



## News Release

### **PNB net income registers 20% increase for the first half of 2016**

The Philippine National Bank (PNB) reported a net income of P4.3 billion for the first half of 2016, reflecting a 20% improvement over its earnings of P3.6 billion for the same period last year. The strong performance for the semester was attributed to the 24% increase in operating income. Growth in core revenues continued to be driven by net interest income which rose by 14% as the Bank expanded its loan portfolio by 15% year-on-year due to increases in corporate and commercial/SME lending. The Bank continued to benefit from favorable market conditions as trading and foreign exchange gains grew by 66% during the period. With the Bank's sustained efforts to reduce non-earning assets, net gains from sale of foreclosed assets also grew significantly. Miscellaneous income was relatively unchanged compared to previous year but continued to augment the Bank's revenues primarily from the collection of non-performing assets and proceeds from the disposal of the Bank's 51% stake in its life insurance subsidiary.

As of end-June 2016, PNB's total consolidated resources stood at P712.4 billion, up P67.7 billion or 11% from year-ago level. The Bank continued to improve its asset quality as net non-performing loans (NPL) ratio decreased to 0.19% from 0.30% in June 2015.

### **Strategic partnership with Allianz SE concluded**

During the month of June, the Bank concluded the sale of its 51% ownership on its life insurance subsidiary PNB Life Insurance Inc. to Allianz SE, one of the leading global financial services companies. The acquisition marks Allianz SE's entry into a fast-growing insurance market with an established distribution network through

PNB, and enhances the group's position in Asia Pacific. A key component of the joint venture between Allianz SE and PNB is a 15-year bancassurance agreement, which will provide Allianz SE exclusive access to more than four million customers, across 670 PNB and PNB Savings branches in the Philippines. The new entity will be known as Allianz PNB Life Insurance, Inc.

### **PNB declares cash dividends and gets a credit rating upgrade**

On July 18, 2016, Fitch upgraded PNB's credit rating to one notch below investment grade on expectation that the Bank will maintain broadly steady asset quality, adequate capital buffers, and stable funding and liquidity profiles as it grows and potentially gains market share amidst continued economic improvement and proactive regulatory oversight. The rating agency raised PNB's Long-Term Issuer Default Rating from BB to BB+ and its Viability Rating from 'bb' to 'bb+' and maintained its stable outlook.

During its centennial anniversary on July 22, 2016, the Board of Directors of PNB approved a cash dividend declaration of P1.00 per share for an aggregate payout of P1.25 billion to be taken out of the Bank's unrestricted Retained Earnings as of March 31, 2016. The cash dividend is payable to all stockholders of record as of August 19, 2016 on or before September 15, 2016, subject to regulatory approvals. This marks the first dividend declaration of the Bank after its full privatization in 2007.

### **A Century of Excellence**

PNB commemorated its anniversary with the theme, "A Century of Excellence", signifying a meaningful milestone for an institution that has served generations of Filipinos here and abroad. Since its beginning as the *de facto* Central Bank of the Philippines in 1916, PNB has always been the bank that Filipinos can lean on. Moving forward, it will continue to build its unique franchise to fully unleash the potential of

a 100-year old proven brand. Backed by a century of stability and excellence, PNB looks forward to yet another hundred years of serving its customers first.

### **About PNB**

Philippine National Bank is the country's fourth largest private commercial bank in terms of assets and deposits. It is a universal bank providing 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.

As of June 31, 2016, PNB had a total of 670 branches and 960 ATMs strategically located nationwide. In addition, PNB boasts of having the most extensive international footprint across Asia, Europe, Middle East, and North America among Philippines banks with 72 overseas branches and offices.