



3Q 2022

COMPANY PRESENTATION





**FABIAN
DEE**

President



**TOTO
TANSINGCO**

Treasurer &
Head, Financial Markets



**MYLENE
CAPARAS**

Head, Institutional Banking



**MONJ
DEL ROSARIO**

Head, Consumer Business



**RENE
DE BORJA**

Controller



**MINDA
OLONAN**

Investor Relations

MACROECONOMIC VIEW

Macro-economic backdrop

GDP

2020	2021	1Q22	2Q22
-9.5%	5.7%	8.2%	7.4%

- Reopening driving the economic rebound
- COVID-19 cases manageable at 1,714/day (October 17-23) vs. peak of >30k/day in January

Inflation

2020	2021	10M22	Oct-22
2.4%	3.9%	5.4%	7.7%

- Increase in food and utilities prices pushed October inflation to 7.7% from 6.9% in September. This is the highest recorded since December 2008.

Policy rate

2020	2021	Sep-22
2.0%	2.0%	4.25%

- BSP hiked 50bps in September, or a total of 225bps hike YTD to curb inflation. The BSP mentioned second-round effects from price pressures following minimum wage and transport fare increases.

Unemployment rate

2020	2021	Aug-22
10.3%	7.8%	5.3%

- Improving unemployment rate from peak levels, and now nearer the pre-pandemic level of 5.1%

Business & Consumer Expectations (%)

4Q19	4Q21	1Q22	2Q22	3Q22
B: 40.3 C: 15.7	B: 52.8 C: 9.3	B: 59.7 C: 6.4	B: 46.4 C: 11.2	B: 43.9 C: 13.4

- Tempered business confidence amid inflation concerns, weaker peso, and higher interest rates
- Better consumer confidence on the back of more available jobs and expected additional income

Capacity Utilization

4Q19	4Q21	1Q22	2Q22	3Q22
75.1%	70.6%	70.2%	72.7%	72.7%

- Capacity Utilization is stable at 72.7%, coming from a low of 66.2% in 2020 and near the 75% pre-pandemic level

Notes: Business & Consumer Expectations; B: Business, C: Consumer, Figures are also 3 Months Forward
Average capacity utilization in the Industry and Construction sectors, as reported in BSP's Business Expectations Survey

Metrobank Economic Research Forecasts

As of November 2022

	2021A	2022F	2023F
GDP (2018=100)	5.7%	6.8% (DBCC ¹ : 6.5-7.5%) (IMF: 6.5%)	6 – 7% (DBCC ¹ : 6.5-8%) (IMF: ~5%)
Inflation (2018=100)	3.9%	5.8% (DBCC ¹ : 4.5-5.5%) (BSP, 5.6% ²)	4 – 6% ↑ (DBCC ¹ : 2.5-4.5%) (BSP, 4.1% ²)
BSP RRP rate	2.0%	5.50%	5.75 – 6.25%
USDPHP Trend	50.77	58.20	59.60

↑ *With directional bias*

DISCLAIMER INFORMATION

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*Notes:

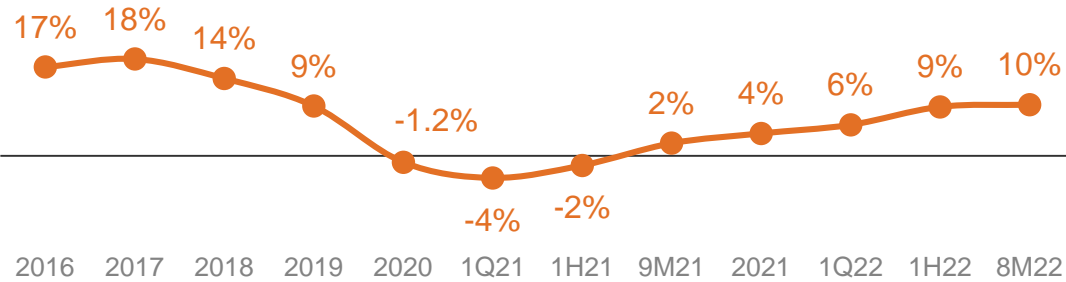
¹ DBCC = Development Budget Coordination Committee: formulates the National Government's fiscal program; composed of the Office of the President, DBM, NEDA, and DOF. The BSP attends the Committee meetings as a resource agency.

² BSP September 2022 Policy Meeting

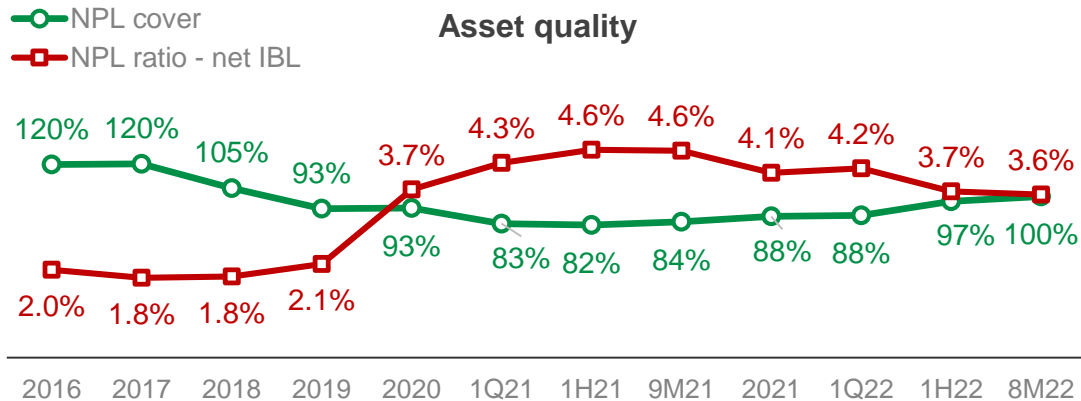
Banking Industry: Loan recovery amid improving NPLs

Recovery in loan growth continues, asset quality improves

Loan growth



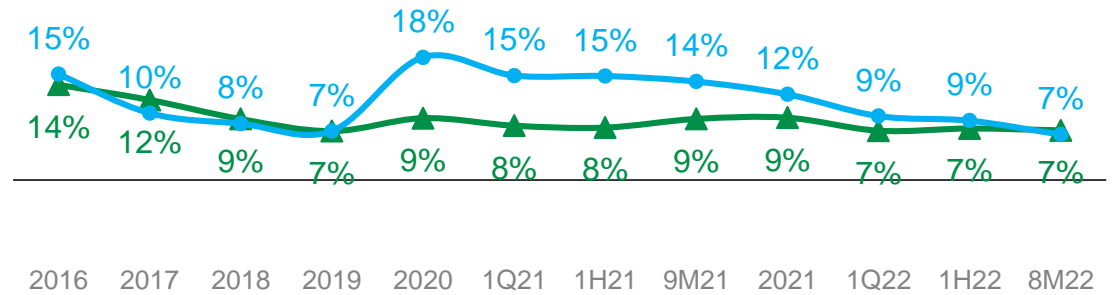
Asset quality



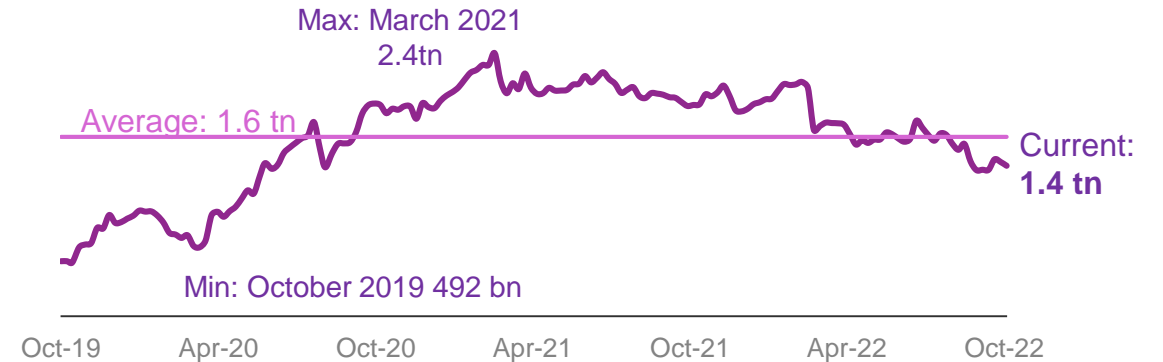
Source: BSP Philippine Banking System (PBS) data; Metrobank estimates

Easing deposit and CASA growth

Deposit growth CASA growth



Estimated excess liquidity (Php) *



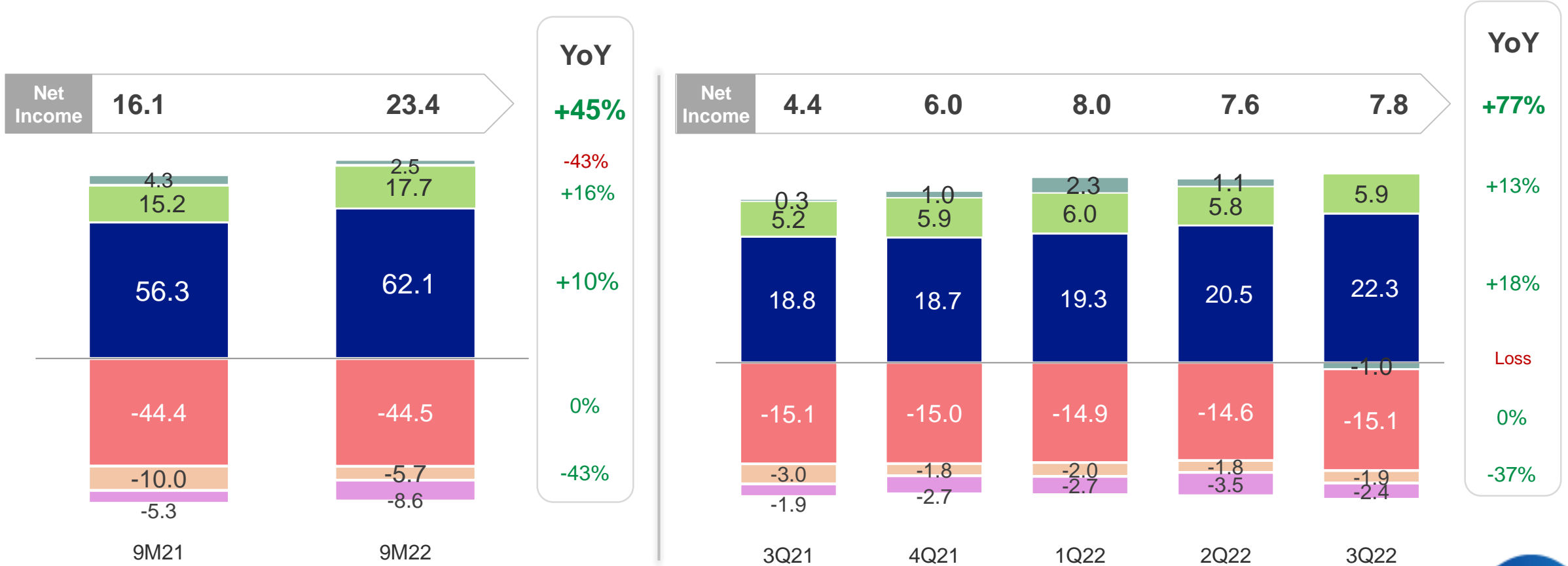
*Note: Excess Liquidity = Reverse Repurchase Facility + ODF + TDF + BSP Bills – Rediscounting – OLF

FINANCIAL PERFORMANCE

9M 2022

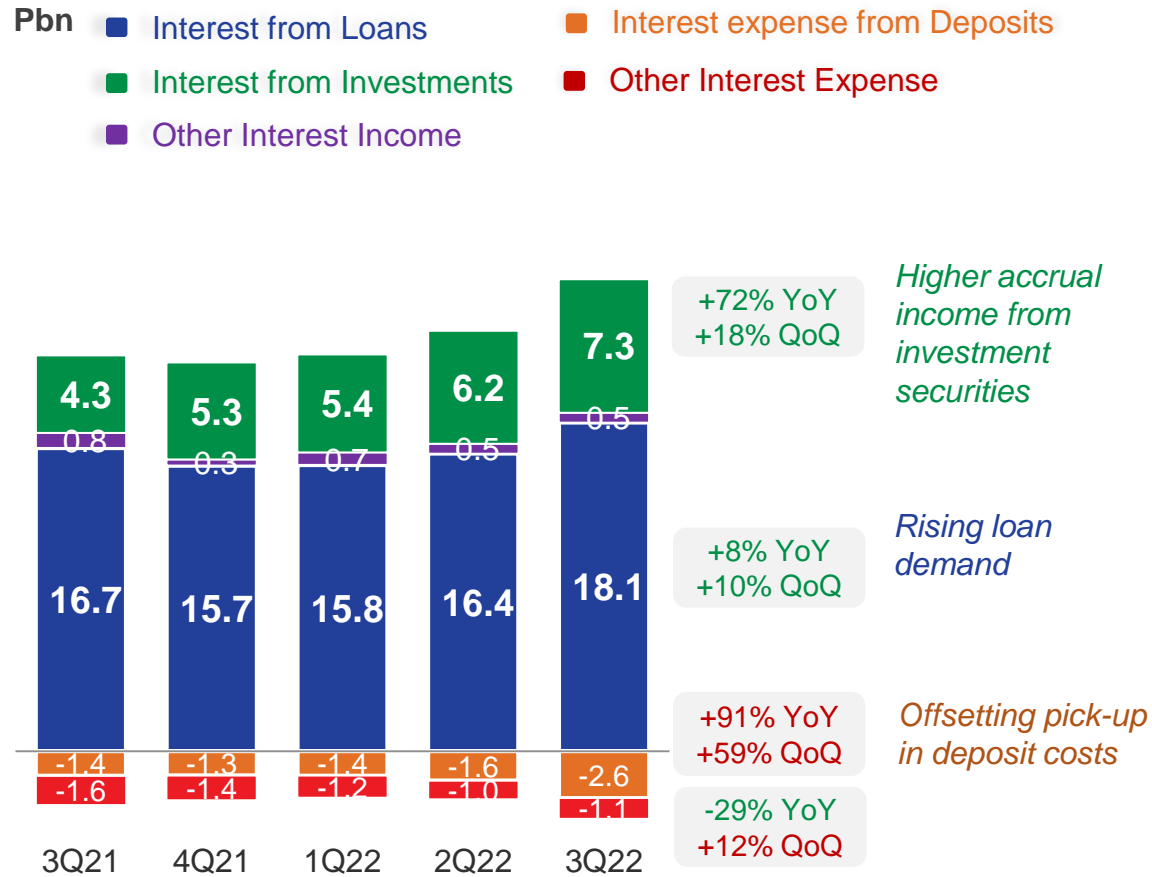
Improving NII, better fees, stable opex, lower provisions

- Net Interest Income
- Fees and Other Non-Interest Income
- Trading & FX gains
- Operating expenses
- Provisions for credit losses
- Taxes and NCI

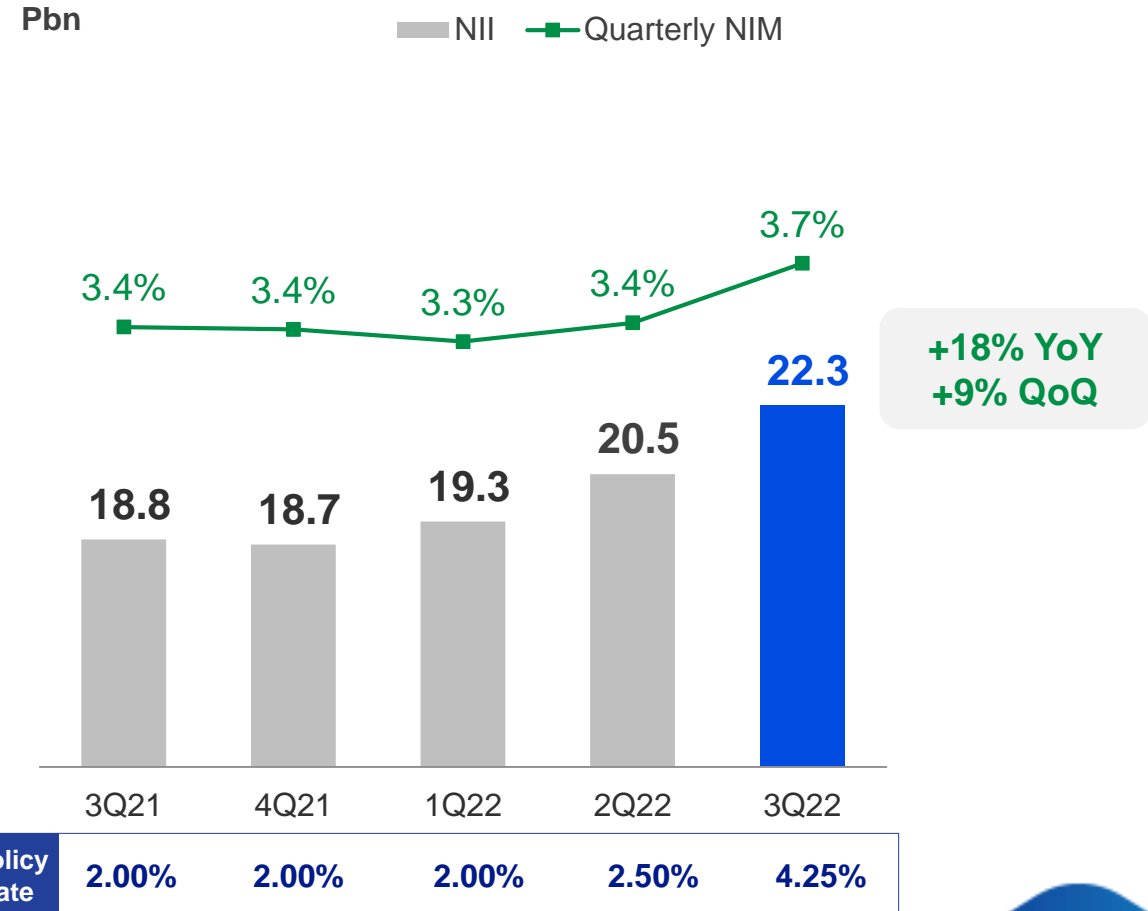


Improving net interest income and NIM

Interest income building up

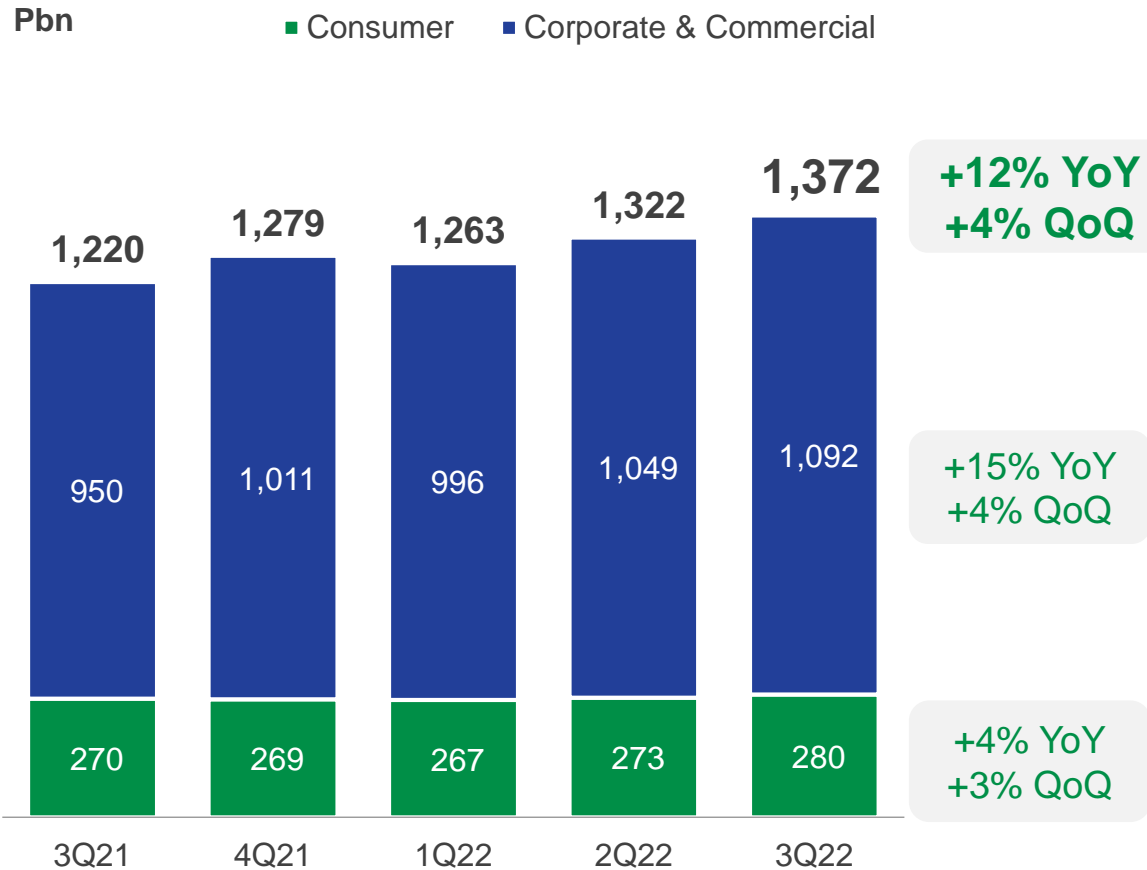


Margins on an uptrend



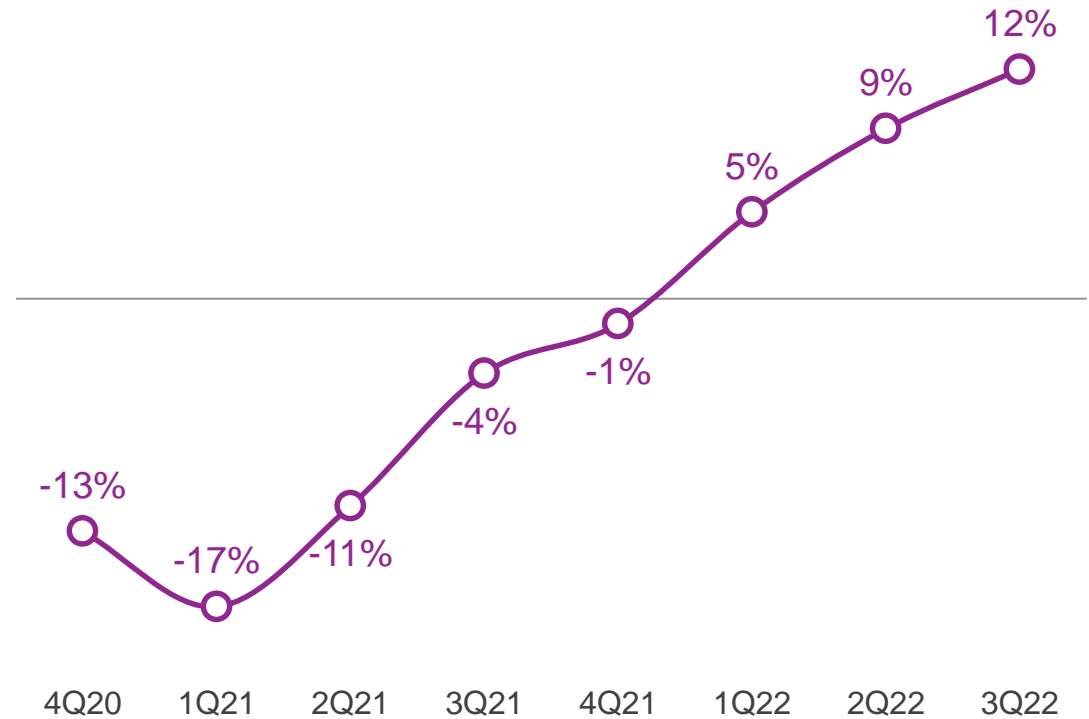
Loan book expanding, driven by corporate demand

Strong commercial demand driving loan growth



Positive loan momentum sustained

MBT Gross Loans growth



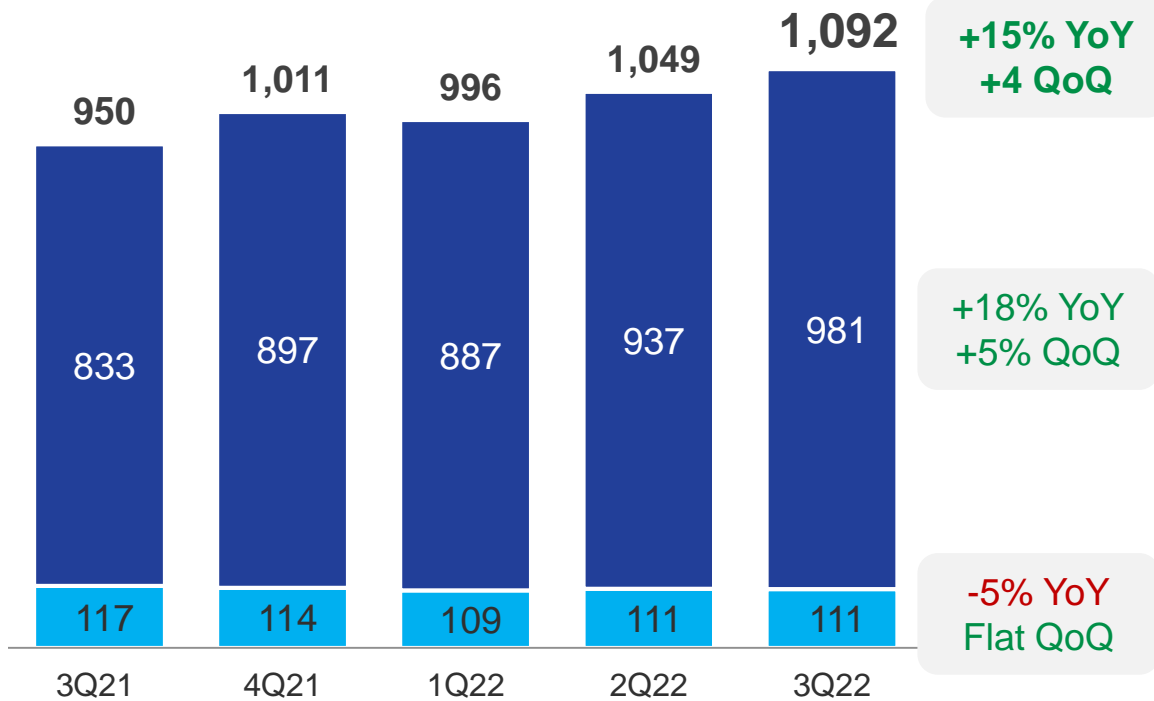
Note: Gross of Unearned Interest and Discount (UID)

Corporate segment driving loan demand

Corporate continues to lead growth

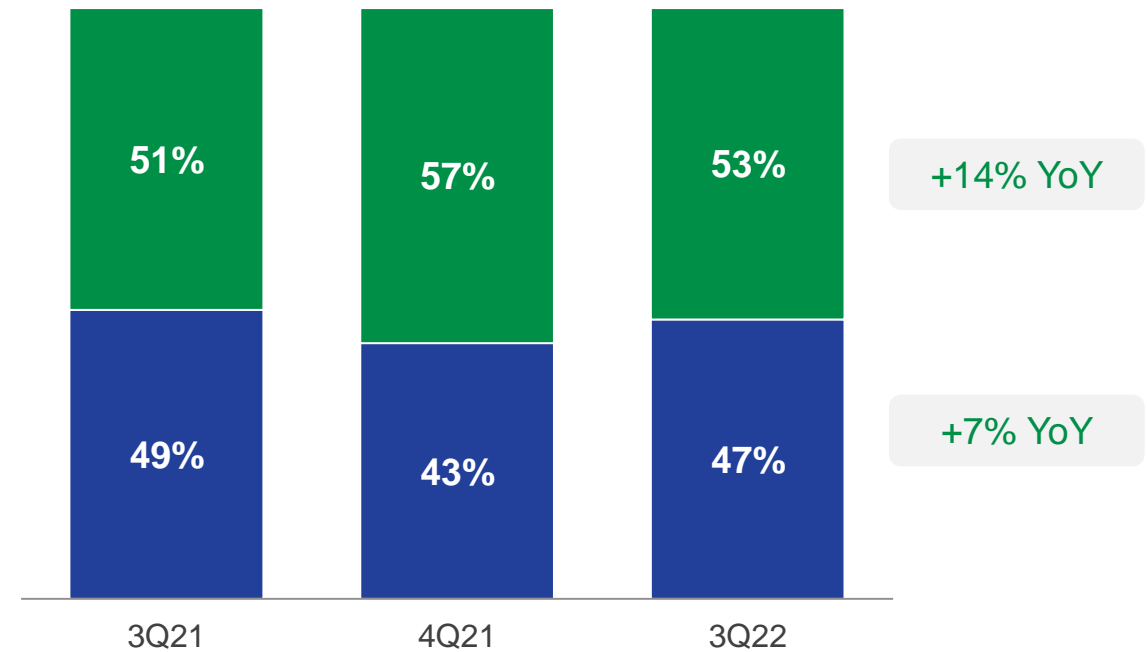
Pbn

■ SME ■ Corporate & Middle Market



Loans by remaining maturity (Parent only)

■ Long term ■ Short term

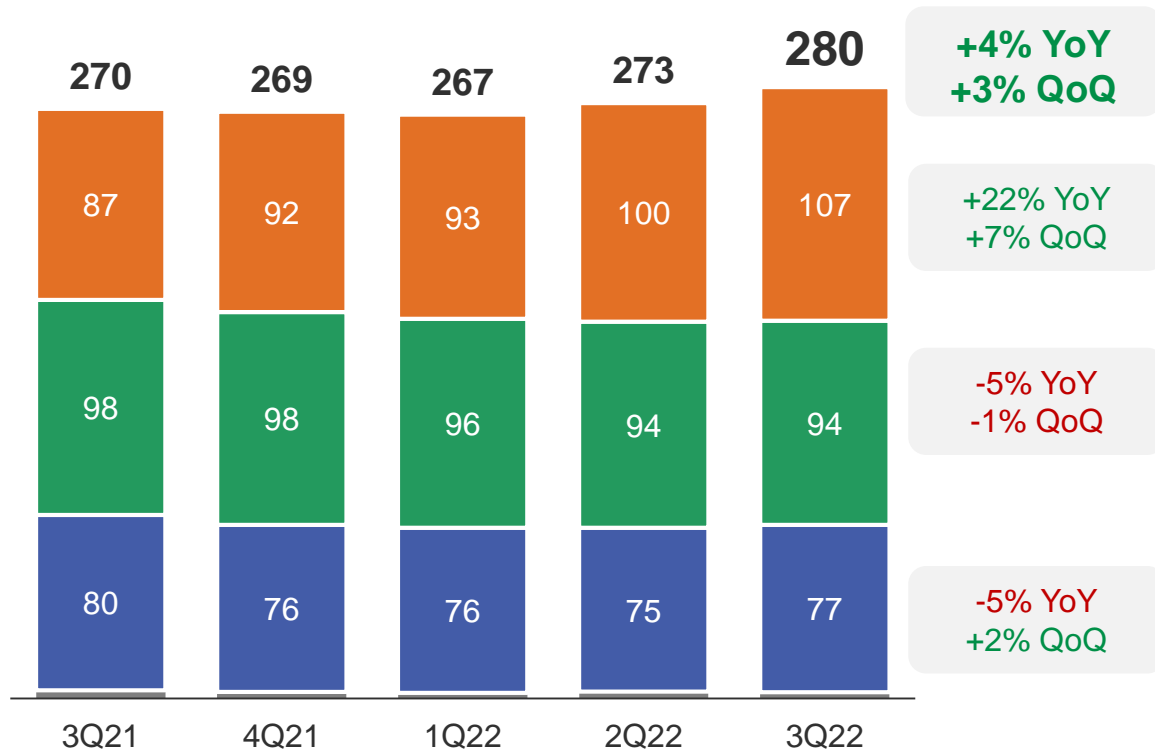


Note: BSP defines SMEs as enterprises with assets worth up to P100 mn

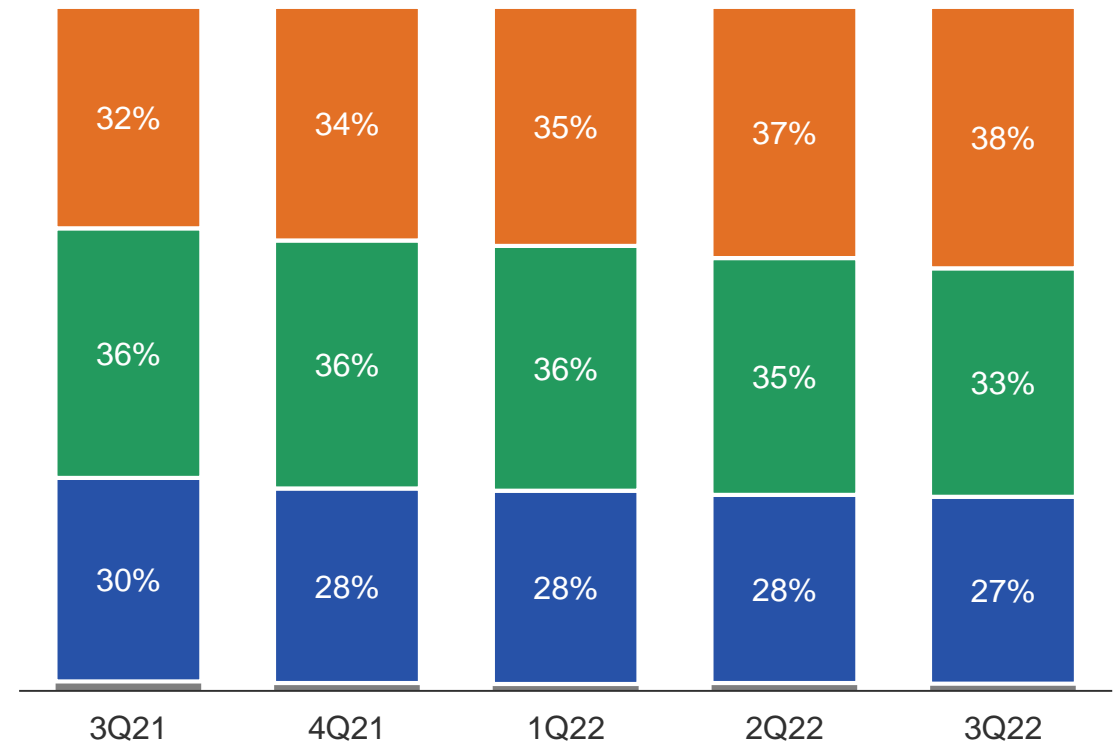
Consumer loans driven by credit cards

Consumer Loans Breakdown

Pbn ■ Others ■ Auto ■ Housing ■ Credit Card*



Consumer Loans By Product



**Note: Gross of Unearned Interest and Discount (UID)
Credit card receivables net of UID amounted to P96.6bn, +25% YoY*

Encouraging trends in big-ticket consumer loans production

New car loans production accelerates

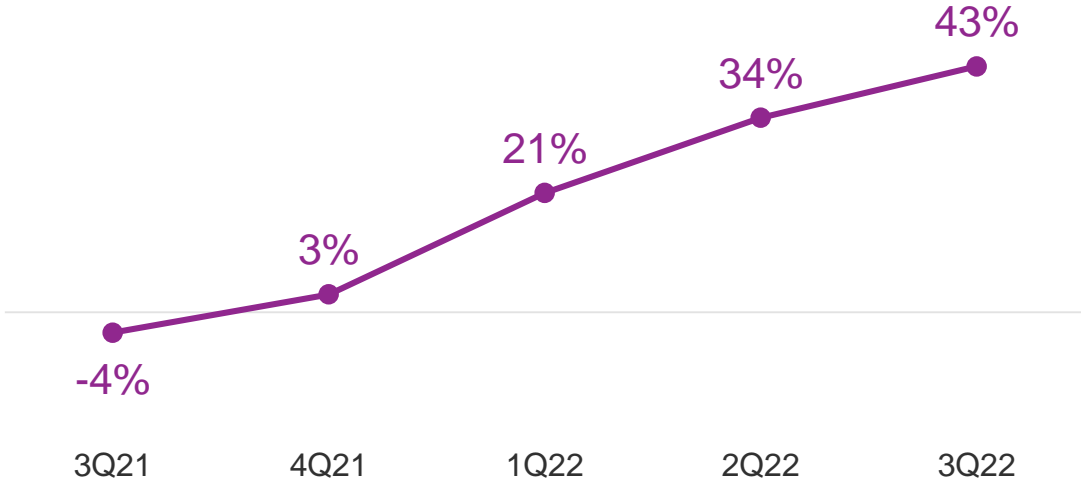
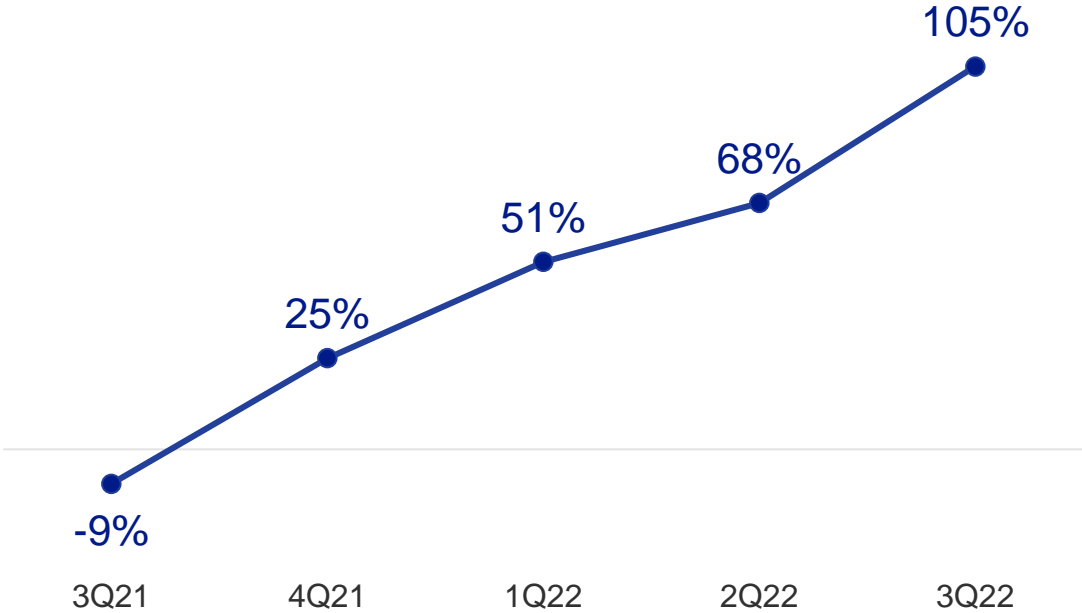


+105% YoY
New car loans

New home loans on an uptrend

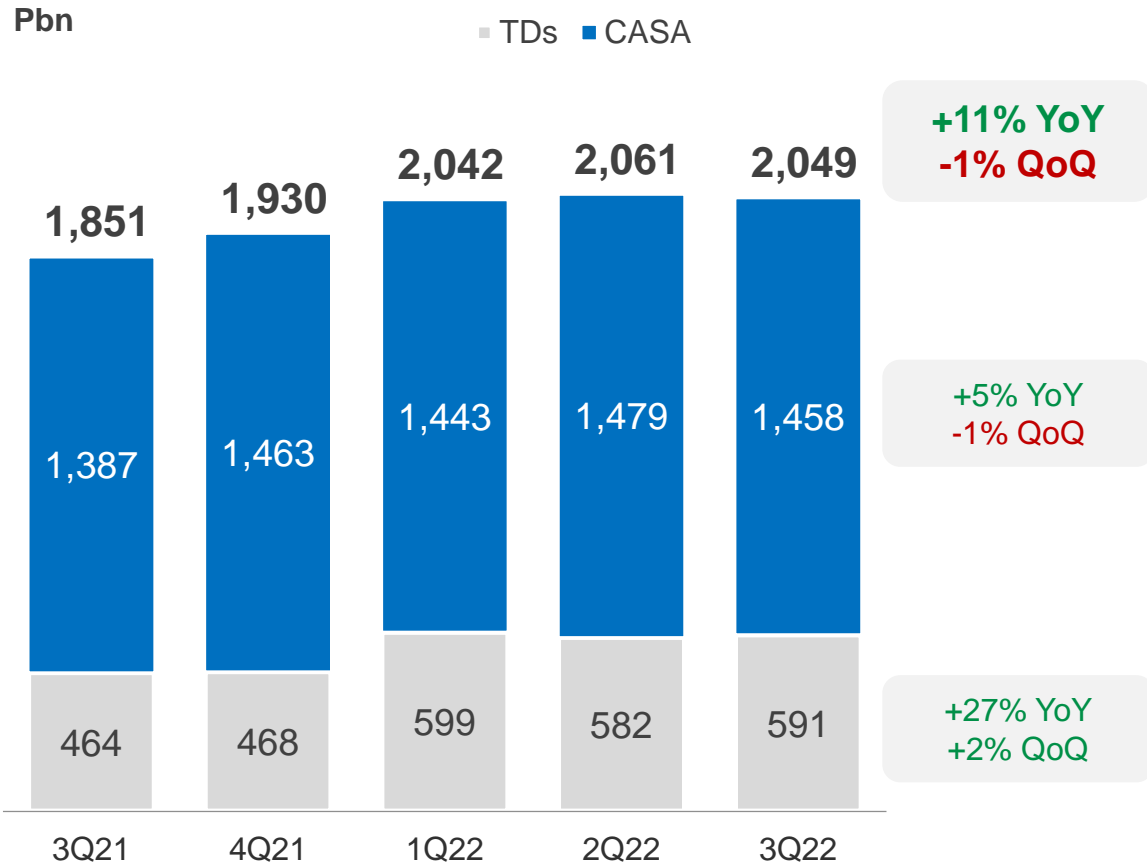


+43% YoY
New home loans

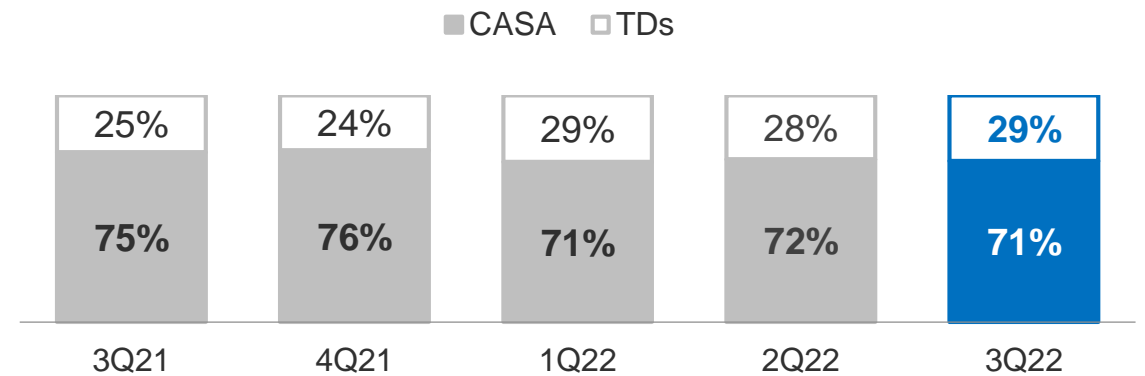


CASA generation sustained

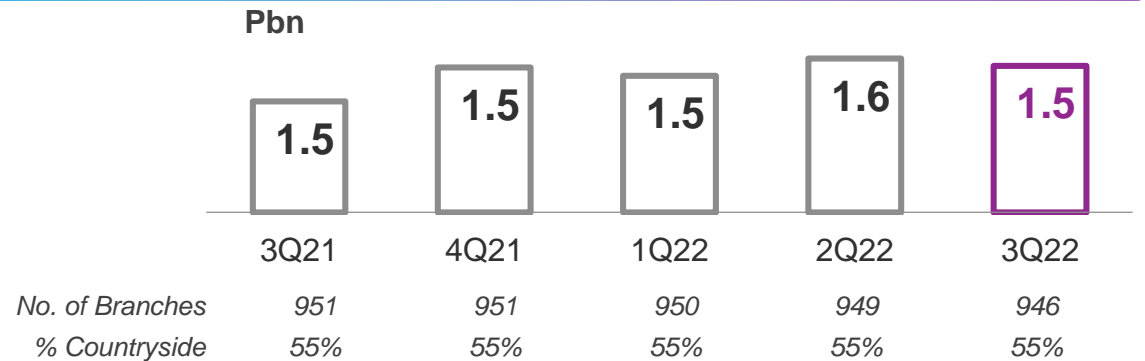
CASA continues to pick up



CASA ratio eases but still above pre-pandemic level

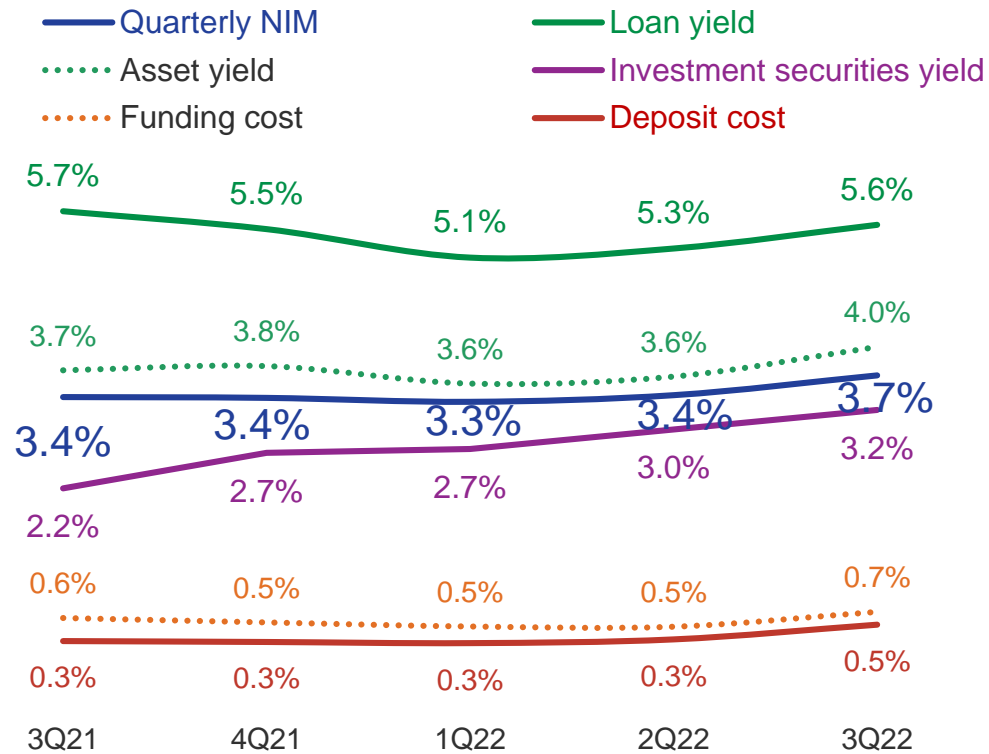


CASA Deposits per Branch



Improving margins

Better asset yields offsetting uptick in funding costs



Policy rate	2.00%	2.00%	2.00%	2.50%	4.25%
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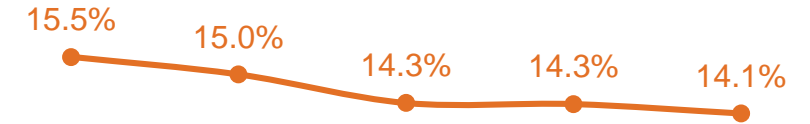
Notes:

- NIM = Net Interest Income / Ave. Interest Earning Assets
- Asset Yield = Annualized Gross Interest Income / Ave. Interest Earning Assets
- Loan Yield = Annualized Gross Interest Income from Loans / Ave. Net Loans
- Funding Cost = Annualized Gross Interest Expense / Ave. Interest Bearing Liabilities
- Deposit Cost = Annualized Gross Deposit Expense / Ave. Deposits

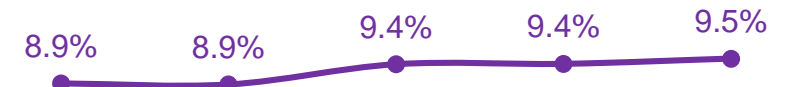
Stable to improving yields across segments



Credit Cards



Auto



Home



Corporate & Commercial

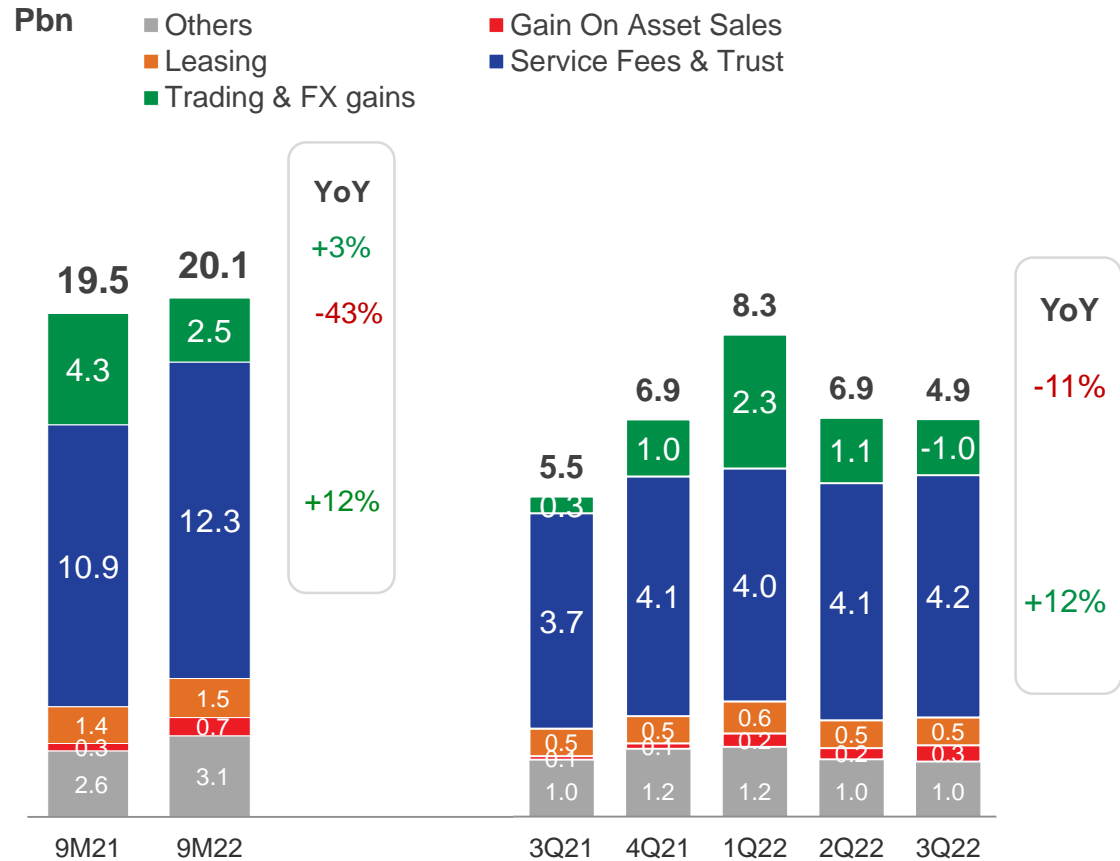


Notes:

- Gross yield on loans net of Unearned Interest and Discount (UID)
- Credit card rate cap took effect on Nov 2020, to be reviewed every 6 months

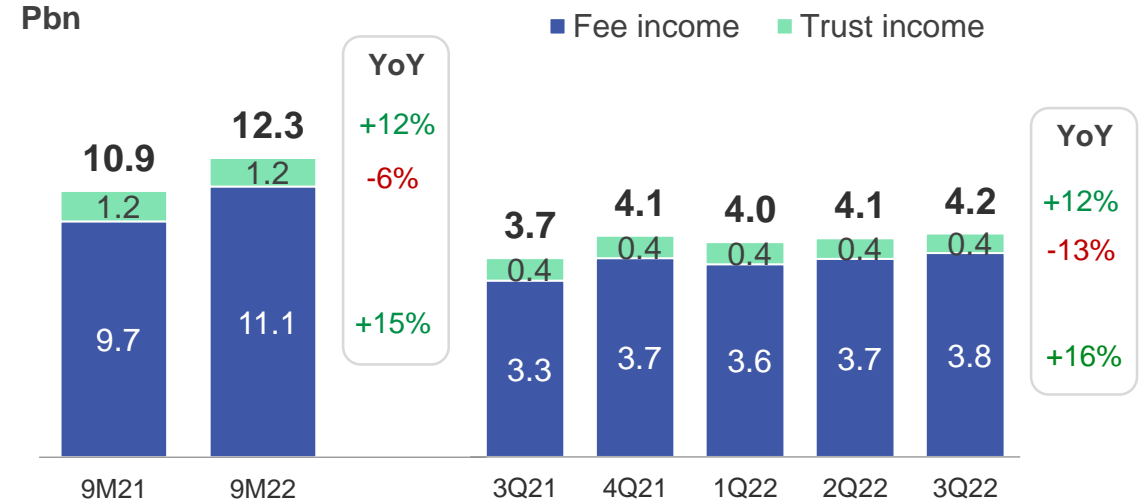
Rising fee income supporting non-interest income

Healthy fee income growth

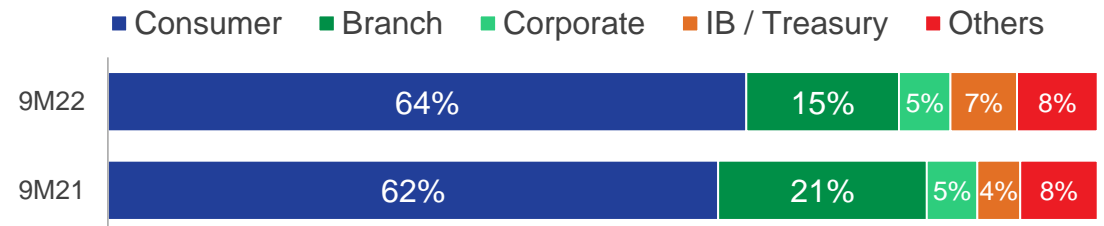


Note: Others include Dividend income, Gain on recognition of investment properties, Recovery on charged-off assets, IT and other fees

Consumer driving fee-based income



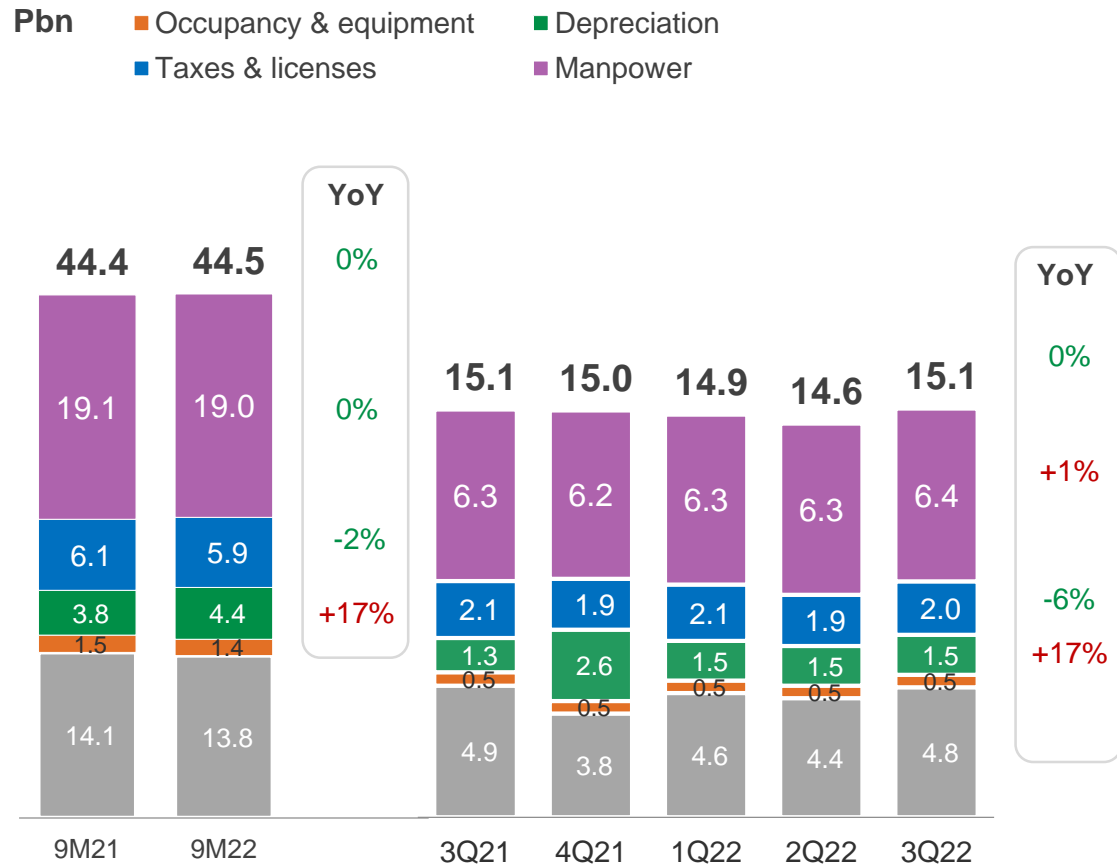
Fee income breakdown (Parent)



Note: Fee income includes credit card fees, trade and loan-related, fees from ATM or e-channel usage, remittance, deposit-related, product referral, etc

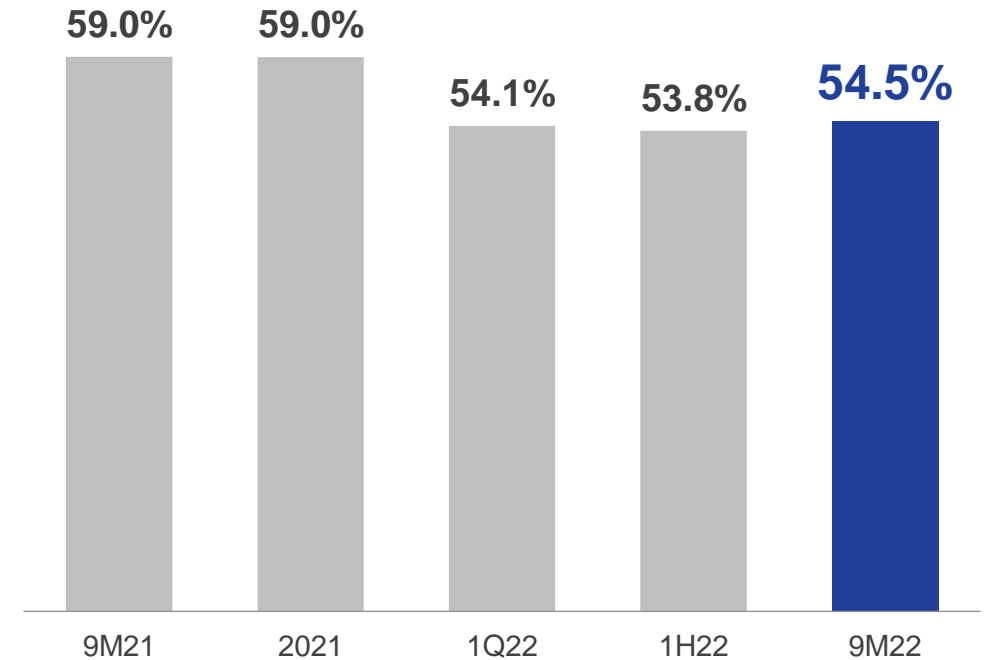
Costs kept under control

Steady opex levels



Note: Others include Insurance, Security, messengerial and janitorial services, Management, professional and supervision fees, Information technology, Advertising

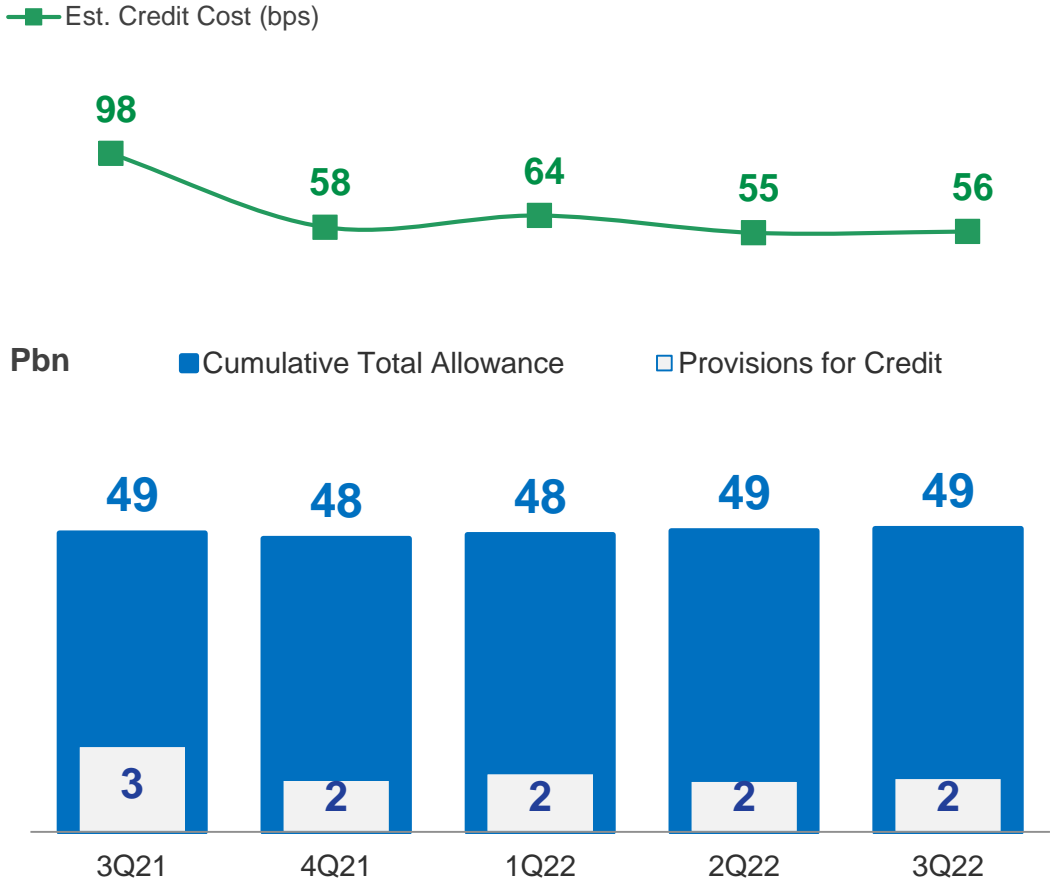
Improving cost-to-income ratio



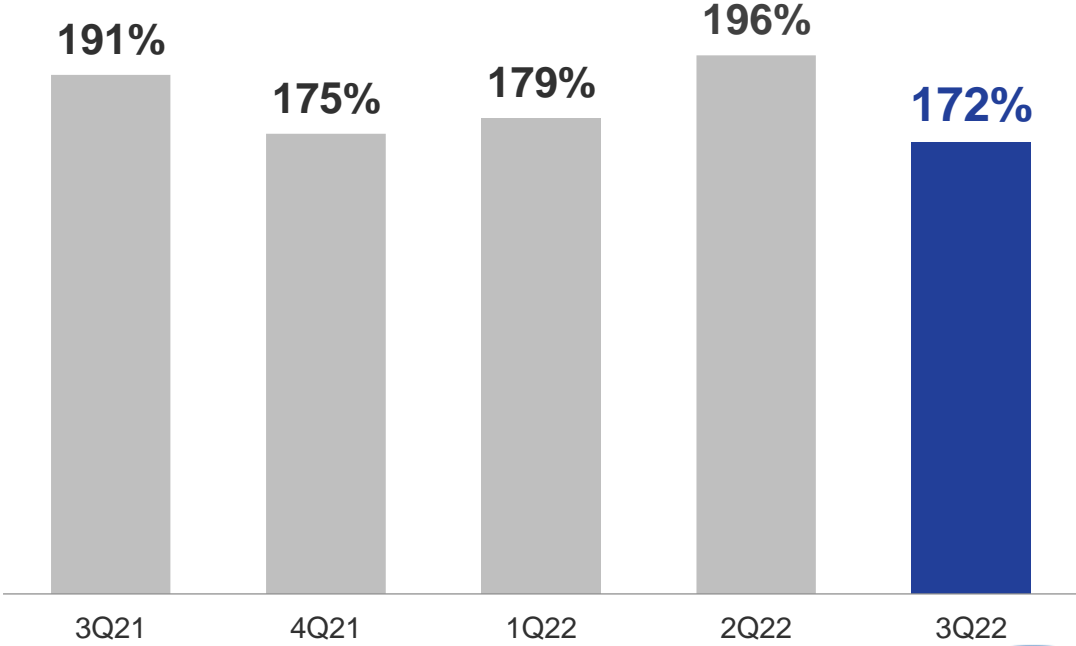
Note: Operating income does not include MBT's share in net income of investees

Lower provisions, ample cover maintained

Credit costs continue to ease



Hefty provision cover

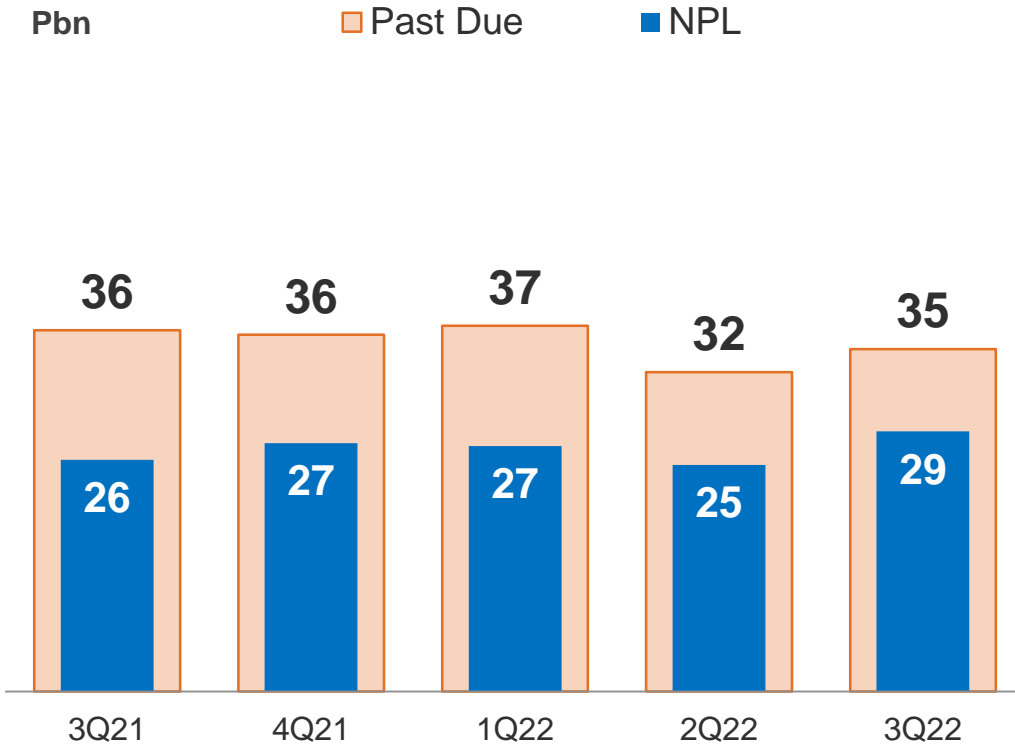


Note: Estimated credit cost = Annualized Provisions for Credit / Ave. Gross Loans & Receivables

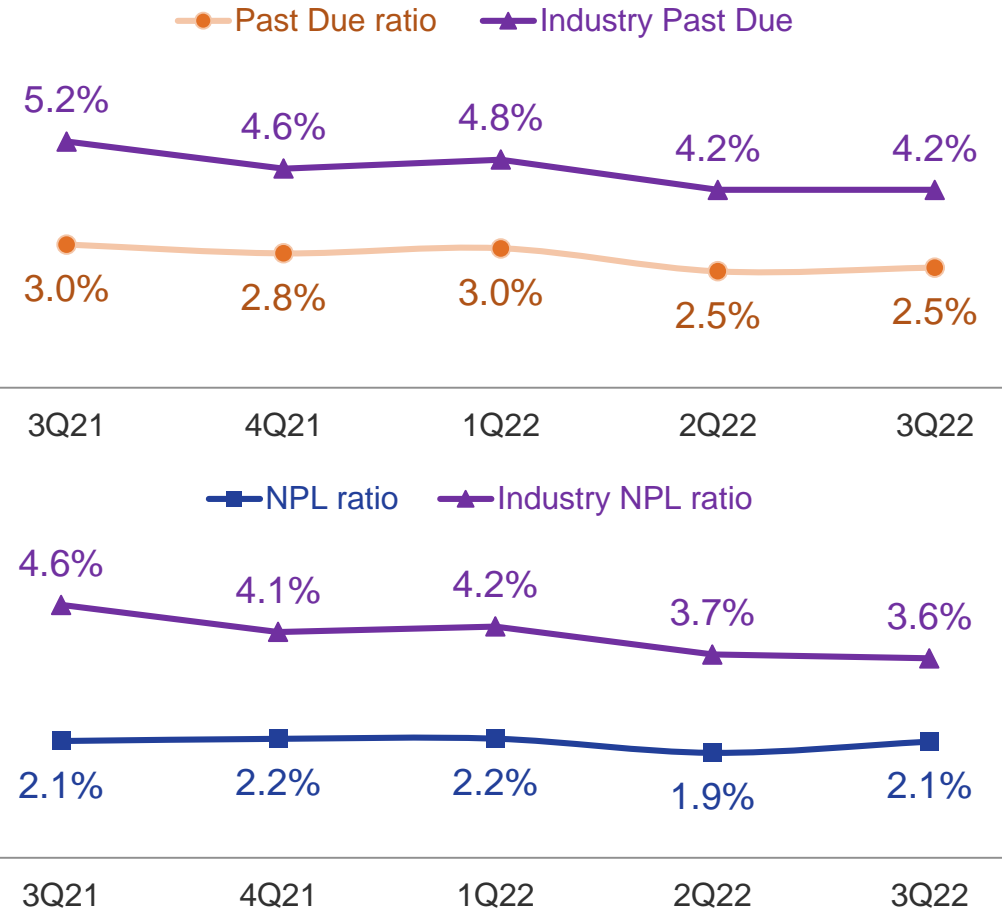


Asset quality better than industry

NPL and Past Due loans



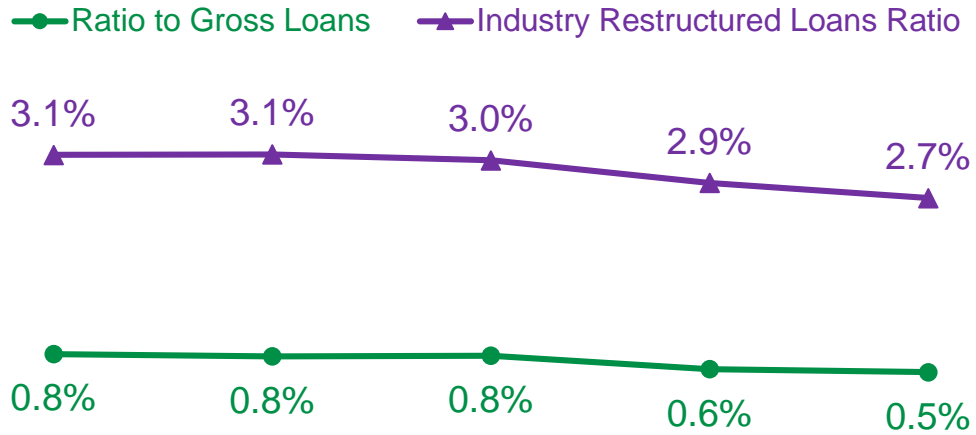
NPL and Past Due ratios much lower than industry



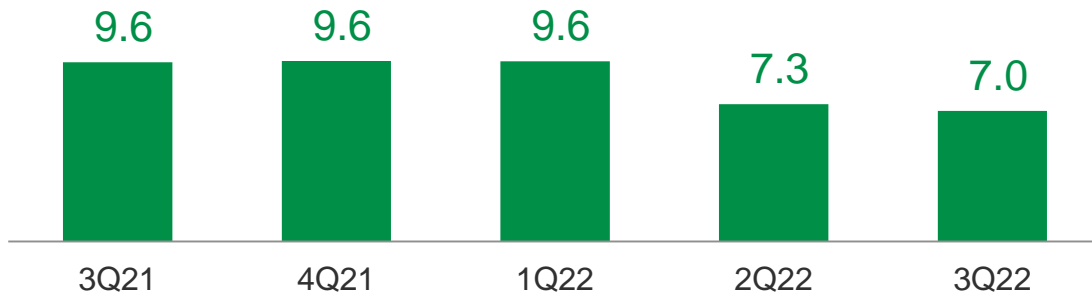
Note: Gross loans net of Unearned Interest and Discount (UID)
Industry Data refers to the latest Philippine Banking Sector data from the BSP

Asset quality better than industry

Restructured loans level off

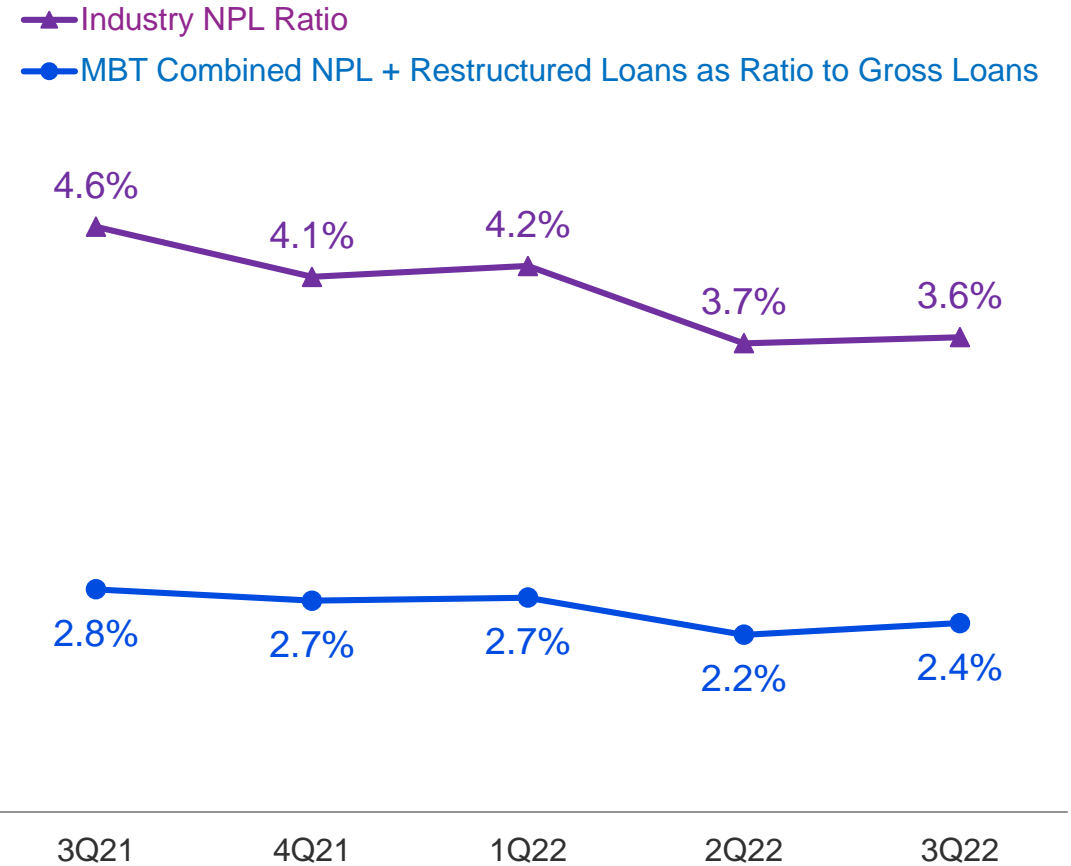


Pbn

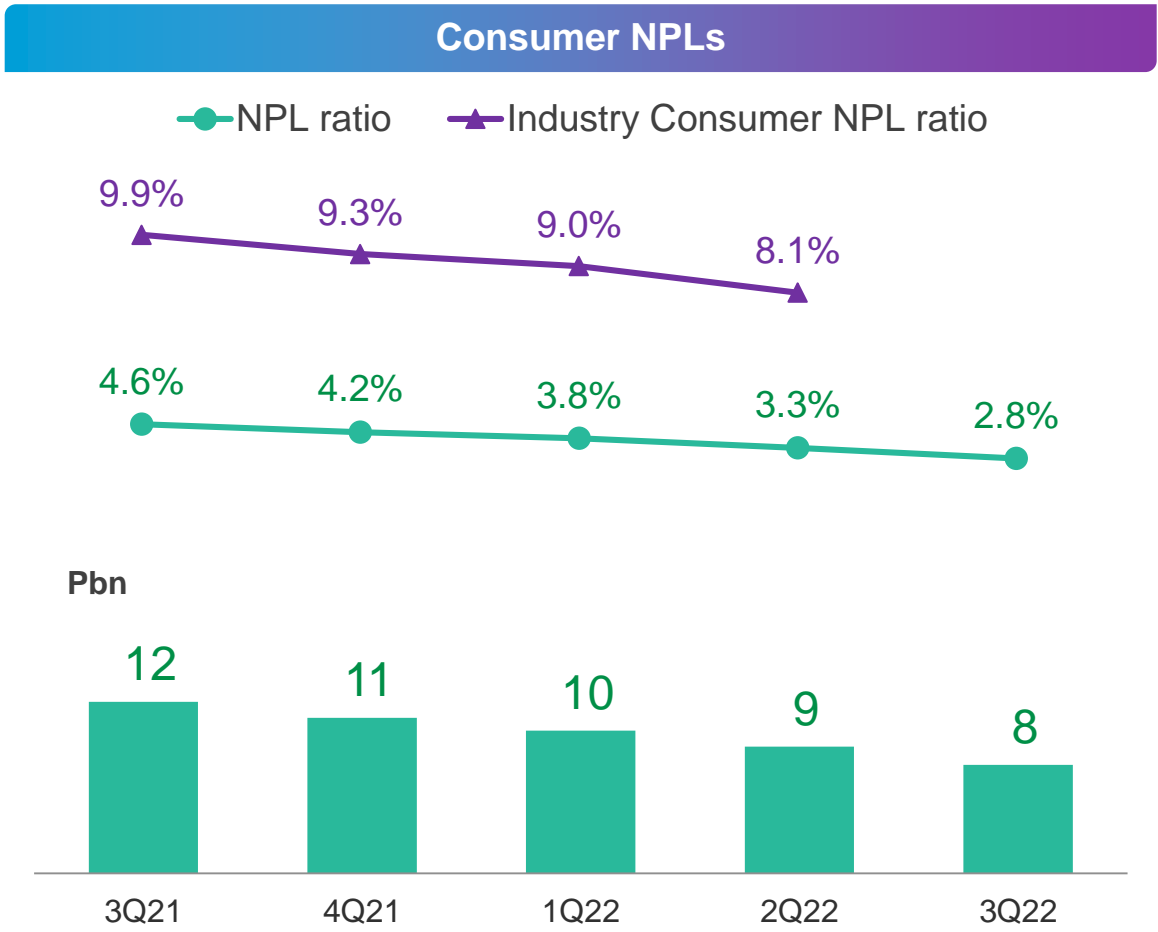
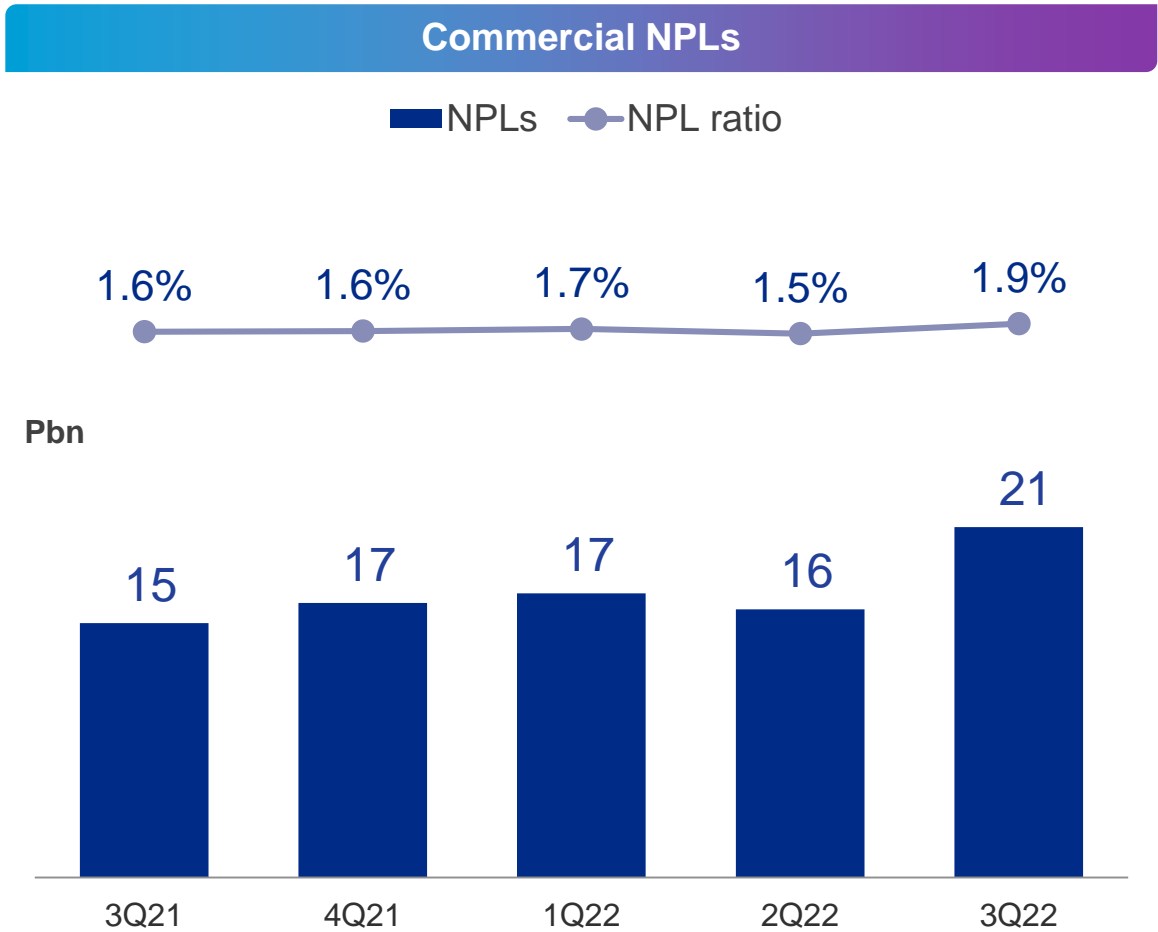


Note: Gross loans net of Unearned Interest and Discount (UID)
Industry Data refers to the latest Philippine Banking Sector data from the BSP

Combined NPLs/Restructured still below Industry NPL Ratio



NPLs remain manageable despite uptick

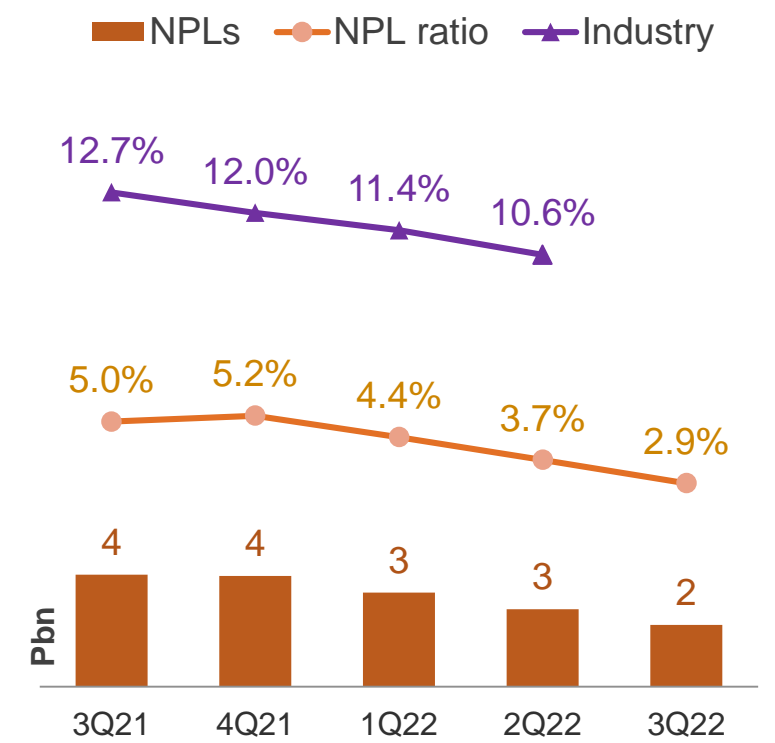


Note: NPL Ratios computed using Net of Unearned Interest and Discount (UID)
 *Industry Data refers to Philippine Banking Sector data from the BSP

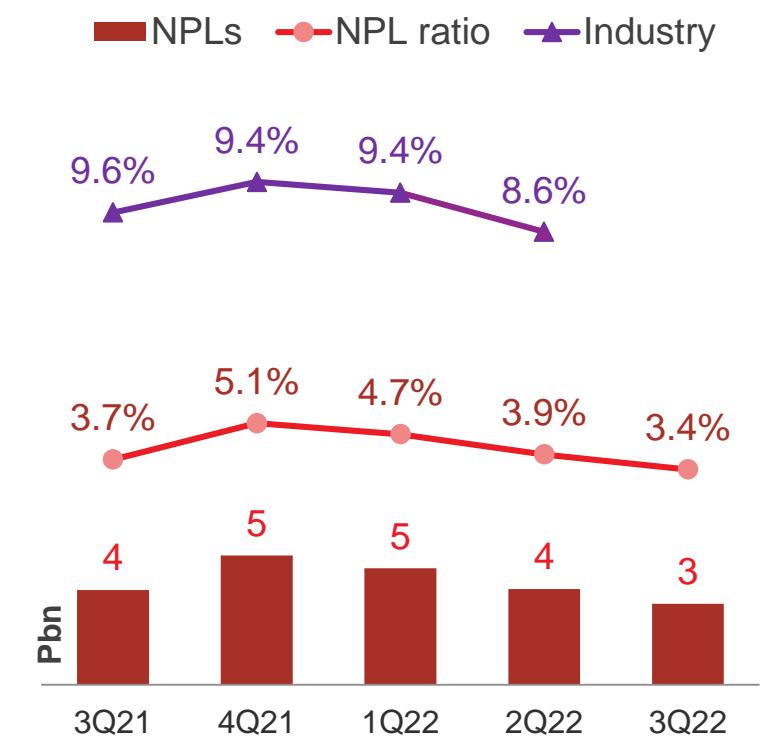


Consumer NPLs well below industry levels

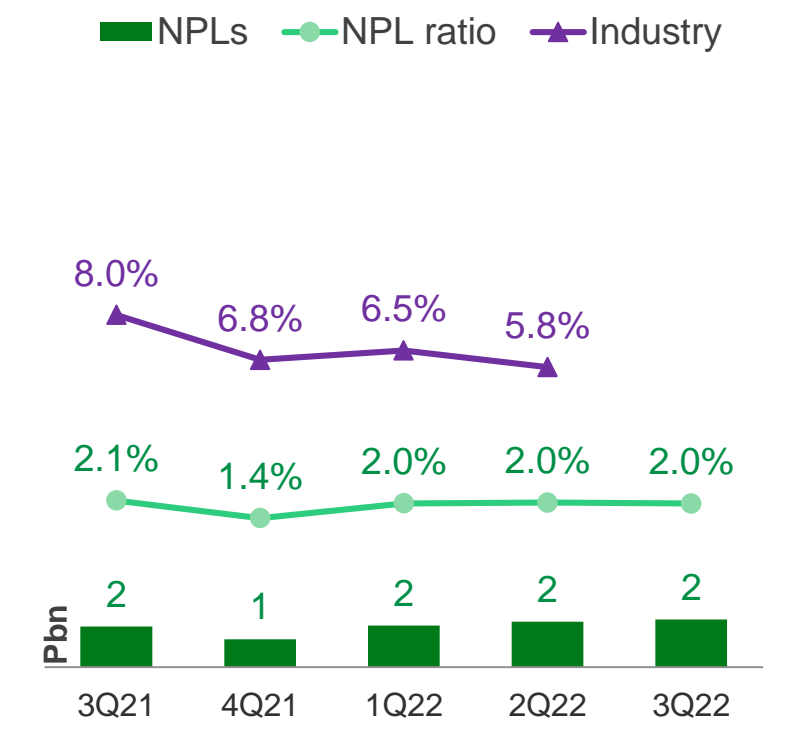
Auto



Home



Credit Cards

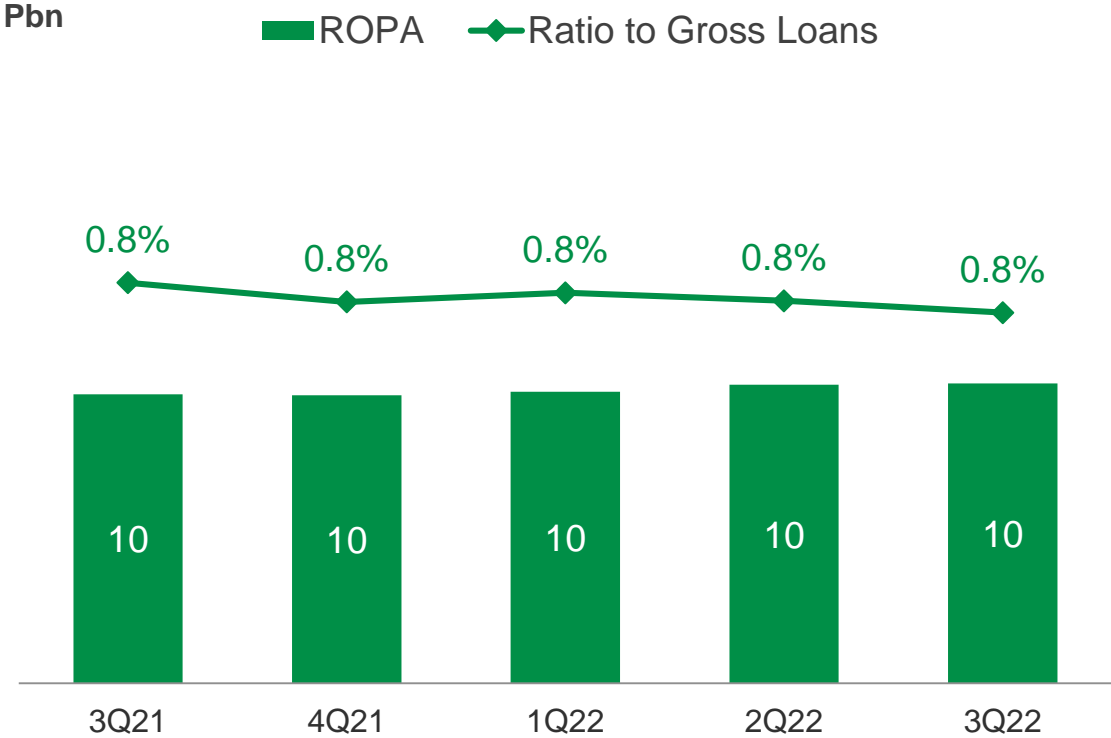


Note: NPL Ratios computed using Net of Unearned Interest and Discount (UID)
Industry Data refers to Philippine Banking Sector data from the BSP

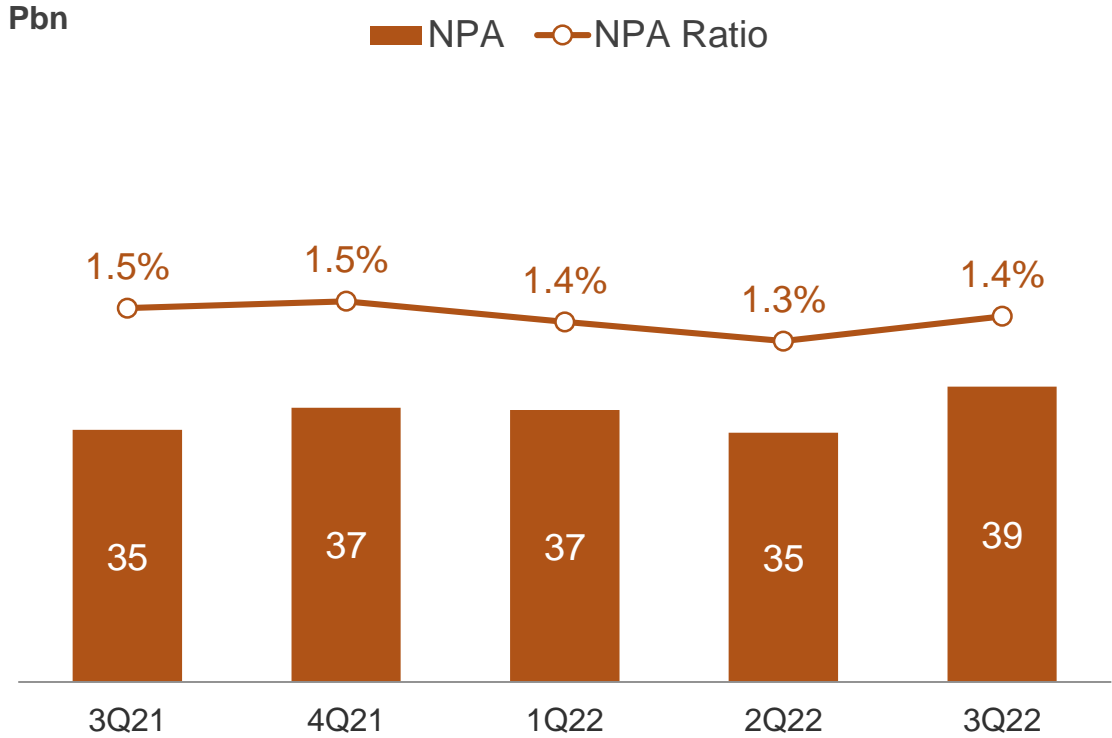


Other asset quality indicators remain stable

Real and other properties acquired (ROPA)



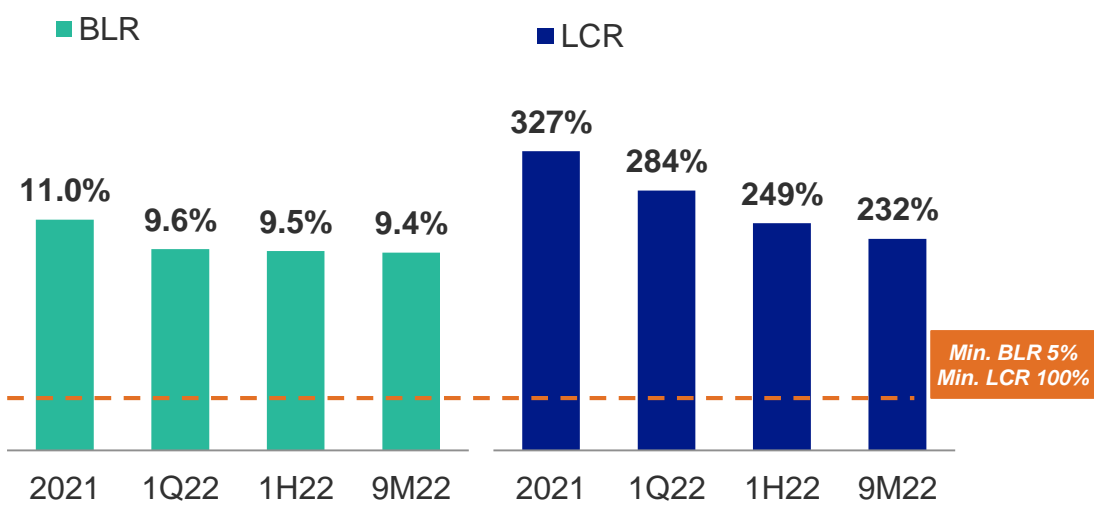
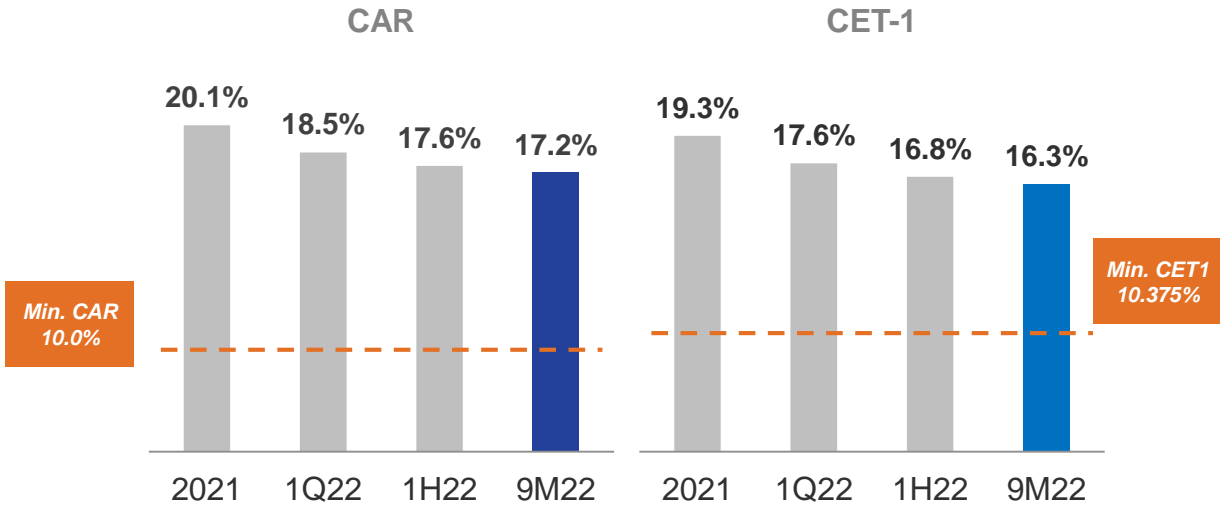
Non-Performing Assets (NPA)



Healthy capital and liquidity levels provide ample support

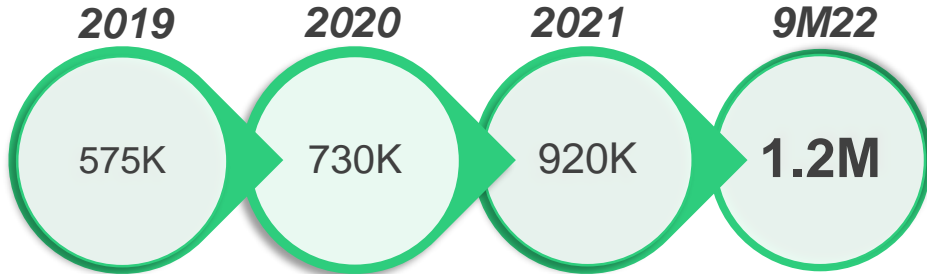
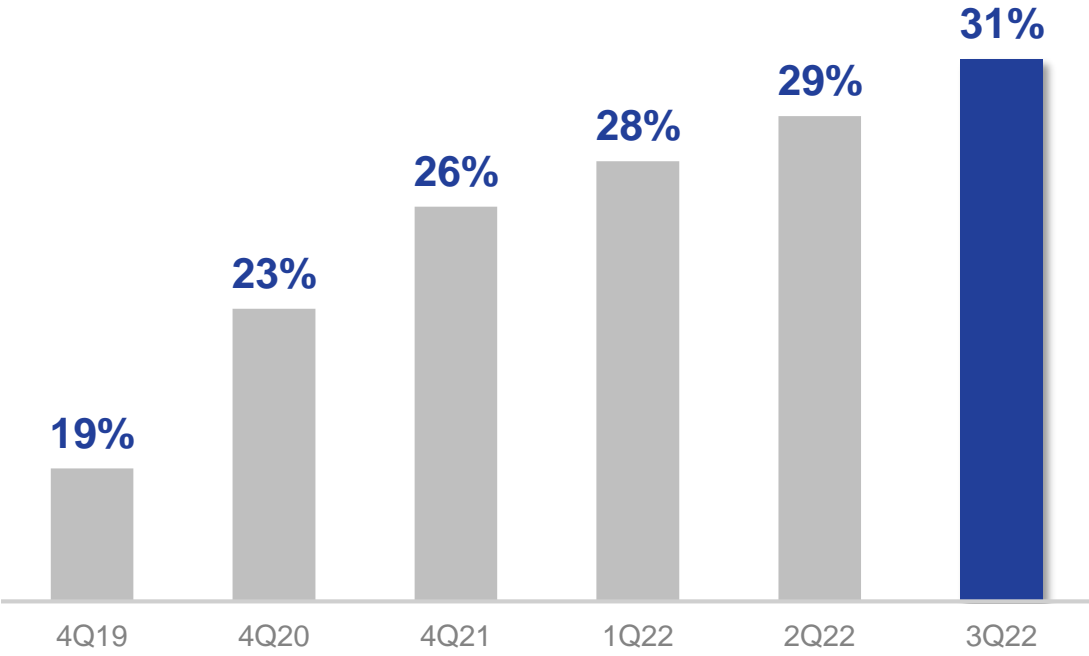
Capital Ratios above minimum thresholds

High Basel III Leverage Ratio, Liquidity Coverage Ratio

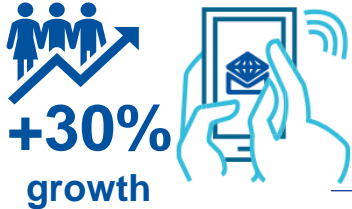


Improving digital metrics on retail clients

Digital penetration rate on a continuous upward trend, now at 31%, with 1.4M total digital users



Active base with over 1M users – 86% active rate vs 81% pre-pandemic



+30% growth

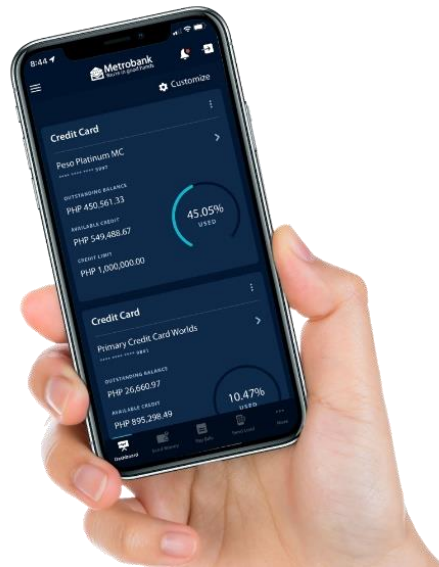
Continuous growth in mobile app downloads, vs 3Q 2021



Digital Initiatives to be launched in November 2022

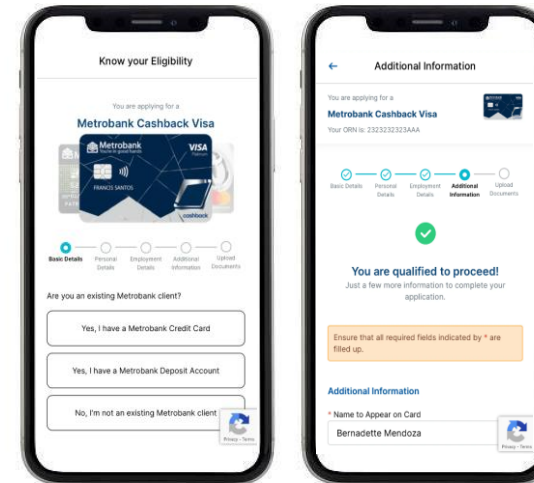
New Metrobank App

- **Digital Servicing** for our new and existing customers through the new mobile app
- Users will be enabled to:
 - ✓ Customize dashboard
 - ✓ Send money or pay bills from a credit card or bank account source
 - ✓ Do credit card installments
 - ✓ Activate and report lost credit cards



New Digital Onboarding Platform for Cards & PL

- Providing customers a **seamless and straight-through experience** when they apply for a credit card or a personal loan online
- **Instant credit decisioning** in as fast as 5mins!



2022 Outlook – Positives and Challenges



- Recovery in loans in line with economic growth
- Sustained NIM improvement on higher yields
- Healthy fee income growth from higher transaction volumes
- Controlled cost growth on improved operating efficiencies
- High reserve cover supportive of lower credit costs
- Healthy capital and liquidity position favourable to expansion prospects

- Prolonged inflationary pressures and forex volatility could temper business and consumer sentiment and may pose asset quality risks, stalling recovery prospects.
- Sharp rise in rates to cap trading income and expand MTM losses
- Geo-political issues and global growth headwinds

SUMMARY

- ✔ Metrobank's solid performance thus far is evident on all fronts: loan recovery, improving margins, healthy fee income, and stable operating costs.
- ✔ Manageable asset quality and high reserves easing provisioning needs.
- ✔ Digitization efforts support initiatives to improve productivity and efficiency.
- ✔ High capital and liquidity ratios provide substantial buffers for potential risks. Metrobank is well positioned to support client needs in an expanding economy.
- ✔ We will continue to monitor economic conditions and implement strategies that will balance growth and improve returns on a sustainable basis.

Financial Summary

In PHP billion

Income Statement	9M 2021	9M 2022	YoY	3Q 2021	3Q 2022	YoY
Net Interest Income	56.3	62.1	+10%	18.8	22.3	+18%
Non Interest Income	19.5	20.1	+3%	5.5	4.9	-11%
Operating Income	75.9	82.2	+8%	24.4	27.2	+12%
Operating Expenses	44.4	44.5	-	15.1	15.1	-
PPOP	31.4	37.7	+20%	9.3	12.1	+30%
Provision for Credit	10.0	5.7	-43%	3.0	1.9	-37%
Provision for Taxes	5.1	8.2	+59%	1.8	2.2	+22%
Net Income	16.1	23.4	+45%	4.4	7.8	+77%

Balance Sheet	9M 2021	9M 2022	YoY
Total Assets	2,429	2,733	+13%
Loans and Receivables, Gross	1,220	1,372	+12%
Total Deposits	1,851	2,049	+11%
CASA	1,387	1,458	+5%
Equity	317	309	-3%

Financial Ratios	9M 2021	9M 2022	YoY
NIM	3.41%	3.52%	+0.1 ppt
CIR	59.0%	54.5%	-4.5 ppts
NPL Ratio	2.1%	2.1%	-
NPL Cover	190.7%	172.3%	-18.4 ppts
CAR	20.7%	17.2%	-3.5 ppts
CET-1	19.8%	16.3%	-3.5 ppts
Gross LDR	65.9%	67.0%	+1.1 ppts

ADDITIONAL INFORMATION

Metropolitan Bank & Trust Company (Metrobank)

Overview

60

YEARS OF MULTI-AWARDED SERVICE EXCELLENCE

Founded in 1962 by a group of Filipino-Chinese businessmen led by Dr. George S. K. Ty

Listed in 1981 on the Philippine Stock Exchange

DIVERSIFIED FINANCIAL CONGLOMERATE



TRADING INFORMATION

MBT PM | MBT.PS Ticker

USD 4.0 Bn Market cap

USD 1.5 Mn 3M Avg Daily Value T/O

20% Foreign Ownership

48% Public Float

As of 04 November 2022

Financial Data (PHP bn)

9M22

Total Assets	2,733
Loans and Receivables, Gross	1,372
Total Deposits	2,049
CASA	1,458
Equity	309
CAR	17.2%
CET-1	16.3%

BIG 3 BANK WITH LEADING MARKET POSITION

#2 **#2** **#3** **#3**

Auto Loans	Credit Card Receivables	Mortgage Loans	Trust AUM
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STRATEGIC PRESENCE AND COVERAGE

DOMESTIC

946 branches
55% outside NCR 2,304 ATMs

OVERSEAS

30+ branches, subsidiaries, offices
140+ remittance tie-ups
160+ remittance agents

INVESTMENT GRADE

CREDIT RATINGS

MOODY'S Baa2 Stable

FitchRatings BBB- Negative

Aligned with the Philippine sovereign rating

BEST BOND BANK IN THE PHILIPPINES

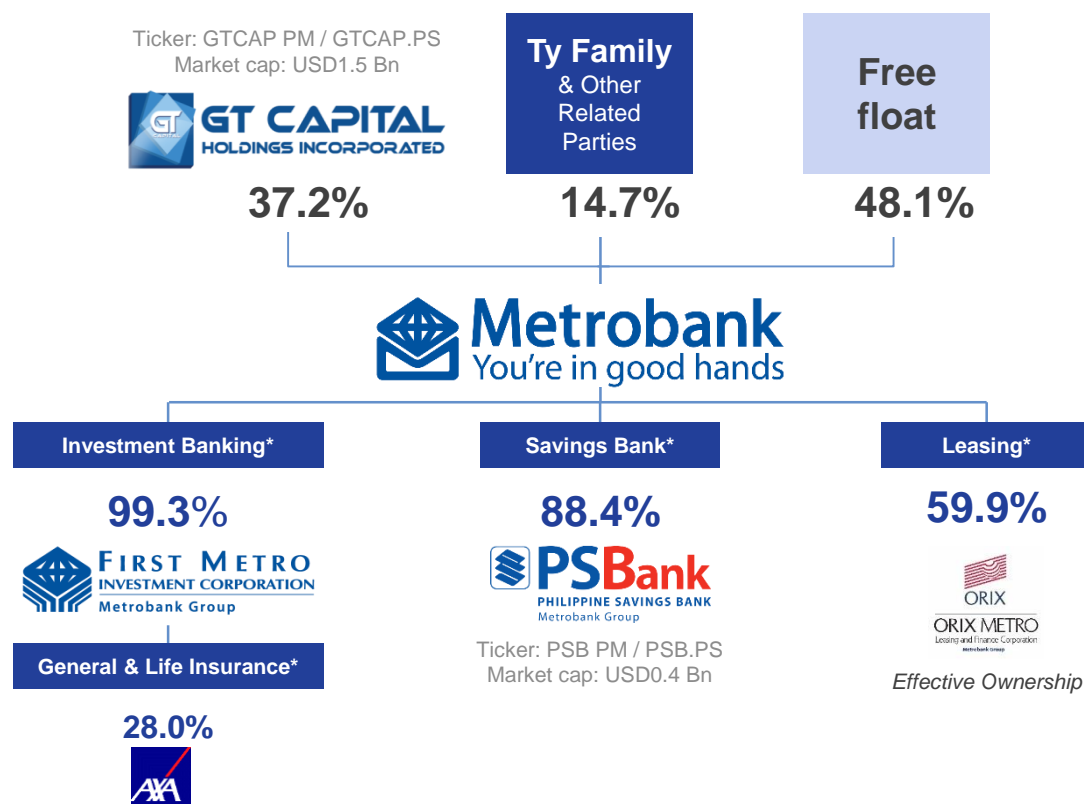
PDS Best Securities House (Bank)
2014 to 2021

2021 LARGEST TRADER
PHP Fixed Income Securities

32.0% market share in trading volume
44.2% market share in number of trades

Ownership and Investment Information

CORPORATE STRUCTURE



*Note: Domestic subsidiaries only

MARKET DATA

Trading information

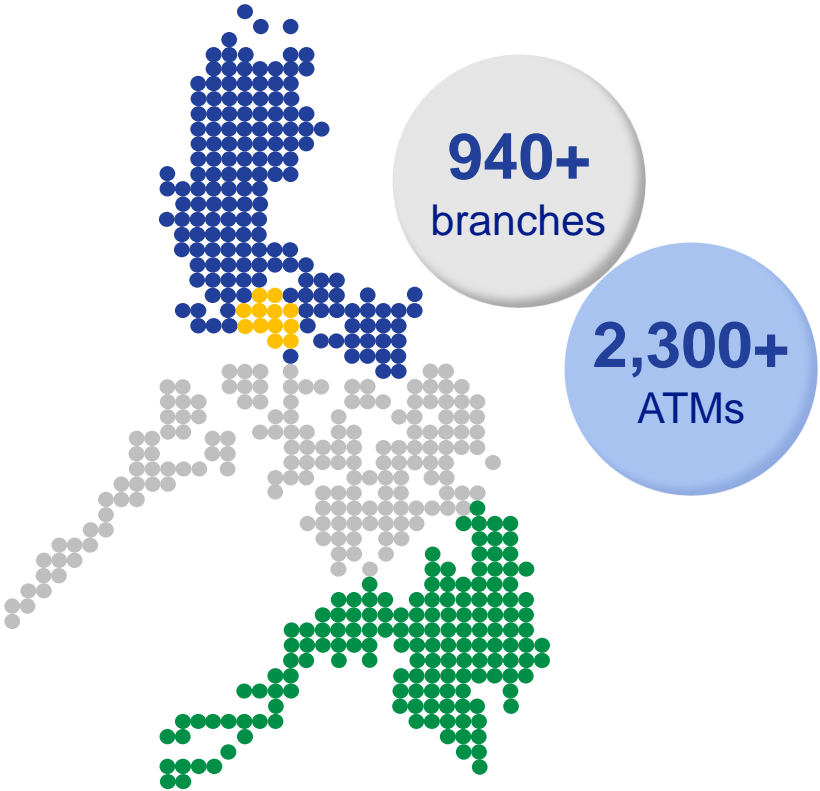
Ticker (Bloomberg Reuters)	MBT.PM MBT.PS
Par value (PHP)	20.00
Outstanding shares	4,497,415,555
Stock price as of 04 November 2022	52.15
52-Week Range (Low High)	44.60 63.50
Market cap (USD Mn)	3,998
3-Month Avg Daily Trading Value (USD Mn)	1.55
3-Month Avg Daily Trading Volume (Mn)	1.76
Public Float	48%
Foreign Ownership	20%

	2020	2021	9M22	
BVPS (PHP)	72.10	70.84	68.71	
EPS (PHP)	3.08	4.93	6.55	Last 4 quarters
Trailing P/BV (x)	0.7	0.8	0.7	Based on EOP share price
Trailing P/E (x)	15.9	11.3	7.4	
DPS (PHP)	1.00	4.00	3.00	For the year

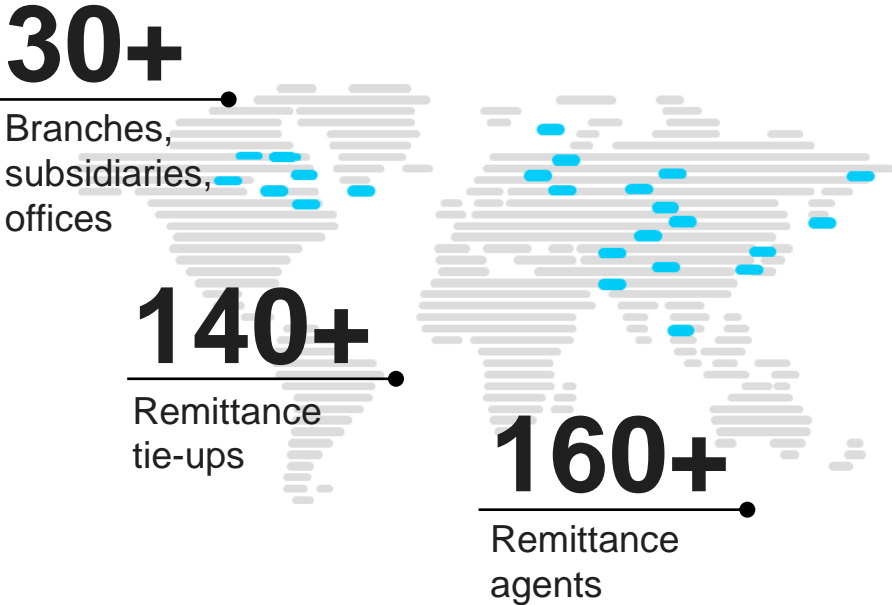
Extensive Domestic and Overseas Coverage

 **16,000+** Total Group employee base

Domestic Branch and ATM Networks



Overseas Network Coverage



Recent Awards and Recognition



**Best Bank
in the Philippines**

2022




**Best Corporate Bank;
Best Domestic
Private Bank
in the Philippines**

2022




**Top Banking
Employer
in the Philippines**

2022




**Most Helpful Bank in
the Philippines; 10th in
Asia Pacific During
COVID-19**

2022




**Best Local Currency
Bond Individuals
#1 in Trading,
#4 & #5 in Sales,
#4 in Research**

2022




**Strongest Bank
in the Philippines**

2021




**Best Multi-product
Financing Deal,
Best Syndicated
Loan Deal**

2021





**Best
Domestic Bank in
the Philippines**

2021





**Best
Securities House
Bank Category**

2014 - 2021

**Grand Anvil,
2 Gold Anvil**

2022




**Best Sovereign
Bond Deal
of the Year**

2021




**Best Online Broker;
Best Online Trading
Platform**

2021

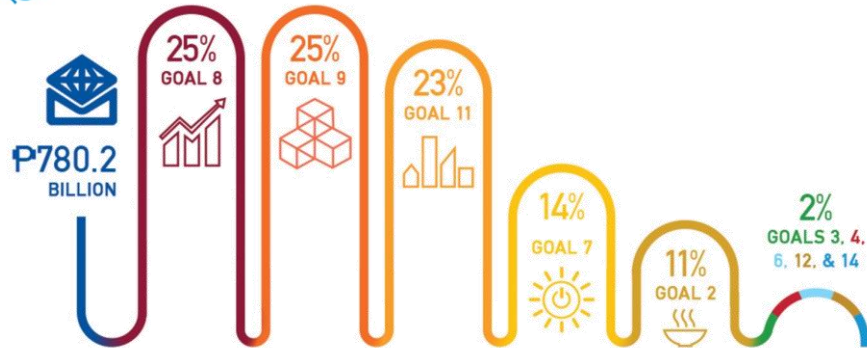


Meaningful Sustainability

Overview of Metrobank's Sustainability Framework



Breakdown of Contribution of Commercial Loans to the UN Sustainable Development Goals in 2021



GOAL 8 Decent Work and Economic Growth – Equivalent to P195 billion. Supported 206 businesses engaged in large scale retail activities, holding companies and financial institutions needing access to financial capital, hotels and restaurants, and professional and technical services | **GOAL 9 Industry, Innovation and Infrastructure** – Equivalent to P193 billion. Supported 144 businesses engaged in the development of public infrastructure such as roads and highways, establishment of commercial properties, as well as manufacturing, transportation, storage, and telecommunication activities | **GOAL 11 Sustainable Cities and Communities** | **GOAL 7 Affordable and Clean Energy** | **GOAL 2 Zero Hunger** | **GOAL 3 Good Health and Wellbeing** | **GOAL 4 Quality Education** | **GOAL 6 Clean Water and Sanitation** | **GOAL 12 Responsible Consumption and Production** | **GOAL 14 Life Below Water**

Source: [2021 Sustainability Report](#)

Sustainability Focus Areas



Sustainability: Our Progress in 2021

Formalizing the governance structure

- ✓ The **Board**, through the Executive Committee, does the oversight and **Senior Management** executes the sustainability framework.
- ✓ The dedicated **Sustainability Department**, together with the **Technical Working Group** collaborate to embed sustainability principles into the Bank's business practices.

Expanding our coverage

- ✓ As part of the baselining exercise, there has been significant progress to **broaden the scope** of our environmental data monitoring to include:
 - Corporate Centers – fuel, power, and water consumption, and waste generated
 - Domestic Branches – power and water consumption
- ✓ Disclosed our **Scope 1 and 2 GHG emissions**

Promoting the sustainability culture

- ✓ Defined the Bank's **Sustainability Framework** and **Focus Areas**
- ✓ Launched **internal sustainability awareness campaign**
- ✓ Assessment and enhancement of existing **policies to integrate sustainability practices**

Improving our disclosures: Our 2021 Sustainability Report

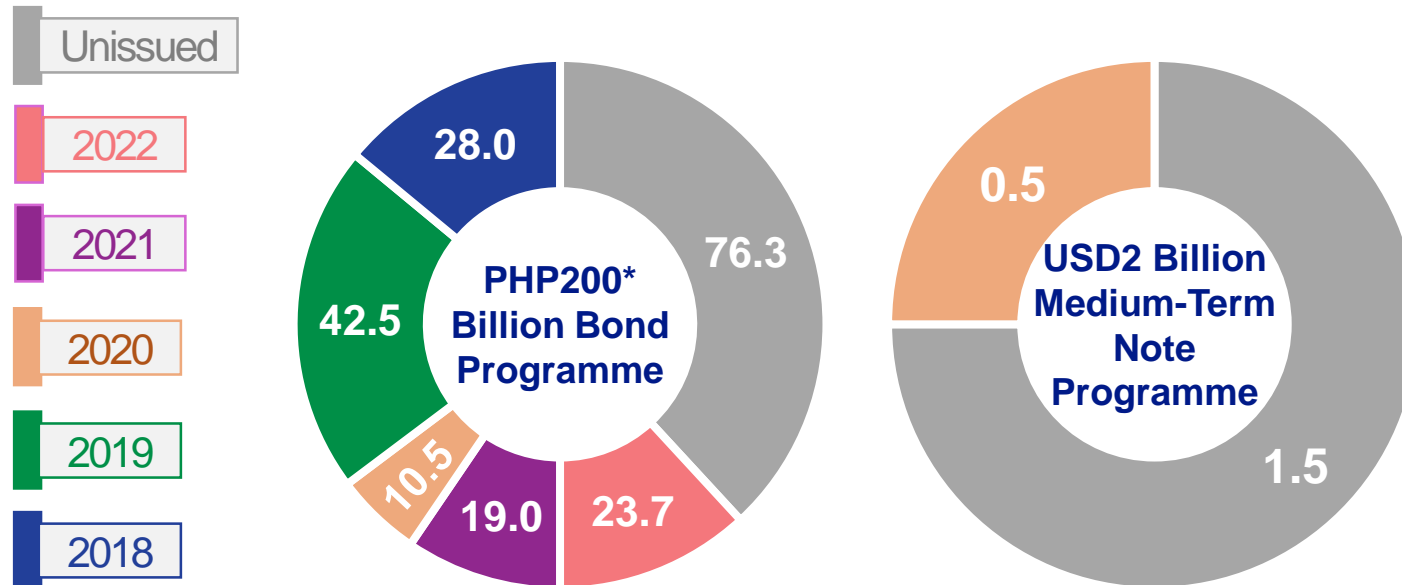


- ✓ Our **2021 Sustainability Report** is the Bank's **first stand-alone** report to underscore our increasing **commitment on sustainability**.
- ✓ It has been prepared in accordance with the **Global Reporting Initiative (GRI) Standards**.
- ✓ The Report is already available in our website via the following link: <https://www.metrobank.com.ph/about-us>
- ✓ A dedicated sustainability section in our official website was launched.

Contact Information

For comments and queries: **Sustainability Department**
sustainability@metrobank.com.ph

Debt Issuances



Bond Issuance
PHP23.7 billion
1.5Y Peso Notes
Listed October 2022
 5.0% interest rate p.a.

**Note: The Board of Directors of Metrobank approved to update its PHP Bond and Commercial Paper Program to Up to PHP200 Billion of Issuances on 15 December 2021*



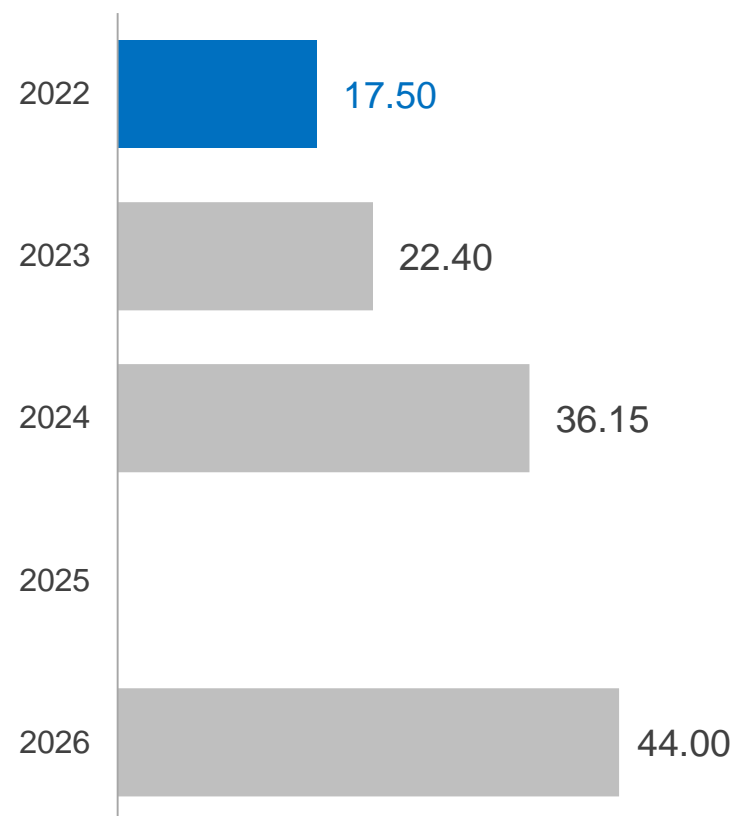
Outstanding Debt Issuances & Investment Grade Credit Ratings

Debt Issuance Details

Type	Issue Date	Coupon Rate	Maturity Date	Amount (PHP Bn)
LTNCD	Sep-16	3.500%	Sep-23	8.65
	Jul-17	3.875%	Jul-24	3.75
	Oct-18	5.375%	Apr-24	8.68
PHP Bond	Apr-19	6.300%	Apr-22	17.50
	Oct-19	4.500%	Apr-23	13.75
	Jun-21	3.600%	Sep-26	19.00
	Oct-22	5.000%	Apr-24	23.71
MTN	Jul-20	2.125%	Jan-26	USD500Mn*

*Assuming USDPHP 50.00;
Note: Includes only MBT Parent Bank issuances

Debt Maturity Profile (PHP Bn)



MOODY'S

**Baa2
Stable**

Jul-22

- Robust capitalization, with a proven history of support from shareholders
- Strong funding and liquidity, underpinned by a leading domestic franchise
- Highly correlated with sovereign rating; Asset quality and profitability will improve as the economy recovers

FitchRatings

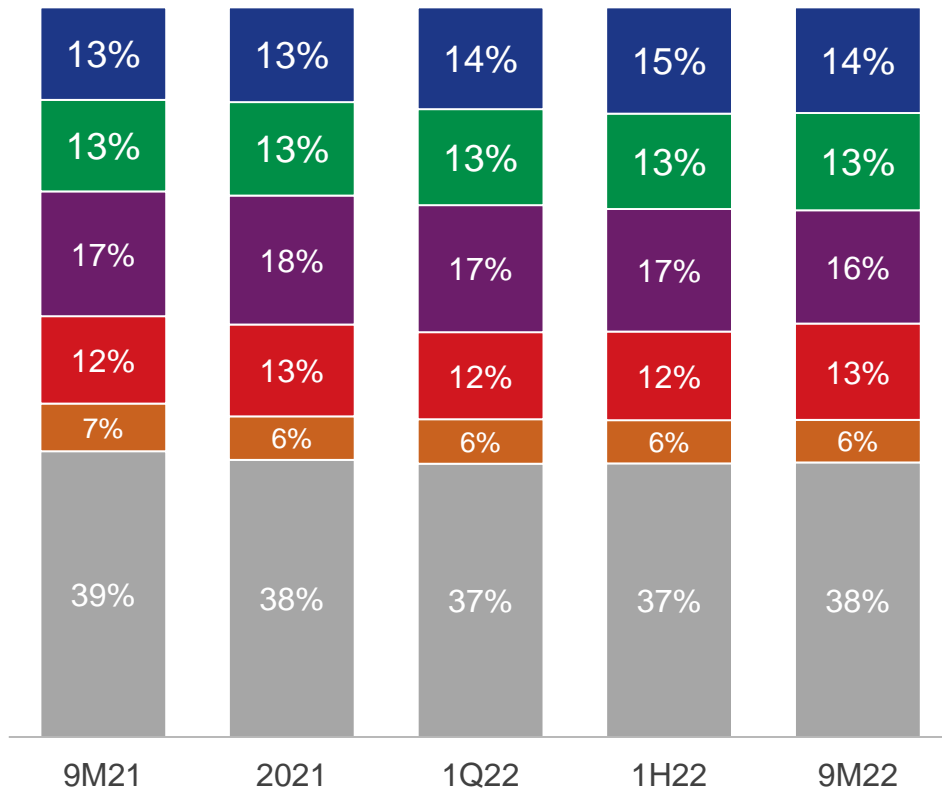
**BBB-
Negative**

May-22

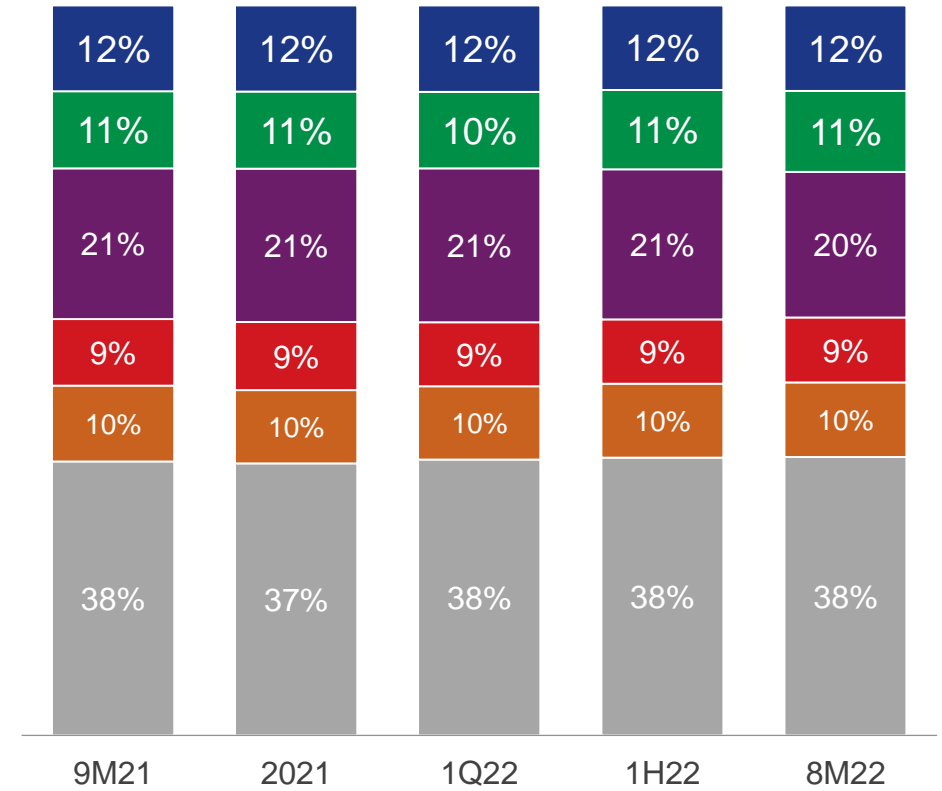
- High systemic importance; high loss-absorption buffers, established franchise, and steady risk controls
- Revenue is likely to improve as the bank ramps up loan growth amid improving economic outlook
- Bank to maintain superior capital buffers relative to peers

Loan Portfolio Breakdown

MBT Loan Portfolio By Industry



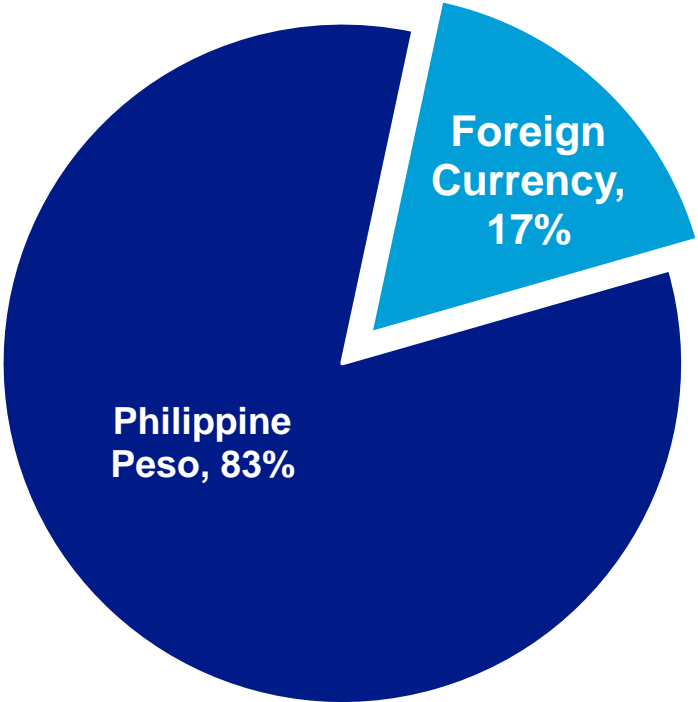
Philippine Banks Loan Portfolio By Industry



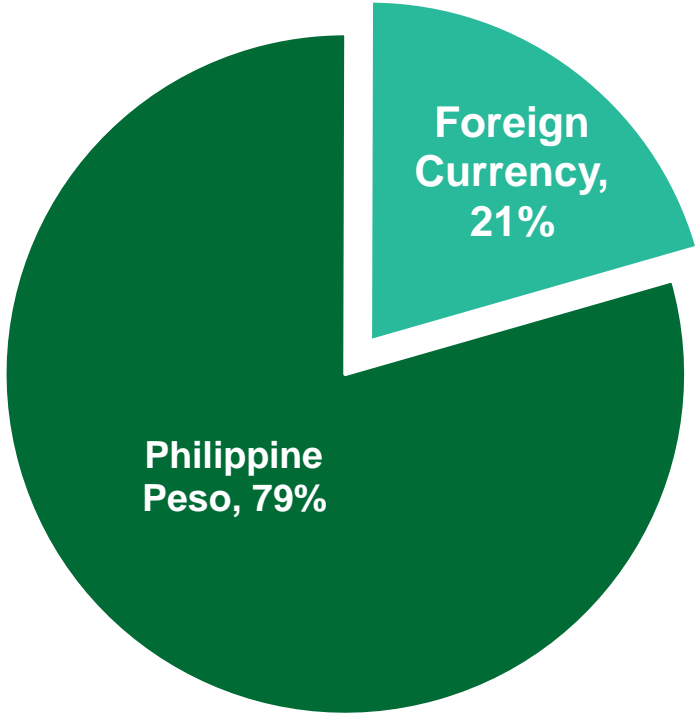
Based on Philippine Standard Industrial Classification
Others include Transport & storage, Construction, Agricultural, forestry and fishing; Accommodation & food service activities

Currency Breakdown

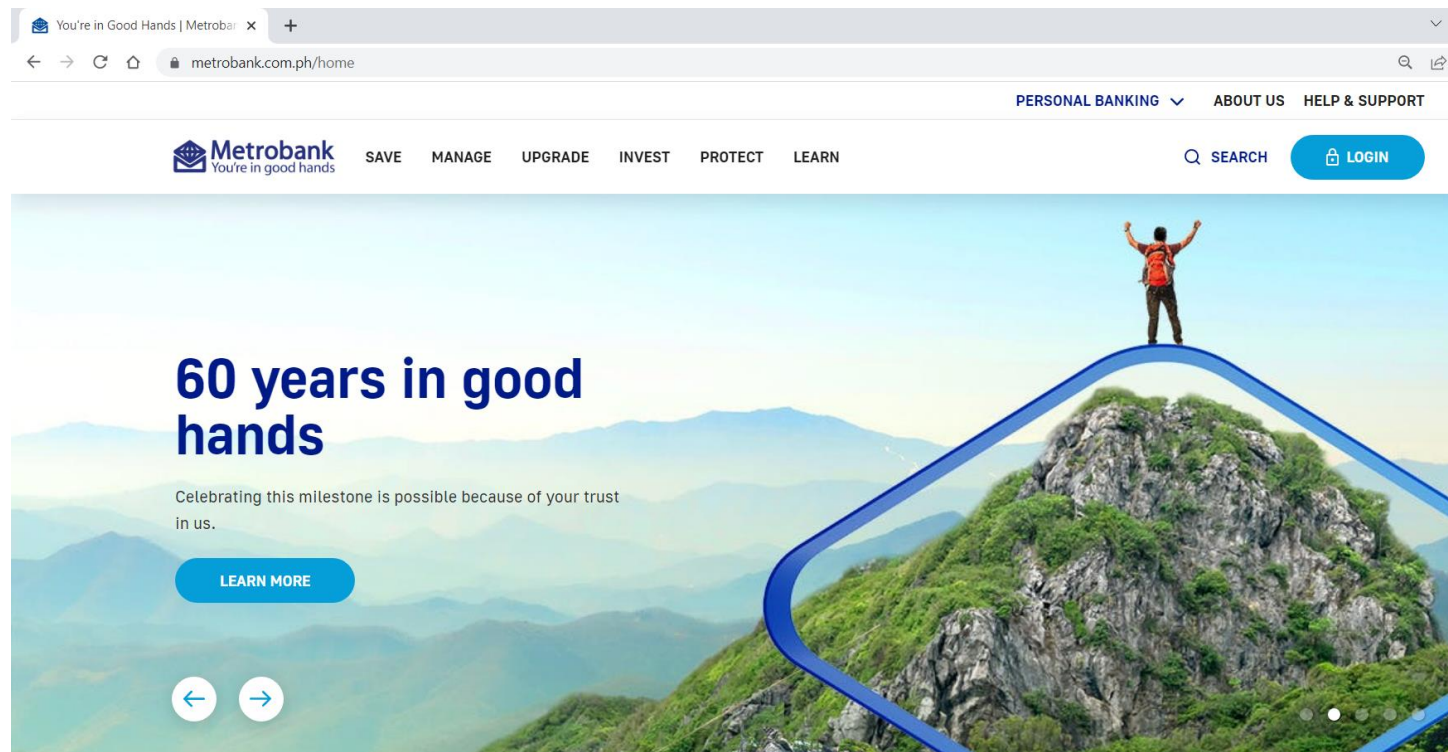
LOAN PORTFOLIO



DEPOSITS



For more information, please visit our website:



For your comments and queries contact us via:
investor.relations@metrobank.com.ph
Tel: (632) 8857 5348

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Latest Annual Reports

[2021](#)



[2020](#)



[2019](#)



Financial Reports

[SEC 17-A](#)

[SEC 17-Q](#)

[BSP SOC](#)

Investor Relations

<https://metrobank.com.ph/about-us/investor-relations-program>

Annual Corporate Governance Report

<https://metrobank.com.ph/about-us/corporate-governance-report>



Best Domestic Bank
in the Philippines
Asiamoney Best Bank Awards 2021

