



PNB

Office of the Corporate Secretary

Direct Line: 536-0540

Trunk Lines: 891-6040 to 70

Local: 4106

August 22, 2016

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 entitled "PNBSB 2016 first half net income surges to P183 million, up 156% year-on-year."

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.,
Pasay City, Metro Manila 1300, Philippines

T. (632) 526-3131 to 70/891-6040 to 70
P.O. Box 1884 (Manila)
P.O. Box 410 (Pasay City)
www.pnb.com.ph

Authorized Depository of the Republic of the Philippines
Member: PDIC

C04969-2016

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 22, 2016
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.



PNB

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

Press Release : PNBSB 2016 first half net income surges to P183 million, up 156% year-on-year

Background/Description of the Disclosure

We are pleased to furnish the Exchange a copy of the press release entitled "PNBSB 2016 first half net income surges to P183 million, up 156% year-on-year."

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

PNBSB 2016 first half net income surges to P183 million, up 156% year-on-year

PNB Savings Bank (PNBSB), the consumer arm of **Philippine National Bank (PNB)**, continued to improve its profitability in the second quarter of 2016. PNBSB posted a net income of P182.7 million, more than twice the P71.4 million earned in the previous year. The first half net income even surpassed its 2015 full year net income of P167.2 million. Net interest income increased by 53%, driven by the sustained growth in the Bank's core business as bookings on both housing and auto loans doubled.

PNBSB's loan portfolio stood at P23.5 billion, more than double its year-ago level. Despite the aggressive expansion of the lending business, the Bank's asset quality remained well-managed as gross non-performing loans (NPLs) ratio declined further to 2.65% from 4.03% a year ago.

During the period, the Bank intensified its deposit generation as total deposits reached P18.0 billion, up by 88% year-on-year from P9.53 billion. Growth in deposits was primarily fuelled by the increase in long term deposits that were matched with the long term assets of the Bank.

As of end-June 2016, PNBSB's total resources aggregated P30.2 billion, up by 44%. Capital base stood at P11.35 billion, translating to a double-digit capital adequacy ratio (CAR) that was well above the minimum 10% required by the Bangko Sentral ng Pilipinas (BSP).

PNBSB continued to expand its network by putting up 4 branches during the first half of 2016. To date, the Bank has 40 branches strategically located across Metro Manila and regional growth areas. To cater to more clients nationwide, PNBSB plans to open 12 more branches for the rest of 2016. The Bank's new branches carry a "new look and feel" in line with its re-branding efforts.

PNBSB introduced new marketing initiatives that are "first" in the market. The PNB Smart Home Insurance and the PNB Smart Auto Insurance offer light and easy insurance payments combined with monthly home loan or auto loan amortizations. These products let the customers enjoy their home and car with added security at a minimal cost without having to worry about large annual premium payments. The Bank also offered the PNB Smart Auto Upgrade Loan that allows clients to manage cash flow and at the same time, invest on a higher model.

During the first quarter of 2016, PNBSB formed a strategic partnership with technology firm, Voyager Innovations, Inc. to help automate end-to-end SSS pension loans process. With this innovation, SSS pensioners may opt to apply for loans anytime and anywhere using their mobile



phones or laptops instead of visiting PNBSB branches for this purpose. Last July 20, 2016, the Bank's SSS Pension Loan Program won the New Consumer Lending Product of the Year Award in the Asian Banking and Finance (ABF) 2016 Retail Banking Awards in Singapore.

Moving forward, PNBSB will continue to enhance its services and provide customers with more innovative products to address their diverse banking needs.

Last July 22, 2016, PNBSB's parent bank, PNB, proudly celebrated its 100 years in the Philippine banking industry. For the past century, PNB has always been the bank that customers can lean on, offering a heritage and unique brand of Filipino service. Backed by 100 years of stability and excellence, PNB looks forward to another hundred years of serving *You First*.