



March 5, 2019

**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. JANET A. ENCARNACION**  
HEAD - Disclosure Department

**Philippine Dealing & Exchange Corp.**

37/F, Tower 1, The Enterprise Center  
6766 Ayala Ave. cor. Paseo de Roxas, Makati City

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

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Dear Ms. Encarnacion and Atty. Evangelista,

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

**PSBank Reports PhP2.7 Billion in 2018 Net Income**

PSBank, the thrift-banking arm of the Metrobank Group, increased its net income in 2018 to PhP2.7 Billion. This translates to a return on equity of 11.4% and a return on asset of 1.2%. Net interest income of PhP11.3 Billion is up 2.3% year-on-year.

“PSBank proactively responded to last year’s challenges brought about by higher interest rates and inflation by focusing on sales and improving on its operating efficiencies, without compromising its commitment in providing excellent customer service,” PSBank President Jose Vicente Alde said.

The Bank’s total assets amounted to PhP237.7 Billion, 6.5% higher versus last year. Total gross loans reached PhP156.7 Billion, a PhP10.4 Billion or 7.1% year-on-year increase. On the funding side, total deposits of PhP200.7 Billion improved by PhP11.8 Billion or 6.2% versus last year.

Total Capital Adequacy Ratio was at 13.9% while Common Equity Tier 1 Ratio was at 11.3%. Both are above the Bangko Sentral ng Pilipinas’ minimum required level.

PSBank completed its PhP8.0 Billion stock rights offer after the offer period closed on January 11, 2019. The offer to eligible shareholders of 142,856,925 common shares was priced at PhP56.00 per share. The rights shares were listed on the Philippine Stock Exchange on January 18, 2019.

The PhP8.0 Billion offer was taken up entirely by the Bank's existing shareholders, with support seen across the shareholder base. The Bank believes that this represents a vote of confidence in the Bank, its vision and business strategies. The capital raising exercise will enable the Bank to sustain its loan growth momentum, supporting its expected asset growth primarily on consumer loans.

PSBank received a number of awards and recognitions in 2018 which include the BSP Pagtugon Award for excellence in customer service, PSBank's third Pagtugon Award in four years.

The Bank also received the following awards from Customer Experience Asia Summit 2018: "Best Customer Experience" (Silver Award), "Best Customer Experience Team" (Silver Award), "Best Use of Mobile" (Bronze Award) and "Best Social Media Strategy" (Bronze Award). The Bank was also awarded the "2018 Global Best Employer" award and "Continuous Innovation in HR Strategy at Work" award from the 26th World HRD Congress. The ASEAN Corporate Governance Scorecard (ACGS) recognized PSBank as a top-performing publicly-listed company in the Philippines.

PSBank also launched several new products and services in 2018. These include the 1-Day Home Loan Credit Decision, a first in the industry, the Metrobank and PSBank inter-ATM Cardless Withdrawal, the PSBank Online Loan Application (POLA) for Personal Loans and the Instapay and PesoNet deployment in PSBank's mobile and online platforms to support BSP's National Retail Payments System initiative.

PSBank has 250 branches and 575 ATMs strategically located nationwide.

Thank you very much.

Very truly yours,



**JOSE VICENTE L. ALDE**  
President