



**SECURITIES AND EXCHANGE COMMISSION**  
**SEC FORM 17-C**  
**CURRENT REPORT UNDER SECTION 17 OF THE**  
**SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER**

1. Date of reporting **November 14, 2023**
2. Commission identification number **24221**
3. BIR Tax Identification No **000 440 440**
4. Exact name of issuer as specified in its charter **BANK OF COMMERCE**
5. Province, country or other jurisdiction of incorporation or organization **PHILIPPINES**
6. Industry Classification Code: (SEC Use Only)  
**SAN MIGUEL PROPERTIES CENTRE, NO. 7 ST FRANCIS STREET, MANDALUYONG CITY 1550, PH**
7. Address of issuer's principal office Postal Code
8. Issuer's telephone number, including area code **+63-2-8982 6000**
9. Former name, former address and former fiscal year, if changed since last report **N/A**
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
Common Stocks	1,403,013,920

11. Indicate the item numbers reported herein:

**Item No. 9. Other Events**

San Miguel Corporation (SMC) affiliate Bank of Commerce (BankCom) posted a record net income of P2.0 billion for the period ended 30 September 2023, outperforming the full-year 2022 profit of P1.8 billion by 12%. The third quarter result is also 35% higher than the P1.49 billion net income in the same nine-month period last year. This historic high performance translated to an ROE of 9.27%. Sustained growth in the bank's core revenue streams, higher interest margins and growth in fee-based income (investment banking, credit card, trust, and trade finance) were the main drivers of the solid performance.

## **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 hereunto duly authorized.

**Bank of Commerce**



By: **EVP ANTONIO S. LAQUINDANUM**  
Chief Financial Officer

Date: November 14, 2023

November 14, 2023

**PHILIPPINE STOCK EXCHANGE**

5<sup>th</sup> Avenue corner 28<sup>th</sup> Street  
Bonifacio Global City, Taguig

Attention: **Ms. France Alexandra D. Tom Wong**  
Officer-in-charge, Disclosure Department

**PHILIPPINE DEALING & EXCHANGE CORP.**

29<sup>th</sup> Floor, BDO Equitable Tower  
8751 Paseo de Roxas, Makati City 1226

Attention: **Atty. Marie Rose M. Magallen-Lirio**  
Head, Issuer Compliance and Disclosure Department

Mesdames:

Please be informed that Bank of Commerce (BNCOM – PSE ticker) will be releasing to the press the attached statement entitled “BankCom’s Q3 performance tops FY 2022 Net Income.”

Thank you.

Very truly yours,



**ANTONIO S. LAQUINDANUM**  
Executive Vice President and Chief Financial Officer  
Corporate Information Officer

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November 14, 2023

### **BankCom's Q3 performance tops FY 2022 Net Income**

San Miguel Corporation (SMC) affiliate Bank of Commerce (BankCom) posted a record net income of ₱2.0 billion for the period ended 30 September 2023, outperforming the full-year 2022 profit of ₱1.8 billion by 12%. The third quarter result is also 35% higher than the ₱1.49 billion net income in the same nine-month period last year. This historic high performance translated to an ROE of 9.27%. Sustained growth in the bank's core revenue streams, higher interest margins and growth in fee-based income (investment banking, credit card, trust, and trade finance) were the main drivers of the solid performance.

#### **YTD Sep 2023 FINANCIAL HIGHLIGHTS (YoY):**

- Net Income of ₱2.0 billion is 1.4x last year's ₱1.49 billion
- ROE of 9.27%
- Gross Revenue totaled to ₱7.30 billion, up 25% from the ₱5.82 billion in 2022
- Net Interest Income increased by 26% to ₱6.08 billion, higher from ₱4.82 billion last year
- NIM is higher at 4.24% from the 3.73% as of 31 December 2022
- Non-interest income rose to ₱1.22 billion, 1.2x up from ₱1.00 billion in the previous year
- Cost to Income ratio of 59.28%
- Total loans and receivables grew by 6% year-on-year to ₱111.58 billion
- The Bank's capital adequacy remained strong with a Total CAR of 19.18%

#### **3Q 2023 FINANCIAL HIGHLIGHTS (QoQ):**

- Net Income was at ₱423.91 million in the 3Q of this year, lower than 2Q2023 due to some non-recurring deals in 2Q and an increase in expenses related to new IT initiatives and compensation
- Net Interest Income increased by 23% to ₱2.13 billion for the 3Q 2023
- Total Operating Income decreased 5% vs 2Q2023 due to one-time deals in the second quarter. 3Q2023 Operating Income of ₱2.44 billion, however, 13% up from the ₱2.16 billion in 3Q2022

#### **Revenues**

For the nine months ended 30 September 2023, total revenues surged to ₱7.30 billion, 25% up from the ₱5.82 billion posted last year, mainly attributable to the notable growth in net interest income and service charges, fees, and commissions

Net Interest Income, which accounts for 83% of the total revenues, increased to ₱6.08 billion, 1.3x the ₱4.82 billion in the previous year. This is mostly driven by sustained growth in the bank's earning assets, particularly corporate loans. Also, despite the rising interest rate environment, the bank effectively managed funding cost, resulting to a higher NIM of 4.24%.



# Bank of Commerce

An affiliate of San Miguel Corporation



Other income rose to ₱1.22 billion, 21% up from ₱1.00 billion in 2022, owing to steady flow of the bank's fee-based income.

Service charges, fees and commissions rose to ₱640.25 million largely driven by Investment Banking, Credit Card, Trust, and Trade Finance fees. The Bank raked in a total of ₱89.88 million in underwriting commissions for the period, representing 14% of the total service charges, fees and commissions.

Meanwhile, foreign exchange (FX) gains which amounted to ₱115.01 million, inched up by 0.6% from ₱114.31 million.

The bank maintains a conservative stance by setting aside ₱222.43 million as provision for credit and impairment losses. NPL coverage ratio was at 97.88%.

Operating Expenses, excluding provision for credit and impairment losses, totaled ₱4.33 billion, 10% up from the ₱3.94 billion in the comparable period last year on the back of increases in compensation and benefits, service fees and commission, subscription and management and professional fees.

## **Balance Sheet**

BankCom's Total Assets as of 30 September 2023 grew by 3% to ₱224.31 billion from ₱217.52 billion as of 31 December 2022, translating to an ROA of 1.21%.

Total Loans and Receivables, comprising almost 50% of total assets, increased by 6% to ₱111.58 billion mainly due to sustained booking of corporate loans. The robust growth in loans resulted to an increase in the Loan-to-deposit ratio to 75%. Despite the growth in the loan portfolio, the Bank's Asset quality remained strong as Net NPL ratio improved to 0.51%, better than the 0.60% at 31 December 2022. Meanwhile, Gross NPL ratio stood at 1.98%.

The Bank's capital funds rose to ₱29.80 billion, 6% higher than the ₱28.03 billion in 2022, on account of higher retained earnings for the period due to continued profitable operations.

The Bank's capital adequacy remained strong with a Total CAR of 19.18%, higher than the 17.97% last year and well above the minimum regulatory requirement of 10.0%.

## **About BankCom**

Bank of Commerce traces its origins to the Overseas Bank of Manila, established in Binondo, Manila in 1963. In December 2020, the Intellectual Property Office (IPO) granted the copyright license for "BankCom" as the Bank's official short name.

An affiliate of San Miguel Corporation (SMC) and a listed universal bank provides a wide range of financial products and services: deposits, cash management/solutions, payments, lending, asset management, bancassurance, investment banking, foreign exchange and securities trading.

The Bank has a network of 140 branches and aims to deploy more automated teller machines (ATMs) in addition to the 264 count at end September 2023.