



March 5, 2021

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 posted 31% growth pre-provision income;
reports Php 1.108 Billion net income**

Philippine Savings Bank's (PSBank) operating income surged to 31% before provisions to Php 7.45 billion last year. This enabled the Bank to set aside additional loan loss provisions to three times over to Php 6.40 billion in view of the ongoing pandemic conditions. The Bank closed 2020 with Php 1.108 billion net income.

"On the back of a strong balance sheet and capitalization, the Bank stayed resilient amidst the challenges of 2020. As a matter of strategy, we took a conservative stance on credit provisioning in anticipation of risks associated with the pandemic. The Bank prioritized the safety of its employees and customers by quickly instituting Covid-19 safety protocols. We strengthened our digital platforms and made them reliable as the demand for digital banking services exponentially rose." – PSBank President Jose Vicente L. Alde said.

Gross revenues was 13% higher at Php 16.57 billion. Net interest income showed improvement by 21% to Php 13.75 billion, owing to a significant growth in low cost CASA deposits and the decline in interest of term deposits. CASA deposits grew 16% to Php 67.25 billion from Php 58.18 billion. In line with initiatives to improve operating efficiencies, operating expenses were kept in check and increased by only 2%.

PSBank's capital position remained strong at Php 34.51 billion. Total Capital Adequacy Ratio and Common Equity Tier 1 Ratio (CET1) further improved year-on-year to 19.4% and 18.1% respectively. Both are above the statutory requirement of 11% set by the Bangko Sentral ng Pilipinas. Total assets closed at Php 219.41 billion. Net non-performing loans ratio was at a manageable 5.2%.

The Philippine Rating Services Corporation (PhilRatings) assigned PSBank the highest Issuer Credit Rating of **PRS Aaa (corp.)**, with a **Stable Outlook**, citing on the Bank's highly-experienced management team and strong capitalization, thus, having a very strong capacity to meet its financial commitments relative to that of other Philippine corporates.

In 2020, digital enrolments and utilization increased 56% and 143% respectively. The Bank waived fees for interbank transfers thru Instapay and PESOnet to further promote digital payments. By mid-year, PSBank made available the booking of time deposits via Mobile and launched the national standard-compliant QR Code for use in fund transfers/payments. For the safety and convenience of loan customers, settlement of PSBank loans via Instapay was also made available in the last quarter of the year.

"As the economy slowly opens up in 2021, we shall remain positive and hopeful that our recalibrated business models will deliver and continue to adapt to the new environment. We will continue to pursue our digital transformation roadmap by delivering on what is relevant and simple for the customer." – President Alde added.

Thank you very much.

Very truly yours,


JOSE VICENTE L. ALDE
President