



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	2022
-9.5%	5.7%	7.6%

- 2022 GDP back to pre-pandemic levels; growth exceeded the government's target of 6.5-7.5%
- Driven by strong consumption spending amid robust demand and improved employment

Inflation

2020	2021	2022	Jan-23
2.4%	3.9%	5.8%	8.7%

- Continued rise in food, housing, water, electricity, gas, and other fuels drove January inflation to a 14 year high.

Policy rate

2020	2021	2022	2M23
2.0%	2.0%	5.5%	6.0%

- Persistent inflationary pressures prompt BSP to raise RRP rate by another 50bps to 6.0% in February 2023

Unemployment rate

2020	2021	Dec-22
10.3%	7.8%	4.3%

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

Business & Consumer Expectations (%)

1Q22	2Q22	3Q22	4Q22
B: 59.7 C: 6.4	B: 46.4 C: 11.2	B: 43.9 C: 13.4	B: 31.3 C: 9.5

- B: Tempered outlook amid inflation concerns, weaker peso, lower demand/sales, and higher interest rates
- C: Less upbeat due to inflation, low income, higher household expenses, and fewer jobs

Capacity Utilization (%)

1Q22	2Q22	3Q22	4Q22
70.2	72.7	72.7	72.1

- Capacity Utilization at 72.1% coming from a low of 66.2% in 3Q20 and near the 75% pre-pandemic level

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

Metrobank Economic Research Forecasts

As of February 21, 2023

	2021A	2022A	2023F	2024F
GDP (2018=100)	5.7%	7.6%	6 – 7% (DBCC ¹ : 6.0-7.0%) (IMF: 5%)	6 – 7% (DBCC ¹ : 6.5-8.0%) (IMF: 6%)
Inflation (2018=100)	3.9%	5.8%	5.0 – 6.0% (DBCC ¹ : 2.5-4.5%) (BSP, 6.1% ²)	4.5 – 5.5% (DBCC ¹ : 2.0-4.0%) (BSP, 3.1% ²)
BSP RRP rate	2.0%	5.50%	6.00%	5.00%
PHPUSD Trend	50.77	56.12	55.1	54.4

DISCLAIMER INFORMATION

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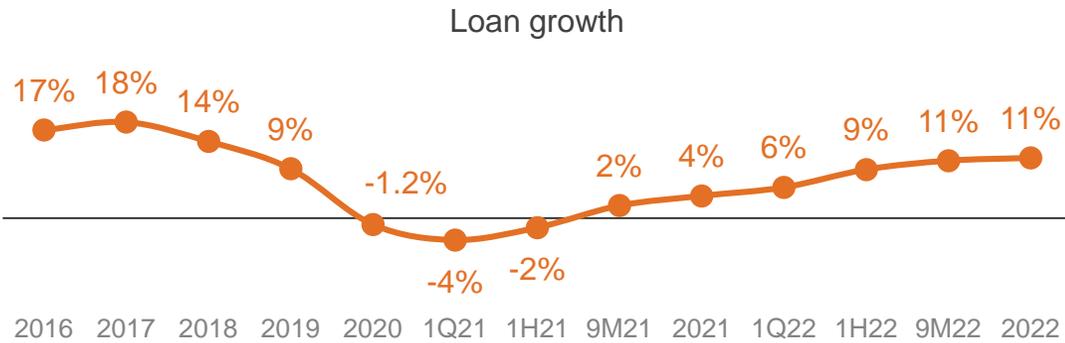
*Notes:

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 February 16, 2023 Monetary Policy Meeting

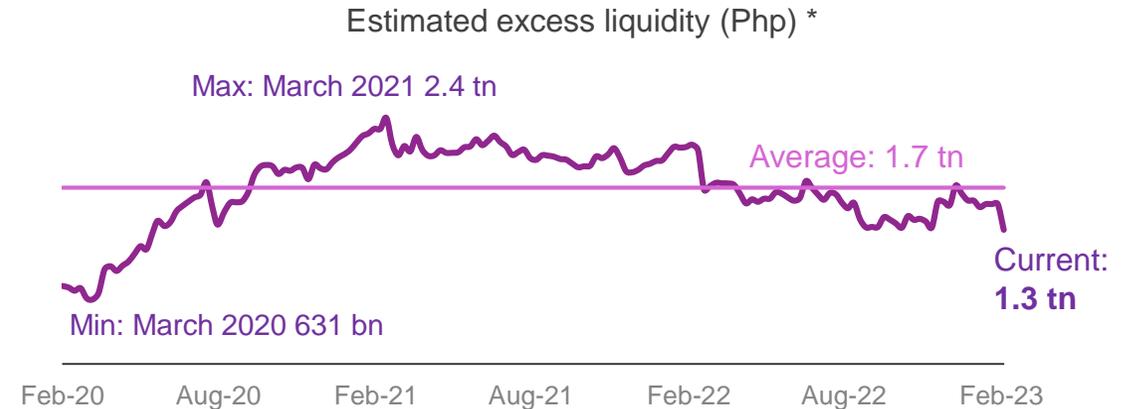
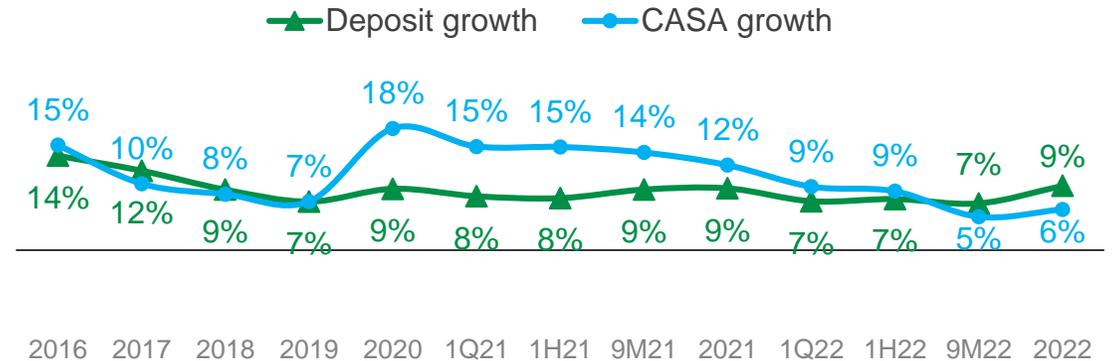
Banking Industry: Loan recovery amid improving NPLs

Recovery in loan growth continues, asset quality improves



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

Easing deposit and CASA growth



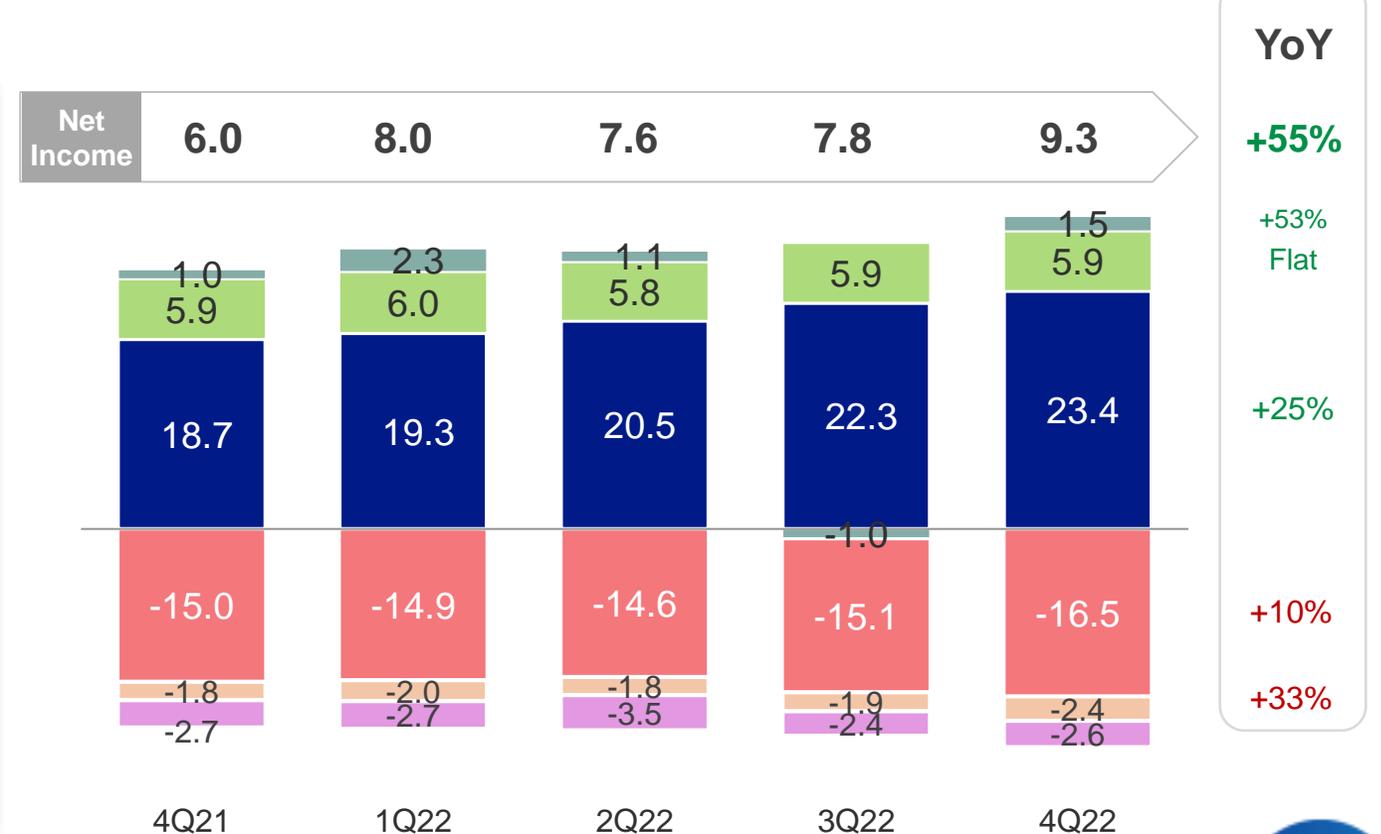
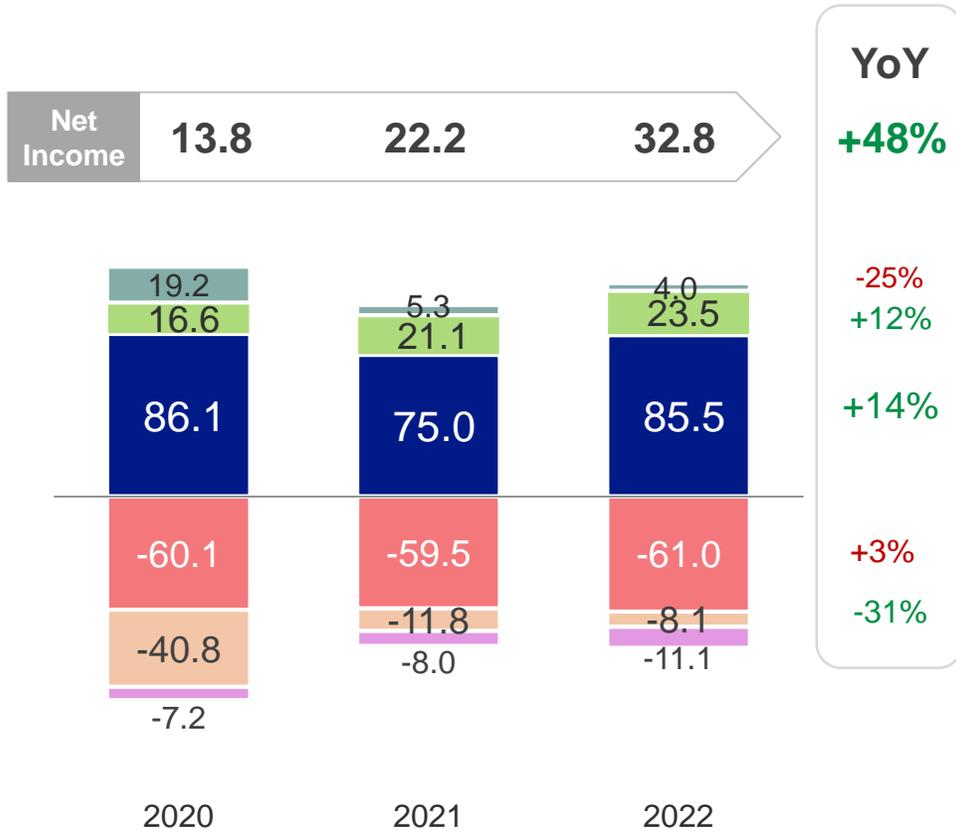
*Note: Excess Liquidity = Reverse Repurchase Facility + ODF + TDF + BSP Bills – Rediscounting – OLF

FINANCIAL PERFORMANCE

FY 2022

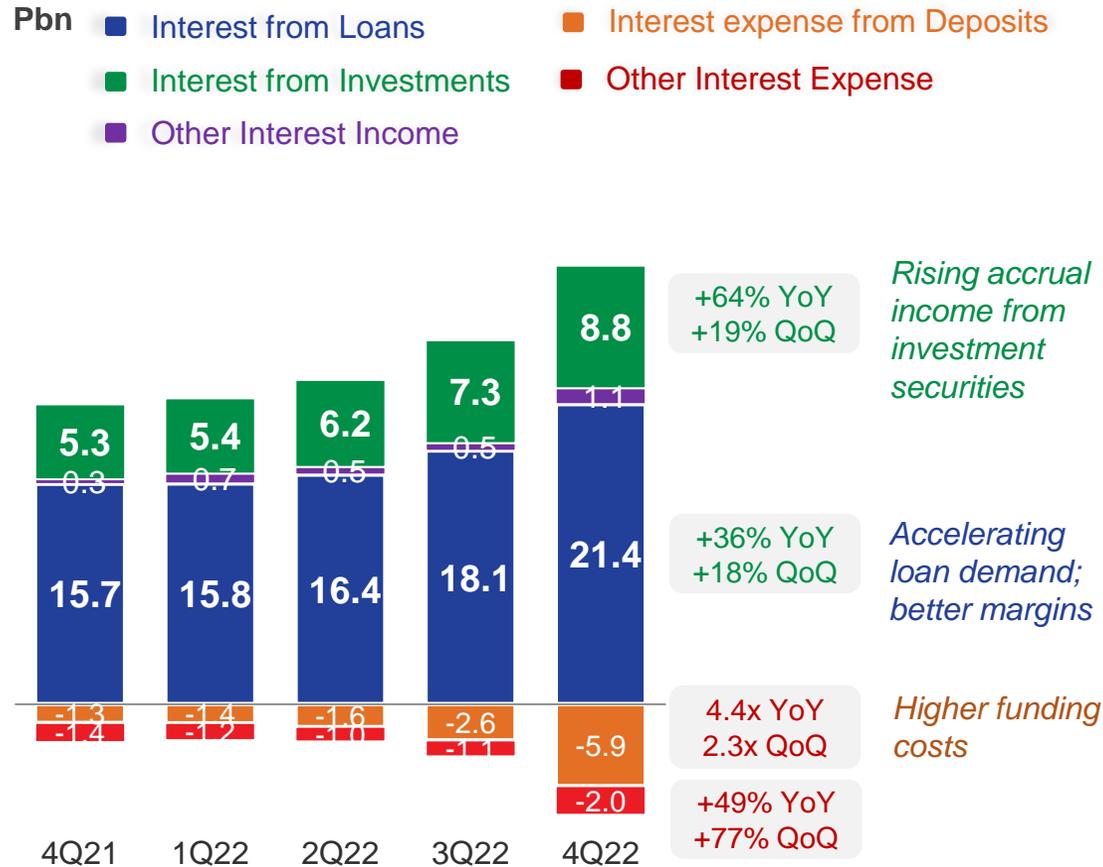
Record net income; better performance in most fronts

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

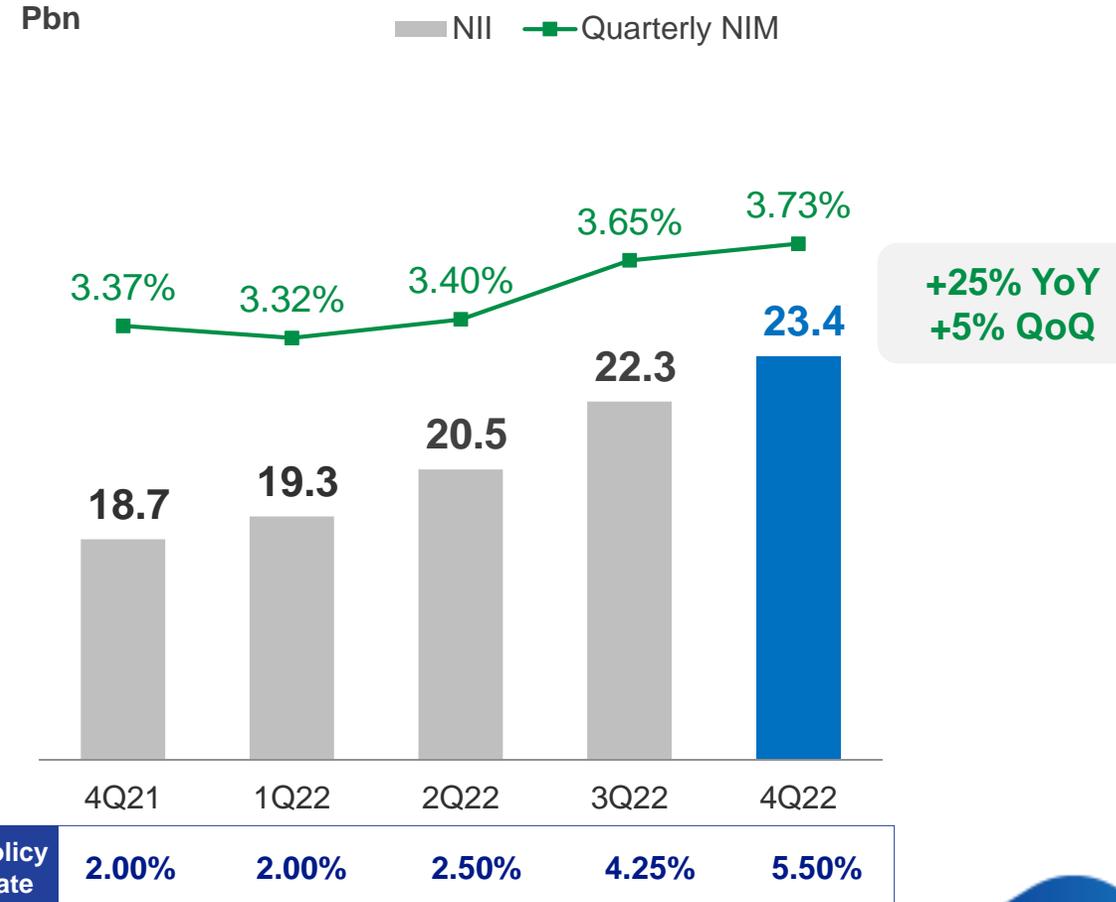


Improving net interest income and NIM

Interest income building up

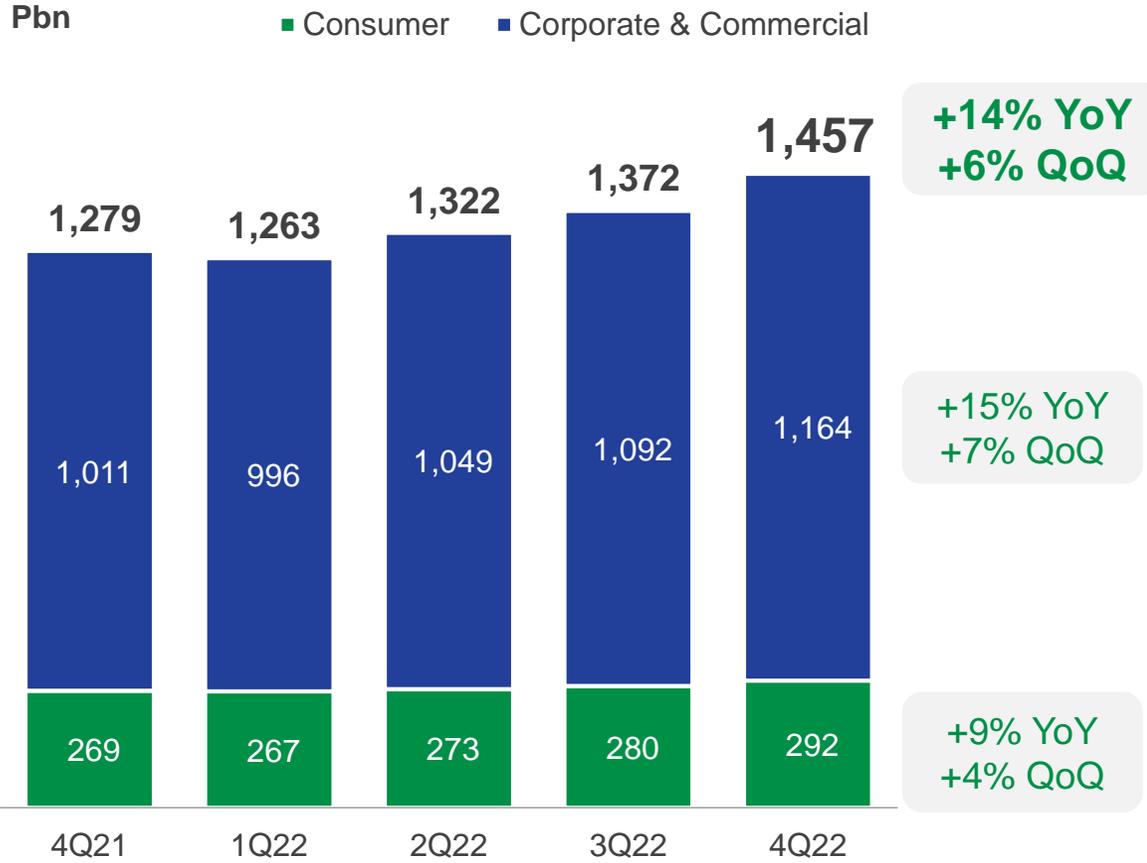


Margins still on an uptrend

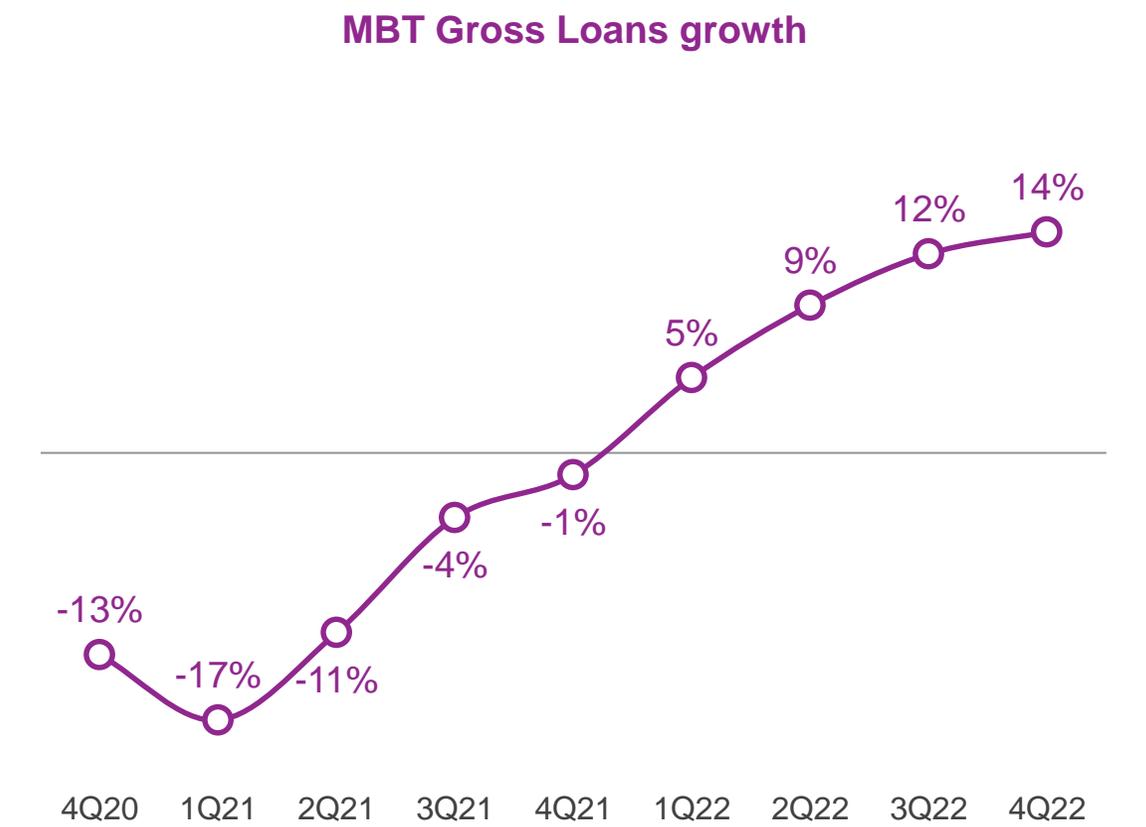


Loan book expanding, driven by corporate demand

Strong commercial demand driving loan growth



Positive loan momentum sustained



Note: Gross of Unearned Interest and Discount (UID)

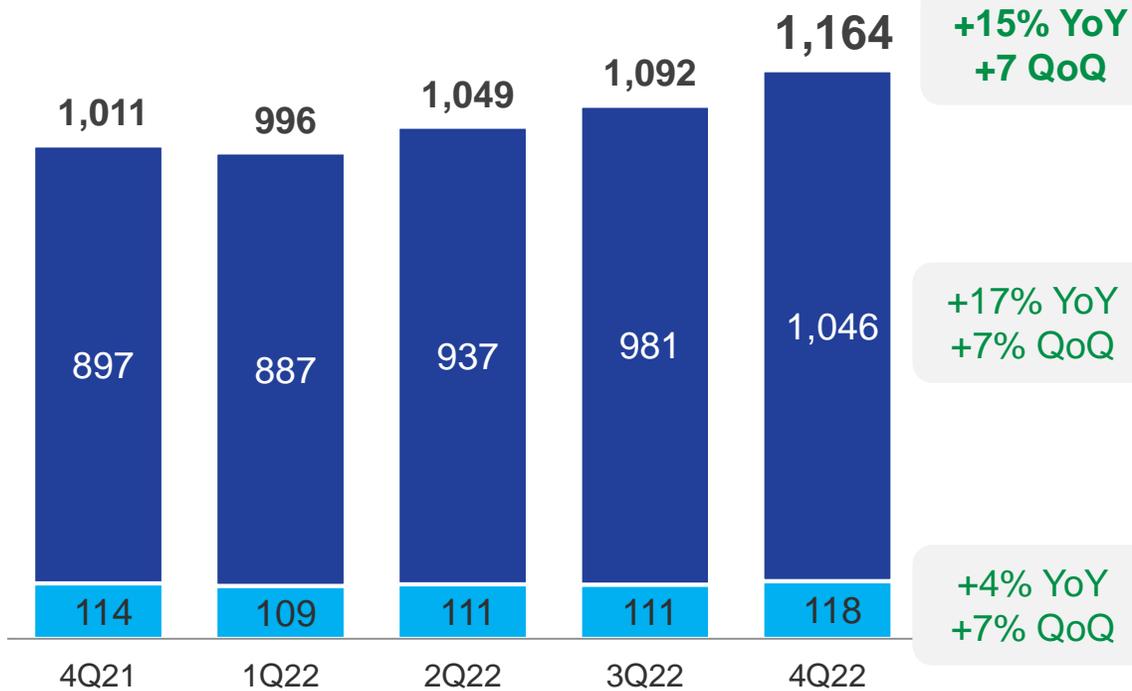


Corporate segment driving loan demand

Corporate continues to lead growth

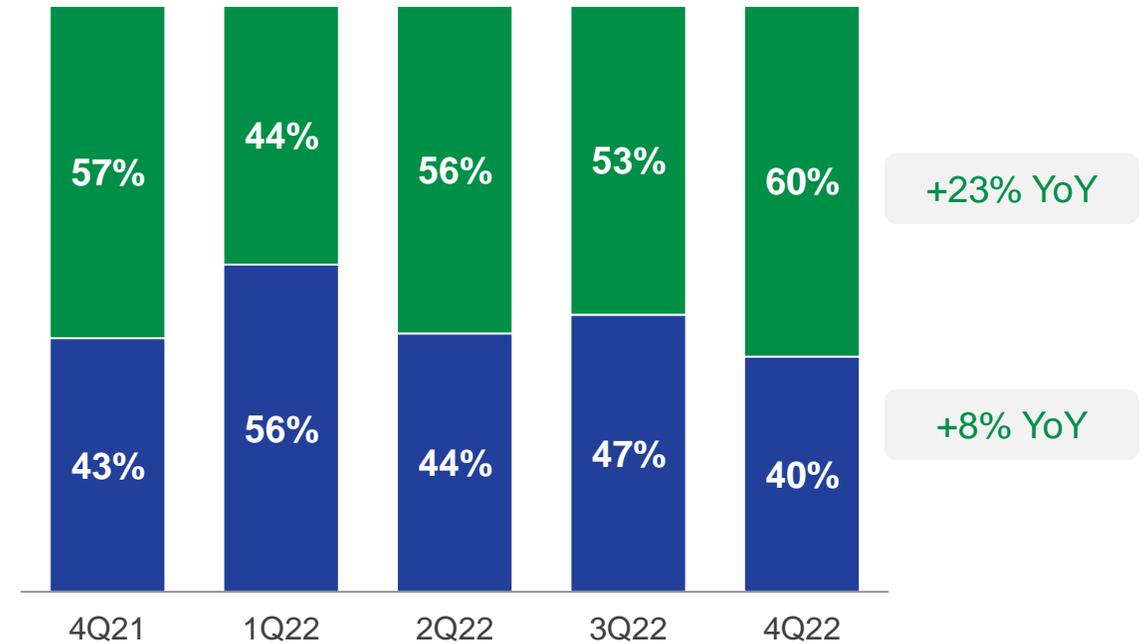
Pbn

■ SME ■ Corporate & Middle Market



Loans by remaining maturity (Parent only)

■ Long term ■ Short term

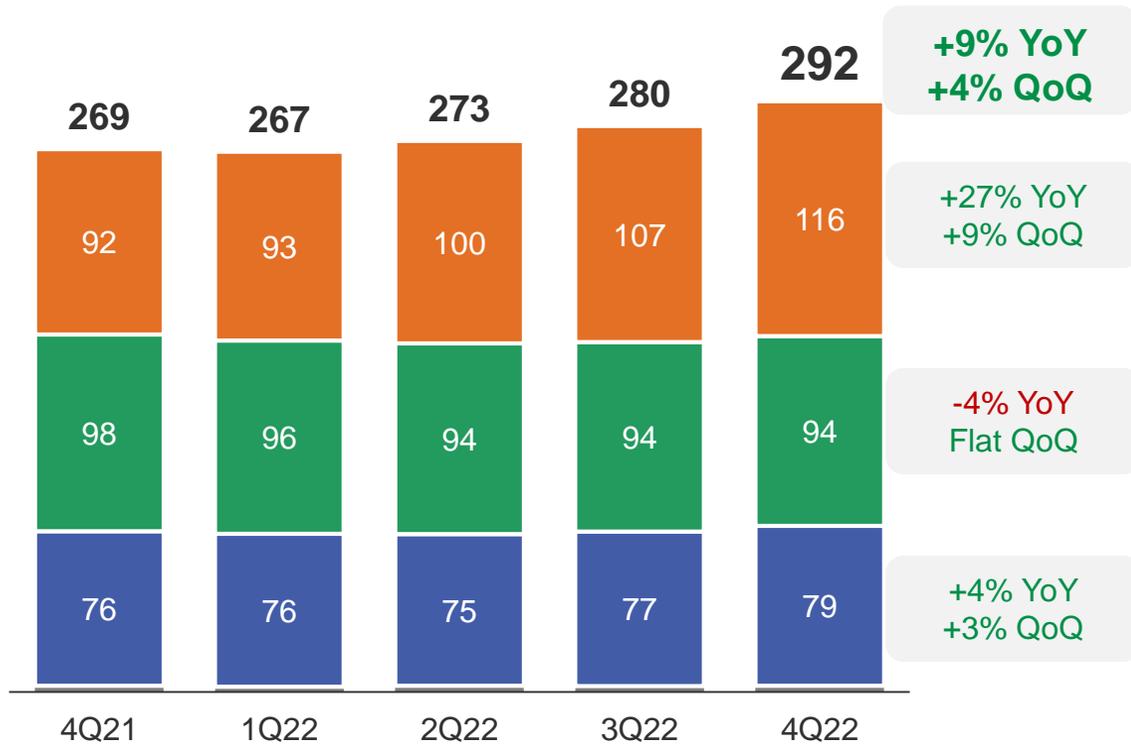


Note: BSP defines SMEs as enterprises with assets worth up to P100 mn

Consumer loans driven by credit cards

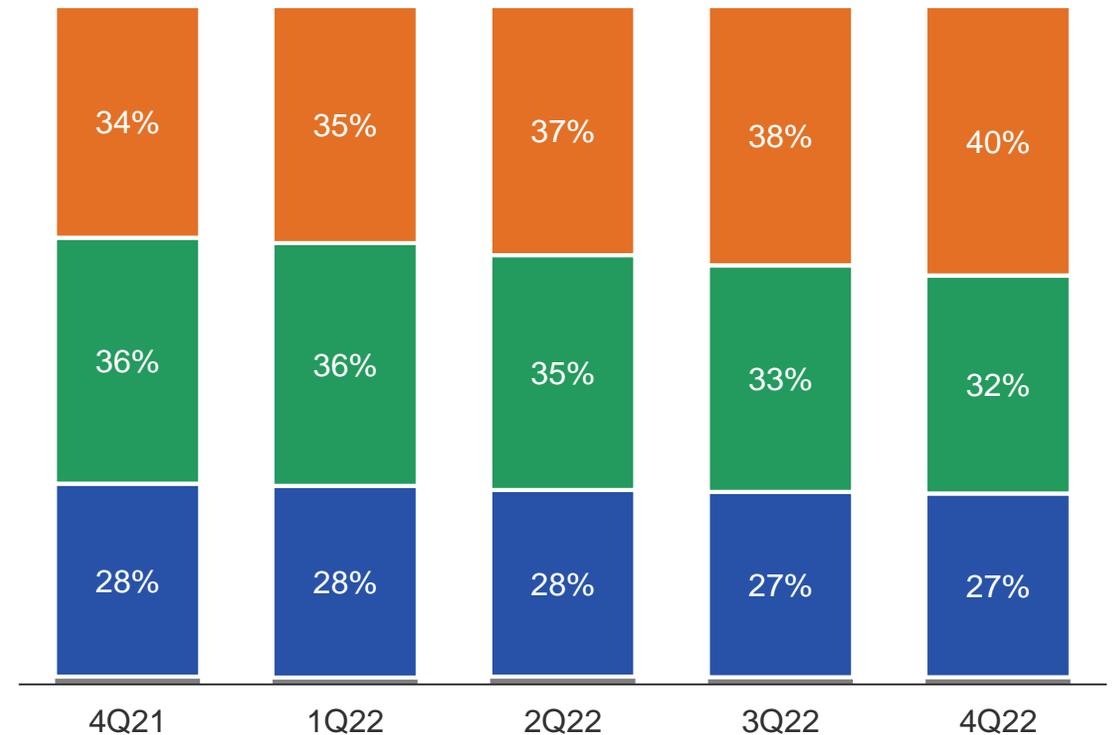
Consumer Loans Breakdown

Pbn ■ Others ■ Auto ■ Housing ■ Credit Card*



*Note: Gross of Unearned Interest and Discount (UID)
Credit card receivables net of UID amounted to P106bn, +29% YoY

Consumer Loans By Product

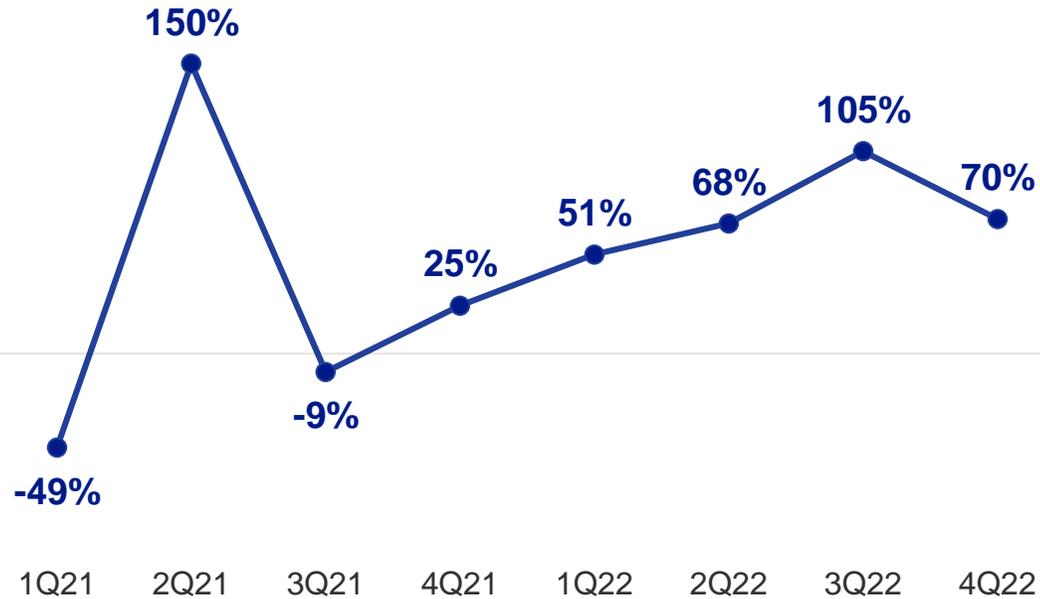


Encouraging trends in big-ticket consumer loans production

New car loans production accelerates



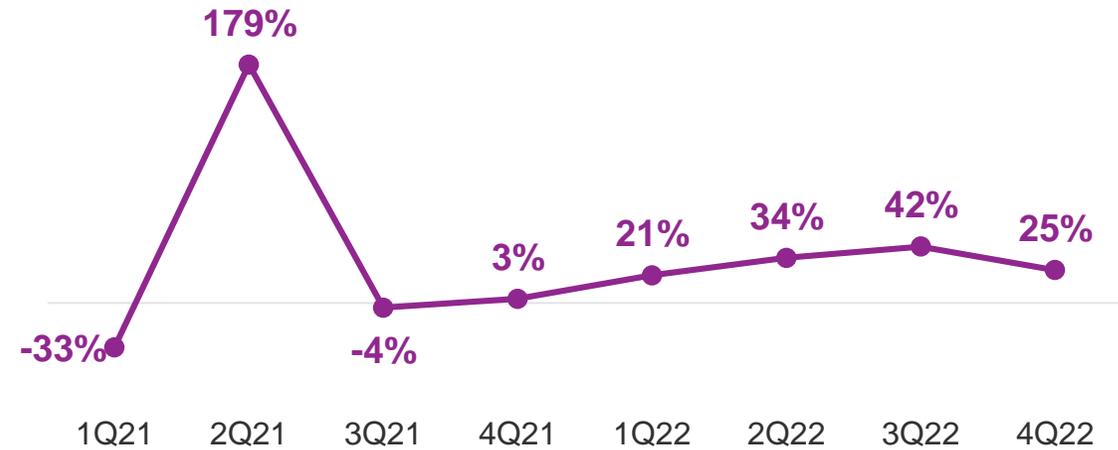
+70% YoY
New car loans



New home loans on an uptrend

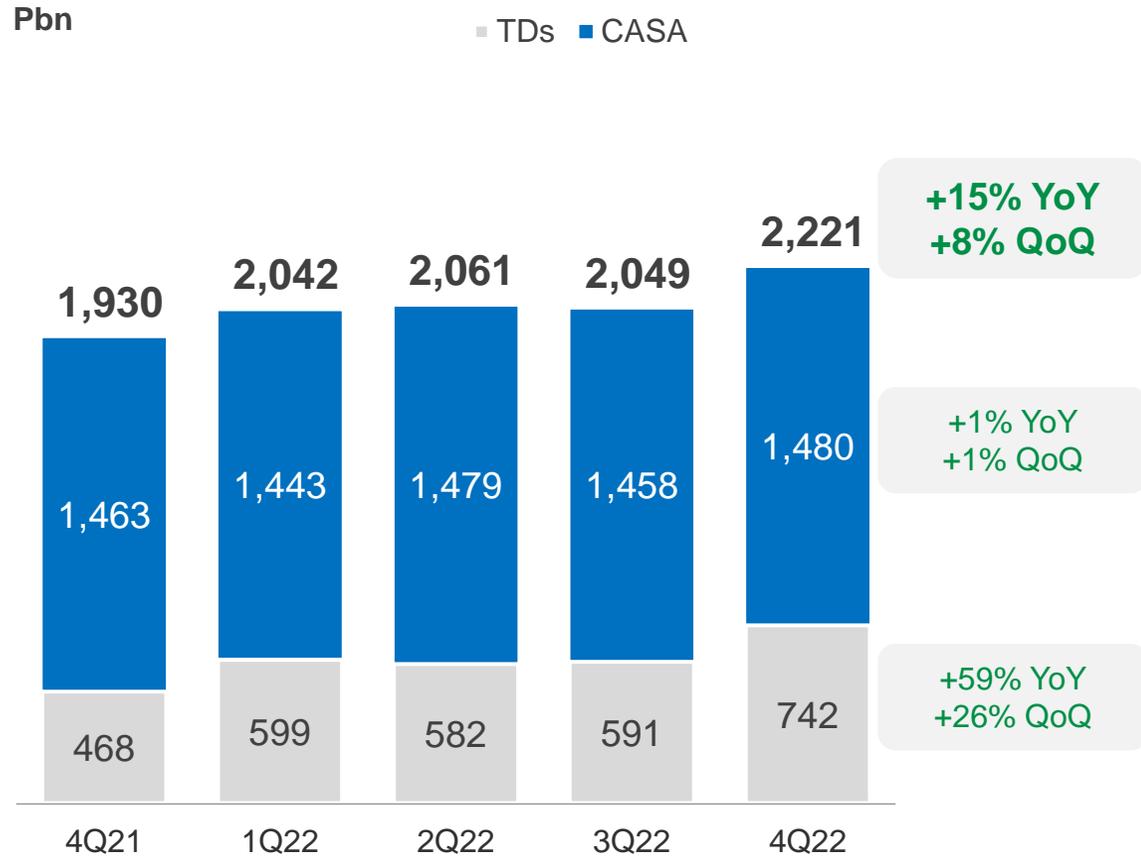


+25% YoY
New home loans

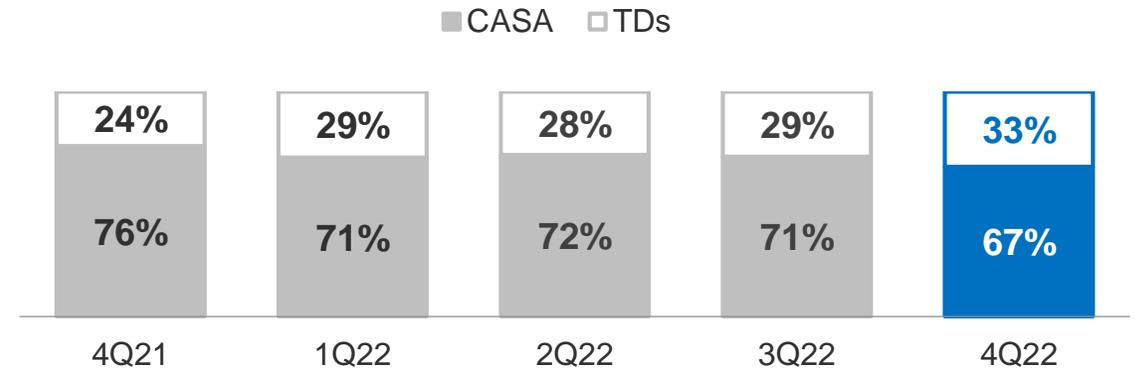


Stable CASA generation

CASA continues to pick up



CASA ratio eases but still above pre-pandemic level

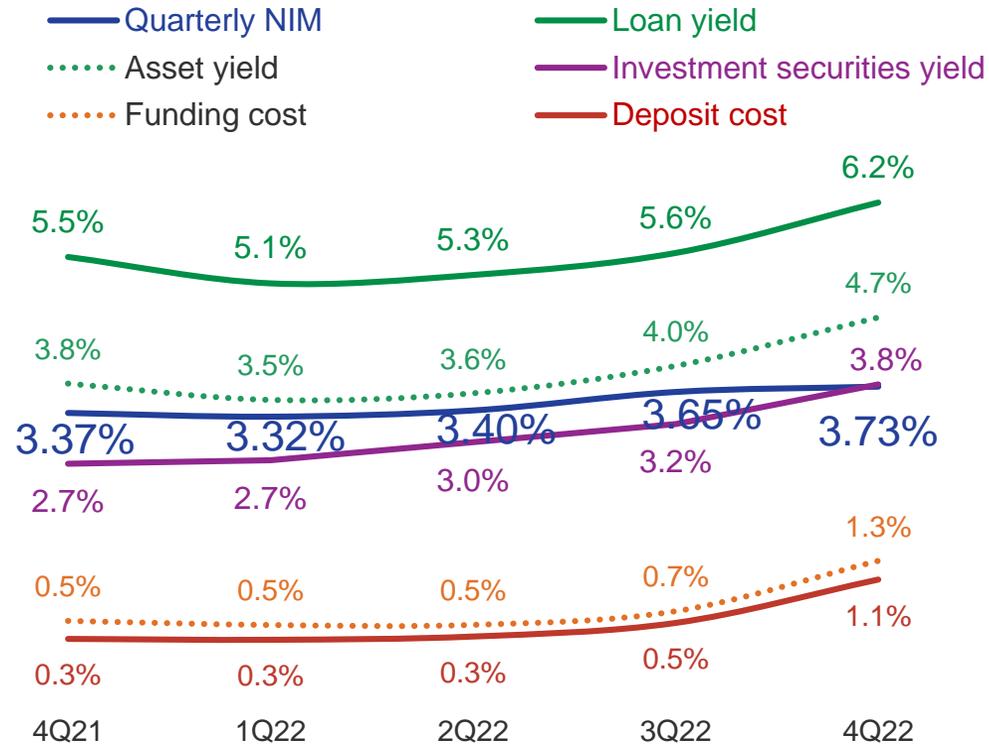


CASA Deposits per Branch



Improving margins

Better asset yields offsetting uptick in funding costs



Policy rate	2.00%	2.00%	2.50%	4.25%	5.50%
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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

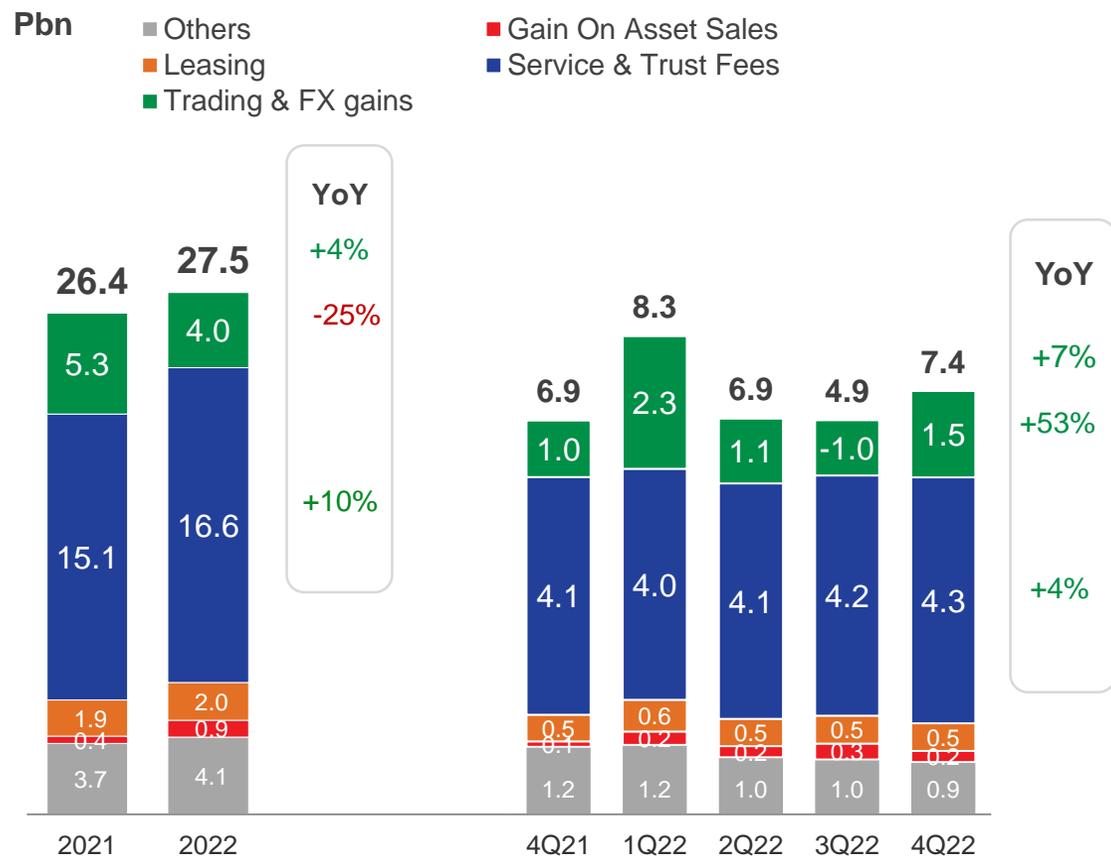


Notes:

- 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

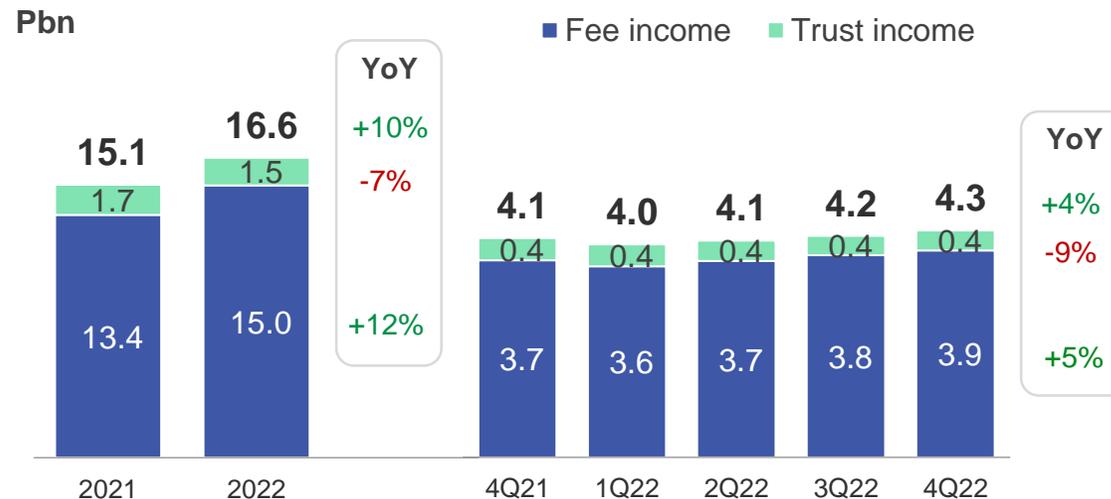
Rising fee income driving non-interest income growth

Modest growth in non-interest income

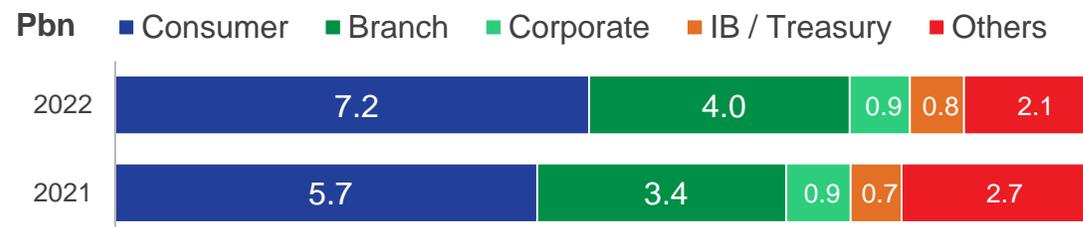


Note: Others include Dividend income, Gain on recognition of investment properties, Recovery on charged-off assets, IT and other fees

Healthy fee income...



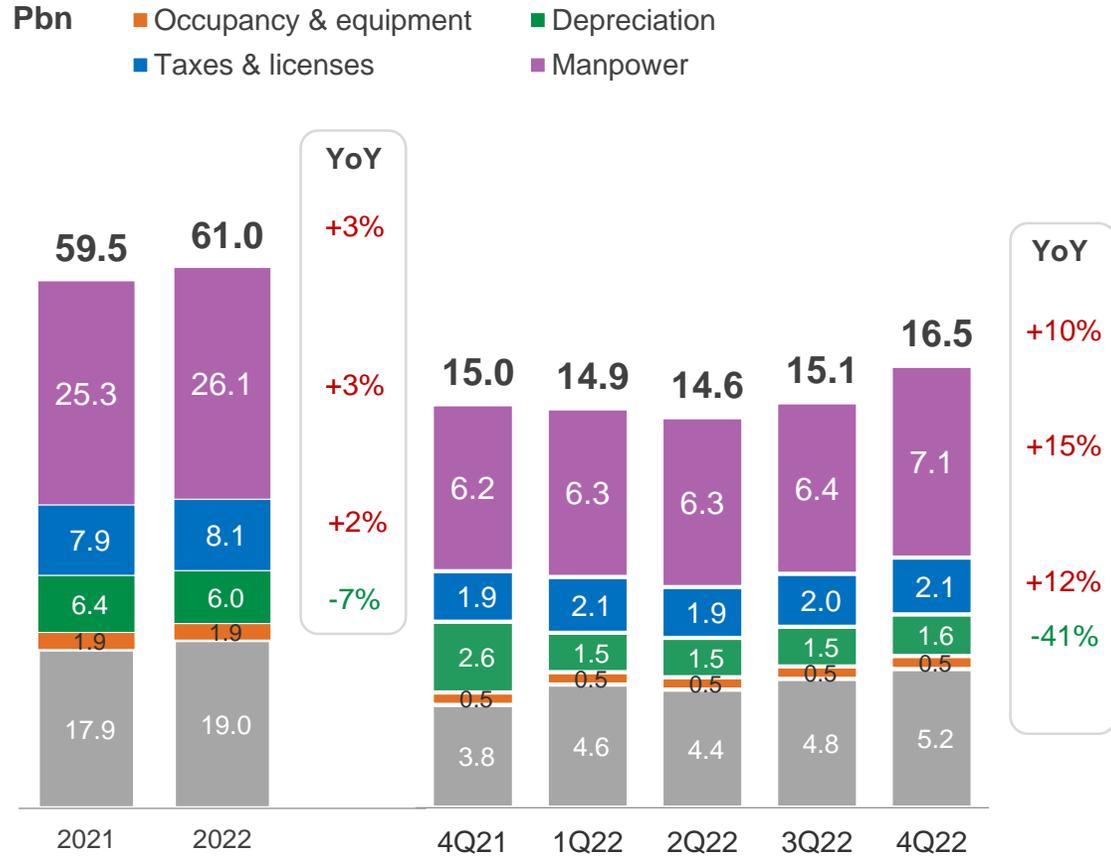
...driven by consumer segment



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

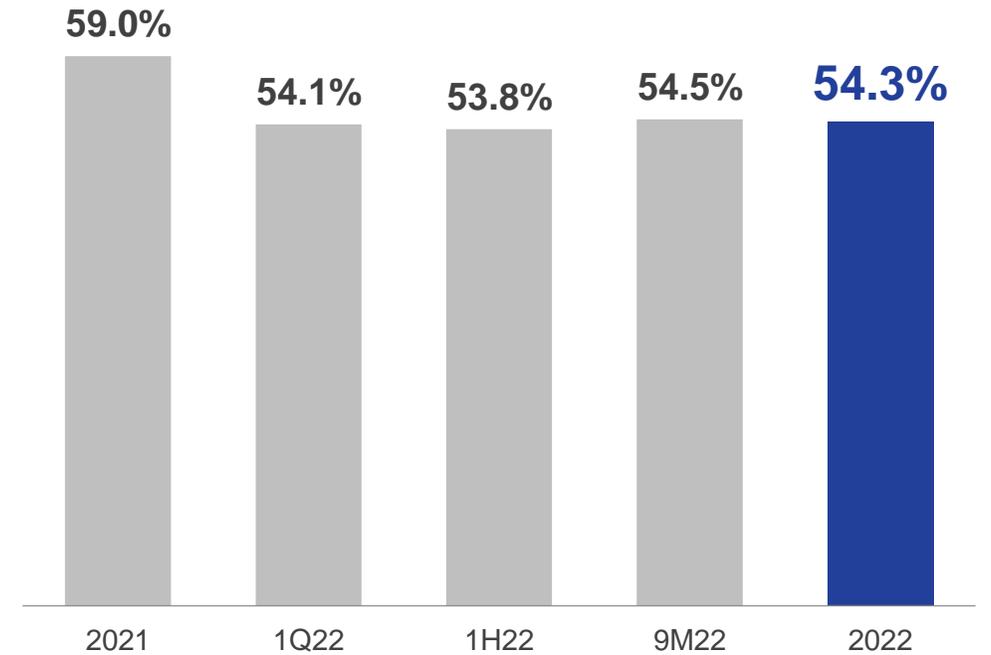
Costs kept under control

Steady opex levels



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

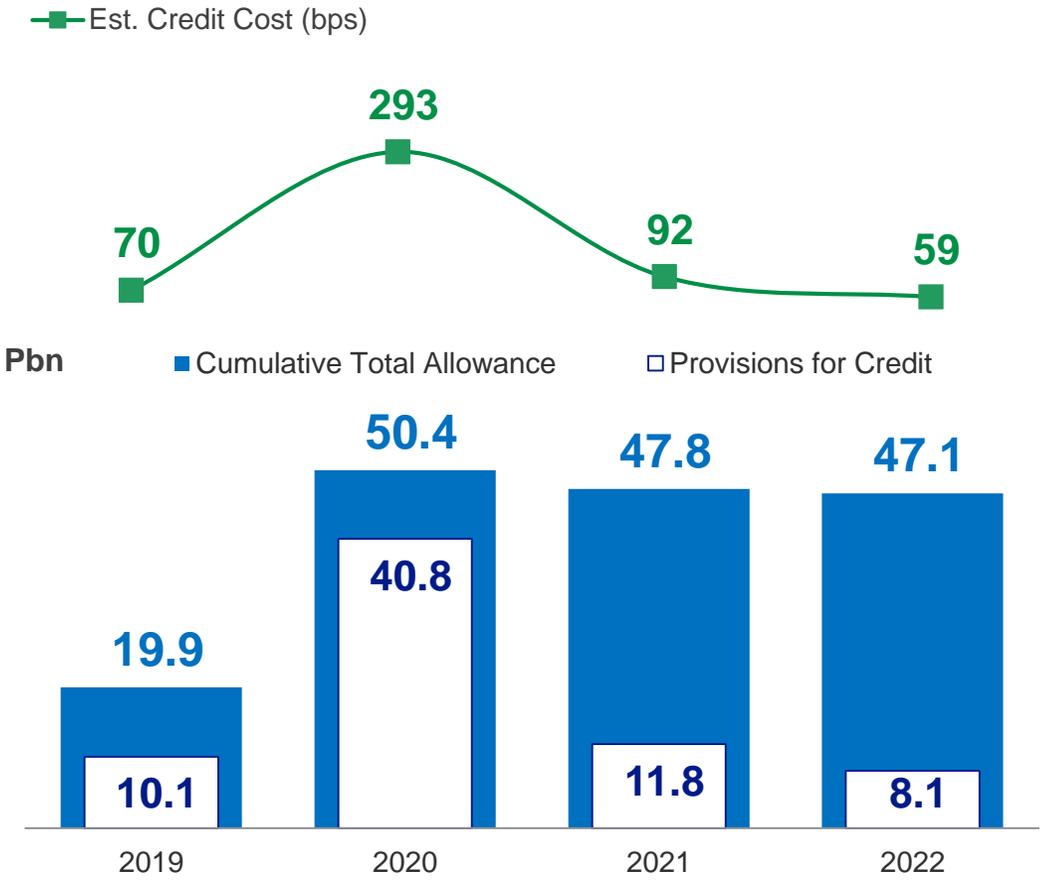
Improving cost-to-income ratio



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

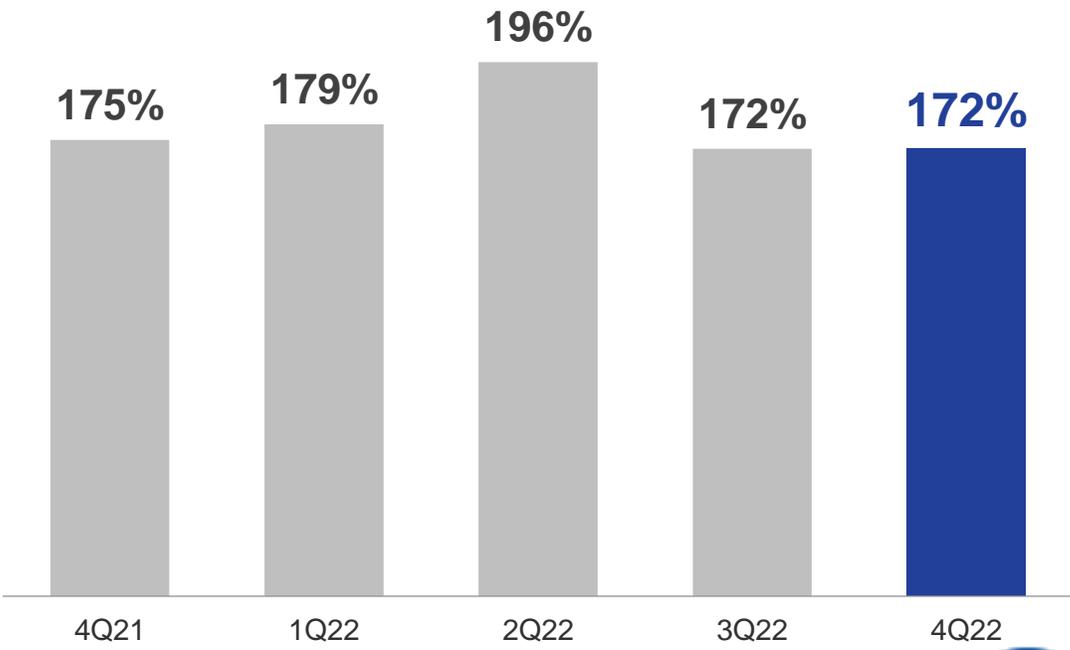
Lower provisions, ample cover maintained

Credit costs continue to ease



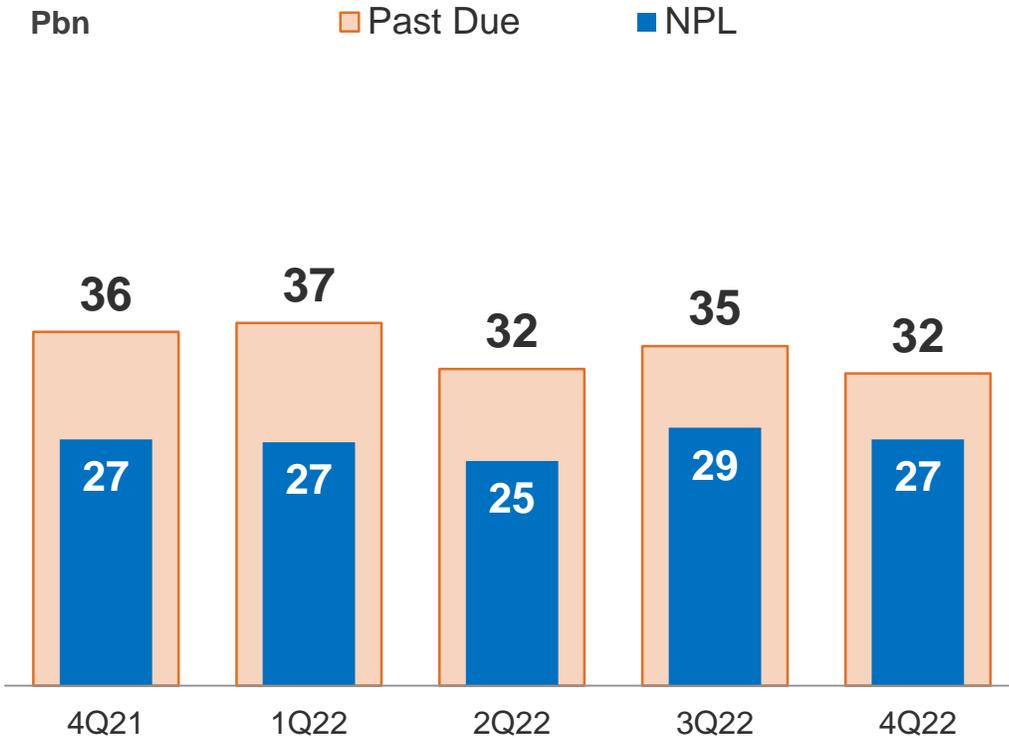
Note: Estimated credit cost = Annualized Provisions for Credit / Ave. Gross Loans & Receivables

Hefty provision cover

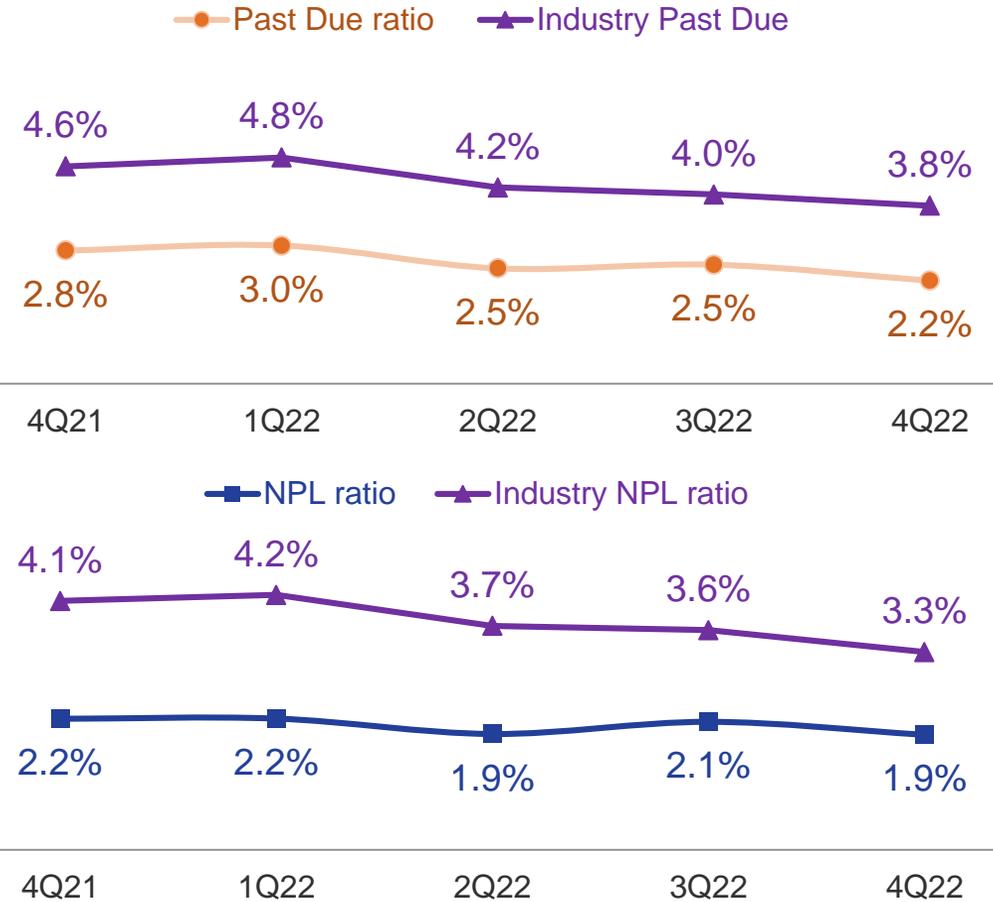


Asset quality better than industry

NPL and Past Due loans



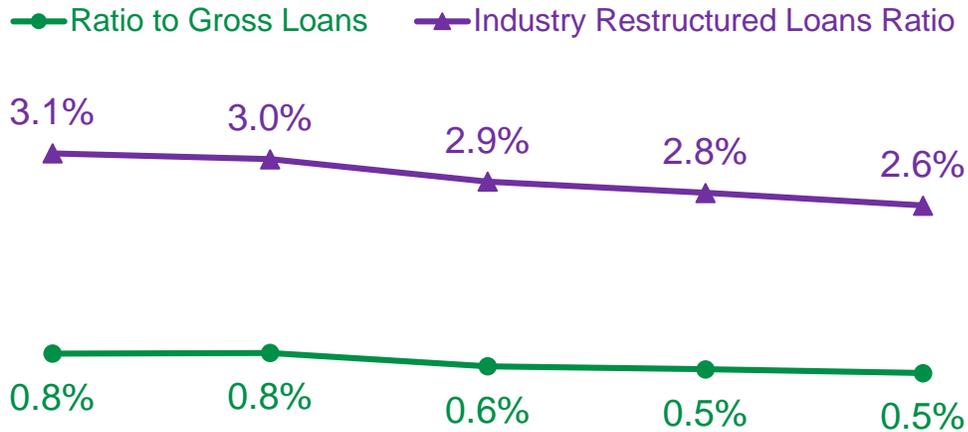
NPL and Past Due ratios much lower than industry



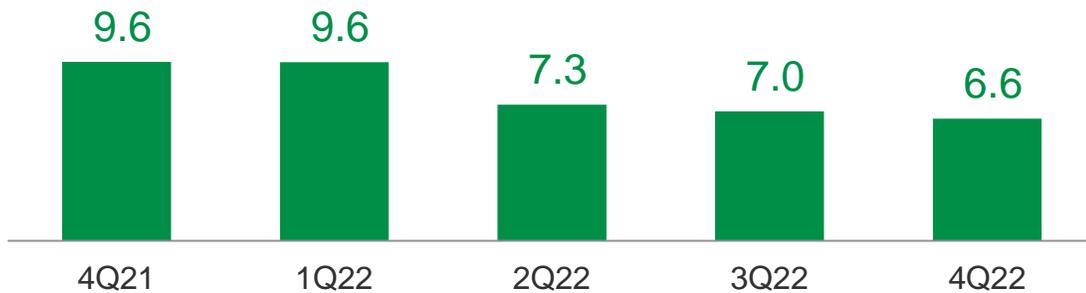
Note: Gross loans net of Unearned Interest and Discount (UID)
Industry Data refers to the latest Philippine Banking Sector data from the BSP

Asset quality better than industry

Restructured loans level off

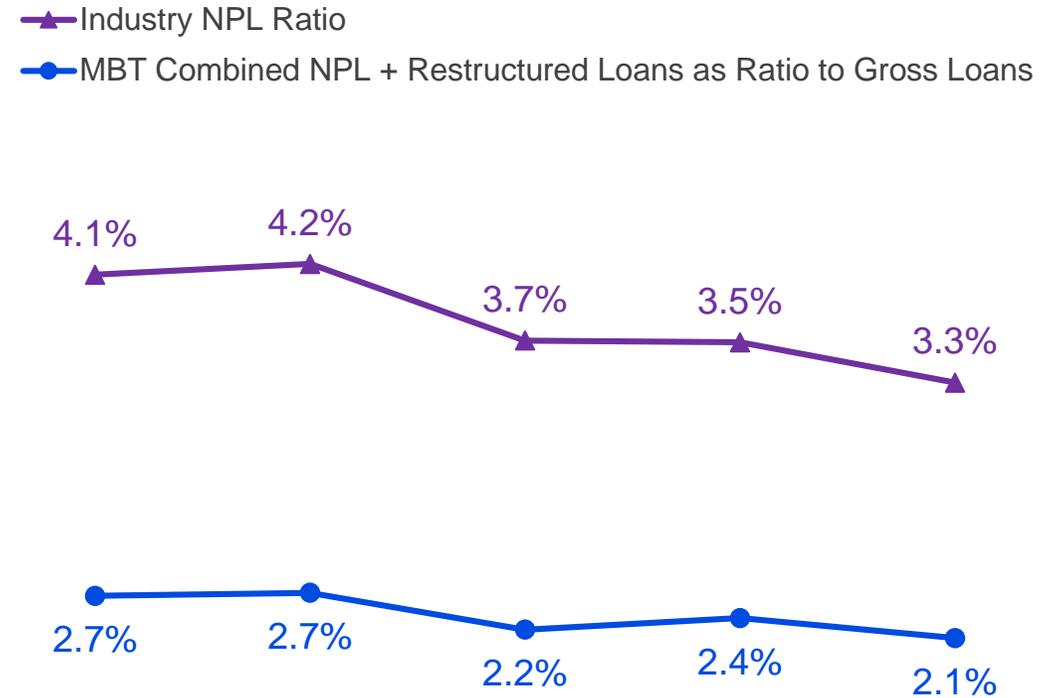


Pbn



Note: Gross loans net of Unearned Interest and Discount (UID)
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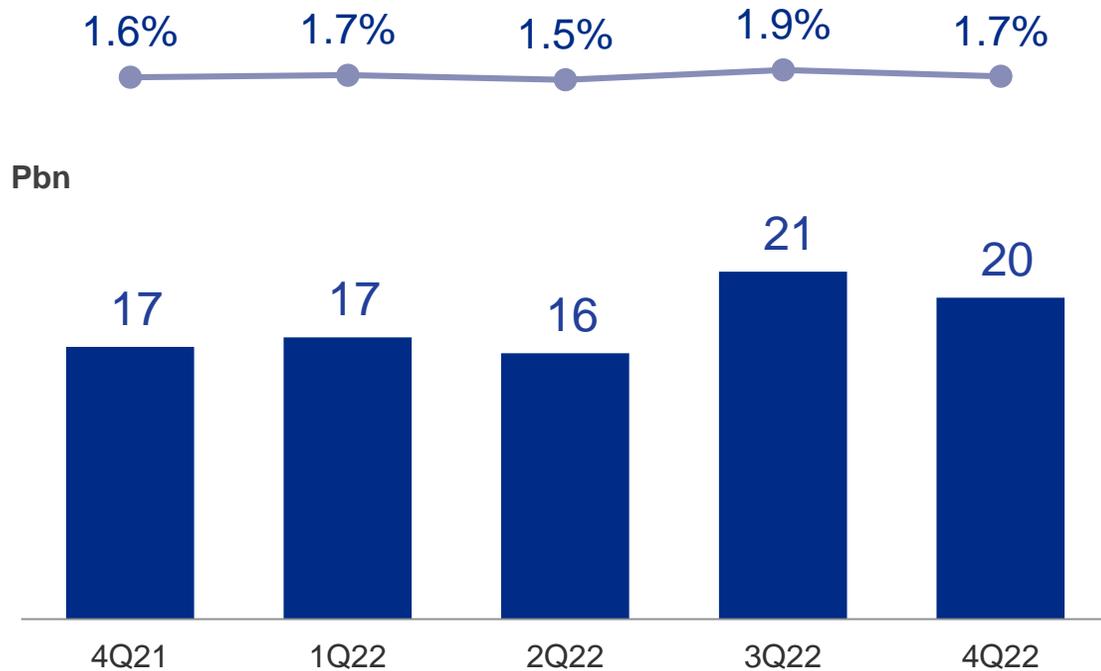
Combined NPLs/Restructured still below Industry NPL Ratio



NPLs remain manageable

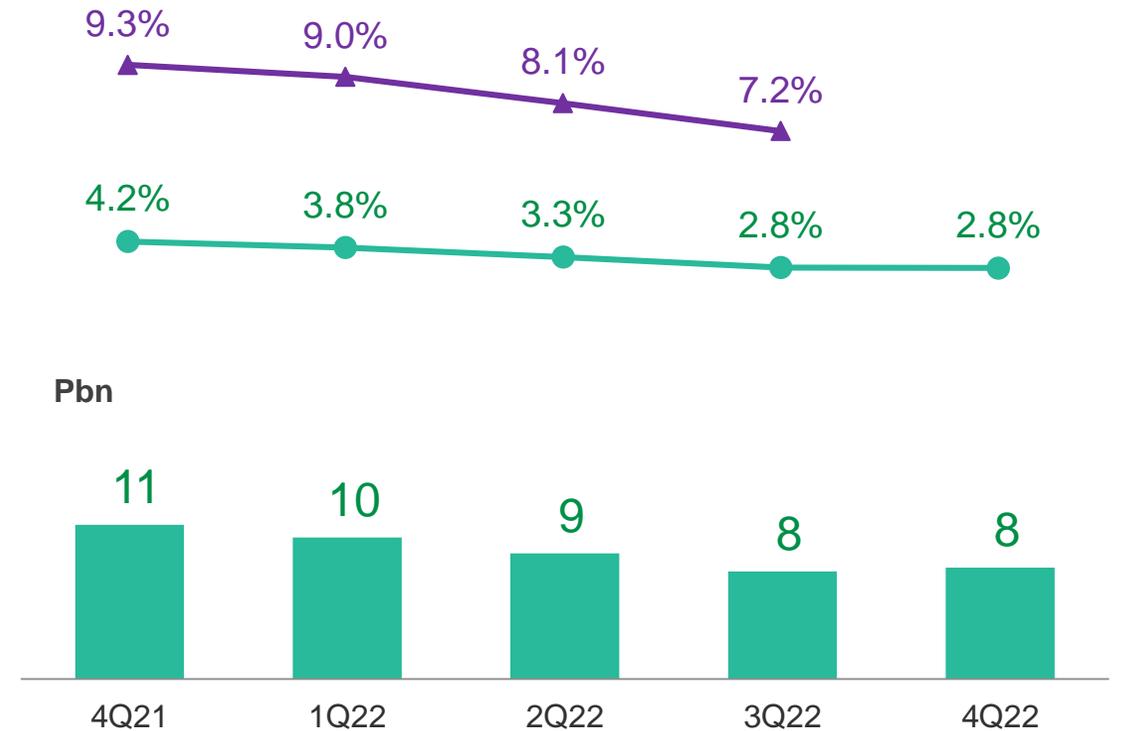
Commercial NPLs

■ NPLs ● NPL ratio



Consumer NPLs

● NPL ratio ▲ Industry Consumer NPL ratio

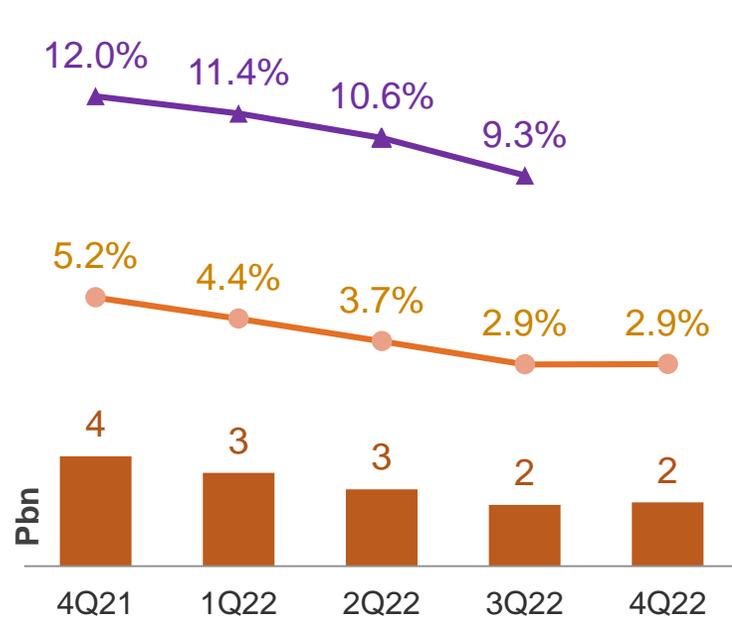


Note: NPL Ratios computed using Net of Unearned Interest and Discount (UID)
 *Industry Data refers to Philippine Banking Sector data from the BSP

Consumer NPLs well below industry levels

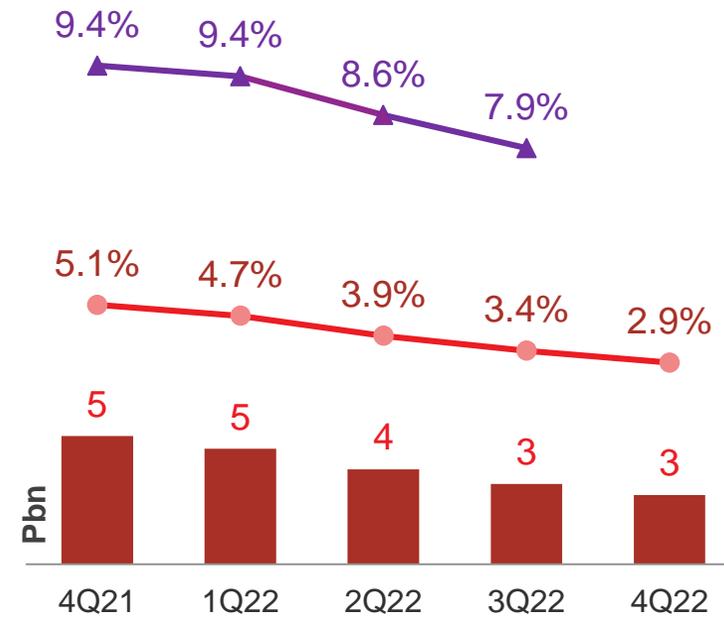
Auto

■ NPLs ● NPL ratio ▲ Industry



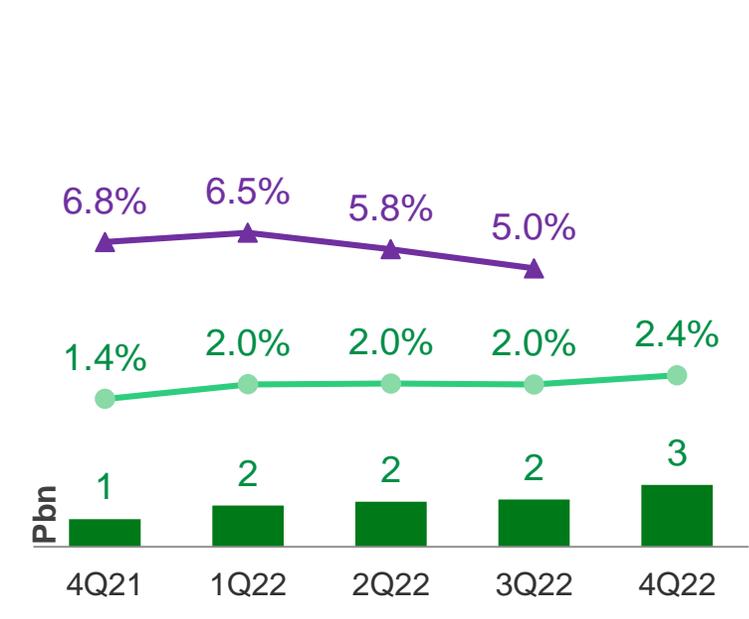
Home

■ NPLs ● NPL ratio ▲ Industry



Credit Cards

■ NPLs ● NPL ratio ▲ Industry

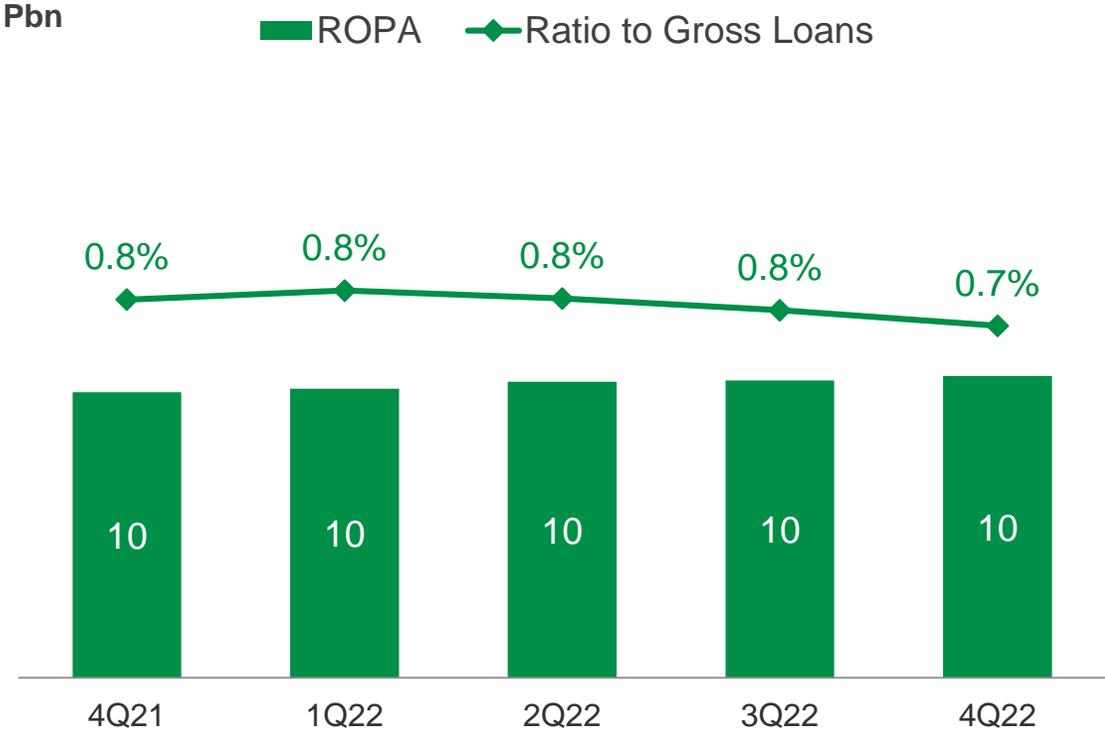


Note: NPL Ratios computed using Net of Unearned Interest and Discount (UID)
Industry Data refers to Philippine Banking Sector data from the BSP

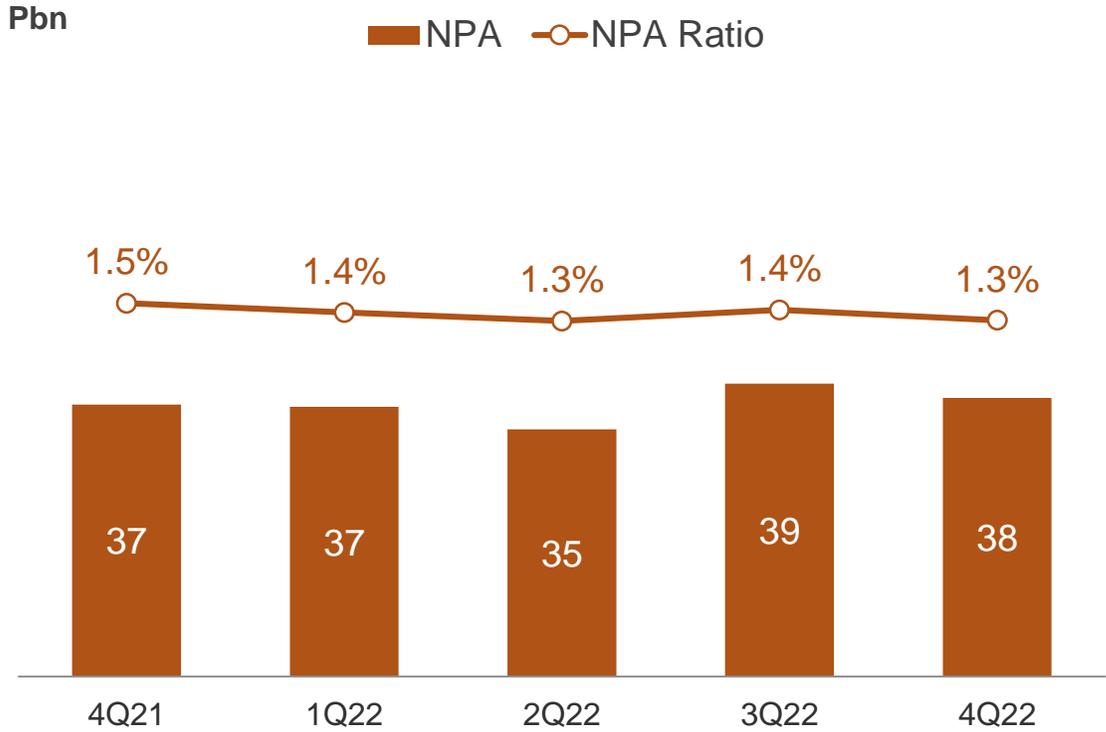


Other asset quality indicators remain stable

Real and other properties acquired (ROPA)

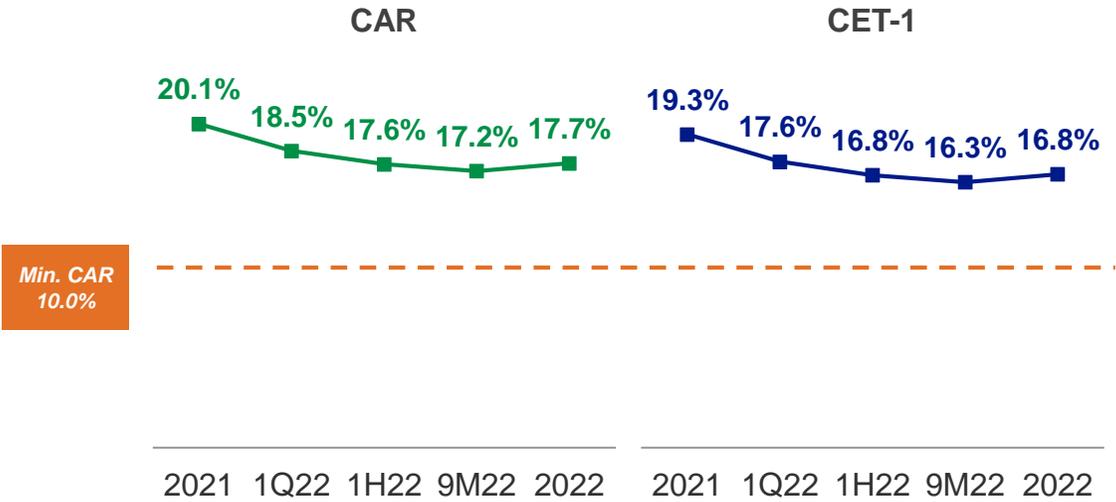


Non-Performing Assets (NPA)

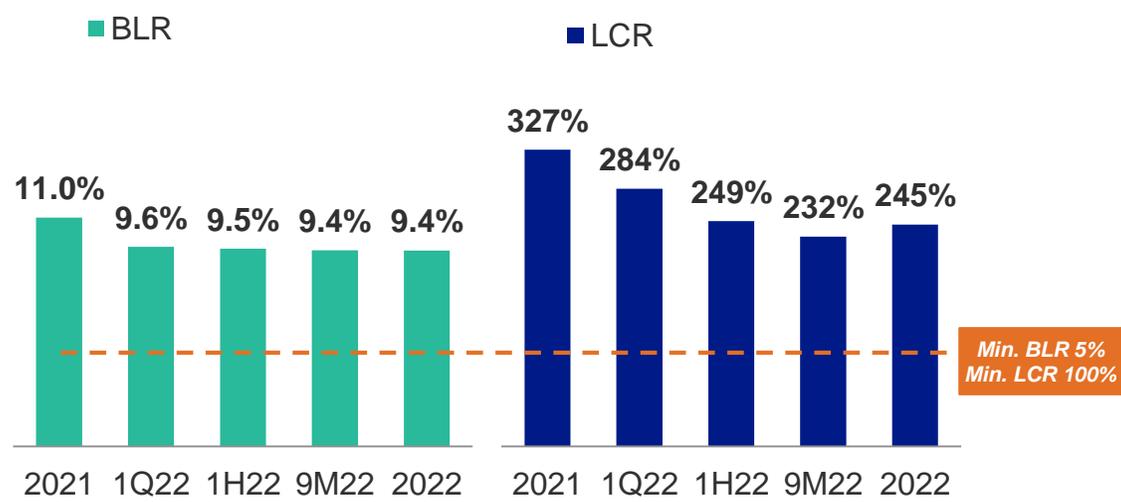


Healthy capital and liquidity levels provide ample support

Capital Ratios above minimum thresholds

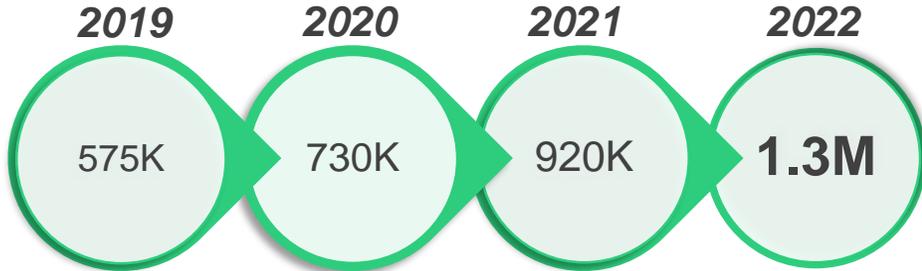
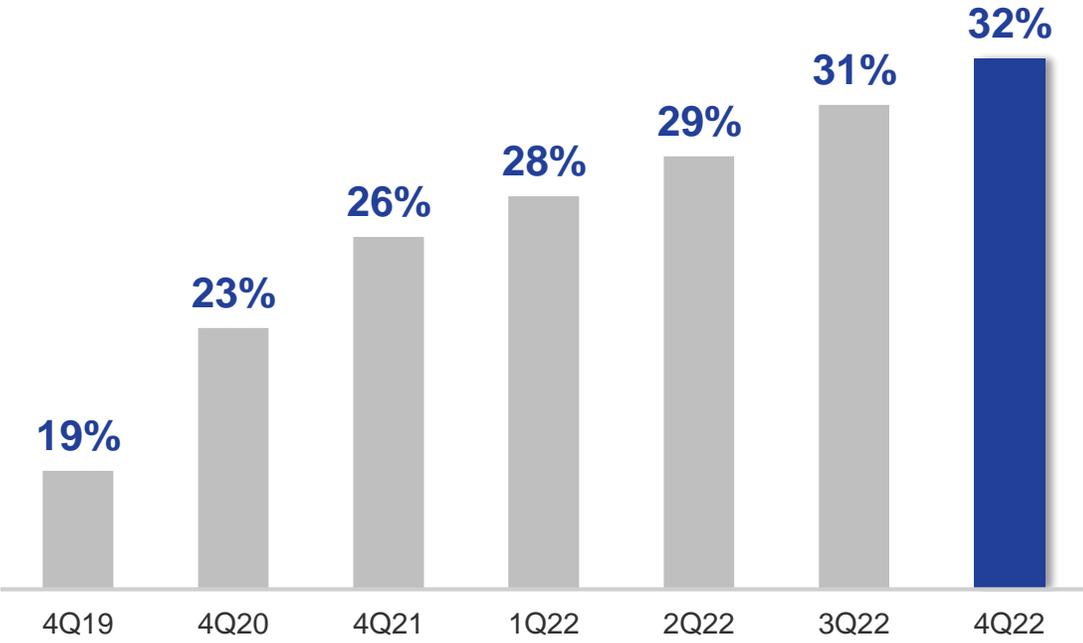


High Basel III Leverage Ratio, Liquidity Coverage Ratio

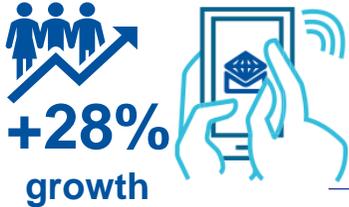


Improving digital metrics on retail clients

Digital penetration rate on a continuous upward trend, now at 32%, with 1.4M total digital users



Active base with over 1M users – 87% active rate vs 81% pre-pandemic



+28% growth

Continuous growth in mobile app downloads, vs 4Q 2021



Special dividend declaration in 2023

1. Improving growth prospects

Sufficient buffer to cover healthy loan demand over the medium term

2. Strong NPL risk buffers already in place

NPL cover remains ample vs. risk of rising NPLs

3. Medium term prospects support higher internal capital generation

Current capital still allows for robust expansion as economy rebounds

4. Post-special dividend, CET1 Ratio is robust

- Well clear of the minimum CET1 Ratio for D-SIBs
- Still significantly better than peers

5. Lift to ROE

- Higher payout reflects better profitability levels
- Supportive of ROE recovery

Key information

Regular Cash
Dividends
per share

- Php1.60
- Semi-annual payout

Special Cash
Dividends
per share

- Php1.40
- To be paid out in the 1st semester

Record Date
(1st payout)

17 March 2023

Payment Date
(1st payout)

31 March 2023

Outlook – Positives and Challenges



- **Loan growth to move in line or better than GDP growth**
- **Sustained NIM improvement on rising yields**
- **Improving revenue base to support accelerated IT spending and capacity expansion. CIR expected to stay at mid 50s.**
- **High reserve cover supportive of stable credit costs**
- **Healthy capital and liquidity position favourable to asset expansion prospects**

- **Macro risks to demand recovery and asset quality:**
 - External - geopolitical issues; recession
 - Internal - inflationary pressures, forex volatility
- **Tighter market liquidity levels leading to funding costs pressures**
- **Volatile capital markets to cap trading income and result in MTM losses**
- **Any unforeseen movements on regulatory pricing**

SUMMARY

- ✔ Sustained strong performance: rising loans, better margins, healthy fee income, stable operating costs and lower provisions.
- ✔ Improving profitability levels will support continued investments in IT and manpower assets to make banking easy and secure for our customers.
- ✔ Strong capital base and high liquidity ratios make Metrobank well positioned to support client needs in an expanding economy.
- ✔ Stable asset quality with substantial NPL cover provides strong buffer against macro risks.
- ✔ We will continue to monitor economic conditions and implement strategies that will balance growth and improve shareholder returns on a sustainable basis.

Financial Summary

In PHP billion

Income Statement	FY 2021	FY 2022	YoY	4Q 2021	4Q 2022	YoY
Net Interest Income	75.0	85.5	+14%	18.7	23.4	+25%
Non Interest Income	26.4	27.5	+4%	6.9	7.4	+7%
Operating Income	101.4	113.0	+11%	25.6	30.8	+20%
Operating Expenses	59.5	61.0	+3%	15.0	16.5	+10%
PPOP	42.0	52.0	+24%	10.5	14.3	+36%
Provision for Credit	11.8	8.1	-31%	1.8	2.4	+33%
Provision for Taxes	7.8	10.6	+37%	2.6	2.5	-6%
Net Income	22.2	32.8	+48%	6.0	9.3	+55%

Balance Sheet	FY 2021	FY 2022	YoY
Total Assets	2,503	2,843	+14%
Loans and Receivables, Gross	1,279	1,457	+14%
Total Deposits	1,930	2,221	+15%
CASA	1,463	1,480	+1%
Equity	319	319	-

Financial Ratios	FY 2021	FY 2022	YoY
NIM	3.38%	3.56%	+0.2 ppt
CIR	59.0%	54.3%	-4.7 ppts
NPL Ratio	2.2%	1.9%	-0.3 ppts
NPL Cover	174.7%	172.4%	-2.3 ppts
CAR	20.1%	17.7%	-2.5 ppts
CET-1	19.3%	16.8%	-2.5 ppts
Gross LDR	66.3%	65.6%	-0.7 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 4.8 Bn Market cap

USD 2.7 Mn 3M Avg Daily Value T/O

20% Foreign Ownership

48% Public Float

As of 23 February 2023

Financial Data (PHP bn)

2022

Total Assets	2,843
Loans and Receivables, Gross	1,457
Total Deposits	2,221
CASA	1,480
Equity	319
CAR	17.7%
CET-1	16.8%

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

947 branches
55% outside NCR 2,311 ATMs

OVERSEAS

30+ branches, subsidiaries, offices
130+ remittance tie-ups
150+ 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

TOP MARKET MAKER

GOVERNMENT SECURITIES – BTr (2022)

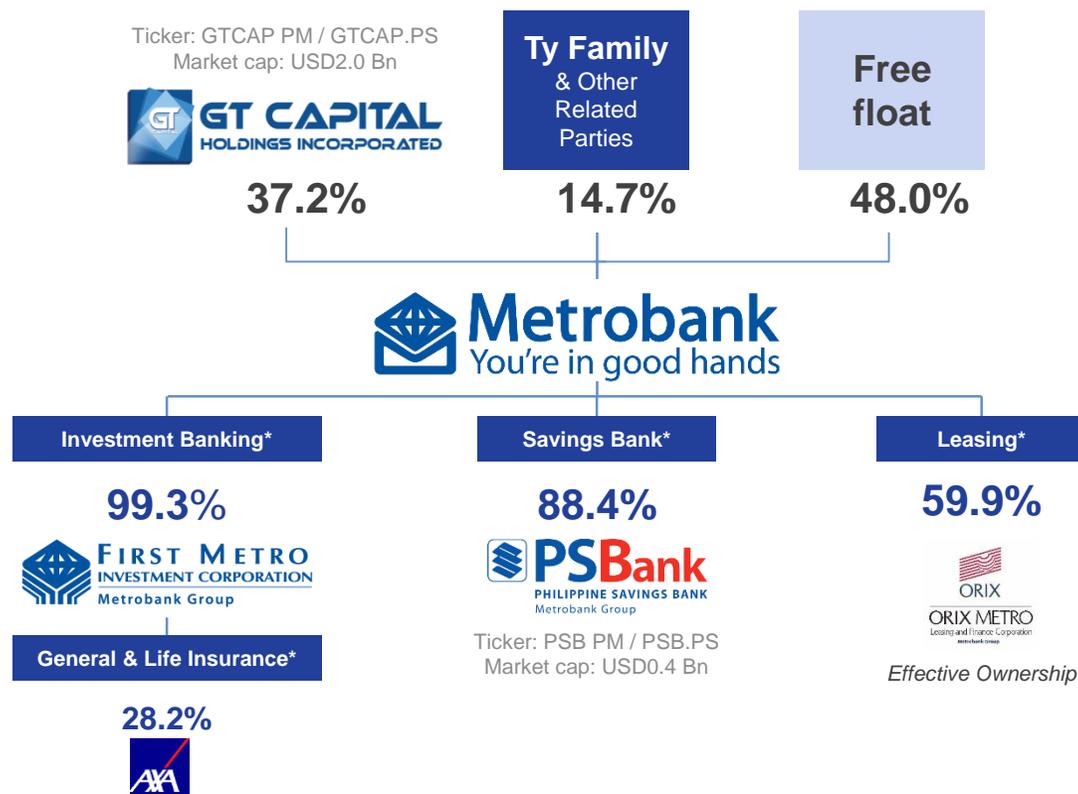
LARGEST TRADER

PHP FIXED INCOME SECURITIES

35.3% market share in trading volume
47.6% market share in number of trades

Ownership and Investment Information

CORPORATE STRUCTURE



*Note: Domestic subsidiaries only

MARKET DATA

Trading information

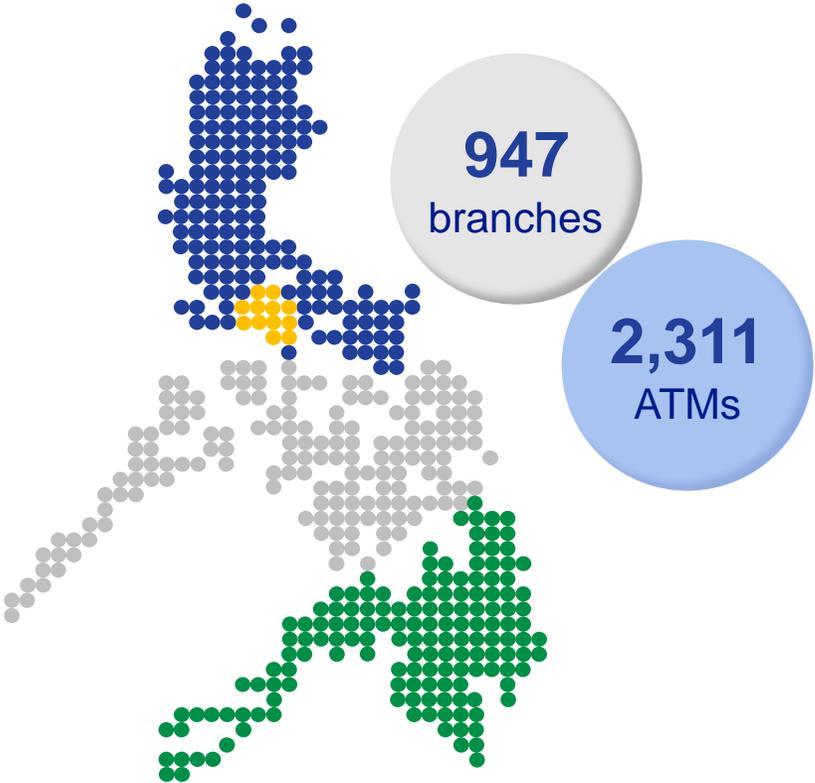
Ticker (Bloomberg Reuters)	MBT.PM MBT.PS
Par value (PHP)	20.00
Outstanding shares	4,497,415,555
Stock price as of 29 December 2022	58.90
52-Week Range (Low High)	44.60 62.60
Market cap (USD Mn)	4,805
3-Month Avg Daily Trading Value (USD Mn)	2.72
3-Month Avg Daily Trading Volume (Mn)	2.58
Public Float	48%
Foreign Ownership	20%

	2020	2021	2022	
BVPS (PHP)	72.10	70.84	70.84	
EPS (PHP)	3.08	4.93	7.29	Last 4 quarters
Trailing P/BV (x)	0.7	0.8	0.8	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

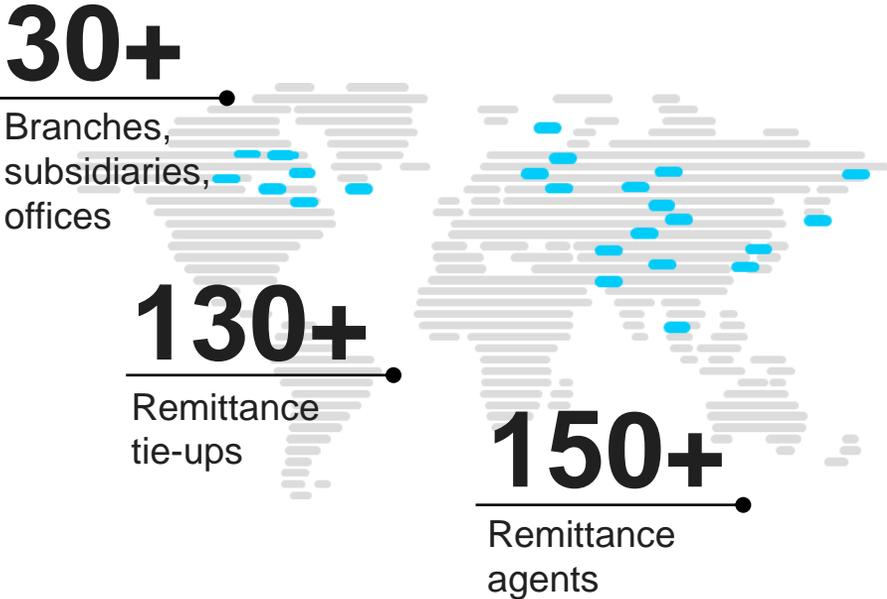
Extensive Domestic and Overseas Coverage

 **17,000+** Total Group employee base

Domestic Branch and ATM Networks



Overseas Network Coverage



Recent Awards and Recognition



**Bank of the Year
in the Philippines**

2022




**Strongest Bank
in the Philippines**

2022, 2021




**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




**Best
Domestic Bank in
the Philippines**

2021




**Best
Securities House
Bank Category**

2014 - 2021




**Grand Anvil,
2 Gold Anvil**

2022




**Best
Securities House
in the Philippines**

2022




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

2022

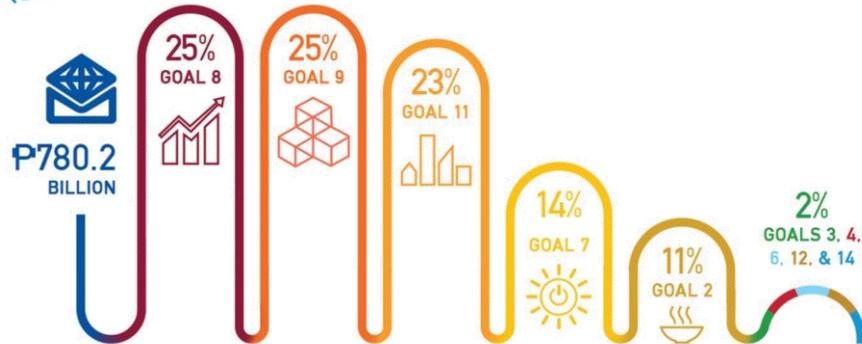


Meaningful Sustainability

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

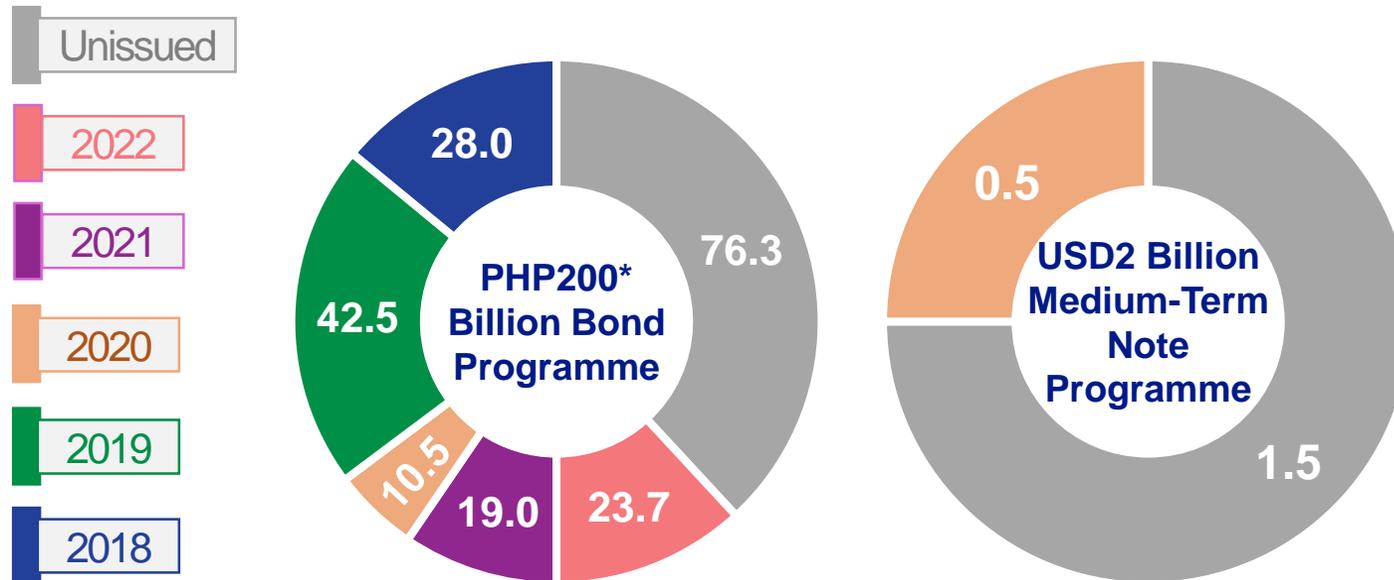


- ✓ Our **2021 Sustainability Report** is the Bank's **first stand-alone** report to underscore our increasing **commitment on sustainability**.
- ✓ It has been prepared in accordance with the **Global Reporting Initiative (GRI) Standards**.
- ✓ The Report is already available in our website via the 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*

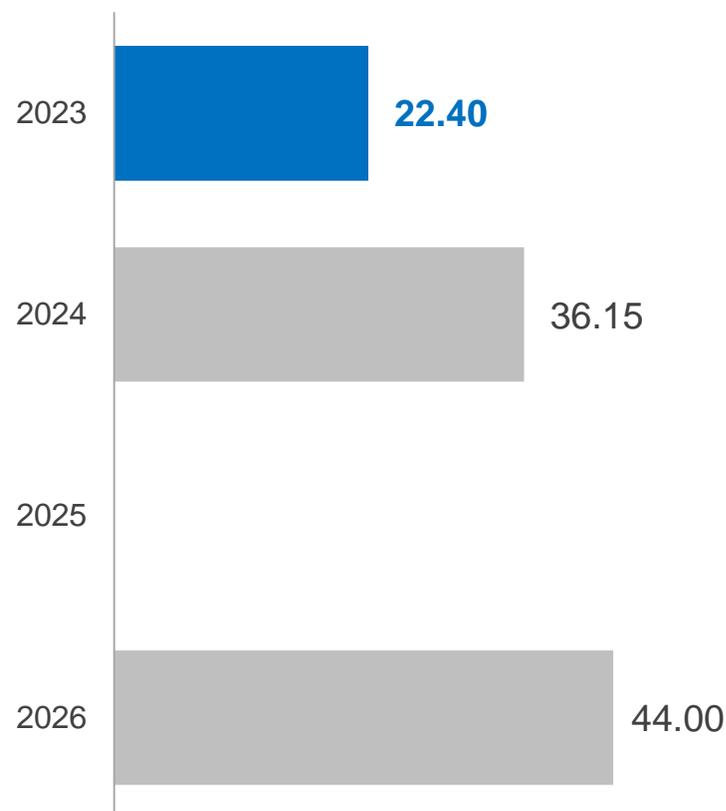


Outstanding Debt Issuances & Investment Grade Credit Ratings

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	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*

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**

Dec-22

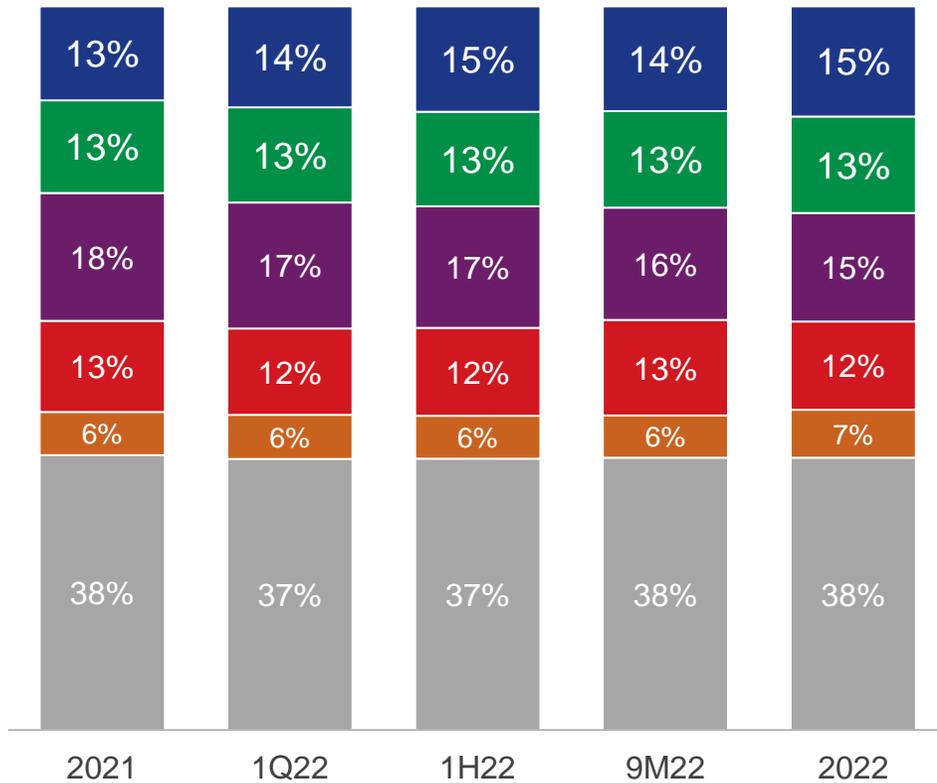
- High systemic importance; adequate loss-absorption buffers, strong domestic franchise, steady risk controls, and liquid balance sheet
- Further margin upside to offset potential increase in credit and operating cost; Manageable asset quality risks
- Adequate capital buffers with improving internal capital generation

*Assuming USDPHP 50.00;

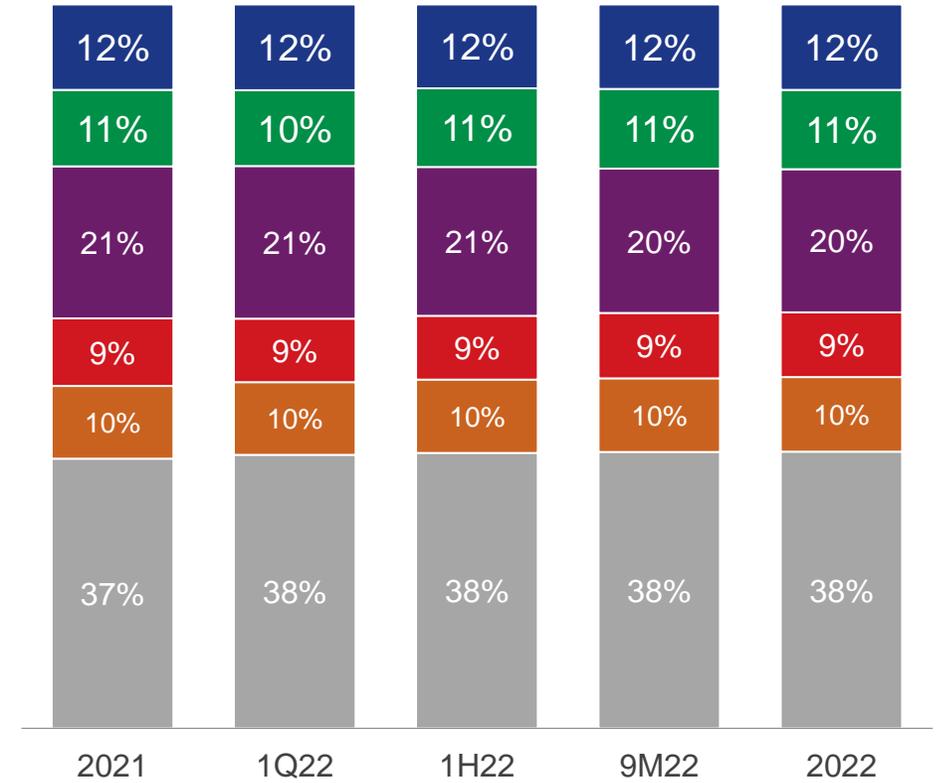
Note: Above table includes only MBT Parent Bank issuances

Loan Portfolio Breakdown

MBT Loan Portfolio By Industry



Philippine Banks Loan Portfolio By Industry

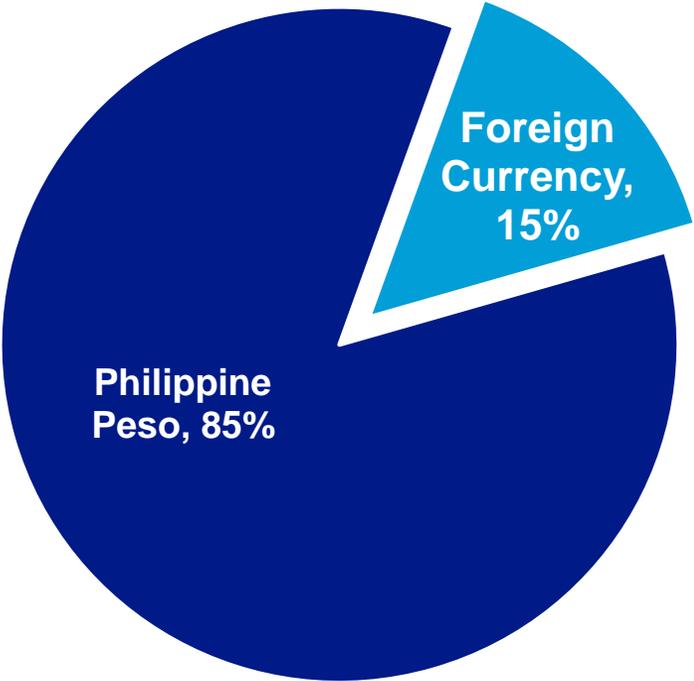


Based on Philippine Standard Industrial Classification
 Others include Transport & storage, Construction, Agricultural, forestry and fishing; Accommodation & food service activities

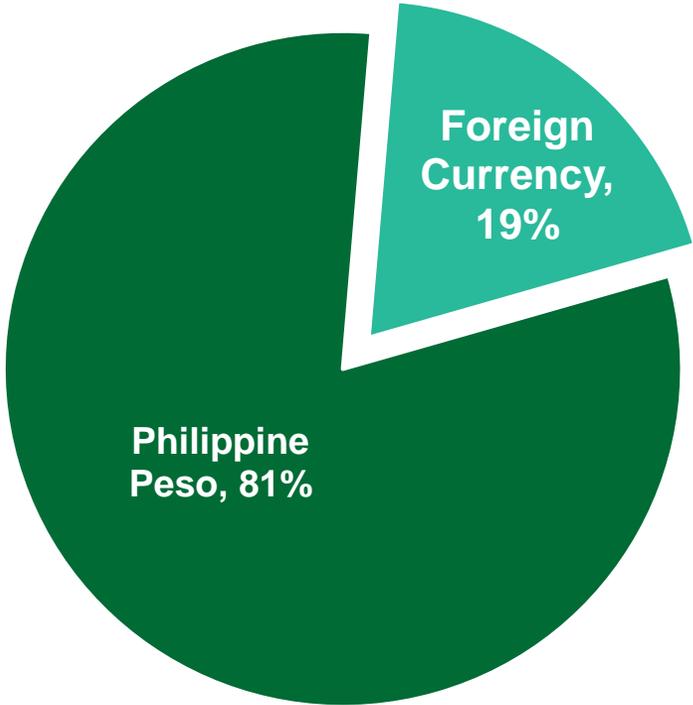


Currency Breakdown

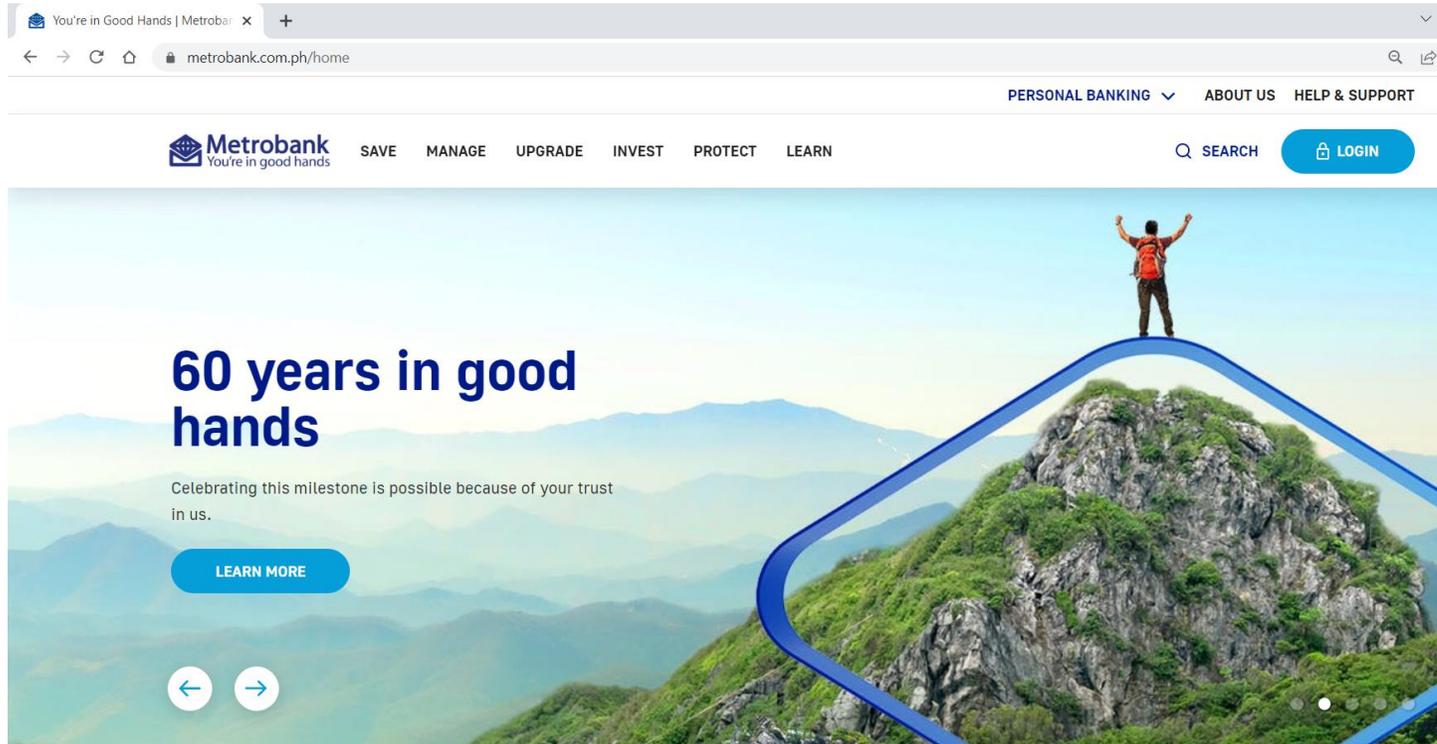
LOAN PORTFOLIO



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](#)

[SEC 17-A](#) [SEC 17-Q](#) [BSP SOC](#)

Financial Reports

[Investor Relations](https://metrobank.com.ph/about-us/investor-relations-program)
<https://metrobank.com.ph/about-us/investor-relations-program>

Annual Corporate Governance Report

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





Metrobank
You're in good hands



Best Domestic Bank
in the Philippines
Asiamoney Best Bank Awards 2021



BANKQUALITY.COM
CONSUMER SURVEY ON RETAIL BANKS 2020
MOST RECOMMENDED RETAIL BANK IN
PHILIPPINES AND 4TH IN APAC