

PBCOM CORE BUSINESS DRIVES NET INCOME GROWTH

Philippine Bank of Communications' (PBCOM) focus on growing its core business and delivering productivity gains carried on to 2017 as reflected in its performance.

PBCOM reported a full-year consolidated net income of P718.7 Million for fiscal year ended 31 December 2017. Robust growth in the parent bank's lending activities and supported by its deposit-taking activities, sustained the momentum from 2016.

PBCOM's loan portfolio expanded to P53.4 Billion, with Corporate and Middle Market segments accounting for 76% of the loans and Consumer Finance growing to 24%. Interest Income on loans, which registered a 10.8% growth to P3.2 Billion, contributed largely to the improvement in Operating Income.

The loan portfolio growth was funded largely by Low cost deposit which expanded by 23.7% or P5.3 Billion and made up 39.2% of the Bank's total deposit source. The efforts to strengthen low cost deposit generation helped contain the increase in Interest Expense to a marginal 2.0%.

Curbing the interest expense increase together with cost efficiency helped PBCOM achieve an enhanced Return on Asset of 0.77% from 0.49% in 2016.

The final tranche of the committed capital infusion of PG Holdings, Inc. amounting to P1.4Billion, together with the year's Net Income buoyed the Capital to P12.9 Billion. Return on Equity improved to 6.06% from 4.06% a year ago. PBCOM's CAR by year end 2017 was at 15.85%.

Patricia May T. Siy, President and CEO, commented, "The market environment is challenging as the Philippine banking industry remains very competitive. To remain relevant through changing times, PBCOM will capitalize on its core and distinctive strengths and take advantage of market opportunities available to it. With the support of shareholders led by PG Holdings Inc., PBCOM will be able to carry through its strategic plans that will deliver the commitment to all stakeholders – a superior service promise to its clientele and partners, a stable and strong company to grow with for the employees, and adequate returns for its shareholders."