



Office of the Corporate Secretary

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May 26, 2015

PHILIPPINE DEALING & EXCHANGE CORPORATION

37th Floor, Tower 1, The Enterprise Center
6766 Ayala Avenue corner Paseo de Roxas
Makati City

Attention: **Ms. Vina Vanessa S. Salonga**
Head - Issuer Compliance and Disclosure Department

Dear Ms. Salonga:

This is in reply to your email dated May 25, 2015 seeking confirmation of the news article entitled "Moody's Upgrades Credit Ratings of PNB, RCBC" published in the Manila Standard Today.

In this regard, we are pleased to furnish the Philippine Dealing and Exchange Corporation (PDEX) a copy of our disclosure to the Philippine Stock Exchange regarding the press release of the Bank re: Moody's Upgrades Credit Rating of PNB.

We trust you will take note accordingly. Thank you.

Very truly yours,


DORIS S. TE
Corporate Secretary


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Authorized Depository of the Republic of the Philippines
Member: PDIC

C02856-2015

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. Date of Report (Date of earliest event reported)
May 25, 2015
2. SEC Identification Number
AS096-005555
3. BIR Tax Identification No.
000-188-209-000
4. Exact name of issuer as specified in its charter
Philippine National Bank
5. Province, country or other jurisdiction of incorporation
Philippines
6. Industry Classification Code (SEC Use Only)

7. Address of principal office
PNB Financial Center, Pres. Diosdado Macapagal Blvd., Pasay City, Metro Manila
Postal Code
1300
8. Issuer's telephone number, including area code
(632) 526-3131 to 70/(632) 891-6040 to 70
9. Former name or former address, if changed since last report
Not Applicable
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	1,249,139,678
11. Indicate the item numbers reported herein
Item 9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Philippine National Bank
PNB

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Moody's Upgrades Credit Rating of PNB

Background/Description of the Disclosure

We are pleased to furnish the Exchange a copy of the press release of the Bank re: Moody's Upgrades Credit Rating of PNB.

We trust you will take note accordingly. Thank you.

Other Relevant Information

None.

Filed on behalf by:

Name

Doris Te

Designation

Corporate Secretary



News Release

Marketing Group

Moody's Upgrades Credit Rating of PNB

Moody's Investors Service has upgraded the rating of Philippine National Bank (PNB) to investment grade, reflecting the consistent improvement in the Bank's credit profile. PNB's long-term and short-term ratings were raised two levels up from Ba2/NP to Baa3/P-3. Likewise, the ratings agency raised PNB's baseline credit assessment (BCA) and Adjusted BCA to ba1 from ba3. The ratings upgrade serves as validation of PNB's efforts at fortifying its business. This recognizes PNB's drive toward its long-term corporate goals of high profitability supported by a strong balance sheet.

"The upgrade of the Bank's BCAs and Adjusted BCA reflect improvements in asset quality profiles during a period in which new non-performing loans (NPL) formation has remained low in the Philippines," Moody's explained.

PNB improved its asset quality as non-performing loans (NPL) decreased to Php 9.9 billion at the end of 2014. The Bank's non-performing loan ratio (net of valuation reserves), based on BSP guidelines, declined to 0.92% from 1.39% in the prior year. Similarly, the non-performing assets were cut with the sale of Php 2.2 billion in foreclosed properties.

"In addition, the Bank's capital buffers have improved, following PNB's Php 11.6 billion in new equity raising in early 2014," Moody's added.

Last February 2014, PNB successfully raised Php 11.6 billion in fresh capital from a stock rights offering which strengthened the Bank's capital position under the Basel III standards. The fund-raising exercise was oversubscribed, reflecting the investors' strong confidence in PNB's long-term growth prospects. By end 2014, the Bank's consolidated capital position remained strong with a Capital Adequacy Ratio (CAR) of 20.6% and a CET 1 ratio of 17.4%, exceeding the minimum 10% and 8.5% required by the BSP, respectively.



“Its high levels of capitalization and loan-loss coverage provide sufficient loss absorption capacity at its current rating levels to withstand systematic stresses over the next 12 to 18 months,” the ratings agency said.

As of December 31, 2014, PNB is the fourth largest private bank in the country with consolidated assets reaching Php 625.4 billion. PNB posted a net income of Php 5.5 billion in 2014, 5% higher than the previous year’s Php 5.2 billion. To date, PNB has a total of 660 domestic branches and 74 overseas branches and offices.