Metrobank
You're in good hands

November 3, 2022

Ms. Alexandra D. Tom Wong
Officer-In-Charge, Disclosure Department
The Philippine Stock Exchange, Inc.
6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Dear Ms. Tom Wong:

We hereby submit a copy of our SEC Form 17-Q for the period ended September 30, 2022.

Very truly yours,

[redacted]

Renato K. De Borja, Jr.
Senior Vice President/Controller

cc: Philippine Dealing Exchange Corp.
29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, 1226 Makati City

COVER SHEET

2 0 5 7 3

SEC Registration Number

METROPOLITAN BANK & TRUST COMPANY
AND SUBSIDIARIES

(Company's Full Name)

Metrobank Plaza, Sen. Gil Puyat
Avenue, Urdaneta Village, Makati
City, Metro Manila

(Business Address: No. Street City/Town/Province)

Renato K. De Borja, Jr.

(Contact Person)

[redacted]

(Company Telephone Number)

1 2	3 1
Month	*Day*

(Fiscal Year)

1 7 - Q

(Form Type)

Month	*Day*

(Annual Meeting)

NONE

(Secondary License Type, If Applicable)

Markets and Securities Regulation Department

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

As of 09.30.2022
2,956

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SEC Number 20573
File Number______

METROPOLITAN BANK & TRUST COMPANY
(Company's Full Name)

Metrobank Plaza, Sen. Gil Puyat Avenue, Urdaneta Village, Makati City, Metro Manila
(Company's Address)

[redacted]
(Telephone Number)

December 31
(Fiscal year ending)

17-Q
(Form Type)

(Amendment Designation, if applicable)

September 30, 2022
(Period Ended Date)

None
(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1.	For the quarterly period ended	:	**September 30, 2022**
2.	Commission Identification Number	:	**20573**
3.	BIR Tax Identification No.	:	**000-477-863**
4.	Exact name of issuer as specified in its charter	:	**METROPOLITAN BANK & TRUST COMPANY**
5.	Province, country or other jurisdiction of incorporation or organization	:	**Metro Manila, Philippines**
6.	Industry Classification Code	:	(SEC Use Only)
7.	Address of issuer's principal office	:	Metrobank Plaza, Sen. Gil Puyat Avenue, Urdaneta Village, Makati City, Metro Manila
8.	Issuer's telephone number, including area code	:	**(632)** [redacted]

9. Former name, former address and former fiscal year, if changed since last report: **N/A**

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class	No. of Shares of Common Stock Outstanding	Amount of Debt Outstanding (Unpaid Subscriptions)
Common Shares	**4,497,415,555 shares**	**None**

11. Are any or all of the securities listed on a Stock Exchange?

Yes [x]   No [ ]

Stock Exchange : **Philippine Stock Exchange**
Class of Securities : **Common Shares**

12. Indicate by check mark whether the registrant:

a. Has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder and Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [x]   No [ ]

b. Has been subject to such filing requirements for the past 90 days.

Yes [x]   No [ ]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Attached are the following:

Interim Condensed Consolidated Statements of Financial Position	-	Annex 1
Interim Condensed Consolidated Statements of Income	-	Annex 2 (page 1 of 2)
Interim Condensed Consolidated Statements of Comprehensive Income (Loss)	-	Annex 2 (page 2 of 2)
Interim Condensed Consolidated Statements of Changes in Equity	-	Annex 3
Interim Condensed Consolidated Statements of Cash Flows	-	Annex 4
General Notes to Interim Condensed Consolidated Financial Statements	-	Annex 5
Financial Indicators	-	Annex 6

Item 2. Management's Discussion and Analysis of Consolidated Financial Position and Results of Operations - Annex 7

PART II - OTHER INFORMATION

I. Control of Registrant

The following stockholders own more than 5% of the total outstanding number of shares issued as of September 30, 2022:

NAME OF STOCKHOLDER	TOTAL NUMBER OF SHARES HELD	PERCENT TO TOTAL NUMBER OF SHARES ISSUED
GT Capital Holdings, Inc.	1,670,611,010	37.15%
PCD Nominee Corporation (Filipino)*	1,299,542,714	28.90%
PCD Nominee Corporation (Non-Filipino)*	889,959,431	19.79%

* *There is no participant of PCD who is a beneficial owner of more than 5% of the total common shares issued by the Registrant.*

As of September 30, 2022, public ownership on the Bank was at 48.11%. Out of the total shares issued, 19.82% represents foreign ownership.

II. Pending Legal Proceedings

As of September 30, 2022, several suits and claims relating to the Group's lending operations and labor-related cases remain unsettled. In the opinion of management, these suits and claims, if decided adversely, will not involve sums having a material effect on the Group's financial statements.

III. Board Resolutions

There is no material disclosure that have not been reported under SEC Form 17-C during the period covered by this report.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

METROPOLITAN BANK & TRUST COMPANY
By:

[redacted]
RENATO K. DE BORJA, JR.
Senior Vice President/Controller

[redacted]
JOSHUA E. NAING
Senior Executive Vice President/Head of Financial and Control Sector

November 3, 2022

SUBSCRIBED AND SWORN to before me this NOV 0 3 2022, affiants exhibiting to me their respective Passport with the following details:

Names	Passport No.	Date/Place of Issue	Valid Until
JOSHUA E. NAING	[redacted]	[redacted]	[redacted]
RENATO K. DE BORJA, JR.			

[redacted]
ATTY. MARIA VIRNA G. ANTONIO-SALVADOR
Notary Public for Makati City
Appointment No. M-028 until December 31, 2023
10/F Metrobank Plaza, Sen. Gil Puyat Ave., Makati City
[redacted]

Doc. No. 21;
Page No. 6;
Book No. II;
Series of 2022

METROPOLITAN BANK & TRUST COMPANY
AND SUBSIDIARIES

Interim Condensed Consolidated Financial Statements

As of September 30, 2022 (Unaudited) and December 31, 2021 (Audited)
and for the nine months ended September 30, 2022 and 2021 (Unaudited)

ANNEX 1

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In Millions)

		(Unaudited)		(Audited)
		September 30, 2022		December 31, 2021
ASSETS				
Cash and Other Cash Items	₱	**28,951**	₱	41,302
Due from Bangko Sentral ng Pilipinas (BSP)		**216,694**		253,257
Due from Other Banks		**62,280**		48,831
Interbank Loans Receivable and Securities Purchased Under Resale Agreements (SPURA) (Note 12)		**69,082**		70,447
Investment Securities at				
Fair Value Through Profit or Loss (FVTPL)		**147,907**		50,792
Fair Value Through Other Comprehensive Income (FVOCI)		**513,815**		648,808
Amortized Cost		**289,800**		83,810
Loans and Receivables		**1,329,969**		1,236,071
Property and Equipment		**27,327**		25,783
Investments in Associates and a Joint Venture		**6,266**		5,851
Goodwill		**5,194**		5,194
Investment Properties		**7,703**		7,327
Deferred Tax Assets		**14,029**		13,094
Other Assets		**13,947**		12,249
	₱	**2,732,964**	₱	2,502,816
LIABILITIES AND EQUITY				
LIABILITIES				
Deposit Liabilities				
Demand	₱	**570,138**	₱	588,434
Savings		**888,119**		874,283
Time		**564,614**		438,046
Long-Term Negotiable Certificates (Note 6)		**26,155**		29,521
		2,049,026		1,930,284
Bills Payable and Securities Sold Under Repurchase Agreements (SSURA) (Note 7)		**162,228**		70,334
Derivative Liabilities		**32,313**		8,349
Manager's Checks and Demand Drafts Outstanding		**6,072**		5,396
Income Taxes Payable		**1,778**		1,749
Accrued Interest and Other Expenses		**11,848**		9,858
Bonds Payable (Note 8)		**66,236**		79,823
Subordinated Debts (Note 9)		**1,169**		1,168
Non-equity Non-controlling Interest		**9,793**		10,619
Other Liabilities		**74,091**		57,504
		2,414,554		2,175,084
EQUITY				
Equity Attributable to Equity Holders of the Parent Company		**308,908**		318,505
Non-controlling Interest		**9,502**		9,227
		318,410		327,732
	₱	**2,732,964**	₱	2,502,816

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In Millions, Except Earnings Per Share)

	(Unaudited)			
	Quarter Ended September 30		Nine Months Ended September 30	
	2022	2021	**2022**	2021
INTEREST INCOME ON				
Loans and receivables	**₱ 18,113**	₱ 16,602	**₱ 50,287**	₱ 50,662
Trading and investment securities	**7,347**	4,371	**18,959**	12,746
Deposits with banks and others	**548**	839	**1,793**	2,346
	26,008	21,812	**71,039**	65,754
INTEREST AND FINANCE CHARGES				
Deposit liabilities	**2,586**	1,358	**5,567**	4,157
Bills payable and SSURA, bonds payable, subordinated debt and others	**1,150**	1,615	**3,383**	5,259
	3,736	2,973	**8,950**	9,416
NET INTEREST INCOME	**22,272**	18,839	**62,089**	56,338
PROVISION FOR CREDIT AND IMPAIRMENT LOSSES	**1,874**	2,990	**5,699**	10,020
NET INTEREST INCOME AFTER PROVISION FOR CREDIT AND IMPAIRMENT LOSSES	**20,398**	15,849	**56,390**	46,318
OTHER INCOME				
Service charges, fees and commissions	**3,817**	3,300	**11,128**	9,696
Trading, securities and foreign exchange gain - net	**(965)**	289	**2,474**	4,329
Miscellaneous	**2,077**	1,938	**6,531**	5,521
	4,929	5,527	**20,133**	19,546
OTHER EXPENSES				
Compensation and fringe benefits	**6,379**	6,330	**18,990**	19,058
Occupancy and equipment-related cost	**464**	489	**1,381**	1,490
Miscellaneous	**8,260**	8,247	**24,165**	23,895
	15,103	15,066	**44,536**	44,443
INCOME BEFORE INCOME TAX	**10,224**	6,310	**31,987**	21,421
PROVISION FOR INCOME TAX	**2,224**	1,828	**8,152**	5,142
NET INCOME	**₱ 8,000**	₱ 4,482	**₱ 23,835**	₱ 16,279
Attributable to :				
Equity holders of the Parent Company	**₱ 7,849**	₱ 4,436	**₱ 23,435**	₱ 16,123
Non-controlling interest	**151**	46	**400**	156
	₱ 8,000	₱ 4,482	**₱ 23,835**	₱ 16,279
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company (Note 14 of Annex 5)	**₱ 1.75**	₱ 0.99	**₱ 5.21**	₱ 3.59

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In millions)

	Quarter Ended September 30		Nine Months Ended September 30	
	2022	2021	**2022**	2021
NET INCOME	**₱ 8,000**	₱ 4,482	**₱ 23,835**	₱ 16,279
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX				
Items that may not be reclassified to profit or loss:				
Change in net unrealized gain (loss) on equity securities at FVOCI	**-**	37	**(120)**	126
Change in remeasurement loss on retirement liability	**(47)**	(9)	**(63)**	(303)
	(47)	28	**(183)**	(177)
Items that may be reclassified to profit or loss:				
Change in net unrealized loss on debt securities at FVOCI	**(2,598)**	(1,697)	**(19,646)**	(6,436)
Change in equity in other comprehensive gain (loss) of investees	**175**	268	**(5)**	61
Translation adjustment and others	**66**	1,003	**283**	1,503
	(2,357)	(426)	**(19,368)**	(4,872)
TOTAL COMPREHENSIVE INCOME (LOSS)	**₱ 5,596**	₱ 4,084	**₱ 4,284**	₱ 11,230
Total Comprehensive Income (Loss) attributable to :				
Equity holders of the Parent Company	**₱ 5,458**	₱ 3,984	**₱ 3,897**	₱ 10,932
Non-controlling interest	**138**	100	**387**	298
	₱ 5,596	₱ 4,084	**₱ 4,284**	₱ 11,230

ANNEX 3

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

As of September 30, 2022 and 2021
(In Million Pesos)
(Unaudited)

	Common Stock	Capital Paid in Excess of Par Value	Surplus	Surplus Reserves	Treasury Stocks	Net Unrealized Gain (Loss) on Investment Securities at FVOCI	Equity in Other Comprehensive Income (Loss) of Investees	Remeasurement Losses on Retirement Plan	Translation Adjustment and Others	TOTAL	Non-Controlling Interest	Total Equity
Balance, January 1, 2022	**₱89,948**	**₱85,252**	**₱157,260**	**₱2,442**	**(₱70)**	**(₱3,751)**	**(₱118)**	**(₱4,747)**	**(₱7,711)**	**₱318,505**	**₱9,227**	**₱327,732**
Total comprehensive income (loss) for the period	-	-	23,435	-	-	(19,761)	(6)	(37)	266	3,897	387	4,284
Transfer to surplus reserves	-	-	(119)	119	-	-	-	-	-	-	-	-
Cash dividends	-	-	(13,492)	-	-	-	-	-	-	(13,492)	(112)	(13,604)
Realized gain on sale of FVOCI	-	-	2	-	-	(2)	-	-	-	-	-	-
Acquisition of Parent Company shares held by a mutual fund subsidiary	-	-	-	-	(13)	-	-	-	-	(13)	-	(13)
Disposal of Parent Company shares held by mutual fund subsidiary	-	-	-	-	11	-	-	-	-	11	-	11
Balance, September 30, 2022	**₱89,948**	**₱85,252**	**₱167,086**	**₱2,561**	**(₱72)**	**(₱23,514)**	**(₱124)**	**(₱4,784)**	**(₱7,445)**	**₱308,908**	**₱9,502**	**₱318,410**
Balance, January 1, 2021	**₱89,948**	**₱85,252**	**₱153,282**	**₱2,260**	**(₱65)**	**₱7,611**	**(₱22)**	**(₱4,778)**	**(₱9,284)**	**₱324,204**	**₱8,971**	**₱333,175**
Total comprehensive income (loss) for the period	-	-	16,123	-	-	(6,315)	60	(299)	1,363	10,932	298	11,230
Transfer to surplus reserves	-	-	(121)	121	-	-	-	-	-	-	-	-
Cash dividends	-	-	(17,990)	-	-	-	-	-	-	(17,990)	(111)	(18,101)
Realized loss on sale of FVOCI	-	-	(101)	-	-	101	-	-	-	-	-	-
Acquisition of Parent Company shares held by a mutual fund subsidiary	-	-	-	-	(13)	-	-	-	-	(13)	-	(13)
Disposal of Parent Company shares held by mutual fund subsidiary	-	-	-	-	6	-	-	-	-	6	-	6
Balance, September 30, 2021	**₱89,948**	**₱85,252**	**₱151,193**	**₱2,381**	**(₱72)**	**₱1,397**	**₱38**	**(₱5,077)**	**(₱7,921)**	**₱317,139**	**₱9,158**	**₱326,297**

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Millions)

	(Unaudited)	
	For the Nine Months Ended September 30	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income before income tax	₱ **31,987**	₱ 21,421
Adjustments for :		
Provision for credit and impairment losses	**5,699**	10,020
Trading and securities gain on investment securities	**(695)**	(3,624)
Depreciation and amortization	**3,711**	3,787
Share in net income of associates and a joint venture	**(465)**	(519)
Profit from assets sold	**(706)**	(288)
Unrealized market valuation gain on financial assets and liabilities at FVTPL	**(4,689)**	311
Gain on initial recognition of investment properties and chattel properties acquired in foreclosure	**(1,113)**	(486)
Amortization of software cost	**708**	979
Amortization of discount on subordinated debt and bonds payable	**342**	269
Dividends	**(159)**	(122)
Changes in operating assets and liabilities:		
Decrease (increase) in :		
Investment securities at FVTPL	**(68,462)**	20,278
Loans and receivables	**(99,880)**	68,903
Other assets	**(5,829)**	(4,157)
Increase (decrease) in:		
Deposit liabilities	**118,742**	54,004
Bills payable-deposit substitutes	**(2,155)**	(4,151)
Manager's checks and demand drafts outstanding	**676**	(196)
Accrued interest and other expenses	**1,990**	2,543
Non-equity non-controlling interest	**(826)**	1,978
Other liabilities	**19,614**	8,139
Net cash provided by (used in) operations	**(1,510)**	179,089
Dividends received	**159**	122
Income taxes paid	**(7,031)**	(4,998)
Net cash provided by (used in) operating activities	**(8,382)**	174,213
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Investment securities at FVOCI	**(723,727)**	(1,278,923)
Investments securities at amortized cost	**(209,337)**	(5,428)
Property and equipment	**(2,365)**	(2,403)
Proceeds from sale of:		
Investment securities at FVOCI	**838,139**	1,111,088
Property and equipment	**365**	303
Investment properties	**1,324**	1,214
Decrease (increase) in interbank loans receivable and SPURA	**3,249**	15,352
Proceeds from maturity of investment securities at amortized cost	**5,635**	4,477
Net cash used in investing activities	**(86,717)**	(154,320)
CASH FLOWS FROM FINANCING ACTIVITIES		
Settlements of bills payable	**(1,748,297)**	(660,866)
Availments of bills payable and SSURA	**1,842,346**	590,429
Proceeds from issuance of bonds payable	**-**	18,845
Settlements of bonds payable	**(17,500)**	(28,050)
Cash dividends paid	**(13,604)**	(18,064)
Payment of principal portion of lease liabilities	**(1,442)**	(1,256)
Proceeds from disposal of Parent Company shares by mutual fund subsidiaries	**11**	6
Acquisition of Parent Company shares by a mutual fund subsidiariy	**(13)**	(13)
Net cash provided by (used in) financing activities	**61,501**	(98,969)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(33,598)**	(79,076)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
Cash and other cash items	**41,302**	38,469
Due from BSP	**253,257**	304,906
Due from other banks	**48,862**	38,357
Interbank loans receivable and SPURA	**56,062**	46,669
	399,483	428,401
CASH AND CASH EQUIVALENTS AT END OF PERIOD		
Cash and other cash items	**28,951**	32,048
Due from BSP	**216,694**	209,209
Due from other banks	**62,311**	47,186
Interbank loans receivable and SPURA (Note 13)	**57,929**	60,882
	₱ **365,885**	₱ 349,325

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
GENERAL NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Metropolitan Bank & Trust Company ("Metrobank," "the Bank" or "the Parent Company") is a universal bank incorporated in the Philippines on April 6, 1962. The Securities and Exchange Commission (SEC) approved the renewal of its Certification of Incorporation on November 19, 2007. The Bank's shares were listed with the Philippine Stock Exchange, Inc. (PSE), on February 26, 1981, as approved by the SEC in November 1980. It has a universal banking license granted by the Bangko Sentral ng Pilipinas (BSP) on August 21, 1981.

The Bank and its subsidiaries (the Group) are engaged in all aspects of banking, financing, leasing, real estate and stock brokering through a network of over 2,000 local and international branches, subsidiaries, representative offices, remittance correspondents and agencies. The Bank, which is the ultimate parent of the Group, provides services such as deposit products, loans and trade finance, domestic and foreign fund transfers, treasury, foreign exchange, trading and remittances and trust services. Its principal place of business is at Metrobank Plaza, Sen. Gil Puyat Avenue, Urdaneta Village, Makati City, Metro Manila, Philippines.

2. Summary of Significant Accounting Policies

<u>Basis of Preparation</u>
The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. Accordingly, the unaudited interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual audited financial statements and should be read in conjunction with the Groups' annual audited financial statements as at December 31, 2021.

The unaudited interim condensed financial statements have been prepared on a historical cost basis except for financial assets and financial liabilities at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) that have been measured at fair value.

The unaudited interim condensed consolidated financial statements are presented in Philippine Peso (PHP), the Bank's functional currency, and all values are rounded to the nearest million pesos (₱000,000) except when otherwise indicated.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The respective functional currencies of the subsidiaries are presented under Basis of Consolidation.

<u>Presentation of Financial Statements</u>
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position. Income and expense are not offset in the statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

<u>Basis of Consolidation</u>
The unaudited interim condensed consolidated financial statements include the financial statements of the Bank and of its subsidiaries and are prepared for the same reporting period as the Bank using consistent accounting policies.

The following are the wholly and majority-owned foreign and domestic subsidiaries of the Bank as of September 30, 2022:

Subsidiary	Effective Percentage of Ownership	Country of Incorporation	Functional Currency
Financial Markets:			
Domestic:			
First Metro Investment Corporation (FMIC) and Subsidiaries	99.27	Philippines	PHP
Philippine Savings Bank (PSBank)	88.38	Philippines	PHP
ORIX Metro Leasing and Finance Corporation (ORIX Metro) and Subsidiaries	59.85	Philippines	PHP
Foreign:			
Metropolitan Bank (China) Ltd (MBCL)	100.00	China	Chinese Yuan
Metropolitan Bank (Bahamas) Limited (Metrobank Bahamas)**	100.00	The Bahamas	United States Dollar (USD)
First Metro International Investment Company Limited (FMIIC) and Subsidiary	100.00	Hong Kong	Hong Kong Dollar (HKD)
Remittances:			
Metro Remittance (Hong Kong) Limited	100.00	Hong Kong	HKD
Metro Remittance (Singapore) Pte. Ltd. (MRSPL)	100.00	Singapore	Singapore Dollar
Metro Remittance (UK) Limited (MR UK)	100.00	United Kingdom	Great Britain Pound
Metro Remittance (USA), Inc. (MR USA)	100.00	United States of America (USA)	USD
Metro Remittance (Japan) Co., Ltd. (MR Japan)	100.00	Japan	Japanese Yen
Real Estate:			
Circa 2000 Homes, Inc. *	100.00	Philippines	PHP
Others:			
Philbancor Venture Capital Corporation *	60.00	Philippines	PHP

* In process of dissolution.
** In process of liquidation

Investment in Circa 2000 Homes, Inc.
On May 4, 2022, the stockholders of Circa 2000 Homes, Inc. approved the shortening of its corporate term to end on December 31, 2024 through an amendment of its Articles of Incorporation (AOI). The amended AOI was approved by the SEC on June 10, 2022.

All significant intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full at consolidation. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Control is achieved where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of subsidiaries ceases when control is transferred out of the Group or the Parent Company. The results of subsidiaries acquired or disposed of during the period, if any, are included in the unaudited interim condensed consolidated statement of income and unaudited interim condensed consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

Changes in the Parent Company’s ownership interest in a subsidiary that do not result in a loss of control are accounted for within equity. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid (or to be paid) or received is recognized directly in equity included as part of “Translation adjustment and others” and attributed to the owners of the Parent Company.

When a change in ownership interest in a subsidiary occurs which results in a loss of control over the subsidiary, the Parent Company: (a) derecognizes the assets (including goodwill) and liabilities of the subsidiary; (b) derecognizes the carrying amount of any non-controlling interest; (c) derecognizes the related other comprehensive income (OCI) recorded in equity and recycles the same to statement of income or retained earnings; (d) recognizes the fair value of the consideration received; (e) recognizes the fair value of any investment retained; (f) recognizes any surplus or deficit in statement of income; and (g) reclassifies the Parent Company's share of components' gains (losses) previously recognized in OCI to profit or loss or surplus, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Entity with significant influence over the Group
GT Capital Holdings, Inc. (GT Capital) holds 37.15% of the total shares of the Bank as of September 30, 2022 and December 31, 2021.

Changes in Accounting Policies
The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the audited annual consolidated financial statements as of and for the year ended December 31, 2021, except for the adoption of the following amended standards, which became effective beginning January 1, 2022.

Unless otherwise indicated, the adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

Amendments to PFRS 3, *Business Combinations, Reference to the conceptual framework*
The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, Provisions, Contingent Liabilities and Contingent Assets, or Philippine-IFRIC 21, Levies, if incurred separately. At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

Amendments to PAS 16, *Plant and Equipment, Proceeds before intended use*
The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in the statement of income.

Amendments to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets, Onerous contract – costs of fulfilling a contract*
The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

Annual Improvements to PFRSs 2018-2020 Cycle

Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or JV that elects to apply paragraph D16(a) of PFRS 1

Amendments to PFRS 9, *Financial Instruments, Fees in the '10 percent' test for derecognition financial liabilities*
The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities

that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*
The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

Significant Accounting Judgments and Estimates
The preparation of the financial statements in compliance with PAS 34 requires the Group to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent assets and contingent liabilities. Future events may occur which can cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting judgments and estimates of the Group have been disclosed in the 2021 audited financial statements.

3. Financial Risk Management

Compared with December 31, 2021, there have been no changes in the financial risk exposures that materially affect the unaudited interim condensed consolidated financial statements of the Group as of September 30, 2022. The Group has exposures to the following risks from its use of financial instruments: (a) credit; (b) liquidity; and (c) market risks. Related discussions below should be read in conjunction with Note 4, Financial Risk and Capital Management, of the Group's 2021 audited financial statements.

Risk management framework
The Board of Directors (BOD) has overall responsibility for the oversight of the Parent Company's risk management process. On the other hand, the risk management processes of the subsidiaries are the separate responsibilities of their respective BOD. Supporting the BOD in this function are certain Board-level committees such as Risk Oversight Committee (ROC), Audit Committee (AC) and senior management committees through the Executive Committee (EXCOM) and Asset and Liability Committee (ALCO) among others.

The ROC, which is composed primarily of independent members of the BOD, is responsible for overseeing the Parent Company's risk infrastructure, the adequacy and relevance of risk policies, and the compliance to defined risk appetite and levels of exposure. The ROC is assisted in this responsibility by the Risk Management Group (RSK). The RSK undertakes the implementation and execution of the Parent Company's Risk Management framework which involves the identification, assessment, control, monitoring and reporting of risks.

The Parent Company and its subsidiaries manage their respective financial risks separately. The subsidiaries have their own risk management processes but are structured similar to that of the Parent Company. To a certain extent, the respective risk management programs and objectives are the same across the Group. The risk management policies adopted by the subsidiaries and affiliates are aligned with the Parent Company's risk policies. To further promote compliance with PFRS and Basel III, the Parent Company created a Risk Management Coordinating Council (RMCC) composed of risk officers of the Parent Company and its financial institution subsidiaries.

Credit Risk
Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, related groups of borrowers, market segments, and industry concentrations, and by monitoring exposures in relation to such limits, among others. The same is true for treasury-related activities. Each business unit is responsible for the quality of its credit portfolio and

monitoring and controlling all credit risks in its portfolio. Regular reviews and audits of business units and credit processes are undertaken by the RSK and Internal Audit Group, respectively.

Liquidity Risk

Liquidity risk is the current and prospective risk to earnings or capital arising from the inability to meet its obligations when they become due. This may be caused by the inability to liquidate assets or to obtain funding to meet the liquidity needs. The Group manages its liquidity risk by holding adequate stock of high-quality liquid assets, analyzing net funding requirements over time, diversifying funding sources and contingency planning.

To measure the prospective liquidity needs, the Group uses Maximum Cumulative Outflow (MCO), a liquidity gap tool to project short-term and long-term cash flow expectations on a business-as-usual condition.

The MCO is generated by distributing the cash flows of the Group's assets, liabilities and off-balance sheet items to time bands based on cash flow expectations such as contractual maturity, nature of the account, behavioral patterns, projections on business strategies, and/or optionality of certain products. The incorporation of behavioral cash flow assumptions and business projections or targets results in a dynamic gap report that realistically captures the behavior of the products and creates a forward-looking cash flow projection.

Cash flows from assets are considered as cash inflows, while cash flows from liabilities are considered cash outflows. The net cash flows are determined for each given time period. If the inflows exceed the outflows, the Group is said to have a positive liquidity gap or has excess funds for the given time bucket. Conversely, if the outflows exceed the inflows, the Group is said to have a negative liquidity gap or has funding needs for the given time bucket.

The MCO is monitored regularly to ensure that it remains within the set limits. The Parent Company generates and monitors daily its MCO, while the subsidiaries generate the report at least monthly. The liquidity profile of the Group is reported monthly to the Parent Company's ALCO and ROC.

To supplement the business-as-usual scenario parameters reflected in the MCO report, the Group also conducts liquidity stress testing to determine the impact of extreme factors, scenarios and/or events to the Group's liquidity profile. Liquidity stress testing exercise is performed quarterly on a per firm basis, and at least annually on the Group-wide level.

<u>Market Risk</u>

Market risk is the possibility of loss to future earnings, fair values or future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, and other market factors. Market risk originates from holdings in foreign currencies, debt securities and derivatives transactions.

Depending on the business model for the product, that is, whether they belong to the trading book or banking book, the Group applies different tools and processes to manage market risk exposures. Risk limits, approved by the BOD, are enforced to monitor and control this risk. RSK, as an independent body under the ROC, performs daily market risk analyses to ensure compliance to policies and limits, while Treasury Group manages the asset/liability risks arising from both banking book and trading operations in financial markets. The ALCO, chaired by the President, manages market risks within the parameters approved by the BOD.

As part of group supervision, the Parent Company regularly coordinates with subsidiaries to monitor their compliance to their respective risk tolerances and to ensure alignment of risk management practices. Each subsidiary has its own risk management unit responsible for monitoring its market risk exposures. The Parent Company, however, requires regular submission of market risk profiles from subsidiaries which are presented to ALCO and ROC in both individual and consolidated forms to provide senior management and ROC a holistic perspective and ensure alignment of strategies and risk appetite across the Group.

Market risk - trading book
In measuring the potential loss in its trading portfolio, the Parent Company uses Value-at-Risk (VaR). VaR is an estimate of the potential decline in the value of a portfolio, under normal market conditions, for a given "confidence level" over a specified holding period. The Parent Company measures and monitors the Trading Book VaR daily and this value is compared against the set VaR limit. Meanwhile, the Group VaR is monitored and reported monthly.

VaR methodology assumptions and parameters
Historical Simulation (HS) is used to compute the VaR. This method assumes that market rates volatility in the future will follow the same movement that occurred within the 260-day historical period. In calculating VaR, a 99.00% confidence level and a one-day holding period are assumed. This means that, statistically, within a one-day horizon, the trading losses will exceed VaR in 1 out of 100 trading days.

Like any other model, the HS method has its own limitations. To wit, it cannot predict volatility levels which did not happen in the specified historical period. The validity of the VaR model is verified through a daily backtesting analysis, which examines how frequently both actual and hypothetical daily losses exceed VaR. The result of the daily backtesting analysis is reported to the ALCO and ROC monthly.

Subsidiaries with trading books perform daily mark-to-market valuation and VaR calculations for their exposures. Risk exposures are bounded by a system of risk limits and monitoring tools to effectively manage these risks.

The limitations of the VaR methodology are recognized by supplementing VaR limits with other position and sensitivity limit structures and by doing stress testing analysis. These processes address potential product concentration risks, monitor portfolio vulnerability and give the management an early advice if an actual loss goes beyond what is deemed to be tolerable to the Group and the Parent Company, even before the VaR limit is hit.

Stress testing is performed by the Parent Company on a quarterly basis and the results are reported to the ALCO and, subsequently, to the ROC and BOD. On a group-wide perspective, stress testing is done, at least, annually. The results are reported by the Parent Company's Risk Management Group to the BOD through ROC.

Market risk - banking book
The Group has in place their own risk management system and processes to quantify and manage market risks in the banking book. To the extent applicable, these are generally aligned with the Parent's framework/tools.

The Group assesses interest rate risk in the banking book using measurement tools such as Interest Rate Repricing Gap, Earnings-at-Risk (EaR), Delta Economic Value of Equity (ΔEVE) and Sensitivity Analysis.

Interest Rate Repricing Gap is a tool that distributes rate-sensitive assets and liabilities into pre-defined tenor buckets according to time remaining to their maturity (if fixed rate) or repricing (if floating rate). Items lacking definitive repricing schedules (for example, current and savings account) and items with actual maturities that could vary from contractual maturities (for example, securities with embedded options) are assigned to repricing tenor buckets based on an analysis of historical patterns, past experience and/or expert judgment.

EaR measures the possible decline in the Group's net interest income as a result of adverse interest rate movements, given the current repricing profile. It is a tool used to evaluate the sensitivity of the accrual portfolio to changes in interest rates in the adverse direction over the next twelve (12) months.

EaR methodology assumptions and parameters
The Group calculates EaR using Historical Simulations (HS) approach, with one-year horizon and using five years data. EaR is then derived as the 99th percentile biggest drop in net interest income.

The Parent Company generates and monitors daily its EaR exposure while the subsidiaries generate their EaR reports at least monthly.

The Parent Company employs the Delta EVE model to measure the overall change in the economic value of the bank at one point. It reflects the changes in the net present value of its banking book at different interest rate shocks and stress scenarios. ΔEVE is calculated by slotting the notional repricing cash flows arising from rate-sensitive assets and liabilities into pre-defined tenor buckets. The present value of the net repricing cash flows is then calculated using various interest rate scenarios prescribed by Basel, as well as scenarios internally developed by the Parent Company.

Aside from the tools above, the Parent Company and its subsidiaries perform regular sensitivity and stress testing analyses on their banking books to broaden their forward-looking analysis. This way, management can craft strategies to address and/or arrest probable risks, if necessary.

Foreign currency risk
Foreign exchange risk is the probability of loss to earnings or capital arising from changes in foreign exchange rates. Foreign currency liabilities generally consist of foreign currency deposits in the Group's FCDU account. Foreign currency deposits are generally used to fund the Group's foreign currency-denominated loan and investment portfolio in the FCDU. Banks are required by the BSP to match the foreign currency liabilities with the foreign currency assets held in FCDUs. Outside the FCDU, the Group has additional foreign currency assets and liabilities in its foreign branch network. The Group's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines.

4. Fair Value Measurement

Financial Instruments
The methods and assumptions used by the Group in estimating the fair values of financial assets and financial liabilities have been consistently applied in the unaudited interim condensed consolidated financial statements. These are:

Cash and other cash items, due from BSP and other banks and interbank loans receivable and SPURA - Carrying amounts approximate fair values in view of the relatively short-term maturities of these instruments.

Trading and investment securities - Fair values of debt and equity securities are generally based on quoted market prices. Where the debt securities are not quoted or the market prices are not readily available, the Group and the Parent Company obtained valuations from independent parties offering pricing services, used adjusted quoted market prices of comparable investments, or applied discounted cash flow methodologies. For equity securities that are not quoted, remeasurement to their fair values is not material to the financial statements.

Derivative instruments - Fair values are estimated based on quoted market prices, prices provided by independent parties, or prices derived using acceptable valuation models. The models utilize published underlying rates (for example, interest rates, Foreign Exchange (FX) rates, Credit Default Swap (CDS) rates, FX volatilities and spot and forward FX rates) and are implemented through validated calculation engines.

Loans and receivables - Fair values of the Group's loans and receivables are estimated using the discounted cash flow methodology, using current incremental lending rates for similar types of loans. Where the instrument reprices on a quarterly basis or has a relatively short maturity, the carrying amounts approximate fair values.

Liabilities - Fair values are estimated using the discounted cash flow methodology using the Group's current borrowing rate for similar borrowings with maturities consistent with those remaining for the liability being valued, if any. The carrying amounts of demand and savings deposit liabilities and other short-term liabilities approximate fair values considering that these are either due and demandable or with short-term maturities.

The following tables summarize the carrying amounts and fair values of the financial assets and liabilities:

	September 30, 2022 (Unaudited)				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
Assets Measured at Fair Value					
Financial Assets					
Investment securities at FVTPL					
FVTPL investments					
Debt securities					
Government	₱60,193	₱60,193	₱-	₱-	₱60,193
Treasury notes and bonds	31,789	31,789	-	-	31,789
Private	5,982	5,982	-	-	5,982
Treasury bills	3,164	3,164	-	-	3,164
	101,128	101,128	-	-	101,128
Equity securities	5,638	5,638	-	-	5,638
Derivative assets					
Cross currency swaps	22,119	-	22,119	-	22,119
Currency forwards	14,557	-	14,557	-	14,557
Interest rate swaps	3,203	-	3,203	-	3,203
Call option	741	-	741	-	741
Put option	496	-	496	-	496
Others	25	-	25	-	25
	41,141	-	41,141	-	41,141
	147,907	106,766	41,141	-	147,907
Investment securities at FVOCI					
Debt securities					
Treasury notes and bonds	332,431	332,307	124	-	332,431
Government	81,567	75,192	6,375	-	81,567
BSP	49,747	49,747	-	-	49,747
Private	46,069	45,719	350	-	46,069
Treasury bills	2,300	2,300	-	-	2,300
	512,114	505,265	6,849	-	512,114
Equity securities	1,701	1,488	213	-	1,701
	513,815	506,753	7,062	-	513,815
	₱661,722	₱613,519	₱48,203	₱-	₱661,722
Assets for which Fair Values are Disclosed					
Financial Assets					
Investment securities at amortized cost					
Treasury notes and bonds	₱242,737	₱232,523	₱4,938	₱-	₱237,461
Government	42,210	37,829	320	-	38,149
Private	3,707	3,643	-	-	3,643
Treasury bills	1,146	1,139	-	-	1,139
	289,800	275,134	5,258	-	280,392
Loans and receivable – net					
Receivables from customers					
Commercial loans	982,404	-	-	973,502	973,502
Residential mortgage loans	91,193	-	-	112,058	112,058
Credit card	88,827	-	-	88,827	88,827
Auto loans	72,999	-	-	80,388	80,388
Trade	64,149	-	-	64,149	64,149
Others	9,662	-	-	9,637	9,637
	1,309,234	-	-	1,328,561	1,328,561
Unquoted debt securities	971	-	-	971	971
Sales contract receivable	36	-	-	35	35
	1,310,241	-	-	1,329,567	1,329,567
Others assets	848	-	-	802	802
	₱1,600,889	₱275,134	₱5,258	₱1,330,369	₱1,610,761
Liabilities Measured at Fair Value					
Financial Liabilities					
Financial Liabilities at FVTPL					
Derivative liabilities					
Currency forwards	₱17,753	₱-	₱17,753	₱ -	₱17,753
Cross currency swaps	11,811	-	11,811	-	11,811
Interest rate swaps	1,499	-	1,499	-	1,499
Call option	748	-	748	-	748
Put option	497	-	497	-	497
Bond futures	5	-	5	-	5
Non-equity Non-controlling interest	9,793	-	9,793	-	9,793
	₱42,106	₱-	₱42,106	₱-	₱42,106

	September 30, 2022 (Unaudited)				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities					
Time	₱564,614	₱-	₱-	₱566,641	₱566,641
LTNCD	26,155	21,057	-	5,416	26,473
	590,769	21,057	-	572,057	593,114
Bills payable and SSURA	162,228	-	-	162,611	162,611
Bonds payable	66,236	59,480	-	4,595	64,075
Subordinated debts	1,169	-	-	905	905
Other liabilities					
Deposits on lease contracts	1,021	-	-	964	964
	₱821,423	₱80,537	₱-	₱741,132	₱821,669

	December 31, 2021 (Audited)				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
Assets Measured at Fair Value					
Financial Assets					
Investment securities at FVTPL					
FVTPL investments					
Debt securities					
Treasury notes and bonds	₱15,064	₱15,064	₱-	₱-	₱15,064
Government	11,101	11,101	-	-	11,101
Private	4,116	4,116	-	-	4,116
Treasury bills	1,867	1,867	-	-	1,867
BSP	2,199	2,199	-	-	2,199
	34,347	34,347	-	-	34,347
Equity securities	6,592	6,592	-	-	6,592
Derivative assets					
Cross currency swaps	6,401	-	6,401	-	6,401
Currency forwards	2,534	-	2,534	-	2,534
Interest rate swaps	906	-	906	-	906
Put option	3	-	3	-	3
Call option	9	-	9	-	9
	9,853	-	9,853	-	9,853
	50,792	40,939	9,853	-	50,792
Investment securities at FVOCI					
Debt securities					
Treasury notes and bonds	433,234	433,234	-	-	433,234
Treasury bills	18,053	18,053	-	-	18,053
Government	76,743	76,743	-	-	76,743
Private	40,483	39,914	569	-	40,483
BSP	78,469	78,469	-	-	78,469
	646,982	646,413	569	-	646,982
Equity securities	1,826	1,619	207	-	1,826
	648,808	648,032	776	-	648,808
	₱699,600	₱688,971	₱10,629	₱	₱699, 600
Assets for which Fair Values are Disclosed					
Financial Assets					
Investment securities at amortized cost					
Treasury notes and bonds	₱59,214	₱60,843	₱-	₱-	₱60,843
Government	16,936	17,610	315	-	17,925
Treasury bills	3,947	3,955	-	-	3,955
Private	3,713	2,708	1,090	-	3,798
	83,810	85,116	1,405	-	86,521

	December 31, 2021 (Audited)				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
Loans and receivable – net					
Receivables from customers					
Commercial loans	₱916,735	₱-	₱-	₱911,000	₱911,000
Residential mortgage loans	95,032	-	-	116,105	116,105
Credit card	75,374	-	-	75,374	75,374
Auto loans	71,626	-	-	81,845	81,845
Trade loans	51,571	-	-	51,571	51,571
Others	8,494	-	-	9,814	9,814
	1,218,832	-	-	1,245,709	1,245,709
Unquoted debt securities	1,015	-	-	1,034	1,034
Sales contract receivable	38	-	-	37	37
	1,219,885	-	-	1,246,780	1,246,780
Others assets	234	-	-	234	234
	1,303,929	85,116	1,405	1,247,014	1,333,535
Non-Financial Assets					
Investment properties	7,327	-	-	14,987	14,987
Residual value of leased assets	739	-	-	629	629
	8,066	-	-	15,616	15,616
	₱1,311,995	₱85,116	₱1,405	₱1,262,630	₱1,349,151
Liabilities Measured at Fair Value					
Financial Liabilities					
Financial liabilities at FVTPL					
Derivative liabilities					
Cross currency swaps	₱2,628	₱-	₱2,628	₱-	₱2,628
Interest rate swaps	2,528	-	2,528	-	2,528
Currency forwards	3,186	-	3,186	-	3,186
Call option	3	-	3	-	3
Put option	4	-	4	-	4
Non-equity non-controlling interest	10,619	-	10,619	-	10,619
	₱18,968	₱-	₱18,968	₱-	₱18,968
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities					
Time	₱438,046	₱-	₱-	₱439,280	₱439,280
LTNCD	29,521	12,331	9,003	9,020	30,354
	467,567	12,331	9,003	448,300	469,634
Bills payable and SSURA	70,334	-	-	71,216	71,216
Bonds payable	79,823	76,283	-	4,625	80,908
Subordinated debts	1,168	-	-	1,061	1,061
Other liabilities					
Deposits on lease contracts	1,154	-	-	1,014	1,014
	₱620,046	₱88,614	₱9,003	₱526,216	₱623,833

As of September 30, 2022 and December 31, 2021, there were no transfers between levels of the fair value hierarchy.

5. Segment Information

The Group's operating businesses are recognized and managed separately according to the nature of services provided and the different markets served with segment representing a strategic business unit. Operating segments are reported in accordance with internal reporting to the Senior Management who is responsible for allocating resources to the segments and assessing its performance. The financial reporting basis used in the internal reporting is PFRS. The Group's business segments follow:

- Consumer Banking - principally providing consumer type loans and support for effective sourcing and generation of consumer business;
- Corporate Banking - principally handling loans and other credit facilities and deposit and current accounts for corporate and institutional customers;
- Investment Banking - principally arranging structured financing and providing services relating to privatizations, initial public offerings, mergers and acquisitions; and providing advisory services primarily aimed to create wealth to individuals and institutions;

- Treasury - principally providing money market, trading and treasury services, as well as the management of the Group's funding operations by use of treasury bills, government securities and placements and acceptances with other banks, through treasury and corporate banking;
- Branch Banking - principally handling branch deposits and providing loans and other loan related businesses for domestic middle market clients; and
- Others - principally handling other services including but not limited to remittances, leasing, account financing, and other support services. Other operations of the Group comprise the operations and financial control groups.

Segment assets are those operating assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities are those operating liabilities that result from the operating activities of a segment and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.
Interest income is reported net, as management primarily relies on the net interest income as performance measure, not the gross interest income and interest expense. The Group has no significant customers which contributes 10.00% or more of the consolidated revenue net of interest expense. Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest is charged/credited to business segments based on a pool rate which approximates the cost of funds. The following table presents revenue and income information of operating segments presented in accordance with PFRS and segment assets and liabilities as of and for the periods ended September 30, 2022 and 2021.

	Consumer Banking	Corporate Banking	Investment Banking	Treasury	Branch Banking	Others	Total
Period Ended September 30, 2022 (Unaudited)							
Results of Operations							
Net interest income (expense)							
Third party	**₱10,748**	**₱25,936**	**₱-**	**₱17,723**	**₱6,054**	**₱1,628**	**₱62,089**
Intersegment	**(1,886)**	**(16,385)**	**-**	**(2,177)**	**20,448**	**-**	**-**
Net interest income after intersegment transaction	**8,862**	**9,551**	**-**	**15,546**	**26,502**	**1,628**	**62,089**
Non-interest income	**5,811**	**922**	**123**	**1,852**	**4,417**	**6,543**	**19,668**
Revenue - net of interest expense	**14,673**	**10,473**	**123**	**17,398**	**30,919**	**8,171**	**81,757**
Non-interest expense	**10,306**	**3,689**	**7**	**2,969**	**16,018**	**17,246**	**50,235**
Income (loss) before share in net income of associates and a joint venture	**4,367**	**6,784**	**116**	**14,429**	**14,901**	**(9,075)**	**31,522**
Share in net income (loss) of associates and a joint venture	**-**	**68**	**-**	**-**	**-**	**397**	**465**
Provision for income tax	**(151)**	**(267)**	**-**	**(3,388)**	**(502)**	**(3,844)**	**(8,152)**
Non-controlling interest in net income of consolidated subsidiaries	**-**	**-**	**-**	**-**	**-**	**(400)**	**(400)**
Net income (loss)	**₱4,216**	**₱6,585**	**₱116**	**₱11,041**	**₱14,399**	**(₱12,922)**	**₱23,435**
Statement of Financial Position							
Total assets	**₱176,754**	**₱1,017,532**	**₱-**	**₱1,098,771**	**₱173,766**	**₱266,141**	**₱2,732,964**
Total liabilities	**₱95,919**	**₱987,761**	**₱-**	**₱1,019,379**	**₱273,278**	**₱38,217**	**₱2,414,554**
Other Segment Information							
Capital expenditures	**₱274**	**₱79**	**₱-**	**₱85**	**₱42**	**₱2,165**	**₱2,645**
Depreciation and amortization	**₱271**	**₱228**	**₱-**	**₱48**	**₱1,510**	**₱2,362**	**₱4,419**
Provision for credit and impairment losses	**₱4,767**	**₱209**	**₱-**	**₱1**	**₱116**	**₱606**	**₱5,699**

	Consumer Banking	Corporate Banking	Investment Banking	Treasury	Branch Banking	Others	Total
Period Ended September 30, 2021 (Unaudited)							
Results of Operations							
Net interest income (expense)							
Third party	₱12,370	₱24,759	₱-	₱11,479	₱6,395	₱1,335	₱56,338
Intersegment	(523)	(15,597)	-	(5,250)	21,370	-	-
Net interest income after intersegment transaction	11,847	9,162	-	6,229	27,765	1,335	56,338
Non-interest income	5,340	677	144	3,504	3,918	5,444	19,027
Revenue - net of interest expense	17,187	9,839	144	9,733	31,683	6,779	75,365
Non-interest expense	15,236	3,607	12	3,043	15,458	17,107	54,463
Income (loss) before share in net income of associates and a joint venture	1,951	6,232	132	6,690	16,225	(10,328)	20,902
Share in net income (loss) of associates and a joint venture	-	12	-	-	-	507	519
Provision for income tax	(146)	(245)	-	(2,478)	(229)	(2,044)	(5,142)
Non-controlling interest in net income of consolidated subsidiaries	-	-	-	-	-	(156)	(156)
Net income (loss)	₱1,805	₱5,999	₱132	₱4,212	₱15,996	(₱12,021)	₱16,123
Statement of Financial Position							
Total assets	₱166,504	₱828,059	₱-	₱1,023,119	₱158,772	₱252,274	₱2,428,728
Total liabilities	₱81,190	₱801,105	₱-	₱955,881	₱260,645	₱3,610	₱2,102,431
Other Segment Information							
Capital expenditures	₱228	₱38	₱-	₱47	₱25	₱3,791	₱4,129
Depreciation and amortization	₱483	₱241	₱-	₱40	₱1,586	₱2,416	₱4,766
Provision for credit and impairment losses	₱9,724	(₱445)	₱-	₱-	₱193	₱548	₱10,020

Non-interest income consists of service charges, fees and commissions, profit from assets sold, trading and securities gain-net, and foreign exchange gain (loss) - net, income from trust operations, leasing, dividends and miscellaneous income. Non-interest expense consists of compensation and fringe benefits, taxes and licenses, provision for credit and impairment losses, depreciation and amortization, occupancy and equipment-related costs, amortization of software costs and miscellaneous expenses.

6. Long-Term Negotiable Certificates of Deposit (LTNCD)

On April 30, 2022, the ₱ 3.40 billion LTNCD of PSBank matured. As of September 30, 2022 and December 31, 2021, the total outstanding LTNCDs of the Group amounted to ₱26.15 billion and ₱29.52 billion, respectively. Significant terms of these LTNCDs have been disclosed in the 2021 audited financial statements.

7. Securities Sold Under Repurchase Agreement

Following are the carrying values of the government debt securities pledged and transferred under SSURA transactions of the Group (included under Bills Payable and Securities Sold under Repurchase Agreements):

	September 30, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Transferred Securities	**SSURA**	Transferred Securities	SSURA
Investment securities at				
FVTPL	**₱51,593**	**₱50,741**	₱-	₱-
Amortized cost	**36,270**	**29,891**	-	-
FVOCI	**60,570**	**49,836**	61,994	50,798
	₱148,433	**₱130,468**	₱61,994	₱50,798

8. Bonds Payable

This account consists of the following:

Issue Date	Maturity Date	Interest Rate	Face Value	Carrying value **September 30, 2022 (Unaudited)**	 December 31, 2021 (Audited)
Parent Company					
Fixed Rate Bonds:					
June 4, 2021	September 4, 2026	3.60%	₱19,000	**₱18,886**	₱18,862
October 24, 2019	April 24, 2023	4.50%	13,750	**13,731**	13,706
April 11, 2019	April 11, 2022	6.30%	17,500	-	17,485
USD Senior Unsecured Note:					
July 15, 2020	January 15, 2026	2.125%	US$500	**28,974**	25,136
				61,591	75,189
Fixed Rate Bonds:					
PSBank					
February 4, 2020	February 4, 2023	4.50%	4,650	**4,645**	4,634
				₱66,236	₱79,823

Significant terms of these bonds have been disclosed in the 2021 audited financial statements.

The ₱17.50 billion fixed rate bonds issued by the Parent Company on April 11, 2019 which bear an interest rate of 6.30% per annum matured on April 11, 2022.

9. Subordinated Debts

As of September 30, 2022 and December 31, 2021, the total outstanding subordinated debt of the Group amounted to ₱1.17 billion and will mature on December 20, 2023. Significant terms of this Peso Note has been disclosed in the 2021 audited financial statements.

10. Capital Stock

As of September 30, 2022 and December 31, 2021, this account consists of (amount in millions, except par value and number of shares):

	Shares	Amount
Authorized		
Common stock - ₱20.00 par value	**6,000,000,000**	
Preferred stock - ₱20.00 par value	**1,000,000,000**	
Common stock issued and outstanding	**4,497,415,555**	**₱89,948**

As of September 30, 2022 and December 31, 2021, treasury shares totaling 1,326,693 and 1,280,855, respectively, represent shares of the Parent Company held by mutual fund subsidiary of FMIC.

Details of the Bank's cash dividend distributions from 2020 to 2022 follow:

Date of Declaration	Per Share	Total Amount (In Millions)	Record date	Payment date
February 23, 2022	₱0.80 (regular)	₱3,598	September 9, 2022	September 23, 2022
February 23, 2022	0.80 (regular)	3,598	March 17, 2022	March 31, 2022
February 23, 2022	1.40 (special)	6,296	March 17, 2022	March 31, 2022
February 17, 2021	1.00 (regular)	4,497	March 5, 2021	March 18, 2021
February 17, 2021	3.00 (special)	13,492	March 5, 2021	March 18, 2021
February 19, 2020	1.00 (regular)	4,497	March 6, 2020	March 20, 2020

The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 11 issued in December 2008 differs to a certain extent from the computation following BSP guidelines.

Significant information on capital issuances have been disclosed in the 2021 audited financial statements.

11. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subjected to common control or common significant influence such as subsidiaries and associates of subsidiaries or other related parties. Related parties may be individuals or corporate entities and are classified as entities with significant influence, subsidiaries, associates, other related parties and key personnel.

The Group has several business relationships with related parties. Transactions with such parties are made in the ordinary course of business and on substantially same terms, including interest and collateral, as those prevailing at the time for comparable transactions with other parties. These transactions also did not involve more than the normal risk of collectibility and did not present other unfavorable conditions.

The Parent Company has a Related Party Transactions Committee (RPTC) and a Related Party Transactions Management Committee (RPTMC), both of which are created to assist the BOD in ensuring that transactions with related parties are reviewed to assess risks and are subjected to appropriate restrictions to ensure that these are conducted at arm's-length terms and that corporate or business resources of the Parent Company are not misappropriated or misapplied. After appropriate review, RPTMC (through RPTC) and RPTC disclose all information and endorses to the BOD with recommendations, the proposed related party transactions. The members of the RPTC are appointed annually by the BOD, composed of at least three (3) Board non-executive members, two (2) of whom should be independent directors, including the Chairman. Currently, RPTC is composed of three (3) independent directors (including the Committee's Chairman); the head of Internal Audit Group (as Resource Person); and the Compliance Officer (as the Committee Secretary) and meets monthly or as the need arises. On the other hand, RPTMC members are appointed annually by the President, composed of at least six (6) members. RPTC's and RPTMC's review of the proposed related party transactions considers the following:

a. Identity and relationship of the parties involved in the transaction;
b. Terms of the transaction and whether these are no less favorable than terms generally available to an unrelated third party under the same circumstances;
c. Business purpose, timing, rationale and benefits of the transaction;
d. Approximate monetary value of the transaction and the approximate monetary value of the related party's interest in the transaction;
e. Valuation methodology used and alternative approaches to valuation of the transaction;
f. Information concerning potential counterparties in the transaction;
g. Description of provisions or limitations imposed as a result of entering into the transaction;
h. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the transaction;
i. Impact to a director's independence;
j. Extent that such transaction or relationship would present an improper conflict of interest; and
k. The availability of others sources of comparable products or services.

Further, no director or officer participates in any discussion of a related party transaction for which he, she, or any member of his or her immediate family is a related party, including transactions of subordinates except in order to provide material information on the related party transaction to RPTC.

Major subsidiaries, which include FMIC, PSBank and MBCL, have their own respective RPTCs which assist their respective BODs in ensuring that transactions with related parties are reviewed to assess risks and are subjected to appropriate restrictions to ensure that these are conducted at arm's-length terms and that their corporate or business resources are not misappropriated or misapplied.

In the ordinary course of business, the Group has loan transactions with investees and with certain directors, officers, stockholders and related interests (DOSRI) based on BSP Circular No. 423 dated March 15, 2004, as amended. Existing banking regulations limit the amount of individual loans to DOSRI, 70.00% of which must be secured, to the total of their respective deposits and book value of their respective investments in the lending company within the Group. In the aggregate, loans to DOSRI generally should not exceed the respective total equity or 15.00% of the respective total loan portfolio, whichever is lower, of the Bank, PSBank, FMIC and ORIX Metro.

BSP Circular Nos. 560, 654 and 914 provide the rules and regulations that govern loans, other credit accommodations and guarantees granted to subsidiaries and affiliates of banks and quasi-banks which require that the total outstanding loans, other credit accommodations and guarantees to each of the bank's/quasi-bank's subsidiaries and affiliates shall not exceed 10.00% while a separate individual limit of 25.00% for those engaged in energy and power generation, of the net worth of the lending bank/quasi-bank, provided that the unsecured portion of which shall not exceed 5.00% or 12.50%, respectively, of such net worth. Further, the total outstanding loans, credit accommodations and guarantees to all subsidiaries and affiliates shall not exceed 20.00% of the net worth of the lending bank/quasi-bank; and the subsidiaries and affiliates of the lending bank/quasi-bank are not related interest of any director, officer and/or stockholder of the lending institution, except where such director, officer or stockholder sits in the BOD or is appointed officer of such corporation as representative of the bank/quasi-bank as reported to the BSP. As of September 30, 2022 and December 31, 2021, the total outstanding loans, other credit accommodations and guarantees to each of the Parent Company's subsidiaries and affiliates did not exceed 10.00% of the Parent Company's net worth, as reported to the BSP, and the unsecured portion did not exceed 5.00% of such net worth wherein the total outstanding loans, other credit accommodations and guarantees to all such subsidiaries and affiliates represent 9.58% and 11.51%, respectively, of the Parent Company's net worth. The Parent Company has no outstanding loans, other credit accommodations and guarantees to subsidiaries and affiliates engaged in energy and power generation.

Details on significant related party transactions of the Group as of September 30, 2022, December 31, 2021 and September 30, 2021 follow (transactions with subsidiaries have been eliminated in the unaudited interim condensed consolidated financial statement):

Category	Amount	Terms and Conditions/Nature
Transactions Affecting Statements of Financial Position		
September 30, 2022 (Unaudited)		
Entity with Significant Influence Over the Group		
Outstanding Balance:		
Deposit liabilities*	**₱2,142**	With annual fixed interest rates ranging from 0.00% to 4.00% including time deposits with maturity terms of 7 to 35 days
Volume:		
Deposit liabilities	**814**	Generally similar to terms and conditions above
Bills payable	**(108)**	Generally similar to terms and conditions above
Subsidiaries		
Outstanding Balance:		
Interbank loans receivable*	**₱2,469**	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 0.90% to 2.87% with maturity terms from 91 to 242 days
Receivables from customers*	**1,798**	Unsecured, with ECL of ₱0.40 million With annual fixed interest rates from 0.00% to 4.15% and maturity terms from 3 to 327 days
Accounts receivable	**217**	Non-interest bearing receivables on service fees, remittance, rental fees and common use service area fees
Other receivables	**11**	Non-interest bearing receivables on remittance
Derivative assets	**31**	Forward and swaps bought with various terms
Deposit liabilities*	**6,517**	With annual fixed interest rates ranging from 0.00% to 4.50% including time deposits with maturity terms of 91 days

Category	Amount	Terms and Conditions/Nature
Volume:		
Interbank loans receivable	**(6,295)**	Generally similar to terms and conditions above
Receivables from customers	**1,463**	Generally similar to terms and conditions above
Accounts receivable	**81**	Generally similar to terms and conditions above
Deposit liabilities	**247**	Generally similar to terms and conditions above
Bills payable	**(40)**	Generally similar to terms and conditions above
Contingent		
Derivatives	**410**	Forwards bought with various terms
Securities transactions		
Purchases	**28,949**	Outright purchases of investment securities at FVTPL and FVOCI
Sales	**35,241**	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	**10,939**	Outright purchases of foreign currency
Sell	**3,793**	Outright sale of foreign currency
Associates		
Outstanding Balance:		
Receivable from customers*	**₱351**	Unsecured, with annual fixed interest rate of 3.95% and maturity term of 273 days
Deposit liabilities*	**2,590**	With annual fixed interest rates ranging from 0.00% to 2.50% including time deposits with maturity terms from 3 to 357 days
Volume:		
Receivable from customers	**(290)**	Generally similar to terms and conditions above
Deposit liabilities	**486**	Generally similar to terms and conditions above
Securities transactions		
Outright purchases	**207**	Outright purchases of investment securities at FVTPL and FVOCI
Outright sales	**1,057**	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	**352**	Outright purchase of foreign currency
Sell	**634**	Outright sale of foreign currency
Other Related Parties		
Outstanding Balance:		
Receivables from customers*	**₱33,128**	Secured - ₱7.38 billion, unsecured - ₱25.75 billion, with ECL of ₱59.76 million and with annual fixed interest rates ranging from 3.20% to 5.85% and maturity terms from 3 days to 5 years
Assets held under joint operations	**219**	Parcels of land and former branch sites of the Parent Company contributed to joint operations
Deposit liabilities*	**19,781**	With annual fixed rates ranging from 0.00% to 3.80% including time deposits with maturity terms from 3 to 360 days
Volume:		
Receivables from customers	**1,765**	Generally similar to terms and conditions above
Deposit liabilities	**(2,372)**	Generally similar to terms and conditions above
Contingent		
Unused commercial LCs	**41**	LC transactions with various terms
Foreign currency		
Buy	**303**	Outright purchases of foreign currency
Sell	**87,288**	Outright sale of foreign currency
Key Personnel		
Outstanding Balance:		
Receivables from customers	**₱107**	Secured - ₱79.96 million, unsecured - ₱27.5 million, no impairment. With annual fixed interest rate ranging from 0.00% to 9.00% and maturity terms from 1 to 19 years
Deposit liabilities	**236**	With various terms and with minimum annual interest rate of 0.00%
Volume:		
Receivable from customers	**16**	Generally similar to terms and conditions above
Deposit liabilities	**(33)**	Generally similar to terms and conditions above

December 31, 2021 (Audited)		
Entity with Significant Influence Over the Group		
Outstanding Balance:		
Deposit liabilities*	**₱1,328**	With annual fixed interest rates ranging from 0.00% to 0.30% including time deposits with maturity terms from 22 to 31 days
Bills payable*	**108**	Peso borrowings subject to annual fixed interest rates of 0.13% with maturity term of 33 days
Volume:		
Deposit liabilities	**(658)**	Generally similar to terms and conditions above
Bills payable	**1**	Generally similar to terms and conditions above

Category	Amount	Terms and Conditions/Nature
Subsidiaries		
Outstanding Balance:		
Interbank loans receivable*	**₱8,764**	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 0.43% to 3.30% with maturity terms from 17 to 359 days
Investments securities at		
FVTPL	**2**	Treasury notes and private bonds purchased from FMIC
FVOCI	**20**	Treasury note purchased from PSBank
Receivables from customers*	**335**	Unsecured, with ECL of ₱1.0 million; with annual fixed interest rates ranging from 0.00% to 3.50% and maturity terms from 3 day to 179 days
Accounts receivable	**136**	Non-interest bearing receivables on service fees, remittance, rental fees and common use service area fees
Other receivables	**3**	Accrued rent receivable from PSBank
Deposit liabilities*	**6,270**	With annual fixed interest rates ranging from 0.00% to 0.25% including time deposits with maturity terms of 59 days
Bills payable*	**40**	Peso borrowings subject to annual fixed interest rates of 0.13% with maturity terms from 30 to 31 days
Treasury stock	**70**	Parent Company's shares held by FMIC's mutual fund subsidiary
Dividends declared	**1,132**	Dividend declared by PSBank
Volume:		
Interbank loans receivable	**2,352**	Generally similar to terms and conditions above
Receivables from customers	**(4,636)**	Generally similar to terms and conditions above
Accounts receivable	**(8)**	Generally similar to terms and conditions above
Deposit liabilities	**2,897**	Generally similar to terms and conditions above
Bills payable	**3**	Generally similar to terms and conditions above
Securities transactions		
Purchases	**15,071**	Outright purchases of investment securities at FVTPL and FVOCI
Sales	**20,714**	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	**12,281**	Outright purchases of foreign currency
Sell	**4,295**	Outright sale of foreign currency
Associates		
Outstanding Balance:		
Receivables from customers	**₱641**	Unsecured; with annual fixed interest rates of 2.34% and maturity terms of 60 days
Deposit liabilities*	**2,104**	With annual fixed interest rates ranging from 0.00% to 0.25% including time deposits with maturity terms from 31 to 357 days
Volume:		
Receivable from customers	**635**	Generally similar to terms and conditions above
Deposit liabilities	**(819)**	Generally similar to terms and conditions above
Securities transactions		
Outright purchases	**15**	Outright purchases of FVTPL securities and FVOCI investments
Outright sales	**3,121**	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Sell	**1,318**	Outright sale of foreign currency
Other Related Parties		
Outstanding Balance:		
Receivables from customers*	**₱31,363**	Secured - ₱5.4 million, unsecured - ₱25.9 billion, with ECL of ₱143.0 million; with annual fixed interest rates ranging from 2.50% to 5.00% and maturity terms from 30 days to 5 years
Assets held under joint operations	**219**	Parcels of land and former branch sites of the Parent Company contributed to joint operations
Deposit liabilities*	**22,153**	With annual fixed interest rates ranging from 0.00% to 1.83% including time deposits with maturity terms from 1 to 182 days
Volume:		
Receivable from customers	**(2,642)**	Generally similar to terms and conditions above
Deposit liabilities	**3,797**	Generally similar to terms and conditions above
Bills payable	**(77)**	Generally similar to terms and conditions above
Contingent		
Unused commercial LC's	**10**	LC transactions with various terms
Others	**2**	Bank guaranty with indemnity agreement
Securities transactions – outright purchases	**26**	Outright purchases of FVTPL securities and FVOCI investments
Foreign currency		
Buy	**324**	Outright purchases of foreign currency
Sell	**71,710**	Outright sale of foreign currency

Category	Amount	Terms and Conditions/Nature
Key Personnel		
Outstanding Balance:		
Receivables from customers	**₱91**	Secured - ₱64.5 million unsecured - ₱26.7 million, no impairment, with annual fixed interest rates ranging from 0.00% to 9.00% and maturity terms from 1 to 19 years
Deposit liabilities	**269**	With various terms and with minimum annual interest rate of 0.00%
Volume:		
Receivables from customers	**8**	Generally similar to terms and conditions above
Deposit liabilities	**(45)**	Generally similar to terms and conditions above

Transactions Affecting Statements of Income		
September 30, 2022 (Unaudited) - Amount		
Entity with Significant Influence Over the Group		
Interest expense	**₱2**	On deposit liabilities
Subsidiaries		
Interest income	**₱83**	On receivables from customers and interbank loans receivables
Service charges, fees and commissions	**27**	Income on transactional fees
Trading and securities loss - net	**(88)**	Net loss from securities transactions
Foreign exchange gain – net	**8**	Net gain from foreign exchange transactions
Leasing income	**18**	From leasing agreements with various lease terms
Miscellaneous income	**106**	Information technology and other fees
Interest expense	**29**	On deposit liabilities and bills payable
Associates		
Interest income	**₱7**	On receivables from customers
Foreign exchange (loss) - net	**(1)**	Net loss from foreign exchange transactions
Leasing income	**15**	From leasing agreements with various lease terms
Other Related Parties		
Interest income	**₱823**	On receivables from customers
Foreign exchange loss - net	**(187)**	Net loss from foreign exchange transactions
Interest expense	**19**	On deposit liabilities
Key Personnel		
Interest income	**₱3**	On receivables from customers

September 30, 2021 (Unaudited) - Amount		
Entity with Significant Influence Over the Group		
Interest expense	**₱1**	On deposit liabilities
Subsidiaries		
Interest income	**₱158**	On receivables from customers and interbank loans receivables
Service charges, fees and commissions	**16**	Income on transactional fees, including underwriting fees
Trading and securities gain - net	**52**	Net gain from securities transactions
Foreign exchange gain - net	**3**	Net gain from foreign exchange transactions
Leasing income	**16**	From leasing agreements with various lease terms
Miscellaneous income	**133**	Information technology and other fees
Interest expense	**13**	On deposit liabilities, bills payable and bonds payable
Associates		
Trading and securities gain - net	**₱1**	Net gain from securities transactions
Leasing income	**13**	From leasing agreements with various lease terms
Other Related Parties		
Interest income	**₱207**	On receivables from customers
Leasing income	**6**	From leasing agreements with various lease terms
Interest expense	**2**	On deposit liabilities and bills payable
Key Personnel		
Interest income	**₱2**	On receivables from customers

* including accrued interest

Receivables from customers and deposit liabilities and their related statement of financial position and statement of income accounts resulted from the lending and deposit-taking activities of the Group. Together with the sale of investment properties; borrowings; contingent accounts including derivative transactions; outright purchases and sales of securities and foreign currency buy and sell; leasing of office premises; securing of insurance coverage on loans and property risks; and other management services rendered, these are conducted in the normal course of business, at arms-length transactions and are generally settled in cash. The amounts and related volumes and changes are presented in the summary above.

Government bonds with total face value of ₱60.0 million (classified as 'Investment securities at amortized cost' as of September 30, 2022 and 'Investment securities at FVOCI' as of December 31, 2021) are pledged by PSBank to the Parent Company to secure the latter's payroll account with PSBank. Also, as of September 30, 2022 and December 31, 2021, the Parent Company has assigned to PSBank government securities with total face value of ₱3.5 billion (classified as 'Investment securities at amortized cost'), to secure PSBank deposits to the Parent Company.

Transactions with retirement plans

Under PFRS, certain post-employment benefit plans are considered as related parties. The Parent Company has business relationships with a number of related party retirement plans pursuant to which it provides trust and management services to these plans. Certain trustees of the plans are either officers or directors of the Parent Company and/or the subsidiaries. Income earned by the Parent Company from such services amounted to ₱96.9 million and ₱73.9 million for the period ended September 30, 2022 and 2021, respectively. As of September 30, 2022 and 2021, the Parent Company sold securities totaling ₱9.1 billion and ₱4.7 billion, respectively, to its related party retirement plans and recognized ₱2.2 million trading loss in 2022 and ₱15.3 million trading gain in 2021 and has also purchased securities totaling ₱5.5 billion and ₱4.3 billion as of September 30, 2022 and 2021, respectively. Further, as of September 30, 2022 and December 31, 2021, the total outstanding deposit liabilities of the Group to these related party retirement funds amounted to ₱399.7 million and ₱73.1 million, respectively. Interest expense on deposit liabilities amounted to ₱593.3 thousand and ₱427.8 thousand for the period ended September 30, 2022 and 2021, respectively.

As of September 30, 2022 and December 31, 2021, the related party retirement plans also hold investments in: (a) the equity shares of various companies within the Group amounting to ₱178.0 million and ₱235.9 million, respectively, with unrealized trading losses of ₱99.1 million and ₱64.3 million, respectively,; (b) mutual funds and trust funds of various companies within the Group amounting to ₱623.1 million and ₱749.5 million, respectively, with unrealized trading loss of ₱20.1 million and ₱0.5 million, respectively; and (c) corporate bonds of the Parent Company amounting to ₱1.6 billion with P13.0 million unrealized trading gain in 2021. Further, for the period ended September 30, 2022 and 2021, disposals of various investments in equity shares, mutual and trust funds realized net trading losses amounting to ₱0.3 million and net trading gain amounting to ₱6.2 million, respectively. The related party retirement plans also recognized dividend income of ₱1.2 million and ₱1.5 million in September 30, 2022 and 2021, respectively.

12. Notes to Statements of Cash Flows

The amounts of interbank loans and receivables and SPURA, gross of allowance for credit losses, considered as cash and cash equivalents follow:

	September 30	
	2022	2021
Interbank loans receivables and SPURA	**₱69,110**	₱78,270
Interbank loans receivables and SPURA not considered as cash and cash equivalents	**(11,181)**	(17,388)
	₱57,929	₱60,882

13. Commitments and Contingent Liabilities

In the normal course of the Group's operations, there are various outstanding commitments and contingent liabilities which are not reflected in the accompanying unaudited interim condensed consolidated financial statements. No material losses are anticipated to be recognized as a result of these transactions.

The following is a summary of contingencies and commitments at their peso-equivalent contractual amounts arising from off-balance sheet items:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Trust Banking Group accounts	**₱526,048**	₱589,145
Credit card lines	**215,144**	188,099
Unused commercial letters of credit	**50,176**	48,813
Undrawn commitments - facilities to lend	**27,272**	14,898
Bank guaranty with indemnity agreement	**18,537**	14,563
Credit line certificate with bank commission	**4,298**	5,116
Outstanding guarantees	**3,731**	4,598
Inward bills for collection	**1,699**	3,165
Confirmed export letters of credits	**1,246**	781
Outstanding shipside bonds/airway bills	**969**	1,208
Outward bills for collection	**952**	848
Late deposits/payments received	**592**	185
Others	**35,851**	25,475
	₱886,515	₱896,894

Several suits and claims relating to the Group's lending operations and labor-related cases remain unsettled. In the opinion of management, these suits and claims, if decided adversely, will not involve sums having a material effect on the Group's financial statements.

14. Financial Performance

The basis of calculation for earnings per share attributable to equity holdings of the Parent Company follows (amounts in millions except for earnings per share):

	For the Period Ended September 30		For the Year Ended
	2022	2021	December 31, 2021
	(Unaudited)		(Audited)
a. Net income attributable to equity holders of the Parent Company	**₱23,435**	₱16,123	₱22,156
b. Weighted average number of outstanding common shares of the Parent Company	**4,496**	4,496	4,496
c. Basic/diluted earnings per share (a/b)	**₱5.21**	₱3.59	₱4.93

As of September 30, 2022 and 2021 and December 31, 2021, there were no outstanding dilutive potential common shares.

The following basic ratios measure the financial performance of the Group:

	For the Period Ended September 30		For the Year Ended
	2022	2021	December 31, 2021
	(Unaudited)		(Audited)
Return on average equity	**9.96%**	6.70%	6.89%
Return on average assets	**1.19%**	0.88%	0.89%
Net interest margin on average earning assets	**3.52%**	3.41%	3.39%

15. **Other Matters**

The Group has no significant matters to report on the following during the period ended September 30, 2022:

a. Known trends, events or uncertainties that would have material impact on liquidity and on the sales or revenues;
b. Explanatory comments about the seasonality or cyclicality of interim operations;
c. Issuances, repurchases and repayments of debt and equity securities except for the maturities of the ₱3.40 billion LTNCD of PSBank and ₱17.50 billion fixed rate bonds of the Parent Company as discussed in Notes 6 and 8;
d. Unusual items as to nature, size or incidents affecting assets, liabilities, equity, net income or cash flows except for the payments of cash dividends by the Parent Company as discussed in Note 10; and
e. Effect of changes in the composition of the Group during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations except as discussed in Note 2.

16**. Subsequent Event**

a. On October 20, 2022, the BOD of PSBank declared a 7.50% regular cash dividend for the third quarter of 2022 amounting to ₱320.14 million or ₱0.75 per share payable on November 21, 2022 to all stockholders of record as of November 7, 2022.

b. On October 28, 2022, the Parent Company issued ₱23.7 billion Series "E" fixed rate bonds with issue price at 100% face value, which bear an interest rate of 5.0% per annum payable quarterly in arrears on January 28, April 28, July 28 and October 28 of each year commencing on January 28, 2023. The bonds will mature on April 28, 2024.

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
FINANCIAL INDICATORS
AS OF AND FOR THE PERIOD ENDED SEPTEMBER 30, 2022 AND 2021

RATIO		FORMULA	2022	2021
a)	Liquidity Ratio	Liquid Assets / Total Assets	48.61%	48.69%
b)	Loans to Deposits Ratio	Total Loans / Total Deposit Liabilities	66.96%	65.89%
c)	Debt to Equity Ratio	Total Liabilities / Total Equity Attributable to Equity Holders of the Parent Company	781.64%	662.94%
d)	Asset to Equity Ratio	Total Assets / Total Equity Attributable to Equity Holders of the Parent Company	884.72%	765.82%
e)	Return on Average Equity	Net Income Attributable to Equity Holders of the Parent Company / Average Equity	9.96%	6.70%
f)	Return on Average Assets	Net Income Attributable to Equity Holders of the Parent Company / Average Assets	1.19%	0.88%
g)	Net Interest Margin on Average Earning Assets	Net Interest Income / Average Earning Assets	3.52%	3.41%
h)	Operating Efficiency Ratio	Total Operating Expenses / Net Operating Income	54.47%	58.97%
i)	Interest Coverage Ratio	Earnings Before Interest and Taxes / Interest Expense	457.41%	327.48%
j)	Net Profit Margin	Net Income / Total Gross Income	26.14%	19.08%
k)	Capital Adequacy Ratio	Total Qualifying Capital / Total Risk-Weighted Assets	17.20%	20.66%
l)	Common Equity Tier 1 Ratio	Net Tier 1 Capital / Total Risk-Weighted Assets	16.34%	19.79%

METROPOLITAN BANK & TRUST COMPANY
SEC FORM 17 – Q
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

ITEM 2 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF CONSOLIDATED FINANCIAL POSITION AND RESULTS OF OPERATIONS

Key Performance Indicators

Financial Ratios

The following ratios measure the financial performance of the Group, the Bank, and significant subsidiaries:

	For the Period Ended September 30, 2022 (Unaudited)				
	Group	**Metrobank**	**FMIC**	**ORIX METRO**	**PSBank**
Earnings per share	₱5.21	₱5.21	₱0.42	₱2.39	₱6.68
Return on equity	9.96%	9.94%	1.74%	2.40%	10.61%
Return on assets	1.19%	1.37%	0.82%	0.89%	1.48%
Operating efficiency ratio	54.47%	51.32%	137.84%	75.95%	59.46%
Non-performing loans ratio	2.11%	1.79%	Nil	16.89%	3.64%

	For the Period Ended September 30, 2021 (Unaudited)				
	Group	**Metrobank**	**FMIC**	**ORIX METRO**	**PSBank**
Earnings per share	₱3.59	₱3.59	₱1.10	₱0.05	₱2.95
Return on equity	6.70%	6.69%	4.76%	0.05%	4.85%
Return on assets	0.88%	1.01%	2.10%	0.01%	0.70%
Operating efficiency ratio	58.97%	57.09%	98.75%	80.58%	58.91%
Non-performing loans ratio	2.12%	1.40%	Nil	13.73%	6.59%

Earnings Per Share
Basic earnings per share (EPS) is computed by dividing the net income by the weighted average number of common shares outstanding after giving retroactive effect to stock dividends declared, stock rights exercised and stock splits made during the period, if any. As of September 30, 2022 and 2021, the Parent Company had no shares of stock that had a dilutive effect on its basic earnings per share.

The increase in the Group's EPS from ₱3.59 to ₱5.21 was due to the 45.35% increase in net income attributable to the equity holders of the Parent Company from ₱16.12 billion for the period ended September 30, 2021 to ₱23.44 billion for the same period in 2022.

Return on Equity
Return on equity (ROE) or the ratio of annualized net income to average capital funds (equity attributable to equity holders of the Parent Company) measures the return on capital provided by the stockholders.

ROE of the Group for the period ended September 30, 2022 was higher at 9.96% compared with 6.70% for the same period in 2021 due to the combined effect of the 45.35% increase in the net income attributable to equity holders of the Parent Company and the 2.17% decrease in average equity.

Return on Assets
Return on assets (ROA) or the ratio of annualized net income to average total assets, measures the return on money provided by both stockholders and creditors, as well as how efficiently all assets are managed.

ROA went up to 1.19% for the period ended September 30, 2022 from 0.88% for the same period in 2021 due to the net effect of the 45.35% increase in the net income attributable to equity holders of the Parent Company and the 7.21% increase in average assets.

Operating Efficiency Ratio
Operating efficiency ratio represents the ratio of total operating expenses (excluding provisions for credit and impairment losses and income tax) to total operating income (excluding share in net income of associates and a joint venture).

For the period ended September 30, 2022, the Group's operating efficiency ratio improved to 54.47% from 58.97% for the same period in 2021 on account of the 8.48% increase in operating income while operating expenses were maintained at almost same level.

Non-Performing Loans Ratio
Non-performing loans (NPL) ratio represents the ratio of NPLs to gross loan portfolio, excluding interbank loans receivable.

As of September 30, 2022 and 2021, NPL ratio of the Group was at 2.11% and 2.12%, respectively.

Liquidity
To ensure that funds are more than adequate to meet its obligations, the Bank proactively monitors its liquidity position daily. Based on this system of monitoring, the Bank does not anticipate having any cash flow or liquidity problem within the next twelve months. As of September 30, 2022, the contractual maturity profile shows that the Bank has at its disposal about ₱1.14 trillion of cash inflows in the next twelve months from its portfolio of cash, placements with banks, debt securities and receivable from customers. This will cover 64.55% of the ₱1.77 trillion total deposits maturing during the same period. These cash inflows exclude securities in FVTPL and FVOCI with maturities beyond one year but may easily be liquidated in an active secondary market. Inclusive of these securities, the total financial assets will cover 85.54% of the total deposits maturing during the same period. On the other hand, historical balances of deposits showed that no substantial portion has been withdrawn in one year.

Events That Will Trigger Material Direct or Contingent Financial Obligation
These events are discussed in Annex 5 under Note 13 - Commitments and Contingent Liabilities of the General Notes to the Interim Condensed Consolidated Financial Statements.

Material Off-Balance Sheet Transactions, Arrangements or Obligations
The summary of contingencies and commitments at their peso-equivalent contractual amounts arising from off-balance sheet items are discussed in Annex 5 under Note 13 - Commitments and Contingent Liabilities of the General Notes to the Interim Condensed Consolidated Financial Statements. Likewise, the summary of obligations are discussed in Note 6 - LTNCD; Note 8 - Bonds Payable; Note 9 - Subordinated Debts and Note 10 - Capital Stock.

Material Commitments for Capital Expenditures
For the year 2022, the Bank estimates to incur capital expenditures of about ₱3.0 to ₱5.0 billion, of which 70% is estimated to be incurred for information technology.

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Material Events or Uncertainties

The registrant has nothing to report on the following for the period ended September 30, 2022:

1. Any known trends or demands, commitments, events or uncertainties that will have a material impact on liquidity or that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations, except as disclosed in Annex 5 under Note 15 - Other Matters; and Note 16 - Subsequent Events of the General Notes to the Interim Condensed Consolidated Financial Statements;

2. Any seasonal aspects that had a material effect on the financial condition or results of operations; and

3. Any significant element of income or loss that did not arise from continuing operations.

Material Changes in Financial Statements Accounts

Financial Condition

September 30, 2022 (Unaudited) vs. December 31, 2021 (Audited)

The unaudited consolidated total assets and total liabilities of the Metrobank Group as of September 30, 2022 stood at ₱2.73 trillion and ₱2.41 trillion, respectively. Compared with the audited figures as of December 31, 2021, total assets and total liabilities went up by ₱230.15 billion or 9.20% and by ₱239.47 billion or 11.01%, respectively. On the other hand, equity attributable to equity holders of the Parent Company was lower by ₱9.60 billion or 3.01% from ₱318.51 billion to ₱308.91 billion.

Cash and Other Cash Items decreased by ₱12.35 billion or 29.90% due to the lower level of cash requirements of the Parent Company and PSBank compared with that of year-end due to the holiday seasons. Due from BSP which represents 7.93% of the Group’s total assets decreased by 14.44% on account of lower level of term deposit and overnight facility placements. Due from Other Banks increased by ₱13.45 billion or 27.54% as a result of the net movements in the balances maintained with various local and foreign banks.

Total investment securities which consisted of FVTPL, FVOCI and securities at amortized cost represents 34.82% and 31.30% of the Group’s total assets as of September 30, 2022 and December 31, 2021, respectively, went up by ₱168.11 billion or 21.46%. The increase was due to the net effect of the growth in the portfolios of FVTPL and securities at amortized cost and lower FVOCI securities portfolio. Securities at amortized cost went up by ₱205.99 billion particularly on treasury notes and government bonds. FVTPL securities consist of HFT securities and derivative assets amounting to ₱106.77 billion and ₱41.14 billion, respectively, as of September 30, 2022 and ₱40.94 billion and ₱9.85 billion, respectively, as of December 31, 2021. FVOCI securities decreased by ₱134.99 billion due to lower portfolio of debt securities.

Net loans and receivables, representing 48.66% and 49.39% of the Group’s total assets as of September 30, 2022 and December 31, 2021, respectively, went up by ₱93.90 billion or 7.60% contributed by the growths in corporate loans and credit card portfolios.

Investments in Associates and a Joint Venture went up by ₱0.42 billion or 7.09% due to the net income recognized from the associates of FMIC. Property and Equipment increased by ₱1.54 billion or 5.99% due to acquisitions of various furniture, fixture and office equipment and renovations of various branches. Investment Properties increased by ₱0.38 billion or 5.13% due to new foreclosures during the period. Deferred tax assets increased by ₱0.94 billion or 7.14% due to movements on temporary tax differences. Other Assets increased by ₱1.70 billion or 13.86% from ₱12.25 billion to ₱13.95 billion primarily due to the net movements in inter-office float items, prepaid expenses, software cost and miscellaneous assets.

Deposit liabilities represent 84.86% and 88.75% of the consolidated total liabilities as of September 30, 2022 and December 31, 2021, respectively, wherein, low cost deposits represent 71.17% and 75.78% of the Group's total deposits, respectively. The Group's deposit level, sourced by the Bank, PSBank and MBCL reached ₱2.05 trillion as of September 30, 2022, an increase of ₱118.74 billion or 6.15% from ₱1.93 trillion as of December 31, 2021 wherein time deposits grew by ₱126.57 billion while CASA deposits down by ₱4.46 billion. Further, the ₱3.40 billion LTNCD of PSBank matured in April 2022.

Bills Payable and SSURA went up by ₱91.89 billion or 130.65% largely on account of the ₱79.67 billion increase in SSURA and ₱14.91 billion increase in borrowings from foreign banks. Derivative Liabilities which represent mark-to-market of foreign currency forwards, interest rate swaps, cross currency swaps, foreign currency options and bond futures with negative fair value increased by ₱23.96 billion or 287.03%.

The increase of ₱0.68 billion or 12.53% in Manager's Checks and Demand Drafts Outstanding resulted from the normal banking operations of the Bank and PSBank. Accrued Interest and Other Expenses went up by ₱1.99 billion or 20.19% due to the increase in accruals of other bank expenses.

Bonds payable decreased by ₱13.59 billion or 17.02% due to the net effect of the redemption of ₱17.5 billion fixed rate bonds of the Parent Company in April 2022 and the movement in the peso value of the USD-denominated senior unsecured notes issued by the Parent Company. Non-equity Non-controlling Interest representing the portion of net income and net assets of the mutual fund subsidiaries of FMIC not attributed to the Group went down by ₱0.83 billion or 7.78% on account of the net decrease in income of these mutual funds. Other Liabilities increased by ₱16.59 billion or 28.84% primarily due to the increases in accounts payable, outstanding acceptances and marginal deposits.

Equity attributable to equity holders of the Parent Company decreased by ₱9.60 billion or 3.01% primarily due to the ₱13.49 billion total cash dividends declared by the Bank and net unrealized loss on investments securities at FVOCI recognized during the period partially offset by the net income reported during the period.

Results of Operations

<u>Quarter Ended September 2022 vs. Quarter Ended September 2021 (Unaudited)</u>

Net income attributable to equity holders of the Parent Company for the quarter ended September 30, 2022 amounted to ₱7.85 billion and improved by ₱3.41 billion or 76.94% from the ₱4.44 billion net income reported in the same quarter of the previous year. The improvement was driven by the following:

Interest income went up by ₱4.20 billion or 19.24% on account of higher interest income on investment securities by ₱2.98 billion and interest income on loans and receivables by ₱1.51 billion reduced by the ₱0.29 billion drop in interest income on deposit with banks and others. Meanwhile, higher interest expense on deposit liabilities by ₱1.23 billion net of lower interest expense on borrowings by ₱0.47 billion accounted for the increase of ₱0.76 billion or 25.66% in interest and finance charges. As a result, net interest income improved by ₱3.43 billion or by 18.22%.

Other operating income of ₱4.93 billion decreased by ₱0.60 billion or 10.82% from ₱5.53 billion in 2021 on account of the ₱0.97 billion net trading, securities and foreign exchange loss incurred for the quarter compared with ₱0.29 billion income reported for the same quarter of 2021, partially offset by the increases in fee-based income by ₱0.52 billion and miscellaneous income by ₱0.14 billion.

Total operating expenses was maintained at same level with a very minimal increase of ₱0.04 billion or 0.25% from ₱15.07 billion to ₱15.10 billion. Total provision for credit and impairment losses of the Group amounted to ₱1.87 billion for the quarter ended September 30, 2022 or ₱1.12 billion lower compared with ₱2.99 billion provision in 2021. Provision for income tax was higher by ₱0.40 billion from ₱1.83 billion to ₱2.22 billion due to net movements in corporate, final and deferred income taxes.

Income attributable to non-controlling interests went up to ₱0.15 billion from ₱0.05 billion or by ₱0.11 billion or 228.26% due to higher net income of majority owned subsidiaries.

Total comprehensive income went up by ₱1.51 billion from ₱4.08 billion for the quarter ended September 30, 2021 to ₱5.60 billion for the same quarter in 2022 due to the net effect of the increase in net income offset by the net unrealized loss recognized this quarter on FVOCI investments and downward movement in translation adjustment. This caused the total comprehensive income attributable to equity holders of the Parent Company to increase by ₱1.47 billion from ₱3.98 billion for the quarter ended September 30, 2021 to ₱5.46 billion for the quarter ended September 30, 2022.

Period Ended September 2022 vs. Period Ended September 2021 (Unaudited)

Net income attributable to equity holders of the Parent Company for the period ended September 30, 2022 amounted to ₱23.44 billion and improved by ₱7.31 billion or 45.35% from the ₱16.12 billion net income reported in the same period of the previous year. The improvement was driven by the following:

Interest income went up by ₱5.29 billion or 8.04% mainly due to higher interest income on investment securities by ₱6.21 billion reduced by the lower interest income on loans and receivables by ₱0.38 billion and interest income on deposit with banks and others by ₱0.55 billion. Meanwhile, total interest expense decreased by ₱0.47 billion or 4.95% due to the net effect of the higher interest expense on deposit liabilities by ₱1.41 billion and lower interest expense on borrowings by ₱1.88 billion (mainly due to maturities of various fixed rate bonds). As a result, net interest income improved by ₱5.75 billion or by 10.21%.

Other operating income of ₱20.13 billion increased by ₱0.59 billion or 3.00% from ₱19.55 billion in 2021 on account of higher fee-based income by ₱1.43 billion and miscellaneous income by ₱1.01 billion reduced by the ₱1.86 billion decrease in net trading securities and foreign exchange gain.

Total operating expenses was maintained at same level with a very minimal increase of ₱0.09 billion or 0.21% from ₱44.44 billion to ₱44.54 billion wherein miscellaneous expenses slightly went up by 1.13% while compensation and fringe benefits and occupancy and equipment-related costs dropped by 0.36% and 7.32%, respectively. Total provision for credit and impairment losses of the Group amounted to ₱5.70 billion for the period ended September 30, 2022 or ₱4.32 billion lower compared with ₱10.02 billion provision in 2021. Provision for income tax was higher by ₱3.01 billion from ₱5.14 billion to ₱8.15 billion due to net movements in corporate, final and deferred income taxes. Last year's provision for income taxes included the one-time adjustments on the corporate and deferred income taxes due to the effectivity of the new tax rate under CREATE law.

Income attributable to non-controlling interests went up to ₱0.40 billion from ₱0.16 billion or by ₱0.24 billion or 156.41% due to higher net income of majority owned subsidiaries.

Total comprehensive income went down by ₱6.95 billion from ₱11.23 billion for the period ended September 30, 2021 to ₱4.28 billion for the same period in 2022 on account of the higher net unrealized loss recognized this year on FVOCI investments partially offset by the increase in net income. This caused the total comprehensive income attributable to equity holders of the Parent Company to decrease by ₱7.04 billion from ₱10.93 billion in 2021 to ₱3.90 billion for the period ended September 30, 2022.

METROPOLITAN BANK & TRUST COMPANY
(CONSOLIDATED)

AGING OF ACCOUNTS RECEIVABLE
(IN MILLIONS)
AS OF SEPTEMBER 30, 2022

NO. OF DAYS OUTSTANDING		AMOUNT
1-90	₱	5,007
91-180		215
181-360		238
OVER 360		4,301
GRAND TOTAL	₱	9,761