



8 May 2014

**DISCLOSURE DEPARTMENT**  
**THE PHILIPPINE STOCK EXCHANGE INC.**  
3/F Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City 1226

**Attention: JANET A. ENCARNACION**  
Head, Disclosure Department

**Dear Ms. Encarnacion,**

In compliance with PSE regulations, we would like to disclose the following information regarding Philippine Savings Bank's (PSBank) Basel III-compliant Unsecured Subordinated Tier 2 Notes.

**PSBank to offer Basel III-compliant Tier 2 Notes to the public**

Philippine Savings Bank (PSBank) is set to offer up to Php 3 billion in Tier 2 Notes to the public, after obtaining necessary regulatory approvals.

PSBank has been given the issuer rating of PRS Aaa by Philippine Ratings Corporation (Philratings). It also obtained a separate issue rating of PRS Aaa for its Tier 2 Notes from Philratings.

The offer period is expected to run from 9 May 2014 to 16 May 2014.

The Tier 2 Notes will have a maturity of 10.25 years, with a call option after 5.25 years. The issuance has a loss absorption provision in compliance with Bangko Sentral ng Pilipinas guidelines on regulatory capital.

Proceeds from the Tier 2 Notes will be used to strengthen the Bank's capital base and allow it to expand its banking operations.

Parties to this transaction are ING Bank as Arranger and Selling Agent, Multinational Investment Bancorporation as Selling Agent and Market Maker, Philippine Savings Bank and First Metro Investment Corporation as Limited Selling Agents, Philippine Depository and Trust Corporation as Registrar and Paying Agent, and Development Bank of the Philippines as Trustee.

Thank you very much.

Very truly yours,

**PERFECTO RAMON Z. DIMAYUGA JR.**  
SVP and Chief Finance Officer