



PNB

Philippine National Bank

Company Brief
September 2019

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- **Philippine National Bank is one of the country's largest private universal banks in terms of assets, loans 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 enterprises, domestic and international corporations, government institutions, and overseas Filipinos.**
- **PNB has 712 branches and 1,595 ATMs strategically located nationwide. The Bank maintains its position as the Philippine bank with the most extensive international reach with 71 overseas branches, representative offices, remittance centers and subsidiaries across Asia, Europe, the Middle East, and North America.**
- **Backed by over a century of stability and excellence, PNB looks forward to more years of serving its customers first.**



PNB

You first.

Products & Services



- PNB provides a full range of quality products and services to a wide customer base:

Branch Banking	Retail Lending	Institutional Banking	Trust & Wealth Mgmt	Treasury Services	Remittance Services
<ul style="list-style-type: none">• Deposit Accounts• e-Banking Services• Cash Management Solutions	<ul style="list-style-type: none">• Home Loans• Auto Loans• Salary Loans• SMEs• OPHL	<ul style="list-style-type: none">• Corporate & Middle Market• Trade Finance• Financial Institutions	<ul style="list-style-type: none">• UITFs• Personal Trust• Corporate Trust• PNB Wealth Management	<ul style="list-style-type: none">• Fixed Income Investments• Foreign Exchange Services• Interest Rate Swaps	<ul style="list-style-type: none">▪ Sending/Receiving▪ Global Filipino Card▪ Overseas Bills Payment

- Through its subsidiaries and affiliate, the Bank also engages in:

Insurance	Investment Banking	Stock Brokerage	Leasing
<ul style="list-style-type: none">• Non-Life Insurance• Life Insurance	<ul style="list-style-type: none">• Underwriting• Distribution of securities• Financial advisory• Project finance• Loan syndication	<ul style="list-style-type: none">• Equities Trading• Stock Market Research	<ul style="list-style-type: none">• Financial leases• Operating leases• Receivable discounting

Major Milestones



2000s

- 2019:**
 - * PNB listed 276,625,172 common shares from a recently concluded stocks right offering raising P12 B
 - * PNB issued US\$ 750 M Notes to be drawn down from its recently increased US\$ 2 B Medium Term Note
 - * PNB inked its First Syndicated Loan amounting to US\$250M through its Tokyo Branch
 - * PNB successfully issued a maiden peso bond offer which reached P13.87 B

2018: PNB successfully issued US\$300 M of 5-Year Fixed Rate Senior Notes out of its US\$1 B Medium Term Note Program

2014: Completed its stock right offering of common shares raising P11.6 B in additional capital

2013: Merged with Allied Banking Corporation (ABC)

2000: Lucio Tan Group became the single biggest private stockholder of PNB

1990s

1999: Entry of the LT Group

The Group acquired around 35% of PNB's total outstanding capital stock and joined the Bank's Board of Directors.

1980s

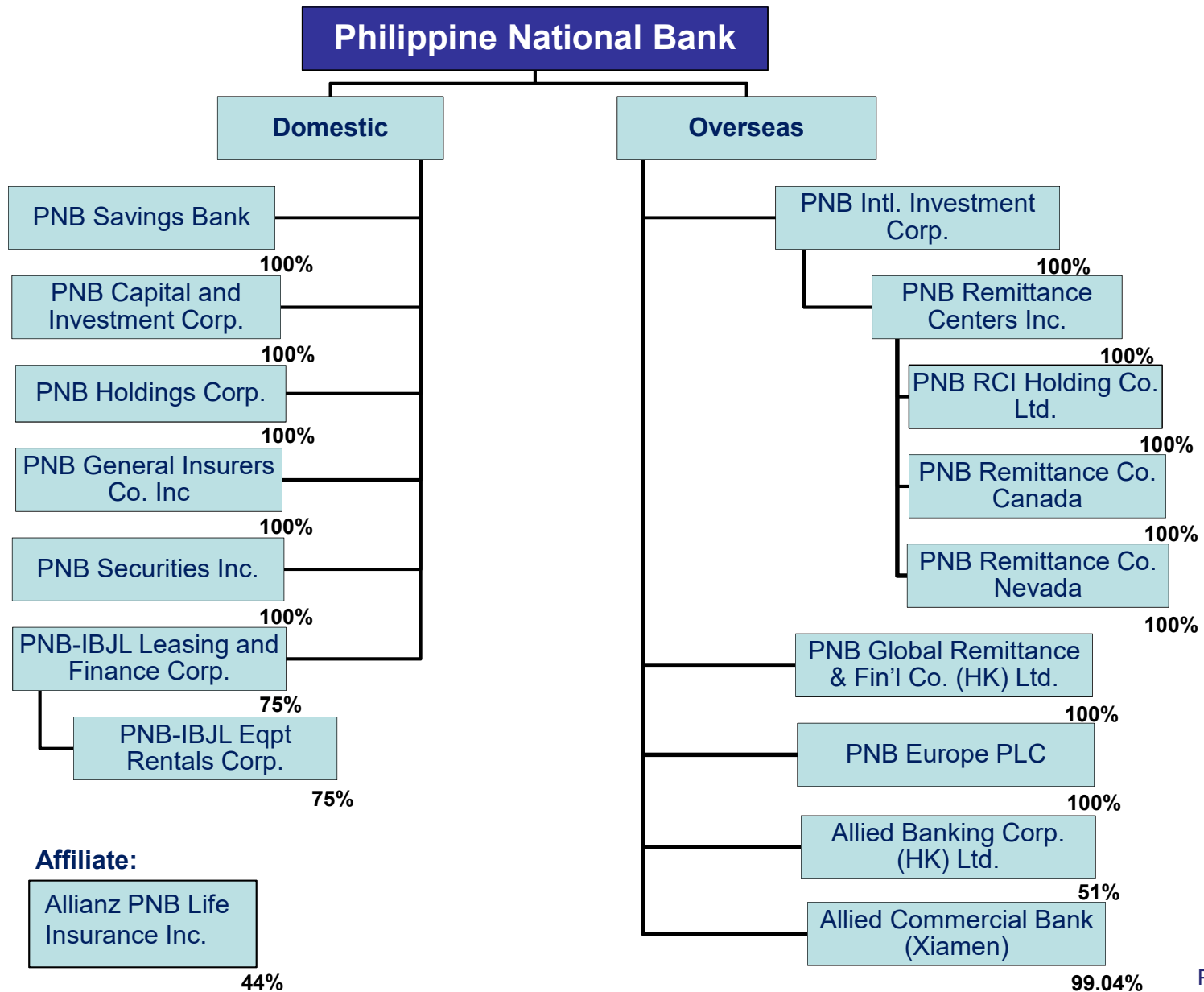
First universal bank in the Philippines

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1916

Establishment of PNB

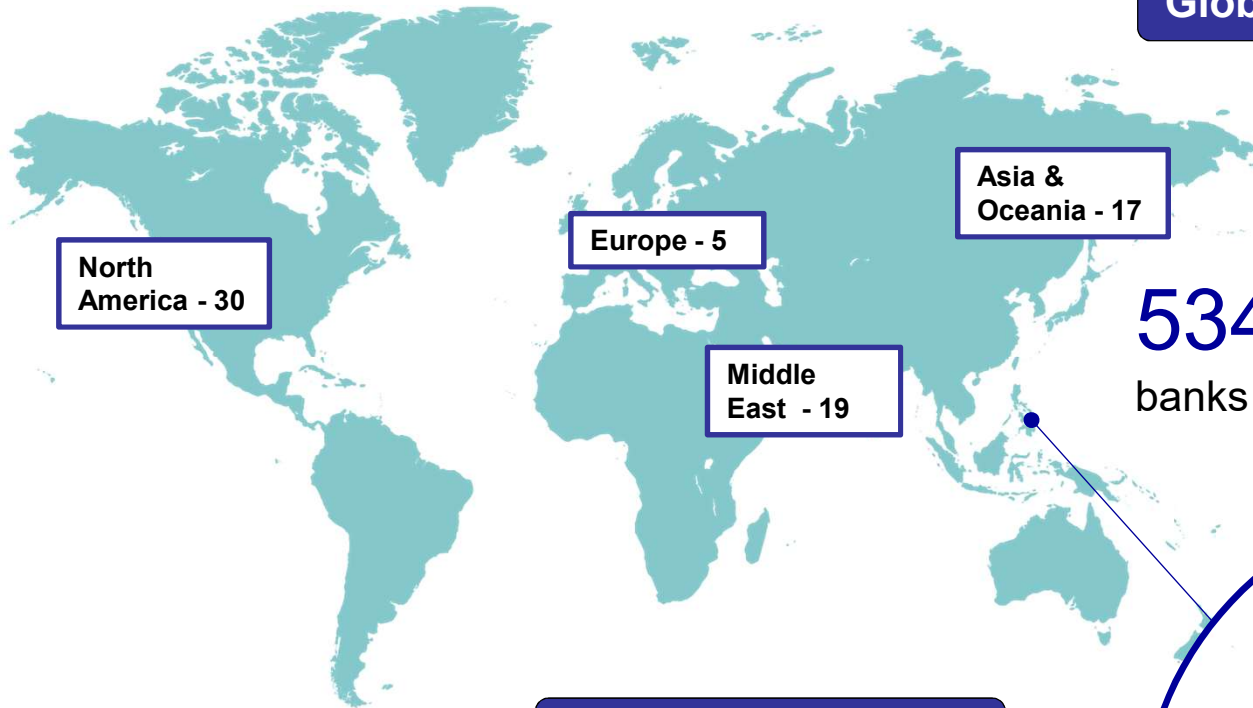
PNB Subsidiaries and Affiliate



Market Reach



Global Network



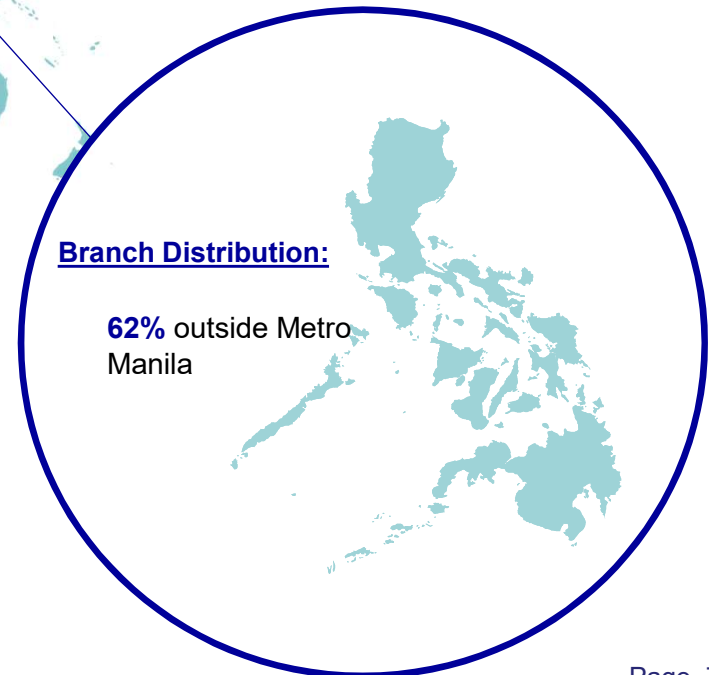
71 offices in **16** countries

534 correspondent banks

Domestic Network

712 branches in the Philippines

1,595 ATMs nationwide



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NET INCOME & BALANCE SHEET



Net Income (without ROPA)

Php Millions



- Core profitability boosted by solid growth in recurring income & increase in trading gains
- Reported Net Income of P 6,405 M in September 2019 declined by 15% from P7,520 M in September 2018

Balance Sheet

Php Billions



- Steady growth in assets was driven by sustained momentum in core lending and deposit taking activities.

9M19 P&L



	PNB Conso		
(in PHP million)	9M 2019	9M 2018	% Change
Interest Income	37,104	25,888	43.3%
Interest Expense	13,727	5,890	133.1%
NET INTEREST INCOME	23,377	19,998	16.9%
Fee-Based and Other Income	6,259	9,542	-34.4%
Net Service Fees and Commission Income	2,860	2,504	14.2%
Other Income	3,399	7,038	-51.7%
TOTAL OPERATING INCOME	29,636	29,540	0.3%
Admin and Operating Expense	19,794	17,587	12.5%
Income Before Provisions	9,842	11,953	-17.7%
Provision for impairment and credit losses	1,427	1,589	-10.2%
Provision for Income Tax	2,088	2,577	-19.0%
NET INCOME FROM CONTINUING OPERATIONS	6,327	7,787	-18.8%
NET INCOME FROM DISCONTINUED OPERATIONS	77	(267)	128.9%
NET INCOME	6,405	7,520	-14.8%
Return on average equity (ROE)	6.1%	8.2%	
Return on average assets (ROA)	0.8%	1.2%	
Net Interest Margin (NIM RATE)	3.2%	3.4%	
Cost efficiency ratio	66.8%	60.8%	

9M19 BALANCE SHEET



	PNB Conso		
(in PHP million)	9M 2019	9M 2018	% Change
Cash / Due from BSP & Other Banks	207,244	154,982	33.7%
Investment Securities	257,303	144,307	78.3%
Loans and Receivables	644,846	550,704	17.1%
Property & Equipment	21,438	19,470	10.1%
Investment Properties	13,767	13,633	1.0%
Other Assets	34,892	27,600	26.4%
TOTAL ASSETS	1,179,490	910,696	29.5%
Deposit Liabilities	820,954	692,842	18.5%
Bonds Payable	67,830	16,084	321.7%
Bills & Acceptances Payable	101,193	41,102	146.2%
Other Liabilities	37,565	34,446	9.1%
TOTAL LIABILITIES	1,027,542	784,474	31.0%
TOTAL EQUITY	151,948	126,222	20.4%
TOTAL LIABILITIES AND EQUITY	1,179,490	910,696	29.5%
Loans/Deposits	78.3%	77.8%	
Total CAR	14.6%	14.8%	

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Board of Directors



As of November 11, 2019



Florencia G. Tarriela

Chairman/Independent Director

- Serves as director of multiple PNB subsidiaries
- Director of Bankers Association of the Philippines
- Former Undersecretary of Finance



Edgar A. Cua

Independent Director

- Independent Director of PNB Capital and Investment Corp.
- Independent Director of Allied Commercial Bank, Xiamen
- Director of Davao Unicar Corp.



Lucio C. Tan

Director

- Chairman and CEO of LT Group, Inc.
- Chairman and CEO of PAL Holdings, Inc.
- Chairman and CEO of MacroAsia Corp.



Felix Enrico R. Alfiler

Vice Chairman/Independent Director

- Serves as director of multiple PNB subsidiaries
- Former Director of the BSP



Estelito P. Mendoza

Director

- Director of Philippine Airlines, Inc.
- Director of Petron
- Director of San Miguel Corporation
- Practicing lawyer for more than 60 years



Michael G. Tan

Director

- President and COO of LT Group, Inc.
- Director of PAL Holdings, Inc.
- Director of Victorias Milling Company, Inc.



Jose Arnulfo "Wick" A. Veloso

President and CEO

- Director of Allianz-PNB Life Insurance, Inc.
- Director of Asian Bankers Association, and Bancnet, Inc.
- Former President and CEO of HSBC



Christopher J. Nelson

Director

- Executive Director of the British Chamber of Commerce of the Philippines
- Trustee of the American Chamber Foundation of Commerce of the Phil., Inc.
- Trustee of the Philippine Band of Mercy
- Trustee of the Federation of the Philippine Industries Inc.
- Trustee of Dualtech Training Foundation



Vivienne K. Tan

Director

- Director of LT Group, Inc., PAL Holdings, Inc., MacroAsia Corporation, University of the East, University of the East Ramon Magsaysay Medical Center, Eton Properties Phils, Inc.
- Director and EVP/Treasurer & Chief Administrative Officer of Philippine Airlines
- Founding Trustee of Philippine Center for Entrepreneurship (Go Negosyo)



Florido P. Casuela

Director

- Chairman of PNB Securities, Inc.
- Vice Chairman of PNB Savings Bank
- Senior Adviser of the Bank of Makati (A Savings Bank), Inc.
- Former President of Landbank of the Phil., Maybank & Surigao Micro Credit Corp.



Federico C. Pascual

Independent Director

- Serves as director of multiple PNB subsidiaries
- Former President and General Manager of GSIS
- Former Director/President & CEO of Allied Banking Corp.



Domingo H Yap

Independent Director

- President of H-Chem Industries, Inc., DHY Realty & Dev't, Inc., Colorado Chemical Sales Corp., Universal Paint & Coating Phils., Inc., Alliance Land Dev't Corp.
- Former President of Federation of Filipino-Chinese Chambers of Commerce & Industries, Inc.



Leonilo G. Coronel

Director

- Independent Director of Megawide Construction Corp.
- Independent Director of DBP-Daiwa Capital Markets Phil.
- Former Executive Director of BAP




Carmen K. Tan


Director

- Director of MacroAsia Corp.
- Director of LT Group, Inc.
- Director of PAL Holdings, Inc.


Senior Management




Jose Arnulfo "Wick" A. Veloso
President and CEO of the Bank since 2018




Cenon C. Audencial Jr.
EVP
Head of the Institutional Banking Sector




Roberto D. Baltazar
EVP
Head of Global Banking and Markets Sector




Chester Y. Luy
EVP
Head of the Strategy Sector and Wealth Management Group




Aida M. Padilla
EVP
Head of the Enterprise Services Sector



Nelson C. Reyes
EVP
Chief Financial Officer



Bernardo H. Tocmo
EVP
Head of the Retail Banking Sector



Isagani A. Cortes
EVP
Chief Compliance Officer




Jose German M. Licup
FSVP
Chief of Staff to the President and CEO



Maria Paz D. Lim
FSVP
Corporate Treasurer



Nanette O. Vergara
FSVP
Chief Credit Officer



Schubert Caesar C. Austero
SVP
Head of the Human Resource Group



Manuel C. Bahena, Jr.
SVP
Chief Legal Counsel




Claro P. Fernandez
SVP
Head of Public Affairs Group




Marie Fe Liza S. Jayme
SVP
Head of Operations Group



Michael M. Morillos
SVP
Head of the Information Technology Group



Rommel B. Narvaez
SVP
OIC – Marketing and Brand Management Sector



Roland V. Oscuro
SVP
Chief Information Security Officer



Norman Martin C. Reyes
SVP
Head, Digital Innovations Group



Joy Jasmin R. Santos
FVP
Chief Trust Officer & Head of Trust Banking Group



Martin G. Tengco Jr.
FVP
Chief Audit Executive



Simeon T. Yap
FVP
Chief Risk Officer

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Recent Awards



International Finance Awards (2019)

“Fastest Growing Bank for Consumer Loans Philippines 2018”



The Asset triple A Country Awards (2019)

- “Best Syndicated Loan Award” (Bloomberry Resorts and Hotels syndicated term loan facility)
- “Most Innovative Deal Award” (Ayala Land’s retail bonds)
- “Best Acquisition Financing” (Clark Global City Corp)



CMO Asia Awards (2019)

“Brand Leadership Award”



SSS Balikat ng Bayan Awards (2019)

“Best Paying Commercial Bank”

Recent Awards



Recognized by the Philippine Institute of Corporate Directors (2019) as among the top-performing publicly listed companies under the ASEAN Corporate Governance Scorecard



Philippine Dealing System Awards (2019)

“Ranked Top 3 Issue Managers/Arrangers (Investment House Category)”



Investment House Association of the Philippines (2019)

“Best Small-cap Equity Deal”



Asian Banker Philippine Country Awards (2018)

“Consumer Finance Product of the Year” (PNBSB’s Smart Personal Loan)

Disclaimer



Unless otherwise noted, the financial data contained in these materials are presented under Philippine Financial Reporting Standards. Unless otherwise specified, all the financial information is shown on a consolidated basis.

Information concerning financial institutions other than the Bank and its subsidiaries are based on publicly available information and the Bank has not independently verified such data.

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