

May 2, 2018

**MR. JOSE VALERIANO B. ZUÑO III**

Disclosure Department  
6F PSE Tower One Bonifacio High Street  
28th Street corner 5th Avenue Bonifacio Global City  
Taguig City

**MS. ERIKA GRACE C. ALULOD**

*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 March 31, 2018.

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 March 31, 2018

ASSETS		Current Quarter	Previous Quarter
Cash and Cash Items	P	7,798,289,441.18	10,559,348,788.72
Due from Bangko Sentral ng Pilipinas		85,912,403,896.19	91,717,037,363.72
Due from Other Banks		7,231,271,942.30	14,066,619,633.68
Financial Assets at Fair Value through Profit or Loss		13,427,631,686.10	16,056,823,462.39
Available-for-Sale Financial Assets-Net		6,309,277,098.78	42,925,041,360.84
Held-to-Maturity (HTM) Financial Assets-Net		101,648,903,573.77	61,533,493,016.90
Unquoted Debt Securities Classified as Loans-Net		11,836,000,000.00	1,000,040,322.13
Investments in Non-Marketable Equity Security-Net		0.00	12,041,800.00
Loans and Receivables - Net		377,261,914,129.53	402,150,021,383.04
Loans to Bangko Sentral ng Pilipinas		0.00	0.00
Interbank Loans Receivable		521,600,000.00	0.00
Loans and Receivables - Others		372,587,844,883.62	388,212,475,636.74
Loans and Receivables Arising from RA/CA/PR/SLB		5,916,171,606.01	17,347,521,918.00
General Loan Loss Provision		1,763,702,360.10	3,409,976,171.70
Other Financial Assets		3,419,069,230.60	3,355,171,270.88
Equity Investment in Subsidiaries, Associates and Joint Ventures-Net		9,557,531,867.94	10,092,087,843.14
Bank Premises, Furniture, Fixture and Equipment-Net		4,370,313,802.57	4,415,847,942.63
Real and Other Properties Acquired-Net		416,117,862.67	418,634,422.48
Non-Current Assets Held for Sale		0.00	0.00
Other Assets-Net		8,262,068,560.41	7,632,289,319.33
TOTAL ASSETS	P	637,450,793,092.04	665,934,497,929.88
LIABILITIES			
Financial Liabilities at Fair Value through Profit or Loss	P	143,042,807.89	267,532,617.46
Deposit Liabilities		537,961,778,909.66	559,486,135,080.06
Due to Other Banks		3,831,089.15	4,249,147.44
Bills Payable		12,433,773,352.72	20,118,030,879.78
a) BSP (Rediscounting and Other Advances)		0.00	0.00
b) Interbank Loans Payable		5,372,480,000.00	5,811,852,000.00
c) Other Deposit Substitute		7,061,293,352.72	14,306,178,879.78
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		53,396,769.49	0.00
Other Financial Liabilities		3,698,922,579.43	3,972,681,659.73
Other Liabilities		4,925,472,007.10	4,925,040,861.10
TOTAL LIABILITIES	P	562,653,217,515.44	588,773,670,245.57
STOCKHOLDERS' EQUITY			
Capital Stock	P	43,981,624,082.10	43,981,624,082.10
Other Capital Accounts		1,652,086,015.02	-1,373,384,108.92
Retained Earnings		29,163,865,479.48	34,552,587,711.13
Assigned Capital		0.00	0.00
TOTAL STOCKHOLDERS' EQUITY		74,797,575,576.60	77,160,827,684.31
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	P	637,450,793,092.04	665,934,497,929.88
CONTINGENT ACCOUNTS			
Guarantees Issued	P	0.00	0.00
Financial Standby Letters of Credit		0.00	0.00
Performance Standby Letters of Credit		14,650,411,926.59	14,044,839,425.70
Commercial Letters of Credit		6,519,699,906.69	7,338,356,952.44
Trade Related Guarantees		343,264,258.45	744,546,578.67
Commitments		12,316,149,776.48	12,634,395,033.92
Spot Foreign Exchange Contracts		4,731,316,175.23	2,395,513,240.00
Securities Held Under Custodianship by Bank Proper		0.00	0.00
Trust Department Accounts		128,124,274,900.68	131,577,983,053.79
a) Trust and Other Fiduciary Accounts		66,184,572,177.94	69,989,221,126.27
b) Agency Accounts		61,939,702,722.74	61,588,761,927.52
c) Advisory/Consultancy		0.00	0.00
Derivatives		56,248,260,190.80	43,907,528,870.49
Others		1,757,641,315.96	2,888,289,714.16
TOTAL CONTINGENT ACCOUNTS	P	224,691,018,450.88	215,531,452,869.17
ADDITIONAL INFORMATION			
Gross total loan portfolio (TLP)	P	385,625,202,187.36	407,502,702,756.47
Specific allowance for credit losses on the TLP		6,599,585,697.73	1,942,705,201.73
Non-Performing Loans (NPLs)			
a. Gross NPLs	P	2,569,254,055.11	2,923,249,111.15
b. Ratio of gross NPLs to gross TLP (%)		0.67	0.72
c. Net NPLs	P	-4,030,331,642.62	980,543,909.42
d. Ratio of Net NPLs to gross TLP (%)		-1.05	0.24
e. Ratio of total allowance for credit losses to gross NPLs (%)		325.51	183.11
f. Ratio of specific allowance for credit losses on the gross TLP to gross NPLs (%)		256.87	66.46
Classified Loans & Other Risk Assets, gross of allowance for credit losses	P	27,428,997,926.96	13,835,913,510.19
DOSRI Loans and receivables, gross of allowance for credit losses		10,521,416,354.92	11,471,561,749.97
Ratio of DOSRI loans and receivables, gross of allowance for credit losses, to gross TLP (%)		2.73	2.82
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		2.69	2.84
b. 2% for Medium Enterprises		5.81	6.03
Return on Equity (ROE) (%)		7.47	9.84
Capital Adequacy Ratio (CAR) on Solo Basis, as prescribed under existing regulations			
a. Total CAR (%)		14.07	14.78
b. Tier 1 Ratio (%)		13.18	14.02
c. Common Equity Tier 1 Ratio (%) <sup>1/</sup>		13.18	14.02
Deferred Charges not yet Written Down		0.00	0.00
Unbooked Allowance for Credit Losses on Financial Instruments Received		0.00	0.00
<sup>1/</sup> 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, Patrick D. Cheng 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.) PATRICK D. CHENG  
Chief Finance Officer

(Sgd.) WILLIAM C. WHANG  
President

SUBSCRIBED AND SWORN to before me this April 25, 2018 at City of Makati, affiants exhibiting their Social Security System Numbers 03-8328014-9 and 03-5882607-5, respectively.

Doc. No. 13  
Page No. 4  
Book No. 54  
Series of 2018

(Sgd.) ALVIN A. QUINTANILLA  
Notary Public for Makati City  
Appt. No. M-205 until December 2019  
4/F Philcom Building,  
8755 Paseo de Roxas, Makati City  
PTR No. 6614411: 01-03-18; Makati City  
IBP No. 021022: 01-04-18; Cavite  
Roll of Attorney's No. 40925

CONSOLIDATED BALANCE SHEET

(Banks and Financial Subsidiaries)

As of March 31, 2018

ASSETS		Current Quarter	Previous Quarter
Cash and Cash Items	P	9,371,904,294.93	12,072,517,254.95
Due from Bangko Sentral ng Pilipinas		92,494,241,138.07	98,490,014,321.67
Due from Other Banks		8,516,439,262.16	15,641,476,039.70
Financial Assets at Fair Value through Profit or Loss		13,474,821,366.09	16,238,888,389.12
Available-for-Sale Financial Assets-Net		8,215,610,659.09	46,160,477,757.79
Held-to-Maturity (HTM) Financial Assets-Net		106,964,072,350.60	65,286,310,742.39
Unquoted Debt Securities Classified as Loans-Net		11,838,910,115.40	1,102,951,736.82
Investments in Non-Marketable Equity Security-Net		17.00	12,041,817.00
Loans and Receivables - Net		439,144,875,257.79	463,891,912,746.90
Loans to Bangko Sentral ng Pilipinas		0.00	0.00
Interbank Loans Receivable		521,600,000.00	0.00
Loans and Receivables - Others		433,333,876,502.74	449,110,418,497.77
Loans and Receivables Arising from RA/CA/PR/SLB		7,301,924,970.01	18,751,845,120.00
General Loan Loss Provision		2,012,526,214.96	3,970,350,870.87
Other Financial Assets		4,780,475,240.20	4,830,845,461.27
Equity Investment in Subsidiaries, Associates and Joint Ventures-Net		557,644,675.92	619,082,135.27
Bank Premises, Furniture, Fixture and Equipment-Net		5,761,945,068.71	5,815,540,570.22
Real and Other Properties Acquired-Net		3,788,224,234.04	3,885,496,645.91
Non-Current Assets Held for Sale		288,944,456.29	250,447,132.83
Other Assets-Net		13,891,939,427.88	12,832,257,148.96
TOTAL ASSETS	P	719,070,047,564.17	746,830,059,900.80
LIABILITIES			
Financial Liabilities at Fair Value through Profit or Loss	P	143,042,807.89	267,532,617.46
Deposit Liabilities		613,879,051,534.70	635,583,314,785.93
Due to Other Banks		3,831,089.15	4,249,147.44
Bills Payable		12,433,773,352.72	20,118,030,879.78
a) BSP (Rediscounting and Other Advances)		0.00	0.00
b) Interbank Loans Payable		5,372,480,000.00	5,811,852,000.00
c) Other Deposit Substitute		7,061,293,352.72	14,306,178,879.78
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		53,396,769.49	0.00
Other Financial Liabilities		4,539,588,930.64	4,872,248,486.71
Other Liabilities		11,311,421,597.50	8,013,681,492.30
TOTAL LIABILITIES	P	642,364,106,082.09	668,859,057,409.62
STOCKHOLDERS' EQUITY			
Capital Stock	P	43,981,624,082.10	43,981,624,128.72
Other Capital Accounts		2,186,829,366.27	-1,370,937,460.64
Retained Earnings		30,546,308,605.63	35,370,606,906.26
Assigned Capital		0.00	0.00
Minority Interest in Subsidiaries		-8,820,571.92	-10,291,083.16
TOTAL STOCKHOLDERS' EQUITY		76,705,941,482.08	77,971,002,491.18
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	P	719,070,047,564.17	746,830,059,900.80
CONTINGENT ACCOUNTS			
Guarantees Issued	P	0.00	0.00
Financial Standby Letters of Credit		0.00	0.00
Performance Standby Letters of Credit		14,781,597,530.09	14,257,817,390.93
Commercial Letters of Credit		6,519,699,906.69	7,338,356,952.44
Trade Related Guarantees		343,264,258.45	744,546,578.67
Commitments		13,598,893,755.32	14,969,841,106.98
Spot Foreign Exchange Contracts		4,731,316,175.23	2,395,513,240.00
Securities Held Under Custodianship by Bank Proper		0.00	0.00
Trust Department Accounts		128,340,772,312.37	131,813,250,795.19
a) Trust and Other Fiduciary Accounts		66,401,069,589.63	70,213,700,752.14
b) Agency Accounts		61,939,702,722.74	61,599,550,043.05
c) Advisory/Consultancy		0.00	0.00
Derivatives		56,248,260,190.80	43,907,528,870.49
Others		1,808,746,212.60	2,901,897,332.70
TOTAL CONTINGENT ACCOUNTS	P	226,372,550,341.55	218,328,752,267.40
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 (%)		13.65	14.23
b. Tier 1 Ratio (%)		12.79	13.47
c. Common Equity Tier 1 Ratio (%) <sup>1/</sup>		12.79	13.47
<sup>1/</sup> Common Equity Tier 1 is only applicable to all Universal and Commercial Banks and their subsidiary banks.			

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We, Patrick D. Cheng 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.) PATRICK D. CHENG  
Chief Finance Officer

(Sgd.) WILLIAM C. WHANG  
President

SUBSCRIBED AND SWORN to before me this April 25, 2018 at City of Makati, affiants exhibiting their Social Security System Numbers 03-8328014-9 and 03-5882607-5, respectively.

Doc. No. 14  
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(Sgd.) ALVIN A. QUINTANILLA  
Notary Public for Makati City  
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Roll of Attorney's No. 40925