

August 7, 2018

MS. JANET A. ENCARNACION

Head, Disclosure Department
Philippine Stock Exchange, Inc.
6F PSE Tower One Bonifacio High Street
28th Street corner 5th Avenue Bonifacio Global City
Taguig 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

Madam,

We are pleased to furnish your good office with a copy of China Banking Corporation's Balance Sheets as of June 30, 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, Philippines 1226
Tel. No: 885-5555 • Fax No: 815-3169
www.chinabank.ph

CHINA BANKING CORPORATION
8745 Paseo de Roxas corner Villar St., Makati City

BALANCE SHEET
(Head Office and Branches)
As of June 30, 2018

ASSETS	Current Quarter	Previous Quarter
Cash and Cash Items	P 8,086,612,756.11	P 7,798,289,441.18
Due from Bangko Sentral ng Pilipinas	87,018,927,812.85	85,912,403,896.19
Due from Other Banks	7,187,924,113.02	7,231,271,942.30
Financial Assets at Fair Value through Profit or Loss	6,320,182,226.74	13,427,631,686.10
Available-for-Sale Financial Assets-Net	14,302,032,040.12	6,309,277,098.78
Held-to-Maturity (HTM) Financial Assets-Net	124,492,487,567.71	101,648,903,573.77
Unquoted Debt Securities Classified as Loans-Net	14,978,642,857.14	11,836,000,000.00
Investments in Non-Marketable Equity Security-Net	0.00	0.00
Loans and Receivables - Net	391,659,004,524.50	377,261,914,129.53
Loans to Bangko Sentral ng Pilipinas	0.00	0.00
Interbank Loans Receivable	0.00	521,600,000.00
Loans and Receivables - Others	392,746,922,688.25	372,587,844,883.62
Loans and Receivables Arising from RA/CA/PR/SLB	0.00	5,916,171,608.01
General Loan Loss Provision	1,087,918,163.75	1,763,702,360.10
Other Financial Assets	4,244,534,659.92	3,419,069,230.60
Equity Investment in Subsidiaries, Associates and Joint Ventures-Net	10,767,893,074.01	9,557,531,867.94
Bank Premises, Furniture, Fixture and Equipment-Net	4,332,695,976.99	4,370,313,802.57
Real and Other Properties Acquired-Net	387,458,309.83	416,117,862.67
Non-Current Assets Held for Sale	0.00	0.00
Other Assets-Net	7,697,283,785.58	8,262,068,560.41
TOTAL ASSETS	P 681,495,669,704.52	P 637,450,793,092.04

LIABILITIES	Current Quarter	Previous Quarter
Financial Liabilities at Fair Value through Profit or Loss	P 248,241,553.66	P 143,042,807.89
Deposit Liabilities	575,140,396,300.94	537,961,778,909.66
Due to Other Banks	4,805,262.53	3,831,089.15
Bills Payable	16,080,828,284.44	12,433,773,352.72
a) BSP (Rediscounting and Other Advances)	3,000,000,000.00	0.00
b) Interbank Loans Payable	5,600,704,800.29	5,372,480,000.00
c) Other Deposit Substitute	7,480,123,464.15	7,061,293,352.72
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	53,396,769.49
Other Financial Liabilities	4,430,817,763.47	3,698,922,579.43
Other Liabilities	8,229,046,474.23	8,358,472,007.11
TOTAL LIABILITIES	P 604,134,135,619.27	P 562,653,217,515.44

STOCKHOLDERS' EQUITY	Current Quarter	Previous Quarter
Capital Stock	P 43,981,624,082.10	P 43,981,624,082.10
Other Capital Accounts	2,621,406,564.06	1,652,086,015.02
Retained Earnings	30,758,503,439.09	29,163,865,479.48
Assigned Capital	0.00	0.00
TOTAL STOCKHOLDERS' EQUITY	77,361,534,085.25	74,797,575,576.60
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	P 681,495,669,704.52	P 637,450,793,092.04

CONTINGENT ACCOUNTS	Current Quarter	Previous Quarter
Guarantees Issued	P 0.00	P 0.00
Financial Standby Letters of Credit	0.00	0.00
Performance Standby Letters of Credit	10,886,337,396.53	14,650,411,926.59
Commercial Letters of Credit	5,266,296,256.50	6,519,699,906.69
Trade Related Guarantees	348,664,362.92	343,264,258.45
Commitments	12,332,911,201.69	12,316,149,776.48
Spot Foreign Exchange Contracts	12,109,016,918.47	4,731,316,175.23
Securities Held Under Custodianship by Bank Proper	0.00	0.00
Trust Department Accounts	126,555,113,351.49	128,124,274,900.68
a) Trust and Other Fiduciary Accounts	61,754,752,427.49	66,184,572,177.94
b) Agency Accounts	64,800,360,924.00	61,939,702,722.74
c) Advisory/Consultancy	0.00	0.00
Derivatives	88,751,477,097.94	56,248,260,190.80
Others	1,700,472,703.42	1,757,641,315.96
TOTAL CONTINGENT ACCOUNTS	P 257,950,289,288.96	P 224,691,018,450.88

ADDITIONAL INFORMATION	Current Quarter	Previous Quarter
Gross total loan portfolio (TLP)	P 397,205,152,664.55	P 385,625,202,187.36
Specific allowance for credit losses on the TLP	4,458,229,976.30	6,599,585,697.73
Non-Performing Loans (NPLs)	P 3,199,071,460.74	P 2,569,254,055.11
a. Gross NPLs	0.81	0.67
b. Ratio of gross NPLs to gross TLP (%)	P 1,493,442,105.50	P 774,001,791.58
c. Net NPLs	0.38	0.20
d. Ratio of Net NPLs to gross TLP (%)	173.37	325.51
e. Ratio of total allowance for credit losses to gross NPLs (%)	139.36	256.87
f. Ratio of specific allowance for credit losses on the gross TLP to gross NPLs (%)	P 25,973,239,358.12	P 27,428,997,926.98
Classified Loans & Other Risk Assets, gross of allowance for credit losses	10,606,308,669.76	10,521,416,354.92
DOSRI Loans and receivables, gross of allowance for credit losses	2.67	2.73
Ratio of DOSRI loans and receivables, gross of allowance for credit losses, to gross TLP (%)	P 0.00	P 0.00
Gross non-performing DOSRI loans and receivables	0.00	0.00
Ratio of gross non-performing DOSRI loans and receivables to TLP (%)	2.42	2.69
Percent Compliance with Magna Carta (%)	6.97	5.81
a. 8% for Micro and Small Enterprises	6.98	7.47
b. 2% for Medium Enterprises	13.50	14.07
Return on Equity (ROE) (%)	12.76	13.18
Capital Adequacy Ratio (CAR) on Solo Basis, as prescribed under existing regulations	12.76	13.18
a. Total CAR (%)	0.00	0.00
b. Tier 1 Ratio (%)	0.00	0.00
c. Common Equity Tier 1 Ratio (%) ^{1/}	0.00	0.00
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, 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 03 August 2018 at City of Makati, affiants exhibiting their Social Security System Numbers 03-8328014-9 and 03-5882607-5, respectively.

Doc. No. 265
Page No. 54
Book No. 108
Series of 2018

(Sgd.) BELENETTE Y. CHING-TAN
Notary Public for Makati City
Appt. No. M-190 until December 2019
4/F Philcom Building,
8755 Paseo de Roxas, Makati City
PTR No. 6614404; 01-03-18; Makati City
IBP No. 021013; 01-04-18; Makati City
Roll of Attorney's No. 37110

BOARD OF DIRECTORS

HONORARY CHAIRMAN
HENRY SY, SR.

HANS T. SY
*Chairman of the Board and
Chairman of the
Executive Committee*

GILBERT U. DEE
Vice Chairman of the Board

WILLIAM C. WHANG
President

MEMBERS

PETER S. DEE

JOAQUIN T. DEE

JOSE T. SIO

HERBERT T. SY

HARLEY T. SY

INDEPENDENT DIRECTORS

ROBERTO F. KUAN

MARGARITA L. SAN JUAN

ALBERTO S. YAO

ADVISORS TO THE BOARD

HENRY SY, SR.

RICARDO R. CHUA

EXECUTIVE OFFICERS

WILLIAM C. WHANG
President

ROMEO D. UYAN, JR.
Chief Operating Officer

**EXECUTIVE
VICE PRESIDENTS**

ROSEMARIE C. GAN

ALBERTO EMILIO V. RAMOS

**SENIOR
VICE PRESIDENTS**

PATRICK D. CHENG

ALEXANDER C. ESCUCHA

CONSOLIDATED BALANCE SHEET
(Banks and Financial Subsidiaries)
As of June 30, 2018

ASSETS	Current Quarter	Previous Quarter
Cash and Cash Items	P 9,434,745,774.55	P 9,371,904,294.93
Due from Bangko Sentral ng Pilipinas	93,225,010,336.26	92,494,241,138.07
Due from Other Banks	8,405,042,715.23	8,516,439,282.16
Financial Assets at Fair Value through Profit or Loss	6,367,594,026.92	13,474,821,366.09
Available-for-Sale Financial Assets-Net	16,438,950,932.28	8,215,610,659.09
Held-to-Maturity (HTM) Financial Assets-Net	130,107,581,963.80	106,964,072,350.60
Unquoted Debt Securities Classified as Loans-Net	14,980,692,667.23	11,838,910,115.40
Investments in Non-Marketable Equity Security-Net	17.00	17.00
Loans and Receivables - Net	456,827,814,371.63	439,144,875,257.79
Loans to Bangko Sentral ng Pilipinas	0.00	0.00
Interbank Loans Receivable	266,700,000.00	521,600,000.00
Loans and Receivables - Others	454,504,683,222.75	433,333,876,502.74
Loans and Receivables Arising from RA/CA/PR/SLB	3,400,000,000.00	7,301,924,970.01
General Loan Loss Provision	1,343,568,851.12	2,012,526,214.96
Other Financial Assets	5,486,268,258.72	4,760,475,240.22
Equity Investment in Subsidiaries, Associates and Joint Ventures-Net	622,117,117.68	557,644,675.92
Bank Premises, Furniture, Fixture and Equipment-Net	5,698,549,016.26	5,761,945,068.71
Real and Other Properties Acquired-Net	3,689,487,918.77	3,788,224,234.04
Non-Current Assets Held for Sale	357,737,684.91	288,944,456.29
Other Assets-Net	14,260,392,909.39	13,891,939,427.88
TOTAL ASSETS	P 765,901,985,710.63	P 719,070,047,564.17

LIABILITIES	Current Quarter	Previous Quarter
Financial Liabilities at Fair Value through Profit or Loss	P 248,241,553.66	P 143,042,807.89
Deposit Liabilities	653,736,207,600.23	613,879,051,534.70
Due to Other Banks	4,805,262.53	3,831,089.15
Bills Payable	16,080,828,284.44	12,433,773,352.72
a) BSP (Rediscounting and Other Advances)	3,000,000,000.00	0.00
b) Interbank Loans Payable	5,600,704,800.29	5,372,480,000.00
c) Other Deposit Substitute	7,480,123,464.15	7,061,293,352.72
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	53,396,769.49
Other Financial Liabilities	4,969,964,451.76	4,539,588,930.64
Other Liabilities	11,610,125,621.11	11,311,421,597.50
TOTAL LIABILITIES	P 686,650,172,753.73	P 642,364,106,082.09

STOCKHOLDERS' EQUITY	Current Quarter	Previous Quarter
Capital Stock	P 43,981,624,082.10	P 43,981,624,082.10
Other Capital Accounts	3,690,893,266.56	2,186,829,366.27
Retained Earnings	31,465,515,251.14	30,546,308,605.63
Assigned Capital	0.00	0.00
Minority Interest in Subsidiaries	113,780,357.10	-8,820,571.92
TOTAL STOCKHOLDERS' EQUITY	79,251,812,956.90	76,705,941,482.08
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	P 765,901,985,710.63	P 719,070,047,564.17

CONTINGENT ACCOUNTS	Current Quarter	Previous Quarter
Guarantees Issued	P 0.00	P 0.00
Financial Standby Letters of Credit	0.00	0.00
Performance Standby Letters of Credit	11,028,156,602.53	14,781,597,530.09
Commercial Letters of Credit	5,266,296,256.50	6,519,699,906.69
Trade Related Guarantees	348,664,362.92	343,264,258.45
Commitments	13,121,205,098.64	13,598,893,755.32
Spot Foreign Exchange Contracts	12,109,016,918.47	4,731,316,175.23
Securities Held Under Custodianship by Bank Proper	0.00	0.00
Trust Department Accounts	126,689,408,884.85	128,340,772,312.37
a) Trust and Other Fiduciary Accounts	61,889,047,960.85	66,401,069,589.63
b) Agency Accounts	64,800,360,924.00	61,939,702,722.74
c) Advisory/Consultancy	0.00	0.00
Derivatives	88,751,477,097.94	56,248,260,190.80
Others	1,717,919,802.17	1,808,746,212.60
TOTAL CONTINGENT ACCOUNTS	P 259,032,145,024.02	P 226,372,550,341.55

ADDITIONAL INFORMATION	Current Quarter	Previous Quarter
1. List of Financial Allied Subsidiaries (excluding Subsidiary Insurance Companies)		
a. China Bank Savings, Inc.	13.32	13.65
b. China Bank Capital Corporation	12.58	12.79
2. List of Subsidiary Insurance Companies		
3. Capital Adequacy Ratio (CAR) on Consolidated Basis, as prescribed under existing regulations		
a. Total CAR (%)	13.32	13.65
b. Tier 1 Ratio (%)	12.58	12.79
c. Common Equity Tier 1 Ratio (%) ^{1/}	12.58	12.79

^{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, 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 03 August 2018 at City of Makati, affiants exhibiting their Social Security System Numbers 03-8328014-9 and 03-5882607-5, respectively.

Doc. No. 265
Page No. 54
Book No. 108
Series of 2018

(Sgd.) BELENETTE Y. CHING-TAN
Notary Public for Makati City
Appt. No. M-190 until December 2019
4/F Philcom Building,
8755 Paseo de Roxas, Makati City
PTR No. 6614404; 01-03-18; Makati City
IBP No. 021013; 01-04-18; Makati City
Roll of Attorney's No. 37110

