

29 February 2024

**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 Mr. Nakpil:

We furnish you a copy of our press release entitled "Metrobank raises landmark USD1 billion from international debt capital markets".

Thank you.

Very truly yours,



**Minda Claver A. Olonan**  
Head, Investor Relations

**29 February 2024**

## **Metrobank raises landmark USD1 billion from international debt capital markets**

Metropolitan Bank & Trust Co. (Metrobank) successfully concluded its offering of a dual tranche, 5 year and 10 year U.S. dollar denominated notes amidst overwhelming demand.

The 5-year and 10-year bonds were priced at 110 basis points and 130 basis points above the benchmark U.S. Treasury notes, carrying fixed coupon rates of 5.375% and 5.50%, respectively. The final order book was more than 11 times oversubscribed, reaching USD 5.6 billion from investors globally. Metrobank is the first private bank to issue a long-dated 10-year bond. Moody's gave the 5- and 10-year bonds an investment grade rating of Baa2, at par with the Republic of the Philippines sovereign dollar debt.

This issuance established several records: the longest senior dated note by a private sector bank in the Philippines, the largest non-sovereign note issuance of USD1 billion, and the tightest ever credit spreads on the 5-year tranche among non-sovereign Philippine issuers. By geographical allocation, 86% of the investors came from Asia Pacific (APAC) and 14% from Europe, Middle East and Africa (EMEA). By investor type, meanwhile, 73% was allocated to fund managers, 14% to banks/financial institutions and the remaining 13% to insurers, corporations and private banks.

"We are positively overwhelmed with the high interest we received from global investors for this issuance. It shows their strong confidence on Metrobank's credit and track record in the Philippines. This offering will fund the Bank's key growth initiatives as we continuously develop innovative financial solutions to serve our clients," said Fabian Dee, President of Metrobank.

"We are grateful for the support shown by global investors in our return to the international bond market after a three-and-a-half-year hiatus. The results of this note offering is a clear indication of investors' trust and confidence in the strongest bank in the Philippines. The proceeds of this fund raising will enable the bank to support our growing pipeline of customer transactions as the Philippine economy accelerates its growth" said Fernand Antonio Tansingco, Head of the Financial Markets Sector.

Proceeds of the bond issuance will be used to diversify the bank's funding sources and establish a benchmark for Philippine bank credit in the international capital markets.

Bank of America Securities and UBS were the Joint Global Coordinators and Joint Bookrunners for the transaction, MUFG Securities and First Metro Investment Corp. acted as Joint Bookrunners.

This issuance is part of the Bank's USD 2.0 Billion Medium Term Note Program approved by its Board of Directors on 22 March 2017. Metrobank last tapped the international bond market in July 2020 when it raised USD500 million from the issuance of 5.5-year bonds, which carried a fixed coupon of 2.125%, payable semi-annually.

Metrobank posted record earnings of PHP42.2 billion in 2023, 28.9% higher year-on-year. This translated to a return on equity (ROE) of 12.5%, higher than 10.3% in 2022. Common Equity Tier 1 (CET1) ratio of 17.4% is well-above the minimum regulatory requirement. 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.

#### **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>).