



15 June 2020

PHILIPPINE STOCK EXCHANGE, INC.

Disclosure Department
6F PSE Tower One Bonifacio High Street
28th Street corner 5th Avenue, Bonifacio Global City
Taguig City

ATTENTION: **MS. JANET A. ENCARNACION**
Head – Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

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

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

Mesdames:

There has been some newspaper articles and Viber messages circulating and making insinuations about banking violations by a certain Universal bank.

We would like to confirm that we have a non-paying client, whose case has been referred to our Lawyers.

We would like to emphasize that the said obligation has been properly classified and reported to the BSP. It constitutes less than 1% of our total loan book and for which we have made adequate loan loss reserves.

Please note that China Banking Corporation (China Bank) adheres to the highest professional standards and that we are complying with all regulatory requests for information.

Rest assured that the China Bank Group continues to be liquid, well capitalized and profitable with 1Q 2020 earnings that are 19% higher year on year.

We are addressing all the issues raised in the proper forum.

Thank you.

Respectfully yours,

ALEXANDER C. ESCUCHA
Corporate Information Officer