

January 31, 2018

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

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

Gentlemen,

We are pleased to furnish your good office with a copy of China Banking Corporation's Balance Sheets as of December 31, 2017.

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, 2017

ASSETS	Current Quarter	Previous Quarter
Cash and Cash Items	P 10,559,348,788.72	P 7,619,698,865.17
Due from Bangko Sentral ng Pilipinas	91,717,037,363.72	91,611,956,470.92
Due from Other Banks	14,066,619,633.68	11,175,648,842.18
Financial Assets at Fair Value through Profit or Loss	16,056,823,462.39	14,228,527,723.02
Available-for-Sale Financial Assets-Net	42,925,041,360.84	31,833,887,577.03
Held-to-Maturity (HTM) Financial Assets-Net	61,533,493,016.90	59,542,141,388.73
Unquoted Debt Securities Classified as Loans-Net	1,000,040,322.13	1,000,040,322.13
Investments in Non-Marketable Equity Security-Net	12,041,800.00	12,041,800.00
Loans and Receivables - Net	402,150,021,383.04	366,246,046,199.66
Loans to Bangko Sentral ng Pilipinas	0.00	0.00
Interbank Loans Receivable	0.00	0.00
Loans and Receivables - Others	388,212,475,636.74	369,676,083,235.53
Loans and Receivables Arising from RA/CA/PR/SLB	17,347,521,918.00	0.00
General Loan Loss Provision	3,409,976,171.70	3,430,037,035.87
Other Financial Assets	3,355,171,270.88	2,819,450,431.36
Equity Investment in Subsidiaries, Associates and Joint Ventures-Net	10,092,087,843.14	9,923,254,011.21
Bank Premises, Furniture, Fixture and Equipment-Net	4,415,847,942.63	4,279,751,952.04
Real and Other Properties Acquired-Net	418,634,422.48	467,177,449.28
Non-Current Assets Held for Sale	0.00	0.00
Other Assets-Net	7,632,289,319.33	6,714,966,309.91
TOTAL ASSETS	P 665,934,497,929.88	P 607,574,589,342.64
LIABILITIES		
Financial Liabilities at Fair Value through Profit or Loss	P 267,532,617.46	P 89,715,516.81
Deposit Liabilities	559,486,135,080.06	503,041,475,807.05
Due to Other Banks	4,249,147.44	6,532,607.29
Bills Payable	20,118,030,879.78	20,878,224,542.89
a) BSP (Rediscounting and Other Advances)	0.00	2,000,000,000.00
b) Interbank Loans Payable	5,811,852,000.00	8,112,614,750.00
c) Other Deposit Substitute	14,306,178,879.78	10,765,609,792.89
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	3,972,681,659.73	3,161,586,633.02
Other Liabilities	4,925,040,861.10	4,447,669,724.00
TOTAL LIABILITIES	P 588,773,670,245.57	P 531,625,204,831.06
STOCKHOLDERS' EQUITY		
Capital Stock	P 43,981,624,082.10	P 41,955,753,543.47
Other Capital Accounts	-1,373,384,108.92	6,231,117,758.92
Retained Earnings	34,552,587,711.13	27,762,513,209.19
Assigned Capital	0.00	0.00
TOTAL STOCKHOLDERS' EQUITY	77,160,827,684.31	75,949,384,511.58
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	P 665,934,497,929.88	P 607,574,589,342.64
CONTINGENT ACCOUNTS		
Guarantees Issued	P 0.00	P 0.00
Financial Standby Letters of Credit	0.00	0.00
Performance Standby Letters of Credit	14,044,839,425.70	15,166,394,681.15
Commercial Letters of Credit	7,338,356,952.44	6,055,736,648.42
Trade Related Guarantees	744,546,578.67	290,514,443.46
Commitments	12,634,395,033.92	11,713,364,339.85
Spot Foreign Exchange Contracts	2,395,513,240.00	17,290,136,288.08
Securities Held Under Custodianship by Bank Proper	0.00	0.00
Trust Department Accounts	131,577,983,053.79	113,692,145,005.36
a) Trust and Other Fiduciary Accounts	69,989,221,126.27	57,573,451,214.02
b) Agency Accounts	61,568,761,927.52	56,118,693,791.34
c) Advisory/Consultancy	0.00	0.00
Derivatives	43,907,528,870.49	51,877,268,008.76
Others	2,888,289,714.16	2,582,358,568.24
TOTAL CONTINGENT ACCOUNTS	P 215,531,452,869.17	P 218,667,917,983.32
ADDITIONAL INFORMATION		
Gross total loan portfolio (TLP)	P 407,502,702,756.47	P 372,073,819,046.05
Specific allowance for credit losses on the TLP	1,942,705,201.73	2,397,735,810.52
Non-Performing Loans (NPLs)		
a. Gross NPLs	P 2,923,249,111.15	P 4,034,201,792.80
b. Ratio of gross NPLs to gross TLP (%)	0.72	1.08
c. Net NPLs	P 980,543,909.42	P 1,636,465,982.08
d. Ratio of Net NPLs to gross TLP (%)	0.24	0.44
e. Ratio of total allowance for credit losses to gross NPLs (%)	183.11	144.46
f. Ratio of specific allowance for credit losses on the gross TLP to gross NPLs (%)	66.46	59.44
Classified Loans & Other Risk Assets, gross of allowance for credit losses	P 13,835,913,510.19	P 12,288,114,290.60
DOSRI Loans and receivables, gross of allowance for credit losses	11,471,561,749.97	14,507,965,712.05
Ratio of DOSRI loans and receivables, gross of allowance for credit losses, to gross TLP (%)	2.82	3.90
Gross non-performing DOSRI loans and receivables	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	2.84	2.35
b. 2% for Medium Enterprises	6.32	5.02
Return on Equity (ROE) (%)	9.84	10.08
Capital Adequacy Ratio (CAR) on Solo Basis, as prescribed under existing regulations		
a. Total CAR (%)	14.78	15.20
b. Tier 1 Ratio (%)	14.02	14.40
c. Common Equity Tier 1 Ratio (%) ^{1/}	14.02	14.40
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, DOROTHY T. MACEDA and WILLIAM C. WHANG 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.) DOROTHY T. MACEDA
Vice President II and Accounting Head

(Sgd.) WILLIAM C. WHANG
President

SUBSCRIBED AND SWORN to before me this January 25, 2018 at City of Makati, affiants exhibiting their Social Security System Numbers 03-6577416-5 and 03-5882607-5, respectively.

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Book No. 32
Series of 2018

(Sgd.) CHRISTINE L. ZERNA-BRIONES
Notary Public for the City of Makati
Appt No. M-271 (2017-2018)
4/F Philcom Building,
8755 Paseo de Roxas, Makati City
PTR No. 5913639; 01.04.2017; Makati City
IBP No. 1051388; 11.18.2016; Pampanga
Roll of Attorney's No. 42549

CONSOLIDATED BALANCE SHEET

(Bank and Financial Subsidiaries)

As of December 31, 2017

ASSETS	Current Quarter	Previous Quarter
Cash and Cash Items	P 12,072,517,254.95	P 8,926,757,127.02
Due from Bangko Sentral ng Pilipinas	98,490,014,321.67	98,520,187,284.69
Due from Other Banks	15,641,476,039.70	12,185,841,997.95
Financial Assets at Fair Value through Profit or Loss	16,238,888,389.12	14,365,264,863.53
Available-for-Sale Financial Assets-Net	46,160,477,757.79	35,821,254,621.48
Held-to-Maturity (HTM) Financial Assets-Net	65,286,310,742.39	63,078,100,196.99
Unquoted Debt Securities Classified as Loans-Net	1,102,951,736.82	1,102,979,498.90
Investments in Non-Marketable Equity Security-Net	12,041,817.00	12,041,817.00
Loans and Receivables - Net	463,891,912,746.90	427,410,871,015.36
Loans to Bangko Sentral ng Pilipinas	0.00	0.00
Interbank Loans Receivable	0.00	0.00
Loans and Receivables - Others	449,110,418,497.77	429,961,309,728.97
Loans and Receivables Arising from RA/CA/PR/SLB	18,751,845,120.00	1,500,000,000.00
General Loan Loss Provision	3,970,350,870.87	4,050,438,713.61
Other Financial Assets	4,630,845,461.27	4,090,614,324.65
Equity Investment in Subsidiaries, Associates and Joint Ventures-Net	519,082,135.27	522,399,552.97
Bank Premises, Furniture, Fixture and Equipment-Net	5,815,540,570.22	5,670,559,100.02
Real and Other Properties Acquired-Net	3,885,496,645.91	3,981,926,401.70
Non-Current Assets Held for Sale	250,447,132.83	274,143,291.19
Other Assets-Net	12,832,257,148.96	12,477,819,882.02
TOTAL ASSETS	P 746,830,059,900.80	P 688,440,760,977.47
LIABILITIES		
Financial Liabilities at Fair Value through Profit or Loss	P 267,532,617.46	P 89,715,516.81
Deposit Liabilities	635,583,314,785.93	578,270,629,299.27
Due to Other Banks	4,249,147.44	6,532,607.29
Bills Payable	20,118,030,879.78	20,878,224,542.89
a) BSP (Rediscounting and Other Advances)	0.00	2,000,000,000.00
b) Interbank Loans Payable	5,811,852,000.00	8,112,614,750.00
c) Other Deposit Substitute	14,306,178,879.78	10,765,609,792.89
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	4,872,248,486.71	4,512,690,938.71
Other Liabilities	8,013,681,492.30	7,393,161,936.44
TOTAL LIABILITIES	P 668,859,057,409.62	P 611,150,954,841.41
STOCKHOLDERS' EQUITY		
Capital Stock	P 43,981,624,128.72	P 41,955,753,590.09
Other Capital Accounts	-1,370,937,460.64	6,765,420,865.11
Retained Earnings	35,370,606,906.26	28,580,532,404.32
Assigned Capital	0.00	0.00
Minority Interest in Subsidiaries	-10,291,083.16	-11,900,723.46
TOTAL STOCKHOLDERS' EQUITY	77,971,002,491.18	77,289,806,136.06
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	P 746,830,059,900.80	P 688,440,760,977.47
CONTINGENT ACCOUNTS		
Guarantees Issued	P 0.00	P 0.00
Financial Standby Letters of Credit	0.00	0.00
Performance Standby Letters of Credit	14,257,817,390.93	15,414,800,832.90
Commercial Letters of Credit	7,338,356,952.44	6,055,736,648.42
Trade Related Guarantees	744,546,578.67	290,514,443.46
Commitments	14,969,841,106.98	15,087,441,424.71
Spot Foreign Exchange Contracts	2,395,513,240.00	17,290,136,288.08
Securities Held Under Custodianship by Bank Proper	0.00	0.00
Trust Department Accounts	131,813,250,795.19	114,035,296,482.00
a) Trust and Other Fiduciary Accounts	70,213,700,752.14	57,880,026,894.54
b) Agency Accounts	61,599,550,043.05	56,155,269,587.46
c) Advisory/Consultancy	0.00	0.00
Derivatives	43,907,528,870.49	51,877,268,008.76
Others	2,901,897,332.70	2,601,713,429.59
TOTAL CONTINGENT ACCOUNTS	P 218,328,752,267.40	P 222,652,907,557.92
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 (%)	14.23	14.65
b. Tier 1 Ratio (%)	13.47	13.85
c. Common Equity Tier 1 Ratio (%) ^{1/}	13.47	13.85
^{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, DOROTHY T. MACEDA and WILLIAM C. WHANG 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.) DOROTHY T. MACEDA
Vice President II and Accounting Head

(Sgd.) WILLIAM C. WHANG
President

SUBSCRIBED AND SWORN to before me this January 25, 2018 at City of Makati, affiants exhibiting their Social Security System Numbers 03-6577416-5 and 03-5882607-5, respectively.

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(Sgd.) CHRISTINE L. ZERNA-BRIONES
Notary Public for the City of Makati
Appt No. M-271 (2017-2018)
4/F Philcom Building,
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