



11 August 2015

**DISCLOSURE DEPARTMENT
THE PHILIPPINE STOCK EXCHANGE INC.**

3/F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City 1226

Attention: JANET A. ENCARNACION
Head, Disclosure Department

Dear Ms. Encarnacion,

In compliance with PSE regulations, we would like to disclose the following information regarding Philippine Savings Bank's (PSBank) financial results for the second quarter of 2015.

PSBank Nets Php1.13 Billion in Income in the First Semester of 2015

Philippine Savings Bank, the thrift bank arm of the Metrobank Group, reported a net income of Php1.13 billion for the first semester of 2015, slightly higher than last year's Php1.128 billion. This translated to a return-on-equity of 12.5%.

Owing to aggressive sales and marketing initiatives supported by improved operational and process efficiencies, the Bank steadily grew earnings from its core business. Net margins and fee-based income rose by 8% year-on-year to Php4.7 billion. Interest income from loans and receivables grew by 11.3% largely accounted for by the growth in consumer loans.

PSBank remained focused in strengthening its core business for long term sustainability. Its loan portfolio registered a double-digit growth of 15.9% which stood at Php107.2 billion by the end of June 2015. Consumer loan bookings significantly increased by 28.4%. The Bank made further headway in improving support infrastructures to maximize the potential of its branch distribution network for loan acquisitions. On the ground, apart from its unparalleled quick processing turnaround time commitments, the branches were able to offer added incentives to eligible borrowers in the form of free 1st year comprehensive insurance, chattel mortgage fees and gas allowance for Auto Loans; and free appliance packages for Home Loans. On the other hand, PSBank was able to consistently manage asset quality with net non-performing loans ratio kept low at 1.2% even with the growth in its loan portfolio.

Total deposits increased by 5.3% year-on-year to Php119.1 billion with low cost deposits increasing by 17.8%, thus providing a stable low cost fund base. Deposit-taking initiatives revolved around acquiring new customers; stimulating increase in account balances; and aggressive cross-selling to include off-book product lines. PSBank's Money Market Fund (unit investment trust fund) grew its solicited accounts six times over in the first half of 2015. To further induce the increase in funds held amongst retail accounts, the Bank incentivized point-of-sale (POS) utilization of its Debit and Prepaid cards with the "Swipe for a Treat" promotions campaign. The number of POS transactions and the equivalent value turnover for these card accounts increased by 22% year-on-year.

By the end of June 2015, PSBank's total resources stood formidable at Php149.1 billion, up 5.7% from the same period of the previous year. The Bank's Tier 1 ratio and total capital adequacy ratio slightly improved to 13.0% and 19.1% respectively, well above the 8.5% and 10.0% minimum required level by the Bangko Sentral ng Pilipinas (BSP) for local banks. PSBank received an issuer rating of PRS Aaa, the highest corporate credit rating on the PRS scale, from the Philippine Rating Services Corporation (PRS). This means that the company has a very strong capacity to meet its financial commitments relative to that of other Philippine companies.

In line with its strategy to leverage on available technology to enable the seamless delivery of relevant products and services to its customers, PSBank recently introduced the newest version of PSBank Mobile -- now packed with more features, and boasts of a customer interface that is friendly and easy to use. The Bank likewise launched the ATM Lock facility, a security driven innovation that provides clients with a tool to protect their accounts by disabling ATM Card access at their option and convenience amid the rising occurrence of ATM and card-initiated electronic fraud.

In collaboration with Metrobank Card Corporation, the Bank recently launched its own PSBank Credit MasterCard which has no annual fee for life. It also expects to offer soon a variable unit-linked insurance product by virtue of the bancassurance arrangements with AXA Philippines. PSBank's distribution network now includes 247 branches and 603 onsite and offsite automated teller machines all over the country.

Thank you very much.

Very truly yours,



PERFECTO RAMON Z. DIMAYUGA, JR.
SVP and Chief Finance Officer