



News Release

PNB net income in first nine months of 2016 up 21% to P5.7 billion

The Philippine National Bank (PNB) registered a net income of P5.7 billion for the first nine months of 2016, 21% higher compared to earnings of P4.7 billion for the same period last year. The Bank's core revenues continued to grow as net interest income increased by 13% to P14.5 billion, contributing to two-thirds of total operating income. Despite the drop in yield rates of the Bank's earning assets, net interest margin held steady at 3.1%, supported by the 12% growth in low cost deposits which comprised more than half of total deposits. Likewise, the Bank's loans-to-deposits ratio stood at 70%, reflecting the Bank's continued focus on the efficient deployment of funds to generate a more stable stream of income.

The Bank's strong performance for the nine-month period was also attributed to the double-digit growth in its non-interest income. Trading and foreign exchange gains registered an 84% increase year-on-year, benefiting from favorable market conditions. With the Bank's sustained efforts to reduce non-earning assets, net gains from sale of foreclosed assets also grew significantly. Higher miscellaneous income continued to augment the Bank's revenues primarily from the collection of non-performing loans and a one-time gain from the sale of the Bank's 51% stake in its life insurance subsidiary.

As of end-September 2016, PNB's total consolidated resources stood at P718.4 billion, up P38.7 billion or 6% from end-December 2015 level and higher by P64.9 billion or 10% from year-ago level. Asset quality steadily improved as the Non-Performing Loan (NPL) ratios declined further to 0.10% (net of valuation reserves) and 2.32% (at gross) from

0.25% and 2.61%, respectively in December 2015. NPL coverage is now at 137.8%. PNB's consolidated capital position remained strong with a Capital Adequacy Ratio (CAR) of 17.6% and a Common Equity Tier (CET) 1 ratio of 16.7% which are well-above the minimum regulatory requirements. With its strong capital base, the Bank is well positioned to take advantage of the opportunities arising from the country's sustained economic growth.

Backed by a century of banking history and experience, the Bank continued to garner awards for its product innovation. PNB's Bank on Wheels program was recognized recently by three international award-giving bodies, viz: the Most Innovative Banking Service - Philippines 2016 award from the Global Business Outlook Awards; the Most Innovative Bank, Philippines 2016 award from International Finance Magazine (IFM) Awards; and the Most Innovative Banking Product Philippines 2016 from the Global Banking and Finance Review Awards. The program aims to meet the evolving needs of its customers and provide them with banking services when and where they need it most.

PNB Savings Bank (PNBSB), the Bank's thrift banking subsidiary, also received the New Consumer Lending Product of the Year Award for its SSS Pension Loan Program during the Asian Banking & Finance Retail Banking Awards 2015 event held in Singapore last July 22, 2016.

Last September 2, 2016, PNB was recognized by the Philippine Social Security Services (SSS) agency for being the Best Overseas Filipino Worker Collection Partner as well as the Best Paying Commercial Bank. PNBSB likewise received recognition from the SSS as the Best Collection Partner in the thrift bank category.

PNB celebrated its 100th Anniversary last July 22, 2016. For the past century, PNB has been the bank that customers can lean on, offering a heritage of Filipino service to address their diverse banking needs. Backed by 100 years of stability and excellence, PNB looks forward to yet another hundred years of serving ***You 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 September 30, 2016, PNB had a total of 670 branches and 956 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 74 overseas branches and offices.