



OFFICE OF THE CORPORATE SECRETARY

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November 13, 2020

PHILIPPINE DEALING & EXCHANGE CORPORATION

29th Floor, BDO Equitable Tower
8751 Paseo de Roxas
Makati City

Attention: **ATTY. MARIE ROSE M. MAGALLEN-LIRIO**
Head - Issuer Compliance and Disclosure Department (ICCD)

Dear Atty. Magallen-Lirio:

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 registers 42% increase in profits before provisions for first 9 months of 2020".

We trust you will take note accordingly. Thank you.

Very truly yours,



RUTH PAMELA E. TANGHAL
Corporate Secretary

Philippine National Bank
PNB Financial Center
Pres. Diosdado Macapagal Blvd.,
Pasay City, Metro Manila 1300, Philippines

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Authorized Depository of the Republic of the Philippines
Member: PDIC

C07915-2020

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 11, 2020
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, Pres. Diosdado Macapagal Blvd., Pasay City, Metro Manila
Postal Code
1300
8. Issuer's telephone number, including area code
(632) 8526-3131 to 70/(632) 8891-6040 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	1,525,764,850

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 Registers 42% increase in profits before provisions for first 9 months of 2020

Background/Description of the Disclosure

We are pleased to furnish the Exchange a copy of the press release of the Bank entitled "PNB Registers 42% increase in profits before provisions for first 9 months of 2020".

We trust you will take note accordingly. Thank you.

Other Relevant Information

None.

Filed on behalf by:

Name	Ruth Pamela Tanghal
Designation	Corporate Secretary

PRESS RELEASE

November 2020

PNB registers 42% increase in profits before provisions for first 9 months of 2020

Philippine National Bank (PSE: PNB) posted an operating profit, before credit provisions and taxes, of P14.1 billion in the first nine months of 2020, 42 percent higher than the same period last year, spurred by sustained growth in its core banking activities.

For the nine-month period, the Bank's net interest income increased by 12 percent year-on-year to P26.2 billion, driven by lower funding costs due to the stable growth in low-cost deposits combined with the significant reduction in levels of high-cost deposits, particularly with the maturity of P7.0 billion worth of Long-Term Negotiable Certificates of Time Deposit (LTNCDs). Loans and receivables as of end-September 2020, however, declined from 2019 year-end level as the Bank focused on strengthening its liquidity position. To remain resilient during the pandemic, the Bank fortified its liquidity management and invested most of the available funds in short-term and more liquid placements. As a result, current ratio of the Bank as of end-September 2020 increased to 65 percent from 59 percent as of year-end 2019.

"Our performance this quarter continues to show improvements in core income despite the Bank's prudent approach in asset deployment amidst the difficult operating environment. Our strategies, backed by a strong franchise and loyal customer base helped the Bank adapt to the pandemic conditions," PNB President and CEO Wick Veloso said. "We look forward to seeing greater opportunities for PNB to help support our customers as they navigate through the pandemic. We continue to enhance our capabilities so that we are able to play a more active role in rebuilding the economy," he added.

During the nine-month period, the Bank also recorded significant increase in net trading securities gains amounting to P3.4 billion, higher by 227 percent year-on-year as the Bank took advantage of favorable market opportunities during most part of the year.

Operating expenses, excluding provisions for impairment and credit losses, remained flat at P20.0 billion despite the supplemental costs for frontline employees supporting the bank's operations during the quarantine period as the pandemic conditions provided opportunities to rationalize non-critical expenditures. When the COVID-19 outbreak started to impact businesses in March this year, the Bank took a pre-emptive approach on its loan provisioning and started building loan loss reserves in anticipation of the increase in non-performing loans from borrowers who were affected by the pandemic. To date, the Bank has recognized impairment provisions amounting to P9.0 billion, which is 6 times higher than the amounts set aside during the same period last year. The Bank continues to proactively work with its customers and other stakeholders to mitigate the impact of the pandemic to its loan portfolio and other credit exposures.

Due to the recognition of the anticipatory loan impairment provisions, net income of the Bank for the first nine months of the year totaled P3.9 billion, lower by P2.5 billion for the same period last year.

As of end-September 2020, the Bank's Capital Adequacy Ratio and Common Equity Tier 1 Ratio stood at 16.40 percent and 15.67 percent, respectively, and remained to be well above the minimum regulatory requirement of 10 percent.

In October 2020, the Bank was awarded by The Asian Banker for "Best Managed Bank during COVID-19" and "Best CEO Response to COVID-19" during the latter's annual Leadership Achievement Awards for demonstrating excellence in the response to the challenges brought about by the enhanced community quarantine imposed due to the COVID-19 outbreak. The Asian Banker's Awards programme recognizes professionals

in the financial services industry in Asia Pacific, Middle East, and Africa. The Bank was also named “Best Bank for Corporate Social Responsibility (CSR)” by Asiamoney on its annual Best Bank Awards, which is the first international recognition of the Bank for its CSR efforts. Likewise, PNB was recognized as a Leader for Women by Asiamoney in its Women In Finance supplement. Among 60 banks in Asia, PNB was one of the banks with the highest percentage of women in the overall workforce. The Leader for Women report highlights financial institutions that have championed the advancement of women in finance across Asia and encompassed gender diversity in the region at global and domestic banks.

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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. 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.