



February 23, 2018

Philippine Stock Exchange

9/F PSE Tower, 28th St. cor. 5th Ave.
Bonifacio Global City (BGC)
Taguig City, Philippines

Attention: MR. JOSE VALERIANO B. ZUÑO III
OIC - HEAD, Disclosure Department

Philippine Dealing & Exchange Corp.

37/F, Tower 1, The Enterprise Center
6766 Ayala Ave. cor. Paseo de Roxas, Makati City

Attention: MS. ERIKA GRACE C. ALULOD
Head, Issuer Compliance & Disclosure Department (ICDD)

Dear Mr. Zuño and Ms. Alulod,

In compliance with PSE and PDEX regulations, we would like to disclose the following information regarding Philippine Savings Bank's (PSBank) financial results for year-end 2017.

2017 PSBank Net Income up by 8.3%

Philippine Savings Bank (PSBank), the thrift banking arm of Metrobank Group, reported a net income of PhP2.7 billion in 2017, 8.3% higher than the PhP2.5 billion recorded in the previous year.

Continued strong performance of core revenues composed of net interest income and fee based income remains to be the main drivers of the increase in profits. Net interest income grew by 14.6%, while fee based income increased by 19.9%.

Loan portfolio grew by 13.3% to PhP146.3 billion from PhP129.2 billion in 2016. Auto and mortgage loans continue to be the main contributors for growth in consumer lending, while increase in SME loans reinforced growth in commercial lending. Despite the expansion of its loan portfolio, the Bank managed to keep non-performing loans (NPL) in check, with net NPL ratio at 1.2% as of end-2017.

Deposits increased by 19.3% to PhP188.9 billion from PhP158.4 billion in 2016, with low cost funds growing by 16.3%.

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PSBank ended 2017 with PhP223.3 billion in total assets up by 13.4%. Total equity is at PhP22.4 billion, up by 11.8%. The Bank's Tier 1 and total capital adequacy ratios stood at 11.1 % and 13.9%, respectively. Both are above the minimum requirement set by Bangko Sentral ng Pilipinas. Return on equity is at 12.5%. Earnings per share increased to PhP11.05 from PhP10.20.

PSBank continues to be a leader in banking innovations with the launching of its Cardless Withdrawal and its redesigned mobile application packed with new functionalities such as PayMe – a first of its kind in the banking industry.

The PSBank Cardless Withdrawal allows clients to conveniently and securely withdraw cash from any PSBank ATM without using their ATM Card, giving them flexibility as they can now leave their ATM cards at home. It is also equipped with a multi-factor authentication process, assuring clients of their accounts' security.

On the other hand, PSBank PayMe allows clients to request and collect funds from other PSBank Mobile App users real-time, making collecting payments quick and easy.

Keeping true to its mission of providing exceptional customer experience, PSBank was again recognized, for the second straight year, for excellence in Customer Experience at the Customer Experience Asia Excellence Awards. PSBank bagged the Bronze Award for both the Customer Experience and Best Customer Experience Team categories. It also received an Honorary Mention for the Best Social Media Strategy category. PSBank is the only Philippine bank recognized by the International Quality Productivity Center (IQPC) for its exceptional customer experience strategy.

“We are pleased to see that the results of our efforts in digitization and customer service are becoming evident with the year in and year out strong performance of our core business, making our growth stable and sustainable” PSBank President Vicente R. Cuna, Jr. said.

PSBank received an issuer rating of PRS Aaa (Corp.) from the Philippine Ratings Services Corporation (PhilRatings). An issuer rating is an opinion on the general and overall creditworthiness of the issuer, evaluating its ability to meet all its financial obligations within a time horizon of one year. A PRS Aaa (Corp.) is the highest corporate credit rating assigned on the PRS scale.

PSBank currently has a combined distribution network of 250 branches and over 600 onsite and offsite ATMs strategically located nationwide.

Thank you very much.

Very truly yours,



Leah M. Zamora
FVP and Controller