

07 November 2017

MS. VINA VANESSA S. SALONGA

Head, Issuer Compliance and Disclosure Department
Philippine Dealing & Exchange Corp.
37/F Tower 1, The Enterprise Center
6766 Ayala Avenue cor Paseo de Roxas
Makati City

Dear Ms. Salonga,

We are pleased to furnish your good office with a copy of China Banking Corporation's Balance Sheets as of September 30, 2017.

Thank you.

Very truly yours,



ALEXANDER C. ESCUCHA

Senior Vice President & Head
Investor & Corporate Relations Group

CHINA BANKING CORPORATION

8745 Paseo de Roxas corner Villar Street, Makati City, Philippines
Tel. No. 885-5555 • Fax No. 815-3169 • www.chinabank.

CHINA BANKING CORPORATION

8745 Paseo de Roxas corner Villar St., Makati City

BALANCE SHEET
(Head Office and Branches)
As of September 30, 2017

ASSETS		Current Quarter	Previous Quarter
Cash and Cash Items	P	7,619,698,865.17	7,445,233,764.68
Due from Bangko Sentral ng Pilipinas		91,611,956,470.92	87,546,536,179.89
Due from Other Banks		11,175,648,842.18	11,092,890,096.71
Financial Assets at Fair Value through Profit or Loss		14,228,527,723.02	10,631,302,238.46
Available-for-Sale Financial Assets-Net		31,833,887,577.03	30,575,412,177.34
Held-to-Maturity (HTM) Financial Assets-Net		59,542,141,388.73	59,598,524,815.15
Unquoted Debt Securities Classified as Loans-Net		1,000,040,322.13	1,000,057,909.21
Investments in Non-Marketable Equity Security-Net		12,041,800.00	19,412,705.00
Loans and Receivables - Net		366,246,046,199.66	340,365,593,685.75
Loans to Bangko Sentral ng Pilipinas		0.00	0.00
Interbank Loans Receivable		0.00	0.00
Loans and Receivables - Others		369,676,083,235.53	338,093,015,739.58
Loans and Receivables Arising from RA/CA/PR/SLB		0.00	5,635,850,166.00
General Loan Loss Provision		3,430,037,035.87	3,363,272,219.83
Other Financial Assets		2,919,450,431.36	3,005,378,958.94
Equity Investment in Subsidiaries, Associates and Joint Ventures-Net		9,925,254,011.21	9,929,410,032.62
Bank Premises, Furniture, Fixture and Equipment-Net		4,279,751,952.04	4,233,840,025.76
Real and Other Properties Acquired-Net		467,177,449.28	320,070,700.40
Non-Current Assets Held for Sale		0.00	0.00
Other Assets-Net		6,714,966,309.91	6,380,753,996.65
TOTAL ASSETS	P	607,574,589,342.64	572,344,417,286.56
LIABILITIES			
Financial Liabilities at Fair Value through Profit or Loss	P	89,715,516.81	61,079,065.73
Deposit Liabilities		503,041,475,807.05	477,684,147,036.25
Due to Other Banks		6,532,607.29	21,810,303.94
Bills Payable		20,878,224,542.89	12,363,335,501.05
a) BSP (Rediscounting and Other Advances)		2,000,000,000.00	0.00
b) Interbank Loans Payable		8,112,614,750.00	2,674,910,000.00
c) Other Deposit Substitute		10,765,609,792.89	9,688,425,501.05
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		3,161,586,633.02	3,462,209,452.34
Other Liabilities		4,447,669,724.00	4,611,504,676.38
TOTAL LIABILITIES	P	531,625,204,831.06	498,204,086,035.69
STOCKHOLDERS' EQUITY			
Capital Stock	P	41,955,753,543.47	41,969,890,040.62
Other Capital Accounts		6,231,117,758.92	4,407,883,975.44
Retained Earnings		27,762,513,209.19	27,762,557,234.81
Assigned Capital		0.00	0.00
TOTAL STOCKHOLDERS' EQUITY		75,949,384,511.58	74,140,331,250.87
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	P	607,574,589,342.64	572,344,417,286.56
CONTINGENT ACCOUNTS			
Guarantees Issued	P	0.00	0.00
Financial Standby Letters of Credit		0.00	0.00
Performance Standby Letters of Credit		15,166,394,681.15	15,284,050,493.83
Commercial Letters of Credit		6,055,736,648.42	5,676,448,279.87
Trade Related Guarantees		290,514,443.46	513,268,601.79
Commitments		11,713,364,339.85	9,001,438,195.39
Spot Foreign Exchange Contracts		17,290,136,288.08	10,469,082,517.30
Securities Held Under Custodianship by Bank Proper		0.00	0.00
Trust Department Accounts		113,692,145,005.36	110,528,427,154.59
a) Trust and Other Fiduciary Accounts		57,573,451,214.02	55,182,612,577.31
b) Agency Accounts		56,118,693,791.34	55,345,814,577.28
c) Advisory/Consultancy		0.00	0.00
Derivatives		51,877,268,008.76	28,184,700,506.79
Others		2,582,358,568.24	3,939,475,960.40
TOTAL CONTINGENT ACCOUNTS	P	218,667,917,983.32	183,596,891,709.96
ADDITIONAL INFORMATION			
Gross total loan portfolio (TLP)	P	372,073,819,046.05	346,056,738,479.43
Specific allowance for credit losses on the TLP		2,397,735,810.52	2,327,872,573.85
Non-Performing Loans (NPLs)			
a. Gross NPLs	P	4,034,201,792.60	3,584,955,716.65
b. Ratio of gross NPLs to gross TLP (%)		1.08	1.04
c. Net NPLs	P	1,636,465,982.08	1,257,083,142.80
d. Ratio of Net NPLs to gross TLP (%)		0.44	0.36
e. Ratio of Total Allowance for credit losses to the gross NPLs (%)		144.46	158.75
f. Ratio of specific allowance for credit losses on the gross TLP to gross NPLs (%)		59.44	64.93
Classified Loans & Other Risk Assets, gross of allowance for credit losses	P	12,288,114,290.60	11,898,733,596.46
DOSRI Loans and receivables, gross of allowance for credit losses		14,507,965,712.05	10,511,684,784.92
Ratio of DOSRI loans and receivables, gross of allowance for credit losses, to gross TLP (%)		3.90	3.04
Gross non-performing DOSRI loans and receivables	P	0.00	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		2.35	2.58
b. 2% for Medium Enterprises		5.32	7.02
Return on Equity (ROE) (%)		10.08	10.49
Capital Adequacy Ratio (CAR) on Solo Basis, as prescribed under existing regulations			
a. Total CAR (%)		15.20	16.06
b. Tier 1 Ratio (%)		14.40	15.21
c. Common Equity Tier 1 Ratio (%) ^{1/}		14.40	15.21
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 October 27, 2017 at Makati City, affiants exhibiting their Social Security System Numbers 03-7205726-0 and 03-2416389-8, respectively.

Doc. No. 507
Page No. 103
Book No. 103
Series of 2017

(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; 01.04.2017; Makati City
IBP No. 1055834; 01.04.2017; Makati City
Roll of Attorney's No. 37110

CONSOLIDATED BALANCE SHEET
(Banks and Financial Subsidiaries)
As of September 30, 2017

ASSETS		Current Quarter	Previous Quarter
Cash and Cash Items	P	8,926,757,127.02	8,647,077,106.27
Due from Bangko Sentral ng Pilipinas		98,520,187,284.69	94,358,453,951.53
Due from Other Banks		12,185,841,997.95	12,137,861,015.84
Financial Assets at Fair Value through Profit or Loss		14,365,264,863.53	10,843,316,401.91
Available-for-Sale Financial Assets-Net		35,821,254,621.48	34,653,073,447.72
Held-to-Maturity (HTM) Financial Assets-Net		63,078,100,198.99	63,078,386,714.16
Unquoted Debt Securities Classified as Loans-Net		1,102,979,498.90	1,103,040,919.67
Investments in Non-Marketable Equity Security-Net		12,041,817.00	28,345,603.54
Loans and Receivables - Net		427,410,871,015.36	402,689,110,799.92
Loans to Bangko Sentral ng Pilipinas		0.00	0.00
Interbank Loans Receivable		0.00	0.00
Loans and Receivables - Others		429,961,309,728.97	397,072,568,415.49
Loans and Receivables Arising from RA/CA/PR/SLB		1,500,000,000.00	9,580,945,282.00
General Loan Loss Provision		4,050,438,713.61	3,964,402,897.57
Other Financial Assets		4,090,814,324.65	4,179,223,291.96
Equity Investment in Subsidiaries, Associates and Joint Ventures-Net		6,222,399,552.97	490,515,580.03
Bank Premises, Furniture, Fixture and Equipment-Net		5,670,559,100.02	5,597,192,591.83
Real and Other Properties Acquired-Net		3,981,926,401.70	4,012,635,591.10
Non-Current Assets Held for Sale		274,143,291.19	312,702,857.80
Other Assets-Net		12,477,819,882.02	12,139,314,307.16
TOTAL ASSETS	P	688,440,760,977.47	654,270,250,180.44
LIABILITIES			
Financial Liabilities at Fair Value through Profit or Loss	P	89,715,516.81	61,079,065.73
Deposit Liabilities		578,270,629,299.27	554,274,189,417.21
Due to Other Banks		6,532,607.29	21,810,303.94
Bills Payable		20,878,224,542.89	12,363,335,501.05
a) BSP (Rediscounting and Other Advances)		2,000,000,000.00	0.00
b) Interbank Loans Payable		8,112,614,750.00	2,674,910,000.00
c) Other Deposit Substitute		10,765,609,792.89	9,688,425,501.05
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		4,512,690,938.71	4,968,991,154.10
Other Liabilities		7,393,161,936.44	6,568,562,899.57
TOTAL LIABILITIES	P	611,150,954,841.41	578,257,968,341.60
STOCKHOLDERS' EQUITY			
Capital Stock	P	41,955,753,590.09	41,969,890,087.24
Other Capital Accounts		6,765,420,865.11	5,472,466,841.24
Retained Earnings		28,580,532,404.32	28,580,576,429.94
Assigned Capital		0.00	0.00
Minority Interest in Subsidiaries		(11,900,723.46)	(10,651,519.58)
TOTAL STOCKHOLDERS' EQUITY		77,289,806,136.06	76,012,281,838.84
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	P	688,440,760,977.47	654,270,250,180.44
CONTINGENT ACCOUNTS			
Guarantees Issued	P	0.00	0.00
Financial Standby Letters of Credit		0.00	0.00
Performance Standby Letters of Credit		15,414,800,832.90	15,545,830,039.94
Commercial Letters of Credit		6,055,736,648.42	5,676,448,279.87
Trade Related Guarantees		290,514,443.46	513,268,601.79
Commitments		15,087,441,424.71	12,339,583,299.30
Spot Foreign Exchange Contracts		17,290,136,288.08	10,469,082,517.30
Securities Held Under Custodianship by Bank Proper		0.00	0.00
Trust Department Accounts		114,035,296,482.00	111,178,541,609.94
a) Trust and Other Fiduciary Accounts		57,880,026,894.54	55,529,929,871.12
b) Agency Accounts		56,155,269,587.46	55,648,611,738.82
c) Advisory/Consultancy		0.00	0.00
Derivatives		51,877,268,008.76	28,184,700,506.79
Others		2,601,713,429.59	3,959,624,093.46
TOTAL CONTINGENT ACCOUNTS	P	222,652,907,557.92	187,867,078,945.39
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 (%)		14.65	15.50
b. Tier 1 Ratio (%)		13.85	14.65
c. Common Equity Tier 1 Ratio (%) ^{1/}		13.85	14.65
^{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 October 27, 2017 at Makati City, affiants exhibiting their Social Security System Numbers 03-7205726-0 and 03-2416389-8, respectively.

Doc. No. 508
Page No. 104
Book No. 103
Series of 2017

(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; 01.04.2017; Makati City
IBP No. 1055834; 01.04.2017; Makati City
Roll of Attorney's No. 37110