

## **Focused Strategy Delivers Double-Digit Earnings Growth**

Philippine Bank of Communications (PBCOM) continued to show significant momentum in terms of growth as its Net Income grew to P626.2 million in 2018, showing a 58.0% increase from the previous year. This allowed the Lucio Co led bank to post a return of equity of 6.2% and a return on asset of 0.6% for the period.

PBCOM continued to deepen relationships with existing customers as well as undertook various programs to generate new-to-bank customers, enabling it to grow its total assets to P103.7 billion from P95.0 billion in 2017. This increase is anchored on a 12.6% increase in loan portfolio that was supported by double digit growth in deposits and deposit substitutes that now stand at P91.7 billion.

This focused strategy helped deliver a Net Interest Income of P3.1 billion, a 7.3% improvement from the previous year. Low-cost funding grew at a steady pace with Current and Savings Account (CASA) comprising 38% of the Bank's total deposits. Net Interest Margins were kept above 4.0% in spite of the higher interest rate environment as the Bank was able to effectively manage its various funding sources. PBCOM achieved a milestone in October of 2018 when it raised over P2.9 billion from its maiden offering of 5.5y Long-Term Negotiable Certificates of Deposit (LTNCD). This was a testament to the bank's strong customer base and a sign of confidence in its long term growth aspects.

President and CEO, Patricia May Siy was quoted as saying, " 2018 was not an easy year, but the Bank put its effort on building the blocks for its sustainable growth, focusing on customer deepening and acquisition, particularly within the identified ecosystem, product development, personnel training and engagement and capacity building. We are proud of our numbers as they speak of the success of these efforts." A key emphasis for PBCOM's long-term growth is to capitalize on potential synergies with other Lucio Co-led companies including Puregold and S&R among others. To date, the Bank has achieved the establishment of relationships with key suppliers and service providers through its auto-credit arrangement and payment management solutions and is poised to provide the other banking needs for this segment. The Bank is also gearing up to target the ecosystem's customers soon with financial and non-financial products aligned to their varying profiles.