

COVER SHEET

SEC Registration Number

BANK OF COMMERCE

(Company's Full Name)

San Miguel Properties Centre
No. 7 St. Francis Street
Mandaluyong City

ANTONIO S. LAQUINDANUM

Contact Person

89826000

Company Telephone Number

12

Month

31

Day

Fiscal Year

17C

Form Type

Month

Day

Annual Meeting

Secondary License Type, If Applicable

SEC

Dept. Requiring this Doc

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

**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 **August 9, 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) booked a net profit of ₱1.59 billion in the first semester of the year, up 79% or 1.8X the ₱886.91 million in the same period last year. The outstanding performance translated to an ROE of 11%. 1H23 results were primarily driven by the sustained growth in the bank's core business: higher margins and growth in fee-based income (trust, remittance, investment banking and trade finance).

**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: August 9, 2023

August 9, 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 1H23 Net Income 1.8X of prior year.”

Thank you.

Very truly yours,



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

No. 7 San Miguel Properties Center Building  
St. Francis St., Mandaluyong City, Philippines  
Tel. No. (632) 982-6000  
<https://www.bankcom.com.ph>



August 9, 2023

## BankCom's 1H23 Net Income 1.8X of prior year

San Miguel Corporation (SMC) affiliate Bank of Commerce (BankCom) booked a net profit of ₱1.59 billion in the first semester of the year, up 79% or 1.8X the ₱886.91 million in the same period last year. The outstanding performance translated to an ROE of 11%. 1H23 results were primarily driven by the sustained growth in the bank's core business: higher margins and growth in fee-based income (trust, remittance, investment banking and trade finance).

### 1H 2023 FINANCIAL HIGHLIGHTS (YoY):

- Net Income of ₱1.59 billion is 1.8x the ₱886.91 million in the 1H last year
- ROE of 11%
- Gross Revenue rose by 32% to ₱4.85 billion from the ₱3.67 billion in 2022
- Net Interest Income totaled ₱3.95 billion, 28% higher from last year's ₱3.08 billion
- NIM is higher at 4.35% from the 3.73% as of 31 December 2022
- Non-interest income grew year on year to ₱901.20 million, up 54% from ₱583.57 million
- Cost to Income ratio of 56.36%
- Total loans and receivables stood at ₱108.47 billion
- The Bank's capital adequacy remained strong with a Total CAR of 19.42%

### 2Q 2023 FINANCIAL HIGHLIGHT (QoQ):

- Net Income of ₱874.35 million is 23% up from the ₱712.90 million in the 1Q of this year
- Gross Revenue summed up to ₱2.58 billion, 14% higher than the earlier quarter's ₱2.27 billion

### Revenues

Total revenues amounted to ₱4.85 billion, 32% more than the ₱3.67 billion registered last year, due to the steady growth in net interest income, service charges, fees, and commissions, foreign exchange and ROPA related gains.

Net Interest Income for the first half of 2023 posted ₱3.95 billion, up 28% from the ₱3.08 billion in the comparable period last year. This was due to the solid expansion in the bank's financial assets, mainly from corporate loans, and effective managing of funding cost, which resulted in a higher NIM of 4.35%.

Other income, surged 1.5x to ₱901.20 million from the ₱583.57 million last year propelled mainly by the robust fee-based revenue generating activities of the bank.

Service charges, fees and commissions posted a 24% rise to ₱448.02 million streaming mainly from Trust, Credit Card, Trade Finance and Investment Banking fees. The Bank's remittance business, also a fee income generator, recorded a promising growth of more than 30% since 1Q 2023 given the notable



performances of overseas partners coupled with the impact of the successful execution of marketing campaigns.

Foreign exchange (FX) gains rose by 18% to ₱80.81 million on account of increased volume of transactions.

The bank recorded a reversal of provisions amounting to ₱11.83 million reflecting improving credit quality and some recoveries.

Total Operating Expenses, excluding provision for credit and impairment losses, amounted to ₱2.74 billion, 7.51% higher than ₱2.55 billion in the same period last year primarily due to increase in occupancy cost, compensation and benefits, as well as subscription fees.

### **Balance Sheet**

BankCom ended the first half of the year with Total Assets amounting to ₱207.52 billion, with an ROA of 1.49%.

Total Loans and receivables sustained a ₱3.38 billion or 3.22% increase to ₱108.47 billion mainly on account of additional corporate lending. The continued increase in loans resulted to an increase in the Loan-to-deposit ratio to 72%. Despite the growth in the loan portfolio, the Bank's Asset quality remained strong as Net NPL ratio decreased to 0.56%, better than the 0.60% at 31 December 2022. Meanwhile, Gross NPL ratio stood at 2.13%.

The Bank's capital base stood at ₱29.67 billion as of 30 June 2023, 6% higher than the ₱28.03 billion in 2022, on the back of higher retained earnings for the period due to robust revenue inflows.

The Bank's capital adequacy remained strong with a Total CAR of 19.42%, higher than the 17.97% last year and well above the minimum regulatory requirement of 10.0%.

### **Other Developments**

BankCom announced the deployment of new automated teller machines (ATMs) offering advanced security features and a user-friendly touch screen interface that aim to provide an enhanced banking experience that matches the evolving needs of its valued clients.

The ATM re-fleeting project is one of the priority items under the Bank's 5-year IT investment and digitalization program. Almost 300 combined ATMs and cash recycling machines (CRMs) are to be installed within the Bank's branches and strategic off-site locations.



# Bank of Commerce

An affiliate of San Miguel Corporation



## 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 263 count at end June 2023.