

**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 28, 2022
Date of Report (Date of earliest event reported)
2. SEC Identification Number 443 3. BIR Tax Identification No. 000-444-210-000
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

In compliance with your requirements, please be informed that the Executive Committee of China Banking Corporation (China Bank, the Bank), during its regular meeting held yesterday, 27 July 2022, approved the unaudited financial statements of the Bank for the quarter ended June 30, 2022. Key highlights are as follows:

- The Bank posted a 39% increase in net income to P10.1 billion, which translated to an improved return on equity and return on assets of 16.4% and 1.7%, respectively.
- China Bank closed the quarter with P1.2 trillion in assets, up 17%, supported by a 14% expansion in net loans. Meanwhile, deposits increased 14% to P945 billion which was driven by a 14% build-up in checking and savings accounts (CASA) deposits.
- Total equity increased 16% to P127 billion, with a common equity tier 1 (CET1) ratio of 14.8% and total capital adequacy ratio (CAR) of 15.7%, well above the regulatory minimum requirement.

The Bank will be releasing to the press the attached statement entitled: "China Bank 1H 2022 net income grows 39% to P10.1B."

The Bank's 2Q 2022 SEC Form 17-Q report containing the financial statements and detailed management discussion will be submitted as soon as available, in compliance with regulatory reporting requirements.

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 28, 2022


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

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

28 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

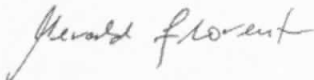
- Attention:**
- ATTY. MARIE ROSE M. MAGALLEN-LIRIO**
Head, Issuer Compliance and Disclosure Department
-

Sir, Mesdames:

We are pleased to furnish your good office with a copy of China Bank's latest news release, "**China Bank 1H 2022 net income grows 39% to P10.1B**".

Thank you.

Very truly yours,



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

China Bank 1H 2022 net income grows 39% to P10.1B

China Banking Corporation (China Bank, PSE stock symbol: CHIB) posted P10.1 billion in net profit in the first six months of 2022, up 39% compared to the same period last year, driven mainly by higher net interest income and core fee income, as well as lower provisions.

The robust income performance translated to a better return on equity and return on assets at 16.4% and 1.7%, respectively.

INCOME STATEMENTS <i>In PHP billions, except %</i>	1H 2021	1H 2022	1H'22 vs 1H'21
Interest income	22.7	25.9	14%
Interest expense	(3.8)	(3.9)	2%
Net interest income	18.9	22.0	16%
Fee-based income	5.9	3.2	-46%
Total revenues	24.8	25.2	2%
Operating expenses	(11.1)	(11.1)	-0.3%
Income before provisions and taxes	13.7	14.1	3%
Provision for impairment and credit losses	(5.4)	(1.7)	-69%
Income before income tax	8.3	12.4	49%
Provision for income tax	(1.1)	(2.3)	119%
Net Income	7.3	10.1	39%
Return on Equity	13.4%	16.4%	
Return on Assets	1.4%	1.7%	
Net interest margin	4.3%	4.3%	
Cost-to-income ratio	45%	44%	

Due to rounding, numbers presented in the tables may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Net interest income rose 16% to P22.0 billion on the back of stronger top line revenues and steady movement in interest expense. As a result, net interest margin was maintained at 4.3%.

The decline in trading and foreign exchange gains weakened fee-based income to P3.2 billion. Nevertheless, core fee income increased 24%, driven mainly by double-digit growths in service charges, fees, and commissions, income from sale of acquired assets, and bancassurance.

Reflecting its positive economic outlook and its improving asset quality, the Bank reduced its credit provisions by 69% to P1.7 billion. Gross non-performing loans (NPL) ratio was at 2.3%, 120

bps lower *versus* last year and better than industry average. Meanwhile, NPL cover remained sufficient and above industry at 128%.

Efficiency enhancements and judicious cost management kept operating expenses flat year-on-year, further improving cost-to-income ratio to 44%.

“The sustained growth puts China Bank in a stronger position to support customers and the economy in this period of recovery,” China Bank President William C. Whang said.

Throughout the pandemic, the Bank has consistently recorded quarterly income growth. “For the 2Q 2022 period, China Bank’s net income breached the P5-billion mark, a first in the Bank’s more than 100-year-old franchise,” Chief Finance Officer Patrick D. Cheng said.

China Bank remains one of the largest banks in the country. As of June 2022, consolidated assets were recorded at P1.2 trillion, up 17%. Loans expanded 14% to P655 billion on the back of significant growths in both business and consumer loans. Total deposits likewise increased 14% to P945 billion, as the Bank sustained a 14% year-on-year build-up in current and savings accounts.

BALANCE SHEETS <i>In PHP billions, except %</i>	Jun-21	Jun-22	Jun'22 vs Jun'21
Liquid Assets	177	169	-4%
Investment Securities	238	341	43%
Net Loans	576	655	14%
Other Assets	36	38	5%
Total Assets	1,027	1,202	17%
Deposits	827	945	14%
<i>CASA</i>	517	589	14%
<i>Time Deposits</i>	310	357	15%
Bills and Bonds Payable	69	101	45%
Other Liabilities	21	29	37%
Total Liabilities	917	1,075	17%
Total Equity	110	127	16%
Total Liabilities and Equity	1,027	1,202	17%
NPL Ratio	3.5%	2.3%	
NPL Cover	99%	128%	
Tier 1/CET 1 Ratio	14.2%	14.8%	
Capital Adequacy Ratio (CAR)	15.1%	15.7%	

Due to rounding, numbers presented in the tables may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Total equity jumped 16% to P127 billion with Common Equity Tier 1 Ratio and Total Capital Adequacy Ratio of 14.8% and 15.7%, respectively, well above the minimum regulatory requirement.

On the strength of its capitalization and profitability, China Bank's investment grade credit rating with stable outlook was recently affirmed by Moody's Investors Service. China Bank also received the highest credit rating of PRS Aaa (corp.) from Philippine Rating Services Corporation (PhilRatings). The rating takes into account the Bank's established track record and resiliency, sound funding profile, more than satisfactory asset quality, and ample capital buffer.

The Bank's digital transformation is progressing as planned, marked by the launch of its mobile account opening app, China Bank START, and the roll-out of its stock trading platform, ChinaBankSec Online, in the second quarter.

Meanwhile, China Bank Easy Tax Filing and Payment Solution (Easy Tax), the first and only automated collection facility in the country specifically for real estate developers, was named as the Best Digital Business Banking Initiative 2022 by Hong Kong-based magazine *Asian Banking and Finance*. The awarding is slated in August, coinciding with China Bank's 102nd anniversary.

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 637 branches and 1,036 ATMs to date (including the 160 branches and 167 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:

INVESTOR & CORPORATE RELATIONS GROUP

Tel.: 8885-5601; Fax: 8892-0238

Investor-relations@chinabank.ph

GERALD O. FLORENTINO

FVP & Head

goflorentino@chinabank.ph