

GEARING UP
FOR NEW HEIGHTS



THE PRESIDENT'S SPEAKS

“In 2023, we balanced supporting our customers and achieving the Bank’s financial goals because as markets stabilize, we know we will be rewarded with long-term relationships that value the trust and support we have shown our dear clients.”

Our PBCOM Stakeholders,

We have managed to maintain our trend of delivering improved net income yearly. While the market conditions remained challenging, your Bank stayed focused on its core business and delivered P1.89B net income.

Even as we encountered a high-interest rate scenario, we focused instead on growing our loans portfolio and achieved a 19.3% growth, surpassing the industry average. We maintained our competitive rates and shed some margins, all with the intention of servicing the growing needs of our clients. Many companies pursued their expansion plans this year, and we made sure we were there to provide the much-needed financial support. Our funding was largely through deposit generation, and while we have seen a shift in the types of deposits with us, the combined volume funded our lending activities.

In growing our loans books, we ensured that we retained the credit quality of the portfolio and moved ahead focused on ensuring the right loan structure, ample security arrangements, and tightened documentation. Thus, as can be seen, despite the growth in our loans portfolio, there was no need to provide additional provisions.

In 2023, we balanced supporting our customers and achieving the Bank's financial goals because as markets stabilize, we know we will be rewarded with long-term relationships that value the trust and support we have shown our dear clients.

Before the end of 2023, your management team, together with select key officers, took time to carefully plan our strategies and priorities for the next 5 years. We are excited about what the future holds for PBCOM as we have laid a very strong foundation to support the next growth phase for your Bank.

Forever grateful,



Patricia May T. Siy
President and CEO

REPORT ON 2023 OPERATIONS

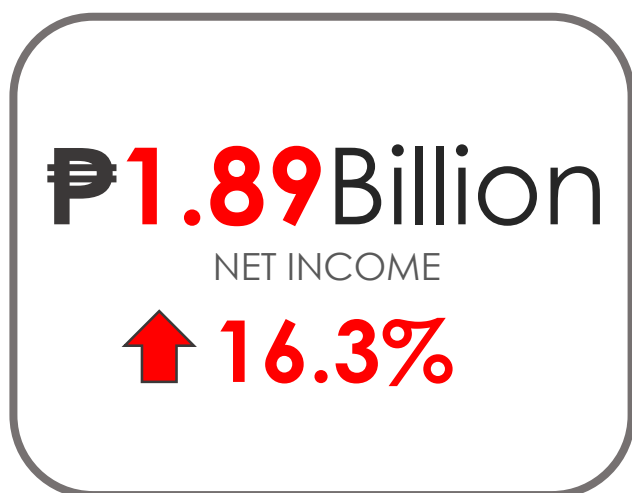
Philippine Bank of Communications registered a net income of P1.89B, a 16.3% jump from prior year driven by higher operating income.

Operating Income reached P5.96B as non-interest income grew 67.7% to P1.26B. Net Interest income totaled P4.7B as the bank benefited from an expanded loan portfolio offset by higher funding. Favorable market conditions boosted trading gains by P495.1M. Additionally, service fees and charges, trust income and miscellaneous income collectively contributed an increase of 9.6% compared to the previous year.

The bank's operating expense, excluding provision, registered a managed increase of 10.6% to P3.41B. The rise stemmed from higher deposit-related expenses and ongoing investments in infrastructure to support long-term growth.

PBCOM's total assets climbed to P147.5B. Loans and Receivables ended at P91.8B, a robust growth of 19.3% while Securities portfolio expanded 35.7% to P36.2B. On the other hand, total liabilities reached P129.8B, largely driven by increases in deposit and bills payable.

PBCOM earlier this year, disclosed that it will embark on a P15.0B Peso-denominated Bond Program to be issued in multiple tranches. The proceeds will support the bank's asset growth objective while simultaneously achieving diversification of its funding structure. The maiden issue of the Bank's LTNCD matured last April 8, 2024.



₱4.7B
NET INTEREST INCOME

₱91.8B
LOANS & RECEIVABLES
↑ **19.3%**

₱54.7B
LOW COST DEPOSIT

