



Office of the Corporate Secretary

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Local: 4106

March 18, 2019

PHILIPPINE DEALING & EXCHANGE CORPORATION

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

Attention: **Atty. Joseph B. Evangelista**
Head - Issuer Compliance and Disclosure Department

Dear Atty. Evangelista:

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 17% to P9.6B in 2018".

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
Pres. Diosdado Macapagal Blvd.,
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Authorized Depository of the Republic of the Philippines
Member: PDIC

C01649-2019

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)
Mar 18, 2019
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 17% to P9.6B in 2018

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 17% to P9.6B in 2018".

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

March 2019

PNB net income up 17% to P9.6B in 2018

The Philippine National Bank (PSE: PNB) registered a net profit of Php9.6 billion, 17% higher than the earnings of Php8.2 billion in 2017. At the end of 2018, PNB's total consolidated resources stood at Php983.6 billion, up Php147.3 billion or 18% from year-ago level.

The growth in net profit resulted from sustained efforts in strengthening the Bank's core business. Total operating income improved by 20% to Php38.9 billion from year-ago level of Php32.3 billion on the back of increases in core revenues as well as gains from asset disposals. Net interest income reached Php27.0 billion, 23% higher compared to the previous year, driven by a 19% expansion in gross loans and the widening of net interest margin to 3.3% from 3.1%. Funding efficiencies were achieved behind a 22% increase in low-cost demand deposits which fueled growth in deposit liabilities.

Net service fees and commission income grew by 9% driven by improvements in deposit, trade, and credit card-related fees as well as bancassurance income which were partly offset by the decline in underwriting fees. Meanwhile, net gains from sale of acquired assets increased to Php5.9 billion compared to last year's Php3.9 billion in line with the Bank's ongoing strategy of reducing its non-earning assets. Excluding net gains from sales of foreclosed asset sales, the improvement in total operating income remains significant at 16% year-on-year.

Operating expenses, excluding provisions for impairment and credit losses, grew by 13% over the same period last year as strong revenue growth translated to higher business taxes and other business-related expenses. Without taxes and licenses, core operating expenses grew by 8%.

The 18% growth in assets was funded primarily by deposits, consisting mostly of CASA deposits, as the Bank continued to focus on generating low-cost funds and other stable sources of funding.

Despite the robust loan growth, PNB's asset quality remained strong with non-performing loan (NPL) ratios of 0.34% net of valuation reserves and 1.76% at gross. NPL coverage on the other hand stood at 156.87%. PNB's consolidated risk-based capital adequacy ratio (CAR) continued to exceed the minimum regulatory requirement of 10%, with CAR at 14.35% and Common Equity Tier (CET) 1 ratio at 13.55% by end-2018.

In April 2018, PNB successfully issued US\$300 million of 5-Year Fixed Rate Senior Notes out of its US\$1 billion Medium Term Note (MTN) Program in Singapore and Hong Kong. This marked the first time that PNB tapped the international bond market for medium term dollar funding. Demand for the offering reached approximately US\$1.2 billion at its peak, equivalent to an oversubscription of 4x the issue size. The high demand for the initial issue was a testament to the international investors' strong confidence in PNB.

Recognizing the consistent improvement in PNB's credit profile, Fitch Ratings affirmed in November 2018 PNB's long-term Issuer Default Rating at BB+. Likewise, Moody's affirmed in December 2018 the Bank's foreign currency and local currency deposit ratings at Baa2/P-2, two notches above investment grade.

About PNB

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.

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 now has a total domestic footprint of 711 branches and more than 1,240 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.

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.