



August 07, 2019

PHILIPPINE STOCK EXCHANGE, INC.

Disclosure Department
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Attention: MS. JANET A. ENCARNACION
Head - Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

Issuer Compliance & Disclosure Department

Philippine Dealing System Holdings Corp. & Subsidiaries
29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City, 1227

Attention: ATTY. JOSEPH B. EVANGELISTA
Head- Issuer Compliance and Disclosure Department

Gentlemen,

We are pleased to furnish your good office with a copy of China Bank's latest news release, "China Bank nets P4.2B in 1st half 2019, up 18%".

For your information and guidance.

Thank you.

Very truly yours,

ALEXANDER C. ESCUCHA

Senior Vice President & Head
Investor & Corporate Relations Group

CHINA BANKING CORPORATION

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NEWS RELEASE

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China Bank nets P4.2B in 1st half 2019, up 18%

China Banking Corporation (China Bank, stock symbol CHIB) posted P4.2 billion in consolidated profits for the first semester of the year, 18% higher compared to the same period last year. For the second quarter, net income jumped 27% versus Q1.

The sustained loans and deposits build-up and greater contribution from fee-based businesses resulted to improved earnings, which translated to a year-on-year return on equity of 9.45% and return on assets of 0.95%.

Net interest income rose 6% to P11.7 billion, driven by double-digit growth in loans and securities. Meanwhile, fee-based income grew better than expected, by 61% to P3.4 billion, from higher trading gains and service fees & commissions.

“Our strong financial performance in the first half reflects our good fundamentals that provide the foundation for sustainable growth. As we continue to build on our strengths, we are confident about meeting our goals for the year and delivering value to our customers and other stakeholders,” said China Bank President William C. Whang.

Total resources stood at P908 billion, 18% higher year-on-year. Deposits grew 15% to P750 billion, underpinned by a 15% increase in CASA (checking and savings accounts). Gross loans reached P533 billion, up 12%, driven by stronger demand across all customer segments. Despite the sustained loans growth, non-performing loans (NPL) ratio improved to 1.2% from 1.5%, while NPL coverage expanded to 148%.

Total capital funds rose 8% to P90.4 billion. The Bank’s CET 1/ Tier 1 and total capital adequacy ratios stood at 12.9% and 13.8%, respectively.

China Bank successfully raised P30 billion last month as investors supported its maiden issue of peso fixed rate bonds. Six times oversubscribed, it was one of the largest corporate bond issuances on a single issuance in the market and had the most number of registered bondholders to date.

A testament to its excellence in governance and customer responsiveness, the Bank recently received the Best Corporate Governance Disclosure and Transparency Award and the Pagtugon Award for Universal and Commercial Banks from the Bangko Sentral ng Pilipinas. The Institute of Corporate Directors conferred the Four-Arrow Recognition to China Bank, the only bank among the six publicly-listed companies given this distinction, for achieving a score range of 110 to 119 points out of the 130 highest possible points in the ASEAN Corporate Governance Scorecard.

China Bank is celebrating its 99th anniversary on August 16.

China Bank, founded in 1920, is one of the largest private universal banks in the Philippines providing a full range of banking products and services to corporate, commercial, and retail customers through 621 branches and 976 ATMs to date (including the 162 branches and 166 ATMs of China Bank Savings). It also offers a wide range of allied financial services through its subsidiaries China Bank Capital Corp., China Bank Securities Corp., Chinabank Insurance Brokers Inc., and Manulife China Bank Life Assurance Corp. Visit www.chinabank.ph for more information.

Contact:

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