



Chinatrust
中國信託

17 March 2011

The Philippine Stock Exchange, Inc.
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1226

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Re : **Press Release: "Chinatrust posts 20.84% hike in 2010 Earnings"**

Madam:

We are pleased to furnish you a copy of the Bank's Press Release entitled "Chinatrust posts 20.84% hike in 2010 Earnings", the full text of which is hereto attached as Annex "A".

Thank you and best regards.

Very truly yours,

Therese Marie C. Arnaldo-Marin, VP
Head, Marketing Communications & Services Department

Encl.: a/s



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ANNEX "A"

NEWS RELEASE

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Chinatrust posts 20.84% hike in 2010 Earnings

Chinatrust (Philippines) Commercial Bank continues to solidify its position as one of the country's leading foreign banks as it reported a net income of PhP410.0 million as of year-end 2010, an increase of 20.84 percent over the PhP339.0 generated the previous year. This translated to 7.3 percent return on equity (ROE) and 1.6 percent return on assets (ROA).

The increase in net income was attributed to better margins on account of lower cost of funds, as well as substantial increases in the Bank's income from Treasury operations.

The favorable economic environment that prevailed last year allowed Chinatrust to take advantage of the opportunities in the bond markets. As a result, trading gains and foreign exchange gains amounted to PhP307.0 million, an increase of 90.33 percent over the PhP161.0 million generated the previous year. Net interest income on the other hand, amounted to PhP1.556 billion for the same period under review, or an increase of 3.6 percent from the PhP1.502 billion the previous year.

For the year 2010, Chinatrust has set aside some PhP286.95 million as provisions for impairment and credit losses, maintaining its conservative stance on loan loss provisioning. The Bank's capital adequacy ratio (CAR) – a key measure of financial strength – was recorded at 24.68 percent as of year-end, higher than industry average and substantially higher than the BSP requirement of 10.0 percent.

Chinatrust Philippines has one of the largest branch networks among foreign banks in the country. It is a subsidiary of Chinatrust Commercial Bank (CTCB), one of the 200 biggest banks in the world in terms of capital and the most awarded banking institution in Taiwan.

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