



**PHILIPPINE STOCK EXCHANGE, INC.**

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PSE Plaza, Ayala Triangle  
Ayala Avenue, Makati City

Attention: **Ms. JANET A. ENCARNACION**  
*Head, Disclosure Department*

Ladies and Gentlemen:

Re: *BusinessWorld Online* news article

PHILIPPINE BANK OF COMMUNICATIONS (the "Bank") replies to your letter of even date regarding a news article entitled "'Transformation' strategy set" which was posted in *BusinessWorld Online* and which reported in part as follows:

MID-SIZED Philippine Bank of Communications (PBCom) targets to introduce new services and strengthen its presence nationwide this year to reach a wider market segment, its top official said.

"We will continue to leverage on the Filipino-Chinese market... Since we are at a fixing stage, we are rebuilding the bank and so we will work on a transformation strategy that will include investing in various technology platforms, branches and human capital," said PBCom President and Chief Executive Officer Nina D. Aguas in an interview yesterday.

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"By the end of the year, we are looking at an additional 10 branches, but there are other ways of gaining more branches. Ambitiously, we will have 80-90 branches. We can move up by another 20 or 30 branches, but it depends on the opportunities that come before us because brick and mortar is extremely expensive, but there are other ways to reach the customers and clients," she said.

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As for plans to expand by purchasing another bank, she said the bank may pursue an acquisition "this year," but it will be very careful in doing so. "If

opportunities present themselves then we will not walk away and seriously consider them," she said.

Asked what an ideal acquisition for PBCom is, Ms. Aguas said: "It should be another bank like PBCom. The same target market and a bank with a similar vision and aspiration for the market and the industry, our clients and our people."

She said the Bank is also working on establishing an Internet banking platform this year that will allow it to provide better services to its clients.

"We are in a catch up, to go beyond where our competitors are and that includes our distribution capability. We are working on our internet capability. It's critical to have the internet and mobile banking platforms to supplement the bank's limited branch network. It is very critical to have it, especially for the young ones."

"Hopefully we will have the internet banking platform launched by mid-May, then our mobile banking services will follow," she said.

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Asked about the bank's performance last year, she said PBCom posted a "double-digit growth last year."

"The bank grew by around 20%, supported by loans, which were mostly corporate loans, and by trading gains," Ms. Aguas said.

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As directed, we confirm the news article. However, we wish to clarify that the net income posted by the Bank in 2011 was Php796,362,304 and for 2010 it was Php587,351,620.

We hope the foregoing fully clarifies the matter for the Exchange and the Trading Participants.

Sincerely,



**RODOLFO MA. A. PONFERRADA**  
Corporate Information Officer