



04 December 2020

PHILIPPINE STOCK EXCHANGE, INC.

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

PHILIPPINE DEALING & EXCHANGE CORP.

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

Mesdames,

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

For your information and guidance. Thank you.

Thank you.

Very truly yours,

A handwritten signature in black ink, reading "A Escucha".

ALEXANDER C. ESCUCHA
Senior Vice President & Head
Investor & Corporate Relations Group

CHINA BANKING CORPORATION

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PRESS RELEASE

December 4, 2020

Moody's affirms China Bank's investment grade rating, stable outlook

Moody's Investors Service has retained China Banking Corporation's (China Bank) investment grade long-term foreign currency counterparty risk and long-term foreign currency deposit ratings, assigning Baa2 rating with stable outlook. The credit rating is the same level as the Philippine sovereign rating.

"We are very pleased to have maintained the investment grade rating from Moody's, which confirms the Bank's solid fundamentals and resilience. We are proud that despite the challenging economic environment in 2020, we are able to continue to serve and support our customers and face the difficulties from a position of strength," said China Bank President William C. Whang.

In its November 27, 2020 report, Moody's noted that China Bank's ratings are underpinned by stable capitalization and profitability, as well as strong support from key shareholders. The rating action also took into account Moody's expectation of risks to the Bank's asset quality from the economic shock caused by the coronavirus.

The 100-year old bank continues to be profitable, well capitalized, and liquid. China Bank's net income from January to September 2020 increased by 23% to P8.2 billion. Total capital rose by 9% to P101 billion, with CET 1 ratio of 13.08% and total CAR of 13.98%, both well above regulatory requirements. The Bank hit its year-end target of P1 trillion in total assets by September 30, with P595 billion in loans and P827 billion in deposits. Funding is China Bank's strength as its deposit base is supported by its extensive branch network and strong relationships Chinese Filipino corporates, and small and medium sized enterprise (SME) business owners. China Bank recently raised P15 billion from its second offering of peso fixed-rate bonds, issued out of the Bank's P45-billion bond and commercial paper program.

The year 2020 marks China Bank's centennial anniversary. The 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 632 branches and 1,019 ATMs to date (including the 158 branches and 162 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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