

**Office of the Corporate Secretary**

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

August 6, 2018

**PHILIPPINE DEALING & EXCHANGE CORPORATION**

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

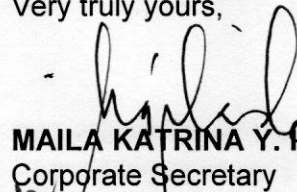
Attention: **Ms. Vina Vanessa S. Salonga**  
Head - Issuer Compliance and Disclosure Department

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 sustains strong profitability in the first half of 2018".

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](http://www.pnb.com.ph)

Authorized Depository of the Republic of the Philippines  
Member: PDIC

C05315-2018

**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 6, 2018
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, 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 - PNB sustains strong profitability in the first half of 2018

### Background/Description of the Disclosure

We are pleased to furnish the Exchange a copy of the press release of the Bank entitled "PNB sustains strong profitability in the first half of 2018".

We trust you will take note accordingly. Thank you.

### Other Relevant Information

None.

### Filed on behalf by:

|                    |                      |
|--------------------|----------------------|
| <b>Name</b>        | Maila Katrina Ilarde |
| <b>Designation</b> | Corporate Secretary  |

## **News Release**

**August 2018**

### **PNB sustains strong profitability in the first half of 2018**

The Philippine National Bank (PSE: PNB) registered a consolidated net income of P5.4 billion for the first six months of 2018, double its earnings of P2.7 billion for the same period last year. The 50% growth in total operating income provided the momentum for the strong performance as core income significantly increased combined with higher non-recurring revenues.

Comprising almost two-thirds of total operating income, the Bank's net interest income increased by 27% to P13.1 billion from year-ago level of P10.3 billion, driven by higher loan volumes and improving net interest margins. Likewise, net service fees and commission income reached P1.68 billion, P61 million better than year-ago level, boosted by improvements in credit, deposit, and bancassurance fees which offset the lower underwriting and investment banking revenues owing to the lackluster activities in the capital markets during the period. Trading and foreign exchange gains, however, were down to P795 million arising from muted trading opportunities brought about by the continuing upward movement of interest rates. The Bank booked higher net gains on disposal of foreclosed properties at P4.4 billion during the period as a result of its continuing strategy of reducing non-earning assets. Excluding these non-recurring gains on the sale of foreclosed assets, the growth in total operating income remains high at 19% year-on-year.

Operating expenses, excluding provisions for impairment and credit losses, grew 18% over the same period last year, as strong revenue growth translated to higher business taxes and other business-related expenses. Without taxes and licenses, operating expenses increased by only 12%. The Bank also set aside provisions for impairment and credit losses amounting to P1.2 billion for the first half of 2018 in line with its prudent provisioning policy to maintain the quality of its loan portfolio and in compliance with new accounting standards.

As of end of June 2018, PNB's total consolidated resources stood at P876.2 billion, up 6% compared to June 2017 balances, while total equity increased by P10.4 billion to P124.3 billion from last year's levels. The Bank expanded its loan portfolio to P529.6 billion, up 16% compared to end-June 2017 level, while total deposits increased year-on-year by 8% to P672.2 billion. Net non-performing loans (NPL) ratio was at 0.30% while NPL coverage remained more than adequate at 132%. Common Equity Tier 1 Ratio was 14.4% and Capital Adequacy Ratio stood at 15.1%.

PNB recently marked its 102<sup>nd</sup> year in business with several innovative product offerings. The PNB Mobile Banking App was enhanced and now enables credit cardholders to conveniently keep track of their PNB credit card accounts whenever and wherever they are. The Bank also introduced the PNB-PAL Mabuhay Miles Debit Mastercard which allows clients to earn points when shopping or dining, and to convert points to Mabuhay Miles. Cardholders can also enjoy 5% discount on select PAL international flights when they book online. PNB also offers a wide selection of Unit Investment Trust Funds (UITFs) suited for clients' financial goals. These funds are managed by professional and experienced fund managers and are invested in various financial instruments such as government securities, bonds, commercial papers, and deposit products. Clients can also view their UITF portfolio through the PNB Mobile Banking App.

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*Philippine National Bank is one of the country's largest private universal banks in terms of assets and deposits. It provides a full range of banking and other financial services to its highly diverse clientele comprised of individual depositors, small and medium enterprises, domestic and international corporations, government institutions, and overseas Filipinos.*

*PNB has more than 690 branches and 1,240 ATMs strategically located nationwide. Plus, PNB maintained its position as the Philippine bank with the most extensive international footprint with more than 70 overseas branches, representative offices, remittance centers and subsidiaries across Asia, Europe, the Middle East, and North America.*

*Backed by over a century of stability and excellence, PNB looks forward to more years of serving its customers first.*

*To know more about PNB, visit its official website: [www.pnb.com.ph](http://www.pnb.com.ph).*