



Office of the Corporate Secretary

Direct Line: 536-0540

Trunk Lines: 891-6040 to 70

Local: 4106/4782

November 8, 2018

PHILIPPINE DEALING & EXCHANGE CORPORATION

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

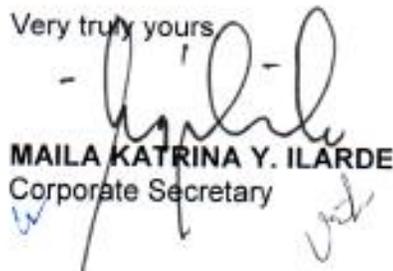
Attention: **Ms. Paula Beatrice A. Bueno**
OIC - Issuer Compliance and Disclosure Department

Dear Ms. Bueno:

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 net income up 67% to P7.5 billion".

We trust you will take note accordingly. Thank you.

Very truly yours


MAILA KATRINA Y. ILARDE
Corporate Secretary

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PNB Financial Center
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Authorized Depository of the Republic of the Philippines
Member: PDIC

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)
Nov 8, 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, 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 net income up 67% to P7.5 billion

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 up 67% to P7.5 billion".

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

November 2018

PNB net income up 67% to P7.5 billion

The Philippine National Bank (PSE: PNB) registered a consolidated net income of P7.5 billion for the first nine months of 2018, 67% higher compared to its earnings for the same period last year. The strong performance was attributed to the 36% growth in total operating income 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 grew by 24% to P20.0 billion from year-ago level of P16.2 billion, driven by higher loan volumes coupled with improving net interest margins. Likewise, net service fees and commission income reached P2.5 billion, P142 million better than year-ago level, boosted by improvements in credit, deposit, and bancassurance fees which buoyed the lower underwriting and investment banking revenues owing to the tempered activities in the capital markets during the period. Trading and foreign exchange gains, however, were down to P1.42 billion given 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 P4.6 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 18% year-on-year.

Operating expenses, excluding provisions for impairment and credit losses, grew 16% 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 11%. The Bank also set aside provisions for impairment and credit losses amounting to P1.6 billion for the first half of 2018 in line with its prudent provisioning policy in compliance with new accounting standards.

As of end of September 2018, PNB's total consolidated resources stood at P910.7 billion, up 9% compared to December 2017 balances, while total equity increased by P6.5 billion to P126.2 billion from 2017 year-end levels. The Bank expanded its loan portfolio to P550.7 billion, up 10% compared to end-December 2017 level, while total deposits were higher by 9% to P692.8 billion during the same period. Net non-performing loans (NPL) ratio was at 0.37% while NPL coverage remained more than adequate at 134%. Common Equity Tier 1 Ratio was 14.0% and Capital Adequacy Ratio stood at 14.8%.

In September 2018, the Bank disclosed its integration with its wholly-owned thrift bank subsidiary, PNB Savings Bank (PNBSB). The integration highlights PNB and PNBSB's aim to strengthen its consumer and SME business, and improve synergy of its branch networks. With the integration, PNB will have a total domestic footprint of 707 branches and more than 1,390 ATMs strategically located nationwide. The Bank maintains its position as the Philippine bank with the most extensive international reach with more than 70 overseas branches, representative offices, remittance centers, and subsidiaries across Asia, Europe, the Middle East, and North America.

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. 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.