



## News Release

### **PNB posts P1.2B Net Income in the first quarter of 2017, beefed up by double-digit growth in Net Interest Income**

*May 2017, Pasay, Philippines* – The Philippine National Bank (PNB) posted net profits of P1.2 billion for the first three months of 2017, driven by the 11% increase in net interest income which accounted for 77% of total operating income. Interest earned from loans and receivables grew 13% year-on-year on the back of 18% growth in outstanding balances of the loan portfolio. Interest income from placements with banks and others likewise increased by more than four-fold from year-ago level as the Bank accessed the term deposit facility which offered better yields. The first quarter net income this year was lower than the P2.6 billion reported for the same period in 2016 that included one-time gains from the collections of non-performing assets and sale of real and other properties acquired.

Non-interest income amounted to P1.5 billion, lower compared to year-ago level that included gains with aggregate amount of P1.8 billion from major disposals of foreclosed properties and collections of non-performing assets, in line with the Bank's strategy to reduce non-earning assets. Operating expenses were kept at single-digit growth.

As of the end-March 2017, PNB's total consolidated resources stood at P784.4 billion, up by P85.3 billion or 12% from year-ago level. Deposits increased by 18% from March 2016 levels as the Bank continued to focus on generating low-cost sources of funds and replacing matured high-cost Tier 2 Notes with Long-Term Negotiable Certificates of Deposit. The Bank continued to improve its asset quality as net non-performing loans ratio decreased to 0.17% from 0.26 a year ago. PNB's consolidated risk-based capital

adequacy ratio based on BSP guidelines was at 16.27% as of March 2017, above the regulatory requirement of 10%.

To date, PNB has a total of 681 branches and 1,092 ATMs strategically located nationwide. In addition, PNB boasts of having the most extensive international footprint among Philippines banks with 73 overseas branches, representative offices, remittance centers and subsidiaries across Asia, Europe, the Middle East, and North America.

PNB completed the migration to a more secured Europay/MasterCard/Visa or EMV chip for its ATM and POS terminals, debit and credit card in time for the BSP deadline for the implementation of EMV Card Fraud Liability Shift Framework. The migration to EMV technology has strengthened further the Bank's electronic retail payment system, thus offering its clients better protection against payment card fraud.

PNB is also focusing on electronic banking to address the needs of its increasing customers who are digital-savvy. Aligned with this digital shift, the Bank launched the PNB Mobile Banking App to better serve its customers' diverse banking needs. The App offers secure online banking for clients who do their transaction via mobile phones. The PNB Mobile Banking App can be downloaded for free via the App Store or Google Play for a hassle-free banking experience.

Last April 26, 2017, the Department of Labor and Employment (DOLE) certified PNB as a labor standards-compliant institution, the first in the Philippine banking industry. The DOLE certification indicated that PNB had fulfilled the requirements on general labor and occupational safety and health standards. This is also a solid proof that PNB lives up to its corporate values – trustworthiness, adaptability to change, team orientation, commitment and sense of worth.

**About PNB**

Philippine National Bank is one of the country's largest private universal banks in terms of assets and deposits. It provides a full range of banking and other financial services to its highly diverse clientele comprised of individual depositors, small and medium enterprise, domestic and international corporations, government institutions, and overseas Filipinos. Backed by 100 years of stability and excellence, PNB looks forward to another hundred years of serving its customers first.

To know more about PNB, visit its official website: [www.pnb.com.ph](http://www.pnb.com.ph).