



# Company Presentation



# MACROECONOMIC VIEW

# Recent macroeconomic developments

## GDP

2021	2022	2023	1Q24	2Q24	1H24
5.7%	7.6%	5.5%	5.8%	6.3%	6.0%

- 2Q24 GDP rises 6.3%, boosted by strong government spending and public construction.
- Private consumption growth remains slightly subdued. at 4.6%.
- 1H24 GDP growth at the lower end of the 6-7% government target.

## Inflation

2021	2022	2023	Sept-24	9M24
3.9%	5.8%	6.0%	1.9%	3.4%

- September inflation, the lowest in over four years as rice inflation slowed to 5.7%.
- Core inflation likewise came in lower at 2.4% from 2.6% in August.
- 9M24 inflation now well within 2-4% target range.

## Policy rate

2020	2021	2022	2023	10M24
2.0%	2.0%	5.5%	6.5%	6.00%

- The Monetary Board continued its easing with a 25bps policy rate cut in October.
- Metrobank Research forecasting cumulative 75bps rate cut for the year, leaving for one more cut in December, with target RRP at 5.75% by year-end.

## Unemployment rate

2020	2021	2022	2023	Aug-24
10.3%	7.8%	5.4%	3.1%	4.0%

- August unemployment rate eased to 4.0% from July's 4.7%, still below the 5.1% pre-pandemic level.
- Underemployment rate from July to August 2024 decreased to 11.2% from 12.1%, and 11.7% in August 2023

## Business (B) & Consumer (C) – Next Quarter Expectations (%)

1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
B: 49.0	B: 46.4	B: 53.8	B: 38.2	B: 48.1	B: 43.7	B: 56.8
C: 7.5	C: 4.6	C: 7.8	C: 5.6	C: 2.7	C: -0.4	C: 0.7

- B: More optimistic outlook due to expectations of higher seasonal demand, lower rates, easing inflation, and improving economy
- C: Turning positive on the back of expectations of higher income and more jobs

## Capacity Utilization (%)

1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
71.5	71.0	70.5	70.9	72.3	72.0	71.9

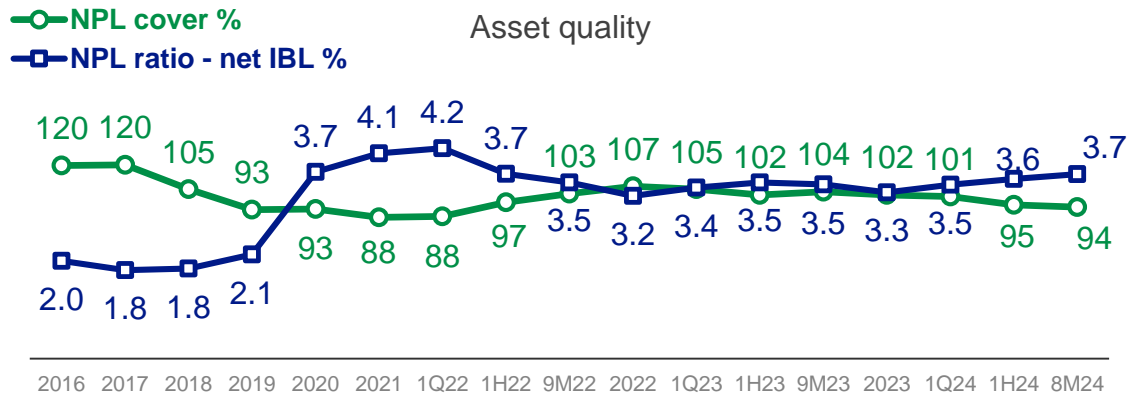
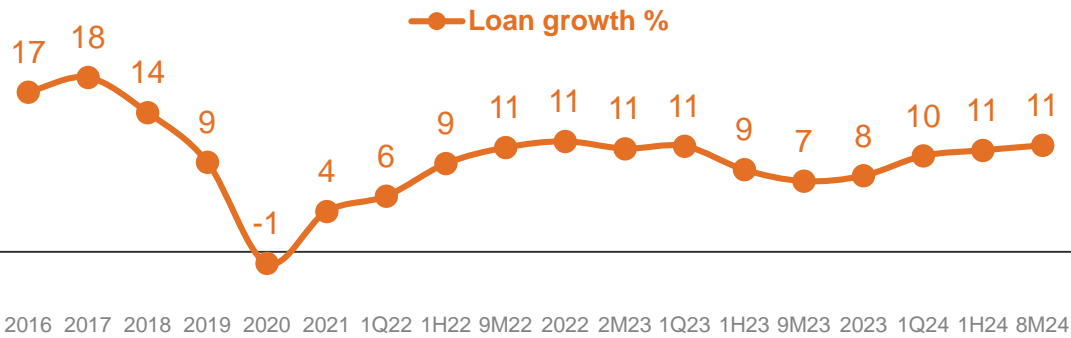
- Largely steady from 2Q24, still below the pre-pandemic benchmark of 75%.

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



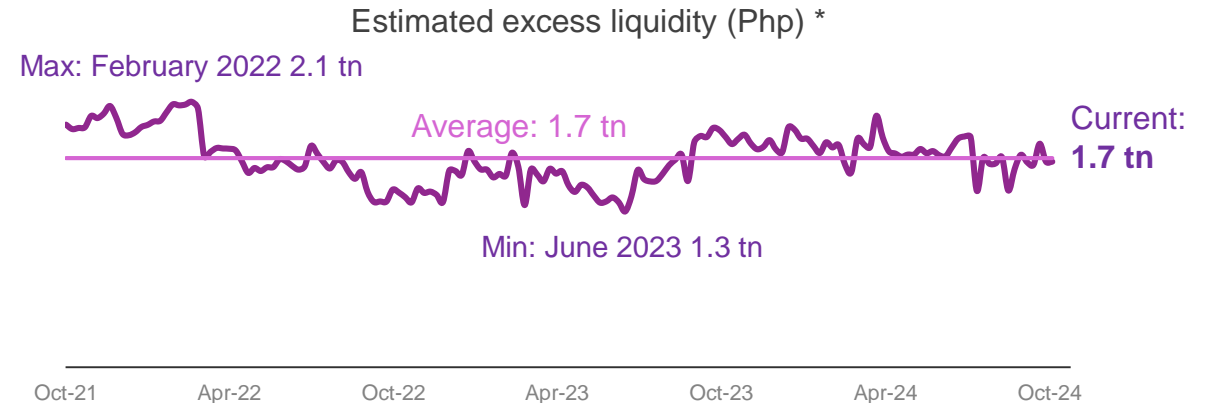
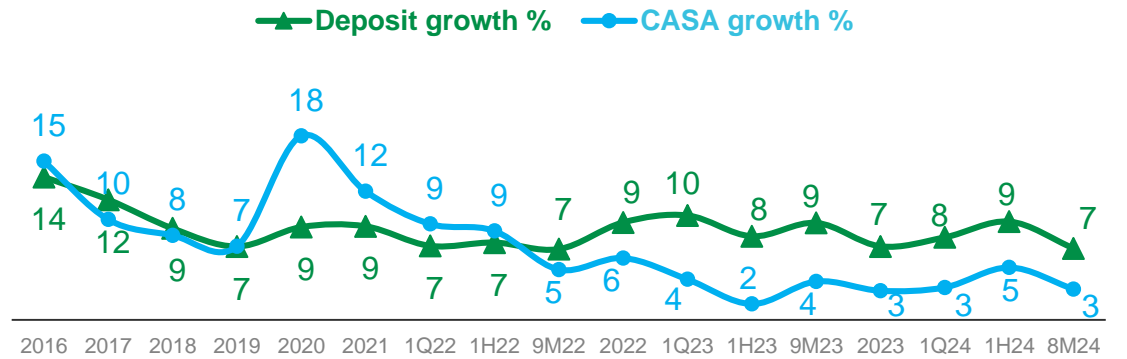
# Banking industry trends

## Steady industry loan growth as npl ratio picks up



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

## CASA growth remains subdued; system still liquid



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



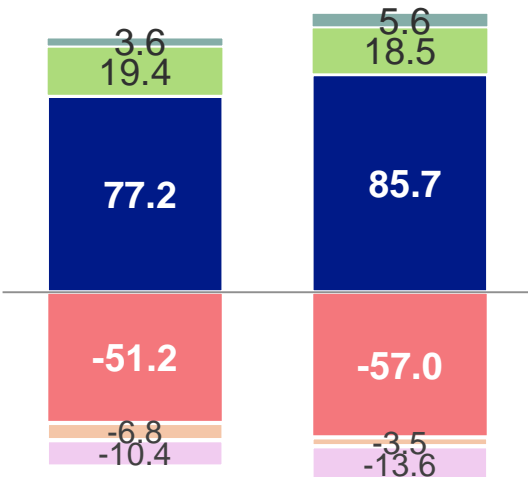
# FINANCIAL PERFORMANCE

9M 2024

# 9M24 earnings highlights

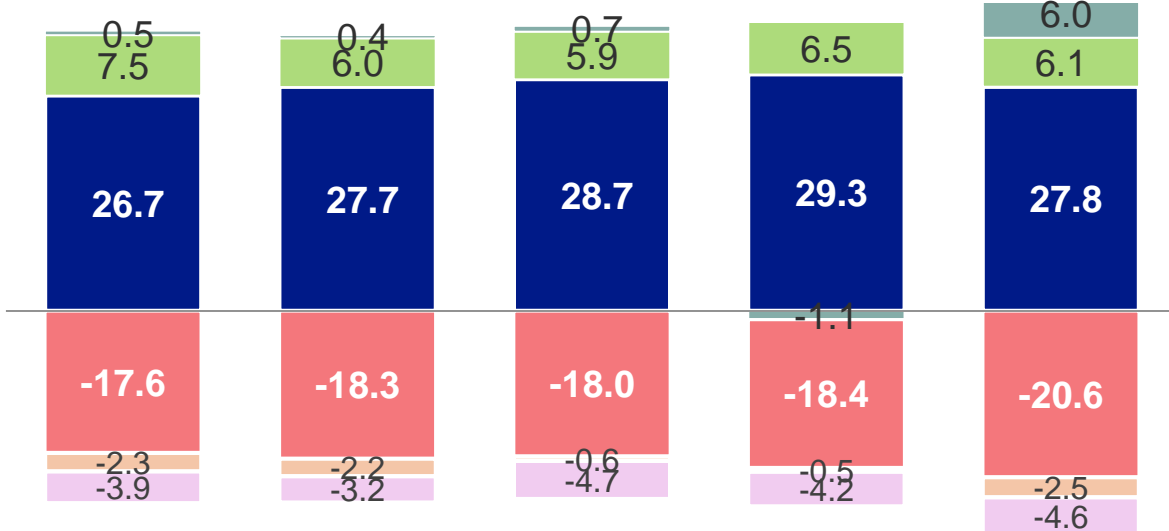
■ Net Interest Income   
 ■ Fees and Other Non-Interest Income   
 ■ Trading & FX gains  
■ Operating expenses   
 ■ Provisions   
 ■ Taxes and NCI

**Net Income**  
 31.8      35.7



**YoY**  
**+12%**  
 +56%  
 -5%  
 +11%  
 +11%  
 -48%  
 +31%

**Net Income**  
 10.9      10.5      12.0      11.6      12.1



**YoY**  
**+11%**  
 +11.1x  
 -19%  
 +4%  
 +17%  
 +9%  
 +17%

9M23

9M24

3Q23

4Q23

1Q24

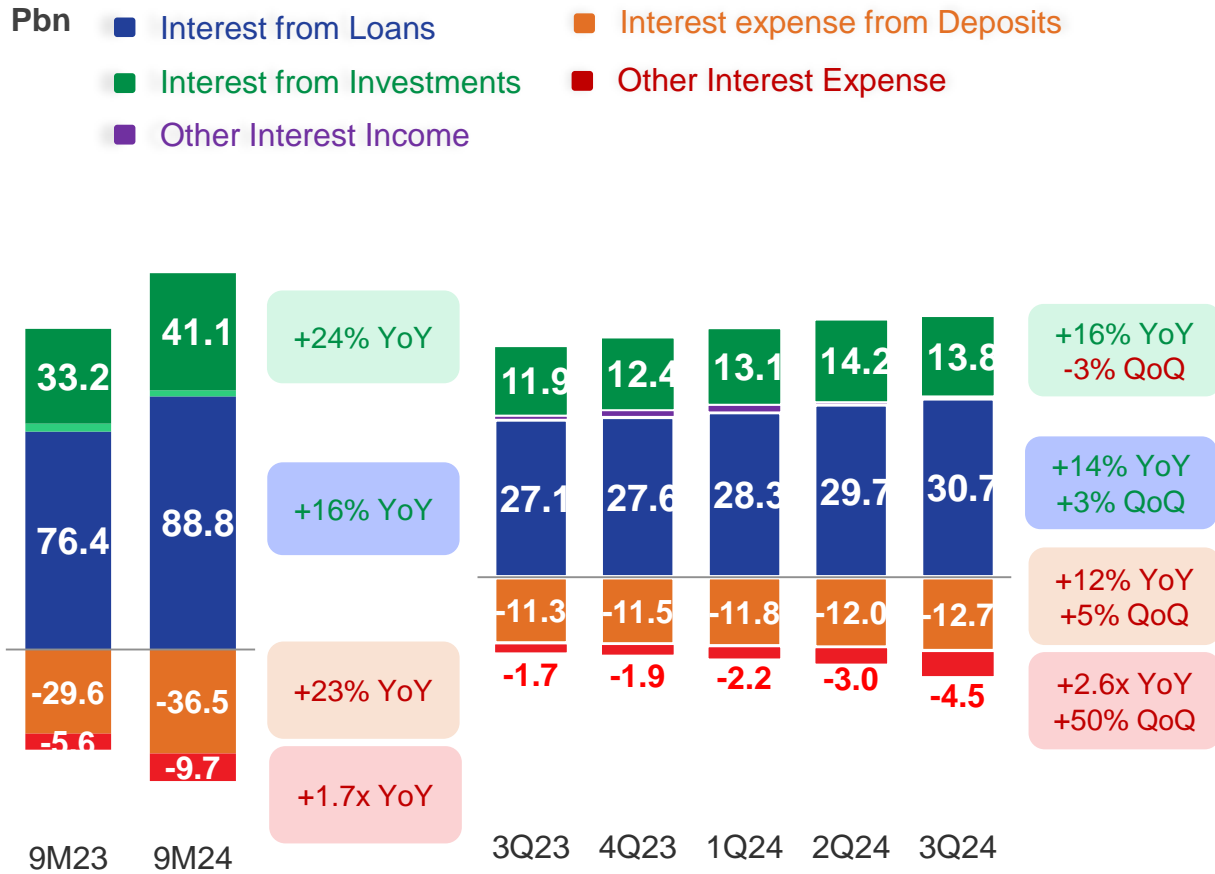
2Q24

3Q24

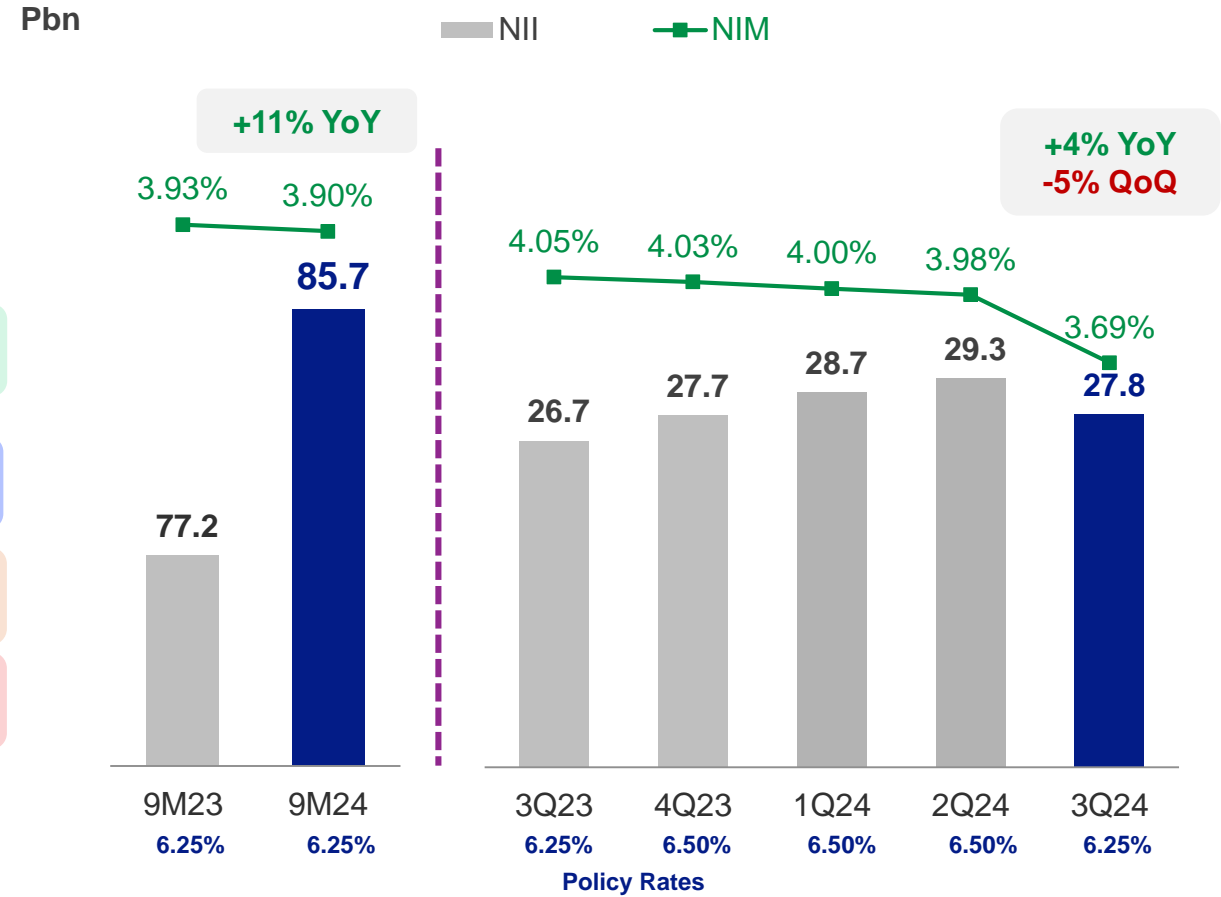


# Net interest income drivers

## Asset expansion sustaining build-up in interest income

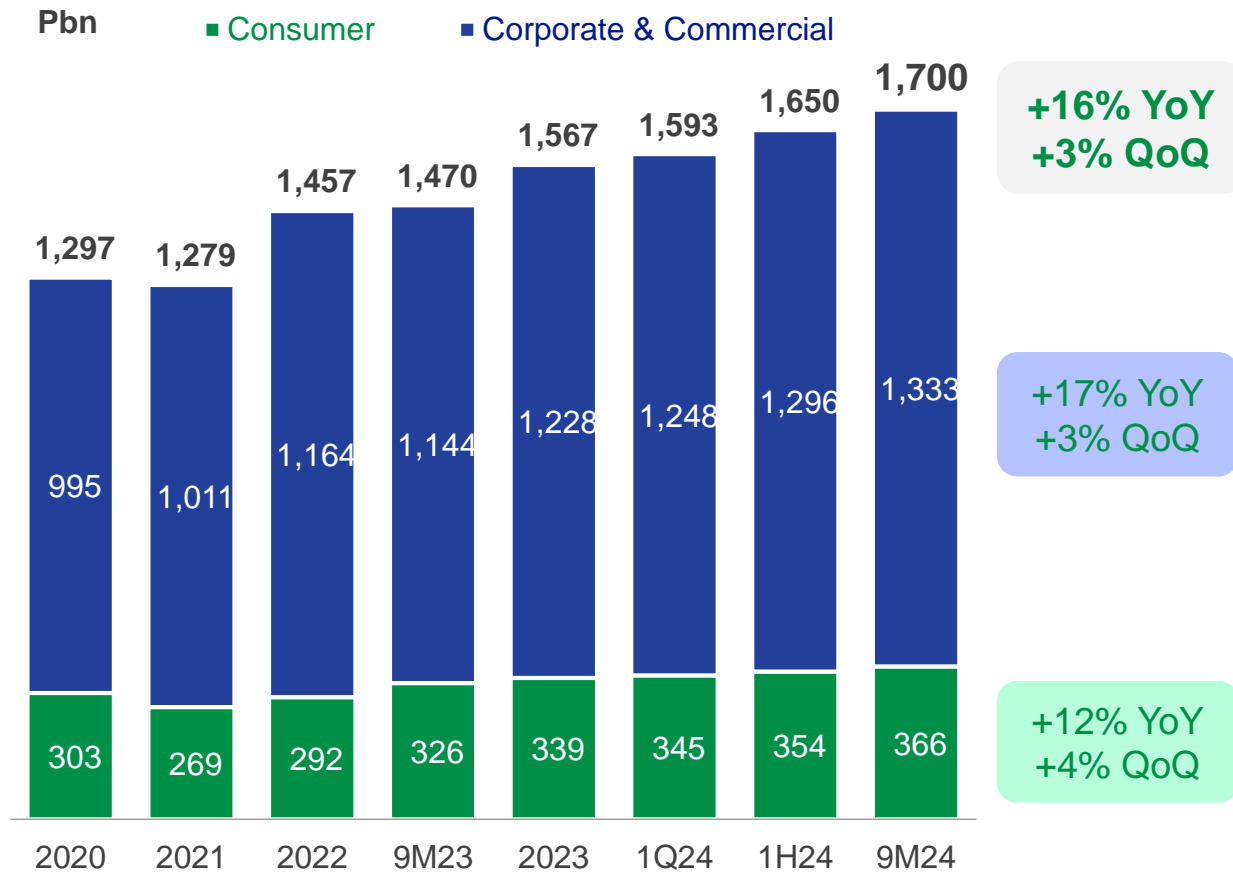


## Margins easing on higher funding costs



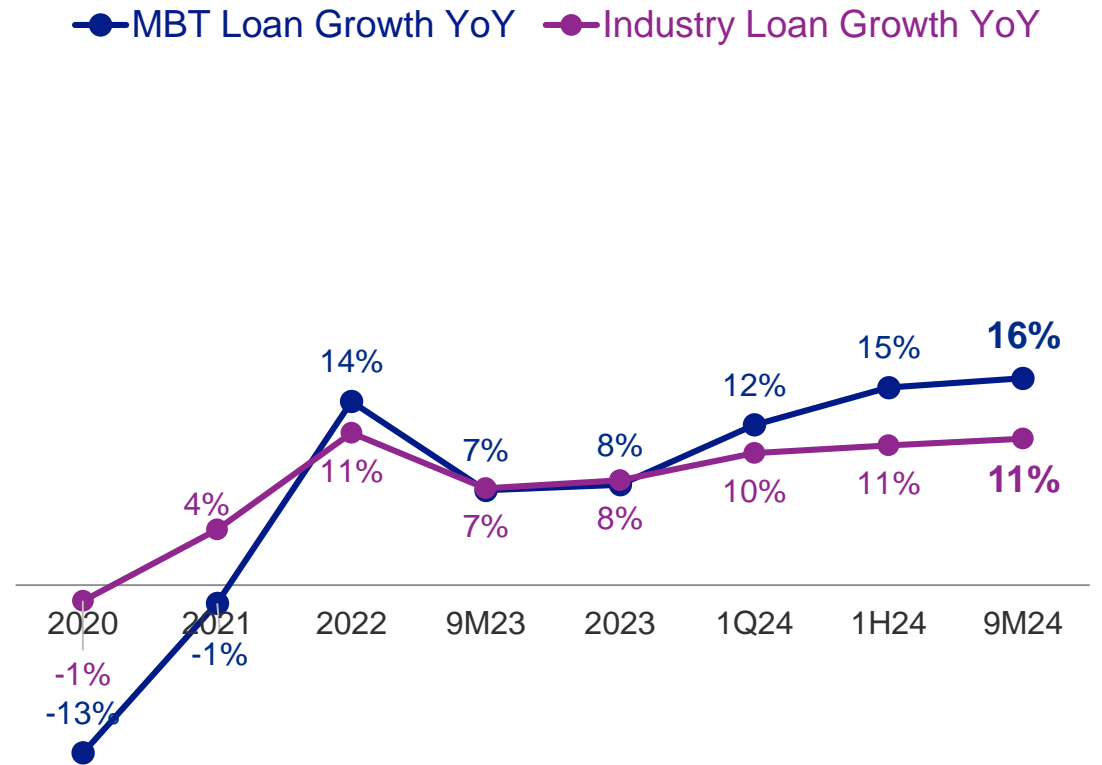
# Loan portfolio profile

## Strong commercial and consumer growth



Note: Gross of Unearned Interest and Discount (UID)

## Outpacing industry growth



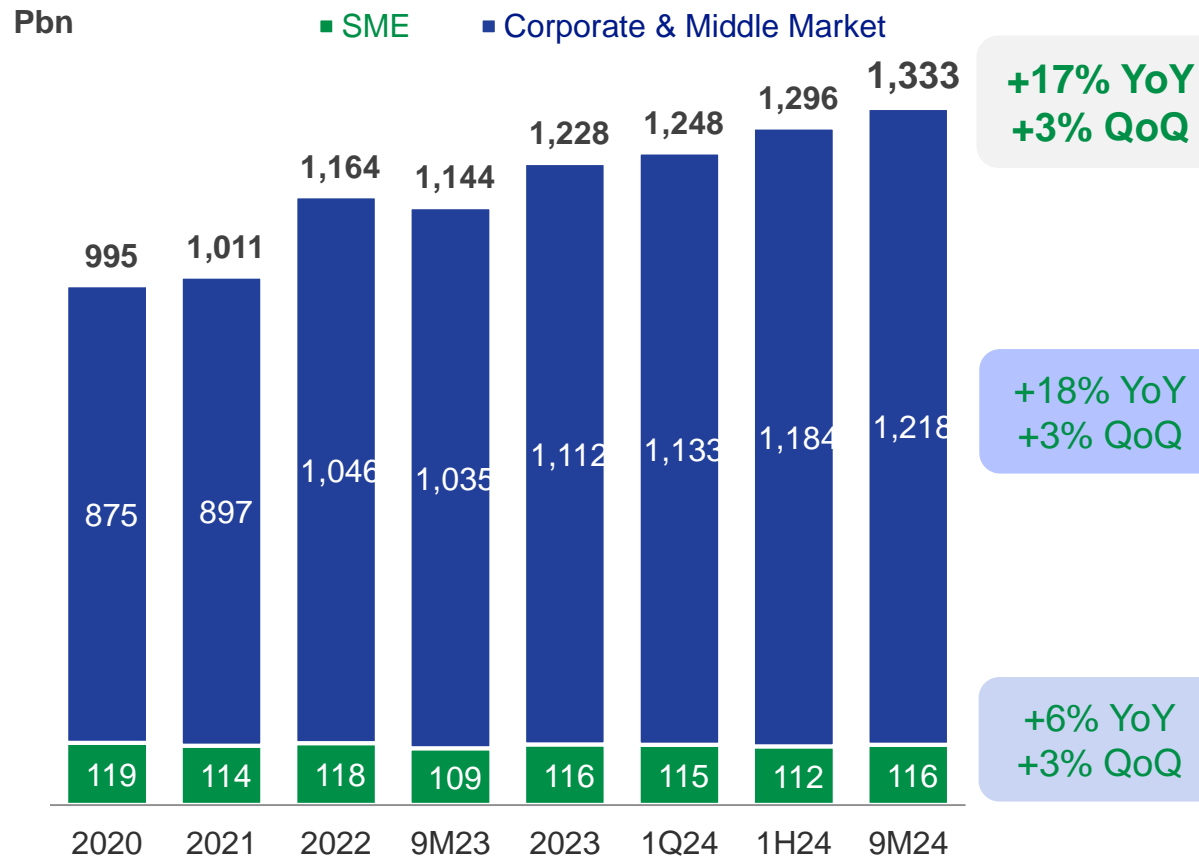
Note: Industry Loan Growth YoY is 8M24





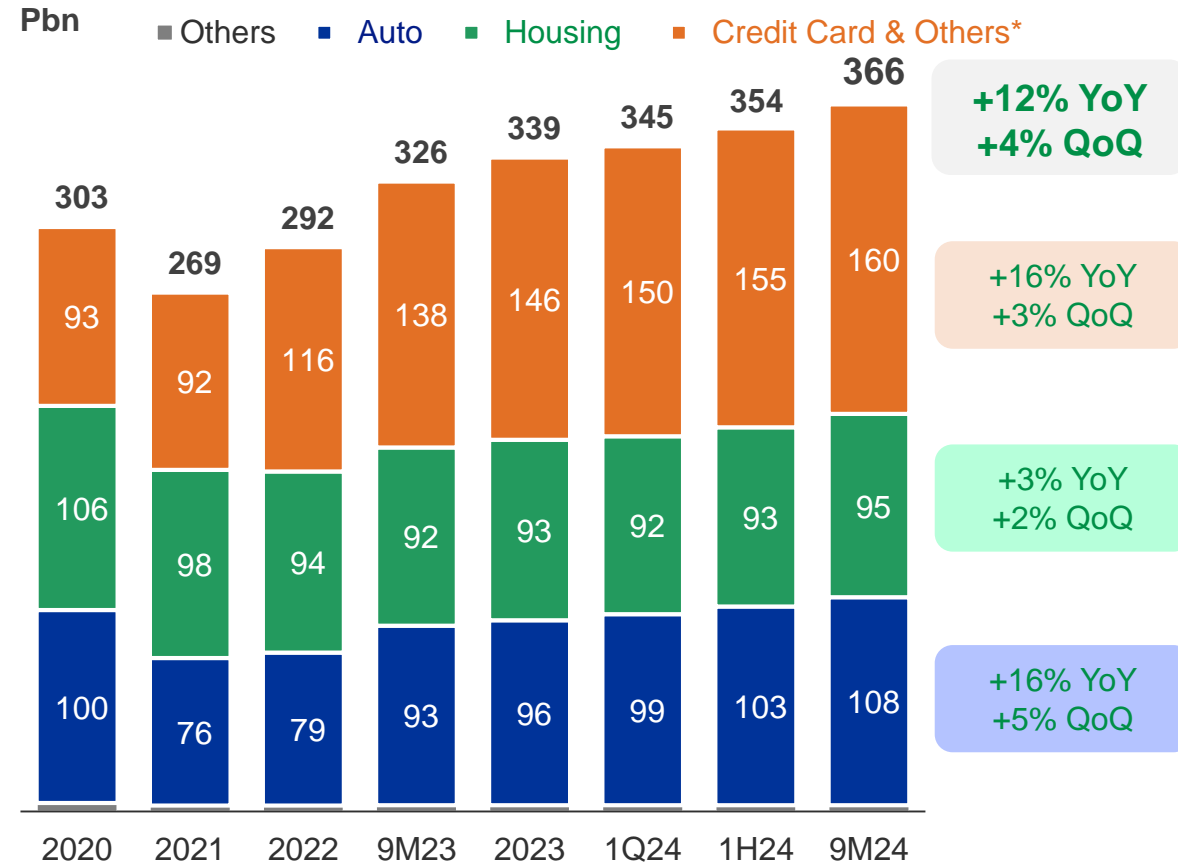
# Loan growth drivers

## Robust demand from top and mid-sized corporates



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

## Credit card and auto loans still leading retail build up

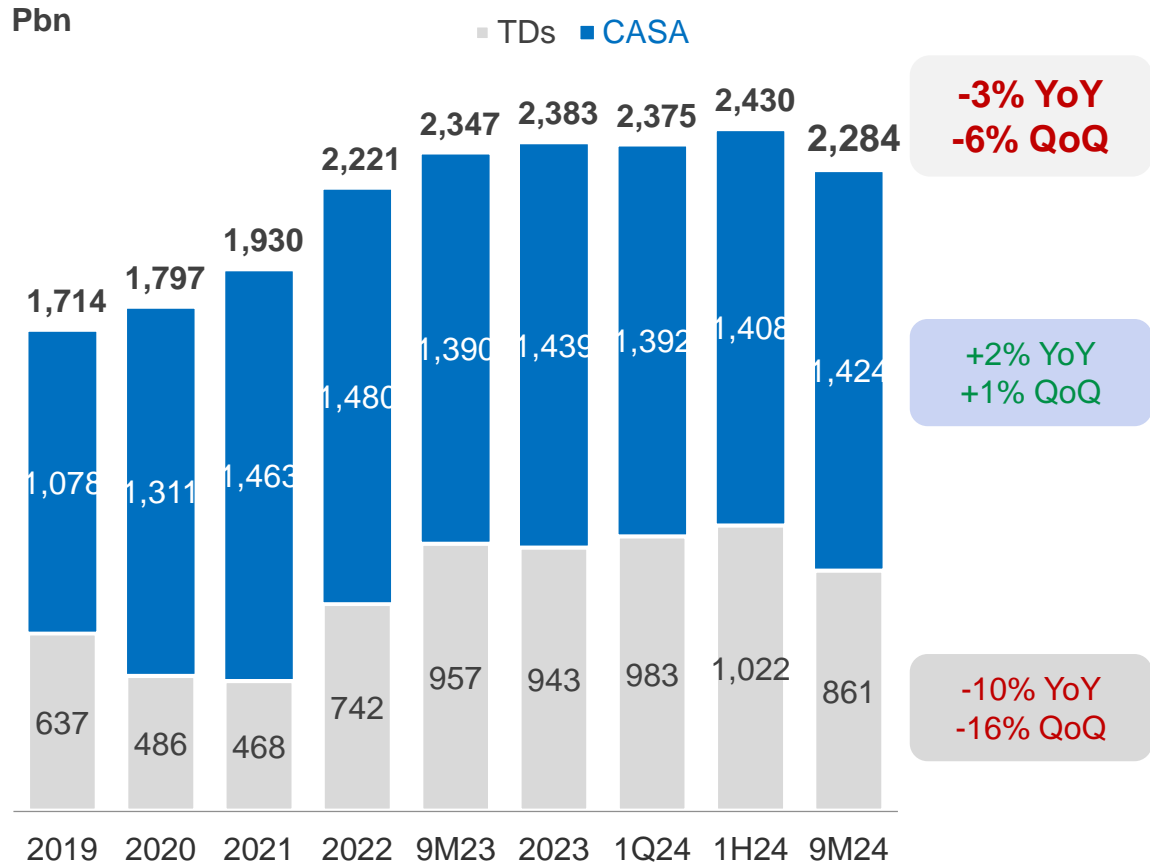


\*Note: Gross of Unearned Interest and Discount (UID)  
Credit card receivables net of UID amounted to P146bn, +17% YoY

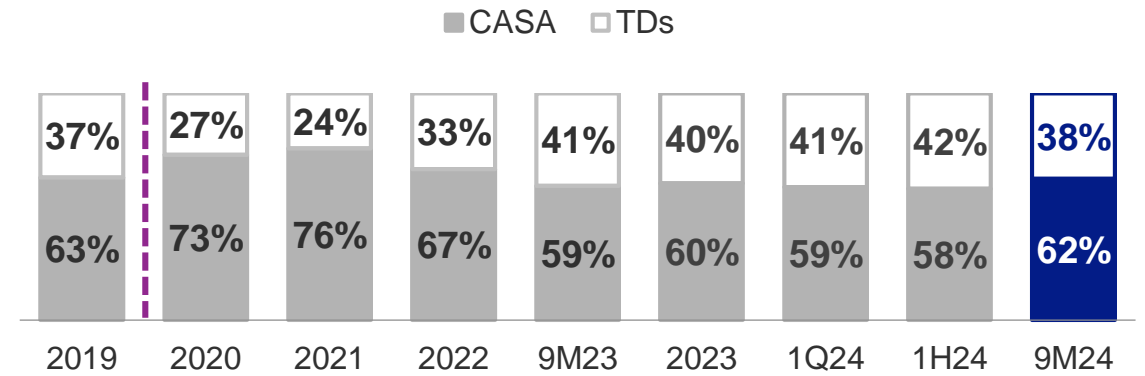


# Deposit profile

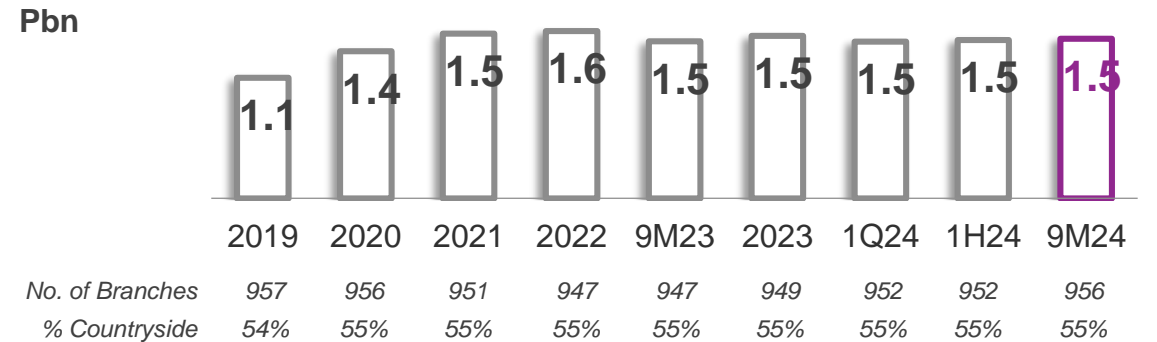
## Managing high cost deposits



## CASA ratio normalizing to pre-pandemic level

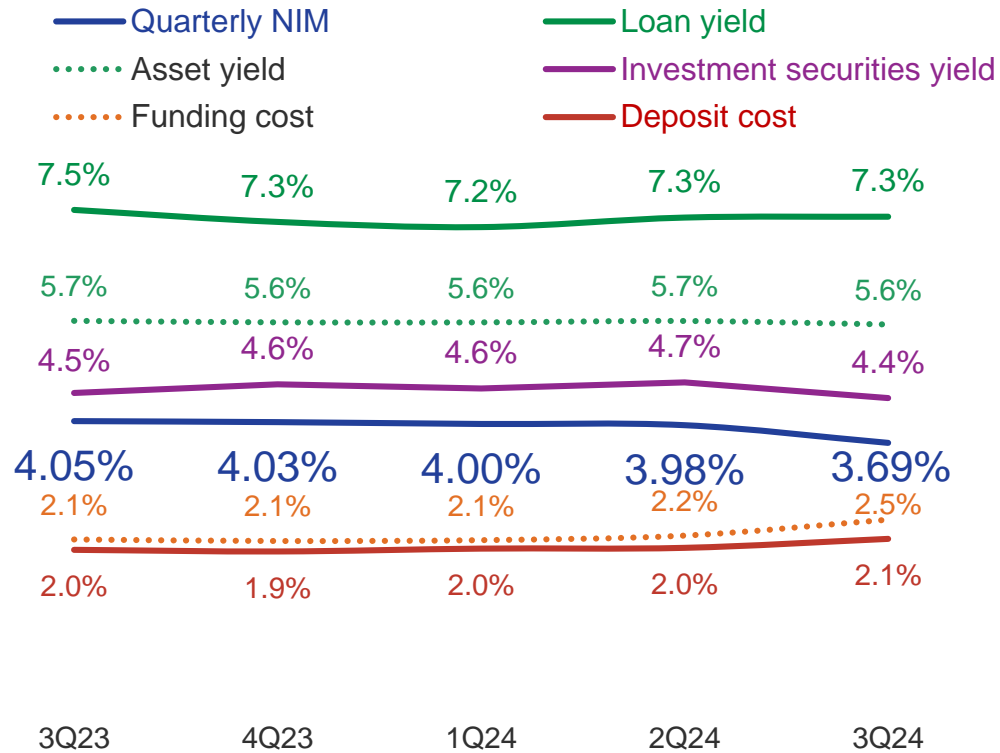


## CASA deposits per branch largely stable



# Margin drivers

## Weaker 3Q NIM from funding strategy shift



Policy rate	3Q23	4Q23	1Q24	2Q24	3Q24
	6.25%	6.25%	6.50%	6.50%	6.25%

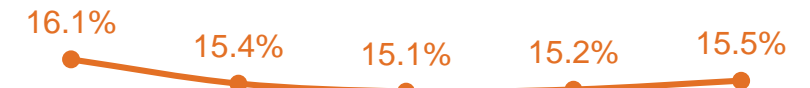
Notes:

- 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. Gross Loans (Previously Net Loans)
- Funding Cost = Annualized Gross Interest Expense / Ave. Interest Bearing Liabilities
- Deposit Cost = Annualized Gross Deposit Expense / Ave. Deposits

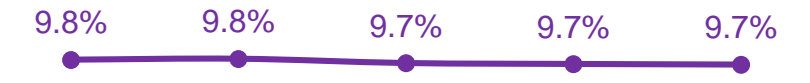
## Stable to improving yields across loan segments



Credit Cards



Auto



Home



Corporate & Commercial



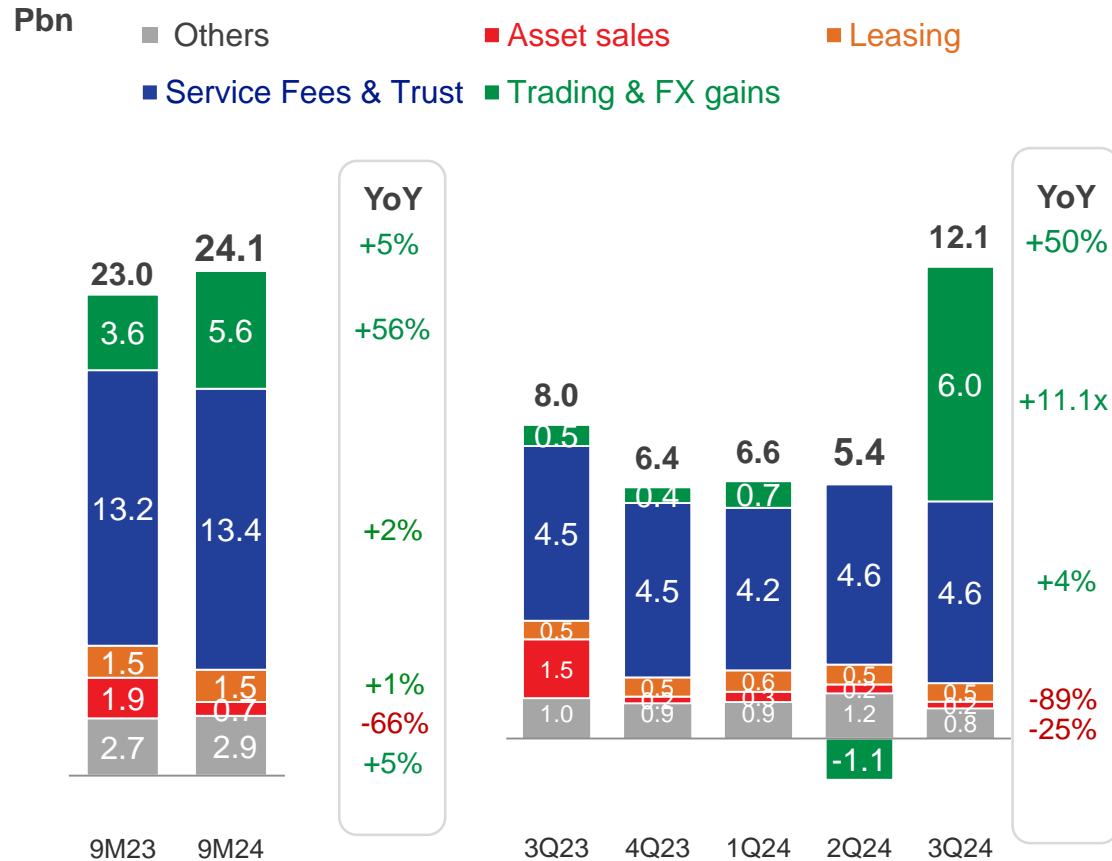
Notes:

- Gross yield on loans net of Unearned Interest and Discount (UID)
- Credit card rate cap set at 2% on Nov 2020, raised to 3% on Feb 2023



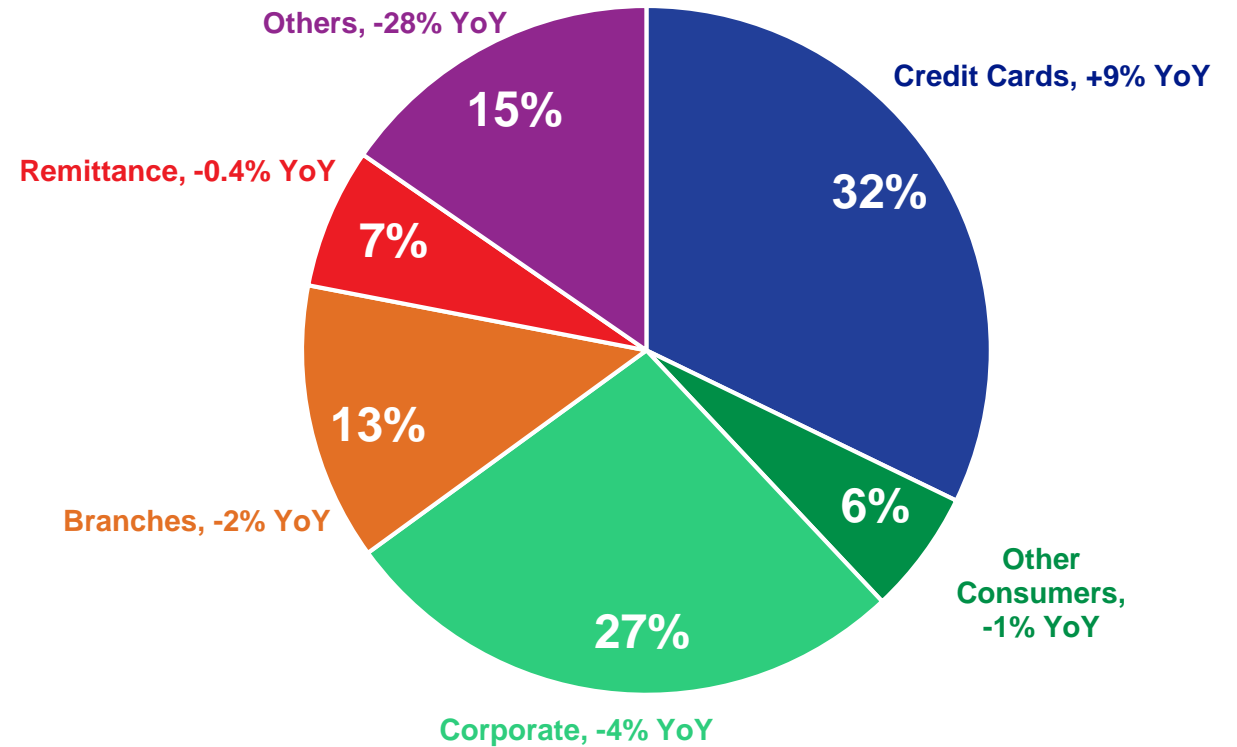
# Non-interest income drivers

## Trading income recovery driving Noll growth



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

## Credit card growth driving fee income

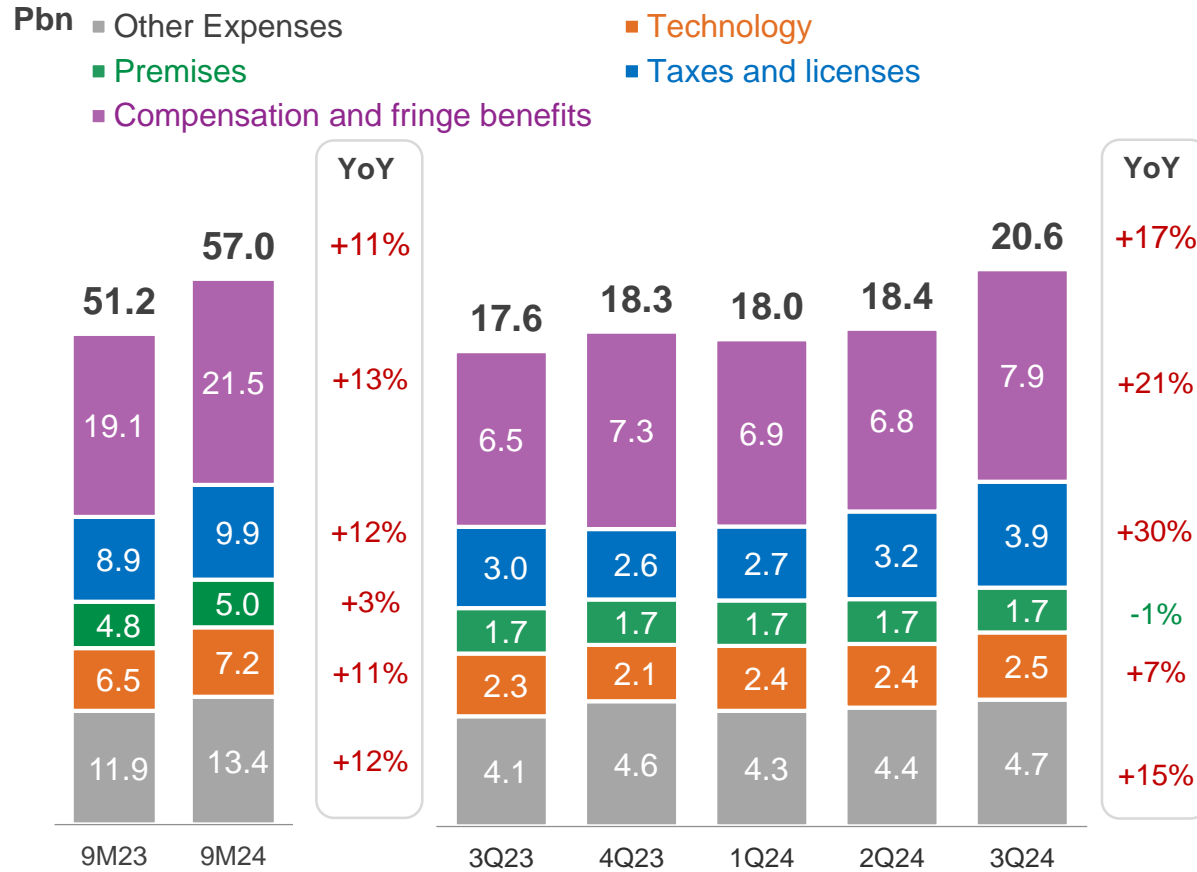


Others include: Asset Sales, Insurance, and Other Income



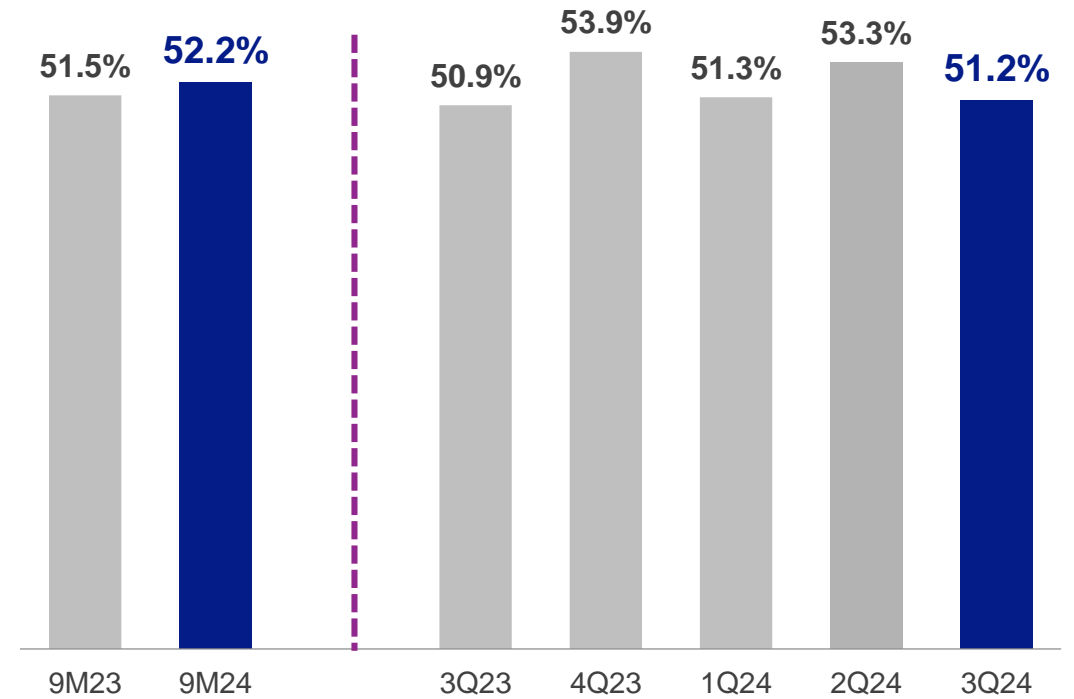
# Operating expense breakdown

Higher costs largely driven by capacity expansion



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

Cost to income ratio kept at low 50s

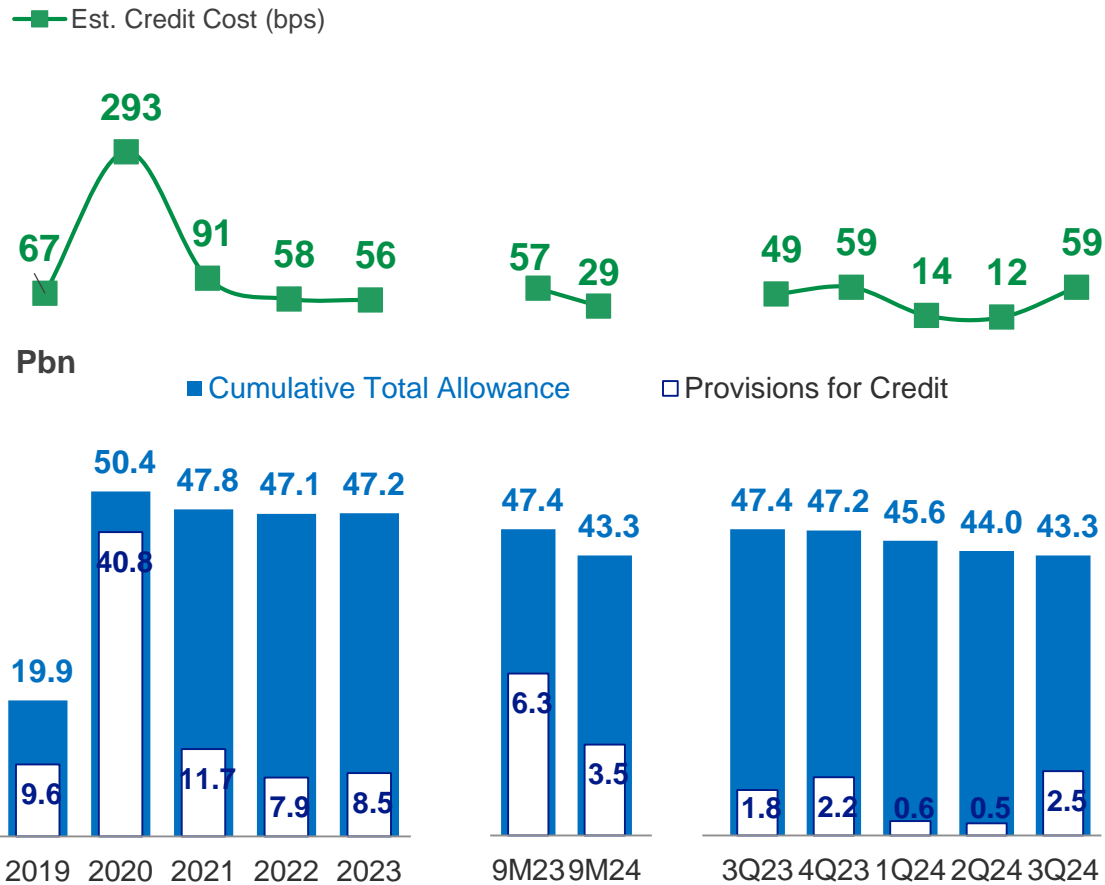


Note: Operating income used does not include MBT's share in net income of investees

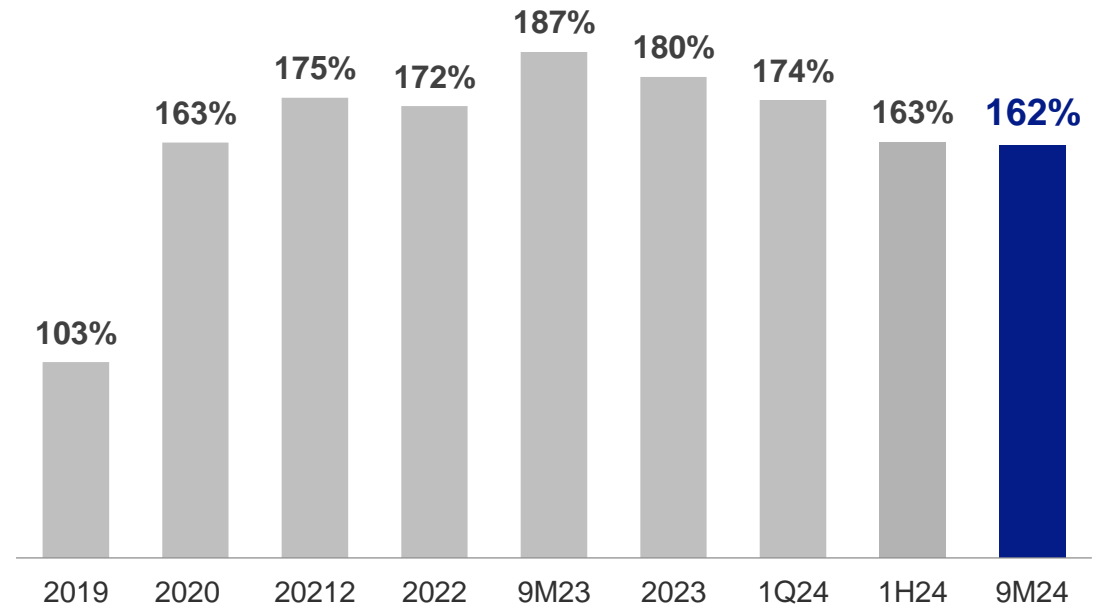


# Provisions trend

## Credit costs normalize but still below historical level



## NPL cover remains substantial



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

Excludes impairment losses on equity investments

2019: Php439.2mn

2021: Php131.5mn

2022: Php211.6mn

2023: Php459.0mn

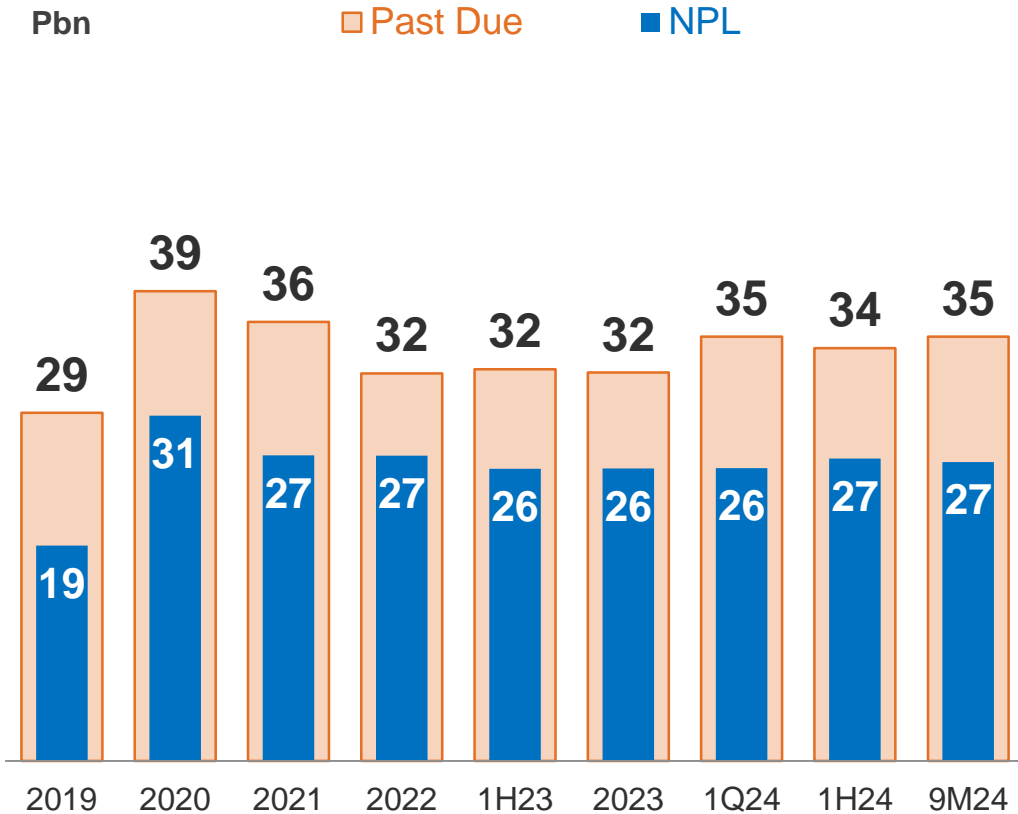
2024 Metropolitan Bank & Trust Company

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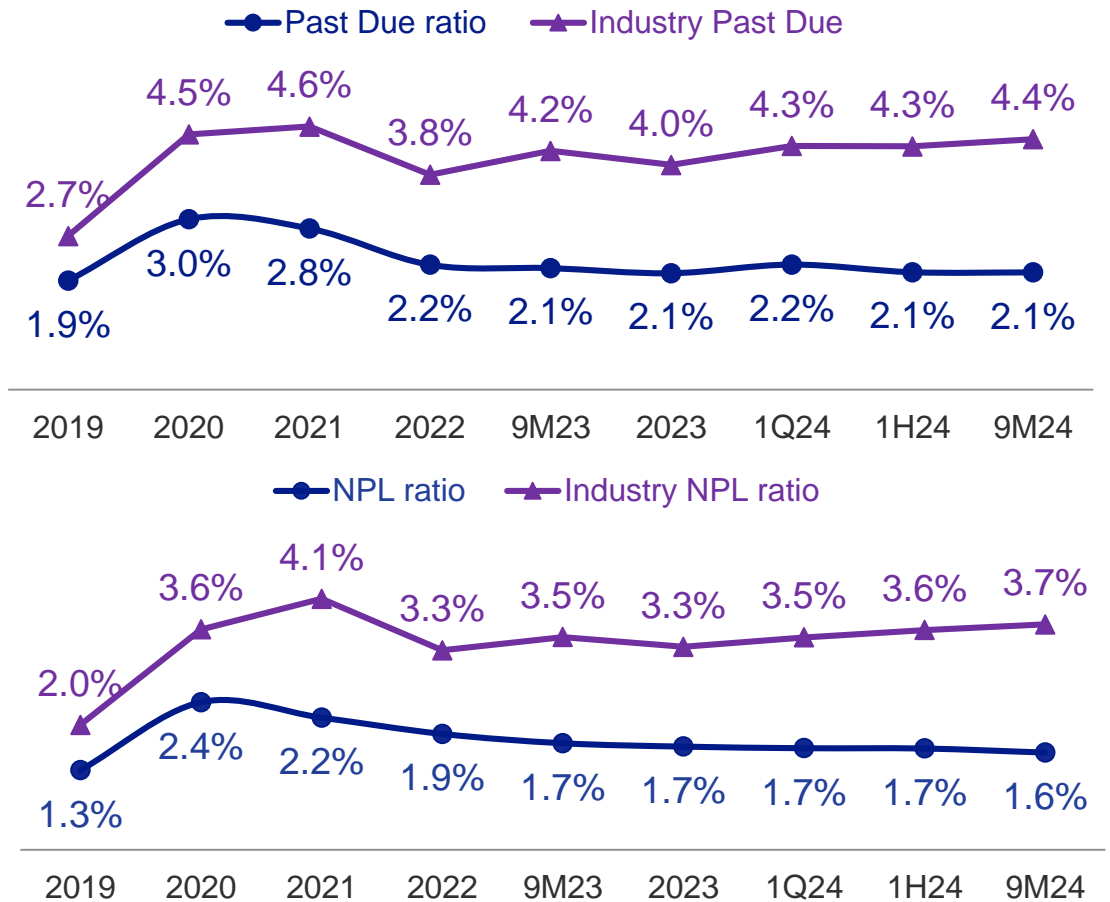
# Asset quality indicators

## Stable asset NPL levels despite portfolio expansion



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

## NPL/Past Due ratios well below industry level

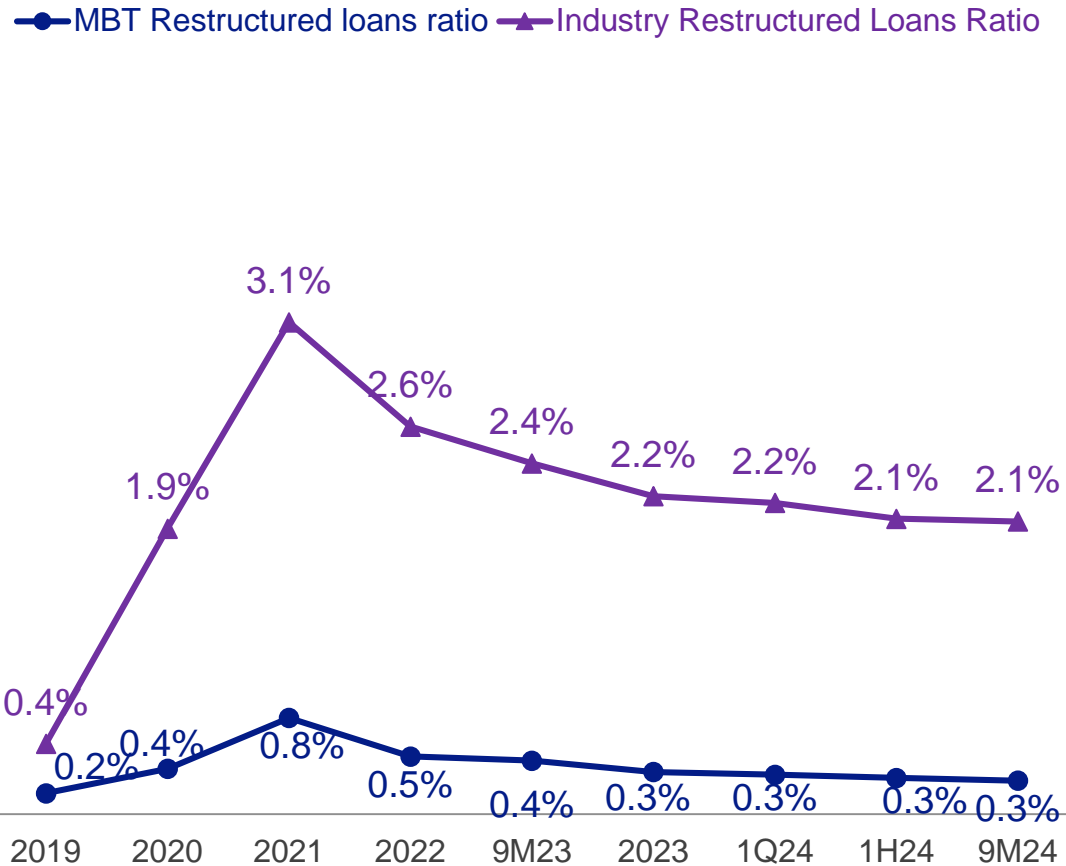


Note: Industry Ratio as of August 2024



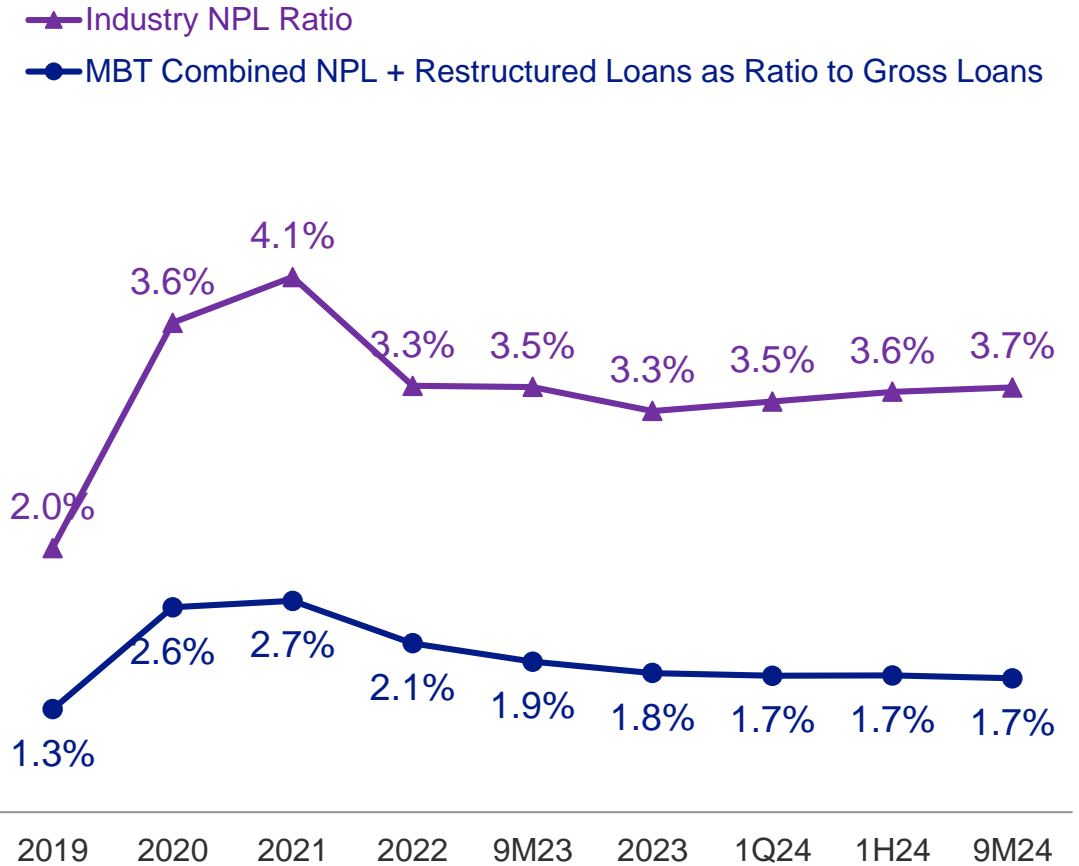
# Asset quality indicators

## Restructured loans remains minimal



Note: Gross loans net of Unearned Interest and Discount (UID)  
 \*Industry Data refers to the latest Philippine Banking Sector data from the BSP  
 Industry Ratio as of August 2024

## Combined NPLs and Restructured loans well below industry NPLs



Note: Restructured Loans – Performing  
 Industry Ratio as of August 2024

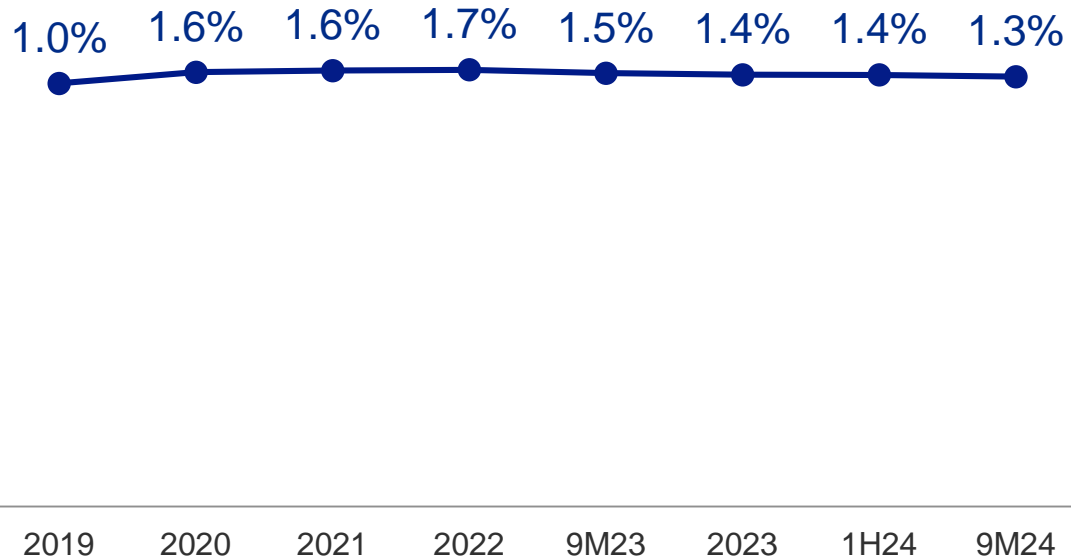




# Asset quality indicators per segment

## Commercial NPL ratio continues to ease

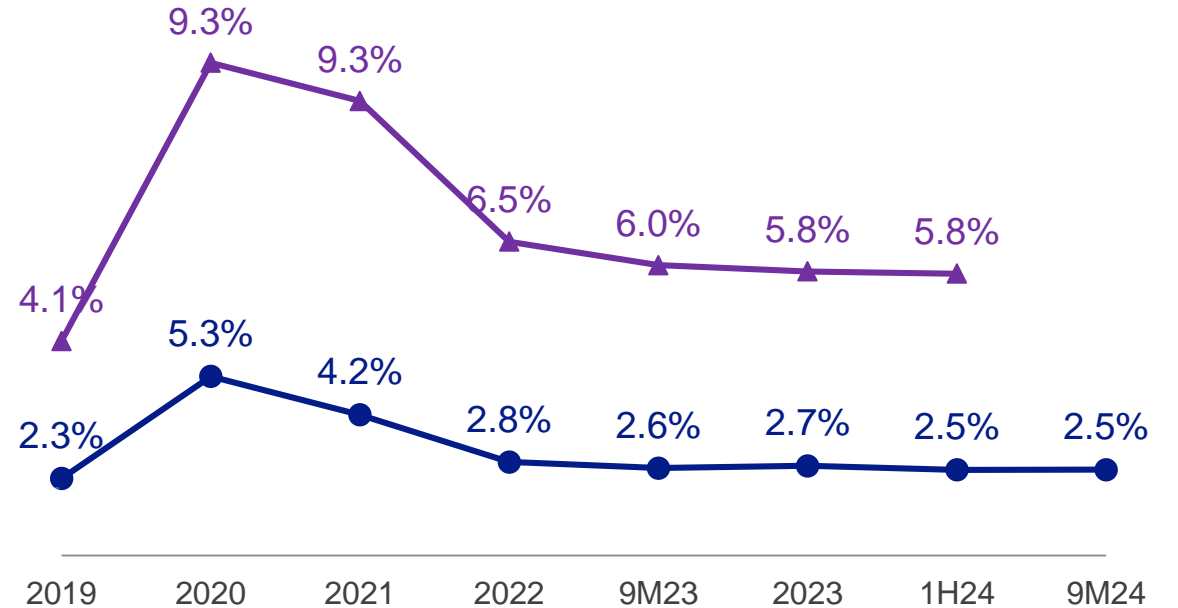
● NPL ratio



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

## Consumer NPL ratio well below industry levels

● NPL ratio    ▲ Industry Consumer NPL ratio



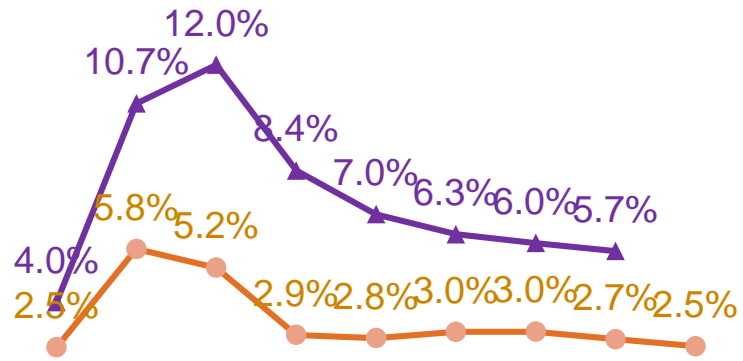
Note: Industry Ratio as of June 2024



# Consumer asset quality trend

## Auto NPL ratio still improving

—●— NPL ratio —▲— Industry

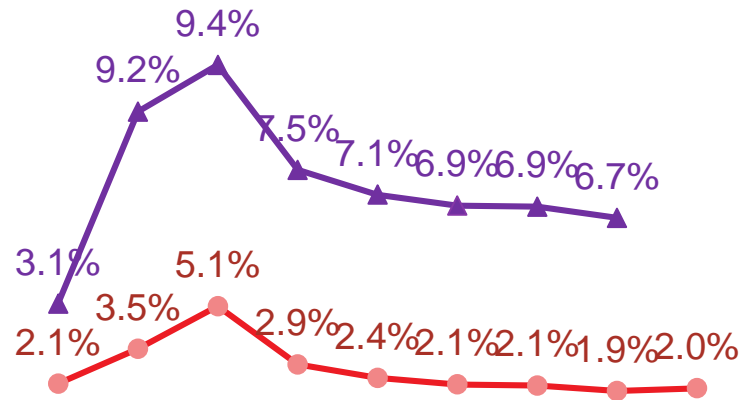


2019 2020 2021 2022 9M23 2023 1Q24 1H24 9M24

Note: NPL Ratios computed using Net of Unearned Interest and Discount (UID)  
 Industry Data refers to Philippine Banking Sector data from the BSP  
 Industry Ratio as of June 2024

## Marginal uptick in Mortgage NPL ratio

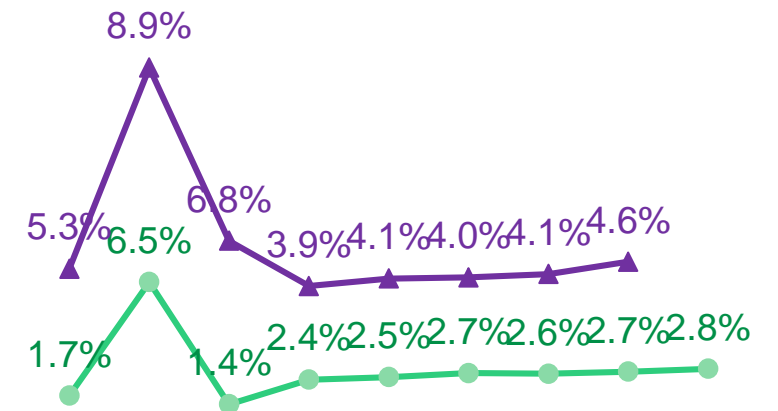
—●— NPL ratio —▲— Industry



2019 2020 2021 2022 9M23 2023 1Q24 1H24 9M24

## Slight pick-up in credit card NPL ratio

—●— NPL ratio —▲— Industry

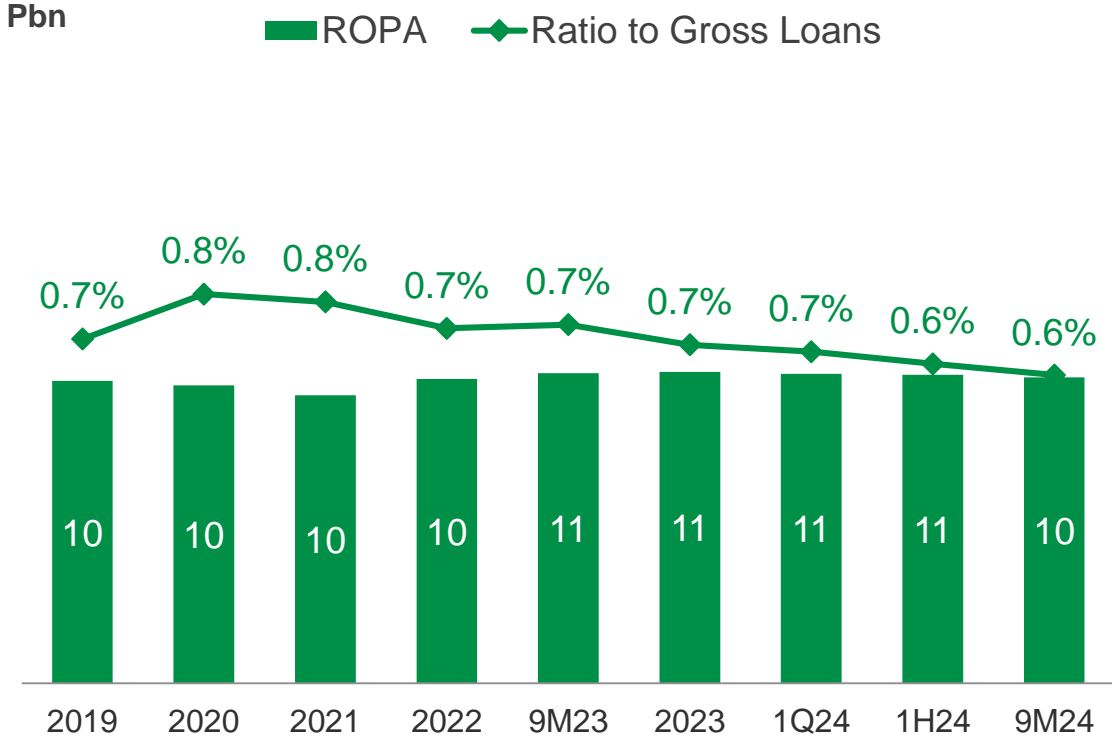


2019 2020 2021 2022 9M23 2023 1Q24 1H24 9M24

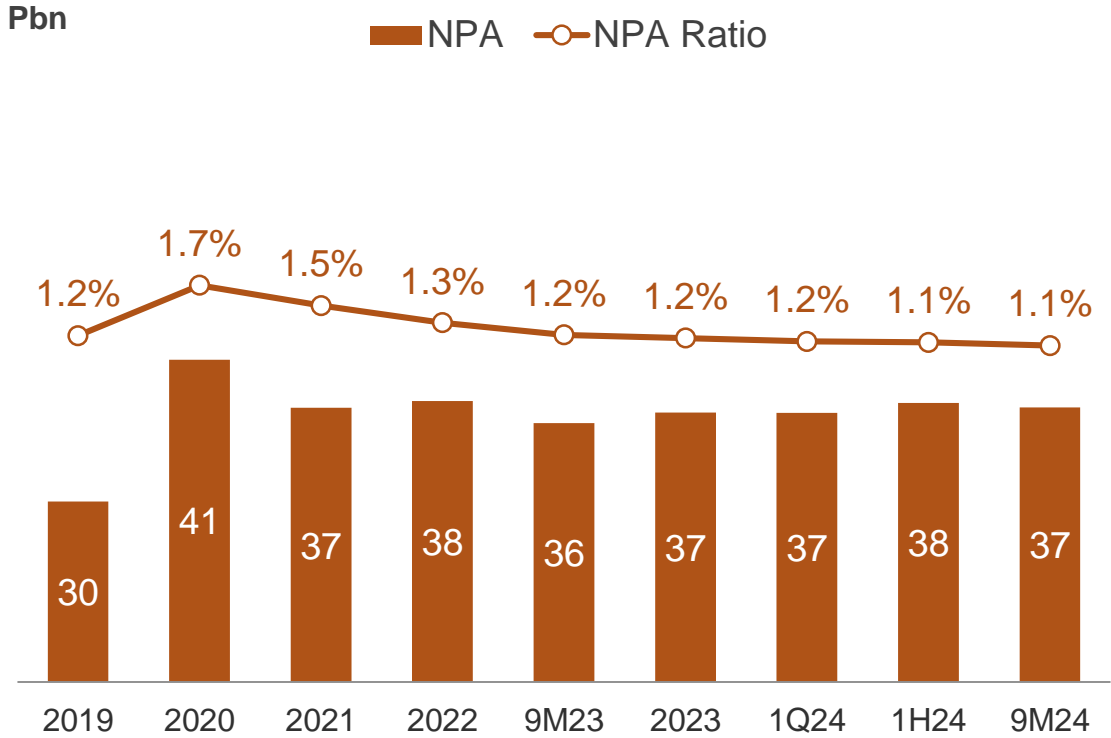


# Other asset quality indicators

## Real and other properties acquired (ROPA) slightly lower



## Total non-performing assets (NPA) well under control

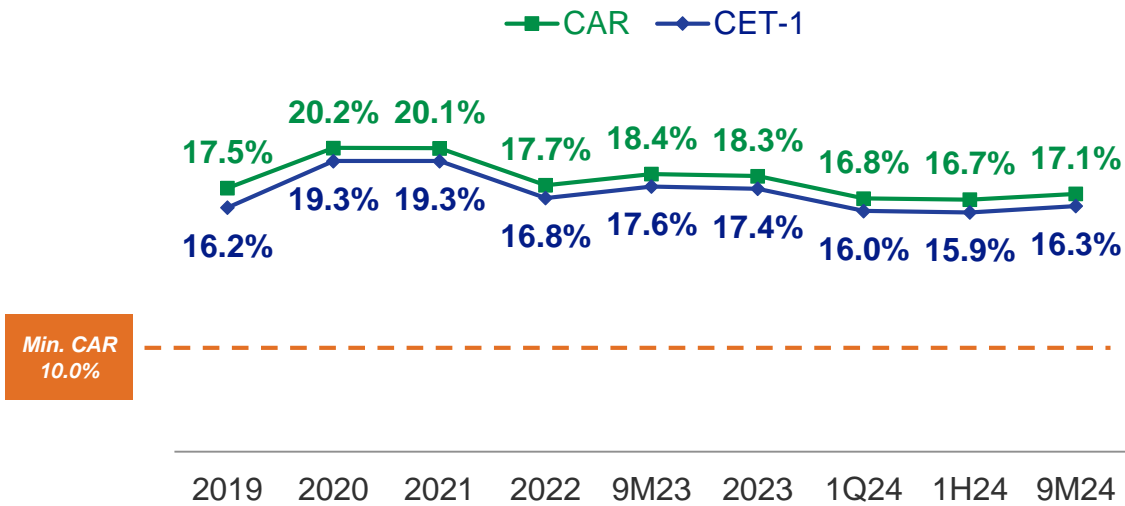


Note: NPA = ROPA + NPL

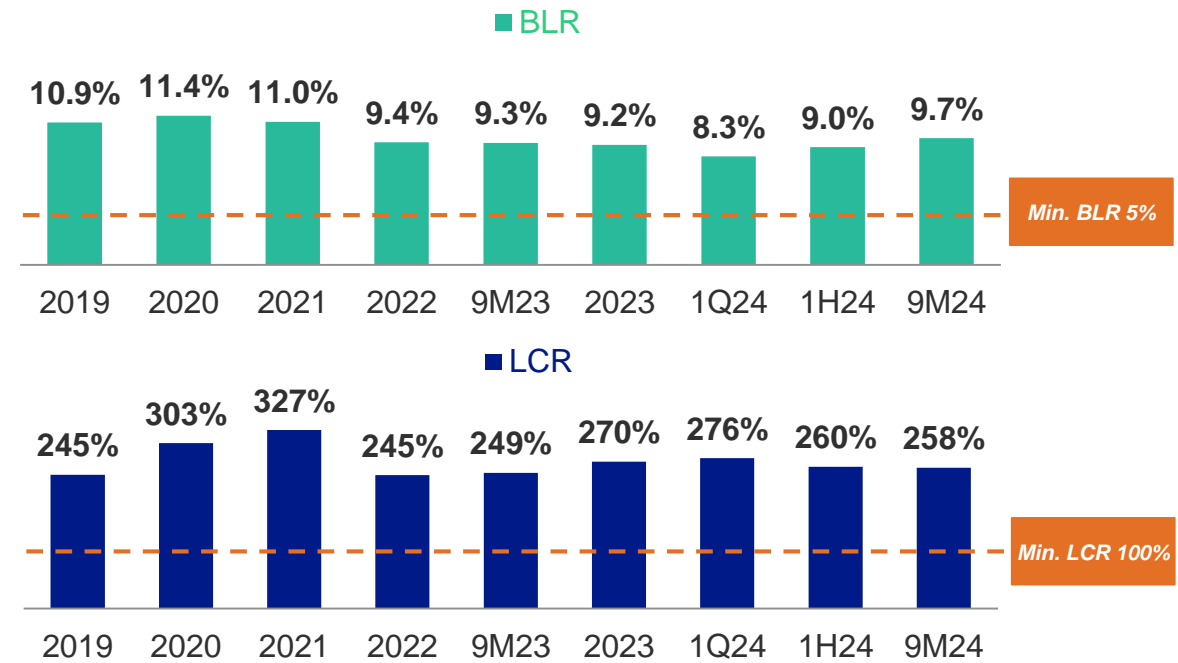


# Capital and liquidity

## High capital ratios offers strong buffers against risks

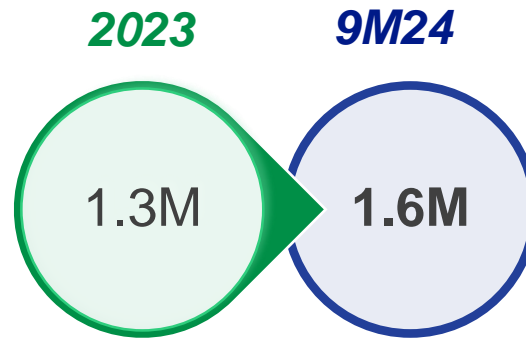
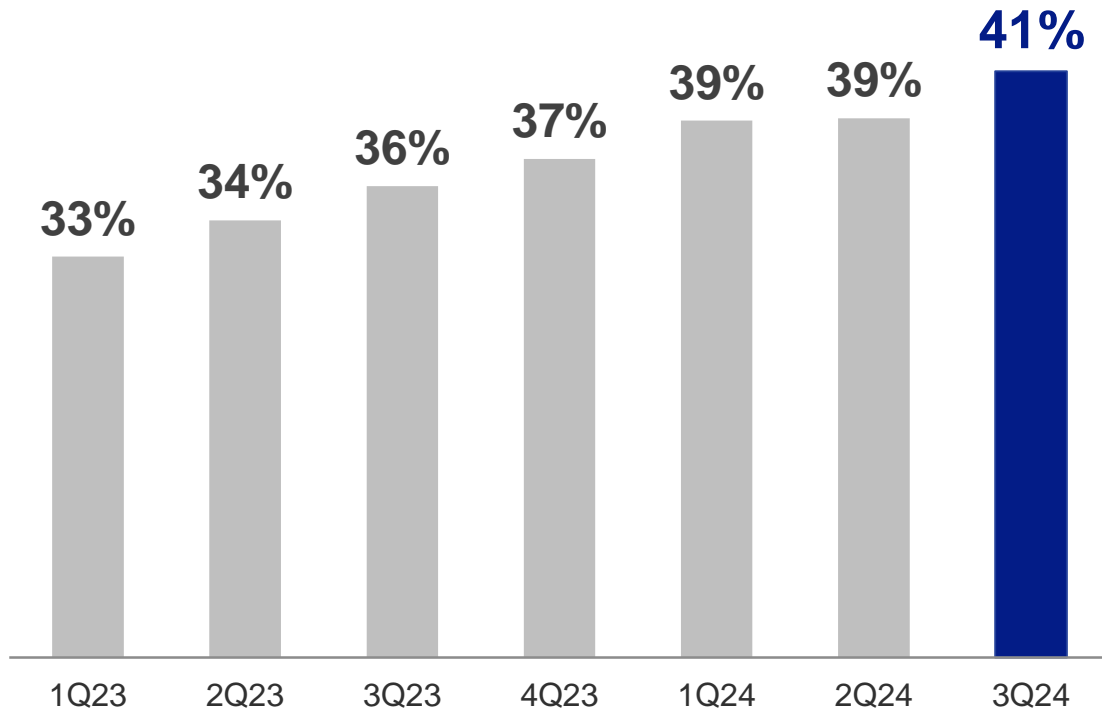



## Liquidity ratios well above threshold



# Digital metrics on retail clients

Digital penetration rate on a continuous upward trend, now at 41%, with 2.0M total digital users

Active base up 22% YTD, which shows that 1.6M out of the 2.0M are active users

*Note: Due to the decommissioning of MBS, active users are defined as MBO/MBOA transactors only. This is retroactively applied to the 2023 active user numbers.*

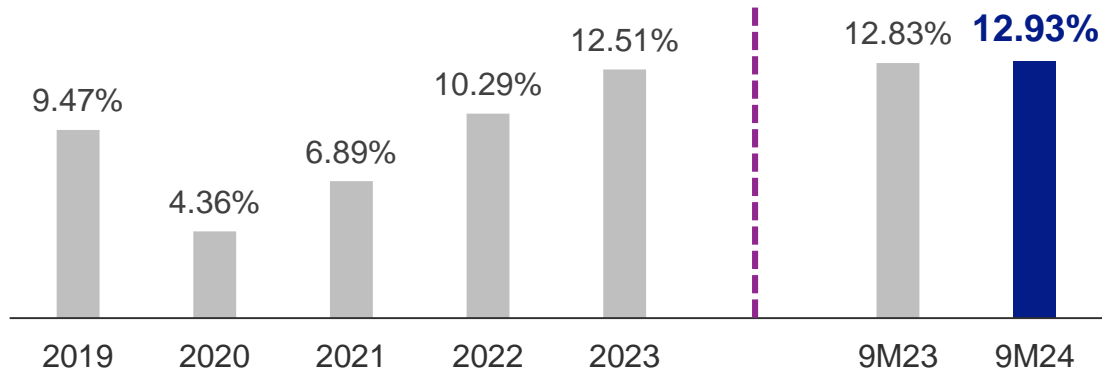


*Note: This data only counts NEW METROBANK APP's downloads since the old Metrobank App has already been decommissioned last February 13, 2024*

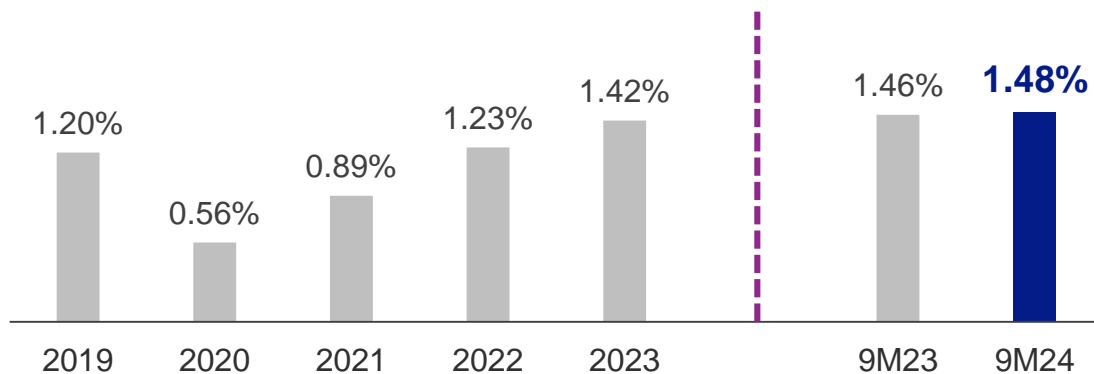


# Return on Equity – Trend

## Return on Equity (ROE) on an upward trajectory



## Sustained Return on Assets (ROA) improvement



## Medium-term ROE drivers

### Portfolio Growth

- Grow loans portfolio by 1.5x-2.0x Real GDP
- Increase consumer to at least 25% of total portfolio

### Improve Operational Efficiency

- Lower CIR to below 50% as digital investments improve efficiencies

### Stable Asset Quality

- Manage credit costs at below 50 bps

### Capital Optimization

- Conduct annual medium term capital planning exercise and review dividend policy



# Outlook – Positives and Challenges



- **Further recovery in discretionary spending and sustained capex-led corporate demand.**
- **Stable asset quality and high NPL cover allow for more flexibility to manage cost of risk.**
- **Strong capital and liquidity position to continue supporting asset expansion and efforts to improve shareholder returns.**
- **More supportive regulatory measures such as more RRR cuts.**



- **A deterioration in macroeconomic conditions may adversely affect improving consumer and business sentiment capping loan demand and pose risk to asset quality**
  - Fall-out from global geopolitical crises and financial market instability affecting domestic market
  - Renewed inflationary pressure or worsening of FX volatility
- **Intensifying competition in both assets and liabilities affecting margins.**
- **Unforeseen changes in the regulatory landscape such as higher credit card rate caps, transfer fee waivers or more aggressive than expected BSP easing.**



# SUMMARY

- ✓ **Solid performance** was sustained owing to robust asset growth, stable margins and healthy asset quality.
- ✓ **Strong balance sheet and liquidity ratios** have made Metrobank well-positioned to support clients' expanding needs in a growing economy.
- ✓ **Investments in capacity and IT capabilities** will be sustained to make banking easy and safe as we strive to increase customer count
- ✓ **Substantial NPL cover** serves as a buffer against macro and market uncertainty.
- ✓ Maintain **periodic capital planning and commitment to current strategies** to balance future growth and improve shareholder returns on a sustainable basis.





# Financial Summary

In PHP billion

Income Statement	3Q 2023	3Q 2024	YoY	9M 2023	9M 2024	YoY
<b>Net Interest Income</b>	<b>26.7</b>	<b>27.8</b>	<b>4%</b>	<b>77.2</b>	<b>85.7</b>	<b>11%</b>
Non Interest Income	8.0	12.1	50%	23.0	24.1	5%
Operating Income	34.7	39.8	15%	100.2	109.8	10%
Operating Expenses	17.6	20.6	17%	51.2	57.0	11%
<b>PPOP</b>	<b>17.1</b>	<b>19.2</b>	<b>12%</b>	<b>49.0</b>	<b>52.8</b>	<b>8%</b>
Provision for Credit	-2.3	-2.5	9%	-6.8	-3.5	-48%
Provision for Taxes	-3.8	-4.3	16%	-9.9	-12.9	30%
<b>Net Income</b>	<b>10.9</b>	<b>12.1</b>	<b>11%</b>	<b>31.8</b>	<b>35.7</b>	<b>12%</b>

Balance Sheet	9M 2023	9M 2024	YoY
Total Assets	2,957	3,335	13%
Loans and Receivables, Gross	1,470	1,700	16%
Total Deposits	2,347	2,284	-3%
CASA	1,390	1,424	2%
Equity	342	380	11%

Financial Ratios	9M 2023	9M 2024	YoY
NIM	3.93%	3.89%	-0.04 ppt
CIR	51.5%	52.2%	+0.73 pts
ROE	12.8%	12.9%	+0.10 pts
ROA	1.5%	1.5%	+0.02 pts
NPL Ratio	1.7%	1.6%	-0.15 pts
NPL Cover	187.1%	161.9%	-25.21 pts
CAR	18.4%	17.1%	-1.32 pts
CET-1	17.6%	16.3%	-1.29 pts
Gross LDR	62.6%	74.4%	+11.76 pts



# ADDITIONAL INFORMATION

# Metropolitan Bank & Trust Company (Metrobank)

## Overview

# 61

### 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 6.1 Bn** Market cap

**USD 4.0 Mn** 3M Avg Daily Value T/O

**22%** Foreign Ownership

**48%** Public Float

*As of October 28, 2024*

## Financial Data (PHP bn) 9M 2024

Total Assets	3,335
Loans and Receivables, Gross	1,700
Total Deposits	2,284
CASA	1,424
Equity	380
CAR	17.1%
CET-1	16.3%

### BIG 3 BANK WITH LEADING MARKET POSITION

**#1**      **#3**      **#4**      **#3**

Auto Loans	Credit Card Receivables*	Mortgage Loans	Trust AUM
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As of 2Q24  
\* As of 3Q24

### STRATEGIC PRESENCE AND COVERAGE

#### DOMESTIC

**956** branches  
**55%** outside NCR      **2,304** ATMs

#### OVERSEAS

**29** branches, subsidiaries, offices  
**100+** remittance tie-ups  
**150+** remittance agents

### INVESTMENT GRADE

#### CREDIT RATINGS

**MOODY'S**    Baa2    Stable

**FitchRatings**    BBB-    Stable

*Aligned with the Philippine sovereign rating*

### BEST BOND BANK IN THE PHILIPPINES

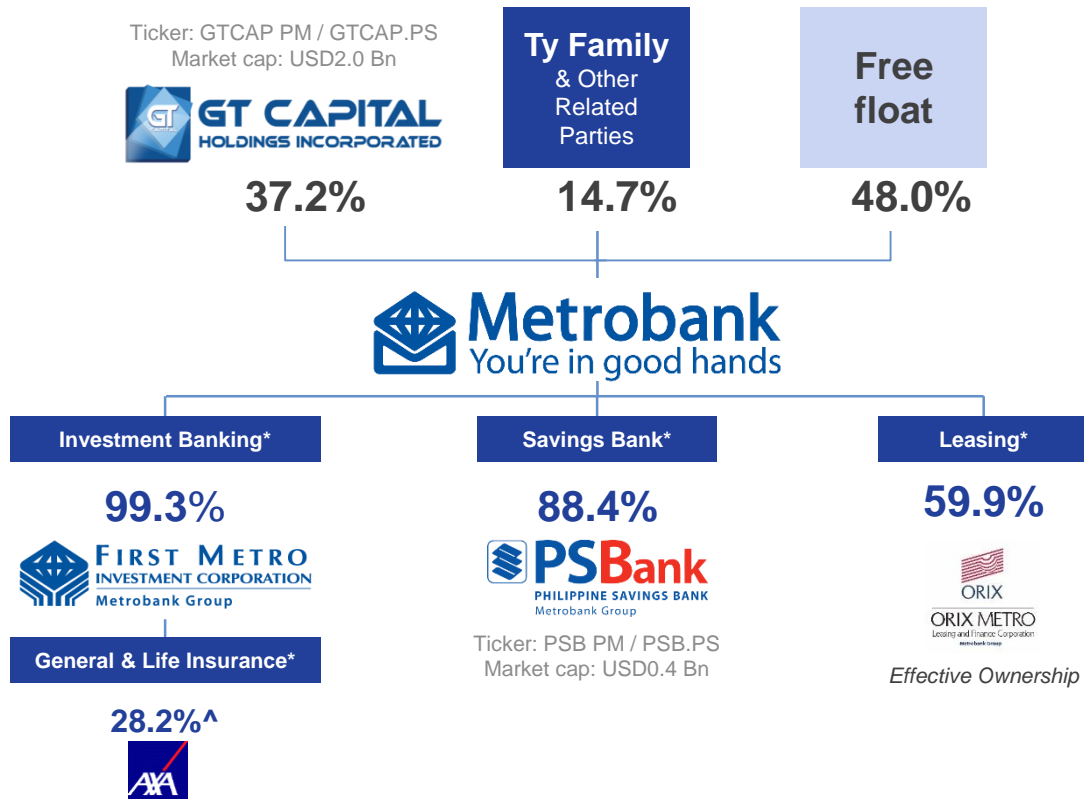
**TOP MARKET MAKER**  
GOVERNMENT SECURITIES – BTr (2023)

**LARGEST TRADER**  
PHP FIXED INCOME SECURITIES



# Ownership and Investment Information

## CORPORATE STRUCTURE



Note: \* Domestic subsidiaries only  
^ MBT's Effective Ownership on AXA is at 28.0%

## 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 28 October 2024	78.70
52-Week Range (Low   High)	49.20   82.60
Market cap (USD Mn)	6,090
3-Month Avg Daily Trading Value (USD Mn)	3.96
3-Month Avg Daily Trading Volume (Mn)	3.04
Public Float	48%
Foreign Ownership	22%

	2022	2023	9M24	
BVPS (PHP)	70.84	79.33	84.52	
EPS (PHP)	7.29	9.39	10.27	Last 4 quarters
Trailing P/BV (x)	0.8	0.6	0.9	Based on EOP share price
Trailing P/E (x)	7.4	5.5	7.7	
DPS (PHP)	3.00	3.00	5.00*	For the year

Note:

\* First tranche of 2024 Dividends of PHP3.50/sh (Reg: PHP1.50/sh and Special: PHP2.00/sh)  
Ex-Dividend Data: March 7, 2024 Payment Date: March 25, 2024

\* Second tranche of 2024 Dividends of PHP1.50/sh (Reg)  
Ex-Dividend Data: September 4, 2024 Payment Date: September 20, 2024



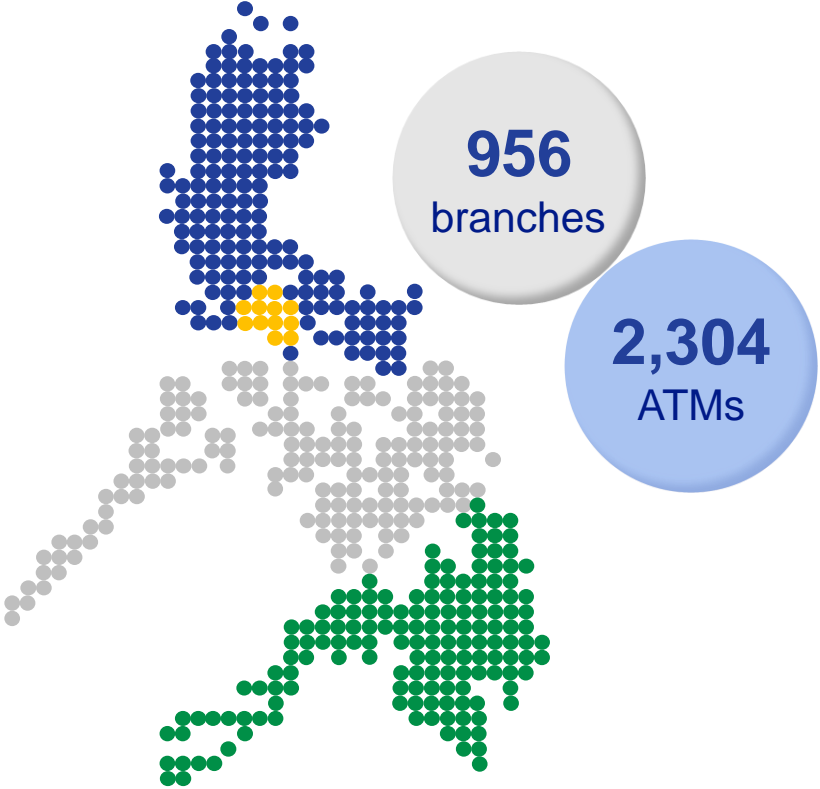
# Extensive Domestic and Overseas Coverage

 **19,500+**

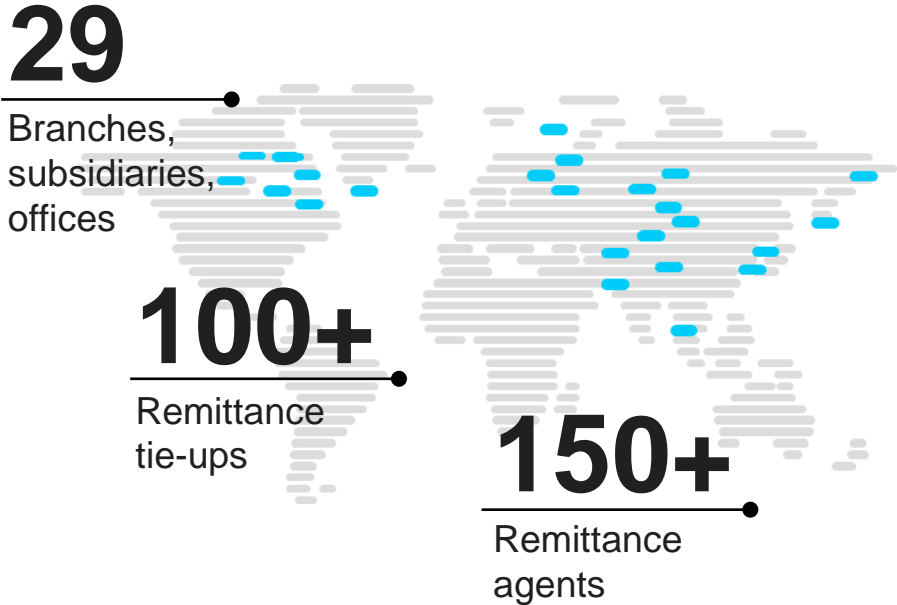
Total Group employee base

*Note: Includes Parent + Major Subs of the Bank*

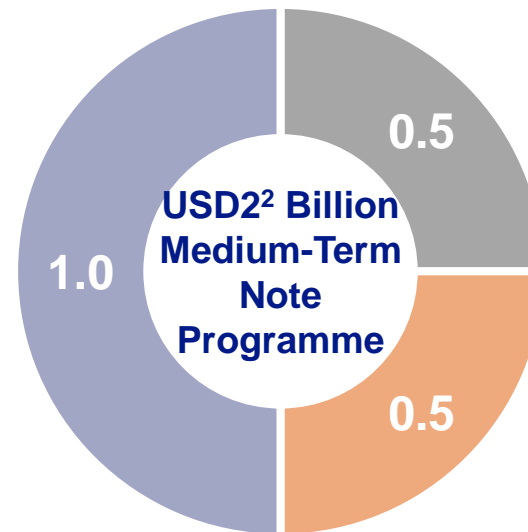
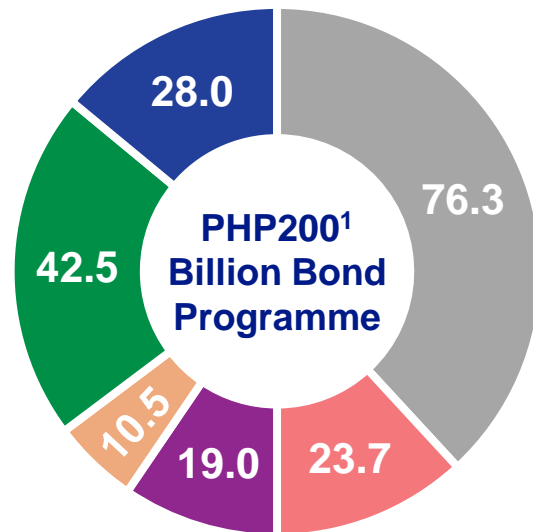
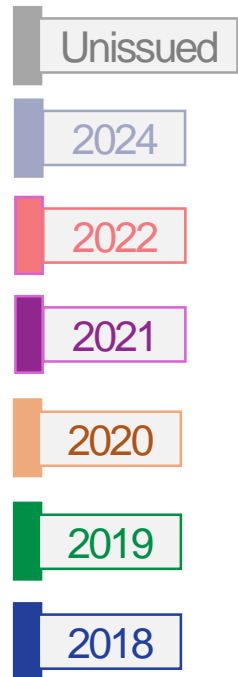
## Domestic Branch and ATM Networks



## Overseas Network Coverage



# Debt Issuances



Bond Issuance

**USD1 billion**

**5-Y and 10-Y USD Notes**

*Listed March 2024*

5-Y: 5.375%

10Y: 5.50%

interest rate p.a.

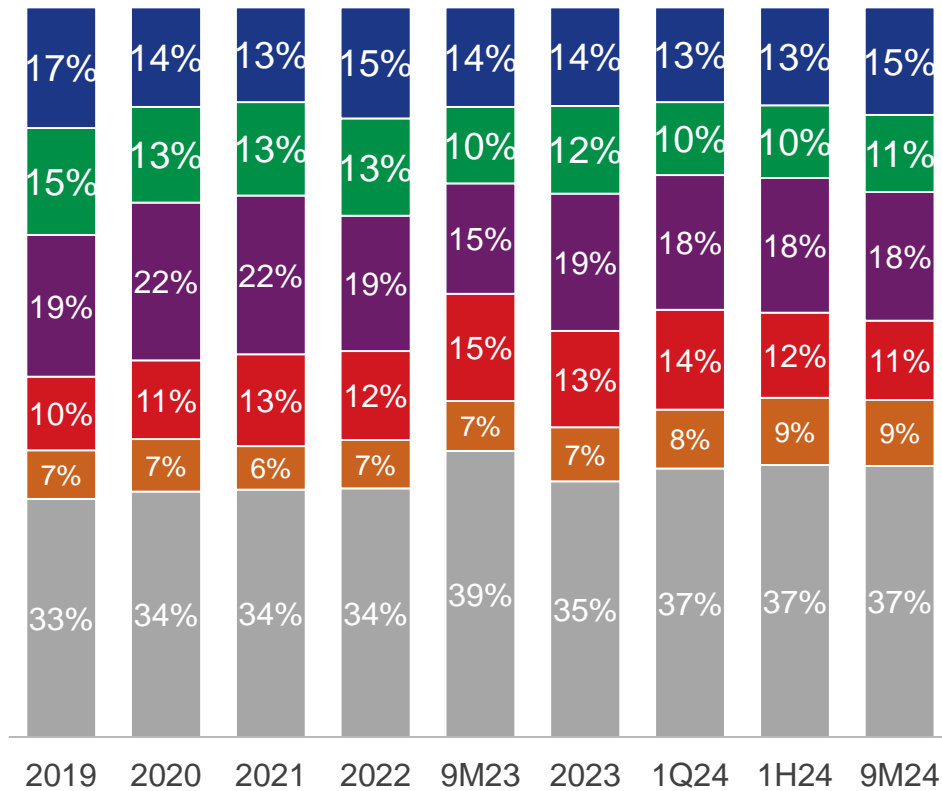
<sup>1</sup>The Board of Directors of Metrobank approved to update its PHP Bond and Commercial Paper Program to Up to PHP200 Billion of Issuances on 15 December 2021

<sup>2</sup>The Board of Directors of Metrobank approved the Bank's USD2 Billion Medium Tern Note Program on 22 March 2017

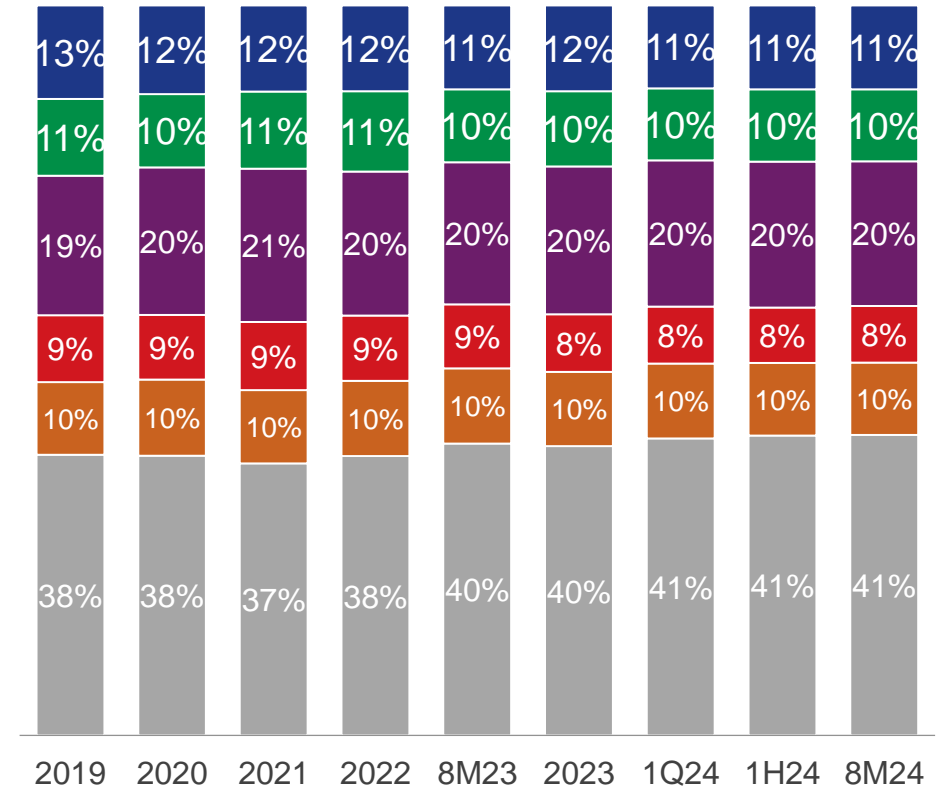


# Loan Portfolio Breakdown

## MBT Loan Portfolio By Industry



## Philippine Banks Loan Portfolio By Industry

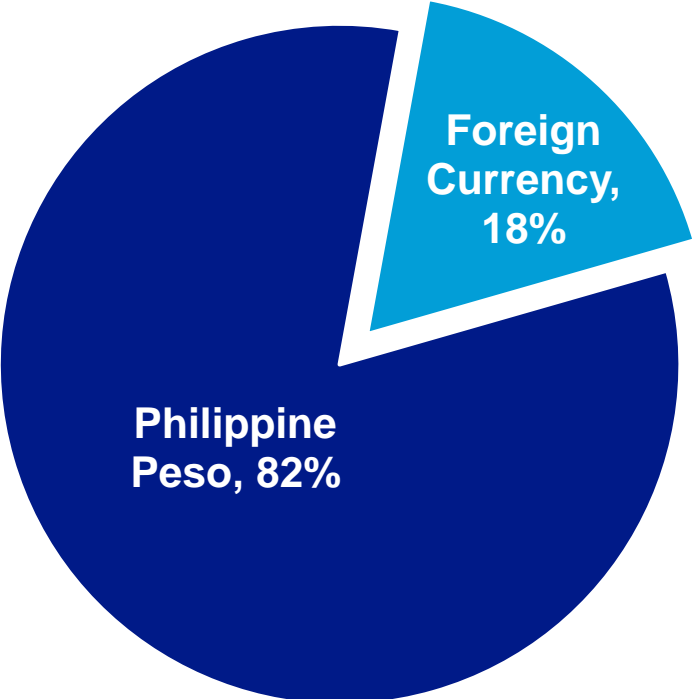


Based on Philippine Standard Industrial Classification  
 Others include Transport & storage, Construction, Agricultural, forestry and fishing; Accommodation & food service activities  
 Note: Reclassified Real Estate data before 2023; Transferred Mortgage from Activities of Household and Undifferentiated Goods and Services to Real Estate

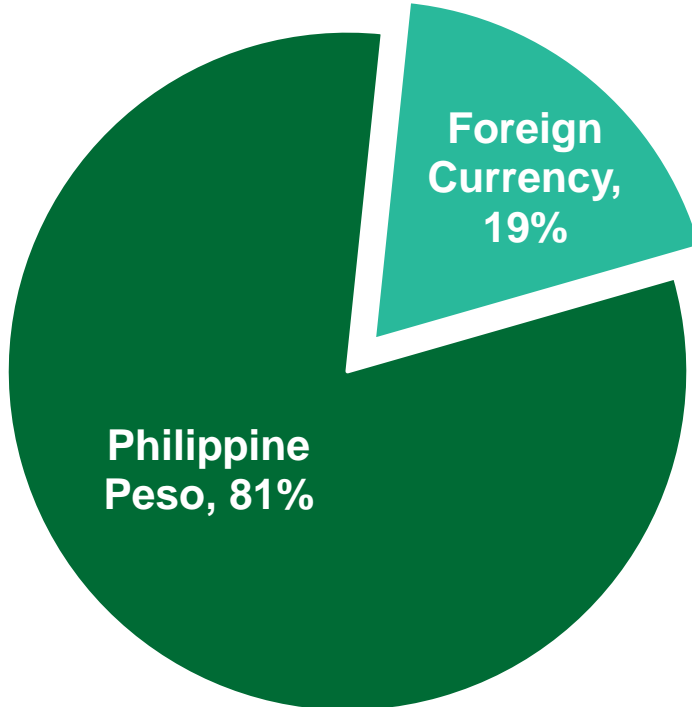


# Currency Breakdown

LOAN PORTFOLIO
























DEPOSITS





# Recent Awards and Recognition

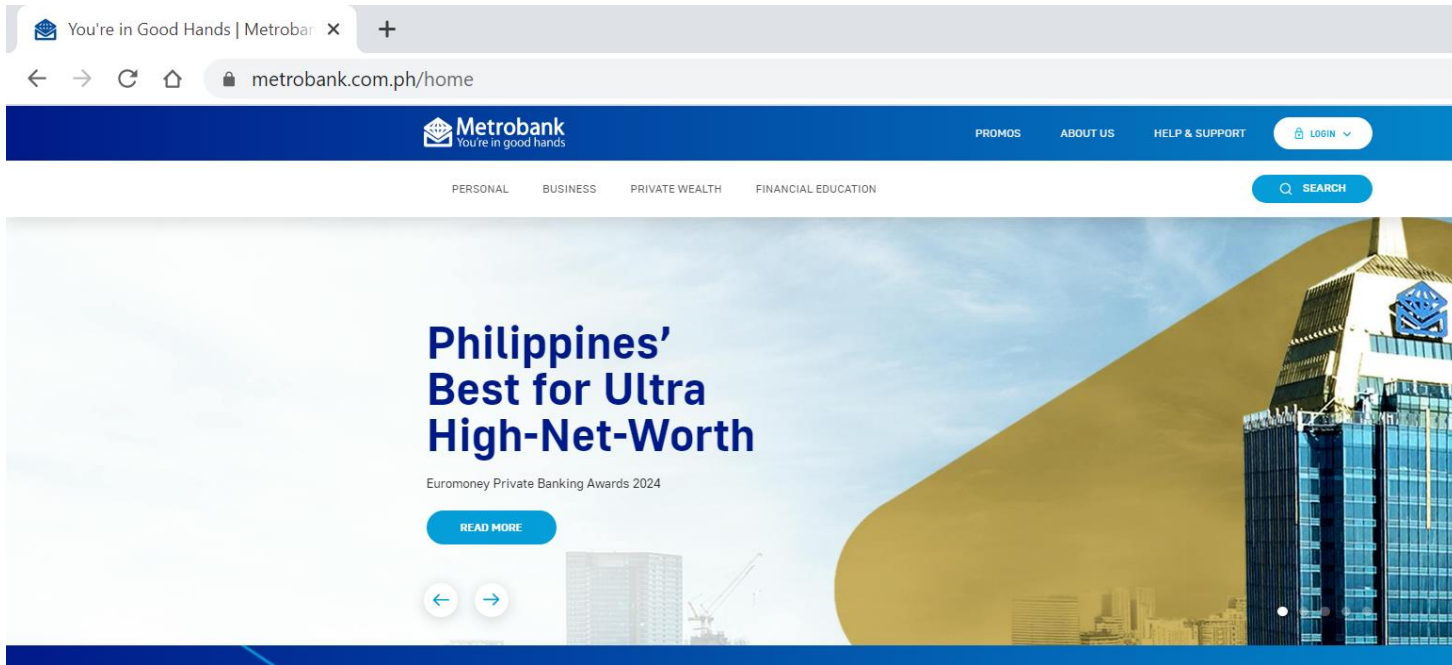
 <p><b>Bank of the Year in the Philippines</b></p> <p>2023, 2022</p> 	 <p><b>Strongest Bank in the Philippines</b></p> <p>2023, 2022, 2021</p> 	 <p><b>Best Domestic Bank in the Philippines</b></p> <p>2023, 2021</p> 	 <p><b>Best Bank for Ultra-High-Net-Worth*</b></p> <p>2024</p> 	 <p><b>Best Bank for Corporate Responsibility in the Philippines</b></p> <p>2024</p> <p><b>Euromoney</b> Awards for Excellence 2024</p>	 <p><b>Best Domestic Private Bank in the Philippines, Best Bank for Ultra-High-Net-Worth</b></p> <p>2023, 2022*</p> 
 <p><b>Most Recommended Retail Bank in the Philippines</b></p> <p>2024</p> <p>Annual BankQuality™ Consumer Survey <b>The Asian Banker</b></p>	 <p><b>Top Domestic Investment House in PH Currency Bonds, Bank Category</b></p> <p>2023</p> 	 <p><b>Best Securities House Bank Category</b></p> <p>2023, 2014-2021</p> 	 <p><b>1 Gold Anvil, 3 Silver Anvils</b></p> <p>2023</p> 	 <p><b>Best Investment Bank in the Philippines</b></p> <p>2023</p> 	 <p><b>Best Online Broker; Best Online Trading Platform</b></p> <p>2023</p> <p>International Finance 2023</p>

Note: \* Euromoney Global Private Bank Awards 2024 was formerly Asiamoney Private Banking Awards

\*\* Metrobank won Best Domestic Private Bank in the Philippines in 2022 as well, while Metrobank only won Best for Ultra-High Net Worth in the Philippines in 2023



# For more information, please visit our website:



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**[investor.relations@metrobank.com.ph](mailto:investor.relations@metrobank.com.ph)**

**Tel: (632) 8857 5348**

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

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