

14 November 2018

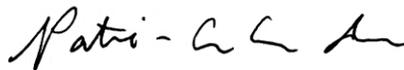
Mr. Jose Valeriano B. Zuño
OIC - Head, Disclosure Department
THE PHILIPPINE STOCK EXCHANGE, INC.
6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Dear Mr. Zuño:

We enclose a copy of our press release entitled **“Metrobank posts 55% income growth in 3Q”**.

Thank you.

Very truly yours,



Patricia Carmen D. Pineda
Head, Investor Relations

cc:
Philippine Dealing and Exchange Corp.
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14 November 2018, Manila

Metrobank posts 55% income growth in 3Q

Metropolitan Bank & Trust Company (Metrobank) posted a net income of P5.7 billion in the third quarter of 2018, representing a robust 55% increase from the P3.7 billion in the same period last year. This brings net income for the first nine months of the year to P16.8 billion, rising by 27% year-on-year.

The growth was driven by the solid performance of the core business, as double-digit growth in loans and sustained CASA ratio lifted margins even higher, while the increase in operating expenses was kept at a manageable level.

“The strong performance during the nine-month period is very encouraging especially amidst inflation concerns and rising interest rates. Credit demand remains healthy, and the Bank continues to grow cautiously its consumer, business and infrastructure-related loan portfolio without incurring unnecessary risks to asset quality and profitability,” said Metrobank Chairman Arthur Ty. “We will continue to be a key player in the country’s economic development, anchored on our long-term strategy of growth, good governance and sustainability,” added Ty.

The total loan portfolio expanded by 15% year-on-year to P1.3 trillion, well within the company guidance. The commercial segment led the growth at 17%, driven by the consistent performance across the board, from the top corporate accounts, to the middle market and SMEs. Demand continues to be positive in the manufacturing, wholesale and retail trade, and real estate sectors.

On the funding side, total deposits inched up by 5% to P1.5 trillion at the end of September, with the Bank’s CASA ratio maintained at 62%.

Net interest margin for the nine-month period was at 3.88%, higher by nine basis points vs. the comparative figure last year, and 11 basis points better than the 3.77% reported in the first half this year. Net interest income grew by 13% to P51.0 billion, which accounted for 75% of the Bank’s total revenue of P68.4 billion.

Non-interest income rose by 4% to P17.4 billion, comprised of P10.2 billion in service fees and commissions and income from trust operations, which was up 11%; P2.1 billion in net trading and FX gains; and, P5.1 billion in miscellaneous income. Fee-related revenues benefited from steady customer-driven flows and boosted by the large corporate deals that were booked in the early part of the year.

Meanwhile, operating expenses, excluding taxes and licenses, increased by 10% to P33.0 billion, which was well within company guidance. Manpower-related costs grew by 12% to P16.0 billion, while the balance was spent for the bank's continuous efforts to improve its systems and streamline processes. Meanwhile, taxes and licenses were reported at P6.3 billion, inclusive of new tax-related requirements under the TRAIN law.

Asset quality metrics remained healthy and better than industry average. Non-performing loans ratio stayed relatively flat quarter-on-quarter at 1.2%, while NPL cover was likewise maintained at 110%. The Bank reported provisions for credit and impairment losses of P5.2 billion, which is largely attributable to the impact of PFRS-9 adopted at the start of the year.

As of September 2018, Metrobank's consolidated assets stood at P2.1 trillion and equity at P277.5 billion. Total capital adequacy ratio was at 17.8% with Common Equity Tier 1 ratio at 15.2%.

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Metrobank is the country's premier universal bank and has one of the largest domestic networks with over 950 branches and over 2,300 automated teller machines (ATMs) nationwide, and 32 foreign branches, subsidiaries and representative offices. For inquiries, please contact Corporate Communication Department at 857-5526, or Investor Relations Department at 857-9783 and investor.relations@metrobank.com.ph. Or call the Metrobank 24/7 Customer Hotline at 8700-700, or log on to www.metrobank.com.ph. For provincial areas, call toll-free 1-800-1888-5775.