



16 March 2020

PHILIPPINE STOCK EXCHANGE, INC.

Disclosure Department
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Taguig City

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

PHILIPPINE DEALING & EXCHANGE CORP.

Philippine Dealing System Holdings Corp. & Subsidiaries
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8751 Paseo de Roxas, Makati City, 1227
Telephone No: 884-4446

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

SUBJECT: SEC-17C REPORT ON COVID-19 IMPACT AND RESPONSE MEASURES

Mesdames,

We are pleased to send China Bank' report on: (1) risk and impact of the COVID-19 on the bank's business operations; (2) measures undertaken to mitigate the risk of the COVID-19.

Sincerely yours,

ALEXANDER C. ESCUCHA
Senior Vice President
Corporate Information Officer and
Head, Investor and Corporate Relations Group

(1) Risk and impact of the COVID-19 on the bank's business operations

- Management has been conducting an across-the-board assessment of industries which could be affected with the prolonged spread of the Coronavirus Disease 2019 (COVID-19). The Bank will continue to closely monitor the markets and industries which it is exposed to.
- Operational risks due to potential disruption in operations resulting from quarantine procedures for employees, temporary closure of certain offices with affected personnel, among others.
- The Bank's nonperforming loans could see an uptick but we have sufficient provisions and capital buffer to absorb impact of credit quality deterioration.

(2) Measures undertaken to mitigate the risk of the COVID-19

- China Banking Corporation (China Bank) has an organization-wide disaster recovery and business continuity management program in the event of major disasters or events adversely affecting operations.
- The Bank has prepared for scenarios to ensure that clients can still continue to accomplish their financial transactions with the least disruption or without having to go to the branch or China Bank office. The Bank encourages its clients to use other China Bank channels, such as ATMs, CAMs, Phone Banking, Online Banking, and Mobile Banking, which are available 24/7 for their convenience and banking needs.
- For its employees and staff, the Bank has issued advisories on the following:
 - Travel advisories
 - Quarantine guidelines
 - Sanitation of the Bank's branches and other offices
 - Policies on Visitors to offices and branches
 - Temperature scanning

As we all go through this challenging journey of monitoring the COVID-19 outbreak and mitigate further transmission of the virus, the Bank continues to implement preventive measures for everyone's safety and protection.