Philippine National Bank

Company Brief September 2021





		Page
1	Company Introduction	3
2	Financial Highlights	9
3	Board of Directors & Senior Management	13
4	Awards & Citations	16

About PNB



- Philippine National Bank is one of the country's largest private universal banks in terms of assets, loans 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 703 branches and 1,737 ATMs strategically located nationwide. The Bank maintains its position as the Philippine bank with the most extensive international reach with 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.



Products and Services

Retail Lending

Home Loans

Auto Loans

Salary Loans

Branch Banking

Deposit

Accounts

e-Banking



Remittance

Services

Sending/

Receiving

Global Filipino

PNB provides a full range of quality products and services to a wide customer base:

Institutional

Banking

Middle Market

Corporate &

• C N S	ervices ash Nanagement olutions	• SMEs • OPHL	• Trade Financial Institutions	• PNB Wealth Manageme	Services Interest R Swaps	Card • Overseas Bills Payment
•	Investment		Leasing	Stock Brokerage	Insurance	Overseas Subsidiaries
	 Underwriting Distribution of Financial Advi Project Financial Loan Syndicat 	of Securities isory ce	 Financial Leases Operating Leases Receivable Discounting 	• Equities Trading • Stock Market Research	• Life Insurance	• Full banking services • Remittance services

Trust & Wealth

Mgmt

Personal Trust

• UITFs

Treasury Services

Fixed Income

Investments

Foreign

Major Milestones



2019

1980

Became the first universal bank in the **Philippines** 1999

The Lucio Tan Group acquired around 35% of PNB's total outstanding capital stock and joined the Bank's Board of Directors.

2005

Joint sale of Government and Lucio Tan **Group shares**

2013

Merged with **Allied Banking** Corporation (ABC) on February 9, 2013 2015

Successfully closed and signed a **USD150** million 3-year syndicated term loan facility

- PNB inked a Syndicated Loan amounting to **USD250M** through its **Tokyo Branch**
- PNB successfully issued a maiden peso bond offer which reached P13.87 B

Establishment of PNB - served as de facto central bank of the Philippines until 1946

1916

Privatization of PNB reduced Government ownership to 45%

1989-96

Lucio Tan Group became the single biggest private stockholder of **PNB**

2000

Full privatization after a Follow-on **Equity Offering** (89 million primary shares and 71.8 million secondary shares)

2007

Completed its stock right offering of common shares raising P11.6 billion in additional capital (P10 billion of which was infused into PNB Savings Bank)

PNB successfully issued USD300 M of 5-Year Fixed **Rate Senior** Notes out of its **USD1 B Medium Term Note Program**

2018

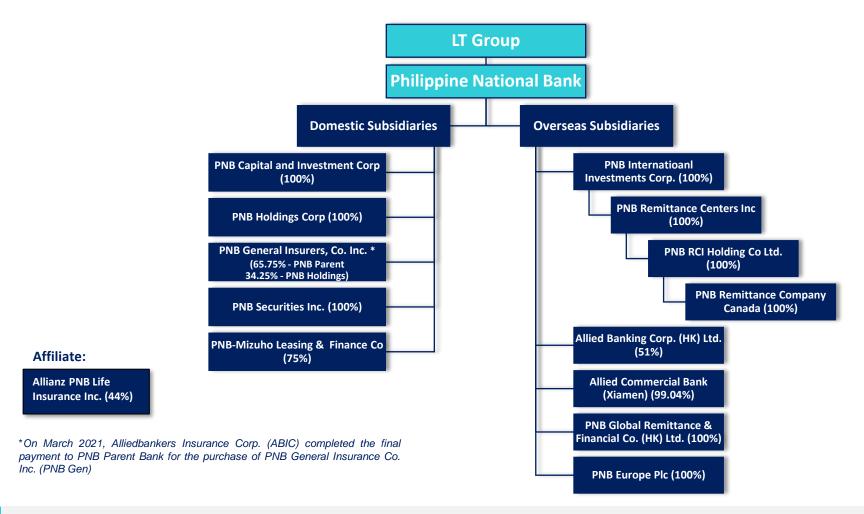
- **PNB** listed 276,625,172 common shares from a recently concluded stocks right offering raising P12 B
- PNB issued US\$ 750 M Notes to be drawn down from its recently increased US\$ 2 B **Medium Term Note**

2014

2019

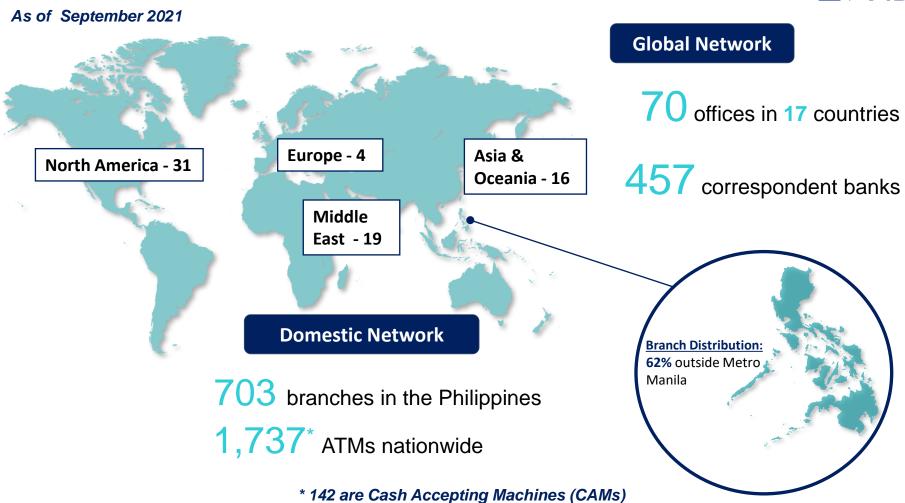
PNB Subsidiaries and Affiliate





Market Reach







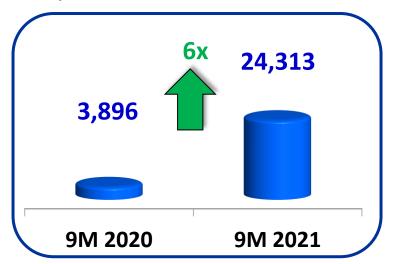
		Page
1	Company Introduction	3
2	Financial Highlights	9
3	Board of Directors & Senior Management	13
4	Awards & Citations	16

Profitability & Balance Sheet



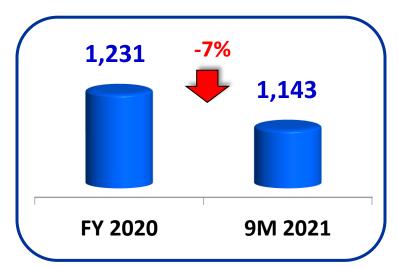
Net Income

In Php Millions



 Higher Net Income due to sustained core income, boosted by substantial one-off gain from monetizing the value of low income-generating assets. The one-off gain of P33.6 billion represents the increase in fair market values of the Bank's three prime real estate properties which were transferred to PNB Holdings Corporation in exchange for shares.

Total Assets In Php Billions



 Total Assets were lower due to decreases in property & equipment, and investment properties with the transfer of the three prime properties to a subsidiary that offset the increase in investment securities.

9M 2021 P&L



	PNB Consolidated		
(in PHP million)	9M 2021	9M 2020	% Change
Interest Income	31,525	35,148	-10.3%
Interest Expense	5,770	9,054	-36.3%
NET INTEREST INCOME	25,755	26,095	-1.3%
Fee-Based and Other Income	40,898	7,740	428.4%
Net Service Fees and Commission Income	3,867	2,545	51.9%
Other Income	37,030	5,195	612.8%
TOTAL OPERATING INCOME	66,653	33,835	97.0%
Admin and Operating Expense	19,811	19,838	-0.1%
Income Before Provisions	46,842	13,996	234.7%
Provision for impairment and credit losses	20,446	9,020	126.7%
Provision for Income Tax	2,104	1,156	82.0%
NET INCOME FROM CONTINUING OPERATIONS	24,292	3,820	536.0%
NET INCOME FROM DISCONTINUED OPERATIONS	21	77	-73.1%
NET INCOME	24,313	3,896	524.0%
Return on average equity (ROE)	14.0%	3.4%	
Return on average assets (ROA)	1.8%	0.5%	
Net Interest Margin (NIM Rate)	3.3%	3.6%	
Cost efficiency ratio	60%	59%	

9M 2021 BALANCE SHEET



	PNB Consolidated		
(in PHP million)	9M 2021	FY 2020	% Change
Cash / Due from BSP & Other Banks	209,088	286,697	-27.1%
Investment Securities	276,071	268,594	2.8%
Loans and Receivables	600,071	599,994	0.0%
Property & Equipment	13,779	19,878	-30.7%
Investment Properties	10,707	14,445	-25.9%
Other Assets	33,266	41,525	-19.9%
TOTAL ASSETS	1,142,942	1,231,133	-7.2%
Deposit Liabilities	854,739	890,287	-4.0%
Bonds Payable	53,369	64,056	-16.7%
Bills & Acceptances Payable	48,524	87,159	-44.3%
Other Liabilities	32,176	33,648	-4.4%
TOTAL LIABILITIES	988,808	1,075,150	-8.0%
TOTAL EQUITY	154,134	155,983	-1.2%
TOTAL LIABILITIES AND EQUITY	1,142,942	1,231,133	-7.2%
Loans/Deposits	73.82%	69.20%	
Total CAR	14.32%	15.14%	



		Page
1	Company Introduction	3
2	Financial Highlights	9
3	Board of Directors & Senior Management	13
4	Awards & Citations	16

Board of Directors





- Chairman/Independent Director
- · Serves as director of multiple PNB subsidiaries · Former Acting President and Vice Chairman of PNB
- · Former Director/President & CEO of Allied Banking Corp.
- Former President and General Manager of GSIS Former President of the Philippine Chamber of Commerce and Industry



Leonilo G. Coronel

Vice Chairman/Director

- Independent Director of DBP-Daiwa Capital Markets Phil.
- Director of Software Ventures International (ISC) and CITICORE Real Estate Investment Trust
- Former Executive Director of BAP
- Former Chairman/Director of PNB Domestic/Foreign



Florido P. Casuela

Director

- Chairman of PNB Securities, Inc.
- Director of Surigao Micro Credit Corporation · Senior Adviser of the Bank of Makati (A
- Savings Bank), Inc.
- · Former President of Landbank of the Phil.. Maybank & Surigao Micro Credit Corp.



Edgar A. Cua

Independent Director

- · Independent Director of PNB Capital and Investment Corp. · Independent Director of Allied Commercial Bank, Xiamen
- · Independent Director of PNB Mizuho Leasing and Fin. Corp.
- · Independent Director of Allied Integrated Holdings Inc.
- · Director of Davao Unicar Corp.



Estelito P. Mendoza

- Chairman of Prestige Travel, Inc.
- Director of Petron Corporation
- Director of San Miguel Corporation
- Practicing lawyer for more than 60 years



Isabelita M. Papa

Independent Director

- Consultant of the Bankers Association of the Philippines Former Executive Vice President for Operations and Information
- Technology of Asia United Bank
- Former Executive Vice President for Operations of United Overseas Bank
- Former Senior Vice President/Country Manager of Bank of America N.A. Former Director of Rural Bank of Angeles and Cavite United Rural Bank Former President of Bankers Institute of the Philippines (BAIPHIL)
- Former Chairperson of Swift Users Group, Philippines



Sheila T. Pascual

Director

- · Business Development Manager of Allied Banking Corp. (Hong Kong) Limited
- Director of Allied Commercial Bank
- · Former Marketing Development Officer of Asia Brewery, Inc.



Wilfrido E. Sanchez Independent Director

- Tax Counsel of Quiason Makalintal Barot Torres Ibarra Sison & Damaso Law Offices
- Tax Coursel of Quisson Mainfairel Barot Fores barra Sizon & Damaso Law Offices
 (vee Chaimman of Armoult Really Hollage), because of unsersation, and office of the Course of the Course
- Independent Director of LT Group, Inc., Asia Brewey, Inc., Asiabest Group International Inc.,
 ARGS, Tanday Distellers, Inc., Exploration Philippens, Inc., Asiah Institute of MAYCHOE Protection Procurations, Inc., Asiah Institute of Management (AMA,
 Former Director of Universal Robins Core, RCGIC, Transsational Plane, Inc., Transnational
 Diversified Corp., Transnational Financial Services, Inc., Center For Leadership & Change, Inc.
 (CLCI), Adventure International Tours, Inc., AMON Transfor, Corp. (AMON)



Carmen K. Tan

Director

- Vice Chairman of LT Group, Inc.
- Director of PAL Holdings, Inc., Marcolksia Corp., Philippine Airlines, Inc., Air Philippines Corporation, PMFTC, Inc., Eton City, Inc., The Charter House, Inc., Spalsy Trading Corporation, Progressive Farms, Inc., Lucky Travel Corporation, Asia Brewery, Inc., Dominium Realty and Construction Corporation, Manufacturing Services and Trade Corp., Shareholdings, Inc., Foremost Farms, Inc., Fortune Tobacco Corporation, Himmel Industries, Inc., Grandspan Development Corporation, Tan Yan Kee Foundation, Tangent Holdings Corporation, Saturn Holdings, Inc., Paramount Land Equities, Inc., Tandusy Distillers, Inc., Interbev Philippines, Inc., Waterich Resources Corp., Trustmark Holdings Corp., Cosmic Holdings Corporation, Zuma Holdings and Management Corp., Buona Sorte Holdings, Inc., REM Development



Lucio C. Tan

Director

- Chairman and CEO of LT Group, Inc., PAL Holdings, Inc., MacroAsia Corp., Philippine Airlines, Inc., Lucky Travel Corporation, Tangent Holdings Corporation
- Chairman of PNB Holdings Corporation, Fortune Tobacco Corporation, Asia Brewery, Inc., Eton Properties Philippines, Inc., Allied Banking Corporation (HK) Ltd., Allied Commercial Bank, Allianz PNR I ife Insurance, Inc., Tanduay Distillers, Inc.
- · President of Basic Holdings Corporation, Grandspan Development Corporation, Himmel Industries, Inc.



Lucio C. Tan III

Director/President and Chief Operating Officer of Tanduay Distillers, Inc. Vice Chairman and President of Sabre Travel Network (Philippines) Inc.

Director of LT Group, Inc., PAL Holdings, Inc., MacroAsia Corporation, MacroAsia Airport Services Corp., MacroAsia Catering Services Inc., MacroAsia SATS Food Industries, MacroAsia SATS Inflight Services Corp., PNB Holdings Corporation, Philippine Airlines, Inc., Lufthansa Technik Philippines, Air Philippines Corporation, PMFTC, Inc., Belton Communities, Inc., Eton City, Inc., First Homes, Inc., ALI Eton Property Development Corp., Allied Club, Inc.



Michael G. Tan

- · President and COO of LT Group, Inc.
- · President and COO of Asia Brewery, Inc.
- · Director of Victorias Milling Company, Inc.
- Director of MacroAsia Corp.
- Director of Eton Properties Philippines Inc.

Vivienne K. Tan Director



- · Director of LT Group, Inc., MacroAsia Corporation,
- Eton Properties Phils., Inc., Dynamic Holdings Limited · Founding Trustee of Philippine Center for
- Entrepreneurship (Go Negosyo)
- · Trustee of University of the East, University of the East Ramon Magsaysay Memorial Medical Center, College of Saint Benilde



Jose Arnulfo "Wick" A. Veloso President and CEO/ Director

- President of Sankers Association of the Philippines Director of Misrat PNB Life Insurance, Inc. Director of Philippine Depository & Trust Corp. (PDTC), Philippine Dealing System Philippine Dealing & Sachange Corp. (PDSs) and Philippine Securities Settlement Director of Philippine Persiments Management, Inc.

- Former Director of BancNet, Inc. Former Member of Asian, Bankers Associatio
- Force the total of size Business Association
 Force Theories of size Business Association
 Force Theories of Size Business Association of Size Business Association
 Forces Provides and CCO of HISICA Provides and Public Association
 Forces Provides and CCO of HISICA Provides and Public Association
 Forces Continued Association
 Forces Conti



Domingo H. Yap

Independent Director

- President of H-Chem Industries, Inc., DHY Realty & Dev't, Inc., Colorado Chemical Sales Corp., Universal Paint & Coating Phils., Inc., AllianceLand Dev't Corp.
- Former President of the Federation of Filipino-Chinese Chambers of Commerce & Industries, Inc.

As of November 12, 2021



Senior Management



Jose Arnulfo "Wick" A. Veloso President and CEO of the Bank since 2018



Cenon C. Audencial Jr. EVP
Head of the Institutional
Banking Sector



Roberto D. Baltazar EVP Head of Global Banking and Markets Sector



Isagani A. Cortes
EVP
Chief Compliance Officer



Aida M. Padilla EVP Head of the Enterprise Services Sector



Manuel C. Bahena, Jr. FSVP Chief Legal Counsel



Marie Fe Liza S. Jayme FSVP Head of Operations Group



Ma. Adelia A. Joson FSVP Head of Retail Banking Sector



Jose German M. Licup FSVP Chief of Staff to the President and CEO



Maria Paz D. Lim FSVP Corporate Treasurer



Noel C. Malabag FSVP Head, Global Markets Group



Roland V. Oscuro FSVP Chief Information Security Officer



Nanette O. Vergara
FSVP
Chief Credit Officer



Paolo Eugenio J. Baltao SVP Special Asstant to the President on the Digital Bank Initiative



Socorro D. Corpus SVP OIC - Human Resource Group



Claro P. Fernandez SVP Head of Public Affairs Group



Michael M. Morallos
SVP
Head of the Information
Technology Group



Damasen Paul C. Cid FVP Head, Digital Innovations



Aidell Amor R. Gregorio
FVP
Acting CFO and OIC
Financial Management



Joy Jasmin R. Santos FVP Chief Trust Officer & Head of Trust Banking Group



Simeon T. Yap FVP Chief Risk Officer



Analisa I. San Pedro SAVP OIC – Internal Audit Group



Leia V. Regala-Teodoro SAVP OIC – Marketing Services/ Intelligence & Analytics

As of November 12, 2021



		Page
1	Company Introduction	3
2	Financial Highlights	9
3	Board of Directors & Senior Management	13
4	Awards & Citations	16

Recent Awards





2021 Outstanding BSP Stakeholders Appreciation Ceremony

PNB as BSP's 'Outstanding Regional Partners'



Asiamoney Women in Finance feature 2021

Asiamoney recognized PNB as a 'Leader for Women'



Asia Responsible Enterprise Awards (AREA) for Project P.L.A.N.E.T. (Protect, Love And Nurture the Environment Together) 2021

PNB won the "Green Leadership Award"

Recent Awards





The Asian Banker Risk Management Awards (2021)

"Best KYC and Customer Onboarding Technology of the Year"



The Asian Banking & Finance Retail Banking Awards (2021)

"Mortgage and Home Loan Product of the Year"



Asiamoney Banking Awards (2021)

"Best Bank for Investment Research"



LinkedIn Top Companies list in the Philippines (2021)

 "PNB ranked #1 in the list as one of the best workplaces to grow one's career in the Philippines"

Recent Awards











The Asian Banker Leadership Achievement Awards (2020)

- "Best Managed Bank during COVID-19 in the Philippines"
- "Best CEO" awarded to President Wick Veloso

Asiamoney Banking Awards (2020)

- "Best Bank for Corporate Social Responsibility in the Philippines"
- Recognized as "Leader for Women"

55th Anvil Awards (2020)

"Public Relations Program on a Sustained Basis – Development Communication" (PNB-PAL Mabuhay Miles Debit Mastercard)

18th Philippine Quill Awards (2020)

 "Communication Management - Marketing, Advertising, and Brand Communication" (More Ways to Experience More Firsts with PNB Cards! Campaign)

Disclaimer



Unless otherwise noted, the financial data contained in these materials are presented under Philippine Financial Reporting Standards. Unless otherwise specified, all the financial information is shown on a consolidated basis.

Information concerning financial institutions other than the Bank and its subsidiaries are based on publicly available information and the Bank has not independently verified such data.

This presentation is being communicated only to persons who have professional experience in matters relating to investments and to person to whom it may be lawful to communicate it to (all such persons being referred to as "relevant persons").

This presentation is being furnished to relevant persons solely for their information and may not be reproduced or redistributed to any other person.

By participating in this presentation or by accepting any copy of the slides presented, you agree to be bound by the foregoing limitations.