

28 February 2019

Ms. Janet A. Encarnacion

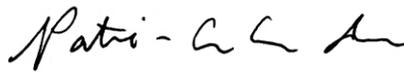
Head, Disclosure Department
THE PHILIPPINE STOCK EXCHANGE, INC.
6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Dear Ms. Encarnacion:

We enclose a copy of our press release entitled **“Metrobank posts 21% net income growth in 2018.”**

Thank you.

Very truly yours,



Patricia Carmen D. Pineda
Head, Investor Relations

cc:
Philippine Dealing and Exchange Corp.
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28 February 2019, Manila

Metrobank posts 21% net income growth in 2018

Metropolitan Bank & Trust Company (Metrobank) posted a robust 21% net income growth in 2018, expanding to P22.0 billion from the P18.2 billion registered in 2017. Total resources likewise reached a new all-time high of P2.2 trillion.

Metrobank's strong performance was driven by the healthy growth in loans complemented by margin expansion, higher service charges, fees and commissions, and manageable expense growth.

"2018 was a milestone year for our bank. Despite the challenging market conditions that especially characterized the second half of the year, we achieved consistent core income growth while keeping operating costs in check and asset quality intact," Metrobank President Fabian S. Dee commented. "In addition, we have been steadily laying the groundwork for future expansion through structural changes, and focusing on productivity and efficiency improvements across the institution," added Mr. Dee.

The Bank's loan portfolio expanded by 10% year-on-year to P1.4 trillion. The commercial book led the growth at 11%, driven by the top corporate accounts, followed by the middle market and SME accounts.

Total deposits increased by 2% to P1.6 trillion at the end of 2018, while the Bank's CASA ratio was maintained at 62%. Funding was supplemented by the issuance of P8.68 billion Long-Term Negotiable Certificates of Deposits (LTNCDs) in October, and P28.0 billion Fixed Rate Peso Bonds in November and December.

As a result, net interest income expanded by 12% to P68.8 billion, and accounting for 74% of the Bank's total revenues of P92.6 billion. Net interest margin expanded to 3.82%, still the highest among peer banks.

Meanwhile, total non-interest income grew to P23.8 billion. The major drivers are service fees and commissions and income from trust operations which combined went up by 13% to P14.0 billion. Fee-related revenues were boosted by steady customer-driven flows and trade-related commissions. In addition, net trading and FX gains contributed P2.8 billion while other income was at P6.2 billion.

Operating expenses, excluding taxes and licenses, increased at a slower pace of 10% to P44.9 billion. Manpower-related costs grew by 11% to P22.4 billion, while the balance was spent in support of the Bank's continuous systems and process improvement efforts.

Asset quality metrics remained healthy and better than industry average. Non-performing loans (NPLs) ratio was recorded at 1.2%, while NPL cover increased to 105%. Overall credit cost was kept well-within the company's guidance of 50 to 60 basis points for the full year. The Bank reported provisions for credit and impairment losses of P7.8 billion, which is already based on PFRS 9 adopted at the beginning of the year.

As of December 2018, Metrobank's consolidated assets stood at P2.2 trillion and equity at P283.0 billion. The Bank successfully completed its landmark P60.0 billion rights issue in April 2018. At year-end, capital ratios were comfortably above regulatory requirements, with total capital adequacy ratio at 17.0% and Common Equity Tier 1 ratio at 14.6%.

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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.