PRESS RELEASE
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PNB Reports 17% Increase in Income in the First Half of 2026

Philippine National Bank (PSE: PNB) reported stronger financial results for the first half of 2026, with net income rising 17% year-on-year to P14.6 billion from P12.5 billion in the same period last year. This drove the Bank's return on equity (ROE) to 12.1% from 11.4% a year ago.

Operating revenue increased by P3.3 billion with net interest income increasing by 7% as interest on loans grew 12% and cost of deposits declining by 24%. Fee-based income grew 17%, led by a significant increase in bancassurance revenue.

The Bank's credit costs continue to drop due to sustained improvement in asset quality and a healthier loan portfolio. Gross NPL ratio declined significantly to 4.2% from 5.5% a year ago.

Total assets rose 4.4% year-on-year to P1.35 trillion from P1.29 trillion, supported by growth in loans.

Loans grew 10% year-on-year to P764 billion from P696 billion as the Bank was able to efficiently utilize deposits with its loan to deposit ratio increasing compared to a year ago. Corporate and commercial loans increased by 11%, while consumer loans expanded by 21%. "*About 90% of consumer loan expansion during the first half of the year was in the secured lending area, particularly housing loans. We are not seeing any deterioration in the portfolio's credit quality despite the current market environment,*" Chief Financial Officer Francis B. Albalate commented.

Edwin R. Bautista, President and CEO, said, "*As PNB celebrates its 110th anniversary, our strong first-half performance highlights the strength and resilience of our franchise. We* *delivered improved profitability, increased our loans and significantly reduced our NPL ratio – demonstrating the quality of our balance sheet and disciplined execution."* The improvement in ROE and return on assets (ROA) underscores the stronger earnings profile of the Bank.

Bautista further added, *"Despite market volatility, PNB remained resilient, supported by a strong capital position and prudent risk management. As we continue our role in nation-building, we are also advancing our AI transformation journey with more than 90% of our employees trained in artificial intelligence, reinforcing our commitment to responsible AI governance, innovation, and a future-ready workforce."*

The cost-to-income ratio improved to 48.7% from 49.3% a year ago which demonstrates the Bank's ability to manage its expenses despite volume growth. Operating expenses reflected continued investments in the business while efficiency initiatives and improvements in branch operations helped support better operating leverage.

PNB continues to maintain a healthy capital position amidst a challenging financial market with Common Equity Tier 1 (CET 1) ratio at 19.4% and Capital Adequacy Ratio (CAR) at 20.3% as of June 2026.

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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. To know more about PNB, visit its official website: www.pnb.com.ph.