



News Release

Marketing Group

PNB Posts P3.7 Billion Net Income in First Nine Months of 2014

The Philippine National Bank posted a net income of P3.7 billion as of September 30, 2014. Operating income for the nine-month period amounted to almost P20 billion, 1% lower than its year-ago level which included extraordinary trading gains. The Bank's operating income excluding gains from securities trading actually grew by 26% to P18.9 billion due to the combined effect of the 12% increase in interest income and 29% decline in interest expense. The P1.6 billion growth in interest income came largely from loans as the Bank expanded its loan portfolio by 14.6% to P290.8 billion propelled by its strong commercial and consumer lending business. On the other hand, interest expense on deposits steadily decreased in the past three quarters due to improving deposit mix.

By end-September 2014, PNB's total assets stood at P614.5 billion. The Bank continued to improve its asset quality as non-performing loans (NPL) ratio decreased to 0.99% from 1.4% in December 2013. Likewise, ratio of real and other properties acquired (ROPA) to total assets dropped to 3.4% from 3.5% due to the dynamic marketing initiatives to dispose of the Bank's acquired asset portfolio. The ROPA to total assets ratio is expected to decline further as the Bank continues to conduct regional simultaneous public sealed biddings in all domestic branches. The Bank's capital position remained solid with a Capital Adequacy Ratio (CAR) of 21.13%, well-above the minimum 10% required by the BSP.

PNB continues to enhance its e-banking solutions to meet the diverse banking needs of its clients and the community it serves. During the third quarter of 2014, the Bank launched the BIR Interactive Form System (PNB iTax) in partnership with the BIR, wherein individuals and non-large taxpayers, who are PNB internet banking clients, are provided with the electronic



channel to pay taxes through the PNB Internet Banking – Bills Payment System. PNB iTax is the first online tax payment service in the country today.

PNB also launched new functionalities in the PNB Internet Banking System (IBS) that now allows clients to avail of the “ATMSafe”, a product which offers insurance protection against ATM robbery and theft. Clients who also wish to view the details of their loan accounts in real time may now enroll their loan accounts in the IBS. An enhanced security feature was also introduced for the online enrollment of third party accounts by using the One-Time-Password (OTP) sent through the client’s registered mobile number.