



PRESS RELEASE

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PNB posts 19% growth in net income for 9M 2023

Philippine National Bank (PSE: PNB) registered a consolidated net income of P13.5 billion for the first nine months of 2023, 19 percent higher compared to its earnings for the same period last year. The stronger performance year-on-year was attributed to the growth in the Bank's core lending and fee-based operations.

The Bank's net interest income rose by 23 percent to P33.0 billion from year-ago level of P26.8 billion, driven by higher loan volumes coupled with improving net interest margin of 4.2 percent as compared with previous year's 3.4 percent. Gross loans amounted to P635 billion as of end-September 2023, up 4 percent from the end-December 2022 level on the back of the Bank's sustained growth in corporate loans, and expanded reach to the commercial and retail lending spaces. Deposit liabilities, on the other hand, increased by 5 percent as the Bank continued to build up its CASA portfolio while offering other deposit products with competitive rates. Net fee-based income likewise grew by 21 percent year-on-year, buoyed by higher volumes of lending and deposit-related transactions.

Despite the limited trading opportunities and market liquidity, the Bank managed to improve its treasury-related income by 36 percent as it took advantage of the rate movements in the market during the period. The Bank also continued its strategy to dispose and monetize the values of its foreclosed properties in the first nine months of 2023, albeit lower than the gains posted a year ago.

The Bank's operating expenses amounted to P21.4 billion for the first nine months of 2023, a 4 percent reduction year-on-year due to prudent spending despite the continued business growth. On the other hand, the Bank continued to set aside additional provisions of P5.2 billion given the prevailing uncertainties in 2023.

As of end-September 2023, the Bank's consolidated assets stood at P1.18 trillion, up by 3 percent from end-December 2022 level, primarily driven by higher loans and investment securities. The Bank's total equity also expanded by 10 percent year-on-year, bringing

its Capital Adequacy Ratio to 16.6 percent and Common Equity Tier 1 Ratio to 15.7 percent, both of which remained well above the minimum regulatory requirement of 10.0 percent.

“We continue to be focused on sustaining our profitability while enhancing our efficiencies,” said PNB President Florido P. Casuela. “We aim to be responsive to the needs of our customers and help them achieve their financial and business goals as our economy continues to recover.”

PNB won the “Philippines Digital Experience of the Year – Banking” award at the Asian Experience Awards 2023 for its PNB Digital App. The application was cited for offering clients a superior banking experience with its fresh look, intuitive design, and quick access to frequent banking transactions via a customizable dashboard. PNB also received the prestigious Four Golden Arrow Award during the 2023 ASEAN Corporate Governance Scorecard Golden Arrow Awards held last September 2023. This is in addition to the two awards received by the Bank as “Best Collection Partner” for the Overseas Bank category and “Best Disbursement Partner” for the Universal Bank category during the SSS *Balikatang Bayan* Awards held last September 2023.

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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.