



OFFICE OF THE CORPORATE SECRETARY

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August 11, 2021

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 Bank's Press Release entitled "PNB sustains profitable performance for first half of 2021".

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

C05499-2021

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)
Aug 10, 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 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 sustains profitable performance for first half of 2021

Background/Description of the Disclosure

We are pleased to furnish the Exchange with the Bank's Press Release entitled "PNB sustains profitable performance for first half of 2021".

We trust you will take note accordingly. Thank you.

Other Relevant Information

None.

Filed on behalf by:

Name	Michelle Pahati-Manuel
Designation	Assistant Corporate Secretary



PRESS RELEASE

August 2021

PNB sustains profitable performance for first half of 2021

Philippine National Bank (PSE: PNB) registered a core operating income of P19.3 billion for the first half of 2021 as the Bank managed to sustain its core banking activities despite the prolonged impact of the COVID-19 pandemic on the operating environment.

During the period, the Bank augmented its net income with the booking of a one-off gain of P33.6 billion. This 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. This brought the Bank's consolidated year-to-date net income after provisions and taxes to P22.1 billion, 16 times higher compared to its earnings for the same period last year.

Net service fees and commission income grew by 45 percent, boosted by higher investment banking revenues as capital markets resumed momentum in the first half of 2021 as well as increase in volume of credit and deposit-related transactions.

The Bank's net interest income slightly declined by 3 percent to P16.9 billion year-on-year on account of reduced earnings from loans and investment securities, reflective of the continued downtrend in the benchmark interest rates. As of end-June 2021, loan receivables stood at P618.2 billion, up by 3 percent from prior year as the Bank re-focused its credit granting to entities belonging to financially resilient industries. Deposit liabilities at P828.1 billion also increased by 5 percent versus June 2020 levels, driven by steady growth in CASA. Other borrowings of the Bank, on the other hand, declined from year-ago level mainly due to the maturity of the P13.9 billion 6.3 percent fixed-rate bonds of the Bank in May 2021.

Trading and foreign exchange gains declined by 57 percent to P1.6 billion resulting mainly from limited trading opportunities in the market during the period.

As part of its continuing proactive approach to address potential delinquencies from the protracted impact of the pandemic, the Bank booked additional impairment provisions of P16.9 billion during the second quarter of the year, bringing the total provisions to-date to P19.0 billion, higher than the levels seen during the same period last year. As a result, the Bank's NPL coverage ratio increased to 60 percent from 43 percent as of end-December 2020.

Operating expenses, excluding provisions for impairment and credit losses, remained relatively flat year-on-year at P13.4 billion as spending was focused on more essential expenditures.

"The Bank delivered excellent results during the first half of 2021 as we were able to sustain profits from core banking operations and reap the benefits of monetizing the value of low income-generating assets. This allowed the Bank to continue to build our loan loss provisions as the pandemic continues to impact local businesses and the overall economy," PNB President and CEO Wick Veloso said.

"As we navigate through this challenging business environment, the Bank's focus for the rest of the year is to ensure uninterrupted service to its customers. We launched a new Mobile App that is significantly easier to operate and will provide best customer experience. Our web-based account opening platform is now also available to all customers nationwide allowing the public to do banking transactions from the safety of their homes. Our thrust has always been to continuously serve the immediate needs of our customers while looking for innovative ways to enhance their experience," he added.

As of end-June 2021, PNB's consolidated resources stood at P1.1 trillion, up by 2 percent from year-ago level. The Bank's Capital Adequacy Ratio of 14.03% and Common Equity Tier 1 Ratio of 13.24% remained well above the minimum regulatory requirement of 10%.

To encourage more customers to stay at home amidst the ongoing health concerns brought by the new COVID-19 Delta variant, PNB waived transfer fees for all purely domestic transactions of InstaPay and PESONet during the Enhanced Community Quarantine from August 6 to August 20, 2021. The Bank continues to deploy its Bank On Wheels to make cash accessible for customers.

In April 2021, the employment-related online platform LinkedIn ranked PNB as #1 in the 2021 LinkedIn Top Companies list in the Philippines, a ranking of the 15 best workplaces to grow one's career. PNB was also recognized by Asiamoney as Best Bank for Investment Research during its Private Banking Awards in June 2021. The award is a testament to the Bank's contribution in helping its clients make sound investment decisions by sharing their insights on equities, industries, and the Philippine economy. The award is a milestone for the Bank as this is the first international recognition for its research initiatives. The Bank was also recognized as Best KYC and Customer Onboarding Technology of the Year by The Asian Banker on its Risk Management Awards. The award acknowledges the Bank's new Anti-Money Laundering Monitoring Solution, showing that the Bank does not rely on a single level of protection but has invested and deployed layers to protect customers and their transactions. Further, the Bank's "Own a Philippine Home Loan" (OPHL) product was recognized as Mortgage and Home Loan Product of the Year by The Asian Banking and Finance on its Retail Banking Awards. OPHL is a convenient way for overseas Filipinos to apply, book, and pay for loans without the need to fly to the Philippines.

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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.