



# Philippine National Bank

Company Brief  
March 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 711 branches and 1,501 ATMs strategically located nationwide. The Bank maintains its position as the Philippine bank with the most extensive international reach with 73 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.*

- 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"> <li>• Deposit Accounts</li> <li>• e-Banking Services</li> <li>• Cash Management Solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Home Loans</li> <li>• Auto Loans</li> <li>• Salary Loans</li> <li>• SMEs</li> <li>• OPHL</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate &amp; Middle Market</li> <li>• Trade Finance</li> <li>• Financial Institutions</li> </ul>	<ul style="list-style-type: none"> <li>• UITFs</li> <li>• Personal Trust</li> <li>• Corporate Trust</li> <li>• Pinnacle Priority Banking</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed Income Investments</li> <li>• Foreign Exchange Services</li> <li>• Interest Rate Swaps</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sending/ Receiving</li> <li>▪ Global Filipino Card</li> <li>▪ Overseas Bills Payment</li> </ul>

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

<b>Insurance</b> <ul style="list-style-type: none"> <li>• Non-Life Insurance</li> <li>• Life Insurance</li> </ul>	<b>Investment Banking</b> <ul style="list-style-type: none"> <li>• Underwriting</li> <li>• Distribution of securities</li> <li>• Financial advisory</li> <li>• Project finance</li> <li>• Loan syndication</li> </ul>	<b>Stock Brokerage</b> <ul style="list-style-type: none"> <li>• Equities Trading</li> <li>• Stock Market Research</li> </ul>	<b>Leasing</b> <ul style="list-style-type: none"> <li>• Financial leases</li> <li>• Operating leases</li> <li>• Receivable discounting</li> </ul>
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**2000s**

- **2019:** \*PNB inked First Syndicated Loan amounting to US\$250 M for Tokyo Branch  
\*PNB successfully issued 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.

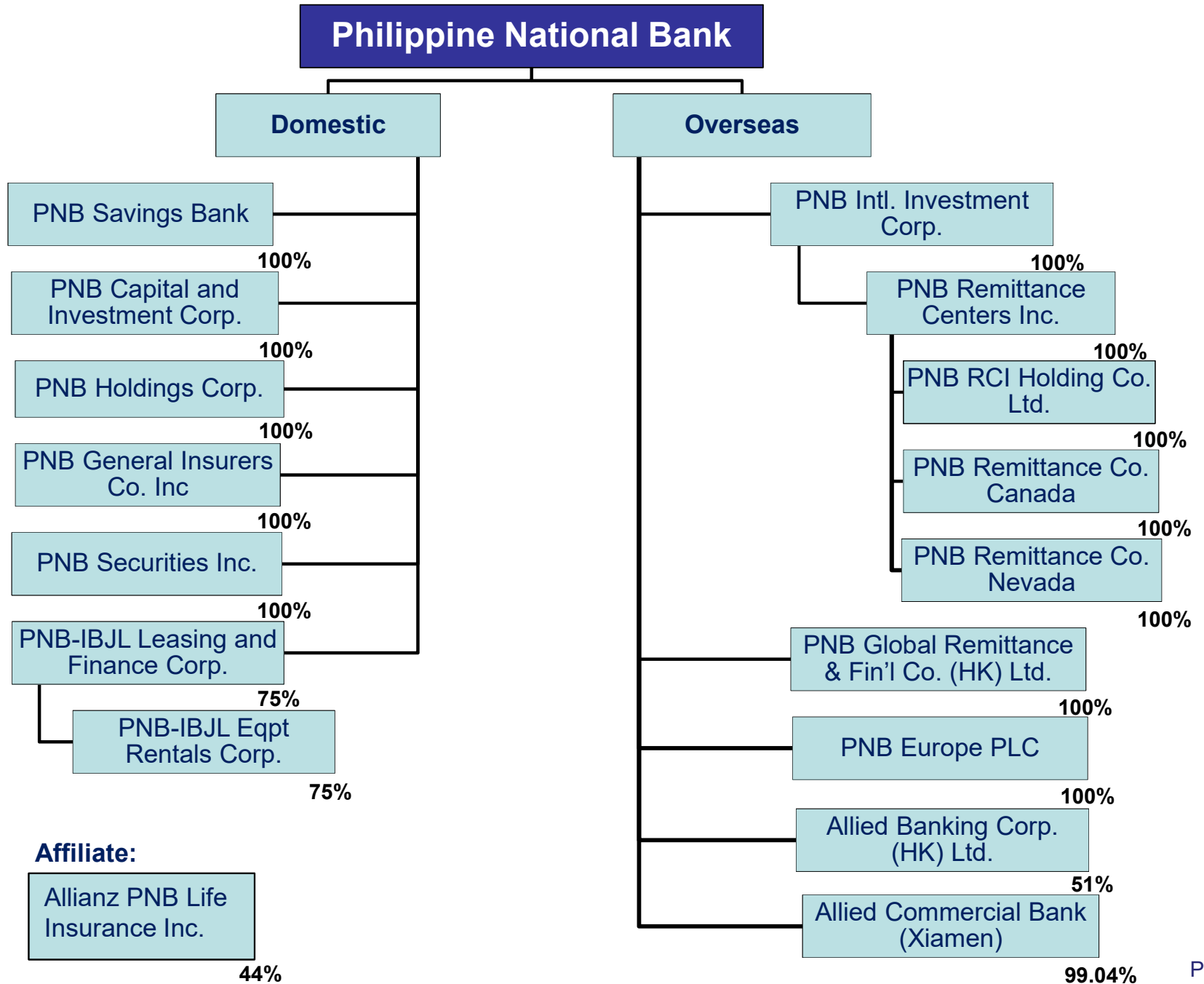
**1980s**

**First universal bank in the Philippines**

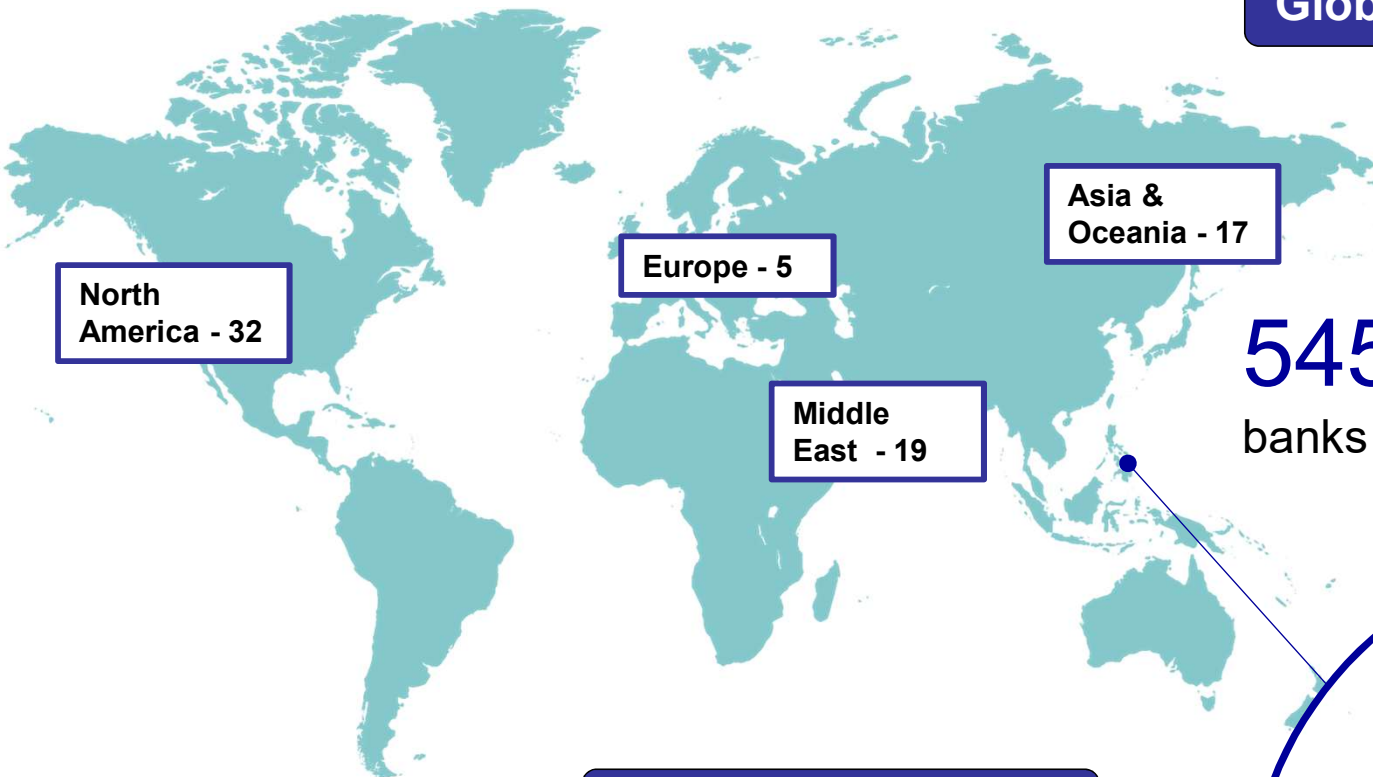
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**1916**

**Establishment of PNB**



## Global Network



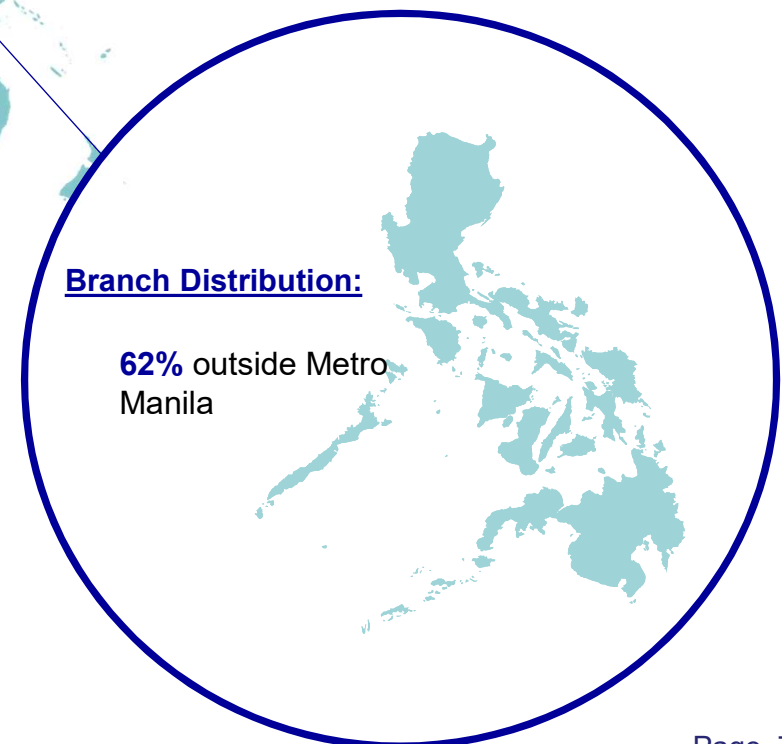
**73** offices in **16** countries

**545** correspondent banks

## Domestic Network

**711** branches in the Philippines

**1,501** ATMs nationwide



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	PNB Conso		
(in PHP million)	Q1 2019	Q1 2018	% Change
<b>Interest Income</b>	<b>11,112</b>	<b>8,104</b>	<b>37.1%</b>
<b>Interest Expense</b>	<b>4,055</b>	<b>1,691</b>	<b>139.8%</b>
<b>NET INTEREST INCOME</b>	<b>7,057</b>	<b>6,412</b>	<b>10.0%</b>
<b>Fee-Based and Other Income</b>	<b>2,195</b>	<b>1,488</b>	<b>47.6%</b>
Net Service Fees and Commission Income	967	852	13.6%
Other Income	1,228	636	93.1%
<b>TOTAL OPERATING INCOME</b>	<b>9,253</b>	<b>7,900</b>	<b>17.1%</b>
<b>Admin and Operating Expense</b>	<b>6,397</b>	<b>5,659</b>	<b>13.0%</b>
<b>Income Before Provisions</b>	<b>2,856</b>	<b>2,242</b>	<b>27.4%</b>
Provision for impairment and credit losses	346	70	391.2%
Provision for Income Tax	618	527	17.1%
<b>NET INCOME FROM CONTINUING OPERATIONS</b>	<b>1,892</b>	<b>1,644</b>	<b>15.1%</b>
<b>NET INCOME FROM DISCONTINUED OPERATIONS</b>	<b>9</b>	<b>(177)</b>	<b>-104.9%</b>
<b>NET INCOME</b>	<b>1,901</b>	<b>1,467</b>	<b>29.6%</b>
Return on average equity (ROE)	5.9%	4.9%	
Return on average assets (ROA)	0.8%	0.7%	
Net Interest Margin (NIM RATE)	3.2%	3.5%	
Cost efficiency ratio	69.1%	71.6%	

# 1Q19 BALANCE SHEET



(in PHP million)	PNB Conso		
	Q1 2019	Q1 2018	% Change
Cash / Due from BSP & Other Banks	142,254	153,783	-7.5%
Investment Securities	226,012	131,312	72.1%
Loans and Receivables	588,917	502,462	17.2%
Property & Equipment	21,308	18,958	12.4%
Investment Properties	13,476	15,571	-13.5%
Other Assets	34,475	28,617	20.5%
<b>TOTAL ASSETS</b>	<b>1,026,442</b>	<b>850,703</b>	<b>20.7%</b>
Deposit Liabilities	744,763	658,097	13.2%
Bonds Payable	15,643	-	-
Bills & Acceptances Payable	97,081	34,882	178.3%
Other Liabilities	36,046	36,518	-1.3%
<b>TOTAL LIABILITIES</b>	<b>893,533</b>	<b>729,497</b>	<b>22.5%</b>
<b>TOTAL EQUITY</b>	<b>132,909</b>	<b>121,206</b>	<b>9.7%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,026,442</b>	<b>850,703</b>	<b>20.7%</b>
Loans/Deposits	78.8%	75.2%	
Total CAR	14.0%	15.3%	

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# Board of Directors



## **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.



## **Carmen K. Tan**

*Director*

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



## **Felix Enrico R. Alfiler**

*Vice Chairman/Independent Director*

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



## **Estelito P. Mendoza**

*Director*

- Chairman of Prestige Travel, Inc.
- Director of Philippine Airlines, Inc.
- Practicing lawyer for more than 60 years



## **Lucio C. Tan**

*Director*

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



## **Jose Arnulfo "Wick" A. Veloso**

*President and CEO*

- Director of Allianz-PNB Life Insurance, Inc.
- Director of Philippine Dealing & Exchange Corp., Philippine Securities Settlement Corporation, Asian Bankers Association, and Bancnet, Inc.
- Former President and CEO of HSBC



## **Christopher J. Nelson**

*Director*

- Executive Chairman of the British Chamber of Commerce of the Philippines, Inc.
- Chairman of Lux Et Sal Corp.
- Trustee of the American Chamber Foundation of Commerce of the Philippines, Inc.



## **Michael G. Tan**

*Director*

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



## **Florido P. Casuela**

*Director*

- Chairman of PNB Securities, Inc.
- Vice Chairman of PNB Savings Bank
- Senior Adviser of the Bank of Makati
- 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.



## **Lucio K. Tan, Jr.**

*Director*

- President/COO of Tanduay Distillers, Inc.
- Director of LT Group, Inc.
- Director of PAL Holdings, Inc.



## **Leonilo G. Coronel**

*Director*

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



## **Cecilio K. Pedro**

*Independent Director*

- Independent director of PNB Savings Bank
- CEO/President of Lamoayan Corp.
- Director of Philippine Business for Social Progress



## **Vivienne K. Tan**

*Director*

- OIC/Treasurer and Chief Administrative Officer of Philippine Airlines
- Board Advisor of LT Group, Inc.
- Founding Trustee of Philippine Center for Entrepreneurship (Go Negosyo)



**Jose Arnulfo "Wick" A. Veloso**  
*President and CEO*

## BUSINESS GROUPS



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



**Bernardo H. Tocmo**  
*EVP*  
Head of the Retail Banking Sector



**Noel C. Malabag**  
*SVP*  
Officer-in-Charge of the Treasury Sector



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

## CORPORATE SUPPORT



**Chester Y. Luy**  
*EVP*  
Head of the Strategy & Financial Advisory Sector



**Jovencio DB. Hernandez**  
*EVP*  
Head of Marketing & Brand Management Sector



**Nelson C. Reyes**  
*EVP*  
Chief Financial Officer



**Aida M. Padilla**  
*FSPV*  
Head of the Enterprise Services Sector



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



**Isagani A. Cortes**  
*SVP*  
Chief Compliance Officer



**Manuel C. Bahena, Jr.**  
*SVP*  
Chief Legal Counsel



**Marie Fe Liza S. Jayme**  
*SVP*  
Head of Operations Group



**Maria Paz D. Lim**  
*SVP*  
Corporate Treasurer



**Michael M. Morillos**  
*SVP*  
Head of the Information Technology Group



**Roland V. Oscuro**  
*SVP*  
Chief Information Security Officer



**Nanette O. Vergara**  
*SVP*  
Chief Credit Officer



**Norman Martin C. Reyes**  
*SVP*  
Head of Digital Innovation Group



**Martin G. Tengco Jr.**  
*FVP*  
Chief Audit Executive



**Simeon T. Yap**  
*FVP*  
Chief Risk Officer

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**Best Syndicated Loan**  
(Bloomerry Resorts and Hotels  
syndicated term loan facility)

**Best Acquisition Financing**  
(Clark Global Corp. acquisition project)

**Most Innovative Deal**  
(Ayala Land's retail bonds)



**54<sup>th</sup> Anvil Awards**  
**Allianz PNB**  
Silver – “Dare to be Fit” Campaign  
Silver – 2017 Annual Report



**2019 PDS Annual Awards Night**  
**Top 1 Fixed Income Brokering**  
**Participant**  
**Top 5 Fixed Income Cash**  
**Settlement Bank**



**Consumer Finance Product**  
(PNB SBSmart Personal Loan)

**Service Innovation**  
(PNBSB Auto Loan and Home  
Loan Plus)



**BSP Outstanding PhilPASS**  
**Remit Participant 2017**



**Digital Banking Initiative  
(PNB Mobile Banking App)**  
**New Consumer Lending Product  
(PNBSB Smart Salary Loan)**



**Best Brand Initiative 2017  
“You First” Campaign**



**SSS Balikat ng Bayan Award 2016  
Best OFW Collecting Partner**



**New Consumer Lending  
Product of the Year Award  
(SSS Pension Loan Program)**



**Anvil Awards  
Gold – Coffee Table Book  
Silver – You First Campaign  
Silver – 2014 Annual Report**





**Most Innovative Banking Service Philippines 2016  
(Bank on Wheels)**



**Most Innovative Bank Philippines 2016  
(Bank on Wheels)**



**Most Innovative Banking Product Philippines 2016  
(Bank on Wheels)**

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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