

21 February 2024

THE PHILIPPINE STOCK EXCHANGE, INC.

6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

ATTENTION: **MS. ALEXANDRA D. TOM WONG**
Officer-In-Charge, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

29/F, BDO Equitable Tower
8751 Paseo de Roxas
1226 Makati City, Philippines


ATTENTION: **MR. ANTONINO A. NAKPIL**
President & CEO, Philippine Dealing & Exchange Corp.

Dear Ms. Tom Wong and Mr. Nakpil:

We furnish you a copy of our press release entitled “**Metrobank books 29% increase in full-year net income in 2023.**”

Thank you.

Very truly yours,



Minda Claver A. Olonan
Head, Investor Relations

21 February 2024, Manila

Metrobank books 29% increase in full-year net income in 2023

Investors to get higher dividends on better profitability

Metropolitan Bank & Trust Co. (Metrobank) posted record earnings of PHP42.2 billion, 28.9% higher year-on-year. This translated to a return on equity (ROE) of 12.5%, higher than 10.3% in 2022. Total consolidated assets expanded by 9.2% to PHP3.1 trillion in 2023, maintaining its status as the country's second largest private universal bank.

The Bank's strong profitability and substantial capital base prompted the Board of Directors to approve a total cash dividend of PHP5.00 per share for the year. The regular dividend was raised from PHP1.60 to PHP3.00 per share to be paid out on a semi-annual basis at PHP1.50 per share. In addition, a special cash dividend of PHP2.00 per share was also declared. The first payout of PHP3.50 will be given to shareholders on record as of March 8, 2024.

"Our solid performance in 2023 was strongly driven by our asset expansion, higher margins, improving efficiency levels and better asset quality. This indicates that we are firmly on track with our long-term growth strategies supported by our highly capable and resilient team of Metrobankers and strong balance sheet. We look forward to further expanding our partnerships with all our stakeholders," said Metrobank President Fabian S. Dee.

The Bank's net interest income grew by 22.7% fueled by higher loan demand and better net interest margin of 3.9%. Gross loans rose by 7.6% year-on-year, with consumer portfolio increasing by 15.9% on strong discretionary spending, outpacing the 5.5% rise in commercial loans. Meanwhile, total deposits grew by 7.3% from the previous year to PHP2.4 trillion with low-cost current and savings accounts (CASA) amounting to more than 60% or PHP1.4 trillion.

Fee income increased by 9.0% to PHP16.4 billion, largely driven by the expanding consumer business. Trading and forex gains were steady at PHP4.0 billion.

Cost to income ratio eased to 52.1% from 54.3% in 2022. The robust revenue growth offset the 14.0% increase in operating expenses, which was driven by transaction-related taxes, technology costs and higher manpower in line with capacity expansion.

Asset quality continued to improve. Non-performing loans (NPLs) ratio eased to 1.7% from 1.9% in 2022, well below the banking system's 3.3% NPL ratio. Moreover, the Bank's NPL cover remained substantial at 180.3%, reflecting its ability to weather any risks to the loan portfolio.

The Bank's total equity stood at PHP356.7 billion, while capital ratios remain to be one of the highest in the industry, with capital adequacy ratio at 18.3% and Common Equity Tier 1 (CET1) ratio at 17.4%, all well-above the minimum regulatory requirements.

Metrobank's notable performance continued to be recognized by top financial publications in 2023. Metrobank received back-to-back awards from The Banker as the country's "Bank of the Year"; the Asian Banker's "Strongest Bank in the Philippines" for the third year; and Asiamoney's "Best Domestic Private Bank", Best Bank for the Ultra High Net Worth and "Best Service for the Philippines" in the Asia Money Trade Finance Survey.

ABOUT METROBANK:

Metrobank is the country's second largest private universal bank that empowers both retail and business clients with customized financial products and services fit to help reach their goals and full potential. It has an extensive consolidated network that spans over 940 domestic branches nationwide, more than 2,300 ATMs, and above 30 foreign branches, subsidiaries, and representative offices. The Bank believes that its robust capital position and balance sheet strength will provide ample support as it navigates through uncertain times. Capital ratios are among the highest in the industry, with total CAR at 18.3% and Common Equity Tier 1 (CET1) ratio at 17.4%. Consolidated assets stood at PHP3.1 trillion at the end of December 2023, making it one of the strongest and well-capitalized banks in the country (<https://metrobank.com.ph>).