

02 August 2022

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: **ATTY. MARIE ROSE M. MAGALLEN-LIRIO**
Head, Issuer Compliance and Disclosure Department (ICDD)

Dear Ms. Tom Wong and Atty. Magallen-Lirio:

We furnish you a copy of our press release entitled "**Metrobank posts 33% growth in 1H22 net income; Records a 95% y-o-y increase in 2Q22 profit.**"

Thank you.

Very truly yours,



Minda Claver A. Olonan
Head, Investor Relations

02 August 2022, Manila

Metrobank posts 33% growth in 1H22 net income

Records a 95% y-o-y increase in 2Q22 profit

Metropolitan Bank & Trust Company (Metrobank) recorded a 33% increase in net profit to P15.6 billion in the first half of 2022, as earnings surged by 95% to P7.6 billion in the second quarter. Performance was better across the board— faster loan expansion, improving interest margin, robust fee income growth, stable operating costs, and lower provisions amid healthier asset quality.

“The continued improvement in the Bank’s performance cements our strategy as we enable various customers and businesses as economic activities accelerate. This also validates the recent recognitions we received from prestigious publications, naming us the country’s best bank,” said Metrobank President Fabian S. Dee.

“Our focus on serving our client needs while actively managing risks and promoting efficiencies has driven our solid operating results, and will continue to do so in the medium term as the economy expands,” he added.

Gross loans rose by 9% year-on-year to P1.3 trillion, led by a 12% growth in corporate and commercial lending and 16% increase in gross credit card receivables. Asset quality improved with NPLs declining by 7%. The ratio of NPLs to total loans stood at 1.9% in the first half, down from the 2.3% a year ago and significantly below the industry’s 3.9% NPL ratio in May. This enabled the Bank to further trim down provisions by 46% in the first half. Metrobank’s NPL cover stood strong at 196%, a hefty buffer to protect the bank against market risks.

Meanwhile, total deposits grew 13% to P2.1 trillion. CASA deposits climbed by 10% to P1.5 trillion from a year ago, which resulted in lower funding costs. As net interest margin recovered to 3.4%, net interest income increased by 6% to P39.8 billion.

Non-interest income went up by 8% in the first half driven by an 18% jump in fees and other non-interest earnings. Despite volatile markets, the Bank managed to post P3.4 billion profit from trading income from strong customer driven flows.

Amid a rise in the Bank’s transaction volumes, operating expenses remained in control and stayed flat at P29.4 billion, backed by on-going efforts to improve operational efficiency, resulting in 53.8% cost-to-income ratio, an improvement from the 57.2% posted in the same period last year.

The recovery in the Bank’s revenues alongside stable costs led to a 16% rise in pre-provisioning profit to P25.6 billion.

Metrobank is the country's second largest private universal bank with consolidated assets of P2.7 trillion and total equity of P303.4 billion. The Bank's balance sheet remains strong with capital adequacy ratio (CAR) standing at 17.6% and common equity Tier 1 (CET 1) at 16.8%, both well-above the central bank's minimum requirement.

As a testament to Metrobank's financial strength and position in the market, leading London-based financial publication Euromoney recognized Metrobank as the 'Best Bank in the Philippines' at the recently held Euromoney Awards for Excellence 2022. The Bank was also recognized by award-giving bodies such as Asiamoney, The Asian Banker, and LinkedIn for being the Best Domestic Bank, the Strongest Bank, and the Top Banking Employer in the Philippines, respectively.

ABOUT METROBANK:

Metrobank is the country's second largest private universal bank. The Bank believes that its robust capital position and balance sheet strength will provide ample support as it navigates through these uncertain times. Capital ratios are among the highest in the industry, with total CAR at 17.6% and Common Equity Tier 1 (CET1) ratio at 16.8%. Consolidated assets stood at P2.7 trillion at the end of June 2022, making it one of the strongest and well-capitalized banks in the country.