

Date: May 27, 2015

Website: www.businessmirror.com.ph

PNB targets double-digit income, more deposits

By Genivi Factao

The Philippine National Bank (PNB) is eyeing double-digit growth in net income, driven by higher growth loans and deposits this year.

PNB Executive Vice President and CFO Nelson Reyes said this compares with net income growth averaging only 5 percent last year totalling P5.5 billion. He said the bank is also looking at an 18-percent loan growth this year over last year's performance.

PNB Executive Vice President Jovencio Hernandez, likewise, said even deposits were expected to grow 14 percent to 15 percent this year in terms of the average daily balance.

Maclang said PNB remains keen on expansion through possible acquisitions. He said they have looked at the Bank of Commerce, but later on realized it was paired with another bank.

They also expressed interest in acquiring the United Coconut Planters Bank, but have yet to see the bidding terms and conditions.

Last week, Moody's Investor Service upgraded the long- and short-term deposit ratings of PNB to investment grade, reflecting the consistent improvement in the bank's credit profile.

The Bank's nonperforming loan ratio, declined to 0.92 percent, from 1.39 percent in the prior year. Similarly, its nonperforming assets were cut with the sale of P2.2 billion in foreclosed properties.

"In addition, the bank's capital buffers have improved, following PNB's P11.6 billion in new equity raising in early 2014," Moody's noted.

PNB successfully raised P11.6 billion in fresh capital from a stock-rights offering in February 2014, which strengthened the bank's capital position under the stringent Basel 3 capital standards.

Source: <http://www.businessmirror.com.ph/pnb-targets-double-digit-income-more-deposits/>