

19 October 2018

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Gentlemen,

We are pleased to furnish your good office with a copy of China Banking Corporation's press release, "China Bank issues US\$150M green bond".

Thank you.

Very truly yours,



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China Bank issues US\$150M green bond

China Banking Corporation (China Bank, stock symbol CHIB) issued its first green bond, raising US\$150 million to fund a fresh wave of environmentally-beneficial projects to help mitigate climate change. IFC, a member of the World Bank Group, is the sole investor in the bond.

The bond supports the continuing development of the nascent green bond market in the Philippines and the government's target of reducing carbon emissions by 70% by 2030.

"This bond affirms our long-term commitment to sustainability. We are glad to partner with IFC on our first green bond issuance to step-up our green lending activities and further contribute to a sustainable economy," said China Bank President William C. Whang.

The US\$150 million bond proceeds will be used to finance climate-smart projects, including renewable energy, green buildings, energy efficiency and water conservation, in accordance with the Green Bond Principles. This green bond will bring up China Bank's climate portfolio to over US\$200 million (equivalent to about PHP11 billion), making it one of the market leaders for climate-smart financing in the country and one of a few banks that has established a clear sustainability strategy.

"IFC is proud to play a role in creating a new green bond market in the Philippines, a country challenged by climate change impacts but where green financing is low. Our investment in this bond will increase access to new financing for climate-smart projects," said IFC CEO Philippe Le Houérou.

IFC is one of the world's largest financiers of climate-smart projects for developing countries. In August this year, IFC issued Mabuhay Bond, its first peso-denominated internationally-rated green bond. In December last year, it subscribed to BDO's green bond issuance, its first green bond investment in a financial institution in East Asia and the Pacific. The number of projects supported by IFC's Green Bond Program has surged to 52 projects in FY18, from 32 projects in FY17—an all-time high number and volume of green bond-financed projects. The portfolio is anticipated to reduce greenhouse gas emissions annually by 6.3 million metric tons of carbon-dioxide equivalent—an increase from 2.2 million metric tons in FY17.

China Bank and IFC first worked together in 2012 on a sustainable energy finance advisory project. In 2017, China Bank participated in the mobilization of PHP796 billion in loans, bonds, and securities for projects and investments that contribute to the U.N. Sustainable Development Goals.

China Bank, founded in 1920, is one of the largest private universal banks in the Philippines providing a full range of banking products and services to corporate, commercial, and retail customers through 616 branches and 949 ATMs to date (including the 162 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., China Bank Insurance Brokers Inc., and Manulife China Bank Life Assurance Corp. Visit www.chinabank.ph for more information.

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