

PRESS RELEASE

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PNB reports net income of P9.8 billion for 2019

Bank's core net income up 57%

The Philippine National Bank (PSE: PNB) registered a net income of Php9.8 billion in 2019, slightly higher than the earnings of Php9.6 billion in 2018, with the strong growth in net interest income, fees and commissions as well as trading gains.

“I am pleased with the improvements in our core income for 2019. Excluding the impact of non-recurring gains from the sale of foreclosed assets, the Bank’s core net income grew by 57% year on year,” PNB President and CEO Wick Veloso said.

At the end of 2019, PNB’s total consolidated resources stood at Php1.14 trillion, up Php158.6 billion or 16% from year-ago level.

Veloso said: “The year’s financial results reflect the strength of PNB’s franchise in its wholesale and retail businesses. We expect to sustain the improvement in the quality of earnings of the bank as we enhance the Safe and Aggressive Growth strategy with added focus on profitability moving forward.”

PNB’s net interest income expanded by 20 percent year-on-year to P32.4 billion on the back of improved earnings from loans to corporate, commercial and small and medium enterprises, and other interest-earning assets. Loan receivables registered double digit growth to P657.9 billion as of end 2019, higher by 12 percent from 2018. On the other hand, deposit liabilities reached P826.0 billion, up by 13 percent versus 2018 year-end level.

Net service fees and commission income grew by 20% from enhanced cross selling efforts resulting in improvements in underwriting fees from capital market transactions as well as loan, deposit and credit card-related fees. Net trading and foreign exchange gains expanded by 97% resulting mainly from favorable opportunities in the market. Meanwhile, net gains from sale of acquired assets

declined to Php690 million compared to last year's Php5.9 billion. Despite the reduction, total operating income registered a 6% improvement on account of solid growth in core revenues. Excluding net gains from sales of foreclosed asset sales, total operating income increased by 22% year-on-year.

Operating expenses, excluding provisions for impairment and credit losses, grew by 9% over the same period last year.

Despite the robust loan growth, PNB's asset quality remained strong with non-performing loan (NPL) ratios of 0.68% net of valuation reserves and 1.99% at gross. NPL coverage on the other hand stood at 118.92%. PNB's consolidated risk-based capital adequacy ratio (CAR) continued to exceed the minimum regulatory requirement of 10%, with CAR at 14.80% and Common Equity Tier (CET) 1 ratio at 14.10% by end-2019.

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About PNB

Philippine National Bank is one of the country's largest private universal banks in terms of assets 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. Backed by over a century of stability and excellence, PNB looks forward to more years of serving its customers first. To know more about PNB, visit its official website: www.pnb.com.ph.