at Fair Value through Profit or Loss	P	243,197,538.60	398,148,940.19
Deposit Liabilities		469,735,449,681.27	403,642,676,860.63
Due to Other Banks		2,998,469.44	4,648,775.27
Bills Payable		16,954,998,212.93	18,116,947,156.22
a) BSP (Rediscounting and Other Advances)		0.00	0.00
b) Interbank Loans Payable		8,882,216,584.67	9,942,754,669.62
c) Other Deposit Substitute		8,072,781,628.26	8,174,192,486.60
d) Others		0.00	0.00
Bonds Payable-Net		0.00	0.00
Unsecured Subordinated Debt-Net		0.00	0.00
Redeemable Preferred Shares		0.00	0.00
Special Time Deposit		0.00	0.00
Due to Bangko Sentral ng Pilipinas		0.00	0.00
Other Financial Liabilities		4,033,899,409.94	2,697,080,272.29
Other Liabilities		4,489,078,178.85	5,224,741,517.42
TOTAL LIABILITIES	P	495,459,621,491.03	430,084,243,522.02
STOCKHOLDERS' EQUITY			
Capital Stock	P	27,007,842,663.62	27,007,842,663.62
Other Capital Accounts		-1,216,807,469.09	5,138,222,889.86
Retained Earnings		31,617,738,036.00	25,782,280,840.41
Assigned Capital		0.00	0.00
TOTAL STOCKHOLDERS' EQUITY		57,408,773,230.53	57,928,346,393.89
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	P	552,868,394,721.56	488,012,589,915.91
CONTINGENT ACCOUNTS			
Guarantees Issued	P	0.00	0.00
Financial Standby Letters of Credit		0.00	0.00
Performance Standby Letters of Credit		13,765,309,606.95	13,958,327,920.68
Commercial Letters of Credit		4,035,895,575.98	4,513,447,167.75
Trade Related Guarantees		1,140,440,118.23	1,010,816,868.81
Commitments		8,883,195,819.53	8,735,848,046.67
Spot Foreign Exchange Contracts		968,426,931.80	1,797,019,603.50
Securities Held Under Custodianship by Bank Proper		0.00	0.00
Trust Department Accounts		102,734,390,017.30	96,836,038,853.58
a) Trust and Other Fiduciary Accounts		52,529,690,341.45	50,233,372,524.66
b) Agency Accounts		50,204,699,675.85	46,602,666,328.92
c) Advisory/Consultancy		0.00	0.00
Derivatives		31,013,559,974.37	29,803,925,159.34
Others		4,024,414,391.10	3,736,200,978.11
TOTAL CONTINGENT ACCOUNTS	P	166,565,632,435.26	160,391,624,598.44
ADDITIONAL INFORMATION			
Gross total loan portfolio (TLP)	P	333,146,862,312.19	294,850,033,923.11
Specific allowance for credit losses on the TLP		2,309,596,377.42	2,679,843,820.33
Non-Performing Loans (NPLs)			
a. Gross NPLs	P	3,728,985,069.67	4,609,661,975.35
b. Ratio of gross NPLs to gross TLP (%)		1.12	1.56
c. Net NPLs	P	1,419,388,692.25	1,929,818,154.99
d. Ratio of Net NPLs to gross TLP (%)		0.43	0.65
Classified Loans & Other Risk Assets, gross of allowance for credit losses	P	13,491,147,877.52	13,726,884,623.81
DOSRI Loans and receivables, gross of allowance for credit losses		6,727,819,328.72	4,919,374,849.24
Ratio of DOSRI loans and receivables, gross of allowance for credit losses, to gross TLP (%)		2.02	1.67
Gross non-performing DOSRI loans and receivables	P	1,100.81	0.00
Ratio of gross non-performing DOSRI loans and receivables to TLP (%)		0.00	0.00
Percent Compliance with Magna Carta (%)			
a. 8% for Micro and Small Enterprises		4.22	5.88
b. 2% for Medium Enterprises		10.51	9.69
Return on Equity (ROE) (%)		10.25	10.25
Capital Adequacy Ratio (CAR) on Solo Basis, as prescribed under existing regulations			
a. Total CAR (%)		12.48	14.20
b. Tier 1 Ratio (%)		11.56	13.28
c. Common Equity Tier 1 Ratio (%) ^{1/}		11.56	13.28
Deferred Charges not yet Written Down		0.00	0.00
Unbooked Allowance for Credit Losses on Financial Instruments Received		0.00	0.00
^{1/} Common Equity Tier 1 is only applicable to all Universal and Commercial Banks and their subsidiary banks.			

Republic of the Philippines } S. S.
Makati City

We, DELIA MARQUEZ and RICARDO R. CHUA of the above-mentioned bank, do solemnly swear that all matters set forth in the above Balance Sheet are true and correct to the best of our knowledge and belief.

(Sgd.) DELIA MARQUEZ
First Vice President

(Sgd.) RICARDO R. CHUA
President & CEO

SUBSCRIBED AND SWORN to before me this January 27, 2017 at Makati City, affiants exhibiting their Social Security System Numbers 03-7205726-0 and 03-2416389-8, respectively.

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(Sgd.) BELENETTE Y. CHING-TAN
Notary Public for Makati City
Appt No. M-327 until 31 December 2017
4/F Philcom Building,
8755 Paseo de Roxas, Makati City
PTR No. 5913648; 01.04.17; Makati City
IBP No. 1055834; 01.04.17; Makati City
Roll of Attorney's No. 37110

CONSOLIDATED BALANCE SHEET
(Bank and Financial Subsidiaries)
As of December 31, 2016

ASSETS		Current Quarter	Previous Quarter
Cash and Cash Items	P	11,989,944,093.74	7,855,233,118.38
Due from Bangko Sentral ng Pilipinas		91,789,944,086.51	74,473,765,044.81
Due from Other Banks		10,013,201,161.75	13,754,510,904.50
Financial Assets at Fair Value through Profit or Loss		7,703,899,060.52	7,942,076,879.98
Available-for-Sale Financial Assets-Net		33,673,056,132.55	41,010,360,923.75
Held-to-Maturity (HTM) Financial Assets-Net		57,404,843,944.51	42,456,564,313.15
Unquoted Debt Securities Classified as Loans-Net		4,082,568,802.02	2,550,150,810.52
Investments in Non-Marketable Equity Security-Net		28,345,603.54	28,345,603.54
Loans and Receivables - Net		383,711,289,768.47	344,504,431,411.96
Loans to Bangko Sentral ng Pilipinas		0.00	0.00
Interbank Loans Receivable		0.00	0.00
Loans and Receivables - Others		384,336,221,092.16	342,347,161,654.61
Loans and Receivables Arising from RA/CA/PR/SLB		3,451,542,605.00	6,408,881,951.00
General Loan Loss Provision		4,076,473,928.69	4,251,612,193.65
Other Financial Assets		3,948,853,059.11	3,671,985,524.29
Equity Investment in Subsidiaries, Associates and Joint Ventures-Net		420,573,012.49	422,617,950.02
Bank Premises, Furniture, Fixture and Equipment-Net		5,400,086,878.01	5,246,718,274.38
Real and Other Properties Acquired-Net		4,298,027,676.88	4,284,379,929.16
Non-Current Assets Held for Sale		274,622,336.45	231,197,280.63
Other Assets-Net		13,275,086,755.78	13,429,891,151.34
TOTAL ASSETS	P	628,014,342,372.33	561,862,229,120.41
LIABILITIES			
Financial Liabilities at Fair Value through Profit or Loss	P	243,197,538.60	398,148,940.19
Deposit Liabilities		540,535,516,221.61	472,917,264,312.41
Due to Other Banks		2,998,469.44	4,648,775.27
Bills Payable		16,954,998,212.93	18,116,947,156.22
a) BSP (Rediscounting and Other Advances)		0.00	0.00
b) Interbank Loans Payable		8,882,216,584.67	9,942,754,669.62
c) Other Deposit Substitute		8,072,781,628.26	8,174,192,486.60
d) Others		0.00	0.00
Bonds Payable-Net		0.00	0.00
Unsecured Subordinated Debt-Net		0.00	0.00
Redeemable Preferred Shares		0.00	0.00
Special Time Deposit		0.00	0.00
Due to Bangko Sentral ng Pilipinas		0.00	0.00
Other Financial Liabilities		5,320,557,328.77	4,343,177,282.78
Other Liabilities		6,870,732,577.72	8,006,199,816.46
TOTAL LIABILITIES	P	569,928,000,349.07	503,786,386,283.32
STOCKHOLDERS' EQUITY			
Capital Stock	P	27,007,842,710.24	27,007,842,710.24
Other Capital Accounts		-1,279,513,157.52	5,361,093,538.68
Retained Earnings		32,341,527,807.75	25,691,629,791.37
Assigned Capital		0.00	0.00
Minority Interest in Subsidiaries		16,484,662.79	15,276,796.81
TOTAL STOCKHOLDERS' EQUITY		58,086,342,023.26	58,075,842,837.10
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	P	628,014,342,372.33	561,862,229,120.41
CONTINGENT ACCOUNTS			
Guarantees Issued	P	0.00	0.00
Financial Standby Letters of Credit		0.00	0.00
Performance Standby Letters of Credit		14,099,794,921.32	14,350,935,019.57
Commercial Letters of Credit		4,035,895,575.98	4,513,447,167.75
Trade Related Guarantees		1,140,440,118.23	1,010,816,868.81
Commitments		12,240,985,225.58	12,575,682,940.02
Spot Foreign Exchange Contracts		968,426,931.80	1,806,713,603.50
Securities Held Under Custodianship by Bank Proper		0.00	0.00
Trust Department Accounts		104,373,741,173.17	99,813,706,216.13
a) Trust and Other Fiduciary Accounts		53,223,974,058.14	50,994,645,059.90
b) Agency Accounts		51,149,767,115.03	48,819,061,156.23
c) Advisory/Consultancy		0.00	0.00
Derivatives		31,013,559,974.37	29,803,925,159.34
Others		4,052,838,657.31	3,744,534,266.04
TOTAL CONTINGENT ACCOUNTS	P	171,925,682,577.76	167,619,761,241.16
ADDITIONAL INFORMATION			
1. List of Financial Allied Subsidiaries (excluding Subsidiary Insurance Companies)			
1 China Bank Savings, Inc.			
2 China Bank Capital Corporation			
2. List of Subsidiary Insurance Companies			
3. Capital Adequacy Ratio (CAR) on Consolidated Basis, as prescribed under existing regulations			
a. Total CAR (%)		12.21	13.32
b. Tier 1 Ratio (%)		11.30	12.40
c. Common Equity Tier 1 Ratio (%) ^{1/}		11.30	12.40
^{1/} Common Equity Tier 1 is only applicable to all Universal and Commercial Banks and their subsidiary banks.			

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Makati City

We, DELIA MARQUEZ and RICARDO R. CHUA of the above-mentioned bank, do solemnly swear that all matters set forth in the above Balance Sheet are true and correct to the best of our knowledge and belief.

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First Vice President

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