

**Office of the Corporate Secretary**

Direct Line: 536-0540
Trunk Lines: 891-6040 to 70
Local: 4106

August 12, 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 & Exchange Corporation (PDEX) a copy of our disclosure to the Philippine Stock Exchange regarding our Press release entitled "PNB Net Income registers 20% for the first half of 2016".

We trust you will take note accordingly.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ruth Pamela E. Tanghal", written over a horizontal line.

RUTH PAMELA E. TANGHAL
Assistant 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

C04837-2016

**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 12, 2016
2. SEC Identification Number
ASO96-005555
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, President Diosdado Macapagal Blvd., Pasay City, Metro Manila
Postal Code
1300
8. Issuer's telephone number, including area code
(632) 5263131 to 70/(632) 8916040 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.



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 net income registers 20% increase for the first half of 2016

Background/Description of the Disclosure

We are pleased to furnish the Exchange a copy of the press release of the Bank entitled "PNB net income registers 20% increase for the first half of 2016."

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

PNB net income registers 20% increase for the first half of 2016

The Philippine National Bank (PNB) reported a net income of P4.3 billion for the first half of 2016, reflecting a 20% improvement over its earnings of P3.6 billion for the same period last year. The strong performance for the semester was attributed to the 24% increase in operating income. Growth in core revenues continued to be driven by net interest income which rose by 14% as the Bank expanded its loan portfolio by 15% year-on-year due to increases in corporate and commercial/SME lending. The Bank continued to benefit from favorable market conditions as trading and foreign exchange gains grew by 66% during the period. With the Bank's sustained efforts to reduce non-earning assets, net gains from sale of foreclosed assets also grew significantly. Miscellaneous income was relatively unchanged compared to previous year but continued to augment the Bank's revenues primarily from the collection of non-performing assets and proceeds from the disposal of the Bank's 51% stake in its life insurance subsidiary.

As of end-June 2016, PNB's total consolidated resources stood at P712.4 billion, up P67.7 billion or 11% from year-ago level. The Bank continued to improve its asset quality as net non-performing loans (NPL) ratio decreased to 0.19% from 0.30% in June 2015.

Strategic partnership with Allianz SE concluded

During the month of June, the Bank concluded the sale of its 51% ownership on its life insurance subsidiary PNB Life Insurance Inc. to Allianz SE, one of the leading global financial services companies. The acquisition marks Allianz SE's entry into a fast-growing insurance market with an established distribution network through

PNB, and enhances the group's position in Asia Pacific. A key component of the joint venture between Allianz SE and PNB is a 15-year bancassurance agreement, which will provide Allianz SE exclusive access to more than four million customers, across 670 PNB and PNB Savings branches in the Philippines. The new entity will be known as Allianz PNB Life Insurance, Inc.

PNB declares cash dividends and gets a credit rating upgrade

On July 18, 2016, Fitch upgraded PNB's credit rating to one notch below investment grade on expectation that the Bank will maintain broadly steady asset quality, adequate capital buffers, and stable funding and liquidity profiles as it grows and potentially gains market share amidst continued economic improvement and proactive regulatory oversight. The rating agency raised PNB's Long-Term Issuer Default Rating from BB to BB+ and its Viability Rating from 'bb' to 'bb+' and maintained its stable outlook.

During its centennial anniversary on July 22, 2016, the Board of Directors of PNB approved a cash dividend declaration of P1.00 per share for an aggregate payout of P1.25 billion to be taken out of the Bank's unrestricted Retained Earnings as of March 31, 2016. The cash dividend is payable to all stockholders of record as of August 19, 2016 on or before September 15, 2016, subject to regulatory approvals. This marks the first dividend declaration of the Bank after its full privatization in 2007.

A Century of Excellence

PNB commemorated its anniversary with the theme, "A Century of Excellence", signifying a meaningful milestone for an institution that has served generations of Filipinos here and abroad. Since its beginning as the *de facto* Central Bank of the Philippines in 1916, PNB has always been the bank that Filipinos can lean on. Moving forward, it will continue to build its unique franchise to fully unleash the potential of

a 100-year old proven brand. Backed by a century of stability and excellence, PNB looks forward to yet another hundred years of serving its customers first.

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 its highly diverse clientele comprised of individual depositors, small and medium enterprise, domestic and international corporations, government institutions, and overseas Filipinos.

As of June 30, 2016, PNB had a total of 670 branches and 960 ATMs strategically located nationwide. In addition, PNB boasts of having the most extensive international footprint across Asia, Europe, Middle East, and North America among Philippines banks with 72 overseas branches and offices.