



PHILIPPINE SAVINGS BANK
Metrobank Group

May 14, 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.
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)

Dear Ms. Encarnacion and Atty. Evangelista,

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

PSBANK Registers Double-Digit Income Growth of 10.3% in Q12019

Philippine Savings Bank (PSBank), the thrift bank arm of the Metrobank Group, posted a double-digit increase of 10.3% in net income to Php 680.7 million in the first quarter of 2019 versus Php 617.0 million in the same period last year. The growth was driven by improvement in revenues from interest income, other operating income, and efficient expense management.

Interest income grew by 10.3% from Php 3.9 billion to Php 4.3 billion. Other operating income which includes net service fees registered a growth of 2.1% while operating expenses, excluding provisions for impairment and credit losses, improved 6.4% year-on-year.

Total resources expanded by 4.9% to Php 236.2 billion from Php 225.1 billion, and gross loans increased by 6.8% to Php 159.3 billion from Php 149.2 billion in the same period last year. This was bolstered primarily by the growth in the Bank's auto and mortgage loans portfolios. Net non-performing loans ratio was kept at 3.1% as delinquency continued to improve.

On the funding side, PSBank's total deposits was 0.6% lower at Php 185.0 billion from Php 186.0 billion the previous year as the Bank strategically rebalanced its funding strategy with emphasis on low cost funds, retail clients and alternative sources. Low-cost deposits improved by 6.6% year-on-year reaching Php 55.0 billion from Php 51.6 billion.

PSBank Center, 777 Paseo de Roxas corner Sedeño Street, Makati City, 1226
Telephone: (02) 845-8888 | Fax: (02) 845-0048 | www.psbank.com.ph



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"The Bank's commendable double-digit growth puts us on track of our 2019 targets, and is a deliberate result of our firm commitment to reinforce our sales efforts, improve on operating efficiencies, digitize products and channels, and consistently provide exceptional customer experience," PSBank President Jose Vicente L. Alde said.

PSBank completed its Php 8.0 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 Php 56.00 per share. The rights shares were listed on the Philippine Stock Exchange on January 18, 2019.

Total Capital Adequacy and Common Equity Tier 1 (CET1) ratios stood at 18.4% and 15.9% respectively; and are both well above the minimum required level set by the Bangko Sentral ng Pilipinas (BSP).

PSBank recently received an issuer rating of PRS Aaa (corp.) by the Philippine Rating Services Corporation (PhilRatings). A company-rated PRS Aaa (Corp.) has a very strong capacity to meet financial commitments relative to that of Philippine corporates. PRS Aaa (corp.) is the highest corporate credit rating assigned on the PRS scale.

To date, PSBank has a distribution network of 250 branches and over 570 ATMs strategically located nationwide.

Thank you very much.

Very truly yours,


JOSE VICENTE L. ALDE
President