

## Earnings Release

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### Philippine Business Bank net income grows 38.5% to ₱251.0 million

Sustained profitability on the back of favorable trading opportunities and interest differential business:

- Interest income increased by 34.2% Year-over-Year (YoY) to ₱1.6 billion as of 1Q 2019
- Net interest income strengthened by 8.1% to ₱950.1 million
- Trading gains reached ₱96.0 million in the first three months of 2019
- Pre-tax pre-provision profit (PTPP<sup>1</sup>) grew by ₱125.4 million ending March 2019 at ₱425.1 million, up 41.8%
- Profit before tax ended at ₱350.1 million for the first quarter of 2019 from ₱264.7 million in 2018, a 32.3% increase YoY
- Net income rose to ₱251.0 million in the first quarter of 2019 from ₱181.3 million in 2018, up 38.5% or ₱69.8 million

Healthy balance sheet:

- Total resources stood at ₱94.7 billion, up ₱6.3 billion versus 1Q 2018
- Loans and other receivables at ₱76.8 billion as of March 2019
- Total deposits increased by ₱4.7 billion to ₱78.7 billion
- Total equity grew by ₱1.0 billion to ₱11.4 billion, a 9.9% increase YoY

Caloocan City, Philippines – Philippine Business Bank (PSE: PBB) reported a net income of ₱251.0 million for the first quarter of 2019, up 38.5% versus ₱181.3 million in the same period last year. Interest income also increased by 34.2% from ₱1.2 billion as of March 2018 to ₱1.6 billion this year. The Bank's net interest income expanded by 8.1% to ₱950.1 million versus ₱879.1 million of the previous year. Pre-tax pre-provision profit reported a 41.8% growth from ₱299.7 million in the first quarter of 2018 to ₱425.1 million this year. Profit before tax reached ₱350.1 million, up 32.3% YoY.

“PBB showed healthy revenue and net income growth rates owing to the strong performance of both the Bank's lending and treasury businesses. Net income in the first three months expanded by 38.5% year-on-year to ₱251.0 million, the biggest first quarter income in the last six (6) years, as earnings from core lending activities and trading expanded at a double-digit pace. First quarter core income grew 10.0% annually from ₱204.2 million in March 2014 to ₱329.1 million in March 2019,” said Roland Avante, President and CEO of Philippine Business Bank.

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<sup>1</sup> Pre-tax pre-provision profit is net revenues less non-interest expenses

Total loans and receivables ended at ₱76.8 billion for the first quarter of 2019, ₱2.9 billion higher versus ₱73.9 billion in the same period last year. Total resources increased by ₱6.3 billion reaching ₱94.7 billion. On the funding side, the Bank's low-cost funds expanded by 8.6% ending the first three months of 2019 at ₱31.9 billion versus last year's ₱29.4 billion. Time deposits grew by ₱2.2 billion from ₱44.6 billion to ₱46.8 billion in 2019. As a result, total deposits ended at ₱78.7 billion, up ₱4.7 billion YoY.

"We are dedicated to the continued improvement of our services and the development of PBB's branch network to further reach those in the provinces with limited access to financial institutions. While there are always challenges that concern the banking industry as a whole, we are confident that PBB is strategically positioned to respond to market dynamics. We continue to search for ways to improve our services, reduce turnaround times, and expand coverage to as many SMEs as we can," explained Avante.

Shareholder's equity was at ₱11.4 billion, equivalent to a book value per share of ₱16.69 net of preferred shares. PBB's net interest margin was at 4.15% in March 2019. ROA and ROE ended at 1.06% and 8.84% for the first quarter of 2019.

PBB currently has 157 branches located in key areas across the country.