



November 7, 2018

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

**PHILIPPINE STOCK EXCHANGE, INC.**  
Disclosure Department  
6F PSE Tower One Bonifacio High Street  
28<sup>th</sup> Street corner 5<sup>th</sup> Avenue Bonifacio Global City  
Taguig City

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

**PHILIPPINE DEALING & EXCHANGE CORP.**  
37/F Tower 1, The Enterprise Center  
6766 Ayala Avenue cor Paseo de Roxas  
Makati City

**Attention: MS. PAULA BEATRICE A. BUENO**  
OIC- Issuer Compliance and Disclosure Department

Gentlemen,

We are pleased to furnish your good office with a copy of China Bank's latest news release, "China Bank posts nine-month profits of P5.56B".

For your information and guidance.

Thank you.

Very truly yours,

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

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## **NEWS RELEASE**

November 7, 2018

### **China Bank posts nine-month profits of P5.56B**

China Banking Corporation (China Bank, stock symbol CHIB) posted P5.56 billion in consolidated net income for the first nine months of 2018 compared to P5.68 billion for the same period last year.

Consolidated operating income grew 8% year-on-year to P20.72 billion, driven by sustained growth of its core businesses. Excluding trading and one-off gains, operating income was up 16%.

Gross customer loans increased 16% to P507.83 billion with growth across all segments, and consumer lending growing by 19%.

Total deposits rose 20% to P691.66 billion, supported by a 29% growth in low-cost deposits to P394.98 billion.

Interest earnings from loans and investment securities led to a 20% increase in net interest income to P17.08 billion. Year-to-date net interest margin improved to 3.17%. Non-interest revenues dropped 26% to P3.64 billion. Operating expenses for the nine-month period stood at P13.11 billion.

Assets grew 18% to P816.20 billion, driven by loan expansion. Amid the lending growth, asset quality improved. The bank's non-performing loans (NPL) in absolute amounts continued to drop along with the NPL ratio, which fell to 1.23% from 1.76%. Loan loss coverage rose to 121% from 91%.

China Bank remains well capitalized, with a total capital adequacy ratio of 13.02% and common equity Tier 1 ratio of 12.29%.

The bank reached major milestones in the last three months. These include signing an agreement with IFC for China Bank's first green bond issue worth US\$150 million to finance environmentally-beneficial projects; becoming the first bank to offer beep™ card reloading via automated teller machines; launching first-in-the-market mobile app features such as JUMP (easy fund transfer using cellphone number only), NOW (cardless ATM withdrawal), and Autosweep RFID Loading; and celebrating its 98<sup>th</sup> anniversary.

China Bank and its thrift bank arm China Bank Savings have a combined network of 616 branches, including the 18 branches opened this year, and 949 ATMs to date.

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*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](http://www.chinabank.ph) for more information.*

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Contact:

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