

05 February 2020

Securities & Exchange Commission

Secretariat Building, PICC Complex
Roxas Blvd, Metro Manila

Philippine Stock Exchange

Disclosure Department
6/F PSE Tower, 28th Street corner 5th Avenue,
BGC, Taguig City, Metro Manila

Philippine Dealing & Exchange Corporation

37th Floor, Tower 1, The Enterprise Center
6766 Ayala Ave. corner Paseo de Roxas
Makati, 1226 Metro Manila, Philippines

Attention: Hon. Vicente Graciano P. Felizmenio, Jr.
Director, Market and Securities Regulation Department
Securities & Exchange Commission

Ms. Janet Encarnacion
Head - Disclosure Department
Philippine Stock Exchange

Atty. Marie Rose M. Magallen-Lirio
Head - Issuer Compliance and Disclosure Department (ICDD)

Sir and Mesdames:

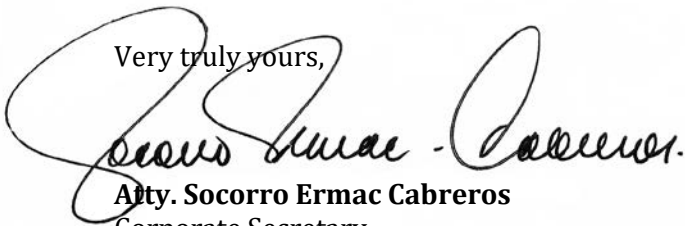
The Company's Board of Directors has declared a cash dividend for **Series 4 Preferred Shares (PNX4)** to all stockholders of record as of February 19, 2020 which shall be paid on February 21, 2020.

Cash dividend shall be paid out from the unrestricted retained earnings of the previous period ended 31 December 2019.

This disclosure is made pursuant to the SRC and the Revised Disclosure Rules.

Thank you and warm regards.

Very truly yours,



Atty. Socorro Ermac Cabreros
Corporate Secretary

Agenda Item: Series 4 Preferred Shares (PNX4) Dividend Declaration

Sponsor: Treasury

RESOLVED, as it is hereby resolved, that cash dividend be declared for the Series 4 Preferred Shares (PNX4) issued by the Corporation, pursuant to the Securities and Exchange Commission (SEC) MSRD order no. 38 (series of 2019) and its Certificate of Permit to Offer Securities for Sale dated October 21, 2019, and listed on the Philippine Stock Exchange (PSE) on November 7, 2019, at the rate of 7.5673% every 7th day of February, May, August, and November, in accordance with the Subscription Agreements, Prospectus and other pertinent documents in relation to the issuance of PNX4 Preferred Shares;

RESOLVED, FURTHER, to authorize the Office of the Chief Finance Office or its nominated department to pay the above dividends every quarter in accordance with the Agreements and other documents executed in relation thereto and to further disclose succeeding dividend declaration every dividend period until fully redeemed.

Executive Summary:

The Company received approval from the SEC-MSRD last October 21, 2019 to offer and list five million preferred shares Series 4 Preferred Shares through the PSE, with an option for oversubscription of up and additional two million preferred shares. The shares are valued at PHP 1,000 each and a total of PHP 7.00 billion was raised on November 7, 2019 when these were listed with a dividend rate of 7.5673%.

Under the terms of the Prospectus dated October 18, 2019, there shall be dividend payments scheduled every 7th of February, May, August, and November until the preferred shares are redeemed. There is a dividend rate step-up of 850bps over the prevailing 7-year benchmark on the 3rd anniversary of the listing in December 2022 should the company not exercise its redemption option.

The PNX4 preferred shares were utilized to support the long term capital requirements of the company, and reduce the debt levels of the company.

The company has the following existing Preferred Shares issued:

SERIES	RATE	VALUE (PHP)	STEP-UP DATE
PNX3A	7.4278%	1,250,000,000	Dec. 2020

PNX3B	8.1078%	750,000,000	Dec. 2022
PNX4	7.5673%	7,000,000,000	Dec. 2022

The sole issue manager and book runner for the PNX4 Preferreds was Chinabank Capital with the support of the PNB Capital as joint lead underwriter.

Recommendation:

Pursuant to the Prospectus and the Subscription Agreement, management recommends authorize the dividend payments for the PNX4 Preferred Shares every 7th day of February, May, August, and November at a rate of 7.5673% until full redemption, pursuant to the terms and conditions as described under the Prospectus dated Oct. 18,, 2019 and approved by the SEC-MSRD under Order no. 38, series of 2019.

Corporate Governance and Compliance:

Treasury Group, MAIR, and Legal

Management Responsibility:

Chief Financial Officer - Ma. Concepcion F. De Claro
 Treasury Head and AVP - Reynaldo A. Phala
 Treasury Manager - Vicente Miguel R. Jayme

Signing of Board Paper

DENNIS A. UY
 Chief Executive Officer

MA. CONCEPCION F. DE CLARO
 Sponsor