



May 7, 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 net income of Php 439 million for Q12021;
income before provisions up 8%**

Philippine Savings Bank's (PSBank) pre-provision operating profit was up 8% to Php1.61 billion from year ago owing to increase in other operating income, reduction in expenses and improved margins arising from reduced cost of funds. As the bank sustained its conservative provisioning strategy with a 39% increase vs last year, PSBank posted Php439 million net income for the first quarter of 2021.

Gross revenues stayed flat year-on year at Php3.77 billion. Net interest income contracted slightly by 3% to Php3.14 billion. Low-cost CASA deposits grew 12% to Php67.86 billion, resulting in improvements in asset margins to compensate slower demand for retail loans during the pandemic. The Bank continued to reap benefits out of its operational productivity and efficiency initiatives. Operating expenses saw a decline of 6% from same period last year. Cost-to-income ratio further improved to 57% from 69% recorded last quarter.

"As the pandemic continues to affect the business environment, prudence dictates that we maintain a conservative stance on our provisioning to cushion any potential risks on asset quality. Our balance sheet has remained very stable with ample liquidity, and our capitalization strong. These ensure that the Bank is in the best position to take on opportunities when the economy starts to recover," PSBank President Jose Vicente L. Alde said.

The Bank's capital position was at Php34.64 billion as of quarter-end 2021. Total Capital Adequacy Ratio and Common Equity Tier 1 Ratio (CET1) further improved to 21.0% and 19.7% respectively, close to double the regulatory minimum. Total assets closed Php227.5 billion, up 4% from December 2020. Net non-performing loans ratio went down to a manageable 4.3% from 5.2% of previous quarter-end.

PhilRatings gave PSBank the highest Issuer Credit Rating of PRS Aaa (corp.) with a Stable Outlook citing on the Bank's strong capitalization thus having a strong capacity to meet its financial commitments relative to other Philippine corporates.

PSBank is the thrift banking arm of the Metrobank Group.

Thank you very much.

Very truly yours,


JOSE VICENTE L. ALDE
President