

PSBank Gets Highest Rating

Philippine Savings Bank (PSBank), the consumer and retail banking arm of the Metrobank Group, maintained its Issuer Credit Rating of **PRS Aaa (corp.)**, with a **Stable Outlook**, from Philippine Rating Services Corporation (PhilRatings).

A company rated **PRS Aaa (corp.)** has a **very strong** capacity to meet its financial commitments relative to that of other Philippine corporates. **PRS Aaa (corp.)** is the highest Issuer Credit Rating assigned by PhilRatings. A **Stable** Outlook, on the other hand, is assigned when a rating is likely to be maintained or to remain unchanged in the next twelve (12) months.

The assigned rating and Outlook take into account the following key considerations: (1) PSBank's solid market position; (2) its sound capitalization and asset quality; (3) the Bank's strong Parent and highly-experienced management team; and (4) the positive outlook for the Bank's major market.

PhilRatings based its assessment on available information and projections at the time that the rating review was performed. PhilRatings shall continuously monitor developments relating to PSBank and may change the rating and Outlook at any time, should circumstances warrant a change.

As of December 31, 2024, PSBank remained the largest thrift bank in the country in terms of assets, based on data from the Bangko Sentral ng Pilipinas (BSP). The Bank ended the year with total assets of ₱214.9 billion. It likewise took the top spot in terms of net loans (₱140.9 billion) and capital (₱42.5 billion).

PSBank has also established itself as a major player in the consumer banking sector as it continued to hold a significant share in the thrift banking sector's auto and real estate loans.

The Bank's capitalization and asset quality remained sound as of end-March 2025. Its capital adequacy ratio (CAR) stood at 23.5%, relatively unchanged from its level as of end-2024 of 23.6% and notably exceeding the minimum regulatory requirement. On the other hand, gross non-performing loan (NPL) ratio continued to be more than acceptable at 2.6%, significantly lower than the thrift banking sector's 6.6% as of end-March 2025. Moving forward, PSBank expects to maintain its strong capital position and further improve its asset quality, with the latter mainly supported by the robust growth of its loan portfolio.

As of March 31, 2025 ownership and control of PSBank was held by Metropolitan Bank and Trust Company (Metrobank), with its equity stake of 88.4% in PSBank. Metrobank is a BSP-licensed universal bank and is one of the largest banks in the Philippines.

PSBank's management team is led by Jose Vicente L. Alde, who is President since 2018. He has been with the bank since 2007, and was Executive Vice President prior to his appointment as President. Mr. Alde is presently the Secretary of the Chamber of Thrift Banks, which is the umbrella organization of the country's

thrift banks. He has a Bachelor of Computer Science degree from the University of the Philippines, and a post-graduate Master in Business Management degree from the Asian Institute of Management.

Positive conditions in the broader consumer market continue to support the favorable outlook for PSBank's core business. BMI, which is part of the Fitch Solution group, expects consumer spending to continue its growth in 2025, driven by the country's economic growth. Easing inflation will also boost household spending. Albeit, a deteriorating external demand will likely be a drag on the Philippines' Gross Domestic Product (GDP) growth, BMI continues to hold a positive outlook for the country's consumer spending, with a forecast acceleration in real household spending growth from 5.0% in 2024 to 5.3% in 2025. BMI said that in real terms, household spending is projected to grow to ₱13.2 trillion this year.

The projected continued growth of the Philippine automobile industry for 2025 is expected to benefit PSBank, given that bulk of its portfolio is in auto loans. The Chamber Automotive Manufacturers of the Philippines, Inc. (CAMPI) and Truck Manufacturers Association (TMA) forecast car sales to reach 500,000 units in 2025, a 7% increase from 2024. This optimistic outlook is attributed to the expected growth in remittances, business process outsourcing (BPO) earnings, a sound financial sector, government spending, and election-related expenditures, all of which are expected to drive demand. The continued introduction of new models and brands is also anticipated to fuel growth in 2025.