

Earnings Release

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Philippine Business Bank's Net Income up 38.6% YoY to ₱610.2 million

Profitability continues to improve:

- Interest income increased by 39.6% Year-over-Year (YoY) to ₱3.9 billion as of September 2018
- Net interest income grew by 24.3% to ₱2.7 billion
- Core Income¹ reached ₱1.1 billion as of September 2018, a 66.0% increase YoY
- Pre-tax pre-provision profit (PTPP²) ended at ₱1.0 billion for the first nine months of 2018 from ₱762.3 million in 2017, up 35.3% YoY
- Profit before tax expanded to ₱855.9 million, up 46.3% YoY
- Net income grew by 38.6% or ₱169.9 million ending September 2018 at ₱610.2 million

Sustained balance sheet growth:

- Total resources stood at ₱96.2 billion, up 19.9% versus 9M17
- Loans and other receivables at ₱80.3 billion as of September 2018, up 23.4% YoY
- Total deposits increased by 18.8% YoY to ₱79.6 billion
- Total equity grew by ₱1.0 billion to ₱11.1 billion, a 10.3% increase YoY

Caloocan City, Philippines – Philippine Business Bank (PSE: PBB) reported a core income of ₱1.1 billion for the nine months ended September 2018, up 66.0% versus ₱648.0 million in the same period last year. Interest income expanded to ₱3.9 billion from ₱2.8 billion in 2017, up 39.6%. Pre-tax pre-provision profit grew to ₱1.0 billion from ₱762.3 million, a 35.3% increase YoY. Net income also expanded by 38.6% to ₱610.2 million versus ₱440.3 million in September 2017.

“PBB’s profitability continues to strengthen. The 38.6% growth in net profit YoY underscores the Bank’s transformation from a treasury-focused institution to a full-service thrift bank. Our core income, at ₱1.1 billion, is also higher by 66.0% versus the same period last year,” said Roland Avante, President and CEO of Philippine Business Bank.

Total loans and receivables ended at ₱80.3 billion as of September 2018, 23.4% higher versus last year. As a result, total resources strengthened by 19.9% reaching ₱96.2 billion in 2018. On the funding side,

¹ Core income is total revenues ex-trading gains/(losses) less non-interest expenses

² Pre-tax pre-provision profit is net revenues less non-interest expenses

total deposits increased to ₱79.6 billion at the end of September 2018. Low-cost funds grew 9.7% reaching ₱29.8 billion while time deposits rose by 24.9% ending September 2018 at ₱49.8 billion.

“The Bank continues to explore operational improvements to help us serve the SME market better. We also remain opportunistic with respect to potential acquisitions as we seek to expand our presence in SME-rich business centers all over the country. We consider strategic purchases and white-knight opportunities in our deal origination process,” explained Avante.

Shareholders’ equity was at ₱11.1 billion, equivalent to a book value per share of ₱16.3 net of preferred shares. The Bank’s net interest margin improved, ending the third quarter of 2018 at 4.1% against the 4.0% of the same period last year. Earnings per share ended at ₱0.9 per share in September 2018, higher than the ₱0.7 per share in the same period last year. As of October 2018, Philippine Business Bank has a total of 145 branches throughout the major cities in the Philippines.

“The Bank continues to show strength despite increasing global market uncertainties, domestic challenges, and accelerating inflation. Our focus on delivering long-term value to our clients and shareholders remains, and we look forward for our clients’ continued support and loyalty in trusting us with their banking needs,” added Avante.