

31 October 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. PAULA BEATRICE A. BUENO

OIC- 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 September 30, 2018.

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, 2018

ASSETS	Current Quarter	Previous Quarter
Cash and Cash Items	P 8,729,139,253.86	P 8,086,612,756.11
Due from Bangko Sentral ng Pilipinas	93,476,223,660.54	87,018,927,812.85
Due from Other Banks	8,978,823,075.96	7,187,924,113.02
Financial Assets at Fair Value through Profit or Loss	5,653,325,758.56	6,320,182,226.74
Available-for-Sale Financial Assets-Net	8,337,078,767.79	14,302,032,040.12
Held-to-Maturity (HTM) Financial Assets-Net	158,688,589,742.97	124,492,487,567.71
Unquoted Debt Securities Classified as Loans-Net	0.00	14,978,642,857.14
Investments in Non-Marketable Equity Security-Net	0.00	0.00
Loans and Receivables - Net	417,580,889,444.68	391,659,004,524.50
Loans to Bangko Sentral ng Pilipinas	0.00	0.00
Interbank Loans Receivable	1,890,700,000.00	0.00
Loans and Receivables - Others	415,945,693,799.61	392,746,922,688.25
Loans and Receivables Arising from RA/CA/PR/SLB	1,000,000,000.00	0.00
General Loan Loss Provision	1,255,504,354.93	1,087,918,163.75
Other Financial Assets	4,244,534,659.92	4,244,534,659.92
Equity Investment in Subsidiaries, Associates and Joint Ventures-Net	10,936,508,421.64	10,737,983,074.01
Bank Premises, Furniture, Fixture and Equipment-Net	4,230,378,183.84	4,332,695,978.99
Real and Other Properties Acquired-Net	239,245,946.95	387,458,309.83
Non-Current Assets Held for Sale	0.00	0.00
Other Assets-Net	6,493,518,573.67	7,697,283,785.58
TOTAL ASSETS	P 727,706,142,956.05	P 681,495,669,704.52
LIABILITIES		
Financial Liabilities at Fair Value through Profit or Loss	P 296,792,539.68	P 248,241,553.66
Deposit Liabilities	611,814,161,705.81	575,140,396,300.94
Due to Other Banks	8,483,251.50	4,805,262.53
Bills Payable	24,062,278,873.32	16,080,828,264.44
a) BSP (Rediscounting and Other Advances)	4,346,000,000.00	3,000,000,000.00
b) Interbank Loans Payable	4,526,876,000.00	5,600,704,800.29
c) Other Deposit Substitute	15,189,402,873.32	7,480,123,464.15
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	4,014,108,447.92	4,430,817,763.47
Other Liabilities	7,604,620,041.87	8,229,046,041.23
TOTAL LIABILITIES	P 647,800,444,860.10	P 604,134,135,619.27
STOCKHOLDERS' EQUITY		
Capital Stock	P 43,981,624,082.10	P 43,981,624,082.10
Other Capital Accounts	5,169,980,419.35	2,621,406,564.06
Retained Earnings	30,754,093,594.50	30,758,503,439.09
Assigned Capital	0.00	0.00
TOTAL STOCKHOLDERS' EQUITY	79,905,698,095.95	77,361,534,085.25
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	P 727,706,142,956.05	P 681,495,669,704.52
CONTINGENT ACCOUNTS		
Guarantees Issued	P 0.00	P 0.00
Financial Standby Letters of Credit	0.00	0.00
Performance Standby Letters of Credit	10,606,412,866.55	10,886,337,396.53
Commercial Letters of Credit	5,362,023,170.98	5,266,296,256.50
Trade Related Guarantees	247,245,632.18	348,664,362.92
Commitments	12,666,418,672.28	12,332,911,201.69
Spot Foreign Exchange Contracts	15,601,138,579.51	12,109,016,918.47
Securities Held Under Custodianship by Bank Proper	0.00	0.00
Trust Department Accounts	130,609,133,147.70	126,555,113,351.49
a) Trust and Other Fiduciary Accounts	58,212,579,127.55	61,754,752,427.49
b) Agency Accounts	72,396,554,020.15	64,800,360,924.00
c) Advisory/Consultancy	0.00	0.00
Derivatives	75,306,974,854.34	88,751,477,097.94
Others	3,073,817,368.03	1,700,472,703.42
TOTAL CONTINGENT ACCOUNTS	P 253,473,164,291.57	P 257,950,289,288.96
ADDITIONAL INFORMATION		
Gross total loan portfolio (TLP)	P 422,831,715,307.63	P 397,205,152,664.55
Specific allowance for credit losses on the TLP	3,995,321,508.02	4,458,229,976.30
Non-Performing Loans (NPLs)		
a. Gross NPLs	P 2,977,677,152.77	P 3,199,071,460.74
b. Ratio of gross NPLs to gross TLP (%)	0.70	0.81
c. Net NPLs	P 1,584,770,369.24	P 1,493,442,105.50
d. Ratio of Net NPLs to gross TLP (%)	0.37	0.38
e. Ratio of total allowance for credit losses to gross NPLs (%)	257.03	173.37
f. Ratio of specific allowance for credit losses on the gross TLP to gross NPLs (%)	134.18	139.36
Classified Loans & Other Risk Assets, gross of allowance for credit losses	P 22,560,701,101.65	P 25,973,239,358.12
DOSRI Loans and receivables, gross of allowance for credit losses	10,509,167,146.13	10,606,308,669.76
Ratio of DOSRI loans and receivables, gross of allowance for credit losses, to gross TLP (%)	2.49	2.67
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	2.40	2.42
b. 2% for Medium Enterprises	5.79	6.07
Return on Equity (ROE) (%)	9.00	6.98
Capital Adequacy Ratio (CAR) on Solo Basis, as prescribed under existing regulations		
a. Total CAR (%)	13.03	13.50
b. Tier 1 Ratio (%)	12.31	12.76
c. Common Equity Tier 1 Ratio (%) ^{1/}	12.31	12.76
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 October 26, 2018 at City of Makati, affiants exhibiting their Social Security System Numbers 03-8328014-9 and 03-5882607-5, respectively.

Doc. No. 137
Page No. 29
Book No. 110
Series of 2018

(Sgd.) BELENETTE Y. CHING-TAN
Notary Public for Makati City
Appt. No. M-190 until 31 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

CONSOLIDATED BALANCE SHEET

(Banks and Financial Subsidiaries)

As of September 30, 2018

ASSETS	Current Quarter	Previous Quarter
Cash and Cash Items	P 10,056,939,817.50	P 9,434,745,774.55
Due from Bangko Sentral ng Pilipinas	100,186,843,305.13	93,225,010,336.26
Due from Other Banks	10,125,164,096.48	8,405,042,715.23
Financial Assets at Fair Value through Profit or Loss	6,597,619,737.76	6,367,594,026.92
Available-for-Sale Financial Assets-Net	9,927,191,411.31	16,438,950,932.28
Held-to-Maturity (HTM) Financial Assets-Net	164,322,860,620.55	130,107,581,963.80
Unquoted Debt Securities Classified as Loans-Net	0.00	14,980,692,667.23
Investments in Non-Marketable Equity Security-Net	0.00	17.00
Loans and Receivables - Net	483,737,257,061.22	456,827,814,371.63
Loans to Bangko Sentral ng Pilipinas	0.00	0.00
Interbank Loans Receivable	1,890,700,000.00	266,700,000.00
Loans and Receivables - Others	478,347,247,565.38	454,504,683,222.75
Loans and Receivables Arising from RA/CA/PR/SLB	5,000,000,000.00	3,400,000,000.00
General Loan Loss Provision	1,500,890,504.16	1,343,568,851.12
Other Financial Assets	5,897,332,147.71	5,486,268,258.72
Equity Investment in Subsidiaries, Associates and Joint Ventures-Net	633,835,059.46	622,117,117.68
Bank Premises, Furniture, Fixture and Equipment-Net	5,599,568,254.17	5,698,549,016.26
Real and Other Properties Acquired-Net	3,465,346,772.53	3,689,487,918.77
Non-Current Assets Held for Sale	386,304,454.99	357,737,684.91
Other Assets-Net	13,198,102,509.23	14,260,392,909.39
TOTAL ASSETS	P 813,914,365,248.04	P 765,901,985,710.63
LIABILITIES		
Financial Liabilities at Fair Value through Profit or Loss	P 296,792,539.68	P 248,241,553.66
Deposit Liabilities	691,952,082,389.19	653,736,207,600.23
Due to Other Banks	8,483,251.50	4,805,262.53
Bills Payable	24,062,278,873.32	16,080,828,264.44
a) BSP (Rediscounting and Other Advances)	4,346,000,000.00	3,000,000,000.00
b) Interbank Loans Payable	4,526,876,000.00	5,600,704,800.29
c) Other Deposit Substitute	15,189,402,873.32	7,480,123,464.15
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	4,794,262,522.15	4,969,964,451.76
Other Liabilities	10,468,712,743.26	11,610,125,621.11
TOTAL LIABILITIES	P 731,582,612,319.10	P 686,650,172,753.73
STOCKHOLDERS' EQUITY		
Capital Stock	P 43,981,624,082.10	P 43,981,624,082.10
Other Capital Accounts	6,774,210,473.09	3,690,893,266.56
Retained Earnings	31,451,951,130.37	31,465,515,251.14
Assigned Capital	0.00	0.00
Minority Interest in Subsidiaries	123,967,243.38	113,780,357.10
TOTAL STOCKHOLDERS' EQUITY	82,331,752,928.94	79,251,812,956.90
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	P 813,914,365,248.04	P 765,901,985,710.63
CONTINGENT ACCOUNTS		
Guarantees Issued	P 0.00	P 0.00
Financial Standby Letters of Credit	0.00	0.00
Performance Standby Letters of Credit	10,749,600,257.55	11,028,156,602.53
Commercial Letters of Credit	5,362,023,170.98	5,266,296,256.50
Trade Related Guarantees	247,245,632.18	348,664,362.92
Commitments	13,364,086,258.98	13,121,205,098.64
Spot Foreign Exchange Contracts	15,601,138,579.51	12,109,016,918.47
Securities Held Under Custodianship by Bank Proper	0.00	0.00
Trust Department Accounts	130,640,546,092.87	126,689,408,884.85
a) Trust and Other Fiduciary Accounts	58,243,992,072.72	61,889,047,960.85
b) Agency Accounts	72,396,554,020.15	64,800,360,924.00
c) Advisory/Consultancy	0.00	0.00
Derivatives	75,306,974,854.34	88,751,477,097.94
Others	3,111,867,135.19	1,717,919,802.17
TOTAL CONTINGENT ACCOUNTS	P 254,383,481,981.60	P 259,032,145,024.02
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 (%)	13.02	13.32
b. Tier 1 Ratio (%)	12.29	12.58
c. Common Equity Tier 1 Ratio (%) ^{1/}	12.29	12.58
^{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 October 26, 2018 at City of Makati, affiants exhibiting their Social Security System Numbers 03-8328014-9 and 03-5882607-5, respectively.

Doc. No. 136
Page No. 29
Book No. 110
Series of 2018

(Sgd.) BELENETTE Y. CHING-TAN
Notary Public for Makati City
Appt. No. M-190 until 31 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