

13 November 2024

PHILIPPINE STOCK EXCHANGE, INC.
6/F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **Ms. STEFANIE ANN B. GO**
Disclosure Department

THE PHILIPPINE DEALING & EXCHANGE CORPORATION
29/F BDO Equitable Tower
8751 Paseo de Roxas, Makati City

Attention: **Ms. SUZY CLAIRE R. SELLEZA**
Issuer Compliance and Disclosure Department

Ladies and Gentlemen:

In compliance with the Philippine Dealing & Exchange Corporation Issuer Disclosures Operating Guidelines, we furnish you a copy of the bank's Quarterly Report for the period ended 30 September 2024.

For your information.

Truly yours,

PHILIPPINE BANK OF COMMUNICATIONS

By:


MICHAEL STEPHEN H. LAO
Corporate Secretary

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street City/Town/ Province)

Atty. Michael Stephen H. Lao

Contact Person

(02) 8830-7000

Company Telephone Number

9	3	0
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Month Day
Fiscal Year

17 - Q

FORM TYPE

6	11
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Month Day
Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.
Cashier

S T A M P S

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SEC Number **PW-686**
Company TIN **000-263-340**

PHILIPPINE BANK OF COMMUNICATIONS
(Company's Full Name)

PBCOM Tower, 6795 Ayala Ave. cor. V.A. Rufino St., Makati City
(Company's Address: No. Street City/Town/Province)

8-830-7000
(Company's Telephone Number)

December 31
(Fiscal Year Ending)
(Month & Day)

3rd Tuesday of June
Annual Meeting

SEC Form 17-Q
(Quarterly Report Pursuant to Section 17 of the Securities
Regulation Code and SRC Rule 17(2)(b) Thereunder)
(FORM TYPE)

N/A
Amendment Designation (If Applicable)

None
(Secondary License Type. If any)

Michael Stephen H. Lao
(Company Representative)

212-167-776
(TIN)

June 16, 1983
(Birth Date)

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Cashier

File Number

Central Receiving Unit

Document ID

LCU

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended September 30, 2024.

2. Commission identification number PW-686 3. BIR Tax Identification No. _____

000-263-340

4. Exact name of issuer as specified in its charter

Philippine Bank of Communications

5. Province, country or other jurisdiction of incorporation or organization Philippines

6. Industry Classification Code: (Use Only)

7. Address of issuer's principal office Postal Code

PBCOM Tower 6795 Ayala Ave., Cor. V.A. Rufino St., Makati City 1226

8. Issuer's telephone number, including area code

(632) 8-830-7000

9. Former name, former address and former fiscal year, if changed since last report

NA

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

PBCOM Common Shares 480,645,163 shares

11. Are any or all of the securities listed on a Stock Exchange?

Yes [X] No []

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange Common Stock

12. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [/] No []

- (b) has been subject to such filing requirements for the past ninety (90) days.

Yes [/] No []

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please see attached

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Please see attached

PART II--OTHER INFORMATION

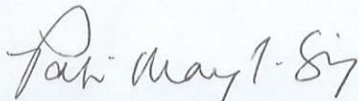
The issuer may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C, which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

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 thereunto duly authorized.

PHILIPPINE BANK OF COMMUNICATIONS

By:



PATRICIA MAY T. SIY
President & CEO



ARLENE M. DATU
SVP & Comptroller
Comptroller & Principal Accounting Officer)

November 12, 2024

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF POSITION
AS AT SEPTEMBER 30, 2024
(With Comparative Audited Figures at December 31, 2023)

	September 30, 2024 (Unaudited)	December 31, 2023
	(Amounts in Thousands)	
ASSETS		
Cash and Other Cash Items	P1,016,441	P1,562,747
Due from Bangko Sentral ng Pilipinas (Note 7)	11,264,796	12,204,980
Due from Other Banks	968,177	485,530
Interbank Loans Receivable and Securities Purchased under Resale Agreements (Note 8)	88,518	492,353
Financial Assets at Fair Value through Other Comprehensive Income (Note 9)	19,155,813	8,415,559
Investment Securities at Amortized Cost (Notes 9 and 15)	27,824,916	27,776,391
Loans and Receivables (Notes 10 and 15)	92,331,938	91,774,314
Investments in an Associate (Note 1)	16,817	16,343
Property and Equipment (Note 11)	823,239	814,490
Investment Properties (Note 12)		
Condominium units for lease	1,568,350	1,603,231
Foreclosed properties	1,974,829	975,759
Office units for lease	1,725	1,988
Intangible Assets (Note 13)	511,510	525,218
Deferred Tax Assets - Net	424,561	404,323
Other Assets (Note 14)	415,485	424,464
TOTAL ASSETS	P158,387,115	P147,477,690
LIABILITIES AND EQUITY		
LIABILITIES		
Deposit Liabilities (Note 16)		
Demand	P41,086,479	P41,395,954
Savings	11,897,783	13,314,707
Time	67,579,303	59,089,567
Long-term negotiable certificates of deposits	-	2,900,016
	120,563,565	116,700,244
Bills Payable (Note 17)	14,701,368	9,686,755
Outstanding Acceptances	476,188	105,410
Manager's Checks	224,721	632,058
Accrued Interest, Taxes and Other Expenses	1,609,464	1,549,139
Income Tax Payable	121,300	100,584
Other Liabilities (Note 14)	1,163,850	1,047,749
TOTAL LIABILITIES	138,860,456	129,821,939
EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY		
Common stock (Note 19)	12,016,129	12,016,129
Additional paid-in capital	2,262,246	2,262,246
Surplus reserves (Note 19)	454,283	454,283
Surplus	4,965,472	3,115,836
Unrealized losses on financial assets carried at fair value through other comprehensive income	(12,041)	(38,155)
Cumulative translation adjustment	(112,266)	(107,424)
Remeasurement losses on retirement liability	(47,164)	(47,164)
TOTAL EQUITY	19,526,659	17,655,751
TOTAL LIABILITIES AND EQUITY	P158,387,115	P147,477,690

See accompanying Notes to Unaudited Interim Condensed Financial Statements.

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY
INTERIM CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	For the Nine Months		For the Three Months	
	(January to September)		(July to September)	
	2024	2023	2024	2023
	(Amounts in Thousands)			
INTEREST INCOME				
Loans and receivables (Note 10)	₱5,441,439	₱4,336,730	₱1,884,625	₱1,567,018
Investment securities (Note 9)	1,555,248	1,229,699	533,810	442,402
Interbank loans receivable and securities purchased under resale agreements (Note 8)	50,648	100,247	20,987	69,140
Deposits with other banks and others	20,052	21,055	6,578	9,916
	7,067,387	5,687,731	2,446,000	2,088,476
INTEREST AND FINANCE CHARGES				
Deposit liabilities (Note 16)	2,493,821	1,706,131	928,162	706,408
Bills payable, borrowings and others (Note 17)	609,123	504,644	181,394	216,246
	3,102,944	2,210,775	1,109,556	922,654
NET INTEREST INCOME	3,964,443	3,476,956	1,336,444	1,165,822
Service charges, fees and commissions	369,946	310,919	140,172	98,647
Rent income	273,205	302,317	95,197	93,033
Trading and securities gain - net (Note 9)	525,280	52,137	455,038	(43,095)
Foreign exchange gain - net	74,027	72,681	27,517	29,255
Gain on asset exchange - net	28,854	14,267	(425)	4,103
Income from trust operations	30,053	27,713	10,287	9,479
Profit from assets sold (Note 12)	27,431	11,763	14,756	5,111
Miscellaneous (Note 11 and 20)	109,746	107,220	33,491	34,442
TOTAL OPERATING INCOME	5,402,985	4,375,973	2,112,477	1,396,797
Compensation and fringe benefits	990,937	901,764	337,155	320,302
Taxes and licenses	670,101	542,020	247,182	201,690
Depreciation and amortization	283,423	256,963	108,373	88,892
Insurance	174,991	151,322	58,272	50,903
Occupancy and other equipment - related costs	137,543	118,889	45,314	36,302
Security, clerical, messengerial and janitorial services	99,657	96,742	34,450	31,975
Management and professional fees	63,890	75,036	13,003	26,015
Entertainment, amusement and recreation	69,859	67,397	24,616	24,444
Communication	39,595	36,749	14,256	12,579
Provision for (recovery from) impairment losses	74,955	(19,501)	80,342	(2,087)
Miscellaneous (Note 20)	379,335	318,186	144,319	102,376
TOTAL OPERATING EXPENSES	2,984,286	2,545,567	1,107,282	893,391
INCOME BEFORE SHARE IN NET INCOME OF AN ASSOCIATE	2,418,699	1,830,406	1,005,195	503,406
Share in net income of an associate	474	1,486	134	1,326
INCOME BEFORE INCOME TAX	2,419,173	1,831,892	1,005,329	504,732
PROVISION FOR INCOME TAX (Note 21)	569,537	473,267	184,125	146,069
NET INCOME	₱1,849,836	₱1,358,625	₱821,204	358,663
Basic/ Diluted Earnings Per Share (Note 22)	₱3.85	₱2.83	₱1.71	₱0.75

See accompanying Notes to Unaudited Interim Condensed Financial Statements.

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	For the Nine Months		For the Three Months	
	(January to September)		(July to September)	
	2024	2023	2024	2023
	(Amounts in Thousands)			
NET INCOME	₱1,849,636	₱1,358,625	₱821,204	₱358,663
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX				
Items that may be reclassified to profit or loss in subsequent periods:				
Net movement in cumulative translation adjustment	(4,842)	7,444	(16,239)	12,771
Unrealized gain (loss) on debt securities carried at fair value through other comprehensive income	2,790	(231,291)	331,915	(236,798)
	(2,052)	(223,847)	315,676	(224,027)
Items that may not be reclassified to profit or loss in subsequent periods:				
Unrealized loss on equity securities carried at fair value through other comprehensive income	23,324	23,111	13,507	-
	21,272	(200,736)	329,182	(224,027)
TOTAL OTHER COMPREHENSIVE INCOME	₱1,870,908	₱1,157,889	₱1,150,386	₱134,636

See accompanying Notes to Unaudited Interim Condensed Financial Statements.

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Nine Months (January to September)	
	2024	2023
	(Amounts in Thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱2,419,173	₱1,831,892
Adjustments to reconcile income before income tax to net cash generated from (used for) operations:		
Depreciation and amortization	283,423	256,963
Amortization of premium on investment securities	189,488	(17,712)
Gain on asset exchange - net	(28,854)	(14,267)
Trading gains on financial assets at FVTOCI (Note 9)	(355,234)	15,675
Profit from asset sold (Noted 12)	(27,431)	(11,763)
Accretion of interest on unquoted debt securities (Note 10)	(15,715)	(32,164)
Amortization of interest on lease liability	9,900	9,488
Provision for (recovery from) impairment losses	74,955	(19,501)
Unrealized loss (gain) on financial assets at FVTPL	916	(172)
Share in net income of an associate	(474)	(1,486)
Changes in operating assets and liabilities		
Decrease (increase) in the amounts of:		
Financial assets at FVTPL	(916)	(14,393)
Loans and receivable	(1,716,036)	(3,180,747)
Other assets	7,453	4,194
Increase (decrease) in the amounts of:		
Deposit liabilities	3,863,321	6,522,449
Manager's checks	(407,337)	394,362
Accrued interest, taxes and other expenses	60,325	489,009
Other liabilities	(12,395)	(110,085)
Net cash used for operations	4,344,562	6,121,742
Income taxes paid	(571,651)	(515,872)
Net cash used in operating activities	3,772,911	5,605,870
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase interbank loans receivables and securities purchased under resale agreements	–	(2,684,320)
Acquisition of:		
Financial assets at FVOCI	(158,437,495)	(52,509,435)
Investment securities at amortized cost	(5,615,669)	(6,633,263)
Property and equipment	(46,590)	(56,658)
Software cost	(10,787)	(39,012)
Proceeds from disposal of:		
Financial assets at FVOCI	148,002,764	46,763,709
Property and equipment	10,658	2,862
Investment properties	86,826	36,895
Proceeds from maturity of Investment securities	5,456,071	1,372,937
Net cash used in investing activities	(10,554,222)	(13,746,285)

(Forward)

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Nine Months (January to September)	
	2024	2023
	(Amounts in Thousands)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Availments of:		
Bills payable	₱225,699,687	₱260,939,931
Outstanding acceptance	1,274,774	2,441,365
Marginal deposits	32,636	35,579
Settlements of:		
Bills payable	(220,685,074)	(253,656,125)
Outstanding acceptance	(903,996)	(2,438,003)
Marginal deposits	(39,552)	(31,903)
Lease liability	-	-
Net cash provided by financing activities	5,378,475	7,290,844
EFFECTS OF FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	(4,842)	7,444
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,407,678)	(842,127)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		
Cash and Other Cash Items	1,562,747	1,404,214
Due from Bangko Sentral ng Pilipinas	12,204,980	11,336,471
Due from Other Banks	485,530	1,089,190
Interbank Loans Receivable	492,353	34,899
	14,745,610	13,864,774
CASH AND CASH EQUIVALENTS AT ENDING OF THE PERIOD		
Cash and Other Cash Items	1,016,441	1,192,481
Due from Bangko Sentral ng Pilipinas	11,264,796	10,651,754
Due from Other Banks	968,177	973,701
Interbank Loans Receivable	88,518	204,711
	₱13,337,932	₱13,022,647
OPERATIONAL CASH FLOWS FROM INTEREST		
	For the Nine Months (January to September)	
	2024	2023
Interest paid	₱3,168,940	₱1,892,734
Interest received	7,057,718	5,755,079

See accompanying Notes to Unaudited Interim Condensed Financial Statements.

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY

NOTES TO UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

1. Corporate Information

Philippine Bank of Communications (the Parent Company) is a publicly listed domestic universal bank organized in the Philippines, primarily to engage in commercial banking services such as deposit products, loans and trade finance, domestic and foreign fund transfers, treasury, foreign exchange, and trust services. The Company's principal place of business is at the PBCOM Tower, 6795 Ayala Avenue, corner V. A. Rufino Street, Makati City.

As of September 30, 2024, the Parent Company had a network of 89 regular branches, four branch-lite units, and 166 ATMs (91 onsite and 75 offsite).

The Company's original Certificate of Incorporation was issued by the Securities and Exchange Commission (SEC) on August 23, 1939. On June 21, 1988, the Company's Board of Directors (BOD) approved the amendment of Article IV of its Amended Articles of Incorporation to extend the corporate life of the Company for another 50 years or up to August 23, 2039. The Amended Articles of Incorporation was approved by the SEC on November 23, 1988.

The Parent Company acquired a license to operate as an expanded commercial bank from the Bangko Sentral ng Pilipinas (BSP) on December 24, 1993. On March 31, 2000, the BSP's Monetary Board approved the amendment of the Parent Company's license to regular commercial banking.

The Monetary Board, in its Resolution No. 96 dated January 20, 2022, approved the grant of a universal banking license to Company, subject to compliance with certain regulatory requirements, including the amendment of the Parent Company's charter documents. On March 15, 2022, the Parent Company held a special stockholders' meeting to approve the changes to the Parent Company's Articles of Incorporation to reflect the upgrade of its banking license.

Subsequently, the Parent Company secured the approval of the *Securities and Exchange Commission* for the amendment of its Articles of Incorporation, reflecting the change of its primary license to universal banking. The official Certificate of Filing of Amended Articles of Incorporation was issued on August 17, 2022.

On November 10, 2022, PBCOM secured its Certificate of Authority to operate as a universal bank from the Bangko Sentral ng Pilipinas. PBCOM started its operations as a Universal Bank last December 1, 2022.

The Parent Company's subsidiary and associate are engaged in the following businesses:

Entity	Effective Percentage of Ownership		Principal Place of Business and Country of Incorporation	Line of Business
	2024	2023		
Subsidiary				
PBCom Insurance Services Agency, Inc. (PISAI)	–	100.00%	Philippines	Insurance Agent
Associate				
PBCom Finance Corporation (PBCom Finance)	40.00%	40.00%	Philippines	Financing Company

Retirement of Business Operation of PISAI and Derecognition of Investment in Subsidiary

On January 11, 2021, the Board of Directors of the Parent Company approved the dissolution and liquidation of PISAI, which had been inactive since the termination of its general agency agreement with Pru Life UK in September 2017. Subsequently, on March 4, 2021, PISAI's Board of Directors resolved to shorten the company's corporate term to June 30, 2021.

Considering several requirements for the termination of business that had to be complied with, the effectivity of the PISAI's corporate term was extended until April 2024. PISAI submitted its application for amending its Articles of Incorporation on November 15, 2023. The SEC approved this amendment on April 3, 2024, extending the corporate term until April 30, 2024.

On May 3, 2024, PISAI completed the settlement of its liabilities and liquidated its remaining assets for distribution to its stockholders. Following this, the Parent Company received the release of PISAI's remaining assets and derecognized its investment in PISAI. As a result, the Parent Company no longer consolidates PISAI's financial statements.

Bond Offering Transaction

On March 20, 2024, PBCOM's Board of Directors approved a PHP 15 billion peso-denominated bond program to be issued in multiple tranches. The Bonds will have a minimum tenor of 1.5 years and with interest rates to be determined based on prevailing market rates. Proceeds from the bond issuance will be utilized for general corporate purposes, including refinancing of debt obligations, diversifying funding sources, and supporting loan growth. In the same meeting, the Board of directors likewise approved the 1st tranche issuance from the Bond program a target amount of at least PhP2 Billion with an oversubscription option.

The Series A bonds which have a tenor of one-and-a-half years and a fixed interest rate of 6.0796% per annum represent the first tranche under PBCOM's PhP15 Billion Peso Bond Program. The Bank successfully concluded its maiden peso bond offering ahead of schedule, closing more than a week early on October 17 due to robust demand. Initially set to run from October 14 to October 28, the offering attracted strong interest from both retail clients and a diverse mix of institutional investors resulting in an oversubscription of 3.85 times the initial amount.

PBCOM raised PhP7.7 Billion from its maiden issuance of Peso Fixed Rate Bonds listed on the Philippine Dealing & Exchange Corp. (PDEX) on November 5, 2024. ING Bank N.V. Manila Branch acted as the Sole Arranger and Bookrunner, with PBCOM and ING serving as selling agents. Additionally, PBCOM holds a "PRS Aa minus (corp)" issuer credit rating with a "stable" outlook from the Philippine Rating Services Corporation.

2. **Material Accounting Policy Information**

Basis of Presentation

The accompanying unaudited interim condensed financial statements have been prepared following Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. Accordingly, the unaudited interim condensed financial statements do not include all the information and disclosures required in the annual financial statements. They should be read in conjunction with the Group's annual audited financial statements as of the end of the year ended December 31, 2023 prepared under Philippine Financial Reporting Standards (PFRS).

New Standards, Interpretations and Amendments

The accounting policies adopted in the preparation of the unaudited interim condensed consolidation financial statements of the Group are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2023, except for the adoption of the following amendments to PFRS effective beginning January 1, 2024. The Group did not early adopt any other standard, interpretation, or amendment that has been issued but is not yet effective.

The adoption of the following pronouncements did not have any significant impact on the Group's financial position or performance:

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

3. Summary of Accounting Judgements and Estimates

The significant judgments and assumptions made in the unaudited interim condensed consolidated financial statements of the Group are consistent with the most recent annual financial statements issued.

4. Fair Value Measurement

The Group uses three-level hierarchies as a valuation technique in determining and disclosing the fair value of financial instruments:

- Level 1 – quoted (unadjusted) market prices for identical assets or liabilities in an active market.
- Level 2 – valuation technique for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – valuation technique for which the lowest level input significant to the fair value measurement is unobservable, i.e., not based on observable market data.

As of September 30, 2024, the Group used the following level of measurement:

	Carrying value	Fair Values			
		Total	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value					
Currency forwards	P524	P524	P–	P524	P–
Financial assets at FVTOCI					
Government securities	13,752,725	13,752,725	13,752,725	–	–
Private bonds	134,630	134,630	134,630	–	–
Sovereign bonds	5,054,845	5,054,845	5,054,845	–	–
Equity securities	213,613	213,613	–	178,181	35,432
	19,156,337	19,156,337	18,942,200	178,705	35,432
Assets for which fair values are disclosed					
Investment securities at amortized cost:					
Government securities	27,247,530	27,157,527	27,157,527	–	–
Sovereign bonds	577,387	603,274	603,274	–	–
Loans and receivables:					
Loans and receivable:	89,743,780	88,662,018	–	–	88,662,018
Unquoted debt securities	139,374	139,973	–	–	139,973

	117,708,070	116,562,794	27,760,802	–	88,801,992
Investment properties:					
Condominium units for lease	1,568,350	8,064,781	–	–	8,064,781
Foreclosed properties	1,974,829	5,054,992	–	–	5,054,992
Office units for lease	1,725	29,123	–	–	29,123
	<u>3,544,904</u>	<u>13,148,896</u>	<u>–</u>	<u>–</u>	<u>13,148,896</u>
	₱121,252,974	₱129,711,690	₱27,760,802	₱–	₱101,950,888
Liabilities for which fair values are disclosed					
Financial liabilities at amortized cost:					
Time deposits	₱67,579,303	₱67,576,491	₱–	₱–	₱67,576,491
Bills payable	14,701,368	14,701,609	–	–	14,701,609
	<u>₱82,280,671</u>	<u>₱82,278,100</u>	<u>₱–</u>	<u>₱–</u>	<u>₱82,278,100</u>

* Included in 'Other assets'

As of December 31, 2023, the Group used the following level of measurement:

	Carrying Value	Total	Fair Value		
			Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value					
Currency Forwards *	₱125	₱125	₱–	₱125	₱–
Financial assets at FVTOCI:					
Debt securities:					
Government securities	7,298,910	7,298,910	7,298,910	–	–
Private bonds	928,952	928,952	928,952	–	–
Equity securities	187,697	187,697	–	153,667	34,030
	<u>8,415,684</u>	<u>8,415,684</u>	<u>8,227,862</u>	<u>153,792</u>	<u>34,030</u>
Assets for which fair values are disclosed					
Investment securities at amortized cost:					
Government securities	27,205,670	27,212,447	27,212,447	–	–
Sovereign bonds	570,721	595,848	595,848	–	–
Loans and receivables:					
Receivables from customers:					
Corporate loans	85,840,916	84,761,313	–	–	84,761,313
Auto loans	436,850	434,745	–	–	434,745
Home loans	2,788,280	2,262,220	–	–	2,262,220
Personal loans	28,483	39,747	–	–	39,747
Unquoted debt securities	366,737	379,442	–	–	379,442
	<u>117,237,657</u>	<u>115,685,762</u>	<u>27,808,295</u>	<u>–</u>	<u>87,877,467</u>
Investment properties:					
Condominium units for lease	1,603,231	8,064,781	–	–	8,064,781
Foreclosed properties	975,759	4,269,282	–	–	4,269,282
Office units for lease	1,988	29,123	–	–	29,123
	<u>2,580,978</u>	<u>12,363,186</u>	<u>–</u>	<u>–</u>	<u>12,363,186</u>
	₱128,234,319	₱136,464,632	₱36,036,157	₱153,792	₱100,274,683
Liabilities for which fair value is disclosed					
Financial liabilities at amortized cost:					
Time deposits	₱59,089,567	₱59,160,967	₱–	₱–	59,160,967
LTNCD	2,900,016	2,905,860	–	2,905,860	–
Bills payable	9,686,755	9,687,278	–	–	9,687,278
	<u>₱71,676,338</u>	<u>₱71,754,105</u>	<u>₱–</u>	<u>₱2,905,860</u>	<u>₱68,848,245</u>

* Included in 'Other assets'

Movements in the fair value measurement of 'Financial assets at FVTOCI' categorized within Level 3 pertain only to the changes in fair value of unquoted equity securities.

There are no transfers between Levels 1 and 2 and no transfers into and out of Level 3.

The Group evaluates and classifies financial instruments, whether it is quoted or not, in an active market. Quoted prices in an active market are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

The methods and assumptions used by the Group in estimating the fair value of its assets and liabilities are remained consistent with previous periods, ensuring reliable and accurate reporting under current market conditions. These are as follows:

Investment Securities

Debt Securities

Fair values are based on quoted market prices or consensus prices from Bloomberg if market prices are unavailable.

Equity Securities (Club Shares)

Valued using published prices from recognized sources like GG&A Club Shares and G&W Club Shares.

Unquoted Equity Securities

Fair values are estimated using the guideline publicly-traded company method, relying on comparable publicly-traded companies.

Loans and Receivables:

Fair values are estimated using the discounted cash flow methodology, applying the Group's current incremental lending rates.

Derivative Assets/Liabilities:

Valued based on prevailing interest differentials and spot exchange rates, considering the remaining term to maturity.

Financial Liabilities at Amortized Cost:

Fair values of deposit liabilities and bills payable are calculated using discounted cash flow methods with current incremental borrowing rates.

Investment Properties:

Fair values are determined using the market sales comparison or income capitalization approach, depending on the property type, with significant unobservable inputs like rental rates and capitalization rates.

Significant Unobservable Inputs:

The Group provides detailed disclosures on Level 3 fair value measurements, including the sensitivity of these valuations to changes in significant unobservable inputs.

5. Financial Risk Management Objectives and Policies

Risk is inherent in the Group's activities but is managed through a continuing and proactive identification, measurement, and monitoring process, subject to risk limits and other controls. This risk management process is critical to the Group's continuing profitability, and each individual within the Group is accountable for the risk exposures relating to their responsibilities.

Compared with December 31, 2023, there have been no changes in the financial risk exposures that may materially affect the unaudited interim condensed financial statements of the Group as of September 30, 2024. The Group is exposed to the following risks from its financial instruments:

- a. Credit risk
- b. Liquidity risk

- c. Market risk
 i. Interest rate risk
 ii. Foreign currency risk
 iii. Equity price risk

The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual borrowers and groups of borrowers, as well as limits on large lines and industry concentrations. Credit risk management was likewise strengthened with the implementation of ECL models. The Group's ECL calculations are the output of complex models with several underlying assumptions regarding variable inputs' choice and interdependencies.

6. Segment Information

The following tables present income and profit and particular asset and liability information regarding the Group's operating segments as of September 30, 2024, and 2023:

	Consolidated						Total
	Branch Banking Group	Corporate Banking Group	Treasury Segment	Consumer Finance Segment	Trust and Wealth Management Segment	Head office and Rental	
Segment results							
Revenue, net of interest expense							
Third party	(₱2,630,386)	₱5,197,754	₱1,171,721	₱214,311	₱4,717	₱6,326	₱3,964,443
Intersegment	4,126,143	(3,436,778)	(1,235,918)	(132,222)	(6,317)	685,092	-
Net interest income	1,495,757	1,760,976	(64,197)	82,089	(1,600)	691,418	3,964,443
Rent income	-	-	-	-	-	273,205	273,205
Service charges, fees and commissions	70,829	262,291	4,646	14,550	-	17,630	369,946
Foreign Exchange gain - net	22,865	1,729	49,433	-	-	-	74,027
Income from Trust Operations	-	-	-	-	30,053	-	30,053
Trading and securities gain (loss) - net	-	-	525,280	-	-	-	525,280
Gain on asset exchange	-	-	-	-	-	28,854	28,854
Profit from asset sold	-	-	-	-	-	27,431	27,431
Miscellaneous	4,419	44,874	824	19,507	-	40,122	109,746
Total Operating Income	1,593,870	2,069,870	515,986	116,146	28,453	1,078,660	5,402,985
Compensation and fringe benefits	548,906	216,971	65,908	69,707	30,395	59,050	990,937
Taxes and licenses	271,162	243,321	136,624	8,208	2,457	8,329	670,101
Depreciation and amortization	131,071	53,822	8,833	41,548	3,068	45,081	283,423
Provision for (recovery from) impairment losses	-	159,336	-	(83,463)	-	(918)	74,955
Occupancy and Other equipment-related costs	111,521	10,302	2,801	4,939	1,577	6,403	137,543
Other operating expense	517,300	87,202	105,102	57,319	10,851	49,553	827,327
Total Operating Expense	1,579,960	770,954	319,268	98,258	48,348	167,498	2,984,286
Income before share in net income of an associate	13,910	1,298,916	196,718	17,888	(19,895)	911,162	2,418,699
Share in net income of an associate	-	-	-	-	-	474	474
Income before income tax	13,910	1,298,916	196,718	17,888	(19,895)	911,636	2,419,173
Provision for income Tax	1,828	187,083	264,165	-	-	116,461	569,537
Net Income (loss)	₱12,082	₱1,111,833	(₱67,447)	₱17,888	(₱19,895)	₱795,175	₱1,849,636
Segment assets							
Property and equipment	371,763	-	-	-	-	451,476	823,239
Investment properties	-	-	-	-	-	3,544,904	3,544,904
Other allocated assets	11,864,176	87,035,165	49,742,253	3,200,298	148,144	2,028,936	154,018,972
Total segment assets	₱12,235,939	₱87,035,165	₱49,742,253	₱3,200,298	₱148,144	₱6,025,316	₱158,387,115
Total segment liabilities	₱121,494,343	₱553,006	₱15,218,071	₱2,499	₱-	₱1,592,537	₱138,860,456

Consolidated 2023							
	Branch Banking Group	Corporate Banking Group	Treasury Segment	Consumer Finance Segment	Trust and Wealth Management Segment	Head office and Rental	Total
Segment results							
Revenue, net of interest expense							
Third party	(₱1,707,616)	₱4,065,644	₱893,795	₱218,308	₱2,209	₱4,616	₱3,476,956
Intersegment	2,766,069	(2,284,772)	(847,401)	(109,190)	(4,654)	479,948	-
Net interest income	1,058,453	1,780,872	46,394	109,118	(2,445)	484,564	3,476,956
Rent income	-	-	-	-	-	302,317	302,317
Service charges, fees and commissions	70,568	205,760	1,791	17,549	-	15,251	310,919
Foreign Exchange gain - net	12,600	4,418	55,663	-	-	-	72,681
Income from Trust Operations	-	-	-	-	27,713	-	27,713
Trading and securities gain (loss) - net	-	-	52,137	-	-	-	52,137
Loss on asset exchange	-	-	-	-	-	14,267	14,267
Profit from asset sold	-	-	-	-	-	11,763	11,763
Miscellaneous	7,170	40,098	857	21,207	-	37,888	107,220
Total Operating Income	1,148,791	2,031,148	156,842	147,874	25,268	866,050	4,375,973
Compensation and fringe benefits	512,771	194,918	64,677	55,202	28,036	46,160	901,764
Taxes and licenses	221,433	191,738	97,047	7,481	2,263	22,058	542,020
Depreciation and amortization	126,372	39,248	11,006	26,752	3,317	50,268	256,963
Provision for (recovery from) impairment losses	-	12,931	-	(31,332)	-	(1,100)	(19,501)
Occupancy and Other equipment-related costs	96,155	8,477	2,370	3,930	1,010	6,947	118,889
Other operating expense	431,019	140,576	75,298	47,759	10,261	40,519	745,432
Total Operating Expense	1,387,750	587,888	250,398	109,792	44,887	164,852	2,545,567
Income before share in net income of an associate	(238,959)	1,443,260	(93,556)	38,082	(19,619)	701,198	1,830,406
Share in net income of an associate	-	-	-	-	-	1,486	1,486
Income before income tax	(238,959)	1,443,260	(93,556)	38,082	(19,619)	702,684	1,831,892
Provision for income Tax	-	176,675	207,592	839	-	88,161	473,267
Net income	(₱238,959)	₱1,266,585	(₱301,148)	₱37,243	(₱19,619)	₱614,523	₱1,358,625
Segment assets							
Property and equipment	371,386	-	-	-	-	404,519	775,905
Investment properties	-	-	-	-	-	2,638,327	2,638,327
Unallocated assets	12,796,235	75,298,374	44,305,480	3,283,560	128,752	1,403,997	137,216,398
Total segment assets	₱13,167,621	₱75,298,374	₱44,305,480	₱3,283,560	₱128,752	₱4,446,843	₱140,630,630
Total segment liabilities	₱108,380,568	₱142,057	₱14,058,042	₱5,313	₱644	₱1,320,070	₱123,906,694

7. Due from Bangko Sentral ng Pilipinas

This account consists of:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Demand deposit	₱11,264,796	₱11,704,980
Overnight deposit facility	-	500,000
	₱11,264,796	₱12,204,980

8. Interbank Loans Receivable and Securities Purchased under Resale Agreement (SPURA)

Interbank loans receivable of the Group is ₱88.52 million and ₱492.35 million as of September 30, 2024 and December 31, 2023, respectively, while no outstanding SPURA as of September 30, 2024 and December 31, 2023.

Interest income on Interbank loans receivable and SPURA as follows:

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
SPURA	₱37,124	₱86,580
Interbank	13,524	13,667
	₱50,648	₱100,247

Interbank loans receivable bears nominal annual interest rates ranging from 4.88% to 6.53% in September 30, 2024 and 4.80% to 6.44% in September 30, 2023, while SPURA bears nominal annual interest rates from 5.75% to 7.00% in September 30, 2024 and ranging from 5.50% to 6.40% in September 30, 2023.

9. Trading and Investment Securities

This account consists of:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Financial assets at FVOCI	₱19,155,813	₱8,415,559
Investment securities at amortized cost	27,824,916	27,776,391
	₱46,980,729	₱36,191,950

The Groups' Financial assets at FVOCI consist of the following:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Debt Securities		
Government	₱13,752,725	₱7,298,910
Corporate	134,630	928,952
Sovereign bond	5,054,845	-
	18,942,200	8,227,862
Equity Securities		
Quoted	178,181	153,667
Unquoted	35,432	34,030
	213,613	187,697
	₱19,155,813	₱8,415,559

The Group's Investment securities at amortized cost consist of the following:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Government	₱27,259,708	₱27,217,801
Sovereign bond	578,066	571,392
Less: Allowance for ECL (Note 15)	(12,858)	(12,802)
	₱27,824,916	₱27,776,391

The interest income on investment securities follows:

	September 30, 2024	September 30, 2023
	(Unaudited)	(Unaudited)
Investment securities at amortized cost	₱926,622	₱899,803
Financial assets at FVOCI	554,525	293,542
Financial assets at FVTPL	74,101	36,354
	₱1,555,248	₱1,229,699

The Group's Trading and securities gain - net follows:

	September 30, 2024	September 30, 2023
	(Unaudited)	(Unaudited)
Financial assets at FVTPL	₱169,647	₱64,889
Financial assets at FVOCI	355,234	(15,675)
Derivatives	399	2,923
	₱525,280	₱52,137

The Group's peso-denominated investment securities earned annual interest rates ranging from 2.38% to 9.25% and from 2.38% to 7.25% in 2024 and 2023, respectively while dollar-denominated investment securities earned annual interest rates ranging from 1.38% to 10.63% in 2024 and 2023, and euro-denominated investment securities earned an annual interest rate of 2.63% in 2023.

10. Loans and Receivable

This account consists of:

	September 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
Receivable from customers		
Loans and receivable	₱82,184,532	₱82,842,169
Customer's liabilities on letters of credit and Trust receipts	2,224,227	2,446,661
Bills purchased	8,261,290	6,662,836
	92,670,049	91,951,666
Unquoted debt securities	139,539	366,900
Accrued interest receivable	978,750	972,204
Sales contract receivables	75,878	63,567
Accounts receivables	1,456,607	1,360,704
	2,650,774	2,763,375
	95,320,823	94,715,041
Less: Unearned and other deferred income	(58,872)	(61,995)
Allowance for ECL (Note 15)	(2,930,013)	(2,878,732)
	₱92,331,938	₱91,774,314

Unquoted Debt Securities

As of September 30, 2024 and December 31, 2023, unquoted debt securities of the Group consist of Metro Rail Transit (MRT) bonds with gross amount of ₱139.54 million and ₱366.9 million,

respectively, and an allowance for ECL amounting to ₱0.17 million and ₱0.16 million, in 2024 and 2023, respectively.

Interest Income

Interest income on loans and receivables consist of:

	September 30, 2024	September 30, 2023
	(Unaudited)	(Unaudited)
Receivable from customers	₱5,414,166	₱4,285,650
Unquoted debt securities	22,427	47,533
Others	4,846	3,547
	₱5,441,439	₱4,336,730

Of the total receivables from customers of the Group as of September 30, 2024 and December 31, 2023, 90.86% and 85.03% respectively, are subject to periodic interest repricing. The remaining peso denominated receivables from customers earn annual fixed interest rates ranging from 1.50% to 44.36% in September 30, 2024 and 1.50% to 44.36% in September 30, 2023 while foreign currency-denominated receivables from customers earn annual fixed interest rates ranging from 4.00% to 9.39% in September 30, 2024 and 4.00% to 9.47% in September 30, 2023.

11. **Property and Equipment**

For the six-month period ended September 30, 2024, the Group purchased assets with total cost of ₱46.59 million. For the same periods, the Group disposed property and equipment with net book value of ₱2.40 million recognizing gain on sale of ₱5.47 million included as part of “Profit from asset sold” account.

For the six-month period ended September 30, 2023, the Group purchased assets with total cost of ₱56.66 million. For the same periods, the Group disposed property and equipment with net book value of ₱1.53 million recognizing nil gain on sale.

12. **Investment Properties**

For the six-month period ended September 30, 2024, the Group foreclosed investment properties amounting to ₱1.11 billion. For the same periods, the Group disposed investment properties with net book value of ₱36.24 million, recognizing gain on sale of ₱21.74 million included as part of “Profit from assets sold” account.

For the six-month period ended September 30, 2023, the Group foreclosed investment properties amounting to ₱71.09 million. For the same periods, the Group disposed investment properties with net book value of ₱12.79 million, recognizing gain on sale of ₱9.84 million included as part of “Profit from assets sold” account.

13. Intangible Assets

This account consists of:

	September 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
Branch licenses	₱364,700	₱364,700
Bank license	25,000	25,000
Software cost	121,810	135,518
	₱511,510	₱525,218

As of September 30, 2024 and December 31, 2023, the individual branches were identified as the CGU for purposes of impairment testing on the branch licenses for CSB. For the impairment testing on the branch licenses arising from the acquisition of RBNI, the Parent Company's branch banking group was identified as the CGU as the branch banking group would benefit from the synergies of the additional branches in obtaining fresh funds from depositors for deployment.

As of September 30, 2024 and December 31, 2023, the Parent Company's impairment assessment indicates no impairment.

Key assumptions used in the VIU calculations

As of September 30, 2024 and December 31, 2023, the recoverable amounts of the CGUs have been determined based on VIU calculations that use cash flow projections based on financial budgets approved by management covering a 5-year period. The significant assumptions used in computing for the recoverable amount for PRBI and CSB branches as of September 30, 2024 and December 31, 2023, as follows:

	September 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
Significant Assumptions		
Deposit growth rates	12.10%	12.10%
Discount rate	10.8%	10.12%
Terminal value growth rate	5.20%	5.20%

Deposit growth rates were based on experiences and strategies developed by the Parent Company. The discount rate used for the computation of the present value of the projected cash flows is the cost of equity and was determined by reference to comparable entities. The terminal value growth rate has been determined to reflect the long-term view on the CGU's business.

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the CGU to exceed its recoverable amount

14. Other Assets and Other Liabilities

Other Assets

This account consists of:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Financial		
Refundable security deposit	₱36,889	₱43,027
RCOCI	2,084	1,311
	38,973	44,338
Non-financial		
Prepaid expenses	143,663	103,021
Advances to BIR	119,026	119,524
Documentary Stamp Taxes (DST)	40,887	49,514
Chattel mortgage	17,569	7,364
Stationery and supplies	16,698	24,677
Advance rentals	14,772	19,048
Tax credits	2,705	1,448
Receivable from BIR	69	5,528
Others	26,695	55,574
	382,084	385,698
	421,057	430,036
Less: Allowance for ECL and impairment losses (Note 15)	(5,572)	(5,572)
	₱415,485	₱424,464

Other Liabilities

This account consists of:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Financial		
Accounts payable	₱397,794	₱314,711
Refundable security deposits	114,285	109,864
Miscellaneous	28,099	31,528
	540,178	456,103
Non-financial		
Lease liability	217,956	189,236
Deferred credits	162,172	156,978
Withholding taxes payable	77,105	76,801
Due to the Treasury of the Philippines	56,895	56,832
Miscellaneous (Note 15)	109,544	111,799
	623,672	591,646
	₱1,163,850	₱1,047,749

15. Allowance for Impairment, Credit and Other Losses

Movements in this account follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at beginning of the period		
Loans and receivables	₱2,878,732	₱2,946,963
Investment securities at FVTOCI	9,791	8,336
Investment securities at amortized cost	12,802	14,322
Investment properties	53,395	55,766
Other assets	5,572	1,564
Commitment and guarantees	5,720	-
	2,966,012	3,026,951
Provision for credit and impairment losses	74,955	(24,409)
Accounts written-off, revaluation, and others	(17,460)	(36,530)
	57,495	(60,939)
Balances at ending of the period		
Loans and receivables	2,930,013	2,878,732
Investment securities at FVTOCI	9,845	9,791
Investment securities at amortized cost	12,858	12,802
Investment properties	51,660	53,395
Other assets	5,572	5,572
Commitment and Guarantees	13,560	5,720
	₱3,023,507	₱2,966,012

Upon adoption of PFRS 9, BSP requires appropriation of a portion of the Group's Surplus at an amount necessary to bring to at least 1% the allowance for credit losses on loans (Note 18). The Bank appropriated ₱241.17 million in 2023, respectively to meet prudential requirements on 1% general loan loss provisioning.

16. Deposit Liabilities

In 2023, the Bangko Sentral ng Pilipinas (BSP) issued Circular No. 1175 that reduces the reserve requirement for universal and commercial banks to 9.5% while Long-Term Negotiable Certificates of Deposits (LTNCDs) remain at 4.00%.

On July 26, 2018, the Monetary Board of the BSP, through its Resolution No. 1220, approved the Group's issuance of LTNCDs up to ₱5.00 billion in one or more tranches within one year, with a minimum tenor of 5 years and 1 day and a maximum of 7 years. This issuance was intended specifically for long-term funding.

On October 8, 2018, the Group issued ₱2.90 billion worth of LTNCDs with a tenor of 5 years and 6 months. These LTNCDs, maturing on April 8, 2024, have a fixed interest rate of 5.625% per annum, payable quarterly in arrears on October 8, January 8, April 8, and July 8 of each year, starting from January 8, 2019. The LTNCDs are listed on the Philippine Dealing & Exchange Corp.'s trading platform for secondary market trading.

As of September 30, 2024, the Group's LTNCDs were fully settled on their maturity date.

Interest expense on deposit liabilities consists of:

	September 30, 2024	September 30, 2023
	(Unaudited)	(Unaudited)
Demand	₱33,636	₱33,352
Savings	9,739	8,969
Time	2,403,738	1,536,804
LTNCD	46,708	127,006
	₱2,493,821	₱1,706,131

Peso-denominated deposit liabilities earn annual fixed interest rates ranging from 0.10% to 4.75% in September 30, 2024 and 0.10% to 4.50% in September 30, 2023, while foreign currency-denominated deposit liabilities earn annual fixed interest rates ranging from 0.10% to 4.25% in September 30, 2024 and September 30, 2023.

17. Bills Payable

This account consists of the Group's borrowings from:

	September 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
Private firms and individual	₱4,041,771	₱8,530,857
Banks and other financial institution	10,659,597	1,155,898
	₱14,701,368	₱9,686,755

Interest expense on bills payable and other borrowings consists of:

	September 30, 2024	September 30, 2023
	(Unaudited)	(Unaudited)
Borrowed funds	₱599,223	₱495,156
Lease liability	9,900	9,488
	₱609,123	₱504,644

Borrowings from private firms and individuals represent deposit substitutes with maturities of 4 to 175 and 4 to 181 days in September 30, 2024 and 2023, respectively. These borrowings bear annual interest rates ranging from 4.50% to 6.75% in September 30, 2024 and 1.00% to 6.75% in September 30, 2023.

18. Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled:

	Consolidated					
	September 30, 2024			December 31, 2023		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
Financial assets – at gross						
Cash and other cash items	₱1,016,441	₱-	₱1,016,441	₱1,562,747	₱-	₱1,562,747
Due from BSP	11,264,796	-	11,264,796	12,204,980	-	12,204,980
Due from other banks	968,177	-	968,177	485,530	-	485,530
Interbank loans receivable and SPURA (Note 8)	88,518	-	88,518	492,353	-	492,353
Financial assets at FVTOCI (Note 9)	-	19,155,813	19,155,813	552,415	7,863,144	8,415,559
Investment securities at amortized cost (Note 10)	1,208,204	26,629,570	27,837,774	5,904,237	21,884,956	27,789,193
Loans and receivables (Note 11):						
Receivables from Customers	50,510,655	42,159,393	92,670,048	50,910,461	41,041,206	91,951,667
Unquoted debt securities	139,539	-	139,539	-	366,900	366,900
Accrued interest receivable	189,765	788,985	978,750	972,204	-	972,204
Accounts receivable	1,424,440	32,167	1,456,607	1,350,169	10,535	1,360,704
Sales contracts receivable	1,936	73,942	75,878	19,587	43,980	63,567
Other assets						
Refundable security deposits	11,115	25,774	36,889	18,404	24,623	43,027
RCOCI	2,084	-	2,084	1,311	-	1,311
	66,825,670	88,865,645	155,691,315	₱74,474,398	₱71,235,344	₱145,709,742
Non-financial assets - at gross						
Investments in subsidiary and an associate	₱-	₱16,817	₱16,817	₱-	₱16,343	₱16,343
Property and equipment	-	2,991,187	2,991,187	-	2,994,544	2,994,544
Investment properties						
Condominium units for Lease	-	2,580,394	2,580,394	-	2,580,394	2,580,394
Foreclosed properties	-	2,399,064	2,399,064	-	1,330,616	1,330,616
Office units for lease	-	39,390	39,390	-	39,390	39,390
Intangible assets	-	511,510	511,510	-	525,218	525,218
Deferred tax assets	-	424,561	424,561	-	404,323	404,323
Other assets	336,965	83,036	420,001	281,488	137,847	419,335
	₱336,965	₱9,045,959	₱9,382,924	₱281,488	₱8,028,675	₱8,310,163
	₱67,162,634	₱97,911,604	₱165,074,239	₱74,755,886	₱79,264,019	₱154,019,905
Less:						
Unearned interest and discounts	(58,872)	-	(58,872)	(61,995)	-	(61,995)
Accumulated depreciation and amortization	(65,265)	(3,562,884)	(3,628,149)	(139,831)	(3,389,886)	(3,529,717)
Allowance for credit and impairment losses	(2,227,983)	(772,120)	(3,000,102)	(2,255,955)	(694,548)	(2,950,503)
Total	64,810,515	93,576,600	158,387,115	₱72,298,105	₱75,179,585	₱147,477,690
Financial liabilities						
Deposit liabilities:						
Demand	₱41,086,479	₱-	₱41,086,479	₱41,395,954	₱-	₱41,395,954
Savings	11,897,783	-	11,897,783	13,314,707	-	13,314,707
Time	66,201,201	1,378,102	67,579,303	57,381,112	1,708,455	59,089,567
LTNCD	-	-	-	2,900,016	-	2,900,016
Bills payable	14,701,368	-	14,701,368	9,686,755	-	9,686,755
Outstanding acceptances	476,188	-	476,188	105,410	-	105,410
Manager's checks	224,721	-	224,721	632,058	-	632,058
Accrued interest payable	695,836	-	695,836	761,833	-	761,833
Accrued other expenses	771,144	-	771,144	645,790	-	645,790
Other liabilities						
Accounts payable	397,794	-	397,794	314,711	-	314,711
Refundable security deposits	38,890	75,473	114,363	73,533	36,331	109,864
Miscellaneous	28,099	-	28,099	31,528	-	31,528
	₱136,519,504	₱1,453,575	₱137,973,078	₱127,243,407	₱1,744,786	₱128,988,193

(Forward)

	Consolidated					
	September 30, 2024			December 31, 2023		
Non-financial liabilities						
Accrued taxes and licenses	₱142,483	₱-	₱142,483	₱119,802	₱-	₱119,802
Income tax payable	121,300	-	121,300	100,584	-	100,584
Other liabilities						
Deferred credits	85,457	76,715	162,172	123,100	33,878	156,978
Lease liability	93,114	124,842	217,956	67,426	121,810	189,236
Withholding taxes payable	77,105	-	77,105	76,801	-	76,801
Allowance for ECL on off-balance sheet exposures	-	13,560	13,560	-	5,720	5,720
Due to the Treasurer of the Philippines	56,895	-	56,895	56,832	-	56,832
Miscellaneous	49,688	46,220	95,908	39,362	88,431	127,793
	₱626,042	₱261,336	₱887,378	₱583,907	₱249,839	₱833,746
	₱137,145,546	₱1,714,911	₱138,860,456	₱127,827,314	₱1,994,625	₱129,821,939

19. Equity

Common Stock

Details and movement of common stock follows (amounts in thousands, except for par value):

	Shares	Amount
Common – ₱25 par value		
Authorized	760,000	₱19,000,000
Issued and outstanding		
Balance at the beginning and end of the period	480,645	₱12,016,129

The Group's Surplus Reserve consists of:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Reserve under BSP Circular 1011 (Note 15)	₱346,888	₱346,888
Reserves for trust business	90,277	90,277
Reserves for self-insurance	17,118	17,118
	₱454,283	₱454,283

Regulatory Reporting for Capital Management

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
CET1 Capital/ Tier 1 Capital	₱18,059,893	₱16,549,326
Total Qualifying Capital	20,765,025	19,102,073
Total Risk-Weighted Asset	121,660,622	115,417,702
CET 1 Ratio/ Tier 1 Ratio	14.84	14.34
CAR	17.07	16.55

20. Miscellaneous Income and Expense

Miscellaneous Income

Details of this account are as follows:

	September 30, 2024	September 30, 2023
	(Unaudited)	(Unaudited)
Penalties	₱45,230	₱40,155
Rental charges	32,377	40,249
Dividend income	1,382	1,612
Others (Note 11)	30,757	25,204
	₱109,746	₱107,220

Others include recovery on charged-off accounts and gain on sale from property and equipment.

Miscellaneous Expense

Details of this account are as follows:

	September 30, 2024	September 30, 2023
	(Unaudited)	(Unaudited)
Information technology	₱90,949	₱78,243
Transaction dues	38,117	41,198
Brokerage fees	34,151	22,399
Litigation and assets acquired - related expenses	25,078	33,425
Fuel and lubricants	11,233	12,572
Travel	10,862	2,426
Freight	6,104	5,182
Stationery and supplies	3,487	4,391
Advertising	2,160	2,623
Fines, penalties and other charges	237	45,414
Others	156,957	70,313
	₱379,335	₱318,186

Others include account maintenance charges, contractual services, and Philippine Dealing Exchange Corp. transaction fees.

21. Income and Other Taxes

Details of this account are as follows:

	September 30, 2024	September 30, 2023
	(Unaudited)	(Unaudited)
Current		
Regular	₱316,898	₱233,208
Final	275,469	225,127
	592,367	458,335
Deferred	(22,830)	14,932
	₱569,537	₱473,267

22. Earnings Per Share

Earnings per share are calculated as follows:

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
a) Net income attributable to equity shareholders of the Parent Company	₱1,849,636	₱1,358,625
b) Weighted average number of common shares for basic earnings	480,645	480,645
c) Basic and diluted earnings per share	₱3.85	₱2.83

There are no potential common shares with dilutive effect on the basic earnings per share.

23. Related Party Transactions

Details on significant related party transactions of the Group follows:

September 30, 2024 (Unaudited)			
Category	Volume	Outstanding Balance	Nature, Terms and Conditions
Significant investors:			
Deposit liabilities	(₱961,150)	₱7,970,567	Savings and time deposit accounts with annual interest rates ranging from 0.10% to 4.5%.
Lease liability	47,013		Branch and office space leased for five years ending in various years, with 5.00% annual escalation
Loans and receivables	(2,465)	347,459	Loans with annual interest rates from 7.00% to 8.5%
Affiliate:			
Deposit liabilities	(2,102)	21,279	Demand, savings and time deposit accounts with annual interest rates ranging from 0.10% to 4.50%.
Key management personnel:			
Deposit liabilities	9,235	64,637	Savings and time deposit accounts with annual interest rates ranging from 0.10% to 4.50%.
Provident fund:			
Deposit liabilities	10,799	29,644	Savings and time deposit accounts with annual interest rates ranging from 0.10% to 4.50%.
Retirement fund:			
Deposit liabilities	13,536	32,384	Savings and time deposit accounts with annual interest rates ranging from 0.10% to 4.50%
December 31, 2023			
Category	Volume	Outstanding Balance	Nature, Terms and Conditions
Significant investors:			
Deposit liabilities	(₱2,344,552)	₱8,931,717	Savings and time deposit accounts with annual interest rates ranging from 0.1% to 4.25%.
Lease liability	31,983		Branch and office space leased for five years ending in various years, with 5.00% annual escalation
Loans and receivables	(114,602)	349,924	Loans with annual interest rates from 7.00% to 8.25%
Affiliate:			
Deposit liabilities	5,392	23,381	Demand, savings and time deposit accounts with annual interest rates ranging from 0.10% to 4.50%.
Subsidiary:			
Deposit liabilities	-	8,902	Non-interest demand deposit account
Key management personnel:			
Deposit liabilities	14,186	55,402	Savings and time deposit accounts with annual interest rates ranging from 0.10% to 4.50%.
Provident fund:			
Deposit liabilities	(6,975)	18,845	Savings and time deposit accounts with annual interest rates ranging from 0.10% to 5.1%.
Provident fund:			
Deposit liabilities	(23,734)	18,848	Savings and time deposit accounts with annual interest rates ranging from 0.10% to 5.1%.

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	Nature, Terms and Conditions
Significant investors:			
Interest expense	114,936	117,753	Interest expense from savings and time deposit accounts with annual interest rates ranging from 0.1% to 4.5%.
Depreciation expense	19,164	19,090	Depreciation of leased branch and office space for five years ending in various years, with 5.00% annual escalation
Rent income	-	1,008	Five year lease of branches, subject to pretermination, with 5% annual escalation
Affiliate:			
Interest expense	1,112	657	Interest expense of demand, savings and time deposit accounts with annual interest rates ranging from 0.10% to 4.50%.
Rent income	154	154	Five year lease expiring in July 2028 with 5% annual escalation
Key management personnel:			
Interest expense	636	136	Interest expense from savings and time deposit accounts with annual interest rates ranging from 0.1% to 4.5%.
Provident fund:			
Interest expense	723	1,239	Interest expense from savings and time deposit accounts with annual interest rates ranging from 0.1% to 4.5%.
Trust fee	1,626	1,701	A certain percentage of the monthly ending market value of the fund depending on the agreement.
Retirement fund:			
Interest expense	853	1,536	Interest expense from savings and time deposit accounts with annual interest rates ranging from 0.1% to 4.5%.
Trust fee	2,039	2,076	A certain percentage of the monthly ending market value of the fund depending on the agreement.

24. Commitments and Contingent Liabilities

In the course of the operations of the Group, there are outstanding commitments, contingent liabilities, and bank guarantees that are not reflected in the financial statements. The Group does not anticipate losses that will materially affect its financial position and performance.

The following is a comparative summary of the Group's commitments and contingent liabilities at their equivalent peso amounts.

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Trust department accounts	₱12,954,362	₱12,009,189
Standby LC	799,193	941,632
Spot exchange:		
Bought	496,370	594,332
Sold	2,782,373	2,175,019
Sight LC outstanding	272,160	593,802
Usance LC outstanding	35,054	3,207
Inward bills for collection	254,428	501,739
Outstanding shipping guarantees	2,642,955	1,442,970
Currency forwards:		
Bought	1,661	781
Sold	-	50,122
Outward bills for collection	-	60,661
Items held for safekeeping	18	15
Items held as collateral	7	7
Other contingents	19,162	7,738

25. Notes to Statement of Cash Flows

Summary of noncash activities

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Noncash operating activities:		
Additions to investment properties from settlement of loans	₱1,110,995	₱71,086
Additions to chattel mortgage from settlement of loans	18,187	10,960
Noncash investing activities:		
Transfer to property and equipment and other assets	-	1,698
Transfer to other assets from property and equipment	3,729	-
Unrealized gain (loss) on financial assets at FVOCI	26,114	(208,180)
Additions to right-of-use assets	111,952	55,712
Additions to lease liability	(111,952)	(55,712)

Changes in liabilities arising from financing activities:

	January 1, 2024	Cash Flows	Non-Cash activities	September 30, 2024
Bills payable	₱9,686,755	₱5,014,613	₱ -	₱14,701,368
Outstanding acceptance	105,410	370,778	-	476,188
Marginal deposit	9,803	(6,916)	-	2,887
Lease liabilities	189,236	(90,327)	119,047	217,956

	January 1, 2023	Cash Flows	Non-Cash activities	September 30, 2023
Bills payable	₱7,594,019	₱7,283,806	₱ -	₱14,877,825
Outstanding acceptance	50,218	3,362	-	53,580
Marginal deposit	-	3,676	-	3,676
Lease liabilities	214,195	(85,392)	66,187	194,990

26. Other Matters

- No other items affect assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.
- The Group declared or paid no dividends as of September 30, 2024.
- There are no contingencies and any other events or transactions that are material for the current interim period.
- There are no material events subsequent to September 30, 2024.

SEC Form 17-Q

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

1. Management's Discussion & Analysis

The Bank registered a net income of ₱1.8 Billion as of the third quarter of the year 2024, ₱491.0 Million or 36.14% higher than the ₱1.4 Billion earned during the same period last year. This is attributable to ₱1.0 Billion higher operating income mainly from ₱487.5 Million improvement in net interest income and ₱473.1 Million better trading performance. This is partially offset by higher operating expenses by ₱438.7 Million.

Interest income expanded by 24.26% or ₱1.4 Billion due to asset growth and higher yields in both loan and securities portfolios. To fund this growth, deposits and REPO volumes increased despite higher cost of funds due to current high interest rates environment, causing interest expense to increase by ₱892.2 Million. Increased trading income is mostly composed of realized gains from the trading activities of the Bank. Total operating expenses went up by ₱438.7 Million mainly because of higher volume-driven costs - GRT, DST and PDIC insurance, higher manpower costs, higher provision for impairment losses, higher depreciation and amortization, and higher occupancy and other equipment related costs. Income taxes also increased by ₱96.3M, mainly due to higher taxable income and higher final taxes on interest income on peso government securities and onshore income.

Total Assets of the Bank increased by ₱10.9 Billion from ₱147.5 Billion as of December 2023 to ₱158.4 Billion at the end of the 3rd quarter of 2024. This is primarily due to growth in debt securities carried at FVOCI by ₱10.7 Billion, increase in foreclosed properties by ₱1.0 Billion, and growth in loans and other receivables volume by ₱557.6 Million, partially offset by decrease in due from BSP by ₱940.2 Million, lower cash and other cash items by ₱546.3 Million and decline in interbank receivables and SPURA by ₱403.8 Million.

The Bank's gross NPL ratio is 3.38%, 61 bps higher than the 2.77% ratio at the end of 2023.

Total Liabilities increased by ₱9.0 Billion, 6.96% higher than last year's end level of ₱129.8 Billion. This resulted mostly from ₱5.0 Billion increase in bills payable and ₱3.9 Billion increase in deposit liabilities, mainly from higher time deposits, partially offset by maturity of the Bank's LTNCD in the 2nd quarter and lower savings and demand deposits. Total Capital is now at ₱19.5 Billion from ₱17.7 Billion last December 2023. This 10.60% increase in Capital was mainly contributed by the earnings of the Bank as of the 3rd quarter of the year.

On quarter on quarter basis, the Bank registered a net income of ₱821.2 Million for the third quarter of 2024, ₱462.5 Million or 128.96% higher than the ₱358.7 Million earned in the same period last year. This is largely due to ₱715.7 Million higher operating income this quarter resulting mainly from higher trading gains and growth in net interest income, partially offset by ₱213.9 Million or 23.94% higher operating expense mainly because of higher volume-driven costs - GRT, DST and PDIC insurance, higher manpower costs, higher provision for impairment losses, higher depreciation and amortization, and higher occupancy and other equipment related costs, and ₱38.1 Million or 26.05% higher income tax.

The Bank's consolidated Risk-Based Capital Adequacy ratio is 17.07% under BASEL 3 and is well above the 10% minimum requirement. The ratio covers credit, market, and operational risks for the first nine (9) months of 2024.

2. Discussion of various key indicators:

A. Key Financial Performance

Ratio	September 2024	September 2023	Remarks
Net Profit Margin <i>(Net income divided by Gross income)</i>	34.23%	31.05%	Increased by 3.19 % pts mainly from higher interest income from higher average volume & higher yields, and higher net trading gain, offset by higher interest expense from higher cost of funds, and higher operating expenses.
Return on Average Asset <i>(Net income divided by Average assets)</i>	1.61%	1.36%	Increased slightly by 25 bps mainly from higher interest income, and higher net trading gain, offset by higher interest expense from higher cost of funds which pulled down the net returns generated from higher volume of earning assets during the period, and higher operating expenses.
Return on Average Equity <i>(Net income divided by Average equity)</i>	13.27%	11.22%	Increased by 2.05% pts mainly from higher net interest income and higher net trading gain, offset by higher operating expenses.
Capital Adequacy Ratio (Basel 3) <i>(Qualifying capital divided by the total of risk-weighted assets that include credit, market, and operational risk)</i>	17.07%	17.17%	Decreased by 10 bps due to higher total risk-weighted assets in relation to increase in total qualifying capital.
Basic Earnings per share <i>(Net income divided by average no. of common shares)</i>	3.85	2.83	Increase in basic earnings per share by PHP1.02 from higher net income during the current period.

B. Financial Soundness

Ratio	September 2024	December 2023	Remarks
Liquidity Ratio (Liquid Assets to Total Deposits) <i>Liquid Assets include cash, due from banks, interbank loans, and trading and inv. Securities Total deposit refers to the total of the peso and foreign currency deposits.</i>	26.77%	19.69%	Increased by 7.09 % pts mainly from higher level in liquid assets mainly in financial assets at FVOCI & HTC, and higher Due from BSP, offset by lower interbank loans & SPURA and lower financial assets at FVTPL. This was offset by increase in deposits, mainly in time deposits.
Debt Ratio (Total Liability to Total Assets) <i>Debt refers to the total liabilities, while assets refer to total Assets</i>	87.67%	88.03%	Decreased slightly by 36 bps mainly from higher total assets driven by increased ave. receivables from customers, higher financial assets at FVOCI & HTC, and higher Due from BSP, and increase in ROPA due to dacion en pago in 2024, in relation to the increase in total liabilities.
Asset to Equity Ratio (Total Asset to Total Equity)	8.11	8.35	Ratio decreased as a result of the growth in equity due to reinvestment of net income, offset by the impact of higher total assets driven by increased ave. receivables from customers, higher financial assets at FVOCI & HTC, and higher Due from BSP, and increase in ROPA due to dacion en pago in 2024.
Interest Rate Coverage Ratio (Earnings before interest & taxes to Interest Expense)	177.96%	182.86%*	Bank's interest rate coverage decreased due to impact of increase in interest expense from rising cost of funds.
Net Interest Margin Net interest income over Average Earning assets	3.92%	3.98%*	Ratio is slightly lower as increase in average COF rates outweighed the increase in average asset yields.

* As of September 2023

3. Discussion and Analysis of Material Event/s and Uncertainties

- a. The Bank does not have any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), or other relationships of the company with unconsolidated entities or other persons created during the reporting period.
- b. As of September 30, 2024, the unspent amount from the approved capital expenditures budget on projects involving technology enhancement and facilities improvement amounted to ₱659.7 Million.
- c. The Bank has taken prudent steps to mitigate the risk through a more careful credit process and tighter credit policies. More importantly, it continues its assessment of its portfolio by regularly doing the stress test exercise.
- d. There is no recorded significant quarterly income or losses that did not come from the Bank's regular operations.
- e. Interest income on the non-discounted loan is recognized based on the accrual method of accounting, while unearned discounts are amortized to income over the term of the loans. As such, no seasonal aspect has a material impact on the Bank's interest revenues. Non-interest revenues, on the other hand, are primarily dependent on market dynamics and economic trends rather than seasonal factors.

Statement of Condition: September 2024 vs. December 2023

	Increase (Decrease)	Percentage	Remarks
Cash and Other Cash Items	(546,306)	-34.96%	Lower cash on hand and cash in ATMs
Due from BSP	(940,184)	-7.70%	Lower mainly due to lower statutory reserve requirements and ODF
Due from Other Banks	482,647	99.41%	Higher funds mainly with foreign banks
Interbank Loans Receivable	(403,835)	-82.02%	Lower mainly from lower interbank call loans with foreign banks
Financial assets at Fair Value through Other Comprehensive Income	10,740,254	127.62%	Purchase of investments in FVOCI and mark-to-market adjustment
Investment securities at Amortized Cost	48,525	0.17%	Purchase of HTC securities
Loans and Receivables	557,624	0.61%	Increase in outstanding receivables mainly in corporate loans
Investment in a subsidiary and associate	(5,599)	-24.98%	Decline due to derecognition of PISAI business to reflect its dissolution and retirement.
Property and Equipment	8,749	1.07%	Increase due to PBCOM Tower improvements, offset by depreciation recognized for the period
Investment Properties	963,926	37.35%	Increase from higher ROPA foreclosures than ROPA sale, offset by depreciation recognized for the period
Intangible Assets	(13,707)	-2.61%	Decline due to amortization recognized for the period, offset by software-related purchases made to date
Deferred tax assets	20,238	5.01%	Higher DTA movement for the period
Other Assets	(7,674)	-1.81%	Lower mainly due to lower DST on hand and taxes on deposits paid in advance to BIR
Demand Deposits	(318,378)	-0.77%	Higher time deposits volume, partially offset by lower deposits volume in CASA
Savings Deposits	(1,416,924)	-10.64%	
Time Deposits	8,489,736	14.37%	
Long-term negotiable certificates of deposits	(2,900,016)	-100.00%	LTNCD maturity in May24
Bills Payable	5,014,613	51.77%	Increase in FCDU bills payable and interbank call loans
Outstanding Acceptances	370,778	351.75%	Increase due to higher bills of exchange accepted by the Bank
Manager's Checks	(407,337)	-64.45%	Lower un-negotiated MC's as of the period

Accrued Interest, Taxes and Other Expenses Payable	60,410	3.90%	Increase mainly due to higher Deposits & Bills payable interest accrual as of the period
Income Tax payable	20,716	20.60%	Higher income tax payable for the period
Other Liabilities	117,320	11.21%	Increase mainly due to higher accounts payable - ATM, higher finance lease payable, advance rentals from Tower, and higher rental deposits from Tower
Retained Earnings	1,849,636	59.36%	Increase from net income for the period
Unrealized gain/(loss) on equity securities carried at fair value through other comprehensive income	26,114	-68.44%	Increase from lower net mark-to-market losses mainly from FCDU debt investments in FVOCI
Cumulative translation adjustment	(4,843)	4.51%	Higher downward CTA adjustment mainly due to rate differential from MRT accretion

Statement of Income and Expenses: January-September 2024 vs. January-September 2023

	Increase (Decrease)	Percentage	Remarks
Interest Income on investment securities	325,549	26.47%	Higher interest income due to higher yields and higher average volume mainly from FVOCI & FVTPL
Interest Income on Loans and receivable	1,104,709	25.47%	Higher interest income due to higher average volume and higher yields mainly from corporate loans
Interest Income on Interbank loans receivable and securities purchased under resale agreements	(49,599)	-49.48%	Lower interest income due to lower average volume mainly from SPURA and interbank loans, offset by higher yields
Interest Income on Deposit with other Banks and others	(1,003)	-4.76%	Lower interest income due to lower average volume mainly in ODF with BSP, offset by higher yields
Interest Expense on Deposit Liabilities	787,690	46.17%	Higher interest expense due to higher average volume mainly from TDs and higher cost of funds
Interest Expense on Bills payable, borrowings and others	104,478	20.70%	Higher interest expense due to higher cost of funds and higher average volume mainly from Repos
Trading and Securities Gain – net	473,143	907.50%	Higher realized trading gains offset by unrealized MTM losses (unrealized MTM gains in the prior year)
Rent Income	(29,112)	-9.63%	Lower due to the impact of lease terminations, offset by lease commencements from new tenants
Service Charges, Fees & Commissions	59,027	18.98%	Higher primarily due to higher commitment fees, corporate loan penalty fees, TFR fees, instapay fees, and SWIFT fees
Foreign Exchange Gain (Loss) –Net	1,346	1.85%	Higher realized foreign exchange gains were partially offset by lower unrealized foreign exchange gains
Gain/(Loss) on asset exchange	14,587	102.24%	Higher net gain on foreclosure
Profit/(Loss) from Assets Sold	15,668	133.20%	Higher ROPA gain on sale in 2024
Income from Trust Operations	2,340	8.45%	Increase is mainly due to impact of higher ADB assets under management
Miscellaneous Income	2,525	2.36%	Increase mainly due to gain from sale of bank-owned property, higher other income from loans, gain on derecognition of investment in PISAI, offset by lower Tower income from aircon extension, and lower recovery on written-off accounts
Compensation and Fringe Benefits	89,173	9.89%	Higher manpower costs for the period due to higher headcount and salary adjustments
Taxes and Licenses	128,081	23.63%	Increase mainly due to higher GRT costs and higher DST costs from deposits
Depreciation and Amortization	26,460	10.30%	Increase mainly due to higher ROPA depreciation, higher ROU asset depreciation, and higher branches' LRI amortization, offset by fully amortized software cost, and fully-depreciated office equipment & computer
Occupancy and other equipment-related costs	18,654	15.69%	Increase mainly from increase in electricity & water costs, higher rent expense and higher repairs & maintenance
Provision for (recovery from) impairment losses	94,456	484.36%	Higher loan provision requirements during the period

Miscellaneous	81,895	10.99%	Increase mainly due to higher PDIC insurance from higher volume of deposits, higher contractual services, higher brokerage & PDEX fees from higher volume of transactions, higher legal fees, higher IT costs, and higher broker's commission
Provision for income tax	96,270	20.34%	Increase mainly due to higher net taxable income mainly from increase in interest income from loans & investments, higher final taxes on interest income on peso government securities and onshore income, offset by lower DTA recognized

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY

INTERIM AGING OF LOANS & SELECTED RECEIVABLES

(Unaudited)

PHILIPPINE BANK OF COMMUNICATIONS (Consolidated)

AGING OF LOANS & SELECTED RECEIVABLES

As of September 30, 2024

(In thousands)

TYPE OF LOAN/PARTICULARS	OUTSTANDING BALANCE	CURRENT	P A S T D U E F O R			
			90 DAYS OR LESS	91 TO 180 DAYS	181 DAYS - 1 YR.	MORE THAN 1 YR.
Loans and receivable	82,184,532	79,446,966	129,716	470,089	450,168	1,687,593
Customer's liabilities on letters of credit and trust receipts	2,224,227	1,931,350	144,441	-	-	148,436
Bills purchased	8,261,289	8,181,349	-	-	-	79,940
Total	92,670,049	89,559,665	274,157	470,089	450,168	1,915,969
Unquoted Debt Securities	139,539	139,539	-	-	-	-
Accrued Interest Receivable	978,750	961,278	797	5,823	5,454	5,397
Sales Contract Receivables	75,878	71,464	4,100	91	39	185
Accounts Receivable	1,456,607	1,406,349	3,600	3,709	10,782	32,167
	2,650,774	2,578,631	8,496	9,623	16,275	37,750
Total	95,320,823	92,138,296	282,652	479,712	466,444	1,953,719
Less: Unearned and other deferred income	(58,872)	(67,622)	3,332	-	-	5,418
Allowance for credit losses	(2,930,013)	(1,057,739)	(31,407)	(153,095)	(201,653)	(1,486,118)
NET Loans and Receivable	92,331,938	91,012,935	254,577	326,617	264,790	473,019