

Earnings Release

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PHILIPPINE BUSINESS BANK NET INCOME UP 15.0%

Recurring net income up 12.3%

Profit growth against the backdrop of intense industry competition:

- Net income up 15.0% Year-over-Year (YoY) to ₱162.0 million
- Pre-tax pre-provision profit (PTPP¹) at ₱209.2 million
- Core income² at ₱158.4 million for the first quarter

Streamlined balance sheet profile:

- Total equity grew by ₱360.9 million to ₱8.8 billion from end-2015
- Total resources at ₱61.9 billion at end-1Q16
- Loans and receivables at ₱40.8 billion
- Total deposits at ₱51.2 billion

Caloocan City, Philippines – Philippine Business Bank (PSE: PBB) reported an increase of 15.0% to its net income of ₱162.0 million through the end of the first quarter of 2016 from ₱140.9 million in the same period last year. At the end of the first quarter, total resources stood at ₱61.9 billion, loans and receivables ended at ₱40.8 billion, and shareholders' equity was at ₱8.8 billion, up 4.3% YoY. Pro-forma recurring net income was up 12.3% to ₱176.2 million, while pro-forma recurring PTPP was at ₱235.4 million. The Bank's recurring profit numbers include the earnings of Insular Savers Bank (ISB), a rural bank acquired by PBB mid-2015.

During the first quarter of the year, PBB reorganized its lending groups to allow the Bank to provide more efficient services and customized solutions for the Bank's clients. The newly formed Institutional Banking Group houses the following units: Commercial Banking, Corporate Banking, and Consumer Banking.

"We took a look at how we have organized our Lending Groups as part of our continuing business process improvements. With the newly reorganized teams, we believe we will be able to better serve the needs of our clients. The focus of the account officers will now be on relationship management, marketing, and business development.

¹ Pre-tax pre-provision profit is net revenues less non-interest expenses

² Core income is total revenues ex-trading gains/(losses) less non-interest expenses

With the recent internal realignments, we believe the Bank is now better positioned towards future strategic initiatives. Also, we remain opportunistic in potential acquisitions to accelerate the growth of our balance sheet and expand our branch network and distribution platforms. We continue to scan for avenues through which we can deliver superior service to our key SME partners, who have been our long-term partners in the development of businesses in key cities not just in Metro Manila but also in rapidly-growing provinces and municipalities,” said Roland Avante, President and CEO of Philippine Business Bank.

Key support functions such as credit analysis, credit evaluation, and portfolio analytics were also strengthened. The Bank continues to look for an infusion of new talent to fast-track the development of its expanded plantilla. PBB has a total of 138 branches today. Including its acquisitions, PBB has a total of 149 branches, of which eight (8) are from Insular Savers Bank and three (3) are from Bataan Savings and Loan.

PBB finished the quarter with ₱589.4 million in net interest income. Service charges, fees, and commissions reached ₱23.9 million, an 11.3% increase YoY. Miscellaneous income grew 12.8% YoY to ₱18.8 million.