

06 May 2019

**Ms. Janet A. Encarnacion**

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**Dear Ms. Encarnacion:**

We enclose a copy of our press release entitled **“Metrobank 1Q income rose 15% to P6.8 Billion.”**

Thank you.

Very truly yours,



**Jette C. Gamboa**

Head, Strategic Planning and Investor Relations

cc:

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## **Metrobank 1Q income rose 15% to P6.8 Billion**

Metropolitan Bank & Trust Company (Metrobank) reported P6.8 billion in net income for the first quarter of 2019, representing a 15% growth from the P5.9 billion in the same period last year.

Metrobank's solid performance for the quarter was driven by its double-digit growth in operating income on the back of consistent loan growth and margin expansion, higher fee-based income, and prudent operational expenditures.

"We are pleased with the favorable business results in the first three months. The year is starting on the right track, with performance metrics showing expansion in existing income streams, improving productivity, and most importantly, quality growth," said Metrobank President Fabian S. Dee. "We remain optimistic on the prospects of the economy, which should be supportive of the thriving banking industry. Against this backdrop, we will continue to focus on key initiatives that will impact customer experience, efficiency, governance, and sustain profitability for the Bank," he added.

At the end of the first quarter, total deposits stood at P1.6 trillion, with the Bank's CASA ratio at a stable 61% to total deposits. This supported the 8.5% growth in net loans and receivables to P1.4 trillion, which was led by the commercial loan segment comprised of top corporate accounts, middle market and SMEs.

Metrobank's net interest margin for the period likewise attained notable improvement, rising 9 basis points (compared to last year) to 3.84%. Net interest income came in at P18.1 billion, posting a 12% growth year-on-year, and accounted for 74% of the Bank's total revenues of P24.6 billion.

Rounding out the Bank's growth trajectory was its non-interest income, which rose by 8% to P6.5 billion. This included a 9% increase in service fees and commissions to P3.1 billion, P1.5 billion in net trading and FX gains, and P1.6 billion in miscellaneous income. Fee-related revenues as well as trading income continue to benefit from increased customer business in fixed income and foreign exchange.

On top of the Bank's notable performance, its operating expenses slowed down to 10%, totaling P13.5 billion. Manpower-related costs accounted for P5.4 billion of the full amount, while the balance was spent on systems and process improvements, as well as continuous investments in information technology.

Asset quality metrics remained healthy, with non-performing loans (NPL) ratio slightly up at 1.5%. For the first quarter, the Bank reported provisions for credit and impairment losses of P2.4 billion.

For the period ending 31 March 2019, Metrobank's consolidated assets stood at P2.3 trillion and equity at P288.7 billion. Its capital ratios are comfortably above minimum requirements, with total capital adequacy ratio at 17.4% and Common Equity Tier 1 ratio at 15.0%.

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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 over 30 foreign branches, subsidiaries and representative offices. For inquiries, please contact Corporate Communications Department at 857-5526, or Investor Relations Department at 857-9783 and [investor.relations@metrobank.com.ph](mailto:investor.relations@metrobank.com.ph). Or call the Metrobank 24/7 Customer Hotline at 8700-700, or log on to [www.metrobank.com.ph](http://www.metrobank.com.ph). For provincial areas, call toll-free 1-800-1888-5775.