

Company Presentation

Q1 2020

Based on latest financial statements submitted to the
Philippine SEC, PSE and BSP

As of March 31, 2020

Earnings Call

04 May 2020

Panelists



Fabian S. Dee
President



Bliz R. Cuna
Head, Enterprise Services



Toto A. Tansingco
Treasurer and
Head, Financial Markets



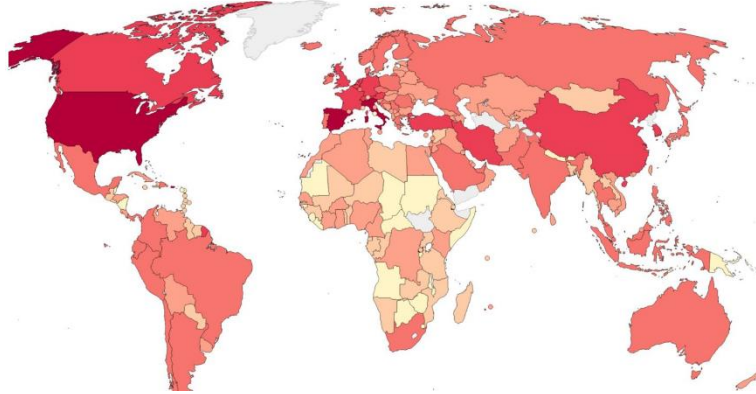
Jette C. Gamboa
Head, Strategic Planning
and Investor Relations



MACROECONOMIC VIEW

Global COVID-19 Recession in 2020

COVID-19 Global Impact



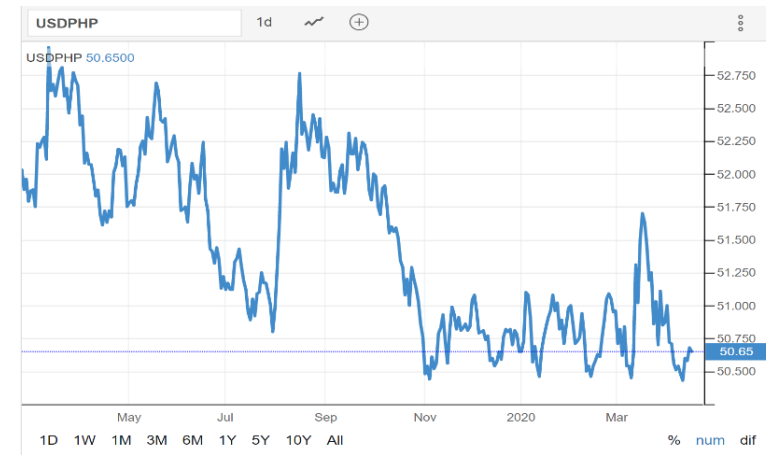
Global Recession in 2020, Rebound in 2021



Brent Oil prices have collapsed

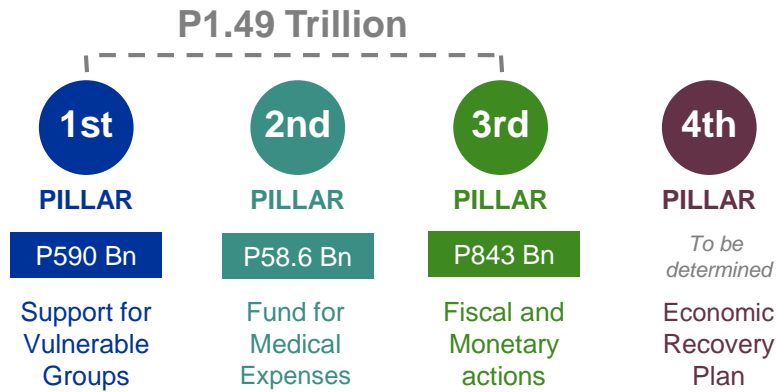


Philippine peso flattish since Nov 2019

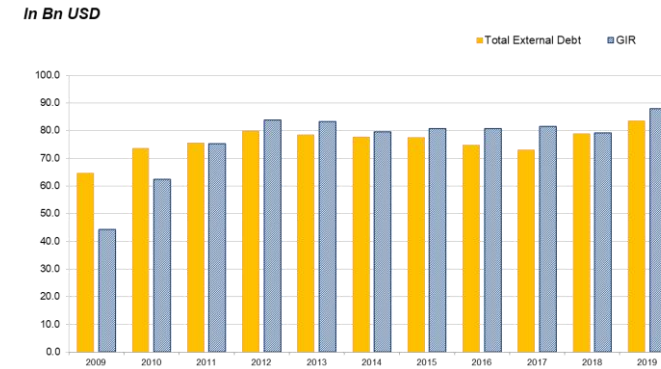


Philippines has Space for Fiscal Stimulus

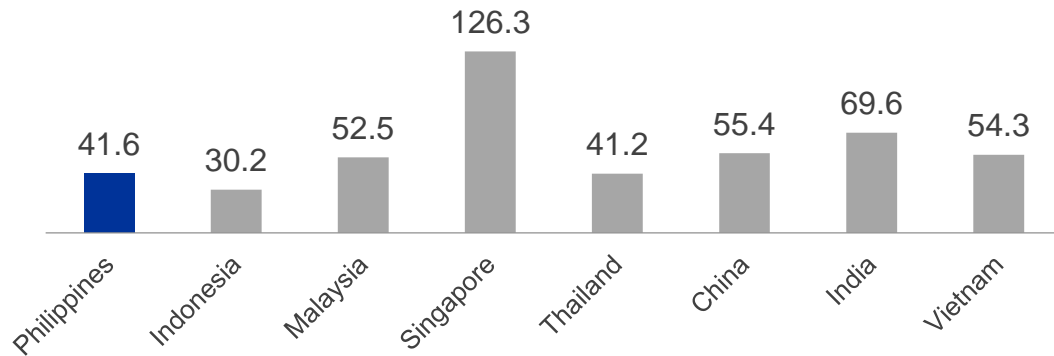
Four-pillar socioeconomic strategy against COVID-19



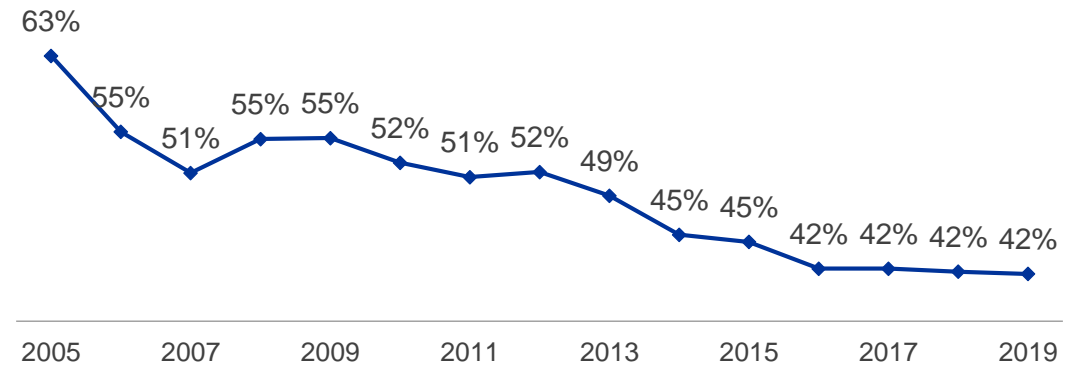
External Debt vs GIR



Public debt to GDP (2019)

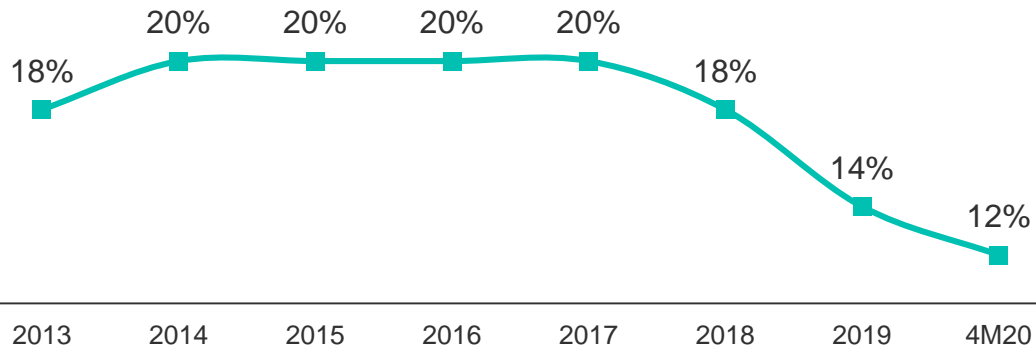


Philippine NG Debt to GDP

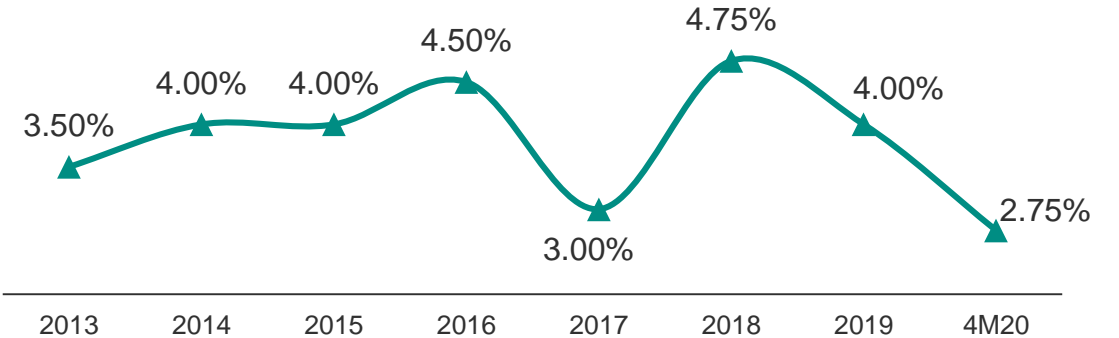


Loose Monetary & Quantitative Easing

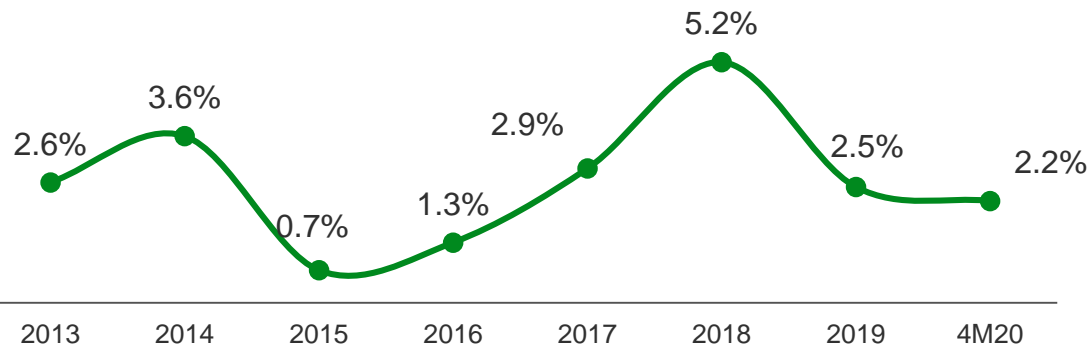
RRR cuts to support liquidity



Deep policy rate cuts to record-low level



Supported by low inflation



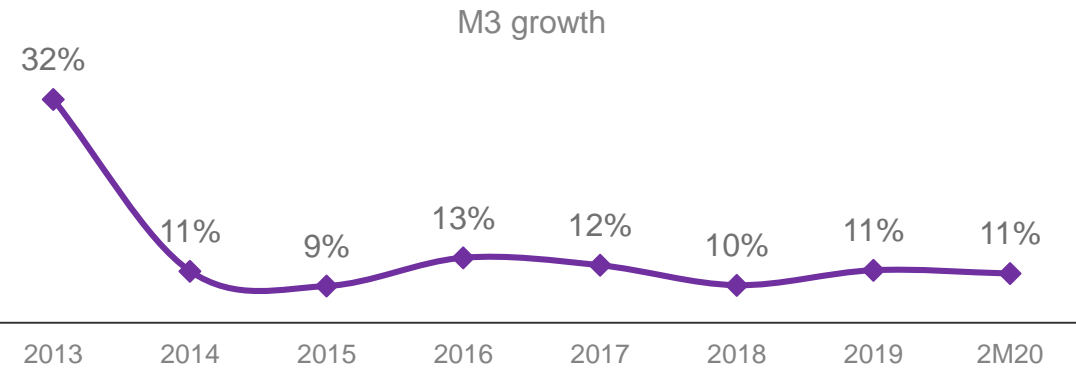
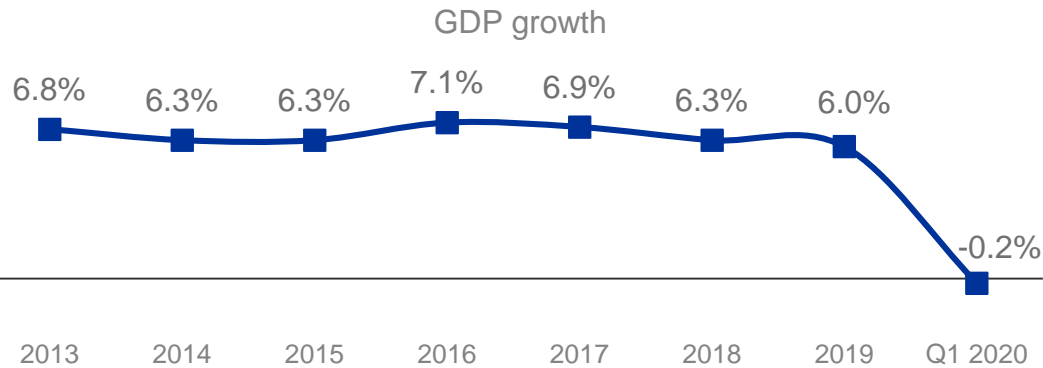
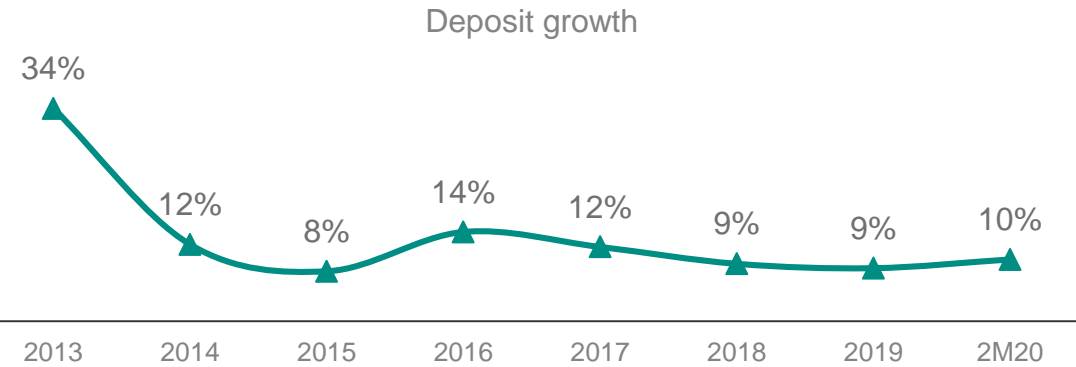
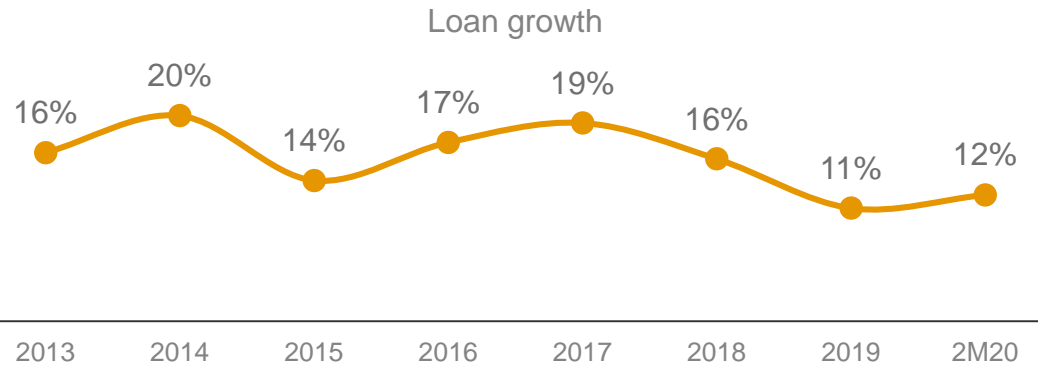
BSP introduces measures to keep liquidity

- BSP now into QE, with Php300 Billion to buy government securities.
- MSME loans can be counted against Reserve Requirements.

Banking Industry

Loan growth had a strong start this year but this may be tempered by economic uncertainty

Deposit growth and M3 growth sustained in early months but can slow down depending on overall market liquidity

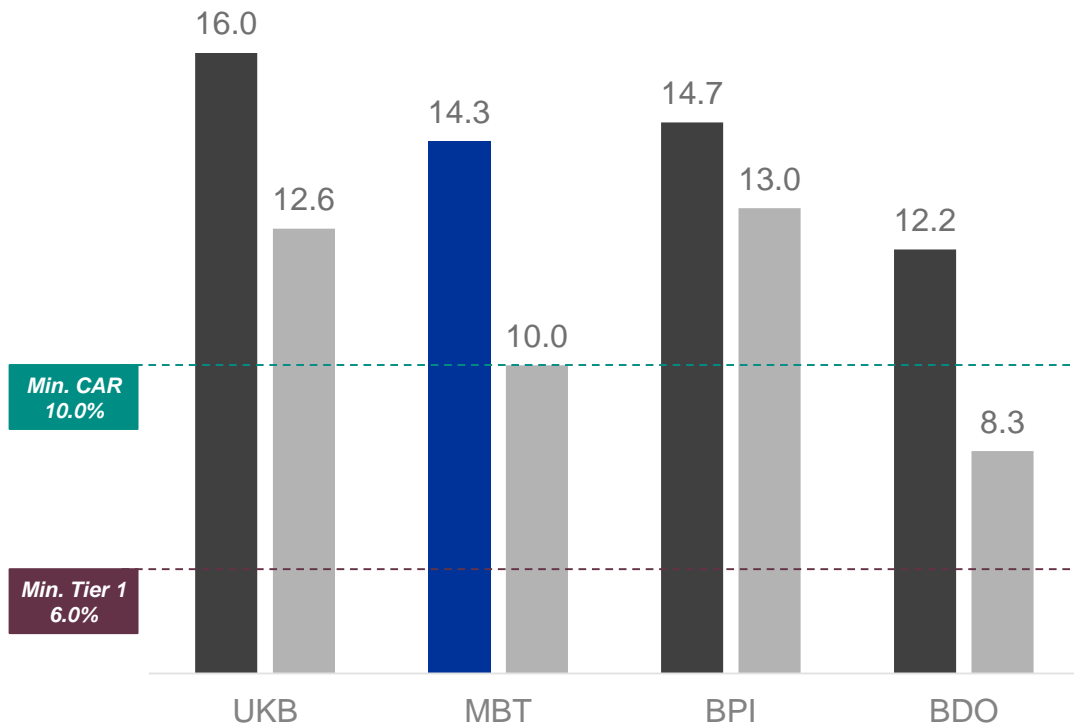


PH Big 3 Banks: Adequately Capitalized

The country's largest banks have substantial capitalization, way above the minimum threshold set by the BSP.

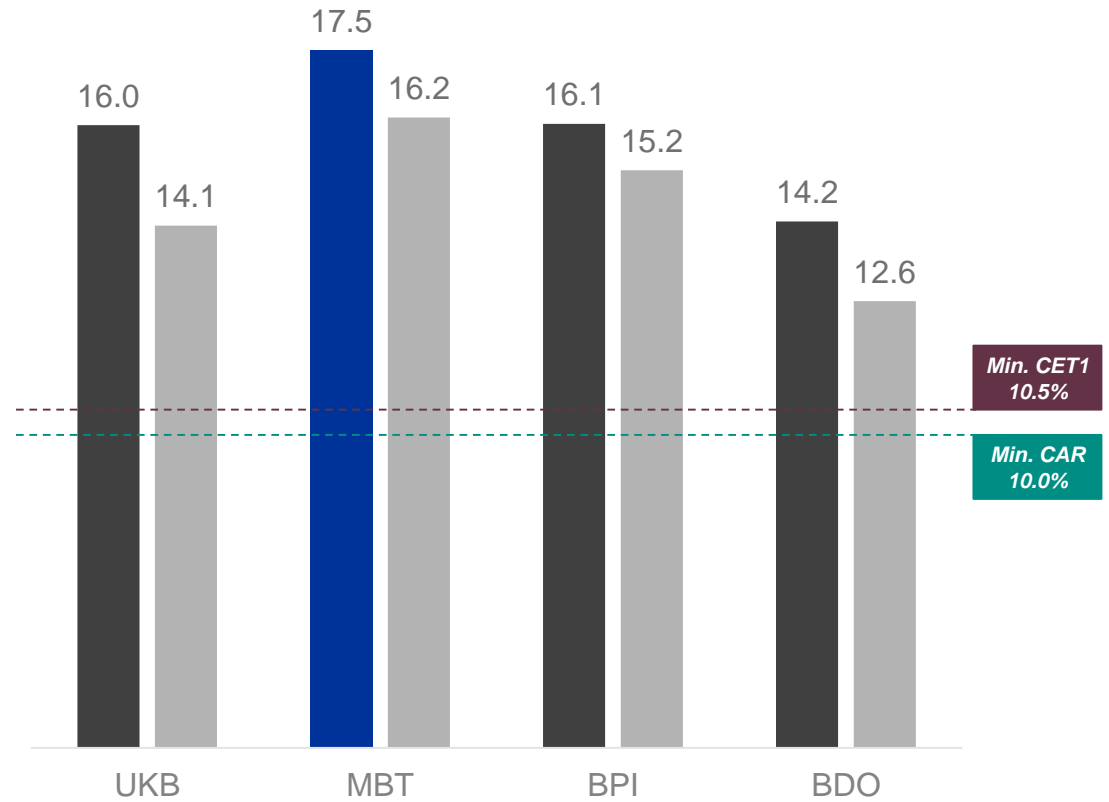
December 31, 2009

■ CAR ■ Tier 1



December 31, 2019

■ CAR ■ CET1



Sources: BSP, banks' disclosures

Metrobank Economic Research Forecasts

	2019A	2020E	Comments
GDP	6.0%	-0.6% to 4.3%	NEDA range
Inflation	2.5%	2.0% to 3.0%	Bias towards lower end
BSP RRP rate	4.0%	2.5%	Downward Bias
RRR	14%	10%	
USDPHP Trend	50.7	50.1	Flattish with downward bias

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FINANCIAL PERFORMANCE

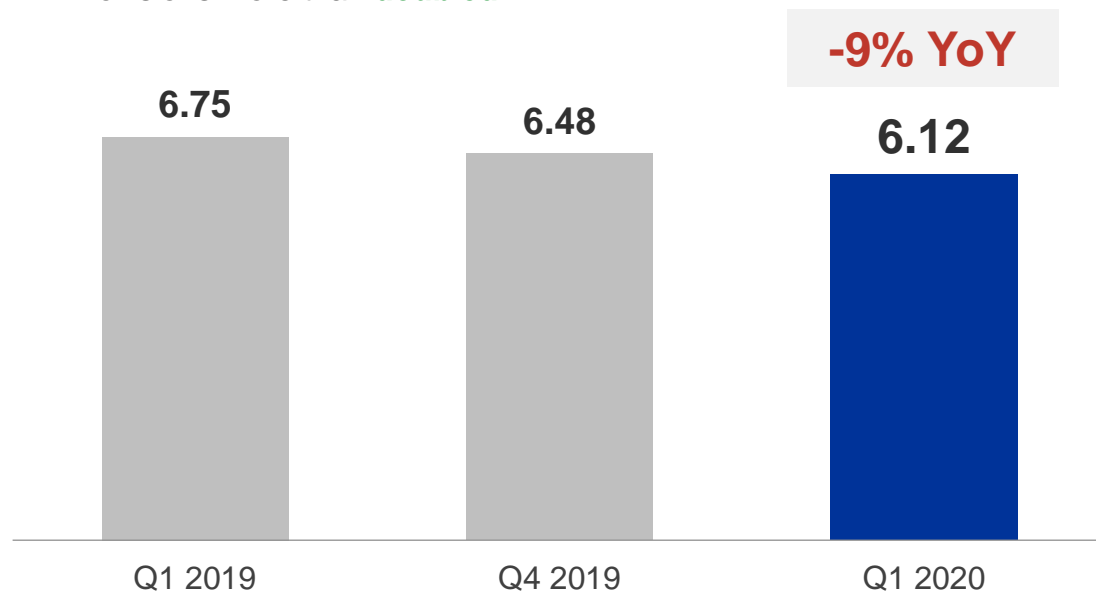
Performance Highlights

Solid core business growth across all segments, tempered by proactive provisioning

Net Income

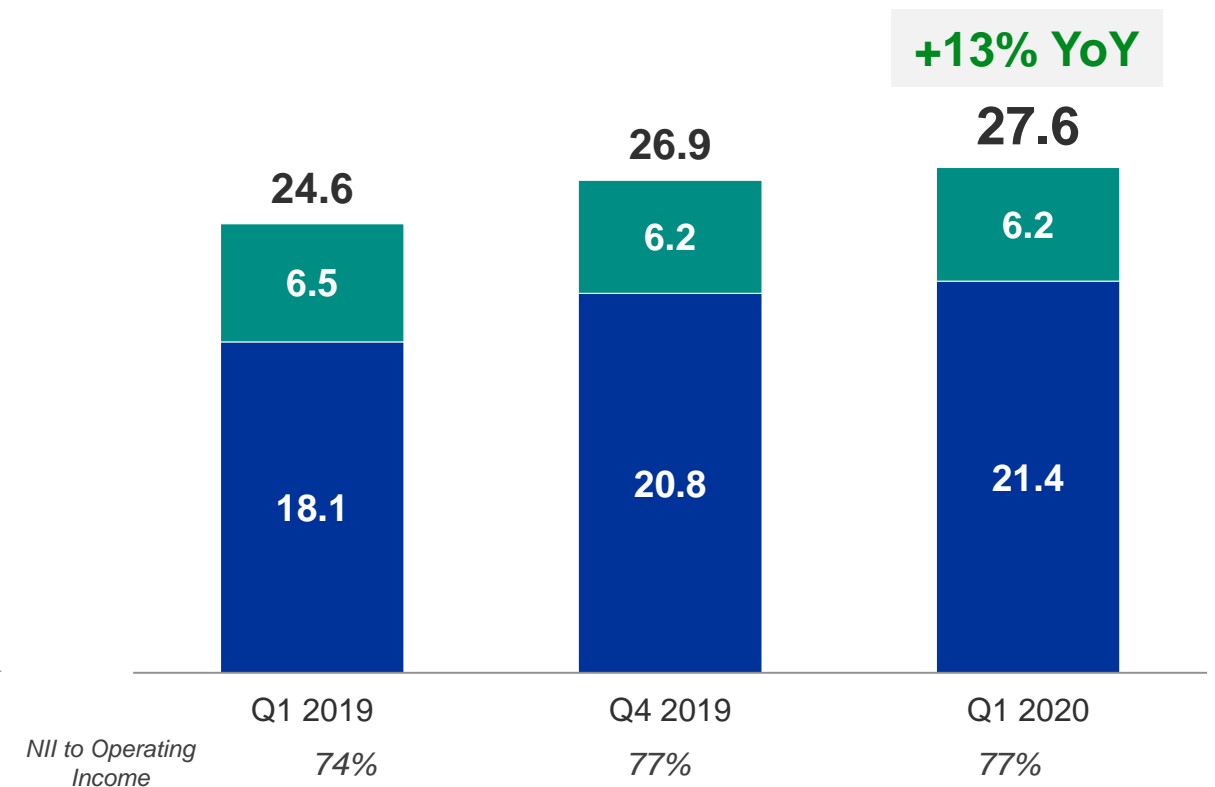
Strong core business growth tempered by proactive provisioning, in light of COVID-19 crisis

- Driven by modest **+6%** growth in loans, **+8%** and **+18%** increases in overall and CASA deposits, respectively
- Operating expenses kept at a manageable **+8%** YoY
- Provisions more than **doubled**



Operating Income

■ Net interest income ■ Non-interest income

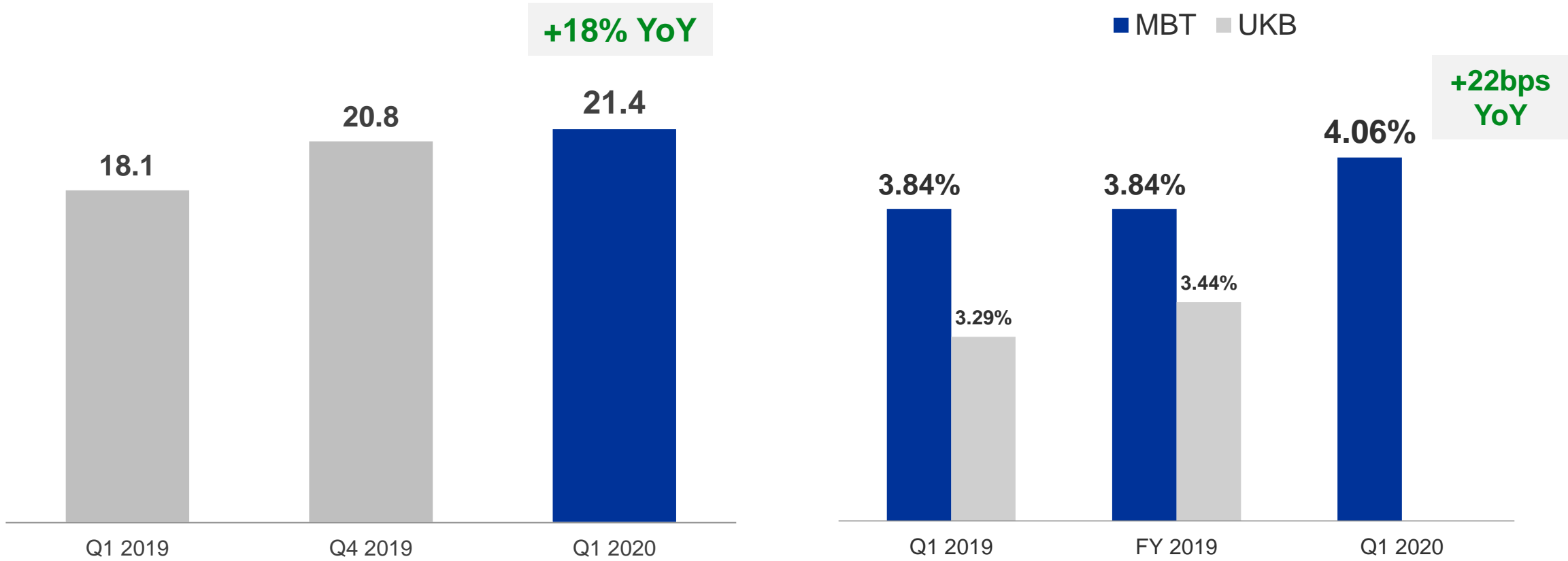


Net Interest Income

Sustained NII expansion supported by higher CASA take up, improved liquidity, and reduced funding cost

Net Interest Income

NIMs* consistently above industry



Q1 UKB data not yet available

* Net Interest Margin as reported in 17A, 17Q Reports

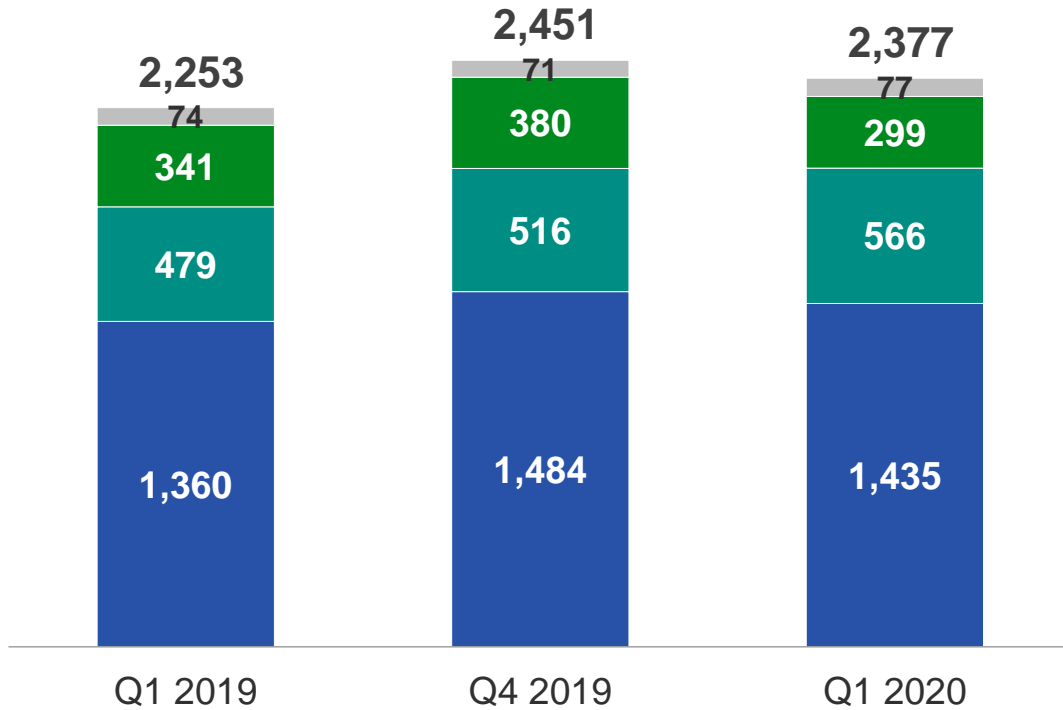
Asset Mix

Prudent asset growth, and well-balanced asset mix with loans comprising the biggest share

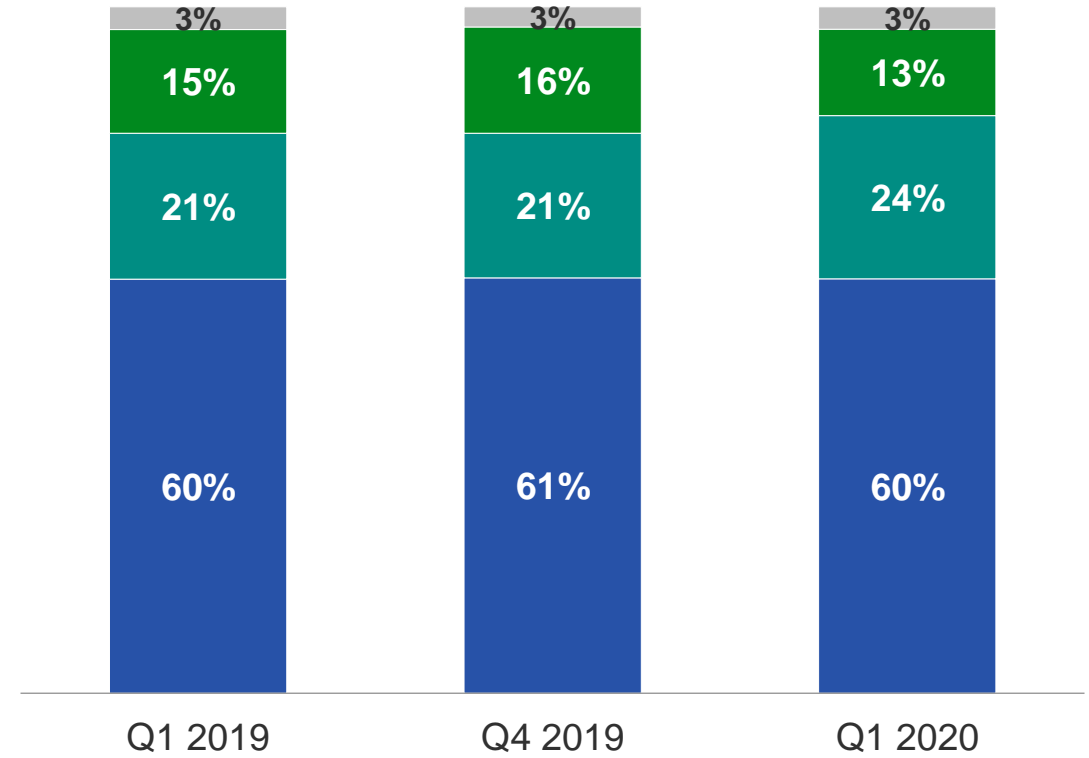
Total Assets

Loans* Securities Other Financial Assets Other Assets

+5% YoY



Total Assets Breakdown

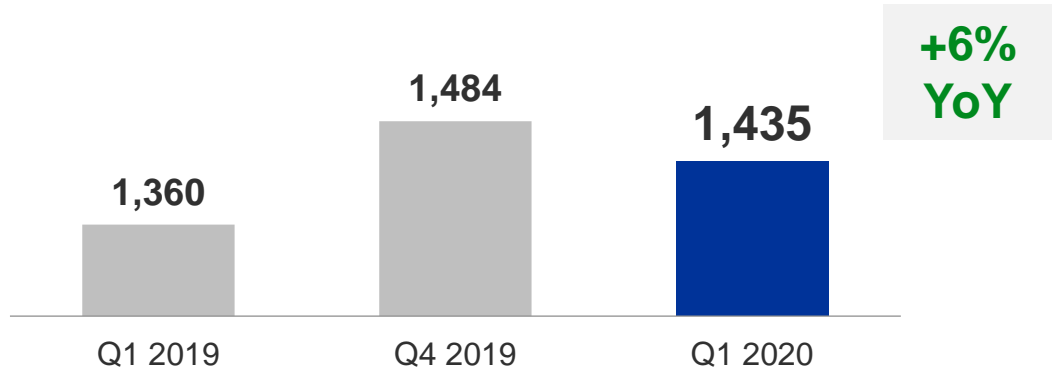


* Loans and Receivables, net

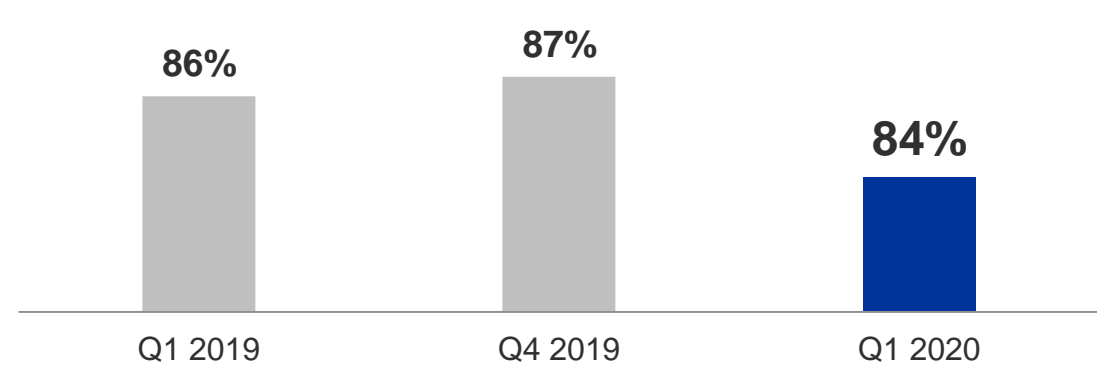
Loan Portfolio

Loan growth aligned with overall economic growth. Modest portfolio growth without compromising credit standards and asset quality

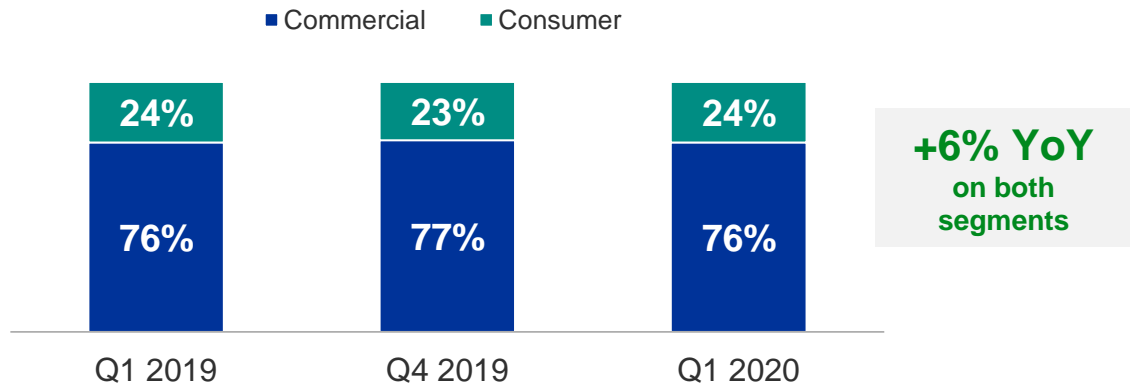
Total Loans



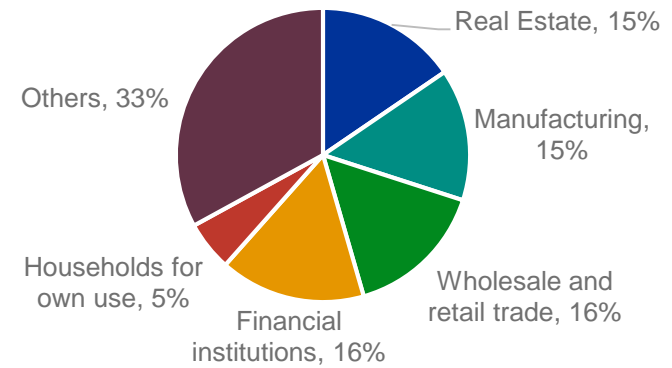
Loan-Deposit Ratio



Loan Breakdown By Segment



FY 2019 Loan Portfolio by Industry



* Loans and Receivables, net

Notes: Based on carrying amount;

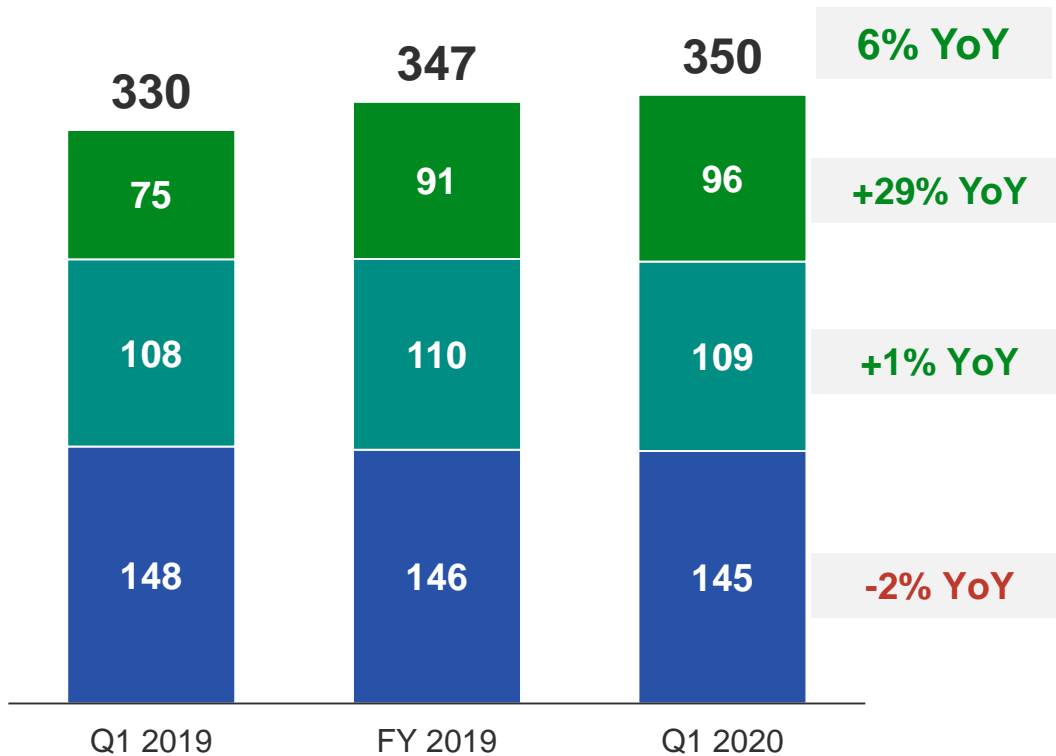
Others - Electricity, Gas, Water supply; Transport & storage; Construction; Agriculture; Accommodation, Food Services

Consumer Loans

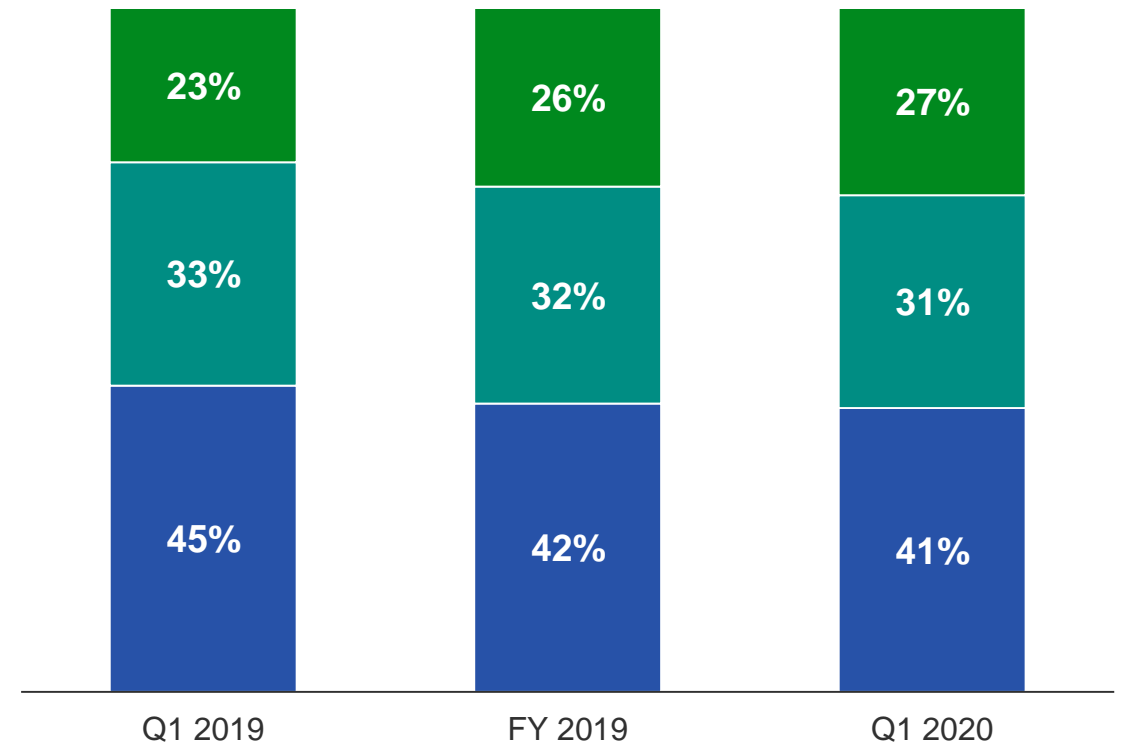
Consumer loans' single-digit growth has been relatively lower vs. peers; and contribution to total portfolio has stayed flat at 24%.

Consumer Loans Breakdown

■ Auto ■ Housing ■ Credit Card & Others



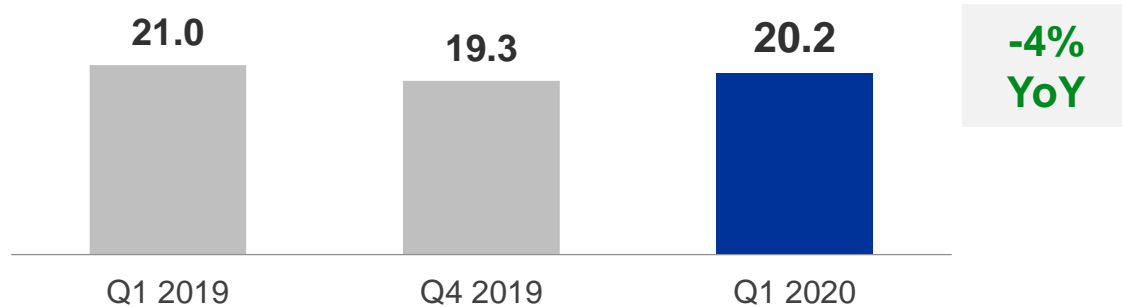
Consumer Loans By Segment



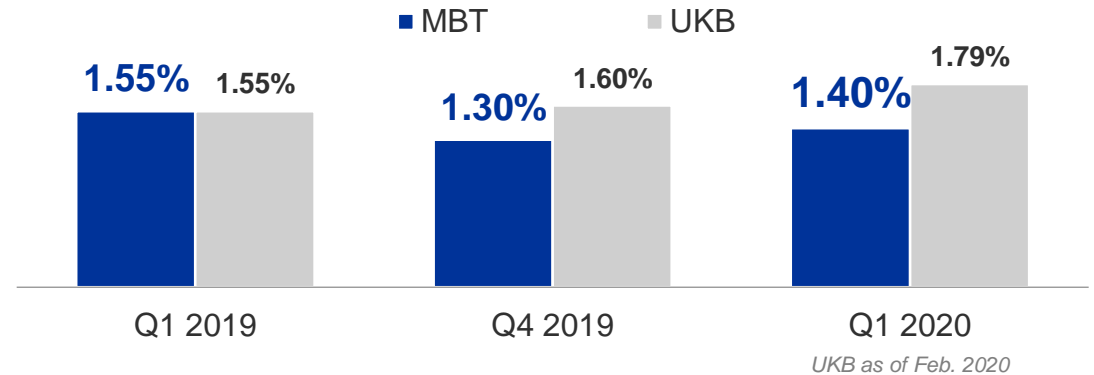
Asset Quality

NPL formation has been largely benign, as the Bank's focus is on credit discipline and quality growth

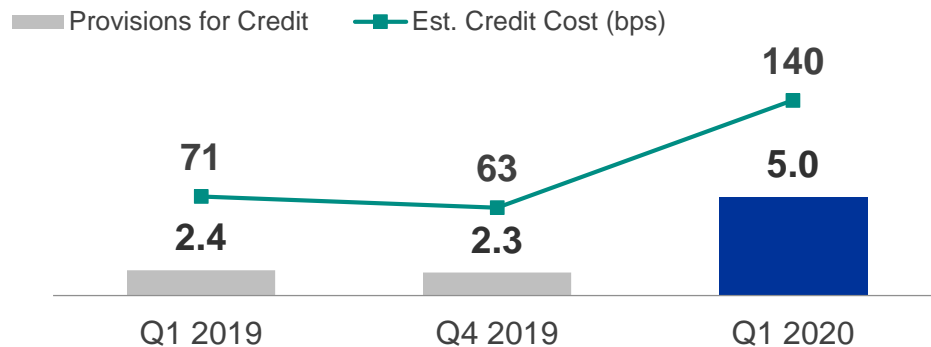
NPLs¹ amount



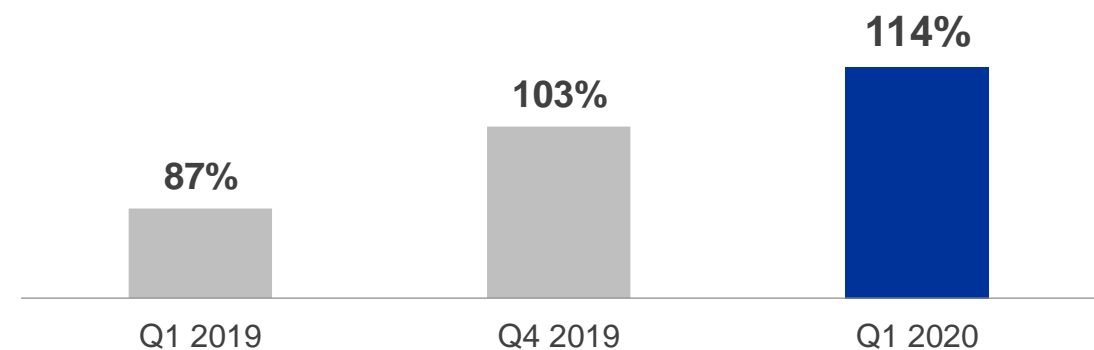
NPL Ratio² better than industry



Provisions and Credit Cost³



NPL Cover



¹ Non-Performing Loans; ² Excludes interbank; ³ Estimated credit cost = Annualized Provisions for Credit / Loans & Receivables, net

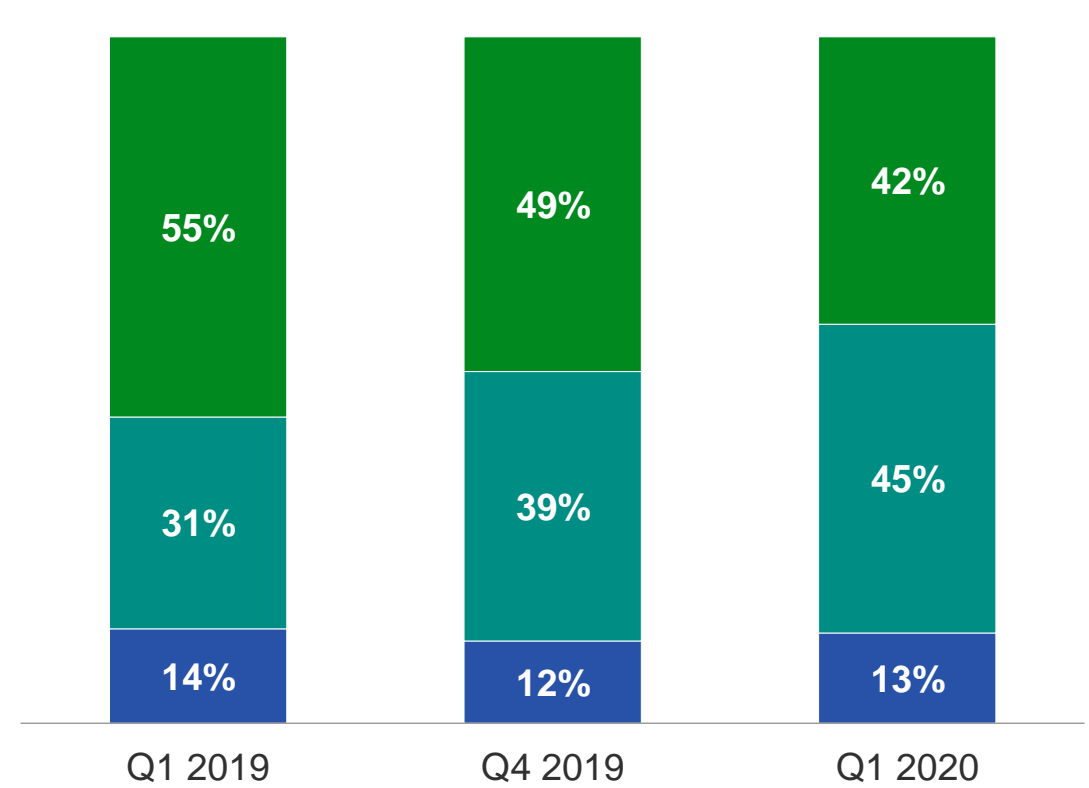
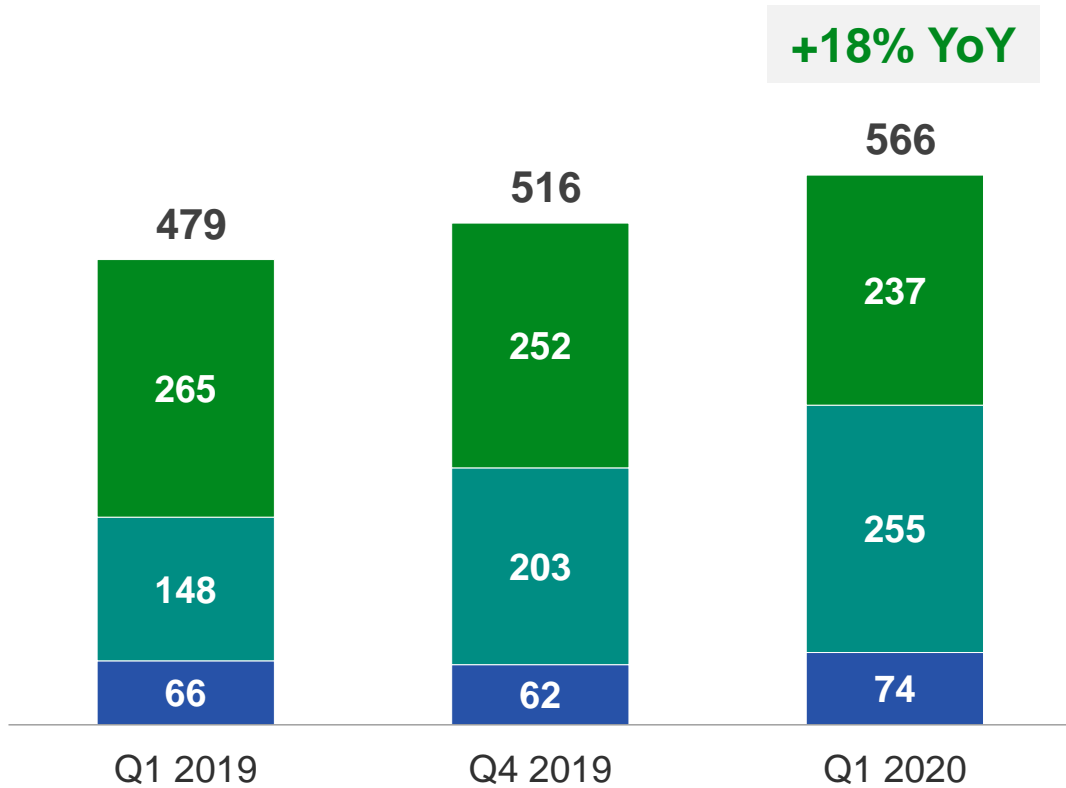
Investment Securities

Actively managed securities portfolio well-positioned to take advantage of ever-changing financial market conditions

Investment Securities

Investment Securities Breakdown

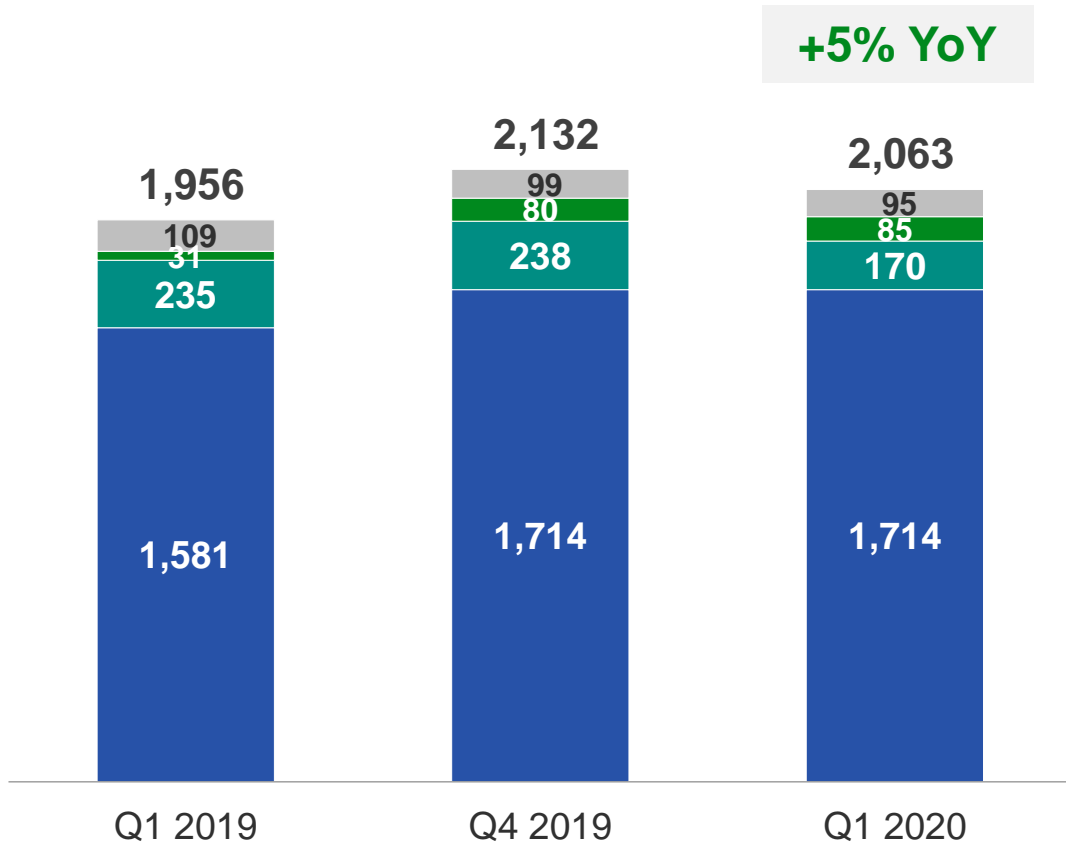
■ FVTPL ■ FVOCI ■ Amortized Cost



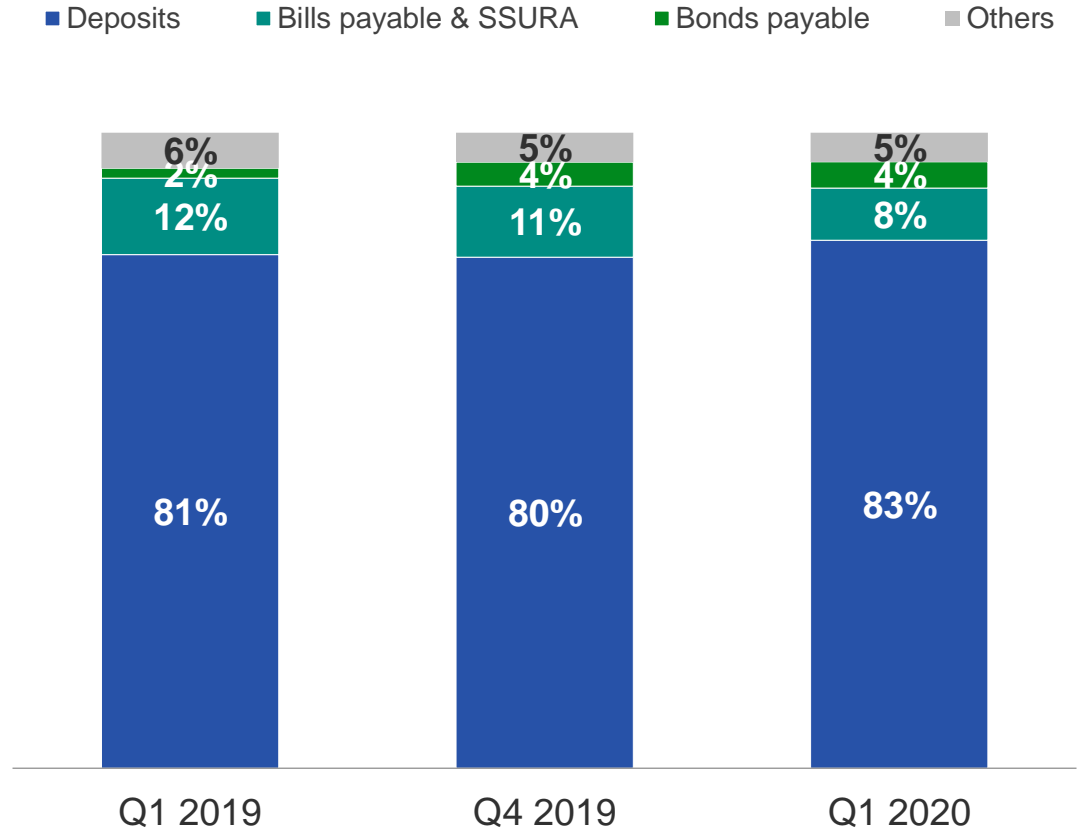
Liabilities Mix

With its strong deposit franchise, funding is sourced primarily from traditional deposits led by low cost CASA

Total Liabilities



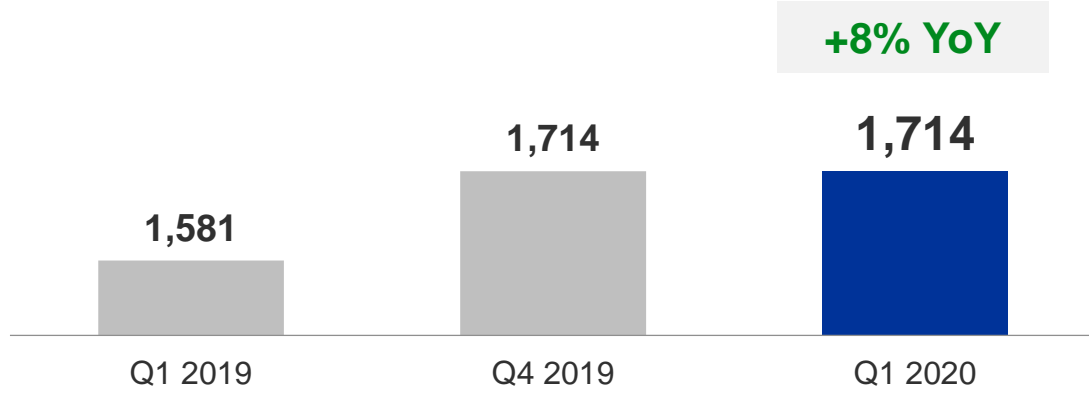
Total Liabilities Breakdown



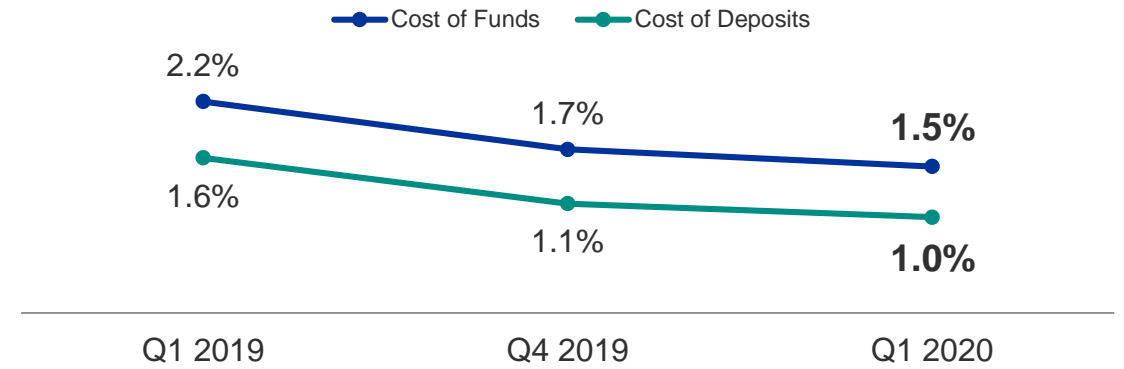
Deposit Profile

Deposits have increased as clients prefer to stay liquid given uncertain times; Strong CASA growth driving cost of funding lower.

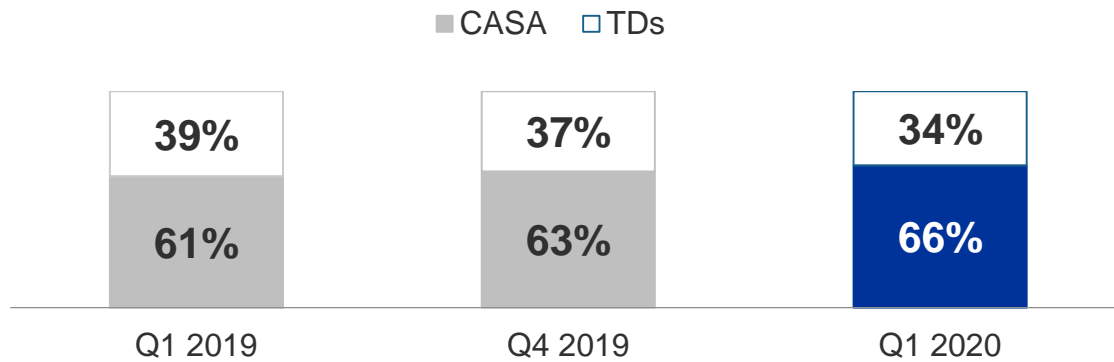
Total Deposits



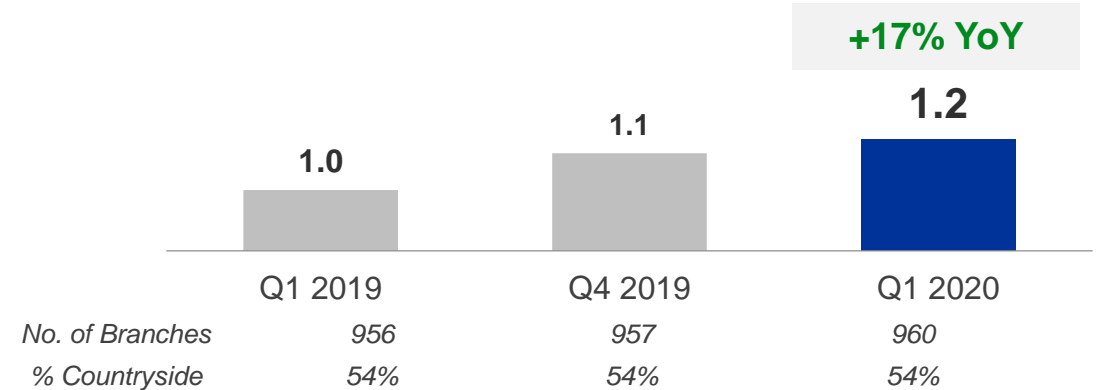
Estimated Funding Cost*



CASA Ratio



CASA Deposits per Branch

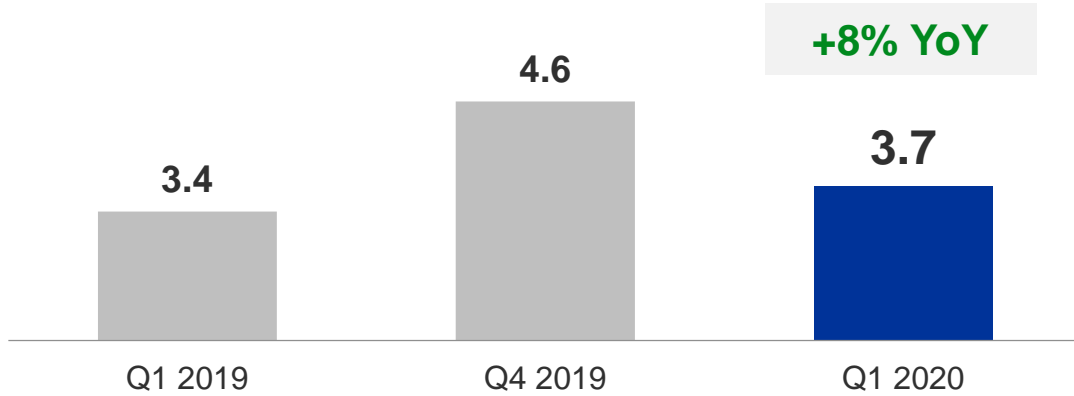


* Cost of Funds = Annualized Gross Interest Expense / Ave. Interest-Bearing Liabilities; Cost of Deposits = Annualized Gross Deposit Expense / Ave. Deposits

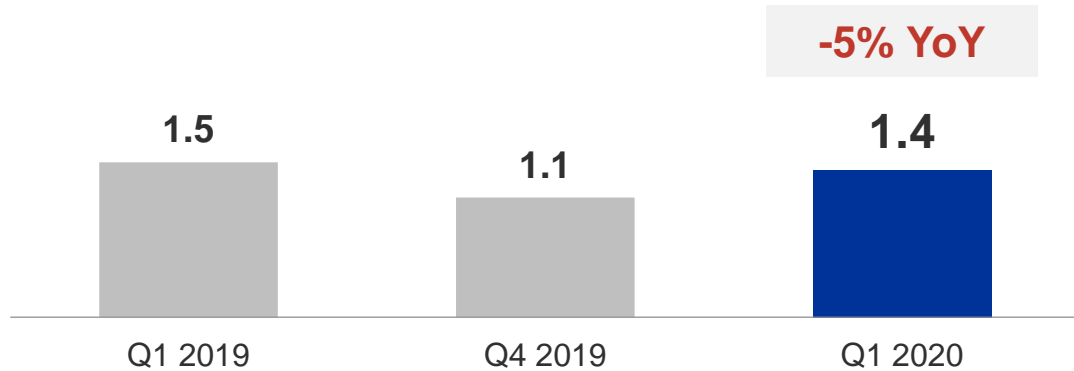
Non-Interest Income

Solid growth in service fees, while trading operations remained healthy despite market volatility

Service Fees and Trust

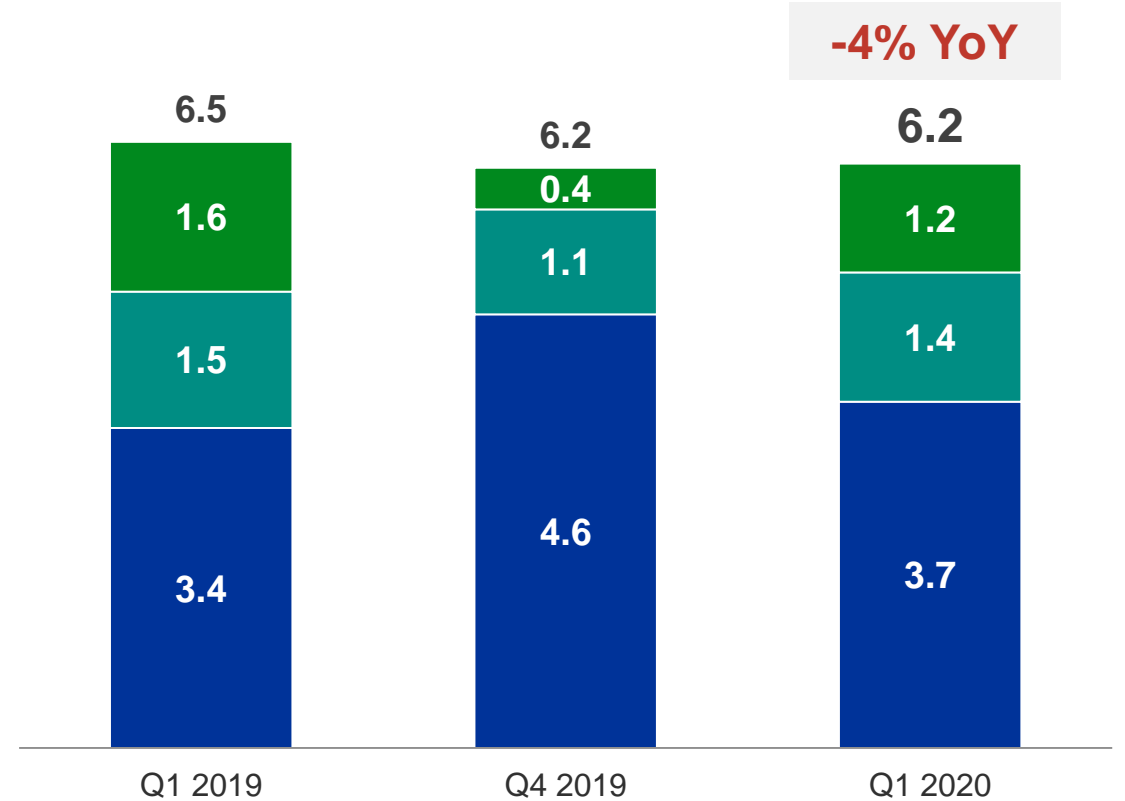


Trading and FX Gains



Non-Interest Income Breakdown

■ Service Fees & Trust ■ Trading & FX gains ■ Misc

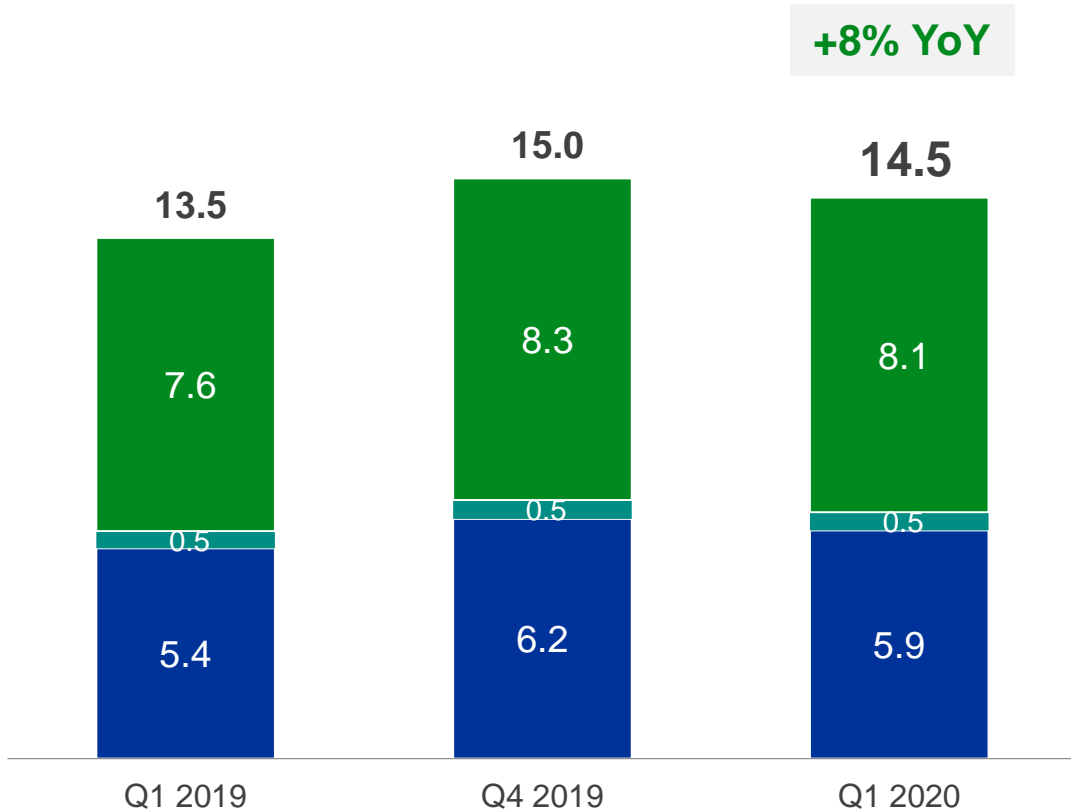


OPEX and Efficiency Ratios

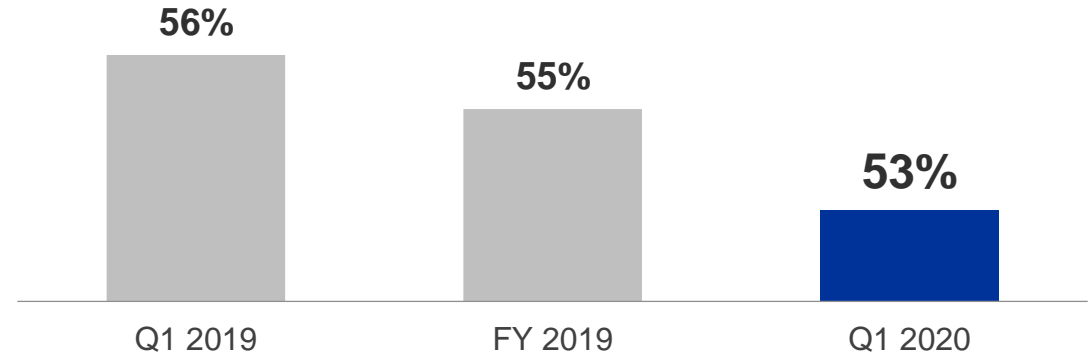
Revenue growth has consistently outpaced cost growth, leading to efficiencies and improved cost-income ratio

Operating Expenses Breakdown

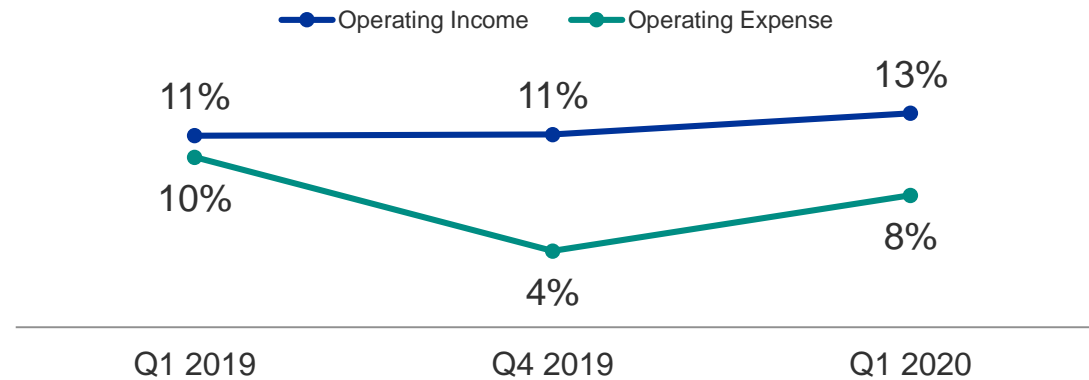
■ Manpower ■ Occupancy & equipment ■ Others



Cost-Income Ratio

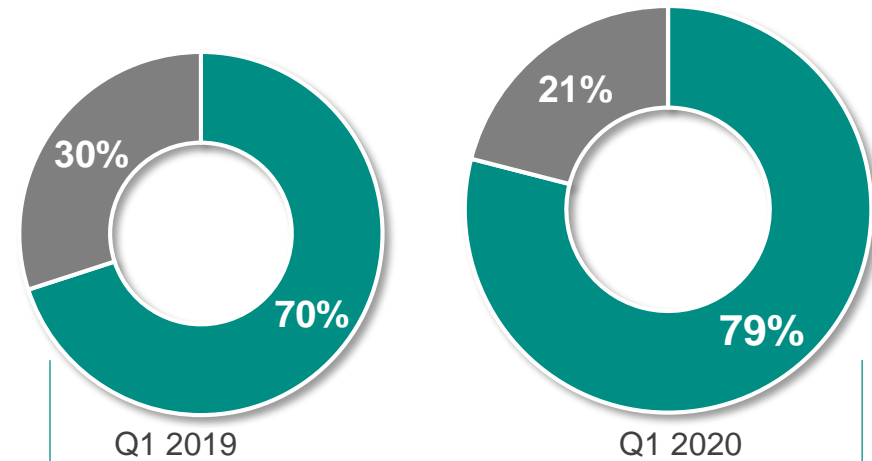
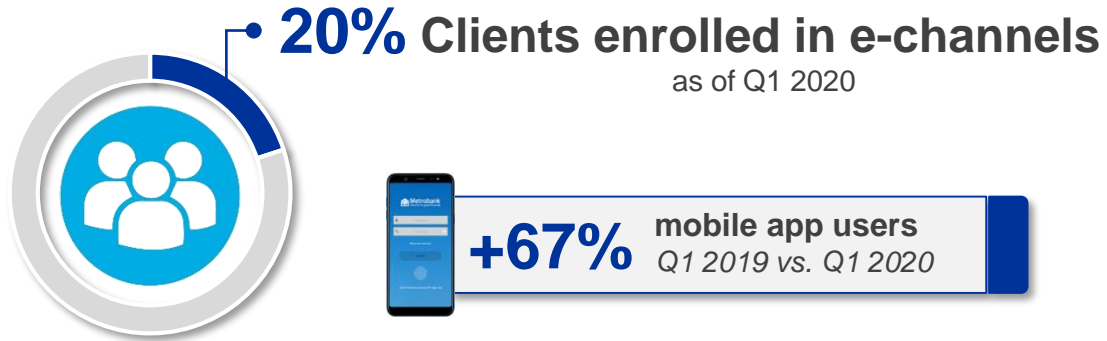


Operating Income growth consistently higher than Opex



Customer Touchpoints

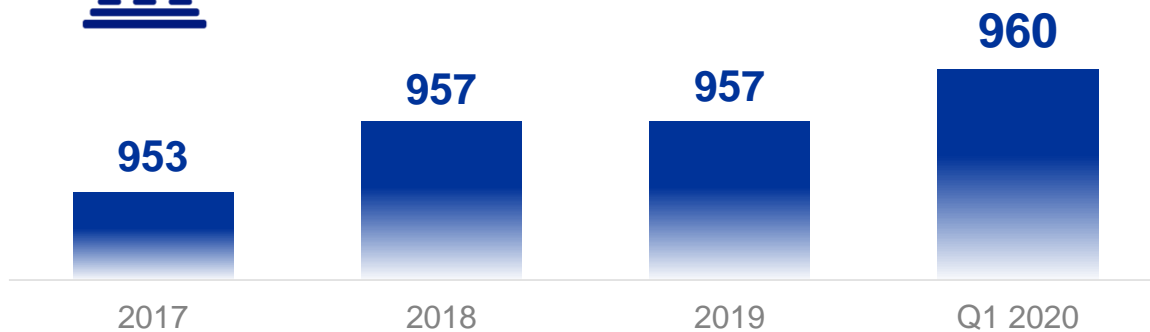
Slow down on opening of physical branches, and push for e-channels to drive efficiencies and bring down the cost-to-serve.



% E-Channels to Total financial transactions



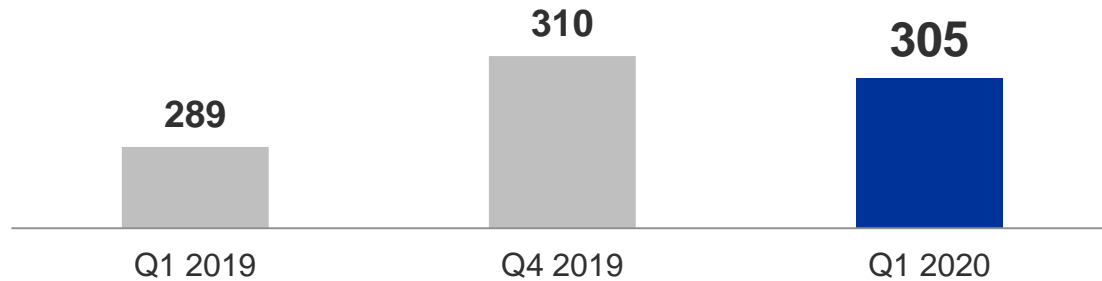
Consolidated Branches



Capital and Liquidity Ratios

The Bank is highly liquid and well-capitalized, with capital and liquidity ratios comfortably above the minimum regulatory threshold

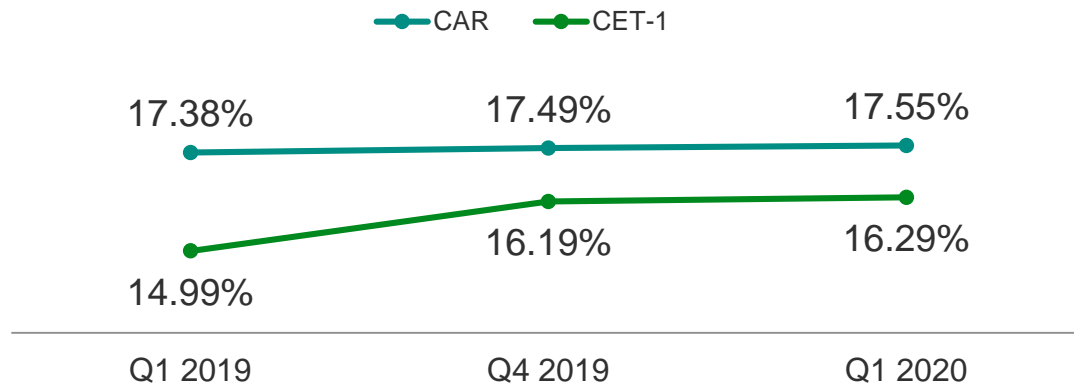
Total Equity



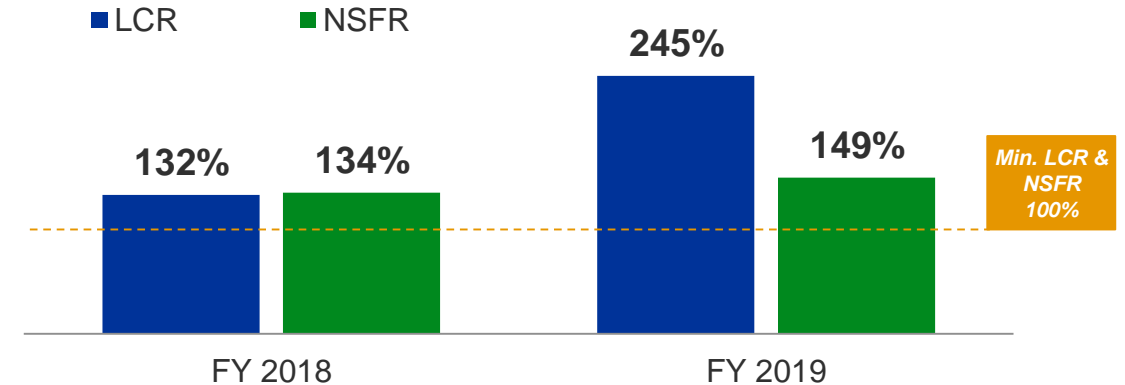
Annual Cash Dividends Paid



Capital Ratios

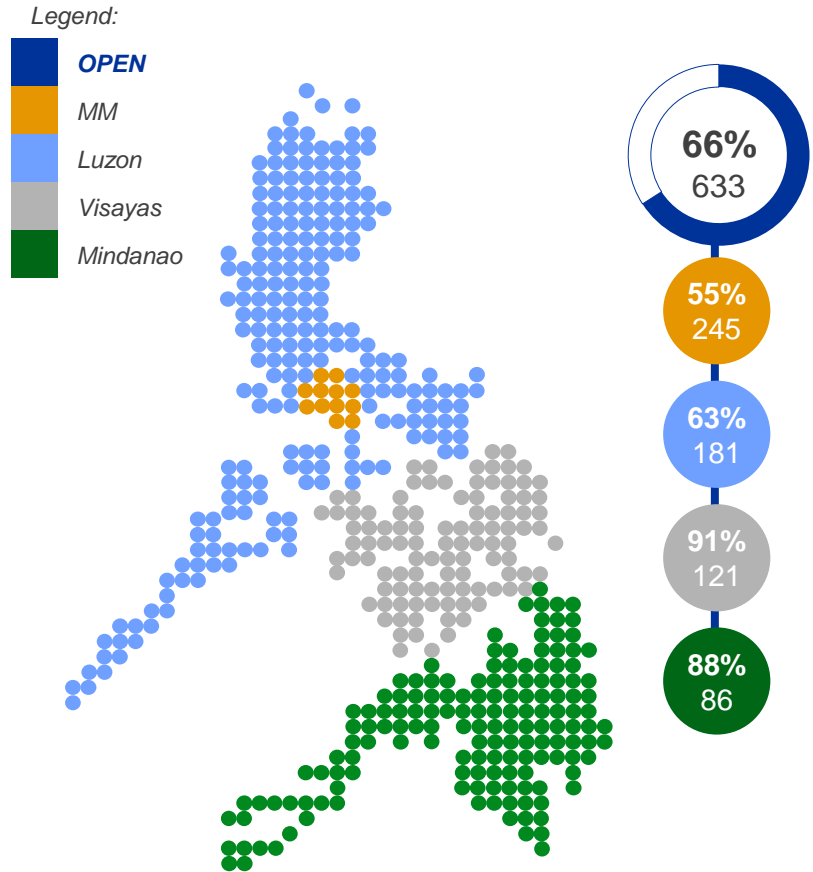


Liquidity Coverage Ratio, Net Stable Funding Ratio



Initiatives during the ECQ period

% Open Branches* as of April 30



Waived Interbank Fund Transfer Fees

Through InstaPay and PesoNet

30-day Grace Period

Even Before the Bayanihan Act*

*30-day grace period for all loans with payment due dates falling due within the ECQ period



P200 million pledge

in support of the efforts to combat COVID-19

FRONTLINERS	TESTING	FOOD RELIEF
<p>PPEs for hospitals</p>	<p>Research and development of testing kits with UP-NIH</p>	<p>1M families thru Project Ugnayan</p>

Sources: MBT & PSBank websites. Number of open branches may change on a daily basis.

Recent Developments

Approval of Merger



BOD approval to call the
**P6.5 billion 2025
 Peso Notes**
 in August 2020

subject to regulatory approval

BSP approval

P25 billion LTNCDs

Jan. 2020 – Jan. 2021

BOD approval to amend the Articles of Incorporation

To Create a New Class of Shares

6 billion voting preferred shares (par value of P0.20 per share)

By converting a fraction of the non-voting preferred shares

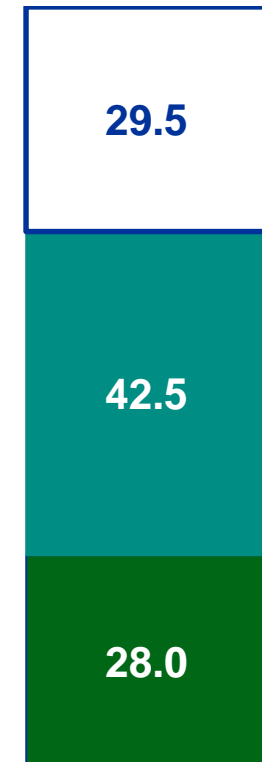
Total authorized capital unchanged at P140 billion

(P120 billion for common shares and
 P20 billion for preferred shares, voting and non-voting)

subject to stockholders and regulatory approvals

Bond Issuances

■ 2018 ■ 2019 ■ Unissued



SUMMARY

- ✓ The year 2020 had a promising start with solid economic prospects. But the unprecedented COVID-19 pandemic changed the global landscape.
- ✓ Metrobank has built up earnings momentum, especially in recent years. In Q1 2020, the Bank sustained core business growth across all segments – loans, deposits, fees, and improved efficiency. For the rest of the year, growth will be tempered in light of economic uncertainty.
- ✓ Historically, the Bank's loan growth has been lower vs. industry and peers. Prudence and discipline will serve the Bank well in the face of potential risks.
- ✓ Amid this crisis, Metrobank will take the necessary steps to serve its clients while keeping employees safe, to sustain its recurring business, and to build capability for the future.
- ✓ Metrobank is one of the country's largest banks, with a strong liquidity position, and the highest capital ratios among peers.

Financial Summary

In PHP billion

Income Statement	Q1 2019	Q1 2020	YoY
Net Interest Income	18.1	21.4	+18%
Non Interest Income	6.5	6.2	-4%
Operating Income	24.6	27.6	+13%
Operating Expenses	13.5	14.5	+8%
PPOP	11.1	13.1	+18%
Provision for Credit	2.4	5.0	+110%
Provision for Taxes	1.8	1.8	+1%
Net Income	6.8	6.1	-9%

Balance Sheet	Q1 2019	Q1 2020	YoY
Total Assets	2,253	2,377	+5%
Loans and Receivables, Net	1,360	1,435	+6%
Total Deposits	1,581	1,714	+8%
CASA	958	1,126	+18%
Equity	289	305	+5%

Financial Ratios	Q1 2019	Q1 2020	YoY
NIM	3.8%	4.1%	+0.2 ppt
CIR	56%	53%	-3 ppt
NPL Ratio	1.5%	1.4%	-0.1 ppt
NPL Cover	87%	114%	+27 ppt
CAR	17.4%	17.6%	+0.2 ppt
CET-1	15.0%	16.3%	+1.3 ppt
CASA Ratio	61%	66%	+5 ppt









SUPPLEMENTAL INFORMATION

Credit Ratings



	<i>Issuer Rating</i>	<i>Outlook</i>	<i>Date of Latest Report</i>
MOODY'S	Baa2	Stable	March 2020
FitchRatings	BBB-	Stable	October 2019

Leading Market Position in Key Segments

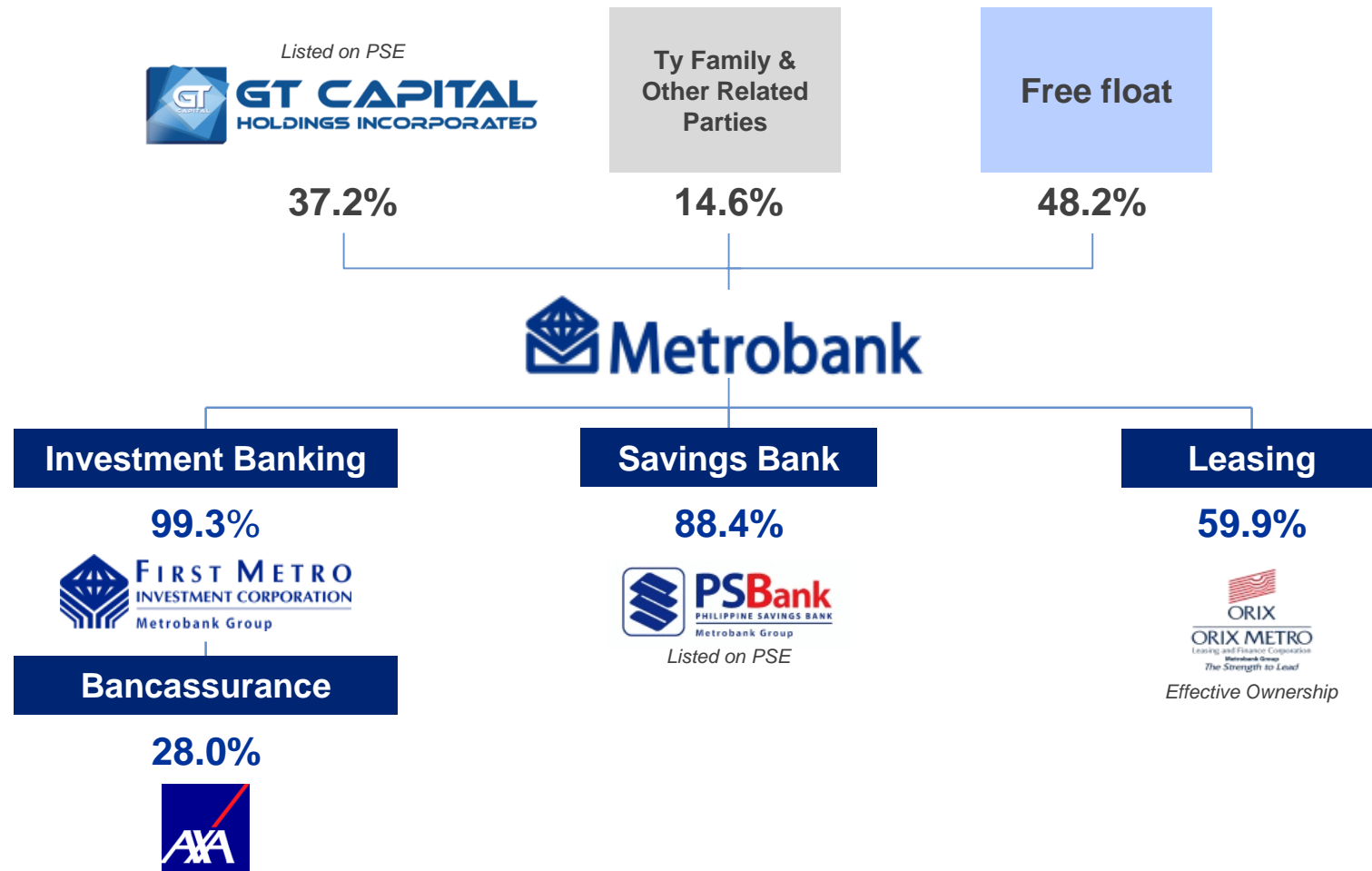
Business segment	 Metrobank	 FIRST METRO INVESTMENT CORPORATION Metrobank Group	 Metrobank  PSBank PHILIPPINE SAVINGS BANK Metrobank Group	 AXA	 ORIX ORIX METRO Leasing and Finance Corporation Metrobank Group The Strength to Lead
	Treasury and Trust Banking	Investment Banking	Retail Banking	Life insurance	Leasing
Industry Standing	#1 PDEX Securities House #3 Trust Assets Under Management	Best Corporate & Investment Bank ¹ Best Equity House ²	Second largest savings bank in the country #1 Auto Loan Portfolio #2 Cards Receivables ³ #3 Credit Cards in Force ³	JV with AXA #2 in Total Premium income ⁴ #4 in Total Assets ⁴	Leasing and financing JV with ORIX Japan
Stake⁵	-	99.3%	- 88.4%	28.0%	59.9%

¹ Asia Money (2019), ² Alpha Southeast Asia (2019), ³ (through Metrobank Card Corporation or MCC*) Credit Card Association of the Philippines (FY 2019), ⁴ Insurance Commission (2018), ⁵ Effective ownership

*The Philippine SEC approved the proposal to merge MCC, Metrobank's wholly-owned subsidiary, into the Parent Bank effective January 3, 2020.

Ownership Structure

As of March 31, 2020



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<https://metrobank.com.ph/>

PERSONAL BANKING

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MANAGE

UPGRADE

INVEST

SEARCH

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Meaningful Banking

by

