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PHILIPPINE STOCK EXCHANGE, INC.

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

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Attention: ATTY. MARIE ROSE M. MAGALLEN-LIRIO
Head- Issuer Compliance and Disclosure Department

Mesdames,

We are pleased to furnish your good office with a copy of China Bank's latest news release, "China Bank 9-month income up 21% to P6.7B".

For your information and guidance.

Thank you.

Very truly yours,

ALEXANDER C. ESCUCHA

Senior Vice President & Head
Investor & Corporate Relations Group

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PRESS RELEASE

China Bank 9-month income up 21% to P6.7B

China Banking Corporation (China Bank, PSE stock symbol CHIB) continued to achieve strong core income growth, posting P6.7 billion in consolidated net income from January to September 2019, up 21% from the P5.6 billion for the same period last year. This translates to 9.92% return on equity and 0.99% return on assets.

For the third quarter 2019, net earnings hit P2.5 billion, 25% more versus third quarter 2018.

Net interest income for the nine-month period rose 9% year-on-year to P18.7 billion, accounting for 78% of the Bank's total operating income of P23.8 billion, up 15%. Net interest margin improved to 3.29%.

China Bank's loan portfolio expanded 10% to P552.5 billion as demand across market segments steadily increased. Asset quality remained healthy amid the loans growth, with a non-performing loan (NPL) ratio of 1.4% and NPL cover at 122%.

On the funding side, total deposits jumped 12% to P777.2 billion. The Bank successfully raised P30 billion via retail bond offer and P7.5 billion via the issuance of green bonds which helped improve funding flexibility.

Meanwhile, non-interest income surged 43% to P5.2 billion driven mainly by service charges, fees and commissions, as well as trading and securities gains.

Operating expenses increased 19% to P15.6 billion as the Bank continued to upgrade and expand its systems, processes, infrastructure, and manpower.

China Bank is on track to achieve its goal of becoming a P1-trillion bank on its 100th anniversary in 2020, registering 17% growth in assets to P953.9 billion as of end-September 2019.

Total capital funds stood at P92.9 billion, up 8%, with a total capital adequacy ratio of 13.6% and common equity tier 1 ratio of 12.7%.

China Bank celebrated its 99th anniversary last August with the restoration of its original head office in Binondo, built in 1924, in full swing. The restoration and retrofitting works are expected to be completed in time for the Bank's centennial anniversary next year.

In July, China Bank attracted the largest number of investors for its P30B maiden peso fixed rate bond offer. Six times oversubscribed, it was one of the biggest corporate bond issuances this year. Meanwhile, the Bank continues to support the growth of the capital market through China Bank Capital. From January to September, its investment banking subsidiary completed various transactions totaling P423.6 billion.

Last September, the CFA Society Philippines again named China Bank Dollar Fund as the Best Managed Fund of the Year in the long-term (Dollar FVPL) category. This is the fourth consecutive win for the dollar-denominated UITF. China Bank offers ten UITFs to date.

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 972 ATMs to date (including the 159 branches and 163 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.

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