

Investor Presentation

9M 2021 Results



China Bank response to COVID-19

EMPLOYEES

- ✓ **64%** of employees fully vaccinated, **86%** given 1st dose
(As of October 25, 2021)
- ✓ Compliant with health standards of DOH, DOLE, DTI, and IATF
 - Detection, contact tracing, testing, isolation & referral
 - Housekeeping & disinfection
 - Provision of PPEs
 - Awareness campaigns/reminders
 - WFH arrangements / split office
- ✓ Augmented COVID-19 Medical Team
 - Occupational Safety & Health Committee in-charge of notification & reporting
 - Expanded Health Teams (11 team leads & 80 members)
- ✓ Opened a dedicated COVID-19 testing facility
- ✓ Continuous logistical support and transportation services
- ✓ Automated employees' daily health checklist

CLIENTS AND COMMUNITY

- ✓ Almost 100% of branches open for operations
- ✓ Working closely with clients in the most challenged sectors
- ✓ Increased ATM withdrawal limit to P50K until the community quarantine is lifted
- ✓ Continued waiver of fees on InstaPay & PesoNet
- ✓ Provided digital options to retail and business clients
- ✓ Track & Trace Plan for clients/ visitors/ external and internal messengers
- ✓ Released latest version of China Bank Mobile App
- ✓ Regular communication on customer updates, cyberfraud protection, health & safety

China Bank Profile

Who we are

- ✓ One of the oldest privately owned banks, established in 1920
- ✓ Publicly-listed since 1927 on the Manila Stock Exchange
- ✓ Strong presence in the entrepreneur, middle market and business segments
- ✓ Longest relationship with Chinese-Filipinos, serving up to the 4th generation
- ✓ Best practice in Corporate Governance



636 branches*

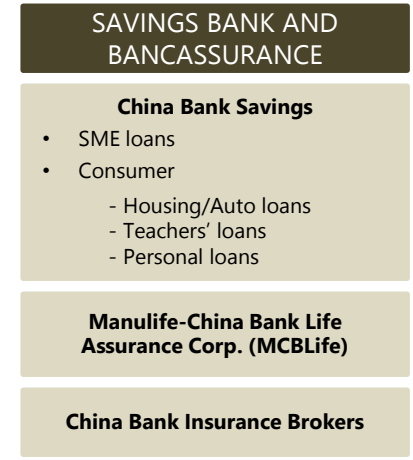
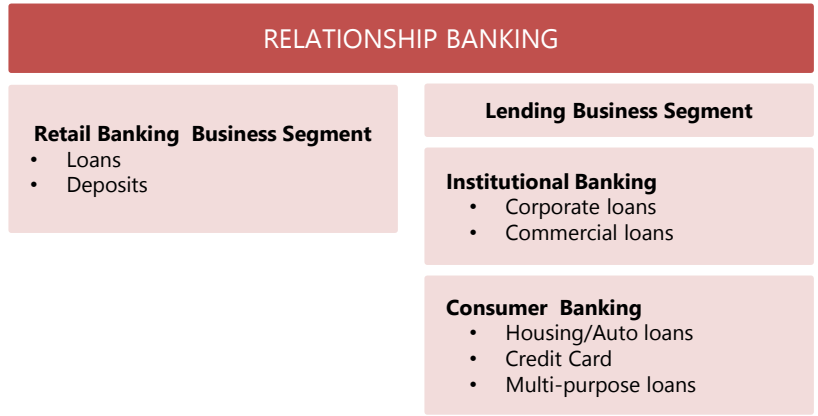


1,034 ATMs*



9,790 Employees*

Full Service Platform



*As of September 30, 2021

China Bank Profile

EQUITY PROFILE

Particulars	November 17, 2021
Ticker	CHIB
Stock Price	Php25.30
Market Cap (in PHP Mn)	67,995
Market Cap (in USD Mn)	1,359
Book Value per Share	Php42.33
Earnings per Share (Trailing 12 months)	Php5.6
Price to Book	0.6
Price to Earnings	4.5

CREDIT RATINGS

MOODY'S

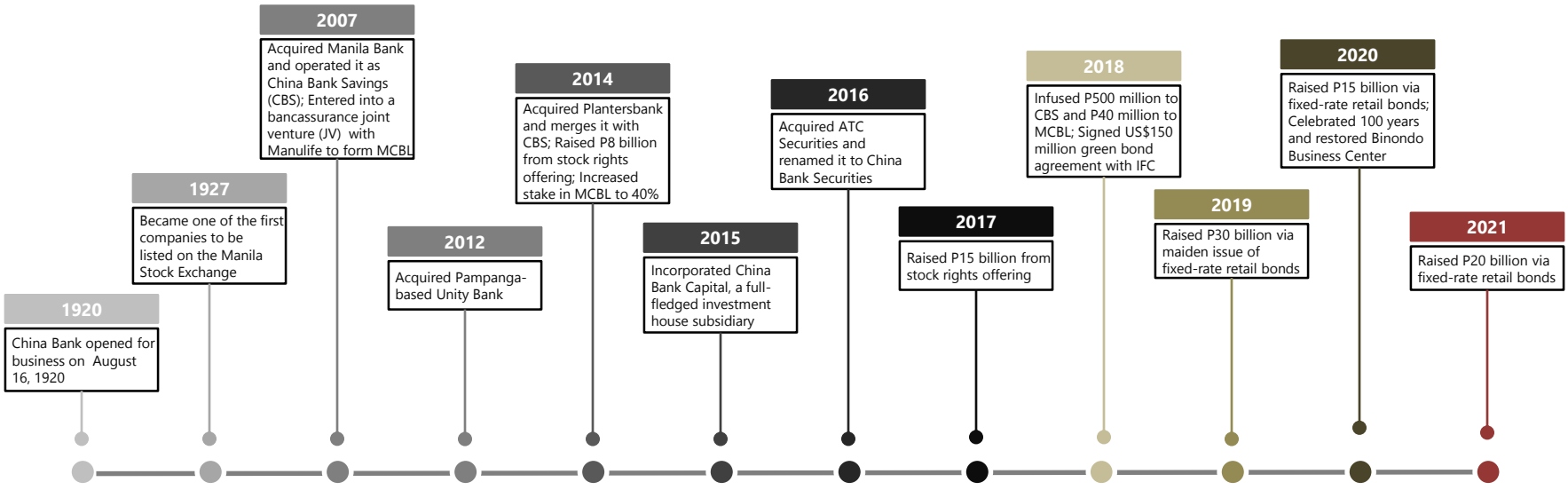
- Investment grade credit rating of **Baa2** from May 2017
- Same level as the Philippine sovereign rating and at par with the country's three biggest banks
- Affirmed in September 2021

PhilRatings
PHILIPPINE RATING SERVICES CORPORATION

- Investment grade issuer rating of **PRS Aaa (corp.)** in February 2019
- Affirmed in October 2021

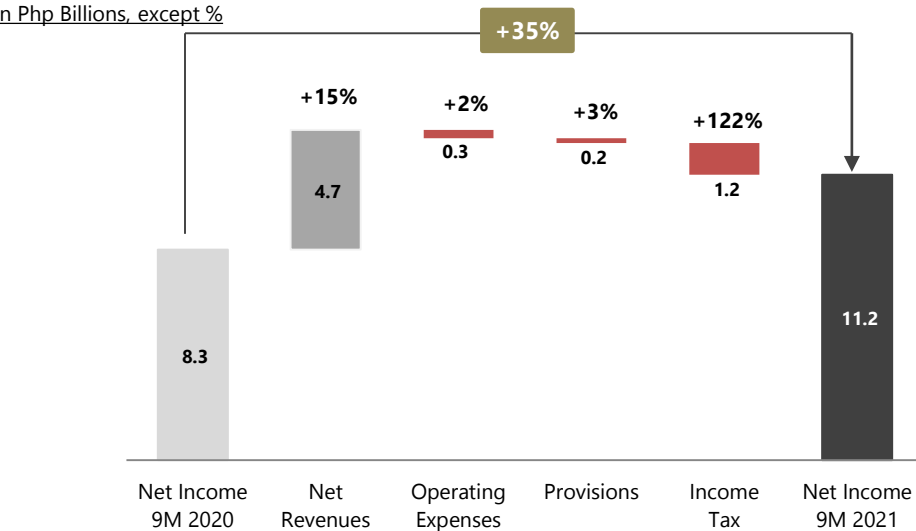
China Bank Profile

Corporate Milestones

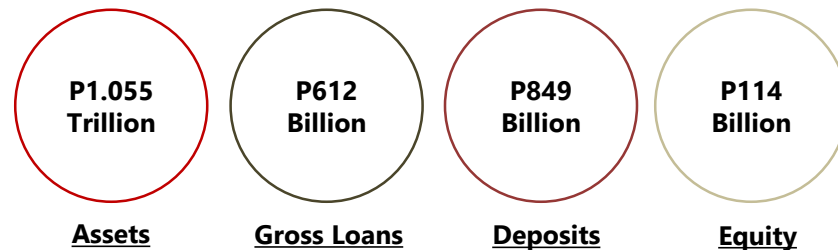


China Bank at a glance

In Php Billions, except %



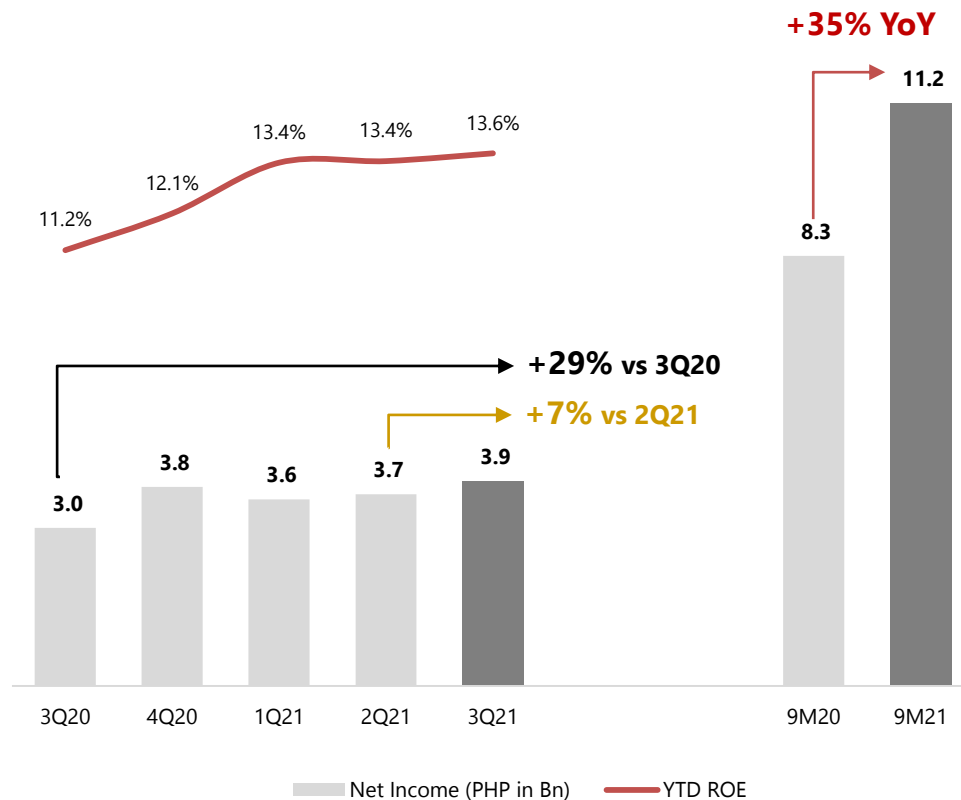
ROE	11.15%	+2.48%	13.63%
ROA	1.11%	+0.34%	1.45%
Cost to Income	51%	-6%	45%
NIM	3.89%	+0.29%	4.18%



YoY **+4%** **+3%** **+3%** **+13%**

- ✓ Gross loans expanded **3%** with the gradual return of business activities. Business loans slightly up **1%** YoY as the **5%** growth in Corporate loans was offset by **12%** decline in Commercial loans. Consumers loans up **12%** YoY.
- ✓ Total deposits rose **3%** to **P849 billion**, underpinned by **23%** growth in CASA.
- ✓ CASA ratio improved to **62%** from **52%** in Sep-2020
- ✓ Capital ratios remain healthy with CET 1/Tier 1 ratio at **14.4%** and total Capital Adequacy Ratio at **15.3%**.

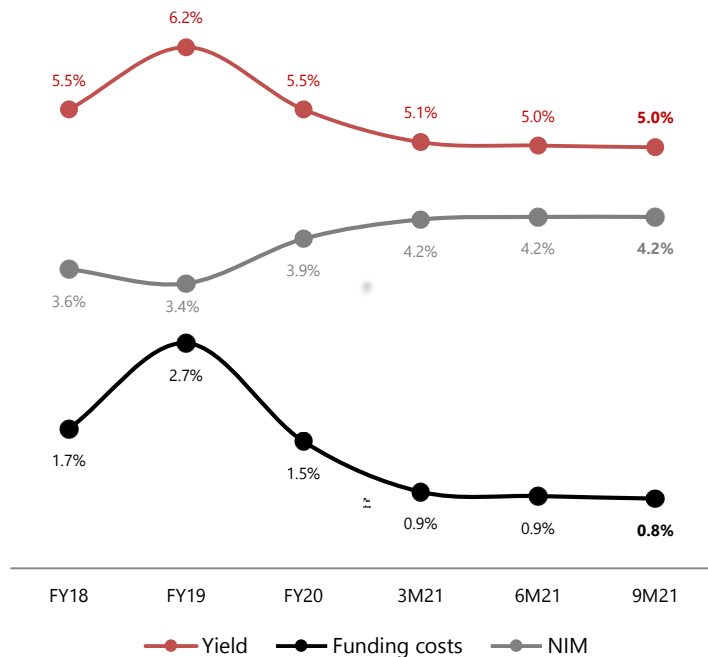
Sustained profitability amidst a challenging environment



- ✓ Net interest income up **13%** to **P28.2 billion** driven primarily by lower funding costs.
- ✓ The significant reduction in interest expense led to an improved net interest margin of **4.2%** from **3.9%**.
- ✓ Net revenues rose **15%** to **P36.6 billion**, reflecting strong growth in net interest income and fee-based income.
- ✓ With the enhancements in productivity and efficiency, operating expenses were controlled at **P16.6 billion**, up **2%** YoY.
- ✓ Provisions for taxes grew **122%** as the Bank absorbed the one-time impact on deferred taxes due to CREATE Law

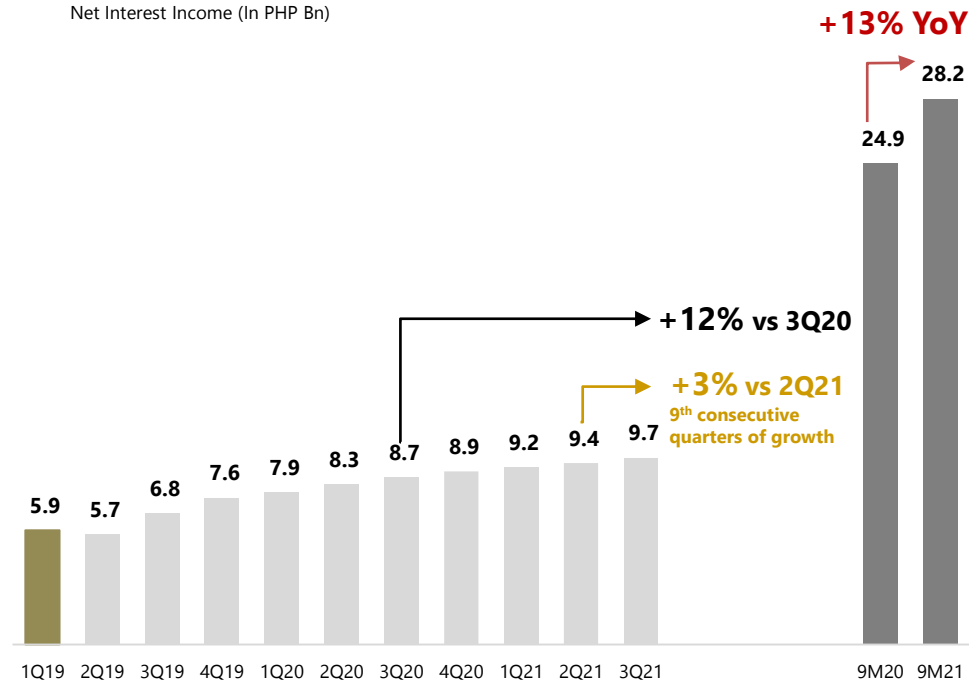
Resilient NII despite pressure on yields

NIM stabilizes at above 4%



Net interest income continues to grow Quarter-on-Quarter

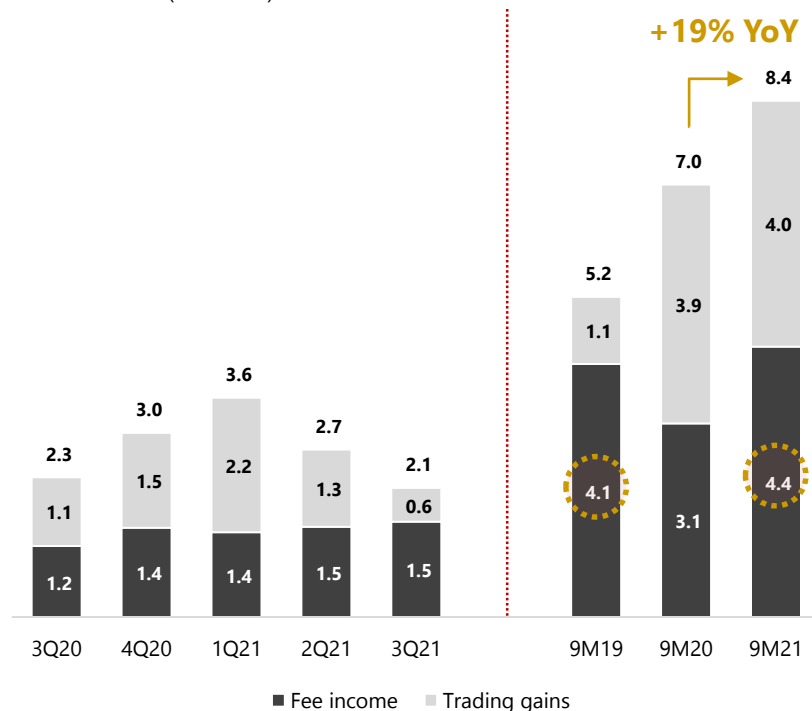
Net Interest Income (In PHP Bn)



Fee-based income driving revenue growth

Fee income recovers to pre-pandemic level

Fee-based Income (In PHP Bn)

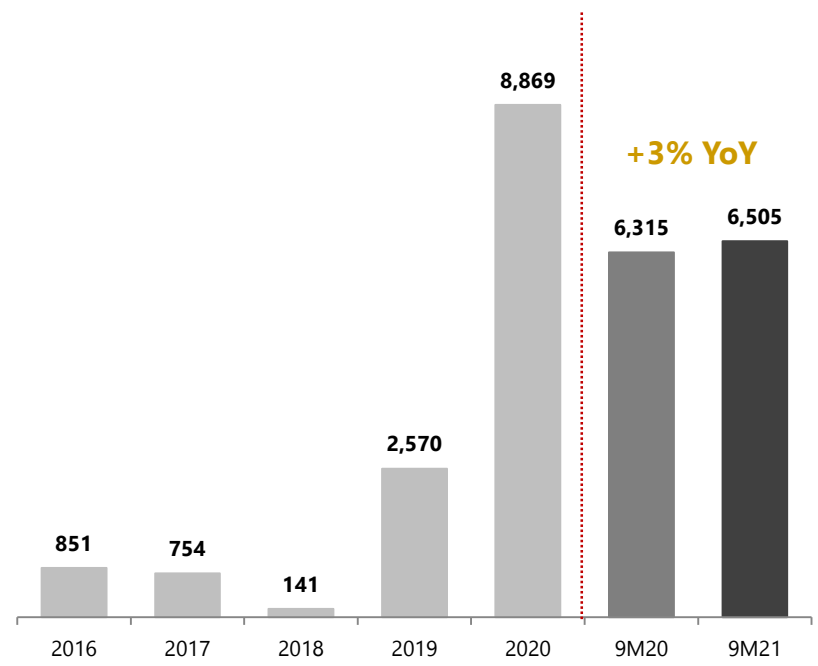


- ✓ Fee income grew **40%** YoY to **P4.4 billion**. This was **7%** better than the pre-pandemic fee income of P4.1 billion (9M 2019).
- ✓ Service charges, fees, and commissions were up **26%** to **P2.5 billion** due to higher investment banking and loans and deposits-related fees.
- ✓ Foreign exchange gain significantly increased to **P341 million** from **P90 million** primarily due to favorable FX trading activities.
- ✓ Income from sale of acquired assets was **3.3x higher** at **P367 million**.
- ✓ Miscellaneous income up **24%** due to higher bancassurance **(+60% YoY)** and Trust income **(+19% YoY)**.

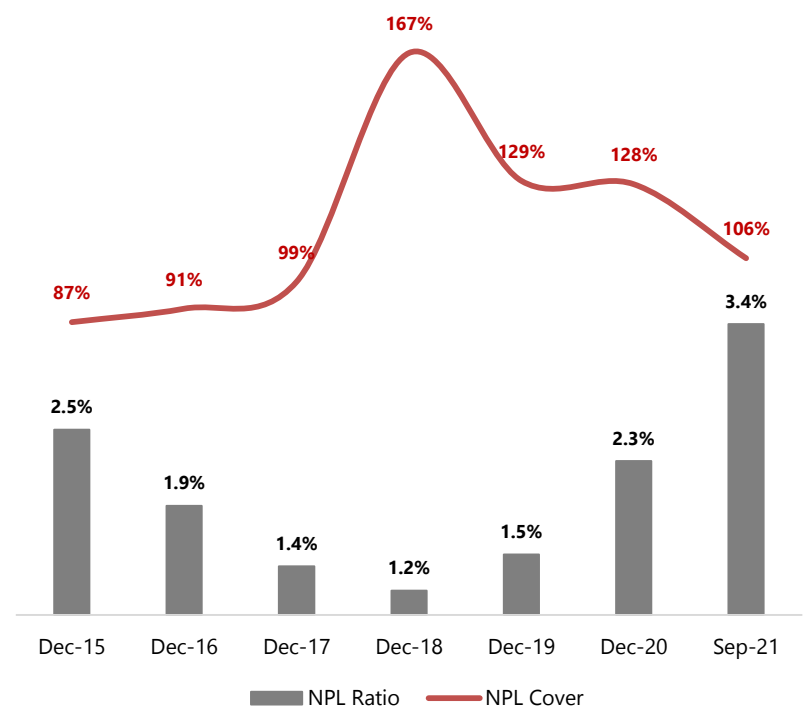
Absorbed substantial provision for credit losses

Ramped up provisions on COVID-19 impact

Provisions (In PHP Mn)



NPL cover remains sufficient

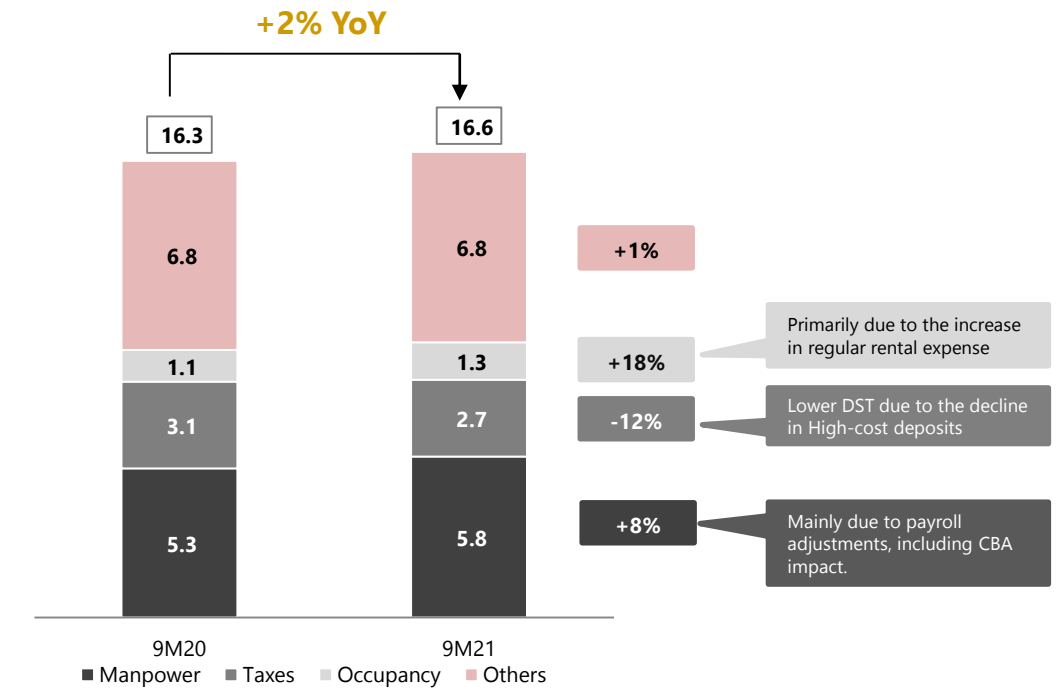


Source: Company filings. Financial data as of September 30, 2021 unless otherwise noted.

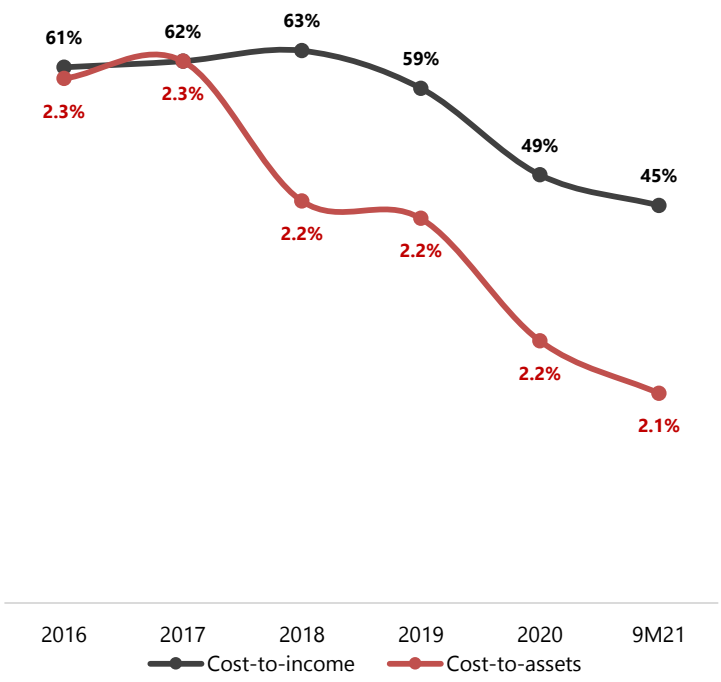
Demonstrated operational resiliency amidst COVID-19 pandemic

Prudent cost management

Operating Expenses ex provisions (In PHP Bn)



Improving efficiency

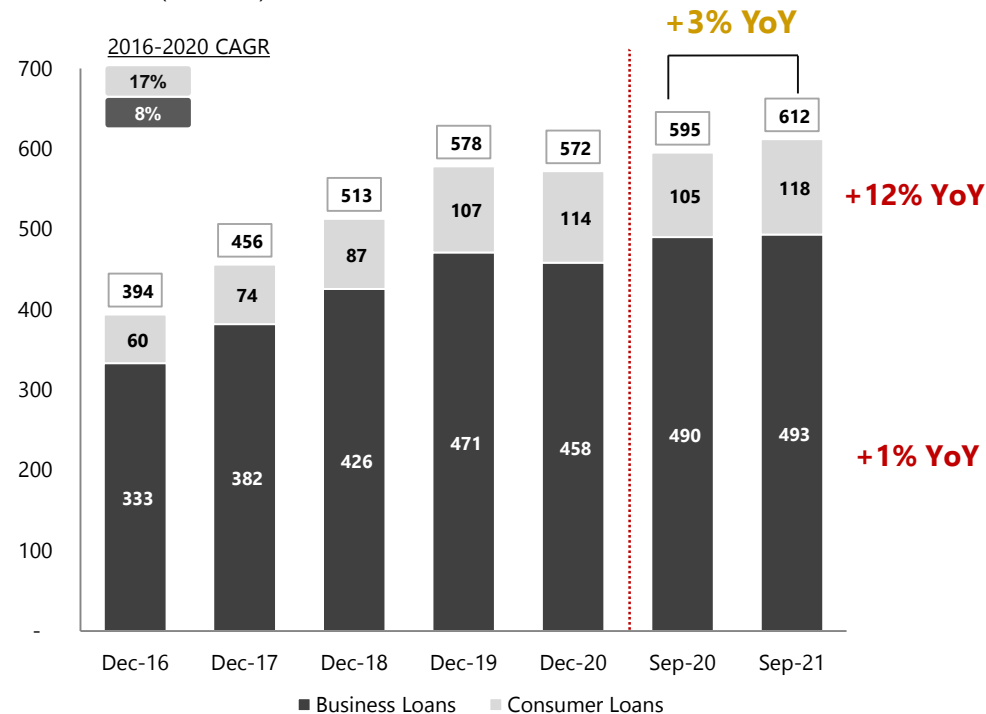


Source: Company filings. Financial data as of September 30, 2021 unless otherwise noted.

Disciplined loan growth

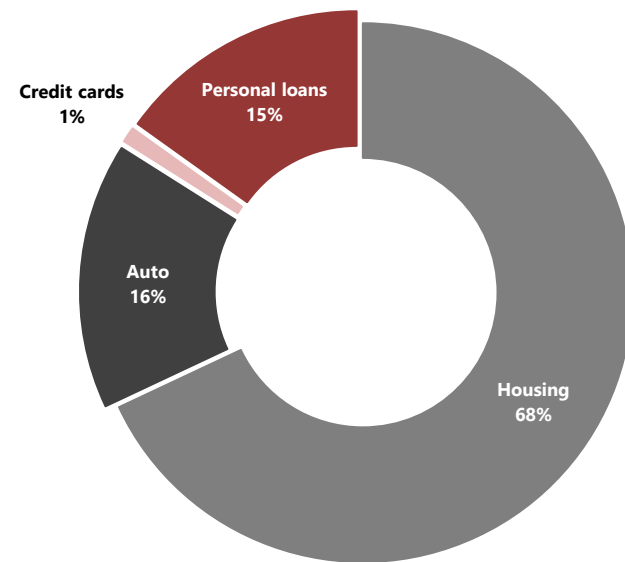
Continued expansion in consumer lending segment

Gross Loans (In PHP Bn)



Well-secured consumer lending portfolio

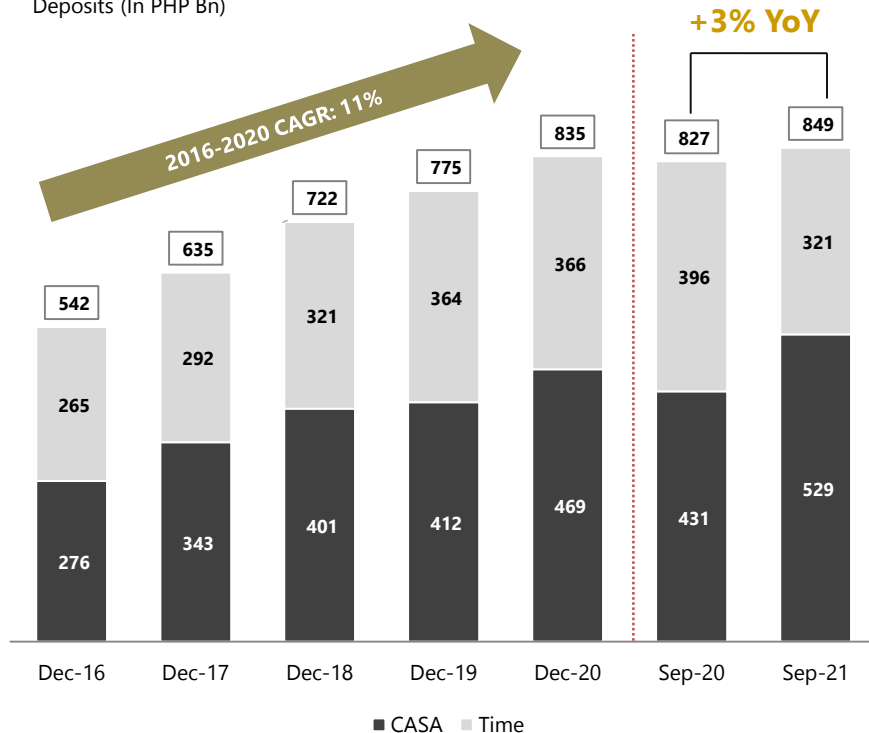
Consumer Loans Breakdown as of Sep-2021



Deposit growth primarily driven by CASA

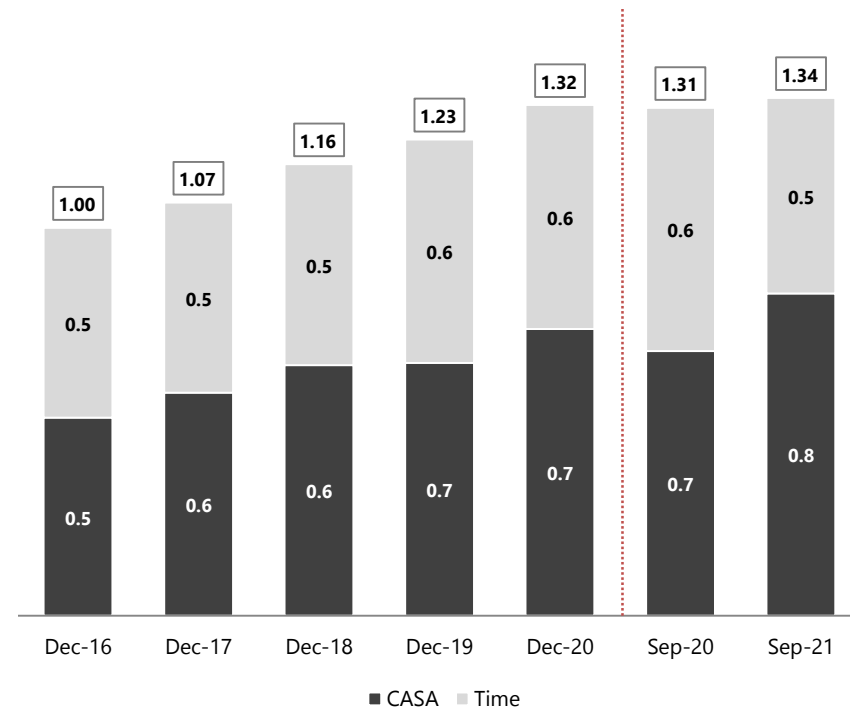
Strong retail base

Deposits (In PHP Bn)



Improving CASA per branch

Deposits per branch (In PHP Bn)

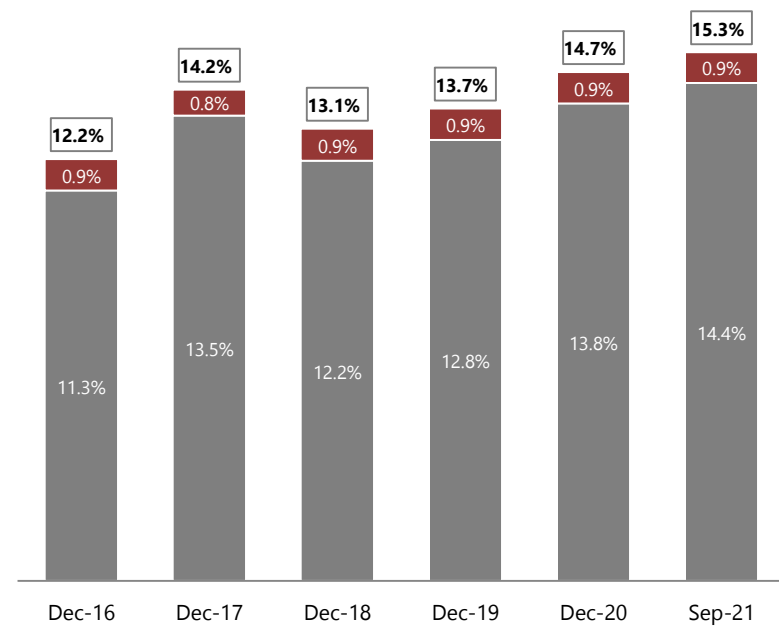
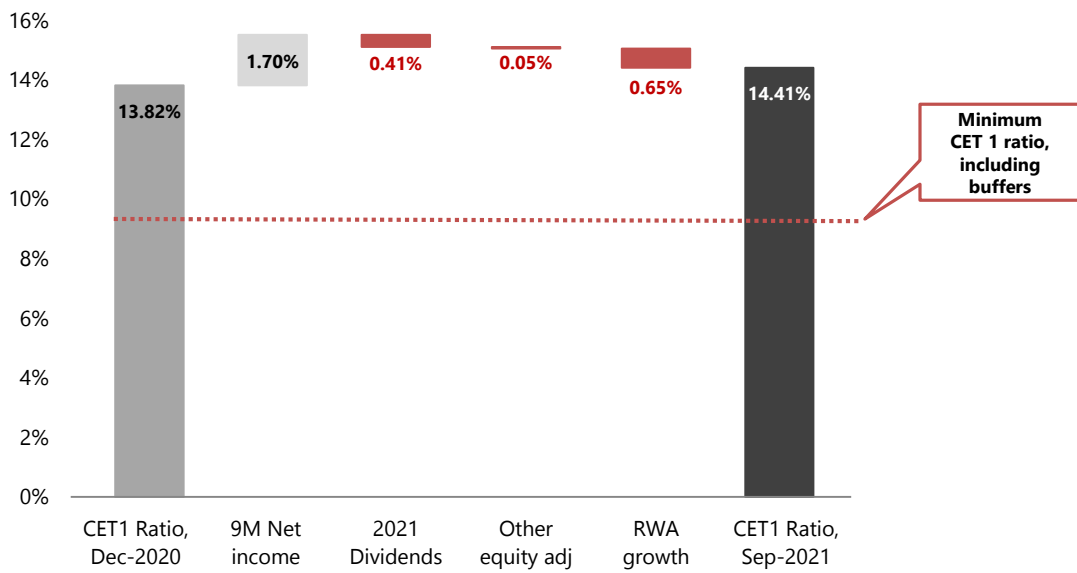


Strong internal capital generation results in higher capital buffer

Enough capital buffer:

- ✓ to absorb credit shock;
- ✓ to support Asset growth; and
- ✓ to continue dividend distribution to shareholders

■ CET 1/Tier 1 ■ Tier 2 □ CAR



Highly capable management team



Hans T. Sy
Chairman of the Board



Gilbert U. Dee
Vice Chairman of the Board



William C. Whang
Director and President



Romeo D. Uyan, Jr.
Executive Vice President and Chief Operating Officer



Rosemarie C. Gan
Executive Vice President and Segment Head of Retail Banking Business



Patrick D. Cheng
Executive Vice President and Chief Finance Officer



Alexander C. Escucha
Senior Vice President and Head of Investor and Corporate Relations Group



Lilian Yu
Senior Vice President and Head of Institutional Banking Group



Magnolia Luisa N. Palanca
Senior Vice President and Head of Financial Markets Segment



Manuel C. Tagaza
Senior Vice President and Head of Digital Banking Group



Aloysius C. Alday, Jr.
Senior Vice President and Head of Cards Business and Customer Contact Center Group



Ananias S. Cornelio III
Senior Vice President and Chief Risk Officer



Christopher Ma. Carmelo Y. Salazar
First Vice President II, Treasurer and Head of Treasury Group



Lilibeth R. Cariño
First Vice President II and Head of Consumer Banking Group



Atty. Aileen Paulette De Jesus
Vice President II and Chief Compliance Officer

Best Practice in Governance

Track record of excellence in Corporate Governance















The ASEAN Capital Markets Forum named China Bank for fiscal year 2019 as:

- ✓ **Among the top 3 publicly listed companies (PLCs) in the Philippines;**
- ✓ **Among the top 20 PLCs in ASEAN, and**
- ✓ **As an ASEAN Asset Class**

The Institute of Corporate Directors distinguished China Bank with a **4-Golden Arrow recognition** at the **ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Recognition Ceremony 2020**, the only bank among the six awardees.






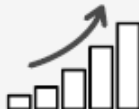


Other Citations

 <p>2nd Strongest Bank in the Philippines</p> <p>2021</p>	 <p>Mobile Banking & Payment Initiative of the Year Philippines</p> <p>2020</p>	 <p>Apo Agua Infrastructure Php9 Billion financing</p> <p>Utility Deal of the Year Philippines 2019</p>	 <p>Atlantic Gulf and Pacific Company Php6 Billion term loan</p> <p>Oil and Gas Deal of the Year Philippines 2019</p>	 <p>Best Bond Adviser</p> <p>Domestic Bond Category 2019, 2018, 2017</p>	 <p>China Bank Corporation P30 Billion Fixed Rate Retail Bond</p> <p>Best Retail Bond Philippines 2019</p>
 <p>Autotax Payment Facility</p> <p>Most Innovative Public Sector System Philippines 2019</p>	 <p>Best Corporate Governance Disclosure and Transparency Award</p> <p>2019</p>	 <p>Pagtugon Award for Universal and Commercial Banks</p> <p>2018, 2019</p>	 <p>Top Corporate Securities Market Makers and Top Fixed-income Brokering participants 2019</p>	 <p>Top Corporate Issue Manager / Arranger Investment House Category</p> <p>2018, 2017</p>	 <p>Best Debt Capital Market (DCM) House Philippines</p> <p>2018</p>
 <p>Best Managed Fund for Bond Long-Term Dollar Category</p> <p>2019, 2018, 2017</p>	 <p>Best Managed Fund for Balanced Peso Category</p> <p>2018</p>	 <p>Best Fixed Income Deal - PHP181 Billion ROP Bureau of the Treasury's Retail Treasury Bond</p> <p>2018</p>	 <p>Best Fixed Income Deal - Ayala Corporation US\$400 Million Fixed-For-life Bonds (Ayala USD Fixed For Life)</p> <p>2018</p>	 <p>Best Investor Relations Bank Philippines</p> <p>2019, 2018, 2016</p>	 <p>Best Corporate Governance Bank Philippines</p> <p>2019, 2018, 2017, 2016</p>

Thank you!



Strategic plans in place to deliver on our targets

CASA Growth	Consumer Loans	Asset Quality	Fee-Based Income	Operational Efficiency	Digital Banking
 <ul style="list-style-type: none"> • New deposit promos • Digitized customer onboarding 	 <ul style="list-style-type: none"> • Key drivers: real estate and personal loan • Expanding marketing campaigns 	 <ul style="list-style-type: none"> • Tighter credit standards • Appropriate provisioning 	 <ul style="list-style-type: none"> • Segment cross-sell/up-sell initiatives 	 <ul style="list-style-type: none"> • Productivity improvement • Streamline key processes and automate manual procedures 	 <ul style="list-style-type: none"> • Superior customer experience

Digital Banking: Relationship-driven Transformation

Focus on Digital Payments, even pre-Covid

Recognized by BSP as active partner in digital economy

- ✓ Pilot bank in Instapay
- ✓ 1 of 4 pilot banks for InstaPay to mobile/ e-mail
- ✓ 1 of 6 pilot banks for QRPh P2P payment
- ✓ 1 of 7 pilot banks for QRPh P2Merchant payment

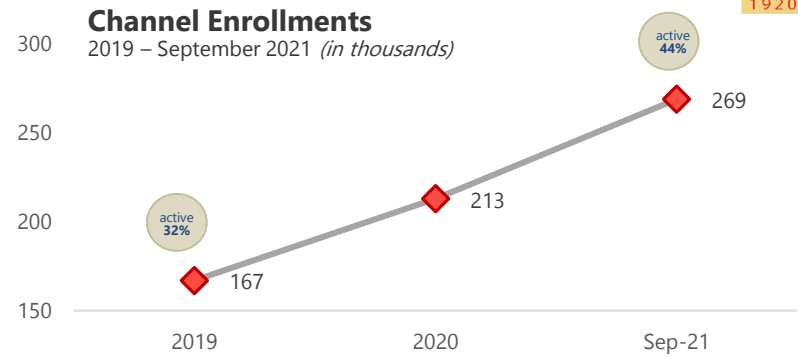
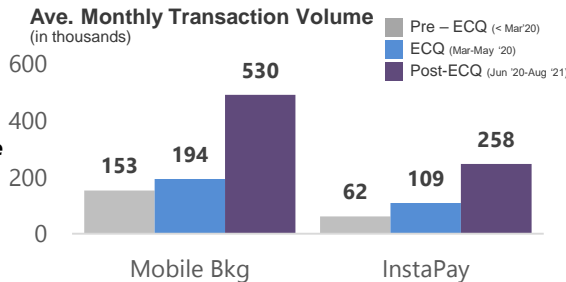
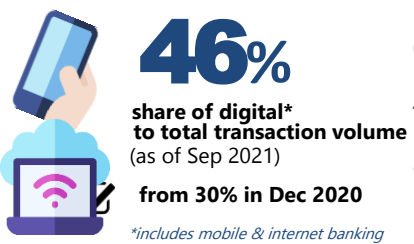
Mobile banking functions relevant during pandemic

- ✓ Send money to pawnshop
- ✓ Card-less ATM withdrawal
- ✓ RFID toll fee loading

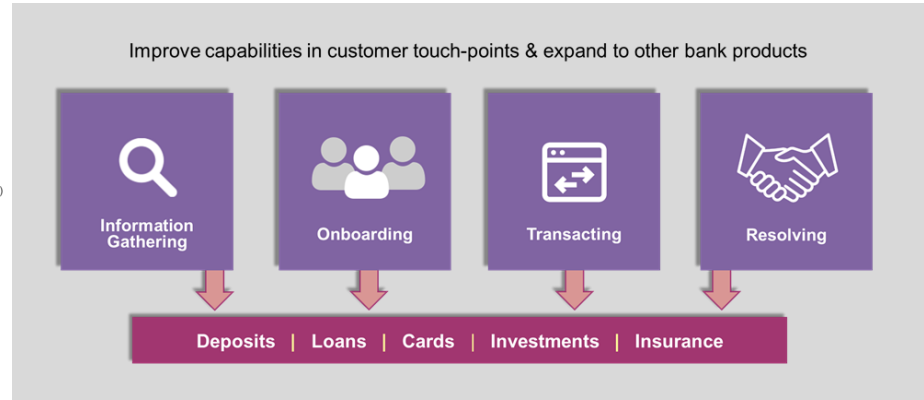
Instapay and PesoNet fees are waived until Dec. 31, 2021

Expanded payment ecosystem through partnerships

- ✓ Bayad Center
- ✓ Cash in to eWallets



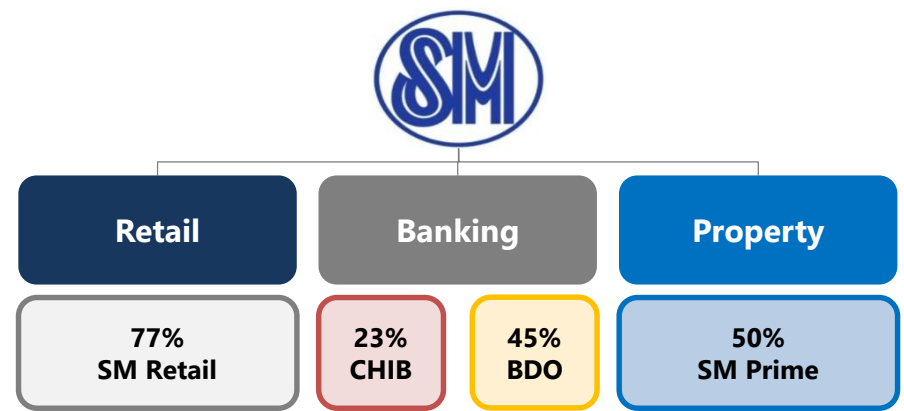
Unprecedented growth in digital channel users. Strong pick-up in digital enrollments – internet & mobile banking – among retail users, with active usage increasing to 44% in September 2021 from 32% pre-pandemic.



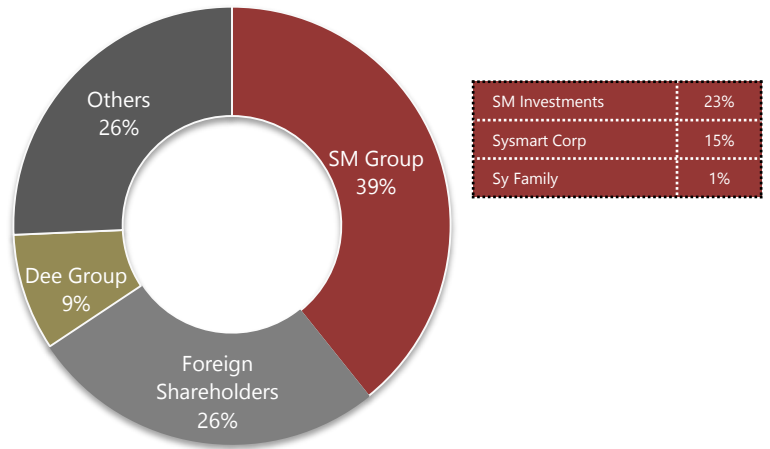
Strong Support and Synergies with the SM Group

China Bank benefits from being part of one of the largest and most diversified conglomerates in the Philippines

Snapshot of SM Group Business Lines



Current Shareholdings



Distinct Benefits for China Bank

✓ **Access to the SM Group's ecosystem of merchants, suppliers and contractors to promote the Bank's products**

✓ **53 branches and 130 ATMs in SM Group's shopping malls, SaveMore, CityMall and Alfamart locations**

Financial Highlights – Balance Sheet

<i>In Php Billion, except %</i>	September 30, 2021	December 31, 2020	September 30, 2020	YoY change
Liquid assets	195	205	172	13%
Investment securities	232	236	222	5%
Net loans	592	557	581	2%
Other assets	36	38	38	(4%)
Total assets	1,055	1,036	1,013	4%
Deposit liabilities	849	835	827	3%
Bills payable	27	24	26	5%
Bonds payable	42	52	37	14%
Other liabilities	22	20	22	(1%)
Total liabilities	941	931	912	3%
Total equities	114	105	101	13%
Total liabilities and equities	1,055	1,036	1,013	4%
NPL Ratio	3.4%	2.3%	2.5%	
NPL Cover	106%	128%	104%	
Tier 1/CET1 ratio	14.4%	13.8%	13.1%	
Capital adequacy ratio	15.3%	14.7%	14.0%	

Financial Highlights – Income Statements

<i>In Php Billion, except %</i>	Jan-Sep 2021	Jan-Dec 2020	Jan-Sep 2020	YoY change
Interest income	33.8	47.1	35.7	(5%)
Interest expense	(5.6)	(13.3)	(10.8)	(48%)
Net interest income	28.2	33.8	24.9	13%
Fee-based income	8.4	10.0	7.0	19%
Net revenues	36.6	43.9	31.9	15%
Provision for impairment losses	(6.5)	(8.9)	(6.3)	3%
Operating expenses	(16.6)	(21.5)	(16.3)	2%
Income before income tax	13.4	13.5	9.3	45%
Provision for income tax	(2.3)	(1.4)	(1.0)	122%
Net income	11.2	12.1	8.3	35%
Return on Assets	1.45%	1.21%	1.11%	
Return on Equity	13.63%	12.09%	11.15%	
Net Interest Margin	4.18%	3.92%	3.89%	
Cost-to-income Ratio	45%	49%	51%	

Financial Highlights – Segment Information

For the period-ended September 30, 2021 In Php million	Lending Business	Retail Banking	Financial Markets	Others	Total
Net interest income	8,443	14,213	2,135	3,426	28,218
Fee-based income	667	1,754	4,523	1,435	8,380
Total revenue	9,111	15,967	6,659	4,861	36,598
Operating expenses	(2,850)	(8,486)	(1,692)	(3,620)	(16,649)
Income before provisions and taxes	6,260	7,481	4,966	1,241	19,949
Provision for impairment and credit losses	(4,880)	(495)	(183)	(947)	(6,505)
Income before income tax	1,380	6,986	4,783	295	13,444
Provision for income tax	(58)	(912)	(1,174)	(121)	(2,265)
Net income	1,322	6,074	3,610	173	11,179

For the period-ended September 30, 2020 In Php million	Lending Business	Retail Banking	Financial Markets	Others	Total
Net interest income	6,084	12,961	2,983	2,866	24,895
Fee-based income	645	1,380	3,952	1,049	7,026
Total revenue	6,730	14,340	6,936	3,915	31,921
Operating expenses	(2,778)	(8,422)	(1,595)	(3,543)	(16,338)
Income before provisions and taxes	3,952	5,919	5,341	372	15,583
Provision for impairment and credit losses	(4,990)	(769)	(98)	(457)	(6,315)
Income before income tax	(1,038)	5,149	5,242	(85)	9,268
Provision for income tax	214	(12)	(1,013)	(208)	(1,019)
Net income	(824)	5,137	4,229	(293)	8,249