

# **ANNUAL STOCKHOLDERS' MEETING**

## **Chairman's Message April 15, 2017**

Globally, the year 2016 was quite a rollercoaster. We saw disruptions to the international political status quo—starting with the Brexit vote and ending with Donald Trump's victory as US president. These were the results of protest votes, with people blaming problems on immigration and globalization. The new order is slanted towards economic nationalism: re-focusing policies domestically.

The global landscape is a complicated one because of such divergent interests. Japan and Europe remain fragile, with negative policy rates. The US, despite its high debt level, continues to improve slowly, with the strengthening dollar, rising interest rates, and low unemployment levels. China is also struggling with burgeoning debt levels, as well as maintaining its growth as it gradually attempts to shift as an export-dependent manufacturer to a consumption-driven economy. As rates increase, funds from emerging markets will continue to flow back to the developed countries.

Locally, Filipinos also clamored for change, as the country voted for a non-traditional politician as the new president. President Duterte has begun acting on many campaign promises, among them to cleanse the Philippines of illegal drugs, to reduce government corruption, and to spread the economic wealth beyond Manila. The Philippines continues to be one of the fastest growing economies, but we will need to be wary of the potential impacts of other countries enacting protectionist trade policies.

Competition in Philippine banking remains very stiff. Our major competitors persist, and are heavily marketing rates and services against our own. They, along with the universal and commercial banks, also continue to open branches in our service areas. Additionally, new lending competitors in various forms continue to enter the market. With the recent focus on AMLA, the regulatory environment will become even stricter.

Notwithstanding all these challenges, FCB had a very good 2016. Our bank continues to be a top performer in the industry in terms of capitalization, profitability and liquidity ratios. This was the result of a lot of hard work, dedication, and team effort, and we sincerely thank our employees for their contributions, shareholders for their support, and customers for their loyalty. Moving forward, FCB will continue to focus on its niche strategy: countryside banking that is high tech and high touch. We are very optimistic about the markets we serve, and know there is still much more room for growth.

Peter Drucker, a famous business professor and author, said, “*The best way to predict your future is to create it.*” This perfectly resonates with us at FCB. While we must be mindful of what’s going on around us, our future is ultimately decided by our own actions. Our organization will continue to work hard, be solution-driven and be focused on continuous improvement.

In closing, we would again like to extend our gratitude to our shareholders, employees, and customers for your continued dedication, support, and trust in FCB. We are proud of what FCB has accomplished thus far, and look forward to continued growth in the year 2017.

Respectfully yours,

A handwritten signature in black ink, appearing to read 'Clariville Paz Uy-Evardone', written in a cursive style.

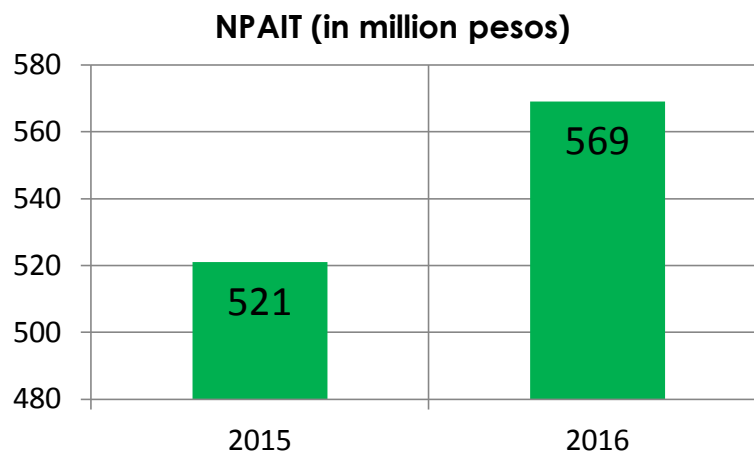
**Clariville Paz Uy-Evardone**

Chairman

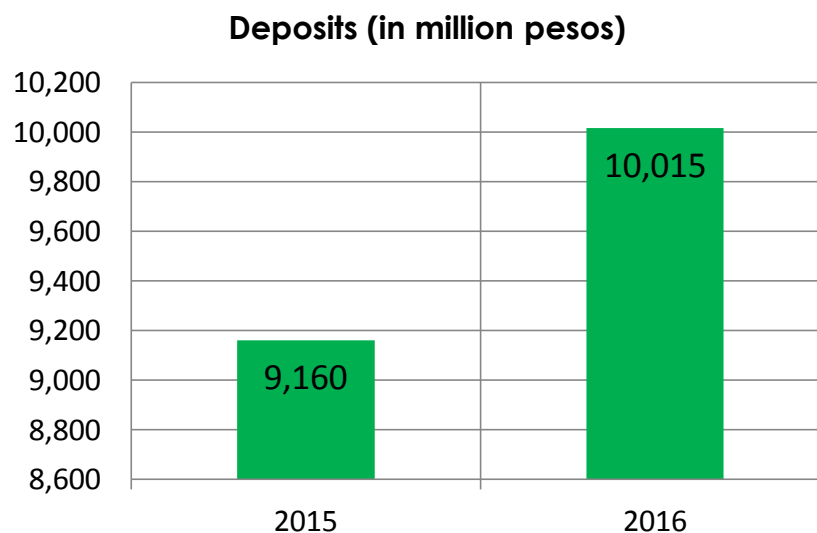
## President's Report

We are proud to report another successful year of financial operation of your Bank for the year 2016. This is proof that customers are satisfied with the Bank's products and services, employees are motivated and shareholders are very supportive.

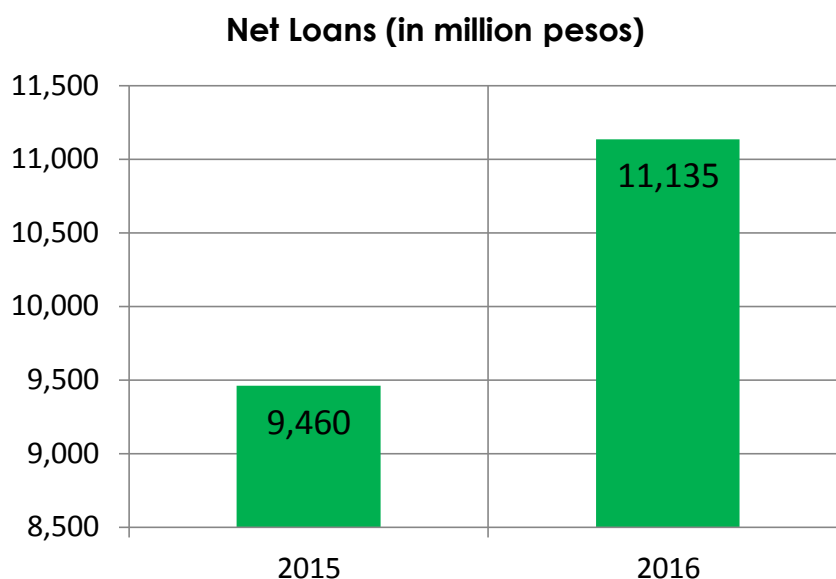
For 2016, the Profit for the Year posted an increase of 9.16% or an increase from P521.00 million to P569.00 million.



Our total deposits grew by 9.33%, or from P9.16 billion to P10.015 billion.



and our loans increased by 17.71%, or from P9.46 billion to P11.135 billion.



The Bank's total resources grew from P14.865 billion to P15.776 billion or 6.13%, while the total capital posted an increase from P3.294 billion to P 3.858 billion, or 17.11%.

The consistent positive annual growth on the key financial numbers show the quality of the direction mandated by the Board to Management that enables the Bank to gain the trust and confidence of its clientele.

In terms of key financial indicators that are normally viewed by potential investors and/or government regulators, FCB garnered the following:

|   | 2015   | 2016   |
|---|--------|--------|
| Return on Average Equity (ROE)          | 16.99% | 15.89% |
| Return on Average Assets (ROA)          | 3.80%  | 3.89%  |
| Risk-based Capital Adequacy Ratio (CAR) | 24.99% | 26.92% |

The higher the risk-based capital adequacy ratio indicates a stronger bank and a better capitalized bank. The Bangko Sentral ng Pilipinas requires a minimum CAR of 10%, a requirement which FCB far exceeds.

In 2016, we implemented the following major projects:

1. Opening of the following branches:
  - a. Barotac Nuevo, Iloilo, and
  - b. Catbalogan, Samar

2. Opening of the following Marketing Offices:

- a. Guiuan, Eastern Samar
- b. Iriga City, Camarines Sur
- c. Koronadal City, South Cotabato
- d. Cataingan, Masbate
- e. Iligan City, Lanao del Norte
- f. Sindangan, Zamboanga del Norte
- g. Allen, Northern Samar

3. Conducted regular cluster meetings among branches to update all employees on recent operational guidelines resulting to a more synchronized operation.

During the year, we also implemented several enhancements to our operational systems, which included the bank's hardware, software, and communications network. The salary scheme of the employees was also adjusted to improve their net take home pay and at the same time ensure that shareholders continue to receive the expected returns of their investments.

Additionally, FCB continued to support the community through its corporate social responsibility projects in health, education, livelihood, culture and other deserving projects.

The banking industry at present is highly competitive and what makes FCB adapt to this kind of environment is its belief for continuous improvement. For the coming years, FCB will continue to implement its business philosophy of managed growth by opening 4 to 5 branches a year and complemented with the setting up of marketing offices to support the branch operations.

Let me close by expressing my sincere gratitude and say thank you to our dear customers for your continuing support and to the employees for your dedication and hard work because our achievements for the year 2016 happened because of all of you.

My sincere gratitude too to our shareholders for the trust and confidence you have extended to the officers and staff of the bank. Here's looking forward to another fruitful year 2017 amidst the challenges not only in the banking industry but in the entire economy.

God bless us all.



**Joseph M. Lacea**

President

## FINANCIAL HIGHLIGHTS

Despite the continuing global economic uncertainties, peace and order problems, and natural disasters, the Philippine economy made a lot of economic progress. With these backdrops, FCB has continued to perform far better than the industry and has attained increases in revenues, net income, and growth in assets and loans.

The bank's financial results continue to be better than industry averages in the Philippine banking system, as shown in the financial highlights below:

| <b>For the year</b>                  | <b>2016</b>     | <b>2015</b>     |
|--------------------------------------|-----------------|-----------------|
| Revenues                             | P1,850,605,699  | P1,894,734,460  |
| Net Income                           | P 569,188,171   | P 521,421,558   |
| Earnings per Common Share            | P167            | P153            |
| Return on Average Assets             | 3.89%           | 3.80%           |
| Return on Average Equity             | 15.89%          | 16.99%          |
| Net Interest Margin                  | 10.69%          | 11.79%          |
| Risk-based Capital Adequacy Ratio    | 26.92%          | 24.99%          |
| <br>                                 |                 |                 |
| <b>At the end</b>                    | <b>2016</b>     | <b>2015</b>     |
| Total Assets                         | P15,775,761,755 | P14,865,211,099 |
| Total Loans (net)                    | P11,135,361,834 | P 9,460,169,866 |
| Total Deposits                       | P10,014,957,012 | P 9,160,293,218 |
| Total Shareholders' Equity           | P 3,857,534,246 | P 3,293,997,512 |
| Book Value per Common Share          | P1,132.42       | P967.14         |
| Common Shares Issued and Outstanding | 3,398,442       | 3,396,552       |

### **ASSETS**

As of end of December 2016, the bank's Total Assets reached P 15.776 billion, registering an increase of P910.6 million, or 6.13%.

Loans and Discounts, Held to Maturity Investments and Due from Other Banks accounted for 75.98% of Total Assets. The rest came from increases in Bank Premises, Furniture & Fixtures and Equipment; and Computer Software.

**Table 1. Comparative Assets of the Bank, 2016 and 2015.**

| ASSETS  | December 31     |                 | Increase/Decrease |         |
|---|-----------------|-----------------|-------------------|---------|
|   | 2016            | 2015            | Amount            | %       |
| Cash and Other Cash Items                         | P544,874,970    | P641,485,779    | -P96,610,809      | -15.06% |
| Due from BSP                                      | 2,070,892,726   | 2,947,003,140   | -876,110,414      | -29.73% |
| Due from Other Banks                              | 847,788,862     | 628,786,170     | 219,002,692       | 34.83%  |
| Loans & Disc (net)                                | 11,135,361,834  | 9,460,169,866   | 1,675,191,968     | 17.71%  |
| Held to Maturity Investments                      | 4,022,353       | 4,487,689       | -465,336          | -10.37% |
| Bank Premises, Furniture & Fixtures and Equipment | 614,789,164     | 579,980,004     | 34,809,160        | 6.00%   |
| Investment Properties (net)                       | 209,831,494     | 215,967,821     | -6,136,327        | -2.84%  |
| Sales Contracts Receivable (net)                  | 18,641,553      | 26,373,825      | -7,732,272        | -29.32% |
| Computer Software -net                            | 9,991,027       | 9,631,575       | 359,452           | 3.73%   |
| Deferred Tax Assets                               | 194,304,954     | 208,786,309     | -14,481,355       | -6.94%  |
| Other Assets -net                                 | 125,262,818     | 142,538,921     | -17,276,103       | -12.12% |
| Total Assets                                      | P15,775,761,755 | P14,865,211,099 | 910,550,656       | 6.13%   |

**DUE FROM OTHER BANKS**

Due from Other Banks went up by 34.83% or P219 million over its balance in the previous year due to deposit placements made by the bank.

**LOANS**

The bank posted a significant increase in its Loan Investments. The growth in Loan Investments was P1.70 billion compared to the previous year. Total Loan Investments reached P11.135 billion, from P9.460 billion in the previous year. Customer acceptability of FCB credit products continues to be sustained.

Loan Investments were evenly distributed to agriculture, wholesale and retail trade, manufacturing, consumer, real estate and other service activities. The rest of the Loan Investments were in education, construction and utilities.

The Loan Investments were spread widely to 91,906 loan borrowers and were distributed to the consumer markets and micro / small / medium enterprises in the countryside.

The bank continues to support the growth of micro/small and medium enterprises (MSMEs), as well as consumer loans. It remains committed to the financial needs of the retail market, which supports livelihood projects and consumption in the countryside.

The bank's loans to small and medium enterprises exceeded the prescribed ratio of compliance under the Magna Carta Law for Enterprises of 8% for small enterprises and 2% for medium enterprises of Total Loans. Loan Investments to micro/small and medium enterprises were 16.79% and 2.33% respectively, of total outstanding loans.

### **HELD TO MATURITY INVESTMENTS**

Held to Maturity Investments decreased by P465 thousand or 10.37% relative to payment of matured principal.

### **BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT**

The Bank Premises, Furniture, Fixtures and Equipment increased by 34.809 million in 2016. The bank constructed two additional branch offices in Barotac Nuevo, Iloilo and in Catbalogan City, Western Samar. The bank also installed more Automated Teller Machines (ATMs) and Electronic Fund Transfer/Point of Sale terminals.

### **INVESTMENT PROPERTIES**

The Investment Properties consist of land and buildings acquired by the Bank in settlement of loans through foreclosures and rescinded Sales Contracts Receivables. These reduced by 2.84%, from P216 million in 2015 to P210 million in 2016. The goal of the bank is to continuously trim down its Investment Properties.

### **SALES CONTRACTS RECEIVABLES**

The Sales Contracts Receivables consist of accounts arising from the sale of foreclosed properties on installment to various clients. These reduced by 29.32%, from P26.374 million in 2015 to P18.642 million in 2016 due to efficient management of these accounts.

### **OTHER ASSETS**

Other Assets (net) of the bank decreased by 12.12% to P125.263 million compared to the outstanding balance of the account in the previous year amounting to P142.539 million.

### **ASSET QUALITY**

The bank has continued to maintain the quality of its assets. Most of its liquid funds are in cash and high-grade investments at BSP.



## LIABILITIES AND CAPITAL ACCOUNTS

### LIABILITIES

The bank's total liabilities and capital funds were increased by P910.551 million, or 6.13% in 2016. The increase was largely due to growth in Deposits; and Capital Funds.

**Table 2. Liabilities and Capital Funds, 2016 and 2015.**

| LIABILITIES AND CAPITAL FUNDS            | December 31     |                 | Increase/Decrease |         |
|--|-----------------|-----------------|-------------------|---------|
|  | 2016            | 2015            | Amount            | %       |
| Deposit liabilities                      | P10,014,957,012 | P9,160,293,218  | 854,663,794       | 9.33 %  |
| Bills and loans payable                  | 1,467,207,189   | 1,844,987,755   | -377,780,566      | -20.48% |
| Accrued taxes, interest & other expenses | 201,127,455     | 219,131,934     | -18,004,479       | -8.22%  |
| Income tax payable                       | 39,234,232      | 82,781,758      | -43,547,526       | -52.61% |
| Deferred Tax Liabilities                 | 2,277,706       | 2,180,299       | 97,407            | 4.47%   |
| Other Liabilities                        | 193,423,915     | 261,838,623     | -68,414,708       | -26.13% |
| TOTAL LIABILITIES                        | 11,918,227,509  | 11,571,213,587  | 347,013,922       | 3.00%   |
| Capital funds                            | 3,857,534,246   | 3,293,997,512   | 563,536,734       | 17.11%  |
| TOTAL LIABILITIES & CAPITAL FUNDS        | P15,775,761,755 | P14,865,211,099 | 910,550,656       | 6.13%   |

### DEPOSITS

Overall, the bank's Deposits grew by P854.664 million, or 9.33%, from P9.160 billion in the previous year to P10.015 billion in 2016. All of the bank's deposit products during the year increased above budget. Of the Total Deposits, 72% is savings deposits, and the rest are time deposits and demand deposits.

The bank's total number of deposit accounts reached 398,741 in 2016, an increase of 12,959 or 3.36% from 385,782 in the previous year.

### BILLS AND LOANS PAYABLE

The bank's Bills Payable decreased by 20.48%, from P1.845 billion in 2015 to P1.467 billion in 2016. The decrease is due to repayments of matured notes during the year and due to the lower funding requirements following a substantial increase in deposit funds.

## **CAPITAL**

The Capital of the bank grew by P563 million, or 17.11%, as a result of bigger Net Income After Tax (NIAT) generated for the period. The bank's Capital increased from P3.294 billion in 2015 to P3.858 billion in 2016.

**Table 3. Comparative Capital Accounts, 2016 and 2015.**

| <b>CAPITAL</b>               | <b>December 31</b> |                | <b>Increase/Decrease</b> |          |
|------------------------------|--------------------|----------------|--------------------------|----------|
|                              | <b>2016</b>        | <b>2015</b>    | <b>Amount</b>            | <b>%</b> |
| Capital Stock                | P348,967,108       | P348,803,316   | P163,792                 | .05%     |
| Paid-in Surplus and Reserves | 521,482,831        | 520,238,527    | 1,244,304                | .24%     |
| Surplus (free)               | 2,987,084,308      | 2,424,955,668  | 562,128,640              | 23.18%   |
| TOTAL                        | P3,857,534,246     | P3,293,997,512 | 563,536,734              | 17.11%   |

## **CAPITAL ADEQUACY**

The bank's Capital Adequacy "risk-weighted" ratio continues to be strong at 26.92% in year 2016. It is significantly higher than the top Philippine and international banks for the year, and well above the minimum requirement of 10% set by Bangko Sentral ng Pilipinas.

This means that FCB has a strong solvency ratio, which is very important for depositors as a gauge of which bank to place their deposits. A higher ratio indicates a stronger and better capitalized bank. FCB has only Tier 1 capital which means that all capitals are shareholder's funds and not a subordinated liability.

## **INCOME/EXPENSES**

### **INCOME**

Income of the bank reflected P1.851 billion in 2016, from P1.895 billion in 2015, registering a slight decrease of 2.33%. Income was derived mainly from Interest Income on Loans and Investments. Fees for bank services also provided supplemental income.

For 2016, FCB adopted an accounting policy that service fees will be amortized over the term of Loans. Unearned service charges on Loans showed a balance of P152.998 million in 2016. Thus, revenues would have grown 5.8% if the P 152.998 million were recognized as part of revenues in 2016.

### **INTEREST INCOME**

Interest Income represents a significant percentage of Total Revenue: 97.39%, coming from Interest Income on Loans and Discounts, Investments with Bangko Sentral, interest bearing instruments, micro-finance loans, and other loans.

## **NON-INTEREST INCOME**

The rest of Total Revenue came from non-interest income such as, service charges, fees and commissions, gains on sale of acquired assets, rental of bank properties, and others.

## **EXPENSES**

Expenses of the bank slightly decreased by 9.90%, from P1.156 billion in 2015 to P1.042 billion in 2016.

A percentage of 33.57 of its Expenses came from Interest on Deposits and Interest on Sourced Funds. The rest went to Compensation/Fringe Benefits, Occupancy & Equipment-Related Expenses, provisions, taxes & licenses, advertising expenses & other operating expenses.

## **INTEREST EXPENSE**

Interest on Deposits and Sourced Funds slightly decreased by P4.406 million or 1.24%. This comprised 33.57% of Total Expenses.

## **NON-INTEREST EXPENSE**

Non-Interest Expenses decreased by P110.067 million, or 13.72%. Compensation/Fringe Benefits increased by P24.731 million or 11.54% of Total Non-Interest Expenses, as a result of increases in Compensation and Fringe Benefits of employees.

Non-Interest Expenses, namely Compensation/Fringe Benefits, Occupancy and Equipment-Related Expenses, taxes and licenses, and other operating expenses took up about 63.07% to Total Expenses.

**Table 4. Income and Expenses, 2016 and 2015.**

| <b>Revenues/Expenses</b> | <b>December 31</b> |                | <b>Increase/Decrease</b> |          |
|--------------------------|--------------------|----------------|--------------------------|----------|
|                          | <b>2016</b>        | <b>2015</b>    | <b>Amount</b>            | <b>%</b> |
| Total Revenues           | P1,850,605,700     | P1,894,734,460 | -44,128,760              | -2.33%   |
| Total Expenses           | 1,041,794,040      | 1,156,267,145  | -114,473,105             | -9.90%   |
| Net Income Before Tax    | 808,811,660        | 738,467,315    | 70,344,345               | 9.53%    |
| Net Income After Tax     | P569,188,171       | P521,421,558   | 47,766,613               | 9.16%    |

## **NET INCOME / PROFITABILITY**

The bank's Net Income After Tax (NIAT) rose to P569 million or an increase of 9.16% over that of the previous year. Through the years, its NIAT has been increasing.

Earnings per share amounted to P167 and P153 in 2016 and 2015, respectively. The ROE of 15.89% is higher than the industry average.

## **DIVIDENDS**

The Board of Directors, in a resolution dated 13 January 2017, declared a 20% Cash Dividends on common and preferred shares, respectively, to all shareholders on record as of 31 December 2016 amounting to P68,177,054.

## **PRODUCTS AND SERVICES**

The bank continued with its core products and services. With further enhancement in its information and communication facilities, the bank has added more products and services during the year. In fact, the bank expects to introduce more products and services as needed by its service areas.

The new products and services of the bank include several enhancements to its savings account, special checking account, automated teller machines (ATMs), electronic fund transfer/point of sale (EFTPOS), PITAKard, payroll account and bills payment services, among others.

## **BRANCHES, MARKETING CENTERS, FACILITIES, OTHERS**

The bank continued with its efforts to provide quality services to its customers. Its capital expenditures this year were focused on acquisition of land for new branch sites; improvement in the branches service capabilities; and upgrade of its Information and Communication Technology.

## **BRANCHES**

As of December 31, 2016, FCB has 75 branches. FCB will continue its managed expansion program and will open additional branches in 2017. FCB's branches nationwide are as follows:

| <b><u>Branches</u></b>   | <b><u>Locations</u></b>                                    |
|--------------------------|--|
| 1. Abuyog                | Brgy. Loyongsawang, Abuyog, Leyte                          |
| 2. Aborlan               | Nat'l. Highway, Brgy. Gogognan, Aborlan, Palawan           |
| 3. Antequera             | Poblacion, Antequera, Bohol                                |
| 4. Baclayon              | Poblacion, Baclayon, Bohol                                 |
| 5. <b>Barotac Nuevo*</b> | <b>Araneta St., Ilaud Poblacion, Barotac Nuevo, Iloilo</b> |
| 6. Bataraza              | Poblacion, Bataraza, Palawan                               |
| 7. Bato                  | Jose Rizal St., Poblacion, Bato, Leyte                     |
| 8. Bayugan               | Rotunda, Bayugan, Agusan del Sur                           |
| 9. Butuan City           | J. Rosales Ave., Butuan City, Agusan del Norte             |
| 10. Brooke's Point       | National Highway, Brooke's Point, Palawan                  |
| 11. Cabadbaran           | Maharlika Highway, Cabadbaran, Agusan del Norte            |

|                                     |   |
|-------------------------------------|---|
| 12. Cagayan de Oro City             | CM Recto, Cagayan de Oro City, Misamis Oriental                                     |
| 13. Calapan                         | 144 A. Bonifacio St., Brgy. Ilaya, Calapan City, Oriental Mindoro                   |
| 14. Carmen                          | Poblacion, Carmen, Bohol  |
| 15. Catarman                        | JP Rizal St., Brgy. Sampaguita, Catarman, Northern Samar                            |
| 16. <b>Catbalogan*</b>              | <b><i>Emerald Hotel, San Roque St., Brgy. 3, Catbalogan City, Western Samar</i></b> |
| 17. Catigbian                       | Poblacion, Catigbian, Bohol   |
| 18. Cortes                          | Poblacion, Cortes, Bohol  |
| 19. Dapitan City                    | National Highway, Brgy. Dawo, Dapitan City, Zamboanga del Norte                     |
| 20. Davao City                      | Km 9, Sasa, Davao City, Davao del Sur   |
| 21. Dipolog City                    | Magsaysay Ave., Dipolog City, Zamboanga del Norte                                   |
| 22. Dumaguete City                  | Barangay Junob, Dumaguete City, Negros Oriental                                     |
| 23. El Nido                         | Zone1 Amboy St., El Nido, Palawan   |
| 24. Estancia                        | E. Reyes Ave., Estancia, Iloilo   |
| 25. General Santos City             | Pendatun Ave., General Santos City, South Cotabato                                  |
| 26. Getafe                          | Poblacion, Getafe, Bohol  |
| 27. Gubat                           | Cor. Mabini & Zulueta Sts., Gubat, Sorsogon   |
| 28. Guindulman                      | Poblacion, Guindulman, Bohol  |
| 29. Guinobatan                      | Del Pilar St., Guinobatan, Albay  |
| 30. Iloilo City                     | West Diversion Rd, Jaro, Iloilo City, Iloilo  |
| 31. Inabanga                        | Poblacion, Inabanga, Bohol  |
| 32. Jagna                           | Poblacion, Jagna, Bohol   |
| 33. Kalibo                          | ACP Zaraspe Bldg. Roxas Ave., Ext., Kalibo, Aklan                                   |
| 34. Lambunao                        | Lambunao Public Market, Ladrido St., Pob. Ilaya, Lambunao, Iloilo                   |
| 35. Larena                          | Magsaysay St., South Poblacion, Larena, Siquijor                                    |
| 36. Lazi                            | Tigbawan, Lazi, Siquijor  |
| 37. Legaspi City                    | National Highway, Binanoan, Legaspi City, Albay                                     |
| 38. Loay                            | Poblacion, Loay, Bohol  |
| 39. Loon                            | Poblacion, Loon, Bohol  |
| 40. Mambusao                        | Poblacion Tabuc, Mambusao, Capiz  |
| 41. Mandaue City                    | A.C. Cortes cor Burgos St., Mandaue City, Cebu                                      |
| 42. Maramag                         | Poblacion, Maramag, Bukidnon  |
| 43. Masbate City                    | Crossing St., Brgy. F. Magallanes, Masbate City, Masbate                            |
| 44. Molave                          | Rizal St., Molave, Zamboanga del Sur  |
| 45. Narra                           | National Highway. Narra, Palawan  |
| 46. Ozamis City                     | Anselmo Bernad Ave., Ozamis City, Misamis Occidental                                |
| 47. Panglao                         | Poblacion, Panglao, Bohol   |
| 48. Pilar                           | Poblacion, Pilar, Bohol   |
| 49. Prosperidad                     | Marketside, Prosperidad, Agusan del Sur   |
| 50. Puerto Princesa City            | Km 2 Highway, Puerto Princesa City, Palawan   |
| 51. Puerto Princesa City - Downtown | Unitop Mall, Malvar St., Tagumpay, Puerto Princesa City, Palawan                    |

|                            |   |
|----------------------------|---|
| 52. Quezon                 | National Highway, Quezon, Palawan   |
| 53. Roxas City, Capiz      | Lawaan, Roxas City, Capiz   |
| 54. Roxas                  | Sandoval St., Roxas, Palawan  |
| 55. Sagbayan               | Poblacion, Sagbayan, Bohol  |
| 56. San Jose               | Bantayan St., Barangay 2, San Jose, Antique                               |
| 57. San Joaquin            | Cor. Arroyo St., National Highway, Purok III,<br>Pob. San Joaquin, Iloilo |
| 58. Sierra Bullones        | Poblacion, Sierra Bullones, Bohol   |
| 59. Siquijor               | Poblacion, Siquijor, Siquijor   |
| 60. Sofronio Española      | Pulot Center, Sofronio Española, Palawan                                  |
| 61. Surigao City           | Vasquez/Rizal St., Surigao City, Surigao del Norte                        |
| 62. Tacloban City          | Maharlika Highway, Tacloban City, Leyte                                   |
| 63. Tagbilaran City Square | H. Grupo St., Tagbilaran City, Bohol                                      |
| 64. Tagbilaran Cogon       | CPG Ave., Cogon District, Tagbilaran City, Bohol                          |
| 65. Tagbilaran Downtown    | MH Del Pilar St., Tagbilaran City, Bohol                                  |
| 66. Tagum City             | Pagsubangan cor Sta Cruz Sts.,<br>Tagum City, Davao del Norte             |
| 67. Talibon                | Poblacion, Talibon, Bohol   |
| 68. Tandag                 | Napo, National Highway,<br>Bagong Lungsod, Tandag City, Surigao del Sur   |
| 69. Taytay                 | Rizal St., Poblacion, Taytay, Palawan                                     |
| 70. Tigbauan               | Delmar9 Bldg., Taldelore St.,<br>Poblacion I, Tigbauan, Iloilo            |
| 71. Trento                 | Poblacion, Trento, Agusan del Sur   |
| 72. Trinidad               | Poblacion, Trinidad, Bohol  |
| 73. Tubigon                | Poblacion, Tubigon, Bohol   |
| 74. Ubay                   | Poblacion, Ubay, Bohol  |
| 75. Valencia               | Poblacion, Valencia, Bohol  |

**\*Branches in bold fonts are the two newly opened branches in 2016.**



Catbalogan Branch  
Western Samar



Barotac Nuevo Branch  
Iloilo

FCB added two new branches in 2016. Catbalogan Branch which was opened in August 2016 is the 2nd branch in Samar. Barotac Nuevo Branch is the 6th branch in Iloilo and was opened in June 2016.

The ribbon-cutting ceremonies were attended by FCB Directors & Officers, Branch Managers, FCB Staff and Businessmen and Professionals in the respective places.

## MARKETING CENTERS

The bank has maintained its 51 Marketing Centers:

1. Allen, Northern Samar
2. Barobo, Surigao del Sur
3. Bayawan City, Negros Oriental
4. Boac, Marinduque
5. Borongan City, Eastern Samar
6. Calamba, Misamis Occidental
7. Calbayog City, Western Samar
8. Camiguin, Mambajao
9. Carigara, Leyte
10. Carrascal, Surigao del Sur
11. Cataingan, Masbate
12. Catbalogan, Samar
13. Coron, Palawan
14. Culasi, Antique
15. Daet, Camarines Norte
16. Digos City, Davao del Sur
17. Gingoog City, Misamis Oriental
18. Guiuan, Eastern Samar
19. Iligan City, Lanao del Norte
20. Iloilo City, Iloilo
21. Ipil, Zamboanga Sibugay
22. Iriga City, Camarines Sur
23. Irosin, Sorsogon
24. Kidapawan City, North Cotabato
25. Koronadal City (Marbel),  
South Cotabato
26. Laoang, Northern Samar
27. Liloy, Zamboanga del Norte
28. Lipa City, Batangas
29. Maasin City, Southern Leyte
30. Malate, Manila (Liaison Office)
31. Malaybalay City, Bukidnon
32. Mamburao, Occidental Mindoro
33. Mangagoy, Bislig, Surigao del Sur
34. Mafi City, Davao Oriental
35. Naga City, Camarines Sur
36. Naval, Biliran
37. Odiongan, Romblon
38. Ormoc City, Leyte
39. Pagadian City,  
Zamboanga del Sur
40. Roxas, Oriental Mindoro
41. San Carlos City,  
Negros Occidental
42. San Jose, Occidental Mindoro
43. Siargao (Dapa),  
Surigao del Norte
44. Sindangan, Zamboanga del Norte
45. Sogod, Southern Leyte
46. Sorsogon City, Sorsogon Province
47. Tabaco City, Albay
48. Tacurong City, South Cotabato
49. Valencia City, Bukidnon
50. Virac, Catanduanes
51. Zarraga, Iloilo

These marketing centers add businesses to their mother branches.

## FACILITIES

FCB has a total of 130 installed ATMs acquired from the United States. FCB also has a total number of 298 EFT/POS terminals as of the 4<sup>th</sup> quarter of 2016.

## PITAKard

The debit card of the bank, PITAKard, which was launched in the later part of 2009, is a successful product. There are now a significant number of PITAKard holders, and this number continues to grow very fast. Through the PITAKard, an FCB depositor can access funds in any FCB ATM or purchase goods and services at any electronic fund transfer/point of sale terminal in all FCB accredited merchants.



## **GEOGRAPHIC EXPANSION**

As of today, the bank's branches and marketing offices are in 42 provinces in Luzon, Visayas, and Mindanao. Because of its marketing centers, its financial services cover wider service areas, virtually more provinces in the Visayas, Mindanao, and Luzon that are not reached by its branches.

## **PERSONNEL**

As of end of December 2016, the total personnel of the bank is 696. FCB continues its successful recruiting from the colleges all over the country and provides them with an in-house banking training program. Promotion is also from within, thereby providing a single corporate culture.

As a regular part of its training for the year, the bank provides its employees with a number of training programs to improve their capabilities, and attract and retain honest, devoted and competent personnel. The bank also provides its employees with benefits, incentives and a retirement plan that are more than what are mandated by law. The employees also have a bonus program and a provident fund, which are fully funded by the bank and above the requirements of the law.

## **BENEFITS**

The bank provides regular employee with fringe benefits, which include health care and hospitalization, group life insurance, rice subsidy, cash conversion of accrued vacation and sick leave credits, maternity and paternity leaves, fringe benefit loans, motor vehicle repairs for field men, uniforms, and at the discretion of the management, year-end bonus, in addition to the government-mandated benefits.

### **Health Care and Hospitalization**

Recently, the bank's health care program and hospitalization was improved by adding provisions on mortuary assistance for employees and their dependents.

### **Retirement Plan**

As usual, the bank's retirement plan provides qualified employees with cash benefits upon reaching the age of retirement. Upon attaining the normal retirement age of 60 years, an employee receives an amount as separation/retirement benefits the sum equivalent to 100 percent of his/her basic salary for every year of credited service.

### **Provident Fund**

In addition to the retirement cash benefit, eligible employees upon retirement receive cash benefits from the bank's provident fund. The FCB Provident Fund is unique in the sense that the fund is non-contributory. The bank does not assess contributions

from employees but sets aside an amount from its income to build up the fund. FCB's retirement and provident program are above what is required by law.

### **Employees Stock Option Plan**

Unique to the bank is the giving to its employees the Employees Stock Option Plan (ESOP). When an employee acquires regular status, he can exercise his option to acquire a limited number of common stocks of the bank at par value. Because of this, most employees are shareholders of the bank.

### **Motivational Seminars and Sports Activities**

The bank also supports annual activities for the employees such as seminars with well-known motivational speakers and sports festivals. The Motivational Seminars serve to enhance employees' personal well-being, and Funfests provide employees an opportunity to enjoy, relax, and strengthen their bonding.



Motivational Meeting



FunRun



Christmas Party



Sports Festival

## INVESTMENTS IN PEOPLE AND THE COMMUNITIES

Since its foundation, the First Consolidated Bank has been investing in people and communities to help create economic growth and prosperity in the bank service areas. From environment to education, health and livelihood, the bank's community projects not only support its corporate goals but also encourage and collaborate with local government units and non-profit organizations, by partnering with them to implement social changes in positive and sustainable ways.

FCB supports a wide range of community development projects, in partnership with local government units, civic and religious organizations, and non-profit organizations. In the exercise of its corporate social responsibilities, the bank either sets aside substantial funds for projects or accesses grants from funding agencies.

**Health.** FCB sets aside a considerable amount to Inyong Alagad in DYRD and Tabang Katilingban in DYTR for donation to indigents who seek immediate financial assistance through these radio programs. FCB, in cooperation with the Province of Bohol, Home Reach Foundation and the DYRD Inyong Alagad Foundation has established the Bohol Medical Care Institute whose mandate is to provide affordable and quality diagnostic and other health services to the Boholano Community. First Consolidated Bank regularly sponsors several international and local medical and surgical missions in partnership with Home Reach Foundation, LGUs and non-profit organizations. In 2016, FCB supported another life-changing surgical mission with heart surgeons from the Philippine Heart Center thru the Philippine Gift of Life Foundation and Province of Bohol. The foundation has been regularly assisting indigent surgery beneficiaries of all ages for years. Cataract surgical missions were also being given to indigent patients.

**Education.** The bank believes that education is the greatest equalizer in life. In support of education, it grants college scholarships and provides funds for the construction of school buildings, reference materials and computers to public elementary and high schools. The Alfonso L. Uy College Scholarship Program continues to extend scholarships for the year 2015-2019 to students who are financially-hard up but academically deserving, to pursue college education at the Bohol Island State University (BISU). FCB also donated a property containing an area of two thousand, two-hundred square meters located in Catagbacan Norte, Loon, Bohol for a new school building for an elementary school in Loon. FCB's assistance to the less fortunate is even expanded by means of supporting the disabled children. Thus, a land containing an area of 6000 sq.m, was donated to The Societas Divinae Charitas, Inc. which is now built with Scholas Societas - a school for the deaf and blind at Tiptip District, Tagb. City, founded by Rev. Fr. Victor G. Bompat.

**Sports.** In the field of sports, FCB has been supporting a young chess wizard from Tubigon, Bohol, who just represented the country in the 17th ASEAN Chess Championship in Pattaya, Thailand and brought home 2 gold medals and a silver medal for different categories. With FCB's continued support, he is given the privilege to train and participate in various competitions, with the aspiration of becoming a world

class chess champion. FCB has also been supporting the Bohol Schools Athletic Association (BSAA) for the athletic development of our Boholano children and the youth.

**Livelihood.** Through the FCB Foundation & the Philippine Business for Social Progress (PBSP) of which FCB and many top corporations in the country are members, many community projects have been implemented in Bohol to promote livelihood & increase productivity of upland rice farmers, including constructions of small water impounding, multi-purpose centers, and common service facilities.

**Culture & Arts.** Aside from the financial support for the activities of the Annual Sandugo and Saulog Festivals, FCB also sponsors the triennial event of The Outstanding Boholanos Around the World Awards. FCB also supports the Loboc Youth Ambassadors Band, a poverty alleviation project that trains children ages 9-15 y/o in notes reading and instrumentation. With their musical talents, these kids become scholars in the colleges and universities as members of the school bands. To date, the project has 141 full-time college scholars in BIT-International College, Bohol Island State University, Cristal-E College, University of Bohol & Holy Name University. Just recently, the bank donated funds for the construction of a two-storey dormitory building with an ATM, located at Palma St. for the LYAB students who are studying in Tagbilaran. Recently, HNU Chorale won a choir competition in Chiang Mai, Thailand with the support of FCB.

This is another good year for the bank with remarkable growth in profits and certainly another big opportunity for FCB to allocate more funds for investment to people and communities.

**DIRECTORS, EXECUTIVE OFFICERS, OFFICERS AND BRANCH MANAGERS**

**BOARD OF DIRECTORS**

|                            |                             |
|----------------------------|-----------------------------|
| Clariville Paz Uy-Evardone | <b>Chairman</b>             |
| Argeo J. Melisimo          | <b>Vice Chairman</b>        |
| Joseph M. Lacea            | <b>President/Director</b>   |
| Panfilo M. Asares          | <b>Director</b>             |
| Jose Mari M. Borres        | <b>Independent Director</b> |
| Daisy M. Macalino          | <b>Independent Director</b> |
| Lourdes N. Lao             | <b>Director</b>             |
| Mark T. Muneses            | <b>Independent Director</b> |
| Marlito C. Uy              | <b>Director</b>             |
| Artemio C. Villas          | <b>Corporate Secretary</b>  |

**EXECUTIVE OFFICERS**

|                              |   |
|------------------------------|---|
| Joseph M. Lacea              | <b>President</b>  |
| Lourdes Bernardita F. Veloso | <b>Senior Vice President - Financial Services</b>             |
| Genara T. Bernaldez          | <b>Vice President – Chief Risk Officer</b>                    |
| Maribel O. Arocha            | <b>Vice President - Banking</b>                               |
| Norma C. Manigque            | <b>Vice President - Operations</b>                            |
| Nazario G. Arce, Jr.         | <b>Vice President - Support Services, Premises &amp; R.E.</b> |
| Dionisio N. Cabrera          | <b>Vice President - Personnel</b>                             |
| Pablo G. Paña, Jr.           | <b>Vice President – Treasury</b>                              |
| Ken Mark C. Onario           | <b>Vice President – Credit</b>                                |
| Cesar N. Lao                 | <b>Vice President – ICT</b>                                   |
| Clarita B. Cruz              | <b>Vice President – Internal Audit</b>                        |
| Johnness P. Batoy            | <b>Vice President – Legal</b>                                 |
| Marilyn U. Dango             | <b>Vice President – Compliance</b>                            |

**HEAD OFFICE MANAGERS**

**EXECUTIVE DEPARTMENT**

|                        |  |
|------------------------|--|
| Sostenes I. Corre      | <b>Chief Security Officer</b>                |
| Joelle L. De Los Reyes | <b>Manager I (Asst. Corporate Secretary)</b> |

**RISK MANAGEMENT DEPARTMENT**

|                  |                                 |
|------------------|---------------------------------|
| Eugene Y. Flores | <b>Manager I (Risk Officer)</b> |
|------------------|---------------------------------|

**BANKING DEPARTMENT**

|                             |   |
|-----------------------------|---|
| Corazon C. Cabrera          | <b>AVP (Mandaue Branch)</b>                         |
| Hermes E. Castro            | <b>AVP (Area Manager – Bicol, Samar, Leyte)</b>     |
| Fortunato A. Estoperez, Jr. | <b>AVP (Area Manager – Panay, Palawan, Mindoro)</b> |
| Ivy L. Desamparado          | <b>Manager I (Budget)</b>                           |
| Maria Caroline C. Antipas   | <b>Manager I (Product)</b>                          |
| Josefina T. Rosario         | <b>Manager I (Operations Head – Sultan Kudarat)</b> |

Rowell O. Plamiano  
Rodulfo D. Sandulan  
Erasto S. Yap  
Nichard B. Cayacap  
Amedil L. Lisondra  
Gladys G. Ciros

*Manager I (Operations Head – Eastern Samar)*  
*Manager I (Marketing –Calapan)*  
*Manager I (Marketing – General Santos)*  
*Manager I (At-Large)*  
*Manager I (At-Large)*  
*Manager I (At-Large)*

#### **OPERATIONS DEPARTMENT**

Gemma L. Ogates  
Adoracion C. Vedra  
Rhea T. Pateño  
Eufronia E. Gultiano  
Ma. Hellen Grace E. Raguindin  
Januarlan B. Paña

*Asst. Vice President (General Operations)*  
*Manager I (Clearing)*  
*Manager I (Procedures)*  
*Manager I (Settlement)*  
*Manager I (ATM Center/Consumer Assistance)*  
*Manager I (Manila Liaison)*

#### **SUPPORT SERVICES, PREMISES & REAL ESTATE**

Paul Balbino P. Laguitao  
Alberto B. Lacea, Jr.

*Manager I (General Services)*  
*Manager I (Designs & Layouts)*

#### **PERSONNEL DEPARTMENT**

Sharon Claire I. Karaan  
Ma. Lili Clotilde O. Sarigumba

*Asst. Vice President*  
*Sr. Manager (Training & Development)*

#### **TREASURY DEPARTMENT**

Quennie D. Olavides  
Maresil O. Murcia  
Remin D. Marapao

*Manager I (Asset/Liabilities)*  
*Manager I (Property & Procurement)*  
*Manager I (Internal Funds Management)*

#### **CREDIT DEPARTMENT**

Gina Perigrina B. Tagaan  
Angelica A. Taghoy  
Oliver R. Maniwang

*Manager II (Collection Management)*  
*Manager I (Retail Management)*  
*Manager I (Commercial Lending)*

#### **INFORMATION AND COMMUNICATIONS TECHNOLOGY DEPARTMENT**

Ziphora P. Fucanan  
Bernard Anthony C. Arcaya  
Adrion C. Pergamino  
Jesse G. Sarte

*Asst. Vice President*  
*Sr. Manager (Programming)*  
*Sr. Manager (Network Administration)*  
*Sr. Manager (Systems Administration)*

#### **AUDIT DEPARTMENT**

Ritchie B. Raguindin  
Niceforo D. del Pilar  
Joven C. Romitares  
Joan M. Baliga

*Sr. Manager (ICT Audit)*  
*Manager I*  
*Manager I*  
*Manager I*

## **BRANCHES**

**ABORLAN, Palawan**  
**ABUYOG, Leyte**  
**ANTEQUERA, Bohol**  
**BACLAYON, Bohol**  
**BAROTAC NUEVO, Iloilo**  
**BATARAZA, Palawan**  
**BATO, Leyte**  
**BAYUGAN, Agusan del Sur**  
**BROOKE'S POINT, Palawan**  
**BUTUAN CITY, Agusan del Norte**  
**CABADBARAN CITY, Agusan del Norte**  
**CAGAYAN DE ORO CITY, Misamis Oriental**  
**CALAPAN, Oriental Mindoro**  
**CARMEN, Bohol**  
**CATARMAN, Northern Samar**  
**CATBALOGAN, Western Samar**  
**CATIGBIAN, Bohol**  
**CORTES, Bohol**  
**DAPITAN, Zamboanga del Norte**  
**DAVAO CITY, Davao del Sur**  
**DIPOLOG, Zamboanga del Norte**  
**DUMAGUETE CITY, Negros Oriental**  
**EL NIDO, Palawan**  
**ESTANCIA, Iloilo**  
**GENERAL SANTOS CITY, South Cotabato**  
**GETAFE, Bohol**  
**GUBAT, Sorsogon**  
**GUINDULMAN, Bohol**  
**GUINOBATAN, Albay**  
**ILOILO CITY, Iloilo**  
**INABANGA, Bohol**  
**JAGNA, Bohol**  
**KALIBO, Aklan**  
**LAMBUNAO, Iloilo**  
**LAZI, Siquijor**  
**LARENA, Siquijor**  
**LEGASPI CITY, Albay**  
**LOAY, Bohol**

## **MANAGERS**

Mary Jane P. Trinidad  
Emmanuel S. Saligumba  
Cynthia A. Dalagan  
Hilda B. Lim  
Jilbert B. Moquite  
Rolly M. Gales  
Absalon F. Siason  
Rizalyn C. Llagas  
Geselle B. Medalla  
Christopher A. Llorente  
Cherry B. Zarsuelo  
Aileen Jane D. Ladeza  
Lorenzo P. Ballentos, III  
Roberto O. Curato  
Arlan B. Gloria  
Jose Noriel D. Hugo  
John Lussil B. Murcia  
Cynthia A. Dalagan  
Leah May O. Beira  
Marlyn P. Saquian  
Dovee Marie B. Gamorot  
Eden May S. Tesorio  
John Rey G. Cayabo  
Jean P. Estrera  
Verceli B. Berongoy  
Virginia M. de la Cuesta  
Liza E. Serban  
Arturo G. Abellana, Jr.  
Romer A. Corporal  
Doressa B. Fudolin  
Virginia M. de la Cuesta  
Gerardo I. Peguit  
Sweet Sharon A. Bibit  
Ronald Louis S. Villalobos  
James Bryan M. Maglinte  
Doroteo P. Lagang, Jr.  
Mary Jean S. Lee  
Susana Q. Lim

**LOON, Bohol**  
**MAMBUSAO, Capiz**  
**MANDAUE CITY, Cebu**  
**MARAMAG, Bukidnon**  
**MASBATE CITY, Masbate**  
**MOLAVE, Zamboanga del Sur**  
**NARRA, Palawan**  
**OZAMIZ CITY, Misamis Occidental**  
**PANGLAO, Bohol**  
**PILAR, Bohol**  
**PROSPERIDAD, Agusan del Sur**  
**PUERTO PRINCESA CITY, Palawan**  
**PUERTO PRINCESA CITY-Downtown**  
**QUEZON, Palawan**  
**ROXAS, Palawan**  
**ROXAS CITY, Capiz**  
**SAGBAYAN, Bohol**  
**SAN JOAQUIN, Iloilo**  
**SAN JOSE, Antique**  
**SIERRA BULLONES, Bohol**  
**SIQUIJOR, Siquijor**  
**SOFRONIO ESPAÑOLA, Palawan**  
**SURIGAO CITY, Surigao del Norte**  
**TACLOBAN CITY, Leyte**  
**TAGBILARAN CITY SQUARE, Bohol**  
**TAGBILARAN COGON, Bohol**  
**TAGBILARAN DOWNTOWN, Bohol**  
**TAGUM CITY, Davao del Norte**  
**TALIBON, Bohol**  
**TANDAG CITY, Surigao del Sur**  
**TAYTAY, Palawan**  
**TIGBAUAN, Iloilo**  
**TRENTO, Palawan**  
**TRINIDAD, Bohol**  
**TUBIGON, Bohol**  
**UBAY, Bohol**  
**VALENCIA, Bohol**

Rex Lemuel M. Fabiosa  
Mark Joseph Dominic U. Acoy  
Corazon C. Cabrera  
Pedro R. Belano, Jr.  
Karlo Angelo B. Prianes  
Nooh F. Tabares  
Grace R. Sotabinto  
Mario D. Bilbao  
Hilda B. Lim  
Belinda R. Ilandag  
Marvin Jay A. Martin  
Windelle L. Arado  
Irwin P. Nangit  
Flora S. Malnegro  
Jorelyn D. Laureño  
Ryan V. Peñaflorida  
John Lussil B. Murcia  
Cristal M. Razo  
Wilmer Marie M. Melo  
Belinda R. Ilandag  
Doroteo P. Lagang, Jr.  
Gennieveve J. Sulit  
Pedro P. Sevilla  
Lycel G. Gamba  
Julieta H. Saloma  
Ma. Fejilea I. Añora  
Evangeline M. Olavides  
Fe L. Flores  
Jhon Noli C. Ibaoc  
Reggie D. Pacheco  
Zeny G. Ganancial  
Jainelyn D. Villalobos  
Ronel S. Libor  
Rogelio T. Balundo  
Mario D. Dumale  
Alvaro D. Ordidor  
Susana Q. Lim