

News Release

PNB doubles Net Income for the First Quarter 2016

The **Philippine National Bank** (PNB) sustained its strong growth in profitability in the first quarter of 2016 with a net income of P2.6 billion, more than twice the level posted for the same period last year. The robust first quarter performance was driven by substantial improvements in both core and non-recurring revenues.

Income from core businesses continued to show progress as net interest income increased by 12% year-on-year on the back of an 18% growth in loan portfolio and improvement in loan-to-deposit ratio to 71% from 69% a year-ago. Net service fees and commission income combined with net insurance premiums rose by 22% driven mainly by increases in loan and trade transactions. The Bank benefited from favorable market conditions, achieving a 50% growth in trading and foreign exchange gains. Net gains from sale of assets also grew substantially following major disposals of foreclosed assets, in line with the Bank's continued efforts to reduce non-earning assets. Likewise, collections of non-performing assets augmented the Bank's miscellaneous income.

As of the end of March 2016, PNB's total consolidated resources stood at P699.1 billion, up P78.5 billion or 12.6% from year-ago level. The Bank continued to improve its asset quality as net non-performing loans (NPL) ratio decreased to 0.26% from 0.64% in March 2015.

PNB will celebrate its centennial in July 2016, marking a very meaningful milestone for an institution that has served at the very least two generations of Filipinos and a multitude of companies of all sizes that have shaped the economic history of this

country. As part of its rebranding strategy, the Bank launched last February 21, 2016 its new tagline *"You First"*, which speaks of PNB's renewed promise to put customers first. *"You First"*, which embodies the Bank's customer-centric philosophy, will be the foundation for the next chapter of PNB's growth story as it continues to pioneer a series of banking "firsts" in the industry to address the diverse needs of customers. Having pioneered many industry innovations in its 100 years of service, PNB plans to introduce more banking "firsts" to benefit new account holders, specifically in the field of digital banking. PNB is looking forward to provide more financial solutions to its customers through its internet and mobile banking services.

About PNB

Philippine National Bank is the country's fourth largest private commercial bank in terms of assets and deposits. It is a universal bank providing a full range of banking and other financial services to its highly diverse clientele comprised of individual depositors, small and medium enterprise, domestic and international corporations, government institutions, and overseas Filipinos.

As of March 31, 2016, PNB had a total of 669 branches and 954 ATMs strategically located nationwide. In addition, PNB boasts of having the most extensive international footprint across Asia, Europe, Middle East, and North America with 70 overseas branches and offices among Philippine banks.