As of June 30, 2016, the LT Group, Inc. (LTG) held indirect ownership of 59.83% of the Parent Company's shares through various holding companies, while 17.37% of the Parent Company's shares were held by Philippine Central Depository Nominee Corporation (PCDNC). The remaining 22.80% of the Parent Company's shares were held by other stockholders holding less than 10.00% each of the Parent Company's shares.

In affirmation of the Bank's well-managed operations, PNB received awards from the Bangko Sentral ng Pilipinas (BSP) and other international award-giving bodies. In 2012 and 2013, the BSP awarded PNB as the Top Commercial Bank in Generating Remittances from Overseas Filipinos for two years in a row. In the 2014 BSP Stakeholders' Ceremony, the Bank was recognized as the Outstanding PhilPass REMIT Participant. In recognition of PNB's innovative products, the Bank together with PNB Life was also accorded the Excellence in Business Model Innovation Award during the 2014 Retail Banker International Asian Trailblazer Awards for its Healthy Ka Pinoy Emergency Card which was launched in 2013 in the market. PNB was also awarded by the Asian Banking and Finance Awards as the "Best Website for 2015 Philippines" in honor of the Bank's concerted efforts to address the ever-evolving needs of its clients. BancNet on its 25th Anniversary also awarded PNB as the "Top Inter-Bank Fund Transfer (IBFT) Transferee." Last October 2, 2015, PNB was awarded the Excellence in Retail Financial Services award under the "Best Remittance Business in the Philippines" category by The Asian Banker. This is in recognition of the value-added differentiation that the Bank provides to the overseas Filipinos beyond remittance to include financial services such as Own-a-Philippine Home Loan, Pangarap Loan and Overseas Bills Payable System as well as other innovative products like Healthy Ka Pinoy medical card and ATM Safe insurance.

Business Strategies

The Bank aims to fortify its position as one of the leading banks in the Philippines, delivering high profitability supported by a solid balance sheet. To achieve this corporate goal, the Bank will undertake the following strategic initiatives for 2016:

1. Increase core business:

   a) Lending: The Bank's lending strategy will entail a shift in marketing focus from large institutional accounts to Commercial/SMEs and individuals to ensure that the lending activities will contribute a substantial portion to the revenues. This shift in lending strategy by increasing the number of smaller accounts is intended to help the Bank in achieving higher lending margins as smaller accounts are less sensitive to changes in interest rates. Consumer lending is targeted to grow significantly on the back of Consumer loans innovative terms for housing and motor vehicle loans which will be aligned to the borrowers' capability to generate cash flows. Likewise, the Bank intends to leverage on its extensive customer base of OFWs to expand its consumer lending business. The Bank's subsidiary, PNB Savings Bank will play a pivotal role in strengthening the Bank's foothold on the retail and consumer segment.

   b) Deposits: The Bank will leverage on the strength of its nationwide branch network to generate low-cost deposits from its existing and growing customer base. In particular, deposit build up will be focused on increasing deposit level of 75% of depositor base. Through the Bank's ecosystem of co-branded cash management and credit product offerings, deposits on operating accounts are expected to increase.

   c) Fee Based & Other Income: As part of the strategy to improve its profitability and at the same time minimize dependence on any specific revenue source, the Bank will continue to take steps to increase fee-based income. Along this line, the Bank intends to further leverage on its strong franchise and increase fee-based income by intensifying its cross-selling efforts to its existing customers, including its OFW customers. Specifically, marketing efforts will be focused on offering cash management solutions, bancassurance products, electronic-remittance channels and trust banking products. Income from foreign exchange conversion will also be beefed up with increased presence of foreign exchange counters in provincial branches. Likewise, the Bank intends to go beyond merely providing OFWs with remittance services by offering them a more diverse menu of financial services.

2. Enhance efficiency:
   The Bank will continue to undertake process improvements and automation that will lead to operational efficiency and cost savings. Cost efficiency improvements will also be realized through branch re-engineering, economies of scale, systems integration, realignment of front offices and optimization of back office processing and support functions. Likewise, the Bank will aggressively dispose off ROPAs as well as maximize recoveries from asset sales and income potential of acquired assets.

3. Enhance the profitability of the Bank's subsidiaries:
   The Bank will undertake a proactive approach in closely monitoring its subsidiaries to ensure that the return on its equity investments from these subsidiaries will be maximized. Along this line, the Bank's subsidiaries will implement strategic initiatives that will ensure achievement of business targets aligned with the Bank's goal. The Bank is committed in providing strong support to its subsidiaries while at the same time allowing the independence of its subsidiaries in implementing their businesses. The subsidiaries will capitalize on the Bank's network and resources in order to complement and enhance the product offerings of the Bank.

The following table sets out selected key financial ratios for PNB for the periods indicated.

	For the year ended 31 December			For the six months ended June 30
	2013	**2014**	**2015**	**2016**
	(in percentages except Earnings per Share)			
Net interest margin on average earning assets [1]	3.5%	3.2%	3.2%	3.2%
Cost-income ratio [2]	69.5%	65.7%	69.3%	62.2%
Return on average assets [3]	1.1%	0.9%	1.0%	1.2%
Return on average equity [4]	8.8%	6.1%	6.2%	8.0%
NPL ratio [5]	1.4%	0.9%	0.2%	0.2%
Total equity to total assets [6]	13.4%	15.8%	15.4%	15.5%
Loans to deposits [7]	54.9%	67.8%	73.6%	71.3%
Liquidity ratio [8]	45.5%	39.5%	34.0%	36.7%
Basic / Diluted Earnings per share attributable to equity holders of the Parent Company [12]	₱4.8	₱4.6	₱4.9	₱3.4

[1] For the years ended 2013 – 2015: net interest income divided by average interest-earning assets. For the six months ended 30 June 2016: net interest income divided by 6 multiplied by 12 divided by average interest earning assets. Interest-earning assets which mainly consist of Due from BSP and other banks, Interbank loans and Securities Purchased Under Resale Agreements, Trading and investment securities, and receivable from customers, net of NPLs
[2] Total operating expenses (excluding provision for impairment, credit and other losses) divided by operating income.
[3]For the years ended 2013 – 2015: Net income divided by average total assets for the period indicated.
For the 6-month ended 30 June 2016: Net income divided by 6 multiplied 12 then divided by the average assets for the period
[4]For the years ended 2013 – 2015: Net income divided by average total equity for the period indicated.
For the 6-month ended 30 June 2016: Net income divided by 6 multiplied by 12 then divided by the average equity.
[5]Total non-performing loans (net) divided by total adjusted loan portfolio of the Parent Company.
[6]Total equity divided by total assets.
[7]Receivables from customers divided by total deposits.
[8]Total liquid assets divided by total assets
[9]Net income attributable to equity holders of the Parent Company divided by weighted average number of common shares.