



OPERATIONAL HIGHLIGHTS REMEDIAL MANAGEMENT GROUP

In 2015, Remedial Management Group (RMG) focused on enhancing its early detection and preventive intervention processes for loan accounts showing signs of credit distress. In cooperation with Institutional Banking Group, Consumer Finance Group and Credit Management Group, RMG implemented a group-wide focus on early remedial intervention for the timely resolution of credit problems before business complications escalate.

Two proven and tested tactics reinforced the collection strategy of the Group: (1) business solutions were employed for accounts experiencing temporary cash flow difficulties; and (2) compromise

settlements were obtained for loans in long-standing litigation.

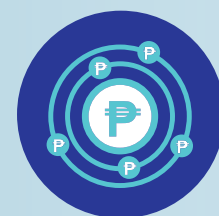
For the year, the sustained economic growth of the country and sound market fundamentals limited the number of distressed loan accounts, except for those accounts affected by natural calamities.

The Group significantly reduced its current and non-performing loans (NPL) through negotiated settlements and other collection initiatives. Consequently, net NPL ratio improved substantially from 0.92% the previous year to 0.25% as of end-2015. NPL coverage increased to 125.57% from 99.19% in 2014.

REMEDIAL MANAGEMENT GROUP PERFORMANCE 2015



NON-PERFORMING
LOANS RATIO
0.25% ↓
DOWN FROM 0.92%
PREVIOUS YEAR



NON-PERFORMING
LOANS COVERAGE
125.57% ↑
UP FROM 99.19%
PREVIOUS YEAR



CORPORATE SOCIAL RESPONSIBILITY

Philippine National Bank (PNB) continues to pursue its fervent corporate social responsibility (CSR) initiatives by empowering the youth and providing meaningful contributions to nation-building. As the Bank moves closer to reaching one hundred years, PNB aspires to give back to the community and create value for all stakeholders.

Creating Shared Value through Youth Empowerment

In line with the Bangko Sentral ng Pilipinas' (BSP) aim to promote financial discipline and involve the banking industry in instilling basic financial knowledge, PNB and ABS-CBN Lingkod Kapamilya Foundation, Inc. (ALKFI) have jointly engaged in a financial literacy program titled, "Young and Empowered Students for the Philippines" or YESPh. The YESPh Financial Literacy Program seeks to educate the youth and instill the importance of savings, budgeting, and good money management.

PNB and ALKFI officially launched YESPh in a three-day financial literacy training program, from November 26 to November 28, 2015. The participants were comprised of student leaders, teachers, and PNB branch managers from different parts of the country. Held at the Hive Hotel in Quezon City, participants were engaged in leadership workshops and learned different

