



PNB

Office of the Corporate Secretary

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August 4, 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:

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 entitled "PNB First Half 2015 Operating Results".

We trust you will take note accordingly. Thank you.

Very truly yours,


MAILA KATRINA Y. ILARDE
Corporate Secretary

Philippine National Bank
PNB Financial Center
Pres. Diosdado Macapagal Blvd.,
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Authorized Depository of the Republic of the Philippines
Member: PDIC

C04316-2015

**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)
Aug 3, 2015
2. SEC Identification Number
AS096-0055555
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
Metro Manila, 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) 8916040 to 70? (632) 5263131 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.



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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

Press Release: PNB First Half 2015 Operating Results

Background/Description of the Disclosure

We are pleased to furnish the Exchange a copy of the press release of the Bank re: PNB First Half 2015 Operating Results.

We trust you will take note accordingly. Thank you.

Other Relevant Information

None.

Filed on behalf by:

Name

Maila Katrina Ilarde

Designation

Corporate Secretary



News Release

Marketing Group

PNB First Half 2015 Operating Results

The Philippine National Bank (PNB) continued to improve its profitability in the second quarter of 2015 with a net income of Php 2.4 billion, almost twice the net income posted in the first quarter of the year. Compared to the same quarter of 2014, the Bank's net profit registered a 26% increase. The strong performance during the quarter was driven by the sustained growth in the Bank's core business as net interest income increased by 10% year-on-year while fee-based and other income excluding treasury-related income rose by 19%.

For the first half of 2015, PNB recorded a net income of Php3.6 billion, 12% higher than the year-ago level. Comprising 65% of total operating income, the Bank's net interest income increased by 2.5% to Php 8.7 billion. If not for the redemption of non-performing assets in 2014, the Bank's core net interest income actually grew by 11%. Excluding trading and foreign exchange gains, non-interest income was up by 20%. This was largely contributed by substantial increases in net insurance premiums and gains from sale of assets, which included the sale of Php 1 billion worth of Heritage Park memorial lot inventory to STI Group's pre-need affiliate PhilPlans First Inc. The 36% improvement in the net profits of PNB's subsidiaries also contributed to the Bank's solid performance.

PNB ended the first half of 2015 with consolidated assets reaching Php 644.7 billion. Loan portfolio grew by 25% year-on-year to P331.9 billion, boosted by the double-digit increases in corporate and commercial/SME loans. Notwithstanding the aggressive loan expansion, asset quality continued to improve as the Bank reduced significantly its non-performing loans (NPLs) through negotiated settlements and other collection initiatives. As a consequence, NPL ratios declined further to 0.30% (net of valuation reserves) and 2.87% (at gross) from 1.16% and 4.14%, respectively, a year ago. NPL coverage is now at 119.9%.



By end-June 2015, PNB's consolidated risk-based capital adequacy ratio (CAR) has consistently exceeded the minimum regulatory requirement of 10% with total CAR at 19.6% and Tier 1 CAR ratio 16.6%.

Last May 2015, Moody's Investors Service upgraded the credit rating of 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 and recognizes the bank's drive toward its long-term corporate goals of high profitability supported by a strong balance sheet.

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 large corporate, middle market, small and medium enterprises, and retail customers.

To date, PNB has 662 branches and 900 ATMs strategically located nationwide. It has the most extensive international presence among Philippine banks with 76 overseas branches, representative offices, remittance centers, and subsidiaries in key cities in the United States, Canada, Europe, the Middle East, and Asia.