

February 14, 2019

MS. JANET A. ENCARNACION

Head, Disclosure Department
Philippine Stock Exchange, Inc.
6F PSE Tower One Bonifacio High Street
28th Street corner 5th Avenue Bonifacio Global City
Taguig City

ATTY. JOSEPH B. EVANGELISTA

Head, Issuer Compliance and Disclosure Department
Philippine Dealing & Exchange Corp.
37/F Tower 1, The Enterprise Center
6766 Ayala Avenue cor Paseo de Roxas
Makati City

Madam,

We are pleased to furnish your good office with a copy of China Banking Corporation's Balance Sheets as of December 31, 2018.

Thank you.

Very truly yours,



Alexander C. Escucha
Senior Vice President
Corporate Information Officer

CHINA BANKING CORPORATION

8745 Paseo de Roxas corner Villar St., Makati City

BALANCE SHEET

(Head Office and Branches)

As of December 31, 2018

ASSETS		Current Quarter	Previous Quarter
Cash and Cash Items	P	13,705,304,186.27	8,729,139,253.86
Due from Bangko Sentral ng Pilipinas		95,092,943,693.66	93,476,223,660.54
Due from Other Banks		7,837,894,339.20	8,937,823,075.96
Financial Assets at Fair Value through Profit or Loss		6,689,796,303.67	5,653,325,758.56
Available-for-Sale Financial Assets-Net		8,213,010,468.73	8,337,078,767.79
Held-to-Maturity (HTM) Financial Assets-Net		163,821,803,858.67	158,688,589,742.97
Unquoted Debt Securities Classified as Loans-Net		0.00	0.00
Investments in Non-Marketable Equity Security-Net		0.00	0.00
Loans and Receivables - Net		450,880,854,663.15	417,580,889,444.68
Loans to Bangko Sentral ng Pilipinas		0.00	0.00
Interbank Loans Receivable		1,998,040,000.00	1,890,700,000.00
Loans and Receivables - Others		444,323,958,759.60	415,945,693,799.61
Loans and Receivables Arising from RA/CA/PR/SLB		7,000,000,000.00	1,000,000,000.00
General Loan Loss Provision		2,441,144,096.45	1,255,504,354.93
Other Financial Assets		5,319,681,108.26	4,362,422,125.59
Equity Investment in Subsidiaries, Associates and Joint Ventures-Net		11,038,122,552.76	10,936,508,421.64
Bank Premises, Furniture, Fixture and Equipment-Net		4,162,507,448.25	4,230,378,183.84
Real and Other Properties Acquired-Net		179,022,612.30	239,245,946.95
Non-Current Assets Held for Sale		0.00	0.00
Other Assets-Net		6,537,132,208.30	6,493,518,573.67
TOTAL ASSETS	P	773,479,073,443.25	727,706,142,956.05
LIABILITIES			
Financial Liabilities at Fair Value through Profit or Loss	P	455,149,513.43	296,792,539.68
Deposit Liabilities		638,243,362,096.22	611,814,161,705.81
Due to Other Banks		2,413,715.16	8,483,251.50
Bills Payable		39,826,531,528.82	24,062,278,873.32
a) BSP (Rediscounting and Other Advances)		4,132,800,000.00	4,346,000,000.00
b) Interbank Loans Payable		6,856,432,000.00	4,526,876,000.00
c) Other Deposit Substitute		28,837,299,528.82	15,189,402,873.32
d) Others		0.00	0.00
Bonds Payable-Net		0.00	0.00
Unsecured Subordinated Debt-Net		0.00	0.00
Redeemable Preferred Shares		0.00	0.00
Special Time Deposit		0.00	0.00
Due to Bangko Sentral ng Pilipinas		0.00	0.00
Other Financial Liabilities		5,630,318,310.12	4,014,108,447.92
Other Liabilities		7,363,721,836.88	7,604,620,041.87
TOTAL LIABILITIES	P	691,521,497,000.63	647,800,444,860.10
STOCKHOLDERS' EQUITY			
Capital Stock	P	43,981,624,082.10	43,981,624,082.10
Other Capital Accounts		(154,836,078.09)	5,169,980,419.35
Retained Earnings		38,130,788,438.61	30,754,093,594.50
Assigned Capital		0.00	0.00
TOTAL STOCKHOLDERS' EQUITY		81,957,576,442.62	79,905,698,095.95
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	P	773,479,073,443.25	727,706,142,956.05
CONTINGENT ACCOUNTS			
Guarantees Issued	P	0.00	0.00
Financial Standby Letters of Credit		0.00	0.00
Performance Standby Letters of Credit		15,600,337,192.91	10,606,412,866.55
Commercial Letters of Credit		5,228,682,834.40	5,362,023,170.98
Trade Related Guarantees		420,100,281.79	247,245,632.18
Commitments		12,568,702,718.50	12,666,418,672.28
Spot Foreign Exchange Contracts		6,872,704,138.44	15,601,138,579.51
Securities Held Under Custodianship by Bank Proper		0.00	0.00
Trust Department Accounts		133,806,226,202.39	130,609,133,147.70
a) Trust and Other Fiduciary Accounts		55,055,192,008.19	58,212,579,127.55
b) Agency Accounts		78,751,034,194.20	72,396,554,020.15
c) Advisory/Consultancy		0.00	0.00
Derivatives		73,405,220,448.88	75,306,974,854.34
Others		3,464,831,225.71	3,073,817,368.03
TOTAL CONTINGENT ACCOUNTS	P	251,266,805,041.02	253,473,164,291.57
ADDITIONAL INFORMATION			
Gross total loan portfolio (TLP)	P	455,899,148,135.30	422,831,715,307.63
Specific allowance for credit losses on the TLP		2,577,149,375.70	3,995,321,508.02
Non-Performing Loans (NPLs)			
a. Gross NPLs	P	2,672,209,854.94	2,977,677,152.77
b. Ratio of gross NPLs to gross TLP (%)		0.59	0.70
c. Net NPLs	P	1,151,277,215.22	1,584,770,369.24
d. Ratio of Net NPLs to gross TLP (%)		0.25	0.37
e. Ratio of total allowance for credit losses to gross NPLs (%)		290.60	257.03
f. Ratio of specific allowance for credit losses on the gross TLP to gross NPLs (%)		96.44	134.18
Classified Loans & Other Risk Assets, gross of allowance for credit losses	P	26,878,496,572.31	22,560,701,101.65
DOSRI Loans and receivables, gross of allowance for credit losses		10,193,816,303.71	10,509,167,146.13
Ratio of DOSRI loans and receivables, gross of allowance for credit losses, to gross TLP (%)		2.24	2.49
Gross non-performing DOSRI loans and receivables	P	0.00	0.00
Ratio of gross non-performing DOSRI loans and receivables to TLP (%)		0.00	0.00
Percent Compliance with Magna Carta (%)			
a. 8% for Micro and Small Enterprises		2.19	2.40
b. 2% for Medium Enterprises		5.79	5.79
Return on Equity (ROE) (%)		10.45	9.00
Capital Adequacy Ratio (CAR) on Solo Basis, as prescribed under existing regulations			
a. Total CAR (%)		13.03	13.03
b. Tier 1 Ratio (%)		12.10	12.31
c. Common Equity Tier 1 Ratio (%) ^{1/}		12.10	12.31
Deferred Charges not yet Written Down		0.00	0.00
Unbooked Allowance for Credit Losses on Financial Instruments Received		0.00	0.00
^{1/} Common Equity Tier 1 is only applicable to all Universal and Commercial Banks and their subsidiary banks.			

Republic of the Philippines } S. S.
Makati City

We, Patrick D. Cheng and William C. Whang of the above-mentioned Bank, do solemnly swear that all matters set forth in the above Published Balance Sheet are true and correct to the best of our knowledge and belief.

(Sgd.) PATRICK D. CHENG
Chief Finance Officer

(Sgd.) WILLIAM C. WHANG
President

SUBSCRIBED AND SWORN to before me this February 11, 2019 at City of Makati, affiants exhibiting their Social Security System Numbers 03-8328014-9 and 03-5882607-5, respectively.

Doc. No. 185
Page No. 40
Book No. 40
Series of 2019

(Sgd.) CHRISTINE L. ZERNA-BRIONES
Notary Public for the City of Makati
Appt. No. M-125 (2019-2020)
4/F Philcom Building,
8755 Paseo de Roxas, Makati City
PTR No. 7341561; 01-07-19; Makati City
IBP No. 059179; 01-07-19; Pampanga
Roll of Attorney's No. 42549

CONSOLIDATED BALANCE SHEET

(Banks and Financial Subsidiaries)

As of December 31, 2018

ASSETS		Current Quarter	Previous Quarter
Cash and Cash Items	P	15,576,080,428.71	10,056,939,817.50
Due from Bangko Sentral ng Pilipinas		101,889,772,749.73	100,166,843,305.13
Due from Other Banks		9,455,446,562.48	10,125,164,096.48
Financial Assets at Fair Value through Profit or Loss		7,595,967,057.16	6,597,619,737.76
Available-for-Sale Financial Assets-Net		9,953,880,760.41	9,927,191,411.31
Held-to-Maturity (HTM) Financial Assets-Net		172,540,826,942.53	164,322,860,620.55
Unquoted Debt Securities Classified as Loans-Net		0.00	0.00
Investments in Non-Marketable Equity Security-Net		0.00	0.00
Loans and Receivables - Net		516,592,355,600.87	483,737,257,061.22
Loans to Bangko Sentral ng Pilipinas		0.00	0.00
Interbank Loans Receivable		1,998,040,000.00	1,890,700,000.00
Loans and Receivables - Others		507,366,856,056.85	478,347,247,565.38
Loans and Receivables Arising from RA/CA/PR/SLB		10,000,000,000.00	5,000,000,000.00
General Loan Loss Provision		2,772,540,455.78	1,500,890,504.16
Other Financial Assets		6,686,822,488.92	5,697,332,147.71
Equity Investment in Subsidiaries, Associates and Joint Ventures-Net		666,972,697.97	633,835,059.46
Bank Premises, Furniture, Fixture and Equipment-Net		5,540,725,063.68	5,599,568,254.17
Real and Other Properties Acquired-Net		3,305,164,657.51	3,465,346,772.53
Non-Current Assets Held for Sale		330,168,241.59	386,304,454.99
Other Assets-Net		14,114,818,090.73	13,198,102,509.23
TOTAL ASSETS	P	864,248,801,320.29	813,914,365,248.04
LIABILITIES			
Financial Liabilities at Fair Value through Profit or Loss	P	455,149,513.43	296,792,539.68
Deposit Liabilities		722,371,876,396.86	691,952,082,389.19
Due to Other Banks		2,413,715.16	8,483,251.50
Bills Payable		39,826,531,528.82	24,062,278,873.32
a) BSP (Rediscounting and Other Advances)		4,132,800,000.00	4,346,000,000.00
b) Interbank Loans Payable		6,856,432,000.00	4,526,876,000.00
c) Other Deposit Substitute		28,837,299,528.82	15,189,402,873.32
d) Others		0.00	0.00
Bonds Payable-Net		0.00	0.00
Unsecured Subordinated Debt-Net		0.00	0.00
Redeemable Preferred Shares		0.00	0.00
Special Time Deposit		0.00	0.00
Due to Bangko Sentral ng Pilipinas		0.00	0.00
Other Financial Liabilities		6,516,204,316.97	4,794,262,522.15
Other Liabilities		10,327,737,224.62	10,468,712,743.26
TOTAL LIABILITIES	P	779,499,912,695.86	731,582,612,319.10
STOCKHOLDERS' EQUITY			
Capital Stock	P	43,981,624,082.10	43,981,624,082.10
Other Capital Accounts		(154,836,078.09)	6,774,210,473.09
Retained Earnings		40,793,276,225.06	31,451,951,130.37
Assigned Capital		0.00	0.00
Minority Interest in Subsidiaries		128,824,395.36	123,967,243.38
TOTAL STOCKHOLDERS' EQUITY		84,748,888,624.43	82,331,752,928.94
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	P	864,248,801,320.29	813,914,365,248.04
CONTINGENT ACCOUNTS			
Guarantees Issued	P	0.00	0.00
Financial Standby Letters of Credit		0.00	0.00
Performance Standby Letters of Credit		15,749,325,775.21	10,749,600,257.55
Commercial Letters of Credit		5,228,682,834.40	5,362,023,170.98
Trade Related Guarantees		420,100,281.79	247,245,632.18
Commitments		13,092,864,753.74	13,364,086,258.98
Spot Foreign Exchange Contracts		6,872,704,138.44	15,601,138,579.51
Securities Held Under Custodianship by Bank Proper		0.00	0.00
Trust Department Accounts		133,806,226,202.39	130,640,546,092.87
a) Trust and Other Fiduciary Accounts		55,055,192,008.19	58,243,992,072.72
b) Agency Accounts		78,751,034,194.20	72,396,554,020.15
c) Advisory/Consultancy		0.00	0.00
Derivatives		73,405,220,448.88	75,306,974,854.34
Others		3,403,579,022.48	3,111,867,135.19
TOTAL CONTINGENT ACCOUNTS	P	251,978,703,455.33	254,383,481,981.60
ADDITIONAL INFORMATION			
1. List of Financial Allied Subsidiaries (excluding Subsidiary Insurance Companies)			
1. China Bank Savings, Inc.			
2. China Bank Capital Corporation			
2. List of Subsidiary Insurance Companies			
3. Capital Adequacy Ratio (CAR) on Consolidated Basis, as prescribed under existing regulations			
a. Total CAR (%)		13.09	13.02
b. Tier 1 Ratio (%)		12.16	12.29
c. Common Equity Tier 1 Ratio (%) ^{1/}		12.16	12.29
^{1/} Common Equity Tier 1 is only applicable to all Universal and Commercial Banks and their subsidiary banks.			

Republic of the Philippines } S. S.
Makati City

We, Patrick D. Cheng and William C. Whang of the above-mentioned Bank, do solemnly swear that all matters set forth in the above Published Balance Sheet are true and correct to the best of our knowledge and belief.

(Sgd.) PATRICK D. CHENG
Chief Finance Officer

(Sgd.) WILLIAM C. WHANG
President

SUBSCRIBED AND SWORN to before me this February 11, 2019 at City of Makati, affiants exhibiting their Social Security System Numbers 03-8328014-9 and 03-5882607-5, respectively.

Doc. No. 185
Page No. 40
Book No. 40
Series of 2019

(Sgd.) CHRISTINE L. ZERNA-BRIONES
Notary Public for the City of Makati
Appt. No. M-125 (2019-2020)
4/F Philcom Building,
8755 Paseo de Roxas, Makati City
PTR No. 7341561; 01-07-19; Makati City
IBP No. 059179; 01-07-19; Pampanga
Roll of Attorney's No. 42549