



August 9, 2019

Philippine Stock Exchange

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

Attention: MS. JANET A. ENCARNACION
HEAD - Disclosure Department

Philippine Dealing & Exchange Corp.

29F, BDO Equitable Tower,
8751 Paseo de Roxas, Makati City 1226

Attention: ATTY. JOSEPH B. EVANGELISTA
HEAD - Issuer Compliance & Disclosure Department (ICDD)

Dear Ms. Encarnacion and Atty. Evangelista,

In compliance with PSE and PDEX regulations, we would like to disclose the following information:

PSBank's Solid 1H 2019 Performance Nets Php1.4B

Makati, Philippines – Philippine Savings Bank (PSBank), the thrift-banking arm of the Metrobank Group, saw its net income increase by 2.5% to Php 1.4 Billion in the first half of 2019 from Php 1.3 Billion in the same period last year – a nod to a strong performance backed by consistent growth in its consumer lending portfolio and dedicated efforts to boost operational efficiencies.

The Bank's loans and receivables increased by 6.8% to Php 160.8 Billion from Php 150.5 Billion in 2018. Auto and mortgage loans continued to be the main contributors for growth in consumer lending, while the increase in SME loans reinforced growth in commercial lending. As PSBank saw its lending portfolio grow, the Bank managed to keep non-performing loans (NPL) in check, with its net NPL ratio at 2.8%, better than the previous quarter's 3.1%.

Total interest income rose by 8.6% to Php 8.6 Billion, from Php 8.0 Billion year-on-year; while other operating income - which includes net service fees and commissions - registered a 16.2% increase to Php 1.7 Billion from Php 1.4 Billion in 2018.

PSBank President Jose Vicente L. Alde said that the bank attributes these successes to strategic initiatives that are focused on excellent customer experience and digitalization.

“The sustainability of our revenues coming from our consumer loans, supported by a bank-wide mindset of increasing productivity via process streamlining and automation, truly helped us generate strong financial results for the first half of 2019. Our customer-centric and technology-driven approach is a blueprint that will help us prepare for the future,” Mr. Alde shared.

PSBank’s total deposits were lower at Php 179.4 Billion from Php 200.1 Billion in the same period last year, as the Bank re-balanced its funding profile to emphasize more on retail deposits and alternative funding sources. Low-cost deposits on the other hand were up by 4.5% year-on-year reaching Php 55.9 Billion from Php 53.5 Billion.

PSBank was also able to raise Php 6.3 Billion in its Peso Fixed Rate Bond offering last July 1, 2019 – the proceeds of which will give PSBank an opportunity to access long-term funding as it further expands its consumer banking business.


The Bank’s Total Capital Adequacy Ratio was at 18.6% while its Common Equity Tier 1 Ratio was at 16.1% - both being above the minimum level set by the Bangko Sentral ng Pilipinas (BSP).

Complementing the Bank’s strong financial results are a number of awards given by the BSP: a Pagtugon award, in acknowledgment of PSBank’s excellence in responding to customer concerns referred by the BSP, an honor which the Bank has received three times prior; an Outstanding Partner in Digital Transformation award, given for its favorable adoption of a tech-driven strategy which improved process efficiencies, optimized operational costs, and redefined customer banking experiences; and finally, special citations for its Prudential Reporting Innovation and Children’s Savings Mobilization.

“With all these favorable results we’ve been able to accomplish in the first half, we are maintaining a positive outlook for the rest of the year, and we look forward to continue building PSBank as an institution of trust, confidence, and resiliency – one committed bank dedicated to improving the lives of our customers,” said Mr. Alde.

Thank you very much.

Very truly yours,


Jose Vicente L. Alde
President