



May 4, 2022

**Philippine Stock Exchange**

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

**Attention: MS. ALEXANDRA D. TOM WONG**  
Officer-in-Charge - Disclosure Department

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Dear Ma'am,

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

**PSBank Net Income Doubled in Q1 2022**

Philippine Savings Bank (PSBank), the thrift banking arm of the Metrobank Group, registered a Php888 million net income for the 1<sup>st</sup> quarter of 2022, up 102% year-on-year. The surge in net income was driven by revenues from other operating income and improved asset quality.

The Bank's net interest income reached Php2.7 billion while service fees and commissions rose by 14% as loan demand expanded when quarantine restrictions were loosened. Non-interest income also went up by 190% resulting from increased business activities. This was offset by an uptick of 6% in operating expenses due to higher volume albeit being kept in check through continuous improvements in productivity and operational efficiency.

The Bank's asset quality further improved resulting to the reduction in credit provisioning by 68% to Php346 million from Php1.1 billion a year ago. Gross non-performing loans is back to pre-pandemic levels, posting a decline of 30% from the same period last year.

The Bank's balance sheet became stronger. Total assets grew 16% to Php263 billion year-on-year. Total deposits jumped by 24% to Php217 billion with low-cost checking and savings deposits increasing by 9%. Capital position improved by 2% to Php35 billion as of first quarter-end 2022. Total Capital Adequacy Ratio and Common Equity Tier 1 Ratio improved to 24.5% and 23.4%, respectively. Both ratios remain above the regulatory minimum.

“Our recalibrated business models to include data-driven approaches to credit and collection continue to serve us well as we ride on the momentum of improving consumer confidence which began with the opening up of the economy by end-2021. With our strategies firmly in place, we see our growth and strong financial performance to be sustainable even as there may be potential volatility brought by adverse offshore developments,” PSBank President Jose Vicente L. Alde said.

Despite challenges in the market primarily caused by the health crisis, PSBank has maintained its Issuer Credit Rating of PRS Aaa (corp.) with a Stable Outlook from the Philippine Rating Services Corporation (PhilRatings). Such rating reflects the company’s very strong capacity to meet financial commitments relative to other Philippine corporates; and seen to be unchanged in the next 12 months.

Thank you very much.

Very truly yours,



**LEAH M. ZAMORA**  
SVP / Controller