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## **PNB upbeat on 2-digit income growth in 2015**

By [Ted P. Torres](#) (The Philippine Star) | Updated May 27, 2015 - 12:00am

MANILA, Philippines - Philippine National Bank (PNB) is upbeat on double-digit growth in earnings this year as it expects higher interest income, strong retail market growth, and optimization of the remittance business.

In a press briefing yesterday, PNB executive vice president Nelson C. Reyes said the bank is also looking at double-digit growth in return on equity.

Net income grew a mere five percent in 2014 to P5.5 billion as the bank dealt with the low interest regime resulting in poor trading gains.

PNB's trading gains declined a whopping 72 percent to P1.3 billion last year.

Meanwhile, PNB targets loan portfolio growth at 22 percent and deposits at 15 percent.

PNB executive vice president Jovencio D. Hernandez said the increase in deposits and loans comes with the full maximization of the bank's strength in the remittance business.

The universal bank of the Lucio Tan Group accounts for 20 percent of the remittance inflows through the formal sector. Total remittance inflows last year amounted to \$24.3 billion.

Hernandez said the bank offers various types of deposit and loan products to overseas Filipinos and their beneficiaries, designed to help expand PNB's banking services.

"The (remittance) business also opens PNB to more relationships such as other regional and international banks, international money transfer agents, and other local banks," he explained.

PNB expects to add 15 to 20 new branches this year, a large number of which will be allocated to subsidiary PNB Savings Bank.

PNB president and chief executive officer Reynaldo A. Maclang said the savings bank already received P10 billion in capital infusion last year as proof of its strong emphasis on the retail market.

Maclang likewise said PNB is highly liquid after a series of fundraising activities last year.

"We don't see any need at this time for more capital, as we did the stock rights offer that raised us P11 billion," the bank official said.

When asked if PNB is interested in acquiring or bidding for United Coconut Planters Bank (UCPB), he said they are always interested in looking at banks that are for sale.

“The bidding process starts in September, I understand. So let us wait for any developments or what happens in September,”Maclang added.

Earlier, Moody’s Investors Service upgraded PNB’s credit rating to investment grade.

The ratings upgrade serves as validation of PNB’s efforts at fortifying its business and recognizes the bank’s drive toward its long-term corporate goals of high profitability supported by a strong balance sheet, Moody’s said.

Source: <http://www.philstar.com/business/2015/05/27/1459055/pnb-upbeat-2-digit-income-growth-2015>