



August 6, 2021

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 ends 1H2021 with Php 879 million net income

Philippine Savings Bank (PSBank), the thrift banking arm of the Metrobank Group, registered a net income of Php 879 million for the first half of 2021, primarily driven by an increase in fee income, reduction in expenses, and lower provisioning.

Year-on-year, total assets grew 17% to Php 271.7 billion. Total deposits increased by 24% to Php 220.4 billion with low-cost CASA growing by 9%. With muted consumer loan demand, net interest income slipped by 14% from the same period last year. This was compensated by an increase in fee income by 26% and a reduction in operating expenses by 5%, resulting in a cost-to-income ratio of 57.3%. Sustained improvement in loan portfolio quality was observed with non-performing loans continuing to be on a downtrend. Net non-performing loans ratio remained manageable at 4.2%, down from 5.2% of end-2020.

PSBank's capital position remained strong at Php 34.76 billion as of June 2021. Total Capital Adequacy Ratio and Common Equity Tier 1 Ratio (CET1) improved to double the regulatory minimum at 22.1% and 21.1%, respectively.

"While there were signs of recovery especially in the second quarter of 2021, the market still remained volatile and cautious. We are optimistic of the prospects ahead as we see considerable progress in the vaccination rollouts and the heightened adherence to safety protocols. With customer and employee safety as our priority, we are committed to ensure that our contactless service platforms like the Mobile and Online banking are available 24/7, and robust with functionalities that allow them to do their banking transactions at home," PSBank President Jose Vicente L. Alde said.

Recently, the Bank has enabled the real-time reloading of Autosweep and Easytrip Toll RFIDs through the PSBank Mobile App, and the payment of loans in all 7-Eleven convenience stores.

Last July 30, the Bangko Sentral ng Pilipinas (BSP) awarded PSBank as one of its Outstanding Stakeholders for 2021 in recognition of the Bank's invaluable contribution and support to the BSP's programs, policies, and advocacies which included going beyond the call of duty at the height of the global health crisis. The BSP recognition creates a greater sense of awareness and responsibility for banks in ensuring responsiveness and greater efficiency in serving and protecting the interests of their clients and the general public, as well as adhering to the best practices of customer service.

Thank you very much.

Very truly yours,


JOSE VICENTE L. ALDE
President