



Office of the Corporate Secretary

Direct Line: 536-0540
Trunk Lines: 891-6040 to 70
Local: 4782

April 17, 2015

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 of the Bank entitled "Philippine National Bank Posts Php 5.5 Billion Net Income in 2014".

We trust you will take note accordingly. Thank you.

Very truly yours,


MA. S. ANTONIETTE G. MARQUEZ
Senior Assistant Vice President



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

C01943-2015

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)
Apr 16, 2015
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
Metro Manila, 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.



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

Philippine National Bank Posts Php 5.5 Billion Net Income in 2014

Background/Description of the Disclosure

We are pleased to furnish the Exchange a copy of the press release of the Bank re: Philippine National Bank Posts Php 5.5 Billion Net Income in 2014.

We trust you will take note accordingly.

Other Relevant Information

None.

Filed on behalf by:

Name	Doris Te
Designation	Corporate Secretary



News Release

Marketing Group

Philippine National Bank Posts Php 5.5 Billion Net Income in 2014

The Philippine National Bank (PNB) posted a net income of Php5.5 billion in 2014, reflecting a 5% increase from its previous year's level despite the challenging conditions in the local financial markets that caused the Bank's trading gains to decline substantially by 72% to Php1.3 billion. Anticipating these developments, PNB beefed up its income from its growing core business as it took steps to shift marketing focus from large corporates to commercial/SMEs and consumer segments. Thus, interest income on loans and receivables grew by 16% to Php15.2 billion. In addition, PNB successfully decreased its interest expense by 23% to Php3.6 billion as the Bank concentrated on generating low cost funds and paid off high cost liabilities, particularly with the redemption of its Php6.7 billion high interest-bearing Long-Term Negotiable Certificates of Deposits (LTNCDs). As a result, net interest income grew by 23% to Php16.9 billion, accounting for 64% of total operating income in 2014. PNB's operating income increased by 12% to Php26.4 billion, augmented by other income (excluding gains from securities trading) which rose by 33% principally from the sale of PNB's foreclosed assets. Starting in the fourth quarter of 2014, PNB implemented an aggressive strategy in the disposal of its acquired properties through regional simultaneous public sealed biddings in all domestic branches which yielded higher gains for the Bank.

By the end of 2014, PNB's total consolidated resources expanded to Php625.4 billion, up Php9.2 billion from year-ago level. The Bank continued to improve its asset quality as non-performing loans (NPL) ratio decreased to 0.92% from 1.39% in December 2013 while the NPL coverage ratio improved to 99.19% from 90.84% in December 2013.



In the first quarter of 2014, PNB successfully raised Php11.6 billion in fresh capital via a stock rights offering. This is to strengthen the Bank's capital position and prepare for the higher minimum capital requirements of Basel III. The stock rights offering was oversubscribed by both existing and new investors, indicative of the long-term positive prospects of PNB. By the end of 2014, the Bank's consolidated capital position remained very strong with a Capital Adequacy Ratio (CAR) of 20.6% and a CET 1 ratio of 17.4% which are well-above the minimum 10% and 8.5% required by the Bangko Sentral ng Pilipinas (BSP). The substantial buffer ensures enough capital for PNB to build up further its assets to be able to capitalize on the opportunities arising from the sustained economic growth of the Philippines.

Further supporting its anticipated asset growth, PNB also embarked on another fund raising activity by end of 2014 through the successful issuance of Php7 billion worth of LTNCDs. The issuance was celebrated with a bell ringing ceremony to mark the first time PNB listed peso-denominated LTNCDs at the Philippine Dealing Exchange.

PNB continued to undertake initiatives to enhance its organization and delivery of service. In July 2014, PNB's Consumer Finance Group was consolidated with PNB Savings Bank, a wholly owned subsidiary of the Bank in order to strengthen its presence in the growing consumer lending business. PNB likewise infused Php10 billion from the proceeds of its stock rights offering to beef up PNB Savings Bank.

The Bank expanded its remittance services by partnering with US-based Wells Fargo & Company to provide overseas Filipinos a more convenient way to send money back to the Philippines. Wells Fargo has an extensive network of more than 9,000 stores and 12,500 ATMs across 39 states in the USA. In 2014, PNB was also recognized as the



Outstanding PhilPass Remit Participant by the BSP for its exceptional performance in terms of remittance volume sent via BSP's Philippine Payments and Settlement System (PhilPass). The award is an affirmation of PNB's commitment to continuously provide efficient and effective service to Global Filipinos and their beneficiaries.

PNB introduced innovative e-banking solutions to meet the evolving needs of its clients. In partnership with the Bureau of Internal Revenue (BIR), the Bank launched the BIR Interactive Form System ("PNB iTax"). Through PNB's Internet Banking Bill Payment System, clients are provided with the electronic channel to pay taxes. "PNB iTax" is the first online tax payment service introduced in the country.

Committed to enhancing overall customer experience, PNB embarked on a rebranding program to remodel its retail branches. Clients can now experience the improved amenities, spacious interiors, and more efficient space layout that will bring about a more comfortable and enjoyable banking atmosphere. Through this initiative, PNB aims to reinvigorate its image in order to retain its existing clientele and, at the same time, attract new and younger customers.

Nearing a century of banking history and experience, PNB is poised to move forward in the banking industry to becoming a more dynamic, innovative, and service-focused bank, providing service excellence to Filipinos all over the world.



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 December 31, 2014, PNB had a total of 657 branches and 878 ATMs strategically located nationwide. In addition, PNB boasts of having the most extensive international footprint across Asia, Europe, Middle East, and North America with 77 overseas branches and offices among Philippine banks.