SEC Number **PW-686**
Company TIN **000-263-340**

PHILIPPINE BANK OF COMMUNICATIONS
(Company's Full Name)

PBCOM Tower, 6795 Ayala Ave. cor. V.A. Rufino St., Makati City
(Company's Address: No. Street City/Town/Province)

830-7000
(Company's Telephone Number)

December 31
(Fiscal Year Ending)
(Month & Day)

3rd Tuesday of June
Annual Meeting

SEC Form 17-Q
(Quarterly Report Pursuant to Section 17 of the Securities Regulation Code and SRC Rule 17(2)(b) Thereunder)
(FORM TYPE)

N/A
Amendment Designation (If Applicable)

None
(Secondary License Type. If any)

Atty. Angelo Patrick F. Advincula	904-193-248	June 26, 1970
(Company Representative)	(TIN)	(Birth Date)

--Do not fill below this line--

Cashier

File Number

Central Receiving Unit

Document ID

LCU

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended March 31, 2019

2. Commission identification number PW-686 3. BIR Tax Identification No. 000-263-340

4. Exact name of issuer as specified in its charter

   Philippine Bank of Communications

5. Province, country or other jurisdiction of incorporation or organization Philippines

6. Industry Classification Code: e Only)

7. Address of issuer's principal office — Postal Code

   PBCOM Tower 6795 Ayala Ave., Cor. V.A. Rufino St., Makati City — 1226

8. Issuer's telephone number, including area code

   (632) 830-7000

9. Former name, former address and former fiscal year, if changed since last report

   NA

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
PBCOM Common Shares	480,645,163 shares

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [X] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    Philippine Stock Exchange — Common Stock

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [/]   No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [/]   No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please see attached

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Please see attached

PART II--OTHER INFORMATION

The issuer may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PHILIPPINE BANK OF COMMUNICATIONS

By:

PATRICIA MAY T. SIY
President & CEO

ARLENE M. DATU
SVP & Comptroller
(Comptroller & Principal Accounting Officer)

May 7, 2019

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2019
(With Comparative Figures as of December 31, 2018)

	Consolidated		Parent Company	
	March 31, 2019 (Unaudited)	December 31, 2018	**March 31, 2019 (Unaudited)**	December 31, 2018
	(Amounts in Thousands)			
ASSETS				
Cash and Other Cash Items	1,588,582	1,389,869	1,561,099	1,357,609
Due from Bangko Sentral ng Pilipinas	12,590,299	15,224,382	12,533,570	15,168,302
Due from Other Banks	2,133,261	379,723	1,958,708	228,578
Interbank Loans Receivable	536,158	206,964	536,158	206,964
Financial assets at Fair Value through Profit or Loss	1,567,278	893,216	1,567,278	893,216
Financial assets at Fair Value through Other Comprehensive Income	3,518,053	6,798,230	3,518,053	6,798,230
Investment Securities at Amortized Cost	13,273,301	13,341,599	13,273,301	13,341,599
Loans and Other Receivables	56,286,692	60,079,206	54,444,149	58,221,179
Investment in an Subsidiaries and Associate	13,427	13,318	985,143	990,226
Property and Equipment	995,740	1,021,349	896,356	922,943
Investment Properties				
Condominium units for lease	1,820,562	1,832,726	1,820,562	1,832,726
Foreclosed properties	840,454	772,425	680,742	612,535
Office units for lease	3,537	3,624	3,537	3,624
Goodwill	182,227	182,227	-	-
Intangible Assets	701,883	703,775	437,718	439,983
Deferred Tax Assets	74,487	74,487	40,808	40,808
Other Assets	1,414,556	832,202	1,390,235	808,283
TOTAL ASSETS	**97,540,497**	103,749,322	**95,647,417**	101,866,805
LIABILITIES AND EQUITY				
Liabilities				
Deposit Liabilities				
Demand	22,259,407	20,257,138	22,266,459	20,262,969
Savings	7,278,656	7,810,642	6,752,623	7,262,325
Time	40,657,030	43,058,221	39,465,688	41,907,303
Long-term negotiable certificates of deposits	2,902,730	2,902,730	2,902,730	2,902,730
	73,097,823	74,028,731	71,387,500	72,335,327
Bills Payable	11,407,546	17,659,083	11,353,821	17,591,284
Outstanding Acceptances	87,220	46,344	87,220	46,344
Manager's Checks	230,576	97,447	230,576	97,447
Accrued Interest, Taxes and Other Expenses	693,027	685,009	646,815	642,697
Income Tax payable	20,068	3,735	17,045	1,791
Deferred Tax Liabilities - Net	66,261	66,261	-	-
Other Liabilities	1,215,712	836,798	1,192,779	816,605
TOTAL LIABILITIES	**86,818,233**	93,423,408	**84,915,756**	91,531,495
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY				
Common stock	12,016,129	12,016,129	12,016,129	12,016,129
Additional paid-in capital	2,252,826	2,252,826	2,262,246	2,262,246
Surplus reserves	105,893	105,893	105,893	105,893
Deficit	(3,533,735)	(3,916,336)	(3,533,735)	(3,916,336)
Unrealized gain on financila assets at fair value hrough other comprehensive income	85,299	19,416	85,299	19,416
Cumulative translation adjustment	(229,192)	(177,059)	(229,192)	(177,059)
Remeasurement losses on defined benefit liability	25,021	25,021	25,021	25,021
	10,722,241	10,325,890	10,731,661	10,335,310
NON-CONTROLLING INTERESTS	23	24	-	-
TOTAL EQUITY	**10,722,264**	10,325,914	**10,731,661**	10,335,310
TOTAL LIABILITIES AND EQUITY	**97,540,497**	103,749,322	**95,647,417**	101,866,805

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED STATEMENTS OF INCOME

	Consolidated		Parent Company	
	For the three months ended March 31 (January to March)			
	2019	2018	**2019**	2018
	(Amounts in Thousands, Except Earnings per Share)			
INTEREST INCOME				
Investment securities	**202,488**	159,200	**202,488**	159,200
Loans and receivables	**1,173,245**	873,076	**1,101,213**	807,807
Interbank loans receivable and securities purchased under resale agreements	**8,137**	11,759	**8,137**	11,759
Deposits with other banks and others	**3,084**	2,786	**3,014**	2,577
	1,386,954	1,046,821	**1,314,852**	981,343
INTEREST AND FINANCE CHARGES				
Deposit liabilities	**463,051**	248,748	**446,519**	235,777
Bills payable, borrowings and others	**187,525**	66,746	**186,591**	66,746
	650,576	315,494	**633,110**	302,523
NET INTEREST INCOME	**736,378**	731,327	**681,742**	678,820
Trading and securities gain - net	187,426	21,900	**187,426**	21,900
Rent Income	**173,753**	152,347	**173,753**	152,347
Service charges, fees and commissions	**106,140**	88,024	**96,875**	82,119
Foreign exchange gain - net	**20,092**	5,210	**20,092**	5,210
Gain (loss) on asset exchange	**(512)**	7,391	**(512)**	7,243
Profit from assets sold/ exchange	**16,188**	53,007	**16,003**	38
Income from trust operations	**5,570**	3,740	**5,570**	3,740
Miscellaneous	**33,398**	35,772	**31,962**	21,143
TOTAL OPERATING INCOME	**1,278,433**	1,098,718	**1,212,911**	972,560
Compensation and fringe benefits	**276,289**	284,286	**246,133**	255,134
Taxes and licenses	**148,537**	140,431	**142,227**	129,978
Depreciation and amortization	**111,674**	98,288	**107,703**	93,897
Occupancy and other equipment - related costs	**44,025**	60,843	**39,465**	56,993
Provision for impairment losses	**18,488**	60,949	**11,263**	59,317
Insurance	**37,407**	35,033	**35,542**	33,155
Management and professional fees	**24,376**	22,688	**23,715**	22,218
Security, clerical, messengerial and janitorial services	**28,841**	26,438	**25,081**	22,821
Entertainment, amusement and recreation	**19,733**	22,284	**19,720**	22,231
Communication	**13,369**	13,820	**12,945**	12,877
Miscellaneous	**110,307**	84,429	**99,603**	75,720
TOTAL OPERATING EXPENSES	**833,046**	849,489	**763,397**	784,341
NET INCOME BEFORE SHARE IN NET INCOME OF SUBSIDIARIES AND AN ASSOCIATE	**445,387**	249,229	**449,514**	188,219
Share in net income (loss) of subsidiaries and an associa	**110**	43	**(5,083)**	41,784
INCOME BEFORE INCOME TAX	**445,497**	249,272	**444,431**	230,003
PROVISION FOR INCOME TAX	**62,897**	72,391	**61,830**	53,128
NET INCOME	**382,600**	176,881	**382,601**	176,875
Attributable to:				
Equity holders of the Parent Company	**382,601**	176,875		
Non-controlling interest	**(1)**	6		
	382,600	176,881		
Basic/ Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	**0.80**	0.37		

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	Consolidated		Parent Company	
	For the three months ended March 31 (January to March)			
	2019	2018	**2019**	2018
	(Amounts in Thousands)			
NET INCOME FOR THE PERIOD	**382,600**	176,881	**382,601**	176,875
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX				
Items that may be reclassified to profit or loss in subsequent periods:				
Net movement in cumulative translation adjustment	(52,133)	(10,175)	(52,133)	(10,175)
Unrealized gain (loss) on financial assets carried at fair value through other comprehensive income	65,883	(23,627)	65,883	(23,627)
	13,750	(33,802)	**13,750**	(33,802)
Items that may not be reclassfied to profit or loss in subsequent periods:				
Unrealized loss on financial assets carried at fair value through other comprehensive income	-	-	-	-
Remeasurements of defined benefit liabilities	-	-	-	-
	-	-	-	-
	13,750	(33,802)	**13,750**	(33,802)
TOTAL OTHER COMPREHENSIVE INCOME	**396,350**	143,079	**396,351**	143,073
Attributable to:				
Equity holders of the Parent Company	396,351	143,073		
Non-controlling interest	(1)	6		
TOTAL OTHER COMPREHENSIVE INCOME	**396,350**	143,079		

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARIES
UNAUDITED INTERIM STATEMENT OF CASH FLOWS

	Consolidated		Parent Company	
	For the Three Months Ended March 31			
	2019	2018	**2019**	2018
	(Amounts in Thousands)			
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	445,497	249,272	444,431	230,003
Adjustments to reconcile income before income tax to net cash generated from (used for) operations:				
Accretion of interest on unquoted debt securities	(39,913)	(43,472)	(39,913)	(43,472)
Depreciation and amortization	111,674	98,288	107,703	93,897
Provision for impairment losses	18,488	60,949	11,263	59,317
Loss (Profit) on asset exchange	512	(7,391)	512	(7,243)
Profit from asset sold or exchange	(16,188)	(53,007)	(16,003)	(38)
Unrealized (gain) loss on financial assets at FVTPL	65,883	(80,528)	65,883	(80,528)
Share in net loss (earnings) of subsidiaries and an associ	(109)	(42)	5,083	(41,785)
Changes in operating assets and liabilities				
Decrease (increase) in the amounts of:				
Loans and Receivable	3,813,939	(2,239,185)	3,805,680	(2,175,025)
Other Assets	(587,349)	(169,353)	(586,847)	(163,684)
Financial assets at FVTPL	(674,062)	2,355,727	(674,062)	2,355,727
Increase (decrease) in the amounts of:				
Deposit liabilities	(930,908)	4,211,095	(947,827)	4,250,215
Manager's checks	133,129	35,978	133,129	35,820
Accrued interest, taxes and other expenses	8,018	120,499	4,118	92,136
Other liabilities	549,199	307,176	546,459	309,140
Net cash generated from operations	2,897,810	4,846,006	2,859,610	4,914,479
Income taxes paid	(46,564)	(49,536)	(46,576)	(36,952)
Net cash provided by operating activities	**2,851,246**	**4,796,470**	**2,813,034**	**4,877,527**
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in interbank loans receivable	13,144	(1,702,788)	13,144	(1,702,788)
Acquisition of:				
Financial assets at FVOCI	(24,426,707)	(2,017,737)	(24,426,707)	(2,017,737)
Property and equipment	(39,840)	(22,619)	(39,840)	(22,619)
Investment properties	(160,385)	(104,942)	(160,385)	(104,942)
Software cost	(14,487)	(10,152)	(14,039)	(10,152)
Proceeds from disposals of:				
Financial assets at FVOCI	27,775,182	728,593	27,775,182	728,593
Property and equipment	3,449	5,988	8,222	11,290
Investment properties	91,983	111,574	91,620	57,427
Proceeds from maturity of Investment securities	-	5,000	-	5,000
Net cash provided (used in) investing activities	**3,242,339**	**(3,007,084)**	**3,247,197**	**(3,055,929)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Availments of:				
Bills payable	108,169,435	48,089,688	108,169,435	48,089,688
Outstanding acceptance	56,900	59,423	56,900	59,423
Marginal deposits	-	528	-	528
Settlements of:				
Bills payable	(114,420,972)	(50,825,744)	(114,406,898)	(50,825,744)
Outstanding acceptance	(16,024)	(84,422)	(16,024)	(84,422)
Marginal deposits	(170,285)	-	(170,285)	-
Net cash used in financing activities	**(6,380,946)**	**(2,760,527)**	**(6,366,872)**	**(2,760,527)**

forward

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARIES
UNAUDITED INTERIM STATEMENT OF CASH FLOWS

	Consolidated		Parent Company	
	For the Three Months Ended March 31			
	2019	2018	**2019**	2018
	(Amounts in Thousands)			
EFFECTS OF FXCY TRANSLATION ADJUSTMENTS	(52,133)	(10,175)	(52,133)	(10,175)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(339,494)	(981,316)	(358,774)	(949,103)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD				
Cash and Other Cash Items	1,389,869	974,207	1,357,609	941,823
Due from Bangko Sentral ng Pilipinas	15,224,382	15,340,711	15,168,302	15,279,084
Due from Other Banks	379,723	1,166,063	228,578	965,820
Interbank Loans Receivable and Securities Purchased Under Resale Agreements	193,820	472,513	193,820	472,513
	17,187,794	**17,953,494**	**16,948,309**	**17,659,240**
CASH AND CASH EQUIVALENTS AT ENDING OF THE PERIOD				
Cash and Other Cash Items	1,588,582	930,841	1,561,099	900,145
Due from Bangko Sentral ng Pilipinas	12,590,299	14,730,415	12,533,570	14,674,363
Due from Other Banks	2,133,261	667,085	1,958,708	491,792
Interbank Loans Receivable and Securities Purchased Under Resale Agreements	536,158	643,837	536,158	643,837
	16,848,300	**16,972,178**	**16,589,535**	**16,710,137**

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2019 AND 2018

	Consolidated									
	Equity Attributable to Equity Holders of the Parent Company									
	Common Stock	Additional Paid-in Capital	Surplus reserves	Deficit	Unrealized gain (loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Cumulative Translation Adjustment	Remeasurement Losses on Retirement Liabilities	Total	Non-Controlling Interest	Total Equity
Balance at January 1, 2019	12,016,129	2,252,826	105,893	(3,916,336)	19,416	(177,059)	25,021	10,325,890	24	10,325,914
Total comprehensive income (loss) for the period				382,601	65,883	(52,133)	-	396,351	(1)	396,350
Balance at March 31, 2019 (unaudited)	**12,016,129**	**2,252,826**	**105,893**	**(3,533,735)**	**85,299**	**(229,192)**	**25,021**	**10,722,241**	**23**	**10,722,264**
Balance at January 1, 2018	12,016,129	2,252,826	105,824	(4,311,607)	64,104	(122,263)	(61,868)	9,943,145	26	9,943,171
Total comprehensive income (loss) for the period				176,875	(23,627)	(10,175)		143,073	6	143,079
Balance at March 31, 2018 (unaudited)	12,016,129	2,252,826	105,824	(4,134,732)	40,477	(132,438)	(61,868)	10,086,218	32	10,086,250

	Parent Company									
Balance at January 1, 2019	12,016,129	2,262,246	105,893	(3,916,336)	19,416	(177,059)	25,021	10,335,310	-	10,335,310
Total comprehensive income for the period				382,601	65,883	(52,133)	-	396,351		396,351
Balance at March 31, 2019 (unaudited)	**12,016,129**	**2,262,246**	**105,893**	**(3,533,735)**	**85,299**	**(229,192)**	**25,021**	**10,731,661**	**-**	**10,731,661**
Balance at January 1, 2018	12,016,129	2,262,246	105,824	(4,311,607)	64,104	(122,263)	(61,868)	9,952,565	-	9,952,565
Total comprehensive income (loss) for the period				176,875	(23,627)	(10,175)	-	143,073		143,073
Balance at March 31, 2018 (unaudited)	12,016,129	2,262,246	105,824	(4,134,732)	40,477	(132,438)	(61,868)	10,095,638	-	10,095,638

PHILIPPINE BANK OF COMMUNICATIONS (Consolidated)
AGING OF LOANS & SELECTED RECEIVABLES
As of March 31, 2019
(In thousands)

TYPE OF LOAN/PARTICULARS	OUTSTANDING BALANCE	CURRENT	PAST DUE FOR			
			90 DAYS OR LESS	91 TO 180 DAYS	181 DAYS - 1 YR.	MORE THAN 1 YR.
Loans and Discounts	46,211,308	2,402,253	636,249	302,111	41,919,729	950,967
Agrarian Reform/Other Agricultural Credit Loans	3,603,575	3,591,283	0	0	0	12,292
Bills Purchased	1,998,859	1,928,568	2,007	34,996	900	32,387
Customers' Liability on Drafts under LC/TR	3,767,889	3,552,092	0	21,750	0	194,047
Customers' Liab. for this Bank's Acceptances	87,220	87,220	0	0	0	0
Restructured Loans	115,553	58,322	34,801	3,429	8,905	10,096
Items in Litigation	949,796	0	493	642	63,366	885,296
SUB TOTAL	56,734,200	11,619,739	673,550	362,928	41,992,899	2,085,085
Unquoted Debt Securities	1,267,583	1,267,583	0	0	0	0
Accounts Receivable	389,767	344,472	11,799	3,924	1,510	28,062
Accrued Interest Receivable	754,614	532,169	5,875	3,075	159,085	54,410
Sales Contract Receivables	174,773	136,543	18,088	5,299	84	14,759
GRAND TOTAL	**59,320,938**	**13,900,507**	**709,312**	**375,226**	**42,153,578**	**2,182,316**

PHILIPPINE BANK OF COMMUNICATIONS
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Philippine Bank of Communications (the Parent Company) is a publicly listed domestic commercial bank organized in the Philippines, primarily to engage in commercial banking services such as deposit products, loans and trade finance, domestic and foreign fund transfers, treasury, foreign exchange and trust services. The Parent Company's principal place of business is at the PBCOM Tower, 6795 Ayala Avenue corner V. A. Rufino Street, Makati City.

The Parent Company's original Certificate of Incorporation was issued by the Securities and Exchange Commission (SEC) on August 23, 1939. On June 21, 1988, the Board of Directors (BOD) of the Parent Company approved the amendment of Article IV of its Amended Articles of Incorporation to extend the corporate life of the Parent Company for another 50 years or up to August 23, 2039. The Amended Articles of Incorporation was approved by the SEC on November 23, 1988.

The Parent Company acquired a license to operate as an expanded commercial bank from the Bangko Sentral ng Pilipinas (BSP) on December 24, 1993. On March 31, 2000, the BSP's Monetary Board approved the amendment of the Parent Company's license to a regular commercial banking.

On February 26, 2014, the Bank's Board of Directors (BOD) approved the acquisition of the Rural Bank of Nagcarlan, Inc. (RBNI) and Banco Dipolog, Inc. (BDI). The acquisitions were completed in 2014 and both rural banks were consolidated with the Parent from the time the latter gained control.

On May 9, 2014, the SEC approved the incorporation of the Parent's wholly-owned subsidiaries, PBCOM Insurance Services Agency, Inc. (PISAI).

On December 11, 2017, the SEC approved the merger of BDI, RBNI and Rural Bank of Kabasalan, Inc. (RBKI), with BDI as a surviving entity.

On July 9, 2018, through the approval granted by the SEC, BDI officially changed its corporate name to PBCom Rural Bank, Inc. On July 27, 2018, BSP authorized the change in the corporate name.

The Parent Company's subsidiaries and an associate are engaged in the following businesses:

Entity	Effective ownership	Line of business
Subsidiaries		
PBCom Rural Bank, Inc. (formerly Banco Dipolog, Inc A Rural Bank) (PBCRB)	99.99%	Rural Bank
Rural Bank of Nagcarlan (RBNI)	-	
PBCom Insurance Services Agency, Inc. (PISAI)	100.00%	Insurance Agent
Associate		
PBCom Finance Corporation	40.00%	Financing Company

On July 26, 2018, the Monetary Board of BSP, in its Resolution No. 1220, approved the Parent Company's issuance of the Long Term Negotiable Certificate of Deposits (LTNCD) of up to ₱5.0 billion in one or more tranches over the course of one year with minimum tenor of 5 years and 1 day to a maximum of 7 year. The purpose of the issuance is for long term funding.

The Parent Bank was able to raised ₱2.9 billion in its maiden issuance of LTNCD. The LTNCD bear fixed interest rate of 5.625 per annum and payable quarterly from October 8, 2018 until April 8, 2024. The amount was more than the initial planned volume of P2.0 billion

Strategic third party investors
On August 5, 2014, the Parent Company signed a subscription agreement with P.G. Holdings Inc. (PGH), for the latter's subscription of the Parent Company's 181,080,608 common shares valued at ₱33.00 per share. These shares were issued out of the unissued portion of the Parent Company's authorized capital stock.

The subscription by PGH to the new shares of the Parent Company amounting to ₱5.98 billion was approved by the BSP on September 23, 2014. The first installment of ₱1.79 billion was paid by PGH on September 25, 2014. Subsequently, on October 1, 2014, VFC Land Resources Inc. (VFC) bought 59.24 million shares at ₱33.00 per share from the ISM Group. PGH and VFC are beneficially owned by the family of Mr. Lucio Co, bringing his total stake in the Parent Company to 49.99%.

On September 22, 2015, June 29, 2016 and September 11, 2017, the Parent Company received the second, third and final installment payments, respectively, each amounting to ₱1.39 billion for the subscribed shares of PGH (see Note 23 of AFS).

In 2015, both PGH and VFC bought additional 2.40 million shares. The following year, additional 0.49 million shares and 9.49 million shares were acquired by PGH and VFC, respectively. In 2018, PGH bought an additional 2.27 million shares while VFC acquired 0.97 million additional shares in 2019 bringing the Co Family's total stake in the Parent Company at 53.85%.

As of March 31, 2019, the Parent Bank had a total network of 89 regular branches and 150 ATMs (85 onsite and 65 offsite). PBCRB has 16 regular branches, 9 branch-lite and 1 onsite ATM.

2. Summary of Significant Accounting and Financial Reporting Policies

Basis of Presentation
The unaudited interim condensed consolidated financial statements of the Parent Company and its subsidiaries (the Group) have been prepared on a historical cost basis, except for Financial Assets at Fair Value through Profit or Loss (FVTPL) and Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI) that are measured at fair value. The financial statements are presented in Philippine Peso (PHP) and all values are rounded to the nearest thousands, unless otherwise stated.

On July 17, 2017, the BSP in its Resolution No. 1189 dated July 13, 2017 approved the request of the Bank to continue using fair value model for the 2017 audited financial statements and to revert to cost model starting in 2018. For the first quarter report, the investment properties such as Condominium units for lease, Foreclosed properties and Office units for lease are presented at cost model.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Parent Company and its subsidiaries are in Philippine peso.

Statement of Compliance
The unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual audited

financial statements as at and for the year ended December 31, 2018.

Basis of Consolidation

The unaudited interim condensed consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries and are prepared for the same reporting period as the Parent Company using consistent accounting policies. Subsidiaries are consolidated from the date on which control is transferred to the Parent Company. The Parent Company controls an investee if, and only if, the Parent Company has:

- Power over the investee (that is, existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual agreements; and
- The Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income, expenses and other comprehensive income (OCI) of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the Parent Company's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the Group are eliminated in full on consolidation.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for within equity as an adjustment to 'Additional paid-in capital'. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted by the Group to reflect the changes in its relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Parent Company.

When a change in ownership interest in a subsidiary occurs, which results in loss of control over the subsidiary, the Parent Company:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Derecognizes the related OCI recorded in equity and recycle the same to the statement of income or surplus;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained; and
- Recognizes any surplus or deficit in the statement of income.

Non-controlling Interests

Non-controlling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Parent Company.

Non-controlling interests are presented separately in the unaudited interim condensed consolidated statement of income, consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position, separately from equity attributable to the equity holders of the Parent Company. Any losses applicable to the non-controlling interests are allocated against the interests of the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3. Changes in Accounting Policies and Disclosures

PFRS 9, *Financial Instruments*

The Bank had an early adoption of the PFRS 9, 2010 version in 2014. The final version of the standard becomes mandatory beginning January 1, 2018. The said version of PFRS 9 introduced the new FVTOCI classification of debt financial assets where the objective of the model is achieved by both collecting contractual cash flows and selling financial assets.

For impairment, the Bank is required to record based on expected credit losses (ECL) on all type of assets that are not measured at fair value through profit or loss.

The application of ECL significantly changed the Group's credit loss methodology and models.

ECL represent credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The allowance for credit losses is based on the ECLs associated with the probability of default in the next 12 months unless there has been a significant increase in credit risk (SICR) since origination or initial recognition. As a result, ECL allowances is measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a SICR since initial recognition. If the financial asset meets the definition of purchased or originated credit impaired, the allowance is based on the change in the ECLs over the life of the asset.

The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are credit losses that result from all possible default events over the expected life of a financial instrument. In comparison, the present incurred loss model recognizes lifetime credit losses only when there is objective evidence of impairment.

Application of Cost Method of Accounting for Investment Properties and Land

PAS 40, Investment Property, allows the use of either fair value model or cost model in accounting for investment property. However, the BSP requires the use of cost method for statutory and reporting purposes. Thus, in February 2016, the BSP, through its report on examination, directed the Parent Company to change the method of accounting for investment properties from fair value model to cost model and restate comparative information in its audited financial statements.

On July 17, 2017, the BSP in its Resolution no. 1189, approved the request of the Parent Company to continue using the fair value model for the 2017 audited financial statements, and to revert to the cost model only in 2018. In April 2018, upon clarification with the BSP, it was confirmed that the directive issued in 2016 to change the accounting treatment to cost model includes land accounted for under the revaluation model.

Accordingly, on January 1, 2018, the Parent Company changed its accounting policy on investment properties and land.

PFRS 16, Leases
PFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17, *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (for example, personal computers) and short-term leases (that is, leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (that is, the lease liability) and an asset representing the right to use the underlying asset during the lease term (that is, the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The adoption of the PFRS 16 resulted in the recognition of Right-of-Use Assets amounting to the ₱371.5 million under the Other Assets and the related Lease Liability of the same amount as of January 1, 2019.

4. Fair Value Measurement

The Bank uses three level hierarchies as a valuation technique in determining and disclosing the fair value of financial instruments:

- Level 1 – quoted (unadjusted) market prices in active market for identical assets or liabilities.
- Level 2 – valuation technique for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable i.e. not based on observable market data.

As of March 31, 2019, the Bank used the following level of measurements:

Assets measured at fair value	Carrying value	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets at FVTPL				
Government securities	₱1,567,278	₱1,091,560	₱475,718	₱-
Financial assets at FVTOCI				
Government securities	3,060,560	2,558,713	501,847	-
Private bonds	352,374	352,374	-	-
Equity securities	105,119	-	74,210	30,909

There are no transfers between Levels 1 and 2 and no transfers into and out of Level 3.

The Bank evaluates and classifies financial instruments whether it is quoted or not in an active market. Quoted prices in an active market are readily and regularly available and represent actual and regularly occurring market transactions on arm's length basis.

5. Financial Risk Management

Risk is inherent in the Group's activities but is managed through a continuing and pro-active process of identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities.

Compared with December 31, 2018, there have been no changes in the financial risk exposures that materially affect the unaudited interim condensed consolidated financial statements of the Group as of March 31, 2019. The Group is exposed to the following risks from its financial instruments:

a. Credit risk
b. Liquidity risk
c. Market risk
    i. Interest rate risk
    ii. Foreign currency risk
    iii. Equity price risk

On credit risk, the Group manages and controls it by setting limits on the amount of risk it is willing to accept for individual borrowers and groups of borrowers, as well as limits on large lines and industry concentrations. Credit risk management was likewise strengthened with the implementation of ECL models. The Group's ECL calculations are output of complex models with number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

6. Consolidated Segment Information

The following tables present income and profit and certain asset and liability information regarding the Group's operating segments as of March 31, 2019 and 2018.

AS OF MARCH 31, 2019

Particulars	Branch Banking	Corporate Banking	Treasury Segment	Consumer Finance Segment *	Trust and Wealth Management Segment	Rentals & Headquarters	Total
Segment results							
Revenue, net of interest expense							
Third party	(516,784)	811,093	96,452	296,653	445	48,519	736,378
Intersegment	925,925	(669,482)	(71,065)	(171,691)	(977)	(12,710)	-
Net interest income	409,141	141,611	25,387	124,962	(532)	35,809	736,378
Rent income	-	-	-	-	-	173,753	173,753
Service charges, fees and commissions	20,335	62,101	1	20,195	-	3,508	106,140
Foreign Exchange gain - net	2,536	2,298	15,258	-	-	-	20,092
Income from Trust Operations	-	-	-	-	5,570	-	5,570
Trading and securities gain (loss) - net	-	-	187,426	-	-	-	187,426
Gain on asset exchange	-	-	-	-	-	(512)	(512)
Profit from asset sold/ exchange	-	-	-	185	-	16,003	16,188
Miscellaneous	2,335	5,616	533	1,436	-	23,478	33,398
Total Operating Income	434,347	211,626	228,605	146,778	5,038	252,039	1,278,433
Compensation and fringe benefits	77,082	15,772	9,699	45,092	3,507	125,137	276,289
Taxes and licenses	53,368	44,383	16,182	20,092	405	14,107	148,537
Depreciation and amortization	23,757	665	260	5,145	170	81,677	111,674
Provision for impairment losses	-	(13,108)	-	26,631	-	4,965	18,488
Occupancy and Other equipment-related cost	23,969	6,141	197	8,008	462	5,248	44,025
Other operating expense	81,341	14,609	21,949	29,179	1,094	85,861	234,033
Total Operating Expense	259,517	68,462	48,287	134,147	5,638	316,995	833,046
Income before share in net income of an associate	174,830	143,164	180,318	12,631	(600)	(64,956)	445,387
Share in net income of an associate	-	-	-	-	-	110	110
Income before income tax	174,830	143,164	180,318	12,631	(600)	(64,846)	445,497
Provision for income Tax	-	3,534	18,027	1,067	-	40,269	62,897
Net Income (loss)	**174,830**	**139,630**	**162,291**	**11,564**	**(600)**	**(105,115)**	**382,600**
Segment assets							
Property and equipment	347,671	-	-	99,384	-	548,685	995,740
Investment properties	-	-	-	159,712	-	2,504,841	2,664,553
Unallocated assets	12,729,440	41,748,238	13,775,886	12,467,227	60,358	13,099,055	93,880,204
Total segment assets	**13,077,111**	**41,748,238**	**13,775,886**	**12,726,323**	**60,358**	**16,152,581**	**97,540,497**
Total segment liabilities	**76,750,874**	**397,803**	**3,024,353**	**1,907,545**	**-**	**4,737,658**	**86,818,233**

AS OF MARCH 31, 2018

Particulars	Branch Banking	Corporate Banking	Treasury Segment	Consumer Finance Segment *	Trust and Wealth Management Segment	Rentals & Headquarters	Total
Segment results							
Revenue, net of interest expense							
Third party	(221,072)	534,194	142,890	276,246	449	(1,380)	731,327
Intersegment	510,222	(364,584)	(85,208)	(115,700)	(651)	55,921	-
Net interest income	289,150	169,610	57,682	160,546	(202)	54,541	731,327
Rent income	-	-	-	-	-	152,347	152,347
Service charges, fees and commissions	18,804	48,721	1	19,730	-	768	88,024
Foreign Exchange gain - net	5,058	2,261	(2,109)	-	-	-	5,210
Income from Trust Operations	-	-	-	-	3,740	-	3,740
Trading and securities gain (loss) - net	-	-	21,900	-	-	-	21,900
Gain on asset exchange	-	-	-	149	-	7,242	7,391
Profit from asset sold/ exchange	-	-	-	52,969	-	38	53,007
Miscellaneous	4,961	1,774	(2,688)	14,628	-	17,097	35,772
Total Operating Income	317,973	222,366	74,786	248,022	3,538	232,033	1,098,718
Compensation and fringe benefits	71,012	20,108	10,484	58,866	2,011	121,805	284,286
Taxes and licenses	59,527	24,173	17,490	25,186	277	13,778	140,431
Depreciation and amortization	27,146	946	431	6,235	144	63,386	98,288
Provision for imparment losses	-	20,000	-	42,954	-	(2,005)	60,949
Occupancy and Other equipment-related cost	42,149	5,575	207	7,538	450	4,924	60,843
Other operating expense	66,344	13,348	14,973	28,938	324	80,765	204,692
Total Operating Expense	266,178	84,150	43,585	169,717	3,206	282,653	849,489
Income before share in net income of an associate	51,795	138,216	31,201	78,305	332	(50,620)	249,229
Share in net income of an associate	-	-	-	-	-	43	43
Income before income tax	51,795	138,216	31,201	78,305	332	(50,577)	249,272
Provision for income Tax	14	3,505	33,432	19,263	-	16,177	72,391
Net Income (loss)	**51,781**	**134,711**	**(2,231)**	**59,042**	**332**	**(66,754)**	**176,881**
Segment assets							
Property and equipment	347,671	-	-	102,679	-	608,999	1,059,349
Investment properties	-	-	-	192,032	-	2,479,676	2,671,708
Unallocated assets	12,439,833	39,063,457	24,229,375	14,115,759	70,430	3,471,278	93,390,132
Total segment assets	**12,787,504**	**39,063,457**	**24,229,375**	**14,410,470**	**70,430**	**6,559,953**	**97,121,189**
Total segment liabilities	**69,537,820**	**1,750,852**	**12,052,044**	**1,880,970**	**-**	**1,813,253**	**87,034,939**

** include rural bank subsidiaries*

7. The following is a comparative summary of the Bank's commitments and contingent liabilities at their equivalent peso amounts.

	March 2019	December 2018
Trust department accounts	5,883,731	5,425,824
Standby LC	1,036,121	517,012
Spot exchange:		
Bought	2,847,948	630,800
Sold	3,451,235	630,508
Sight LC outstanding	429,755	654,229
Usance LC outstanding	102,655	128,412
Inward bills for collection	67,680	284,355
Outstanding shipping guarantees	655,924	534,542
Currency forwards:		
Bought	-	203,574
Sold	-	204,301
Outward bills for collection	16,501	16,977
Items held for safekeeping	44	98
Items held as collateral	11	11
Other contingent	74,177	89,852

Any changes on the above figures are part of the regular operations of the Bank.

8. There are no other items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.

9. Except for effects of PFRS 9 on ECL models used for impairment of financial assets which are considered significant accounting judgements and estimates, there are no other changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that had a material effect in the current interim period.

10. There were no dividends declared or paid as of March 31, 2019 by the Parent Bank.

11. There are no changes in the composition of the bank in terms of business combinations, acquisition or disposal of subsidiaries, restructurings and discontinuing operations. As to long-term investments, the bank continues to maintain holdings on marketable long- term bonds.

12. There are no contingencies and any other events or transactions that are material for the current interim period.

SEC Form 17-Q

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

1. Management's Discussion & Analysis

The Bank registered a net income of ₱382.6 Million for the first quarter of 2019, ₱205.7 Million or 116.3% higher than the ₱176.9 Million earned in the same period last year. Total operating income increased by P179.7 Million or by 16.4% as the Bank sustains its business growth. Interest income from loans and receivables is higher by 34.4% compared to the same quarter last year as the Bank continued in focusing its efforts in expanding its corporate and consumer loan portfolios and increasing loan yields, bringing in ₱300.2 Million higher revenues for the first three months. Total loans and receivables increased by ₱712.0 Million or by 1.3% from ₱55.6 Billion level in March last year. Low-cost deposit volume has improved as the Bank grew its demand and savings deposit base to ₱29.5 Billion from ₱28.1 Billion at the close of the previous year while time deposits and bills payable declined by 5.6% and 35.4%, respectively. Interest expense however grew by ₱335.1 Million compared to prior year period primarily from the rise in cost of funds and the impact of the increase in volume from the Bank's maiden issuance of Long Term Negotiable Certificates of Time Deposit (LTNCD). Trading results improved greatly this quarter as the Bank recognized ₱187.4 Million in gains. Rent income, service charges and fees, profit from ROPA sales and foreign exchange gains also contributed to the growth to the Bank's bottom line. Total operating expenses also improved from ₱849.5 Million to ₱833.3 Million during this year's first quarter, mostly contributed by lower provisions for losses, occupancy and other equipment-related costs and manpower costs from lower headcount.

Total Assets of PBCOM Group stood at ₱97.5 Billion, ₱419.3 Million higher compared to prior year end of quarter, and ₱6.2 Billion lower compared to the close of year last year arising from lower total loans and receivable and lower financial assets at fair value through other comprehensive income. The Group's gross NPL ratio declined to 5.00% from first quarter of last year's level of 5.05% as a result of continuous improvement in collection efforts.

Total Liquid Assets remain stable at ₱35.2 Billion which is slightly lower by 7.9% from year-end level. Moreover, Total Liabilities amounted to ₱86.8 Billion with a decrease of 7.1% from the last year's end level of ₱93.4 Billion. This resulted mostly from lower bills payable by ₱6.3 Billion. Total Capital on the other hand amounted to ₱10.7 Billion from ₱10.3 Billion last December 2018. Improvement in capital by 3.8% was mainly contributed by the earnings of the Bank for the first three quarters.

2. Discussion of various key indicators:

A. Key Financial Performance (consolidated)

Ratio	March 2019	March 2018	Remarks
Net Profit Margin *(Net income divided by Gross income)*	29.93%	16.10%	Ratio increased by 13.83% due to increase in net income by 116.30% which is attributable total increase trading and securities gain by 755.83%
Return on Average Asset *(Net income divided by Average assets)*	0.38%	0.18%	Higher net income during the current period and increase in Average Assets resulted to higher ROA compared to March 2018.
Return on Average Equity *(Net income divided by Average equity)*	3.64%	1.77%	Return on Average Equity increased due to combination of higher net income and Average Equity by 116.30% and 5.09%, respectively.

Capital Adequacy Ratio (Basel 3) *(Qualifying capital divided by total of risk-weighted assets that include credit, market and operational risk)*	15.59%	15.25%	Capital ratio improved by 0.65% due to higher Qualifying Capital by ₱497.5 million while Total Credit Risk Weighted Assets remain stable at ₱76.2 Billion despite increase by ₱345 Million in qualifying capital for the period.
Basic Earnings per share *(Net income divided by average no. of common shares)*	0.80	0.37	Increase in net income by 116.30% during the current period attributed to the rise of basic earnings per share.

B. Financial Soundness (consolidated)

Ratio	March 2019	December 2018	Remarks
Liquidity Ratio (Liquid Assets to Total Deposits) *Liquid Assets include cash, due from banks, interbank loans, and trading and inv. Securities Total deposit refers to the total of peso and foreign currency deposits.*	48.16%	51.65%	Ratio declined by 3.48%, resulting from lower liquid assets and total deposits of ₱3.0 Billion and ₱930.90 million, respectively.
Debt Ratio (Total Liability to Total Assets) *Debt refers to the total liabilities while assets refers to total Assets*	89.01%	90.05%	Debt ratio was lower by 1.04% as a result of decrease in both total liabilities and total assets of ₱6.6 billion and ₱6.2 billion, respectively
Asset to Equity Ratio (Total Asset to Total Equity)	9.10	10.05	Ratio is lower by 0.95 as a result of decrease in total assets of ₱6.2 billion
Interest Rate Coverage Ratio (Earnings before interest & taxes to Interest Expense)	168.46%	179.00%*	Bank's interest rate coverage declined due to increase in interest expenses, which outpaced the improvement of income registered in 2018.
Net Interest Margin Net interest income over Average Earning assets	0.93%	0.98%*	Ratio dropped by 0.05% as Average Earning Assets improved for the period by ₱4.90 Billion.

* As of March 2018

3. Discussion and Analysis of Material Event/s and Uncertainties

a. The Bank does not foresee any event that will trigger direct or contingent financial obligation that is material to the company.

b. The Bank does not have any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

c. As of March 31, 2019, the unspent amount from the approved capital expenditures budget on technology enhancement, realignment and facility improvement amounted to ₱89.6 Million.

d. There are no known trends, events or uncertainties that are expected to have a material impact on net sales or revenues of the Bank in the near future.

e. There is no recorded significant income or losses during the quarter that did not come from the Bank's regular operations.

f. Interest income on non-discounted loan is recognized based on the accrual method of accounting while unearned discounts are amortized to income over the term of the loans. As such, there is no seasonal aspect that has a material impact on the Bank's interest revenues. Non-interest revenues, on the other hand, are largely dependent on market dynamics and economic trends rather than on seasonal factors.

Statement of Condition: March 2019 vs. December 2018 (conso)

	Increase (Decrease)	Percentage	Remarks
Cash and Other Cash Items	198,713	14.30%	Higher cash on hand
Due from BSP	(2,634,083)	-17.30%	Lower requirement for reserve
Due from Other Banks	1,753,538	461.79%	Higher funding on foreign banks
Interbank Loans Receivable	329,194	159.06%	Higher investment in interbank loans during the period
Financial assets at Fair Value through Profit or Loss	674,062	75.46%	Net acquisition of investments in FVTPL
Financial assets at Fair Value thorough Other Comprehensive Income	(3,280,177)	-48.25%	Sale of investments in FVOCI
Investment securities at Amortized Cost	(68,298)	-0.51%	Amortization of income in HTC investments
Loans and Receivables	(3,792,514)	-6.31%	Decline in loan volume during the reporting period
Property and Equipment	(25,609)	-2.51%	Depreciation recognized for the period
Investment Properties	55,778	2.14%	ROPA acquisitions, offset by depreciation of condo and office units for lease
Intangible Assets	(1,892)	-0.27%	Lower due to amortization of software during the period partially offset by acquisitions
Other Assets	582,354	69.98%	Higher mostly due to higher prepaid expenses on the early quarters of the year (PDIC insurance, manpower benefits, etc.) and Right Of Use Assets recognized in compliance with PFRS 16
Demand Deposits	2,002,269	9.88%	Lower deposits volume primarily in TD due to the Bank's efforts to increase volume of low-cost source of funds
Savings Deposits	(531,986)	-6.81%	
Time Deposits	(2,401,191)	-5.58%	
Bills Payable	(6,251,537)	-35.40%	Lower due to lower BP-BSP and deposit substitutes volume partially offset by increase in bills payable – REPO
Outstanding Acceptances	40,876	88.20%	Due to higher bills of exchange accepted by the Bank
Manager's Checks	133,129	136.62%	Higher un-negotiated MC's as of report date
Accrued Interest, Taxes and Other Expenses Payable	8,018	1.17%	Higher expense accruals, taxes and licenses and accrued interest payable
Income Tax payable	16,333	437.30%	Higher income tax due for the period
Other Liabilities	378,914	45.28%	Higher mainly due to lease liability recognized in compliance with PFRS 16

Statement of Income and Expenses : January-March 2019 vs January-March 2018 (conso)

	Increase (Decrease)	Percentage	Remarks
Interest Income on investment securities	43,288	27.19%	Higher interest income mainly due higher volume and yields
Interest Income on Loans and receivable	300,169	34.38%	Higher interest income mainly due to increase in volume and higher yields
Interest Income on IBCL	(3,622)	-30.80%	Decline from lower volume
Interest Income on Deposit with other Banks and others	298	10.70%	Slight increase from higher yield
Interest Expense on Deposit Liabilities	214,303	86.15%	Higher due to higher volume (LTNCD) and higher cost of funds
Interest Expense on Bills payable, borrowings and others	120,779	180.95%	Increase in interest expense mainly due to higher cost of funds
Trading and Securities Gain – net	165,526	755.83%	Higher trading gains, mostly realized
Rent Income	21,406	14.05%	Higher contract rates from renewals and vacancy in 2019
Service Charges, Fees & Commissions	18,116	20.58%	Increase mainly because of higher TFR income
Foreign Exchange Gain (Loss) –Net	14,882	285.64%	Increase is mainly due to fx reval gain in 2019 vs fx reval loss in 2018 partially offset by lower realized fx gains
Gain on asset exchange	(7,903)	-106.93%	Lower gain on asset exchange of ROPA vs prior year
Profit/(Loss) from Assets Sold/Exchanged	(36,819)	-69.46%	Lower gain on sale of ROPA vs prior year recognized by a subsidiary in 2018
Income from Trust Operations	1,830	48.93%	The Bank registered higher trust fees during the comparative period
Miscellaneous Income	(2,374)	-6.64%	Lower other income during the period
Compensation and Fringe Benefits	(7,997)	-2.81%	Lower costs from lower headcount
Taxes and Licenses	8,106	5.77%	Higher GRT from higher income
Depreciation and Amortization	13,386	13.62%	Higher depreciation mainly from the impact of depreciation of right of use asset in compliance with PFRS 16
Occupancy and other equipment-related costs	(16,818)	-27.64%	Lower rent expense mainly from the impact of depreciation of right of use asset in compliance with PFRS 16
Provision for impairment losses	(42,461)	-69.67%	Lower provision requirement in 2019
Miscellaneous	29,341	0.14%	Increase is mainly due to higher litigation costs, brokerage fees, collection fees, business promo costs, security costs, etc.
Provision for income tax	(9,494)	-13.11%	Lower income tax due to lower taxable income base
Share in net income of subsidiaries and an associate	67	155.81%	Slight increase in income from affiliate for the period