



25 October 2021

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, 1227
Telephone No: 884-4446

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, "The Asian Banker ranks China Bank among the strongest banks".

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "A Escucha".

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

CHINA BANKING CORPORATION

8745 Paseo de Roxas corner Villar Street, Makati City, Philippines
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PRESS RELEASE

October 25, 2021

The Asian Banker ranks China Bank among the strongest banks

China Banking Corporation (China Bank) emerged as one of the country's strongest banks in 2021 amid the challenges of COVID-19, landing The Asian Banker's Top 500 Strongest Banks ranking as the second strongest bank in the Philippines in terms of balance sheet. China Bank is also in the top 20% of the 500 strongest banks in the Asia Pacific region. The virtual awarding ceremony was held on October 21, 2021.

The Asian Banker cited China Bank as having the lowest gross non-performing loans (NPL) ratio among the PH banks included in the Asian Banker 500 as of December 2020, at 2.3%, while its gross NPL cover exceeded the ideal 100% threshold. Meanwhile, the Bank achieved higher profitability following a decline in cost-to-income ratio to 49% from 59%, and an increase in return on assets to 1.2% from 1.1%. Apart from the 30% rise in net interest income, fee-based income also grew 19% on the back of better trading and securities gains. In addition, the robust capital and liquidity position helped improve overall balance sheet strength.

The Bank's Common Equity Tier 1 (CET 1) ratio and total Capital Adequacy Ratio (CAR) stood at 13.82% and 14.73%, respectively, as of end-2020.

"China Bank's performance not only shows our resilience, but also our improving financial strength. We are leveraging our resources and digital capabilities to help our customers weather the impact of the global pandemic and to support economic recovery," China Bank Chief Finance Officer Patrick D. Cheng said.

China Bank has built a solid reputation of being one of the most trusted and best performing institutions in the country.

Last September, Moody's Investors Service affirmed China Bank's investment grade credit rating of Baa2 with a stable outlook on the basis of the Bank's sustained, strong capitalization, profitability, and liquidity. Local debt watcher PhilRatings also gave China Bank the highest credit rating of PRS Aaa (corp.), with a stable outlook. The rating takes into account China Bank's established track record and resiliency, strong and experienced shareholders who have navigated the bank through various changes in the economic environment, sound funding profile, lower interest expense that will support short-term profit performance, and more than satisfactory asset quality with ample capital buffer.



Earlier this year, China Bank, for its performance in the ASEAN Corporate Governance Scorecard (ACGS), was distinguished by the ASEAN Capital Markets Forum as among the top 3 publicly-listed companies in the Philippines and among the top 20 in ASEAN, and as an ASEAN Asset Class. The Institute of Corporate Directors, the domestic ranking body of the ACGS, awarded China Bank the Four Golden Arrow recognition, the highest award given to assessed Philippine companies. The Bangko Sentral ng Pilipinas (BSP) also named China Bank as an outstanding stakeholder in recognition of its strong support for the BSP's programs and initiatives to build an inclusive and increasingly digital Philippine economy.

On the Bank's 100th anniversary in 2020, China Bank Mobile App won the Mobile Banking & Payment Initiative of the Year-Philippines award from the Asian Banking & Finance. The app's Pay to Mobile or JUMP (Just Use your Mobile Phone) feature enables payments and fund transfers to anyone with a mobile phone number—safe and convenient amid the pandemic and quarantine restrictions.

The Bank's investment banking arm has likewise proven its leadership in the debt capital markets space. China Bank Capital was named by Finance Asia as the Best DCM House in the Philippines for three years straight (2018 - 2020), and by The Asset as the Best Bond Adviser in the Philippines for five years in a row (2016 - 2020). The Investment House Association of the Philippines likewise distinguished China Bank Capital as the Best Fixed Income House in 2018 and 2020.

The Asian Banker rigorously evaluates the financial strength of banks and financial holding companies across the Asia Pacific, Africa, and the Middle East using a detailed and transparent scorecard. The Asian Banker 500 ranking is widely followed by investors, analysts, and the media as the leading source for the assessment of the financial strength of commercial banks and financial holding companies in the region.

For its Asia Pacific ranking, The Asian Banker covers Australia, Bangladesh, Brunei, Cambodia, China, Hong Kong, India, Indonesia, Japan, Kazakhstan, Macau, Malaysia, Myanmar, New Zealand, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, and Vietnam. The ranking gives a bird's-eye view of the institutions' balance sheet growth and profitability against the uncertainties of economic conditions.



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 1,034 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 RELATIONS TEAM

investor-relations@chinabank.ph

ALEXANDER C. ESCUCHA

SVP and Head of Investor & Corporate Relations Group

Tel.: 8885-5601; Fax: 8892-0238; Mobile: 0918-8855601

email: acescucha@chinabank.ph

GERALD O. FLORENTINO

FVP I and *incoming* Head of Investor & Corporate Relations Group

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

email: goflorentino@chinabank.ph

AEROL PAUL B. BANAL

AVP and Financial Planning and Analysis Officer

Tel.: 8885-5454; Mobile: 0917-5187190

email: apbbanal@chinabank.ph

VICTORINA JANE N. QUISIDO

Manager and Investor Relations Officer

Tel.: 8885-5636; Mobile: 0922-8471295

email: yinquisido@chinabank.ph