



August 12, 2020

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. MARIE ROSE M. MAGALLEN-LIRIO
HEAD - Issuer Compliance & Disclosure Department (ICDD)

Dear Ms. Encarnacion and Atty. Lirio,

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

PSBank's 1H Net Income at P1.3B

Philippine Savings Bank (PSBank), the thrift-bank arm of the Metrobank Group, posted Php1.3 billion in net income for the first semester of 2020, slightly down by 5% compared to the same period last year. Net income for the second quarter was at PhP647.6 million, up 0.2% from the previous quarter.

Core business was strong with net interest income growing by 37.2% to PhP7.2 billion, up PhP2.0 billion versus same period last year. This was primarily driven by improved margins brought by lower interest expense on deposits in the first half of 2020. Other operating income grew by PhP310.2 million mainly from the sale of securities.

Total loans and receivables increased by PhP319.5 million or 0.2% to PhP161.1 billion from PhP160.8 billion in the previous year. Total resources grew by 0.7% to PhP233.2 billion from PhP231.5 billion. Gross non-performing loans ratio was at 3.7%.

Total deposit level was almost flat at PhP178.1 billion with low cost deposits improving by 13.4%, reaching PhP63.4 billion.

PSBank's balance sheet remains strong with a capital of PhP35.2 billion. Total Capital Adequacy Ratio was at 18.1% while Common Equity Tier 1 Ratio (CET1) was at 17.2%. Both are above the minimum required level set by the Bangko Sentral ng Pilipinas.

Excluding provisions for impairment and credit losses, growth in operating expenses was muted at 6.2% year-on-year as the Bank continuously devoted resources to improve efficiency and productivity. Credit provisioning was accelerated at more than double to Php2.8 billion in the first semester versus same period last year to cover for assessed future impact of the COVID-19 crisis.

“We uphold our efforts in increasing our customers’ sense of protection whether they are in our branches or at their homes. We’ve sustained and strengthened safety protocols in our premises and launched additional secured digital services for online and mobile transactions. PSBank is likewise taking the conservative stance of building up its loan provisions in anticipation of potential risks due to the pandemic.” – President Jose Vicente Alde said.

PSBank recently launched its Mobile Peso Time Deposit placement, a digital service made available in the PSBank Mobile app which allows clients to open Peso Time Deposits from the comfort of their home, 24/7 with just a few taps on their mobile phone. The Bank also made a QR feature available in its Mobile app. With the PSBank QR you may instantly request, receive and send, or transfer funds from both PSBank and third party accounts including those of QRPh participating institutions thus eliminating the tedious process of encoding account information at every transaction.

Thank you very much.

Very truly yours,


JOSE VICENTE L. ALDE
President