



PBB and ISBI Merger Release

Contact:

Roland Avante
President & CEO

E: Avante_rr@pbb.com.ph

T: +632-363-3333 local 5001

Dave Sison

Head, Corporate Planning & Investor Relations

E: Sison_jdd@pbb.com.ph

T: +632-363-3333 local 4017

Monday, January 7, 2019

BSP Approves Merger of Philippine Business Bank and Insular Savers Bank

Caloocan City, Philippines – The Monetary Board in its Resolution No. 2141 approved the merger of Philippine Business Bank Inc., A Savings Bank (“PBB”) and Insular Savers Bank Inc., A Rural Bank (“ISBI”), with PBB as the surviving bank. PBB’s Board of Directors approved the acquisition of all outstanding shares of ISBI with an agreed purchase price of ₱575.0 million to accelerate the Bank’s entry into the high-yielding consumer finance business. The transaction is still subject to SEC approval.

ISBI is a rural bank providing services such as deposit-taking, loans and trade financing, and micro-financing. It was authorized to engage in the business of extending credit to small farmers and tenants and to deserving rural industries or enterprises. In 2012, ISBI acquired Filipino Savers Bank (“FSB”) to gain foothold in the salary loans business and has established relationships with the regulatory agencies that opened channels to offer salary loans to public school teachers. The rural bank currently services its market through its 10 existing branches in Bonifacio Global City, Cainta, Pampanga, Baliuag, Calamba, Quezon Avenue, Navotas, Makati City, Iloilo, and Legazpi. Today, ISBI is a key player in the microloans, retail car financing, teacher’s loan, and salary loans market.

The merger of both banks will add approximately 10% to PBB’s bottom line. This transaction gives PBB an opportunity to further strengthen its consumer lending business while establishing a foothold in microfinance market. PBB plans to use ISBI’s existing teacher’s loan license and offer the “Makaguro Loan” to its clients through select PBB branches nationwide.

As of October 2018, ISBI’s net loans and receivables amounted to ₱1,247.9 million, deposit portfolio of ₱1,008.3 billion, and shareholder’s equity of ₱667.2 million.