



March 3, 2020

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.

29F, BDO Equitable Tower
8751 Paseo de Roxas
Makati City 1226

Attention: ATTY. MARIE ROSE M. MAGALLEN-LIRIO
HEAD - Issuer Compliance & Disclosure Department (ICDD)

Dear Ms. Encarnacion and Atty. Lirio,

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

PSBank's Net Income Climbs to Php 3 Billion

Philippine Savings Bank (PSBank) registered PhP3.03 Billion in net income in 2019, up 13.8% from PhP2.66 Billion in 2018. This translated to a return on equity of 10.3% and a return on assets of 1.3%.

The Bank's profits came from the growth of both its core net interest margin and other operating income, supplemented by upsides from operating efficiencies. PSBank's revenue grew 2.8% year-on-year, from PhP14.20 Billion in 2018 to PhP14.60 Billion in 2019; while operating expenses, excluding the provision for impairment and credit losses, amounted to PhP8.91 Billion, PhP256.89 Million or 2.8% lower versus 2018.

"The Bank's strategy on core growth brought positive results despite the volatile environment in 2019. Challenges were met head on, reinforced by significant contributions from all the Bank's business units. We had big wins during the year as we were able to focus on operational efficiency and sustained cost discipline across the organization. 2019 was also marked with the introduction of new digital initiatives, such as PaSend and Mobile Check Deposit, which effectively complemented our "Simple Lang, Maasahan" mantra. We are looking forward to an exciting 2020, empowered with the same passion and commitment," said PSBank President Jose Vicente L. Alde.

The Bank's total loan portfolio rose by 4.7% to PhP164.11 Billion, driven by the Bank's consumer loan business. Despite an increase in risk assets, the NPL ratio improved to 3.6% from 4.2% in the previous year from continued improvements in credit quality. Total resources were at PhP224.91 Billion, down 5.4% year-on-year, while total deposits were also lower by 14.0% to PhP172.51 Billion, as the Bank continues to rebalance its funding mix to focus on retail and alternative sources. PSBank was able to raise PhP6.3 Billion in its two-year maiden Peso Fixed Rate Bond offering last July 1, 2019 with an interest rate of 5.6%. Total equity was at PhP34.46 Billion, up by 41.3%. PSBank also completed its PhP8.0 Billion stock rights offer last January 2019. The offer was priced at PhP56.00 per share. The Bank's Total Capital Adequacy Ratio was at 17.8% while Common Equity Tier 1 Ratio was at 16.8%. Both are well above the Bangko Sentral ng Pilipinas' minimum required level.

PSBank was given a number of awards and recognitions in 2019, which include the Bangko Sentral ng Pilipinas Pagtugon Award for excellence in customer service—PSBank's fourth Pagtugon Award since 2015. The Bank likewise received the Outstanding Partner for Digital Innovation recognition from the BSP.

PSBank currently has 250 branches and 557 ATMs strategically located nationwide.

Thank you very much.

Very truly yours,


JOSE VICENTE L. ALDE
President