

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

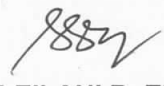
1. July 5, 2022
Date of Report (Date of earliest event reported)
2. SEC Identification Number 443 3. BIR Tax Identification No. 000-444-210-000
4. CHINA BANKING CORPORATION
Exact name of issuer as specified in its charter
5. Philippines 6. SEC (Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation
7. China Bank Bldg., 8745 Paseo de Roxas, Makati City 1226
Address of principal office Postal Code
8. (02) 8885-5555
Issuer's telephone number, including area code
9. -- NA --
Former name or former address, if changed since last report
10. Securities registered pursuant to Section 8 and 12 of the SRC of Sections 4 and 8 of the RSA
- | Title of each Class | Number of shares of common stock
outstanding and amount of debt outstanding |
|---------------------|--|
| <u>Common</u> | <u>2,691,288,212 shares</u> |
11. Indicate the item numbers reported herein: Item 9

Item 9 - China Bank's latest press release, "Moody's maintains China Bank's investment grade credit rating".

Pursuant to the requirements of the Revised Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CHINA BANKING CORPORATION
Registrant

Date July 5, 2022


ATTY. LEILANI B. ELARMO
Corporate Secretary
Signature and Title *

* Print name and title of the signing officer under the signature

05 July 2022

SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City

Attention:

- 1. DIRECTOR VICENTE GRACIANO P. FELIZMENIO, JR.**
Markets and Securities Regulation Department

- 2. DIRECTOR RACHEL ESTHER J. GUMTANG-REMALANTE**
Corporate Governance and Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.

6th Floor PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**
Officer-in-Charge, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

29th Floor BDO Equitable Tower
8751 Paseo de Roxas, Makati City

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

Sir, Mesdames:

We are pleased to furnish your good office with a copy of China Bank's latest news release, "**Moody's maintains China Bank's investment grade credit rating**".

Thank you.

Very truly yours,



GERALD O. FLORENTINO
FVP and Head
Investor and Corporate Relations Group

Moody's maintains China Bank's investment grade credit rating

Moody's Investors Service affirmed China Banking Corporation's (China Bank) credit rating on the back of its strong capitalization and profitability. Deposit and issuer credit ratings remained at Baa2, a notch above the minimum investment grade, with stable outlook.

The international credit watcher cited stable capitalization and profitability, which support business expansion, and sound liquidity as China Bank's credit strengths.

China Bank's Common Equity Tier 1 (CET1) capital ratio has been steadily improving: from 13.8% in 2020, to 14.9% in 2021, and to 15.5% as of end-March 2022.

"The improvement in the bank's capital since 2019 has been higher than the average of its peers, reflecting a combination of low loan growth from the pre-pandemic level in 2019 and increased profitability," Moody's noted in its report.

As of end-March 2022, the Bank reported higher annualized core operating profitability (pre-provision income less trading gains as a percentage of assets) of 1.9%. Its annualized return on average assets was at 1.7%, the highest among its rated domestic peers.

"The improvement in profitability for the period was driven by higher NIM (net interest margin), which increased to 4.3% for the three months that ended March 2022 from 4.2% a year earlier. The improvement in NIM was largely because of the low interest and easy liquidity environment, which led to a significant reduction in funding costs," the Moody's report stated.

Meanwhile, Moody's cited asset quality risks resulting from the concentrated loan book and a modest funding profile, with a relatively high share of corporate deposits, as the Bank's credit challenges.

The business loans segment, which is less susceptible to economic disruptions, comprised 80.1% of China Bank's gross loans. As of end-March 2022, its non-performing loans (NPL) ratio improved to 2.4% year-on-year from 3.8%.

While China Bank's market funds/total tangible assets is lower than most of its peers that Moody's rate, the Bank's liquid assets/total tangible assets remained largely stable at 30.8% as of end-March 2022.



Moody's noted that it could upgrade China Bank's BCA "if the bank's asset quality reverts to pre-pandemic levels and NIM improves in a rising interest rate environment." If the bank's BCA and the Philippines' sovereign rating are upgraded, China Bank's deposit rating could be upgraded.

China Bank opened for business on August 16, 1920 in Binondo, Manila, and is now one of the largest private universal banks in the Philippines. It provides a full range of banking products and services to corporate, commercial, and retail customers through 636 branches and 1,037 ATMs to date (including the 160 branches and 165 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 affiliate Manulife China Bank Life Assurance Corp. Visit www.chinabank.ph for more information.

Contact:

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GERALD O. FLORENTINO

FVP & Head

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