

PSE SPOTLIGHT

FEATURING:

Bank of Commerce



Bank of Commerce (BNCOM), a publicly listed universal bank and affiliate of San Miguel Corporation since 2008, posted a record P3.02 billion net income in 2024, up 8% year-on-year. Established in 1963, BNCOM operates 141 branches and 274 ATMs nationwide as of September 2025.

Stock Code	BNCOM
Listing Board	Main Board
Sector – Subsector	Financials – Banks
Listing Date	March 31, 2022
Outstanding Shares	1,403,013,920
Free Float Level	23.77%
Market Capitalization	P11,224,111,360.00
P/E Ratio	3.24x
Dividend Yield	5.63%

As of 30 October 2025
Source: PSE Data

[Company Profile](#)

1. What makes BNCOM an attractive investment for potential investors?

BNCOM is a compelling investment due to its proven success in maximizing its unique position as the only banking affiliate of San Miguel Corporation, one of the largest and most diversified conglomerates in the Philippines.

a) Robust Financial Growth

BNCOM posted a record net income of P3 billion in 2024, more than 2.5x times its 2021 net income, the year before its IPO. Its return on equity (ROE) reached 10.63% in Q3 2025 with a 24% increase in profits compared to the same period in 2024.

b) Attractive Dividends

BNCOM increased its cash dividends by 79%, following its record P3-billion profit in 2024, demonstrating its commitment to delivering shareholder value. The payout represents 28% of 2024 profits, funded from retained earnings.

c) Conglomerate Bank Strategy

These results stem from BNCOM’s affiliation with San Miguel Corporation, which grants BNCOM unparalleled access and insight into the transactions and operational behaviors of the conglomerate’s subsidiaries, affiliates, and supply chain whose total sales are equivalent to approximately 6% of the Philippines 2024 Gross Domestic Product.

2. What challenges has BNCOM encountered, and what strategies were employed to overcome them effectively?

BNCOM, like many financial institutions, has faced a dynamic set of challenges in recent years. These include:

a) Digital Transformation and Legacy Systems

Transitioning from legacy infrastructure to modern digital platforms is a challenge for every bank. BNCOM addressed this by switching to a new Core Banking System in 2025, investing in scalable technologies and streamlining operations to improve customer experience and operational efficiency.

b) Regulatory Compliance and Data Security

Navigating increasingly complex regulatory environments and ensuring data privacy were ongoing challenges. BNCOM implemented robust compliance frameworks and invested in secure digital solutions to meet regulatory standards while protecting customer data.

c) Cultural and Workforce Shifts

Adapting to changes in banking and technology required reskilling employees and fostering innovation. BNCOM invested in its people's training and embraced a culture of continuous learning and agility, empowering teams to lead transformation initiatives effectively.

d) Diversifying Funding Sources

With a large portion of its deposit base being composed of low cost operating accounts, the Bank chose to diversify the tenor of its funding. The Bank's recent P18 billion bond issuance was 3.6 times oversubscribed, reflecting strong demand from institutional investors. This marks the largest fundraising in its history, signaling market trust in its stability and growth potential.

3. What sustainability initiatives does BNCOM have in place? How do they align with your long-term goals?

BNCOM sees sustainability as our responsibility to manage environment and social impacts of our business activities and operations as well as an opportunity to create value that benefits not only our direct stakeholders but also contribute to the greater sustainable development agenda.

As we operate in a tightly regulated industry, our ESG and Sustainability Framework, which embodies our environmental and social (E&S) risk management system, is grounded on what the BSP and SEC prescribe, and is implemented with meticulous direction by our Board and diligent oversight by our senior management team. This means that our application of ESG and sustainability principles both in our internal operations and in our dealings with suppliers, borrowers, and depositors are guided by these regulators. As such, in reference to our role in the achievement of the National Government's targets under the Philippine Energy Plan, we adhere to the principle of aligning with the Government's mandates.

Corollary, we have maintained our lines open to support the funding needs of companies dealing in clean or renewable energy projects such as natural gas, bio-ethanol, hydropower, solar power, battery energy storage systems, and the like.

Attuned with the core sustainability goals of the San Miguel Group, we acknowledge our part in creating and protecting value for our customers, investors, and financial consumers in general. Some of the Bank's initiatives to manage our own sustainability impacts include launching a sustainability questionnaire as part of its supplier accreditation process, programs to reduce the use of paper in branches and client transactions, and activities to raise awareness of stakeholders, such as suppliers, and customers, and build the internal capability of employees on sustainability, ensuring a culture that fosters environmentally and socially responsible business decisions throughout support units and operations.

4. How is the Bank doing in terms of its market position vis-à-vis its competitors in the industry? What are the key initiatives or programs being undertaken by the Company to increase market share or gain an advantage over the competition?

The Bank has made significant strides in terms of ROE since it refreshed its strategy in late 2018 to expand lending with particular focus on the SMC ecosystem. From a negative return of -0.11% in 2018, the Bank has achieved a strong turnaround, posting double-digit returns of 9.44% in 2024 and 10.63% as of the third quarter of 2025.

In addition to that, as committed in its IPO, the Bank has consistently delivered improved dividends to its stockholders for two years in a row. The Bank envisions to firmly establish its niche as the SMC ecosystem bank while delivering strong and steady financial performance.

5. How is your Company leveraging technology to streamline operations and/or enhance customer experiences?

BNCOM is actively investing in advanced technologies to streamline operations and elevate customer experiences as part of its ongoing digital transformation strategy.

a) Core Banking System Modernization

BNCOM has tapped Infosys Finacle, a global leader in banking technology to help accelerate its digital transformation, redefine banking experience, and deliver the best financial solutions to its customers. The Bank has recently completed its migration to a new core banking system, replacing legacy infrastructure to prepare for continued growth.

b) Enhanced Customer Experience

Through the new core banking system, the expanding customer base continues to experience real-time access to account information across platforms, enabling more personalized and convenient banking. The newer system will also allow the faster setup of Branch Lites in the future similar to the recently inaugurated Caticlan Branch lite to expand the Bank's ability to serve its existing customers and market products to new ones.

c) Nationwide Infrastructure Upgrade

The Bank has successfully upgraded its 140 branches and its entire ATM network to support faster and more reliable transactions, both online and in-person. This rollout was completed efficiently over a single weekend, demonstrating strong execution and commitment to innovation.

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