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Gentlemen,

We are pleased to furnish your good office with a copy of China Bank's latest news release, "China Bank gets investment grade credit rating from Moody's -- Same level as PH sovereign rating and top three biggest PH banks".

Thank you.

Very truly yours,



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NEWS RELEASE**June 2017**

China Bank gets investment grade credit rating from Moody's

Same level as PH sovereign rating and top three biggest PH banks

Makati City, Philippines – China Banking Corporation (China Bank), the first privately-owned local commercial bank in the Philippines, recently received an investment grade credit rating of Baa2 from Moody's Investors Service (Moody's), one of the leading credit rating agencies. This rating is the same level as the Philippine sovereign rating and at par with the country's top three biggest banks.

"We are immensely gratified to have earned an investment grade credit rating from Moody's," said President and CEO Ricardo R. Chua. "It strongly validates China Bank's institutional and balance sheet strength across key indicators. Asset quality continues to improve while we keep credit costs at low level. Our capital ratios are among the strongest in the industry following the P15-billion stock rights offering last month. China Bank Savings, which turned into full profitability last year, is also expected to accelerate its contribution to the Group's bottom line."

China Bank COO William C. Whang adds: "This will boost our ability to do more deals especially those where counterparties are required to be rated by Moody's or other credit rating agencies."

International credit rating agency Fitch Ratings affirmed the Bank's Long-Term Issuer Default Rating at 'BB+' and its Viability Rating at 'bb+' with Stable outlook early this year, following an upgrade in July 2016.

Moody's says that China Bank's investment credit rating is underpinned by strong support from key shareholders and strong capitalization. Notably, the Bank has maintained very close multi-generational relationships with businesses as a corporate financier, building on a continuing story of growth. Moody's expects broad stability in China Bank's asset quality given the robust operating environment and the relatively low level of leverage in the economy.

Founded in 1920, China Bank is one of the largest private universal banks in the Philippines providing a full range of banking products and services to corporate, commercial, and retail customers through 552 branches to date. It also offers bancassurance and insurance brokerage services through its subsidiaries China Bank Manulife Life Assurance Corporation (MCBLife)

and China Bank Capital Corp., respectively, and a range banking products and services for the retail and SME (small and medium enterprises) markets through China Bank Savings.

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