

C02941-2021

## 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)  
May 3, 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.



## 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**

Sale of 100% Shareholdings in PNB General Insurers Co., Inc. to Allied Bankers Insurance Corporation

#### **Background/Description of the Disclosure**

On December 11, 2020, the PNB Board of Directors approved and confirmed the sale of 100% shareholdings of PNB (6,000,000 common shares) and PNB Holdings Corporation (3,126,000 common shares) in PNB General Insurers Co., Inc. to Allied Bankers Insurance Corporation, subject to regulatory and other necessary approval/s.

PNB General Insurers Co., Inc. is 65.75% owned by the Philippine National Bank (PNB) and 34.25% owned by PNB Holdings Corporation, while PNB Holdings Corporation is a wholly-owned subsidiary of PNB. PNB has 4% shareholdings in Allied Bankers Insurance Corporation (ABIC).

On December 29, 2020, the Insurance Commission approved the acquisition by ABIC of PNB General Insurers Co., Inc.

On January 21, 2021, the Bank received ABIC's installment payment (first of 3 tranches) for PNB's 65.75% shareholdings in PNB General Insurers Co., Inc.

On March 19, 2021, the Bank received ABIC's installment payment (second of 3 tranches) for PNB's 65.75% shareholdings in PNB General Insurers Co., Inc.

On March 31, 2021, the Bank received from ABIC the amount of P366,149,555.47 as advanced payment on the third tranche due on June 21, 2021, for PNB's 65.75% shareholdings in PNB General Insurers Co., Inc.

We wish to advise the Exchange that on April 30, 2021, the Bank received from ABIC the amount of P91,988,089.95 as full and final payment on the third tranche due on June 21, 2021, for PNB's 65.75% shareholdings in PNB General Insurers Co., Inc.

We trust you will take note accordingly. Thank you.

|   |              |
|---|--------------|
| <b>Date of Approval by Board of Directors</b> | Dec 11, 2020 |
|---|--------------|

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

The sale of PNB General Insurers Co., Inc. shares is consistent with the Bank's objective to exit the non-life insurance business being a non-core undertaking.

The proceeds of the transaction will be used for general corporate purposes.

**Details of the acquisition or disposition**

|  |              |
|--|--------------|
| <b>Date</b>  | Jan 21, 2021 |
| <b>Manner</b>  |              |
| Sale of 100% shareholdings for cash  |              |
| <b>Description of the company to be acquired or sold</b>   |              |
| PNB General Insurers Co., Inc. is a subsidiary of PNB established in 1991. It is a non-life insurance company that offers coverage for Fire and Allied Perils, Marine, Motor Car, Aviation, Surety, Engineering, Accident Insurance and other specialized lines. |              |

**The terms and conditions of the transaction**

|   |           |
|---|-----------|
| <b>Number of shares to be acquired or disposed</b>  | 9,126,000 |
| <b>Percentage to the total outstanding shares of the company subject of the transaction</b> | 100       |
| <b>Price per share</b>  | 166.93    |

|   |
|---|
| <b>Nature and amount of consideration given or received</b> |
| P1,523,374,730.48 cash payment                              |

|  |
|--|
| <b>Principle followed in determining the amount of consideration</b> |
| Valuation of 3rd party independent actuarial                         |

|   |
|---|
| <b>Terms of payment</b>   |
| <p>Timetable of Payment:</p> <p>A. PNB Holdings Corporation</p> <p>Date: December 29, 2020<br/>Amount: P521,816,780.18</p> <p>B. Philippine National Bank</p> <p>Date: January 21, 2021<br/>Amount: P100,155,795.02</p> <p>Date: March 19, 2021<br/>Amount: P450,701,077.64</p> <p>Date: June 21, 2021<br/>Amount: P450,701,077.64</p> <p>Advanced payment on the third tranche due on June 21, 2021 received on March 31, 2021 - P366,149,555.47</p> <p>Full and final payment on the third tranche due on June 21, 2021 received on April 30, 2021 - P91,988,089.95</p> |
| <b>Conditions precedent to closing of the transaction, if any</b>   |
| The Share Purchase Agreement was signed on December 29, 2020.   |

**Any other salient terms**

None.

**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 |
|--------------------------------------|--|
| Allied Bankers Insurance Corporation | Interlocking directors with PNB - Mr. Lucio C. Tan, Ms. Carmen K. Tan                                      |
| Allied Bankers Insurance Corporation | Interlocking director with PNB Holdings Corporation - Mr. Lucio C. Tan                                     |
| Allied Bankers Insurance Corporation | Interlocking director with PNB General Insurers Co., Inc. - Ms. Rowena T. Chua                             |

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

The Bank will remain in the Bancassurance space to support its strategic growth plans and at the same time eliminate insurance underwriting risk.

**Other Relevant Information**

The disclosure was amended to reflect the receipt of the full and final payment from ABIC for PNB's 65.75% shareholdings in PNB General Insurers Co., Inc. The Bank also received cost of money for the installment payments.

**Filed on behalf by:**

|                    |                     |
|--------------------|---------------------|
| <b>Name</b>        | Ruth Pamela Tanghal |
| <b>Designation</b> | Corporate Secretary |