

C03853-2021

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)
Jun 1, 2021
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 2

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 4-2 - Acquisition/Disposition of Shares of Another Corporation References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Additional Equity Investment in Subsidiary

Background/Description of the Disclosure

On September 25, 2020, the PNB Board of Directors approved to subscribe 466,770,000 additional PNB Holdings Corporation ("PHC") shares with a par value of PhP100.00 per share, to be issued out of the increase in PHC's Authorized Capital Stock, at a subscription price of PhP100.00 per share, in exchange for certain real estate properties of the Bank, subject to regulatory approvals.

On January 14, 2021, PHC received the Certificate of Approval of Increase of Capital Stock from the Securities and Exchange Commission (SEC).

We wish to update the Exchange on the ongoing series of transactions undertaken by the Bank to monetize its low-earning assets. It can be recalled that the Bank disclosed last January 15, 2021 that the exchange of three (3) prime properties with a market value of P46.677 Billion, determined by a reliable independent source, for equivalent value in shares of stock of PHC, a wholly owned subsidiary, was completed. As previously disclosed on May 3, 2021, the 3 properties exchanged for PHC shares are (1) the PNB Financial Center located in President Diosdado Macapagal Boulevard, Pasay City, (2) the PNB Makati Center located in Ayala Avenue, Makati City, and (3) the prime property located along Senator Gil Puyat corner Paseo De Roxas, Makati City.

Upon completion of the above-described property-for-share swap, the Bank increased its share ownership in PHC. Thereafter, the Bank disclosed last April 26, 2021 a property dividend declaration consisting of 239,353,710 of its shares of PHC. After the record date of May 18, 2021, the Bank's total equity in PHC was reduced to 49%.

As a result of the foregoing transactions, the Bank will be able to record approximately P34 Billion in its books reflecting the difference between the fair value of P46.677 Billion and the book value of P12.6 Billion of the properties exchanged for shares of PHC. Specifically, the change will be reflected in the Bank's income statement as of May 28, 2021, thereby further strengthening its financial position as the transaction will generate P10 Billion additional capital, after deducting the effect of the property dividends of approximately P24 Billion.

We trust you will take note accordingly.

**Date of Approval by
Board of Directors**

Sep 25, 2020

Rationale for the transaction including the benefits which are expected to be accrued to the Issuer as a result of the transaction

On September 10, 2020, the Board approved a plan to realize the market value of the Bank's prime properties and reduce its low-earning assets to strengthen the Bank's financial position. PNB aims to further strengthen its financial position as the transaction will generate P10 Billion additional capital.

Details of the acquisition or disposition

Date	Jan 14, 2021
Manner	
The subscription of the additional 466,770,000 PHC shares was issued from the increase in PHC's Authorized Capital Stock.	
Description of the company to be acquired or sold	
<p>PNB Holdings Corporation is a wholly-owned subsidiary of the Philippine National Bank. It was established on May 20, 1920 to invest, sell, transfer, or exchange all kinds of stocks, bonds, certificates of deposit, property or assets and earn from its assets.</p> <p>In January 2021, PHC applied for, and the SEC approved its application for, increase of capital stock in order to accommodate the property for share swap transaction with the Bank.</p> <p>As of March 31, 2021, PHC's capital structure has the following key details:</p> <p>Authorized Capital Stock - P50,500,000,000.00 Subscribed and Paid-in Capital - P46,932,100,000.00 Number of Issued and Outstanding Shares - 469,321,000 Par Value - P100/share Class of Shares - Common</p>	

The terms and conditions of the transaction

Number of shares to be acquired or disposed	466,770,000
Percentage to the total outstanding shares of the company subject of the transaction	99.46
Price per share	100.00

Nature and amount of consideration given or received

The Bank subscribed to additional 466,770,000 shares of PHC at a subscription price of PhP100.00 per share or a total consideration of PhP46,677,000,000.00 in exchange for 3 real estate properties of the Bank.

Principle followed in determining the amount of consideration

The subscription price was based on the par value per share of PHC shares.

Terms of payment

Subscription to additional 466,770,000 shares of PHC at a subscription price of PhP100.00 per share or a total consideration of PhP46,677,000,000.00 in exchange for the following properties: (1) the PNB Financial Center located in President Diosdado Macapagal Boulevard, Pasay City, (2) the PNB Makati Center located in Ayala Avenue, Makati City, and (3) the prime property located along Senator Gil Puyat corner Paseo De Roxas, Makati City.

Conditions precedent to closing of the transaction, if any

In the process of attaining the SEC's approval for the increase in Authorized Capital Stock of PHC, PNB and PHC have paid the necessary fees to the SEC, Document Stamp Tax to the BIR, and local transfer tax to local government units.

Any other salient terms

It forms part of the series of transactions in relation to the Bank's monetization of its low-earning assets and property dividend declaration.

Identity of the person(s) from whom the shares were acquired or to whom they were sold

Name	Nature of any material relationship with the Issuer, their directors/ officers, or any of their affiliates
N.A.	N.A.

Effect(s) on the business, financial condition and operations of the Issuer, if any

The subscription forms part of a series of transactions which will be undertaken to further strengthen the Bank's financial position as the transaction will generate additional capital for the Bank.

Other Relevant Information

The disclosure was amended to reflect the additional information on the additional equity investment in PHC and the property dividend declaration of the Bank, particularly under the following fields:

1. Background/Description of the Disclosure;
2. Description of the company to be acquired or sold;
3. Terms of payment;
4. Conditions precedent to closing of the transaction;
5. Any other salient terms; and
6. Effect(s) on the business, financial condition and operations of the Issuer.

Filed on behalf by:

Name	Ruth Pamela Tanghal
Designation	Corporate Secretary