

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. May 05, 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. 8-885-5555
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

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 May 05, 2022


ATTY. LEILANI B. ELARMO
Corporate Secretary
Signature and Title * 9

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

05 May 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-LÍRIO
Head, Issuer Compliance and Disclosure Department

Sir, Mesdames:

In compliance with your requirements, please be informed that the Board of Directors of China Banking Corporation (China Bank, the Bank), during its regular meeting held yesterday, 04 May 2022, approved the unaudited financial statements of the Bank for the quarter ended March 31, 2022. Key highlights are as follows:

- The Bank posted a 37% increase in net income to P4.9 billion, which translated to an improved return on equity and return on assets of 16.0% and 1.7%, respectively.
- China Bank closed the quarter with P1.1 trillion in assets, up 12%, supported by a 10% expansion in gross loans. Meanwhile, deposits increased 8% to P879 billion which was driven by a 12% build-up in checking and savings accounts (CASA) deposits.

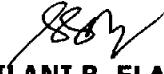
- Total equity increased 15% to P125 billion, with a common equity tier 1 (CET1) ratio of 15.5% and total capital adequacy ratio (CAR) of 16.3%, well above the regulatory minimum requirement.

The Bank will be releasing to the press the attached statement entitled: "China Bank declares P4.04 billion cash dividends; nets P4.9 billion in 1Q 2022, up 37%."

The Bank's Quarterly Report (SEC Form 17-Q) will be submitted once available.

Thank you.

Very truly yours,


LEILANI B. ELARMO
Corporate Secretary 9


PATRICK D. CHENG
Chief Finance Officer

China Bank declares P4.04 billion cash dividends; nets P4.9 billion in 1Q 2022, up 37%

At the regular meeting held yesterday, the Board of Directors of China Banking Corporation (China Bank, PSE stock symbol: CHIB) declared P1.00/share regular dividend and an additional P0.50/share special dividend, reflecting China Bank's confidence in its underlying strength and future prospects. The total cash dividends of P4.04 billion is 50% higher compared to the P2.69 billion dividends paid last year and translates to a better cash dividend yield of 5.6% based on the Bank's closing price of P26.70 as of May 4, 2022. The cash dividends represent 27% of the full year 2021 net income of P15.1 billion. The dividends will be paid on June 3, 2022 to stockholders on record as of May 20, 2022.

The Bank recorded net profits of P4.9 billion in the first quarter of 2022, 37% more compared to the same period last year. The improved profitability, driven by sustained core business growth, yielded a higher return on equity of 16.0% and a better return on assets of 1.7%.

| INCOME STATEMENTS In Php billions, except % | 1Q2021 | 1Q2022 | 1Q22 vs 1Q21 |
|---|---------------|---------------|-------------------------|
| Interest income | 11.4 | 12.6 | 11% |
| Interest expense | (2.0) | (1.9) | -8% |
| Net interest income | 9.3 | 10.8 | 15% |
| Fee-based income | 3.4 | 1.7 | -50% |
| Total revenue | 12.7 | 12.5 | -2% |
| Operating expenses | (6.2) | (5.7) | -8% |
| Income before provisions and taxes | 6.5 | 6.8 | 3% |
| Provision for impairment and credit losses | (2.2) | (0.8) | -65% |
| Income before income tax | 4.3 | 6.0 | 38% |
| Provision for income tax | (0.7) | (1.1) | 46% |
| Net income | 3.6 | 4.9 | 37% |
| Return on Equity | 13.4% | 16.0% | |
| Return on Assets | 1.4% | 1.7% | |
| Net interest margin | 4.2% | 4.3% | |
| Cost-to-income ratio | 49% | 46% | |

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.

As the Philippine economy continues to recover from the Covid-19 pandemic, China Bank's net interest income rose 15% year-on-year to P10.8 billion on the back of higher earning assets and lower interest expense. Net interest margin further improved to 4.3%. Meanwhile, lower trading gains compressed fee-based income to P1.7 billion, despite an 18% increase in service charges, fees, and commissions and a 22% jump in trust fees.

"China Bank's organic growth momentum continues—loans and deposits are up, expenses are down, and credit quality remains solid," China Bank President William C. Whang said.

Provisions for credit losses were reduced by 65% to P780 million, reflecting an improved macro-economic outlook. The resulting non-performing loan (NPL) coverage was higher at 119%.

Prudent cost management led to an 8% drop in total operating expenses, further improving the cost efficiency ratio to 46%.

The Bank's total assets expanded 12% to P1.1 trillion. Asset quality remained healthy as NPL ratio was maintained at 2.5% as of end-March 2022, still lower than industry average.

| BALANCE SHEETS in Php billions, except % | Mar-21 | Mar-22 | Mar'22 vs Mar'21 |
|--|---------------|-------------------|-----------------------------|
| Liquid Assets | 207 | 153 | -26% |
| Investment Securities | 204 | 321 | 57% |
| Net Loans | 555 | 616 | 11% |
| Other Assets | 37 | 37 | 0% |
| Total Assets | 1,003 | 1,127 | 12% |
| Deposits | 817 | 879 | 8% |
| <i>CASA</i> | <i>505</i> | <i>564</i> | <i>12%</i> |
| <i>Time Deposits</i> | <i>311</i> | <i>315</i> | <i>1%</i> |
| Bills and Bonds Payable | 58 | 98 | 68% |
| Other Liabilities | 20 | 24 | 22% |
| Total Liabilities | 895 | 1,001 | 12% |
| Total Equity | 109 | 125 | 15% |
| Total Liabilities and Equity | 1,003 | 1,127 | 12% |
| NPL Ratio | 3.8% | 2.5% | |
| NPL Cover | 86% | 119% | |
| Tier 1/CET 1 Ratio | 14.5% | 15.5% | |
| Capital Adequacy Ratio (CAR) | 15.4% | 16.3% | |

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“Our effective asset-liability management and solid capital structure have allowed clients to access our balance sheet and enabled us to achieve better-than-industry growths in assets, loans, and equity. Moreover, the growth of CASA deposits continued to improve our funding cost,” China Bank Chief Finance Officer Patrick D. Cheng said.

Increased demand across corporate and consumer borrowers resulted to a 10% jump in gross loans to P632 billion. Total deposits reached P879 billion, up 8%, with an improved CASA (checking and savings account) ratio of 64%.

Total equity rose 15% to P125 billion, with a common equity tier 1 ratio of 15.5% and total capital adequacy ratio of 16.3%.

China Bank was recently named the Best Bank in the Philippines in 2021, and its investment house subsidiary China Bank Capital, the Best Bond Adviser (Domestic) for the 6th consecutive year, by regional financial magazine The Asset. Both also won the top awards at the Philippine Dealing System Annual Awards: the Cesar E.A. Virata Best Securities House (Bank category) for China Bank and the Top Corporate Issue Manager/Arranger (Investment House Category) for China Bank Capital. The Bank was also included in British newspaper Financial Times' 2022 ranking of the top 500 high growth companies in the Asia Pacific region—the only bank among the 15 Philippine companies in the comprehensive list.

China Bank also emerged as the second strongest bank in the Philippines and among the top 20% in the Asia Pacific region in The Asian Banker's ranking of 500 strongest banks in 2021. It made the biggest leap among the nine Philippine banks included in the prestigious list, jumping from 323rd place in 2020 to 81st place last year.

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.

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