

April 13, 2016

Janet A. Encarnacion
Head, Disclosure Department
Philippine Stock Exchange
3/F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Dear Ms. Encarnacion:

Pursuant to the Structured Continuing Disclosure Requirements for Listed Companies of the Exchange, we hereby submit a copy of our SEC Form 17-A as of December 31, 2015.

Very truly yours,


Mabilou C. Bartolome
Senior Vice President/Controller

cc: Philippine Dealing Exchange Corp.
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue corner Paseo de Roxas
1226 Makati City, Philippines

SEC Number 20573
File Number _____

METROPOLITAN BANK & TRUST COMPANY

(Company's Full Name)

Metrobank Plaza, Sen. Gil Puyat Avenue, Urdaneta Village, Makati City, Metro Manila

(Company's Address)

898-8805

(Telephone Number)

December 31

(Fiscal year ending)

**FORM 17-A
(ANNUAL REPORT)**

(Form Type)

(Amendment Designation, if applicable)

December 31, 2015

(Period Ended Date)

None

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A
ANNUAL REPORT PURSUANT TO SECTION 17 OF
THE SECURITIES REGULATION CODE AND
SECTION 141 OF CORPORATION CODE OF THE PHILIPPINES



1. For the fiscal year ended : **December 31, 2015**
2. SEC Identification Number : **20573**
3. BIR Tax Identification No. : **000-477-863**
4. Exact name of issuer as specified in its charter : **METROPOLITAN BANK & TRUST COMPANY**
5. Province, Country or other jurisdiction of incorporation or organization : **Metro Manila, Philippines**
6. Industry Classification Code : _____ (SEC Use Only)
7. Address of principal office : **Metrobank Plaza, Sen. Gil Puyat Avenue, Urdaneta Village, Makati City, Metro Manila**
8. Issuer's telephone number, including area code : **(632) 898-8000; (632) 898-8805**
9. Former name, former address and former fiscal year, if changed since last report : **Not applicable**

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

- Title of Each Class : **Common Stock**
- Number of Shares of Common Stock Outstanding : **3,180,172,786 shares as of December 31, 2015**
- Amount of Debt Outstanding : **₱1.476 trillion for the Group;
 ₱1.217 trillion for the Parent Company (sum of deposit liabilities, bills payable, bonds payable and subordinated debts as of December 31, 2015)**

11. Are any or all of these securities listed on a Stock Exchange?

Yes [] No []

All of the securities of the issuer are listed in the Philippine Stock Exchange.

12. Check whether the issuer:

- a. has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports.)

Yes [] No []

- b. has been subject to such filing requirements for the past 90 days.

Yes [] No []

13. Aggregate market value of the voting stock held by non-affiliates based on closing price as of December 31, 2015:

₱126.04 billion

PART I – BUSINESS AND GENERAL INFORMATION

ITEM 1 – BUSINESS

DESCRIPTION OF BUSINESS

1. Business Development

Metropolitan Bank & Trust Company (“Metrobank” or “the Bank”) was incorporated on April 6, 1962 by a group of Filipino businessmen to provide financial services to the Filipino-Chinese community. Since its formation, the Bank has diversified its business, and to date provides a broad range of banking and collateral services to all sectors of the Philippine economy.

The Bank opened its first office in Binondo, Manila on September 5, 1962. Within a year, the Bank opened its second branch in Divisoria, Manila. Soon after, the Bank started expanding outside Manila with the opening of its first provincial branch in Davao. In 1975, the Bank rolled out its first international branch in Taipei, followed by offices in New York, Guam, Hong Kong, and Tokyo towards the early 1980s. Initially, the role of the Bank’s foreign offices was to tap expanding Overseas Filipino Workers (OFW) remittance business and to complement its corresponding branch network. This strategy proved successful as the OFW market grew strongly and the political turbulence in the Philippines made access to foreign exchange difficult. It was during this period that the Bank started its Foreign Currency Deposit Unit (FCDU) operations. The Philippine Central Bank authorized Metrobank to operate its FCDU on April 15, 1977.

In November 1980, the Securities and Exchange Commission (SEC) approved and certified the listing of 500,000 common shares of Metrobank’s capital stock. On February 26, 1981, Metrobank’s common shares were listed on the Makati Stock Exchange Inc. and the Manila Stock Exchange, (which unified and now The Philippine Stock Exchange, Inc. or PSE) with the trading symbol of *MBT*.

On August 21, 1981, Metrobank became one of the first to be granted a universal banking license by the Philippine Central Bank, now Bangko Sentral ng Pilipinas (BSP). This license allowed the Bank to engage in “non-allied undertakings”, which include automobile manufacturing, travel services and real estate, as well as finance-related businesses such as insurance, savings and retail banking, credit card services and leasing.

The original Certification of Incorporation of the Bank was issued by the SEC on April 6, 1962 for a 50-year corporate term. On March 21 and November 19, 2007, the Board of Directors (BOD) of the Bank and the SEC, respectively, approved the extension of its corporate term for another 50 years or up to April 6, 2057.

On August 13, 2013, the SEC approved the amendment of the Articles of Incorporation of the Bank increasing its authorized capital stock from ₱50 billion to ₱100 billion composed of 4.0 billion common shares and 1.0 billion non-voting preferred shares, each with a par value of ₱20 per share. The Bank declared a 30% stock dividend equivalent to 633.4 million common shares (approved for listing by PSE on September 16, 2013) which was applied as payment for the required minimum 25% subscription to the increase in authorized capital stock. Total outstanding shares increased to 2,744,801,066 after the stock dividend.

On February 24, 2015, the SEC confirmed the exemption of a rights offer for up to ₱32.0 billion worth of common shares from the registration requirements under Section 8 of the Securities Regulation Code. Subsequently, in April 2015, the Bank completed a rights offer for 435,371,720 common shares with par value of ₱20.00. Total outstanding shares increased to 3,180,172,786 after the transaction.

2. Business of Registrant

Services/Customers/Clients

Metrobank offers a complete range of commercial and investment banking services. The Bank’s customer base covers a cross section of the top Philippine corporate market. The Bank has always been particularly strong in the middle market corporate sector, a significant proportion of which consists of Filipino-Chinese business.

The Bank's principal business activities involve deposit-taking and lending, trade finance, remittances, treasury, investment banking and thrift banking. The Bank is also a major participant in the Philippine foreign exchange market. It is accredited as a Government Securities Eligible Dealer (GSED) and has played an active role in the development of the domestic capital markets.

The Bank provides investment banking services through First Metro Investment Corporation (FMIC) and retail banking through the Bank and its subsidiaries Philippine Savings Bank (PSBank) and Metrobank Card Corporation (MCC).

Contribution to Sales/Revenues

The net interest income derived from lending, investment and borrowing activities represents 72.22%, 60.74% and 47.60% of the Group's revenue net of interest and finance charges in 2015, 2014 and 2013, respectively. Other operating income (consisting of service charges, fees and commissions; net trading and securities gains; net foreign exchange gain; gain on sale of investments in associates; gain on sale of non-current asset held for sale; leasing income; profit from assets sold; income from trust operations; dividend income; and miscellaneous income) and share in net income of associates and a joint venture account for 27.78%, 39.26% and 52.40% of the Group's revenue net of interest and finance charges in 2015, 2014 and 2013, respectively.

Contribution of Foreign Offices

The percentage contributions of the Group's offices in Asia, the United States and Europe to the Group's revenue, net of interest and finance charges, and external net operating income for the years 2015, 2014 and 2013 are as follows:

Offices in	Year	Percentage Contribution to	
		Revenue, Net	External Net Operating Income
Asia (Other than Philippines)	2015	2.78	2.76
	2014	2.66	2.62
	2013	2.26	2.48
United States	2015	0.72	0.73
	2014	0.48	0.51
	2013	0.56	0.65
Europe	2015	0.08	0.09
	2014	0.07	0.07
	2013	0.14	0.17

Significant Subsidiaries

1. First Metro Investment Corporation (FMIC)

FMIC is the investment banking arm of the Metrobank Group. It is an investment house incorporated in the Philippines on June 25, 1963 with principal place of business at 45th Floor, GT Tower International, Ayala Avenue corner H.V. Dela Costa Street, Makati City. On September 22, 2000, FMIC was merged with Solidbank Corporation (Solidbank) with Solidbank as the surviving entity and subsequently renamed as First Metro Investment Corporation. FMIC's shares of stock (originally Solidbank) were listed on the PSE on October 25, 1963 and were subsequently delisted effective December 21, 2012. The Company is a 99.24%-owned subsidiary of Metrobank.

FMIC is primarily engaged in investment banking and has a quasi-banking license. Its operating businesses are organized and managed separately according to the nature of the services and products provided, as well as different markets served, with each segment representing a strategic business unit:

- Investment Banking Group - manages the investment banking business of the company consisting of debt and equity origination and underwriting, financial advisory, project finance and structured financial solutions, and loan syndication.

Debt & Equity Underwriting - as a leading investment banking institution in the country, FMIC regularly participates in the underwriting of private debt and equity flotation. FMIC's core competence in tapping

the capital market and huge capital accounts, as well as wide distribution capability through the Metrobank branch network, is an enviable advantage that enables FMIC to lead major underwriting activities.

Loan Syndication - syndicated loans remain as one of the primary lending vehicles for borrowers to finance major business operations with heavy financial requirements. Its flexibility and innovative nature makes it a highly attractive funding technique for borrowers, applicable over a broad mix of industries. Financial institutions originate and arrange these loans for these large borrowers on a consolidated basis. Since secondary market participation is becoming more and more common-place, smaller capitalized banks are seeking greater return on their assets as they participate in credit previously outside their pricing or relationship reach.

Project Finance - FMIC also advises and arranges the financing of specific projects which require huge capital outlay. Its services in this particular area of investment banking activity normally involve formulating creative strategies and techniques for the structuring of appropriate financial package to address the funding requirements of the project.

Financial Advisory or Consultancy - in addition to extending financial assistance, FMIC renders fee - based advisory (technical and management) services. This covers advice on debt and equity fundraising, capital and corporate restructuring, mergers and acquisitions, asset valuation, and fairness opinion.

- Financial Markets Group - manages the liquidity and funding requirements of the company, and the trading and distribution of financial instruments such as government securities and corporate papers.

Government Securities and Corporate Debt Trading - as a GSED, FMIC is authorized by the Bureau of the Treasury and the SEC to trade government securities. Over the years, FMIC has remained a dominant selling agent in the distribution of government securities, GOCCs and other corporate issuances.

Fixed Income Distribution - as part of its participation in the underwriting of various private debt issues, FMIC also distributes and sells commercial papers floated by large and prime corporations.

Money Market Placements - it offers money market instruments such as treasury bills, fixed income instruments, commercial papers, promissory notes (PNs) and collateralized PNs or repurchase agreements. These are short-term investments with maturities ranging from 1 day to 1 year.

- Investment Advisory and Trust Group - provides professional portfolio investment advisory services to both individuals and institutions. It also offers portfolio management for institutions with discretionary mandates, such as government pension funds and select retirement funds, and funds of educational institutions.

Advisory

Investment advisory services for investment companies and mutual funds:

- Save & Learn Mutual Funds
- New Prospective Mutual Funds
- Exchange-Traded Funds

Investment advisory services for institutional clients:

- Insurance companies
- Educational institutions

Discretionary Mandates

Active portfolio management offerings for institutions with discretionary mandates:

- Government pension funds
- Select retirement funds and funds of educational institutions

Trust

FMIC was granted by the BSP its Authority to Engage in Trust and Other Fiduciary Business on September 13, 2011. With the trust franchise, FMIC aims to strengthen its position as the premier investment house in the country with a full range of financial products and services. As a dominant player in underwriting corporate issues, the trust business will be positioned as a formidable distribution machinery to complement the underwriting business.

Significant Subsidiaries and Associates of FMIC:

- *First Metro Securities Brokerage Corporation (FMSBC)*, a wholly-owned subsidiary, was incorporated in the Philippines on October 16, 1987 to engage in the trading of or otherwise dealing in stocks, bonds, debentures and other securities or commercial papers and rendering financial advisory services. It started commercial operations in June 1994. FMSBC is a member of the PSE. FMSBC serves both institutional and retail clients. Since October 2006, FMSBC has put in place an online stock trading facility where clients can trade equities by simply logging on to www.firstmetrosec.com.ph.
- *PBC Capital Investment Corporation (PBC Capital)*, a wholly-owned subsidiary, was incorporated on March 1, 1996 and started commercial operations on March 8, 1996. Metrobank acquired PBC Capital as part of the acquisition of the Philippine Banking Corporation. It was incorporated primarily to perform basic investment banking activities, such as equity and debt underwriting, loan arrangement and syndication, financial advisory services and other corporate finance work.
- *First Metro Asia Focus Equity Fund, Inc. (FMAFEF)*, formerly First Metro Global Opportunity Fund, Inc., a wholly-owned subsidiary, was incorporated on December 23, 2009 to generally engage and to carry on the business of an open-ended investment company in all the elements and details thereof.
- *First Metro Save and Learn Dollar Bond Fund, Inc. (SALDBF)*, formerly First Metro Save and Learn Money Market Fund, Inc., 94.43% owned by FMIC, was incorporated on November 4, 2008. SALDBF is an open-end mutual fund engaged in selling its capital to the public and investing the proceeds in selected high grade stocks and fixed-income securities. It can also redeem its outstanding capital stock at net asset value per share at any time upon redemption of its investors.
- *First Metro Asset Management, Inc. (FAMI)*, was incorporated on April 21, 2005 to manage, provide and render management and technical advice/services for partnerships, corporations and other entities. FAMI is registered and authorized by the SEC to act as an investment company adviser and manager, administrator, and principal distributor of First Metro Save and Learn Fixed Income Fund, Inc., First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save and Learn Dollar Bond Fund, Inc., First Metro Asia Focus Equity Fund, Inc. and First Metro Philippine Equity Exchange Traded Fund, Inc. FAMI is 70.0% owned by First Metro, while 30.0% is shared equally by the Catholic Educational Association of the Philippine (CEAP) and by the Marist (Marist Brothers) Development Foundation.
- *First Metro Philippine Equity Exchange Traded Fund, Inc. (FMETF)*, 50.85% owned by FMIC, was incorporated on January 15, 2013 and subsequently registered under the Philippine Investment Company Act and the Securities Regulation Code as an open-end investment company engaged in the business of investing, reinvesting and trading in and issuing and redeeming its shares of stock in creation unit in exchange for basket of securities representing an index.
- *Cathay International Resources Corporation*, 34.74% owned by FMIC, was incorporated on April 26, 2005 primarily to acquire by purchase or exchange and use for investment or otherwise sell or transfer properties. It owns Marco Polo Cebu Plaza Hotel.
- *Philippine Axa Life Insurance Corporation (“AXA Philippines”) (PALIC)*, 28.18% owned by FMIC, is a life insurance company incorporated in November 1962. Year 2015 is the 15th year of the joint venture between Metrobank and the AXA Group (the world’s largest insurance company). PALIC affirmed its position as a major player and formidable in the life insurance industry. PALIC ranked no. 2 based on premium income and no. 5 based on total assets owned as of December 31, 2014 and 2013, respectively, based on Insurance Commission statistical reports.
- *First Metro International Investment Company Ltd. (FMIIC)*, 20.00% owned by FMIC, was incorporated in Hong Kong in 1972. It is engaged in the remittance business.
- *Orix Metro Leasing and Finance Corporation (ORIX Metro)*, 20.00% owned by FMIC, was incorporated and registered with SEC on June 28, 1977. Its primary purpose is to engage in financing by leasing of all kinds of real and personal property, extending credit facilities to consumers and enterprises by discounting commercial papers or accounts receivable, or by buying or selling evidences of indebtedness, and underwriting of securities.

- *First Metro Save and Learn Equity Fund, Inc. (SALEF)*, 22.21% owned by FMIC, was registered with SEC on May 27, 2005 and registered under the Philippine Investment Company Act on September 6, 2005 as an open-end mutual fund primarily engaged in selling its capital and investing the proceeds in selected stocks with strong balance sheets and attractive valuations.
- *First Metro Save and Learn Balanced Fund, Inc. (SALBF)*, 19.82% owned by FMIC, was incorporated in the Philippines on January 29, 2007 and subsequently registered under the Philippine Investment Company Act last May 10, 2007 to engage in the trading of stocks and fixed income securities.
- *First Metro Save and Learn Fixed Income Fund, Inc. (SALFIF)*, 17.22% owned by FMIC, was incorporated in the Philippines on June 3, 2005 and subsequently registered under the Philippine Investment Company Act on September 6, 2005. SALFIF is an open-end mutual fund company engaged in selling its capital to the public and investing the proceeds in selected high grade fixed income generating instruments, such as bonds, commercial papers and other money market instruments. It stands at any time to redeem its outstanding capital stock at net asset value per share.
- *Lepanto Consolidated Mining Company (LCMC)*, 14.33% owned by First Metro, was incorporated in 1936 and until 1997 was operating an enargite copper mine located in Mankayan, Benguet. LCMC shifted to gold bullion production in 1997 through its Victoria Project. LCMC continues to produce gold from its Victoria and Teresa operations, both located in Mankayan, Benguet.

2. Philippine Savings Bank (PSBank)

PSBank was incorporated on June 30, 1959 to primarily engage in savings and mortgage banking. PSBank is the country's first publicly listed thrift bank. Its principal office is located at the PSBank Center, 777 Paseo de Roxas corner Sedeño Street, Makati City. PSBank is a 75.98% owned subsidiary of Metrobank.

It has outpaced some of its key competitors and is the country's second largest thrift bank in terms of assets. It mainly caters the retail and consumer markets and offers a wide range of products and services such as deposits, loans, treasury and trust. PSBank's network comprises 248 branches and 614 ATMs in strategic locations nationwide.

PSBank has a 40% interest in Sumisho Motor Finance Corporation (SMFC), a partnership with Sumitomo Corporation of Japan. SMFC is not listed in the stock exchange.

3. Metrobank Card Corporation (A Finance Company) (MCC)

MCC was established in August 1985, known then as Unibancard Corporation. Its maiden product was called Unicard, a single currency credit card accepted in key establishments in the Philippines. Over the years, Unicard evolved from a locally accepted card to an internationally recognized credit card when it rode on the MasterCard scheme in 1994 and the Visa scheme in 1998.

In October 2003, Australia New Zealand Bank (ANZ) entered into a joint venture with the Bank for the cards operation business of MCC. Since then, MCC has already tripled its cardholder base, and has launched a string of new products that offer distinct advantages to its customers, such as special installment plans, unmatched perks and privileges, and invites to exclusive events.

In October 2015, MCC was named winner of the "Best Credit Card award in the Philippines for 2015" for its much improved operational efficiencies, better coordination among units and customer centric product offers. The awards program was administered by The Asian Banker and refereed by prominent global bankers, senior retail bankers and academics. The Asian Banker is the region's most authoritative provider of strategic business intelligence to the financial services community.

In November 2015, MCC further diversified its product suite with the introduction of the YAZZ Prepaid Card, a general purpose Prepaid VISA Card that is reloadable and made available at the retail environment.

MCC's goal is to be the Philippines' leading payment solutions provider.

4. ORIX METRO Leasing and Finance Corporation (ORIX Metro)

ORIX Metro was incorporated in the Philippines and was registered with the SEC on June 28, 1977. Its primary purpose is to engage in financing by leasing all kinds of real and personal property; extending credit facilities to consumers and enterprises by discounting commercial papers or accounts receivable, or by buying or selling evidences of indebtedness; and underwriting of securities.

On January 12, 2007, the BSP lifted the moratorium on the granting of quasi-banking licenses to investment houses and finance companies. On August 24, 2007, ORIX Metro was authorized by the BSP to engage in quasi-banking functions. ORIX Metro engaged in quasi-banking functions effective January 1, 2008 as agreed to by the BSP subject to certain conditions.

ORIX Metro and its subsidiaries' ultimate Parent Company is Metrobank. As of December 31, 2015, ORIX Metro is 40% and 20% owned by Metrobank and FMIC, respectively. The registered office address of ORIX Metro is at 21st Floor, GT Tower International, Ayala Avenue corner H.V. Dela Costa Street, Makati City.

5. Metropolitan Bank (China) Ltd. (MBCL)

MBCL is a wholly-owned subsidiary of Metrobank established in the People's Republic of China with the approval of China Banking Regulatory Commission (CBRC) on January 14, 2010. Within the territory of China, MBCL may engage in provision of all kinds of foreign exchange services to all types of customers and except for PRC citizens, provide all kinds of Renminbi services to all types of customers, with the business scope to include: accepting deposits; granting short-term, medium-term and long-term loans; handling acceptance and discount of negotiable instruments; buying and selling treasury bonds, financial bonds and other foreign exchange securities (other than stocks); offering L/C services and guarantees; arranging settlements of both domestic and overseas accounts; buying and selling foreign exchange either for itself or on behalf of its clients; handling insurance business as an agent; undertaking inter-bank borrowing or lending; providing service of safety deposit box; providing credit standing investigation and consultation service; and other business activities as approved by CBRC.

MBCL started its operations on March 2, 2010. Its headquarters is located in Nanjing, Jiangsu Province. It is the first wholly foreign-owned bank incorporated in Jiangsu Province, China. The former Metrobank Shanghai Branch and Pudong Sub-Branch were absorbed by MBCL. At present, MBCL has six (6) branches as follows: MBCL Nanjing Branch, MBCL Shanghai Branch, MBCL Pudong Sub-Branch, MBCL Changzhou Branch, MBCL Quanzhou Branch and MBCL Changzhou Xinbei Sub-Branch.

6. Metropolitan Bank (Bahamas) Limited (Metrobank Bahamas)

This is a wholly-owned subsidiary of Metrobank based in The Bahamas. The registered office of the Bank is located in New Providence Financial Centre, East Bay Street, P.O. Box CR-56766m, Nassau, The Bahamas. It holds 26.74% of the outstanding capital stock of FMIIC based in Hong Kong. It is a limited company incorporated in the Commonwealth of the Bahamas and is licensed under the Banks and Trust Companies Regulation Act 2000 (as amended) to carry on international banking business and by the Securities Commission of The Bahamas under Section 22 of the Securities Act of 1999 (as amended) to provide brokering and related services to international clients.

7. First Metro International Investment Company Limited (FMIIC)

FMIIC is a Hong Kong-registered company incorporated in 1972. It was engaged mainly in deposit-taking, loans, and remittances. However, from 2008 onwards, its activity was limited to investment. Metrobank acquired majority shares in FMIIC in 1978. Currently, Metrobank owns 53.26%, Metrobank Bahamas owns 26.74%, and FMIC owns the remaining 20%.

8. Metro Remittance (Hong Kong) Limited

This is a wholly-owned subsidiary of Metrobank incorporated in October 1994 to provide money transmission services in Hong Kong. At present, MRHKL has five (5) branches located in United Centre, Worldwide House, Shatin, Tsuen Wan and Tsueng Kwan O.

9. Metro Remittance (Singapore) Pte. Ltd.

This is a wholly-owned remittance subsidiary of Metrobank established in April 2004 to conduct money-changing businesses and provide remittance services to Filipinos and other nationals in Singapore. The Company started commercial operations on November 12, 2004.

10. Metro Remittance (USA), Inc. (MR USA)

This is a wholly-owned remittance subsidiary of Metrobank established to pursue the plan of expanding its remittance operations in California, U.S.A.

11. Metro Remittance Center, Inc. (MRCI)

MRCI is a wholly-owned subsidiary of Metrobank incorporated under the General Corporation Law of the State of Delaware on November 12, 1992 for the purpose of providing money transmission services to its clients. It was formerly known as Asia Money Link Corporation.

MRCI officially started doing business on February 8, 1997 after obtaining the necessary regulatory approvals. The Company is licensed to do business in New York, New Jersey, Illinois and Nevada. MRCI's main office is located at 69-11 C Roosevelt Avenue, Woodside, New York, 11377. Its subsidiaries are:

- Metro Remittance (Canada), Inc.
The Company was established to further strengthen the Bank's presence and address the remittance needs of the growing number of Filipinos in Canada. Its branches are located in Vancouver and Toronto which opened on August 1 and November 6, 2006, respectively.
- MB Remittance Center Hawaii, Ltd.
The Company was established in 2002 and acquired by MRCI in 2005 which provides money transmission services to Filipinos in Hawaii.

12. Metro Remittance (UK) Limited (MR UK)

Metrobank acquired all of the outstanding shares of MRUK in May 2004. It was incorporated on September 24, 2002 in England as a private limited company and commenced trading at its premises at Kensington Church Street in London on June 4, 2003. The Company provides fast, secure and affordable money transmission services to the Philippines. It utilizes on-line, real-time computerized links with Metrobank which completes the funds delivery processes to named beneficiaries.

13. Metro Remittance (Japan) Co. Ltd. (MR Japan)

A wholly-owned subsidiary of Metrobank incorporated in Yokohama, Japan on May 8, 2013. It started its remittance operations on October 31, 2013. The Company was established to expand the Bank's presence as well as to strengthen its remittance business in Japan.

Distribution Methods of Products and Services

To remain strongly positioned and retain its leadership, Metrobank continued to upgrade and expand its distribution channels:

1. Branches

Metrobank ended 2015 with 697 branches as compared to 675 in 2014. Selected branches in Metro Manila and the countryside were relocated to maximize visibility and greater reach to its clients. Branch renovations were done and continued to reflect the Bank's customer centric and sales oriented focus to its existing and potential clients.

2. Remittance Centers

To further expand the remittance business of the Bank and its presence in the international market, remittance alliances were established between the Bank and several well-established businesses in the country.

2015 - New International Remittance Tie-Ups

- | | |
|---|--|
| a. AFTAB Currency Exchange, UK | h. Onyx Exchange, UAE |
| b. ALINMA Bank, KSA | i. Orbit Remit Global Money Transfer Ltd., New Zealand |
| c. AMAN Exchange, Kuwait | j. Premier International Exchange, UAE |
| d. Day Exchange, UAE | k. RAPIDA Ltd., Russia |
| e. I-Remit to the Philippines Ltd., Australia | l. Streetcorner Ecommerce Ltd., Hong Kong |
| f. JM Remittance & Travel Ltd., UK | m. Tempo Money Transfer, France |
| g. Joyalukkas Exchange (Kuwait), UAE | |

2015 - Local Remittance Tie-Ups

New Collection Partner

- M Lhuillier

New Shipping Tie-ups

- Intermodal Shipping

3. ATMs

All of Metrobank's 1,612 ATMs are full-featured and allow a wide array financial and non-financial transactions for its clients and those of Bancnet member banks. Apart from being the first bank to secure EMV-chip (Euro MasterCard VISA) certification in the Philippines, it has also started deploying Cash Accept Machines in selected branches to allow clients to make real-time cash deposits to their accounts 24/7 and have installed security device in machines, thus providing more secure and convenient solutions to meet its clients' banking needs.

4. Metrophone

Metrophone is the Bank's IVRS (Interactive Voice Response System) banking platform, and one of the first electronic banking channels made available to Metrobank customers. The Bank continues to pursue improvements by exploring the development of more features and functionalities that will further enhance the channel's overall user experience.

5. Mobile Banking

Mobile Banking is an electronic banking channel that caters to feature phones that fill up the majority of the mobile market, it now has its own Apple iOS and Android mobile banking applications for use in the increasingly popular smart phones that have flooded the market.

6. Metrobankdirect

Metrobankdirect is the Bank's internet browser based banking platform that allows its clients to access their accounts and make financial transactions at their own personal convenience. With more features to enhance a user's experience, such as online enrollment, Metrobankdirect now makes internet banking a truly online experience for its clients.

7. E-Government Facilities

- Tax Direct facility is a web based payment facility of Metrobank that allows both retail and corporate clients to pay their dues on tax returns filed through the BIR EFPS website.

- eGov Payment facility is a highly convenient online service that allows clients to electronically remit their monthly SSS, Philhealth and PAG-IBIG contributions and loan payments.

Competition

The Philippine banking industry can be characterized by competitive price and service offerings. All banks in general have similar product offerings and compete mainly through differentiation in service levels and targeting specific niche markets.

The Bank faces competition from both domestic and foreign banks, in part as a result of the liberalization of the banking industry by the Government in 1994 and again in 2014. The 2014 Foreign Bank Liberalization Act now allows foreign banks to own up to 100% voting stock of an existing bank, new subsidiary or a branch, and up to 40% of the banking industry's total assets (previously 30%). Foreign banks have generally focused their operation on the larger corporations for specific products like cash management and trade finance and selected consumer finance products. As of September 2015, the BSP has given the green light to a total of six foreign banks to operate in the country.

As of December 31, 2015, the commercial banking sector consisted of 40 banks, of which 21 were universal banks and 19 were commercial banks. Of the 21 universal banks, 12 were private domestic banks, three were government banks and six were branches of foreign banks. Of the 19 commercial banks, five were private domestic banks, two were subsidiaries of foreign banks and twelve were branches of foreign banks. The BSP has been encouraging consolidation among banks in order to strengthen the Philippine banking system. Mergers and consolidation result in greater competition as a smaller group of "top tier" banks compete for business. The ten largest commercial banks accounted for approximately over 75% of total assets, total net loans and receivables, and total deposits of the commercial banking system based on the latest published rankings of the BSP.

Corporate loan demand remained largely for working capital requirements as some corporations have been able to access the debt capital market for long-term funding. Corporate lending thus remained very competitive resulting in narrower spreads. Most of the recent growth in loans has generally come from the consumer segment, middle corporate market and SMEs.

Innovations and Promotions

In 2015, Metrobank launched several campaigns and promotions of its products and services to boost presence and to keep up with growing customer demands.

- Metrobank strengthened its loan offerings to its retail clients launching its new Home Loan and Car Loan promos. The new *MetroHome* loan promo, *Dream Loan, Dream Home*, entitled borrowers to waived registration fees of up to 1% of the loan amount or P200,000, whichever is lower; while the *MetroCar* promo '*The Awesome Comeback*' continued the Bank's offering of low auto loan amortization with free first year insurance and free chattel mortgage fee.
- To provide clients with more incentives to use its debit and prepaid cards, Metrobank offered several promotions throughout the year which included granting discounts and freebies which cardholders could claim from various merchants depending on card usage at online sites and POS machines.
- For its credit card holders, Metrobank Card Corporation offered premium deals, discounts and freebies through its *M'here* rewards program and tied-up with various merchants for offerings of up to 50% discounts from top restaurants and hotels. Metrobank Card also introduced the *Yazz* Prepaid Card, a reloadable prepaid card which facilitates cashless transactions with accredited *Visa* merchants and automated teller machines nationwide. Metrobank Card re-launched its *Metrobank Gold Visa* as well.
- Through a cross-selling arrangement, Metrobank Card and Philippine Savings Bank also introduced *PSBank Credit MasterCard* featuring a perpetually waived annual fee.
- The Bank did a soft launch of a new peso-denominated UITF product the *Metro Aspire Bond Feeder Fund* catering to investors looking at an investment horizon of at least three years with moderate risk appetite and a low minimum initial and additional participation. The fund is expected to be fully launched in 2016.

Transactions with and/or Dependence on Related Parties

Transactions with related parties and with certain directors, officers, stockholders and related interests (DOSRI) are discussed in Note 31 of the audited financial statements of the Group as presented in Exhibit 4.

Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions, and Royalty Agreements Held

The Bank's major products and service lines are sold through Metrobank trade names or trademarks, among others:

1. For ATMs: Metrobank Electronic Touch or Metrobank E.T. or Metrobank Debit Card or Metrobank Prepaid Card
2. For credit cards: Metrobank Visa/MasterCard Classic; Visa/MasterCard Gold; Femme Signature Visa/Femme Visa; Platinum MasterCard; World MasterCard; Dollar MasterCard; Metrobank ON Internet MasterCard; M Free MasterCard; M Lite MasterCard; Toyota MasterCard; and Robinsons-Cebu Pacific Classic/Gold MasterCard. Features: Cash2Go; Balance Transfer; Bills2Pay; M Here (Shopping Perks & Privileges); M Swipe (Acquiring); Design My Card; and Rewards.
Prepaid Card: Yazz card
3. For phone banking: Metrophone Banking
4. For internet banking: Metrobank*Direct*
5. For mobile banking: Metrobank Mobile Banking
6. For remittance services: Metrobank Superbilis Padala, World Cash Card, MetroRemit, PayStation and Collect Anywhere
7. For consumer lending: MetroHome and MetroCar
8. For special current account: MetroChecking Extra, Account One
9. For special savings account for kids below 18 yrs.: Fun Savers Club
10. For Trust products: Metro Money Market Fund; Metro Max-3 Bond Fund; Metro Wealth Builder Fund; Metro Max-5 Bond Fund; Metro Balanced Fund; Metro Equity Fund; Metro \$ Money Market Fund; Metro \$ Max-3 Bond Fund; Metro \$ Max-5 Bond Fund; Metro High Dividend Yield Fund; Metro PSEi Tracker Fund; Metro Aspire Balance Fund; Metro Aspire Bond Fund; Metro Aspire Equity Fund and Metro World Equity Feeder Fund.

Corporate licenses include the following:

1. For Metrobank: expanded commercial banking license, FCDU license, license for trust operations, type 2 limited dealer authority, government securities eligible dealer (GSED) with broker-dealer of securities functions
2. For PSBank: savings bank license, FCDU license, license for trust operations, GSED (non-market maker) as dealer-broker, type 3 limited user authority and quasi-banking license
3. For FMIC: investment house, quasi banking and trust licenses
4. For ORIX Metro: financing company and quasi-banking license
5. For MCC: quasi-banking license, finance company and electronic money issuer license
6. For MBCL: business license to expire on January 13, 2040

All the Bank's trademark registrations, except for Metrobank E.T., are valid for 10 years with expiration dates varying from 2017 to 2018. The Bank closely monitors the renewal dates of registrations to protect and secure its rights to these trademarks. Corporate licenses issued by different regulatory bodies have no specific expiration dates except for the GSED licenses of Metrobank and PSBank which will expire in December 2016.

Government Approval of Principal Products or Services

The Group regularly obtains approvals and permits from regulatory bodies and agencies, as applicable, prior to the offering of its products and services to the public.

Effect of Existing or Probable Government Regulations

Capital Adequacy

Under existing BSP regulations, the determination of the compliance with regulatory requirements and ratios is based on the amount of the “unimpaired capital” (regulatory net worth) as reported to the BSP, which is determined on the basis of regulatory accounting policies that differ from PFRS in some respects.

The Group complied with BSP issued Circular No. 781, *Basel III Implementing Guidelines on Minimum Capital Requirements*, which provides the implementing guidelines on the revised risk-based capital adequacy framework particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. The Circular which became effective January 1, 2014, sets out a minimum Common Equity Tier 1 (CET1) ratio of 6.00% and Tier 1 capital ratio of 7.50% and also introduced a capital conservation buffer of 2.50% comprised of CET1 capital. The existing requirement for Total Capital Adequacy Ratio (CAR) remains unchanged at 10.00% and these ratios shall be maintained at all times.

Further, Basel III requires that existing capital instruments as of December 31, 2010 which do not meet the eligibility criteria for capital instruments under the revised capital framework shall no longer be recognized as capital and capital instruments issued under BSP Circular Nos. 709 and 716 (the circulars amending the definition of qualifying capital particularly on Hybrid Tier 1 and Lower Tier 2 capitals) and before the effectivity of BSP Circular No. 781, are recognized as qualifying capital until December 31, 2015. In addition to changes in minimum capital requirements, this Circular also requires various regulatory adjustments in the calculation of qualifying capital.

Qualifying capital and risk-weighted assets (RWA) are computed based on BSP regulations.

As of December 31, 2015 and 2014, the Group has no exposures to securitization structures, contracts that provide credit protection through credit derivatives and investments in other types of structured products. The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year.

The issuance of BSP Circular No. 639 covering the Internal Capital Adequacy Assessment Process (ICAAP) in 2009 supplements the BSP’s risk-based capital adequacy framework under Circular No. 538. In compliance with this new circular, the Group has adopted and developed its ICAAP framework to ensure that appropriate level and quality of capital are maintained by the Group. Under this framework, the assessment of risks extends beyond the Pillar 1 set of credit, market and operational risks and onto other risks deemed material by the Group. The level and structure of capital are assessed and determined in light of the Group’s business environment, plans, performance, risks and budget; as well as regulatory edicts. BSP requires submission of an ICAAP document every January 31. Pursuant to MB Resolution No. 84 dated January 14, 2015, the deadline for submission of ICAAP documents was amended from January 31 of each year to March 31 effective 2015 (BSP Circular No. 869 dated January 30, 2015).

On October 29, 2014, the BSP issued Circular No. 856 covering the implementing guidelines on the framework for dealing with domestic systemically important banks (DSIBs) in accordance with the Basel III standards. Banks that will be identified as DSIBs shall be required to have higher loss absorbency, on top of the minimum CET1 capital and capital conservation buffer. Compliance with this requirement shall be phased-in starting January 1, 2017, with full compliance on January 1, 2019.

The Group has taken into consideration the impact of the foregoing requirements to ensure that the appropriate level and quality of capital are maintained on an ongoing basis.

Applicable Tax Regulations

Under Philippine tax laws, the RBU of the Bank and its domestic subsidiaries are subject to percentage and other taxes (presented as ‘Taxes and licenses’ in the statement of income) as well as income taxes. Percentage and other taxes paid consist principally of gross receipts tax (GRT) and documentary stamp tax (DST). Income taxes include 30.00% regular corporate income tax (RCIT) and 20.00% final taxes paid, which is a final withholding tax on gross interest income from government securities and other deposit substitutes. Interest allowed as a deductible expense is reduced by an amount equivalent to 33.00% of interest income subjected to final tax.

Current tax regulations also provide for the ceiling on the amount of EAR expense that can be claimed as a deduction against taxable income. Under the regulation, EAR expense allowed as a deductible expense for a service company like the Bank and some of its subsidiaries is limited to the actual EAR paid or incurred but not to exceed 1.00% of net revenue. The regulations also provide for MCIT of 2.00% on modified gross income and allow a NOLCO. The MCIT and NOLCO may be applied against the Group's income tax liability and taxable income, respectively, over a three-year period from the year of inception.

FCDU offshore income (income from non-residents) is tax-exempt while gross onshore income (income from residents) is subject to 10.00% income tax. In addition, interest income on deposit placements with other FCDUs and offshore banking units (OBUs) is taxed at 7.50%. Income derived by the FCDU from foreign currency transactions with non-residents, OBUs, local commercial banks including branches of foreign banks is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10.00% income tax.

The applicable taxes and tax rates for the foreign branches of the Bank are discussed in Note 28 of the audited financial statements of the Group as presented in Exhibit 4.

Research and Development Costs

For the last three fiscal years, the Bank has not incurred any expenses for research and development.

Employees

Metrobank had 12,175 employees as of December 31, 2015. By year-end 2016, the Bank projects to have 12,741 employees.

	Officers	Rank and File	Total
As of year-end 2015:			
AVPs and up	353		353
Senior Managers and down	5,101	6,721	11,822
	5,454	6,721	12,175
By year-end 2016 (projected):			
AVPs and up	530		530
Senior Managers and down	5,857	6,354	12,211
	6,387	6,354	12,741

Majority of the registrant's rank and file employees are members of the employees' union. Benefits or incentive arrangements of the rank and file employees are covered by the Collective Bargaining Agreement (CBA) that is effective for three years. The Bank continues to ensure that its employees are properly compensated. The latest CBA that is effective for three years beginning January 2016 will end in December 2018. The Bank has not experienced any labor strikes and the management of the Bank considers its relations with its employees and the Union to be harmonious.

Risk Management

The Group has exposures to the following risks from its use of financial instruments: (a) credit; (b) liquidity; and (c) market risks. Detailed discussions and analysis on Risk Management of the Group are disclosed in Note 4 of the Audited Financial Statements as presented in Exhibit 4.

Risk management framework

The BOD has overall responsibility for the oversight of the Bank's risk management process. On the other hand, the risk management processes of the subsidiaries are the separate responsibilities of their respective BOD. Supporting the BOD in this function are certain Board-level committees such as Risk Oversight Committee (ROC), Audit Committee (AC) and senior management committees through the Executive Committee, Asset and Liability Committee (ALCO) and Policy Committee.

The AC is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of risk management practices in relation to the risks faced by the Bank. The AC is assisted in these functions by the Internal Audit Group (IAG). IAG undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the AC.

The Bank and its subsidiaries manage their respective financial risks separately. The subsidiaries have their own risk management processes but are structured similar to that of the Bank. To a certain extent, the respective risk management programs and objectives are the same across the Group. Risk management policies adopted by the subsidiaries and affiliates are aligned with the Bank's risk policies. To further promote compliance with PFRS and Basel III, the Bank created a Risk Management Coordinating Council composed of the risk officers of the Bank and its financial institution subsidiaries.

Credit Risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, related groups of borrowers, for market segmentation, and industry concentrations, and by monitoring exposures in relation to such limits. The same is true for treasury-related activities. Each business unit is responsible for the quality of its credit portfolio and for monitoring and controlling all credit risks in its portfolio. Regular reviews and audits of business units and credit processes are undertaken by IAG and Risk Management Group (RSK).

Liquidity Risk

Liquidity risk is defined as the current and prospective risk to earnings or capital arising from the Group's inability to meet its obligations when they become due. The Group manages its liquidity risk through analyzing net funding requirements under alternative scenarios, diversification of funding sources and contingency planning. Specifically for the Bank, it utilizes a diverse range of sources of funds, although short-term deposits made with its network of domestic branches comprise the majority of such funding. To ensure that funding requirements are met, the Bank manages its liquidity risk by holding sufficient liquid assets of appropriate quality. It also maintains a balanced loan portfolio that is repriced on a regular basis. Deposits with banks are made on a short-term basis.

In Metrobank, the Treasury Group estimates its cash flow needs based on its actual contractual obligations under normal and extraordinary circumstances. RSK generates Maximum Cumulative Outflow (MCO) reports on a monthly basis to estimate short- and long-term net cash flows of the bank under business-as-usual and stress parameters. The Group's financial institution subsidiaries (excluding insurance companies) prepare their respective MCO reports. These are reported to the Bank's ROC monthly.

Market Risk

Market risk is the possibility of loss to future earnings, fair values or future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, and other market factors. The Bank's market risk originates from its holdings in foreign currencies, debt securities and derivatives transactions. The Bank manages market risk by segregating its statement of financial position into a trading book and a banking book. ALCO, chaired by the Bank's Chairman is the senior review and decision-making body for the management of all related market risks. The Bank enforces a set of risk limits to properly monitor and manage the market risks. The risk limits are approved by the BOD. The RSK serves under the ROC and performs daily market risk analyses to ensure compliance with the Bank's policies. The Treasury Group manages asset/liability risks arising from both banking book and trading operations in financial markets.

Similarly, certain subsidiaries of the Bank independently quantify and manage their respective market risk exposures. Each institution has its respective risk management system and processes in place.

As part of its oversight function, the Bank regularly coordinates with subsidiaries to monitor their compliance to their respective risk tolerances and ensure consistency of risk management practices. Risk aggregation and consolidation of exposures are part of the ongoing initiatives to provide senior management with a group-wide market risk profile perspective such as Group Trading VaR.

Market Risk - Trading Book

In measuring the potential loss in its trading portfolio, the Group uses Value-at-Risk (VaR) as a primary tool. The VaR method is a procedure for estimating portfolio losses exceeding some specified proportion based on a statistical analysis of historical market price trends, correlations and volatilities. VaR estimates the potential decline in the value of a portfolio, under normal market conditions, for a given “confidence level” over a specified holding period. The limitations of the VaR methodology are recognized by supplementing VaR limits with other position and sensitivity limit structures and by doing stress testing analysis. These processes address potential product concentration risks, monitor portfolio vulnerability and give the management an early advice if an actual loss goes beyond what is deemed to be tolerable to the bank, even before the VaR limit is hit.

Stress testing is performed by the Bank on a quarterly basis, PSBank on monthly basis and FMIC on a daily basis to complement the VaR methodology. The stress testing results of the Parent Company are reported to the ALCO and subsequently to the ROC and the BOD.

Market Risk - Banking Book

To quantify interest rate risk for banking book or accrual portfolios, the Group uses tools or approaches such as Earnings-at-Risk (EaR) and Sensitivity analysis. EaR Methodology is used to measure the potential effect of interest rate movements to net interest earnings. The measurement and monitoring of exposures are done on a monthly basis.

Interest rate risk

EaR is derived by multiplying the repricing gap by the change in interest rate and the time over which the repricing gap is in effect. The repricing/maturity gap is a method that distributes rate-sensitive assets, liabilities, and off-balance sheet positions into predefined time bands. Floating rate positions are distributed based on the time remaining to next repricing dates. On the other hand, fixed rate items are distributed based on the time remaining to respective maturities. There are certain balance sheet items that may require set-up of assumptions as to their distribution to time bands. For the Bank, rate-sensitive positions that lack definitive repricing dates or maturity dates (e.g. demand and savings deposit accounts) are assigned to repricing time bands based according to the judgment, past experience or behavioral patterns.

Foreign currency risk

Foreign exchange risk is the probability of loss to earnings or capital arising from changes in foreign exchange rates. Foreign currency liabilities generally consist of foreign currency deposits in the Group’s FCDU account. Foreign currency deposits are generally used to fund the Group’s foreign currency-denominated loan and investment portfolio in the FCDU. Banks are required by the BSP to match the foreign currency liabilities with the foreign currency assets held in FCDUs. In addition, the BSP requires a 30.00% liquidity reserve on all foreign currency liabilities held in the FCDU. Outside the FCDU, the Group has additional foreign currency assets and liabilities in its foreign branch network. The Group’s policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines.

ITEM 2 – PROPERTIES

Metrobank’s Head Office is located at Metrobank Plaza, Sen. Gil Puyat Avenue, Urdaneta Village, Makati City, Metro Manila. The Bank owns the premises occupied by its Head Office, including most of its branches (about 41% of its branch sites are owned). Presented in Exhibit 1 is the list of Bank-owned nationwide network as of December 31, 2015. The Bank also owns the premises occupied by the Cash Management Services Unit (CMSU) located at Metropolitan Technological Park which becomes the main hub of all CMSU operations. The Bank holds clean titles to these properties.

The Bank leases the premises occupied by many of its branches. Generally, lease contracts are for periods ranging from 1 to 25 years and are renewable under certain terms and conditions. Presented in Exhibit 2 is a summary of the Bank’s nationwide branches as of December 31, 2015 that occupy leased premises.

The Bank has no current plans to acquire properties in the next twelve (12) months other than those discussed in Item 6, Management’s Discussion and Analysis or Plan of Operations under Material Commitments for Capital Expenditures Section.

ITEM 3 – LEGAL PROCEEDINGS

The registrant is a party to the following pending legal proceedings as of December 31, 2015:

1. On October 17, 2011, a consortium of eight banks including the Bank filed a Petition for Certiorari, Prohibition and/or Mandamus (with Urgent Application for a Temporary Restraining Order (TRO) and/or Writ of preliminary Injunction) with the Supreme Court (SC) against respondents the Republic of the Philippines, Bureau of Internal Revenue (BIR) and its Commissioner, the Department of Finance and its Secretary and the Bureau of Treasury and the National Treasurer, asking the Court to annul BIR Ruling No. 370-2011 which imposes a 20-percent final withholding tax on the 10-year Zero-Coupon Government Bonds (also known as the PEACe bonds) that matured on October 18, 2011 and command the respondents to pay the full amount of the face value of the PEACe Bonds. On October 18, 2011, the SC issued the TRO enjoining the implementation of the said BIR ruling on the condition that the 20-percent final withholding tax be withheld by the petitioner banks and placed in escrow pending resolution of the Petition. However, to date, the respondents have not complied with the said TRO, i.e., they have not credited the banks' escrow accounts with the amount corresponding to the questioned 20-percent final tax. The case is still pending resolution with the SC.
2. Several suits and claims relating to the Group's lending operations and labor-related cases remain unsettled. In the opinion of management, these suits and claims, if decided adversely, will not involve sums having a material effect on the Group's financial statements.

There are no material legal proceedings filed by or against the registrant's directors and executive officers during the past five years.

ITEM 4 – SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote by the security holders.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5 – MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

In November 1980, the SEC approved and certified the listing of 500,000 common shares of Metrobank's capital stock with par value of ₱100.00 each. On February 26, 1981, the listing and trading of Metrobank's common shares with the Makati Stock Exchange, Inc. and Manila Stock Exchange (which unified) took effect with the trading symbol of *MBT*. Today, the Bank's common shares are all listed at the PSE.

Average market prices per share for each quarter within the last two years and subsequent interim period were as follows:

YEAR	QUARTER ENDED	MARKET PRICES			
		HIGH	LOW	CLOSE	AVERAGE
2016	March 31	87.50	68.10	82.45	76.68
2015	March 31	98.00	80.51	97.55	91.05
	June 30	99.80	86.00	94.00	93.40
	September 30	93.50	79.95	84.60	86.43
	December 31	87.40	76.55	80.50	82.23
2014	March 31	83.70	70.35	77.30	78.88
	June 30	89.50	79.05	87.40	82.94
	September 30	90.70	85.30	86.80	87.65
	December 31	87.00	78.00	83.00	83.43

Closing price as of April 11, 2016 was P84.55 per share.

Holders

The Bank has 3,159 stockholders as of December 31, 2015.

Top Twenty Stockholders

Following are the top 20 stockholders as of December 31, 2015:

	NAME OF STOCKHOLDER	NO. OF SHARES AS OF DECEMBER 31, 2014	ADDITIONS/ (DISPOSALS)	NO. OF SHARES AS OF DECEMBER 31, 2015	PERCENT TO TOTAL NO. OF OUTSTANDING COMMON SHARES
1	PCD Nominee Corporation (Non-Filipino)	950,840,601	151,188,733	1,102,029,334	34.653
2	GT Capital Holdings, Inc.	689,261,391	112,644,844	801,906,235	25.216
3	PCD Nominee Corporation (Filipino) ^a	366,658,205	51,988,600	418,646,805	13.164
4	Philippine Securities Corp. ^b	120,000,000	19,611,332	139,611,332	4.390
5	Grand Titan Capital Holdings, Inc.	55,502,900	48,153,995	103,656,895	3.259
6	Horizon Royale Holdings, Inc.	76,050,000	12,428,681	88,478,681	2.782
7	Global Treasure Holdings, Inc.	68,011,646	11,106,474	79,118,120	2.488
8	Grand Estate Property Corporation	54,600,000	8,923,155	63,523,155	1.997
9	Federal Homes, Inc. ^c	58,662,312	(16,575,976)	42,086,336	1.323
10	Ausan Resources Corporation ^d	29,250,000	5,140,562	34,390,562	1.081
11	Inter Par Phils. Res. Corp.	29,250,000	4,780,262	34,030,262	1.070
12	Nove Ferum Holdings, Inc. ^e	10,000,000	17,234,277	27,234,277	0.856
13	Metrobank Foundation, Inc.	20,319,767	723,057	21,042,824	0.662
14	Go, James	22,401,206	(2,001,000)	20,400,206	0.641
15	Ty, George Siao Kian	11,906,326	1,945,824	13,852,150	0.436
16	82 Alpha Holdings Corporation ^f	2,000,000	11,558,522	13,558,522	0.426
17	Chua, Gabriel	11,296,444	1,050,291	12,346,735	0.388
18	Bloomingdale Enterprises, Inc.	10,696,591	1,117,351	11,813,942	0.371
19	Neiman Rhodes Holdings, Inc. ^g	3,480,000	7,520,177	11,000,177	0.346
20	Ty, Alfred	9,047,190	1,478,560	10,525,750	0.331

December 31, 2015 balances are:

a Net of 19,611,332 shares owned by Philippine Securities Corporation; 4,286,336 shares owned by Federal Homes, Inc.; 360,300 shares owned by Ausan Resources; 6,100,000 shares owned by Nove Ferum Holdings, Inc.; 1,400,000 shares owned by 82 Alpha Holdings Corporation; and 100,000 shares owned by Neiman Rhodes Holdings, Inc.

b Inclusive of 19,611,332 shares lodged with PCD Nominee Corporation

c Inclusive of 4,286,336 shares lodged with PCD Nominee Corporation

d Inclusive of 360,300 shares lodged with PCD Nominee Corporation

e Inclusive of 6,100,000 shares lodged with PCD Nominee Corporation

f Inclusive of 1,400,000 shares lodged with PCD Nominee Corporation

g Inclusive of 100,000 shares lodged with PCD Nominee Corporation

As of December 31, 2015, public ownership on the Bank was at 49.233%. Of the total shares issued, 34.709% represents foreign ownership.

Dividends

Except for prior approval by the BSP, there are no restrictions that limit the ability of the Bank to pay cash dividends. Details of cash dividend distribution from 2013 to 2015 follow:

Date of Declaration	Cash Dividend		Date of BSP Approval	Record Date	Payment Date
	Per Share	Amount (In Millions)			
January 27, 2015	₱1.00	₱2,745	March 3, 2015	March 26, 2015	March 31, 2015
March 26, 2014	₱1.00	₱2,745	April 15, 2014	May 7, 2014	May 16, 2014
January 23, 2013	₱1.00	₱2,111	February 8, 2013	March 8, 2013	April 3, 2013

With the issuance of BSP Circular No. 888 dated October 9, 2015, prior BSP approval on dividend payments is no longer required.

The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 11 issued in December 2008 differs to a certain extent from the computation following BSP guidelines.

The Bank paid the semi-annual coupon amounting to USD5.6 million in 2006 to 2015 after obtaining their respective BSP approvals. Details of approvals and payments from 2013 to 2015 are as follows:

<u>Date of BSP Approval</u>	<u>Date Paid</u>
July 24, 2015	August 17, 2015
February 9, 2015	February 17, 2015
August 1, 2014	August 15, 2014
February 10, 2014	February 15, 2014
August 12, 2013	August 15, 2013
February 6, 2013	February 15, 2013

Recent Sales of Unregistered or Exempt Securities

The information required under Part II paragraph (A) (4) of Annex C of the Securities Regulation Code (SRC) under SRC Rule 12 is not applicable to the Bank.

Compliance with Lead Practice on Corporate Governance

Please refer to attached ACGR Exhibit 7, in Item 13, Part IV

Deviations

This is not applicable to the Group.

ITEM 6 – MANAGEMENT’S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

The Group’s financial statements as of and for the years ended December 31, 2015, 2014 and 2013 are presented below.

Statements of Financial Position (Amounts in millions)

	December 31			Increase (Decrease) 2015 vs. 2014		Increase (Decrease) 2014 vs. 2013	
	2015	2014	2013	Amount	%	Amount	%
Assets							
Cash and Other Cash Items	₱32,536	₱34,943	₱29,742	(₱2,407)	(6.89)	₱5,201	17.49
Due from Bangko Sentral ng Pilipinas (BSP)	214,704	215,253	166,774	(549)	(0.26)	48,479	29.07
Due from Other Banks	36,864	38,200	26,275	(1,336)	(3.50)	11,925	45.39
Interbank Loans Receivable and Securities Purchased Under Resale Agreements	36,118	119,839	122,011	(83,721)	(69.86)	(2,172)	(1.78)
Financial Assets at Fair Value Through Profit of Loss (FVPL)	48,856	45,935	55,441	2,921	6.36	(9,506)	(17.15)
Available-for-Sale (AFS) Investments	235,158	207,711	273,429	27,447	13.21	(65,718)	(24.03)
Held-to-Maturity (HTM) Investments	208,432	129,076	38,425	79,356	61.48	90,651	235.92
Loans and Receivables	887,202	759,481	611,064	127,721	16.82	148,417	24.29
Investments in Associates and a Joint Venture	5,272	2,589	6,274	2,683	103.63	(3,685)	(58.73)
Property and Equipment	21,670	16,231	15,756	5,439	33.51	475	3.01
Investment Properties	8,195	10,037	13,125	(1,842)	(18.35)	(3,088)	(23.53)
Deferred Tax Assets	8,427	6,831	7,190	1,596	23.36	(359)	(4.99)
Goodwill	5,202	5,201	5,206	1	0.02	(5)	(0.10)
Other Assets	12,056	13,213	7,857	(1,157)	(8.76)	5,356	68.17
Total Assets	₱1,760,692	₱1,604,540	₱1,378,569	₱156,152	9.73	₱225,971	16.39

	December 31			Increase (Decrease) 2015 vs. 2014		Increase (Decrease) 2014 vs. 2013	
	2015	2014	2013	Amount	%	Amount	%
Liabilities and Equity							
Liabilities							
Deposit Liabilities	₱1,257,970	₱1,184,454	₱1,016,268	₱73,516	6.21	₱168,186	16.55
Bills Payable and Securities Sold Under Repurchase Agreements	176,791	140,399	127,204	36,392	25.92	13,195	10.37
Derivative Liabilities	4,145	3,071	4,452	1,074	34.97	(1,381)	(31.02)
Manager's Checks and Demand Drafts Outstanding	5,613	4,653	3,927	960	20.63	726	18.49
Income Taxes Payable	880	1,191	676	(311)	(26.11)	515	76.18
Accrued Interest and Other Expenses	8,187	9,874	8,507	(1,687)	(17.09)	1,367	16.07
Bonds Payable	11,516	11,444	11,643	72	0.63	(199)	(1.71)
Subordinated Debt	29,487	29,452	8,628	35	0.12	20,824	241.35
Deferred Tax Liabilities	451	457	479	(6)	(1.31)	(22)	(4.59)
Non-equity Non-controlling Interest	9,909	10,124	10,368	(215)	(2.12)	(244)	(2.35)
Other Liabilities	52,433	50,636	43,712	1,797	3.55	6,924	15.84
Total Liabilities	1,557,382	1,445,755	1,235,864	111,627	7.72	209,891	16.98

Equity							
Equity Attributable to Equity Holders of the Bank							
Common stock	₱63,603	₱54,896	₱54,896	₱8,707	15.86	₱-	-
Hybrid capital securities	6,351	6,351	6,351	-	-	-	-
Capital paid in excess of par value	42,139	19,312	19,312	22,827	118.20	-	-
Surplus reserves	1,506	1,371	1,235	135	9.85	136	11.01
Surplus	87,497	72,258	55,525	15,239	21.09	16,733	30.14
Treasury stock	(187)	(30)	-	(157)	(523.33)	(30)	-
Remeasurement losses on retirement plan	(3,530)	(2,440)	(2,870)	(1,090)	(44.67)	430	14.98
Net unrealized gain (loss) on AFS investments	(4,783)	(2,394)	(481)	(2,389)	(99.79)	(1,913)	(397.71)
Equity in other comprehensive income of associates	180	260	272	(80)	(30.77)	(12)	(4.41)
Translation adjustment and others	983	545	647	438	80.37	(102)	(15.77)
	193,759	150,129	134,887	43,630	29.06	15,242	11.30
Non-controlling Interest	9,551	8,656	7,818	895	10.34	838	10.72
Total Equity	203,310	158,785	142,705	44,525	28.04	16,080	11.27
Total Liabilities and Equity	₱1,760,692	₱1,604,540	₱1,378,569	₱156,152	9.73	₱225,971	16.39

Statements of Income

Interest Income	₱65,556	₱59,294	₱49,892	₱6,262	10.56	₱9,402	18.84
Interest and Finance Charges	16,582	13,531	11,623	3,051	22.55	1,908	16.42
Net Interest Income	48,974	45,763	38,269	3,211	7.02	7,494	19.58
Other Operating Income	18,428	29,131	40,655	(10,703)	(36.74)	(11,524)	(28.35)
Total Operating Income	67,402	74,894	78,924	(7,492)	(10.00)	(4,030)	(5.11)
Total Operating Expenses	41,931	46,843	49,324	(4,912)	(10.49)	(2,481)	(5.03)
Income Before Share in Net Income of Associates and a Joint Venture	25,471	28,051	29,600	(2,580)	(9.20)	(1,549)	(5.23)
Share in Net Income of Associates and a Joint Venture	409	443	1,477	(34)	(7.67)	(1,034)	(70.01)
Income Before Income Tax	25,880	28,494	31,077	(2,614)	(9.17)	(2,583)	(8.31)
Provision for Income Tax	5,237	6,459	6,748	(1,222)	(18.92)	(289)	(4.28)
Net Income	₱20,643	₱22,035	₱24,329	(₱1,392)	(6.32)	(₱2,294)	(9.43)
Attributable to:							
Equity holders of the Bank	₱18,625	₱20,113	₱22,488	(₱1,488)	(7.40)	(₱2,375)	(10.56)
Non-controlling interest	2,018	1,922	1,841	96	4.99	81	4.40
	₱20,643	₱22,035	₱24,329	(₱1,392)	(6.32)	(₱2,294)	(9.43)

Statements of Comprehensive Income

	December 31			Increase (Decrease) 2015 vs. 2014		Increase (Decrease) 2014 vs. 2013	
	2015	2014	2013	Amount	%	Amount	%
Net Income	₱20,643	₱22,035	₱24,329	(₱1,392)	(6.32)	(₱2,294)	(9.43)
Other Comprehensive Income for the Year, net of tax							
Items that may not be reclassified to profit or loss: Change in remeasurement loss of retirement liability	(1,178)	363	(897)	(1,541)	(424.52)	1,260	140.47
Items that may be reclassified to profit or loss: Change in net unrealized gain/loss on AFS investments	(2,397)	(2,015)	(2,917)	(382)	(18.96)	902	30.92
Change in equity in other comprehensive income of associates	(80)	(12)	(498)	(68)	(566.67)	486	97.59
Translation adjustment and others	430	(112)	1,573	542	483.93	(1,685)	(107.12)
	(3,225)	(1,776)	(2,739)	(1,449)	(81.59)	963	35.16
Total Comprehensive Income for the Year	₱17,418	₱20,259	₱21,590	(₱2,841)	(14.02)	(₱1,331)	(6.16)
Attributable to:							
Equity holders of the Bank	₱15,504	₱18,516	₱19,740	(₱3,012)	(16.27)	(₱1,224)	(6.20)
Non-controlling Interest	1,914	1,743	1,850	171	9.81	(107)	(5.78)
	₱17,418	₱20,259	₱21,590	(₱2,841)	(14.02)	(₱1,331)	(6.16)

Key Performance Indicators

The performance of the Bank and its significant majority-owned subsidiaries are measured by the following key indicators:

Company Name	Performance Indicators				
	Book Value Per Share	Basic/ Diluted Earnings Per Share	Return on Average Equity	Return on Average Assets	Net Interest Margin on Average Earning Assets

For the Interim Period, January 31, 2016 (unaudited)

Metrobank Group	₱59.63	₱0.25	4.87%	0.55%	3.60%
FMIC (a)	48.76	1.93	3.93%	1.03%	1.37%
PSBank	80.95	6.51	8.09%	0.91%	5.58%
MCC	7.31	2.78	38.70%	5.39%	14.45%

For the Year 2015

Metrobank Group	₱58.97	₱5.86	10.83%	1.11%	3.54%
FMIC (a)	49.34	1.01	2.06%	0.53%	1.35%
PSBank	79.81	9.79	12.74%	1.49%	6.37%
MCC	7.07	2.69	39.33%	5.29%	14.26%

For the Year 2014

Metrobank Group	₱52.39	₱6.88*	14.11%	1.35%	3.73%
FMIC (a)	48.93	6.27	12.59%	3.06%	1.91%
PSBank	73.80	9.65	13.64%	1.68%	6.58%
MCC	6.58	2.55	40.11%	5.74%	14.43%

* Restated to show the effect of stock rights issued in 2015

(a) FMIC and Subsidiaries

A separate schedule showing financial soundness indicators of the Group as of December 31, 2015 and 2014 is presented in Exhibit 6 as an attachment to this report.

2015 Performance

Financial Position

The Metrobank Group closed the year 2015 with audited consolidated total assets at ₱1.76 trillion up by ₱156.15 billion from ₱1.60 trillion as of December 31, 2014. Consolidated total liabilities likewise increased to ₱1.56 trillion from ₱1.45 trillion as funds sourced from total deposit liabilities and bills payable and securities sold under repurchase agreements (SSURA) increased by ₱73.52 billion and ₱36.39 billion, respectively. Asset quality continues to improve with non-performing loans ratio at a low of 1.0%. Meanwhile, equity attributable to equity holders of the Bank grew by ₱43.63 billion or 29.06% from ₱150.13 billion to ₱193.76 billion.

Cash and Other Cash Items decreased by ₱2.41 billion or 6.89% due to the lower level of cash requirements of the Parent Company and PSBank. Due from BSP which represents 12.19% of the Group's total assets decreased by ₱0.55 billion or 0.26% due to lower balance of SDA maintained with the BSP. Interbank Loans Receivable and SPURA went down by ₱83.72 billion or 69.86% wherein SPURA dropped by ₱94.33 billion while interbank loans receivable increased by ₱10.61 billion.

Financial Assets at FVPL consist of held-for-trading (HFT) securities and derivative assets amounting to ₱42.91 billion and ₱5.94 billion, respectively, as of December 31, 2015 and ₱42.89 billion and ₱3.04 billion, respectively, as of December 31, 2014. AFS investments went up by ₱27.45 billion or 13.21% due to the net effect of the ₱37.93 billion and ₱1.36 billion increases in treasury notes and bonds and private debt securities, respectively, and the decline in government bonds and equity securities by ₱10.15 billion and ₱1.69 billion, respectively. HTM Investments went up by ₱79.36 billion or 61.48% due to the increases in treasury notes and bonds by ₱73.57 billion, government bonds by ₱4.63 billion and private investments by ₱1.16 billion.

Loans and Receivables, representing 50.39% and 47.33% of the Group's total assets as of December 31, 2015 and 2014, respectively, went up by ₱127.72 billion or 16.82% driven by the strong demand for loans from all segments.

Investments in Associates and a Joint Venture went up by ₱2.68 billion or 103.63% due to the reclassification of the FMIC's investment in Lepanto Consolidated Mining Corporation from AFS investments. Property and Equipment increased by ₱5.44 billion or 33.51% due to acquisition of various furniture and fixtures and the building under construction representing commercial and office spaces located at Bonifacio Global City (BGC), Taguig City. On the other hand, investment properties went down by ₱1.84 billion or 18.35% due to the sustained disposal of foreclosed real estate properties.

Deferred Tax Assets increased by ₱1.60 billion or 23.36% due to movements in the accounts with temporary tax differences. Other Assets consist of, among others, assets held under joint operations, software costs, inter-office float items, creditable withholding tax and miscellaneous assets. The decline of ₱1.16 billion or 8.76% was mainly due to the decrease in miscellaneous assets due to the reclassification of the commercial and office spaces located at BGC to Building under Construction offset by the increases in inter-office float items and software costs.

Deposit liabilities represent 80.77% and 81.93% of the consolidated total liabilities as of December 31, 2015 and 2014, respectively. The Group's deposit level, sourced by the Bank, PSBank and MBCL reached ₱1.26 trillion as of December 31, 2015, an increase of ₱73.52 billion or 6.21% from ₱1.18 trillion as of December 31, 2014. The increment came from demand deposits by ₱46.63 billion and savings deposits by ₱60.82 billion net of the decline in time deposits by ₱33.93 billion. Low cost deposits represent 55.75% and 50.14% of the Group's total deposits as of December 31, 2015 and 2014, respectively.

Bills Payable and SSURA representing 11.35% and 9.71% of the Group's total liabilities as of December 31, 2015 and 2014, respectively, went up by ₱36.39 billion or 25.92%. Higher balances of borrowings from local and foreign banks by ₱0.92 billion and ₱1.33 billion, respectively, deposits substitutes by ₱13.71 billion and SSURA by ₱20.44 billion accounted for the variance. Derivative Liabilities which represent mark-to-market of foreign currency forwards, interest rate swaps, cross currency swaps and foreign currency options with negative fair value increased by ₱1.07 billion or 34.97%.

The increase of ₱0.96 billion or 20.63% in Manager's Checks and Demand Drafts Outstanding resulted from normal banking operations of the Bank and PSBank. Income taxes payable decreased by ₱0.31 billion or 26.11% due to settlement of the 2014 income tax liabilities in April 2015 net of accrual for 2015. Accrued interest and other expenses payable decreased by ₱1.69 billion or 17.09% mainly due to payment of other bank expenses.

The growth of ₱43.63 billion or 29.06% in equity attributable to equity holders of the Bank was mainly attributable to the issuance of stock rights in April 2015 with total net proceeds of ₱31.54 billion; the ₱18.63 billion net income generated by the Group (excluding non-controlling interest) reduced by the additional ₱2.39 billion net unrealized loss recognized on AFS investments; the additional ₱1.09 billion remeasurement loss recognized on retirement plan; cash dividends payment of ₱2.75 billion; and coupon payment on HT1 capital securities of ₱0.51 billion (USD11.25 million). The ₱0.90 billion or 10.34% increase in non-controlling interest was attributed to the net income generated by the majority-owned subsidiaries and net of cash dividend declared.

Results of Operations

Net income attributable to equity holders of the Bank reached ₱18.63 billion for the year 2015, ₱1.49 billion or 7.40% lower than the ₱20.11 billion net income recorded for the year 2014. The net decrease was attributed to lower other operating income by ₱10.70 billion and share in net income of associates and a joint venture by ₱0.03 billion offset by higher net interest income by ₱3.21 billion and decrease in total operating expenses and provision for income tax by ₱4.91 billion and ₱1.22 billion, respectively.

Interest income improved by ₱6.26 billion or 10.56% resulting from the increases in interest income on loans receivables by ₱4.35 billion (volume driven) and trading and investment securities by ₱2.84 billion net of the decline in interest income on interbank loans and SPURA by ₱1.16 billion. On the other hand, interest expense increased by ₱3.05 billion or 22.55% coming from the increases in interest expense on deposit liabilities by ₱1.86 billion and on bills payable and SSURA, subordinated debts and other borrowings by ₱1.19 billion. These resulted in a 7.02% or ₱3.21 billion growth in net interest income.

Other operating income of ₱18.43 billion was lower by ₱10.70 billion or 36.74% from ₱29.13 billion in 2014. For the year 2015, the Group reported a lower profit from the disposal of foreclosed properties of ₱1.29 billion compared with ₱10.20 billion in 2014 due to last year's profit realized from the sale of bank-owned property and ROPA and divestments of non-core assets. Trading and securities gain of ₱1.28 billion also decreased by ₱2.02 billion from ₱3.3 billion in 2014. Last year's gain realized from the sale of the Bank's 15% and PSBank's 25% ownerships in Toyota Financial Services Philippines Corporation (TFSPC) totalling to ₱0.91 billion and FMIC's 33.33% ownership in Charter Ping An Insurance Corporation (CPAIC) of ₱0.31 billion contributed to the variance in other operating income.

Total operating expenses decreased by ₱4.91 billion or 10.49% from ₱46.84 billion in 2014 to ₱41.93 billion in 2015 with lower provision for credit and impairment losses by ₱2.79 billion or 57.54%, compensation and fringe benefits by ₱1.23 billion or 7.14%, taxes and licenses by ₱0.89 billion or 12.68%, and miscellaneous expenses by ₱0.90 billion or 7.93% offset by the increases in depreciation and amortization by ₱0.31 billion or 12.20% and occupancy and equipment-related expenses by ₱0.15 billion or 6.14%.

Share in net income of associates and a joint venture decreased by ₱0.03 billion or 7.67% due to lower net income of certain associates while income attributable to non-controlling interest went up by ₱0.10 billion or 4.99% with noted improvement on the results of operations of certain majority-owned subsidiaries.

Total comprehensive income went down by ₱2.84 billion from ₱20.26 billion in 2014 to ₱17.42 billion in 2015. The variance was attributed to the ₱1.39 billion decrease in the net income of the Group and the ₱1.45 billion decrease in other comprehensive income (resulted from the recognition of additional remeasurement losses on retirement plan). Total comprehensive income attributable to equity holders of the Bank went down to ₱15.50 billion from ₱18.52 billion in 2014.

Market share price as of December 31, 2015 was at ₱80.50 from ₱83.00 in 2014 with a market capitalization of ₱256.00 billion as at December 31, 2015.

2014 Performance

Financial Position

The Metrobank Group closed the year 2014 with audited consolidated total assets at ₱1.60 trillion up by ₱225.97 billion from ₱1.38 trillion as of December 31, 2013. Consolidated total liabilities likewise increased to ₱1.45 trillion from ₱1.24 trillion as funds sourced from total deposit liabilities, bills payable and securities sold under

repurchase agreements (SSURA) and subordinated debts increased by ₱168.19 billion, ₱13.20 billion and ₱20.82 billion, respectively. Meanwhile, equity attributable to equity holders of the Bank grew by ₱15.24 billion or 11.30% from ₱134.89 billion to ₱150.13 billion.

Cash and Other Cash Items increased by ₱5.20 billion or 17.49% due to the higher level of cash requirements of the Parent Company and PSBank. Due from BSP which represents 13.42% of the Group's total assets increased by ₱48.48 billion or 29.07% due to higher balance of SDA maintained with the BSP. On the other hand, Due from Other Banks was higher by ₱11.93 billion or 45.39% as a result of the net movements in the balances maintained with various local and foreign banks.

HTM Investments went up by ₱90.65 billion or 235.92% due to the ₱96.58 billion and ₱3.37 billion increases in investments in treasury notes and private bonds, respectively, reduced by the ₱9.30 billion decline in investment in government bonds. Financial Assets at FVPL consist of held-for-trading (HFT) securities and derivative assets amounting to ₱42.89 billion and ₱3.04 billion, respectively, as of December 31, 2014 and ₱51.36 billion and ₱4.09 billion, respectively, as of December 31, 2013. The ₱9.51 billion or 17.15% decrease resulted from the net disposals of various HFT securities. AFS investments went down by ₱65.72 billion or 24.03% due to the net effect of the ₱71.89 billion decrease in government bonds, and the ₱5.21 billion and ₱0.92 billion increases in investments in private debt securities and equity securities, respectively.

Loans and Receivables, representing 47.33% and 44.33% of the Group's total assets as of December 31, 2014 and 2013, respectively, expanded by ₱148.42 billion or 24.29% driven by the strong demand for loans from all segments and the decrease in unquoted debt securities by ₱2.29 billion due to various redemptions and disposals in 2014.

Investments in Associates and a Joint Venture went down by ₱3.69 billion or 58.73% due to the sale to GT Capital Holdings, Inc. of the Bank's and PSBank's ownership in TFSPC; and FMIC's ownership in CPAIC. In addition, the reclassification of the FMIC's investment in LCMC to AFS investments as a result of the loss of significant influence contributed to the variance. On the other hand, investment properties also went down by ₱3.09 billion or 23.53% due to the sustained disposal of foreclosed real estate properties including the properties sold to FLI.

Other Assets consist of, among others, assets held under joint operations, software costs, inter-office float items, creditable withholding tax and miscellaneous assets. The increment of ₱5.36 billion or 68.17% was mainly due to the increases in inter-office float items (₱2.03 billion), creditable withholding taxes (₱0.70 billion) and miscellaneous assets (₱2.47 billion).

Deposit liabilities represent 81.93% and 82.23% of the consolidated total liabilities as of December 31, 2014 and 2013, respectively. The Group's deposit level, sourced by the Bank, PSBank and MBCL reached ₱1.18 trillion as of December 31, 2014, an increase of ₱168.19 billion or 16.55% from ₱1.02 trillion as of December 31, 2013. The increment came from demand deposits by ₱36.59 billion, savings deposits by ₱43.85 billion, time deposits by ₱73.49 billion, and Long Term Negotiable Certificates of Deposit (LTNCD) by ₱14.25 billion. Low cost deposits represent 50.14% and 50.52% of the Group's total deposits as of December 31, 2014 and 2013, respectively. On September 18, 2014, the BSP approved the issuance of the Bank of up to ₱20 billion LTNCDs and the subsequent amendment was also approved by the BSP on October 14, 2014. The Bank issued the first tranche amounting to ₱8 billion on October 24, 2014 at 4.00% per annum, payable quarterly, with a tenor of 5.5 years and maturing on April 24, 2020 while the second tranche amounting to ₱6.25 billion was issued on November 21, 2014 at 4.25% per annum, payable quarterly, with a tenor of 7 years and maturing on November 22, 2021. The minimum investment size of the LTNCDs is ₱50 thousand with increments of ₱50 thousand thereafter.

Bills Payable and SSURA representing 9.71% and 10.29% of the Group's total liabilities as of December 31, 2014 and 2013, respectively, went up by ₱13.20 billion or 10.37%. Higher balances of borrowings from local banks by ₱6.16 billion and SSURA by ₱17.63 billion reduced by the decline in balances of borrowings from foreign banks by ₱3.11 billion and deposit substitutes by ₱7.49 billion accounted for the variance. Derivative Liabilities which represent mark-to-market of foreign currency forwards, interest rate swaps, credit default swaps and cross currency swaps with negative fair value decreased by ₱1.38 billion or 31.02%.

The increase of ₱0.73 billion or 18.49% in Manager's Checks and Demand Drafts Outstanding resulted from normal banking operations of the Bank and PSBank. Income taxes payable increased by ₱0.52 billion or 76.18% due to booking of additional accrual for corporate income tax. Accrued interest and other expenses payable increased by ₱1.37 billion or 16.07% due to the increases in accruals for other expenses by ₱1.27 billion and for interest on deposit liabilities and other borrowings by ₱0.10 billion. Accrued other expenses include accruals for compensation and

fringe benefits, rentals, percentage and other taxes, professional fees, advertising and information technology expenses and other expenses.

Subordinated Debts increased by 241.35% from ₱8.63 billion to ₱29.45 billion due to the issuance of Basel III-compliant Tier 2 capital notes by the Bank and PSBank amounting to ₱22.5 billion and ₱3.0 billion, respectively, net of the ₱4.5 billion Peso Notes redeemed by the Bank.

Other Liabilities increased by ₱6.92 billion or 15.84% primarily due to higher balance of bills purchased (with contra account classified under Loans and Receivables) by ₱9.75 billion reduced by the ₱2.24 billion decline in marginal deposits.

The growth of ₱15.24 billion or 11.30% in equity attributable to equity holders of the Bank was mainly attributable to the ₱20.11 billion net income generated by the Group (excluding non-controlling interest) reduced by the additional ₱1.91 billion net unrealized loss recognized on AFS investments; cash dividends payment of ₱2.75 billion; and coupon payment on HT1 capital securities of ₱0.50 billion (USD11.25 million). Net unrealized gain on AFS investments decreased by ₱1.91 billion or 397.71% caused by the various disposals of AFS investments and fair value movements. The ₱0.84 billion or 10.72% increase in non-controlling interest was attributed to the net income generated by the majority-owned subsidiaries, net of cash dividend declared and effect of the decrease in the market valuation of AFS investments.

Results of Operations

Net income attributable to equity holders of the Bank reached ₱20.11 billion for the year 2014, ₱2.38 billion or 10.56% lower than the ₱22.49 billion net income recorded for the year 2013. The net decrease was attributed to the decline in other operating income by ₱11.52 billion and share in net income of associates and a joint venture by ₱1.03 billion offset by the increase in net interest income by ₱7.49 billion and lower total operating expenses and provision for income tax by ₱2.48 billion and ₱0.29 billion, respectively.

Interest income improved by ₱9.40 billion or 18.84% resulting from the increases in interest income on loans receivables by ₱4.29 billion (relative to the expansion in loan portfolio); interest income on trading and investment securities by ₱3.58 billion (higher investment portfolio in 2014); and interest income on interbank loans and SPURA by ₱1.73 billion. However, interest expense also increased by ₱1.91 billion coming from the increases in interest expense on deposit liabilities by ₱1.74 billion (volume driven) and on bills payable and SSURA, subordinated debts and other borrowings by ₱0.17 billion. These movements caused improvement in net interest income by ₱7.49 billion or 19.58%.

Other operating income of ₱29.13 billion was lower by ₱11.52 billion or 28.35% from ₱40.66 billion in 2013. For the year 2014, the Group reported a higher profit from the disposal of foreclosed properties of ₱10.20 billion compared with ₱0.89 billion in 2013. However, this was offset by the ₱13.88 billion decrease in trading and securities gain. Moreover, the gain realized by the Group in 2013 from the sale of FMIC's 40% ownership in Global Business Power Corporation and the Bank's 15% ownership in Toyota Motor Philippines Corporation amounting to ₱7.39 billion and ₱3.44 billion, respectively, as against the gain realized from the sale of the Bank's 15% and PSBank's 25% ownerships in TFSPC totalling to ₱0.91 billion and FMIC's 33.33% ownership in CPAIC of ₱0.31 billion in 2014 contributed to the variance in other operating income.

Total operating expenses decreased by ₱2.48 billion or 5.03% from ₱49.32 billion in 2013 to ₱46.84 billion in 2014 with lower provision for credit and impairment losses by ₱5.87 billion or 54.78%, lower taxes and licenses by ₱1.08 billion or 13.27%, higher compensation and fringe benefits by ₱1.61 billion or 10.30% and miscellaneous expenses by ₱1.19 billion or 11.76%.

Share in net income of associates and a joint venture decreased by ₱1.03 billion or 70.01% due to lower net income of certain associates while income attributable to non-controlling interest went up by ₱0.08 billion or 4.40% with noted improvement on the results of operations of certain majority-owned subsidiaries.

Total comprehensive income went down by ₱1.33 billion from ₱21.59 billion in 2013 to ₱20.26 billion in 2014. The variance was attributed to the ₱2.29 billion decrease in the net income of the Group offset by the ₱0.96 billion increase in other comprehensive income. The increase of ₱0.96 billion in other comprehensive income resulted from the net effect of the positive movement in remeasurement of retirement plan from a loss of ₱0.90 billion to a gain of ₱0.36 billion and lower net unrealized loss recognized on AFS investments by ₱0.90 billion reduced by the decline of

₱1.69 billion in translation adjustment and others. As a result, total comprehensive income attributable to equity holders of the Bank went down to ₱18.52 billion from ₱19.74 billion in 2013.

Market share price as of December 31, 2014 was at ₱83.00 from ₱75.55 in 2013 with a market capitalization of ₱227.82 billion as at December 31, 2014.

Key Variable and Other Qualitative and Quantitative Factors

Plans for 2016

Metrobank's medium term vision remains anchored on increasing market relevance and achieving sustained profitability. The Bank is focused on building the brand franchise by improving customer experience. This should improve the Bank's ability to increase customer acquisition and improve client retention.

Placing a stronger focus on customer service will allow the Bank to build sufficient capacity to propel volume growth which would contribute to keeping core earnings robust and sustainable. Towards this end, priority will be on crafting overall customer experience standards for the Bank and for its different target segments. Appropriate strategies on customer acquisition, retention and deepening relationships, shall continue to be pushed and developed using feedback from its recent voice of the customer initiatives.

Simultaneously, the Bank shall improve its talent acquisition and training programs to improve client coverage and will continue with the implementation of infrastructure and technology initiatives. The Bank intends to integrate its new hires and new technology initiatives with its envisioned customer experience framework, with the expectation that this will improve customer service standards and differentiate Metrobank from the rest of the competition.

Finally, the Bank will continue to execute sustainable process efficiency initiatives while maintaining strict standards on project management for key infrastructure and technology imperatives. These will be underscored by a shared KRA framework that pinpoints accountability throughout the hierarchy.

Capital position

The Bank will continue to actively improve on the Group's strong capital position. The Bank has benefited from a series of capital markets transactions to raise Tier 1 and Tier 2 capital. Recently, the Bank also concluded a series of corporate restructuring measures to prepare for Basel III implementation.

In 2006, the Bank issued US\$125.0 million Hybrid Tier 1 capital security in February and 173,618,400 common shares at ₱38.00 per common share in October. In May 2010, the Bank raised an additional ₱5.0 billion in capital through a private placement of common shares. In January 2011, the Bank raised approximately US\$220.0 million through a rights offer for 200 million common shares at the offer price of ₱50.00 per rights share. In August 2013, the Bank increased its capital stock from ₱50 billion to ₱100 billion and on September 16, 2013, it issued a stock dividend equivalent to 633,415,805 common shares (with a par value of ₱20) that was applied as payment of the required subscription to the increase in capital stock, which further improved the Bank's capital position. In April 2015, the Bank raised approximately ₱32.0 billion through a rights offer for 435,371,720 common shares with par value of ₱20.00 priced at ₱73.50 per share. The newly issued shares were listed on the PSE on April 7, 2015.

The Bank also issued Tier 2 instruments to boost its capital adequacy ratio. The Bank issued Basel II compliant Tier 2 subordinated notes in October 2007 for ₱8.5 billion with a coupon of 7.0%; in October 2008 for ₱5.5 billion with a coupon of 7.75%; and in May 2009 for ₱4.5 billion with a coupon of 7.5%. With the advent of Basel III, the Bank subsequently redeemed these previously issued subordinated debt issuances as they would not have been considered as capital beginning January 1, 2014. The Bank exercised the call option on its ₱8.5 billion 7.0%; ₱5.5 billion 7.75% and ₱4.5 billion 7.5% Lower Tier 2 Notes on October 22, 2012, October 4, 2013 and May 6, 2014, respectively. The early redemptions of these instruments were in accordance with the terms and conditions of the notes when they were originally issued. By redeeming the notes, the Bank avoided a step-up in the interest rate and the capital decay from the instruments. In 2014, the Bank raised a total of ₱22.5 billion in subordinated debt wherein ₱16.0 billion was issued on March 27, 2014 at a coupon rate of 5.375% and ₱6.5 billion on August 8, 2014 at 5.25%. The terms of the notes contain a loss absorption feature, allowing them to be recognized as bank capital in accordance with Basel III standards. The transactions were done in part to replace the Basel II Tier 2 notes which were redeemed on their call option dates.

Basel III penalizes banks for their holdings in non-allied undertakings. As such, the Group has actively sought to divest itself of such undertakings and strengthen its standing under Basel III. As a result of the Bank's sale of its ownership in TMPC to GT Capital in the fourth quarter of 2012 and the first quarter of 2013 as well as the partial sale of the FMIC's holdings in GBPC in the second and fourth quarters of 2013, the Bank has been able to increase its CAR position under Basel III. On January 27, 2014, FMIC sold its 1.7 million common shares of Charter Ping An Insurance Corporation for a consideration of ₱712.0 million to GT Capital. It represents the 33.3% holding of FMIC in the non-life insurance firm's outstanding capital stock. On August 29, 2014, the BOD of the Bank and PSBank approved the sale of their 15% and 25% respective ownerships in TFSPC to GT Capital, for an aggregate consideration of ₱2.1 billion. These sales further improved the Bank's CAR position under Basel III. The Bank continues to review its holdings in non-allied undertakings and may sell additional stakes as necessary.

2015 Economic Performance

The Philippine economy remained resilient even amid a gloomy global macroeconomic backdrop in 2015. The economy gained steam in the third quarter, supported by the acceleration in government spending and rise in fixed investment. Year-to-date average GDP growth came in at 5.6% against 6% in the same period in 2014. The Philippines is third among ASEAN economies including China in terms of economic growth.

On the demand side, consumption spending remained robust, growing by 6.3%, supported by the sustained easing of inflation rates. Government spending also recorded a strong rebound, coming from a contraction last year, amid the continued growth in disbursements for the implementation of government programs and projects. Investment spending likewise bounced back from a negative territory last year. Net trade remained a drag to the economy on a number of factors like lower global commodity prices, strong US dollar, and fragile economies of major trading partners. On the supply side, growth of the services sector accelerated to 7.3%, the highest since the recorded 7.4% growth in the third quarter of 2013, on the back of solid expansions of most of its subsectors.

Full-year inflation came in lower than the government's target range of 2% to 4% amid the sustained drop in global commodity prices. Global oil prices, most especially, have fallen from \$114 per barrel in mid-2014 to below \$40 per barrel in 2015. Average inflation was recorded at 1.4% from 4.1% in 2014. Given the low inflation environment, the BSP kept policy rates steady the whole year at 4% for the RRP facility and 6% for the RP facility.

The National Government fiscal gap remained narrow at only P52.3 billion in the January to October period even as government expenditures consistently registered double-digit growth since June. Full-year deficit is seen to cap the year below the set program of P283.7 billion.

Emerging economies were battered in 2015 because of low global commodity prices, strong US dollar, and slowdown of the Chinese economy. Even so, economic growth of most emerging economies remained higher than the growth of advanced economies. The PSEi closed the year at 6,952.08, wiping out gains from a 6-year run-up, as investors remained on edge over the health of the global economy. The Philippine Peso also took a beating as it went below the ₱47 level towards yearend, depreciating by 5% from the start of the year close of ₱45 to a dollar.

Growth prospects for the Philippine economy remain fairly bright given its solid macroeconomic fundamentals. Risks to the domestic economy remain amid the effects of the still uneven global economic growth and impact of financial market volatilities.

Liquidity

To ensure that funds are more than adequate to meet its obligations, the Bank proactively monitors its liquidity position daily. Based on this system of monitoring, the Bank does not anticipate having any cash flow or liquidity problem within the next twelve months. As of December 31, 2015, the contractual maturity profile shows that the Bank has at its disposal about ₱723.12 billion of cash inflows in the next twelve (12) months from its portfolio of cash, placements with banks, debt securities and receivable from customers. This will cover 66.84% of the ₱1.08 trillion total deposits that may mature during the same period. These cash inflows exclude AFS investments with maturities beyond one (1) year but may easily be liquidated in an active secondary market. Inclusive of these securities, the total financial assets will cover 84.54% of the total deposits that may mature during the same period. On the other hand, historical balances of deposits showed that no substantial portion has been withdrawn in one year.

Events That Will Trigger Material Direct or Contingent Financial Obligation

In the normal course of the Group's operations, there are various outstanding commitments and contingent liabilities which are not reflected in the accompanying financial statements. No material losses are anticipated as a result of these transactions.

The summary of the commitments and contingent liabilities of the Group is discussed in Note 30 of the audited financial statements of the Group as presented in Exhibit 4.

Material Off-Balance Sheet Transactions, Arrangements or Obligations

The summary of off-balance sheet transactions, arrangement or obligations (including contingent obligations) is discussed in Note 30 of the audited financial statements of the Group as presented in Exhibit 4.

Other Relationships of the Registrant with Unconsolidated Entities or Other Persons

The Group has ownership in the following significant unconsolidated entities as of December 31, 2015:

	<u>Effective % of Ownership</u>
Sumisho Motor Financing Corporation*	30.39%
Northpine Land, Inc.	20.00%
SMBC Metro Investment Corporation	30.00%
Taal Land, Inc.	35.00%
Cathay International Resources Corporation	34.47%
Philippine AXA Life Insurance Corporation	27.96%
Lepanto Consolidated Mining Company	14.33%

* Represents investment in a joint venture of the Group.

Material Commitments for Capital Expenditures

In 2015, the Bank incurred about ₱1.82 billion for capital expenditures, of which ₱1.08 billion and ₱739 million were incurred for furniture, fixtures and equipment (including information technology) and land, buildings and leasehold improvements, respectively. Information technology-related expenditures include upgrades of personal computers, central processing units, automatic tellering machine tandem hosts, corporate local area networks, servers, and on-line back-up recovery centers as required by the BSP. Capital expenditures were sourced from the Bank's working capital.

For the year 2016, the Bank estimates to incur capital expenditures of about ₱7.0 billion, of which ₱4.9 billion is estimated to be incurred for information technology. This amount is not considered material to the Bank's operations.

Significant Elements from Continuing Operations

Standards Issued But Not Yet Effective

Standards issued but not yet effective up to date of issuance of the Group's financial statements are listed in Note 2 of the audited financial statements of the Group as presented in Exhibit 4. The listing consists of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended PFRS and Philippine Interpretations to have significant impact on its financial statements. The Group will assess impact of these amendments on its financial position or performance when they become effective.

Material Subsequent Events

1. On January 19, 2016, the BOD of PSBank declared a 7.50% regular cash dividend for the fourth quarter of 2015 amounting to ₱180.2 million equivalent to ₱0.75 per share, payable not later than February 19, 2016 to all stockholders of record date as of February 1, 2016.
2. On January 25, 2016, SMBC paid 10.00% cash dividends amounting to ₱60.0 million to its stockholders of record as of December 11, 2015 which was approved by its BOD on same date.
3. On February 16, 2016, the Bank paid the semi-annual coupon payment on the HT1 Capital, representing the USD125.0 million 9.00% non-cumulative step-up callable perpetual capital securities which were redeemed on the same date under the optional redemption.

Others

As of December 31, 2015, the Group has no significant matters to report on the following:

1. Known trends, events or uncertainties that would have material impact on liquidity and on the sales or revenues.
2. Explanatory comments about the seasonality or cyclical nature of operations.
3. Issuances, repurchases and repayments of debt and equity securities except for the issuance of P32.0 billion stock rights as discussed in Note 23 of the audited financial statements of the Group as presented in Exhibit 4.
4. Unusual items as to nature, size or incidents affecting assets, liabilities, equity, net income or cash flows except for the payments of cash dividend and semi-annual coupons on the HT1 Capital as discussed in Notes 23 of the audited financial statements of the Group as presented in Exhibit 4.
5. Effect of changes in the composition of the Group, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

ITEM 7 – FINANCIAL STATEMENTS

Presented in Exhibit 4 is the Audited Financial Statements of Metrobank and its Subsidiaries as of December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013. SyCip Gorres Velayo & Co. (SGV) audited such financial statements.

Attached to the audited financial statements is the notarized Statement of Management Responsibility for Financial Statements which was signed by Messrs. Arthur Ty (Chairman), Fabian S. Dee (President), Joshua E. Naing (Head of Financial and Control Sector), Fernand Antonio A. Tansingco (Treasurer and Head of Financial Market Sector) and Ms. Marilou C. Bartolome (Controller).

Information on Independent Accountant

1. SGV has been the external auditors of the registrant since 1962. In compliance with SRC Rule 68, as Amended (3) (b) (ix), the signing partners are rotated after every five years of engagement. The following SGV Partners have reviewed/audited the financial statements of the registrant and signed the reports of the independent auditors for the years ended as indicated below:

SGV Partner	Years Ended December 31
Ms. Janeth T. Nuñez-Javier	2015 and 2014 2014 and 2013
Mr. Aris C. Malantic	2013 and 2012 2012 and 2011 2011 and 2010 2010 and 2009 2009 and 2008

SGV Partner	Years Ended December 31
Ms. Vicky B. Lee-Salas	2008 and 2007 2007 and 2006

2. The Bank intends to retain SGV as its external auditors for the year 2016 and is submitting the same to the stockholders for ratification as endorsed by the Audit Committee with the approval of the Board of Directors.

Professional Services and Fees

The aggregate fees billed and paid for each of the last two fiscal years for professional services rendered by the registrant's external auditors are summarized below:

Nature of Services Rendered		Aggregate Fees (in millions)	
		2015	2014
Audit and Audit-Related Fees	Annual audit of the Consolidated, Parent Company and FCDU Financial Statements in connection with statutory and regulatory filings, including the Combined Financial Statements of Trust and Managed Funds Operated by the Trust Banking Group with Supplementary Combining Information; limited review of financial statements based on agreed-upon procedures; issuance of comfort letters relative to the offering of stock rights; and other services	₱25.95	₱27.72
Tax Fees	None	-	-
All Other Fees	Seminar fees and others	3.06	0.48
Total Fees		₱29.01	₱28.20

Audit Committee's Approval Policies and Procedures for Above Services

The Institutional Accounting Division of the Bank's Controllership Group, upon consultation with the Controller, the Financial and Control Sector Head and the President, reviews the continuing eligibility of the Bank's external auditors and/or other probable candidates, considering certain criteria.

Upon selection by the Controller, the Financial and Control Sector Head and the President, the recommendation for hiring of the preferred external auditors shall be presented by the Controller to the Audit Committee which shall then evaluate and endorse the appointment of the external auditors to the Board of Directors for approval.

On March 16, 2016, the Board of Directors approved the endorsement of the Audit Committee re-appointing SGV & Co. as the external auditors for 2016. This item is included for ratification by the stockholders during the Annual Stockholders' Meeting on April 27, 2016.

Appointment of Members and Composition of the Audit Committee

The members of the Audit Committee are appointed annually by the Board of Directors of Metrobank. It shall be composed of at least three (3) board members, majority of which shall be non-executive directors, and at least two (2) of whom shall be independent directors, including the Chairman, preferably with accounting and financial management experience, and one (1) of whom shall have related audit experience commensurate with the size, complexity of operations and risk profile of the Bank. Metrobank's Audit Committee is composed of the following:

Names of Members	Designation - Audit Committee	Designation - Registrant
Robin A. King	Chairman	Independent Director
Renato C. Valencia	Vice-Chairman	Independent Director
Remedios L. Macalincag	Member	Independent Director
Vicente B. Valdepeñas, Jr.	Member	Independent Director
Francisco F. Del Rosario, Jr.	Member	Independent Director
Antonio S. Abacan, Jr.	Adviser	Chairman, Board of Advisers
Cornelio C. Gison	Adviser	Board Adviser

As provided in its amended charter, one of the duties and responsibilities of the Audit Committee is to exercise effective oversight of external audit functions. With respect to the registrant's independent external auditors, the Audit Committee is responsible to:

1. Appoint, re-appoint and terminate the independent external auditors based on fair and transparent criteria;
2. Discuss and agree to the terms of the engagement letter issued by the external auditor prior to the approval of the engagement, obtain an understanding of the scope and audit approach, set compensation of the external auditor in relation to the scope of its duties upon recommendation of Controller, and ensure coordination where more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
3. Review management representation letters before these are transmitted to the external auditor to ensure that items in the letter are complete and accurate;
4. Review independent external auditors' report on the results of the audit of the annual financial statements before these are submitted to the Board of Directors for approval, focusing particularly on any change/s in accounting policies and procedures, major estimates, assumptions and judgmental areas, unusual or complex transactions, significant adjustments, material errors and fraud, going concern assumption, compliance with accounting standards, and compliance with tax, legal and regulatory requirements;
5. Understand and duly assess the external auditor's opinion regarding the capability of the management and the adequacy of accounting/information systems to comply with the financial and prudential reporting responsibilities;
6. Review reports of external auditors and ensure that Management is taking appropriate corrective actions, in a timely manner in addressing control weaknesses and non-compliance with policies, laws and regulations and other issues identified by auditors. Furthermore, significant matters in the said reports should be reported to the Board of Directors;
7. Keep the nature and extent of non-audit services provided by the external auditors under review and disallow any non-audit work that will conflict with or pose a threat to the independence of the external auditors;
8. Meet with the lead audit partner and other members of the audit team as necessary, without the presence of management, to discuss issues arising from the audit and any other matters that the external auditors may wish to raise with the AC and vice versa;
9. Review and monitor the overall effectiveness and conduct regular performance appraisal of external auditors;
10. Ensure that the external auditors shall have free and full access to all the Bank's records, properties and personnel relevant to the audit activity, and that audit be given latitude in determining the scope, performing work, and communicating results and shall be free from interference by outside parties in the performance of work;
11. Assess the extent of cooperation provided by the management during the conduct of the external audit; and
12. Recommend necessary enhancements in the audit processes.

ITEM 8 – CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

SGV & Co. has been the external auditors of the Bank since 1962 with engagement partner being changed every five (5) years effective 2002 in accordance with SEC and BSP regulations. There have been no disagreements with the Bank's independent accountants on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedure.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9 – DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

Directors and Executive Officers of the Issuer

The names and ages of all directors and executive officers (from Senior Executive Vice President (SEVP) up to the President) are as follows:

Directors - 14

	Office	Name	Citizenship	Age
1	Group Chairman	George S.K. Ty	Filipino	83
2	Chairman	Arthur Ty	Filipino	49
3	Vice Chairman	Francisco C. Sebastian	Filipino	61
4	President	Fabian S. Dee	Filipino	53
5	Independent Director	Renato C. Valencia	Filipino	73
6	Independent Director	Jesli A. Lapus	Filipino	66
7	Independent Director	Robin A. King	Filipino	68
8	Independent Director	Vicente B. Valdepeñas, Jr.	Filipino	78
9	Independent Director	Rex C. Drilon II	Filipino	69
10	Independent Director	Remedios L. Macalincag	Filipino	78
11	Independent Director	Francisco F. Del Rosario, Jr.	Filipino	68
12	Director	Alfred V. Ty	Filipino	48
13	Director	Vicente R. Cuna, Jr.	Filipino	53
14	Director	Edmund A. Go	Filipino	65

The Independent Directors, namely, Mr. Renato C. Valencia, Mr. Jesli A. Lapus, Mr. Robin A. King, Dr. Vicente B. Valdepeñas, Jr., Mr. Rex C. Drilon II, Ms. Remedios L. Macalincag, and Mr. Francisco F. Del Rosario, Jr. have always possessed the qualifications, and none of the disqualifications of an independent director.

Executive Officers – 12

	Office	Name	Citizenship	Age
1	Senior Executive Vice President	Joshua E. Naing	Filipino	55
2	Senior Executive Vice President	Fernand Antonio A. Tansingco	Filipino	49
3	Executive Vice President	Maritess B. Antonio	Filipino	54
4	Executive Vice President	Mary Mylene A Caparas	Filipino	51
5	Executive Vice President	Eligio C. Labog, Jr.	Filipino	59
6	Executive Vice President	Paul Robert Y. Murga	Filipino	50
7	Executive Vice President	Corazon Ma. Therese B. Nepomuceno	Filipino	53
8	Executive Vice President	Richard Benedict S. So	Filipino	50
9	Executive Vice President	Aniceto M. Sobrepeña	Filipino	62
10	Executive Vice President	Vivian L. Tiu	Filipino	54
11	Executive Vice President	Josefina T. Tuplano	Filipino	54
12	Executive Vice President	Amelin S. Yao	Filipino	61

Directors – 14

1. **Dr. George S.K. Ty**, 83, is the founder of Metrobank and has been the Chairman of the Metrobank Group since 2006. Previous to that or from 1975 to 2006, he was Metrobank's Chairman. Dr. Ty served as GT Capital Holdings, Inc.'s (GTCAP) Chairman from its inception in 2007 until 2012. After that, he became GTCAP's Group Chairman, a position that he continues to hold. He is also concurrently the Chairman of the Board of Trustees of the Metrobank Foundation, Inc., and the Board of Directors of Toyota Motor Philippines Corporation (TMPC). Dr. Ty graduated from the University of Santo Tomas.
2. **Mr. Arthur Ty**, 49, has been the Bank's Chairman since 2012. Previous to that or from 2006 to 2012, he was the Bank's President. He has been a co-Vice Chairman of GTCAP since 2014, Chairman of Metropolitan Bank China (Ltd.) since 2010, Vice-Chairman of PSBank since 2001 and FMIC since 2012. He earned his Bachelor of Science degree in Economics at the University of California, Los Angeles and obtained his Masters in Business Administration degree from Columbia University, New York.
3. **Mr. Francisco C. Sebastian**, 61, has been the Vice-Chairman of Metrobank since 2006. He joined the Metrobank Group in 1997 as FMIC President until he was appointed Chairman in 2011. He has been the Chairman of GTCAP since 2014. He earned his AB degree in Economics, Magna Cum Laude, from the Ateneo de Manila University in 1975.

4. **Mr. Fabian S. Dee**, 53, became President of Metrobank in 2012. Before becoming President, he headed the National Branch Banking Sector (2006-2012), Account Management Group (2002-2006) and Marketing Center (2001-2002). He has been the Chairman and Director of Metrobank Card Corporation since 2006. He holds a degree in Management Engineering from the Ateneo de Manila University.
5. **Mr. Renato C. Valencia**, 73, was first elected independent director of Metrobank in 1998. He is the Chairman and Independent Director of iPeople Inc., Independent Director of House of Investments, Inc., EEI Corporation, Anglo Philippine Holdings, Inc. and Vulcan Industrial and Mining, Inc. He was the President and CEO of the Social Security System from 1990 to 1998, subsequently Chairman and CEO of Union Bank of the Philippines from 1987 to 1991 and President and CEO of Roxas Holdings, Inc. from 2011 to 2015. He is a graduate of Philippine Military Academy with a degree in B.S. Gen. Engineering, and also holds an MBA from the Asian Institute of Management.
6. **Mr. Jesli A. Lapus**, 66, became an independent director of Metrobank in 2010. He has been the Chairman and Independent Director of STI Education Services Group, Inc. since 2013 and Chairman of LBP Service Corporation since 2012. He has been the Independent Director of STI Education System Holdings, Inc. since 2013 and Philippine Life Financial Assurance Corp. since June 2012. He is the Board of Governor of Information and Communication Technology Academy, Inc. since November 2010. He is the Advisor to the Board since 2013 and Director from 2010 to 2013 of Radiowealth Finance Company. He was the Chairman of Manila Tytana Colleges from 2010 to 2013. He was a member of the Board of Trustees of the Asian Institute of Management (2010-2013), Secretary of the Department of Trade and Industry (2010), Secretary of the Department of Education (2006-2010), Congressman, Third District of Tarlac, House of Representatives (1998-2006) and President/CEO and Vice Chairman of Land Bank of the Philippines (1992-1998). He is a Certified Public Accountant and holds an Accountancy degree from the Philippine School of Business Administration and a Master in Business Management from the Asian Institute of Management. He has a Doctorate in Public Administration (Honoris Causa) from the Polytechnic University of the Philippines. He also studied Investment Appraisal and Management at Harvard University; Management of Transfer of Technology at INSEAD (France), Project Management at BITS (Sweden); and Personal Financing Planning at UCLA.
7. **Mr. Robin A. King**, 68, was first elected independent director of Metrobank in 2011. He was an independent director of FMIC (2010-2011), Toyota Financial Services Philippines Corporation (2008-2010), President and Director of Global Business Bank (1997-2002) and President and Vice Chairman of International Bank of California (1994-1997). He is a Certified Public Accountant. He obtained his BSBA degree from the University of San Carlos in 1967 and his MBA degree major in Banking and Finance from the University of the Philippines in 1970.
8. **Dr. Vicente B. Valdepeñas, Jr.**, 78, became an independent director of Metrobank in 2011. He has been a BSP consultant since 2008, member of the Supervisory Committee of the ABF Philippines Bond Index Fund since January 2015, and member of the Advisory Panel of the ASEAN+3 (China, Japan, Korea) since 2011. From 1997 to 2008, he was a member of the Monetary Board. He holds an AB degree in Economics from the Ateneo de Manila, and a PhD, AM from Cornell University.
9. **Mr. Rex C. Drilon II**, 69, became an independent director of Metrobank in 2012. He also served as independent director of FMIC (2011-2014). He has been a member of the Board of Trustees of the Institute of Corporate Directors since 2013, member of the Board of Trustees of Institute of Solidarity in Asia since 2010, and director of Keyland Corporation and YLD Holdings, Inc. since 2012. He was the President of the Institute of Corporate Directors (2010-2012), Chief Operating Officer of Ortigas & Company, Limited Partnership (2001-2010) and CEO of Ayala Land's publicly listed subsidiaries, CHI and CPVDC (1998-2001). He has a Business Administration degree from the University of the East. He pursued further studies at the University of Asia and The Pacific.
10. **Ms. Remedios L. Macalincag**, 78, was first elected independent director of Metrobank in 2004. She has been the Chairperson and President of Premium Equities, Inc. since 1999, served as President and CEO of Development Bank of the Philippines (1998-2002) and Chairperson of LGU Guarantee Corporation (1998-2002). She finished her degree in Business Administration from the University of the East where she also completed the academic requirements for a Master of Arts in Economics. She also holds a Diploma in Economic Development from the University of Manchester, England.
11. **Mr. Francisco F. Del Rosario**, 68, was first elected independent director of Metrobank in 2011. He is the incumbent President of the Management Association of the Philippines and director of Omnipay, Inc. since 2014,

DMCI, Homes, Inc. and Mapfre Insular Insurance Corp. since 2011 and Cabinet Member of the Habitat for Humanity, Philippines since 2009. He was the President and CEO of Development Bank of the Philippines from 2010 to 2012. He obtained his BSC Accounting and BA Economics degrees from De La Salle University, and his MBA from the Asian Institute of Management.

12. **Mr. Alfred V. Ty**, 48, was first elected director in September 2015. He serves as the Chairman of Federal Land, Inc. (FLI) and Property Company of Friends, Inc. since 2015. He is the President and Director of Tytana Corporation since 2015 and an independent director of Metro Pacific Investment Corp. since 2015. Since 2013, he is the Chairman of Cathay International Resources, Inc. and Vice Chairman of Global Business Power Corp., Toyota Motor Phils. School of Technology, Inc. and Omni-Orient Management Corp. He is the Chairman/President of Up Swing Corporation and Vice Chairman of Federal Homes, Inc. and GTCAP since 2012, President/Director of Ferum Cee, Inc. and Chairman of Horizon Land Property Devt. Corp. since 2011; Chairman/President of 82 Alpha Holdings, Corp. and Honorary Consul to the Oriental Republic of Uruguay to the Philippines since 2009; Chairman of Bonifacio Landmark Realty & Devt. Corp. and Lexus Manila, Inc. since 2008; President/Director of Great Mark Resources Corp. and Grand Titan Capital Holdings, Inc. and Vice Chairman of FLI and Orix Corp. since 2007; President/Director of Global Treasure Holdings, Inc. since 2006; Executive Vice President/Director of Philippine Securities Corp. since 2005; Chairman of Federal Brent Retail, Inc. and Vice Chairman of TMPC since 2004 and President/Director of Grand Estate Property Corp. since 2001. He graduated with a Bachelor of Science degree in Business Administration from the University of Southern California in 1989.
13. **Mr. Vicente R. Cuna, Jr.**, 53, became a director of Metrobank in 2014. He has been on secondment as President of PSBank since 2013 and has been a director of FMIC since 2011. He was Head of the Bank's Institutional Banking Sector (2012-2013) and Corporate Banking Group (2006-2012). He will be the Chairman of ORIX Auto Leasing Philippines Corporation on March 30, 2106. He graduated from De La Salle University with a degree in AB Economics and pursued further studies at the Ateneo Graduate School of Business.
14. **Mr. Edmund A. Go**, 65, was first elected director of Metrobank in 2007. He has been a director of Metropolitan Bank China (Ltd.) since 2010. He is a member of the Board of Advisors of PSBank since 2009. He has been a Director for Investments of Ateneo de Manila University since 2010 and Investment Consultant for St. Peter's Life Group since 2011. He served as Metrobank Treasurer (2000-2007) and consultant of the Philippine Dealing and Exchange Corp. on Securities Training and Development (2008-2010). He is a Certified Public Accountant and holds a BS Commerce Degree in Accounting, Cum Laude, from the San Beda College and an MBA, with distinction, from the Asian Institute of Management.

The Directors of the Bank are elected during the Annual Stockholders' Meeting. Each director holds office until the Annual Stockholders' Meeting in the succeeding year, or until a successor is elected, appointed or shall have been qualified.

Executive Officers - 12

1. **Mr. Joshua E. Naing**, 55, Senior EVP, was appointed Head of the Financial and Control Sector in 2013 after serving as Controller from 2002 to 2013. He was appointed Adviser of Global Business Power Corporation in 2013. He has been a director of FMIC since April 2015; Metro Remittance Center, Inc. (USA) since June 2008; Metro Remittance (Hong Kong) Limited since January 2009 and MB Remittance Center (Hawaii), Ltd. since April 2010.
2. **Mr. Fernand Antonio A. Tansingco**, 49, Senior EVP, has been the Head of the Financial Markets Sector since 2013, and Treasurer since 2007. He has been a director of Metropolitan Bank China (Ltd.) since 2012, Chairman of Metrobank Bahamas since 2010, and Vice-Chairperson of Philippine AXA Life Insurance Corporation (AXA Philippines) since 2010.
3. **Ms. Maritess B. Antonio**, 54, EVP, has been the Head of Metrobank's Internal Audit Group and Chief Audit Executive of Metrobank since 2010 after serving as Deputy Chief Audit Executive from 2008 to 2010.
4. **Ms. Mary Mylene A. Caparas**, 51, EVP, has been the Head of Metrobank's Institutional Banking Sector of Metrobank since 2014. From 2013 to 2014, she was the Managing Director, Regional Head of Client Delivery, Treasury and Trade Solutions of Citibank N.A., Hong Kong Branch. From 2011 to 2013, she was the Managing Director, Country Head of Citi Transaction Services of Citibank N.A., Manila Branch.

5. **Mr. Eligio C. Labog, Jr.**, 59, EVP, has been the Head of Metrobank's Commercial Banking Group since 2012, and was head of the Branch Lending Group from 2005 to 2012. He has been a Director of Jaka Tagaytay Holdings. Corp. since 2004 and ORIX METRO Leasing and Financing Corporation (ORIX Metro) since 2014. He is also the Treasurer of ORIX Metro since 2015.
6. **Mr. Paul Robert Y. Murga**, 50, EVP, has been the Head of Metrobank's Operations Group since March 2014. He joined Metrobank as Assistant to the Operations Group Head in April 2013. He is a member of the Board of Directors of the Philippine Clearing House Corporation since 2014.
7. **Ms. Corazon Ma. Therese B. Nepomuceno**, 53, EVP, has been the Head of Metrobank's Credit Group since 2012 after serving as its Deputy from 2005 to 2012.
8. **Mr. Richard Benedict S. So**, 50, EVP, was appointed Head of the Metrobank's International Offices and Subsidiaries Group (IOSG) in 2009 after serving as its Deputy from 2007 to 2009. He was also appointed as Head of the Transaction Banking Segment in 2014. Effective March 16, 2016, he is the concurrent Head of the Countryside Branch Banking under the National Branch Banking Sector. He chairs the Board of Directors of several remittance companies wholly-owned by Metrobank. He has been a Vice Chairman of Metro Remittance Singapore Pte. Ltd. since 2010. He has been a director of Metrobank Bahamas since 2009, Metrobank Card Corporation since 2010 and Corporate Secretary of Metropolitan Bank China (Ltd.) since 2014.
9. **Mr. Aniceto M. Sobrepeña**, 62, EVP, has been the President of Metrobank Foundation, Inc. since 2006 and Vice-Chairman of Manila Tytana Colleges and Federal Land, Inc. since 2011. He is the Executive Director of GT Metro Foundation, Inc. since January 2010. He is a member of the Board of Trustees of PinoyMe Foundation since 2007 and Philippine Business for Education since 2008. He is also a member of Galing Pook Foundation since 2000, International Center for Innovation Transformation and Excellence in Governance since 2000 and Philippine Institute of Environmental Planners since 1995.
10. **Ms. Vivian L. Tiu**, 54, EVP, has been the Head of Metrobank's Human Resources Management Group since 2001. She has been serving as Corporate Secretary of Manila Tytana Colleges since 2004.
11. **Ms. Josefina T. Tuplano**, 54, EVP, has been the Trust Officer of Metrobank since 2012. She joined Metrobank in 2000 and headed the Treasury Sales Division and Investment Management Distribution Division until her transfer to Trust Banking Group in 2011 as Deputy Group Head.
12. **Ms. Amelin S. Yao**, 61, EVP, has been heading the Commercial Banking Center of Metrobank since 2006. Previous to that, she held various positions in Branch Banking Group.

Principal officers are elected annually by the BOD at the organizational meeting held immediately following the Annual Stockholders Meeting.

Significant Employees

Except for the above list of executive officers, there are no other significant employees as contemplated under the Securities Regulation Code.

Family Relationships Among the Directors and Officers of the Bank

The family relationships among the directors and/or senior officers of the Bank are:

1. The Group Chairman, Dr. George S.K. Ty is related to the following directors/officers of the Bank:

Name	Position Held in the Bank	Relationship
Arthur Ty	Chairman	Son
Alfred Ty	Director	Son
Anjannette T. Dy Buncio	Vice President	Daughter
Zandra M. Ty	First Vice President	Daughter-in-law

2. Chairman, Arthur Ty is related to the following:

Name	Position Held in the Bank	Relationship
George S.K. Ty	Group Chairman	Father
Alfred Ty	Director	Brother
Anjannette T. Dy Buncio	Vice President	Sister
Zandra M. Ty	First Vice President	Wife

3. Director Alfred Ty, is related to the following:

Name	Position Held in the Bank	Relationship
George S.K. Ty	Group Chairman	Father
Arthur Ty	Chairman	Brother
Anjannette T. Dy Buncio	Vice President	Sister
Zandra M. Ty	First Vice President	Sister-in-law

Involvement in Certain Legal Proceedings

No director, executive officer, underwriter or control person of the registrant is involved in any legal proceedings specified under Part IV (A)(4) of Annex C of SRC Rule 12 for the past five (5) years.

ITEM 10 – EXECUTIVE COMPENSATION

Information as to the aggregate compensation paid during the last two fiscal years and to be paid in the ensuing fiscal year to the Bank's Chief Executive Officers and each of Metrobank's four other most highly compensated executive officers follows:

SUMMARY OF COMPENSATION TABLE

Name and Principal Position	2016 (Estimate)		
	Salary	Bonus	Other Annual Compensation*
1 Arthur Ty Director and Chairman			
2 Fabian S. Dee Director and President			
3 Joshua E. Naing Senior Executive Vice President			
4 Fernand Antonio A. Tansingco Senior Executive Vice President			
5 Mary Mylene A. Caparas Executive Vice President			
Total for the President and four (4) other highest paid executive officers and directors named above	₱129.52 million	₱44.33 million	₱15.00 million
All executive officers and directors as a group unnamed (except the President and four other highly compensated executive officers and directors mentioned above)	₱254.20 million	₱111.26 million	₱44.94 million

Name and Principal Position	2015		
	Salary	Bonus	Other Annual Compensation*
1 Arthur Ty Director and Chairman			
2 Fabian S. Dee Director and President			
3 Joshua E. Naing Senior Executive Vice President			
4 Fernand Antonio A. Tansingco Senior Executive Vice President			
5 Corazon Ma. Therese B. Nepomuceno Executive Vice President			
Total for the President and four (4) other highest paid executive officers and directors named above	₱111.70 million	₱36.80 million	₱13.97 million
All executive officers and directors as a group unnamed (except the President and four other highly compensated executive officers and directors mentioned above)	₱217.60 million	₱90.07 million	₱47.18 million

Name and Principal Position	2014		
	Salary	Bonus	Other Annual Compensation*
1 Arthur Ty Director and Chairman			
2 Fabian S. Dee Director and President			
3 Joshua E. Naing Senior Executive Vice President			
4 Fernand Antonio A. Tansingco Senior Executive Vice President			
5 Corazon Ma. Therese B. Nepomuceno Executive Vice President			
Total for the President and four (4) other highest paid executive officers and directors named above	₱89.19 million	₱37.34 million	₱11.50 million
All executive officers and directors as a group unnamed (except the President and four other highly compensated executive officers and directors mentioned above)	₱182.71 million	₱81.84 million	₱39.08 million

* Inclusive of directors' per diem and transportation allowances amounting to ₱37.14 million, ₱36.72 million and ₱30.21 million as of December 31, 2016, 2015, and 2014, respectively, or an average of ₱221,071.43, ₱204,000.00 and ₱179,851.00 per month/per director in 2016, 2015 and 2014, respectively.

The directors receive fees, bonuses and allowances that are already included in the amounts stated above. Aside from the said amounts, they have no other compensation plan or arrangement with the registrant. The directors receive compensation based on their banking or finance experience and their attendance in the meetings of the board and the committees where they are members or chairs of.

The executive officers receive salaries, bonuses and other usual cash benefits that are also already included in the amounts stated above. Aside from the said amounts, they have no other compensation plan or arrangement with the registrant.

Warrants and Options Outstanding: Repricing

The information required under Part IV, Paragraph B (5) of the SRC is not applicable to the Bank. There are no warrants or options held by the Bank's officers and directors.

ITEM 11 – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**Security Ownership of Certain Record and Beneficial Owners**

The following stockholders own more than 5% of the common voting securities as of December 31, 2015:

	Class of Shares	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
1	Common	PCD NOMINEE CORPORATION (Non-Filipino) 37/F The Enterprise Center Ayala Avenue, Makati City	Various Scrippless Stockholders <i>There is no participant of PCD who holds more than 5% of the common stock of Metrobank.</i>	Foreign	1,102,029,334	34.653%
2	Common	GT CAPITAL HOLDINGS, INC. Stockholder 43/F GT Tower International Ayala Avenue Corner H.V. Dela Costa Street, Makati City Arthur Ty is authorized to vote the shares of GT Capital Holdings, Inc. in Metrobank.	Benefecial and Record Owner <i>The following persons own more than 5% of the outstanding voting shares of GT Capital Holdings, Inc.:</i> <i>Grand Titan Capital Holdings, Inc. – 54.306%</i> <i>PCD Nominee Corporation (Non-Filipino) – 36.152%</i> <i>PCD Nominee Corporation (Filipino) – 9.190%</i> <i>GT Capital Holdings, Inc. is a publicly-listed company that is majority owned and controlled by George S.K. Ty and the members of his family through Grand Titan Capital Holdings, Inc.</i>	Filipino	801,906,235	25.216%
3	Common	PCD NOMINEE CORPORATION (Filipino) (Participants are stockholders of the issuer) 37/F The Enterprise Center 6766 Ayala Avenue, Makati City	Various Scrippless Stockholders <i>There is no participant of PCD who holds more than 5% of the common stock of Metrobank.</i>	Filipino	418,646,805	13.164%
		TOTAL			2,322,582,374	73.033%

PCD Nominee Corporation (Filipino and Non-Filipino) (PCNC) is a wholly owned subsidiary of the Philippine Central Depository (PCD) and acts as trustee-nominee for all shares lodged in the PCD system where trades effected on the Philippine Stock Exchange are finally settled and lodged. Persons who opt to trade through the PCD do not receive stock certificates as an evidence of ownership, as trading using the PCD is completely paperless. Beneficial ownership of shares lodged with the PCNC remains with the lodging stockholder.

Voting Trust Holders of 5% or More

There are no persons who own more than 5% of the registrant's securities under a voting trust or similar agreement.

Changes in Control

There are no arrangements that may result in a change in control of the registrant. There is no change in control that has occurred since the beginning of the last fiscal year.

Security Ownership of Management

The Bank's directors and officers as a group held a total of **35,524,776** common voting shares as of December 31, 2015. This is broken down as follows:

Class of Shares	Name of Beneficial Owner	Citizenship	No. of Shares as of December 31, 2014	Additions/ (Disposal)	No. of Shares as of December 31, 2015	Nature	Percent of Class	
Directors (14)								
1	Common	GEORGE S.K. TY	Filipino	11,906,326	1,945,824	13,852,150	Direct	0.436
2	Common	ARTHUR TY	Filipino	9,046,962	1,478,523	10,525,485	Direct	0.331
3	Common	FRANCISCO C. SEBASTIAN	Filipino	393,195	106,805	500,000	Direct	0.016
4	Common	FABIAN S. DEE (a)	Filipino	650	-	650	Direct	0.000
5	Common	RENATO C. VALENCIA (b)	Filipino	871	-	871	Direct	0.000
6	Common	JESLI A. LAPUS (b)	Filipino	130	20	150	Direct	0.000
7	Common	ROBIN A. KING (b)	Filipino	130	57	187	Direct	0.000
8	Common	VICENTE B. VALDEPEÑAS, JR. (b)	Filipino	130	-	130	Direct	0.000
9	Common	REX C. DRILON II (b)	Filipino	1,430	-	1,430	Direct	0.000
10	Common	REMEDIOS L. MACALINCAG (b)	Filipino	1,040	-	1,040	Direct	0.000
11	Common	FRANCISCO F. DEL ROSARIO, JR. (b)	Filipino	130	-	130	Direct	0.000
12	Common	ALFRED V. TY	Filipino	9,047,190	1,478,560	10,525,750		0.331
13	Common	VICENTE R. CUNA, JR.	Filipino	100	15	115	Direct	0.000
14	Common	EDMUND A. GO	Filipino	4,576	705	5,281	Direct	0.000
Sub-total				30,402,860	5,010,509	35,413,369		1.114

Officers (12)								
Senior Executive Vice Presidents (2)								
1		JOSHUA E. NAING	Filipino	-	100,000	100,000	Direct	0.003
2		FERNAND ANTONIO A. TANSINGCO	Filipino	-	-	-		
Executive Vice Presidents (10)								
3		MARITESS B. ANTONIO	Filipino	-	-	-		
4		MARY MYLENE A. CAPARAS	Filipino	-	-	-		
5		ELIGIO C. LABOG, JR.	Filipino	-	-	-		
6		PAUL ROBERT Y. MURGA	Filipino	-	-	-		
7		CORAZON MA. THERESE B. NEPOMUCENO	Filipino	-	-	-		
8		RICHARD BENEDICT S. SO	Filipino	-	-	-		
9	Common	ANICETO M. SOBREPEÑA	Filipino	7,897	1,251	9,148	Direct	0.000
10		VIVIAN L. TIU	Filipino	-	-	-		
11	Common	JOSEFINA T. TUPLANO	Filipino	1,950	309	2,259	Direct	0.000
12		AMELIN S. YAO	Filipino	-	-	-		
Sub-total				9,847	101,560	111,407		0.003
Total (Directors and Officers)				30,412,707	5,112,069	35,524,776		1.117

(a) Director and President

(b) Independent Directors

ITEM 12 – CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In the ordinary course of business, the Group has loan transactions with investees and with certain directors, officers, stockholders and related interests (DOSRI) based on BSP Circular No. 423 dated March 15, 2004, as amended. Existing banking regulations limit the amount of individual loans to DOSRI, 70.00% of which must be secured, to the total of their respective deposits and book value of their respective investments in the lending company within the Group. In the aggregate, loans to DOSRI generally should not exceed the respective total equity or 15.00% of total loan portfolio, whichever is lower, of the Bank, PSBank, FMIC and ORIX Metro.

Transactions with related parties and with certain directors, officers, stockholders and related interests (DOSRI) are discussed in Note 31 of the audited financial statements of the Group as presented in Exhibit 4.

PART IV – EXHIBITS AND SCHEDULES

ITEM 13 – EXHIBITS AND REPORTS ON SEC FORM 17-C

Exhibits

- | | |
|-----------|--|
| EXHIBIT 1 | Nationwide Branches Bank-Owned as of December 31, 2015 |
| EXHIBIT 2 | Nationwide Branches Under Lease as of December 31, 2015 |
| EXHIBIT 3 | Events Previously Reported under SEC Form 17-C (Current Report) |
| EXHIBIT 4 | Audited Financial Statements as of December 31, 2015 and 2014
(together with the notarized Statement of Management’s Responsibility for Financial Statements signed by the registrant’s Chairman, President, Head of Financial and Control Sector, Treasurer/Head of Financial Market Sector and Controller) |
| EXHIBIT 5 | Index to Consolidated Financial Statements and Supplementary Schedules (together with Independent Auditors’ Report) |
| EXHIBIT 6 | Financial Indicators |
| EXHIBIT 7 | Annual Corporate Governance Report |

Reports on SEC Form 17-C

Summarized in Exhibit 3 are the reports filed under SEC Form 17-C during the year 2015 up to the date of filing of the report under SEC Form 17-A.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on April 13, 2016.



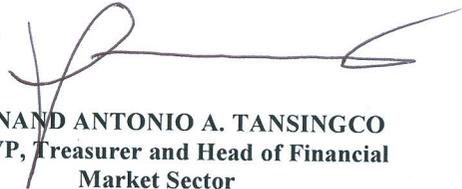
ARTHUR TY
Chairman



FABIAN S. DEE
President



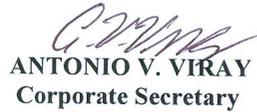
JOSHUA E. NAING
SEVP and Head of Financial
and Control Sector



FERNAND ANTONIO A. TANSINGCO
SEVP, Treasurer and Head of Financial
Market Sector



MARILOU C. BARTOLOME
SVP and Controller



ANTONIO V. VIRAY
Corporate Secretary

SUBSCRIBED AND SWORN to before me at Makati City, Metro Manila this APR 13 2016, affiants exhibiting to me their respective Passports with the following details:

Names	Passport No.	Date/Place of Issue	Valid Until
ARTHUR TY	EB7793813	April 4, 2013/DFA Manila	April 3, 2018
FABIAN S. DEE	EB9374579	Oct. 16, 2013/PCG Vancouver	October 15, 2018
JOSHUA E. NAING	EC1638005	July 15, 2014/DFA Manila	July 14, 2019
FERNAND ANTONIO A. TANSINGCO	EB6547601	Oct. 12, 2012/DFA Manila	October 11, 2017
MARILOU C. BARTOLOME	EB9792501	Dec. 11, 2013/DFA Manila	December 10, 2018
ANTONIO V. VIRAY	EB8044627	May, 7, 2013/DFA Manila	May 6, 2018

Doc. No. 115 ;
Page No. 24 ;
Book No. 17 ;
Series of 2016



MARIA SOFIA A. DOPUZ
Notary Public for Makati City
Commission No. M-110 / Until Dec. 31, 2017
18/F Metrobank Plaza, Sen. G. Puyat Ave., Makati City
Roll No. 38610/5.13.1993/MCLE Comp.No. V-0007095
PTR No. MKT5323451; 01.05.2016; Makati City
IBP No. 0984528; 01.07.2015; Quezon City

METROPOLITAN BANK & TRUST COMPANY
NATIONWIDE BRANCHES
BANK-OWNED
As of December 31, 2015

BRANCH NAME	BRANCH ADDRESS
METRO MANILA BRANCHES	
1 A. ARNAIZ-SAN LORENZO	908 Arnaiz Avenue, Makati City
2 A. MACEDA	1174 A. Maceda St., Sampaloc, Manila
3 ACROPOLIS	E. Rodriguez Ave. Acropolis, Quezon City
4 ADDITION HILLS	204 Wilson St., San Juan, MM
5 ANGONO	Along M. L. Quezon Ave., Brgy. San Isidro, Angono, Rizal
6 ANNAPOLIS-GREENHILLS	14 Annapolis St. corner La Salle St., North Greenhills, San Juan
7 ARRANQUE CENTER	1346 Soler St., Sta. Cruz Manila
8 ASUNCION	Chinatown Steel Tower, Asuncion St., Tondo, Manila
9 AURORA BLVD.-MANHATTAN PARKWAY	Aurora Tower, Aurora Blvd. corner Aguinaldo Street, Cubao, Quezon City
10 B. F. HOMES	22 Aguirre Ave., B.F. Homes, Paranaque City
11 BACLARAN	Quirino Avenue corner M. Roxas St., Bacalaran, Paranaque City
12 BAGBAGUIN-VALENZUELA	Gen. Luis St. corner J. Molina St., Bagbaguin, Valenzuela City
13 BALINTAWAK	936 A. Bonifacio Ave., Balintawak, Quezon City
14 BAYVIEW	Bayview International, Roxas Blvd., Paranaque City
15 BINANGONAN	Along National Road, Binangonan, Rizal
16 BLUE RIDGE	No. 222 Katipunan Avenue, Blue Ridge, Quezon City
17 BLUMENTRITT-STA. CRUZ	2460 Rizal Avenue corner Cavite St., Sta. Cruz, Manila
18 BONI AVENUE	743 Boni Ave., Brgy. Malamig, Mandaluyong City
19 BONI SERRANO	45 Boni Serrano Avenue corner Greenview Compound, Quezon City
20 BUENDIA-DIAN	Buendia Avenue corner Dian St., Makati City
21 C. M. RECTO-MENDIOLA	2046-2050 CM Recto Ave., Sampaloc, Manila
22 CAINTA	Felix Avenue, Cainta, Rizal
23 CALOOCAN	315 Rizal Avenue Ext., Grace Park, Caloocan City
24 CALUMPANG-MARIKINA	J. P. Rizal St., Calumpang, Marikina
25 CAMARIN ROAD-CALOOCAN	Camarin Road cor. Susano Road, Caloocan City
26 CIRCUMFERENTIAL ROAD-ANTIPOLO	Along Circumferential Rd., Antipolo City
27 CONCEPCION-MARIKINA	15 Bayan-Bayanan Ave., Concepcion, Marikina City
28 CONGRESSIONAL AVENUE	141 Congressional Ave., Bahay Toro 1, Q.C.
29 CORINTHIAN PLAZA-MAKATI	G/F Corinthian Plaza Bldg., 121 cor Paseo de Roxas & Gamboa Sts., Legaspi Village, Makati City
30 CUBAO-P. TUAZON	210 P. Tuazon cor. 12th Ave., Cubao, Quezon City
31 DASMARIÑAS-T. PINPIN	321 Dasmariñas St. cor. Ugalde St., Binondo, Manila
32 DEL MONTE	295 Del Monte Avenue, Quezon City
33 DON ANTONIO HEIGHTS	Lot 20, Blk.6, Holy Spirit Drive, Don Antonio Heights, Diliman, Quezon City
34 DOÑA SOLEDAD AVE.-BICUTAN	65 Doña Soledad Ave., Better Living Subd., Bicutan, Paranaque City
35 DOWNTOWN CENTER	Tytana Plaza, Plaza Lorenzo Ruiz, Binondo, Manila
36 E. RODRIGUEZ-CORDILLERA	E. Rodriguez Sr. Blvd. cor. Cordillera St., Doña Aurora Dist. 4, Quezon City
37 EDSA-KALOOCAN CENTER	487 EDSA cor. A. De Jesus St., Caloocan City
38 EDSA-SHAW	Beside Shangrila Shopping Center, Shaw Blvd., Mandaluyong City
39 EL GRANDE-B.F. HOMES	Aguirre St., cor. Tehran El Grande Phase 3, B.F. Homes, Paranaque City
40 F. B. HARRISON-GIL PUYAT AVENUE	Gil J. Puyat Ave., cor. F.B. Harrison St., Pasay City
41 FAIRVIEW	Commonwealth Ave. cor. Winston St., Quezon City
42 FEDERAL TOWER	Dasmariñas St. cor. Muelle de Binondo, San Nicolas, Manila
43 FELIX AVENUE	Along Felix Avenue, Brgy. Tatlong Kawayan, Pasig City
44 FILINVEST CORPORATE CITY	Asean Drive cor. Singapura Lane, Filinvest Corp. City, Alabang, Muntinlupa City
45 GIL PUYAT - BURGUNDY TOWER	Unit A1, Burgundy Corporate Tower, Sen. Gil Puyat Ave., Makati City
46 GRACE PARK CENTER	446 Rizal Ave. Ext., Grace Park, Caloocan City
47 GT TOWER CENTER	GT Tower, Ayala Ave. corner dela Costa St., Makati City
48 H. V. DE LA COSTA	G/F Westgate Condominium Plaza, 120 H.V. dela Costa St., Salcedo Village, Makati City
49 HEAD OFFICE CENTER	Sen. Gil Puyat Avenue, Urdaneta Village, Makati City
50 J. NAKPIL-TAFT AVENUE	Along Taft Ave. near cor. J. Nakpil St., Manila
51 J.P. RIZAL	Along J. P. Rizal St., Makati City
52 KALAYAAN-BEL AIR	G/F Primetown Tower, Kalayaan Ave., Bel-air, Makati City
53 KAMAGONG-SAMPALOC	Kamagong corner Sampaloc St., San Antonio Vill., Makati City
54 KAMIAS	#39 Kamias Road cor. K-H St., Diliman, Quezon City
55 KAMUNING	22 Kamuning Road, Kamuning, Quezon City
56 KATIPUNAN	339 Katipunan Road, Loyola Heights, Quezon City
57 LAS PIÑAS-ALABANG ZAPOTE ROAD	Real St., Alabang Zapote Road, Las Pinas City
58 LEGASPI VILLAGE-MIDORI TOWER	Unit G01, The Grand Midori Makati Tower 1, Legaspi St., Legaspi Village, Makati City
59 M. NAVAL-NAVOTAS	767 M. Naval St., Navotas, MM
60 MALABON	696 Rizal Avenue, Malabon City
61 MALANDAY-VALENZUELA	Km 16, MacArthur H-Way, Malanday, Valenzuela City
62 MARIKINA CENTER	321 J. P. Rizal St., Sta. Elena, Marikina City
63 MARULAS-VALENZUELA	Km. 12 MacArthur H-Way, Marulas, Valenzuela, MM
64 MASANGKAY	942 G. Masangkay St., Binondo, Manila
65 MAYON-STA. TERESITA	177 Mayon St., Brgy. Sta. Teresita, Quezon City
66 MIDTOWN- U. N. AVE.	1236 Unit 1 Midtown Exec. Comm'l. Town Homes, U.N. Ave., Ermita, Manila
67 MOTHER IGNACIA-TIMOG	#23 Carlos P. Garcia Ave., Quezon City
68 MUNTINLUPA	Along National Road Poblacion, Muntinlupa City
69 NORTH BAY BLVD.-NAVOTAS	130 Northbay Blvd., Navotas MM
70 NOVALICHES	Quirino Highway Gulod, Novaliches, Quezon City
71 OCEAN TOWER	Ocean Tower, Roxas Blvd, Manila
72 ONGPIN	910 Ongpin St., Sta. Cruz, Manila
73 ORTIGAS AVE. EXT.-CAINTA	Fairtrade Comm'l Center, Ortigas Ave. Ext., Cainta, Rizal
74 ORTIGAS COMM'L. COMPLEX CENTER	Banker's Plaza Bldg., J. Vargas St., cor. San Miguel Ave., Ortigas Comm'l Center, Pasig City
75 ORTIGAS-EMERALD AVENUE	G/F Wynsum Corp. Plaza, Emerald Ave., Pasig City
76 PASAY-BUENDIA AVENUE	2183 Taft Avenue near Gil Puyat Ave., Pasay City
77 PASAY-LIBERTAD	232 Libertad St., Pasay City
78 PASO DE BLAS-MAYSAN	179 Paso De Blas, Valenzuela City
79 PASONG TAMO-BAGTIKAN	G/F Unit A BM Lou-Bel Plaza, Bagtikan cor. Pasong Tamo, Makati City
80 PASONG TAMO-JAVIER	The Oriental Place, Chino Roces Avenue, Makati City
81 PLAZA CERVANTES	Dasmariñas St., cor. Juan Luna, Binondo, Manila
82 PRITIL-TONDO	1995 Juan Luna St., Tondo, Manila

METROPOLITAN BANK & TRUST COMPANY
NATIONWIDE BRANCHES
BANK-OWNED
As of December 31, 2015

BRANCH NAME	BRANCH ADDRESS
83 Q. C. ROTONDA CENTER	17 Quezon Ave. cor. Speaker Perez St., Quezon City
84 QUEZON AVENUE	982 Quezon Ave., Quezon City
85 QUIRINO AVE.-LEON GUINTO	Quirino Ave. cor. Leon Guinto St., Malate, Manila
86 RADA-RODRIGUEZ	Unit 101 La Maison Condo., 115 Rada St., Legaspi Village, Makati City
87 RAON	633 Gonzalo Puyat St., Sta. Cruz, Manila
88 ROCKWELL CENTER	Phinma Plaza, 39 Plaza Drive, Rockwell Center, Makati City
89 ROOSEVELT	285 Roosevelt Ave., San Antonio 1, Quezon City
90 ROXAS BLVD. VITO CRUZ	G/F Legaspi Towers 300 Inc., 2600 Roxas Blvd. cor. Vito Cruz, Manila
91 SALCEDO VILLAGE	G/F Plaza Royale Bldg., 120 LP Leviste St., Salcedo Village, Makati City
92 SAMSON ROAD-CALOOCAN	Cor. U.E. Tech. & Samson Road, Caloocan City
93 SAN MATEO	121 Gen. Luna St., Guitnangbayan 1, San Mateo, Rizal
94 SAN ROQUE-MARIKINA	67 Tuazon corner Chestnut St., San Roque, Marikina City
95 SANTOLAN-PASIG	A. Rodriguez Ave. cor. Santolan St., Santolan, Pasig City
96 SEAFRONT	Seafront Garden Homes, Roxas Blvd., Pasay City
97 SHAW BLVD.	676 Shaw Blvd., Pasig City
98 SHAW BLVD.-ORANBO	Along Shaw Blvd., near Hill Crest Circle, Pasig City
99 SHAW BLVD.-PINAGTIPUNAN	Shaw Blvd., corner Pinagtipunan St., Mandaluyong City
100 SIKATUNA VILLAGE-ANONAS	Anonas Road, corner K-7th St., Proj. 2, Quezon City
101 STA. CRUZ-MANILA	582 Gonzalo Puyat St., Raon, Sta. Cruz Manila
102 STA. MESA	73 Aurora Blvd., corner G. Araneta Bgy, Santos Dist. 4, Quezon City
103 SUCAT-GATCHALIAN	8165 Dr. A. Santos Ave., Parañaque City
104 SUCAT-IRENEVILLE	Dr. A. Santos Ave. cor. Ireneville Ave., Sucat Pque. City
105 SUCAT-SAN ANTONIO VALLEY	Along Dr. A. Santos Ave. Beside Uniwide Parañaque City
106 TAFT AVENUE	1915 Taft Ave., Pasay City
107 TANDANG SORA	185 Tandang Sora Ave., Quezon City
108 TAYTAY	East Road Avenue (fronting New Taytay Public Market) Taytay, Rizal
109 TAYUMAN-FELIX HUERTAS	Tayuman cor. Felix Huertas Sts., Sta. Cruz, Manila
110 THE CAPITAL TOWERS	222 E. Rodriguez Senior Blvd., Barangay Kalusugan, Quezon City
111 TIMOG	Timog Ave. cor. Scout Torillo St., Quezon City
112 TUGATOG-MALABON	139 M.H. del Pilar St., Tugatog, Malabon City
113 URDANETA VILLAGE-MAKATI	G/F Atrium Building, Makati Ave., Makati City
114 UST-ESPAÑA	1364 Espana cor. Centro St., Sampaloc, Manila
115 V. MAPA	3244 V. Mapa St. corner Valenzuela, Sampaloc, Manila
116 VALENCIA HILLS	Valencia St. corner N. Domingo, Quezon City
117 VALLE VERDE	73 E. Rodriguez cor. P.E. Antonio St., Bo. Ugong, Pasig City
118 VASRA-VISAYAS AVENUE	Along Visayas Ave., Proj. 6, Quezon City
119 WEST AVENUE	98 West Avenue, Quezon City
120 WEST TRIANGLE	1387 Quezon Avenue, Quezon City
121 YLAYA-TONDO	1057 Ylaya Mansion, Ylaya St., Tondo, Manila

COUNTRYSIDE BRANCHES

1 ALAMINOS, PANGASINAN	Quezon Avenue, Poblacion Alaminos, Pangasinan
2 ALBAY-TABACO	Corner Luna & Llorente Sts., Tabaco, Albay
3 ANGELES-BALIBAGO	MacArthur Highway, Balibago, Angeles City
4 ANGELES-MAIN	Henson Street, Angeles City, Pampanga
5 ANTIQUE	T.A. Fornier St, San Jose, Antique
6 APALIT	MacArthur Highway, San Vicente, Apalit, Pampanga
7 APARRI	Rizal St. Aparri, Cagayan
8 BACAO-CEPZ	Bacao Diversion Road, Gen. Trias, Cavite
9 BACOLOD-ARANETA	Araneta St., Bacolod City, Negros Occidental
10 BACOLOD-CAPITOL	Capitol Shopping Ctr., Hilado St. cor. Yakal St., Bacolod City, Negros Occ.
11 BACOLOD-GATUSLAO	175-177 Gov. Gatuslao St., Bacolod City, Negros Occidental
12 BACOLOD-NORTH DRIVE	B.S. Aquino Drive, Bacolod City
13 BACOR-CAVITE	206 Gen. Aguinaldo Hi-way, Bacoor, Cavite
14 BAGUIO-BONIFACIO	Bonifacio Street, Baguio City
15 BAGUIO-MAGSAYSAY	Magsaysay Ave. cor. Gen. Luna Road, Baguio City
16 BALAGTAS-BULACAN	McArthur Highway, Wawa, Balagtas, Bulacan
17 BALANGA MAIN	Paterno St. cor. Hugo St., Balanga, Bataan
18 BALIUAG-J. P. RIZAL	J.P. Rizal St., San Jose, Baliuag, Bulacan
19 BASILAN	J.S. Alano St. cor. L. Magno St., Isabela, Basilan
20 BATANGAS-BALAYAN	Antorcha cor. Emma Sison St., Balayan, Batangas
21 BATANGAS-LEMERY	Along Independencia & Ilustre Sts., Lemery, Batangas
22 BATANGAS-MAIN	Corner J.P. Rizal & P. Burgos Sts., Batangas City
23 BATANGAS-TANAUAN JP LAUREL	J.P. Laurel Highway, Tanauan, Batangas
24 BINAN	A. Bonifacio St. Canlalay, Binan, Laguna
25 BOCAUE-BULACAN	23 McArthur Highway, Wakas, Bocaue, Bulacan
26 BUKIDNON-VALENCIA	Apolinario Mabini St., Valencia Bukidnon
27 BUTUAN-MAIN	San Francisco St. cor. P. Burgos St., Butuan City
28 CABANATUAN-MAHARLIKA SOUTH	Maharlika Highway, Cabanatuan
29 CABANATUAN-MAIN	Burgos Avenue cor. Sanjancgo St., Cabanatuan City
30 CABUYAO-LAGUNA	Along Nat'l. Highway near. cor. F. Bailon St., Sala, Cabuyao
31 CAGAYAN DE ORO-CARMEN	Cor. Max Suniel & Ipil Sts., Carmen Market, Cag. De Oro City
32 CAGAYAN DE ORO-COGON	Osmeña St., Cogon, Cagayan de Oro City
33 CAGAYAN DE ORO-DIVISORIA PARK	G/F RN Abejuela Pabayo St., Cagayan de Oro City
34 CAGAYAN DE ORO-J.R. BORJA	J.R. Borja St., Cagayan de Oro City
35 CAGAYAN DE ORO-LAPASAN	National Highway cor. Agora Road, Lapasan District, Misamis Oriental
36 CAGAYAN DE ORO-MAIN	Corales Avenue, Cag. de Oro City
37 CAGAYAN DE ORO-OSMENA	Osmeña, Capitol Comp., Poblacion, Cagayan de Oro City
38 CAGAYAN DE ORO-VELEZ	A. Velez St. cor. Yacapin St., Cagayan de Oro City
39 CALAMBA-CROSSING	J.P. Rizal Street, Calamba, Laguna
40 CALAPAN	J.P. Rizal St., Calapan, Oriental, Mindoro
41 CANDON	National Highway cor. Calle Gray, Candon, Ilocos Sur

METROPOLITAN BANK & TRUST COMPANY
NATIONWIDE BRANCHES
BANK-OWNED
As of December 31, 2015

BRANCH NAME	BRANCH ADDRESS
42 CARIDAD-CAVITE	P. Burgos Avenue, Caridad, Cavite
43 CARMEN ROSALES, PANGASINAN	MacArthur Highway, Carmen West, Rosales, Pangasinan
44 CATARMAN	Cor. Bonifacio St. & P. Garcia St., Brgy. Mabolo Catarman, Northern Samar
45 CATBALOGAN	Lot 116 Rizal Ave. corner Callejon St., Catbalogan, Western Samar
46 CAUAYAN-MAIN	Rizal Ave., cor. Roxas & Reyes Sts., Cauayan, Isabela
47 CEBU-BANILAD	Metrobank Bldg. Gov. Cuenco Ave., Banilad Road, Banilad, Cebu City
48 CEBU-BORROMELO	Borromeo St. cor. Lopez St., Cebu City
49 CEBU-BUSINESS PARK	Mindanao Ave. cor. Cardinal Rosales Ave., Cebu Business Park, Cebu City
50 CEBU-CAPITOL	N. Escario St. cor. M. Zosa St., Cebu City
51 CEBU-COLON CENTER	0251 Palaez Street, Cebu City
52 CEBU-DOWNTOWN CENTER	191 Plaridel St., Cebu City
53 CEBU-FUENTE OSMENA CENTER	Metrobank (Cebu) Plaza, Osmeña Blvd, near Rotonda, Cebu City
54 CEBU-LAPU LAPU	Nat'l Highway, Pusok, Lapu Lapu City
55 CEBU-MABOLO	1956 M. J. Cuenco Ave. Mabolo, Cebu City
56 CEBU-MAGALLANES	Magallanes St., Barangay Ermita, Cebu City
57 CEBU-MANDAUE CENTER	Corner Nat'l Highway & Jayme St., Mandaue, Cebu City
58 CEBU-MANGO AVENUE	Metrobank Bldg., Gen. Maxilom Ave., Cebu City
59 CEBU-NORTH ROAD	Metrobank Bldg., North Nat'l Road, Bgy. Tabok, Mandaue City
60 CEBU-OPON	G.Y. dela Serna St. Poblacion, Lapu Lapu City
61 CEBU-RAMOS	Metrobank Bldg. F. Ramos St. cor. Junguera Ext., Cebu City
62 CEBU-SUBANGDAKU	Lopez Jaena St., Subangdaku, Mandaue City
63 CEBU-TABO-AN	Along B. Aranas St., Taboan, Cebu City
64 CEBU-TABUNOK	South National Road, Bulacao, Talisay, Cebu City
65 COTABATO-MAIN	Makakua St., Cotabato City
66 DAET	Vinzons Avenue, Daet, Camarines Norte
67 DAGUPAN-MAIN	A. B. Fernandez Avenue, Dagupan City
68 DASMARIÑAS-CAVITE	Aguinaldo Hi-way, Dasmariñas, Cavite
69 DAU	MacArthur Highway, Dau, Malabacat, Pampanga
70 DAVAO-AGDAO	J.P. Cabaguio Ave., Agdao, Davao City
71 DAVAO-BANKEROHAN	Corner Quirino Ave. & Pichon St., Davao City
72 DAVAO-BUHANGIN	Along Kilometer 5, Buhangin Road, Davao City
73 DAVAO-CENTER	Magsaysay Ave. cor. J. dela Cruz St., Davao City
74 DAVAO-RIZAL	J. Rizal St. cor. F. Inigo St., Davao City
75 DAVAO-STA. ANA	Monteverde Ave., cor. Lizada St., Sta. Ana District, Davao City
76 DAVAO-TAGUM	JP Rizal St. cor. Abad Santos St., Tagum, Davao Del Norte
77 DAVAO-TORIL	61 Saavedra St., cor. D. Agaton St., Toril, Davao City
78 DIGOS	Estrada St. cor. Cabrillo St., Digos
79 DIPOLOG-GEN. LUNA	Gen. Luna St. Dipolog City, Zamboanga del Norte
80 DUMAGUETE-MAIN	Dr. Vicente Locsin St., Dumaguete City, Negros Oriental
81 DUMAGUETE-REAL	131 Real St., Dumaguete City
82 GAPAN	Gen. Tinio St., Sto. Niño, Gapan, Nueva Ecija
83 GENERAL SANTOS-NATIONAL HIGHWAY	Along National Highway, General Santos City
84 GENERAL SANTOS-PIONEER	Pioneer Ave., General Santos City
85 GENERAL SANTOS-SANTIAGO BLVD.	I. Santiago Blvd., General Santos City
86 GUAGUA	Sto. Cristo, Guagua, Pampanga
87 GUMACA	A. Bonifacio St., Gumaca Quezon
88 ILAGAN	Rizal St., Ilagan, Isabela
89 ILAGAN-MAIN	# 0055 Gen. Aguinaldo St., Ilagan City
90 ILOILO-DELGADO	Delgado St., Iloilo City
91 ILOILO-GEN. LUNA	Gen. Luna St., Iloilo City
92 ILOILO-IZNART	Iznart St., Iloilo City
93 IMUS-CAVITE	Along Nuevo Ave., Tansang Luma, Imus, Cavite
94 IRIGA, CAMARINES SUR	Poblacion, Iriga, Camarines Sur
95 JOLO	Gen. Arolas St., Jolo, Sulu
96 KALIBO	Along Roxas Ave., Kalibo, Aklan
97 KAWIT-CAVITE	National Road corner Visita, Binakayan, Kawit, Cavite
98 KIDAPAWAN	Along National Highway, Kidapawan, North Cotabato
99 KORONADAL-NATIONAL HIGHWAY	Southwest National Highway, Koronadal City, South Cotabato
100 LA UNION-MAIN	Quezon Ave., Along Nat'l. Highway, San Fernando, La Union
101 LAGUNA BEL-AIR STA. ROSA	Sta. Rosa Tagaytay Nat'l. Road, cor. Rodeo Drive, Sta. Rosa, Laguna
102 LAGUNA TECHNOPARK	LTI Complex Spine Road, Biñan, Laguna
103 LAOAG-RIZAL	Rizal cor. Guerrero Streets, Brgy. 19, Sta. Marcella, Laoag City
104 LEGAZPI-MABINI	Rizal St. cor. Mabini St., Legazpi City
105 LEGAZPI-RIZAL	85 Rizal St. Brgy. 35, Tinago, Legazpi City, Albay
106 LIPA-B. MORADA	B. Morada Avenue, Lipa City
107 LUCENA-MAIN	Cor. Enriquez/Magallanes St., Lucena City
108 LUCENA-QUEZON	Enriquez near cor. San Fernando St., Lucena City
109 MAASIN, SOUTHERN LEYTE	Tomas Oppus St., Maasin City, Southern Leyte
110 MACARIA BUS. CENTER-CARMONA	Blk 2, Lot 4, Macaria Business Center, Governors Drive, Carmona, Cavite
111 MALOLOS-PASEO DEL CONGRESO	Paseo del Congreso, Catmon, Malolos, Bulacan
112 MARBEL	Gen Santos Drive, Nat'l. Highway, Marbel, South Cotabato
113 MARILAO-BULACAN	MacArthur Highway, Abangan Norte, Marilao, Bulacan
114 MEYCAUAYAN-MC ARTHUR HIGHWAY	MacArthur Highway, Calvario, Meycauayan, Bulacan
115 MOLINO-BACOR CAVITE	Molino II, Molino Road, Bacoor, Cavite
116 NAGA-GEN. LUNA	Gen. Luna St., Naga City
117 NAGA-MAIN	Caceres cor. Dela Rosa St., Naga City
118 NAGA-PEÑAFRANCIA	Peñafrancia Ave. cor. Arana St., Naga
119 NAIC-CAVITE	Governor's Drive, Ibayo Silangan, Naic, Cavite
120 OCCIDENTAL MINDORO SAN JOSE	C. Liboro St. cor. Rajah Soliman St., San Jose, Occidental Mindoro
121 OLONGAPO-MAIN	# 1967 Rizal Ave., West Bajac-Bajac, Olongapo City
122 ORMOC	Real St., cor. Lopez Jaena St., Ormoc City, Leyte
123 OZAMIS-BURGOS	602-604 Burgos St., Ozamis City
124 OZAMIS-RIZAL	38-C Rizal Ave., Ozamis City
125 PAGADIAN-RIZAL	Cor. Rizal Ave. & J.S. Alano Sts., Pagadian City
126 PANQUI-TARLAC	M.H. del Pilar St., Paniqui, Tarlac

METROPOLITAN BANK & TRUST COMPANY
NATIONWIDE BRANCHES
BANK-OWNED
As of December 31, 2015

BRANCH NAME	BRANCH ADDRESS
127 PLARIDEL-BULACAN	Gov. Padilla Road, Banga, Plaridel, Bulacan
128 PUERTO PRINCESA-RIZAL AVENUE	Rizal Ave., Puerto Princesa City, Palawan
129 ROSARIO-CAVITE	Along Gen. Trias Drive, Rosario, Cavite
130 ROXAS	Roxas Ave., Roxas City, Capiz
131 SAN CARLOS-NEGROS OCC.	Carmona St., San Carlos City, Negros Occidental
132 SAN FERNANDO-DOLORES	MacArthur Highway, Dolores, San Fernando, Pampanga
133 SAN FERNANDO - JASA	Jose Abad Santos Ave., City of San Fernando, Pampanga
134 SAN FERNANDO-MAIN	V. Tiomico Street, San Fernando, Pampanga
135 SAN JOSE DEL MONTE-QUIRINO HIGHWAY	#27 Quirino Highway, Pecsonville Subdivision, Bo. Tungkong Mangga, San Jose Del Monte, Bulacan
136 SAN JOSE, NUEVA ECJA	Maharlika Highway, cor. Market Road, San Jose City, Nueva Ecija
137 SAN PABLO-COLAGO	Colago Avenue, San Pablo City
138 SAN PABLO-MAHARLIKA	Maharlika Highway, San Pablo City
139 SAN PABLO-MAIN	Corner Regidor & Paulino Sts., San Pablo City
140 SANTIAGO-MAHARLIKA	Daang Maharlika St. cor. Camacam St., Santiago, Isabela
141 SILANG-CAVITE	139 J. Rizal St., Bgy. I, Silang, Cavite
142 SILAY-NEGROS OCCIDENTAL	Rizal St., Silay City
143 SOLANO	National Highway cor. Mabini St., Solano, Nueva Vizcaya
144 STA. MARIA-BULACAN	Corazon De Jesus St., Poblacion, Sta. Maria, Bulacan
145 STA. ROSA-BALIBAGO	Old Nat'l. Highway, Balibago, Sta. Rosa, Laguna
146 SURIGAO	Borromeo St., Surigao City, Surigao del Norte
147 SULTAN KUDARAT-ISULAN	National Highway, Brgy. Poblacion (Kalawag III), Isulan, Sultan Kudarat
148 TACLOBAN-MAIN	P. Zamora St., Tacloban City, Leyte
149 TACLOBAN-P. BURGOS	P. Burgos cor. Del Pilar St., Tacloban City
150 TACLOBAN-RIZAL AVENUE	109 Rizal Ave. Tacloban City
151 TACURONG	Tacurong, Sultan Kudarat
152 TAGAYTAY	Foggy Heights Subd., San Jose, Tagaytay City, Cavite
153 TAGBILARAN-MAIN	#20 C.P. Garcia Ave., Tagbilaran City, Bohol
154 TANZA-CAVITE	Along A. Soriano Highway, Daang Amaya I, Tanza, Cavite
155 TARLAC-F. TANEDO	F. Tanedo St., Poblacion, Tarlac, Tarlac
156 TARLAC-MACARTHUR HIGHWAY	MacArthur Highway, Tarlac, Tarlac
157 TARLAC-MAIN	MacArthur Highway, San Roque, Tarlac City
158 TRECE MARTIRES-CAVITE	Governor's Drive, Bgy. San Agustin, Trece Martires, Cavite City
159 TUGUEGARAO-MAIN	Luna St. cor. Blumentritt, Tuguegarao, Cagayan
160 URDANETA, PANGASINAN	Alexander Street, Urdaneta, Pangasinan
161 ZAMBOANGA-GALLERIA	Gov. Lim Ave. cor. Almonte St., Zamboanga City
162 ZAMBOANGA-GOV. LIM	Gov. Lim Ave., Zamboanga City
163 ZAMBOANGA-VETERANS AVE.	Cor. Veterans & Gov. Alvarez Ave., Zamboanga City

METROPOLITAN BANK & TRUST COMPANY
NATIONWIDE BRANCHES
UNDER LEASE
 As of December 31, 2015

BRANCHES	ADDRESS	MONTHLY RENTAL (In Pesos)	EXPIRATION OF LEASE	TERM OF RENEWAL	
METRO MANILA BRANCHES					
1	168 MALL	6th Floor, Unit 607, 168 Shopping Mall, Sta. Elena/Soler Streets, Binondo, Manila	58,968.00	July 31, 2018	60 days prior notice
2	999 MALL	3/F 999 Mall, Soler Street, Binondo, Manila	169,407.28	December 5, 2020	60 days prior notice
3	20TH AVE.-CUBAO	No. 100, 20th Ave., Cubao, Quezon City	85,000.00	December 14, 2018	30 days prior notice
4	A LACSON AVE.-SAMPALOC	Mother Rosario Bldg., 1234 Lacson Ave., Sampaloc, Manila	222,996.45	November 30, 2020	6 mos prior written notice
5	ACACIA-AYALA ALABANG	Unit 101, Alabang Business Tower Acacia Ave., Madrigal Business Park, Ayala Alabang, Muntinlupa City	270,031.08	February 18, 2016	3 mos prior written notice 3 mos penalty
6	ADB	6 ADB Avenue 1501, Mandaluyong City	free	n/a	
7	ADRIATICO	1633 M. Adriatico Street, Malate, Manila	175,692.00	November 4, 2018	3 mos prior notice
8	AGUIRRE-SALCEDO	G/F Cattleya Condominium Salcedo cor. Aguirre Sts., Legaspi Village, Makati City	182,000.00	July 31, 2020	90 days prior notice; forfeiture of Security Deposit (SD)
9	ALABANG	Valdez Bldg., Montillano St., Alabang, Muntinlupa City	184,000.00		month-to-month
10	ALFARO	G/F ALPAP Building, 140 LP Leviste St. Salcedo Vill., Makati City	249,918.72	December 15, 2024	option of both parties
11	ANDA CIRCLE-PORT AREA	Knights of Rizal Bldg., Bonifacio Drive, Port Area, Manila	106,000.00	May 31, 2022	60 days prior notice; penalty
12	AURORA BLVD-ANONAS	986 Caly Bldg., cor. F. Castillo, Aurora Blvd., Cubao, Quezon City	94,884.37	July 14, 2017	may pre-terminate anytime with forfeiture of SD
13	AYALA ALABANG	Sycamore Prime Bldg., Alabang-Zapote Rd. cor. Buencamino St., Alabang, Muntinlupa	214,900.00	February 28, 2019	option to preterm with 60-day prior notice
14	AYALA AVENUE-BANKMER	Bankmer Bldg., 6756 Ayala Avenue, Makati City	219,449.90	December 31, 2019	option of both parties subject to forfeiture of advance rent and SD
15	AYALA AVENUE-VA RUFINO	GF Rufino Bldg., 6784 Ayala Ave., Makati City	169,801.20	June 30, 2017	90 days prior notice; 3 mos rent
16	AYALA TRIANGLE	Unit E1 & E2, Tower One and Exchange Plaza, Ayala Triangle, Ayala Ave., cor. Paseo de Roxas, Makati City	344,727.00	January 31, 2020	After Y3, with 6 months prior notice
17	BACLARAN-MILENYO	2nd Floor, Baclaran Bagong Milenyos Plaza, F.B. Harrison cor. Russel Ave., Baclaran	216,000.00	September 19, 2016	60 days prior notice
18	BAESA	Olympia Commercial Building, No. 131 Quirino Highway, Baesa, Quezon City	57,000.00	June 14, 2017	60 days prior notice; forfeiture of SD
19	BARANGKA-RIVERBANKS	119 A. Bonifacio Avenue, Tanong, Marikina City	51,193.83	July 31, 2016	60 days prior notice
20	BENAVIDEZ	943-945 Benavidez St., Binondo, Manila	66,034.23	November 1, 2019	3 mos prior notice; 2 mos rental
21	BRIXTON HILL	118 G. Araneta Ave. cor. Palanzala St., Quezon City	140,494.64	January 31, 2019	renewable upon mutual agreement of both parties
22	BUSTILLOS-SAMPALOC	Dona Paz Bldg., 443 J. Figueras St., Sampaloc, Manila	223,281.78	June 30, 2021	90 days prior written notice
23	C-3-A. MABINI	G/F Marea Commercial Complex, 200 A. Mabini St., Maypajo, Caloocan City	120,909.04	May 31, 2016	90 days prior written notice
24	CHINA PLAZA-TOMAS MAPUA	645 Tomas Mapua Street, Sta. Cruz, Manila	73,500.00	July 31, 2018	60 days prior notice; forfeiture of SD
25	COMMONWEALTH	UGF, Lenjal Bldg., Commonwealth Ave., Quezon City	104,186.25	May 31, 2018	60 days prior notice
26	CONCEPCION-MALABON	G/F Domaná Bldg., Gen Luna St., Concepcion, Malabon City			under negotiation
27	CUBAO	922 Aurora Blvd., Cubao, Quezon City			under negotiation
28	CUBAO-ARANETA CYBERPARK	Telus Building, Araneta Center Cubao, Quezon City	295,285.00	September 30, 2019	option of both parties
29	CULIAT-TANDANG SORA	No. 96859 D & B Royal Midway Plaza, 419 Tandang Sora, Brgy. Culiat, Quezon City	86,576.64	March 31, 2021	90 days prior written notice no penalty
30	D. TUAZON-DEL MONTE(DEL MONTE-TALAYAN)	Along D. Tuazon near corner Del Monte Avenue, Quezon City	50,000.00	July 19, 2019	60 days prior notice
31	DAPITAN-BANAWE	Unit 1-4 Solmaac Bldg., Dapitan corner Banaue Sta. Teresita, Quezon City	140,704.00	March 31, 2019	2 mos prior notice
32	DELA ROSA-SALCEDO ST.	Unit I, Kalayaan Bldg., 164 Salcedo St., Legaspi Village, Makati City	197,835.51	June 30, 2016	3 mos prior notice; 3 mos rental as penalty
33	DIVISORIA CENTER	Salustiana Bldg., Ylaya corner Juan Luna St., Binondo, Manila	286,650.00	Feb. 28, 2016	option of both parties
34	DOMESTIC AIRPORT	Salem Int'l Comml Complex, Domestic Road, Pasay City	103,787.21	February 15, 2018	2 months prior notice, forfeiture of SD and payment of rentals for remaining term
35	DON BOSCO-MAKATI	La Fuerza Plaza Bldg., 2241 Don Chino Roces Ave., Makati	170,544.00	May 31, 2016	90 calendar days prior to expiry
36	E. RODRIQUEZ	1661 E. Rodriguez Sr., Blvd., Quezon City	112,723.74	November 1, 2019	option of both parties
37	EAST SERVICE ROAD-BICUTAN	East Service Road-Bicutan	55,466.60	November 14, 2016	3 mos prior notice
38	EASTWOOD CITY	Tescho Plaza One Bldg., 118 E. Rodriguez, Brgy. Bagumbayan, Quezon City	388,620.00	April 30, 2017	at least 90 days prior notice subject to forfeiture of SD
39	EASTWOOD-LE GRAND	LG2, 7 & 8, Le Grand Tower 2, Eastwood City, Libis, Quezon City	158,000.00	October 31, 2017	180 days prior notice, payment of remaining lease term and forfeiture of SD
40	EDSA-CONGRESSIONAL	1024 EDSA, Quezon City	157,224.37	March 14, 2017	6 mos prior notice
41	EDSA-CORINTHIAN	219-223 CLMC Building, Edsa, Mandaluyong City	129,761.88	June 30, 2019	6 mos prior notice
42	EDSA-MAGALLANES	19 E. Delos Santos Avenue, Bangkal, Makati	150,214.68	June 30, 2016	3 mos prior notice
43	EDSA-MUNOZ MARKET	1199 E. Delos Santos Avenue, Brgy. Katipunan, Quezon City	59,622.00	November 14, 2016	option of both parties
44	EDSA-POEA	GF Lobby, POEA Building, Ortigas Ave. cor EDSA, Mandaluyong	free	n/a	
45	EDSA-TRAMO	453 Highway Master Bldg. EDSA, Pasay City	292,307.57	July 31, 2018	3 mos prior notice; forfeiture of SD and advance rental
46	ERMITA	Metrobank Bldg., A. Mabini cor. A. Flores Sts., Ermita, Manila	free	June 27, 2019	not applicable
47	ESCOLTA TOWER	288 Escolta Twin Tower, Escolta St., Binondo, Manila	101,777.09	August 31, 2018	option of both parties
48	ESPANA	Ground and Second Floor, 874 M. Dela Fuente cor. Espana Sts., Sampaloc, Manila	218,791.13	July 9, 2016	90 days prior written notice and forfeiture of SD
49	EVANGELISTA-QUIAPO	675-679 B. Evangelista St., Quiapo, Manila	95,000.00	May 31, 2017	2 mos prior notice
50	EXAMINER-QUEZON AVENUE	Ave Maria Bldg., 1517 Quezon Ave., West Triangle, Quezon City	196,912.00	October 14, 2018	3 mos prior notice
51	FAIRVIEW-REGALADO AVE.	College Square Dormitory cor. Lyric St. & Regalado Ave., West Fairview, Quezon City	150,000.00	July 31, 2024	60 days prior notice and forfeiture of SD
52	FARMERS PLAZA	LGF Farmers Plaza, Araneta Center, Cubao, Quezon City	337,080.00	May 31, 2016	option of both parties
53	FOLGUERAS	922 Carmen Planas St., Tondo, Manila	70,000.00	March 31, 2019	2 mos prior notice
54	FORT-BAYANI ROAD	Ground Flr., GPI Bldg., 9A Bayani Road, Fort Bonifacio, Taguig City	158,760.00	November 30, 2023	60 days prior notice and forfeiture of SD from Yr 1 - Y 5
55	FORT-BONIFACIO GLOBAL CITY	32nd St., 5th Avenue, Bonifacio Global City, Taguig, MM	52,324.09	August 31, 2018	option of both parties
56	FORT-BURGOS CIRCLE	Ground Floor, The Fort Residences, 30th Street cor 2nd Ave., cor Padre Burgos Circle, Crescent Park, West Bonifacio Global City, Taguig	251,810.00	July 15, 2021	60 days prior notice after 5 years
57	FORT-CLIPP CENTER	Clipp Center, 11th Ave. Corner 39th Street, Bonifacio Global City, Taguig City	230,202.00	May 31, 2023	6 mos prior notice; forfeiture of SD from Yr 1 - Y 5
58	FORT-MCKINLEY	1820 Bldg., Upper McKinley Road, McKinley Hill, Fort Bonifacio	430,400.00	August 9, 2020	may withdraw anytime with prior written notice subject to forfeiture of SD

METROPOLITAN BANK & TRUST COMPANY
NATIONWIDE BRANCHES
UNDER LEASE
As of December 31, 2015

BRANCHES	ADDRESS	MONTHLY RENTAL (In Pesos)	EXPIRATION OF LEASE	TERM OF RENEWAL
59 FORT-ONE WORLD PLACE	One World Place, 32nd St., Bonifacio Global City, Taguig City	330,000.00	July 14, 2025	90 days prior notice & forfeiture of advance rental and SD if within 3 years and payment of remaining rent for 3 years. Forfeiture of advance rental and SD only after 3 years.
60 FORT-NET PLAZA	Net Plaza, 31st Street, Zamora Circle, Bonifacio Global City, Taguig City	157,904.00	September 15, 2019	60 days prior notice with forfeiture of advance and SD
61 FORT-TFT	Unit GF 8, The Trade & Financial Tower, 7th Ave., cor. 32nd St., Bonifacio Global City, Fort, Taguig City	340,000.00	December 31, 2018	payment of rent for the full duration of the lease term
62 FORT SEIBU TOWER	Seibu Tower, 24th St. cor. 6th Ave., Bonifacio Global City, Taguig City	353,768.00	August 31, 2019	60 days prior notice; forfeiture of SD
63 FORT SOUTH OF MARKET	North Tower Bldg. Cor. 11th Ave. and 26th St. South of Market, Fort Bonifacio Global City, Taguig	218,548.01	October 31, 2018	option to preterm with 60-day prior notice
64 FORT-W 5TH AVE.	W. Fifth Bldg., 5th Ave., Bonifacio Global City, Taguig City	297,966.00	May 14, 2019	payment of rent for the full duration of the lease term
65 FTI COMPLEX-TAGUIG	Old Admin Bldg., FTI Ave., FTI Complex, Taguig, Metro Manila	92,607.74	May 10, 2018	30 days prior notice; forfeiture of unused advance rental and SD and penalty equal to 3 mos. prevailing rate
66 G ARANETA-QUEZON AVENUE	Ground Floor, C. Ramirez Company Bldg., G. Araneta corner Quezon Ave., Quezon City	198,000.00	November 30, 2017	option of both parties with 60 days prior notice
67 GEN LUIS-NOVALICHES	St. Claire Building, Gen. Luis St., Novaliches, Quezon City	98,000.00	November 15, 2017	90 days prior notice but only after 5 years
68 GEN. LUNA-PACO	1546 Gen. Luna St., Paco, Manila	159,720.00	January 31, 2016	no pre-termination
69 GREENBELT	G/F Pioneer House Bldg., 108 Paseo de Roxas cor. Legaspi St., Makati	285,864.00	September 30, 2016	3 mos prior notice; forfeiture of SD
70 GREENHILLS NORTH	City Center Bldg., Ortigas Avenue, San Juan, Metro Manila	94,000.00	March 3, 2016	option of both parties
71 GREENHILLS-EISENHOWER	G/F 258 Goldland Plaza Bldg., Eisenhower St., Greenhills, San Juan	129,317.87	June 30, 2017	60 days prior notice
72 GREENHILLS-PROMENADE	Unit #131 Ground Flr., Promenade Bldg., Greenhills, Shopping Center, San Juan City	182,700.00	September 30, 2018	upon mutual consent of both parties
73 GREENHILLS-WILSON CENTER	A & E Building, Ortigas Avenue, Greenhills, San Juan City	164,400.00	February 28, 2017	60 days prior notice
74 HARRISON PLAZA-ADRIATICO	A. Adriatico St., Malate, Manila	189,094.50	December 31, 2016	option of the lessee anytime within the lease period subject to forfeiture
75 HONORIO LOPEZ BLVD.-BALUT TONDO	G/F of a commercial building, 262 Honorio Lopez Blvd. cor. Rodriguez St., Balut, Tondo, Manila	66,852.84	December 31, 2020	3 mos prior written notice
76 INTRAMUROS	FEMII Bldg., A. Soriano Jr. Avenue, Intramuros, Manila	71,471.76	March 31, 2016	60 days prior notice
77 INTRAMUROS-CBCP	CBCP Building, 470 General Luna St., Intramuros, Manila	81,312.00	June 30, 2023	60 days prior notice; forfeiture of SD from Yr 1 - Y 5
78 J. ABAD SANTOS-ANTIPOLLO MANILA	Toyota Abad Santos Bldg., 2210 Jose Abad Santos Ave., Manila	185,451.08	December 25, 2017	60 days prior notice
79 J. ABAD SANTOS-MAYHALIGUE	1385 Jose Abad Santos Avenue, Tondo, Manila	118,800.00	June 20, 2017	option of both parties
80 J.P. LAUREL-SAN MIGUEL MANILA	First Residences, JP Laurel cor. Matienza St., San Miguel, Manila	141,342.50	April 30, 2025	120 days prior notice
81 JUPITER-68TH BEL-AIR	68 Jupiter St., Bel-Air, Makati City	276,000.00	March 1, 2025	60 days prior notice, otherwise SD will be forfeited
82 JUPITER-BEL AIR	130 Jupiter St., Bel-Air, Makati City	280,000.00	August 31, 2018	90 days prior notice subject to forfeiture of SD
83 KALAW HILL	Commonwealth Ave. cor. Kalaw Hill Subd., Culiati, Quezon City	139,200.00	July 7, 2018	90 days prior notice
84 KALAYAAN AVENUE	Odelco Bldg., 128 Kalayaan Avenue, Diliman, Quezon City	76,020.00	September 15, 2017	60 days prior notice; forfeiture of 2 mos SD
85 KALENTONG-MANDALUYONG	188 Gen. Kalentong, Daang Bakal, Mandaluyong City	135,000.00	May 4, 2025	option of both parties by giving 60 days prior notice
86 KARUHATAN-VALENZUELA	235-I McArthur Highway, Karuhatan, Valenzuela City	114,977.36	August 17, 2017	6 mos prior written notice; forfeiture of SD
87 KAYAMANAN C	2300 PIFCO Bldg., Pasong Tamo Ext., Makati City	256,132.80	October 31, 2017	3 mos prior notice; forfeiture of 2 mos SD
88 LAGRO	KM 21 Lester Bldg., Quirino Highway, Lagro, Novaliches, Quezon City	161,730.39	October 1, 2019	2 mos prior notice; forfeiture of SD
89 LAS PIÑAS-ALMANZA	467 Alabang-Zapote Rd., Almanza, Las Piñas City			under negotiation
90 LAS PIÑAS-BF RESORT	Lot 18 & 20, Block 18, BF Resort Drive, Las Piñas City	50,000.00	May 31, 2017	90 days prior notice but only after 5 years
91 LAS PIÑAS-NAGA ROAD	Naga Road, Pulang Lupa II, Las Piñas City	84,000.00	June 15, 2023	60 days prior notice; forfeiture of SD from Yr 1 - Y 5
92 LAS PIÑAS-PAMPLONA	Along Zapote Road, Pamplona 3, Las Piñas City	70,178.54	February 28, 2018	60 days prior notice
93 LAVEZARES	403 CDC Building, Lavezares St. cor. Asuncion St., Binondo, Manila	159,899.69	July 31, 2017	6 mos prior notice
94 LEGASPI VILLAGE-MAKATI	G/F Amorsolo Mansion, 130 Amorsolo St. cor. VA Rufino St., Legaspi Village, Makati City	238,197.55	July 14, 2018	3 mos prior notice; penalty equal to 2 mos rent
95 LIBERTAD-MANDALUYONG	G/F PGMC Bldg., Domingo M. Guevarra St., Highway Hills, Mandaluyong City	196,000.00	Mar. 31, 2020	option of both parties by giving 2 months prior notice
96 LUNETTA-T.M. KALAW	470 T.M. Kalaw cor. Cortada St., Ermita, Manila	209,656.19	May 15, 2018	no option
97 MADRIGAL BUSINESS PARK-ALABANG	El Molito Bldg., Madrigal Business Park, Alabang-Zapote Road, Muntinlupa City	321,495.04	August 31, 2017	6 mos prior notice; forfeiture of SD and forfeiture of advance rental
98 MAGALLANES VILLAGE	Unit 105, Gateway Center, Paseo de Magallanes, Makati City	255,097.35	August 14, 2017	60 days prior notice and forfeiture of SD
99 MANDALUYONG - PIONEER	Sunshine 100 City, Plaza Pioneer, Pioneer St., Mandaluyong City	230,202.00	May 31, 2023	6 mos prior notice
100 MARIKINA-LILAC	3 Lilac St., Hacienda Heights Subd., Concepcion 2, Marikina City	75,577.60	July 12, 2024	60 days prior notice
101 MARIKINA-NANGKA	J.P. Rizal St., Brgy. Nangka, Marikina City	88,065.00	February 28, 2024	60 days prior notice
102 MASANGKAY-LUZON	1161-1163 Masangkay St., Sta. Cruz, Manila	141,618.40	July 31, 2020	3 mos prior notice; forfeiture of SD
103 MASANGKAY-MAYHALIGUE	1348-1352 Broadview Towers, G. Masangkay St., Sta. Cruz, Manila	220,000.00	July 31, 2019	option of both parties
104 MAYSILLO CIRCLE-MANDALUYONG (MINI)	344 Maysillo St., Jojemar Bldg., Mandaluyong City	81,843.19	October 31, 2017	60 days prior notice; forfeiture of all deposits
105 MacARTHUR HIGHWAY-MALINTA	Puregold Valenzuela, MacArthur Highway, Malinta, Valenzuela City	69,000.00	March 20, 2021	option of both parties
106 MAYAMOT-COGE0	Cherry Foodarama Antipolo, Brgy. Mayamot, Marcos Hi-way, Antipolo City	112,723.74	November 15, 2020	60 days prior notice
107 METROPOLITAN PARK-ROXAS BLVD.	Diosdado Macapagal Ave., cor. Edsa Ext., Pasay City	189,679.55	December 31, 2017	option of lessor; with 90 days prior notice
108 MINDANAO AVENUE	Units 1-3 Ground Floor, Puregold, Mindanao Avenue, Quezon City			under negotiation
109 MORAYTA	870 Nicanor Reyes Ave., Sampaloc, Manila	161,176.92	September 30, 2018	3 mos prior notice; forfeiture of SD
110 MUNTINLUPA-LAKEFRONT	Space No. B 04, Presidio Walk Lakefront, Sucat, Muntinlupa City	67,320.00	July 31, 2016	30 days prior written notice
111 MUNTINLUPA-TUNASAN	Gian Plaza, Blk. 9, Lot 1, Carolina Subd., National Road, Brgy. Tunasan, Muntinlupa City	100,000.00	September 30, 2024	90 days prior notice
112 N. DOMINGO-SAN JUAN	128-132 N. Domingo St., San Juan, M.M.	50,000.00	August 31, 2019	option of both parties
113 NAlA	Columbia Airfreight Complex Building, Ninoy Aquino Ave., Parañaque City	100,000.00	April 30, 2017	option of both parties
114 NEW MANILA	676 Aurora Blvd., New Manila, Quezon City	265,359.00	May 31, 2019	3 mos prior notice
115 NORTH-EDSA	Walmart-North Edsa near Roosevelt, Quezon City	203,578.20	April 30, 2018	Forfeiture of SD plus other possible damages
116 NUEVA	562-568 Nueva St., Binondo, Manila	209,840.00	April 30, 2020	90 days prior written notice with forfeiture of SD
117 ORTIGAS-MERALCO AVENUE	G/F Ortigas Bldg., Ortigas cor. Meralco Ave., Pasig City	120,021.50	March 31, 2016	60 days prior notice; forfeiture of SD
118 ORTIGAS-ROBINSON'S GALLERIA	Level 1, Food Blvd. (Space no. 01316), Robinson's Galleria EDSA cor. Ortigas Ave., Quezon City	198,025.70	July 19, 2017	option of the lessor

METROPOLITAN BANK & TRUST COMPANY
NATIONWIDE BRANCHES
UNDER LEASE
As of December 31, 2015

BRANCHES	ADDRESS	MONTHLY RENTAL (In Pesos)	EXPIRATION OF LEASE	TERM OF RENEWAL	
119	ORTIGAS-SAN MIGUEL AVENUE	G/F Beveledere Tower Condominium, San Miguel Ave., Pasig	248,022.58	November 14, 2020	6 mos prior notice
120	ORTIGAS-TAIPAN	G/F Taipan Place Bldg., Emerald Ave., Ortigas, Pasig City	376,634.91	August 31, 2021	2 mos prior notice
121	ORTIGAS-XAVIER	Ortigas Ave. corner Xavier St., San Juan, Metro Manila	177,795.32	January 31, 2016	60 days prior written notice
122	PACO	1756 Singalong St., Paco, Manila	192,600.00	May 31, 2016	60 days prior notice
123	PACO-A. LINAO	Units 1650, 1652, & 1654, Bldg. B, Along Angel Linao St., Paco, Manila	60,750.00	August 31, 2024	60 days prior notice
124	PARANG-MARIKINA	94 Balagtas St., cor. Tanguille St., Parang, Marikina	87,720.00	December 16, 2021	90 days prior notice
125	PASAY-BACLARAN	Kapt. Ambo St., Pasay City	370,000.00	August 1, 2020	60 days prior notice after year 5
126	PASAY-NAIA 3	Stall No. 10, Arrival Lobby, NAIA Terminal III, Pasay City		under negotiation	
127	PASAY-ROTONDA	2717 Taft Ave. Ext., Pasay City	64,800.00	September 30, 2021	60 days prior notice after year 11
128	PASEO DE ROXAS	Ground Floor, 777 Paseo de Roxas, Makati City	296,097.32	August 31, 2019	60 days prior notice
129	PASIG-C. RAYMUNDO	Along C. Raymundo Ave., Brgy. Rosario, Pasig City	80,000.00	January 31, 2022	60 days prior notice; forfeiture of SD prior to 7 year
130	PASIG-MABINI	A. Mabini St., Pasig City	250,000.00	May 31, 2017	may pre-terminate anytime within the 2nd year without penalty by giving 60 days prior notice
131	PASIG-SILVER CITY	KPO-2 Plaza, Silver City 2, Frontera Verde, Pasig City	221,448.00	December 31, 2024	180 days prior notice; forfeiture of SD if within 5 years
132	PASONG TAMO	2300 Leelin Building, Pasong Tamo St., Makati City	308,159.77	August 15, 2016	60 days prior written notice
133	PASONG TAMO EXTENSION	2280 Grnd. Flr., Moridel Bldg., Pasong Tamo Ext., Makati City	191,377.48	April 15, 2016	3 mos prior notice
134	PASONG TAMO-BUENDIA	Unit A, Lilac Tower, Oriental Garden Makati, Chino Roxes Ave., Makati City	299,468.00	August 9, 2020	option of both parties
135	PASONG TAMO-METROPOLITAN AVENUE	G/F Unit A BM Lou-Bel Plaza, Bagtikan corner Pasong Tamo Street, Makati City	164,865.18	November 30, 2016	option of the lessee anytime within the lease period
136	PATEROS	No. 104 M. Almada Street, Pateros, Metro Manila	102,110.00	February 28, 2020	60 days; penalty
137	PEREA-GALLARDO	G/F Century Plaza Condominium, 120 Perea St., Legaspi Village, Makati City	158,400.00	January 31, 2017	30 days prior notice
138	PLAZA LORENZO RUIZ	475 Juan Luna St., Binondo, Manila	60,551.04	monthly	option of both parties
139	POTRERO-MALABON	Poncian Center, Along McArthur Highway corner Del Monte Avenue, Potrero, Malabon City	116,930.00	November 30, 2017	90 days prior notice; forfeiture of SD
140	PROJECT 8-SHORTORN	No. 37 Shortorn St., Project 8, Quezon City	178,592.00	January 2, 2025	60 days prior notice
141	PUREZA-R. MAGSAYSAY BLVD.	2244 De Ocampo Memorial School Annex Bldg., R. Magsaysay Blvd. near cor. Pureza Sts., Sta. Mesa, Manila	140,248.50	August 31, 2020	3 months prior notice
142	QUEZON AVE.-CORDILLERA	EU State Tower, No. 30 Quezon Avenue, Quezon City	86,850.00	January 15, 2024	60 days prior notice
143	QUILAPO	129 C. Palanca St., Quiapo, Manila	68,772.08	August 31, 2016	option of both parties
144	REINA REGENTE	852-882 Reina Regente St., Binondo, Manila	110,000.00	June 30, 2018	60 days prior notice
145	RETIRO-CORDILLERA	N. S. Amoranto corner Cordillera St., Quezon City	95,000.00	November 15, 2022	60 days prior notice
146	RETIRO-MAYON	308-310 NS Amoranto Ave. cor. Mayon St., La Loma, Quezon City	583,500.00	February 28, 2020	option of both parties
147	RIZAL AVENUE-BAMBANG	1327 Rizal Avenue, Sta. Cruz, Manila	129,464.28	June 15, 2024	60 days prior notice and forfeiture of SD from Yr 1 - Y 5
148	RIZAL AVENUE EXT.-3RD AVE.	213-C Rizal Ave. Ext. Bet. 2nd & 3rd, Caloocan	73,705.25	December 31, 2019	60 days prior notice
149	ROBINSON'S PLACE-ADRIATICO	1413 M. Adriatico St., Ermita, Manila	300,000.00	March 28, 2019	12-mos rent penalty, based on rental rate of the final year
150	ROCES AVENUE	Roces Avenue cor Scout Reyes St., Quezon City	136,500.00	March 14, 2016	renewable for another (10) year, upon mutual agreement of both parties
151	ROSARIO-PASIG	Jess Lumber Bldg., Ortigas Ave. Ext., Rosario, Pasig City	149,478.50	January 31, 2018	option of both parties
152	ROXAS BLVD. CITY OF DREAMS RESORT	City of Dreams, Roxas Blvd. cor. Aseana Ave., Paranaque City	212,100.00	April 30, 2018	payment of remaining rent or until a new lessee takes over; forfeiture of SD
153	ROXAS BLVD.-PADRE FAURA	Units C2, C3 & C4, Grand Riviera Suites, Roxas Blvd., cor. Padre Faura St., Ermita, Manila	276,960.00	May 31, 2025	60 days prior notice; forfeiture of SD if within Years 1-5
154	SAN AGUSTIN-HV DELA COSTA	Unit 101 Liberty Center Bldg., 104 HV dela Costa St. cor. San Agustin St., Salcedo Vill., Makati	305,613.00	October 31, 2016	prior written notice; 3 mos penalty
155	SAN JOAQUIN-PASIG	25 R. Jabson St., San Joaquin, Pasig City	54,000.00	February 28, 2019	60 days prior notice
156	SAN LORENZO VILLAGE	G/F la O' Cr. 1000 A. Arnaiz Ave., Makati City	253,278.07	May 31, 2019	3 mos prior notice; 3 mos rental as penalty
157	SAN NICOLAS CENTER	455 Clavel St., San Nicolas, Binondo, Manila	105,000.00	January 31, 2018	3 mos prior notice
158	SHAW BLVD-CBC CENTER	CBC Corporate Center, Shaw Blvd., Mandaluyong City	107,000.00	July 31, 2025	60 days prior notice
159	SHAW BLVD-JM. ESCRIVA	J. M. Escriva, Shaw Blvd., Pasig City	230,385.90	November 30, 2017	90 days prior notice; 3 mos rent penalty
160	SKYLAND-PLAZA	Skyland Plaza Condominium, Sen. Gil Puyat Ave., Makati City	61,619.25	December 31, 2016	option of both parties
161	SOLER	1064-1074 Soler, Binondo Manila	192,704.07	August 31, 2018	2 mos prior notice
162	STA. ANA-MANILA	G/F Commercial Bldg., 2447 Pedro Gil St., Sta. Ana, Manila	130,700.00	July 31, 2017	3 mos rental penalty
163	STA. ANA-PEDRO GIL	1929 Pedro Gil, Sta. Ana, Manila	70,560.00	December 15, 2024	60 days prior notice; forfeiture of SD
164	STA. ELENA	602 Bodega Sales Bldg., Sta. Elena St., San Nicolas St., Manila	133,990.18	March 31, 2018	2 mos prior notice
165	STA. MONICA-NOVALICHES	1035 Quirino Highway, Sta. Monica, Novaliches, Quezon City	50,800.00	August 31, 2018	3 mos prior notice
166	STO. CRISTO-CM RECTO	859 Sto. Cristo Street, Binondo, Manila	88,000.00	June 30, 2016	option of both parties
167	STO. CRISTO-SAN NICOLAS ST.	600 Sto. Cristo St. cor. San Nicolas St., Binondo, Manila	80,000.00	April 30, 2016	60 days prior notice
168	STO. NINO-MARIKINA	Sumulong Highway, Toyota Ave. Brgy. Sto. Niño, Marikina City	124,819.00	June 30, 2018	option of both parties
169	SUMULONG	Units 101-106, J&F Bldg. 1 Kingsville Commercial Arcade, Marcos Highway, Mayamot, Antipolo City	209,366.30	September 30, 2020	6 mos prior written notice; forfeiture of SD
170	SUSANO ROAD-NOVALICHES	29 Susano Road, Novaliches Proper, Novaliches, Quezon City	142,089.79	April 30, 2016	60 days prior notice
171	TAFT AVE.-P. OCAMPO	2456 Taft Avenue, Manila	153,730.50	October 31, 2017	60 days prior notice
172	TAGUIG-PUREGOLD	Commercial Units 7-10, Puregold, Taguig. Gen. Luna St., Tuktukan, Taguig City	80,190.00	September 26, 2021	90 days prior notice
173	TALIPAPA-NOVALICHES	HBC Corporate Center, 526 Quirino Highway, Talipapa, Novaliches, Quezon City	93,625.00	December 9, 2021	option of the lessor
174	THE FORT MARAJO	G/F, Marajo Tower 4th Ave. cor. 26th St., Bonifacio Global City, Taguig	247,797.90	July 14, 2018	option of both parties
175	TOMAS MAPUA-FUGOSO	Tomas Mapua corner Fugoso St., Sta. Cruz, Manila	46,500.00	September 30, 2017	60 days prior notice
176	TOMAS MORATO	46 Tomas Morato Ave. corner Scout Gandia St., Quezon City	144,187.56	August 8, 2018	3mos prior notice; forfeiture of SD
177	TONDO-GAGALANGIN	2569 Juan Luna St., Gagalangin, Tondo, Manila	95,575.00	June 15, 2025	60 days prior notice
178	TORDESILLAS-GIL PUYAT AVE.	Condominium Units 102 and 103 G/F Le Triomphe Condominium, Sen. Gil Puyat Ave. cor. Dela Costa St., Salcedo Village Makati City	373,625.01	March 31, 2021	60 days prior written notice and no penalty
179	TUTUBAN	Stall # M15, 16 & 17 CBL Tutuban Center, Dagupan Street, Tondo, Manila	121,032.95	monthly	subject to lessor's leasehold right with the Philippine National Railways
180	TUTUBAN PRIME BLOCK	Tutuban Prime Block C, M. Recto Ave., Tondo, Manila	121,032.95	August 22, 2039	3 mos prior notice; 3 mos rental as penalty

METROPOLITAN BANK & TRUST COMPANY
NATIONWIDE BRANCHES
UNDER LEASE
 As of December 31, 2015

BRANCHES	ADDRESS	MONTHLY RENTAL (In Pesos)	EXPIRATION OF LEASE	TERM OF RENEWAL
181	U.N. AVENUE		under negotiation	
182	V.LUNA-EAST AVENUE			
183	VALENZUELA-GEN. T. DE LEON	151,359.61	November 2, 2018	upon mutual consent of both parties
184	VALENZUELA-T. SANTIAGO	100,000.00	August 31, 2024	60 days prior notice; Years 1-5 forfeiture of SD and no penalty after Y 5
185	VISAYAS AVENUE			
186	WACK-WACK	115,000.00	August 31, 2019	180 days prior notice and 3 mos. rent
187	WEST SERVICE ROAD-ALABANG HILLS	102,487.00	August 15, 2018	option of both parties
188	WEST SERVICE ROAD-MERVILLE	155,116.50	December 1, 2023	60 days prior notice
189	XAVIERVILLE	101,692.73	April 12, 2016	30 days prior notice
190	ZABARTE ROAD-NOVALICHES	95,593.50	monthly	with on-going negotiation with MIAA
191	ZURBARAN	50,280.81	July 31, 2018	30 days prior notice
		185,000.00	November 30, 2020	3 months prior notice
		140,000.00	December 6, 2023	6 mos prior notice; forfeiture of SD

COUNTRYSIDE BRANCHES

1	AGUINALDO-IMUS		45,000.00	October 18, 2019	60 days prior notice
2	AGUSAN DEL SUR		92,821.00	August 31, 2017	90 days prior written notice; forfeiture of SD
3	ALBAY-DARAGA		44,399.02	March 31, 2016	60 days prior notice; 1 mo rental per year remaining
4	ANGELES-FIELDS AVENUE		125,000.00	October 11, 2021	60 days prior notice after 6 years
5	ANGELES-MARQUEE MALL		136,197.00	June 30, 2016	60 days prior notice; forfeiture of SD
6	ANGELES-MC ARTHUR HI-WAY		63,000.00	June 21, 2019	60 days prior notice after Year 5
7	ANGELES-STO DOMINGO		58,800.00	June 30, 2025	60 days prior notice
8	ANGELES-STO. ROSARIO		160,800.00	July 31, 2017	90 days prior notice
9	BACOLOD-9TH ST. LACSON		87,300.00	October 31, 2019	no pre-termination
10	BACOLOD-EASTSIDE		70,527.00	April 30, 2020	option to preterm with 60-day prior notice
11	BACOLOD-GONZAGA		95,227.65	August 31, 2019	3 mos prior notice
12	BACOLOD-LACSON		76,865.25	March 15, 2017	60 days prior notice to expiration
13	BACOLOD-LIBERTAD		90,144.18	May 31, 2018	4 mos prior notice
14	BACOLOD-MANDALAGAN		62,475.00	June 10, 2019	90 days prior notice
15	BACOLOD-SINGCANG		40,722.36	November 15, 2017	60 days prior notice
16	BAGUIO BURNHAM		124,800.00	May 31, 2018	60 days prior notice
17	BAGUIO-LUCBAN		55,125.00	January 31, 2019	90 days prior notice
18	BAGUIO-MARCOS HIGHWAY		66,937.50	November 15, 2023	60 days prior notice; forfeiture of SD when preterminated
19	BAGUIO-NAGUILIAN ROAD		80,000.00	July 14, 2021	renewable upon mutual agreement of both parties; 60 days prior notice; yrs 1-4 forfeiture of SD; yrs 5-8 forfeiture of 2 mos SD; yrs 9-10 no penalty
20	BAGUIO-SESSION ROAD		168,379.69	July 31, 2017	6 mos prior notice to expiration
21	BAIS CITY, NEGROS ORIENTAL		70,000.00	August 15, 2023	60 days prior notice after 6 years
22	BALANGA-DON M. BANZON AVE.		63,000.00	October 21, 2018	60 days prior notice
23	BALIUAG-TRINIDAD HIGHWAY		36,685.69	September 14, 2018	option of both parties
24	BATAAN-MARIVELES		49,640.00	March 31, 2024	60 days prior notice
25	BATAAC, ILOCOS NORTE		99,859.08	November 30, 2020	60 days prior notice
26	BATANGAS-CALICANTO		70,000.00	August 8, 2020	option to preterm with 60-day prior notice
27	BATANGAS-KUMINTANG ILAYA		60,900.00	April 14, 2025	60 days prior notice
28	BATANGAS-LIMA PARK		50,400.00	November 30, 2017	Upon mutual consent of both parties
29	BATANGAS-MABINI		37,500.00	November 15, 2022	renewable upon the mutual agreement of both parties; 60 days prior written notice, within 1-5 years, forfeiture of SD; after 5 years, no penalty
30	BATANGAS-SAN JUAN		64,728.00	January 31, 2025	60 days prior notice
31	BATANGAS-STO. TOMAS		72,324.00	July 31, 2023	60 days prior notice
32	BATANGAS-TANAUAN A. MABINI		110,000.00	February 15, 2024	60 days prior notice
33	BATANGAS-V. LUNA		42,000.00	June 30, 2018	option to preterm with 60-day prior notice
34	BAUAN-BATANGAS		90,000.00	May 31, 2025	may pre-terminate after 2 years with 90 days prior notice
35	BAYAWAN CITY, NEGROS ORIENTAL		63,157.00	October 27, 2023	60 days prior notice
36	BAYBAY		47,250.00	July 14, 2018	60 days prior notice
37	BOHOL-TALIBON		42,787.50	May 31, 2023	60 days prior notice
38	BORACAY		98,947.37	July 14, 2020	option to preterm with 60-day prior notice
39	BORACAY-STATION II		238,008.00	January 14, 2024	60 days prior notice; forfeiture of SD if within Yr 1 - Y 5
40	BORONGAN, SAMAR		63,471.25	June 14, 2023	60 days prior notice
41	BUKIDNON-MALAYBALAY		94,080.00	November 30, 2028	60 days prior notice
42	BUKIDNON-MARAMAG		49,500.00	September 20, 2029	60 days prior notice
43	HAGONOY-BULACAN		60,000.00	March 2, 2025	90 days prior notice; forfeiture of SD within 5 years
44	BULACAN-NORZAGARAY		72,000.00	October 15, 2024	60 days prior notice

METROPOLITAN BANK & TRUST COMPANY
NATIONWIDE BRANCHES
UNDER LEASE
 As of December 31, 2015

BRANCHES	ADDRESS	MONTHLY RENTAL (In Pesos)	EXPIRATION OF LEASE	TERM OF RENEWAL
45 BULACAN-SAN ILDEFONSO	Brgy. San Juan, San Ildefonso, Bulacan	55,825.00	January 27, 2022	60 days prior notice after Yr 6
46 BUTUAN-JC AQUINO	JC Aquino Ave., Butuan City	76,250.00	August 31, 2024	60 days prior notice
47 BUTUAN-MONTILLA BLVD.	Montilla corner Villameva Sts., Butuan City, Agusan del Norte	83,014.47	March 14, 2017	60 days prior notice
48 CABANATUAN-MAHARLIKA H. CONCEPCION	Priscilla Bldg., Brgy. H. Concepcion, Maharlika Highway, Cabanatuan City	27,000.00	January 2, 2020	60 days prior notice; 3 mos SD for Yrs 1 - 4; 2 mos SD for Yrs 5 - 7
49 CABANATUAN-MAHARLIKA NORTH	Maharlika Highway, Cabanatuan City	43,483.77	January 2, 2020	option of lessee
50 CAGAYAN DE ORO GAISANO-C.M. RECTO	Ground Level, Gaisano City Mall, C.M. Recto Ave., cor. Corrales Ext., Cagayan de Oro City	57,974.96	May 14, 2018	60 days prior written notice with forfeiture of SD and advance rental
51 CALAMBA CARMELRAY	Aries 1400 Bldg., Carmelray Industrial Park (CIP) II, along National Highway, Brgy. Tulo, Calamba, Laguna	48,335.00	October 15, 2018	option to preterm with 60-day prior notice
52 CALAMBA MARKET	Pabalan St., Calamba, Market Site, Calamba City	27,706.00	November 8, 2019	option of both parties
53 CALAMBA-PARIAN	728 South Nat'l. Highway Brgy., Parian, Calamba, Laguna	50,000.00	March 31, 2018	3 mos prior notice; forfeiture of SD
54 CALAMBA-REAL	PJM Bldg., Along National Highway Brgy. Real Calamba, Laguna	73,684.21	December 31, 2018	6 mos prior notice
55 CALAMBA-WALTERMART MAKILING	Waltermart Makiling, Brgy. Makiling, Calamba, Laguna	45,000.00	October 15, 2016	upon mutual consent
56 CALAPAN-LALUD	J.P. Rizal cor. Bayabas St., Brgy. Laud, Calapan City, Oriental Mindoro	68,513.03	February 28, 2024	90 days prior notice
57 CALASIAO-PANGASINAN	MacArthur Highway, San Miguel, Calasiao, Pangasinan	60,000.00	May 12, 2019	60 days prior written notice
58 CALBAYOG	City Fair Bldg. cor. Pajarito & Rosales Blvd., Calbayog City	85,000.00	October 31, 2020	60 days prior written notice
59 CAMARINES SUR-GOA	Jose Remo Bldg., San Jose St. cor. Scout Funtabella, Goa, Camarines Sur	31,500.00	November 30, 2023	60 days prior written notice
60 CAMILING-TARLAC	Quezon Avenue, Camiling Tarlac	28,066.03	March 31, 2021	renewable upon option of the lessee
61 CANLUBANG-CARMELRAY	Integrity corner Excellence Avenue, Carmelray Industrial Park I, Canlubang, Laguna	117,673.38	June 30, 2019	option of both parties, may pre-terminate anytime, subject to forfeiture of SD
62 CARMONA BINAN-HIGHWAY	88 National Highway, Brgy. Maduya, Carmona, Cavite	53,748.00	July 31, 2023	60 days prior notice; forfeiture of 3 mos. deposit
63 CARMONA-CAVITE	Grandville Ind. Complex, Bangkal, Carmona, Cavite City	85,085.44	June 30, 2016	60 days prior notice
64 CAVITE ECONOMIC ZONE	Lot A, Cavite Economic Zone, Rosario, Cavite	9,338.62	October 15, 2017	Co-terminus with Lessee's Permit to locate; renewable upon lessee's option
65 CAUAYAN-MAHARLIKA	Highway Renew Lumber Bldg., Maharlika Highway, Cauayan City	48,000.00	October 14, 2019	90 days prior notice
66 CEBU-A.S. FORTUNA	A.S. Fortuna St., Mandaue City, Cebu	74,083.46	June 30, 2017	2 mos prior notice
67 CEBU-ARGAO	Prince Warehouse Club, Lakandula St., cor. Kintanar St., Argoa, Cebu City	34,198.50	January 15, 2024	60 days prior notice and forfeiture of SD if within Yrs 1 - 5
68 CEBU-AYALA CENTER MALL	Stall PLIJE/EBB1, Basement Level 1, Ayala Center Cebu, Archbishop Reyes Ave., Cebu Business Park, Cebu City			under negotiation
69 CEBU-BALAMBAN	E.S. Bingham St., Balamban, Cebu City	39,375.00	July 31, 2018	60 days prior notice
70 CEBU-BOGO	SIM Building, P. Rodriguez St., Bogo City, Cebu	37,500.00	April 15, 2021	60 days prior notice
71 CEBU-CARCAR	Gaisano Price Club Carcar, Poblacion III, Awayan, Carcar City, Cebu	88,000.00	August 31, 2017	60 days prior notice
72 CEBU-CONSOLACION	North Road, Consolacion, Cebu City	37,000.00	March 31, 2016	2 mos prior notice
73 CEBU-FLB CORPORATE CENTER	FLB Corporate Center, Bohol Ave., Cebu Business Park, Cebu City	110,500.00	April 30, 2025	60 days prior notice. Otherwise penalty equivalent to 3 months rent and forfeiture of SD
74 CEBU-DANAOCITY	C.P. Garcia Avenue, Danao City, Cebu	61,256.75	January 16, 2022	60 days prior notice; Yrs 1-5-forfeiture of SD; Onward - no penalty
75 CEBU-GORORDO	117 Gorordo Avenue, Lahug, Cebu City	120,472.41	March 14, 2018	60 days prior notice; 3 mos rent
76 CEBU-GUADALUPE	No. 97 M. Velez St., Guadalupe Cebu	130,000.00	December 31, 2019	90 days prior notice; forfeiture of SD
77 CEBU-LAHUG	Archbishop Reyes Ave., Cor. Tojong St., Lahug, Cebu City	171,500.33	November 2, 2020	90 days prior written notice
78 CEBU-LEON KILAT	Gaisano Capital South cor. Colon & Leon Kilat Sts., Cebu City	63,360.00	July 9, 2023	60 days prior written notice with forfeiture of SD
79 CEBU M.C. BRIONES	La Nueva Supermart, City Hall Center, M.C. Briones St., Cebu City	70,770.00	February 28, 2016	60 days prior notice
80 CEBU-MACTAN MEPZ	Mactan Economic Zone 1, Lapu-lapu City	58,450.00	June 30, 2018	90 days prior notice
81 CEBU-MAMBALING	N. Basalco Avenue (Cebu South Road), Mambaling, Cebu City	40,516.87	February 15, 2018	90 days prior notice after 3rd year
82 CEBU-MEPZ II	N.G.A. Devt. Corp. Bldg., MEPZ II, Basak, Lapu Lapu City	90,346.65	July 15, 2016	60 days prior notice
83 CEBU-MINGLANILLA	Tiber Street, Minglanilla, Cebu	50,000.00	October 31, 2022	60 days prior notice
84 CEBU-NORTH RECLAMATION AREA	APM Mall, A. Soriano Avenue Cebu Port Centre, Cebu North Reclamation Area Cebu City	86,400.00	January 17, 2020	60 days prior notice
85 CEBU-PARK DISTRICT	Ground Flr., 2 Quad Bldg., Cardinal Rosales Ave. cor. Sumilon Road, Cebu Business Park, Cebu City	87,937.50	December 31, 2023	90 days prior notice; forfeiture of SD from Y1-Y5 and 2 mos rent
86 CEBU-PARKMALL	North Reclamation Area, Mandaue City	83,743.42	February 28, 2018	90 days prior notice
87 CEBU-SALINAS DRIVE	Amon Trading Corp. Bldg., Salinas Drive, Cebu City	55,533.40	March 15, 2018	2 mos prior notice
88 CEBU-SRP TALISAY	Gaisano Capital SRP Mall, Brgy. San Roque, SRP Highway, Talisay City, Cebu	63,105.60	August 31, 2017	60 days prior notice
89 CEBU-TALAMBAN	PNF Commercial Bldg., Talamban, Cebu City	46,305.00	January 7, 2023	60 days prior notice
90 CEBU-TOLEDO	Along Diosdado Macapagal Highway, Barangay Poblacion, Toledo City, Cebu	50,000.00	June 21, 2024	60 days prior notice
91 CLARK	Unit 24, The Pavilion Mall, PhilExcel Business Park, Clark Freeport Zone, Pampanga	68,880.00	March 15, 2023	30 days prior notice; 2 mos equivalent rental
92 CONCEPCION-TARLAC	Concepcion Consumers Marketing Bldg., Poblacion, Concepcion, Tarlac	50,000.00	October 31, 2020	Option of lessee
93 COTABATO-QUEZON	Crossroads Arcade Building, Quezon Ave., Cotabato City	75,250.00	May 31, 2021	Forfeiture of 3 mos. SD
94 DAGUPAN-FERNANDEZ AVENUE	Vicar Bldg., AB Fernandez Avenue, Dagupan City	136,480.94	June 30, 2021	60 days prior written notice with forfeiture of SD
95 DAGUPAN-MAYOMBO	Don Benito Bldg., Mayombo St., Dagupan City	75,000.00	September 30, 2029	60 days prior notice
96 DAGUPAN-PEREZ	Siapno Bldg., Perez Boulevard, Dagupan City	100,000.00	December 31, 2022	60 days prior notice; 6 mos rental penalty
97 DAGUPAN-TAPUAC	No. 371, Tapuac District, Dagupan City, Pangasinan	52,250.00	July 10, 2021	60 days prior notice
98 DASMARINAS-SALAWAG	Molino, Paliparan Road Brgy., Salawag, Dasmariñas City	77,000.00	November 2, 2021	60 days prior notice
99 DAVAO-ABREZA	Ground Floor, Abreza Mall, J.P. Laurel Avenue, Brgy. 20-B, Davao City	174,636.00	April 30, 2017	option of the lessee anytime within the lease period with prior notice and forfeiture of SD
100 DAVAO-AIRPORT VIEW	LDL Commercial Bldg., Phil-Japan Friendship Highway, Catitipan, Davao City (Fronting Davao International Airport)	63,000.00	July 14, 2018	option to preterm with 60-day prior notice
101 DAVAO-BAJADA	JP Laurel Avenue, Bajada, Davao City	158,250.53	November 5, 2017	option of the lessee anytime within the lease period with prior notice and forfeiture of SD
102 DAVAO-BANGGOY CHINATOWN	Delgar Commercial Bldg., F. Bangoy St., Davao City	147,000.00	October 15, 2023	60 days prior notice
103 DAVAO C.M. RECTO	Hotel UNO, C.M. Recto Street, Davao City	119,340.00	May 15, 2023	60 days prior notice; forfeiture of SD from Yrs 1 - 5
104 DAVAO-D. SUAZO	Sta. Ana Avenue corner Damaso Suazo Street, Davao City	65,714.28	January 31, 2016	option of the lessee with 60 days prior notice
105 DAVAO-DAMOSAS	Damosa Business Center, Anglionto Ave., Lanang, Davao City	71,107.11	June 14, 2018	90 days prior notice; 3 mos penalty
106 DAVAO-DOCTORS	Davao Doctors Medical Tower, Quirino Avenue, Davao City	66,980.15	March 19, 2017	lessee's option with 4 mos. prior notice

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As of December 31, 2015

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107	DAVAO-ECOLAND	Quimpo Blvd. Cor. Eco W. Drive, Ecoland District, Davao City	129,937.12	September 15, 2022	60 days prior notice
108	DAVAO-GAISANO J.P. LAUREL	Upper Ground Level, Gaisano Mall, J.P. Laurel Ave., Davao City	72,551.50	October 9, 2018	60 days prior notice
109	DAVAO-LANANG	Insular Village Phase 1, Lanang, Davao City	77,490.00	May 31, 2025	90 days prior notice
110	DAVAO-MATINA	Catotal Building, Km 5, MacArthur Highway, Matina, Davao City	43,000.00	July 31, 2026	60 days prior notice
111	DAVAO ORIENTAL-MATI	Andrada Bldg., 56 Rizal St., Mati City, Davao Oriental	54,419.56	December 14, 2021	60 days prior notice; forfeiture of SD from Yrs 1 - 5
112	DAVAO-PANABO	G/F & 2/F Davao Agusan National Highway, Panabo, Davao del Norte	90,000.00	June 14, 2017	60 days prior notice
113	DAVAO-ROXAS	Chapter Millennium Building, Manuel Roxas Ave., Davao City	110,249.77	January 31, 2018	30 days prior notice; forfeiture of SD and advances
114	DINALUPIHAN, BATAAN	No. 3 San Ramon Highway, Dinalupihan, Bataan	60,000.00	October 4, 2020	option of lessee
115	DIPOLOG-QUEZON	Grnd. Flr., Top Plaza Hotel Cor., Quezon Ave., & Echaves St., Dipolog City	42,845.60	March 14, 2017	60 days prior notice
116	DUMAGUETE-CAPITOL	Victoria Residence Condominium Bldg., Capitol Front, North National Highway, Dumaguete City	70,065.45	July 15, 2023	60 days prior notice
117	FPIP-STO TOMAS, BATANGAS	First Philippine Industrial Park (FPIP), Sto. Tomas, Batangas	82,046.67	July 31, 2018	option of both parties
118	GENERAL SANTOS MAKAR	G/F & Mezzanine, Veres Commercial Bldg., National Highway Makar, General Santos City	73,386.19	August 31, 2020	renewable upon the mutual agreement of both parties
119	GENERAL SANTOS-SANTIAGO MARKET	Cor. Santiago Blvd. and P. Acharon, General Santos City	68,880.00	October 15, 2024	60 days prior notice
120	GEN. TRIAS-CAVITE	Governor's Drive, Manggahan, Gen. Trias, Cavite	30,000.00	March 1, 2026	option of both parties
121	GUIGUINTO-BULACAN	Puregold Guiguinto, Brgy. Sta. Cruz, Guiguinto, Bulacan	85,148.00	June 14, 2021	3 mos prior notice
122	GUIUAN, EASTERN SAMAR	Lugay St., Brgy. 08, Guiuan, Eastern Samar	46,728.97	July 24, 2021	60 days prior notice
123	IBA-ZAMBALES	G/F Magsaysay National Highway, Iba, Zambales	66,852.84	March 31, 2021	60 days prior written notice
124	ILIGAN-ROXAS AVENUE	Eltanal Building, Roxas Avenue corner Zamora St., Iligan City	45,000.00	September 30, 2024	60 days prior notice
125	ILOCOS NORTE-SAN NICOLAS	McKinley Bldg., National Highway, San Nicolas, Ilocos Norte	47,000.00	December 31, 2017	60 days prior notice
126	ILOCOS SUR-TAGUDIN	JTC Tagudin Central, Brgy. Del Pilar, National Highway, Tagudin, Ilocos Sur	43,016.40	October 30, 2024	60 days prior notice
127	ILOILO-DIVERSION ROAD	JSD Bldg., 88 B.S. Aquino Avenue (Iloilo Diversion Road), Mandurraio, Iloilo City	92,800.00	October 14, 2020	60 days prior written notice
128	ILOILO-GUANCO	Guanco Street, Iloilo City	77,000.00	December 31, 2016	60 days prior notice; 6 mos rental penalty
129	ILOILO-JARO	Along Simon Ledesma St., Jaro, Iloilo City	85,085.44	November 30, 2017	12 mos prior notice
130	ILOILO-JM BASA	Ground Floor, Magdalena Bldg. J.M. Basa St., Iloilo City	102,555.41	May 15, 2016	4 mos prior written notice; 3 mos present rental rate as penalty
131	ILOILO-LA PAZ	Rizal corner Huervana Sts., La Paz Iloilo City	120,000.00	February 15, 2021	option of both parties
132	ILOILO-MABINI	Valiant Building, Mabini Street, Iloilo City	85,323.05	October 14, 2020	60 days prior notice; 3 mos rental penalty
133	ILOILO-MANDURRAIO	Along Q. Abeto St., Mandurraio, Iloilo City	51,988.94	November 30, 2023	60 days prior notice; payment of remaining lease if terminated within 5 years
134	ILOILO-OTON	Gaisano Capital Oton, JC Zulueta St. cor. Benedicto St., Oton, Iloilo	72,260.50	May 17, 2023	60 days prior written notice
135	ILOILO-QUINTIN SALAS	Brgy. Quintin Salas, McArthur Highway, Tagbac, Jaro, Iloilo City	63,000.00	December 15, 2023	60 days prior notice
136	JAGNA, BOHOL	Along National Highway, Pagina, Jagna, Bohol	50,000.00	September 7, 2021	60 days prior notice
137	KALINGA-TABUK	National Highway, Brgy. Bulanao, Tabuk City, Kalinga	70,000.00	September 23, 2024	60 days prior notice
138	LA TRINIDAD-BENGUET	JB78 Central Pico KM. 4, La Trinidad, Benguet	72,000.00	Nov. 15, 2018	90 days prior notice
139	LA UNION-AGOO	Sta. Barbara, National Highway, Agoo, La Union	38,906.14	September 15, 2018	60 days prior notice
140	LA UNION-BAUANG	McArthur Highway, National Rd., Brgy. Central West, Bauang, La Union	70,525.00	June 15, 2024	30 days prior notice
141	LA UNION-ML QUEZON	Virginia Bldg., Along Manuel L. Quezon Ave., San Fernando City, La Union	70,000.00	March 15, 2019	60 days prior notice
142	LA-UNION-SEVILLA MONUMENTO	Tan Bldg., Quezon Avenue, National Highway, Brgy. Sevilla, San Fernando City, La Union	67,200.00	May 15, 2021	60 days prior notice
143	LAOAG-GEN. SEGUNDO AVE.	Gen. Segundo Avenue Laoag City	100,000.00	October 31, 2020	60 days prior notice
144	LEGAZPI-ALBAY DISTRICT	863 Rizal St., Albay District, Legazpi City	42,000.00	October 25, 2021	60 days prior notice
145	LEYTE-PALO CATHEDRAL	Cathedral Compound Cor. Brgy. Luntad & Maharlika Highway, Palo, Leyte	47,250.00	January 15, 2024	60 days prior notice; forfeiture of SD if within Yrs 1 - 5
146	LEYTE-PALOMPON	Ipil 1, Public Market, Palompon, Leyte	22,260.00	July 15, 2023	60 days prior notice
147	LIGAO CITY, ALBAY	Chua Kim Chio Bldg., McKinley St., Ligao City, Albay	69,900.00	September 15, 2021	60 days prior notice
148	LIPA-AYALA	Ayala Highway, Brgy. San Carlos, (Lipa by-pass) Lipa City	76,576.89	November 30, 2024	90 days prior notice after 2nd year
149	LIPA-CATHEDRAL	Brgy. 9A, C.M. Recto Ave., Lipa City	75,000.00	December 19, 2020	60 days prior notice
150	LIPA-TAMBO	National Road, Brgy. Tambo, Lipa City	48,000.00	August 15, 2024	60 days prior notice
151	LOS BAÑOS	Olivarez Plaza, National Highway, Los Baños, Laguna	60,225.00	September 30, 2017	option of both lessee
152	LUCENA-IYAM	ML Tagarao St., Gaisano/Pacific Mall Compound, Iyam, Lucena City	50,000.00	August 15, 2031	60 days prior notice
153	LUCENA-RED V	5365 Dalahican Road, Purok 1, Little Baguio, Red-V, Lucena City	32,500.00	February 15, 2021	2 mos prior notice
154	MALOLOS-CABANAS	The Cabanas, KM 44/45, Mac Arthur Highway, Malolos City	36,915.90	October 31, 2023	60 days prior notice
155	MALOLOS-MC ARTHUR HIGHWAY	CARZEN Bldg, MacArthur Highway, Malolos City	99,225.00	November 15, 2020	60 days prior notice
156	MASBATE	Along Tara Street, Masbate, Masbate	40,000.00	June 15, 2016	option of lessee
157	MEYCAUAYAN-MALHACAN	Along National Road, Malhacan, Meycauayan City	90,000.00	September 9, 2020	60 days prior notice
158	MIDSAYAP	ML Quezon Ave., Poblacion 6, Midsayap, Cotabato	44,210.53	January 31, 2016	2 mos prior notice; forfeiture of 2 mos SD
159	MISAMIS OCCIDENTAL-OROQUIETA	Mayor Enero St., Pob. 2, Oroquieta City, Miss. Occ.	30,000.00	August 14, 2026	60 days prior notice
160	NAGA-ROXAS AVENUE	Doña Dolores Bldg., Diversion Road, Naga City	56,400.00	May 14, 2022	60 days prior notice
161	NASUGBU-BATANGAS	J.P. Laurel corner R. Martinez Sts., Nasugbu, Batangas	72,383.05	October 15, 2022	60 days prior notice after 5th year
162	NAVAL-BILIRAN	Along Ballesteros St. Naval, Biliran, Leyte	50,000.00	Nov. 26, 2019	option to preterm with 60 day prior notice
163	NEGROS OCCIDENTAL-CADIZ CITY	Villena St., Cadiz City, Negros Occidental	51,150.00	August 31, 2024	if lessee initiated within 5 years, 60 days prior notice ; forfeiture of SD, if lessor initiated within 5 years, 1 year prior notice and 3 mos penalty. If after 5 years, no penalty but above prior written notice
164	NORTHERN SAMAR-LAOANG-RAWIS	Brgy. Rawis, Laoang, Northern Samar	39,600.00	January 15, 2025	60 days prior notice
165	NUEVA ECIIJA-GUIMBA	Faigal St., Sto. Cristo, Guimba, Nueva Ecija	65,047.50	October 15, 2024	60 days prior notice
166	NUEVA ECIIJA-TALAVERA	Marcos District, Maharlika Highway, Brgy. Marcos Talavera, Nueva Ecija	52,800.00	March 26, 2022	60 days prior notice
167	NUEVA VIZCAYA-BAMBANG	National Highway, Banggot, Bambang, Nueva Vizcaya	65,000.00	October 15, 2029	60 days prior notice; forfeiture of SD if within Years 1 to 5

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168	OCCIDENTAL MINDORO-MAMBURAO Rizal cor. San Isidro Sts., Poblacion, Mamburao, Occidental Mindoro	25,000.00	September 30, 2024	60 days prior notice
169	OLONGAPO-GORDON AVE. No. 86 Gordon Avenue, New Asinan, Olongapo City	79,500.00	June 21, 2019	60 days prior notice
170	ORIENTAL MINDORO-PINAMALAYAN Armando Mariano Bldg. corner Mabini St. and Quezon St., Pinamalyan Oriental Mindoro	41,600.00	July 15, 2022	60 days prior notice
171	ORMOC-COGON Lilia Ave., Cogon, Ormoc City	84,924.00	November 30, 2025	60 days prior notice without penalty
172	PAGADIAN-STA. LUCIA J.P. Rizal Avenue, Pagadian City	87,100.74	May 31, 2016	180 days prior written notice
173	PALAWAN-CORON #45 Don Pedro St., Brgy. 2, Coron, Palawan	33,075.00	August 31, 2023	60 days prior notice
174	PAMPANGA-LUBAO VIMA Bldg., Jose Abad Santos Ave. (JASA), Sta. Cruz, Lubao, Pampanga	46,305.00	October 15, 2023	60 days prior notice
175	PANGASINAN-BAYAMBANG Rizal Avenue, Poblacion Sur, Bayambang, Pangasinan	60,000.00	November 15, 2021	60 days prior notice
176	PANGASINAN-LINGAYEN Avenida Rizal East, Lingayen, Pangasinan	100,000.00	June 15, 2025	60 days prior notice
177	PANGASINAN-MANGALDAN Casa Filomena, 546 Rizal Avenue, Mangaldan, Pangasinan	47,628.00	July 15, 2023	60 days prior notice; forfeiture of SD from Yrs 1 - 5
178	PANGASINAN-MANGATAREM Brgy. Poblacion, Mangataram, Pangasinan	55,000.00	October 15, 2029	120 days prior written notice
179	PASEO DE STA. ROSA Paseo 5. Paseo de Sta. Rosa, Greenfield City, Sta. Rosa, Laguna	113,686.84	July 31, 2017	may withdraw anytime subject to forfeiture of SD as penalty
180	PUERTO PRINCESA-SAN PEDRO Along National Highway, Brgy. San Pedro, Puerto Princesa, Palawan	62,625.00	August 12, 2021	60 days prior notice
181	PULLAN, BULACAN Doña Remedios Trinidad, National Highway, Sto. Cristo, Pullan, Bulacan	60,000.00	September 15, 2021	60 days prior notice
182	QUEZON-CANDELARIA Maharlika Highway, Poblacion, Candelaria, Quezon	62,016.29	September 15, 2022	60 days prior notice
183	ROSARIO-BATANGAS Gualberto Ave., Brgy. D. Poblacion, Rosario, Batangas (beside Tan Wanam Grocery)	45,000.00	December 14, 2020	3 mos prior notice
184	ROXAS-ARNALDO BLVD. Unit 10 & 11 Gaisano Arcade Comm'l Complex, Arnaldo Blvd., Roxas City	72,365.17	March 31, 2016	forfeiture of SD
185	ROXAS-ISABELA No. 34 National Road cor. Gen. A. Luna St. Bantug Roxas, Isabela	60,000.00	January 11, 2020	60 days prior notice
186	SAN CARLOS, PANGASINAN Mabini St., San Carlos City, Pangasinan	12,150.00	February 28, 2021	option of lessee
187	SAN FERNANDO-DOLORES MCARTHUR LK Bldg., Dolores City, San Fernando, Pampanga	58,035.90	April 30, 2021	60 days prior notice
188	SAN FERNANDO-MAC ARTHUR HI-WAY Medical Arts Bldg. Mother Theresa of Calcutta Medical Center Mac Arthur Hiway, Brgy. Maimpis San Fernando City, Pampanga	67,200.00	September 19, 2020	60 days prior notice
189	SAN FERNANDO-SINDALAN McArthur Highway, Sindalan, San Fernando Pampanga	100,000.00	December 15, 2018	60 days prior notice
190	SAN MIGUEL, BULACAN Norberto St., San Miguel, Bulacan	17,617.50	January 2, 2021	option of both lessee
191	SAN PEDRO-LAGUNA National Highway, San Pedro, Laguna	38,584.57	May 1, 2019	option of both parties
192	SAN PEDRO-SHOPWISE PACITA Shopwise San Pedro, Along National Highway, Brgy. Landayan, Pacita Complex, San Pedro, Laguna	64,000.00	June 30, 2016	upon mutual consent of both parties
193	SANTIAGO CITY ROAD G/F and 2/F Commercial Bldg., City Road Centro, West Santiago City	72,965.88	November 30, 2020	2 mos prior notice
194	SIQUIJOR, SIQUIJOR Brgy. Poblacion, Siquijor, Siquijor	25,000.00	October 13, 2029	60 days prior notice
195	SOGOD, SOUTHERN LEYTE Along J.P. Rizal Street, Sogod, Southern Leyte	44,362.50	May 30, 2019	60 days prior notice
196	SORSOGON Magsaysay cor. Nening Berenguer St., Sorsogon, Sorsogon	68,695.57	July 28, 2017	60 days prior notice
197	SOUTH COTABATO-POLOMOLOK Gaisano Grand Mall Polomolok, GL 06 & GL 07, Polomolok, South Cotabato	68,400.00	April 14, 2019	upon mutual consent of both parties
198	STA. CRUZ-LAGUNA 1527 P. Guevarra St., Sta. Cruz, Laguna	80,000.00	June 15, 2023	renewable upon the mutual agreement of both parties
199	STA. MARIA-BAGBAGUIN Along F. Hallii Ave., Bagbaguin, Sta. Maria, Bulacan	44,642.86	October 15, 2020	60 days prior notice
200	SUBIC BARACA Lot 83 National Highway, Baraca-Camachile, Subic, Zambales	55,000.00	July 14, 2018	option to preterm with 60-day prior notice
201	SUBIC BAY Unit A1 Bldg. 640, Sampson Rd., Subic Bay Freeport Zone, Zambales, Olongapo City	\$ 1,153.95	July 14, 2021	60 days prior notice
202	SUBIC-HARBOR POINT Harbor Point, Rizal Avenue, Subic Bay Freeport Zone, Olongapo City, Zambales	172,045.30	April 30, 2016	upon mutual consent, may pre-terminate anytime subject to forfeiture of SD and whatever damages due to lessor as a result of pre-termination
203	SURIGAO DEL SUR-TANDAG Along National Highway, Brgy. Mabua, Tandag City, Surigao del Sur	46,000.00	October 31, 2023	60 days prior notice
204	SURIGAO-GAISANO CAPITAL MALL Ground Flr., Unit 01, KM4, Brgy. Luna, National Highway, Surigao City	53,050.00	September 16, 2023	60 days prior notice
205	TACLOBAN-MARASBARAS Marasbaras National Highway Tacloban City	85,000.00	January 31, 2020	option to preterm with 60-day prior notice
206	TAGBILARAN-COGON JUNEVIL Bldg., Belderol Street, Cogon District, Tagbilaran City	54,206.00	July 31, 2020	60 days prior notice after 5 years
207	TAGUM-APOKON Apokon Road, Magugpo East, Tagum City	65,888.47	September 30, 2023	60 days prior notice
208	TARLAC-CAPAS City Center, Capas Bldg., McArthur Highway, Capas, Tarlac	50,820.00	October 31, 2025	6 months prior notice
209	TAWI TAWI-BONGAO Awwal St., Bongao, Tawi-Tawi	42,000.00	November 15, 2028	60 days prior notice with forfeiture of SD if vacated within Yrs 1 - 5
210	TAYUG, PANGASINAN Bonifacio St., National Hi-way, Tayug, Pangasinan	15,000.00	January 31, 2026	option of both parties
211	TUBIGON, BOHOL Jose P. Dual cor. Salustiano Baura St., Centro, Tubigon, Bohol	45,291.54	October 15, 2021	60 days prior notice
212	TUGUEGARAO-BALZAIN Balzain Highway, Tuguegarao City, Cagayan	90,450.00	August 31, 2024	60 days prior notice
213	URDANETA-NANCAYASAN S. Com Bldg., MacArthur Highway, Nancayasan, Urdaneta City, Pangasinan	37,500.00	March 14, 2018	60 days prior notice; forfeiture of SD
214	VIGAN Quezon Avenue, Vigan Ilocos Sur	54,448.12	May 15, 2016	60 days prior notice
215	VIGAN-MARKET Nieves Commercial Ctr., Alcantara St., Vigan City	65,000.00	November 14, 2017	90 days prior notice; payment of unexpired lease
216	ZAMBOANGA DEL SUR-MOLAVE Along Rizal Avenue, Molave, Zamboanga Del Sur	36,000.00	March 31, 2024	30 days prior notice; forfeiture of SD from Yrs 1 - 5
217	ZAMBOANGA-BRILLANTES P. Brillantes St. cor. Mayor Climaco Ave., Zamboanga City	170,000.00	November 30, 2016	90 days prior notice; forfeiture of SD
218	ZAMBOANGA-CANELAR Mayor Jaldon Street, Canelar, Zamboanga City	76,800.00	August 17, 2024	60 days prior notice
219	ZAMBOANGA-GUIWAN National Highway, Brgy. Guiwan, Zamboanga City	63,000.00	September 14, 2023	option to preterm after 5th year of contract
220	ZAMBOANGA-NUÑEZ EXT Nunez Extension, Zamboanga City	73,947.25	January 3, 2025	option to preterm with 60-day prior notice
221	ZAMBOANGA SIBUGAY-IPIL National Highway, Poblacion Ipil, Zamboanga Sibugay	37,500.00	August 15, 2031	60 days prior notice
222	ZAPOTE-BACCOOR 178 Aguinaldo Highway, Zapote, Bacoor, Cavite	61,250.00	April 4, 2020	option of both parties

**METROPOLITAN BANK & TRUST COMPANY
EVENTS PREVIOUSLY REPORTED UNDER
SEC FORM 17-C (CURRENT REPORT)
FOR THE YEAR ENDED DECEMBER 31, 2015 AND
INTERIM PERIOD ENDED APRIL 11, 2016**

	Particulars	Date of Report
1	The Board of Directors (BOD) of Metrobank scheduled the Annual Stockholders' Meeting (ASM) on April 29, 2015 with February 20, 2015 as the Record Date. The President was granted authority to change the date, time and place of the meeting as well as the Record Date as may be required by exigencies.	January 21, 2015
2	Metrobank's BOD approved the Stock Rights Offer (SRO) that is expected to increase its common equity tier 1 (CET1) by up to P32 billion. Timing of the transaction is subject to receipt of regulatory approvals as well as market and other conditions.	January 21, 2015
3	The BOD of Metrobank approved the declaration of a 5.0% cash dividend payable to all stockholders as of a record and payment date to be fixed by the President upon receipt of the BSP.	January 27, 2015
4	Press Release: Metrobank reports 2014 Net Income of P20.1 billion.	March 2, 2015
5	Metrobank submitted a copy of the Audited Financial Statements of Metrobank and Subsidiaries as of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012 and the corresponding Management Discussion and Analysis.	March 2, 2015
6	Metrobank reported that on March 2, 2015, Metrobank received a copy of the Decision rendered by the Supreme Court on January 23, 2015 with the following disposition (1) granting the Petition; (2) nullifying BIR Ruling No. 37-2011; (3) reprimanding the Bureau of Treasury for its continued retention of the amount corresponding to the 20% final withholding tax despite the Court's TRO; and (4) ordering the Bureau of Treasury to immediately release and pay to the banks the amount corresponding to the 20% final withholding tax that was withheld on October 18, 2011. The Decision is not yet final.	March 3, 2015
7	Metrobank reported receipt of regulatory approvals and amendment of disclosure to reflect terms and timeline of the SRO.	March 10, 2015
8	Metrobank reported that on March 12, 2015, it has received BSP approval on the declaration of 5% cash dividend and that it has set March 26, 2015 as the record date and March 31, 2015 as the payment date.	March 12, 2015
9	Metrobank reported the disclosure of the Agenda for the ASM to be held on April 29, 2015 and the Amendment of the "Inclusive Dates of Closing of Stock Transfer Books" to indicate that it is Not Applicable.	March 18, 2015
10	Press Release: Metrobank P32 billion Stock Rights Offer: Offer Period to close on March 27, 2015.	March 25, 2015
11	Press Release: Metrobank successfully completes P32 billion Stock Rights Offer; Shares to be listed on April 7.	April 1, 2015
12	Metrobank reported the results of the ASM held on April 29, 2015. The stockholders approved the following items included in the Agenda: <ul style="list-style-type: none"> a. Minutes of the Annual Meeting held on April 30, 2014 b. Ratification of All Acts and Resolutions of the BOD, Management and All Committees from April 30, 2014 to April 28, 2015 c. Election of all 14 Directors d. Election of SGV & Co as External Auditors 	April 29, 2015
13	Amendment on the reported results of MBTC ASM held on April 29, 2015. The amendment reflects the correction on typographical error on page 2 Paragraph B1 of the report which should be read: "On the drop in Net Income from P22.5 billion in 2013 to P20 billion in 2014...."	April 29, 2015
14	Metrobank reported the results of the Organizational Meeting of the BOD held after its ASM on April 29, 2015, disclosing the names and shareholdings of the elected officers (directors, advisers, and reconstitution of Board committees and their respective advisers and members).	April 29, 2015
15	The BOD of Metrobank, at its regular meeting on April 29, 2015 has approved the promotion of officers from the rank of First Vice President to Senior Vice President and Senior Vice President to Executive Vice President.	April 29, 2015
16	Metrobank submitted a copy of the Balance Sheet and Consolidated Balance Sheet as of March 31, 2015.	May 5, 2015
17	Press Release: Metrobank sets focus on core business expansion.	May 12, 2015

	Particulars	Date of Report
18	Relative to the election of the independent directors of Metrobank during the ASM held on April 29, 2015 and pursuant to the requirements of SEC Notice dated October 20, 2006, Metrobank submitted the certification executed by the elected seven (7) independent directors, namely: Renato C. Valencia, Remedios L. Macalincag, Jesli Lopus, Vicente B. Valedepeñas, Jr., Rex C. Drilon II, Robin A. King and Francisco F. Del Rosario, Jr.	May 14, 2015
19	Metrobank reported the change in shareholdings of Director / Principal Officer, acquisition of additional MBT shares for Chairman Arthur Ty.	June 4, 2015
20	The BOD of Metrobank approved the redemption of its Hybrid Tier 1 Capital Securities on February 15, 2016 (“First Optional Redemption Date”) as it no longer qualifies as capital under Basel III regulations which took effect on January 1, 2014	June 17, 2015
21	Metrobank reported that effective July 16, 2015, Metrobank Treasury’s Head of Fixed Income Division, Leandro “Dondi” Santillan will be seconded to PSBank as its Treasurer. Dondi has over 20 years of banking experience, both locally and abroad, including stints with ING and UBS as Head of the Asian Credit Trading Desk. He was awarded best Peso Fixed Income trader in 2003 and 2004. He was also awarded 4 th best Credit trader in Asia by the Asset magazine.	July 15, 2015
22	The BOD of Metrobank approved the promotion of the following officers from First Vice President to Senior Vice President: a. Pocholo V. Dela Peña b. Bernardino V. Ramos c. Lita S. Tan	July 30, 2015
23	Metrobank submitted a copy of Published Balance Sheet and Consolidated Balance Sheet as of June 30, 2015.	July 31, 2015
24	Press Release: Metrobank posts 30% growth in core earnings, 1H income hits P9.3billion.	August 11, 2015
25	The BOD of Metrobank accepted the resignation of Atty. Antonio V. Viray as Director and elected Mr. Alfred V. Ty as Director, to serve the unexpired term of Atty. Viray. Atty. Viray was appointed as Corporate Secretary.	September 23, 2015
26	Press Release of Metrobank subsidiary, First Metro Investment Corporation: First Metro announces top management change.	October 27, 2015
27	Metrobank submitted a copy of Published Balance Sheet and Consolidated Balance Sheet as of September 30, 2015.	October 27, 2015
28	Press Release: Metrobank named Strongest Bank in the Philippines by the Asian Banker 500 Strongest Bank Balance Sheet Ranking 2015.	November 10, 2015
29	Metrobank hired Ms. Maria Lizette B. Perez as Head of Private Banking Division, Financial Markets Sector effective January 1, 2016.	November 26, 2015
30	Metrobank sent notice to the Trustee and Principal Paying Agent for the optional redemption of the Bank’s Hybrid Tier 1 Capital Securities on February 15, 2016.	December 23, 2015
31	The BOD of Metrobank approved the holding of ASM on April 27, 2016 with March 11, 2016 as the record date and granted the President the authority to change the date, time and place of the meeting as well as the record date as may be required by exigencies.	January 20, 2016
32	Metrobank requested to be allowed to distribute SEC Form 20-IS or the Definitive Information Statement to stockholders in digital version contained in compact disc format.	January 21, 2016
33	Metrobank submitted a copy of Published Balance Sheet and Consolidated Balance Sheet as of December 31, 2015.	February 9, 2016
34	Metrobank submitted a copy of the Audited Financial Statements of Metrobank and Subsidiaries as of December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013 and the corresponding Management Discussion and Analysis.	February 23, 2016
35	Press Release: Metrobank Income Rises 20% in 2015.	February 23, 2016
36	The BOD of Metrobank approved the amendment of the By-Laws to reflect the reduction of the number of directors from fourteen (14) to twelve (12), as brought about by certain developments in the business strategies of the Bank and the changes in regulations and best practices. The proposed amendment is subject to the approval of the stockholders on the ASM to be held on April 27, 2016 and after that, to the approval of the Bangko Sentral ng Pilipinas (BSP) and the Securities and Exchange Commission (SEC).	March 16, 2016
37	The BOD of Metrobank approved the amendment of the Articles of Incorporation to reflect the reduction of the number of directors from fourteen (14) to twelve (12). The proposed amendment is subject to the approval of the stockholders on the ASM to be held on April 27, 2016 and after that, to the approval of the BSP and the SEC.	March 16, 2016
38	The BOD approved the declaration of a 5% cash dividend to be paid to all stockholders as of April 1, 2016, record date, with April 8, 2016 as the payment date.	March 16, 2016
39	Metrobank submitted a copy of Agenda together with the Explanatory Notes to Agenda Items for Approval/Ratification during the ASM to be held on April 27, 2016.	March 30, 2016

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of Metropolitan Bank & Trust Company and Subsidiaries (the Group) and of Metropolitan Bank & Trust Company (the Parent Company) is responsible for the preparation and fair presentation of the financial statements as of December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015, including the additional components attached therein, in accordance with accounting principles generally accepted in the Philippines for banks for the Group and Philippine Financial Reporting Standards for the Parent Company. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has examined the financial statements of the Group and of the Parent Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

Signed this 17th day of February, 2016.



ARTHUR TY
Chairman



FABIAN S. DEE
President



JOSHUA E. NAING
SEVP and Head, Financial and
Control Sector



FERNAND ANTONIO A. TANSINGCO
SEVP, Treasurer and Head, Financial
Market Sector



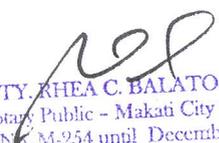
MARILOU C. BARTOLOME
SVP and Controller

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S.S.

SUBSCRIBED AND SWORN to before me at Makati City, Metro Manila this MAR 07 2016, affiants exhibiting to me their respective Passports with the following details:

Names	Passport No.	Date/Place of Issue	Valid Until
ARTHUR TY	EB7793813	Apr. 4, 2013/DFA Manila	Apr. 3, 2018
FABIAN S. DEE	EB9374579	Oct. 16, 2013/PCG Vancouver	Oct. 15, 2018
JOSHUA E. NAING	EC1638005	Jul. 15, 2014/DFA Manila	Jul. 14, 2019
FERNAND ANTONIO A. TANSINGCO	EB6547601	Oct. 12, 2012/DFA Manila	Oct. 11, 2017
MARILOU C. BARTOLOME	EB9792501	Dec. 11, 2013/DFA Manila	Dec. 10, 2018

Doc. No. 221 :
Page No. 46 :
Book No. 1 :
Series of 2016.


ATTY. RHEA C. BALATO
Notary Public - Makati City
Appointment No. M-254 until December 31, 2016
7/F Metrobank Plaza, Sen. Gil Puyat Ave., Makati City
PTR No. MKT14759477 01/12/15 Makati City
IBP Lifetime No. 07134 Northern Samar
Roll No. 44411
MCLE Cert. No. IV-0014182 issued on 03/20/13

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

2	0	5	7	3					
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COMPANY NAME

M	E	T	R	O	P	O	L	I	T	A	N		B	A	N	K		&		T	R	U	S	T		C	O	M	P	
A	N	Y		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S											

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

M	e	t	r	o	b	a	n	k		P	l	a	z	a	,		S	e	n	.		G	i	l		P	u	y	a
t		A	v	e	n	u	e	,		U	r	d	a	n	e	t	a		V	i	l	l	a	g	e	,		M	a
k	a	t	i		C	i	t	y	,		M	e	t	r	o		M	a	n	i	l	a							

Form Type

A	A	F	S
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Department requiring the report

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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address

https://www.metrobank.com.ph

Company's Telephone Number

898-8000

Mobile Number

N.A.

No. of Stockholders

3,159

Annual Meeting (Month / Day)

--

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

Ms. Marilou C. Bartolome

Email Address

marilou.bartolome@metrobank.com.ph
--

Telephone Number/s

898-8805

Mobile Number

09178172814

CONTACT PERSON'S ADDRESS

--

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Metropolitan Bank & Trust Company
Metrobank Plaza, Sen. Gil Puyat Avenue
Urdaneta Village, Makati City
Metro Manila, Philippines

Report on the Financial Statements

We have audited the accompanying financial statements of Metropolitan Bank & Trust Company and Subsidiaries (the Group) and of Metropolitan Bank & Trust Company (the Parent Company), which comprise the statements of financial position as at December 31, 2015 and 2014 and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Group's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Philippines for banks for the Group and Philippine Financial Reporting Standards for the Parent Company as described in Note 2 to the financial statements, and for such internal control as the Group's management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2015 and 2014 and its financial performance and its cash flows for each of the three years in the period ended December 31, 2015 in accordance with the accounting principles generally accepted in the Philippines for banks as described in Note 2 to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Parent Company as at December 31, 2015 and 2014 and its financial performance and its cash flows for each of the three years in the period ended December 31, 2015 in accordance with Philippine Financial Reporting Standards.

Report on the Supplementary Information Required Under Revenue Regulations 19-2011 and 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 19-2011 and 15-2010 in Note 37 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of the Parent Company. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

SYCIP GORRES VELAYO & CO.

Janeth T. Nuñez-Javier

Janeth T. Nuñez-Javier

Partner

CPA Certificate No. 111092

SEC Accreditation No. 1328-A (Group A),

July 1, 2013, valid until June 30, 2016

Tax Identification No. 900-322-673

BIR Accreditation No. 08-001998-69-2015,

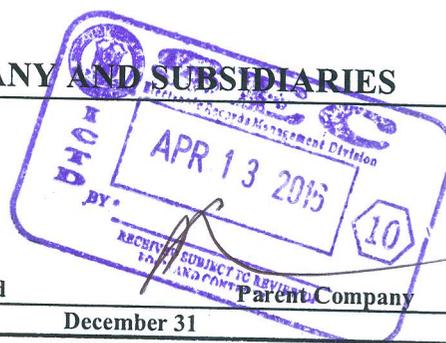
February 27, 2015, valid until February 26, 2018

PTR No. 5321671, January 4, 2016, Makati City

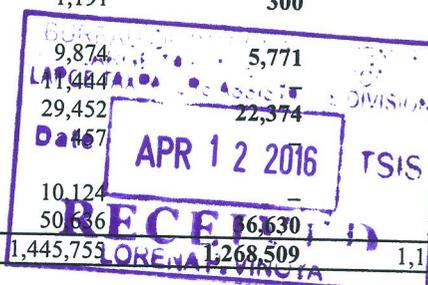
February 17, 2016



METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
(In Millions)



	Consolidated		Parent Company	
	2015	2014	2015	2014
ASSETS				
Cash and Other Cash Items	₱32,536	₱34,943	₱28,570	₱30,733
Due from Bangko Sentral ng Pilipinas (Note 16)	214,704	215,253	185,484	174,259
Due from Other Banks	36,864	38,200	26,213	25,583
Interbank Loans Receivable and Securities Purchased Under Resale Agreements (Notes 7 and 26)	36,118	119,839	25,951	108,441
Financial Assets at Fair Value Through Profit or Loss (Note 8)	48,856	45,935	34,568	29,850
Available-for-Sale Investments (Note 8)	235,158	207,711	202,312	179,375
Held-to-Maturity Investments (Note 8)	208,432	129,076	175,816	110,777
Loans and Receivables (Note 9)	887,202	759,481	692,404	589,993
Investments in Subsidiaries (Note 11)	-	-	26,368	26,276
Investments in Associates and a Joint Venture (Note 11)	5,272	2,589	515	428
Property and Equipment (Note 10)	21,670	16,231	15,390	10,456
Investment Properties (Note 12)	8,195	10,037	4,132	6,229
Deferred Tax Assets (Note 28)	8,427	6,831	6,284	5,273
Goodwill (Note 11)	5,202	5,201	-	-
Other Assets (Note 14)	12,056	13,213	7,726	9,507
	₱1,760,692	₱1,604,540	₱1,431,733	₱1,307,180
LIABILITIES AND EQUITY				
LIABILITIES				
Deposit Liabilities (Notes 16 and 31)				
Demand	₱233,912	₱187,285	₱219,772	₱169,851
Savings	467,587	406,767	446,734	390,509
Time	542,221	576,152	425,629	475,818
Long-Term Negotiable Certificates	14,250	14,250	14,250	14,250
	1,257,970	1,184,454	1,106,385	1,050,428
Bills Payable and Securities Sold Under Repurchase Agreements (Notes 17 and 31)	176,791	140,399	88,640	62,345
Derivative Liabilities (Note 8)	4,145	3,071	4,145	3,054
Manager's Checks and Demand Drafts Outstanding	5,613	4,653	4,264	3,399
Income Taxes Payable	880	1,191	300	591
Accrued Interest and Other Expenses (Note 18)	8,187	-	-	-
Bonds Payable (Note 19)	11,516	-	-	-
Subordinated Debts (Note 20)	29,487	-	-	-
Deferred Tax Liabilities (Note 28)	451	-	-	-
Non-equity Non-controlling Interest (Note 21)	9,909	10,124	-	-
Other Liabilities (Note 21)	52,433	50,836	56,330	35,789
	1,557,382	1,445,753	1,268,509	1,185,464



(Forward)



	Consolidated		Parent Company	
	December 31			
	2015	2014	2015	2014
EQUITY				
Equity Attributable to Equity Holders of the Parent Company				
Common stock (Notes 23 and 31)	₱63,603	₱54,896	₱63,603	₱54,896
Hybrid capital securities (Note 23)	6,351	6,351	6,351	6,351
Capital paid in excess of par value (Note 23)	42,139	19,312	42,139	19,312
Surplus reserves (Note 24)	1,506	1,371	1,506	1,371
Surplus (Notes 23 and 24)	87,497	72,258	57,605	45,265
Treasury stock (Note 23)	(187)	(30)	–	–
Remeasurement losses on retirement plan (Note 27)	(3,530)	(2,440)	(2,915)	(2,028)
Net unrealized loss on available-for-sale investments (Note 8)	(4,783)	(2,394)	(4,502)	(2,609)
Equity in other comprehensive income of associates (Note 11)	180	260	–	–
Translation adjustment and others (Notes 8 and 11)	983	545	(563)	(842)
	193,759	150,129	163,224	121,716
Non-controlling Interest	9,551	8,656	–	–
	203,310	158,785	163,224	121,716
	₱1,760,692	₱1,604,540	₱1,431,733	₱1,307,180

See accompanying Notes to Financial Statements.



METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

STATEMENTS OF INCOME

(In Millions, Except Earnings Per Share)

	Consolidated			Parent Company		
	Years Ended December 31					
	2015	2014	2013	2015	2014	2013
INTEREST INCOME ON						
Loans and receivables (Notes 9 and 31)	₱44,179	₱39,829	₱35,537	₱22,930	₱20,361	₱18,156
Trading and investment securities (Note 8)	17,838	14,995	11,415	15,282	12,951	9,106
Interbank loans receivable and securities purchased under resale agreements (Note 31)	2,986	4,145	2,417	2,657	3,029	1,705
Deposits with banks and others	553	325	523	297	108	282
	65,556	59,294	49,892	41,166	36,449	29,249
INTEREST AND FINANCE CHARGES						
Deposit liabilities (Notes 16 and 31)	11,159	9,299	7,556	8,476	6,588	4,975
Bills payable and securities sold under repurchase agreements, bonds payable, subordinated debts and others (Notes 17, 19, 20 and 31)	5,423	4,232	4,067	2,019	1,263	873
	16,582	13,531	11,623	10,495	7,851	5,848
NET INTEREST INCOME	48,974	45,763	38,269	30,671	28,598	23,401
Service charges, fees and commissions (Note 31)	9,794	8,898	8,640	3,592	3,483	3,555
Leasing (Notes 12, 13 and 31)	1,970	1,894	1,638	244	238	243
Profit from assets sold (Notes 10 and 12)	1,293	10,200	894	1,187	9,815	643
Trading and securities gain - net (Notes 8 and 31)	1,282	3,305	17,182	1,604	699	8,586
Income from trust operations (Notes 24, 29 and 31)	1,164	1,186	1,071	1,142	1,139	1,057
Foreign exchange gain (loss) - net (Note 31)	517	(102)	(2,266)	18	(357)	(2,575)
Dividends (Notes 11 and 31)	478	262	435	1,849	3,147	10,006
Gain on sale of investment in associates (Notes 8, 11 and 31)	—	1,225	7,388	—	638	—
Gain on sale of non-current asset held for sale (Note 31)	—	—	3,440	—	—	4,201
Miscellaneous (Notes 25 and 31)	1,930	2,263	2,233	520	973	421
TOTAL OPERATING INCOME	67,402	74,894	78,924	40,827	48,373	49,538
Compensation and fringe benefits (Notes 27 and 31)	16,014	17,245	15,634	10,469	12,268	11,018
Taxes and licenses	6,158	7,052	8,131	3,712	4,413	4,167
Depreciation and amortization (Notes 10, 12 and 14)	2,879	2,566	2,400	1,254	1,057	1,112
Occupancy and equipment-related cost (Note 13)	2,592	2,442	2,225	1,510	1,405	1,286
Provision for (reversal of) credit and impairment losses (Notes 15 and 31)	2,059	4,849	10,722	(2,926)	7	5,294
Amortization of software costs (Note 14)	381	330	284	160	146	139
Income (loss) attributable to non-equity non-controlling interests (Note 21)	(336)	1,070	(173)	—	—	—
Miscellaneous (Note 25)	12,184	11,289	10,101	7,716	6,980	6,162
TOTAL OPERATING EXPENSES (Note 21)	41,931	46,843	49,324	21,895	26,276	29,178
INCOME BEFORE SHARE IN NET INCOME OF ASSOCIATES AND A JOINT VENTURE	25,471	28,051	29,600	18,932	22,097	20,360
SHARE IN NET INCOME OF ASSOCIATES AND A JOINT VENTURE (Note 11)	409	443	1,477	—	—	—
INCOME BEFORE INCOME TAX	25,880	28,494	31,077	18,932	22,097	20,360
PROVISION FOR INCOME TAX (Note 28)	5,237	6,459	6,748	3,206	4,355	3,646
NET INCOME (Note 21)	₱20,643	₱22,035	₱24,329	₱15,726	₱17,742	₱16,714
Attributable to:						
Equity holders of the Parent Company (Note 32)	₱18,625	₱20,113	₱22,488	—	—	—
Non-controlling Interest (Notes 11 and 21)	2,018	1,922	1,841	—	—	—
	₱20,643	₱22,035	₱24,329			
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company (Note 32)	₱5.86	₱6.88*	₱7.72*			

*Restated to show the effect of stock rights issued in 2015.

See accompanying Notes to Financial Statements.



METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
(In Millions)

	Consolidated			Parent Company		
	Years Ended December 31					
	2015	2014	2013	2015	2014	2013
Net Income (Note 21)	₱20,643	₱22,035	₱24,329	₱15,726	₱17,742	₱16,714
Other Comprehensive Income (Loss) for the Year, Net of Tax						
Items that may not be reclassified to profit or loss:						
Change in remeasurement loss on retirement plan	(1,178)	363	(897)	(887)	589	(740)
Items that may be reclassified to profit or loss:						
Change in net unrealized loss on available-for-sale investments (Note 8)	(2,397)	(2,015)	(2,917)	(1,893)	(476)	(3,746)
Change in equity in other comprehensive income of associates (Note 11)	(80)	(12)	(498)	-	-	-
Translation adjustment and others (Notes 8 and 11)	430	(112)	1,573	279	46	406
	(2,047)	(2,139)	(1,842)	(1,614)	(430)	(3,340)
Total Comprehensive Income for the Year	₱17,418	₱20,259	₱21,590	₱13,225	₱17,901	₱12,634
Attributable to:						
Equity holders of the Parent Company	₱15,504	₱18,516	₱19,740			
Non-controlling Interest	1,914	1,743	1,850			
	₱17,418	₱20,259	₱21,590			

See accompanying Notes to Financial Statements.



METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

(In Millions)

Consolidated													
Equity Attributable to Equity Holders of the Parent Company													
	Common Stock (Note 23)	Hybrid Capital Securities (Note 23)	Capital Paid In Excess of Par Value (Note 23)	Surplus Reserves (Note 24)	Surplus (Notes 23 and 24)	Treasury Stock (Note 23)	Remeasurement Losses on Retirement Plan (Note 27)	Net Unrealized Gain (Loss) on Available- for-Sale Investments (Note 8)	Equity in Other Comprehensive Income of Associates (Note 11)	Translation Adjustment and Others (Notes 8 and 11)	Total	Non-controlling Interest	Total Equity
Balance as at January 1, 2015	₱54,896	₱6,351	₱19,312	₱1,371	₱72,258	(₱30)	(₱2,440)	(₱2,394)	₱260	₱545	₱150,129	₱8,656	₱158,785
Total comprehensive income for the year	-	-	-	-	18,625	-	(1,090)	(2,389)	(80)	438	15,504	1,914	17,418
Transfer to surplus reserves	-	-	-	135	(135)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,745)	-	-	-	-	-	(2,745)	(1,019)	(3,764)
Coupon payment of hybrid capital securities (Note 32)	-	-	-	-	(506)	-	-	-	-	-	(506)	-	(506)
Issuance of shares of stock	8,707	-	22,827	-	-	-	-	-	-	-	31,534	-	31,534
Parent Company shares held by mutual fund subsidiaries	-	-	-	-	-	(157)	-	-	-	-	(157)	-	(157)
Balance as at December 31, 2015	₱63,603	₱6,351	₱42,139	₱1,506	₱87,497	(₱187)	(₱3,530)	(₱4,783)	₱180	₱983	₱193,759	₱9,551	₱203,310
Balance as at January 1, 2014	₱54,896	₱6,351	₱19,312	₱1,235	₱55,525	₱-	(₱2,870)	(₱481)	₱272	₱647	₱134,887	₱7,818	₱142,705
Total comprehensive income for the year	-	-	-	-	20,113	-	430	(1,913)	(12)	(102)	18,516	1,743	20,259
Transfer to surplus reserves	-	-	-	136	(136)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,745)	-	-	-	-	-	(2,745)	(905)	(3,650)
Coupon payment of hybrid capital securities (Note 32)	-	-	-	-	(499)	-	-	-	-	-	(499)	-	(499)
Parent Company shares held by a mutual fund subsidiary	-	-	-	-	-	(30)	-	-	-	-	(30)	-	(30)
Balance as at December 31, 2014	₱54,896	₱6,351	₱19,312	₱1,371	₱72,258	(₱30)	(₱2,440)	(₱2,394)	₱260	₱545	₱150,129	₱8,656	₱158,785
Balance as at January 1, 2013	₱42,228	₱6,351	₱19,312	₱1,108	₱48,418	₱-	(₱2,011)	₱2,439	₱757	(₱869)	₱117,733	₱6,976	₱124,709
Total comprehensive income for the year	-	-	-	-	22,488	-	(859)	(2,920)	(485)	1,516	19,740	1,850	21,590
Transfer to surplus reserves	-	-	-	127	(127)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,111)	-	-	-	-	-	(2,111)	(1,008)	(3,119)
Stock dividend	12,668	-	-	-	(12,668)	-	-	-	-	-	-	-	-
Coupon payment of hybrid capital securities (Note 32)	-	-	-	-	(475)	-	-	-	-	-	(475)	-	(475)
Balance as at December 31, 2013	₱54,896	₱6,351	₱19,312	₱1,235	₱55,525	₱-	(₱2,870)	(₱481)	₱272	₱647	₱134,887	₱7,818	₱142,705



Parent Company

	Common Stock (Note 23)	Hybrid Capital Securities (Note 23)	Capital Paid In Excess of Par Value (Note 23)	Surplus Reserves (Note 24)	Surplus (Notes 23 and 24)	Remeasurement Losses on Retirement Plan (Note 27)	Net Unrealized Gain (Loss) on Available- for-Sale Investments (Note 8)	Translation Adjustment and Others (Notes 8 and 11)	Total Equity
Balance as at January 1, 2015	₱54,896	₱6,351	₱19,312	₱1,371	₱45,265	(₱2,028)	(₱2,609)	(₱842)	₱121,716
Total comprehensive income for the year	-	-	-	-	15,726	(887)	(1,893)	279	13,225
Transfer to surplus reserves	-	-	-	135	(135)	-	-	-	-
Cash dividends	-	-	-	-	(2,745)	-	-	-	(2,745)
Coupon payment of hybrid capital securities (Note 32)	-	-	-	-	(506)	-	-	-	(506)
Issuance from shares of stock	8,707	-	22,827	-	-	-	-	-	31,534
Balance as at December 31, 2015	₱63,603	₱6,351	₱42,139	₱1,506	₱57,605	(₱2,915)	(₱4,502)	(₱563)	₱163,224
Balance as at January 1, 2014	₱54,896	₱6,351	₱19,312	₱1,235	₱30,903	(₱2,617)	(₱2,133)	(₱888)	₱107,059
Total comprehensive income for the year	-	-	-	-	17,742	589	(476)	46	17,901
Transfer to surplus reserves	-	-	-	136	(136)	-	-	-	-
Cash dividends	-	-	-	-	(2,745)	-	-	-	(2,745)
Coupon payment of hybrid capital securities (Note 32)	-	-	-	-	(499)	-	-	-	(499)
Balance as at December 31, 2014	₱54,896	₱6,351	₱19,312	₱1,371	₱45,265	(₱2,028)	(₱2,609)	(₱842)	₱121,716
Balance as at January 1, 2013	₱42,228	₱6,351	₱19,312	₱1,108	₱29,570	(₱1,877)	₱1,613	(₱1,294)	₱97,011
Total comprehensive income for the year	-	-	-	-	16,714	(740)	(3,746)	406	12,634
Transfer to surplus reserves	-	-	-	127	(127)	-	-	-	-
Cash dividends	-	-	-	-	(2,111)	-	-	-	(2,111)
Stock dividend	12,668	-	-	-	(12,668)	-	-	-	-
Coupon payment of hybrid capital securities (Note 32)	-	-	-	-	(475)	-	-	-	(475)
Balance as at December 31, 2013	₱54,896	₱6,351	₱19,312	₱1,235	₱30,903	(₱2,617)	(₱2,133)	(₱888)	₱107,059

See accompanying Notes to Financial Statements.



METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
(In Millions)

	Consolidated			Parent Company		
	Years Ended December 31					
	2015	2014	2013	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax	₱25,880	₱28,494	₱31,077	₱18,932	₱22,097	₱20,360
Adjustments for:						
Provision for (reversal of) credit and impairment losses (Note 15)	2,059	4,849	10,722	(2,926)	7	5,294
Trading and securities gain on available-for-sale investments (Note 8)	(1,430)	(1,862)	(12,833)	(1,301)	(965)	(4,816)
Depreciation and amortization (Notes 10, 12 and 14)	2,879	2,566	2,400	1,254	1,057	1,112
Share in net income of associates and a joint venture (Note 11)	(409)	(443)	(1,477)	-	-	-
Profit from assets sold (Notes 10 and 12)	(1,293)	(10,200)	(894)	(1,187)	(9,815)	(643)
Gain on initial recognition of investment properties and chattel properties acquired in foreclosure (Note 25)	(713)	(748)	(649)	(21)	(54)	(61)
Amortization of software costs (Note 14)	381	330	284	160	146	139
Amortization of discount on subordinated debts and bonds payable	45	16	29	29	4	20
Unrealized market valuation gain on financial assets and liabilities at FVPL	(1,828)	(334)	(4,624)	(1,847)	(391)	(3,691)
Dividends (Note 11)	(478)	(262)	(435)	(1,849)	(3,147)	(10,006)
Gain on sale of non-current asset held for sale (Note 31)	-	-	(3,440)	-	-	(4,201)
Net loss on dissolution of investment in a subsidiary (Note 11)	-	-	-	-	-	1
Gain on sale of investment in associates (Note 11)	-	(1,225)	(7,388)	-	(638)	-
Changes in operating assets and liabilities:						
Decrease (increase) in:						
Financial assets at fair value through profit or loss	(19)	8,480	19,958	(1,814)	5,305	23,201
Loans and receivables	(129,882)	(153,622)	(95,041)	(98,844)	(132,554)	(61,553)
Other assets	(4,371)	(5,730)	245	(3,824)	(5,216)	1,191
Increase (decrease) in:						
Deposit liabilities	73,516	168,186	277,574	55,957	159,674	256,335
Bills payable - deposit substitutes	13,718	(7,489)	(1,095)	-	-	-
Manager's checks and demand drafts outstanding	960	726	438	865	583	84
Accrued interest and other expenses	(1,687)	1,367	166	(1,743)	1,512	95
Non-equity non-controlling interest	(215)	(244)	3,561	-	-	-
Other liabilities	617	8,335	9,186	(12)	7,495	2,366
Net cash generated from (used in) operations	(22,270)	41,190	227,764	(38,171)	45,100	225,227
Dividends received	470	579	716	1,986	3,147	10,006
Income taxes paid	(7,150)	(5,608)	(5,482)	(4,508)	(2,971)	(3,347)
Net cash provided by (used in) operating activities	(28,950)	36,161	222,998	(40,693)	45,276	231,886
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisitions of:						
Available-for-sale investments	(170,783)	(218,572)	(982,284)	(98,137)	(187,532)	(882,101)
Held-to-maturity investments	(79,513)	(106,377)	(23,798)	(65,196)	(88,319)	(23,798)
Property and equipment (Note 10)	(3,840)	(3,073)	(3,293)	(1,819)	(1,447)	(1,560)
Additional investments in subsidiaries and associates (Note 11)	-	-	(959)	(30)	(1,452)	(41)
Proceeds from sale of:						
Available-for-sale investments	140,573	285,284	877,988	74,888	235,636	759,206
Property and equipment	472	739	1,299	287	645	954

(Forward)



	Consolidated			Parent Company		
	Years Ended December 31					
	2015	2014	2013	2015	2014	2013
Investments in subsidiaries and associates (Note 11)	₱-	₱2,812	₱14,308	₱-	₱788	₱-
Investment properties (Note 12)	4,090	13,412	3,059	3,167	12,495	2,402
Non-current asset held for sale (Note 31)	-	-	4,537	-	-	4,537
Decrease (increase) in interbank loans receivable and securities purchased under resale agreements (Note 26)	3,065	(2,815)	(492)	5,228	(2,815)	(492)
Proceeds from maturity of held-to-maturity investments	157	15,727	6,932	157	15,899	6,932
Net cash used in investing activities	(105,779)	(12,863)	(102,703)	(81,455)	(16,102)	(133,961)
CASH FLOWS FROM FINANCING ACTIVITIES						
Settlements of bills payable	(1,275,001)	(1,971,229)	(1,495,307)	(776,422)	(1,763,584)	(1,271,929)
Availments of bills payable and securities sold under repurchase agreement	1,297,675	1,991,913	1,526,498	802,717	1,779,936	1,301,699
Repayments of subordinated debts (Note 20)	-	(4,500)	(6,800)	-	(4,500)	(5,500)
Proceeds from issuance of:						
Subordinated debts (Note 20)	-	25,315	1,170	-	22,344	-
Shares of stock (Note 23)	31,534	-	-	31,534	-	-
Cash dividends paid (Note 23)	(3,764)	(3,650)	(3,119)	(2,745)	(2,745)	(2,111)
Coupon payment of hybrid capital securities (Note 23)	(506)	(499)	(475)	(506)	(499)	(475)
Acquisition of Parent Company shares by a mutual fund subsidiary (Note 23)	(157)	(30)	-	-	-	-
Net cash provided by financing activities	49,781	37,320	21,967	54,578	30,952	21,684
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(84,948)	60,618	142,262	(67,570)	60,126	119,609
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR						
Cash and other cash items	34,943	29,742	24,382	30,733	26,532	21,540
Due from Bangko Sentral ng Pilipinas	215,253	166,774	131,278	174,259	143,724	111,515
Due from other banks	38,200	26,275	22,996	25,583	8,947	7,873
Interbank loans receivable and securities purchased under resale agreements (Note 26)	112,188	117,175	19,048	100,790	92,036	10,702
	400,584	339,966	197,704	331,365	271,239	151,630
CASH AND CASH EQUIVALENTS AT END OF YEAR						
Cash and other cash items	32,536	34,943	29,742	28,570	30,733	26,532
Due from Bangko Sentral ng Pilipinas	214,704	215,253	166,774	185,484	174,259	143,724
Due from other banks	36,864	38,200	26,275	26,213	25,583	8,947
Interbank loans receivable and securities purchased under resale agreements (Note 26)	31,532	112,188	117,175	23,528	100,790	92,036
	₱315,636	₱400,584	₱339,966	₱263,795	₱331,365	₱271,239

OPERATIONAL CASH FLOWS FROM INTEREST

	Consolidated			Parent Company		
	Years Ended December 31					
	2015	2014	2013	2015	2014	2013
Interest paid	₱16,616	₱13,436	₱11,663	₱10,440	₱7,701	₱5,904
Interest received	64,663	59,389	48,836	40,936	36,654	27,985

See accompanying Notes to Financial Statements.



METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Metropolitan Bank & Trust Company (the Parent Company) is a universal bank incorporated in the Philippines on April 6, 1962. The Securities and Exchange Commission (SEC) approved the renewal of its Certification of Incorporation until April 6, 2057 on November 19, 2007.

The Parent Company's shares were listed with the Philippine Stock Exchange, Inc. (PSE) on February 26, 1981, as approved by the SEC in November 1980. It has a universal banking license granted by the Bangko Sentral ng Pilipinas (BSP) on August 21, 1981.

The Parent Company and its subsidiaries (the Group) are engaged in all aspects of banking, financing, leasing, real estate and stock brokering through a network of about 2,000 local and international branches, subsidiaries, representative offices, remittance correspondents and agencies. As a bank, the Parent Company, which is the ultimate parent of the Group, provides services such as deposit products, loans and trade finance, domestic and foreign fund transfers, treasury, foreign exchange, trading and remittances, and trust services. Its principal place of business is at Metrobank Plaza, Sen. Gil Puyat Avenue, Urdaneta Village, Makati City, Metro Manila, Philippines.

2. Summary of Significant Accounting Policies

Basis of Preparation

The accompanying financial statements have been prepared on a historical cost basis except for financial assets and financial liabilities at fair value through profit or loss (FVPL) and available-for-sale (AFS) investments that have been measured at fair value.

The financial statements of the Parent Company and Philippine Savings Bank (PSBank) include the accounts maintained in the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU). The functional currency of RBU and FCDU is Philippine Peso (PHP) and United States Dollar (USD), respectively. For financial reporting purposes, FCDU accounts and foreign currency-denominated accounts in the RBU are translated into their equivalents in Philippine peso (see accounting policy on Foreign Currency Translation). The financial statements of these units are combined after eliminating inter-unit accounts.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The respective functional currencies of the subsidiaries are presented under Basis of Consolidation.

The financial statements are presented in PHP, and all values are rounded to the nearest million pesos (₱000,000), except when otherwise indicated.

Statement of Compliance

The financial statements of the Group have been prepared in compliance with the accounting principles generally accepted in the Philippines for banks or Philippine GAAP for banks. As discussed in Note 8, in 2011, First Metro Investment Corporation (FMIC), a majority-owned subsidiary of the Parent Company, participated in a bond exchange transaction under the liability management exercise of the Philippine Government. The SEC granted an exemptive relief from the existing tainting rule on held-to-maturity (HTM) investments under Philippine Accounting



Standard (PAS) 39, *Financial Instruments: Recognition and Measurement*, while the BSP also provided the same exemption for prudential reporting to the participants. Following this exemption, the basis of preparation of the financial statements of the availing entities shall not be Philippine Financial Reporting Standards (PFRS) but should be the prescribed financial reporting framework for entities which are given relief from certain requirements of the PFRS. Except for the aforementioned exemption which is applied starting 2011, the financial statements of the Group have been prepared in compliance with the PFRS.

The financial statements of the Parent Company have been prepared in compliance with the PFRS.

Presentation of Financial Statements

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position. Income and expense are not offset in the statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and of its subsidiaries and are prepared for the same reporting period as the Parent Company using consistent accounting policies. The following are the wholly and majority-owned foreign and domestic subsidiaries of the Parent Company in 2015 and 2014 (Note 11):

Subsidiary	Country of Incorporation	Effective Percentage of Ownership	Functional Currency
Financial Markets:			
Domestic:			
FMIC and Subsidiaries (99.23% in 2014)	Philippines	99.24	PHP
PSBank	Philippines	75.98	PHP
Metrobank Card Corporation (A Finance Company) (MCC)	Philippines	60.00	PHP
ORIX Metro Leasing and Finance Corporation (ORIX Metro) and Subsidiaries	Philippines	59.85	PHP
Foreign:			
Metropolitan Bank (China) Ltd. (MBCL)	China	100.00	Chinese Yuan
Metropolitan Bank (Bahamas) Limited (Metrobank Bahamas)	The Bahamas	100.00	USD
First Metro International Investment Company Limited (FMIIC) and Subsidiary	Hong Kong	99.85	Hong Kong Dollar (HKD)
Remittances:			
Metro Remittance (Hong Kong) Limited (MRHL)	Hong Kong	100.00	HKD
Metro Remittance (Singapore) Pte. Ltd. (MRSPL)	Singapore	100.00	Singapore Dollar
Metro Remittance (UK) Limited (MR UK)	United Kingdom	100.00	Great Britain Pound
	United States of America (USA)		
Metro Remittance (USA), Inc. (MR USA)	America (USA)	100.00	USD
Metro Remittance Center, Inc. (MRCI)	USA	100.00	USD
Metro Remittance (Japan) Co. Ltd. (MR Japan)	Japan	100.00	Japanese Yen
Metro Remittance (Italia), S.p.A. (MR Italia)*	Italy	100.00	Euro
Real Estate:			
Circa 2000 Homes, Inc. (Circa)*	Philippines	100.00	PHP
Others:			
Philbancor Venture Capital Corporation (PVCC)*	Philippines	60.00	PHP
MBTC Technology, Inc. (MTI)**	Philippines	100.00	PHP

* In process of dissolution.

** In process of liquidation.



All significant intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full in the consolidation (Note 31). Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Control is achieved where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of subsidiaries ceases when control is transferred out of the Group or the Parent Company. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of income and consolidated statements of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

Changes in the Parent Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for within equity. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Parent Company.

When a change in ownership interest in a subsidiary occurs which results in a loss of control over the subsidiary, the Parent Company: (a) derecognizes the assets (including goodwill) and liabilities of the subsidiary; (b) derecognizes the carrying amount of any non-controlling interest; (c) derecognizes the related other comprehensive income recorded in equity and recycles the same to statement of income or retained earnings; (d) recognizes the fair value of the consideration received; (e) recognizes the fair value of any investment retained; (f) recognizes any surplus or deficit in statement of income; and (g) reclassifies the Parent Company's share of components previously recognized in other comprehensive income (OCI) to profit or loss or surplus, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Entity with Significant Influence over the Group

GT Capital Holdings, Inc. (GT Capital) holds 25.22% and 25.11% of the total shares of the Parent Company as of December 31, 2015 and 2014, respectively (Note 31).

Non-controlling Interest

Non-controlling interest represents the portion of profit or loss and the net assets not held by the Group and are presented separately in the consolidated statement of income, consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to the Parent Company. Any losses applicable to the non-controlling interests in excess of the non-controlling interests are allocated against the interests of the non-controlling interest even if this results in the non-controlling interest having a deficit balance. Acquisitions of non-controlling interests are accounted for as equity transactions.

Non-equity Non-controlling Interest

The Group has seed capital investments in a number of funds where it is in a position to be able to control those funds. These funds are consolidated.

Non-equity non-controlling interest (NENCI) represents the portion of profit or loss and net assets of the consolidated funds not attributed, directly or indirectly, to the Parent Company and are presented separately in the consolidated statement of income and in the liability section in the consolidated statement of financial position.

Changes in Accounting Policies and Disclosures

The Group applied, for the first time, the following applicable new and revised accounting standards. Unless otherwise indicated, these new and revised accounting standards have no impact to the Group. Except for these standards and amended PFRS which were adopted as of



January 1, 2015, the accounting policies adopted are consistent with those of the previous financial year.

Annual Improvements to PFRSs (2011 - 2013 cycle)

The Annual Improvements to PFRSs (2011 - 2013 cycle) which took effect on July 1, 2014 contain non-urgent but necessary amendments to the following standards:

PFRS 3, Business Combinations - Scope Exceptions for Joint Arrangements

The amendment clarifies that PFRS 3 does not apply to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The Group will consider this amendment for future joint arrangements.

PFRS 13, Fair Value Measurement - Portfolio Exception

The amendment clarifies that the portfolio exception in PFRS 13 can be applied to financial assets, financial liabilities and other contracts.

PAS 40, Investment Property

The amendment clarifies the interrelationship between PFRS 3 and PAS 40 when classifying property as investment property or owner-occupied property. The amendment stated that judgment is needed when determining whether the acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of PFRS 3. This judgment is based on the guidance of PFRS 3.

The Group will consider the amendments to the following standards as applicable to future transactions:

PAS 19, Employee Benefits - Defined Benefit Plans: Employee Contributions (Amendments)

The amendments apply to contributions from employees or third parties to defined benefit plans. Contributions that are set out in the formal terms of the plan shall be accounted for as reductions to current service costs if they are linked to service or as part of the remeasurements of the net defined benefit asset or liability if they are not linked to service. Contributions that are discretionary shall be accounted for as reductions of current service cost upon payment of these contributions to the plans. The amendments to PAS 19 shall be applied retrospectively.

Annual Improvements to PFRSs (2010 - 2012 cycle)

The Annual Improvements to PFRSs (2010 - 2012 cycle) which took effect on January 1, 2015, contain non-urgent but necessary amendments to the following standards:

PFRS 2, Share-based Payment - Definition of Vesting Condition

The amendment revised the definitions of vesting and market conditions and added the definitions of performance and service conditions to clarify various issues. This amendment shall be prospectively applied to share-based payment transactions for which the grant date is on or after January 1, 2015.

PFRS 3, Business Combinations - Accounting for Contingent Consideration in a Business Combination

The amendment clarifies that a contingent consideration that meets the definition of a financial instrument should be classified as a financial liability or as equity in accordance with PAS 32. Contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of PFRS 9 (or PAS 39, if PFRS 9 is not yet adopted). The amendment shall be prospectively applied to business combinations for which the acquisition date is on or after January 1, 2015.



PFRS 8, Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets

The amendments require entities to disclose the judgment made by management in aggregating two or more operating segments. This disclosure should include a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. The amendments also clarify that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if such amounts are regularly provided to the chief operating decision maker. These amendments shall be applied retrospectively and will affect disclosures only.

PAS 24, Related Party Disclosures - Key Management Personnel

The amendments clarify that an entity is a related party of the reporting entity if the said entity, or any member of a group for which it is a part of, provides key management personnel services to the reporting entity or to the parent company of the reporting entity. The amendments also clarify that a reporting entity that obtains management personnel services from another entity (also referred to as management entity) is not required to disclose the compensation paid or payable by the management entity to its employees or directors. The reporting entity is required to disclose the amounts incurred for the key management personnel services provided by a separate management entity. The amendments shall be applied retrospectively and will affect disclosures only.

Significant Accounting Policies

Foreign Currency Translation

Transactions and balances

For financial reporting purposes, the foreign currency-denominated monetary assets and liabilities in the RBU are translated in Philippine peso based on the Philippine Dealing System (PDS) closing rate prevailing at the statement of financial position date and foreign currency-denominated income and expenses, at the prevailing exchange rates as at the date of transaction. Foreign exchange differences arising from revaluation and translation of foreign currency-denominated assets and liabilities are credited to or charged against operations in the year in which the rates change.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

FCDU, foreign branches and subsidiaries

As at the reporting date, the assets and liabilities of foreign branches and subsidiaries and FCDU of the Parent Company and PSBank are translated into the Parent Company's presentation currency (the PHP) at PDS closing rate prevailing at the statement of financial position date, and their income and expenses are translated at PDS weighted average rate (PDSWAR) for the year. Exchange differences arising on translation are taken to statement of comprehensive income as 'Translation adjustment and others'. Upon disposal of a foreign entity or when the Parent Company ceases to have control over the subsidiaries or upon actual remittance of FCDU profits to RBU, the deferred cumulative amount recognized in the statement of comprehensive income is recognized in the statement of income.



Fair Value Measurement

The Group measures certain financial instruments, such as derivatives, at fair value at each statement of financial position date. Also, fair values of financial instruments measured at amortized cost and investment properties are disclosed in Note 5.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability; or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

If an asset or a liability measured at fair value has a bid price and an ask price, the price within the bid - ask spread that is most representative of fair value in the circumstances shall be used to measure fair value regardless of where the input is categorized within the fair value hierarchy.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For assets and liabilities not listed in an active market, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as financial assets at FVPL, and for non-recurring measurement, such as investment properties.

External valuers are involved for valuation of significant assets, such as investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.



For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Financial Instruments - Initial Recognition and Subsequent Measurement

Date of recognition

Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date. Derivatives are recognized on trade date basis. Deposits, amounts due to banks and customers and loans are recognized when cash is received by the Group or advanced to the borrowers.

Initial recognition of financial instruments

All financial instruments are initially measured at fair value. Except for financial assets and financial liabilities valued at FVPL, the initial measurement of financial instruments includes transaction costs. The Group classifies its financial assets in the following categories: financial assets at FVPL, HTM investments, AFS investments, and loans and receivables while financial liabilities are classified as financial liabilities at FVPL and financial liabilities carried at amortized cost. The classification depends on the purpose for which the investments were acquired and whether they are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

'Day 1' difference

Where the transaction price in a non-active market is different with the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the statement of income. In cases where the transaction price used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Derivatives recorded at FVPL

The Parent Company and some of its subsidiaries are counterparties to derivative contracts, such as currency forwards, currency swaps, interest rate swaps (IRS), call options, non-deliverable forwards (NDF) and other interest rate derivatives. These derivatives are entered into as a service to customers and as a means of reducing or managing their respective foreign exchange and interest rate exposures, as well as for trading purposes. Such derivative financial instruments are initially recorded at fair value on the date at which the derivative contract is entered into and are subsequently remeasured at fair value. Any gains or losses arising from changes in fair values of derivatives (except those accounted for as accounting hedges) are taken directly to the statement of income and are included in 'Trading and securities gain - net'. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Hedge accounting

For the purpose of hedge accounting, hedges are classified primarily as either: (a) a hedge of the fair value of an asset, liability or a firm commitment (fair value hedge); or (b) a hedge of the exposure to variability in cash flows attributable to an asset or liability or a forecasted transaction (cash flow hedge); or (c) a hedge of a net investment in a foreign operation (net investment hedge). Hedge accounting is applied to derivatives designated as hedging instruments in a fair value, cash flow, or net investment hedge provided certain criteria are met.



At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedge

The effective portion of the gain or loss on the hedging instrument is recognized directly as 'Translation adjustment and others' in the statement of comprehensive income. Any gain or loss in fair value relating to an ineffective portion is recognized immediately in the statement of income.

Amounts recognized as other comprehensive income are transferred to the statement of income when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in the statement of comprehensive income are transferred to the statement of income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss. If the related transaction is no longer expected to occur, the amount is recognized in the statement of income.

Hedge effectiveness testing

To qualify for hedge accounting, the Group requires that at the inception of the hedge and throughout its life, each hedge must be expected to be highly effective (prospective effectiveness), and demonstrate actual effectiveness (retrospective effectiveness) on an ongoing basis. The documentation of each hedging relationship sets out how the effectiveness of the hedge is assessed. The method that the Group adopts for assessing hedge effectiveness will depend on its risk management strategy.

For prospective effectiveness, the hedging instrument must be expected to be highly effective in offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated. The Group applies the dollar-offset method using hypothetical derivatives in performing hedge effectiveness testing. For actual effectiveness to be achieved, the changes in fair value or cash flows must offset each other in the range of 80.00% to 125.00%. Any hedge ineffectiveness is recognized in the statement of income.

Embedded derivatives

The Group has certain derivatives that are embedded in host financial (such as structured notes and debt instruments) and non-financial (such as lease and service agreements) contracts. These embedded derivatives include interest rate derivatives in debt instruments which include structured notes and foreign currency derivatives in debt instruments and lease agreements.



Embedded derivatives are bifurcated from their host contracts and carried at fair value with fair value changes being reported through profit or loss, when the entire hybrid contracts (composed of both the host contract and the embedded derivative) are not accounted for as financial assets or liabilities at FVPL, when their economic risks and characteristics are not clearly and closely related to those of their respective host contracts, and when a separate instrument with the same terms as the embedded derivatives would meet the definition of a derivative. The Group assesses whether embedded derivatives are required to be separated from the host contracts when the Group first becomes a party to the contract. Reassessment of embedded derivatives is only done when there are changes in the contract that significantly modifies the contractual cash flows.

Financial assets or financial liabilities held for trading

Financial assets or financial liabilities held for trading are recorded in the statement of financial position at fair value. Changes in fair value relating to the held for trading positions are recognized in 'Trading and securities gain - net'. Interest earned or incurred is recorded in 'Interest income' or 'Interest expense' respectively, while dividend income is recorded in 'Dividends' when the right to receive payment has been established. Included in this classification are debt and equity securities which have been acquired principally for the purpose of selling or repurchasing in the near term.

AFS investments

AFS investments include debt and equity instruments. Equity investments classified under AFS investments are those which are neither classified as held-for-trading (HFT) nor designated at FVPL. Debt securities are those that do not qualify to be classified as HTM investments or loans and receivables, are purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions.

After initial measurement, AFS investments are subsequently measured at fair value. The effective yield component of AFS debt securities, as well as the impact of restatement on foreign currency-denominated AFS debt securities, is reported in the statement of income. The unrealized gains and losses arising from the fair valuation of AFS investments are excluded, net of tax, from reported earnings and are included in the statement of comprehensive income as 'Net unrealized gain (loss) on AFS investments'.

When the security is disposed of, the cumulative gain or loss previously recognized in the statement of comprehensive income is recognized as 'Trading and securities gain - net' in the statement of income. Gains and losses on disposal are determined using the average cost method. Interest earned on holding AFS investments are reported as 'Interest income' using the effective interest rate (EIR) method. Dividends earned on holding AFS investments are recognized in the statement of income as 'Dividends' when the right of the payment has been established. The losses arising from impairment of such investments are recognized as 'Provision for credit and impairment losses' in the statement of income.

HTM investments

HTM investments are quoted non-derivative financial assets with fixed or determinable payments and fixed maturities for which the Group's management has the positive intention and ability to hold to maturity. Where the Group sells other than an insignificant amount of HTM investments, the entire category would be tainted and reclassified as AFS investments unless for sales or reclassifications that:

- are so close to maturity or the financial asset's call date (for example, less than three months before maturity) that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;



- occur after the entity has collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or
- are attributable to an isolated event that is beyond the entity's control, is non-recurring and could not have been reasonably anticipated by the entity.

After initial measurement, these investments are subsequently measured at amortized cost using the EIR method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortization is included in 'Interest income' in the statement of income. Gains and losses are recognized in statement of income when the HTM investments are derecognized or impaired, as well as through the amortization process. The losses arising from impairment of such investments are recognized in the statement of income under 'Provision for credit and impairment losses'. The effects of revaluation on foreign currency-denominated HTM investments are recognized in the statement of income.

The Group follows Philippine GAAP for banks in accounting for its HTM investments in the consolidated financial statements. Under Philippine GAAP for banks, the gain on exchange on FMIC's participation in the domestic bond exchange was deferred and amortized over the term of new bonds (see Statement of Compliance discussion).

Loans and receivables

This accounting policy relates to the statement of financial position captions 'Due from BSP', 'Due from other banks', 'Interbank loans receivable and securities purchased under resale agreements (SPURA)' and 'Loans and receivables'. These are financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as 'other financial assets held for trading', designated as AFS investments or 'financial assets designated at FVPL'.

Loans and receivables include purchases made by MCC's cardholders which are collected on installments and are recorded at the cost of the items purchased plus interest covering the installment period which is initially credited to unearned discount, shown as a deduction from 'Loans and receivables'.

Loans and receivables also include ORIX Metro's lease contracts receivable and notes receivable financed which are stated at the outstanding balance, reduced by unearned lease income and unearned finance income, respectively.

After initial measurement, 'Due from BSP', 'Due from other banks', 'Interbank loans receivable and SPURA' and 'Loans and receivables', are subsequently measured at amortized cost using the EIR method, less allowance for credit losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization is included in 'Interest income' in the statement of income. The losses arising from impairment are recognized in 'Provision for credit and impairment losses' in the statement of income.

Other financial liabilities

Issued financial instruments or their components, which are not designated at FVPL, are classified as liabilities under 'Deposit liabilities', 'Bills payable' or other appropriate financial liability accounts, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number



of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, bills payable and similar financial liabilities not qualified as and not designated at FVPL, are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR.

Derecognition of Financial Assets and Liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained the risks and rewards of the asset but has transferred the control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the asset. The extent of the Group’s continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset. When the Group’s continuing involvement takes the form of guaranteeing the transferred asset, the extent of the Group’s continuing involvement is the lower of (i) the amount of the asset and (ii) the maximum amount of the consideration received that the Group could be required to repay (‘the guarantee amount’). When the Group’s continuing involvement takes the form of a written or purchased option (or both) on the transferred asset the extent of the Group’s continuing involvement is the amount of the transferred asset that the Group may repurchase. However, in case of a written put option to an asset that is measured at fair value, the extent of the Group’s continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price. When the Group’s continuing involvement takes the form of a cash-settled option or similar provision on the transferred asset, the extent of the Group’s continuing involvement is measured in the same way as that which results from non-cash settled options.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date (‘repos’) are not derecognized from the statement of financial position. The corresponding cash received, including accrued interest, is recognized in the statement of financial position as securities sold



under repurchase agreements (SSURA) included in 'Bills Payable and SSURA' and is considered as a loan to the Group, reflecting the economic substance of such transaction.

Conversely, securities purchased under agreements to resell at a specified future date ('reverse repos') are not recognized in the statement of financial position. The corresponding cash paid including accrued interest, is recognized in the statement of financial position as SPURA, and is considered a loan to the counterparty. The difference between the purchase price and resale price is treated as interest income and is accrued over the life of the agreement using the EIR method.

Impairment of Financial Assets

The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost

For financial assets carried at amortized cost such as loans and receivables, due from other banks, and HTM investments, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. For individually assessed financial assets, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR, adjusted for the original credit risk premium. The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral.

Financial assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment for impairment. The carrying amount of the asset is reduced through use of an allowance account and the amount of loss is charged to the statement of income. Interest income continues to be recognized based on the original EIR of the asset. Financial assets, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery and all collateral has been realized. If, in a subsequent period, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. If a future write-off is later recovered, any amounts formerly charged are credited to the 'Provision for credit and impairment losses' in the statement of income.

If the Group determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of



the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of credit risk characteristics such as industry, collateral type, past-due status and term. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and are directionally consistent with changes in related observable data from period to period (such as changes in property prices, payment status, or other factors that are indicative of incurred losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

The Group also uses the Net Flow Rate method to determine the credit loss rate of a particular delinquency age bucket based on historical data of flow-through and flow-back of loans across specific delinquency age buckets. The allowance for credit losses is determined based on the results of the net flow to write-off methodology. Net flow tables are derived from monitoring of monthly peso movements between different stage buckets, from 1-day past due to 180-day past due. The net flow to write-off methodology relies on the last 12 months of net flow tables to establish a percentage ('net flow rate') of accounts receivable that are current or in any state of delinquency (i.e., 30, 60, 90, 120, 150 and 180 day past due) as of reporting date that will eventually result in write-off. The gross provision is then computed based on the outstanding balances of the receivables as of statement of financial position date and the net flow rates determined for the current and each delinquency bucket. This gross provision is reduced by the estimated recoveries, which are also based on historical data, to arrive at the required allowance for credit losses.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statement of income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

AFS investments

In case of quoted equity investments classified as 'AFS investments', this would include a significant or prolonged decline in the fair value of the investments below its cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the statement of income - is removed from the statement of comprehensive income and recognized in the statement of income. Impairment losses on equity investments are not reversed through the statement of income. Increases in fair value after impairment are recognized directly in the statement of comprehensive income.

In case of unquoted equity investments classified as 'AFS investments', the amount of the impairment is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.



In case of debt instruments classified as 'AFS investments', impairment is assessed based on the same criteria as financial assets carried at amortized cost. Future interest income is based on the reduced carrying amount and is accrued based on the rate of interest used to discount future cash flows for the purpose of measuring impairment loss. Such accrual is recorded as part of 'Interest income' in the statement of income. If subsequently, the fair value of a debt instrument increased and the increase can be objectively related to an event occurring after the impairment loss was recognized in the statement of income, the impairment loss is reversed through the statement of income.

Restructured loans

Where possible, the Group seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, the loan is no longer considered past due. Management continuously reviews restructured loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original EIR. The difference between the recorded value of the original loan and the present value of the restructured cash flows, discounted at the original EIR, is recognized in 'Provision for credit and impairment losses' in the statement of income.

Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Group concluded that it is acting as a principal in all of its revenue arrangements except for certain trading transactions. The following specific recognition criteria must also be met before revenue is recognized:

Interest income

For all financial instruments measured at amortized cost and interest-bearing financial instruments classified as AFS investments, interest income is recorded at the EIR, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options), including any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The adjusted carrying amount is calculated based on the original EIR. The change in carrying amount is recorded as 'Interest income'.

Once the recorded value of a financial asset or group of similar financial assets carried at amortized cost has been reduced due to an impairment loss, interest income continues to be recognized using the original EIR applied to the new carrying amount.

Purchases by credit cardholders, collectible on an installment basis, are recorded at the cost of the items purchased plus a certain percentage of cost. The excess over cost is credited to 'Unearned discount' and is shown as a deduction from 'Loans and receivables' in the consolidated statement of financial position. The unearned discount is taken up to interest income over the installment terms and is computed using the EIR method.



Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

- a. *Fee income earned from services that are provided over a certain period of time*
Fees earned for the provision of services over a period of time are accrued over that period. These fees include investment fund fees, custodian fees, fiduciary fees, commission income, credit related fees, asset management fees, portfolio and other management fees, and advisory fees. Loan commitment fees for loans that are likely to be drawn down are deferred (together with any incremental costs) and recognized as an adjustment to the EIR on the loan.
- b. *Fee income from providing transaction services*
Fees arising from negotiating or participating in the negotiation of a transaction for a third party - such as underwriting fees, corporate finance fees and brokerage fees for the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses - are recognized on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria. Loan syndication fees are recognized in the statement of income when the syndication has been completed and the Group retains no part of the loans for itself or retains part at the same EIR as for the other participants.

Leasing income - Finance lease

The excess of aggregate lease rentals plus the estimated residual value over the cost of the leased equipment constitutes the unearned lease income. Residual values represent estimated proceeds from the disposal of equipment at the time lease is estimated. The unearned lease income is amortized over the term of the lease, commencing on the month the lease is executed using the EIR method.

Dividend income

Dividend income is recognized when the Group's right to receive payment is established.

Trading and securities gain - net

Results arising from trading activities include all gains and losses from changes in fair value for financial assets and financial liabilities at FVPL and gains and losses from disposal of financial assets held for trading, AFS and HTM investments.

Rental income

Rental income arising on leased properties is accounted for on a straight-line basis over the lease terms on ongoing leases and is recorded in the statement of income under 'Leasing'.

Discounts earned and awards revenue on credit cards

Discounts are taken up as income, presented under 'Service charges, fees and commissions', upon receipt from member establishments of charges arising from credit availments by the Group's cardholders and other credit companies' cardholders when Group is acting as an acquirer. These discounts are computed based on certain agreed rates and are deducted from amounts remitted to the member establishments. This account also includes interchange income from transactions processed by other acquirers through VISA Inc. (Visa) and MasterCard Incorporated (MasterCard) and service fee from cash advance transactions of cardholders.

MCC operates a loyalty points program which allows customers to accumulate points when they purchase from member establishments using the issued card of MCC. The points can then be redeemed for free products subject to a minimum number of points being obtained. Consideration



received is allocated between the discounts earned, interchange fee and the points earned, with the consideration allocated to the points equal to its fair value. The fair value is determined by applying statistical analysis. The fair value of the points issued is deferred and recognized as revenue when the points are redeemed.

Income on direct financing leases and receivables financed

Income on loans and receivables financed with short-term maturities is recorded in 'Interest income' and is recognized using the EIR method. Interest and finance fees on finance leases and loans and receivables financed with long-term maturities and the excess of the aggregate lease rentals plus the estimated terminal value of the leased equipment over its cost are credited to unearned discount and amortized over the term of the note or lease using the EIR method.

Gain on sale of investment in associate

Upon loss of significant influence over an associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Gain on sale of non-current asset held for sale

The gain or loss arising from the sale of non-current asset held for sale is included in profit or loss when the item is derecognized. The gain or loss arising from the derecognition of non-current asset held for sale is determined as the difference between the net disposal proceeds and its carrying amount on the date of the transaction.

Other income

Income from sale of services is recognized upon rendition of the service. Income from sale of properties is recognized upon completion of the earning process and the collectibility of the sales price is reasonably assured. Revenue on sale of residential and commercial units is recognized only upon completion of the project. Payments received before completions are included under 'Miscellaneous liabilities'.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash and other cash items, amounts due from BSP and other banks, and interbank loans receivable and SPURA with original maturities of three months or less from dates of placements and that are subject to insignificant risk of changes in value.

Property and Equipment

Land is stated at cost less any impairment in value and depreciable properties including buildings, furniture, fixtures and equipment and leasehold improvements are stated at cost less accumulated depreciation and amortization, and any impairment in value. Such cost includes the cost of replacing part of the property and equipment when that cost is incurred, if the recognition criteria are met but excludes repairs and maintenance costs.

Building under construction (BUC) is stated at cost and includes cost of construction and other direct costs. BUC is not depreciated until such time that the relevant asset is completed and put into operational use.

Depreciation is calculated on the straight-line method over the estimated useful life of the depreciable assets. Leasehold improvements are amortized over the shorter of the terms of the covering leases and the estimated useful lives of the improvements.



The range of estimated useful lives of property and equipment follows:

Buildings	25 to 50 years
Furniture, fixtures and equipment	2 to 5 years
Leasehold improvements	5 to 20 years

The depreciation and amortization method and useful life are reviewed periodically to ensure that the method and period of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income under 'Profit from assets sold' in the year the asset is derecognized.

Investments in Subsidiaries, Associates and a Joint Venture (JV)

Investment in subsidiaries

Subsidiaries pertain to all entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights.

Investment in associates

Associates pertain to all entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. In the consolidated financial statements, investment in associates is accounted for under the equity method of accounting.

Investment in a JV

A JV is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the JV. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investment in a JV is accounted for under the equity method of accounting. The Group's investment in a JV represents the 40.00% interest of PSBank in Sumisho Motor Finance Corporation (SMFC).

Under the equity method, an investment in an associate or a JV is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of the net assets of the associate or JV. Goodwill relating to an associate and a JV is included in the carrying value of the investment and is not amortized. When the Group increases its ownership interest in an associate or a JV that continues to be accounted for under the equity method, the cost for the additional interest is added to the existing carrying amount of the associate or JV and the existing interest in the associate or JV is not remeasured. The Group's share in an associate or a JV's post-acquisition profits or losses is recognized in the statement of income as 'Share in net income of associates and a joint venture' while its share of post-acquisition movements in the associate or



JV's equity reserves is recognized directly in the statement of comprehensive income. When the Group's share of losses in an associate or a JV equals or exceeds its interest in the associate or JV, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate or JV. Profits and losses resulting from transactions between the Group and an associate or JV are eliminated to the extent of the Group's interest in the associate or JV.

Upon loss of significant influence over the associate or joint control over the JV, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or JV upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the statement of income.

In the Parent Company financial statements, investments in subsidiaries, associates and a JV are carried at cost less allowance for impairment losses.

Investment Properties

Investment properties are measured initially at cost, including transaction costs. An investment property acquired through an exchange transaction is measured at fair value of the asset acquired unless the fair value of such an asset cannot be measured in which case the investment property acquired is measured at the carrying amount of asset given up. Foreclosed properties are classified under 'Investment properties' upon: a.) entry of judgment in case of judicial foreclosure; b.) execution of the Sheriff's Certificate of Sale in case of extra-judicial foreclosure; or c.) notarization of the Deed of Dacion in case of dation in payment (dacion en pago). Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation (for depreciable investment properties) and impairment in value.

Investment properties are derecognized when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of income under 'Profit from assets sold' in the year of retirement or disposal.

Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are normally charged to operations in the year in which the costs are incurred. Depreciation is calculated on a straight-line basis using the remaining useful lives from the time of acquisition of the investment properties based on appraisal reports but not to exceed 50 years for buildings and condominium units.

Transfers are made to investment properties when, and only when, there is a change in use evidenced by ending of owner occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use evidenced by commencement of owner occupation or commencement of development with a view to sale.

Interest in Joint Operations

The Group is a party to joint operations whereby it contributed parcels of land for development into residential and commercial units. In respect of the Group's interest in the joint operations, the Group recognizes the following: (a) the assets that it controls and the liabilities that it incurs; and (b) the expenses that it incurs and its share of the income that it earns from the sale of units by the joint operations. The assets contributed to the joint operations are measured at the lower of cost or



net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale (Note 14).

Chattel Mortgage Properties

Chattel mortgage properties comprise of repossessed vehicles. Chattel mortgage properties are stated at cost less accumulated depreciation and impairment in value. Depreciation is calculated on a straight-line basis using the remaining useful lives from the time of acquisition of the vehicles. The useful lives of chattel mortgage properties are estimated to be 5 years.

Subordinated Notes

Subordinated notes issued by Special Purpose Vehicles (SPV) (presented as 'Investment in SPVs' under 'Other assets' in the Parent Company financial statements) are stated at amortized cost reduced by an allowance for credit losses. The allowance for credit losses is determined based on the difference between the outstanding principal amount and the recoverable amount which is the present value of the future cash flow expected to be received as payment for the subordinated notes.

Intangible Assets

Software costs

Software costs (presented under 'Other assets') are capitalized on the basis of the cost incurred to acquire and bring to use the specific software. These costs are amortized over three to five years on a straight-line basis. Costs associated with maintaining the computer software programs are recognized as expense when incurred. Software costs are carried at cost less accumulated amortization.

Exchange trading right

Exchange trading right (included in 'Miscellaneous assets' presented under 'Other assets') is a result of the PSE conversion plan to preserve access of FMIC's subsidiary to the trading facilities and continue transacting business in the PSE. The exchange trading right has an indefinite useful life as there is no foreseeable limit to the period over which this asset is expected to generate net cash inflows. It is carried at the amount allocated from the original cost to the exchange membership seat (after a corresponding allocation was made to the value of the PSE shares) less any allowance for impairment losses. FMIC's subsidiary does not intend to sell the exchange trading right in the near future.

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. With respect to investments in associates and a JV, goodwill is included in the carrying amounts of the investments. Following initial recognition, goodwill is measured at cost net of impairment losses (see accounting policy on Impairment of Non-financial Assets).

Impairment of Non-financial Assets

Property and equipment, investments in subsidiaries, associates and a JV, investment properties, chattel mortgage properties, and intangible assets with finite useful lives

At each statement of financial position date, the Group assesses whether there is any indication that its non-financial assets may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Group makes a formal estimate of recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use (VIU) and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in



which case the recoverable amount is assessed as part of the cash generating unit to which it belongs. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to operations in the year in which it arises.

An assessment is made at each statement of financial position date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income. After such a reversal, the depreciation and amortization expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Intangible assets

Intangible assets with indefinite useful lives such as exchange trading right and goodwill are tested for impairment annually at statement of financial position date either individually or at the cash generating unit level, as appropriate. Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Goodwill

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit (CGU) (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the statement of income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The Group performs its impairment test of goodwill annually.

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

- (a) there is a change in contractual terms, other than a renewal or extension of the arrangement;
- (b) a renewal option is exercised or extension granted, unless that term of the renewal or extension was initially included in the lease term;
- (c) there is a change in the determination of whether fulfillment is dependent on a specified asset;
or
- (d) there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gives rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).



Residual Value of Leased Assets and Deposits on Lease Contracts

The residual value of leased assets, which approximates the amount of guaranty deposit paid by the lessee at the inception of the lease, is the estimated proceeds from the sale of the leased asset at the end of the lease term. At the end of the lease term, the residual value of the leased asset is generally applied against the guaranty deposit of the lessee when the lessee decides to buy the leased asset.

Group as lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to the ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments and included in 'Property and equipment' with the corresponding liability to the lessor included in 'Other liabilities'. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recorded directly to 'Interest expense'.

Capitalized leased assets are depreciated over the shorter of the estimated useful lives of the assets or the respective lease terms, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Leases where the lessor retains substantially all the risk and benefits of ownership of the assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of income on a straight-line basis over the lease term. Contingent rental payables are recognized as expense in the year in which they are incurred.

Group as lessor

Finance leases, where the Group transfers substantially all the risks and benefits incidental to the ownership of the leased item to the lessee, are included in the statement of financial position under 'Loans and receivables'. All income resulting from the receivable is included in 'Interest income' in the statement of income.

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the year in which they are earned.

Retirement Cost

The Group has a non-contributory defined benefit retirement plan except for FMIIC and its subsidiary which follow the defined contribution retirement benefit plan and the Mandatory Provident Fund Scheme (MPFS). The retirement cost of the Parent Company and most of its subsidiaries is determined using the projected unit credit method. Under this method, the current service cost is the present value of retirement benefits payable in the future with respect to services rendered in the current year.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation (DBO) at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.



The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Retirement expense is presented under 'Compensation and fringe benefits' in the statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the DBO, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a DBO is recognized as a separate asset at fair value when and only when reimbursement is virtually certain. Payments to the defined contribution retirement benefit plans and the MPFS are recognized as expenses when employees have rendered service entitling them to the contributions.

Equity

When the shares are sold at a premium, the difference between the proceeds and par value is credited to 'Capital paid in excess of par value', net of direct costs incurred related to the equity issuance. If 'Capital paid in excess of par value' is not sufficient, the excess is charged against surplus. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of stocks issued.

Subscriptions receivable pertains to the uncollected portion of the subscribed stocks.



Surplus represents accumulated earnings of the Group less dividends declared.

Own equity instruments which are reacquired (treasury stocks) are recognized at cost and deducted from equity. No gain or loss is recognized in the profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in 'Capital paid in excess of par value'. Voting rights related to treasury stocks are nullified for the Group and no dividends are allocated to them respectively. When the stocks are retired, the Common stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to capital paid in excess of par value at the time the stocks were issued and to surplus for the remaining balance.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as 'Interest expense'.

Contingent Liabilities and Contingent Assets

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

Income Taxes

Current taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxing authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the statement of financial position date.

Deferred taxes

Deferred tax is provided on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- a. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- b. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular income tax, and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward of unused tax credits from MCIT and unused NOLCO can be utilized except:

- a. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- b. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Current tax and deferred tax relating to items recognized directly in equity are recognized in other comprehensive income and not in the statement of income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes relate to the same taxable entity and the same taxation authority.

Earnings Per Share

Basic earnings per share is computed by dividing net income for the year attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year after giving retroactive effect to stock dividends declared and stock rights exercised during the year. The Group does not have dilutive potential common shares.

Dividends on Common Shares

Cash dividends on common shares are recognized as a liability and deducted from the equity when approved by the Board of Directors (BOD) of the Parent Company while stock dividends are deducted from equity when approved by BOD and shareholders of the Parent Company.

Dividends declared during the year but are paid or issued after the statement of financial position date are dealt with as a subsequent event.

Coupon Payment on Hybrid Capital Securities

Coupon payment on hybrid capital securities (HT1 Capital) is treated as dividend for financial reporting purposes, rather than interest expense and deducted from equity when due, after the approval by the BOD of the Parent Company and the BSP.



Debt Issue Costs

Issuance, underwriting and other related costs incurred in connection with the issuance of debt instruments are deferred and amortized over the terms of the instruments using the EIR method. Unamortized debt issuance costs are included in the related carrying amount of the debt instrument in the statement of financial position.

Capital Securities Issuance Costs

Issuance, underwriting and other related costs incurred in connection with the issuance of the capital securities are treated as a reduction of equity.

Events after the Statement of Financial Position Date

Post year-end events that provide additional information about the Group's position at the statement of financial position date (adjusting event) are reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 6.

Fiduciary Activities

Assets and income arising from fiduciary activities together with related undertakings to return such assets to customers are excluded from the financial statements where the Parent Company, PSBank and FMIC act in a fiduciary capacity such as nominee, trustee or agent.

Standards Issued but not yet Effective

The Group intends to adopt the following standards when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended standards to have significant impact on its financial statements.

New Standards

PFRS 9, Financial Instruments (2014 or final version)

PFRS 9 replaces PAS 39, *Financial Instruments: Recognition and Measurement* and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at: (a) amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding; or (b) at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of



the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO. PFRS 9 also replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

The adoption of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Group's financial liabilities. The adoption will also have an effect on the Group's application of hedge accounting. The Group is currently assessing the impact of adopting this standard.

The Group conducted an evaluation of the financial impact of the adoption of PFRS 9 based on the audited financial statements as of December 31, 2014 and decided not to early adopt PFRS 9 in its 2015 financial reporting.

Philippine Interpretation IFRIC 15, Agreements for the Construction of Real Estate

This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

PFRS 14, Regulatory Deferral Accounts

This is an interim standard aimed at enhancing the comparability of financial reporting by entities that are engaged in rate-regulated activities. It allows first-time adopters to continue to recognize amounts related to rate regulation in accordance with the previous GAAP requirements when they adopt IFRS. The standard which becomes effective on January 1, 2016, is not applicable to the Group.

Amendments

PAS 16, Property, Plant and Equipment and PAS 38, Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization

The revised PAS 16 and PAS 38 both establish the principle for the basis of depreciation and amortization as being the expected pattern of consumption of the future economic benefits of an asset. The amendments to PAS 16 explicitly prohibits revenue-based depreciation of property, plant and equipment while the amendments to PAS 38 introduce a rebuttable presumption that a revenue-based amortization method for intangible assets is inappropriate for the same reason that there are multiple factors that influence revenue and that not all these factors are related to the way the asset is used or consumed. The revised standards are effective for periods beginning January 1, 2016, with earlier application permitted.



PAS 16, Property, Plant and Equipment and PAS 41, Agriculture - Change in Financial Reporting for Bearer Plants

The amendments require entities to account for bearer plants in the same way as property, plant and equipment in PAS 16 because their operation is similar to that of manufacturing, bringing them within the scope of PAS 16, instead of PAS 41. The produce growing on bearer plants will remain within the scope of PAS 41. The amended standards are effective for annual periods beginning on or after January 1, 2016, with earlier applications permitted. The amendments are not applicable to the Group.

PFRS 11, Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations

The amendments provide guidance on how to account for acquisition of an interest in a joint operation that constitutes a business, and apply the relevant principles of IFRS 3 and other IFRS in accounting for business combination as well as the disclosures required by such IFRS. The amendments shall be applied prospectively for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

PAS 27, Separate Financial Statements - Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.

PFRS 10, Consolidated Financial Statements and PAS 28, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are effective from annual periods beginning on or after January 1, 2016.

In December 2015, the IASB deferred the effectivity of the amendments to PFRS 10 and PAS 28 for a broader review by the Board.

Annual Improvements to PFRSs (2012 - 2014 cycle)

The Annual Improvements to PFRSs (2012 - 2014 cycle) are effective for annual periods beginning on or after January 1, 2016 and are not expected to have a material impact on the Group. They include:

PFRS 5, Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal

The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.



PFRS 7, Financial Instruments: Disclosures - Servicing Contracts

PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

PFRS 7 - Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements

This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

PAS 19, Employee Benefits - Regional Market Issue regarding Discount Rate

This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

PAS 34, Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report'

The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

3. Significant Accounting Judgments and Estimates

The preparation of the financial statements in compliance with PFRS requires the Group to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent assets and contingent liabilities. Future events may occur which can cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following are the critical judgments and key assumptions that have a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Judgments

a. Consolidation of subsidiaries

The determination whether the Group has control over an investee company requires significant judgment. The Group considers that the following criteria are all met, including: (a) an investor has the power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's return.



In accordance with PFRS 10, the Group included the accounts of First Metro Save and Learn Balance Fund, Inc. (FMSALBF) and First Metro Save and Learn Equity Fund, Inc. (FMSALEF), collectively the “Funds”, in its consolidated financial statements. The Group re-assessed the control conclusion for these Funds. Although the ownership is less than half of the voting power of these investees, the Group has control due to its power to direct the relevant activities of the Funds through First Metro Asset Management Inc. (FAMI), a subsidiary of FMIC, which acts as the fund manager of the Funds. Further, the Group has the exposure to variable returns from its investments and its ability to use its power over the Funds to affect their returns.

b. Existence of significant influence over an associate with less than 20.00% ownership

As discussed in Note 11, there are instances that an investor exercises significant influence even if its ownership is less than 20.00%. The Group applies significant judgment in assessing whether it holds significant influence over an investee and considers the following: (a) representation in the board of directors or equivalent governing body of the investee; (b) participation in policy-making processes, including participation in decisions about dividends or other distributions; (c) material transactions between the investor and the investee; (d) interchange of managerial personnel; (e) joint voting agreement with other investors; or (f) provision of essential technical information.

c. HTM investments

The classification under HTM investments requires significant judgment. In making this judgment, the Group evaluates its intention and ability to hold such investments to maturity. If the Group fails to keep these investments to maturity other than in certain specific circumstances - for example, selling an insignificant amount close to maturity - it will be required to reclassify the entire portfolio as AFS investments. The investments would therefore be measured at fair value and not at amortized cost. In 2015 and 2014, the Group follows Philippine GAAP for banks in accounting for HTM investments in the consolidated financial statements (Notes 2 and 8).

d. Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, these are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. These judgments may include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives (Note 5).

e. Financial assets not quoted in an active market

The Group classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arm's-length basis.

f. Embedded derivatives

Where a hybrid instrument is not classified as financial assets or liabilities at FVPL, the Group evaluates whether the embedded derivative should be bifurcated and accounted for separately. This includes assessing whether the embedded derivative has a close economic relationship to the host contract.



g. *Leases*

Operating lease

Group as lessor

The Group has entered into commercial property leases on its investment properties portfolio and over various items of furniture, fixtures and equipment. The Group has determined, based on an evaluation of the terms and conditions of the arrangements (i.e., the lease does not transfer ownership of the asset to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable and the lease term is not for the major part of the asset's economic life), that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Group as lessee

The Group has entered into lease on premises it uses for its operations. The Group has determined, based on the evaluation of the terms and conditions of the lease agreement (i.e., the lease does not transfer ownership of the asset to the lessee by the end of the lease term and lease term is not for the major part of the asset's economic life), that the lessor retains all the significant risks and rewards of ownership of these properties.

Finance lease

The Group has determined, based on an evaluation of terms and conditions of the lease arrangements (i.e., present value of minimum lease payments amounts to at least substantially all of the fair value of leased asset, lease term is for the major part of the economic useful life of the asset, and lessor's losses associated with the cancellation are borne by the lessee), that it has transferred all significant risks and rewards of ownership of the properties it leases out on finance leases.

h. *Functional currency*

PAS 21, *The Effects of Changes in Foreign Exchange Rates*, requires management to use its judgment to determine the entity's functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the entity. In making this judgment, the Group considers the following: (a) the currency that mainly influences sales prices for financial instruments and services (this will often be the currency in which sales prices for its financial instruments and services are denominated and settled); (b) the currency in which funds from financing activities are generated; and (c) the currency in which receipts from operating activities are usually retained.

i. *Contingencies*

The Group is currently involved in legal proceedings. The estimate of the probable cost for the resolution of claims has been developed in consultation with the aid of the outside legal counsel handling the Group's defense in this matter and is based upon an analysis of potential results. It is probable, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to this proceeding (Note 30).

Estimates

a. *Credit losses of loans and receivables*

The Group reviews its loan portfolios and receivables to assess impairment on a semi-annual basis with updating provisions made during the intervals as necessary based on the continuing analysis and monitoring of individual accounts by credit officers. In determining whether credit losses should be recorded in the statement of income, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the



estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates in the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes in the allowance.

In addition to specific allowance against individually significant loans and receivables, the Group also makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. This collective allowance is based on any deterioration in the internal rating of the loan or investment since it was granted or acquired. These internal ratings take into consideration factors such as any deterioration in country risk, industry, and technological obsolescence, as well as identified structural weaknesses or deterioration in cash flows.

The carrying values of loans and receivables and the related allowance for credit losses of the Group and the Parent Company are disclosed in Note 9. In 2015, 2014 and 2013, provision for (reversal of) credit losses on loans and receivables amounted to ₱2.1 billion, ₱4.8 billion and ₱8.7 billion, respectively, for the Group and (₱2.9 billion), ₱7.3 million and ₱3.3 billion, respectively, for the Parent Company (Note 15).

b. Fair values of structured debt instruments and derivatives

The fair values of structured debt instruments and derivatives that are not quoted in active markets are determined using valuation techniques such as discounted cash flow analysis and standard option pricing models. The models incorporate various inputs including the credit quality of counterparties. Where valuation techniques are used to determine fair values, they are reviewed by qualified personnel independent of the area that created them. All models are reviewed before they are used and to the extent practicable, models use only observable data. Changes in assumptions about these factors could affect reported fair value of financial instruments. Credit valuation adjustments (CVA) are applied to over-the-counter derivative instruments where the theoretical base spread is discounted using the relevant yield curve as discount rate. The effect of such CVA on the marked-to-market value of derivatives is not material. Refer to Note 5 for the information on the fair values of these investments and Note 8 for information on the carrying values of these instruments.

c. Valuation of unquoted equity securities

The Group's investments in equity securities that do not have quoted market price in an active market and whose fair value cannot be reliably measured are carried at cost less impairment losses.

As of December 31, 2015 and 2014, the carrying value (net of allowance for impairment losses) of unquoted AFS equity securities amounted to ₱3.5 billion for the Group and ₱60.8 million for the Parent Company (Note 8).

d. Impairment of AFS equity securities

The Group determines that AFS equity securities are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. The Group treats 'significant' generally as 20.00% or more of the original cost of investment, and 'prolonged', greater than 12 months. In making this judgment, the Group evaluates among other factors, the normal volatility in



share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

As of December 31, 2015 and 2014, allowance for impairment losses on AFS equity securities amounted to ₱481.7 million and ₱525.9 million, respectively, for the Group and ₱160.3 million and ₱162.0 million, respectively, for the Parent Company. As of December 31, 2015 and 2014, the carrying value of AFS equity securities (included under AFS investments) amounted to ₱5.7 billion and ₱7.3 billion, respectively, for the Group and ₱358.2 million and ₱349.4 million, respectively, for the Parent Company (Notes 8 and 15).

e. Recognition of deferred income taxes

Deferred tax assets are recognized for all unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The estimates of future taxable income indicate that certain temporary differences will be realized in the future. The recognized net deferred tax assets and unrecognized deferred tax assets for the Group and the Parent Company are disclosed in Note 28.

f. Present value of retirement liability

The cost of defined retirement pension plan and other post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and the long-term nature of these plans, such estimates are subject to significant uncertainty. The assumed discount rates were determined using the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as of the statement of financial position date. The present values of the retirement liability of the Group and the Parent Company are disclosed in Note 27.

g. Impairment of non-financial assets

Property and equipment, investments in subsidiaries, associates and a JV, investment properties, software costs and chattel mortgage properties

The Group assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following: a) significant underperformance relative to expected historical or projected future operating results; b) significant changes in the manner of use of the acquired assets or the strategy for overall business; and c) significant negative industry or economic trends. The Group uses the higher of fair value less costs to sell and VIU in determining recoverable amount. The carrying values of the property and equipment, investments in subsidiaries and associates and a JV, investment properties, software costs and chattel mortgage properties of the Group and the Parent Company are disclosed in Notes 10, 11, 12 and 14, respectively.

Goodwill

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the statement of income. The Group estimated



the discount rate used for the computation of the net present value by reference to industry cost of capital. Future cash flows from the business are estimated based on the theoretical annual income of the CGU. Average growth rate was derived from the average increase in annual income during the last 5 years. The recoverable amount of the CGU has been determined based on a VIU calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. In 2015 and 2014, the applicable pre-tax discount rate applied to cash flow projections is 13.41% and 14.09%, respectively. Key assumptions in VIU calculation of CGUs are most sensitive to discount rates and growth rates used to project cash flows.

The Parent Company has undergone reorganizations of various units and has changed its business plans which affected the recoverable amount of the CGUs to which the goodwill relates. In 2013, the Parent Company fully impaired its goodwill amounting to ₱1.2 billion. As of December 31, 2015 and 2014, the Group's goodwill amounted to ₱5.2 billion (Note 11).

4. Financial Risk and Capital Management

Introduction

The Group has exposure to the following risks from its use of financial instruments: (a) credit; (b) liquidity; and (c) market risks.

Risk management framework

The BOD has overall responsibility for the oversight of the Parent Company's risk management process. On the other hand, the risk management processes of the subsidiaries are the separate responsibilities of their respective BOD. Supporting the BOD in this function are certain Board-level committees such as Risk Oversight Committee (ROC), Audit Committee (AC) and senior management committees through the Executive Committee, Asset and Liability Committee (ALCO) and Policy Committee.

The AC is responsible for monitoring compliance with the Parent Company's risk management policies and procedures, and for reviewing the adequacy of risk management practices in relation to the risks faced by the Parent Company. The AC is assisted in these functions by the Internal Audit Group (IAG). IAG undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the AC.

The Parent Company and its subsidiaries manage their respective financial risks separately. The subsidiaries have their own risk management processes but are structured similar to that of the Parent Company. To a certain extent, the respective risk management programs and objectives are the same across the Group. Risk management policies adopted by the subsidiaries and affiliates are aligned with the Parent Company's risk policies. To further promote compliance with PFRS and Basel III, the Parent Company created a Risk Management Coordinating Council composed of the risk officers of the Parent Company and its financial institution subsidiaries.

Credit Risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, related groups of borrowers, for market segmentation, and industry concentrations, and by monitoring exposures in relation to such limits. The same is true for treasury-related activities. Each business unit is responsible for the quality of its credit portfolio and for monitoring and controlling all credit risks



in its portfolio. Regular reviews and audits of business units and credit processes are undertaken by IAG and Risk Management Group (RSK).

Management of credit risk

The Group faces potential credit risks every time it extends funds to borrowers, commits funds to counterparties, guarantees the paying performance of its clients, invests funds to issuers (e.g., investment securities issued by either sovereign or corporate entities) or enter into either market-traded or over-the-counter derivatives, either through implied or actual contractual agreements (i.e., on- or off-balance sheet exposures). The Parent Company manages its credit risk at various levels (i.e., strategic level, portfolio level down to individual obligor or transaction) by adopting a credit risk management environment that has the following components:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit/financial assessment, risk grading and reporting and compliance with regulatory requirements;
- Establishment of authorization limits for the approval and renewal of credit facilities;
- Limiting concentrations of exposure to counterparties and industries (for loans), and by issuer (for investment securities);
- Utilizing the Internal Credit Risk Rating System (ICRRS) in order to categorize exposures according to the risk profile. The risk grading system is used for determining impairment provisions against specific credit exposures. The current risk grading framework consists of ten grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation; and
- Monitoring compliance with approved exposure limits.

Borrowers, counterparties or group of related accounts across the Group are aggregated and managed by the Parent Company’s Institutional Banking Sector as the “Control Unit”. Group Limits for conglomerates are set-up and approved to guide subsidiaries and affiliates of the Group. Consolidated exposures are regularly reported to senior management and the ROC.

The ICRRS contains the following:

- a. Borrower Risk Rating (BRR) - an assessment of the credit worthiness of the borrower (or guarantor) without considering the type or amount of the facility and security arrangements. It is an indicator of the probability that a borrower cannot meet its credit obligations when it falls due. The assessment is described below:

Component	Description	Credit Factor Weight
Financial Condition	Refers to the financial condition of the borrower based on audited financial statements as indicated by certain financial ratios. The Financial Factor Evaluation is conducted manually.	40.00%
Industry Analysis	Refers to the prospects of the industry as well as the company’s performance and position in the industry.	30.00%
Management Quality	Refers to the management’s ability to run the company successfully.	30.00%

- b. Facility Risk Factor (FRF) - determined for each individual facility considering the term of the facility, security arrangement and quality of documentation. This factor can downgrade or upgrade the BRR based on the elements relating to cover (collateral including pledged cash deposits and guarantee), quality of documentation and structure of transactions.
- c. Adjusted Borrower Risk Rating - combination of BRR and FRF.



Maximum exposure to credit risk after collateral held or other credit enhancements

An analysis of the maximum credit risk exposure relating to on balance sheet assets is shown below:

	Consolidated							
	2015				2014			
	Carrying Amount	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Maximum Exposure to Credit Risk	Carrying Amount	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Maximum Exposure to Credit Risk
Interbank loans receivable and SPURA	₱2,500	₱3,023	₱2,500	₱-	₱96,527	₱98,394	₱96,400	₱127
Loans and receivables - net								
Receivables from customers								
Commercial loans	178,445	300,586	160,564	17,881	158,815	267,870	143,280	15,535
Residential mortgage loans	84,670	178,061	84,525	145	73,160	156,799	72,996	164
Auto loans	80,788	123,101	80,661	127	63,158	106,900	62,773	385
Trade	31,159	30,452	30,293	866	34,821	34,368	34,210	611
Others	2,687	2,614	2,569	118	3,471	3,476	3,394	77
	377,749	634,814	358,612	19,137	333,425	569,413	316,653	16,772
Unquoted debt securities	350	1,015	350	-	350	661	350	-
Accrued interest receivable	2,313	1,923	1,958	355	2,533	1,976	1,377	1,156
Sales contract receivable	358	663	351	7	420	1,140	409	11
	380,770	638,415	361,271	19,499	336,728	573,190	318,789	17,939
Total	₱383,270	₱641,438	₱363,771	₱19,499	₱433,255	₱671,584	₱415,189	₱18,066

	Parent Company							
	2015				2014			
	Carrying Amount	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Maximum Exposure to Credit Risk	Carrying Amount	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Maximum Exposure to Credit Risk
Interbank loans receivable and SPURA	₱471	₱649	₱471	₱-	₱95,460	₱97,239	₱95,333	₱127
Loans and receivables - net								
Receivables from customers								
Commercial loans	154,560	271,127	138,938	15,622	136,906	239,450	122,738	14,168
Residential mortgage loans	44,529	106,380	44,384	145	39,131	92,673	38,967	164
Auto loans	21,467	49,248	21,341	126	17,672	41,878	17,300	372
Trade	31,159	30,452	30,293	866	34,821	34,368	34,210	611
Others	1,697	1,611	1,579	118	1,664	1,624	1,592	72
	253,412	458,818	236,535	16,877	230,194	409,993	214,807	15,387
Accrued interest receivable	1,012	657	656	356	1,771	614	614	1,157
Sales contract receivable	167	377	160	7	174	615	166	8
	254,591	459,852	237,351	17,240	232,139	411,222	215,587	16,552
Total	₱255,062	₱460,501	₱237,822	₱17,240	₱327,599	₱508,461	₱310,920	₱16,679

The maximum exposure to credit risks for the other financial assets is limited to the carrying value as of December 31, 2015 and 2014.



The following tables show the effect of rights of set-off associated with the recognized financial assets and financial liabilities.

Financial assets recognized by type	Gross Carrying Amounts (before offsetting)	Gross Amounts Offset in Accordance with the Offsetting Criteria	Net Amount Presented in Statement of Financial Position	Effect of Remaining Rights of Set-Off (including rights to set-off financial collateral) offsetting criteria		Net Exposure
				Financial Instruments	Fair Value of Financial Collateral	
Consolidated						
2015						
Derivative assets	₱115,203	₱109,445	₱5,758	₱405	₱-	₱5,353
SPURA	2,500	-	2,500	-	2,500	-
	₱117,703	₱109,445	₱8,258	₱405	₱2,500	₱5,353
2014						
Derivative assets	₱139,700	₱136,901	₱2,799	₱631	₱-	₱2,168
SPURA	96,826	-	96,826	-	96,700	126
	₱236,526	₱136,901	₱99,625	₱631	₱96,700	₱2,294
Parent Company						
2015						
Derivative assets	₱115,203	₱109,445	₱5,758	₱405	₱-	₱5,353
SPURA	-	-	-	-	-	-
	₱115,203	₱109,445	₱5,758	₱405	₱-	₱5,353
2014						
Derivative assets	₱139,244	₱136,455	₱2,789	₱631	₱-	₱2,158
SPURA	95,042	-	95,042	-	94,915	127
	₱234,286	₱136,455	₱97,831	₱631	₱94,915	₱2,285
Financial liabilities recognized by type						
Consolidated						
2015						
Derivative liabilities	₱83,465	₱79,329	₱4,136	₱405	₱-	₱3,731
SSURA	63,187	-	63,187	-	63,187	-
	₱146,652	₱79,329	₱67,323	₱405	₱63,187	₱3,731
2014						
Derivative liabilities	₱89,646	₱86,575	₱3,071	₱631	₱-	₱2,440
SSURA	42,748	-	42,748	-	42,748	-
	₱132,394	₱86,575	₱45,819	₱631	₱42,748	₱2,440
Parent Company						
2015						
Derivative liabilities	₱83,465	₱79,329	₱4,136	₱405	₱-	₱3,731
SSURA	61,187	-	61,187	-	61,187	-
	₱144,652	₱79,329	₱65,323	₱405	₱61,187	₱3,731
2014						
Derivative liabilities	₱87,909	₱84,855	₱3,054	₱631	₱-	₱2,423
SSURA	40,248	-	40,248	-	40,248	-
	₱128,157	₱84,855	₱43,302	₱631	₱40,248	₱2,423

Excessive risk concentration

Credit risk concentrations can arise whenever a significant number of borrowers have similar characteristics and are affected similarly by changes in economic or other conditions. The Parent Company analyzes the credit risk concentration to an individual borrower, related group of accounts, industry, internal rating buckets, and security. For risk concentration monitoring purposes, the financial assets are broadly categorized into (1) loans and receivables and (2) trading and financial investment securities. To mitigate risk concentration, the Parent Company constantly checks for breaches in regulatory and internal limits.



Concentration of risks of financial assets with credit risk exposure

An analysis of concentrations of credit risk at the reporting date based on carrying amount is shown below:

	Consolidated				Total
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	
2015					
Concentration by Industry					
Financial and insurance activities	₱49,992	₱287,697	₱36,613	₱109,356	₱483,658
Manufacturing	185,768	–	1,867	10,431	198,066
Activities of households as employers and undifferentiated goods and services and producing activities of households for own use	176,923	–	2,873	134	179,930
Wholesale and retail trade, repair of motor vehicles, motorcycles	145,760	–	829	21,458	168,047
Real estate activities	125,300	–	7,522	796	133,618
Electricity, gas, steam and air-conditioning supply and water supply, sewerage, waste management and remediation activities	64,567	–	5,142	1,378	71,087
Transportation and storage, information and communication	49,334	–	1,408	1,065	51,807
Construction	29,519	–	75	8,736	38,330
Accommodation and food service activities	18,693	–	148	53	18,894
Agricultural, forestry and fishing	16,898	–	26	512	17,436
Others****	33,365	–	436,431	16,284	486,080
	896,119	287,697	492,934	170,203	1,846,953
Less allowance for credit losses	12,902	11	488	9,996	23,397
	₱883,217	₱287,686	₱492,446	₱160,207	₱1,823,556
Concentration by Location					
Philippines	₱874,982	₱220,420	₱448,531	₱166,856	₱1,710,789
Asia	20,520	41,370	25,886	3,234	91,010
USA	563	11,388	18,076	113	30,140
Europe	53	14,226	264	–	14,543
Others	1	293	177	–	471
	896,119	287,697	492,934	170,203	1,846,953
Less allowance for credit losses	12,902	11	488	9,996	23,397
	₱883,217	₱287,686	₱492,446	₱160,207	₱1,823,556
2014					
Concentration by Industry					
Financial and insurance activities	₱43,607	₱373,296	₱27,427	₱95,843	₱540,173
Manufacturing	168,807	–	1,322	10,630	180,759
Activities of households as employers and undifferentiated goods and services and producing activities of households for own use	151,013	–	953	48	152,014
Wholesale and retail trade, repair of motor vehicles, motorcycles	121,196	–	775	15,332	137,303
Real estate activities	121,211	–	6,673	713	128,597
Electricity, gas, steam and air-conditioning supply and water supply, sewerage, waste management and remediation activities	54,158	–	5,274	1,846	61,278
Transportation and storage, information and communication	36,060	–	2,729	4,219	43,008
Construction	23,012	–	243	609	23,864
Accommodation and food service activities	15,327	–	4	6	15,337
Agricultural, forestry and fishing	12,021	–	26	682	12,729
Others****	26,635	–	337,825	7,252	371,712
	773,047	373,296	383,251	137,180	1,666,774
Less allowance for credit losses	16,450	4	529	9,961	26,944
	₱756,597	₱373,292	₱382,722	₱127,219	₱1,639,830

(Forward)



Consolidated					
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
Concentration by Location					
Philippines	₱752,802	₱315,868	₱342,567	₱134,089	₱1,545,326
Asia	20,055	32,575	28,985	3,085	84,700
USA	131	20,664	11,128	6	31,929
Europe	57	4,036	316	-	4,409
Others	2	153	255	-	410
	773,047	373,296	383,251	137,180	1,666,774
Less allowance for credit losses	16,450	4	529	9,961	26,944
	₱756,597	₱373,292	₱382,722	₱127,219	₱1,639,830

Parent Company					
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
2015					
Concentration by Industry					
Financial and insurance activities	₱49,013	₱237,648	₱24,302	₱11,192	₱322,155
Manufacturing	179,537	-	286	10,431	190,254
Wholesale and retail trade, repair of motor vehicles, motorcycles	132,096	-	28	21,458	153,582
Real estate activities	87,411	-	3,322	784	91,517
Activities of households as employers and undifferentiated goods and services and producing activities of households for own use	66,836	-	2,873	134	69,843
Electricity, gas, steam and air-conditioning supply and water supply, sewerage, waste management and remediation activities	61,893	-	530	1,378	63,801
Transportation and storage, information and communication	44,836	-	180	1,065	46,081
Construction	21,880	-	6	8,682	30,568
Accommodation and food service activities	18,275	-	35	53	18,363
Agricultural, forestry and fishing	13,620	-	3	512	14,135
Others****	18,594	-	381,291	14,884	414,769
	693,991	237,648	412,856	70,573	1,415,068
Less allowance for credit losses	5,572	-	160	9,996	15,728
	₱688,419	₱237,648	₱412,696	₱60,577	₱1,399,340
Concentration by Location					
Philippines	₱690,895	₱186,217	₱373,547	₱67,253	₱1,317,912
Asia	2,285	25,740	20,863	3,209	52,097
USA	758	11,164	18,005	111	30,038
Europe	53	14,235	264	-	14,552
Others	-	292	177	-	469
	693,991	237,648	412,856	70,573	1,415,068
Less allowance for credit losses	5,572	-	160	9,996	15,728
	₱688,419	₱237,648	₱412,696	₱60,577	₱1,399,340
2014					
Concentration by Industry					
Financial and insurance activities	₱40,738	₱308,283	₱17,593	₱10,088	₱376,702
Manufacturing	161,499	-	196	10,630	172,325
Wholesale and retail trade, repair of motor vehicles, motorcycles	108,079	-	19	15,332	123,430
Real estate activities	87,769	-	1,943	703	90,415
Activities of households as employers and undifferentiated goods and services and producing activities of households for own use	58,818	-	953	48	59,819
Electricity, gas, steam and air-conditioning supply and water supply, sewerage, waste management and remediation activities	51,805	-	337	1,846	53,988
Transportation and storage, information and communication	29,435	-	2,115	4,219	35,769

(Forward)



Parent Company					
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
Construction	₱18,149	₱-	₱1	₱555	₱18,705
Accommodation and food service activities	15,006	-	2	6	15,014
Agricultural, forestry and fishing	10,202	-	3	683	10,888
Others****	14,564	-	297,002	6,198	317,764
	596,064	308,283	320,164	50,308	1,274,819
Less allowance for credit losses	8,955	-	162	9,961	19,078
	₱587,109	₱308,283	₱320,002	₱40,347	₱1,255,741
Concentration by Location					
Philippines	₱592,564	₱269,789	₱284,622	₱47,233	₱1,194,208
Asia	3,127	13,806	23,982	3,070	43,985
USA	280	20,513	11,012	5	31,810
Europe	91	4,023	316	-	4,430
Others	2	152	232	-	386
	596,064	308,283	320,164	50,308	1,274,819
Less allowance for credit losses	8,955	-	162	9,961	19,078
	₱587,109	₱308,283	₱320,002	₱40,347	₱1,255,741

* Comprised of Due from BSP, Due from other banks and Interbank loans receivable and SPURA.

** Comprised of Financial assets at FVPL, AFS investments and HTM investments.

*** Comprised of applicable accounts under Other assets, financial guarantees and loan commitments and other credit related liabilities.

**** Includes government-issued debt securities.

Credit quality per class of financial assets

The credit quality of financial assets is assessed and managed using external and internal ratings.

Loans and receivables

The credit quality is generally monitored using the 10-grade ICRRS which is integrated in the credit process particularly in provision for credit losses. Probability of default (PD) models are used in parallel to the ICRRS. The models are assessed and recalibrated as needed. Validation of the individual borrower's risk rating is performed by the Credit Group to maintain accurate and consistent risk ratings across the credit portfolio. The credit quality with the corresponding ICRRS Grade and description of commercial loans follows:

High Grade

1 - Excellent

An excellent rating is given to a borrower with a very low probability of going into default and with high degree of stability, substance and diversity. Borrower has access to raise substantial amounts of funds through public market at any time; very strong debt service capacity and has conservative balance sheet ratios. Track record in profit terms is very good. Borrower exhibits highest quality under virtually all economic conditions.

2 - Strong

This rating is given to borrowers with low probability of going into default in the coming year. Normally has a comfortable degree of stability, substance and diversity. Under normal market conditions, borrower has good access to public markets to raise funds. Have a strong market and financial position with a history of successful performance. Overall debt service capacity is deemed very strong; critical balance sheet ratios are conservative. Concerned multinationals or local corporations are well capitalized.

Standard Grade

3 - Good

This rating is given to smaller corporations with limited access to public capital markets or to alternative financial markets. Access is however limited to favorable economic and/or market conditions. While probability of default is quite low, it bears characteristics of some degree of



stability and substance. However, susceptibility to cyclical changes and more concentration of business risk, by product or market, may be present. Typical is the combination of comfortable asset protection and an acceptable balance sheet structure. Debt service capacity is strong.

4 - Satisfactory

A 'satisfactory' rating is given to a borrower where clear risk elements exist and probability of default is somewhat greater. Volatility of earnings and overall performance: normally has limited access to public markets. Borrower should be able to withstand normal business cycles, but any prolonged unfavorable economic period would create deterioration beyond acceptable levels. Combination of reasonable sound asset and cash flow protection: debt service capacity is adequate. Reported profits in the past year and is expected to report a profit in the current year.

5 - Acceptable

An 'acceptable' rating is given to a borrower whose risk elements are sufficiently pronounced although borrower should still be able to withstand normal business cycles. Any prolonged unfavorable economic and/or market period would create an immediate deterioration beyond acceptable levels. Risk is still acceptable as there is sufficient cash flow either historically or expected for the future; new business or projected finance transaction; an existing borrower where the nature of the exposure represents a higher risk because of extraordinary developments but for which a decreasing risk within an acceptable period can be expected.

Substandard Grade

6 - Watchlist

This rating is given to a borrower that belongs to an unfavorable industry or has company-specific risk factors which represent a concern. Operating performance and financial strength may be marginal and it is uncertain if borrower can attract alternative course of finance. Borrower finds it hard to cope with any significant economic downturn and a default in such a case is more than a possibility. Borrower which incurs net losses and has salient financial weaknesses, reflected on statements specifically in profitability. Credit exposure is not at risk of loss at the moment but performance of the borrower has weakened and unless present trends are reversed, could lead to losses.

7 - Especially Mentioned

This rating is given to a borrower that exhibits potential weaknesses that deserve management's close attention. These potential weaknesses, if left uncorrected, may affect the repayment of the loan and thus, increase credit risk to the Bank.

Impaired

8 - Substandard

These are loans or portions, thereof which appear to involve a substantial and unreasonable degree of risk to the Bank because of unfavorable record or unsatisfactory characteristics. There exists the possibility of future losses to the Bank unless given closer supervision. Borrower has well-defined weaknesses or weaknesses that jeopardize loan liquidation. Such well-defined weaknesses may include adverse trends or development of financial, managerial, economic or political nature, or a significant weakness in collateral.

9 - Doubtful

This rating is given to a nonperforming borrower whose loans or portions thereof have the weaknesses inherent in those classified as Substandard, with the added characteristics that existing facts, conditions, and values make collection or liquidation in full highly improbable and in which substantial loss is probable.



10 - Loss

This rating is given to a borrower whose loans or portions thereof are considered uncollectible or worthless and of such little value that their continuance as bankable assets is not warranted although the loans may have some recovery or salvage value. The amount of loss is difficult to measure and it is not practical or desirable to defer writing off these basically worthless assets even though partial recovery may be obtained in the future.

The credit quality of consumer loan applicants are currently evaluated using PD models.

For booked consumer loans, the description of credit quality is as follows:

High Grade

Good credit rating

This rating is given to a good repeat client with very satisfactory track record of its loan repayment (paid at least 50.00%) and whose account did not turn past due during the entire term of the loan.

Standard Grade

Good

A good rating is given to accounts which did not turn past due for 90 days and over.

Limited

This rating is given to borrowers who have average track record on loan repayment (paid less than 50.00%) and whose account did not turn past due for 90 days and over.

Substandard Grade

Poor

A poor rating is given to accounts who reached 90 days past due regardless of the number of times and the number of months past due.

Poor litigation

This rating is given to accounts that were past due for 180 days and over and are currently being handled by lawyers.

Impaired

Poor repossessed

This rating is given to accounts whose collaterals were repossessed.

Poor written-off

This rating is given to accounts that were recommended for write-off.

Trading and investment securities

In ensuring quality investment portfolio, the Parent Company uses the credit risk rating from the published data providers like Moody's, Standard & Poor's (S&P) or other reputable rating agencies. Presented here is Moody's rating - equivalent S&P rating and other rating agencies applies:

<u>Credit Quality</u>	<u>External Rating</u>								
High grade	Aaa	Aa1	Aa2	A1	A2	A3	Baa1	Baa2	Baa3
Standard grade	Ba1	Ba2	Ba3	B1	B2				
Substandard grade	B3	Caa1	Caa2	Caa3	Ca	C			
Impaired	D								



The following table shows the credit quality of financial assets:

	Consolidated				Total
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	
2015					
Neither past due nor impaired	₱865,278	₱287,697	₱490,792	₱160,207	₱1,803,974
Past due but not individually impaired	16,181	–	–	–	16,181
Impaired	14,660	–	2,142	9,996	26,798
Gross	896,119	287,697	492,934	170,203	1,846,953
Less allowance for credit losses	12,902	11	488	9,996	23,397
Net	₱883,217	₱287,686	₱492,446	₱160,207	₱1,823,556
2014					
Neither past due nor impaired	₱745,692	₱373,296	₱381,284	₱127,219	₱1,627,491
Past due but not individually impaired	14,933	–	–	–	14,933
Impaired	12,422	–	1,967	9,961	24,350
Gross	773,047	373,296	383,251	137,180	1,666,774
Less allowance for credit losses	16,450	4	529	9,961	26,944
Net	₱756,597	₱373,292	₱382,722	₱127,219	₱1,639,830

	Parent Company				Total
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	
2015					
Neither past due nor impaired	₱683,426	₱237,648	₱412,629	₱60,577	₱1,394,280
Past due but not individually impaired	298	–	–	–	298
Impaired	10,267	–	227	9,996	20,490
Gross	693,991	237,648	412,856	70,573	1,415,068
Less allowance for credit losses	5,572	–	160	9,996	15,728
Net	₱688,419	₱237,648	₱412,696	₱60,577	₱1,399,340
2014					
Neither past due nor impaired	₱588,191	₱308,283	₱319,934	₱40,347	₱1,256,755
Past due but not individually impaired	348	–	–	–	348
Impaired	7,525	–	230	9,961	17,716
Gross	596,064	308,283	320,164	50,308	1,274,819
Less allowance for credit losses	8,955	–	162	9,961	19,078
Net	₱587,109	₱308,283	₱320,002	₱40,347	₱1,255,741

* Comprised of Due from BSP, Due from other banks and Interbank loans receivable and SPURA.

** Comprised of Financial assets at FVPL, AFS investments and HTM investments.

*** Comprised of applicable accounts under Other assets, financial guarantees and loan commitments and other credit related liabilities.

The table below shows the credit quality per class of financial assets that are neither past due nor individually impaired (gross of allowance for credit losses):

	Consolidated				Total
	High Grade	Standard Grade	Substandard Grade	Unrated	
2015					
Loans and advances to banks					
Due from BSP	₱214,704	₱–	₱–	₱–	₱214,704
Due from other banks	33,995	2,526	–	351	36,872
Interbank loans receivable and SPURA	27,551	2,514	–	6,056	36,121
	276,250	5,040	–	6,407	287,697
Financial assets at FVPL					
HFT investments					
Debt securities					
Government	10,348	3	–	–	10,351
Private	2,604	351	–	768	3,723
Treasury bills	104	–	–	–	104
Treasury notes and bonds	19,511	–	–	–	19,511

(Forward)



	Consolidated				Total
	High Grade	Standard Grade	Substandard Grade	Unrated	
Equity securities - quoted	P4,446	P4,753	P-	P26	P9,225
Derivative assets	755	68	-	5,119	5,942
	37,768	5,175	-	5,913	48,856
AFS investments					
Debt securities					
Government	39,700	385	50	28	40,163
Private	13,783	5,312	-	9,003	28,098
Treasury notes and bonds	160,693	-	-	-	160,693
Subtotal	214,176	5,697	50	9,031	228,954
Equity securities					
Quoted	8	780	-	310	1,098
Unquoted	-	3,376	-	76	3,452
Subtotal	8	4,156	-	386	4,550
	214,184	9,853	50	9,417	233,504
HTM investments					
Government	15,463	3,644	-	-	19,107
Private bonds	1,428	3,102	-	-	4,530
Treasury notes and bonds	176,350	8,445	-	-	184,795
	193,241	15,191	-	-	208,432
Loans and receivables					
Receivables from customers					
Commercial loans					
Commercial loans	181,958	351,673	55,721	-	589,352
Residential mortgage loans	35,630	42,761	1,026	-	79,417
Auto loans	52,198	20,399	100	-	72,697
Trade	6,896	25,334	803	-	33,033
Others	68,084	8,283	77	79	76,523
	344,766	448,450	57,727	79	851,022
Unquoted debt securities					
Unquoted debt securities	716	1,214	-	6	1,936
Accrued interest receivable	6,165	1,597	129	179	8,070
Accounts receivable	1,054	3	13	2,519	3,589
Sales contract receivable	170	1	-	173	344
Other receivables	-	146	-	171	317
	352,871	451,411	57,869	3,127	865,278
Others	97,964	-	-	62,243	160,207
	P1,172,278	P486,670	P57,919	P87,107	P1,803,974
2014					
Loans and advances to banks					
Due from BSP	P215,253	P-	P-	P-	P215,253
Due from other banks	33,535	3,910	-	755	38,200
Interbank loans receivable and SPURA	115,158	2,186	-	2,499	119,843
	363,946	6,096	-	3,254	373,296
Financial assets at FVPL					
HFT investments					
Debt securities					
Government	8,222	2,281	-	-	10,503
Private	1,793	763	46	1,323	3,925
Treasury bills	1,763	-	-	-	1,763
Treasury notes and bonds	16,864	48	-	-	16,912
Equity securities - quoted	4,324	4,729	738	-	9,791
Derivative assets	973	146	-	1,922	3,041
	33,939	7,967	784	3,245	45,935
AFS investments					
Debt securities					
Government	43,514	6,688	37	336	50,575
Private	8,486	6,614	-	11,639	26,739
Treasury notes and bonds	122,241	526	-	-	122,767
Subtotal	174,241	13,828	37	11,975	200,081
Equity securities					
Quoted	7	799	1,628	286	2,720
Unquoted	-	3,298	99	75	3,472
Subtotal	7	4,097	1,727	361	6,192
	174,248	17,925	1,764	12,336	206,273

(Forward)



	Consolidated				Total
	High Grade	Standard Grade	Substandard Grade	Unrated	
HTM investments					
Government	₱12,511	₱1,967	₱–	₱–	₱14,478
Private	849	2,522	–	–	3,371
Treasury notes and bonds	111,159	23	–	45	111,227
	124,519	4,512	–	45	129,076
Loans and receivables					
Receivables from customers					
Commercial loans	154,254	311,495	30,590	–	496,339
Residential mortgage loans	28,737	38,400	1,620	–	68,757
Auto loans	39,470	16,558	85	–	56,113
Trade	4,829	30,150	1,201	–	36,180
Others	67,466	8,007	101	127	75,701
	294,756	404,610	33,597	127	733,090
Unquoted debt securities	1,291	925	–	–	2,216
Accrued interest receivable	4,978	1,315	119	224	6,636
Accounts receivable	802	323	–	1,726	2,851
Sales contract receivable	211	–	1	184	396
Other receivables	3	2	–	498	503
	302,041	407,175	33,717	2,759	745,692
Others	85,553	–	–	41,666	127,219
	₱1,084,246	₱443,675	₱36,265	₱63,305	₱1,627,491

	Parent Company				Total
	High Grade	Standard Grade	Substandard Grade	Unrated	
2015					
Loans and advances to banks					
Due from BSP	₱185,484	₱–	₱–	₱–	₱185,484
Due from other banks	26,027	61	–	125	26,213
Interbank loans receivable and SPURA	19,894	–	–	6,057	25,951
	231,405	61	–	6,182	237,648
Financial assets at FVPL					
HFT debt securities					
Government	7,507	2	–	–	7,509
Private	2,128	254	–	686	3,068
Treasury notes and bonds	18,074	–	–	–	18,074
Derivative assets	755	43	–	5,119	5,917
	28,464	299	–	5,805	34,568
AFS investments					
Debt securities					
Government	32,608	385	50	28	33,071
Private	13,180	716	–	9,002	22,898
Treasury notes and bonds	145,984	–	–	–	145,984
Subtotal	191,772	1,101	50	9,030	201,953
Equity securities					
Quoted	8	–	–	223	231
Unquoted	–	–	–	61	61
Subtotal	8	–	–	284	292
	191,780	1,101	50	9,314	202,245
HTM investments					
Government	15,035	–	–	–	15,035
Treasury notes and bonds	160,781	–	–	–	160,781
	175,816	–	–	–	175,816
Loans and receivables					
Receivables from customers					
Commercial loans	155,257	340,418	55,356	–	551,031
Residential mortgage loans	1,384	42,034	836	–	44,254
Auto loans	1,760	19,856	20	–	21,636
Trade	6,896	25,334	803	–	33,033
Others	23,784	359	–	–	24,143
	189,081	428,001	57,015	–	674,097
Unquoted debt securities	194	–	–	–	194
Accrued interest receivable	4,980	1,067	127	177	6,351

(Forward)



	Parent Company				Total
	High Grade	Standard Grade	Substandard Grade	Unrated	
Accounts receivable	₱-	₱-	₱-	₱2,596	₱2,596
Sales contract receivable	-	-	-	162	162
Other receivables	-	-	-	26	26
	194,255	429,068	57,142	2,961	683,426
Others	-	-	-	60,577	60,577
	₱821,720	₱430,529	₱57,192	₱84,839	₱1,394,280
2014					
Loans and advances to banks					
Due from BSP	₱174,259	₱-	₱-	₱-	₱174,259
Due from other banks	25,424	5	-	154	25,583
Interbank loans receivable and SPURA	105,942	-	-	2,499	108,441
	305,625	5	-	2,653	308,283
Financial assets at FVPL					
HFT debt securities					
Government	7,186	2,050	-	-	9,236
Private	1,277	484	-	1,288	3,049
Treasury bills	56	-	-	-	56
Treasury notes and bonds	14,523	-	-	-	14,523
Derivative assets	963	102	-	1,921	2,986
	24,005	2,636	-	3,209	29,850
AFS investments					
Debt securities					
Government	40,161	3,287	37	336	43,821
Private	7,745	4,030	-	11,633	23,408
Treasury notes and bonds	111,796	-	-	-	111,796
Subtotal	159,702	7,317	37	11,969	179,025
Equity securities					
Quoted	7	-	-	214	221
Unquoted	-	-	-	61	61
Subtotal	7	-	-	275	282
	159,709	7,317	37	12,244	179,307
HTM investments					
Government bonds	12,228	1,967	-	-	14,195
Treasury notes and bonds	96,582	-	-	-	96,582
	108,810	1,967	-	-	110,777
Loans and receivables					
Receivables from customers					
Commercial loans	127,725	302,234	30,321	-	460,280
Residential mortgage loans	1,224	37,572	751	-	39,547
Auto loans	1,772	15,992	24	-	17,788
Trade	4,829	30,150	1,201	-	36,180
Others	26,307	427	-	-	26,734
	161,857	386,375	32,297	-	580,529
Accrued interest receivable	4,031	1,150	111	223	5,515
Accounts receivable	-	-	-	1,813	1,813
Sales contract receivable	-	-	-	171	171
Other receivables	-	-	-	163	163
	165,888	387,525	32,408	2,370	588,191
Others	-	-	-	40,347	40,347
	₱764,037	₱399,450	₱32,445	₱60,823	₱1,256,755

Notes:

- Accounts are presented gross of allowance for credit losses but net of unearned interest and discount.
- For classification by grade, refer to Risk Rating Table for Investments (based on Moody's Rating Scale) as guide.

Breakdown of restructured receivables from customers by class are shown below:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Commercial loans	₱2,100	₱3,284	₱1,694	₱2,850
Residential mortgage loans	204	231	21	37
Auto loans	45	89	-	2
Others	147	171	-	-
	₱2,496	₱3,775	₱1,715	₱2,889



Aging analysis of past due but not individually impaired loans and receivables is shown below:

	Consolidated					Total
	Within 30 days	31-60 days	61-90 days	91-180 days	Over 180 days	
2015						
Receivables from customers						
Commercial loans	₱48	₱45	₱2	₱-	₱53	₱148
Residential mortgage loans	2,953	1,052	405	60	199	4,669
Auto loans	4,447	2,036	879	963	807	9,132
Others	165	626	500	59	332	1,682
Receivables from customers - net of unearned discounts and capitalized interest	7,613	3,759	1,786	1,082	1,391	15,631
Accrued interest receivable	74	44	24	29	34	205
Accounts receivable	7	4	5	276	18	310
Sales contract receivable	8	11	-	-	16	35
	₱7,702	₱3,818	₱1,815	₱1,387	₱1,459	₱16,181
2014						
Receivables from customers						
Commercial loans	₱176	₱37	₱25	₱5	₱69	₱312
Residential mortgage loans	2,912	933	323	219	218	4,605
Auto loans	4,077	1,639	697	684	664	7,761
Trade	-	-	-	-	5	5
Others	249	617	486	72	302	1,726
Receivables from customers - net of unearned discounts and capitalized interest	7,414	3,226	1,531	980	1,258	14,409
Accrued interest receivable	65	32	18	23	27	165
Accounts receivable	8	1	2	283	24	318
Sales contract receivable	9	4	5	2	21	41
	₱7,496	₱3,263	₱1,556	₱1,288	₱1,330	₱14,933
Parent Company						
	Within 30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
2015						
Receivables from customers						
Commercial loans	₱-	₱-	₱2	₱-	₱31	₱33
Residential mortgage loans	-	-	-	9	159	168
Auto loans	-	-	-	-	85	85
Receivables from customers - net of unearned discounts and capitalized interest	-	-	2	9	275	286
Accrued interest receivable	-	-	-	-	3	3
Sales contract receivable	-	-	-	-	9	9
	₱-	₱-	₱2	₱9	₱287	₱298
2014						
Receivables from customers						
Commercial loans	₱-	₱-	₱-	₱3	₱55	₱58
Residential mortgage loans	-	-	-	9	182	191
Auto loans	-	-	-	-	76	76
Trade	-	-	-	-	5	5
Others	3	-	-	-	1	4
Receivables from customers - net of unearned discounts and capitalized interest	3	-	-	12	319	334
Accrued interest receivable	-	-	-	-	3	3
Sales contract receivable	-	-	-	-	11	11
	₱3	₱-	₱-	₱12	₱333	₱348

The Group holds collateral against loans and receivables in the form of real estate and chattel mortgages, guarantees, and other registered securities over assets. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and are regularly updated according to internal lending policies and regulatory guidelines. Generally, collateral is not held over loans and advances to banks except for reverse repurchase agreements. Collateral usually is



not held against investment securities, and no such collateral was held as of December 31, 2015 and 2014.

Liquidity Risk

Liquidity risk is defined as the current and prospective risk to earnings or capital arising from the Group's inability to meet its obligations when they become due.

The Group manages its liquidity risk through analyzing net funding requirements under alternative scenarios, diversification of funding sources and contingency planning.

Specifically for the Parent Company, it utilizes a diverse range of sources of funds, although short-term deposits made with its network of domestic branches comprise the majority of such funding. To ensure that funding requirements are met, the Parent Company manages its liquidity risk by holding sufficient liquid assets of appropriate quality. It also maintains a balanced loan portfolio that is repriced on a regular basis. Deposits with banks are made on a short-term basis.

In the Parent Company, the Treasury Group estimates its cash flow needs based on its actual contractual obligations under normal and extraordinary circumstances. RSK generates Maximum Cumulative Outflow (MCO) reports on a monthly basis to estimate short- and long-term net cash flows of the bank under business-as-usual and stress parameters. The Group's financial institution subsidiaries (excluding insurance companies) prepare their respective MCO reports. These are reported to the Parent Company's ROC monthly.

Financial assets

Analysis of equity securities at FVPL into maturity groupings is based on the expected date on which these assets will be realized. For other financial assets, the analysis into maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier the expected date the assets will be realized.

Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Group can be required to pay.

The table below summarizes the maturity profile of financial instruments and gross-settled derivatives based on contractual undiscounted cash flows.

	Consolidated						Total
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Beyond 1 year	
2015							
Financial Assets							
Cash and other cash items	₱32,536	₱-	₱-	₱-	₱-	₱-	₱32,536
Due from BSP	214,704	-	-	-	-	-	214,704
Due from other banks	35,652	564	661	-	-	-	36,877
Interbank loans receivable and SPURA	1,514	30,381	3,044	1,579	-	-	36,518
Financial assets at FVPL							
HFT investments	2,821	-	37,758	-	826	-	41,405

(Forward)



	Consolidated						Total
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Beyond 1 year	
Derivative assets*							
Trading:							
Receive	₱-	₱23,172	₱11,661	₱13,110	₱4,656	₱1,077	₱53,676
Pay	-	(22,958)	(11,557)	(12,889)	(4,508)	(867)	(52,779)
	-	214	104	221	148	210	897
AFS investments	-	358	1,426	872	10,718	274,846	288,220
HTM investments	-	291	277	328	762	333,294	334,952
Loans and receivables							
Receivables from customers	31,078	139,171	129,905	80,668	78,319	586,222	1,045,363
Unquoted debt securities	-	15	420	34	577	2,002	3,048
Accounts receivable	4,961	99	29	5	462	21	5,577
Accrued interest receivable	7,844	9	232	25	1,102	-	9,212
Sales contract receivable	34	3	28	32	77	245	419
Other receivables	245	73	-	-	-	-	318
Other assets							
Returned checks and other cash items	20	-	81	-	-	-	101
Residual value of leased assets	11	15	53	74	124	622	899
Miscellaneous	17	1	3	5	9	156	191
	₱331,437	₱171,194	₱174,021	₱83,843	₱93,124	₱1,197,618	₱2,051,237
Financial Liabilities							
Non-derivative liabilities							
Deposit liabilities							
Demand	₱233,912	₱-	₱-	₱-	₱-	₱-	₱233,912
Savings	467,587	-	-	-	-	-	467,587
Time	-	298,776	150,672	40,875	19,814	36,869	547,006
LTNCD	-	22	38	146	293	16,698	17,197
	701,499	298,798	150,710	41,021	20,107	53,567	1,265,702
Bills payable and SSURA	-	115,250	19,129	11,669	15,110	16,746	177,904
Manager's checks and demand drafts outstanding	5,613	-	-	-	-	-	5,613
Accrued interest payable	121	313	532	53	417	394	1,830
Accrued other expenses	4,434	496	127	-	-	-	5,057
Bonds payable	-	-	135	135	271	12,612	13,153
Subordinated debt	-	-	326	385	554	35,845	37,110
Other liabilities*							
Bills purchased - contra	23,802	-	-	-	-	-	23,802
Accounts payable	2,617	8,077	-	106	166	-	10,966
Outstanding acceptances	-	503	549	120	452	103	1,727
Marginal deposits	3	-	189	5,284	-	-	5,476
Deposits on lease contracts	-	33	73	96	243	803	1,248
Dividends payable	64	-	-	-	-	-	64
Notes payable	-	-	-	-	-	422	422
Miscellaneous	53	-	-	-	-	-	53
	738,206	423,470	171,770	58,869	37,320	120,492	1,550,127
Derivative liabilities*							
Trading:							
Pay	-	27,960	9,076	9,262	3,601	6,192	56,091
Receive	-	(27,684)	(8,784)	(9,115)	(3,509)	(5,581)	(54,673)
	-	276	292	147	92	611	1,418
Loan commitments and financial guarantees	103,210	5,602	13,305	13,766	14,040	4,285	154,208
	₱841,416	₱429,348	₱185,367	₱72,782	₱51,452	₱125,388	₱1,705,753



	Consolidated						Total
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Beyond 1 year	
2014							
Financial Assets							
Cash and other cash items	₱34,943	₱-	₱-	₱-	₱-	₱-	₱34,943
Due from BSP	184,453	30,808	-	-	-	-	215,261
Due from other banks	36,032	788	1,381	-	-	-	38,201
Interbank loans receivable and SPURA	-	110,575	5,989	849	2,670	-	120,083
Financial assets at FVPL							
HFT investments	279	-	31,197	65	-	-	31,541
Derivative assets*							
Trading:							
Receive	-	36,658	18,030	17,282	3,540	1,000	76,510
Pay	-	(36,531)	(17,859)	(17,132)	(3,531)	(475)	(75,528)
	-	127	171	150	9	525	982
AFS investments	-	181	1,006	2,362	5,892	235,754	245,195
HTM investments	-	128	407	115	294	215,003	215,947
Loans and receivables							
Receivables from customers	28,005	137,839	96,999	66,440	78,898	488,762	896,943
Unquoted debt securities	-	14	20	320	762	2,555	3,671
Accounts receivable	3,736	95	528	3	26	29	4,417
Accrued interest receivable	6,883	8	330	260	838	-	8,319
Sales contract receivable	47	49	62	18	46	383	605
Other receivables	13	47	445	-	-	-	505
Other assets							
Returned checks and other cash items	83	-	189	-	-	-	272
Residual value of leased assets	13	22	44	49	124	580	832
Miscellaneous	2	5	3	6	13	103	132
	₱294,489	₱280,686	₱138,771	₱70,637	₱89,572	₱943,694	₱1,817,849
Financial Liabilities							
Non-derivative liabilities							
Deposit liabilities							
Demand	₱187,285	₱-	₱-	₱-	₱-	₱-	₱187,285
Savings	406,767	-	-	-	-	-	406,767
Time	-	346,345	161,866	25,197	10,086	38,104	581,598
LTNCD	-	80	66	146	293	17,284	17,869
	594,052	346,425	161,932	25,343	10,379	55,388	1,193,519
Bills payable and SSURA	-	54,508	55,676	7,894	9,145	14,926	142,149
Manager's checks and demand drafts outstanding	4,653	-	-	-	-	-	4,653
Accrued interest payable	-	596	837	66	42	324	1,865
Accrued other expenses	6,296	454	69	-	71	-	6,890
Bonds payable	-	-	135	135	484	12,431	13,185
Subordinated debt	-	-	403	403	807	37,028	38,641
Other liabilities							
Bills purchased - contra	26,386	-	-	-	-	-	26,386
Accounts payable	1,218	6,058	3	-	1,673	21	8,973
Outstanding acceptances	-	252	287	69	73	8	689
Marginal deposits	6	-	4,574	-	-	-	4,580
Deposits on lease contracts	3	26	57	65	254	766	1,171
Dividends payable	-	40	-	-	64	-	104
Notes payable	-	-	-	-	-	517	517
Miscellaneous	4	27	-	-	-	-	31
	632,618	408,386	223,973	33,975	22,992	121,409	1,443,353
Derivative liabilities*							
Trading:							
Pay	-	31,355	7,224	3,722	4,601	5,979	52,881
Receive	-	(30,647)	(6,882)	(3,473)	(4,445)	(5,762)	(51,209)
	-	708	342	249	156	217	1,672
Loan commitments and financial guarantees							
	2,317	3,557	12,309	8,014	7,190	90,115	123,502
	₱634,935	₱412,651	₱236,624	₱42,238	₱30,338	₱211,741	₱1,568,527



	Parent Company						Total
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Beyond 1 year	
2015							
Financial Assets							
Cash and other cash items	₱28,570	₱-	₱-	₱-	₱-	₱-	₱28,570
Due from BSP	185,484	-	-	-	-	-	185,484
Due from other banks	25,517	245	456	-	-	-	26,218
Interbank loans receivable and SPURA	-	23,837	1,178	-	959	-	25,974
Financial assets at FVPL							
HFT investments	-	-	27,141	-	-	-	27,141
Derivative assets*							
Trading:							
Receive	-	23,171	11,661	13,110	4,656	1,077	53,675
Pay	-	(22,958)	(11,557)	(12,889)	(4,508)	(867)	(52,779)
	-	213	104	221	148	210	896
AFS investments	-	217	1,147	750	8,523	241,486	252,123
HTM investments	-	102	-	-	-	292,378	292,480
Loans and receivables							
Receivables from customers	1,958	135,706	121,182	68,825	46,775	400,981	775,427
Unquoted debt securities	-	-	-	-	-	852	852
Accounts receivable	3,989	-	-	-	-	-	3,989
Accrued interest receivable	6,935	-	-	-	-	-	6,935
Sales contract receivable	23	3	28	32	77	30	193
Other receivables	10	18	-	-	-	-	28
Other assets							
Returned checks and other cash items	-	-	81	-	-	-	81
	₱252,486	₱160,341	₱151,317	₱69,828	₱56,482	₱935,937	₱1,626,391
Financial Liabilities							
Non-derivative liabilities							
Deposit liabilities							
Demand	₱219,772	₱-	₱-	₱-	₱-	₱-	₱219,772
Savings	446,734	-	-	-	-	-	446,734
Time	-	268,487	108,132	26,897	12,311	10,846	426,673
LTNCD	-	22	38	146	293	16,698	17,197
	666,506	268,509	108,170	27,043	12,604	27,544	1,110,376
Bills payable and SSURA	-	74,549	2,358	2,364	9,553	-	88,824
Manager's checks and demand drafts outstanding	4,264	-	-	-	-	-	4,264
Accrued interest payable	-	108	245	13	387	355	1,108
Accrued other expenses	3,388	-	-	-	-	-	3,388
Subordinated debt	-	-	241	300	386	26,145	27,072
Other liabilities							
Bills purchased - contra	23,749	-	-	-	-	-	23,749
Accounts payable	-	6,190	-	-	-	-	6,190
Outstanding acceptances	-	503	549	120	452	103	1,727
Marginal deposits	-	-	189	-	-	-	189
	697,907	349,859	111,752	29,840	23,382	54,147	1,266,887
Derivative liabilities*							
Trading:							
Pay	-	27,960	9,076	9,262	3,601	6,192	56,091
Receive	-	(27,684)	(8,784)	(9,115)	(3,509)	(5,581)	(54,673)
	-	276	292	147	92	611	1,418
Loan commitments and financial guarantees	5,246	5,602	13,297	13,750	13,985	4,285	56,165
	₱703,153	₱355,737	₱125,341	₱43,737	₱37,459	₱59,043	₱1,324,470
2014							
Financial Assets							
Cash and other cash items	₱30,733	₱-	₱-	₱-	₱-	₱-	₱30,733
Due from BSP	157,759	16,506	-	-	-	-	174,265
Due from other banks	25,583	-	-	-	-	-	25,583
Interbank loans receivable and SPURA	-	102,236	1,802	874	3,755	-	108,667
Financial assets at FVPL							
HFT investments	-	-	25,302	-	-	-	25,302
Derivative assets*							
Trading:							
Receive	-	36,658	17,574	17,282	3,540	1,000	76,054
Pay	-	(36,531)	(17,414)	(17,132)	(3,531)	(475)	(75,083)
	-	127	160	150	9	525	971

(Forward)



	Parent Company						Total
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Beyond 1 year	
AFS investments	₱-	₱101	₱854	₱1,696	₱5,319	₱211,960	₱219,930
HTM investments	-	-	152	-	-	191,453	191,605
Loans and receivables							
Receivables from customers	1,966	134,972	86,197	53,673	46,695	338,076	661,579
Unquoted debt securities	-	-	-	-	-	822	822
Accounts receivable	2,878	-	-	-	-	-	2,878
Accrued interest receivable	6,705	-	-	-	-	-	6,705
Sales contract receivable	21	47	58	9	29	36	200
Other receivables	10	155	-	-	-	-	165
Other assets							
Returned checks and other cash items	-	-	189	-	-	-	189
	₱225,655	₱254,144	₱114,714	₱56,402	₱55,807	₱742,872	₱1,449,594
Financial Liabilities							
Non-derivative liabilities							
Deposit liabilities							
Demand	₱169,851	₱-	₱-	₱-	₱-	₱-	₱169,851
Savings	390,509	-	-	-	-	-	390,509
Time	-	327,343	109,684	21,127	8,401	10,428	476,983
LTNCD	-	80	66	146	293	17,284	17,869
	560,360	327,423	109,750	21,273	8,694	27,712	1,055,212
Bills payable and SSURA	-	28,355	32,674	1,400	-	-	62,429
Manager's checks and demand drafts outstanding	3,399	-	-	-	-	-	3,399
Accrued interest payable	-	587	203	28	10	225	1,053
Accrued other expenses	5,356	-	-	-	-	-	5,356
Subordinated debt	-	-	300	300	601	27,131	28,332
Other liabilities							
Bills purchased - contra	26,303	-	-	-	-	-	26,303
Accounts payable	-	4,356	-	-	-	-	4,356
Outstanding acceptances	-	252	287	69	73	8	689
Marginal deposits	-	-	130	-	-	-	130
	595,418	360,973	143,344	23,070	9,378	55,076	1,187,259
Derivative liabilities*							
Trading:							
Pay	-	30,326	6,509	3,722	4,601	5,979	51,137
Receive	-	(29,615)	(6,169)	(3,473)	(4,445)	(5,762)	(49,464)
	-	711	340	249	156	217	1,673
Loan commitments and financial guarantees	2,317	3,557	12,303	7,997	7,135	4,562	37,871
	₱597,735	₱365,241	₱155,987	₱31,316	₱16,669	₱59,855	₱1,226,803

*Does not include derivatives embedded in financial and non-financial contracts.

Market Risk

Market risk is the possibility of loss to future earnings, fair values or future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, and other market factors. The Parent Company's market risk originates from its holdings in foreign currencies, debt securities and derivatives transactions. The Parent Company manages market risk by segregating its statement of financial position into a trading book and a banking book. ALCO, chaired by the Parent Company's Chairman is the senior review and decision-making body for the management of all related market risks. The Parent Company enforces a set of risk limits to properly monitor and manage the market risks. The risk limits are approved by the BOD. The RSK serves under the ROC and performs daily market risk analyses to ensure compliance with the Parent Company's policies. The Treasury Group manages asset/liability risks arising from both banking book and trading operations in financial markets.

Similarly, certain subsidiaries of the Parent Company independently quantify and manage their respective market risk exposures. Each institution has its respective risk management system and processes in place.



As part of its oversight function, the Parent Company regularly coordinates with subsidiaries to monitor their compliance to their respective risk tolerances and ensure consistency of risk management practices. Risk aggregation and consolidation of exposures are part of the ongoing initiatives to provide senior management with a group-wide market risk profile perspective such as Group Trading VaR.

Market risk - trading book

In measuring the potential loss in its trading portfolio, the Group uses Value-at-Risk (VaR) as a primary tool. The VaR method is a procedure for estimating portfolio losses exceeding some specified proportion based on a statistical analysis of historical market price trends, correlations and volatilities. VaR estimates the potential decline in the value of a portfolio, under normal market conditions, for a given “confidence level” over a specified holding period.

VaR methodology assumptions and parameters

The Parent Company is using 260-day Historical Simulation Method to compute the VaR. This method assumes that market rates volatility in the future will follow the same movement that occurred within the specified historical period. In calculating VaR, the Parent Company uses a 99.00% confidence level and a one-day holding period. This means that, statistically, within a one-day horizon, the trading losses will exceed VaR in 1 out of 100 trading days. Like any other model, the Historical Simulation Method has its own limitations. To wit, it cannot predict volatility levels which did not happen in the specified historical period. The validity of the VaR model is verified through a daily back testing analysis, which examines how frequently both actual and hypothetical daily losses exceed VaR. The result of the daily back testing analysis is reported to the ALCO and ROC monthly. The Parent Company measures and monitors the VaR daily and this value is compared against the set VaR limit.

A summary of the VaR levels of the trading portfolio of the Parent Company appears below:

	Rates and FX	Fixed Income	FX Options
As of December 31, 2015			
December 29	₱53.63	₱248.37	₱11.86
Average	128.05	177.24	12.80
Highest	262.73	418.92	46.82
Lowest	42.01	68.05	0.07
As of December 31, 2014			
December 29	149.86	133.32	0.07
Average	209.60	203.62	20.78
Highest	305.97	339.47	64.58
Lowest	145.39	87.60	0.02

Rates and Foreign Exchange (FX) VaR is the correlated VaR of the following products: FX spot, outright forward, NDF, FX swaps, IRS and cross currency swaps. The Fixed Income VaR is the correlated VaR of these products: peso and foreign currency bonds, bond forwards and credit default swaps (CDS).

Each subsidiary performs daily mark-to-market valuation and VaR calculations for their trading book exposures. Risk exposures are bounded by a system of risk limits and monitoring tools to effectively manage these risks.



The table below summarizes the VaR levels of FMIC and PSBank:

	FMIC					PSBank		FX	
	EQUITIES	Bonds			Bonds				
		PHP	USD	PHP	USD				
As of December 31, 2015									
December 29	₱10.46**	₱0.78**	USD0.045**	₱18.866	USD0.142	₱6.705			
Average	₱18.09*	20.02**	₱95.86*	112.13**	USD0.536*	0.045**	12.754	0.077	0.532
Highest	32.42*	23.57**	199.04*	185.11**	1.313*	0.122**	56.332	0.268	1.908
Lowest	13.32*	10.42**	11.12*	2.89**	0.005*	0.001**	1.331	0.003	0.001
* January 1 to May 31 – VaR number is generated using Riskmark system									
** June 1 to December 31 – VaR number is generated using MetRisk VaR calculator									

	FMIC			PSBank		FX
	EQUITIES	Bonds		Bonds		
		PHP	USD	PHP	USD	
As of December 31, 2014						
December 29	₱14.275	₱31.119	USD0.000	₱1.470	USD0.014	₱0.450
Average	21.939	105.517	0.182	4.000	0.017	0.580
Highest	33.654	218.137	0.468	24.690	0.070	2.030
Lowest	11.628	18.187	0.000	0.320	0.004	0.002

The limitations of the VaR methodology are recognized by supplementing VaR limits with other position and sensitivity limit structures and by doing stress testing analysis. These processes address potential product concentration risks, monitor portfolio vulnerability and give the management an early advice if an actual loss goes beyond what is deemed to be tolerable to the bank, even before the VaR limit is hit.

Stress testing is performed by the Parent Company on a quarterly basis, PSBank on monthly basis and FMIC on a daily basis to complement the VaR methodology. The stress testing results of the Parent Company are reported to the ALCO and subsequently to the ROC and the BOD.

Market risk - banking book

To quantify interest rate risk for banking book or accrual portfolios, the Group uses tools or approaches such as Earnings-at-Risk (EaR) and Sensitivity analysis. EaR Methodology is used to measure the potential effect of interest rate movements to net interest earnings. The measurement and monitoring of exposures are done on a monthly basis.

EaR is derived by multiplying the repricing gap by the change in interest rate and the time over which the repricing gap is in effect. The repricing/maturity gap is a method that distributes rate-sensitive assets, liabilities, and off-balance sheet positions into predefined time bands. Floating rate positions are distributed based on the time remaining to next repricing dates. On the other hand, fixed rate items are distributed based on the time remaining to respective maturities. There are certain balance sheet items that may require set-up of assumptions as to their distribution to time bands. For the Parent Company, rate-sensitive positions that lack definitive repricing dates or maturity dates (e.g. demand and savings deposit accounts) are assigned to repricing time bands based according to the judgment, past experience or behavioral patterns.

The table below shows the earnings-at-risk profile of the Parent Company and certain subsidiaries as of December 31, 2015 and 2014:

	Parent Company	FMIC	PSBank	MCC	ORIX Metro	Total
2015	(₱2,204.17)	(₱294.00)	(₱577.04)	(₱64.01)	(₱3.11)	(₱3,142.33)
2014	(₱2,542.86)	(₱122.36)	(₱429.52)	(₱88.70)	(₱0.98)	(₱3,184.42)



Foreign currency risk

Foreign exchange risk is the probability of loss to earnings or capital arising from changes in foreign exchange rates. Foreign currency liabilities generally consist of foreign currency deposits in the Group's FCDU account. Foreign currency deposits are generally used to fund the Group's foreign currency-denominated loan and investment portfolio in the FCDU. Banks are required by the BSP to match the foreign currency liabilities with the foreign currency assets held in FCDUs. In addition, the BSP requires a 30.00% liquidity reserve on all foreign currency liabilities held in the FCDU. Outside the FCDU, the Group has additional foreign currency assets and liabilities in its foreign branch network. The Group's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines.

The following table sets forth, for the year indicated, the impact of reasonably possible changes in the USD exchange rate and other currencies per Philippine peso on pre-tax income and equity:

Currency	Consolidated						Parent Company					
	2015			2014			2015			2014		
	Change in currency rate in %	Effect on profit before tax	Effect on equity	Change in currency rate in %	Effect on profit before tax	Effect on equity	Change in currency rate in %	Effect on profit before tax	Effect on equity	Change in currency rate in %	Effect on profit before tax	Effect on equity
USD	+1.00%	(P23.72)	(P1.55)	+1.00%	(P67.75)	(P0.26)	+1.00%	(P24.26)	(P1.45)	+1.00%	(P70.22)	(P0.27)
EUR	+1.00%	(0.09)	-	+1.00%	3.34	-	+1.00%	(0.22)	-	+1.00%	3.24	-
JPY	+1.00%	28.25	-	+1.00%	0.95	-	+1.00%	28.25	-	+1.00%	0.95	-
GBP	+1.00%	(3.27)	-	+1.00%	(3.34)	-	+1.00%	(3.27)	-	+1.00%	(3.34)	-
Others	+1.00%	5.18	-	+1.00%	150.22	-	+1.00%	5.18	-	+1.00%	150.22	-
USD	-1.00%	23.72	1.55	-1.00%	67.75	0.26	-1.00%	24.26	1.45	-1.00%	70.22	0.27
EUR	-1.00%	0.09	-	-1.00%	(3.34)	-	-1.00%	0.22	-	-1.00%	(3.24)	-
JPY	-1.00%	(28.25)	-	-1.00%	(0.95)	-	-1.00%	(28.25)	-	-1.00%	(0.95)	-
GBP	-1.00%	3.27	-	-1.00%	3.34	-	-1.00%	3.27	-	-1.00%	3.34	-
Others	-1.00%	(5.18)	-	-1.00%	(150.22)	-	-1.00%	(5.18)	-	-1.00%	(150.22)	-

Information relating to Parent Company's currency derivatives is included in Note 8. As of December 31, 2015 and 2014, the Parent Company has outstanding foreign currency spot transactions (in equivalent peso amounts) of P5.8 billion and P8.1 billion, respectively (sold), and P7.5 billion and P6.9 billion, respectively (bought).

The impact on the Parent Company's equity already excludes the impact on transactions affecting the profit and loss.

Capital Management

The primary objectives of the Group's capital management are to ensure that it complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital structure, or issue capital securities. No changes were made in the objectives, policies and processes from the previous year.

Regulatory Qualifying Capital

Under existing BSP regulations, the determination of the compliance with regulatory requirements and ratios is based on the amount of the "unimpaired capital" (regulatory net worth) as reported to the BSP, which is determined on the basis of regulatory accounting policies that differ from PFRS in some respects.



The Group complied with BSP issued Circular No. 781, *Basel III Implementing Guidelines on Minimum Capital Requirements*, which provides the implementing guidelines on the revised risk-based capital adequacy framework particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. The Circular which became effective January 1, 2014, sets out a minimum Common Equity Tier 1 (CET1) ratio of 6.00% and Tier 1 capital ratio of 7.50% and also introduced a capital conservation buffer of 2.50% comprised of CET1 capital. The existing requirement for Total Capital Adequacy Ratio (CAR) remains unchanged at 10.00% and these ratios shall be maintained at all times.

Further, Basel III requires that existing capital instruments as of December 31, 2010 which do not meet the eligibility criteria for capital instruments under the revised capital framework shall no longer be recognized as capital and capital instruments issued under BSP Circular Nos. 709 and 716 (the circulars amending the definition of qualifying capital particularly on Hybrid Tier 1 and Lower Tier 2 capitals) and before the effectivity of BSP Circular No. 781, are recognized as qualifying capital until December 31, 2015. In addition to changes in minimum capital requirements, this Circular also requires various regulatory adjustments in the calculation of qualifying capital.

The details of CAR, as reported to the BSP, as of December 31, 2015 and 2014 based on Basel III follow:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Tier 1 capital	₱190,265	₱147,953	₱181,062	₱139,523
CET1 Capital	190,265	147,953	181,062	139,523
Less: Required deductions	32,317	31,055	69,455	66,960
Net Tier 1 Capital	157,948	116,898	111,607	72,563
Tier 2 capital	38,814	37,430	28,977	27,874
Total Qualifying Capital	₱196,762	₱154,328	₱140,584	₱100,437

	Consolidated		Parent Company	
	2015	2014	2015	2014
Credit Risk-Weighted Assets	₱956,524	₱816,557	₱758,218	₱634,754
Market Risk-Weighted Assets	29,487	34,042	27,361	32,571
Operational Risk-Weighted Assets	122,471	112,180	73,082	66,708
Total Risk-Weighted Assets	1,108,482	962,779	858,661	734,033
CET1 Ratio*	14.25%	12.14%	13.00%	9.89%
Tier 1 capital ratio	14.25%	12.14%	13.00%	9.89%
Total capital ratio	17.75%	16.03%	16.37%	13.68%

*of which capital conservation buffer is 8.25% and 7.00% for the Group and Parent Company, respectively.

Qualifying capital and risk-weighted assets (RWA) are computed based on BSP regulations.

Under Basel III, the regulatory qualifying capital of the Parent Company consists of CET1 capital, which comprises paid-up common stock, surplus including current year profit, surplus reserves, other comprehensive income (net unrealized gains or losses on AFS securities and cumulative foreign currency translation) and non-controlling interest less required deductions such as unsecured credit accommodations to directors, officers, stockholders and related interests (DOSRI), deferred income tax, other intangible assets, defined benefit pension fund assets and goodwill. The other component of regulatory capital is Tier 2 (supplementary) capital, which includes unsecured subordinated debt and general loan loss provision.



RWA consist of total assets less cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items determined by the Monetary Board (MB) of the BSP.

As of December 31, 2015 and 2014, the Group has no exposures to securitization structures, contracts that provide credit protection through credit derivatives and investments in other types of structured products.

Credit risk mitigants on risk-weighted assets were based on collateralized transactions (margin deposits and hold-out on deposits) as well as guarantees by the Philippine National Government and those guarantors and exposures with highest credit rating.

Standardized credit risk weights were used in the credit assessment of asset exposures. Third party credit assessments were based on the ratings by S&P, Moody's, Fitch and PhilRatings on exposures to Sovereigns, Multilateral Development Banks, Banks, Local Government Units, Government Corporations, and Corporates.

Operational RWA are computed using the Basic Indicator Approach.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year.

The issuance of BSP Circular No. 639 covering the Internal Capital Adequacy Assessment Process (ICAAP) in 2009 supplements the BSP's risk-based capital adequacy framework under Circular No. 538. In compliance with this new circular, the Group has adopted and developed its ICAAP framework to ensure that appropriate level and quality of capital are maintained by the Group. Under this framework, the assessment of risks extends beyond the Pillar 1 set of credit, market and operational risks and onto other risks deemed material by the Group. The level and structure of capital are assessed and determined in light of the Group's business environment, plans, performance, risks and budget; as well as regulatory edicts. BSP requires submission of an ICAAP document every January 31. Pursuant to MB Resolution No. 84 dated January 14, 2015, the deadline for submission of ICAAP documents was amended from January 31 of each year to March 31 effective 2015 (BSP Circular No. 869 dated January 30, 2015).

On October 29, 2014, the BSP issued Circular No. 856 covering the implementing guidelines on the framework for dealing with domestic systemically important banks (DSIBs) in accordance with the Basel III standards. Banks that will be identified as DSIBs shall be required to have higher loss absorbency, on top of the minimum CET1 capital and capital conservation buffer. Compliance with this requirement shall be phased-in starting January 1, 2017, with full compliance on January 1, 2019.

The Group has taken into consideration the impact of the foregoing requirements to ensure that the appropriate level and quality of capital are maintained on an ongoing basis.



5. Fair Value Measurement

Financial Instruments

The methods and assumptions used by the Group in estimating the fair value of financial instruments are:

Cash and other cash items, due from BSP and other banks and interbank loans receivable and SPURA - Carrying amounts approximate fair values in view of the relatively short-term maturities of these instruments.

Trading and investment securities - Fair values of debt securities (financial assets at FVPL, AFS and HTM investments) and equity investments are generally based on quoted market prices. Where the debt securities are not quoted or the market prices are not readily available, the Group obtained valuations from independent parties offering pricing services, used adjusted quoted market prices of comparable investments, or applied discounted cash flow methodologies. For equity investments that are not quoted, the investments are carried at cost less allowance for impairment losses due to the unpredictable nature of future cash flows and the lack of suitable methods of arriving at a reliable fair value.

Derivative instruments - Fair values are estimated based on quoted market prices, prices provided by independent parties, or prices derived using acceptable valuation models. The models utilize published underlying rates (e.g. interest rates, FX rates, CDS rates, FX volatilities and spot and forward FX rates) and are implemented through validated calculation engines.

Loans and receivables - Fair values of the Group's loans and receivables are estimated using the discounted cash flow methodology, using current incremental lending rates for similar types of loans. Where the instrument reprices on a quarterly basis or has a relatively short maturity, the carrying amounts approximate fair values.

Liabilities - Fair values are estimated using the discounted cash flow methodology using the Group's current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued, if any. The carrying amount of demand and savings deposit liabilities and other short-term liabilities approximate fair value considering that these are either due and demandable or with short-term maturities.

Non-financial Assets

Investment properties - Fair value of investment properties is determined based on valuations performed by independent and in-house appraisers using valuation technique with significant inputs that are not based on observable market data (Level 3). The valuation of investment properties was based on the Sales Comparison Approach and considered recent sales similar or substitute properties in the same areas where the investment properties are located, taking into account the economic conditions prevailing at the time of the valuation. Other factors considered were the location and shape of the properties, environmental issues, development controls such as the height restrictions, building coverage and floor area ratio restrictions, among others. The fair value of investment properties is based on its highest and best use, which is its current use.

The following tables summarize the carrying amounts and fair values of the financial assets and liabilities, analyzed among those whose fair value is based on:

- Quoted market prices in active markets for identical assets or liabilities (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and



- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

	2015				Total Fair Value
	Consolidated				
	Carrying Value	Level 1	Level 2	Level 3	
Assets Measured at Fair Value					
Financial Assets					
Financial assets at FVPL					
HFT investments					
Debt securities					
Government	₱10,351	₱9,529	₱822	₱-	₱10,351
Private	3,723	3,675	48	-	3,723
Treasury bills	104	104	-	-	104
Treasury notes and bonds	19,511	19,511	-	-	19,511
	33,689	32,819	870	-	33,689
Equity securities					
Quoted	9,225	9,225	-	-	9,225
Derivative assets					
Currency forwards	769	-	769	-	769
Interest rate swaps	421	-	421	-	421
Cross currency swaps	4,568	-	4,568	-	4,568
Put option	149	-	149	-	149
Call option	32	-	32	-	32
Embedded derivatives in non-financial contract	3	-	3	-	3
	5,942	-	5,942	-	5,942
	48,856	42,044	6,812	-	48,856
AFS investments					
Debt securities					
Government	40,708	36,155	4,553	-	40,708
Private	28,098	27,433	665	-	28,098
Treasury notes and bonds	160,693	160,604	89	-	160,693
	229,499	224,192	5,307	-	229,499
Equity securities					
Quoted	2,207	2,207	-	-	2,207
	231,706	226,399	5,307	-	231,706
	₱280,562	₱268,443	₱12,119	₱-	₱280,562
Assets for which Fair Values are Disclosed					
Financial Assets					
HTM investments					
Government	₱19,107	₱22,376	₱-	₱-	₱22,376
Private	4,530	4,530	-	-	4,530
Treasury notes and bonds	184,795	179,288	-	-	179,288
	208,432	206,194	-	-	206,194
Loans and receivables - net					
Receivables from customers					
Commercial loans	593,034	-	593,938	-	593,938
Residential mortgage loans	84,520	-	85,850	-	85,850
Auto loans	81,042	-	94,394	-	94,394
Trade	32,988	-	32,994	-	32,994
Others	77,102	-	79,391	-	79,391
	868,686	-	886,567	-	886,567
Unquoted debt securities	1,936	-	2,035	-	2,035
Sales contract receivable	365	-	386	-	386
	870,987	-	888,988	-	888,988
Other Assets					
Residual value of leased assets	899	-	831	-	831
Miscellaneous	178	-	176	-	176
	1,077	-	1,007	-	1,007
	1,080,496	206,194	889,995	-	1,096,189
Non-Financial Assets					
Investment properties	8,195	-	-	12,981	12,981
	₱1,088,691	₱206,194	₱889,995	₱12,981	₱1,109,170

(Forward)



	2015				
	Consolidated				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Liabilities Measured at Fair Value					
Financial Liabilities					
Financial liabilities at FVPL					
Derivative liabilities					
Currency forwards	₱730	₱-	₱730	₱-	₱730
Interest rate swaps	952	-	952	-	952
Cross currency swaps	2,454	-	2,454	-	2,454
Call option	9	-	9	-	9
	₱4,145	₱-	₱4,145	₱-	₱4,145
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities					
Time	₱542,221	₱-	₱545,963	₱-	₱545,963
LTNCD	14,250	13,862	-	-	13,862
Bills payable and SSURA	176,791	-	173,911	-	173,911
Bonds payable	11,516	-	11,858	-	11,858
Subordinated debt	29,487	18,757	6,909	-	25,666
Other liabilities					
Deposits on lease contracts	1,249	-	1,069	-	1,069
	₱775,514	₱32,619	₱739,710	₱-	₱772,329
2015					
Parent Company					
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets Measured at Fair Value					
Financial Assets					
Financial assets at FVPL					
HFT investments					
Debt securities					
Government	₱7,509	₱7,509	₱-	₱-	₱7,509
Private	3,068	3,068	-	-	3,068
Treasury notes and bonds	18,074	18,074	-	-	18,074
	28,651	28,651	-	-	28,651
Derivative assets					
Currency forwards	769	-	769	-	769
Interest rate swaps	420	-	420	-	420
Cross currency swaps	4,568	-	4,568	-	4,568
Put option purchased - warrants	149	-	149	-	149
Call option	8	-	8	-	8
Embedded derivatives in non-financial contract	3	-	3	-	3
	5,917	-	5,917	-	5,917
	34,568	28,651	5,917	-	34,568
AFS investments					
Debt securities					
Government	33,071	33,041	30	-	33,071
Private	22,898	22,377	521	-	22,898
Treasury notes and bonds	145,985	145,895	90	-	145,985
	201,954	201,313	641	-	201,954
Equity securities					
Quoted	297	297	-	-	297
	202,251	201,610	641	-	202,251
	₱236,819	₱230,261	₱6,558	₱-	₱236,819
Assets for which Fair Values are Disclosed					
Financial Assets					
HTM investments					
Government	₱15,035	₱18,432	₱-	₱-	₱18,432
Treasury notes and bonds	160,781	155,678	-	-	155,678
	175,816	174,110	-	-	174,110
Loans and receivables - net					
Receivables from customers					
Commercial loans	555,790	-	554,813	-	554,813
Residential mortgage loans	44,410	-	44,693	-	44,693
Auto loans	21,713	-	21,824	-	21,824
Trade	32,988	-	32,994	-	32,994
Others	24,144	-	24,144	-	24,144
	679,045	-	678,468	-	678,468

(Forward)



2015					
Parent Company					
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Unquoted debt securities	₱194	₱-	₱194	₱-	₱194
Sales contract receivable	174	-	174	-	174
	679,413	-	678,836	-	678,836
	855,229	174,110	678,836	-	852,946
Non-Financial Assets					
Investment properties	4,132	-	-	7,487	7,487
	₱859,361	₱174,110	₱678,836	₱7,487	₱860,433
Liabilities Measured at Fair Value					
Financial Liabilities					
Financial liabilities at FVPL					
Derivative liabilities					
Currency forwards	₱730	₱-	₱730	₱-	₱730
Interest rate swaps	952	-	952	-	952
Cross currency swaps	2,454	-	2,454	-	2,454
Call option	9	-	9	-	9
	₱4,145	₱-	₱4,145	₱-	₱4,145
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities					
Time	₱425,629	₱-	₱425,629	₱-	₱425,629
LTNCD	14,250	13,862	-	-	13,862
	439,879	13,862	425,629	-	439,491
Bills payable and SSURA	88,640	-	88,640	-	88,640
Subordinated debt	22,374	18,757	-	-	18,757
	₱550,893	₱32,619	₱514,269	₱-	₱546,888

2014					
Consolidated					
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets Measured at Fair Value					
Financial Assets					
Financial assets at FVPL					
HFT investments					
Debt securities					
Government	₱10,503	₱9,467	₱1,036	₱-	₱10,503
Private	3,925	3,887	38	-	3,925
Treasury bills	1,763	1,763	-	-	1,763
Treasury notes and bonds	16,912	16,912	-	-	16,912
	33,103	32,029	1,074	-	33,103
Equity securities					
Quoted	9,791	9,791	-	-	9,791
Derivative assets					
Currency forwards	598	-	598	-	598
Bond forward	27	-	27	-	27
Interest rate swaps	345	-	345	-	345
Cross currency swaps	1,857	-	1,857	-	1,857
Put option	164	-	164	-	164
Call option	45	-	45	-	45
Embedded derivatives in non-financial contract	5	-	5	-	5
	3,041	-	3,041	-	3,041
	45,935	41,820	4,115	-	45,935
AFS investments					
Debt securities					
Government	50,861	46,560	4,301	-	50,861
Private	26,739	25,923	816	-	26,739
Treasury notes and bonds	122,767	122,718	49	-	122,767
	200,367	195,201	5,166	-	200,367
Equity securities					
Quoted	3,892	3,892	-	-	3,892
	204,259	199,093	5,166	-	204,259
	₱250,194	₱240,913	₱9,281	₱-	₱250,194

(Forward)



	2014				Total Fair Value
	Consolidated				
	Carrying Value	Level 1	Level 2	Level 3	
Assets for which Fair Values are Disclosed					
Financial Assets					
HTM investments					
Government	₱14,478	₱18,157	₱-	₱-	₱18,157
Private	3,371	3,344	-	-	3,344
Treasury notes and bonds	111,227	113,548	24	-	113,572
	129,076	135,049	24	-	135,073
Loans and receivables - net					
Receivables from customers					
Commercial loans	493,604	-	494,875	-	494,875
Residential mortgage loans	73,826	-	72,149	-	72,149
Auto loans	63,353	-	66,485	-	66,485
Trade	36,189	-	36,197	-	36,197
Others	76,452	-	76,351	-	76,351
	743,424	-	746,057	-	746,057
Unquoted debt securities	2,508	-	2,740	-	2,740
Sales contract receivable	430	-	451	-	451
	746,362	-	749,248	-	749,248
Other Assets					
Residual value of leased assets	832	-	791	-	791
Miscellaneous	115	-	117	-	117
	947	-	908	-	908
	876,385	135,049	750,180	-	885,229
Non-Financial Assets					
Investment properties	10,037	-	-	15,773	15,773
	₱886,422	₱135,049	₱750,180	₱15,773	₱901,002
Liabilities Measured at Fair Value					
Financial Liabilities					
Financial liabilities at FVPL					
Derivative liabilities					
Currency forwards	₱506	₱-	₱506	₱-	₱506
Foreign exchange swaps	16	-	16	-	16
Interest rate swaps	1,113	-	1,113	-	1,113
Cross currency swaps	1,436	-	1,436	-	1,436
	₱3,071	₱-	₱3,071	₱-	₱3,071
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities					
Time	₱576,152	₱-	₱580,433	₱-	₱580,433
LTNCD	14,250	8,080	6,215	-	14,295
Bills payable and SSURA	140,399	-	141,626	-	141,626
Bonds payable	11,444	-	12,004	-	12,004
Subordinated debt	29,452	19,687	7,107	-	26,794
Other liabilities					
Deposits on lease contracts	1,171	-	1,031	-	1,031
	₱772,868	₱27,767	₱748,416	₱-	₱776,183

	2014				Total Fair Value
	Parent Company				
	Carrying Value	Level 1	Level 2	Level 3	
Assets Measured at Fair Value					
Financial Assets					
Financial assets at FVPL					
HFT investments					
Debt securities					
Government	₱9,236	₱9,236	₱-	₱-	₱9,236
Private	3,049	3,049	-	-	3,049
Treasury bills	56	56	-	-	56
Treasury notes and bonds	14,523	14,523	-	-	14,523
	26,864	26,864	-	-	26,864
Derivative assets					
Currency forwards	598	-	598	-	598
Bond forward	27	-	27	-	27
Interest rate swaps	345	-	345	-	345
Cross currency swaps	1,847	-	1,847	-	1,847

(Forward)



	2014				
	Parent Company				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Put option purchased - warrants	₱164	₱-	₱164	₱-	₱164
Embedded derivatives in non-financial contract	5	-	5	-	5
	2,986	-	2,986	-	2,986
	29,850	26,864	2,986	-	29,850
AFS investments					
Debt securities					
Government	43,821	43,705	116	-	43,821
Private	23,408	22,912	496	-	23,408
Treasury notes and bonds	111,796	111,796	-	-	111,796
	179,025	178,413	612	-	179,025
Equity securities					
Quoted	289	289	-	-	289
	179,314	178,702	612	-	179,314
	₱209,164	₱205,566	₱3,598	₱-	₱209,164
Assets for which Fair Values are Disclosed					
Financial Assets					
HTM investments					
Government	₱14,195	₱17,868	₱-	₱-	₱17,868
Treasury notes and bonds	96,582	98,702	-	-	98,702
	110,777	116,570	-	-	116,570
Loans and receivables - net					
Receivables from customers					
Commercial loans	458,516	-	457,438	-	457,438
Residential mortgage loans	39,797	-	40,028	-	40,028
Auto loans	17,853	-	17,981	-	17,981
Trade	36,189	-	36,197	-	36,197
Others	26,740	-	26,740	-	26,740
	579,095	-	578,384	-	578,384
Unquoted debt securities	163	-	163	-	163
Sales contract receivable	184	-	184	-	184
	579,442	-	578,731	-	578,731
	690,219	116,570	578,731	-	695,301
Non-Financial Assets					
Investment properties	6,229	-	-	10,672	10,672
	₱696,448	₱116,570	₱578,731	₱10,672	₱705,973
Liabilities Measured at Fair Value					
Financial Liabilities					
Financial liabilities at FVPL					
Derivative liabilities					
Currency forwards	₱506	₱-	₱506	₱-	₱506
Interest rate swaps	1,113	-	1,113	-	1,113
Cross currency swaps	1,435	-	1,435	-	1,435
	₱3,054	₱-	₱3,054	₱-	₱3,054
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities					
Time	₱475,818	₱-	₱475,818	₱-	₱475,818
LTNCD	14,250	8,080	6,215	-	14,295
	490,068	8,080	482,033	-	490,113
Bills payable and SSURA	62,345	-	62,345	-	62,345
Subordinated debt	22,344	19,687	-	-	19,687
	₱574,757	₱27,767	₱544,378	₱-	₱572,145

When fair values of listed equity and debt securities, as well as publicly traded derivatives at the reporting date are based on quoted market prices or binding dealer price quotations, without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy. For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist and other revaluation models.



Instruments included in Level 3 include those for which there is currently no active market.

The following table shows transfers from Level 2 to Level 1 of the fair value hierarchy;

	Carrying Values			
	December 31, 2015		December 31, 2014	
	Level 1	Level 2	Level 1	Level 2
HFT investments - debt securities	₱-	₱-	₱15	(₱15)
AFS investments - debt securities	47	(47)	45	(45)

As of December 31, 2015 and 2014, the prices of these securities are quoted in an active market.

6. Segment Information

The Group's operating businesses are recognized and managed separately according to the nature of services provided and the different markets served with segment representing a strategic business unit. Operating segments are reported in accordance with internal reporting to the Senior Management who is responsible for allocating resources to the segments and assessing its performance. The Group's business segments follow:

- Consumer Banking - principally providing consumer type loans and support for effective sourcing and generation of consumer business;
- Corporate Banking - principally handling loans and other credit facilities and deposit and current accounts for corporate and institutional customers;
- Investment Banking - principally arranging structured financing, and providing services relating to privatizations, initial public offerings, mergers and acquisitions; and providing advisory services primarily aimed to create wealth to individuals and institutions;
- Treasury - principally providing money market, trading and treasury services, as well as the management of the Group's funding operations by use of treasury bills, government securities and placements and acceptances with other banks, through treasury and corporate banking;
- Branch Banking - principally handling branch deposits and providing loans and other loan related businesses for domestic middle market clients; and
- Others - principally handling other services including but not limited to remittances, leasing, account financing, and other support services. Other operations of the Group comprise the operations and financial control groups.

Segment assets are those operating assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities are those operating liabilities that result from the operating activities of a segment and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Interest income is reported net, as management primarily relies on the net interest income as performance measure, not the gross income and expense. The Group has no significant customers which contributes 10.00% or more of the consolidated revenue net of interest expense. Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest is charged/credited to business segments based on a pool rate which approximates the cost of funds. The following table presents revenue and income information of operating segments presented in accordance with PFRS and segment assets and liabilities:



	Consumer Banking	Corporate Banking	Investment Banking	Treasury	Branch Banking	Others	Total
2015							
Results of Operations							
Net interest income (expense)							
Third party	₱10,287	₱19,170	₱5	₱16,617	₱1,027	₱1,868	₱48,974
Intersegment	(242)	(7,607)	–	(6,054)	15,633	(1,730)	–
Net interest income after intersegment transactions	10,045	11,563	5	10,563	16,660	138	48,974
Non-interest income	4,976	570	682	1,181	3,818	7,201	18,428
Revenue - net of interest expense	15,021	12,133	687	11,744	20,478	7,339	67,402
Non-interest expense	9,184	2,656	(42)	1,612	19,073	9,448	41,931
Income before share in net income of associates and a JV	5,837	9,477	729	10,132	1,405	(2,109)	25,471
Share in net income of associates and a JV	–	20	–	–	–	389	409
Provision for income tax	(1,153)	(233)	–	(3,817)	217	(251)	(5,237)
Non-controlling interest in net income of consolidated subsidiaries	–	–	–	–	–	(2,018)	(2,018)
Net income (loss)	₱4,684	₱9,264	₱729	₱6,315	₱1,622	(₱3,989)	₱18,625
Statement of Financial Position							
Total assets	₱143,962	₱636,495	₱–	₱538,974	₱138,110	₱303,151	₱1,760,692
Total liabilities	₱52,912	₱602,773	₱–	₱551,573	₱213,643	₱136,481	₱1,557,382
Other Segment Information							
Capital expenditures	₱681	₱78	₱–	₱136	₱163	₱3,597	₱4,655
Depreciation and amortization	₱284	₱164	₱–	₱10	₱1,159	₱1,643	₱3,260
Provision for credit and impairment losses	₱3,913	₱94	(₱91)	₱3	₱1,017	(₱2,877)	₱2,059
2014							
Results of Operations							
Net interest income (expense)							
Third party	₱9,183	₱17,004	₱164	₱16,265	₱1,248	₱1,899	₱45,763
Intersegment	(331)	(9,731)	–	(7,834)	20,612	(2,716)	–
Net interest income (expense) after intersegment transactions	8,852	7,273	164	8,431	21,860	(817)	45,763
Non-interest income	5,009	940	408	912	3,886	17,976	29,131
Revenue - net of interest expense	13,861	8,213	572	9,343	25,746	17,159	74,894
Non-interest expense	9,024	2,089	28	1,288	17,898	16,516	46,843
Income before share in net income of associates and a JV	4,837	6,124	544	8,055	7,848	643	28,051
Share in net income of associates and a JV	–	77	–	–	–	366	443
Provision for income tax	(946)	(280)	–	(3,475)	201	(1,959)	(6,459)
Non-controlling interest in net income of consolidated subsidiaries	–	–	–	–	–	(1,922)	(1,922)
Net income (loss)	₱3,891	₱5,921	₱544	₱4,580	₱8,049	(₱2,872)	₱20,113
Statement of Financial Position							
Total assets	₱119,790	₱521,546	₱–	₱566,013	₱134,958	₱262,233	₱1,604,540
Total liabilities	₱51,474	₱512,814	₱–	₱545,049	₱204,002	₱132,416	₱1,445,755
Other Segment Information							
Capital expenditures	₱450	₱119	₱–	₱121	₱226	₱2,883	₱3,799
Depreciation and amortization	₱296	₱116	₱–	₱29	₱1,016	₱1,439	₱2,896
Provision for credit and impairment losses	₱4,195	₱43	₱–	₱8	₱858	(₱255)	₱4,849
2013							
Results of Operations							
Net interest income (expense)							
Third party	₱7,851	₱7,999	(₱44)	₱11,148	₱9,994	₱1,321	₱38,269
Intersegment	(280)	(4,014)	–	(5,995)	12,443	(2,154)	–
Net interest income (expense) after intersegment transactions	7,571	3,985	(44)	5,153	22,437	(833)	38,269
Non-interest income	4,068	382	731	13,426	3,646	18,402	40,655
Revenue - net of interest expense	11,639	4,367	687	18,579	26,083	17,569	78,924
Non-interest expense	8,307	1,573	149	2,547	17,123	19,625	49,324
Income (loss) before share in net income of associates and a JV	3,332	2,794	538	16,032	8,960	(2,056)	29,600
Share in net income of associates and a JV	–	110	–	–	–	1,367	1,477
Provision for income tax	(862)	(370)	(52)	(3,242)	64	(2,286)	(6,748)
Non-controlling interest in net income of consolidated subsidiaries	–	–	–	–	–	(1,841)	(1,841)
Net income (loss)	₱2,470	₱2,534	₱486	₱12,790	₱9,024	(₱4,816)	₱22,488
Statement of Financial Position							
Total assets	₱97,439	₱202,740	₱861	₱503,490	₱321,033	₱253,006	₱1,378,569
Total liabilities	₱41,792	₱197,033	₱6	₱481,636	₱377,608	₱137,789	₱1,235,864
Other Segment Information							
Capital expenditures	₱409	₱212	₱–	₱105	₱328	₱2,599	₱3,653
Depreciation and amortization	₱293	₱103	₱–	₱7	₱949	₱1,332	₱2,684
Provision for credit and impairment losses	₱3,665	(₱157)	₱–	₱426	₱1,886	₱4,902	₱10,722



Non-interest income consists of service charges, fees and commissions, profit from assets sold, trading and securities gain - net, foreign exchange gain - net, income from trust operations, leasing, dividends and miscellaneous income. Non-interest expense consists of compensation and fringe benefits, taxes and licenses, provision for credit and impairment losses, depreciation and amortization, occupancy and equipment-related cost, amortization of software costs, income (loss) attributable to NENCI and miscellaneous expense.

Geographical Information

The Group operates in four geographic markets: Philippines, Asia other than Philippines, USA and Europe (Note 2). The following tables show the distribution of Group's external net operating income and non-current assets allocated based on the location of the customers and assets, respectively, for the years ended December 31:

	Philippines	Asia (Other than Philippines)	USA	Europe	Total
2015					
Interest income	₱64,225	₱1,297	₱34	₱-	₱65,556
Interest expense	16,035	541	6	-	16,582
Net interest income	48,190	756	28	-	48,974
Non-interest income	16,801	1,117	454	56	18,428
Provision for credit and impairment losses	1,985	72	2	-	2,059
Total external net operating income	₱63,006	₱1,801	₱480	₱56	₱65,343
Non-current assets	₱31,847	₱644	₱19	₱6	₱32,516
2014					
Interest income	₱57,557	₱1,709	₱28	₱-	₱59,294
Interest expense	12,893	632	6	-	13,531
Net interest income	44,664	1,077	22	-	45,763
Non-interest income	27,834	912	335	50	29,131
Provision for credit and impairment losses	4,689	157	3	-	4,849
Total external net operating income	₱67,809	₱1,832	₱354	₱50	₱70,045
Non-current assets	₱27,851	₱691	₱19	₱5	₱28,566
2013					
Interest income	₱48,614	₱1,243	₱35	₱-	₱49,892
Interest expense	11,155	462	6	-	11,623
Net interest income	37,459	781	29	-	38,269
Non-interest income	39,130	1,000	411	114	40,655
Provision for credit and impairment losses	10,630	92	-	-	10,722
Total external net operating income	₱65,959	₱1,689	₱440	₱114	₱68,202
Non-current assets	₱30,985	₱667	₱25	₱13	₱31,690

Non-current assets consist of property and equipment, investment properties, chattel properties acquired in foreclosure, software costs and assets held under joint operations.

7. Interbank Loans Receivable and Securities Purchased Under Resale Agreements

This account consists of:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Interbank loans receivable (Note 31)	₱33,621	₱23,017	₱25,951	₱13,399
SPURA	2,500	96,826	-	95,042
	36,121	119,843	25,951	108,441
Less allowance for credit losses (Note 15)	3	4	-	-
	₱36,118	₱119,839	₱25,951	₱108,441



The outstanding balance of SPURA represents overnight placements with the BSP where the underlying securities cannot be sold or repledged to parties other than the BSP.

8. Trading and Investment Securities

This account consists of:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Financial assets at FVPL (Note 29)	₱48,856	₱45,935	₱34,568	₱29,850
AFS investments (Notes 29 and 31)	235,158	207,711	202,312	179,375
HTM investments (Note 29)	208,432	129,076	175,816	110,777
	₱492,446	₱382,722	₱412,696	₱320,002

Financial assets at FVPL consist of the following:

	Consolidated		Parent Company	
	2015	2014	2015	2014
HFT investments (Note 31)				
Debt securities				
Government (Note 17)	₱10,351	₱10,503	₱7,509	₱9,236
Private	3,723	3,925	3,068	3,049
Treasury bills	104	1,763	–	56
Treasury notes and bonds	19,511	16,912	18,074	14,523
	33,689	33,103	28,651	26,864
Equity securities - quoted	9,225	9,791	–	–
	42,914	42,894	28,651	26,864
Derivative assets	5,942	3,041	5,917	2,986
	₱48,856	₱45,935	₱34,568	₱29,850

Derivative Financial Instruments

The following are fair values of derivative financial instruments of the Parent Company recorded as derivative assets/liabilities, together with the notional amounts. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value are measured. The notional amounts indicate the volume of transactions outstanding as of December 31, 2015 and 2014 and are not indicative of either market risk or credit risk.

	Assets	Liabilities	Notional Amount	Average Forward Rate (in every USD 1)
December 31, 2015				
Freestanding derivatives:				
Currency forwards				
BOUGHT:				
USD	₱410	₱115	USD 967	₱46.9406
CNY	–	158	CNY 652	CNY 0.1552
EUR	0	1	EUR 2	EUR 1.1148
TWD	70	–	TWD 1,636	TWD 0.0312
CAD	–	3	CAD 2	CAD 0.7213
SOLD:				
USD	106	441	USD 1,094	₱47.0101
CNY	180	–	CNY 681	CNY 0.1558
GBP	0	0	GBP 6	GBP 1.4924

(Forward)



	Assets	Liabilities	Notional Amount	Average Forward Rate (in every USD 1)
JPY	₱0	₱5	JPY 2,584	JPY 0.0083
EUR	1	2	EUR 9	EUR 1.0918
THB	0	0	THB 150	THB 0.0277
SGD	2	–	SGD 21	SGD 0.7107
TRY	–	0	TRY 0	TRY 0.3356
AUD	–	5	AUD 15	AUD 0.7207
HKD	–	0	HKD 101	HKD 0.1290
Put option purchased warrants	149	–	USD 645	
Interest rate swaps - PHP	154	265	₱40,706	
Interest rate swaps - FX	266	687	USD 1,955	
Cross currency swaps	4,563	1	USD 1,083	
Cross currency swaps - PHP	5	2,453	₱19,444	
Over-the-counter FX options	8	9	USD 158	
Embedded derivatives in non-financial contract*	3	–	USD 0	
	₱5,917	₱4,145		
December 31, 2014				
Freestanding derivatives:				
Currency forwards				
BOUGHT:				
USD	₱140	₱65	USD 830	₱44.7364
CNY	11	238	CNY 3,931	CNY 0.1601
EUR	–	1	EUR 0	EUR 1.2695
TWD	77	–	TWD 1,641	TWD 0.0326
HKD	–	0	HKD 15	HKD 0.1289
CHF	–	4	CHF 4	CHF 1.0358
AUD	–	0	AUD 1	AUD 0.8183
SOLD:				
USD	112	180	USD 1,067	₱44.8498
CNY	250	17	CNY 3,963	CNY 0.1608
JPY	4	–	JPY 807	JPY 0.0084
EUR	3	–	EUR 1	EUR 1.2080
THB	0	0	THB 15	THB 0.0303
CHF	0	–	CHF 2	CHF 1.0133
SGD	1	–	SGD 31	SGD 0.7560
AUD	0	1	AUD 14	AUD 0.8131
DKK	0	–	DKK 1	DKK 0.1675
ZAR	0	–	ZAR 3	ZAR 0.0864
Put option purchased warrants	164	–	USD 645	
Interest rate swaps - PHP	252	386	₱54,788	
Interest rate swaps - FX	93	727	USD 1,455	
Cross currency swaps	1,804	46	USD 1,088	
Cross currency swaps - PHP	43	1,389	₱18,047	
Over-the-counter FX options	0	–	USD 2	
Bond forwards	27	–	USD 50	
Embedded derivatives in non-financial contract*	5	–	USD 0	
	₱2,986	₱3,054		

*Non-financial host contracts include foreign currency derivatives with average notional amounts of USD1,497 and USD1,467 per month as of December 31, 2015 and 2014, respectively (with maturities until 2021).

The Group's derivative assets include embedded call option in a financial contract amounting to ₱24.6 million and ₱44.5 million as of December 31, 2015 and 2014, respectively and IRS amounting to ₱10.6 million as of December 31, 2014. Derivative liabilities of the Group include foreign currency swaps of ₱16.2 million as of December 31, 2014.



Derivatives Designated as Accounting Hedges

MCC had a cross currency swap agreement with a certain bank to hedge the foreign exchange and interest rate risks arising from its dollar-denominated loan with the same bank which was paid off on December 21, 2015. Under the agreement, MCC, on a quarterly basis, pays fixed annual interest rate of 5.45% in 2015 and from 5.25% to 5.50% in 2014, on the peso principal and receives floating interest at 3 months London interbank offered rate (LIBOR) on the USD principal. As of December 31, 2014, the swaps which are designated as hedging instruments under cash flow hedges have an aggregate positive fair value of ₱10.6 million. MCC assessed the hedge relationship of the swaps and the hedged loans as highly effective. The effective fair value changes on the swaps that were deferred in equity under 'Translation adjustment and others' as of December 31, 2014 amounted to ₱2.7 million. This is to recognize the offsetting effect of the change in fair value of the swaps and that of the hedged loans in the statement of income due to movements in the foreign exchange rates. No ineffectiveness was recognized in 2014.

AFS investments consist of the following:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Debt securities:				
Government (Notes 17 and 19)	₱40,714	₱50,864	₱33,071	₱43,821
Private	28,098	26,739	22,898	23,408
Treasury notes and bonds	160,693	122,767	145,985	111,796
	229,505	200,370	201,954	179,025
Equity securities:				
Quoted (Note 11)	2,476	4,205	376	370
Unquoted	3,665	3,665	142	142
	6,141	7,870	518	512
	235,646	208,240	202,472	179,537
Less allowance for impairment losses (Note 15)	488	529	160	162
	₱235,158	₱207,711	₱202,312	₱179,375

AFS investments include net unrealized losses as follows:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Balance at the beginning of year	₱2,386	₱371	₱2,609	₱2,133
Unrealized loss (gain) recognized in other comprehensive income	899	119	505	(523)
Amounts realized in profit or loss	1,430	1,862	1,301	965
	4,715	2,352	4,415	2,575
Tax (Note 28)	68	34	87	34
Balance at end of year	₱4,783	₱2,386	₱4,502	₱2,609

As of December 31, 2015 and 2014, AFS investments include floating and fixed rate private notes with total carrying value of USD11.1 million (with peso equivalent of ₱521.6 million and ₱496.2 million, respectively) which are pledged by the Parent Company's New York Branch in compliance with the regulatory requirements of the Federal Deposit Insurance Corporation (FDIC) and the Office of the Controller of the Currency (OCC) in New York.

In August 2014, the Parent Company and FMIC participated in a bond exchange transaction affecting HFT and AFS investments and received 10-year Benchmark bonds with coupon of 4.125% and face value of ₱13.3 billion and ₱10.2 billion, respectively, at a price equivalent to the ratio of the Eligible Bond Repurchase Price to the New Benchmark Bond Issue Price for every



₱1.00 principal amount of each series of Eligible Bonds offered. The Parent Company and FMIC realized net trading loss of ₱9.0 thousand and ₱80.4 million, respectively.

In September 2015, the Parent Company and its subsidiaries, FMIC and PSBank, participated in a bond exchange transaction affecting HFT and AFS investments and received 10-year and 25-year Benchmark bonds with coupon of 3.625% and 4.625%, respectively, and face value of ₱16.0 billion and ₱15.0 billion, respectively, at a price equivalent to the ratio of Eligible Bond Repurchase Price to the New Benchmark Bond Issue Price for every ₱1.00 principal amount of each series of Eligible Bonds offered. The Parent Company, FMIC and PSBank realized net trading gain of ₱32.9 million, ₱0.9 million and ₱4.4 million, respectively. Further, the Parent Company and FMIC also subscribed to new 10-year Benchmark bonds for cash amounting to ₱878.0 million and ₱307.0 million, respectively.

Investment of FMIC in Global Business Power Corporation (GBPC)

The Group's AFS investment - equity securities include FMIC's 4.73% ownership in GBPC amounting to ₱3.3 billion following the sale in 2013 of its 20.00% ownership to ORIX Corporation of Tokyo, Japan at a consideration of ₱7.2 billion which resulted in a gain of ₱3.1 billion and another 20.00% to Meralco PowerGen Corporation, a wholly-owned subsidiary of Manila Electric Company, at a consideration of ₱7.2 billion which resulted in a gain of ₱4.3 billion. The sale of GBPC shares was in line with the Group's capital raising initiatives in preparation for the implementation of Basel III in the Philippines on January 1, 2014.

Investments of FMIC in Toyota Manila Bay Corporation (TMBC) and Toyota Cubao, Inc. (TCI)

In March 2014, FMIC sold AFS investments representing 19.25% ownership in TMBC and 9.00% ownership in TCI to GT Capital at a price of ₱237.3 million and ₱35.9 million, respectively, resulting in trading and securities gain of ₱189.1 million and ₱28.7 million, respectively (Note 31).

HTM investments consist of the following:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Government bonds (Notes 17 and 19)	₱19,107	₱14,478	₱15,035	₱14,195
Treasury notes and bonds	184,795	111,227	160,781	96,582
Private bonds	4,530	3,371	-	-
	₱208,432	₱129,076	₱175,816	₱110,777

HTM investments include US Treasury notes with carrying value of USD1.0 million (with peso equivalent of ₱47.7 million and ₱45.2 million as of December 31, 2015 and 2014, respectively) which are pledged by MR USA to the State Treasury Office pursuant to the California Financial Code and in accordance with the requirements of the California Department of Business Oversight relative to its license as a transmitter of money.

Bond Exchange Transaction

In July 2011, the Department of Finance and the Bureau of Treasury embarked on a Liability Management exercise through the exchange of eligible fixed income government bonds for a new 10-year bonds (due 2022) or 20-year bonds (due 2031) wherein the proceeds of a simultaneous issuance of additional new 20-year bonds were used to buy back Eligible bonds via Tender Offer. Given the existing tainting rule on HTM investment under PAS 39, the SEC granted an exemptive relief from the tainting rule subject to, among others, (a) proper disclosures to the SEC; (b) Day 1 profit or loss shall not be recognized and any unrealized gains or losses shall be amortized over the term of the new benchmark bonds; (c) basis of preparation of the financial statements shall not be PFRS but should be the prescribed financial reporting framework for entities which are given



relief from certain requirements of the PFRS; and (d) appropriate clearance shall be obtained from the BSP. In October 2011, the BSP through Circular 738 issued exemption from tainting provision for prudential reporting on certain securities booked under HTM category which are covered by an offer and accepted tender offer pursuant to liability management transactions of the Republic of the Philippines, among others.

In July 2011, given its nature of business, FMIC participated in the domestic bond exchange covering its ₱3.0 billion eligible government bonds classified as HTM investments to extend the bond holdings (from maturity date of December 16, 2020 to July 19, 2031) and benefit from the higher yields (from 5.875% to 8.00%). FMIC has complied with the disclosure and other requirements of the SEC as follows: total HTM investments portfolio of FMIC before and after the exchange remain the same while the gain on exchange of ₱14.5 million is deferred and amortized over the term of the new bonds; and as disclosed in Note 2, the related financial statements of the Group have been prepared in accordance with Philippine GAAP for banks.

Reporting under PFRS

Had the Group accounted for the transaction under PFRS, the entire HTM investments portfolio of the Group covered by the tainting period under the bond exchange, with amortized cost of ₱35.9 billion and ₱36.6 billion as of December 31, 2015 and 2014, respectively, would have been reclassified to AFS investments and carried at fair value with net unrealized gain of ₱3.8 billion and ₱4.1 billion, respectively, being recognized in other comprehensive income.

Interest income on trading and investment securities consists of:

	Consolidated			Parent Company		
	2015	2014	2013	2015	2014	2013
Financial assets at FVPL	₱1,740	₱1,799	₱1,775	₱1,299	₱1,409	₱1,495
AFS investments	7,473	8,883	8,119	6,481	7,660	6,469
HTM investments	8,625	4,313	1,521	7,502	3,882	1,142
	₱17,838	₱14,995	₱11,415	₱15,282	₱12,951	₱9,106

In 2015, 2014 and 2013, foreign currency-denominated trading and investment securities bear nominal annual interest rates ranging from 0.31% to 11.63%, 0.39% to 10.63% and 0.54% to 10.63%, respectively, for the Group and from 0.31% to 11.63%, 0.39% to 10.63% and 0.63% to 10.63%, respectively, for the Parent Company while peso-denominated trading and investment securities bear nominal annual interest rates ranging from 1.63% to 14.38%, 1.63% to 18.25% and 1.30% to 14.60%, respectively, for the Group and from 2.13% to 13.75%, 1.63% to 18.25% and 1.70% to 14.60%, respectively, for the Parent Company.

Trading and securities gain - net consists of:

	Consolidated			Parent Company		
	2015	2014	2013	2015	2014	2013
HFT investments	(₱1,261)	₱1,790	₱992	(₱824)	₱33	₱409
AFS investments	1,430	1,862	12,833	1,301	965	4,816
Derivative asset/liabilities - net	1,113	(347)	3,357	1,127	(299)	3,361
	₱1,282	₱3,305	₱17,182	₱1,604	₱699	₱8,586

Trading gains on AFS investments include realized gains/losses previously reported in other comprehensive income.



9. Loans and Receivables

This account consists of:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Receivables from customers (Note 31):				
Commercial loans	₱599,540	₱502,858	₱558,435	₱464,368
Residential mortgage loans	85,520	74,870	44,839	40,225
Auto loans	82,025	65,048	21,745	17,990
Trade loans	33,262	36,427	33,262	36,427
Others	80,350	79,689	24,184	26,779
	880,697	758,892	682,465	585,789
Less unearned discounts and capitalized interest	2,414	2,628	187	284
	878,283	756,264	682,278	585,505
Unquoted debt securities:				
Government	855	614	432	194
Private	1,467	2,456	148	425
	2,322	3,070	580	619
Accrued interest receivable (Note 31)	9,212	8,319	6,935	6,705
Accounts receivable (Note 31)	9,562	7,301	7,974	5,762
Sales contract receivable	407	472	181	192
Other receivables (Note 31)	318	505	28	165
	900,104	775,931	697,976	598,948
Less allowance for credit losses (Note 15)	12,902	16,450	5,572	8,955
	₱887,202	₱759,481	₱692,404	₱589,993

Receivables from customers consist of:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Loans and discounts	₱824,788	₱697,947	₱626,268	₱524,348
Less unearned discounts and capitalized interest	2,414	2,628	187	284
	822,374	695,319	626,081	524,064
Customers' liabilities under letters of credit (LC)/trust receipts	32,352	34,981	32,352	34,981
Bills purchased (Note 21)	23,557	25,964	23,845	26,460
	₱878,283	₱756,264	₱682,278	₱585,505

Receivables from customers - others of the Group include credit card receivables, notes receivables financed and lease contract receivables amounting to ₱42.3 billion, ₱4.8 billion and ₱4.7 billion, respectively, as of December 31, 2015 and ₱38.8 billion, ₱4.6 billion and ₱4.4 billion, respectively, as of December 31, 2014.

As of December 31, 2015 and 2014, other receivables include dividends receivable of ₱167.7 million and ₱160.1 million, respectively, for the Group and ₱18.0 million and ₱154.9 million, respectively, for the Parent Company. Dividends receivable of FMIC from its investee companies amounted to ₱149.7 million and ₱5.2 million as of December 31, 2015 and 2014, respectively.



Interest income on loans and receivables consists of:

	Consolidated			Parent Company		
	2015	2014	2013	2015	2014	2013
Receivables from customers	₱32,366	₱28,810	₱25,853	₱21,588	₱18,871	₱16,953
Receivables from cardholders	8,272	7,415	6,500	–	–	–
Lease contract receivables	1,947	1,556	1,372	–	–	–
Customer liabilities under LC/trust receipts	833	752	713	833	752	713
Restructured loans	194	202	268	139	150	207
Unquoted debt securities and others	567	1,094	831	370	588	283
	₱44,179	₱39,829	₱35,537	₱22,930	₱20,361	₱18,156

Interest income on unquoted debt securities and others include interest accreted on impaired receivables in accordance with PAS 39 and interest income on sales contract receivable.

BSP Reporting

As of December 31, 2015 and 2014, 81.83% and 80.93% of the total receivables from customers of the Group, respectively, are subject to periodic interest repricing. In 2015 and 2014, the remaining peso receivables from customers earn annual fixed interest rates ranging from 3.00% to 42.00%, while foreign currency-denominated receivables from customers earn annual fixed interest rates ranging from 1.34% to 36.00% and from 1.27% to 36.00%, respectively.

The following table shows information relating to receivables from customers by collateral, gross of unearned discounts and capitalized interest:

	Consolidated				Parent Company			
	2015		2014		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Secured by:								
Other securities	₱148,163	16.82	₱124,938	16.46	₱148,163	21.71	₱124,938	21.33
Real estate	99,479	11.30	87,344	11.51	63,720	9.34	61,064	10.42
Chattel	99,465	11.29	78,737	10.38	21,496	3.15	18,286	3.12
Deposit hold-out	16,288	1.85	14,822	1.95	15,974	2.34	14,116	2.41
Equity securities	14,381	1.63	21,073	2.78	3,264	0.48	10,947	1.87
Others	8,258	0.94	10,766	1.42	2,296	0.33	2,782	0.48
	386,034	43.83	337,680	44.50	254,913	37.35	232,133	39.63
Unsecured	494,663	56.17	421,212	55.50	427,552	62.65	353,656	60.37
	₱880,697	100.00	₱758,892	100.00	₱682,465	100.00	₱585,789	100.00

Information on the concentration of credit as to industry of receivables from customers, gross of unearned discount and capitalized interest, follows:

	Consolidated				Parent Company			
	2015		2014		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Manufacturing	₱185,257	21.04	₱167,183	22.03	₱178,936	26.22	₱159,782	27.27
Activities of households as employers and undifferentiated goods and services and producing activities of households for own use	173,457	19.70	148,452	19.56	64,986	9.52	57,138	9.75
Wholesale and retail trade, repair of motor vehicles, motorcycles	146,546	16.64	121,828	16.05	131,903	19.33	108,015	18.44
Real estate activities	123,874	14.07	119,749	15.78	86,959	12.74	87,743	14.98
Electricity, gas, steam and air-conditioning supply and water supply, sewerage, waste management and remediation activities	63,668	7.23	53,158	7.00	61,273	8.98	51,772	8.84
Transportation and storage, information and communication	50,632	5.75	35,871	4.73	44,462	6.52	29,102	4.97
Financial and insurance activities	45,833	5.20	41,483	5.47	46,138	6.76	38,085	6.50
Construction	29,804	3.38	23,104	3.04	21,847	3.20	18,006	3.07
Accommodation and food service activities	18,521	2.10	15,139	2.00	18,247	2.67	14,912	2.55
Agricultural, forestry and fishing	17,258	1.96	12,285	1.62	13,589	1.99	10,176	1.74
Others	25,847	2.93	20,640	2.72	14,125	2.07	11,058	1.89
	₱880,697	100.00	₱758,892	100.00	₱682,465	100.00	₱585,789	100.00



The BSP considers that concentration of credit exists when total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio except for thrift banks.

Non-performing loans (NPLs) included in the total loan portfolio of the Group and the Parent Company, as reported to the BSP, are presented below, net of specific allowance for impairment in compliance with BSP Circular No. 772:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Gross NPLs	₱8,666	₱7,524	₱2,533	₱2,456
Less allowance for credit losses	7,562	11,046	3,732	6,911
	₱1,104	(₱3,522)	(₱1,199)	(₱4,455)

Under banking regulations, NPLs shall, as a general rule, refer to loan accounts whose principal and/or interest is unpaid for thirty (30) days or more after due date or after they have become past due in accordance with existing rules and regulations. This shall apply to loans payable in lump sum and loans payable in quarterly, semi-annual, or annual installments, in which case, the total outstanding balance thereof shall be considered non-performing.

In the case of receivables that are payable in monthly installments, the total outstanding balance thereof shall be considered non-performing when three (3) or more installments are in arrears. In the case of receivables that are payable in daily, weekly, or semi-monthly installments, the total outstanding balance thereof shall be considered non-performing at the same time that they become past due in accordance with existing BSP regulations, i.e., the entire outstanding balance of the receivable shall be considered as past due when the total amount of arrearages reaches 10.00% of the total receivable balance. Restructured receivables which do not meet the requirements to be treated as performing receivables shall also be considered as NPLs.

10. Property and Equipment

The composition of and movements in this account follow:

	Consolidated					Total
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Improvements	Building Under Construction	
2015						
Cost						
Balance at beginning of year	₱5,768	₱7,930	₱17,361	₱3,204	₱294	₱34,557
Additions	128	70	2,737	187	718	3,840
Disposals	-	(10)	(1,501)	(19)	-	(1,530)
Reclassification/others	-	446	(107)	437	3,680	4,456
Balance at end of year	5,896	8,436	18,490	3,809	4,692	41,323
Accumulated depreciation and amortization						
Balance at beginning of year	-	3,950	12,338	2,012	-	18,300
Depreciation and amortization	-	382	1,887	336	-	2,605
Disposals	-	(4)	(1,343)	(14)	-	(1,361)
Reclassification/others	-	4	75	4	-	83
Balance at end of year	-	4,332	12,957	2,338	-	19,627
Allowance for impairment losses (Note 15)	-	24	2	-	-	26
Net book value at end of year	₱5,896	₱4,080	₱5,531	₱1,471	₱4,692	₱21,670



Consolidated						
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Improvements	Building Under Construction	Total
2014						
Cost						
Balance at beginning of year	₱5,858	₱7,725	₱16,673	₱2,682	₱40	₱32,978
Additions	-	80	2,201	219	573	3,073
Disposals	(583)	(49)	(1,449)	-	-	(2,081)
Reclassification/others	493	174	(64)	303	(319)	587
Balance at end of year	5,768	7,930	17,361	3,204	294	34,557
Accumulated depreciation and amortization						
Balance at beginning of year	-	3,629	11,914	1,677	-	17,220
Depreciation and amortization	-	345	1,634	281	-	2,260
Disposals	-	(27)	(1,263)	-	-	(1,290)
Reclassification/others	-	3	53	54	-	110
Balance at end of year	-	3,950	12,338	2,012	-	18,300
Allowance for impairment losses (Note 15)						
Balance at beginning of year	-	-	2	-	-	2
Reclassification	-	24	-	-	-	24
Balance at end of year	-	24	2	-	-	26
Net book value at end of year	₱5,768	₱3,956	₱5,021	₱1,192	₱294	₱16,231
Parent Company						
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Improvements	Building Under Construction	Total
2015						
Cost						
Balance at beginning of year	₱4,452	₱6,444	₱10,208	₱1,834	₱294	₱23,232
Additions	1	6	1,080	14	718	1,819
Disposals	-	(4)	(744)	(17)	-	(765)
Reclassification/others	-	442	(107)	429	3,680	4,444
Balance at end of year	4,453	6,888	10,437	2,260	4,692	28,730
Accumulated depreciation and amortization						
Balance at beginning of year	-	3,455	8,177	1,120	-	12,752
Depreciation and amortization	-	331	668	173	-	1,172
Disposals	-	(4)	(649)	(14)	-	(667)
Reclassification/others	-	2	57	-	-	59
Balance at end of year	-	3,784	8,253	1,279	-	13,316
Allowance for impairment losses (Note 15)						
Balance at beginning of year	-	24	-	-	-	24
Net book value at end of year	₱4,453	₱3,080	₱2,184	₱981	₱4,692	₱15,390
2014						
Cost						
Balance at beginning of year	₱4,542	₱6,274	₱10,344	₱1,672	₱40	₱22,872
Additions	-	1	867	6	573	1,447
Disposals	(583)	-	(998)	-	-	(1,581)
Reclassification/others	493	169	(5)	156	(319)	494
Balance at end of year	4,452	6,444	10,208	1,834	294	23,232
Accumulated depreciation and amortization						
Balance at beginning of year	-	3,158	8,419	999	-	12,576
Depreciation and amortization	-	297	532	125	-	954
Disposals	-	-	(843)	-	-	(843)
Reclassification/others	-	-	69	(4)	-	65
Balance at end of year	-	3,455	8,177	1,120	-	12,752
Allowance for impairment losses (Note 15)						
Balance at beginning of year	-	-	-	-	-	-
Reclassification	-	24	-	-	-	24
Balance at end of year	-	24	-	-	-	24
Net book value at end of year	₱4,452	₱2,965	₱2,031	₱714	₱294	₱10,456

Building under construction pertains to bank premises yet to be completed and used by the Parent Company. This includes cost of properties amounting to ₱4.5 billion, consisting of commercial and office spaces located at Bonifacio Global City, Taguig City, purchased from Bonifacio Landmark Realty and Development Corp. (BLRDC), a jointly controlled entity of GT Capital through Federal Land, Inc. (FLI), a related party (presented under Miscellaneous assets in 2014) (Notes 14 and 31).



As of December 31, 2015 and 2014, the cost of fully depreciated property and equipment still in use amounted to ₱7.9 billion and ₱3.0 billion, respectively, for the Group and ₱5.9 billion and ₱1.3 billion, respectively, for the Parent Company.

In January 2014, the BOD of the Parent Company, upon the endorsement of the Related Party Transactions Committee (RPTC), has approved the sale of a bank owned property to FLI, a related party. This property, consisting of a vacant commercial lot located at the Metropolitan Park, Pasay City, was sold at ₱856.4 million and recognized a gain on sale of ₱274.3 million included in “Profit from assets sold”. This transaction has been presented and vetted through the RPTC and the valuation of the properties was based on the sales comparison approach which was used by the independent external appraisal firms to provide a reasonable basis for comparison. Other factors that were considered in the valuation were the location and shape of the properties, environmental issues, development controls such as the height restrictions, building coverage and floor area ratio restrictions, among others (Note 31).

11. Investments in Subsidiaries, Associates and a Joint Venture

Investments in subsidiaries consist of:

	2015	2014
Acquisition cost		
FMIC	₱11,751	₱11,751
MBCL	10,079	10,079
PSBank	3,626	3,626
Circa	837	837
ORIX Metro	265	265
MCC	214	214
MTI	200	200
MR USA	158	158
MRCI	131	131
MR Japan	102	72
MR Italia	66	66
MR UK	31	31
MRHL	26	26
MRSPL	17	17
FMIIC	12	12
Metrobank Bahamas	8	8
PVCC	5	5
	27,528	27,498
Allowance for impairment losses (Note 15)		
Circa	(724)	(786)
MTI	(194)	(194)
MR USA	(52)	(52)
MRCI	(124)	(124)
MR Italia	(66)	(66)
	(1,160)	(1,222)
Carrying value		
FMIC	11,751	11,751
MBCL	10,079	10,079
PSBank	3,626	3,626
Circa	113	51
ORIX Metro	265	265

(Forward)



	2015	2014
MCC	₱214	₱214
MTI	6	6
MR USA	106	106
MRCI	7	7
MR Japan	102	72
MR Italia	-	-
MR UK	31	31
MRHL	26	26
MRSPL	17	17
FMIIC	12	12
Metrobank Bahamas	8	8
PVCC	5	5
	₱26,368	₱26,276

As of December 31, 2015 and 2014, the following subsidiaries have material non-controlling interests:

	Principal Activities	Effective Ownership of Non-Controlling Interest
ORIX Metro	Leasing, Finance	40.15%
MCC	Credit Card Services	40.00%
PSBank	Banking	24.02%

The following table presents financial information of subsidiaries with material non-controlling interests as of December 31, 2015 and 2014.

	2015			2014		
	PSBank	MCC	ORIX Metro	PSBank	MCC	ORIX Metro
Statement of Financial Position						
Total assets	₱169,331	₱52,372	₱28,770	₱145,607	₱49,455	₱22,900
Total liabilities	150,156	45,298	24,040	127,877	42,873	19,020
Non-controlling interest	4,606	2,830	1,903	4,259	2,633	1,560
Statement of Income						
Gross income	13,321	12,616	4,051	12,972	11,725	3,488
Operating income	10,800	11,398	3,515	10,569	10,623	3,098
Net income	2,351	2,686	892	2,319	2,547	761
Net income attributable to NCI	565	1,074	358	557	1,019	306
Total comprehensive income	2,166	2,605	850	2,188	2,264	739
Statement of Cash Flows						
Net cash used in operating activities	(2,830)	(507)	(2,448)	(2,866)	(3,061)	(958)
Net cash provided by (used in) investing activities	(13,668)	(437)	(1,025)	(784)	206	(800)
Net cash provided by (used in) financing activities	3,597	(236)	4,646	2,427	7,500	2,429
Net increase (decrease) in cash and cash equivalents	(12,901)	(1,180)	1,173	(1,223)	4,645	671
Cash and cash equivalents at beginning of year	32,355	9,857	3,255	33,578	5,212	2,584
Cash and cash equivalents at end of year	19,454	8,677	4,428	32,355	9,857	3,255

On August 15, 2014, the Parent Company infused an additional investment of RMB200.0 million or ₱1.4 billion to MBCL as approved by the BSP on March 12, 2014.

On January 31, 2013, the BSP approved the Parent Company's request to establish a remittance company in Yokohama, Japan with an initial capital infusion of USD2.5 million. The first tranche amounting to JPY100.0 million or USD1.0 million and the second and third tranches amounting to JPY75.0 million or USD0.7 million each were contributed in May 2013, September 2014 and September 2015, respectively.



Investment in associates and a JV consists of:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Acquisition cost:				
SMFC* (30.39% owned)	₱800	₱800		
Northpine Land, Inc. (NLI) (20.00% owned)	232	232	₱232	₱232
SMBC Metro Investment Corporation (SMBC Metro) (30.00% owned)	180	180	180	180
Taal Land Inc. (TLI) (35.00% owned)	178	178	178	178
Cathay International Resources Corporation (CIRC) (34.47% owned)	175	175		
Philippine AXA Life Insurance Corporation (PALIC) (27.96% owned)	172	172		
Toyota Financial Services Philippines Corporation (TFSPC) (34.00% owned in 2013)	-	-		
Charter Ping An Insurance Corporation (CPAIC) (33.07% owned in 2013)	-	-		
Lepanto Consolidated Mining Company (LCMC) (14.33% owned)	2,292	-		
Others	33	33		
	4,062	1,770	590	590
Accumulated equity in net income (loss):				
Balance at beginning of year				
SMFC	(131)	(135)		
NLI	116	99		
SMBC Metro	74	73		
TLI	(84)	(84)		
CIRC	35	9		
PALIC	720	671		
LCMC	-	(87)		
TFSPC	-	663		
CPAIC	-	331		
Others	(11)	(22)		
	719	1,518		
Share in net income (loss)				
SMFC	20	4		
NLI	21	22		
SMBC Metro	15	19		
CIRC	(1)	26		
PALIC	391	343		
LCMC	(37)	(96)		
TFSPC	-	107		
CPAIC	-	7		
Others	-	11		
	409	443		
Dividends				
NLI (Note 31)	(7)	(5)		
SMBC Metro (Note 31)	(18)	(18)		
PALIC	-	(294)		
	(25)	(317)		
Divestments/reclassification				
LCMC	-	183		
TFSPC	-	(770)		
CPAIC	-	(338)		
	-	(925)		
Balance at end of year				
SMFC	(111)	(131)		
NLI	130	116		
SMBC Metro	71	74		
TLI	(84)	(84)		
CIRC	34	35		
PALIC	1,111	720		
LCMC	(37)	-		

(Forward)



	Consolidated		Parent Company	
	2015	2014	2015	2014
TFSPC	₱-	₱-		
CPAIC	-	-		
Others	(11)	(11)		
	1,103	719		
Equity in net unrealized gain (loss) on AFS investments				
SMBC Metro	10	7		
TLI	(3)	(3)		
PALIC	175	260		
	182	264		
Equity in net unrealized loss on remeasurement of retirement plan and translation adjustment and others				
SMFC	-	(1)		
NLI	1	-		
SMBC Metro	(1)	(1)		
	-	(2)		
Allowance for impairment losses (Note 15)				
TLI	(75)	(162)	(₱75)	(₱162)
Carrying value				
SMFC	689	668		
NLI	363	348	232	232
SMBC Metro	260	260	180	180
TLI	16	(71)	103	16
CIRC	209	210		
PALIC	1,458	1,152		
LCMC	2,255	-		
TFSPC	-	-		
CPAIC	-	-		
Others	22	22		
	₱5,272	₱2,589	₱515	₱428

*Represents investment in a JV of the Group.

As of December 31, 2015 and 2014, carrying amount of goodwill of the Group amounted to ₱5.2 billion. The goodwill of the Parent Company amounting to ₱1.2 billion was fully impaired in 2013 (Note 3).

Investment in TFSPC

In August 2014, the respective BODs of the Parent Company and PSBank on separate meetings, upon the endorsement of their respective RPTCs, have approved the sale of the Parent Company's 15.00% and PSBank's 25.00% ownerships in TFSPC to GT Capital, a stockholder with significant influence, for an aggregate price of ₱2.1 billion. This transaction has been presented and vetted through joint meetings held by the RPTCs of the Parent Company and PSBank. The amount was based on an independent valuation report which was subjected to a third party fairness opinion. The divestment of TFSPC shares was in line with their capital planning initiatives under the new Basel III regime. This transaction resulted in a gain of ₱0.9 billion for the Group and ₱0.6 billion for the Parent Company (Note 31).

Investment of FMIC in CPAIC

In January 2014, FMIC sold its 33.33% ownership in CPAIC to GT Capital at a consideration of ₱712.0 million which resulted in a gain of ₱313.9 million, included under "Gain on sale of investment in associates" (Note 31).



Investment of FMIC in LCMC

As of December 31, 2015 and 2014, FMIC owns 14.33% in LCMC. FMIC did not avail of its entitlement on LCMC stock rights offering to its stockholders as disclosed by LCMC with the PSE on October 31, 2014. With this strategic decision, the Group has lost its significant influence and reclassified its investment in LCMC to AFS investments without any gain or loss and as of December 31, 2014, this is carried at fair market value of ₱1.6 billion. Starting in July 2015, FMIC has the ability to exercise significant influence through a 5-year agreement with Philex Mining Corporation to jointly vote their 18.6% ownership. As such, FMIC reclassified its ownership in LCMC from AFS investment to equity investment in associate without any gain or loss.

The following tables present financial information of significant associates and a JV as of and for the years ended:

	Statement of Financial Position		Statement of Income and Other Comprehensive Income				Total Comprehensive Income
	Total Assets	Total Liabilities	Gross Income	Operating Income (Loss)	Net Income (Loss)	Other Comprehensive Income	
December 31, 2015							
PALIC	₱79,978	₱74,810	₱7,189	₱1,925	₱1,383	(₱302)	₱1,081
LCMC	9,347	2,904	1,049	(638)	(642)	-	(642)
CIRC	2,623	1,733	286	37	26	-	26
NLI	2,406	723	347	73	105	-	105
SMFC	1,880	151	443	50	50	4	54
SMBC Metro	866	75	105	64	47	10	57
TLI	48	0	1	1	1	-	1
December 31, 2014							
PALIC	68,070	63,983	6,396	1,627	1,226	(153)	1,073
LCMC	16,909	9,519	1,482	(689)	(713)	(204)	(917)
CIRC	2,292	1,568	708	17	12	-	12
NLI	1,980	367	300	79	99	5	104
SMFC	1,767	93	351	(24)	15	(3)	12
SMBC Metro	863	68	116	79	65	(19)	46
TLI	47	0	1	0	0	-	0

Major assets of significant associates and a JV include the following:

	2015	2014
PALIC		
Cash and cash equivalents	₱4,241	₱3,768
Loans and receivables - net	784	758
Financial assets at FVPL	1,070	1,084
AFS investments	8,089	6,492
Investment in unit-linked funds	50	51
Property and equipment	199	214
LCMC		
Inventories	289	557
Investments and advances	963	925
Property, plant and equipment - net	6,405	7,139
CIRC		
Receivables - net	385	188
Investment properties - net	502	410
NLI		
Cash and cash equivalents	343	437
Real estate properties	1,304	949
Receivables - net	617	478

(Forward)



	2015	2014
SMFC		
Cash and cash equivalents	₱65	₱449
Receivables - net	1,688	1,164
SMBC Metro		
Cash and cash equivalents	245	233
AFS investments	240	220
Receivables - net	347	404
TLI		
Investments	48	47

Dividends declared by investee companies of the Parent Company follow:

Subsidiary/Associate	Date of Declaration	Per Share	Total Amount	Date of BSP Approval	Record Date	Payment Date
2015						
Subsidiaries						
Cash Dividend						
MCC	June 3, 2015	₱2.16	₱2,164	July 10, 2015	July 16, 2015	August 6, 2015
PSBank	January 22, 2015	0.75	180	March 3, 2015	March 30, 2015	April 17, 2015
PSBank	April 28, 2015	0.75	180	June 5, 2015	July 14, 2015	July 28, 2015
PSBank	July 28, 2015	0.75	180	September 23, 2015	October 26, 2015	November 11, 2015
PSBank	October 29, 2015	0.75	180	a/	November 16, 2015	November 27, 2015
Stock Dividend						
ORIX Metro	October 29, 2015	100.00	474	a/	October 29, 2015	
Associates						
Cash Dividend						
NLI	February 25, 2015	2.84	35	Not required	December 31, 2014	March 3, 2015
NLI	December 10, 2015	2.97	36	Not required		
SMBC Metro	December 11, 2015	10.00	60	Not required	December 11, 2015	Note 35b
2014						
Subsidiaries						
Cash Dividend						
FMIC	February 20, 2014	4.03	1,502	March 28, 2014	April 15, 2014	May 14, 2014
MCC	March 19, 2014	1.50	1,500	April 30, 2014	May 5, 2014	July 7, 2014
MCC	March 19, 2014	0.30	300	April 30, 2014	May 5, 2014	September 8, 2014
PSBank	October 30, 2014	0.75	180	November 27, 2014	January 12, 2015	January 30, 2015
PSBank	July 22, 2014	0.75	180	August 12, 2014	September 2, 2014	September 17, 2014
PSBank	April 28, 2014	0.75	180	July 1, 2014	July 1, 2014	July 16, 2014
PSBank	January 24, 2014	0.75	180	February 12, 2014	March 5, 2014	March 20, 2014
Stock Dividend						
ORIX Metro	October 29, 2014	100.00	379	March 12, 2015	October 29, 2014	March 12, 2015
Associates						
Cash Dividend						
NLI	January 24, 2014	2.24	27	Not required	December 31, 2013	April 4, 2014
SMBC Metro	December 4, 2014	10.00	60	Not required	December 4, 2014	January 23, 2015

a/ No longer required in accordance with BSP Circular No. 888 dated October 9, 2015.

Dividends declared by significant investee companies of FMIC follow:

Subsidiary/Associate	Date of Declaration	Per Share	Total Amount	Date of BSP Approval	Record Date	Payment Date
2015						
Subsidiaries						
Cash Dividend						
FAMI	September 18, 2015	₱62.50	₱25	Not required	August 30, 2015	September 15, 2015
FMSBC*	September 30, 2015	66.70	113	Not required	September 30, 2015	October 30, 2015
FMSBC*	November 27, 2015	59.18	100	Not required	November 18, 2015	February 16, 2016
PBCCIC**	December 15, 2015	18.33	55	Not required	December 15, 2015	January 15, 2016
Associates						
Stock Dividend						
ORIX Metro	October 29, 2015	100.00	474	a/	October 29, 2015	
2014						
Subsidiaries						
Cash Dividend						
PVDC***	March 12, 2014	0.21	1	Not required	March 26, 2014	June 19, 2014
PBCCIC**	June 19, 2014	33.33	100	Not required	June 23, 2014	June 30, 2014
PBCCIC**	August 18, 2014	33.33	100	Not required	August 29, 2014	September 15, 2014
FAMI	August 29, 2014	62.50	25	Not required	August 29, 2014	November 6, 2014

(Forward)



Subsidiary/Associate	Date of Declaration	Per Share	Total Amount	Date of BSP Approval	Record Date	Payment Date
Associates						
Cash Dividend						
PALIC	October 23, 2014	₱104.30	₱1,043	Not required	October 23, 2014	November 26, 2014
Stock Dividend						
ORIX Metro	October 29, 2014	100.00	379	March 12, 2015	October 29, 2014	March 12, 2015
* First Metro Securities Brokerage Corporation						
** PBC Capital Investment Corporation						
*** Prima Venture Development Corporation						

12. Investment Properties

This account consists of foreclosed real estate properties and investments in real estate:

	Consolidated					
	2015			2014		
	Land	Buildings and Improvements	Total	Land	Buildings and Improvements	Total
Cost						
Balance at beginning of year	₱9,016	₱4,667	₱13,683	₱12,316	₱5,083	₱17,399
Additions	385	713	1,098	447	770	1,217
Disposals	(2,518)	(586)	(3,104)	(3,733)	(1,184)	(4,917)
Reclassification/others	(24)	4	(20)	(14)	(2)	(16)
Balance at end of year	6,859	4,798	11,657	9,016	4,667	13,683
Accumulated depreciation and amortization						
Balance at beginning of year	–	1,524	1,524	–	1,784	1,784
Depreciation and amortization	–	151	151	–	166	166
Disposals	–	(168)	(168)	–	(428)	(428)
Reclassification/others	–	1	1	–	2	2
Balance at end of year	–	1,508	1,508	–	1,524	1,524
Allowance for impairment losses (Note 15)						
Balance at beginning of year	1,896	226	2,122	2,287	203	2,490
Provision for (reversal of) impairment loss	(38)	1	(37)	2	27	29
Disposals	(80)	(75)	(155)	(360)	(5)	(365)
Reclassification/others	22	2	24	(33)	1	(32)
Balance at end of year	1,800	154	1,954	1,896	226	2,122
Net book value at end of year	₱5,059	₱3,136	₱8,195	₱7,120	₱2,917	₱10,037

	Parent Company					
	2015			2014		
	Land	Buildings and Improvements	Total	Land	Buildings and Improvements	Total
Cost						
Balance at beginning of year	₱6,532	₱2,380	₱8,912	₱9,808	₱3,061	₱12,869
Additions	52	121	173	142	196	338
Disposals	(2,129)	(291)	(2,420)	(3,404)	(875)	(4,279)
Reclassification/others	2	4	6	(14)	(2)	(16)
Balance at end of year	4,457	2,214	6,671	6,532	2,380	8,912
Accumulated depreciation and amortization						
Balance at beginning of year	–	1,170	1,170	–	1,449	1,449
Depreciation and amortization	–	74	74	–	93	93
Disposals	–	(134)	(134)	–	(370)	(370)
Reclassification/others	–	1	1	–	(2)	(2)
Balance at end of year	–	1,111	1,111	–	1,170	1,170
Allowance for impairment losses (Note 15)						
Balance at beginning of year	1,448	65	1,513	1,847	69	1,916
Disposals	(80)	(5)	(85)	(356)	(5)	(361)
Reclassification/others	(2)	2	–	(43)	1	(42)
Balance at end of year	1,366	62	1,428	1,448	65	1,513
Net book value at end of year	₱3,091	₱1,041	₱4,132	₱5,084	₱1,145	₱6,229

As of December 31, 2015 and 2014, foreclosed investment properties still subject to redemption period by the borrowers amounted to ₱1.1 billion and ₱1.2 billion, respectively, for the Group and ₱221.7 million and ₱332.1 million, respectively, for the Parent Company.



As of December 31, 2015 and 2014, aggregate market value of investment properties amounted to ₱13.0 billion and ₱15.8 billion, respectively, for the Group and ₱7.5 billion and ₱10.7 billion, respectively, for the Parent Company, of which the aggregate market value of investment properties determined by independent external appraisers amounted to ₱9.5 billion and ₱12.4 billion, respectively, for the Group and ₱7.4 billion and ₱10.6 billion, respectively, for the Parent Company. Information about the fair value measurement of investment properties are also presented in Note 5.

Rental income on investment properties (included in 'Leasing income' in the statement of income) in 2015, 2014 and 2013 amounted to ₱76.4 million, ₱87.9 million and ₱83.1 million, respectively, for the Group and ₱22.5 million, ₱34.5 million and ₱37.0 million, respectively, for the Parent Company.

Direct operating expenses on investment properties that generated rental income (included under 'Litigation expenses') in 2015, 2014 and 2013 amounted to ₱1.5 million, ₱4.3 million and ₱5.4 million, respectively, for the Group and ₱1.0 million, ₱2.3 million and ₱5.2 million, respectively, for the Parent Company. Direct operating expenses on investment properties that did not generate rental income (included under 'Litigation expenses') in 2015, 2014 and 2013 amounted to ₱205.3 million, ₱274.0 million and ₱281.6 million, respectively, for the Group and ₱113.8 million, ₱195.0 million and ₱226.3 million, respectively, for the Parent Company (Note 25).

Net gains from sale of investment properties (included in 'Profit from assets sold' in the statement of income) in 2015, 2014 and 2013 amounted to ₱1.0 billion, ₱9.0 billion and ₱0.5 billion, respectively, for the Group and ₱1.0 billion, ₱8.9 billion and ₱0.4 billion, respectively, for the Parent Company (Note 31).

In 2014, the BOD of the Parent Company, upon the endorsement of the RPTC, has approved the sale of real and other properties acquired (ROPA) to FLI, a related party, consisting of lots located at Bonifacio Global City and Ortigas Center, Pasig City at total price of ₱9.3 billion and ₱1.8 billion, respectively. In 2015 and 2014, the Parent Company recognized a gain on sale totaling to ₱0.6 billion on the sale of lots located at Ortigas Center, Pasig City and ₱8.1 billion on the sale of lots located at Bonifacio Global City, respectively. These transactions have been presented and vetted through the RPTC. The valuations of the properties were based on sales comparison approach which was used by the independent external appraisal firms to provide a reasonable basis for comparison. Other factors that were considered in the valuations were the location and shape of the properties, environmental issues, development controls such as the height restrictions, building coverage and floor area ratio restrictions among others (Note 31).

13. Long-term Leases

The Parent Company leases the premises occupied by some of its branches (about 40.75% and 41.93% of the branch sites as of December 31, 2015 and 2014, respectively, are Parent Company-owned). Also, some of its subsidiaries lease the premises occupied by their Head Offices and most of their branches. The lease contracts are for periods ranging from 1 to 25 years and are renewable at the Group's option under certain terms and conditions. Various lease contracts include escalation clauses, most of which bear an annual rent increase of 5.00% to 10.00%. As of December 31, 2015 and 2014, the Group has no contingent rent payable.



Rent expense (included in 'Occupancy and equipment-related cost' in the statement of income) in 2015, 2014 and 2013 amounted to ₱1.9 billion, ₱1.8 billion and ₱1.5 billion, respectively, for the Group and ₱1.0 billion, ₱922.9 million and ₱812.6 million, respectively, for the Parent Company.

Future minimum rentals payable under non-cancelable operating leases follows:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Within one year	₱1,111	₱1,013	₱462	₱407
After one year but not more than five years	2,834	2,711	1,256	1,177
More than five years	1,060	1,022	285	269
	₱5,005	₱4,746	₱2,003	₱1,853

The Group has entered into commercial property leases on its investment property portfolio, consisting of the Group's available office spaces and ROPA and finance lease agreements over various items of machinery and equipment which are non-cancelable and have remaining non-cancelable lease terms between 1 and 20 years. In 2015, 2014 and 2013, leasing income amounted to ₱2.0 billion, ₱1.9 billion and ₱1.6 billion respectively, for the Group and ₱244.4 million, ₱238.0 million and ₱243.2 million, respectively, for the Parent Company.

Future minimum rentals receivable under non-cancelable operating leases follows:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Within one year	₱1,164	₱1,058	₱105	₱144
After one year but not more than five years	853	977	73	145
More than five years	6	1	2	1
	₱2,023	₱2,036	₱180	₱290

14. Other Assets

This account consists of:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Investment in SPV	₱8,857	₱8,857	₱8,857	₱8,857
Interoffice float items	5,482	3,156	5,043	2,965
Software costs - net	1,732	1,302	1,092	736
Creditable withholding tax	1,622	2,132	1,105	1,663
Residual value of leased assets	899	832	-	-
Chattel properties acquired in foreclosure - net	518	452	22	37
Assets held under joint operations	401	544	401	544
Prepaid expenses	382	519	74	114
Documentary and postage stamps on hand	266	369	202	342
Returned checks and other cash items	101	272	81	189
Retirement asset*	17	13	17	13
Miscellaneous (Note 10)	2,552	5,543	1,563	4,778
	22,829	23,991	18,457	20,238
Less allowance for impairment losses (Note 15)	10,773	10,778	10,731	10,731
	₱12,056	₱13,213	₱7,726	₱9,507

* Pertains to retirement asset of a foreign branch.



Investment in SPVs represents subordinated notes issued by Cameron Granville 3 Asset Management, Inc. and LNC 3 Asset Management, Inc. with face amount of ₱9.4 billion and ₱2.6 billion, respectively. These notes are non-interest bearing and payable over five (5) years starting April 1, 2006, with rollover of two (2) years at the option of the note issuers. These were received by the Parent Company on April 1, 2006 in exchange for the subordinated note issued by Asia Recovery Corporation (ARC) in 2003 with face amount of ₱11.9 billion. The subordinated note issued by ARC represents payment on the non-performing assets (NPAs) sold by the Parent Company to ARC in 2003. The related deed of absolute sale was formalized on September 17, 2003 and approved by the BSP on November 28, 2003, having qualified as a true sale. As of December 31, 2015 and 2014, the estimated fair value of the subordinated notes, which is the present value of the estimated cash flows from such notes (derived from the sale of the underlying collaterals of the NPAs, net of the payment to senior notes by the SPV) amounted to nil, after deducting allowance for impairment losses of ₱8.8 billion.

Movements in software costs account follow:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Cost				
Balance at beginning of year	₱2,892	₱2,141	₱1,602	₱1,153
Additions	815	726	528	458
Others	3	25	3	(9)
Balance at end of year	3,710	2,892	2,133	1,602
Accumulated amortization				
Balance at beginning of year	1,590	1,245	866	722
Amortization	381	330	160	146
Others	7	15	15	(2)
Balance at end of year	1,978	1,590	1,041	866
Net book value at end of year	₱1,732	₱1,302	₱1,092	₱736

Movements in chattel properties acquired in foreclosure follow:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Cost				
Balance at beginning of year	₱569	₱676	₱57	₱45
Additions	1,694	1,420	14	41
Disposals/others	(1,624)	(1,527)	(31)	(29)
Balance at end of year	639	569	40	57
Accumulated depreciation and amortization				
Balance at beginning of year	105	112	17	12
Depreciation and amortization	123	140	8	10
Disposals/others	(118)	(147)	(10)	(5)
Balance at end of year	110	105	15	17
Allowance for impairment losses (Note 15)				
Balance at beginning of year	12	12	3	5
Provision for impairment loss	2	2	-	-
Disposals	(3)	(2)	-	(2)
Balance at end of year	11	12	3	3
Net book value at end of year	₱518	₱452	₱22	₱37

Assets held under joint operations are parcels of land and former branch sites of the Parent Company which were contributed to separate joint operations with FLI and Federal Land Orix Corporation (Notes 26 and 31). These are carried at costs which are lower than the net realizable values.



Miscellaneous account includes a receivable from a third party of ₱425.7 million pertaining to the final tax withheld on Poverty Eradication and Alleviation Certificates (PEACe) bonds which matured on October 18, 2011 (Note 30).

15. Allowance for Credit and Impairment Losses

Changes in the allowance for credit and impairment losses follow:

	Consolidated		Parent Company	
	December 31			
	2015	2014	2015	2014
Balance at beginning of year:				
Interbank loans and receivable (Note 7)	₱4	₱2	₱-	₱-
AFS investments (Note 8)				
Debt securities				
Government	3	-	-	-
Equity securities				
Quoted	313	300	81	92
Unquoted	213	268	81	86
Loans and receivables (Note 9)	16,450	16,626	8,955	9,650
Investments in subsidiaries (Note 11)	-	-	1,222	1,164
Investments in associates (Note 11)	162	162	162	162
Property and equipment (Note 10)	26	2	24	-
Investment properties (Note 12)	2,122	2,490	1,513	1,916
Other assets* (Note 14)	10,791	10,780	10,735	10,737
	30,084	30,630	22,773	23,807
Provisions for (reversal of) credit and impairment losses	2,059	4,849	(2,926)	7
Accounts written off/others	(5,903)	(5,395)	(694)	(1,041)
Balance at end of year:				
Due from other banks	8	-	-	-
Interbank loans and receivable (Note 7)	3	4	-	-
AFS investments (Note 8)				
Debt securities				
Government	6	3	-	-
Equity securities				
Quoted	269	313	79	81
Unquoted	213	213	81	81
Loans and receivables (Note 9)	12,902	16,450	5,572	8,955
Investments in subsidiaries (Note 11)	-	-	1,160	1,222
Investments in associates (Note 11)	75	162	75	162
Property and equipment (Note 10)	26	26	24	24
Investment properties (Note 12)	1,954	2,122	1,428	1,513
Other assets* (Note 14)	10,784	10,791	10,734	10,735
	₱26,240	₱30,084	₱19,153	₱22,773

* Allowance for credit and impairment losses of other assets include allowance on investments in SPVs, chattel mortgage properties and miscellaneous assets.



Below is the breakdown of provision for credit and impairment losses:

	Consolidated			Parent Company		
	December 31					
	2015	2014	2013	2015	2014	2013
Due from other banks	₱2	₱-	₱-	₱-	₱-	₱-
Interbank loans and receivable (Note 7)	(1)	2	-	-	-	-
AFS investments	2	(4)	2	-	-	2
Loans and receivables	2,091	4,820	8,689	(2,926)	7	3,255
Investments in subsidiaries	-	-	-	-	-	79
Investment properties (Note 12)	(37)	29	400	-	-	326
Chattel properties acquired in foreclosure (Note 14)	2	2	4	-	-	3
Goodwill (Note 11)	-	-	1,203	-	-	1,203
Other assets	-	-	424	-	-	426
	₱2,059	₱4,849	₱10,722	(₱2,926)	₱7	₱5,294

With the foregoing level of allowance for credit and impairment losses, management believes that the Group has sufficient allowance to take care of any losses that the Group may incur from the non-collection or non-realization of its receivables and other risk assets.

A reconciliation of the allowance for credit losses by class of loans and receivables is as follows:

	Consolidated							Total
	Commercial Loans	Residential Mortgage Loans	Auto Loans	Trade	Others	Subtotal	Other Receivables*	
Balance at January 1, 2015	₱8,173	₱1,043	₱851	₱238	₱2,535	₱12,840	₱3,610	₱16,450
Provisions (reversals) during the year	(2,727)	69	1,081	-	3,633	2,056	35	2,091
Accounts written off/others	(432)	(113)	(1,144)	36	(3,646)	(5,299)	(340)	(5,639)
Balance at December 31, 2015	₱5,014	₱999	₱788	₱274	₱2,522	₱9,597	₱3,305	₱12,902
Individual impairment	₱2,827	₱738	₱-	₱179	₱133	₱3,877	₱2,584	₱6,461
Collective impairment	2,187	261	788	95	2,389	5,720	721	6,441
	₱5,014	₱999	₱788	₱274	₱2,522	₱9,597	₱3,305	₱12,902
Gross amount of loans individually determined to be impaired	₱8,533	₱1,446	₱-	₱229	₱1,421	₱11,629	₱3,031	₱14,660
Balance at January 1, 2014	₱7,643	₱1,190	₱1,218	₱339	₱2,425	₱12,815	₱3,811	₱16,626
Provisions during the year	685	54	182	1	3,524	4,446	374	4,820
Accounts written off/others	(155)	(201)	(549)	(102)	(3,414)	(4,421)	(575)	(4,996)
Balance at December 31, 2014	₱8,173	₱1,043	₱851	₱238	₱2,535	₱12,840	₱3,610	₱16,450
Individual impairment	₱3,200	₱890	₱242	₱179	₱183	₱4,694	₱2,194	₱6,888
Collective impairment	4,973	153	609	59	2,352	8,146	1,416	9,562
	₱8,173	₱1,043	₱851	₱238	₱2,535	₱12,840	₱3,610	₱16,450
Gross amount of loans individually determined to be impaired	₱5,116	₱1,508	₱328	₱242	₱1,571	₱8,765	₱3,657	₱12,422

	Parent Company							Total
	Commercial Loans	Residential Mortgage Loans	Auto Loans	Trade	Others	Subtotal	Other Receivables*	
Balance at January 1, 2015	₱5,693	₱428	₱11	₱238	₱39	₱6,409	₱2,546	₱8,955
Provisions (reversals) during the year	(2,926)	-	-	-	-	(2,926)	-	(2,926)
Accounts written off/others	(284)	-	(2)	36	-	(250)	(207)	(457)
Balance at December 31, 2015	₱2,483	₱428	₱9	₱274	₱39	₱3,233	₱2,339	₱5,572
Individual impairment	₱2,071	₱289	₱-	₱179	₱35	₱2,574	₱2,192	₱4,766
Collective impairment	412	139	9	95	4	659	147	806
	₱2,483	₱428	₱9	₱274	₱39	₱3,233	₱2,339	₱5,572
Gross amount of loans individually determined to be impaired	₱7,209	₱417	₱-	₱229	₱41	₱7,896	₱2,371	₱10,267



	Parent Company							Total
	Commercial Loans	Residential Mortgage Loans	Auto Loans	Trade	Others	Subtotal	Other Receivables*	
Balance at January 1, 2014	₱6,105	₱429	₱19	₱339	₱42	₱6,934	₱2,716	₱9,650
Provisions during the year	6	-	-	1	-	7	-	7
Accounts written off/others	(418)	(1)	(8)	(102)	(3)	(532)	(170)	(702)
Balance at December 31, 2014	₱5,693	₱428	₱11	₱238	₱39	₱6,409	₱2,546	₱8,955
Individual impairment	₱2,422	₱340	₱-	₱179	₱35	₱2,976	₱1,648	₱4,624
Collective impairment	3,271	88	11	59	4	3,433	898	4,331
	₱5,693	₱428	₱11	₱238	₱39	₱6,409	₱2,546	₱8,955
Gross amount of loans individually determined to be impaired	₱3,871	₱487	₱-	₱242	₱41	₱4,641	₱2,884	₱7,525

* Allowance for credit losses on other receivables include allowance on unquoted debt securities, accounts receivables, accrued interest receivable, sales contract receivable and deficiency judgment receivable.

Movements in the allowance for impairment losses on AFS investments and other assets follow:

	Consolidated				Parent Company			
	AFS Investments			Total	AFS Investments			Total
	Debt Securities	Equity Securities	Other Assets**		Debt Securities	Equity Securities	Other Assets**	
Balance at January 1, 2015	₱3	₱526	₱10,791	₱11,320	₱-	₱162	₱10,735	₱10,897
Provisions for impairment losses	2	-	2	4	-	-	-	-
Disposals	-	(2)	(1)	(3)	-	(2)	(1)	(3)
Reclassifications/reversals/others	1	(42)	(8)	(49)	-	-	-	-
Balance at December 31, 2015	₱6	₱482	₱10,784	₱11,272	₱-	₱160	₱10,734	₱10,894
Balance at January 1, 2014	₱-	₱568	₱10,780	₱11,348	₱-	₱178	₱10,737	₱10,915
Provisions for (reversals of) impairment losses	3	(7)	2	(2)	-	-	-	-
Disposals	-	(68)	-	(68)	-	(68)	-	(68)
Reclassifications/reversals/others	-	33	9	42	-	52	(2)	50
Balance at December 31, 2014	₱3	₱526	₱10,791	₱11,320	₱-	₱162	₱10,735	₱10,897

** Allowance for impairment losses of other assets include allowance on investments in SPVs, chattel mortgage properties and miscellaneous assets.

16. Deposit Liabilities

Long-Term Negotiable Certificates of Deposit (LTNCD)

On September 18, 2014, the BSP approved the issuance of the Parent Company of up to ₱20.0 billion LTNCD and the subsequent amendment was also approved by the BSP on October 14, 2014. The Parent Company issued the first tranche amounting to ₱8.0 billion on October 24, 2014 at a rate of 4.00% per annum, payable quarterly, with a tenor of 5.5 years and maturing on April 24, 2020 while the second tranche amounting to ₱6.25 billion was issued on November 21, 2014 with a rate of 4.25% per annum, payable quarterly, with a tenor of 7 years and maturing on November 22, 2021. The minimum investment size for the LTNCD is ₱50.0 thousand with increments of ₱50.0 thousand thereafter.

Of the total interest-bearing deposit liabilities of the Group as of December 31, 2015 and 2014, 40.81% and 47.00%, respectively, are subject to periodic interest repricing. In 2015, 2014 and 2013, remaining peso deposit liabilities earn annual fixed interest rates ranging from 0.00% to 6.59%, while foreign currency-denominated deposit liabilities earn annual fixed interest rates ranging from 0.00% to 2.75%, from 0.00% to 4.25%, and from 0.00% to 3.50% in 2015, 2014 and 2013, respectively.



Interest expense on deposit liabilities consists of:

	Consolidated			Parent Company		
	2015	2014	2013	2015	2014	2013
Demand	₱529	₱443	₱340	₱378	₱285	₱208
Savings	999	881	799	906	805	734
Time	9,050	7,883	6,417	6,611	5,406	4,033
LTNCD	581	92	–	581	92	–
	₱11,159	₱9,299	₱7,556	₱8,476	₱6,588	₱4,975

Reserve Requirement

Effective reserve week starting May 30, 2014, non-FCDU deposit liabilities of the Parent Company and deposit substitutes of FMIC, ORIX Metro and MCC are subject to required reserves equivalent to 20.00% from the previous 18.00%. On the other hand, non-FCDU deposit liabilities of PSBank are subject to required reserves equivalent to 8.00% from the previous 6.00%. The required reserves shall be kept in the form of deposits maintained in the Demand Deposit Accounts (DDAs) with the BSP and any government securities which are previously used as compliance until they mature. The Parent Company, PSBank, FMIC, MCC and ORIX Metro were in compliance with such regulations as of December 31, 2015 and 2014.

The total liquidity and statutory reserves (under Due from BSP accounts), as reported to the BSP, are as follows:

	Due from BSP	
	2015	2014
Parent Company	₱185,484	₱157,759
PSBank	10,341	9,280
MCC	7,636	7,086
FMIC	6,600	5,340
Orix Metro	3,840	2,971
	₱213,901	₱182,436

17. Bills Payable and Securities Sold Under Repurchase Agreements

This account consists of borrowings from:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Deposit substitutes (Note 16)	₱65,752	₱52,046	₱–	₱–
Local banks	28,852	27,930	8,215	5,843
Foreign banks	19,000	17,675	19,238	16,254
SSURA	63,187	42,748	61,187	40,248
	₱176,791	₱140,399	₱88,640	₱62,345

Interbank borrowings with foreign and local banks are mainly short-term borrowings. Deposit substitutes pertain to borrowings from the public of FMIC, ORIX Metro and MCC.



The following are the carrying values of government debt securities (Note 8) pledged and transferred under SSURA transactions of the Group and the Parent Company:

	Consolidated				Parent Company			
	2015		2014		2015		2014	
	Transferred Securities	SSURA	Transferred Securities	SSURA	Transferred Securities	SSURA	Transferred Securities	SSURA
HFT investments	₱867	₱798	₱242	₱210	₱867	₱798	₱242	₱210
AFS investments	23,707	21,617	26,289	21,951	23,040	21,034	22,692	19,451
HTM investments	46,629	40,772	23,801	20,587	44,867	39,355	23,801	20,587
	₱71,203	₱63,187	₱50,332	₱42,748	₱68,774	₱61,187	₱46,735	₱40,248

The Group's peso borrowings are subject to annual fixed interest rates ranging from 0.06% to 6.21%, from 0.20% to 5.88% and from 1.00% to 8.54% in 2015, 2014 and 2013, respectively, while the Group's foreign currency-denominated borrowings are subject to annual fixed interest rates ranging from 0.19% to 4.65%, from 0.15% to 4.30% and from 0.16% to 2.63% in 2015, 2014 and 2013, respectively.

Interest expense on bills payable (included in the 'Interest expense on bills payable and SSURA, bonds payable, subordinated debts and others' in the statements of income) in 2015, 2014 and 2013 amounted to ₱2.9 billion, ₱2.1 billion and ₱2.3 billion, respectively, for the Group and ₱662.2 million, ₱208.2 million and ₱109.6 million, respectively, for the Parent Company.

18. Accrued Interest and Other Expenses

This account consists of:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Accrued interest (Note 31)	₱1,830	₱1,865	₱1,108	₱1,053
Accrued other expenses	6,357	8,009	4,663	6,461
	₱8,187	₱9,874	₱5,771	₱7,514

Accrued other expenses include accruals for compensation and fringe benefits, rentals, percentage and other taxes, professional fees, advertising and information technology expenses and other expenses.

19. Bonds Payable

This account represents scrippless fixed rate corporation bonds issued by FMIC as follows:

Issue Date	Maturity Date	Interest Rate	Redemption Period	Face Value	Carrying Value	
					2015	2014
November 25, 2011	February 25, 2017	5.675%	after 4 th year	₱5,000	₱4,863	₱4,819
August 10, 2012	November 10, 2017	5.500%	after 4 th year	4,000	3,867	3,820
August 10, 2012	August 10, 2019	5.750%	after 5 th year	3,000	2,786	2,805
				₱12,000	₱11,516	₱11,444



These bonds were issued in principal amounts of ₱50,000 and in multiples of ₱5,000 in excess of ₱50,000 with an option to redeem in whole, but not in part, on any quarterly interest payment after the fourth or fifth anniversary of the issue date at 102.00% of its face value plus accrued interest. These are exempt securities pursuant to certain provisions of the Securities Regulation Code and are covered by deed of assignments on government securities held in trust by a collateral agent which shall have aggregate market value of 100.00% of the issued amount, otherwise, additional government securities shall be offered to increase and maintain the cover at 100.00%.

As of December 31, 2015 and 2014, the carrying amount of government securities assigned as collateral classified under AFS investments amounted to ₱0.9 billion with market value of ₱0.8 billion and ₱0.9 billion, respectively, and under HTM investments with carrying value of ₱11.9 billion and ₱12.0 billion and with market value of ₱11.8 billion and ₱11.7 billion, respectively.

As of December 31, 2015 and 2014, FMIC has complied with the terms of the issuance.

Interest expense on bonds payable (included in ‘Interest expense on bills payable and SSURA, bonds payable, subordinated debts and others’) in 2015, 2014 and 2013 amounted to ₱659.5 million, ₱666.1 million and ₱665.9 million, respectively.

20. Subordinated Debts

This account consists of the following Peso Notes:

	Maturity Date	Face Value	Carrying Value		Market Value	
			2015	2014	2015	2014
Parent Company						
2024	June 27, 2024	₱16,000	₱15,915	₱15,893	₱12,574	₱13,144
2025	August 8, 2025	6,500	6,459	6,451	6,183	6,543
		22,500	22,374	22,344	18,757	19,687
PSBank – 2022	February 20, 2022	3,000	2,978	2,975	3,328	3,452
PSBank – 2024	August 23, 2024	3,000	2,974	2,972	2,318	2,333
MCC – 2023	December 20, 2023	1,170	1,161	1,161	1,263	1,322
		₱29,670	₱29,487	₱29,452	₱25,666	₱26,794

On April 15, 2013, the BOD of the Parent Company approved the issuance of Basel III - compliant Tier 2 capital notes up to USD500 million in one or more tranches, issued as part of the Parent Company’s regulatory capital compliance in accordance with Basel III capital guidelines of the BSP and to proactively manage its capital base for growth and refinancing of maturing capital securities. The issuance was approved by the BSP on July 26, 2013 and the amendment to the terms and conditions on January 30, 2014. Specifically, the BSP approved the issuance of up to USD500 million equivalent in either USD or PHP or combination in one or more tranches over the course of one (1) year.

Peso Notes issued by the Parent Company are unsecured and subordinated obligations and will rank pari passu and without any preference among themselves and at least equally with all other present and future unsecured and subordinated obligations of the Parent Company. The Notes qualify as Tier 2 capital pursuant to BSP Circular No. 781 (Basel III), BSP Circular No. 826 on risk disclosure requirements for the loss absorption features of capital instruments, and other related circulars and issuances of the BSP. These Peso Notes have a term of 10.25 and 11 years and are redeemable at the option of the Parent Company (but not the holders) on the call option date in whole but not in part at redemption price equal to 100.00% of the principal amount



together with accrued and unpaid interest on the call option date, upon prior approval of the BSP and at least 30-banking day prior written notice to the Noteholders of record, subject to the following conditions: (1) the capital adequacy of the Issuer is at least equal to the required minimum ratio; (2) the note is simultaneously replaced with the issues of new capital which are neither smaller in size nor lower in quality than the original issue.

Furthermore, upon the occurrence of a Tax Redemption Event or a Regulatory Redemption Event, the Parent Company may, upon prior approval of the BSP and at least a 30-banking day prior written notice to the Noteholders on record, redeem all and not less than all of the outstanding Notes prior to the stated maturity by paying the Noteholder the Redemption Option Amount which, (a) in the case of a Tax Redemption Event is an amount equal to 100.00% of the face value of the Note plus accrued Interest at the Interest Rate relating to the then current Interest Period up to but excluding the date of such redemption, and (b) in the case of a Regulatory Redemption Event is an amount equal to 101.00% of the face value of the Note plus accrued Interest at the Interest Rate relating to the then current Interest Period up to but excluding the date of such redemption (the "Redemption Option Date").

The Notes have a loss absorption feature which are subject to a Non-Viability Write-Down in case of the occurrence of a Non-Viability Trigger Event, subject to certain conditions as set out in "Terms and Conditions of the Notes - Loss Absorption Measure", when the Issuer is considered non-viable as determined by the BSP. Non-Viability is defined as a deviation from a certain level of CET1 Ratio or the inability of the Issuer to continue business (closure) or any other event as determined by the BSP, whichever comes earlier. A Non-Viability Trigger Event shall be deemed to have occurred if the BSP notifies the Issuer in writing that it has determined that a:

- (i) a Write-Down (as defined in "Terms and Conditions of the Notes") of the Notes and other capital instruments of the Issuer is necessary because, without such Write-Down, the Issuer would become non-viable, (ii) public sector injection of capital, or equivalent support, is necessary because, without such injection or support, the Issuer would become non-viable, or
- (iii) Write-Down of the Notes and other capital instruments of the Issuer is necessary because, as a result of the closure of the Issuer, the Issuer has become non-viable.

Each Noteholder may not exercise or claim any right of set-off in respect of any amount owed to it by the Parent Company arising under or in connection with the Peso Notes and to the fullest extent permitted by applicable law, waive and be deemed to have waived all such rights of set-off. These Notes are not deposits and are not insured by the Philippine Deposit Insurance Corporation (PDIC).

Specific terms of these Basel III - compliant Notes follow:

2024 Peso Notes - issued on March 27, 2014 at 100.00% of the principal amount of ₱16.0 billion

- Bear interest at 5.375% per annum from March 27, 2014 to but excluding June 27, 2019. Interest will be payable quarterly in arrears on March 27, June 27, September 27 and December 27 of each year, commencing on June 27, 2014. Unless the Notes are previously redeemed, the initial interest rate will be reset at the equivalent of the five-year PDST-F as of reset date plus a spread of 1.51% per annum and such interest will be payable commencing on June 27, 2019 (call option date) up to and including June 27, 2024.



2025 Peso Notes - issued on August 8, 2014 at 100.00% of the principal amount of ₱6.5 billion

- Bear interest at 5.25% per annum from August 8, 2014 to but excluding August 8, 2020. Interest will be payable quarterly in arrears on February 8, May 8, August 8 and November 8 of each year, commencing on November 8, 2014. Unless the Notes are previously redeemed, the initial interest rate will be reset at equivalent of the five-year PDST-R2 as of reset date plus a spread of 1.67% per annum and such interest will be payable commencing on August 8, 2020 (call option date) up to and including August 8, 2025.

MCC

2023 Peso Notes - issued on December 20, 2013 at 100.00% of the principal amount of ₱1.2 billion

- Bear interest at 6.21% per annum payable quarterly in arrears every 20th of March, June, September and December each year, commencing on March 20, 2014.
- Basel III - compliant unsecured subordinated notes qualified as Tier 2 capital as approved by the BSP on February 17, 2013.
- In case of insolvency or liquidation of MCC, the notes will be subordinated in the right of payment of principal and interest to all depositors and other creditors of MCC, except those creditors expressed to rank equally with, or behind holders of the notes.
- If a non-viability trigger event occurs, MCC shall immediately write down some or all of the notes in accordance with the BSP's determination.
- Subject to the written approval of the BSP, MCC may redeem all and not less than the entire outstanding 2023 Notes, at a redemption price equal to the face value together with the accrued and unpaid interest based on the interest rate.

PSBank

2022 Peso Notes - issued on February 20, 2012 at 100.00% of the principal amount of ₱3.0 billion

- Bear interest at 5.75% per annum from and including February 20, 2012 but excluding February 20, 2017 which is payable quarterly in arrears every May 20, August 20, November 20 and February 20, commencing on February 20, 2012.
- Constitute direct, unconditional, and unsecured obligations of PSBank and claim in respect of the 2022 Notes shall be at all times pari passu and without any preference among themselves.
- Subject to satisfaction of certain regulatory approval requirements, PSBank may redeem all and not less than the entire outstanding 2022 Notes, at a redemption price equal to the face value together with accrued and unpaid interest based on the interest rate.

2024 Peso Notes - issued on May 23, 2014 at 100.00% of the face value of ₱3.0 billion

- Bear interest at the rate 5.50% per annum for the first 5 years and 3 months. Interest will be payable quarterly in arrears on August 23, November 23, February 23 and May 23 of each year, commencing on August 23, 2014. Unless the Notes are previously redeemed, the initial interest rate will be reset at the equivalent of the five-year PDST-F as of reset date plus a spread of 1.4438% per annum.
- Basel III - compliant unsecured subordinated notes qualified as Tier 2 capital as approved by the BSP on April 14, 2014.
- May be redeemed by PSBank in full, but not in part, on the call option date upon prior approval of the BSP and subject to certain conditions.
- May be redeemed by PSBank in full, but not in part, upon the occurrence of a Tax Redemption or Regulatory Redemption Event prior to maturity by paying the Holders the following:
 - a) In the case of a Tax Redemption Event, 100.00% of the face value of the Note plus accrued interest



- b) In the case of a Regulatory Redemption Event, 101.00% of the face value of the Note plus accrued interest.
- Have a loss absorption feature which means the Notes are subject to a Non-Viability Write-Down in case of the occurrence of a Non-Viability Trigger Event, subject to certain conditions.

As of December 31, 2015 and 2014, the Parent Company, PSBank and MCC are in compliance with the terms and conditions upon which these subordinated notes have been issued.

In 2015, 2014 and 2013, interest expense on subordinated debt included in 'Interest expense on bills payable and SSURA, bonds payable, subordinated debts and others' amounted to ₱1.6 billion, ₱1.3 billion and ₱0.9 billion (including amortization of debt issue cost and premium of ₱35.5 million, ₱27.0 million and ₱24.3 million), respectively, for the Group, and ₱1.2 billion, ₱0.9 billion and ₱0.7 billion (including amortization of debt issue cost and premium of ₱29.2 million, ₱22.0 million and ₱19.7 million), respectively, for the Parent Company.

21. Non-equity Non-controlling Interest and Other Liabilities

Non-equity non-controlling interest arises when mutual funds are consolidated and where the Group holds less than 100.00% of the investment in these funds. When this occurs, the Group acquires a liability in respect of non-controlling interests in the funds of which the Group has control. Such non-controlling interests are distinguished from equity non-controlling interests in that the Group does not hold an equity stake in such funds. Further, income or loss attributable to non-equity non-controlling interest is presented as part of Operating Expenses in the statements of income. Previously, this account is included in the 'Net income attributable to non-controlling interests'. For comparative purposes, the Group aligned its 2014 and 2013 statements of income to conform with the current presentation wherein the 'Total operating expenses' of the Group is reported at ₱46.8 billion from ₱45.8 billion and ₱49.3 billion from ₱49.5 billion, respectively, while the 'Net income' of the Group is reported at ₱22.0 billion from ₱23.1 billion and ₱24.3 billion from ₱24.2 billion, respectively.

Other liabilities consist of:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Bills purchased - contra (Note 9)	₱23,802	₱26,386	₱23,749	₱26,303
Accounts payable	10,966	8,973	6,190	4,356
Marginal deposits	5,476	4,580	189	130
Retirement liability (Note 27)	4,401	3,553	3,004	2,566
Outstanding acceptances	1,727	689	1,727	689
Deposits on lease contracts	1,249	1,171	-	-
Deferred revenues	1,099	1,073	28	98
Other credits	954	885	484	446
Withholding taxes payable	606	481	383	290
Miscellaneous	2,153	2,845	876	911
	₱52,433	₱50,636	₱36,630	₱35,789



Deferred revenues include deferral and release of MCC's loyalty points program transactions and membership fees and dues.

As of December 31, 2015 and 2014, miscellaneous liabilities of the Group include dividends payable amounting to ₱63.8 million and ₱104.2 million, respectively, and notes payable amounting to ₱398.1 million and ₱488.1 million, respectively.

22. Maturity Profile of Assets and Liabilities

The following tables present the assets and liabilities by contractual maturity and settlement dates:

	Consolidated					
	2015			2014		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
Financial Assets - at gross						
Cash and other cash items	₱32,536	₱-	₱32,536	₱34,943	₱-	₱34,943
Due from BSP	214,704	-	214,704	215,253	-	215,253
Due from other banks	36,872	-	36,872	38,200	-	38,200
Interbank loans receivable and SPURA (Note 7)	36,121	-	36,121	119,843	-	119,843
Financial assets at FVPL (Note 8)	48,856	-	48,856	45,935	-	45,935
AFS investments (Note 8)	13,091	222,554	235,645	12,531	195,709	208,240
HTM investments (Note 8)	125	208,307	208,432	150	128,926	129,076
Loans and receivables (Note 9)						
Receivables from customers	442,966	437,731	880,697	395,690	363,202	758,892
Unquoted debt securities	1,317	1,005	2,322	1,104	1,966	3,070
Accrued interest receivable	9,212	-	9,212	8,319	-	8,319
Accounts receivable	5,577	-	5,577	4,417	-	4,417
Sales contract receivable	160	247	407	162	310	472
Other receivables	318	-	318	505	-	505
Other assets (Note 14)						
Interoffice float items	5,482	-	5,482	3,156	-	3,156
Returned checks and other cash items	101	-	101	272	-	272
Residual value of leased asset	602	297	899	557	275	832
Other investments	-	26	26	-	3	3
Investments in SPVs	8,857	-	8,857	8,857	-	8,857
Miscellaneous assets	-	426	426	-	426	426
	856,897	870,593	1,727,490	889,894	690,817	1,580,711
Non-Financial Assets - at gross						
Property and equipment (Note 10)	-	41,323	41,323	-	34,557	34,557
Investments in associates (Note 11)	-	5,347	5,347	-	2,751	2,751
Investment properties (Note 12)	-	11,657	11,657	-	13,683	13,683
Deferred tax assets (Note 28)	-	8,427	8,427	-	6,831	6,831
Goodwill (Note 11)	-	5,202	5,202	-	5,201	5,201
Retirement asset (Note 14)	-	17	17	-	13	13
Assets held under joint operations (Note 14)	-	401	401	-	544	544
Accounts receivable (Note 9)	-	3,985	3,985	-	2,884	2,884
Other assets (Note 14)	2,270	6,450	8,720	3,020	8,576	11,596
	2,270	82,809	85,079	3,020	75,040	78,060
	₱859,167	₱953,402	1,812,569	₱892,914	₱765,857	1,658,771
Less:						
Unearned discounts and capitalized interest (Note 9)			2,414			2,628
Accumulated depreciation and amortization (Notes 10, 12 and 14)			23,223			21,519
Allowance for credit and impairment losses (Note 15)			26,240			30,084
			₱1,760,692			₱1,604,540
Financial Liabilities						
Deposit liabilities						
Demand	₱233,912	₱-	₱233,912	₱187,285	₱-	₱187,285
Savings	467,587	-	467,587	406,767	-	406,767
Time	509,443	32,778	542,221	545,275	30,877	576,152
LTNCD	-	14,250	14,250	-	14,250	14,250
	1,210,942	47,028	1,257,970	1,139,327	45,127	1,184,454

(Forward)



Consolidated						
	2015			2014		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
Bills payable and SSURA (Note 17)	₱163,137	₱13,654	₱176,791	₱129,146	₱11,253	₱140,399
Derivative liabilities	4,145	-	4,145	3,071	-	3,071
Manager's checks and demand drafts outstanding	5,613	-	5,613	4,653	-	4,653
Accrued interest and other expenses	6,824	-	6,824	8,769	-	8,769
Bonds payable (Note 19)	-	11,516	11,516	-	11,444	11,444
Subordinated debts (Note 20)	-	29,487	29,487	-	29,452	29,452
Other liabilities (Note 21)						
Bills purchased – contra	23,802	-	23,802	26,386	-	26,386
Accounts payable	10,966	-	10,966	8,973	-	8,973
Non-equity non-controlling interest	-	9,909	9,909	-	10,124	10,124
Marginal deposits	5,476	-	5,476	4,580	-	4,580
Outstanding acceptances	1,624	103	1,727	681	8	689
Deposits on lease contracts	829	420	1,249	-	1,171	1,171
Dividends payable	64	-	64	104	-	104
Miscellaneous	-	398	398	-	488	488
	1,433,422	112,515	1,545,937	1,325,690	109,067	1,434,757
Non-Financial Liabilities						
Retirement liability (Note 27)	-	4,401	4,401	-	3,553	3,553
Income taxes payable	880	-	880	1,191	-	1,191
Accrued interest and other expenses	1,363	-	1,363	1,105	-	1,105
Withholding taxes payable (Note 21)	606	-	606	481	-	481
Deferred tax and other liabilities (Notes 21 and 28)	2,790	1,405	4,195	3,325	1,343	4,668
	5,639	5,806	11,445	6,102	4,896	10,998
	₱1,439,061	₱118,321	₱1,557,382	₱1,331,792	₱113,963	₱1,445,755

Parent Company						
	2015			2014		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
Financial Assets - at gross						
Cash and other cash items	₱28,570	₱-	₱28,570	₱30,733	₱-	₱30,733
Due from BSP	185,484	-	185,484	174,259	-	174,259
Due from other banks	26,213	-	26,213	25,583	-	25,583
Interbank loans receivable and SPURA (Note 7)	25,951	-	25,951	108,441	-	108,441
Financial assets at FVPL (Note 8)	34,568	-	34,568	29,850	-	29,850
AFS investments (Note 8)	10,982	191,490	202,472	8,369	171,168	179,537
HTM investments (Note 8)	102	175,714	175,816	150	110,627	110,777
Loans and receivables (Note 9)						
Receivables from customers	372,196	310,269	682,465	325,158	260,631	585,789
Unquoted debt securities	386	193	579	426	194	620
Accrued interest receivable	6,935	-	6,935	6,705	-	6,705
Accounts receivable	3,989	-	3,989	2,878	-	2,878
Sales contract receivable	136	45	181	145	47	192
Other receivables	28	-	28	165	-	165
Other assets (Note 14)						
Interoffice float items	5,043	-	5,043	2,965	-	2,965
Returned checks and other cash items	81	-	81	189	-	189
Investments in SPVs	8,857	-	8,857	8,857	-	8,857
Miscellaneous assets	-	426	426	-	426	426
	709,521	678,137	1,387,658	724,873	543,093	1,267,966
Non-Financial Assets - at gross						
Property and equipment (Note 10)	-	28,730	28,730	-	23,232	23,232
Investment in subsidiaries (Note 11)	-	27,528	27,528	-	27,498	27,498
Investments in associates (Note 11)	-	590	590	-	590	590
Investment properties (Note 12)	-	6,671	6,671	-	8,912	8,912
Deferred tax assets (Note 28)	-	6,284	6,284	-	5,273	5,273
Retirement asset (Note 14)	-	17	17	-	13	13
Assets held under joint operations (Note 14)	-	401	401	-	544	544
Accounts receivable (Note 9)	-	3,985	3,985	-	2,884	2,884
Other assets (Note 14)	1,381	3,311	4,692	2,119	6,011	8,130
	1,381	77,517	78,898	2,119	74,957	77,076
	₱710,902	₱755,654	1,466,556	₱726,992	₱618,050	1,345,042

(Forward)



	Parent Company					
	2015			2014		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
Less:						
Unearned discounts and capitalized interest (Note 9)			₱187			₱284
Accumulated depreciation and amortization (Notes 10, 12 and 14)			15,483			14,805
Allowance for credit and impairment losses (Note 15)			19,153			22,773
			₱1,431,733			₱1,307,180
Financial Liabilities						
Deposit liabilities						
Demand	₱219,772	₱-	₱219,772	₱169,851	₱-	₱169,851
Savings	446,734	-	446,734	390,509	-	390,509
Time	415,392	10,237	425,629	465,947	9,871	475,818
LTNCD	-	14,250	14,250	-	14,250	14,250
	1,081,898	24,487	1,106,385	1,026,307	24,121	1,050,428
Bills payable and SSURA (Note 17)	88,640	-	88,640	62,345	-	62,345
Derivative liabilities	4,145	-	4,145	3,054	-	3,054
Manager's checks and demand drafts outstanding	4,264	-	4,264	3,399	-	3,399
Accrued interest and other expenses	4,497	-	4,497	6,409	-	6,409
Subordinated debts (Note 20)	-	22,374	22,374	-	22,344	22,344
Other liabilities (Note 21)						
Bills purchased - contra	23,749	-	23,749	26,303	-	26,303
Accounts payable	6,190	-	6,190	4,356	-	4,356
Marginal deposits	189	-	189	130	-	130
Outstanding acceptances	1,624	103	1,727	681	8	689
	1,215,196	46,964	1,262,160	1,132,984	46,473	1,179,457
Non-Financial Liabilities						
Retirement liability (Note 27)	-	3,004	3,004	-	2,566	2,566
Income taxes payable	300	-	300	591	-	591
Accrued interest and other expenses	1,274	-	1,274	1,105	-	1,105
Withholding taxes payable (Note 21)	383	-	383	290	-	290
Other liabilities (Note 21)	904	484	1,388	1,009	446	1,455
	2,861	3,488	6,349	2,995	3,012	6,007
	₱1,218,057	₱50,452	₱1,268,509	₱1,135,979	₱49,485	₱1,185,464

23. Capital Stock

This account consists of (amounts in millions, except par value and number of shares):

	Shares			Amount		
	2015	2014	2013	2015	2014	2013
Authorized						
Preferred stock – ₱20.00 par value	1,000,000,000	1,000,000,000	1,000,000,000			
Common stock – ₱20.00 par value	4,000,000,000	4,000,000,000	4,000,000,000			
Common stock issued and outstanding						
Balance at beginning of year	2,744,801,066	2,744,801,066	2,111,386,017	₱54,896	₱54,896	₱42,228
Issuance of stock rights	435,371,720	-	-	8,707	-	-
Issuance of stock dividends	-	-	633,415,049	-	-	12,668
Balance at end of year	3,180,172,786	2,744,801,066	2,744,801,066	63,603	54,896	54,896
HT1 Capital	-	-	-	6,351	6,351	6,351
	3,180,172,786	2,744,801,066	2,744,801,066	₱69,954	₱61,247	₱61,247

As of December 31, 2015 and 2014, treasury shares totaling 2,058,912 and 391,320, respectively, represent shares of the Parent Company held by FMIC's mutual fund subsidiaries (Note 31).

On March 15, 2013, the BOD of the Bank approved (a) the amendment of the Articles of Incorporation (AOI) for the purpose of increasing the authorized capital stock and (b) the declaration of 30.00% stock dividend, which were ratified by the stockholders representing at least 2/3 of the outstanding capital stock on April 15, 2013. These were subsequently approved by the BSP on May 15, 2013 while the SEC approved the amended AOI on August 13, 2013.



Following this, the authorized capital stock of the Bank increased from ₱50.0 billion to ₱100.0 billion consisting of 4.0 billion Common Shares and 1.0 billion Preferred Shares, both with par value of ₱20 per share. Preferred Shares are non-voting except as provided by law; have preference over Common Shares in the distribution of dividends; subject to such terms and conditions as may be determined by the BOD and to the extent permitted by applicable law, may or may not be redeemable; and shall have such other features as may be determined by the BOD at the time of issuance. Further, the 30.00% stock dividend equivalent to 633.4 million common shares amounting to ₱12.7 billion represents at least the minimum 25.00% subscribed and paid-up capital for the increase in the authorized capital stock referred to above. As delegated by the BOD, the President fixed the record and payment dates on September 3 and 16, 2013, respectively. On September 10, 2013, the PSE approved the listing of additional 633,415,805 common shares and on September 16, 2013, the Parent Company issued the stock dividend and paid the cash equivalent of the related fractional shares.

On January 21, 2015, the Parent Company's BOD approved the Stock Rights Offer (SRO) by way of issuance from the unissued portion of the authorized capital stock. This was noted by BSP with the issuance of a letter of no objection to the Rights Issue on February 17, 2015. On February 24, 2015, the SEC confirmed the exemption of the proposed issuance of ₱32.0 billion worth of common shares from the registration requirements under Section 8 of the Securities Regulation Code. On February 25, 2015, the PSE approved the listing of up to 500.0 million common shares to cover the SRO to all stockholders of record as of March 18, 2015. On April 7, 2015, following regulatory approvals, the Parent Company concluded the ₱32.0 billion SRO, involving 435,371,720 common shares with par value of ₱20.00 priced at ₱73.50 per share and listed with the PSE on the same date. The difference between the issued price and the par value is recognized as 'Capital paid in excess of par value'.

All issued and outstanding shares of the Parent Company are listed with the PSE (Note 1). As of December 31, 2015 and 2014, there are 3,159 and 3,178 holders, respectively, of the listed shares of the Parent Company, with share price closed at ₱80.50 and ₱83.00 a share, respectively. The history of share issuances during the last five years follows:

Year	Issuance	Listing Date	Number of Shares Issued
2015	Stock rights	April 7, 2015	435,371,720
2013	Stock dividend	September 16, 2013	633,415,049
2011	Stock rights	January 24, 2011	200,000,000

HT1 Capital represents USD125.0 million, 9.00% non-cumulative step-up callable perpetual capital securities with liquidation preference of USD100,000 per capital security issued by the Parent Company on February 15, 2006 pursuant to a trust deed with The Bank of New York (Trustee) and listed with the Singapore Exchange Securities Trading Limited. The HT1 Capital is governed by English law except on certain clauses in the Trust Deed which are governed by Philippine law. On June 17, 2015 and October 22, 2015, the BOD of the Parent Company and the BSP, respectively, approved its redemption on February 15, 2016 (Note 35). Basic features of the HT1 Capital follow:

- Coupons - bear interest at 9.00% per annum payable semi-annually in arrear from (and including) February 15, 2006 to (but excluding) February 15, 2016, and thereafter at a rate, reset and payable quarterly in arrear, of 6.10% per annum above the then prevailing LIBOR for three-month USD deposits. Under certain conditions, the Parent Company is not obliged to make any coupon payment if the BOD of the Parent Company, in its absolute discretion, elects not to make any coupon payment in whole or in part.



- **Coupon Payment Dates** - payable on February 15 and August 15 in each year, commencing on August 15, 2006 (in respect of the period from (and including) February 15, 2006 to (but excluding) August 15, 2006 and ending on February 15, 2016 (first optional redemption date); thereafter coupon amounts will be payable (subject to adjustment for days which are not business days) on February 15, May 15, August 15 and November 15 in each year commencing on May 15, 2016.
- **Dividend and Capital Stopper** - in the event that any coupon payment is not made, the Parent Company: (a) will not declare or pay any distribution or dividend or make any other payment on, and will procure that no distribution or dividend or other payment is made on any junior share capital or any parity securities; or (b) will not redeem, purchase, cancel, reduce or otherwise acquire any junior share capital or any parity securities. Such dividend and capital stopper shall remain in force so as to prevent the Parent Company from undertaking any such declaration, payment or other activity unless and until payment is made to the holders in an amount equal to the unpaid amount, if any, of coupon payments in respect of coupon periods in the 12 months including and immediately preceding the date such coupon payment was due, and the BSP does not otherwise object.
- **Redemption**
 - may be redeemed at the option of the Parent Company (but not the holders) under optional redemption, tax event call, and regulatory event call, subject to limitation of the terms of the issuance.
 - may not be redeemed (i) for so long as the dividend and capital stopper is in force; and (ii) without the prior written approval of the BSP which, as of February 8, 2006, is subject to the following conditions: (a) the Parent Company's capital adequacy must be at least equal to the BSP's minimum capital ratio; and (b) the HT1 Capital are simultaneously replaced with the issue of new capital which is neither smaller in size nor lower in quality than the original issue.

The HT1 Capital is unsecured and subordinated to the claims of senior creditors. In the event of the dissolution or winding-up of the Parent Company, holders will be entitled, subject to satisfaction of certain conditions and applicable law, to receive a liquidation distribution equivalent to the liquidation preference. Also, the HT1 Capital is not treated as deposit and is not guaranteed or insured by the Parent Company or any of its related parties or the PDIC and these may not be used as collateral for any loan availments. The Parent Company or any of its subsidiaries may not at any time purchase HT1 Capital except as permitted under optional redemption, tax event call, and regulatory event call as described in the terms of issuance. The HT1 Capital is sold to non-U.S. persons outside the United States pursuant to Regulation under the U.S. Securities Act of 1933, as amended, and represented by a global certificate registered in the name of a nominee of, and deposited with, a common depository for Euroclear and Clearstream.

The Parent Company paid the semi-annual coupon amounting to USD5.6 million from 2006 to 2015 after obtaining their respective BSP approvals. Details of approvals and payments from 2013 to 2015 are as follows:

<u>Date of BSP Approval</u>	<u>Date Paid</u>
July 24, 2015	August 17, 2015
February 9, 2015	February 17, 2015
August 1, 2014	August 15, 2014
February 10, 2014	February 15, 2014
August 12, 2013	August 15, 2013
February 6, 2013	February 15, 2013



Details of the Parent Company's cash dividend distributions from 2013 to 2015 follow:

Date of Declaration	Per Share	Total Amount	Date of BSP Approval	Record date	Payment date
January 27, 2015	₱1.00	₱2,745	March 3, 2015	March 26, 2015	March 31, 2015
March 26, 2014	1.00	2,745	April 15, 2014	May 7, 2014	May 16, 2014
January 23, 2013	1.00	2,111	February 8, 2013	March 8, 2013	April 3, 2013

The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 11 issued in December 2008 differs to a certain extent from the computation following BSP guidelines.

24. Surplus Reserves

This account consists of:

	2015	2014
Reserve for trust business (Note 29)	₱1,090	₱976
Reserve for self-insurance	416	395
	₱1,506	₱1,371

In compliance with existing BSP regulations, 10.00% of the Parent Company's income from trust business is appropriated to surplus reserves. This yearly appropriation is required until the surplus reserve for trust business equals 20.00% of the Parent Company's regulatory net worth.

Reserve for self-insurance represents the amount set aside to cover losses due to fire, defalcation by and other unlawful acts of the Parent Company's personnel or third parties.

25. Miscellaneous Income and Expenses

In 2015, 2014 and 2013, miscellaneous income includes gain on initial recognition of investment properties and other non-financial assets amounting to ₱713.4 million, ₱748.5 million and ₱648.8 million, respectively, for the Group and ₱21.4 million, ₱53.6 million and ₱61.2 million, respectively, for the Parent Company; recovery on charged-off assets amounting to ₱722.2 million, ₱562.6 million and ₱455.4 million, respectively, for the Group and ₱10.2 million, ₱10.5 million and ₱27.9 million, respectively, for the Parent Company; and information technology and other fees amounting to ₱432.8 million, ₱326.1 million and ₱300.6 million, respectively, for the Parent Company (Note 31).

Miscellaneous expenses consist of:

	Consolidated			Parent Company		
	2015	2014	2013	2015	2014	2013
Insurance	₱2,712	₱2,317	₱1,672	₱2,140	₱1,823	₱1,333
Security, messengerial and janitorial	2,117	2,016	1,800	1,651	1,628	1,408
Advertising	920	738	725	216	66	91
Information technology (Note 31)	827	644	718	621	451	576
Management and professional fees	775	548	460	567	298	272
Litigation (Note 12)	640	678	705	291	395	450
Communications	603	567	528	62	43	69
Repairs and maintenance	591	580	409	301	265	249
Supervision fees	573	507	448	469	424	362

(Forward)



	Consolidated			Parent Company		
	2015	2014	2013	2015	2014	2013
Stationery and supplies used	₱490	₱536	₱487	₱319	₱338	₱308
Transportation and travel	463	442	489	315	307	369
Entertainment, amusement and representation (EAR) (Note 28)	290	320	236	246	284	198
Others (Note 31)	1,183	1,396	1,424	518	658	477
	₱12,184	₱11,289	₱10,101	₱7,716	₱6,980	₱6,162

26. Notes to Statements of Cash Flows

The amounts of interbank loans receivable and securities purchased under agreements to resell considered as cash and cash equivalents follow:

	Consolidated			Parent Company		
	2015	2014	2013	2015	2014	2013
Interbank loans receivable and SPURA	₱36,118	₱119,839	₱122,011	₱25,951	₱108,441	₱96,872
Interbank loans receivable and SPURA not considered as cash and cash equivalents	(4,586)	(7,651)	(4,836)	(2,423)	(7,651)	(4,836)
	₱31,532	₱112,188	₱117,175	₱23,528	₱100,790	₱92,036

Significant non-cash transactions of the Group and the Parent Company include foreclosures of properties or additions to investment and chattel properties as disclosed in Notes 12 and 14, respectively; reclassification of investment in LCMC (Note 11); reclassification to building under construction in 2015 (Note 10); and reclassification of assets held under joint operations amounting to ₱0.5 million to investment properties in 2014. Further, in 2013, investment of FMIC in GBPC and HTM investments of PSBank and FMIC were reclassified to AFS investments (Note 8).

27. Retirement Plan and Other Employee Benefits

The Parent Company and most of its subsidiaries have funded non-contributory defined benefit retirement plan covering all their respective permanent and full-time employees. Benefits are based on the employee's years of service and final plan salary.

For employees of the Parent Company, retirement from service is compulsory upon the attainment of the 55th birthday or 30th year of service, whichever comes first.

Under the existing regulatory framework, Republic Act (RA) 7641 (Retirement Pay Law) requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan. The Parent Company and most of its subsidiaries meet the minimum retirement benefit specified under RA 7641.



The principal actuarial assumptions used in determining retirement liability of the Parent Company and significant subsidiaries are shown below:

	Parent Company	FMIC	PSBank	MCC	ORIX Metro
As of January 1, 2015					
Average remaining working life	8 years	7 to 10 years	9 years	10 years	22 to 42 years
Discount rate	4.32%	4.42% to 4.65%	4.55%	4.80%	4.92% to 5.50%
Future salary increases	8.00%	10.00%	8.00%	9.00%	8.00%
As of January 1, 2014					
Average remaining working life	8 years	7 to 8 years	9 years	10 years	15 to 26 years
Discount rate	4.33%	4.51% to 5.59%	4.86%	4.85%	4.07% to 6.50%
Future salary increases	8.00%	10.00%	9.00%	8.00%	7.00% to 8.00%

Discount rates used in computing for the present value of the DBO of the Parent Company and significant subsidiaries as of December 31, 2015 and 2014 follow:

	Parent Company	FMIC	PSBank	MCC	ORIX Metro
2015	4.79%	4.93% to 5.08%	5.01%	5.23%	4.59% to 5.56%
2014	4.32%	4.42% to 4.65%	4.55%	4.80%	4.92% to 5.50%

Net retirement liability included in 'Other liabilities' as of December 31, 2015 and 2014 amounted to ₱4.4 billion and ₱3.6 billion, respectively, for the Group and ₱3.0 billion and ₱2.6 billion, respectively, for the Parent Company (Note 21).

The fair value of plan assets by each class as at the end of the reporting period are as follows:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Due from BSP	₱548	₱523	₱186	₱257
Deposit in banks	130	72	51	21
FVPL - quoted equity securities	678	595	237	278
AFS investments - net				
Quoted debt instruments				
Private	964	454	826	434
Government	7,916	7,576	7,314	7,014
	8,880	8,030	8,140	7,448
Equity securities				
Quoted	2,677	2,500	2,144	1,933
Unquoted	213	213	13	13
	2,890	2,713	2,157	1,946
Investment funds	166	161	28	20
Total AFS investments	11,936	10,904	10,325	9,414
Loans and discounts - net	72	-	72	-
Other receivables - net	143	157	128	148
Liabilities	(11)	(18)	(7)	(6)
Total assets	₱13,003	₱11,653	₱10,924	₱9,834



Changes in net defined benefit liability of funded funds in 2015 are as follows:

Consolidated	Present Value of DBO	Fair Value of Plan Assets	Net retirement liability/(asset)
January 1, 2015	₱15,206	(₱11,653)	₱3,553
Net Benefit Cost in Consolidated			
Statement of Income			
Current service cost	1,269	–	1,269
Past service cost	55	–	55
Net interest	657	(506)	151
Sub-total	1,981	(506)	1,475
Benefits paid	(939)	939	–
Remeasurement in Other Comprehensive			
Income			
Return on plan assets (excluding amount included in net interest)	–	519	519
Actuarial changes arising from experience adjustments	1,507	–	1,507
Actuarial changes arising from changes in financial/demographic assumptions	(351)	4	(347)
Sub-total	1,156	523	1,679
Contributions paid	–	(2,306)	(2,306)
December 31, 2015	₱17,404	(₱13,003)	₱4,401
Parent Company	Present Value of DBO	Fair Value of Plan Assets	Net retirement liability/(asset)
January 1, 2015	₱12,400	(₱9,834)	₱2,566
Net Benefit Cost in Consolidated			
Statement of Income			
Current service cost	934	–	934
Net interest	527	(421)	106
Sub-total	1,461	(421)	1,040
Benefits paid	(762)	762	–
Remeasurement in Other Comprehensive			
Income			
Return on plan assets (excluding amount included in net interest)	–	435	435
Actuarial changes arising from experience adjustments	1,078	–	1,078
Actuarial changes arising from changes in financial/demographic assumptions	(249)	–	(249)
Sub-total	829	435	1,264
Contributions paid	–	(1,866)	(1,866)
December 31, 2015	₱13,928	(₱10,924)	₱3,004



Changes in net defined benefit liability of funded funds in 2014 are as follows:

Consolidated	Present Value of DBO	Fair Value of Plan Assets	Net retirement liability/(asset)
January 1, 2014	₱14,209	(₱9,405)	₱4,804
Net Benefit Cost in Consolidated			
Statement of Income			
Current service cost	1,201	–	1,201
Past service cost	3	–	3
Net interest	610	(448)	162
Sub-total	1,814	(448)	1,366
Benefits paid	(611)	611	–
Remeasurement in Other Comprehensive			
Income			
Return on plan assets (excluding amount included in net interest)	–	(287)	(287)
Actuarial changes arising from experience adjustments	(245)	–	(245)
Actuarial changes arising from changes in financial/demographic assumptions	39	9	48
Sub-total	(206)	(278)	(484)
Contributions paid	–	(2,133)	(2,133)
December 31, 2014	₱15,206	(₱11,653)	₱3,553
Parent Company	Present Value of DBO	Fair Value of Plan Assets	Net retirement liability/(asset)
January 1, 2014	₱11,867	(₱7,705)	₱4,162
Net Benefit Cost in Consolidated			
Statement of Income			
Current service cost	917	–	917
Net interest	497	(362)	135
Sub-total	1,414	(362)	1,052
Benefits paid	(504)	504	–
Remeasurement in Other Comprehensive			
Income			
Return on plan assets (excluding amount included in net interest)	–	(479)	(479)
Actuarial changes arising from experience adjustments	(387)	–	(387)
Actuarial changes arising from changes in financial/demographic assumptions	10	–	10
Sub-total	(377)	(479)	(856)
Contributions paid	–	(1,792)	(1,792)
December 31, 2014	₱12,400	(₱9,834)	₱2,566



The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of December 31, 2015 and 2014, assuming all other assumptions were held constant:

	Parent Company	FMIC	PSBank	MCC	Orix Metro
As of December 31, 2015					
Discount rate					
-50 basis points (bps)	₱-	₱-	₱-	₱-	₱3
+100 bps	13,279	351	1,911	727	(34)
-100 bps	14,698	417	2,098	926	38
Salary increase rate					
+75 bps	-	-	-	-	3
+100 bps	14,758	414	2,151	897	34
-100 bps	13,171	354	1,914	750	(29)
-125 bps	-	-	-	-	(3)
Turnover rate					
+300 bps	13,595	-	-	-	-
-300 bps	14,312	-	-	-	-
As of December 31, 2014					
Discount rate					
-50 bps	-	-	-	-	29
+100 bps	11,491	335	1,509	507	174
-100 bps	13,437	399	1,854	658	196
Salary increase rate					
+75 bps	-	-	-	-	28
+100 bps	13,190	395	1,843	645	194
-100 bps	11,681	338	1,515	515	152
-125 bps	-	-	-	-	23
Turnover rate					
+200 bps	-	355	1,543	524	-
-200 bps	-	376	1,822	638	-
+300 bps	11,932	-	-	-	-
-300 bps	12,948	-	-	-	-

The Group expects to contribute to the defined benefit retirement plans the required funding for normal cost in 2016 amounting to ₱1.3 billion.

The average duration of the DBO of the Parent Company as of December 31, 2015 and 2014 are 12.7 years and 12.39 years, respectively.

Shown below is the maturity analysis of the undiscounted benefit payments:

	Parent Company	FMIC	PSBank	MCC	Orix Metro
As of December 31, 2015					
Less than 1 year	₱1,147	₱33	₱212	₱36	₱3
More than 1 year to 5 years	7,094	150	669	178	-
More than 5 years to 10 years	11,167	236	1,267	434	96
More than 10 years to 15 years	8,190	417	1,754	1,172	-
More than 15 years to 20 years	6,680	379	1,584	1,708	-
More than 20 years	8,130	695	3,347	1,711	-
As of December 31, 2014					
Less than 1 year	926	31	124	7	12
More than 1 year to 5 years	5,770	228	586	140	-
More than 5 years to 10 years	9,928	231	1,259	238	74
More than 10 years to 15 years	7,962	368	1,913	722	-
More than 15 years to 20 years	5,580	358	1,794	1,366	-
More than 20 years	6,527	527	3,451	1,732	-

In addition, the Parent Company has a Provident Plan which is a supplementary contributory retirement plan to and forms part of the main plan, the Retirement Plan, for the exclusive benefit of eligible employees of the Parent Company in the Philippines. Based on the provisions of the plan, upon retirement or resignation, a member shall be entitled to receive as retirement or



resignation benefits 100.00% of the accumulated value of the personal contribution plus a percentage of the accumulated value arising from the Parent Company's contributions in accordance with the completed number of years serviced. The Parent Company's contribution to the Provident Fund in 2015 and 2014 amounted to ₱224.4 million and ₱193.1 million, respectively.

As of December 31, 2015 and 2014, the retirement fund of the Parent Company's employees amounting to ₱10.9 billion and ₱9.8 billion, respectively, is being managed by the Parent Company's Trust Banking Group (as defined in the trust agreement), which has a Trust Committee that is mandated to approve, the plan, trust agreement, investment plan, including any amendments or modifications thereto, and other activities of the retirement plan. Certain members of the BOD of the Parent Company are represented in the Trust Committee. Directors' fees and bonuses of the Parent Company in 2015, 2014 and 2013 amounted to ₱61.2 million, ₱49.3 million and ₱48.9 million, respectively, while, officers' compensation and benefits of the Parent Company aggregated to ₱6.2 billion, ₱5.7 billion and ₱5.0 billion, respectively.

28. Income and Other Taxes

Under Philippine tax laws, the RBU of the Parent Company and its domestic subsidiaries are subject to percentage and other taxes (presented as 'Taxes and licenses' in the statement of income) as well as income taxes. Percentage and other taxes paid consist principally of gross receipts tax (GRT) and documentary stamp tax (DST). Income taxes include 30.00% regular corporate income tax (RCIT) and 20.00% final taxes paid, which is a final withholding tax on gross interest income from government securities and other deposit substitutes. Interest allowed as a deductible expense is reduced by an amount equivalent to 33.00% of interest income subjected to final tax.

Current tax regulations also provide for the ceiling on the amount of EAR expense (Note 25) that can be claimed as a deduction against taxable income. Under the regulation, EAR expense allowed as a deductible expense for a service company like the Parent Company and some of its subsidiaries is limited to the actual EAR paid or incurred but not to exceed 1.00% of net revenue. The regulations also provide for MCIT of 2.00% on modified gross income and allow a NOLCO. The MCIT and NOLCO may be applied against the Group's income tax liability and taxable income, respectively, over a three-year period from the year of inception.

FCDU offshore income (income from non-residents) is tax-exempt while gross onshore income (income from residents) is subject to 10.00% income tax. In addition, interest income on deposit placements with other FCDUs and offshore banking units (OBUs) is taxed at 7.50%. Income derived by the FCDU from foreign currency transactions with non-residents, OBUs, local commercial banks including branches of foreign banks is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10.00% income tax.

Following are the applicable taxes and tax rates for the foreign branches of the Parent Company:

Foreign Branches	Tax Rates
USA - New York (NY) Branch	20.00% income tax; business taxes - 0.01% (NY State) and 0.26% (NY City)
Japan - Tokyo and Osaka Branches	29.90% income tax; various rates for business taxes - income tax, local business, sheet value and sheet capital allocations
Korea - Seoul and Pusan Branches	20.00% income tax; 0.50% education tax
Taiwan - Taipei Branch	17.00% income tax; 5.00% gross business receipts tax; 5.00% VAT



The provision for income tax consists of:

	Consolidated			Parent Company		
	2015	2014	2013	2015	2014	2013
Current:						
Final tax	₱3,895	₱3,607	₱2,546	₱3,323	₱2,919	₱1,906
RCIT*	2,036	2,392	1,377	129	692	115
MCIT	324	4	266	324	4	244
	6,255	6,003	4,189	3,776	3,615	2,265
Deferred*	(1,018)	456	2,559	(570)	740	1,381
	₱5,237	₱6,459	₱6,748	₱3,206	₱4,355	₱3,646

* Includes income taxes of foreign subsidiaries.

Components of net deferred tax assets of the Group and the Parent Company follow:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Deferred tax asset on:				
Allowance for credit and impairment losses	₱6,328	₱4,824	₱4,588	₱3,505
Retirement liability	1,284	1,050	921	789
Unamortized past service cost	911	696	867	675
Accumulated depreciation of investment properties	386	392	303	319
Unrealized losses	305	187	305	187
Deferred membership/awards	124	245	-	-
Others	376	281	106	187
	9,714	7,675	7,090	5,662
Deferred tax liability on:				
Unrealized gains	571	111	548	95
Unrealized gain on initial measurement of investment properties	563	578	258	294
Others	153	155	-	-
	1,287	844	806	389
Net deferred tax assets	₱8,427	₱6,831	₱6,284	₱5,273

Components of net deferred tax liabilities of the Group follow:

	2015	2014
Deferred tax asset on:		
Retirement liability	₱56	₱31
Allowance for credit and impairment losses	31	-
Unamortized past service cost	13	4
Others	127	117
	227	152
Deferred tax liability on:		
Leasing income differential between finance and operating lease method	437	381
Unrealized gain	34	20
Others	207	208
	678	609
Net deferred tax liabilities	₱451	₱457

As of December 31, 2015 and 2014, no deferred tax asset was recognized on the following temporary differences: (a) allowance for credit and impairment losses amounting to ₱2.5 billion and ₱8.9 billion, respectively, for the Group and ₱1.7 billion and ₱8.9 billion, respectively, for the Parent Company; (b) NOLCO of ₱1.3 billion and ₱1.1 billion, respectively, for the Group and ₱174.3 million and ₱118.5 million, respectively, for the Parent Company; (c) MCIT of



₱15.0 million and ₱7.9 million, respectively, for the Group and ₱11.0 million and ₱7.9 million, respectively, for the Parent Company; and (d) others amounting to ₱2.3 million and ₱95.7 million, respectively, for the Group. The Group believes that it is not reasonably probable that the tax benefits of these temporary differences will be realized in the future.

There are no income tax consequences attaching to the payment of dividends by the Group to the shareholders of the Group.

Details of the excess MCIT credits follow:

Inception Year	Consolidated				Parent Company			
	Amount	Used/Expired	Balance	Expiry Year	Amount	Used/Expired	Balance	Expiry Year
2012	₱13	₱13	₱-	2015				
2013	271	266	5	2016	₱247	₱244	₱3	2016
2014	4	-	4	2017	4	-	4	2017
2015	6	-	6	2018	4	-	4	2018
	₱294	₱279	₱15		₱255	₱244	₱11	

Details of the NOLCO follow:

Inception Year	Consolidated				Parent Company			
	Amount	Used/Expired	Balance	Expiry Year	Amount	Used/Expired	Balance	Expiry Year
2012	₱446	₱446	₱-	2015	₱291	₱291	₱-	2015
2013	3,882	3,510	372	2016	3,510	3,510	-	2016
2014	395	-	395	2017				
2015	520	-	520	2018	174	-	174	2018
	₱5,243	₱3,956	₱1,287		₱3,975	₱3,801	₱174	

A reconciliation of the statutory income tax rates and the effective income tax rates follows:

	Consolidated			Parent Company		
	2015	2014	2013	2015	2014	2013
Statutory income tax rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Tax effect of:						
Tax-paid and tax-exempt income	(10.56)	(15.90)	(27.66)	(10.82)	(11.92)	(30.37)
Non-deductible interest expense	5.11	6.73	7.83	5.21	3.82	2.75
Non-recognition of deferred tax asset	(2.34)	(0.99)	6.77	(3.01)	(1.57)	7.98
FCDU income	(0.84)	(0.91)	(0.74)	(1.02)	(1.46)	(1.08)
Others - net	(1.13)	3.74	5.51	(3.43)	0.84	8.63
Effective income tax rate	20.24%	22.67%	21.71%	16.93%	19.71%	17.91%

29. Trust Operations

Properties held by the Parent Company and certain subsidiaries in fiduciary or agency capacity for their customers are not included in the accompanying statements of financial position since these are not resources of the Parent Company and its subsidiaries (Note 30).

In compliance with current banking regulations relative to the Parent Company and certain subsidiaries' trust functions, government securities with the following total face values are deposited with the BSP.

	Consolidated		Parent Company	
	2015	2014	2015	2014
HFT investments	₱33	₱19	₱-	₱-
AFS investments	5,040	4,599	5,000	4,559
HTM investments	-	67,659	-	67,659
	₱5,073	₱72,277	₱5,000	₱72,218



30. Commitments and Contingent Liabilities

In the normal course of the Group's operations, there are various outstanding commitments and contingent liabilities which are not reflected in the accompanying financial statements. No material losses are anticipated as a result of these transactions.

The following is a summary of contingencies and commitments at their peso-equivalent contractual amounts arising from off-balance sheet items:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Trust Banking Group accounts (Note 29)	₱357,001	₱336,860	₱351,878	₱333,215
Commitments				
Credit card lines	97,964	85,553	—	—
Undrawn - facilities to lend	18,404	19,001	18,404	19,001
Unused commercial letters of credit (Note 31)	38,073	37,980	37,262	36,971
Bank guaranty with indemnity agreement (Note 31)	11,320	7,669	11,320	7,669
Credit line certificate with bank commission	4,722	4,082	4,722	4,082
Outstanding shipside bonds/airway bills (Note 31)	2,685	776	2,685	776
Late deposits/payments received	1,237	1,535	1,180	1,464
Inward bills for collection	715	985	713	977
Outward bills for collection	486	612	485	612
Outstanding guarantees (Note 31)	109	57	109	57
Confirmed export letters of credits	109	335	68	69
Others	10,801	9,659	405	460
	₱543,626	₱505,104	₱429,231	₱405,353

On October 17, 2011, a consortium of eight banks including the Parent Company filed a Petition for Certiorari, Prohibition and/or Mandamus (with Urgent Application for a Temporary Restraining Order (TRO) and/or Writ of preliminary Injunction) with the Supreme Court (SC) against respondents the ROP, Bureau of Internal Revenue (BIR) and its Commissioner, the Department of Finance and its Secretary and the Bureau of Treasury (BTr) and the National Treasurer, asking the Court to annul BIR Ruling No. 370-2011 which imposes a 20-percent final withholding tax on the 10-year Zero-Coupon Government Bonds (also known as the PEACe bonds) that matured on October 18, 2011 and command the respondents to pay the full amount of the face value of the PEACe Bonds. On October 18, 2011, the SC issued the TRO enjoining the implementation of the said BIR ruling on the condition that the 20-percent final withholding tax be withheld by the petitioner banks and placed in escrow pending resolution of the Petition. However, to date, the respondents have not complied with the said TRO, i.e., they have not credited the banks' escrow accounts with the amount corresponding to the questioned 20-percent final tax. The case is still pending resolution with the SC.

Several suits and claims relating to the Group's lending operations and labor-related cases remain unsettled. In the opinion of management, these suits and claims, if decided adversely, will not involve sums having a material effect on the Group's financial statements.



31. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subjected to common control or common significant influence such as subsidiaries and associates of subsidiaries or other related parties. Related parties may be individuals or corporate entities and are classified as entities with significant influence, subsidiaries, associates, other related parties and key personnel (Notes 2 and 11).

The Group has several business relationships with related parties. Transactions with such parties are made in the ordinary course of business and on substantially same terms, including interest and collateral, as those prevailing at the time for comparable transactions with other parties. These transactions also did not involve more than the normal risk of collectibility and did not present other unfavorable conditions.

The Parent Company has a Related Party Transactions Committee (RPTC) which is created to assist the BOD in ensuring that transactions with related parties are reviewed to assess risks and are subjected to appropriate restrictions to ensure that these are conducted at arm's-length terms and that corporate or business resources of the Parent Company are not misappropriated or misapplied. After appropriate review, RPTC discloses all information and endorses to the BOD with recommendations, the proposed related party transactions. The members of the RPTC are appointed annually by the BOD. Currently, RPTC is composed of four (4) independent directors (including the Committee's Chairman); the head of Internal Audit Group (as Resource Person); and the Compliance Officer (as the Committee Secretary) and meets monthly or as the need arises. RPTC's review of the proposed related party transactions considers the following: (a) identity of the parties involved in the transaction or relationship; (b) terms of the transaction or relationship and whether these are no less favorable than terms generally available to an unrelated third party under the same circumstances; (c) business purpose, timing, rationale and benefits of the transaction or relationship; (d) approximate monetary value of the transaction and the approximate monetary value of the related party's interest in the transaction; (e) valuation methodology used and alternative approaches to valuation of the transaction; (f) information concerning potential counterparties in the transaction; (g) description of provisions or limitations imposed as a result of entering into the transaction; (h) whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the transaction; (i) impact to a director's independence; and (j) extent that such transaction or relationship would present an improper conflict of interest. Further, no director or officer participates in any discussion of a related party transaction for which he, she, or any member of his or her immediate family is a related party, except in order to provide material information on the related party transaction to RPTC.

Major subsidiaries, which include FMIC, PSBank, MCC and MBCL, have their own respective RPTCs which assist their respective BODs in ensuring that transactions with related parties are reviewed to assess risks and are subjected to appropriate restrictions to ensure that these are conducted at arm's-length terms and that their corporate or business resources are not misappropriated or misapplied.

In the ordinary course of business, the Group has loan transactions with investees and with certain DOSRI based on BSP Circular No. 423 dated March 15, 2004, as amended. Existing banking regulations limit the amount of individual loans to DOSRI, 70.00% of which must be secured, to the total of their respective deposits and book value of their respective investments in the lending company within the Group. In the aggregate, loans to DOSRI generally should not exceed the



respective total equity or 15.00% of the respective total loan portfolio, whichever is lower, of the Parent Company, PSBank, FMIC and ORIX Metro.

The following table shows information relating to the loans, other credit accommodations and guarantees classified as DOSRI accounts:

	Consolidated		Parent Company	
	2015	2014	2015	2014
Total outstanding DOSRI accounts	₱6,713	₱5,636	₱4,944	₱4,876
Percent of DOSRI accounts granted prior to effectivity of BSP Circular No. 423 to total loans	0.00%	0.00%	0.00%	0.00%
Percent of DOSRI accounts granted after effectivity of BSP Circular No. 423 to total loans	0.76%	0.74%	0.72%	0.83%
Percent of DOSRI accounts to total loans	0.76%	0.74%	0.72%	0.83%
Percent of unsecured DOSRI accounts to total DOSRI accounts	14.04%	20.54%	13.17%	18.41%
Percent of past due DOSRI accounts to total DOSRI accounts	5.68%	0.00%	0.00%	0.00%
Percent of non-accruing DOSRI accounts to total DOSRI accounts	5.68%	0.00%	0.00%	0.00%

BSP Circular No. 560 provides the rules and regulations that govern loans, other credit accommodations and guarantees granted to subsidiaries and affiliates of banks and quasi-banks. Under the said Circular, the total outstanding loans, other credit accommodations and guarantees to each of the bank's/quasi-bank's subsidiaries and affiliates shall not exceed 10.00% of the net worth of the lending bank/quasi-bank, provided that the unsecured portion of which shall not exceed 5.00% of such net worth. Further, the total outstanding loans, credit accommodations and guarantees to all subsidiaries and affiliates shall not exceed 20.00% of the net worth of the lending bank/quasi-bank; and the subsidiaries and affiliates of the lending bank/quasi-bank are not related interest of any director, officer and/or stockholder of the lending institution, except where such director, officer or stockholder sits in the BOD or is appointed officer of such corporation as representative of the bank/quasi-bank as reported to the BSP. As of December 31, 2015 and 2014, the total outstanding loans, other credit accommodations and guarantees to each of the Parent Company's subsidiaries and affiliates did not exceed 10.00% of the Parent Company's net worth, as reported to the BSP, and the unsecured portion did not exceed 5.00% of such net worth wherein the total outstanding loans, other credit accommodations and guarantees to all such subsidiaries and affiliates represent 2.57% and 3.73%, respectively, of the Parent Company's net worth.

Further, BSP issued Circular No. 654 allows a separate individual limit to loans of banks/quasi-banks to their subsidiaries and affiliates engaged in energy and power generation, i.e., a separate individual limit of twenty-five (25.00%) of the net worth of the lending bank/quasi-bank: provided, that the unsecured portion thereof shall not exceed twelve and one-half percent (12.50%) of such net worth: provided further, that these subsidiaries and affiliates are not related interests of any of the director, officer and/or stockholder of the lending bank/quasi-bank; except where such director, officer or stockholder sits in the BOD or is appointed officer of such corporation as representative of the bank/quasi-bank. As of December 31, 2015 and 2014, the total outstanding loans, other credit accommodations and guarantees to each of the Parent Company's subsidiaries and affiliates engaged in energy and power generation did not exceed 25.00% of the Parent Company's net worth, as reported to the BSP, and the unsecured portion did not exceed 12.50% of such net worth.



Total interest income on the DOSRI loans in 2015, 2014 and 2013 amounted to ₱107.2 million, ₱117.0 million and ₱275.5 million, respectively, for the Group and ₱55.6 million, ₱56.5 million and ₱184.0 million, respectively, for the Parent Company.

Details on significant related party transactions of the Group and the Parent Company follow (transactions with subsidiaries have been eliminated in the consolidated financial statements):

Category	Consolidated	
	December 31, 2015	
	Amount	Terms and Conditions/Nature
Entities with Significant Influence		
<u>Outstanding Balance:</u>		
Deposit liabilities*	₱6,384	With annual fixed interest rates ranging from 0.00% to 2.50% including time deposits with maturity terms from 21 days to 38 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	(402)	Secured - ₱280.0 million and unsecured - ₱122.4 million, no impairment Settlement of short-term loan with interest rate of 3.25% subject to regular repricing with maturity terms from 31 days to 91 days (Note 9)
Deposit liabilities	6,035	Generally similar to terms and conditions above
Interest expense	7	Interest expense on deposit liabilities (Note 16)
Foreign currency		
Sell	6	Outright sale of foreign currency
Subsidiaries		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	₱1,413	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 1.71% to 2.01% with maturity terms from 99 days to 373 days, no impairment (Note 7)
Receivables from customers*	3,043	Unsecured with no impairment With annual fixed interest rates ranging from 2.25% to 5.59% and maturity terms from 2 days to 5 years (Note 9)
Accounts receivable	279	Outstanding remittance receivables, credit card receivables and rental fees, non-interest bearing
Deposit liabilities*	5,270	With annual fixed interest rates ranging from 0.00% to 1.25% including time deposits with maturity terms from 6 days to 270 days (Note 16)
Bills payable*	4,419	Peso and foreign currency-denominated borrowings subject to annual fixed interest rates ranging from 0.19% to 2.50% with maturity terms from 1 day to 45 days (Note 17)
Bonds payable*	450	Issued by FMIC with interest rates ranging from 5.50% to 5.75% with maturity terms from 2 years to 5 years, covered by deed of assignments on government securities (Note 19)
Treasury stock	187	Parent Company's shares held by FMIC's mutual fund subsidiaries (Note 23)
<u>Amount/Volume:</u>		
Interbank loans receivable	(350)	Generally similar to terms and conditions above
Receivables from customers	196	Generally similar to terms and conditions above
Deposit liabilities	(62)	Generally similar to terms and conditions above
Bills payable	1,627	Generally similar to terms and conditions above
Bonds payable	(60)	Generally similar to terms and conditions above
Interest income	97	Income on receivables from customers (Note 9) and interbank loans receivables
Service charges, fees and commissions	40	Income from transactional fees
Trading and securities loss - net	(14)	Net loss from securities transactions
Foreign exchange gain - net	210	Net gain from foreign exchange transactions
Leasing income	87	Income from leasing agreements with various lease terms
Dividend income	1,817	Dividend income from PSBank and MCC (Note 11)
Miscellaneous income	433	Information technology and other fees
Interest expense	47	Interest expense on deposit liabilities, bills payable and bonds payable (Notes 16 and 17)
Miscellaneous expense	49	Call center services and other fees (Note 25)

(Forward)



Consolidated		
December 31, 2015		
Category	Amount	Terms and Conditions/Nature
Securities transactions		
Purchases	₱51,123	Outright purchases of HFT securities and AFS investments
Sales	50,340	Outright sale of HFT securities and AFS investments
Foreign currency		
Buy	43,072	Outright purchases of foreign currency
Sell	38,624	Outright sale of foreign currency
Other transaction		
Underwriting/Arranging agreement	102	Arranging and underwriting fee of FMIC relative to the Parent Company's SRO in 2015
Associates		
<u>Outstanding Balance:</u>		
Other receivables	₱18	Dividend receivable from SMBC Metro
Deposit liabilities*	1,788	With annual fixed interest rates ranging from 0.00% to 1.75% including time deposits with maturity terms from 7 days to 90 days (Note 16)
<u>Amount/Volume:</u>		
Deposit liabilities	74	Generally similar to terms and conditions above (Note 16)
Bills payable	(1)	Settlement of peso-denominated borrowings subject to annual fixed interest rate of 0.63% with maturity term of 91 days (Note 17)
Foreign exchange gain - net	2	Income from foreign exchange transactions
Leasing income	19	Income from leasing agreements with various lease terms
Dividend income	25	Dividend income from NLI and SMBC Metro (Note 11)
Interest expense	2	Interest expense on deposit liabilities (Note 16)
Securities transactions		
Outright purchases	406	Outright purchases of HFT securities and AFS investments
Outright sales	1,183	Outright sale of HFT securities and AFS investments
Foreign currency		
Buy	48	Outright purchases of foreign currency
Sell	271	Outright sale of foreign currency
Other Related Parties		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱9,916	Secured - ₱9.6 billion and unsecured - ₱270.5 million, no impairment With annual fixed interest rates ranging from 3.00% to 10.37% and maturity terms from 30 days to 12 years (Note 9)
Accounts receivable	2	Credit card receivables, non-interest bearing
Building under construction	4,547	Commercial and office spaces located at Bonifacio Global City, Taguig City purchased from BLRDC (Note 10)
Assets held under joint operations	401	Parcels of land and former branch sites of the Parent Company contributed to joint operations (Note 14)
Deposit liabilities*	16,130	With annual fixed interest rates ranging from 0.00% to 2.55% including time deposits with maturity terms from 6 days to 367 days (Note 16)
Bills payable*	3,239	Peso-denominated borrowings subject to annual fixed interest rates ranging from 1.63% to 5.54% with maturity terms from 28 days to 5 years (Note 17)
<u>Amount/Volume:</u>		
Receivables from customers	(2,102)	Generally similar to terms and conditions above
Deposit liabilities	(7,090)	Generally similar to terms and conditions above
Bills payable	(254)	Generally similar to terms and conditions above
Interest income	833	Interest income on receivables from customers (Note 9)
Foreign exchange loss - net	(25)	Net loss from foreign exchange transactions
Leasing income	22	Income from leasing agreements with various lease terms
Profit from assets sold	603	Gain on sale of investment properties to FLI (Notes 10 and 12)
Interest expense	165	Interest expense on deposit liabilities (Note 16) and bills payable (Note 17)

(Forward)



Consolidated		
December 31, 2015		
Category	Amount	Terms and Conditions/Nature
Contingent		
Unused commercial LCs	₱113	LC transactions with various terms
Others	2	Bank guaranty with indemnity agreement
Securities transactions		
Outright purchases	43	Outright purchases of HFT securities and AFS investments
Outright sales	144	Outright sale of HFT securities and AFS investments
Foreign currency		
Buy	465	Outright purchases of foreign currency
Sell	39,794	Outright sale of foreign currency
Key Personnel		
Outstanding Balance:		
Receivables from customers	₱82	Secured - ₱58.2 million and unsecured - ₱23.6 million, no impairment, with annual fixed interest rates ranging from 0.00% to 10.00% and maturity terms from 2 years to 15 years (Note 9)
Deposit liabilities	135	With various terms and with minimum annual interest rate of 0.00% (Note 16)
Amount/Volume:		
Receivables from customers	(8)	Generally similar to terms and conditions above
Deposit liabilities	27	Generally similar to terms and conditions above
Interest income	5	Interest income on receivables from customers (Note 9)

Consolidated		
December 31, 2014		
Category	Amount	Terms and Conditions/Nature
Entities with Significant Influence		
Outstanding Balance:		
Receivables from customers*	₱402	Secured - ₱280.0 million and unsecured - ₱122.4 million, no impairment Short-term lending with interest rate of 3.25% subject to regular repricing with maturity terms from 31 days to 91 days (Note 9)
Deposit liabilities*	349	With annual fixed interest rates ranging from 0.00% to 1.00% including time deposits with maturity terms from 14 days to 29 days (Note 16)
Amount/Volume:		
Receivables from customers	(303)	Generally similar to terms and conditions above
Deposit liabilities	118	Generally similar to terms and conditions above
Interest income	10	Interest income on receivables from customers
Foreign exchange gain - net	0	Net gain from foreign exchange transactions
Trading and securities gain - net	218	Gain on sale of FMIC's 19.25% ownership in TMBC and 9.00% ownership in TCI (Note 8)
Provision for credit and impairment losses	(7)	Reversal of related allowance for credit and impairment losses on TCI shares sold
Gain on sale of investment in associates	1,225	Gain on sale of FMIC's 33.33% ownership in CPAIC and Parent Company's 15.00% and PSBank's 25.00% ownership in TFSPC (Note 11)
Interest expense	1	Interest expense on deposit liabilities
Securities transactions		
Sales	55	Outright sale of FMIC's investments in TMBC and TCI
Foreign currency		
Sell	2	Outright sale of foreign currency
Subsidiaries		
Outstanding Balance:		
Interbank loans receivable*	₱1,763	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 1.40% to 1.56% with maturity terms from 30 days to 390 days, no impairment
Receivables from customers*	2,847	Unsecured with no impairment With annual fixed interest rates ranging from 3.00% to 5.59% and maturity terms from 8 days to 5 years (Note 9)
Accounts receivable	286	Outstanding information technology fees and remittance receivable, non-interest bearing

(Forward)



Consolidated		
December 31, 2014		
Category	Amount	Terms and Conditions/Nature
Deposit liabilities*	₱5,332	With annual fixed interest rates ranging from 0.00% to 4.00% including time deposits with maturity terms from 7 days to 270 days (Note 16)
Bills payable*	2,792	Peso and foreign currency-denominated borrowings subject to annual fixed interest rates ranging from 0.19% to 2.50% with maturity terms from 11 days to 360 days (Note 17)
Bonds payable*	510	Issued by FMIC with interest rates ranging from 5.50% to 5.75% with maturity terms from 2 years to 5 years, covered by deed of assignments on government securities (Note 19)
Treasury stock	30	Parent Company's shares held by FMIC's mutual fund subsidiary (Note 23)
<u>Amount/Volume:</u>		
Interbank loans receivable	(119)	Generally similar to terms and conditions above
Receivables from customers	1,786	Generally similar to terms and conditions above
Deposit liabilities	1,426	Generally similar to terms and conditions above
Bills payable	2,157	Generally similar to terms and conditions above
Bonds payable	201	Generally similar to terms and conditions above
Interest income	88	Income on receivables from customers (Note 9) and interbank loans receivables
Service charges, fees and commissions	82	Income from transactional fees
Trading and securities gain - net	4	Income from securities transactions
Foreign exchange gain - net	144	Net gain from foreign exchange transactions
Leasing income	65	Income from leasing agreements with various lease terms
Dividend income	3,118	Dividend income from PSBank, FMIC and MCC (Note 11)
Miscellaneous income	326	Information technology and other fees (Note 25)
Interest expense	71	Interest expense on deposit liabilities, bills payable and bonds payable (Notes 16 and 17)
Miscellaneous expense	59	Payments relative to merchant's discounts
Securities transactions		
Purchases	48,747	Outright purchases of HFT securities and AFS investments
Sales	39,366	Outright sale of HFT securities and AFS investments
Foreign currency		
Buy	26,884	Outright purchases of foreign currency
Sell	15,217	Outright sale of foreign currency
<u>Associates</u>		
<u>Outstanding Balance:</u>		
Deposit liabilities*	₱1,714	With annual fixed interest rates ranging from 0.00% to 2.50% including time deposits with maturity terms from 7 days to 182 days (Note 16)
Bills payable*	1	Peso-denominated borrowings subject to annual fixed interest rate of 0.63% with maturity term of 91 days (Note 17)
<u>Amount/Volume:</u>		
Receivables from customers	(129)	Non-interest bearing domestic bills purchased (Note 9)
Deposit liabilities	(793)	Generally similar to terms and conditions above (Note 16)
Bills payable	1	Generally similar to terms and conditions above (Note 17)
Bonds payable	(10)	Issued by FMIC subject to annual fixed interest rate of 5.68% and maturity term of 5 years (Note 19)
Foreign exchange gain - net	10	Net gain from foreign exchange transactions
Leasing income	17	Income from leasing agreements with various lease terms
Dividend income	23	Dividend income from NLI and SMBC Metro (Note 11)
Interest expense	4	Interest expense on deposit liabilities and bills payable (Notes 16 and 17)
Securities transactions		
Outright purchases	1,600	Outright purchases of HFT securities and AFS investments
Outright sales	721	Outright sale of HFT securities and AFS investments
Foreign currency		
Buy	268	Outright purchases of foreign currency
Sell	390	Outright sale of foreign currency
<u>Other Related Parties</u>		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱12,018	Secured - ₱11.3 billion and unsecured - ₱754.2 million, no impairment With annual fixed interest rates ranging from 3.25% to 10.37% and maturity terms from 180 days to 12 years (Note 9)
Assets held under joint operations	544	Parcels of land and former branch sites of the Parent Company contributed to joint operations (Note 14)

(Forward)



Consolidated		
December 31, 2014		
Category	Amount	Terms and Conditions/Nature
Miscellaneous assets	₱3,322	Payments to FLI on the purchase of commercial and office spaces located at Bonifacio Global City, Taguig City (Note 14)
Deposit liabilities*	23,220	With annual fixed interest rates ranging from 0.00% to 4.00% including time deposits with maturity terms from 6 days to 365 days (Note 16)
Bills payable*	3,493	Peso-denominated borrowings subject to annual fixed interest rates ranging from 0.01% to 5.54% with maturity terms from 15 days to 5 years (Note 17)
<u>Amount/Volume:</u>		
Receivables from customers	(2,116)	Generally similar to terms and conditions above
Deposit liabilities	8,046	Generally similar to terms and conditions above
Bills payable	(3,521)	Generally similar to terms and conditions above
Interest income	923	Interest income on receivables from customers (Note 9)
Foreign exchange loss - net	(31)	Net loss from foreign exchange transactions
Leasing income	17	Income from leasing agreements with various lease terms
Profit from assets sold	8,328	Gain on sale of the Parent Company's bank-owned and investment properties to FLI (Notes 10 and 12)
Interest expense	132	Interest expense on deposit liabilities (Note 16) and bills payable (Note 17)
Contingent		
Unused commercial LCs	3	LC transactions with various terms
Others	1	Outstanding shipside bonds/airway bills and outstanding guarantees
Securities transactions		
Outright purchases	311	Outright purchases of HFT securities and AFS investments
Outright sales	239	Outright sale of HFT securities and AFS investments
Foreign currency		
Buy	1,569	Outright purchases of foreign currency
Sell	54,216	Outright sale of foreign currency
<u>Key Personnel</u>		
<u>Outstanding Balance:</u>		
Receivables from customers	₱90	Secured - ₱65.6 million and unsecured - ₱24.7 million, no impairment, with annual fixed interest rates ranging from 0.00% to 10.00% and maturity terms from 5 years to 15 years (Note 9)
Deposit liabilities	108	With various terms and with minimum annual interest rate of 0.00% (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	23	Generally similar to terms and conditions above
Deposit liabilities	(35)	Generally similar to terms and conditions above
Interest income	6	Interest income on receivables from customers (Note 9)

Parent Company		
December 31, 2015		
Category	Amount	Terms and Conditions/Nature
<u>Entities with Significant Influence</u>		
<u>Outstanding Balance:</u>		
Deposit liabilities*	₱6,384	With annual fixed interest rates ranging from 0.00% to 2.50% including time deposits with maturity terms from 21 days to 38 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	(402)	Secured - ₱280.0 million and unsecured - ₱122.4 million, no impairment Settlement of short-term loan with interest rate of 3.25% subject to regular repricing with maturity terms from 31 days to 91 days (Note 9)
Deposit liabilities	6,035	Generally similar to terms and conditions above
Interest expense	7	Interest expense on deposit liabilities (Note 16)
Foreign currency		
Sell	6	Outright sale of foreign currency



Parent Company		
December 31, 2015		
Category	Amount	Terms and Conditions/Nature
Subsidiaries		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	₱1,413	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 1.71% to 2.01% with maturity terms from 99 days to 373 days, no impairment (Note 7)
Receivables from customers*	3,043	Unsecured with no impairment With annual fixed interest rates ranging from 2.25% to 5.59% and maturity terms from 2 days to 5 years (Note 9)
Accounts receivable	277	Outstanding information technology fees and remittance receivable, non-interest bearing
Deposit liabilities*	5,202	With annual fixed interest rates ranging from 0.00% to 1.25% including time deposits with maturity terms from 6 days to 270 days (Note 16)
Bills payable*	3,876	Foreign currency-denominated borrowings subject to annual fixed interest rates ranging from 0.19% to 2.50% with maturity terms from 1 day to 33 days (Note 17)
<u>Amount/Volume:</u>		
Interbank loans receivable	(350)	Generally similar to terms and conditions above
Receivables from customers	196	Generally similar to terms and conditions above
Deposit liabilities	(41)	Generally similar to terms and conditions above
Bills payable	1,435	Generally similar to terms and conditions above
Interest income	86	Income on receivables from customers and interbank loans receivables
Service charges, fees and commissions	35	Income from transactional fees
Trading and securities loss - net	(23)	Net loss from securities transactions
Foreign exchange gain - net	210	Net gain from foreign exchange transactions
Leasing income	32	Income from leasing agreements with various lease terms
Dividend income	1,817	Dividend income from PSBank and MCC (Note 11)
Miscellaneous income	433	Information technology and other fees (Note 25)
Interest expense	34	Interest expense on deposit liabilities, bills payable and interbank loans payable (Notes 16 and 17)
Miscellaneous expense	49	Call center services and other fees (Note 25)
Securities transactions		
Purchases	34,205	Outright purchases of HFT securities and AFS investments
Sales	32,315	Outright sale of HFT securities and AFS investments
Foreign currency		
Buy	43,072	Outright purchases of foreign currency
Sell	38,624	Outright sale of foreign currency
Other transaction		
Underwriting/Arranging agreement	102	Arranging and underwriting fee of FMIC relative to the Parent Company's SRO in 2015
Associates		
<u>Outstanding Balance:</u>		
Other receivables	₱18	Dividend receivable from SMBC Metro
Deposit liabilities*	1,783	With annual fixed interest rates ranging from 0.00% to 1.25% including time deposits with maturity terms from 7 days to 90 days (Note 16)
<u>Amount/Volume:</u>		
Deposit liabilities	149	Generally similar to terms and conditions above
Leasing income	8	Income from leasing agreements with various lease terms
Dividend income	25	Dividend income from NLI and SMBC Metro (Note 11)
Interest expense	1	Interest expense on deposit liabilities
Securities transactions		
Outright purchases	337	Outright purchases of HFT securities and AFS investments
Outright sales	572	Outright sale of HFT securities and AFS investments
Foreign currency		
Buy	48	Outright purchases of foreign currency
Sell	271	Outright sale of foreign currency



Parent Company		
December 31, 2015		
Category	Amount	Terms and Conditions/Nature
Other Related Parties		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱9,211	Secured - ₱9.0 billion and unsecured - ₱251.8 million, no impairment With annual fixed interest rates ranging from 3.00% to 10.37% and maturity terms from 30 days to 12 years (Note 9)
Building under construction	4,547	Commercial and office spaces located at Bonifacio Global City, Taguig City purchased from BLRDC (Note 10)
Assets held under joint operations	401	Parcels of land and former branch sites of the Parent Company contributed to joint operations (Note 14)
Deposit liabilities*	12,008	With annual fixed interest rates ranging from 0.00% to 2.55% including time deposits with maturity terms from 6 days to 367 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	(1,976)	Generally similar to terms and conditions above
Deposit liabilities	(5,439)	Generally similar to terms and conditions above
Interest income	757	Interest income on receivables from customers
Foreign exchange loss - net	(25)	Net loss from foreign exchange transactions
Leasing income	21	Income from leasing agreements with various lease terms
Profit from assets sold	603	Gain on sale of investment properties to FLI (Notes 10 and 12)
Interest expense	7	Interest expense on deposit liabilities (Note 16)
Contingent		
Unused commercial LCs	113	LC transactions with various terms
Others	2	Bank guaranty with indemnity agreement
Foreign currency		
Buy	465	Outright purchases of foreign currency
Sell	39,794	Outright sale of foreign currency
Key Personnel		
<u>Outstanding Balance:</u>		
Receivables from customers	₱59	Secured - ₱47.0 million and unsecured - ₱11.8 million, no impairment, with annual fixed interest rates ranging from 0.00% to 10.00% and maturity terms from 5 years to 15 years (Note 9)
Deposit liabilities	135	With various terms and with minimum annual interest rate of 0.00% (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	(3)	Generally similar to terms and conditions above
Deposit liabilities	27	Generally similar to terms and conditions above
Interest income	2	Interest income on receivables from customers (Note 9)

Parent Company		
December 31, 2014		
Category	Amount	Terms and Conditions/Nature
Entities with Significant Influence		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱402	Secured - ₱280.0 million and unsecured - ₱122.4 million, no impairment Short-term lending with interest rate of 3.25% subject to regular repricing with maturity terms from 31 days to 91 days (Note 9)
Deposit liabilities*	349	With annual fixed interest rates ranging from 0.00% to 1.00% including time deposits with maturity terms from 14 days to 29 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	(303)	Generally similar to terms and conditions above
Deposit liabilities	118	Generally similar to terms and conditions above
Interest income	10	Income on receivables from customers (Note 9)
Foreign exchange gain - net	0	Net gain from foreign exchange transactions
Gain on sale of investment in associate	638	Gain on sale of 15.00% ownership in TFSPC (Note 11)
Interest expense	1	Interest expense on deposit liabilities (Note 16)
Foreign currency		
Sell	2	Outright sale of foreign currency



Category	Parent Company	
	December 31, 2014	
	Amount	Terms and Conditions/Nature
<u>Subsidiaries</u>		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	₱1,763	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 1.40% to 1.56% with maturity terms from 30 days to 390 days, no impairment
Receivables from customers*	2,847	Unsecured with no impairment With annual fixed interest rates ranging from 3.00% to 5.59% and maturity terms from 8 days to 5 years (Note 9)
Accounts receivable	284	Outstanding information technology fees and remittance receivable, non-interest bearing
Deposit liabilities*	5,243	With annual fixed interest rates ranging from 0.00% to 4.00% including time deposits with maturity terms from 7 days to 270 days (Note 16)
Bills payable*	2,441	Peso and foreign currency-denominated borrowings subject to annual fixed interest rates ranging from 0.19% to 2.50% with maturity terms from 11 days to 360 days (Note 17)
<u>Amount/Volume:</u>		
Interbank loans receivable	(119)	Generally similar to terms and conditions above
Receivables from customers	1,786	Generally similar to terms and conditions above
Deposit liabilities	1,440	Generally similar to terms and conditions above
Bills payable	1,806	Generally similar to terms and conditions above
Interest income	83	Income on receivables from customers and interbank loans receivables
Service charges, fees and commissions	23	Income from transactional fees
Trading and securities loss - net	(10)	Net loss from securities transactions
Foreign exchange gain - net	144	Net gain from foreign exchange transactions
Leasing income	30	Income from leasing agreements with various lease terms
Dividend income	3,118	Dividend income from PSBank, FMIC and MCC (Note 11)
Miscellaneous income	326	Information technology and other fees (Note 25)
Interest expense	44	Interest expense on deposit liabilities, bills payable and interbank loans payable (Notes 16 and 17)
Securities transactions		
Purchases	37,093	Outright purchases of HFT securities and AFS investments
Sales	28,545	Outright sale of HFT securities and AFS investments
Foreign currency		
Buy	26,884	Outright purchases of foreign currency
Sell	15,217	Outright sale of foreign currency
<u>Associates</u>		
<u>Outstanding Balance:</u>		
Deposit liabilities*	₱1,634	With annual fixed interest rates ranging from 0.00% to 1.25% including time deposits with maturity terms from 7 days to 182 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	(129)	Non-interest bearing domestic bills purchased (Note 9)
Deposit liabilities	(617)	Generally similar to terms and conditions above
Foreign exchange gain - net	9	Net gain from foreign exchange transactions
Leasing income	7	Income from leasing agreements with various lease terms
Dividend income	23	Dividend income from NLI and SMBC Metro (Note 11)
Interest expense	2	Interest expense on deposit liabilities (Note 16)
Securities transactions		
Outright purchases	1,600	Outright purchases of HFT securities and AFS investments
Outright sales	721	Outright sale of HFT securities and AFS investments
Foreign currency		
Buy	268	Outright purchases of foreign currency
Sell	390	Outright sale of foreign currency



Category	Parent Company	
	December 31, 2014	
	Amount	Terms and Conditions/Nature
<u>Other Related Parties</u>		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱11,187	Secured - ₱10.5 billion and unsecured - ₱682.7 million, no impairment With annual fixed interest rates ranging from 3.25% to 10.37% and maturity terms from 180 days to 12 years (Note 9)
Assets held under joint operations	544	Parcels of land and former branch sites of the Parent Company contributed to joint operations
Miscellaneous assets	3,322	Payments to FLI relative to the purchase of commercial and office spaces located at Bonifacio Global City, Taguig City (Note 14)
Deposit liabilities*	17,447	With annual fixed interest rates ranging from 0.00% to 4.00% including time deposits with maturity terms from 6 days to 365 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	(1,831)	Generally similar to terms and conditions above
Deposit liabilities	5,764	Generally similar to terms and conditions above
Interest income	836	Interest income on receivables from customers
Foreign exchange loss - net	(31)	Net loss from foreign exchange transactions
Leasing income	17	Income from leasing agreements with various lease terms
Profit from assets sold	8,328	Gain on sale of Parent Company's bank-owned and investment properties to FLI (Notes 10 and 12)
Interest expense	5	Interest expense on deposit liabilities (Note 16)
<u>Contingent</u>		
Unused commercial LCs	3	LC transactions with various terms
Others	1	Include outstanding shipside bonds/airway bills and outstanding guarantees
<u>Foreign currency</u>		
Buy	1,569	Outright purchases of foreign currency
Sell	54,216	Outright sale of foreign currency
<u>Key Personnel</u>		
<u>Outstanding Balance:</u>		
Receivables from customers	₱62	Secured - ₱49.2 million and unsecured - ₱13.0 million, no impairment, with annual fixed interest rates ranging from 0.00% to 10.00% and maturity terms from 5 years to 15 years (Note 9)
Deposit liabilities	108	With various terms and with minimum annual interest rate of 0.00% (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	(5)	Generally similar to terms and conditions above
Deposit liabilities	(35)	Generally similar to terms and conditions above
Interest income	4	Interest income on receivables from customers

*including accrued interest

Investment of Parent Company in Toyota Motor Philippines Corporation (TMPC)

On October 22, 2012, the respective BODs of the Parent Company and GT Capital on separate meetings, upon endorsement of their respective RPTCs, have approved in principle the sale of the former's 30.00% ownership in TMPC to GT Capital at a price of ₱9.0 billion. This amount was arrived at after an independent valuation exercise and subjected to third party fairness opinions. The divestment of TMPC shares was undertaken by the Parent Company to enhance its regulatory capital position in preparation for the implementation of Basel III on January 1, 2014. Accordingly, the investment has been reclassified to Non-Current Assets Held for Sale and in December 2012, the Parent Company initially sold its 15.00% ownership and recognized a gain on sale of ₱3.4 billion and ₱4.2 billion for the Group and the Parent Company, respectively. The remaining 15.00% ownership was sold in January 2013 wherein the Group and the Parent Company recognized gain on sale of ₱3.4 billion and ₱4.2 billion, respectively.



As of December 31, 2015 and 2014, government bonds (classified under AFS investments) with total face value of ₱50.0 million are pledged by PSBank to the Parent Company to secure the latter's payroll account with the PSBank. Also, the Parent Company has assigned to PSBank government securities (classified under AFS investments) with total face value of ₱3.0 billion to secure PSBank deposits to the Parent Company.

Receivables from customers and deposit liabilities and their related statement of financial position and statement of income accounts resulted from the lending and deposit-taking activities of the Group and the Parent Company. Together with the sale of investment properties, borrowings, contingent accounts including derivative transactions, outright purchases and sales of HFT securities and AFS investments, foreign currency buy and sell, leasing of office premises, securing of insurance coverage on loans and property risk, and other management services rendered, these are conducted in the normal course of business, at arm's-length transactions and are generally settled in cash. The amounts and related volumes and changes are presented in the summary above. Terms of receivables from customers, deposit liabilities and borrowings are disclosed in Notes 9, 16 and 17, respectively, while other related party transactions above have been referred to their respective note disclosures.

The compensation of the key management personnel of the Group and the Parent Company follows:

	Consolidated			Parent Company		
	2015	2014	2013	2015	2014	2013
Short-term employee benefits	₱2,197	₱2,091	₱1,866	₱1,546	₱1,418	₱1,282
Post-employment benefits	193	125	142	93	69	68
	₱2,390	₱2,216	₱2,008	₱1,639	₱1,487	₱1,350

Transactions with Retirement Plans

Under PFRS, certain post-employment benefit plans are considered as related parties. The Parent Company has business relationships with a number of related party retirement plans pursuant to which it provides trust and management services to these plans. Certain trustees of the plans are either officers or directors of the Parent Company and/or the subsidiaries. Income earned by the Parent Company from such services amounted to ₱54.1 million, ₱41.6 million and ₱40.4 million in 2015, 2014 and 2013, respectively. As of December 31, 2015 and 2014, the Parent Company sold securities totaling ₱2.6 billion and ₱872.8 million, respectively, to its related party retirement plans and recognized net trading gain of ₱0.3 million and ₱0.1 million, respectively. The Parent Company also purchased securities totaling ₱612.4 million and ₱396.9 million as of December 31, 2015 and 2014, respectively. Further, as of December 31, 2015 and 2014, the total outstanding deposit liabilities of the Group to these related party retirement funds amounted to ₱279.5 million and ₱137.2 million, respectively. Interest expense on deposit liabilities amounted to ₱0.7 million, ₱0.8 million and ₱2.5 million in 2015, 2014 and 2013, respectively.

As of December 31, 2015 and 2014, the related party retirement plans also hold investments in the equity shares of various companies within the Group amounting to ₱850.4 million and ₱819.8 million, respectively, with unrealized trading gains of ₱313.4 million and ₱309.9 million, respectively, and investments in mutual funds and trust funds of various companies within the Group amounting to ₱183.4 million and ₱142.5 million, respectively, with unrealized trading gains of ₱1.70 million and ₱6.5 million, respectively. As of December 31, 2015, 2014 and 2013, dividend income recognized from these securities amounted to ₱17.3 million, ₱10.5 million and ₱33.4 million, respectively, and realized trading gains amounting to ₱14.7 million, ₱16.2 million and ₱54.2 million, respectively.



32. Financial Performance

The basis of calculation for earnings per share attributable to equity holdings of the Parent Company follows (amounts in millions except for earnings per share):

	2015	2014	2013
a. Net income attributable to equity holders of the Parent Company	₱18,625	₱20,113	₱22,488
b. Share of hybrid capital securities holders	(506)	(499)	(475)
c. Net income attributable to common shareholders	18,119	19,614	22,013
d. Weighted average number of outstanding common shares of the Parent Company, as previously reported		2,742	2,745
e. Basic/diluted earnings per share, as previously reported (c/d)		₱7.15	₱8.02
f. Weighted average number of outstanding common shares of the Parent Company, including effect of stock rights issued in 2015 (Note 23)	3,092	2,849	2,852
g. Basic/diluted earnings per share (c/f)	₱5.86	₱6.88	₱7.72

The following basic ratios measure the financial performance of the Group and the Parent Company:

	Consolidated			Parent Company		
	2015	2014	2013	2015	2014	2013
Return on average equity	10.83%	14.11%	17.80%	11.04%	15.51%	16.38%
Return on average assets	1.11%	1.35%	1.85%	1.15%	1.48%	1.77%
Net interest margin on average earning assets	3.54%	3.73%	3.90%	2.79%	2.99%	3.17%

33. Foreign Exchange

PDS closing rates as of December 31 and PDSWAR for the year ended December 31 are as follows:

	2015	2014	2013
PDS Closing	₱47.06	₱44.72	₱44.40
PDSWAR	45.50	44.39	42.43

34. Other Matters

The Group has no significant matters to report in 2015 on the following:

- a. Known trends, events or uncertainties that would have material impact on liquidity and on the sales or revenues.
- b. Explanatory comments about the seasonality or cyclical nature of operations.
- c. Issuances, repurchases and repayments of debt and equity securities except for the issuance of ₱32.0 billion stock rights as discussed in Note 23.



- d. Unusual items as to nature, size or incidents affecting assets, liabilities, equity, net income or cash flows except for the payments of cash dividend and semi-annual coupons on the HT1 Capital as discussed in Note 23.
- e. Effect of changes in the composition of the Group, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

35. Subsequent Events

- a. On January 19, 2016, the BOD of PSBank declared a 7.50% regular cash dividend for the fourth quarter of 2015 amounting to ₱180.2 million equivalent to ₱0.75 per share, payable not later than February 19, 2016 to all stockholders of record as of February 1, 2016.
- b. On January 25, 2016, SMBC Metro paid 10.00% cash dividends amounting to ₱60.0 million to its stockholders of record as of December 11, 2015 which was approved by its BOD on the same date (Note 11).
- c. On February 16, 2016, the Parent Company paid the semi-annual coupon payment on the HT1 Capital, representing the USD125.0 million 9.00% non-cumulative step-up callable perpetual capital securities which were redeemed on the same date under the optional redemption provision (Note 23).

36. Approval of the Release of the Financial Statements

The accompanying financial statements of the Group and of the Parent Company were authorized for issue by the BOD on February 17, 2016.

37. Report on the Supplementary Information Required Under Revenue Regulations (RR) No. 19-2011 and 15-2010

Supplementary Information Under RR No. 19-2011

In addition to the required supplementary information under RR No. 15-2010, the BIR issued RR No. 19-2011 which requires companies to disclose certain information in their respective notes to financial statements. For the taxable year December 31, 2015, the Parent Company reported the following revenues and expenses for income tax purposes:

Revenues

Services/operations	₱21,613
<hr/>	
Non-operating and taxable other income:	
Service charges, fees and commissions	₱3,356
Profit from assets sold	1,187
Income from trust operations	1,143
Trading and securities loss	(79)
Others	741
	<hr/>
	₱6,348
	<hr/>



Expenses

Cost of services:	
Compensation and fringe benefits	₱5,056
Others	6,686
	<hr/>
	₱11,742

Itemized deductions:	
Compensation and fringe benefits	₱4,508
Taxes and licenses	3,322
Security, messengerial and janitorial	1,485
Rent	936
Depreciation	909
Information technology	558
Management and professional fees	510
Communication, light and water	476
Transportation and travel	283
Repairs and maintenance	270
EAR	221
Bad debts	24
Others	1,643
	<hr/>
	₱15,145

Supplementary Information Under RR No. 15-2010

On November 25, 2010, the BIR issued RR No. 15-2010 to amend certain provisions of RR No. 21-2002 which provides that starting 2010 the notes to financial statements shall include information on taxes, duties and license fees paid or accrued during the taxable year.

The Parent Company reported the following types of taxes for the year ended December 31, 2015 included under 'Taxes and licenses' account in the statement of income:

DST	₱1,875
GRT	1,591
Real estate tax	108
Local taxes	95
Others	43
	<hr/>
	₱3,712

Details of total withholding taxes remitted for the taxable year December 31, 2015 follow:

Taxes withheld on compensation	₱2,140
Final withholding taxes	1,892
Expanded withholding taxes	240
	<hr/>
	₱4,272



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Metropolitan Bank & Trust Company
Metrobank Plaza, Sen. Gil Puyat Avenue
Urdaneta Village, Makati City
Metro Manila, Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Metropolitan Bank & Trust Company and Subsidiaries (the Group) as at December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015, included in this Form 17-A, and have issued our report thereon dated February 17, 2016. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011) and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Janeth T. Nuñez-Javier
Janeth T. Nuñez-Javier

Partner

CPA Certificate No. 111092

SEC Accreditation No. 1328-A (Group A),

July 1, 2013, valid until June 30, 2016

Tax Identification No. 900-322-673

BIR Accreditation No. 08-001998-69-2015,

February 27, 2015, valid until February 26, 2018

PTR No. 5321671, January 4, 2016, Makati City

February 17, 2016



METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2015

Schedules Required under Annex 68-E of the Securities Regulation Code Rule 68

Schedule	Description	Page No.
A	Financial Assets Financial Assets at Fair Value Through Profit of Loss Available-for-Sale Investments Held-to-Maturity Investments Loans and Receivables-Unquoted Debt Securities	1-9
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	10
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	11
D	Intangible Assets – Other Assets	12
E	Long-Term Debt	13-42
F	Indebtedness to Related Parties (Long-Term Loans from Related Companies)	43
G	Guarantees of Securities of Other Issuers	44
H	Capital Stock	45

Other Required Schedules/Information

Reconciliation of Retained Earnings Available for Dividend Declaration	46
Map Showing the Relationship Between and Among Related Entities	47-50
List of Standards and Interpretations under the Philippine Financial Reporting Standards as of December 31, 2015	51-55

Metropolitan Bank & Trust Company and Subsidiaries
Schedule A - Financial Assets
December 31, 2015

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes in ₱	Amount shown in the balance sheet * (in ₱ millions)	Valued based on market quotation at end of reporting period (in ₱ millions)	Income received and accrued (in ₱ million)
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPL)				
<i>Held-for-Trading (HFT) Securities</i>				
<i>Debt Securities</i>				
ACFXBOND2017	7,300,000.00	8		8
ACFXBOND2019	43,620,000.00	45		45
ACFXBOND2021	113,290,000.00	123		123
ACFXBOND2027	21,863,000.00	24		24
AEV2FXBD2020	113,780,000.00	114		114
AEVFXBND2020	79,120,000.00	79		79
AEVFXBND2023	200,000.00	0		0
AEVFXBND2027	1,050,000.00	1		1
AGIPM - 6 1/2 08/18/17	179,439,780.00	187		187
AGIPM 17	1,411,800.00	1		1
ALI2FXBD2022	127,460,000.00	126		126
ALIFXBND2019	97,480,000.00	101		101
ALIFXBND2020	61,080,000.00	62		62
ALIFXBND2022	16,140,000.00	17		17
ALIFXBND2024	85,560,000.00	87		87
ALIFXBND2025	21,100,000.00	21		21
ALIFXBND2033	11,200,000.00	12		12
APCFXBND2021	252,000,000.00	258		258
APCFXBND2026	3,150,000.00	3		3
BDO 2017 - 4.5 02/16/17	2,258,880.00	2		2
BDOPM 17	423,540.00	0		0
CHIFXBND2021	600,000.00	1		1
CHINA AGRICULTURE DEVELOPMENT BANK	362,355,000.00	373		373
CHINA DEVELOPMENT BANK	72,471,000.00	79		79
CHINA EXPORT IMPORT BANK	362,355,000.00	371		371
EDC 6.5 - 01/20/2021	210,452,320.00	230		230
EDC21	3,764,800.00	4		4
EDCFXBND2020	900,000.00	1		1
EDCFXBND2023	300,000.00	0		0
FDCFXBND2024	11,650,000.00	12		12
FDCPM - 4.250 04/02/2020	89,555,180.00	89		89
FDCPM 20	3,764,800.00	4		4
FIRPAC 20	9,976,720.00	11		11
FIRPAC 2017 - 7 3/8 07/24/17	72,943,000.00	77		77
FIRPAC 2019 - 6.0 06/28/19	33,553,780.00	36		36
FIRPAC 2023 - 4.500 04/16/2023	2,541,240.00	3		3
FIRPAC17	9,412,000.00	10		10
FIRPAC19	470,600.00	0		0
FLI 19	3,000,000.00	3		3
FLIFXBND2019	4,100,000.00	4		4
FLIFXBND2020	37,900,000.00	38		38
FLIFXBND2021	83,650,000.00	86		86
FLIFXBND2022	139,309,000.00	143		143
FLIFXBND2023	7,000,000.00	7		7
FLIFXBND2024	50,000.00	0		0
FLIFXBND2025	330,000.00	0		0
FPFL 6.375 09/28/2020	91,767,000.00	100		100
GLOBE 17	6,520,000.00	7		7
GLOFXBND2019	1,000,000.00	1		1
GLOFXBND2020	15,010,000.00	15		15
GLOFXBND2023	20,000.00	0		0
GTCAP 21 R19	20,000,000.00	20		20
GTCAP 23 R20	60,390,000.00	56		56
GTCFXBND2019	5,940,000.00	6		6
GTCFXBND2021	4,200,000.00	4		4
GTCFXBND2023	50,000.00	0		0
GTCFXBND2024	10,050,000.00	10		10
HOUSEFBD2020	281,000.00	0		0
HOUSEFBD2025	5,000,000.00	5		5
HUWHY22	2,353,000.00	2		2
ICTPM - 5.5 12/29/49 CORP	172,380,780.00	167		167
ICTPM - 5.8750 09/17/2025	47,718,840.00	51		51
ICTPM 20	6,588,400.00	7		7
ICTPM 23	9,788,480.00	10		10
ICTPM 25	9,412,000.00	10		10
ICTSI20	5,176,600.00	6		6
INDON 3.3750 4/15/2023	9,412,000.00	9		9
INDON 4.125 - 01/15/2025	47,060.00	0		0
INDON 4.625 4/15/2043	517,660.00	0		0
INDON 4.75 1/08/26 CORP	873,151,240.00	861		861
INDON 5.125 - 01/15/2045	5,176,600.00	5		5
INDON 5.95 1/08/46 CORP	3,105,960.00	3		3
INDON 6.625 02/17/2037	941,200.00	1		1
INDON 6.75 01/15/2044	2,258,880.00	2		2
INDON 2.875 - 07/08/2021	8,689,822.00	9		9

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes in ₺	Amount shown in the balance sheet * (in ₺ millions)	Valued based on market quotation at end of reporting period (in ₺ millions)	Income received and accrued (in ₺ million)
INDON 2038 - 7.75 1/17/2038	2,823,600.00	3	3	3
INDON 3.375 - 07/30/2025	5,009,426.80	5	5	5
INDON 5 3/8 - 10/17/2023	8,000,200.00	8	8	8
JGSFXBND2019	20,486,000.00	21	21	21
JGSFXBND2021	25,690,000.00	26	26	26
JGSFXBND2024	4,100,000.00	4	4	4
JGSPM23	11,765,000.00	12	12	12
KOREA - 4.1250 06/10/2044	3,764,800.00	4	4	4
MEG 18	188,240.00	0	0	0
MEGPM - 6.75 4/15/2018	55,624,920.00	59	59	59
MEGPM 18	2,353,000.00	3	3	3
MERFXBND2020	12,980,000.00	13	13	13
MERFXBND2025	17,493,000.00	17	17	17
MNTCFXBD2021	92,875,000.00	94	94	94
MNTCFXBD2024	1,400,000.00	1	1	1
ODB - RPGB 2.75 06/04/2023	86,731,580.00	83	83	83
PERTIJ 42	47,060.00	0	0	0
PIBD0317E212	3,220,000.00	3	3	3
PIBD0518E723	771,238,100.00	750	750	750
PIBD0520H735	724,798,000.00	711	711	711
PIBD0716A488	26,000,000.00	26	26	26
PIBD0717C493	12,200,000.00	13	13	13
PIBD0717J502	5,800,000.00	6	6	6
PIBD0718H511	22,000,000.00	23	23	23
PIBD0719K560	1,965,285,300.00	1,965	1,965	1,965
PIBD0721C574	578,471,233.00	567	567	567
PIBD1016I420	175,000.00	0	0	0
PIBD1018A451	100,000.00	0	0	0
PIBD1019B485	10,300,000.00	11	11	11
PIBD1020I510	1,800,000.00	2	2	2
PIBD1020L525	43,198,000.00	46	46	46
PIBD1022G545	105,659.00	0	0	0
PIBD1022L585	30,059,000.00	29	29	29
PIBD1024H595	35,527,136.00	36	36	36
PIBD10251608	300,000,000.00	290	290	290
PIBD1025I608	4,672,199,515.00	4,526	4,526	4,526
PIBD2031G171	4,167,570,814.00	5,524	5,524	5,524
PIBD2032B183	25,658,000.00	28	28	28
PIBD2032I195	3,000,000.00	3	3	3
PIBD2033C206	35,919,638.00	31	31	31
PIBD2534K062	100,000.00	0	0	0
PIBD2535I071	7,579,000.00	10	10	10
PIBD2535L086	13,397,286.00	17	17	17
PIBD2536I097	11,000,000.00	14	14	14
PIBD2537H103	91,416,300.00	96	96	96
PIBD2540I116	46,521.00	0	0	0
PIBD2540I116	730,805,371.00	705	705	705
PIBL0615G013	204,800.00	0	0	0
PIBL0615I020	176,926,555.00	176	176	176
PIBL0615L035	89,624,840.00	89	89	89
PIBL1215B025	2,608,540.00	3	3	3
PIBL1215D041	8,800.00	0	0	0
PIBL1215E059	839,100.00	1	1	1
PIBL1215H083	56,000.00	0	0	0
PIBL1215I091	955,000.00	1	1	1
PIBL1215L122	14,904,500.00	15	15	15
PIID0516C107	95,254,814.00	96	96	96
PIID0716I018	13,201,700.00	14	14	14
PIID0717H026	23,000,000.00	24	24	24
PIID1020H015	4,865,000.00	5	5	5
PIID1021C027	12,938,000.00	15	15	15
PIID1021J039	26,905,000.00	29	29	29
PIID1023H046	687,899,400.00	651	651	651
PIID1526J019	5,024,000.00	6	6	6
PIID1527C023	19,064,000.00	21	21	21
PIID2032C014	144,510,502.00	156	156	156
PIID2537J015	50,724,390.00	57	57	57
PLBII 25	4,941,300.00	4	4	4
PLBIJ 45	941,200.00	1	1	1
PLNIJ 2021 - 5.5 11/22/2021	3,482,440.00	4	4	4
PSAL0717D019	1,612,991,200.00	1,687	1,687	1,687
PSALM 07-01	13,283,000.00	14	14	14
PSALM -7.250 05/27/2019	23,765,300.00	27	27	27
PSALM -7.390 12/02/2024	14,682,720.00	19	19	19
RCBC - 5.25 01/31/2017	27,953,640.00	29	29	29
RCBC 20	13,600,340.00	14	14	14
RCBPM - 3.45 02/02/21	188,240.00	0	0	0
RCBPM - 4.25 01/22/2020	40,189,240.00	42	42	42
RCBPM 24	4,706,000.00	5	5	5
RCBPM17	1,411,800.00	1	1	1
REP. OF INDONESIA - 4.875 5/5/2021	6,447,220.00	7	7	7
REPUBLIC OF INDONESIA SOVEREIGN BONDS - 11.625% 3/04/2019	3,529,500.00	4	4	4
RLCFXBD2022	20,150,000.00	20	20	20
ROCKFXBD2021	5,125,500.00	5	5	5

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes in ₱	Amount shown in the balance sheet * (in ₱ millions)	Valued based on market quotation at end of reporting period (in ₱ millions)	Income received and accrued (in ₱ million)
ROP 2024 - 4.2 01/21/2024	259,347,660.21	281	281	
ROP 2037 - 5 01/13/2037	5,035,420.00	6	6	
ROP2016 8.75 10/7/2016	59,248,540.00	63	63	
ROP2017 9.375 1/18/2017	719,123,860.00	781	781	
ROP2019N 8.375 06/17/2019	860,209,740.00	1,045	1,045	
ROP2019 9.875 1/15/2019	1,615,240,380.00	2,001	2,001	
ROP2021 4.00 1/15/2021	474,600,100.00	515	515	
ROP2024 7.5 9/25/2024	8,235,500.00	11	11	
ROP2024 9.5 10/21/2024	8,753,160.00	13	13	
ROP2025 10.625 3/16/2025	6,211,920.00	10	10	
ROP2030 9.50 02/02/2030	376,480.00	1	1	
ROP2031 7.75 1/14/2031	1,882,400.00	3	3	
ROP2032 6.375 1/15/2032	20,800,532.58	27	27	
ROP2034 6.375 10/23/2034	6,070,740.00	8	8	
ROP2040 3.95 01/20/2040	2,494,180.00	3	3	
SECBPM - 3.95 02/03/2020	232,335,220.00	237	237	
SECBPM 20	894,140.00	1	1	
SMB 10-22	112,630,000.00	120	120	
SMB2FXBD2019	40,128,000.00	42	42	
SMBFXBND2017	16,943,000.00	17	17	
SMBFXBND2021	57,350,000.00	59	59	
SMBFXBND2024	110,000.00	0	0	
SMICFXBD	54,980,000.00	60	60	
SMICFXBD2019	29,560,000.00	31	31	
SMICFXBD2021	42,690,000.00	44	44	
SMICFXBD2022	1,100,000.00	1	1	
SMICFXBD2024	6,200,000.00	6	6	
SMPH2FBD2021	89,220,000.00	89	89	
SMPHFBD2020	32,650,200.00	33	33	
SMPHFBD2021	6,000,000.00	6	6	
SMPHFBD2024	1,000,000.00	1	1	
SMPHFBD2025	20,200,000.00	20	20	
SMPM - 4.25% 10/17/2019	55,342,560.00	56	56	
SMPM - 4.875% 06/10/2024	1,129,440.00	1	1	
SMPM 17	1,317,680.00	1	1	
SMPM 24	282,360.00	0	0	
SMPM19	5,976,620.00	6	6	
T 2 - 11/30/22 GOVT	470,600,000.00	469	469	
T 2 1/4 - 11/15/25 GOVT	2,353,000,000.00	2,357	2,357	
TELFXBND2021	3,950,000.00	4	4	
TELFXBND2024	3,600,000.00	4	4	
US718286AK32	988,260,000.00	1,256	1,256	
US718286AP29	47,060,000.00	46	46	
US718286BB24	94,120,000.00	95	95	
US718286BE62	141,180,000.00	158	158	
US718286BF38	235,300,000.00	371	371	
USY20721BM04	70,590,000.00	80	80	
VIETNAM 4.80 - 11/19/2024	2,776,540.00	3	3	
Total HFT Debt Securities		33,689	33,689	1,740
Equity Securities				
ABOITIZ EQUITY VENTURES, INC.	1,083,420	63	63	
ABOITIZ POWER CORPORATION	631,800	26	26	
ALLIANCE GLOBAL GROUP, INC.	3,697,700	59	59	
AYALA CORPORATION	674,160	510	510	
AYALA LAND, INC.	14,832,900	511	511	
BANK OF THE PHILIPPINE ISLANDS	2,535,320	213	213	
BDO UNIBANK, INC.	3,699,200	388	388	
BELLE CORPORATION	30,463,400	89	89	
BLOOMBERRY RESORTS CORPORATION	9,024,500	41	41	
CEBU AIR, INC.	2,079,610	171	171	
CENTURY PACIFIC FOOD, INC.	7,261,600	120	120	
CIRTEK HOLDINGS PHILIPPINES CORPORATION	18,401,800	382	382	
CONCEPCION INDUSTRIAL CORPORATION	973,500	42	42	
COSCO CAPITAL, INC.	1,823,100	15	15	
CROWN ASIA CHEMICALS CORPORATION	50,786,000	119	119	
D&L INDUSTRIES, INC.	29,220,600	267	267	
DMCI HOLDINGS, INC.	12,083,200	167	167	
EMPERADOR INC.	1,848,600	16	16	
ENERGY DEVELOPMENT CORPORATION	44,212,300	274	274	
FILINVEST LAND, INC.	15,419,000	28	28	
FIRST GEN CORPORATION	7,583,100	171	171	
GLOBE TELECOM, INC.	92,570	171	171	
GT CAPITAL HOLDINGS, INC.	256,400	338	338	
INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.	579,920	41	41	
JG SUMMIT HOLDINGS, INC.	2,252,740	165	165	
JOLLIBEE FOODS CORPORATION	190,130	42	42	
LT GROUP, INC.	1,193,400	18	18	
MANILA ELECTRIC COMPANY	546,220	175	175	
MAX'S GROUP, INC.	4,968,600	99	99	
MEGAWORLD CORPORATION	61,460,000	261	261	
METRO PACIFIC INVESTMENTS CORPORATION	36,715,300	191	191	
NICKEL ASIA CORPORATION	15,785,156	99	99	
PETRON CORPORATION	33,389,600	233	233	

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes in ₱	Amount shown in the balance sheet * (in ₱ millions)	Valued based on market quotation at end of reporting period (in ₱ millions)	Income received and accrued (in ₱ million)
PHILIPPINE LONG DISTANCE TELEPHONE COMPANY	150,015	309	309	
PUREGOLD PRICE CLUB, INC.	13,456,300	467	467	
ROBINSONS LAND CORPORATION	683,600	19	19	
ROBINSONS RETAIL HOLDINGS, INC.	4,138,700	261	261	
SAN MIGUEL CORPORATION	153,200	8	8	
SECURITY BANK CORPORATION	537,790	76	76	
SEMIRARA MINING AND POWER CORPORATION	2,000,580	273	273	
SM INVESTMENTS CORPORATION	523,796	453	453	
SM PRIME HOLDINGS, INC.	18,584,100	403	403	
SSI GROUP, INC.	15,068,600	52	52	
UNIVERSAL ROBINA CORPORATION	3,092,390	575	575	
XURPAS INC.	25,888,900	394	394	
OTHERS	4,180,412	430	430	
Total HFT Equity Securities		9,225	9,225	184
Total HFT Securities		42,914	42,914	1,924
Derivative Assets				
CURRENCY FORWARDS:				
BOUGHT				
USD	20,028,738,378.41	410	410	
EUR	11,989,292.72	0	0	
TWD	2,345,651,963.65	70	70	
SOLD				
USD	27,842,302,890.99	106	106	
CNY	4,937,666,643.00	180	180	
GBP	362,612,669.86	0	0	
JPY	263,512.32	0	0	
EUR	115,864,334.91	1	1	
THB	130,870,960.09	0	0	
SGD	687,128,220.00	2	2	
PUT OPTION PURCHASED WARRANTS	30,350,923,460.00	149	149	
INTEREST RATE SWAPS	58,541,955,555.54	421	421	
CROSS CURRENCY SWAPS	51,294,894,134.30	4,568	4,568	
PUT OPTION	1,131,793,000.00	0	0	
CALL OPTION	6,864,968,463.05	32	32	
EMBEDDED DERIVATIVE IN NON-FINANCIAL CONTRACT	6,972,731.15	3	3	
Total Derivative Assets		5,942	5,942	-
TOTAL FINANCIAL ASSETS AT FVPL		48,856	48,856	1,924

AVAILABLE-FOR-SALE (AFS) INVESTMENTS

Debt Securities

ACFXBOND2019	70,000.00	0	0
ACFXBOND2021	12,290,000.00	13	13
ACFXBOND2027	45,000,000.00	50	50
AEVFXBND2020	39,550,000.00	40	40
AEVFXBND2023	19,100,000.00	18	18
AGRBK - 2 1/8 10/20/18	11,765,000.00	12	12
AGRBK - 2 3/4 10/20/20	11,765,000.00	12	12
ALI25R21	200,000,000.00	203	203
ALIFXBND2022	16,750,000.00	18	18
ALIFXBND2024	50,000.00	0	0
ALIFXBND2025	4,500,000.00	5	5
BAC - 2.00 01/11/2018	70,590,000.00	70	70
BAC - 3.30 01/11/2023	235,300,000.00	232	232
BAC - 4.75 04/03/2017	153,349,800.00	162	162
BAC FLOAT - 03/22/2018	23,530,000.00	24	24
BACR - 4.125 03/15/2016	102,233,200.00	103	103
BANK OF AMERICA	517,660,000.00	522	522
BANK OF AMERICA CORP.	23,530,000.00	24	24
BANK OF CHINA 3.45 01/16/2017	413,084,700.00	407	407
BANK OF CHINA HK	23,530,000.00	24	24
BBLTB 3.875 - 09/27/2022	470,600,000.00	482	482
BBRIJ 2.95 03/28/18 CORP	390,362,700.00	385	385
BCHINA - 2.875 06/30/20 CORP	235,300,000.00	236	236
BCHINA - 3.50 05/15/2017	362,355,000.00	357	357
BCHINA - 3.75 11/08/2016	870,610,000.00	886	886
BDO 3.875% - 04/22/16	235,300,000.00	236	236
CCB - 1.50 02/11/2020	153,349,800.00	154	154
CCB - 3.25 05/20/2016	43,482,600.00	43	43
CCB - 3.38 05/28/2016	86,965,200.00	86	86
CENTRAL GOVERNMENT BOND (A01106)	14,341,000.00	15	15
CENTRAL GOVERNMENT BOND (A97103)	71,705,000.00	75	75
CGB 2.36 08/18/2021	79,718,100.00	74	74
CHINA AGRICULTURE DEVELOPMENT BANK	1,014,594,000.00	1,030	1,030
CHINA DEVELOPMENT BANK	942,123,000.00	952	952
CHINA EXPORT IMPORT BANK	507,297,000.00	514	514
CHINA GOVERNMENT BOND - 3.1 06/29/2022	144,942,000.00	140	140
CHINA GOVERNMENT BOND 1.4 08/17/2011 - 08/18/2016	2,174,130,000.00	2,140	2,140
CHINA MINISTRY OF FINANCE	724,710,000.00	743	743
CHINA RAILWAY	217,413,000.00	215	215
CITNAT - 1.375 01/15/2016	23,530,000.00	24	24
CITNAT FLOAT - 10/11/2016	94,120,000.00	95	95
CNOOC 2.625 - 05/05/2020 CORP	47,060,000.00	46	46

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CNOOC 3.5 - 05/05/2025 CORP	470,600,000.00	450	450	450
DBP 5.5% - 03/25/2021	94,120,000.00	105	105	105
EIBKOR - 1.20 04/26/2016	195,600,000.00	196	196	196
EIBKOR - 4.625 02/20/2017	255,583,000.00	268	268	268
EIBKOR 0 - 01/14/2017	23,530,000.00	24	24	24
EIBKOR 0.31 09/25/17 CORP	586,800,000.00	586	586	586
EIBKOR 0.37 09/25/18 CORP	586,800,000.00	586	586	586
EIBKOR 3.750 - 10/20/2016	211,770,000.00	216	216	216
EIBKOR FLOAT - 09/17/2016	94,120,000.00	94	94	94
EXIMCH - 3.00 05/14/2016	108,706,500.00	108	108	108
EXIMCH - 3.35 06/18/2017	108,706,500.00	107	107	107
EXIMCH 2.85 - 09/16/20 CORP	235,300,000.00	235	235	235
EXIMCH 3.625 - 07/31/2024	23,530,000.00	24	24	24
EXMICH 3.00 - 01/21/2016	144,942,000.00	145	145	145
EXPORT IMPORT BANK KOREA	23,530,000.00	24	24	24
FDCFXBND2024	43,000,000.00	45	45	45
FED REP OF BRAZIL - 2.625 01/05/2023	705,900,000.00	538	538	538
FIRPAC 2019 - 6.0 06/28/19	47,060,000.00	50	50	50
FIRST PACIFIC 23 - XS0914313357	701,194,000.00	691	691	691
FLIFXBND2023	1,150,000.00	1	1	1
GOLDMAN SACHS 7.75 - 11/23/2016	68,715,800.00	71	71	71
GTCAP 21 R19	54,815,000.00	56	56	56
GTCAP 23 R20	39,044,000.00	36	36	36
GTCAP 24 R21	5,200,000.00	5	5	5
ICBC - INDUSTRIAL & COMMERCIAL BK OF CHINA	23,530,000.00	24	24	24
ICBCAS 3.2 - 04/24/2016	72,471,000.00	72	72	72
ICTPM - 4.625 01/16/2023	2,971,839,000.00	2,998	2,998	2,998
ICTPM - 5.8750 09/17/2025	2,809,576,120.00	3,001	3,001	3,001
ICTSI 23 - XS0875298191	94,120,000.00	95	95	95
ICTSI 25 - XS0972298300	282,360,000.00	301	301	301
INDKOR - 3.75 09/29/2016	376,480,000.00	383	383	383
INDON 4.125 - 01/15/2025	1,105,910,000.00	1,054	1,054	1,054
INDON 5.875 3/13/20	248,476,800.00	270	270	270
INDON 2.875 - 07/08/2021	562,282,600.00	555	555	555
INDON 2022 - 3.75 4/25/2022	752,960,000.00	722	722	722
INDON 3.375 - 07/30/2025	255,583,000.00	241	241	241
JGS08-19	1,000,000,000.00	1,020	1,020	1,020
JGSPM - 4.375% 01/23/2023	2,353,000,000.00	2,371	2,371	2,371
KDB - 0.43 01/29/2016	39,120,000.00	39	39	39
KOREA EXCHANGE BANK	23,530,000.00	24	24	24
MAJAPAHIT HOLDING BV - 8 08/07/2019	400,010,000.00	449	449	449
MAYMK 0.397 4/27/18 CORP	586,800,000.00	584	584	584
MEGPM - 6.75 4/15/2018	313,937,260.00	335	335	335
MERFXBND2020	2,500,210,000.00	2,516	2,516	2,516
MERFXBND2025	1,799,400,000.00	1,791	1,791	1,791
MNTC21R19	670,300,000.00	678	678	678
MS 0.557 - 05/22/2018	312,960,000.00	314	314	314
NACF - NATIONAL AGRI COOP	23,530,000.00	24	24	24
NATIONAL POWER FRN	23,530,000.00	24	24	24
NATL POWER CORP - 8.40 12/15/2016	1,616,275,700.00	1,715	1,715	1,715
NATPOW FRN - 6.875 11/02/2016	1,428,600,420.00	1,488	1,488	1,488
NEW ARGENT 8.28% 12/31/2033	43,937,712.53	50	50	50
NFAB1018A016	500,000,000.00	522	522	522
NPCB1016L014	1,000,000,000.00	1,034	1,034	1,034
ODTB1023L018	470,600.00	0	0	0
PETBRA - 5.375 01/27/2021	376,480,000.00	280	280	280
PIBD0316D206	30,000,000.00	30	30	30
PIBD0317E212	1,528,100,000.00	1,528	1,528	1,528
PIBD0517G705	1,450,000,000.00	1,461	1,461	1,461
PIBD0517K719	750,000,000.00	751	751	751
PIBD0518E723	22,679,000,000.00	22,068	22,068	22,068
PIBD0520H735	100,000,000.00	98	98	98
PIBD0718H511	13,705,000.00	14	14	14
PIBD0719K560	45,169,950,200.00	45,156	45,156	45,156
PIBD0721C574	400,000,000.00	392	392	392
PIBD1016I420	500.00	0	0	0
PIBD1018A451	1,000,000,000.00	1,031	1,031	1,031
PIBD1020L525	1,590,000.00	2	2	2
PIBD1021D531	3,376,837,000.00	3,701	3,701	3,701
PIBD1022G545	4,554,192,770.00	4,971	4,971	4,971
PIBD1022I570	10,010,850,000.00	10,088	10,088	10,088
PIBD1024H595	6,014,172,740.00	6,005	6,005	6,005
PIBD1025I608	11,349,216,886.00	10,993	10,993	10,993
PIBD2024H086	229,300,000.00	345	345	345
PIBD2024K091	150,000,000.00	236	236	236
PIBD2031G171	3,633,565,272.00	4,816	4,816	4,816
PIBD2033C206	5,497,533,800.00	4,788	4,788	4,788
PIBD2535L086	5,645.00	0	0	0
PIBD2540I116	393,472,550.00	379	379	379
PIBD2540I116	5,656,457,368.00	5,465	5,465	5,465
PIID0516C107	8,975,000.00	9	9	9
PIID0717H026	2,200,000.00	2	2	2
PIID1023H046	22,002,790,000.00	20,825	20,825	20,825
PIID2032C014	50,000,000.00	55	55	55

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PIID2537J015	185,175,000.00	210	210	
PLNIJ 7 3/4 01/20/2020	352,950,000.00	395	395	
PSAL0717D019	1,500,000,000.00	1,569	1,569	
PTTGC - 4.25 09/19/2022	235,300,000.00	242	242	
PTTTB - 3.375 10/25/2022	235,300,000.00	232	232	
QATAR 4.50 - 01/20/2022	235,300,000.00	257	257	
QTELQD 3.25 - 02/21/2023	141,180,000.00	137	137	
REPUBLIC OF INDONESIA	470,597,685.60	546	546	
REPUBLIC OF INDONESIA SOVEREIGN BONDS - 11.625% 3/04/2019	941,952,960.00	1,182	1,182	
ROCKFXBD2021	1,902,670,000.00	1,892	1,892	
ROP 2016 EURO 6.250 3/15/2016	1,030,357,306.20	1,042	1,042	
ROP BOND 16N	9,483,990.12	10	10	
ROP BOND 17/12	18,967,980.24	21	21	
ROP2017 9.375 1/18/2017	615,403,620.00	668	668	
ROP2019N 8.375 06/17/2019	3,411,473,520.00	4,146	4,146	
ROP2019 9.875 1/15/2019	240,382,480.00	298	298	
ROP2020 6.5 1/20/20	987,695,280.00	1,154	1,154	
ROP2021 4.00 1/15/2021	592,485,400.00	642	642	
ROP2024 NEW 7.5 9/25/2024	1,278,573,140.00	1,662	1,662	
ROP2024 9.5 10/21/2024	281,183,500.00	416	416	
ROP2025 10.625 3/16/2025	1,129,440,000.00	1,779	1,779	
ROP2030 9.50 02/02/2030	1,082,380,000.00	1,705	1,705	
ROP2031 7.75 1/14/2031	1,223,560,000.00	1,718	1,718	
ROP2032 6.375 1/15/2032	564,720,000.00	722	722	
SCBTB - 3.9 11/14/2016	235,300,000.00	239	239	
SDBC - 3.35 03/20/2017	362,355,000.00	358	358	
SDBC 2017 - 3.45 - 01/16/2017	28,988,400.00	29	29	
SDBC 2018 - 3.60 11/13/2018	362,355,000.00	357	357	
SECBPM - 3.95 02/03/2020	470,600,000.00	480	480	
SHINHAN - 0.39 11/13/2017	391,200,000.00	390	390	
SHNHAN FLOAT	23,530,000.00	23	23	
SHNHAN FLOAT - 04/08/2017	94,120,000.00	94	94	
SINOCH - 3.55 05/13/2017	28,988,400.00	28	28	
SINOPC - 3.1250% 04/24/2023	235,300,000.00	225	225	
SINOPEC	23,530,000.00	24	24	
SMB21R19	200,000,000.00	205	205	
SMBFXBND2021	1,000,000,000.00	1,026	1,026	
SMICBOND2022	135,000,000.00	148	148	
T 2 - 8/15/25 GOVT	5,882,500,000.00	5,757	5,757	
T 2 1/4 - 11/15/25 GOVT	7,059,000,000.00	7,072	7,072	
TRAVEL CP - 6.9 11/03/2017	235,300,000.00	248	248	
US718286AP29	705,900,000.00	1,112	1,112	
US718286AQ02	235,300,000.00	256	256	
US718286BB24	235,300,000.00	330	330	
US718286BF38	94,120,000.00	110	110	
US718286BG11	47,060,000.00	61	61	
US718286BK23	470,600,000.00	510	510	
US718286BW60	94,120,000.00	110	110	
US718286BZ91	141,180,000.00	143	143	
US71828AY36	157,839,240.00	249	249	
US912828N565	235,300,000.00	233	233	
WFC FLOAT - 6/15/2017	70,590,000.00	70	70	
XS0798486543	202,828,600.00	215	215	
XS0914313357	291,772,000.00	288	288	
XS0972298300	705,900,000.00	753	753	
OTHERS	188.24	0	0	
Total AFS Debt Securities		229,499	229,499	7,473

Equity Securities

Quoted

ALABANG COUNTRY CLUB (A)	8	21	21
ALTAVISTA GOLF (B)	2	1	1
APEX MINING CORPORATION (A)	70,000	0	0
ATLAS MINING CORPORATION (A)	1,605,381	24	24
ATLAS MINING CORPORATION (B)	95,900	0	0
BAGUIO COUNTRY CLUB	8	12	12
BENPRES HOLDINGS (LOPEZ HOLDINGS)	71,000	1	1
CALATAGAN GOLF CLUB (A)	1	0	0
CAMP JOHN HAY GOLF CLUB	2	0	0
CANLUBANG GOLF & COUNTRY CLUB (A)	1	1	1
CAPITOL HILLS GOLF & COUNTRY	6	0	0
CEBU COUNTRY CLUB	3	15	15
CEBU HOLDINGS	200,953,364	1,041	1,041
CLUB FILIPINO	3	1	1
EAGLE RIDGE & COUNTRY CLUB (A)	1	0	0
EVERCREST GOLF CLUB (A)	1	0	0
FOREST HILLS GOLF AND COUNTRY CLUB (C)	3	1	1
LUISITA GOLF & COUNTRY CLUB (B)	12	2	2
MAKATI SPORTS CLUB (A)	6	2	2
MAKATI SPORTS CLUB (B)	1	1	1
MANILA GOLF CLUB (CORP)	3	117	117
MANILA POLO CLUB	5	60	60
MANILA SOUTHWOODS (A)	5	3	3
MERALCO	9,045	0	0

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METROPOLITAN CLUB, INC. (A)	1	0	0	
ORCHARD GOLF AND COUNTRY CLUB (C)	1	0	0	
ORCHARD GOLF CLUB (C)	2	0	0	
PHIL NATIONAL CONSTRUCTION CORP.	727	0	0	
PHILEX MINING CORPORATION (A)	167,162	1	1	
PHILEX MINING CORPORATION (B)	81	0	0	
PHILIPPINE COLUMBIAN ASSOCIATION	2	0	0	
PLDT (COMMON)	1,972	4	4	
PLDT (PREFERRED)	429,515	5	5	
PLDT (PT&T)	350	0	0	
PLDT COMM ENERGY VENTURES-PREFERRED (PILTEL)	3,105	0	0	
PSE	239,999	66	66	
PUEBLO DE ORO GOLF & COUNTRY CLUB	1	0	0	
PUERTO AZUL	1	0	0	
QUEZON CITY SPORTS CLUB (A)	2	1	1	
RIVIERA GOLF & COUNTRY CLUB (A)	2	0	0	
RIVIERA GOLF & COUNTRY CLUB (C)	2	0	0	
RIVIERA GOLF AND COUNTRY CLUB (B)	1	0	0	
RIVIERA GOLF CLUB (C)	1	0	0	
ROCKWELL CLUB (A)	2	1	1	
SAN MIGUEL CORPORATION (A)	46,553	2	2	
SHERWOOD HILLS (C)	1	0	0	
SHERWOOD HILLS (D)	2	0	0	
SPLENDIDO GOLF CLUB	7	1	1	
STA.ELENA GOLF CLUB INC.(A)	1	3	3	
SUBIC BAY GOLF & COUNTRY CLUB	1	0	0	
SUBIC BAY YACHT CLUB (SBYC) (CORP)	11	2	2	
SUBIC BAY YACHT CLUB (SBYC) (IND)	2	0	0	
TAGAYTAY HIGHLANDS	1	1	1	
TAGAYTAY MIDLANDS	2	1	1	
VALLE VERDE COUNTRY CLUB (CORP)	4	2	2	
VALLEY GOLF AND COUNTRY CLUB	5	1	1	
WACK-WACK GOLF CLUB	1	16	16	
OTHERS	7,891,727	797	797	
		2,207	2,207	54
Unquoted				
ALABANG COUNTRY CLUB (B)	2	2	2	
APO GOLF CLUB	1	0	0	
ASEAN FINANCE CORPORATION	200,000	0	0	
BANCNET	99,998	10	10	
BAP CREDIT GUARANTY	1	0	0	
BATULAO RESORT	2	0	0	
BONIFACIO LAND CORP.	247,721	99	99	
CATHAY INSURANCE CO., INC.	20,526	0	0	
CITY SPORTS CEBU	1	0	0	
CITY SPORTS CLUB	1	0	0	
CLASS A JAKA HOLDING PROJ	1	1	1	
FILSYN CORPORATION	916	0	0	
GLOBAL BUSINESS HOLDINGS INC.	18,855	16	16	
GLOBAL BUSINESS POWER CORP.	91,098,308	3,258	3,258	
HONDA PHILIPPINES, INC.	122,054	1	1	
INTL. SPORTS DEV. CORP	2	0	0	
LAGOS DELA SIERRA	225,000	0	0	
LGU GUARANTEE CORP.	200,000	20	20	
MAKATI EXECUTIVE CENTER, INC.	1	0	0	
MAKATI SPORTS CLUB (A)	1	0	0	
MAYNILAD WATER SERVICES	524,000	0	0	
MONDRAGON INTERNATIONAL	1,728,529	0	0	
NEGROS NAVIGATION CORP	2,493,985	0	0	
ONE CORPORATE SHARE - TOWER CLUB INC	1	1	1	
PHIL. CENTRAL DEPOSITORY	10,228	1	1	
PHILIPPINE CLEARING HOUSE CORP.	105,000	13	13	
PHILIPPINE DEALING SYSTEM HOLDINGS	146,309	17	17	
PICOP RESOURCES	48,800,000	0	0	
PLDT	69,800	1	1	
RETELCO	850	0	0	
SAGARA METRO PLASTIC	10,000	0	0	
SICOGON CLUB	1	0	0	
SOUTH COTABATO GOLF & COUNTRY CLUB	1	0	0	
SPLENDIDO TAAL GOLF	4	4	4	
TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC.	2	2	2	
TOWER CLUB, INC.	1	1	1	
TRANS UNION	1	5	5	
TRUST INTERNATIONAL PAPER CORP.	272,727	0	0	
UNIVERSAL LEISURE CLUB	1	0	0	
VICTORIAS MILLING	1	0	0	
XAVIER ESTATES SPORTS & COUNTRY CLUB	1,547,027	0	0	
		3,452	3,452	240
Total AFS Equity Securities		5,659	5,659	294
TOTAL AFS INVESTMENTS		235,158	235,158	7,767

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HELD-TO-MATURITY (HTM) INVESTMENTS				
ACFXBOND2021	49,500,000.00	53	54	
ACFXBOND2027	30,000,000.00	32	33	
AGI 17 - XS0533657440	305,890,000.00	322	320	
ALIFXBND2019	500,000.00	1	1	
ALIFXBND2022	135,400,000.00	139	145	
ALIFXBND2024	154,549,000.00	152	157	
ALIFXBND2025	5,000,000.00	5	5	
AP21R19	210,000,000.00	210	216	
APCFXBND2021	113,250,000.00	113	116	
APCFXBND2026	103,000,000.00	103	104	
CHI21R19	800,000,000.00	800	757	
FDCFXBND2024	50,000,000.00	50	52	
FIRST PACIFIC 19 – XS0798486543	122,356,000.00	129	130	
FIRST PACIFIC 20 – XS0544536047	112,944,000.00	122	123	
FLIFXBND2019	20,000,000.00	21	21	
FLIFXBND2020	25,000,000.00	25	25	
FLIFXBND2021	150,000,000.00	150	154	
FLIFXBND2023	500,000.00	0	0	
FLIFXBND2024	303,550,000.00	304	300	
GTCAP 24 R21	3,000,000.00	3	3	
ICTSI – 20 XS0493501125	23,530,000.00	26	27	
ICTSI 23 – XS0875298191	235,300,000.00	239	237	
ICTSI 25 - XS0972298300	188,240,000.00	201	201	
INDON 4.125 - 01/15/2025	470,600,000.00	476	449	
INDON 5.875 01/15/2024	1,176,500,000.00	1,295	1,258	
INDON 5 3/8 - 10/17/2023	470,600,000.00	498	490	
JGS08-19	300,000,000.00	308	307	
JGSFXBND2019	5,000,000.00	5	5	
MERFXBND2020	97,000,000.00	94	98	
NFA	3,486,420,000.00	3,486	3,646	
ODTB1023L018	117,650,000.00	110	113	
PIBD 2017 D011	422,520,000.00	472	475	
PIBD0517G705	4,829,544,000.00	4,934	4,870	
PIBD0518E723	2,260,000,000.00	2,224	2,199	
PIBD0717C493	2,997,262,000.00	3,117	3,129	
PIBD0719G547	400,000,000.00	415	409	
PIBD0719K560	530,000,000.00	541	527	
PIBD0721C574	1,300,000,000.00	1,291	1,273	
PIBD1018A451	1,683,585,000.00	1,761	1,763	
PIBD1019B485	100,000,000.00	111	110	
PIBD1020L525	600,000,000.00	652	643	
PIBD1021D531	1,950,000,000.00	2,121	2,137	
PIBD1021K551	4,350,000,000.00	4,718	4,633	
PIBD1022G545	2,369,000,000.00	2,650	2,612	
PIBD1022H562	400,000,000.00	424	405	
PIBD1022L585	19,250,000,000.00	19,423	18,702	
PIBD1024H595	7,015,000,000.00	7,038	6,999	
PIBD2023E054	575,000,000.00	801	793	
PIBD2024K091	65,000,000.00	103	108	
PIBD2025J116	62,900,000.00	96	97	
PIBD2026A122	984,653,000.00	1,393	1,396	
PIBD2026L139	245,460,000.00	313	313	
PIBD2027I140	363,250,000.00	474	482	
PIBD2028L151	1,070,000,000.00	1,503	1,508	
PIBD2030E166	4,230,000,000.00	5,933	5,780	
PIBD2031G171	10,676,000,000.00	14,056	14,269	
PIBD2032B183	2,918,000,000.00	3,260	3,170	
PIBD2032I195	1,294,000,000.00	1,409	1,381	
PIBD2033C206	5,415,000,000.00	4,735	4,715	
PIBD2530G029	400,000,000.00	715	676	
PIBD2531A032	1,000,000,000.00	1,604	1,584	
PIBD2531J042	120,000,000.00	178	170	
PIBD2532K057	2,603,000,000.00	3,456	3,468	
PIBD2534K062	234,000,000.00	349	328	
PIBD2535I071	4,526,000,000.00	6,148	5,731	
PIBD2535L086	12,530,620,827.00	17,158	15,990	
PIBD2536I097	6,990,677,000.00	8,968	8,659	
PIBD2537H103	294,200,000.00	323	310	
PIID0717H026	15,000,000.00	16	16	
PIID1021C027	2,350,000,000.00	2,702	2,654	
PIID1021J039	50,000,000.00	54	54	
PIID1023H046	50,100,000.00	49	47	
PIID1526J019	2,508,455,000.00	2,896	2,875	
PIID1527C023	2,940,000,000.00	3,210	3,182	
PIID2032C014	28,787,453,000.00	32,476	31,059	
PIID2537J015	15,687,359,068.00	18,475	17,540	
REP OF THE PHILS 2016	23,530,000.00	24	24	
ROCKFXBD2021	100,000,000.00	100	99	
ROP2016 8 01/15/2016	101,931,960.00	102	102	
ROP2030 9.50 02/02/2030	3,505,970,000.00	4,111	5,523	
ROP2031 7.75 1/14/2031	3,200,032,940.00	3,268	4,494	
ROP2032 6.375 1/15/2032	1,932,613,020.00	1,799	2,470	
SM21R19	300,000,000.00	300	308	

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes in ₱	Amount shown in the balance sheet * (in ₱ millions)	Valued based on market quotation at end of reporting period (in ₱ millions)	Income received and accrued (in ₱ million)
SM24R21	200,000,000.00	200	205	
SMICFXBD2021	5,000,000.00	5	5	
SMICFXBD2022	2,000,000.00	2	2	
SMICFXBD2024	4,600,000.00	5	5	
SMPHFxBD2020	61,600,000.00	62	62	
SMPHFxBD2021	150,000,000.00	150	152	
SMPHFxBD2024	100,600,000.00	101	100	
US718286AL15	235,300,000.00	349	348	
US718286AP29	235,300,000.00	375	371	
US718286BG11	235,300,000.00	295	297	
US71828AY36	1,176,500,000.00	1,932	1,853	
US-TREASURY NOTE	47,812,960.00	48	48	
USY20721BG36	470,600,000.00	472	448	
USY20721BH19	470,600,000.00	515	490	
TOTAL HTM INVESTMENTS		208,432	206,194	8,625
LOANS AND RECEIVABLES - UNQUOTED DEBT SECURITIES				
AYALA LAND INC. - NOTES	100,000,000.00	100	102	
GLOBAL ISPAT HOLDINGS INC A*	45,370,899.03	0	0	
GLOBAL ISPAT HOLDINGS INC B*	482,897,914.44	0	0	
GUARANTEED INVESTMENT CERTIFICATE	5,091,604.15	5	5	
GUARANTEED INVESTMENT CERTIFICATE	848,600.69	1	1	
HOME FUNDING SPC, INC.	46,587,629.81	46	46	
MANILA WATER COMPANY, INC.	490,000,000.00	490	554	
MEGAWIDE	123,750,000.00	124	123	
METRO RAIL TRANSIT III SERIES 3	783,789,555.66	147	147	
NAPOCOR	425,200,000.00	423	439	
PROPERTY COMPANY OF FRIENDS	400,000,000.00	400	403	
RCBC	200,000,000.00	200	215	
UNQUOTED DEBT SECURITIES (GROSS)		1,936	2,035	194

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties
and Principal Stockholders (Other Than Related Parties)
December 31, 2015

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
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NOT APPLICABLE

Note: Transactions to these parties are made in the ordinary course of business.

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

Schedule C - Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

December 31, 2015

(In ₱ Millions)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Current	Not Current	Balance at End of Period
			Amounts Collected	Amounts Written-Off			
First Metro Investment Corporation	455	10,316	7,080	-	3,691	-	3,691
Metrobank Card Corporation	2,750	9,319	9,197	-	2,872	-	2,872
Metropolitan Bank (China) Ltd.	1,345	14,669	15,072	-	942	-	942
ORIX METRO Leasing and Finance Corporation	1,594	5,353	6,706	-	241	-	241
Philippine Savings Bank	1,550	11,632	13,158	-	24	-	24
Remittance Centers:							
Metro Remittance Center, Inc.	114	2,453	2,387	-	180	-	180
Metro Remittance (Italia), S.p.A.	31	325	356	-	-	-	-
Metro Remittance (Singapore) Pte. Ltd.	55	779	798	-	36	-	36
Metro Remittance (USA), Inc.	55	592	610	-	37	-	37
Metro Remittance (UK) Limited	5	56	61	-	-	-	-
Others	13	189	189	-	13	-	13
Total	7,967	55,683	55,614	-	8,036	-	8,036

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

Schedule D - Intangible Assets - Other Assets

December 31, 2015

(In ₱ Millions)

Description	Beginning Balance	Additions at Cost	Charged to Cost and Expenses	Charged to Other Accounts	Other Changes Additions (Deductions)	Ending Balance
Software Costs	1,302	815	(381)	-	(4)	1,732
Goodwill	5,201	-	-	-	1	5,202

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
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Subordinated Debt

2022 Peso Notes issued February 20, 2012	3,000	-	2,978	5.750%	February 20, 2022
2023 Peso Notes issued December 20, 2013	1,170	-	1,161	6.210%	December 20, 2023
2024 Peso Notes issued March 27, 2014	16,000	-	15,915	5.375%	June 27, 2024
2024 Peso Notes issued May 23, 2014	3,000	-	2,974	5.500%	August 23, 2024
2025 Peso Notes issued August 8, 2014	6,500	-	6,459	5.250%	August 8, 2025
<i>Total Subordinated Debt</i>	29,670		29,487		

Bills Payable

Local Banks	100	-	100	3.750%	February 1, 2017
Local Banks	50	-	50	3.875%	February 3, 2017
Local Banks	100	-	100	4.250%	February 20, 2017
Local Banks	291	-	291	6.146%	April 27, 2017
Local Banks	485	-	485	6.146%	April 27, 2017
Local Banks	194	-	194	6.146%	April 27, 2017
Local Banks	0	-	0	5.875%	May 14, 2017
Local Banks	50	-	50	4.200%	May 16, 2017
Local Banks	500	-	500	3.750%	June 17, 2017
Local Banks	226	-	226	3.750%	June 17, 2017
Local Banks	5	-	4	3.950%	June 26, 2017
Local Banks	250	-	249	3.750%	August 25, 2017
Local Banks	200	-	200	3.750%	September 6, 2017
Local Banks	5	-	5	4.750%	September 15, 2017
Local Banks	320	-	319	4.750%	November 24, 2017
Local Banks	0	-	0	6.000%	December 12, 2017
Local Banks	0	-	0	6.000%	December 30, 2017
Local Banks	0	-	1	5.500%	February 15, 2018
Local Banks	12	-	12	4.800%	February 23, 2018
Local Banks	8	-	8	4.615%	March 16, 2018
Local Banks	3	-	3	4.800%	March 26, 2018
Local Banks	13	-	13	4.750%	March 27, 2018
Local Banks	0	-	0	5.000%	June 12, 2018
Local Banks	200	-	199	4.000%	July 19, 2018
Local Banks	100	-	100	4.000%	August 6, 2018
Local Banks	150	-	149	4.000%	August 13, 2018
Local Banks	200	-	199	4.000%	August 17, 2018
Local Banks	100	-	100	3.950%	August 31, 2018
Local Banks	0	-	0	5.000%	September 11, 2018
Local Banks	1	-	1	5.000%	October 23, 2018
Local Banks	198	-	198	5.272%	April 22, 2019
Local Banks	550	-	550	5.260%	April 22, 2019

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Local Banks	50	-	50	5.535%	April 22, 2019
Local Banks	100	-	100	5.333%	April 22, 2019
Local Banks	291	-	291	6.337%	April 29, 2019
Local Banks	340	-	340	6.337%	April 29, 2019
Local Banks	243	-	243	6.337%	April 29, 2019
Local Banks	679	-	679	6.337%	April 29, 2019
Local Banks	97	-	97	6.337%	April 29, 2019
Local Banks	291	-	291	6.337%	April 29, 2019
Local Banks	600	-	600	5.270%	May 13, 2019
Local Banks	990	-	990	5.300%	April 21, 2021
	<u>7,992</u>		<u>7,986</u>		
Foreign Banks					
	<u>-</u>		<u>-</u>		
Deposit Substitutes	5	-	5	3.50%	January 3, 2017
Deposit Substitutes	5	-	5	3.50%	January 3, 2017
Deposit Substitutes	2	-	2	2.38%	January 3, 2017
Deposit Substitutes	1	-	1	2.38%	January 3, 2017
Deposit Substitutes	2	-	2	3.38%	January 4, 2017
Deposit Substitutes	3	-	3	3.63%	January 4, 2017
Deposit Substitutes	3	-	3	3.38%	January 4, 2017
Deposit Substitutes	1	-	1	3.38%	January 4, 2017
Deposit Substitutes	28	-	28	3.63%	January 4, 2017
Deposit Substitutes	22	-	22	3.63%	January 4, 2017
Deposit Substitutes	6	-	6	3.63%	January 4, 2017
Deposit Substitutes	1	-	1	3.38%	January 4, 2017
Deposit Substitutes	2	-	2	2.63%	January 4, 2017
Deposit Substitutes	14	-	14	2.75%	January 4, 2017
Deposit Substitutes	10	-	10	2.75%	January 4, 2017
Deposit Substitutes	3	-	3	2.63%	January 4, 2017
Deposit Substitutes	2	-	2	2.63%	January 4, 2017
Deposit Substitutes	20	-	20	2.75%	January 4, 2017
Deposit Substitutes	1	-	1	2.63%	January 4, 2017
Deposit Substitutes	1	-	1	2.38%	January 4, 2017
Deposit Substitutes	2	-	2	2.38%	January 4, 2017
Deposit Substitutes	1	-	1	3.38%	January 5, 2017
Deposit Substitutes	20	-	20	2.75%	January 5, 2017
Deposit Substitutes	3	-	3	2.63%	January 5, 2017
Deposit Substitutes	10	-	10	2.75%	January 5, 2017
Deposit Substitutes	20	-	20	2.75%	January 5, 2017
Deposit Substitutes	1	-	1	2.75%	January 5, 2017
Deposit Substitutes	9	-	9	2.75%	January 5, 2017

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	7	-	7	2.75%	January 5, 2017
Deposit Substitutes	7	-	7	2.75%	January 5, 2017
Deposit Substitutes	8	-	8	2.75%	January 5, 2017
Deposit Substitutes	1	-	1	2.63%	January 5, 2017
Deposit Substitutes	1	-	1	2.63%	January 5, 2017
Deposit Substitutes	1	-	1	2.38%	January 5, 2017
Deposit Substitutes	3	-	3	3.38%	January 9, 2017
Deposit Substitutes	3	-	3	2.63%	January 9, 2017
Deposit Substitutes	1	-	1	2.63%	January 9, 2017
Deposit Substitutes	2	-	2	2.63%	January 9, 2017
Deposit Substitutes	10	-	10	2.75%	January 9, 2017
Deposit Substitutes	1	-	1	2.63%	January 9, 2017
Deposit Substitutes	1	-	1	2.63%	January 9, 2017
Deposit Substitutes	1	-	1	2.63%	January 9, 2017
Deposit Substitutes	2	-	2	2.63%	January 9, 2017
Deposit Substitutes	2	-	2	2.38%	January 9, 2017
Deposit Substitutes	5	-	5	2.75%	January 12, 2017
Deposit Substitutes	1	-	1	2.63%	January 12, 2017
Deposit Substitutes	1	-	1	2.63%	January 12, 2017
Deposit Substitutes	12	-	12	2.75%	January 12, 2017
Deposit Substitutes	2	-	2	2.63%	January 16, 2017
Deposit Substitutes	3	-	3	2.88%	January 19, 2017
Deposit Substitutes	1	-	1	3.13%	January 23, 2017
Deposit Substitutes	5	-	5	3.38%	January 23, 2017
Deposit Substitutes	1	-	1	2.88%	January 23, 2017
Deposit Substitutes	2	-	2	2.63%	January 23, 2017
Deposit Substitutes	5	-	5	2.63%	January 23, 2017
Deposit Substitutes	2	-	2	2.63%	January 23, 2017
Deposit Substitutes	1	-	1	2.63%	January 23, 2017
Deposit Substitutes	2	-	2	3.13%	January 26, 2017
Deposit Substitutes	1	-	1	3.13%	January 26, 2017
Deposit Substitutes	3	-	3	3.13%	January 30, 2017
Deposit Substitutes	1	-	1	3.25%	January 30, 2017
Deposit Substitutes	1	-	1	2.63%	January 30, 2017
Deposit Substitutes	1	-	1	2.63%	January 30, 2017
Deposit Substitutes	3	-	3	2.63%	January 30, 2017
Deposit Substitutes	27	-	27	2.75%	January 30, 2017
Deposit Substitutes	1	-	1	3.25%	February 2, 2017
Deposit Substitutes	1	-	1	3.25%	February 2, 2017
Deposit Substitutes	1	-	1	3.25%	February 2, 2017
Deposit Substitutes	3	-	3	3.25%	February 2, 2017
Deposit Substitutes	1	-	1	3.25%	February 2, 2017
Deposit Substitutes	6	-	6	2.75%	February 2, 2017
Deposit Substitutes	3	-	3	3.25%	February 6, 2017
Deposit Substitutes	2	-	2	2.88%	February 6, 2017

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	4	-	4	2.75%	February 6, 2017
Deposit Substitutes	2	-	2	3.25%	February 9, 2017
Deposit Substitutes	15	-	15	2.88%	February 9, 2017
Deposit Substitutes	10	-	10	3.13%	February 10, 2017
Deposit Substitutes	2	-	2	3.13%	February 10, 2017
Deposit Substitutes	5	-	5	2.63%	February 14, 2017
Deposit Substitutes	5	-	5	3.38%	February 16, 2017
Deposit Substitutes	29	-	29	3.50%	February 16, 2017
Deposit Substitutes	1	-	1	3.25%	February 16, 2017
Deposit Substitutes	2	-	2	3.25%	February 16, 2017
Deposit Substitutes	10	-	10	3.38%	February 20, 2017
Deposit Substitutes	8	-	8	3.50%	February 20, 2017
Deposit Substitutes	2	-	2	3.25%	February 20, 2017
Deposit Substitutes	1	-	1	3.25%	February 20, 2017
Deposit Substitutes	1	-	1	3.25%	February 20, 2017
Deposit Substitutes	1	-	1	3.25%	February 20, 2017
Deposit Substitutes	57	-	57	3.63%	February 20, 2017
Deposit Substitutes	14	-	14	3.63%	February 20, 2017
Deposit Substitutes	5	-	5	3.38%	February 20, 2017
Deposit Substitutes	1	-	1	3.25%	February 20, 2017
Deposit Substitutes	20	-	20	3.25%	February 22, 2017
Deposit Substitutes	39	-	39	3.25%	February 22, 2017
Deposit Substitutes	20	-	20	3.13%	February 23, 2017
Deposit Substitutes	30	-	30	3.63%	February 23, 2017
Deposit Substitutes	5	-	5	3.25%	February 23, 2017
Deposit Substitutes	2	-	2	3.25%	February 23, 2017
Deposit Substitutes	2	-	2	2.88%	February 23, 2017
Deposit Substitutes	15	-	15	3.13%	February 27, 2017
Deposit Substitutes	1	-	1	3.25%	February 27, 2017
Deposit Substitutes	2	-	2	3.25%	February 27, 2017
Deposit Substitutes	23	-	23	3.50%	February 27, 2017
Deposit Substitutes	1	-	1	3.38%	February 27, 2017
Deposit Substitutes	1	-	1	3.25%	February 27, 2017
Deposit Substitutes	1	-	1	3.38%	February 27, 2017
Deposit Substitutes	1	-	1	3.38%	February 27, 2017
Deposit Substitutes	1	-	1	3.38%	February 27, 2017
Deposit Substitutes	1	-	1	3.38%	February 27, 2017
Deposit Substitutes	1	-	1	3.38%	February 27, 2017
Deposit Substitutes	2	-	2	2.75%	February 27, 2017
Deposit Substitutes	1	-	1	3.25%	March 2, 2017
Deposit Substitutes	40	-	40	3.50%	March 2, 2017
Deposit Substitutes	3	-	3	2.88%	March 2, 2017
Deposit Substitutes	105	-	105	3.50%	March 6, 2017
Deposit Substitutes	1	-	1	3.25%	March 6, 2017
Deposit Substitutes	2	-	2	3.25%	March 6, 2017

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	5	-	5	3.38%	March 6, 2017
Deposit Substitutes	1	-	1	2.63%	March 7, 2017
Deposit Substitutes	4	-	4	3.38%	March 9, 2017
Deposit Substitutes	3	-	3	3.50%	March 9, 2017
Deposit Substitutes	12	-	12	3.50%	March 9, 2017
Deposit Substitutes	3	-	3	3.50%	March 9, 2017
Deposit Substitutes	4	-	4	3.25%	March 9, 2017
Deposit Substitutes	3	-	3	2.88%	March 9, 2017
Deposit Substitutes	1	-	1	3.25%	March 13, 2017
Deposit Substitutes	7	-	7	3.50%	March 13, 2017
Deposit Substitutes	1	-	1	2.63%	March 13, 2017
Deposit Substitutes	2	-	2	3.38%	March 16, 2017
Deposit Substitutes	10	-	10	3.50%	March 20, 2017
Deposit Substitutes	5	-	5	3.50%	March 20, 2017
Deposit Substitutes	2	-	2	3.38%	March 20, 2017
Deposit Substitutes	1	-	1	3.25%	March 20, 2017
Deposit Substitutes	1	-	1	3.25%	March 20, 2017
Deposit Substitutes	8	-	8	3.38%	March 20, 2017
Deposit Substitutes	1	-	1	2.88%	March 20, 2017
Deposit Substitutes	5	-	5	3.38%	March 21, 2017
Deposit Substitutes	1	-	1	3.38%	March 21, 2017
Deposit Substitutes	10	-	10	3.50%	March 23, 2017
Deposit Substitutes	10	-	10	2.75%	March 23, 2017
Deposit Substitutes	2	-	2	3.38%	March 27, 2017
Deposit Substitutes	3	-	3	3.38%	March 27, 2017
Deposit Substitutes	2	-	2	3.25%	March 27, 2017
Deposit Substitutes	3	-	3	3.25%	March 27, 2017
Deposit Substitutes	2	-	2	3.25%	March 27, 2017
Deposit Substitutes	5	-	5	3.38%	March 28, 2017
Deposit Substitutes	1	-	1	2.88%	March 28, 2017
Deposit Substitutes	12	-	12	3.25%	March 30, 2017
Deposit Substitutes	15	-	15	3.00%	March 30, 2017
Deposit Substitutes	1	-	1	2.88%	March 30, 2017
Deposit Substitutes	10	-	10	2.88%	March 30, 2017
Deposit Substitutes	7	-	7	2.75%	March 30, 2017
Deposit Substitutes	1	-	1	2.63%	March 30, 2017
Deposit Substitutes	1	-	1	3.25%	April 3, 2017
Deposit Substitutes	1	-	1	3.00%	April 3, 2017
Deposit Substitutes	2	-	2	2.88%	April 3, 2017
Deposit Substitutes	1	-	1	2.88%	April 3, 2017
Deposit Substitutes	5	-	5	3.50%	April 4, 2017
Deposit Substitutes	1	-	1	2.63%	April 4, 2017
Deposit Substitutes	1	-	1	3.25%	April 6, 2017
Deposit Substitutes	8	-	8	3.50%	April 6, 2017
Deposit Substitutes	1	-	1	2.88%	April 6, 2017

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	0	-	0	2.88%	April 6, 2017
Deposit Substitutes	2	-	2	2.63%	April 6, 2017
Deposit Substitutes	10	-	10	3.00%	April 10, 2017
Deposit Substitutes	1	-	1	3.25%	April 10, 2017
Deposit Substitutes	1	-	1	3.25%	April 10, 2017
Deposit Substitutes	1	-	1	3.25%	April 10, 2017
Deposit Substitutes	3	-	3	3.25%	April 10, 2017
Deposit Substitutes	1	-	1	3.25%	April 10, 2017
Deposit Substitutes	6	-	6	2.88%	April 10, 2017
Deposit Substitutes	6	-	6	2.88%	April 10, 2017
Deposit Substitutes	1	-	1	2.63%	April 13, 2017
Deposit Substitutes	10	-	10	2.88%	April 13, 2017
Deposit Substitutes	3	-	3	3.25%	April 17, 2017
Deposit Substitutes	4	-	4	3.50%	April 17, 2017
Deposit Substitutes	3	-	3	2.88%	April 17, 2017
Deposit Substitutes	6	-	6	3.38%	April 20, 2017
Deposit Substitutes	4	-	4	2.88%	April 20, 2017
Deposit Substitutes	1	-	1	2.88%	April 20, 2017
Deposit Substitutes	1	-	1	2.88%	April 20, 2017
Deposit Substitutes	10	-	10	3.00%	April 24, 2017
Deposit Substitutes	1	-	1	3.25%	April 24, 2017
Deposit Substitutes	1	-	1	3.25%	April 24, 2017
Deposit Substitutes	5	-	5	3.38%	April 24, 2017
Deposit Substitutes	1	-	1	3.25%	April 24, 2017
Deposit Substitutes	5	-	5	2.88%	April 24, 2017
Deposit Substitutes	1	-	1	2.63%	April 24, 2017
Deposit Substitutes	1	-	1	2.63%	April 24, 2017
Deposit Substitutes	2	-	2	2.63%	April 24, 2017
Deposit Substitutes	2	-	2	2.63%	April 24, 2017
Deposit Substitutes	2	-	2	2.63%	April 24, 2017
Deposit Substitutes	10	-	10	2.75%	April 25, 2017
Deposit Substitutes	11	-	11	2.75%	April 26, 2017
Deposit Substitutes	20	-	20	3.00%	April 27, 2017
Deposit Substitutes	3	-	3	3.25%	April 27, 2017
Deposit Substitutes	1	-	1	3.25%	April 27, 2017
Deposit Substitutes	1	-	1	2.88%	April 27, 2017
Deposit Substitutes	4	-	4	3.38%	May 2, 2017
Deposit Substitutes	2	-	2	3.25%	May 2, 2017
Deposit Substitutes	1	-	1	3.50%	May 2, 2017
Deposit Substitutes	7	-	7	2.88%	May 2, 2017
Deposit Substitutes	10	-	10	3.00%	May 3, 2017
Deposit Substitutes	10	-	10	3.00%	May 4, 2017
Deposit Substitutes	10	-	10	3.50%	May 4, 2017
Deposit Substitutes	3	-	3	3.38%	May 4, 2017
Deposit Substitutes	1	-	1	2.88%	May 4, 2017

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	10	-	10	3.00%	May 5, 2017
Deposit Substitutes	2	-	2	3.25%	May 8, 2017
Deposit Substitutes	2	-	2	3.25%	May 8, 2017
Deposit Substitutes	5	-	5	3.38%	May 8, 2017
Deposit Substitutes	1	-	1	3.25%	May 8, 2017
Deposit Substitutes	2	-	2	2.88%	May 8, 2017
Deposit Substitutes	2	-	2	2.88%	May 8, 2017
Deposit Substitutes	2	-	2	2.88%	May 8, 2017
Deposit Substitutes	1	-	1	2.88%	May 8, 2017
Deposit Substitutes	2	-	2	2.63%	May 8, 2017
Deposit Substitutes	10	-	10	2.75%	May 8, 2017
Deposit Substitutes	10	-	10	2.75%	May 8, 2017
Deposit Substitutes	3	-	3	3.25%	May 9, 2017
Deposit Substitutes	11	-	11	2.75%	May 9, 2017
Deposit Substitutes	1	-	1	2.63%	May 9, 2017
Deposit Substitutes	1	-	1	2.63%	May 9, 2017
Deposit Substitutes	4	-	4	3.50%	May 11, 2017
Deposit Substitutes	6	-	6	3.50%	May 11, 2017
Deposit Substitutes	10	-	10	3.50%	May 11, 2017
Deposit Substitutes	1	-	1	3.25%	May 15, 2017
Deposit Substitutes	1	-	1	3.25%	May 15, 2017
Deposit Substitutes	1	-	1	3.25%	May 15, 2017
Deposit Substitutes	10	-	10	3.50%	May 15, 2017
Deposit Substitutes	2	-	2	3.25%	May 15, 2017
Deposit Substitutes	1	-	1	3.25%	May 15, 2017
Deposit Substitutes	1	-	1	2.88%	May 15, 2017
Deposit Substitutes	3	-	3	2.63%	May 15, 2017
Deposit Substitutes	5	-	5	2.75%	May 15, 2017
Deposit Substitutes	6	-	6	3.50%	May 16, 2017
Deposit Substitutes	6	-	6	3.50%	May 16, 2017
Deposit Substitutes	1	-	1	3.25%	May 16, 2017
Deposit Substitutes	2	-	2	2.75%	May 16, 2017
Deposit Substitutes	2	-	2	3.25%	May 18, 2017
Deposit Substitutes	1	-	1	2.88%	May 18, 2017
Deposit Substitutes	1	-	1	2.88%	May 18, 2017
Deposit Substitutes	1	-	1	2.88%	May 18, 2017
Deposit Substitutes	1	-	1	3.25%	May 22, 2017
Deposit Substitutes	3	-	3	3.50%	May 22, 2017
Deposit Substitutes	1	-	1	2.88%	May 22, 2017
Deposit Substitutes	5	-	5	2.75%	May 22, 2017
Deposit Substitutes	2	-	2	2.63%	May 24, 2017
Deposit Substitutes	3	-	3	2.63%	May 24, 2017
Deposit Substitutes	1	-	1	3.25%	May 25, 2017
Deposit Substitutes	4	-	4	2.63%	May 25, 2017
Deposit Substitutes	6	-	6	2.75%	May 25, 2017

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	21	-	21	3.00%	May 26, 2017
Deposit Substitutes	29	-	28	3.00%	May 26, 2017
Deposit Substitutes	1	-	1	3.38%	May 29, 2017
Deposit Substitutes	5	-	5	3.38%	May 29, 2017
Deposit Substitutes	2	-	2	3.38%	June 1, 2017
Deposit Substitutes	2	-	2	3.38%	June 1, 2017
Deposit Substitutes	2	-	2	3.50%	June 1, 2017
Deposit Substitutes	5	-	5	2.88%	June 1, 2017
Deposit Substitutes	1	-	1	2.88%	June 1, 2017
Deposit Substitutes	2	-	2	2.63%	June 1, 2017
Deposit Substitutes	1	-	1	2.63%	June 1, 2017
Deposit Substitutes	10	-	10	3.00%	June 5, 2017
Deposit Substitutes	2	-	2	3.38%	June 5, 2017
Deposit Substitutes	2	-	2	3.38%	June 5, 2017
Deposit Substitutes	1	-	1	3.25%	June 5, 2017
Deposit Substitutes	3	-	3	2.88%	June 5, 2017
Deposit Substitutes	5	-	5	2.88%	June 5, 2017
Deposit Substitutes	1	-	1	2.88%	June 5, 2017
Deposit Substitutes	3	-	3	2.63%	June 7, 2017
Deposit Substitutes	1	-	1	3.50%	June 8, 2017
Deposit Substitutes	7	-	7	2.88%	June 8, 2017
Deposit Substitutes	1	-	1	3.50%	June 13, 2017
Deposit Substitutes	3	-	3	3.50%	June 13, 2017
Deposit Substitutes	3	-	3	3.50%	June 14, 2017
Deposit Substitutes	2	-	2	3.25%	June 15, 2017
Deposit Substitutes	8	-	8	3.50%	June 15, 2017
Deposit Substitutes	6	-	6	2.75%	June 15, 2017
Deposit Substitutes	7	-	7	2.88%	June 19, 2017
Deposit Substitutes	1	-	1	2.88%	June 19, 2017
Deposit Substitutes	2	-	2	2.88%	June 19, 2017
Deposit Substitutes	5	-	5	2.88%	June 19, 2017
Deposit Substitutes	2	-	2	2.88%	June 19, 2017
Deposit Substitutes	2	-	2	2.88%	June 22, 2017
Deposit Substitutes	1	-	1	2.88%	June 26, 2017
Deposit Substitutes	5	-	5	2.88%	June 26, 2017
Deposit Substitutes	10	-	10	3.00%	June 28, 2017
Deposit Substitutes	1	-	1	2.88%	July 3, 2017
Deposit Substitutes	2	-	2	2.88%	July 3, 2017
Deposit Substitutes	2	-	2	2.88%	July 3, 2017
Deposit Substitutes	1	-	1	3.35%	July 6, 2017
Deposit Substitutes	1	-	1	3.35%	July 6, 2017
Deposit Substitutes	1	-	1	3.35%	July 6, 2017
Deposit Substitutes	1	-	1	3.35%	July 10, 2017
Deposit Substitutes	4	-	4	3.47%	July 10, 2017
Deposit Substitutes	1	-	1	2.88%	July 13, 2017

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	1	-	1	3.50%	July 17, 2017
Deposit Substitutes	29	-	29	3.50%	July 17, 2017
Deposit Substitutes	1	-	1	3.50%	July 18, 2017
Deposit Substitutes	3	-	3	3.50%	July 27, 2017
Deposit Substitutes	1	-	1	2.88%	July 27, 2017
Deposit Substitutes	1	-	1	2.88%	July 27, 2017
Deposit Substitutes	2	-	2	2.88%	July 31, 2017
Deposit Substitutes	1	-	1	2.88%	July 31, 2017
Deposit Substitutes	10	-	10	3.50%	August 4, 2017
Deposit Substitutes	3	-	3	2.88%	August 14, 2017
Deposit Substitutes	28	-	28	3.50%	August 17, 2017
Deposit Substitutes	5	-	5	2.85%	August 21, 2017
Deposit Substitutes	1	-	1	3.50%	August 22, 2017
Deposit Substitutes	1	-	1	2.85%	August 22, 2017
Deposit Substitutes	1	-	1	3.50%	August 29, 2017
Deposit Substitutes	5	-	5	2.88%	August 29, 2017
Deposit Substitutes	2	-	2	2.88%	August 31, 2017
Deposit Substitutes	1	-	1	2.88%	September 5, 2017
Deposit Substitutes	13	-	12	3.63%	September 6, 2017
Deposit Substitutes	4	-	4	2.88%	September 11, 2017
Deposit Substitutes	4	-	4	3.13%	September 18, 2017
Deposit Substitutes	1	-	1	3.13%	September 18, 2017
Deposit Substitutes	1	-	1	3.13%	September 18, 2017
Deposit Substitutes	1	-	1	3.13%	September 18, 2017
Deposit Substitutes	2	-	2	3.13%	September 21, 2017
Deposit Substitutes	10	-	10	3.13%	September 21, 2017
Deposit Substitutes	5	-	5	3.13%	September 21, 2017
Deposit Substitutes	2	-	2	3.13%	September 25, 2017
Deposit Substitutes	2	-	2	3.13%	September 25, 2017
Deposit Substitutes	12	-	12	3.13%	September 26, 2017
Deposit Substitutes	7	-	7	3.13%	September 26, 2017
Deposit Substitutes	2	-	2	3.13%	September 26, 2017
Deposit Substitutes	3	-	3	3.13%	October 2, 2017
Deposit Substitutes	1	-	1	3.13%	October 2, 2017
Deposit Substitutes	1	-	1	3.13%	October 2, 2017
Deposit Substitutes	2	-	2	3.13%	October 2, 2017
Deposit Substitutes	2	-	2	3.13%	October 2, 2017
Deposit Substitutes	15	-	15	3.13%	October 3, 2017
Deposit Substitutes	1	-	1	3.13%	October 5, 2017
Deposit Substitutes	5	-	5	3.13%	October 5, 2017
Deposit Substitutes	3	-	3	3.50%	October 9, 2017
Deposit Substitutes	15	-	15	3.13%	October 12, 2017
Deposit Substitutes	1	-	1	3.13%	October 12, 2017
Deposit Substitutes	1	-	1	3.13%	October 19, 2017

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	3	-	3	3.50%	October 23, 2017
Deposit Substitutes	1	-	1	3.50%	October 23, 2017
Deposit Substitutes	3	-	3	3.50%	October 23, 2017
Deposit Substitutes	0	-	0	3.50%	October 23, 2017
Deposit Substitutes	2	-	2	3.13%	October 23, 2017
Deposit Substitutes	1	-	1	3.13%	October 30, 2017
Deposit Substitutes	1	-	1	3.13%	October 30, 2017
Deposit Substitutes	10	-	10	3.13%	October 30, 2017
Deposit Substitutes	2	-	2	3.13%	October 30, 2017
Deposit Substitutes	5	-	5	3.13%	October 30, 2017
Deposit Substitutes	1	-	1	3.75%	October 31, 2017
Deposit Substitutes	1	-	1	3.13%	October 31, 2017
Deposit Substitutes	1	-	1	3.13%	November 6, 2017
Deposit Substitutes	5	-	5	3.13%	November 7, 2017
Deposit Substitutes	2	-	2	3.13%	November 7, 2017
Deposit Substitutes	6	-	6	3.13%	November 7, 2017
Deposit Substitutes	2	-	2	3.13%	November 7, 2017
Deposit Substitutes	6	-	6	3.13%	November 7, 2017
Deposit Substitutes	1	-	1	3.13%	November 7, 2017
Deposit Substitutes	2	-	2	3.13%	November 7, 2017
Deposit Substitutes	15	-	15	3.13%	November 7, 2017
Deposit Substitutes	8	-	8	3.13%	November 7, 2017
Deposit Substitutes	2	-	2	3.13%	November 7, 2017
Deposit Substitutes	1	-	1	3.13%	November 7, 2017
Deposit Substitutes	2	-	2	3.13%	November 7, 2017
Deposit Substitutes	20	-	20	3.13%	November 7, 2017
Deposit Substitutes	2	-	2	3.13%	November 8, 2017
Deposit Substitutes	2	-	2	3.50%	November 9, 2017
Deposit Substitutes	3	-	3	3.13%	November 9, 2017
Deposit Substitutes	7	-	7	3.13%	November 9, 2017
Deposit Substitutes	2	-	2	3.13%	November 9, 2017
Deposit Substitutes	2	-	2	3.13%	November 9, 2017
Deposit Substitutes	2	-	2	3.13%	November 9, 2017
Deposit Substitutes	3	-	3	3.13%	November 9, 2017
Deposit Substitutes	3	-	3	3.13%	November 10, 2017
Deposit Substitutes	2	-	2	3.13%	November 13, 2017
Deposit Substitutes	5	-	5	3.13%	November 13, 2017
Deposit Substitutes	6	-	6	3.50%	November 20, 2017
Deposit Substitutes	2	-	2	3.50%	November 20, 2017
Deposit Substitutes	20	-	20	3.13%	November 22, 2017
Deposit Substitutes	3	-	3	3.50%	November 27, 2017
Deposit Substitutes	2	-	2	3.13%	November 27, 2017
Deposit Substitutes	3	-	3	3.13%	November 27, 2017
Deposit Substitutes	4	-	4	3.13%	November 27, 2017
Deposit Substitutes	3	-	3	3.13%	November 29, 2017

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	3	-	3	3.13%	November 29, 2017
Deposit Substitutes	1	-	1	3.13%	November 29, 2017
Deposit Substitutes	1	-	1	3.60%	December 4, 2017
Deposit Substitutes	5	-	5	3.60%	December 4, 2017
Deposit Substitutes	3	-	3	3.60%	December 4, 2017
Deposit Substitutes	2	-	2	3.60%	December 11, 2017
Deposit Substitutes	5	-	5	3.13%	December 11, 2017
Deposit Substitutes	4	-	4	3.60%	December 14, 2017
Deposit Substitutes	1	-	1	3.60%	December 14, 2017
Deposit Substitutes	1	-	1	3.60%	December 14, 2017
Deposit Substitutes	2	-	2	3.60%	January 3, 2018
Deposit Substitutes	3	-	3	3.88%	January 8, 2018
Deposit Substitutes	5	-	5	3.88%	January 8, 2018
Deposit Substitutes	5	-	5	3.88%	January 8, 2018
Deposit Substitutes	3	-	3	3.88%	January 8, 2018
Deposit Substitutes	5	-	5	3.88%	January 8, 2018
Deposit Substitutes	3	-	3	3.88%	January 8, 2018
Deposit Substitutes	2	-	2	3.88%	January 8, 2018
Deposit Substitutes	1	-	1	3.88%	January 8, 2018
Deposit Substitutes	1	-	1	3.88%	January 8, 2018
Deposit Substitutes	5	-	5	3.88%	January 8, 2018
Deposit Substitutes	1	-	1	3.88%	January 8, 2018
Deposit Substitutes	5	-	5	3.88%	January 8, 2018
Deposit Substitutes	1	-	1	3.88%	January 8, 2018
Deposit Substitutes	32	-	32	3.88%	January 8, 2018
Deposit Substitutes	10	-	10	3.88%	January 8, 2018
Deposit Substitutes	1	-	1	3.88%	January 8, 2018
Deposit Substitutes	10	-	10	3.88%	January 8, 2018
Deposit Substitutes	5	-	5	3.88%	January 9, 2018
Deposit Substitutes	10	-	10	3.88%	January 9, 2018
Deposit Substitutes	2	-	2	3.88%	January 9, 2018
Deposit Substitutes	2	-	2	3.88%	January 9, 2018
Deposit Substitutes	1	-	1	3.88%	January 9, 2018
Deposit Substitutes	3	-	3	3.88%	January 9, 2018
Deposit Substitutes	1	-	1	3.88%	January 9, 2018
Deposit Substitutes	3	-	3	3.88%	January 9, 2018
Deposit Substitutes	41	-	41	3.88%	January 9, 2018
Deposit Substitutes	2	-	2	3.88%	January 9, 2018
Deposit Substitutes	10	-	10	3.88%	January 11, 2018
Deposit Substitutes	2	-	2	3.88%	January 11, 2018
Deposit Substitutes	1	-	1	3.88%	January 11, 2018
Deposit Substitutes	1	-	1	3.88%	January 11, 2018
Deposit Substitutes	2	-	2	3.88%	January 11, 2018
Deposit Substitutes	9	-	9	3.88%	January 11, 2018
Deposit Substitutes	2	-	2	3.88%	January 11, 2018

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	5	-	5	3.88%	January 15, 2018
Deposit Substitutes	9	-	9	3.88%	January 15, 2018
Deposit Substitutes	3	-	3	3.88%	January 15, 2018
Deposit Substitutes	2	-	2	3.88%	January 15, 2018
Deposit Substitutes	2	-	2	3.88%	January 15, 2018
Deposit Substitutes	25	-	25	3.88%	January 15, 2018
Deposit Substitutes	2	-	2	3.88%	January 15, 2018
Deposit Substitutes	1	-	1	3.88%	January 15, 2018
Deposit Substitutes	25	-	25	3.88%	January 15, 2018
Deposit Substitutes	10	-	10	3.88%	January 15, 2018
Deposit Substitutes	2	-	2	3.88%	January 15, 2018
Deposit Substitutes	2	-	2	3.88%	January 15, 2018
Deposit Substitutes	1	-	1	3.88%	January 15, 2018
Deposit Substitutes	3	-	3	3.88%	January 15, 2018
Deposit Substitutes	1	-	1	3.88%	January 15, 2018
Deposit Substitutes	8	-	8	3.88%	January 15, 2018
Deposit Substitutes	1	-	1	3.88%	January 15, 2018
Deposit Substitutes	1	-	1	3.88%	January 15, 2018
Deposit Substitutes	6	-	6	3.88%	January 15, 2018
Deposit Substitutes	3	-	3	3.88%	January 22, 2018
Deposit Substitutes	4	-	4	3.88%	January 22, 2018
Deposit Substitutes	20	-	20	3.88%	January 22, 2018
Deposit Substitutes	2	-	2	3.88%	January 22, 2018
Deposit Substitutes	2	-	2	3.88%	January 22, 2018
Deposit Substitutes	2	-	2	3.88%	January 22, 2018
Deposit Substitutes	3	-	3	3.88%	January 22, 2018
Deposit Substitutes	2	-	2	3.88%	January 22, 2018
Deposit Substitutes	2	-	2	3.88%	January 22, 2018
Deposit Substitutes	1	-	1	3.88%	January 22, 2018
Deposit Substitutes	22	-	22	3.88%	January 22, 2018
Deposit Substitutes	6	-	6	3.88%	January 22, 2018
Deposit Substitutes	1	-	1	3.88%	January 22, 2018
Deposit Substitutes	5	-	5	3.98%	January 22, 2018
Deposit Substitutes	5	-	5	3.88%	January 22, 2018
Deposit Substitutes	5	-	5	3.88%	January 22, 2018
Deposit Substitutes	5	-	5	3.88%	January 22, 2018
Deposit Substitutes	2	-	2	3.88%	January 22, 2018
Deposit Substitutes	2	-	2	3.88%	January 22, 2018
Deposit Substitutes	58	-	58	3.88%	January 22, 2018
Deposit Substitutes	4	-	4	3.88%	January 22, 2018
Deposit Substitutes	3	-	3	3.88%	January 22, 2018
Deposit Substitutes	4	-	4	3.88%	January 22, 2018
Deposit Substitutes	11	-	11	3.88%	January 22, 2018
Deposit Substitutes	1	-	1	3.88%	January 22, 2018
Deposit Substitutes	2	-	2	3.88%	January 22, 2018

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	10	-	10	3.88%	January 22, 2018
Deposit Substitutes	2	-	2	3.88%	January 22, 2018
Deposit Substitutes	1	-	1	3.88%	January 22, 2018
Deposit Substitutes	20	-	20	3.88%	January 23, 2018
Deposit Substitutes	1	-	1	3.88%	January 23, 2018
Deposit Substitutes	3	-	3	3.88%	January 23, 2018
Deposit Substitutes	10	-	10	3.88%	January 23, 2018
Deposit Substitutes	3	-	3	3.88%	January 25, 2018
Deposit Substitutes	2	-	2	3.88%	January 25, 2018
Deposit Substitutes	2	-	2	3.88%	January 25, 2018
Deposit Substitutes	1	-	1	3.88%	January 29, 2018
Deposit Substitutes	6	-	6	3.88%	January 29, 2018
Deposit Substitutes	1	-	1	3.88%	January 29, 2018
Deposit Substitutes	1	-	1	3.88%	January 29, 2018
Deposit Substitutes	3	-	3	3.88%	January 29, 2018
Deposit Substitutes	5	-	5	3.88%	January 29, 2018
Deposit Substitutes	2	-	2	3.88%	January 29, 2018
Deposit Substitutes	1	-	1	3.88%	January 29, 2018
Deposit Substitutes	8	-	8	3.88%	January 29, 2018
Deposit Substitutes	1	-	1	3.88%	January 29, 2018
Deposit Substitutes	1	-	1	3.88%	January 29, 2018
Deposit Substitutes	1	-	1	3.88%	January 29, 2018
Deposit Substitutes	3	-	3	3.88%	January 29, 2018
Deposit Substitutes	2	-	2	3.88%	January 29, 2018
Deposit Substitutes	3	-	3	3.88%	January 29, 2018
Deposit Substitutes	1	-	1	3.88%	January 29, 2018
Deposit Substitutes	2	-	2	3.88%	January 29, 2018
Deposit Substitutes	2	-	2	3.88%	January 29, 2018
Deposit Substitutes	5	-	5	3.88%	January 29, 2018
Deposit Substitutes	10	-	10	3.88%	January 29, 2018
Deposit Substitutes	1	-	1	3.88%	January 29, 2018
Deposit Substitutes	1	-	1	3.88%	January 29, 2018
Deposit Substitutes	6	-	6	3.88%	January 29, 2018
Deposit Substitutes	1	-	1	3.88%	January 29, 2018
Deposit Substitutes	2	-	2	3.88%	January 29, 2018
Deposit Substitutes	2	-	2	3.88%	January 29, 2018
Deposit Substitutes	1	-	1	3.88%	January 30, 2018
Deposit Substitutes	8	-	8	3.88%	January 30, 2018
Deposit Substitutes	3	-	3	3.88%	January 30, 2018
Deposit Substitutes	5	-	5	3.88%	January 30, 2018
Deposit Substitutes	1	-	1	3.88%	January 30, 2018
Deposit Substitutes	1	-	1	3.88%	January 30, 2018
Deposit Substitutes	5	-	5	3.88%	January 30, 2018
Deposit Substitutes	5	-	5	3.88%	January 30, 2018
Deposit Substitutes	3	-	3	3.88%	January 30, 2018

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	2	-	2	3.88%	January 30, 2018
Deposit Substitutes	2	-	2	3.88%	February 5, 2018
Deposit Substitutes	2	-	2	3.88%	February 5, 2018
Deposit Substitutes	1	-	1	3.88%	February 5, 2018
Deposit Substitutes	2	-	2	3.88%	February 5, 2018
Deposit Substitutes	3	-	3	3.88%	February 5, 2018
Deposit Substitutes	7	-	7	3.88%	February 5, 2018
Deposit Substitutes	1	-	1	3.88%	February 5, 2018
Deposit Substitutes	1	-	1	3.88%	February 5, 2018
Deposit Substitutes	1	-	1	3.88%	February 5, 2018
Deposit Substitutes	1	-	1	3.88%	February 5, 2018
Deposit Substitutes	5	-	5	3.88%	February 5, 2018
Deposit Substitutes	1	-	1	3.88%	February 5, 2018
Deposit Substitutes	12	-	12	3.88%	February 5, 2018
Deposit Substitutes	1	-	1	3.88%	February 5, 2018
Deposit Substitutes	1	-	1	3.88%	February 5, 2018
Deposit Substitutes	1	-	1	3.88%	February 5, 2018
Deposit Substitutes	8	-	8	3.88%	February 5, 2018
Deposit Substitutes	2	-	2	3.88%	February 5, 2018
Deposit Substitutes	0	-	0	4.00%	February 5, 2018
Deposit Substitutes	2	-	2	3.88%	February 5, 2018
Deposit Substitutes	10	-	10	3.88%	February 5, 2018
Deposit Substitutes	1	-	1	3.88%	February 5, 2018
Deposit Substitutes	5	-	5	3.88%	February 5, 2018
Deposit Substitutes	1	-	1	3.88%	February 5, 2018
Deposit Substitutes	3	-	3	3.88%	February 5, 2018
Deposit Substitutes	2	-	2	3.88%	February 5, 2018
Deposit Substitutes	1	-	1	3.88%	February 5, 2018
Deposit Substitutes	6	-	6	3.88%	February 5, 2018
Deposit Substitutes	3	-	3	3.88%	February 5, 2018
Deposit Substitutes	8	-	8	3.88%	February 5, 2018
Deposit Substitutes	2	-	2	3.88%	February 5, 2018
Deposit Substitutes	1	-	1	3.88%	February 5, 2018
Deposit Substitutes	1	-	1	3.88%	February 5, 2018
Deposit Substitutes	1	-	1	3.88%	February 5, 2018
Deposit Substitutes	2	-	2	3.88%	February 5, 2018
Deposit Substitutes	2	-	2	3.88%	February 5, 2018
Deposit Substitutes	1	-	1	3.88%	February 5, 2018
Deposit Substitutes	2	-	2	3.88%	February 5, 2018
Deposit Substitutes	22	-	22	3.88%	February 5, 2018
Deposit Substitutes	1	-	1	3.88%	February 5, 2018
Deposit Substitutes	2	-	2	3.80%	February 6, 2018
Deposit Substitutes	1	-	1	3.88%	February 6, 2018
Deposit Substitutes	1	-	1	3.88%	February 6, 2018

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	1	-	1	3.88%	February 6, 2018
Deposit Substitutes	7	-	7	3.88%	February 8, 2018
Deposit Substitutes	2	-	2	3.88%	February 8, 2018
Deposit Substitutes	3	-	3	3.88%	February 8, 2018
Deposit Substitutes	5	-	5	3.88%	February 8, 2018
Deposit Substitutes	2	-	2	3.88%	February 8, 2018
Deposit Substitutes	2	-	2	3.88%	February 8, 2018
Deposit Substitutes	2	-	2	3.88%	February 8, 2018
Deposit Substitutes	2	-	2	3.88%	February 8, 2018
Deposit Substitutes	5	-	5	3.88%	February 12, 2018
Deposit Substitutes	13	-	13	3.88%	February 12, 2018
Deposit Substitutes	1	-	1	3.88%	February 12, 2018
Deposit Substitutes	2	-	2	3.88%	February 12, 2018
Deposit Substitutes	2	-	2	3.88%	February 12, 2018
Deposit Substitutes	5	-	5	3.88%	February 12, 2018
Deposit Substitutes	3	-	3	3.88%	February 12, 2018
Deposit Substitutes	3	-	3	3.88%	February 12, 2018
Deposit Substitutes	2	-	2	3.88%	February 12, 2018
Deposit Substitutes	10	-	10	3.88%	February 12, 2018
Deposit Substitutes	3	-	3	3.88%	February 12, 2018
Deposit Substitutes	9	-	9	3.88%	February 12, 2018
Deposit Substitutes	10	-	10	3.88%	February 12, 2018
Deposit Substitutes	1	-	1	3.88%	February 12, 2018
Deposit Substitutes	9	-	9	3.88%	February 12, 2018
Deposit Substitutes	9	-	9	3.88%	February 12, 2018
Deposit Substitutes	10	-	10	3.88%	February 12, 2018
Deposit Substitutes	8	-	8	3.88%	February 12, 2018
Deposit Substitutes	1	-	1	3.88%	February 12, 2018
Deposit Substitutes	3	-	3	3.88%	February 12, 2018
Deposit Substitutes	2	-	2	3.88%	February 12, 2018
Deposit Substitutes	1	-	1	3.88%	February 12, 2018
Deposit Substitutes	5	-	5	3.88%	February 12, 2018
Deposit Substitutes	25	-	25	3.88%	February 13, 2018
Deposit Substitutes	2	-	2	3.88%	February 13, 2018
Deposit Substitutes	15	-	15	3.88%	February 13, 2018
Deposit Substitutes	5	-	5	3.88%	February 13, 2018
Deposit Substitutes	4	-	4	3.88%	February 13, 2018
Deposit Substitutes	1	-	1	3.88%	February 13, 2018
Deposit Substitutes	5	-	5	3.75%	February 15, 2018
Deposit Substitutes	4	-	4	3.88%	February 15, 2018
Deposit Substitutes	1	-	1	3.88%	February 15, 2018
Deposit Substitutes	1	-	1	3.88%	February 15, 2018
Deposit Substitutes	8	-	8	3.75%	February 19, 2018
Deposit Substitutes	5	-	5	3.75%	February 19, 2018
Deposit Substitutes	15	-	15	3.88%	February 19, 2018

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	15	-	15	3.88%	February 19, 2018
Deposit Substitutes	4	-	4	3.75%	February 19, 2018
Deposit Substitutes	11	-	11	3.75%	February 19, 2018
Deposit Substitutes	1	-	1	3.75%	February 19, 2018
Deposit Substitutes	2	-	2	3.75%	February 19, 2018
Deposit Substitutes	10	-	10	3.75%	February 19, 2018
Deposit Substitutes	5	-	5	3.75%	February 19, 2018
Deposit Substitutes	2	-	2	4.00%	February 19, 2018
Deposit Substitutes	3	-	3	3.75%	February 19, 2018
Deposit Substitutes	1	-	1	3.75%	February 19, 2018
Deposit Substitutes	1	-	1	3.75%	February 20, 2018
Deposit Substitutes	10	-	10	3.75%	February 20, 2018
Deposit Substitutes	1	-	1	3.75%	February 20, 2018
Deposit Substitutes	5	-	5	3.75%	February 20, 2018
Deposit Substitutes	5	-	5	3.75%	February 20, 2018
Deposit Substitutes	8	-	8	3.75%	February 22, 2018
Deposit Substitutes	7	-	7	3.75%	February 22, 2018
Deposit Substitutes	2	-	2	3.75%	February 22, 2018
Deposit Substitutes	1	-	1	3.75%	February 22, 2018
Deposit Substitutes	2	-	2	3.75%	February 22, 2018
Deposit Substitutes	1	-	1	3.75%	February 22, 2018
Deposit Substitutes	1	-	1	3.75%	February 22, 2018
Deposit Substitutes	3	-	3	3.75%	February 26, 2018
Deposit Substitutes	3	-	3	3.75%	February 26, 2018
Deposit Substitutes	1	-	1	3.75%	February 26, 2018
Deposit Substitutes	6	-	6	3.75%	February 26, 2018
Deposit Substitutes	5	-	5	3.75%	February 26, 2018
Deposit Substitutes	1	-	1	3.75%	February 26, 2018
Deposit Substitutes	10	-	10	3.75%	February 26, 2018
Deposit Substitutes	2	-	2	3.75%	February 26, 2018
Deposit Substitutes	3	-	3	3.75%	February 26, 2018
Deposit Substitutes	2	-	2	3.75%	February 26, 2018
Deposit Substitutes	3	-	3	3.75%	February 26, 2018
Deposit Substitutes	6	-	6	3.75%	March 1, 2018
Deposit Substitutes	1	-	1	3.75%	March 1, 2018
Deposit Substitutes	2	-	2	3.75%	March 1, 2018
Deposit Substitutes	2	-	2	3.75%	March 1, 2018
Deposit Substitutes	5	-	5	3.75%	March 5, 2018
Deposit Substitutes	3	-	3	3.75%	March 5, 2018
Deposit Substitutes	2	-	2	3.75%	March 5, 2018
Deposit Substitutes	2	-	2	3.75%	March 5, 2018
Deposit Substitutes	2	-	2	3.75%	March 5, 2018
Deposit Substitutes	2	-	2	3.75%	March 5, 2018
Deposit Substitutes	1	-	1	3.75%	March 5, 2018
Deposit Substitutes	1	-	1	3.75%	March 5, 2018

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	1	-	1	3.75%	March 5, 2018
Deposit Substitutes	2	-	2	3.75%	March 5, 2018
Deposit Substitutes	2	-	2	3.75%	March 5, 2018
Deposit Substitutes	2	-	2	3.75%	March 5, 2018
Deposit Substitutes	9	-	9	3.75%	March 5, 2018
Deposit Substitutes	1	-	1	3.75%	March 5, 2018
Deposit Substitutes	1	-	1	3.75%	March 5, 2018
Deposit Substitutes	6	-	6	3.75%	March 5, 2018
Deposit Substitutes	1	-	1	3.75%	March 5, 2018
Deposit Substitutes	1	-	1	3.75%	March 5, 2018
Deposit Substitutes	1	-	1	3.75%	March 5, 2018
Deposit Substitutes	5	-	5	3.75%	March 5, 2018
Deposit Substitutes	5	-	5	3.75%	March 5, 2018
Deposit Substitutes	1	-	1	3.75%	March 5, 2018
Deposit Substitutes	2	-	2	3.75%	March 5, 2018
Deposit Substitutes	1	-	1	3.75%	March 5, 2018
Deposit Substitutes	1	-	1	3.75%	March 5, 2018
Deposit Substitutes	30	-	30	3.75%	March 5, 2018
Deposit Substitutes	3	-	3	3.75%	March 5, 2018
Deposit Substitutes	1	-	1	3.75%	March 6, 2018
Deposit Substitutes	6	-	6	3.75%	March 8, 2018
Deposit Substitutes	5	-	5	3.75%	March 8, 2018
Deposit Substitutes	3	-	3	3.75%	March 12, 2018
Deposit Substitutes	2	-	2	3.75%	March 12, 2018
Deposit Substitutes	2	-	2	3.75%	March 12, 2018
Deposit Substitutes	8	-	8	3.75%	March 12, 2018
Deposit Substitutes	8	-	8	3.75%	March 12, 2018
Deposit Substitutes	5	-	5	3.75%	March 12, 2018
Deposit Substitutes	2	-	2	3.75%	March 12, 2018
Deposit Substitutes	1	-	1	3.75%	March 12, 2018
Deposit Substitutes	10	-	10	3.75%	March 12, 2018
Deposit Substitutes	1	-	1	3.75%	March 12, 2018
Deposit Substitutes	12	-	12	3.75%	March 13, 2018
Deposit Substitutes	2	-	2	3.75%	March 13, 2018
Deposit Substitutes	5	-	5	3.75%	March 13, 2018
Deposit Substitutes	2	-	2	3.75%	March 13, 2018
Deposit Substitutes	2	-	2	3.75%	March 13, 2018
Deposit Substitutes	5	-	5	3.75%	March 13, 2018
Deposit Substitutes	2	-	2	3.75%	March 13, 2018
Deposit Substitutes	2	-	2	3.75%	March 13, 2018
Deposit Substitutes	3	-	3	3.75%	March 13, 2018
Deposit Substitutes	4	-	4	3.75%	March 13, 2018
Deposit Substitutes	2	-	2	3.75%	March 15, 2018
Deposit Substitutes	2	-	2	3.75%	March 19, 2018
Deposit Substitutes	3	-	3	3.75%	March 19, 2018

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	2	-	2	3.75%	March 19, 2018
Deposit Substitutes	1	-	1	3.75%	March 19, 2018
Deposit Substitutes	2	-	2	3.75%	March 19, 2018
Deposit Substitutes	7	-	7	3.75%	March 19, 2018
Deposit Substitutes	1	-	1	3.75%	March 19, 2018
Deposit Substitutes	2	-	2	3.75%	March 19, 2018
Deposit Substitutes	14	-	14	3.75%	March 19, 2018
Deposit Substitutes	1	-	1	3.75%	March 19, 2018
Deposit Substitutes	1	-	1	3.75%	March 19, 2018
Deposit Substitutes	22	-	22	3.75%	March 19, 2018
Deposit Substitutes	1	-	1	3.75%	March 19, 2018
Deposit Substitutes	5	-	5	3.75%	March 19, 2018
Deposit Substitutes	4	-	4	3.75%	March 19, 2018
Deposit Substitutes	5	-	5	3.75%	March 19, 2018
Deposit Substitutes	2	-	2	3.75%	March 19, 2018
Deposit Substitutes	10	-	10	3.75%	March 19, 2018
Deposit Substitutes	1	-	1	3.75%	March 19, 2018
Deposit Substitutes	7	-	7	3.75%	March 19, 2018
Deposit Substitutes	2	-	2	3.75%	March 19, 2018
Deposit Substitutes	3	-	3	3.75%	March 19, 2018
Deposit Substitutes	9	-	9	3.75%	March 19, 2018
Deposit Substitutes	6	-	6	3.75%	March 23, 2018
Deposit Substitutes	1	-	1	3.75%	March 23, 2018
Deposit Substitutes	4	-	4	3.75%	March 23, 2018
Deposit Substitutes	5	-	5	3.75%	March 23, 2018
Deposit Substitutes	2	-	2	3.75%	March 23, 2018
Deposit Substitutes	3	-	3	3.75%	March 23, 2018
Deposit Substitutes	5	-	5	3.75%	March 23, 2018
Deposit Substitutes	3	-	3	3.75%	March 23, 2018
Deposit Substitutes	5	-	5	3.75%	March 23, 2018
Deposit Substitutes	1	-	1	3.75%	March 26, 2018
Deposit Substitutes	3	-	3	3.75%	March 26, 2018
Deposit Substitutes	2	-	2	3.75%	March 26, 2018
Deposit Substitutes	12	-	12	3.75%	March 26, 2018
Deposit Substitutes	2	-	2	3.75%	March 26, 2018
Deposit Substitutes	3	-	3	3.75%	March 26, 2018
Deposit Substitutes	1	-	1	3.75%	March 26, 2018
Deposit Substitutes	1	-	1	3.75%	March 27, 2018
Deposit Substitutes	4	-	4	3.75%	March 27, 2018
Deposit Substitutes	1	-	1	3.75%	March 27, 2018
Deposit Substitutes	81	-	81	3.75%	March 27, 2018
Deposit Substitutes	1	-	1	3.75%	March 28, 2018
Deposit Substitutes	3	-	3	3.75%	March 28, 2018
Deposit Substitutes	5	-	5	3.75%	March 28, 2018
Deposit Substitutes	2	-	2	3.75%	March 28, 2018

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	60	-	60	3.75%	March 28, 2018
Deposit Substitutes	5	-	5	3.75%	March 29, 2018
Deposit Substitutes	6	-	6	3.75%	March 29, 2018
Deposit Substitutes	2	-	2	3.75%	March 29, 2018
Deposit Substitutes	5	-	5	3.75%	March 29, 2018
Deposit Substitutes	1	-	1	3.75%	March 29, 2018
Deposit Substitutes	1	-	1	3.75%	March 29, 2018
Deposit Substitutes	5	-	5	3.75%	March 29, 2018
Deposit Substitutes	1	-	1	3.75%	March 29, 2018
Deposit Substitutes	1	-	1	3.75%	March 29, 2018
Deposit Substitutes	1	-	1	3.75%	March 29, 2018
Deposit Substitutes	5	-	5	3.75%	March 29, 2018
Deposit Substitutes	2	-	2	3.75%	April 2, 2018
Deposit Substitutes	3	-	3	3.75%	April 2, 2018
Deposit Substitutes	4	-	4	3.75%	April 2, 2018
Deposit Substitutes	5	-	5	3.75%	April 2, 2018
Deposit Substitutes	7	-	7	3.75%	April 2, 2018
Deposit Substitutes	1	-	1	3.75%	April 2, 2018
Deposit Substitutes	2	-	2	3.75%	April 2, 2018
Deposit Substitutes	7	-	7	3.75%	April 2, 2018
Deposit Substitutes	1	-	1	3.75%	April 2, 2018
Deposit Substitutes	1	-	1	3.75%	April 2, 2018
Deposit Substitutes	1	-	1	3.75%	April 2, 2018
Deposit Substitutes	3	-	3	3.75%	April 2, 2018
Deposit Substitutes	1	-	1	3.75%	April 10, 2018
Deposit Substitutes	1	-	1	3.75%	April 10, 2018
Deposit Substitutes	5	-	5	3.75%	April 10, 2018
Deposit Substitutes	3	-	3	3.75%	April 10, 2018
Deposit Substitutes	1	-	1	3.75%	April 10, 2018
Deposit Substitutes	1	-	1	3.75%	April 10, 2018
Deposit Substitutes	1	-	1	3.75%	April 10, 2018
Deposit Substitutes	1	-	1	3.75%	April 10, 2018
Deposit Substitutes	5	-	5	3.75%	April 10, 2018
Deposit Substitutes	4	-	4	3.75%	April 10, 2018
Deposit Substitutes	5	-	5	3.75%	April 12, 2018
Deposit Substitutes	1	-	1	3.75%	April 12, 2018
Deposit Substitutes	3	-	3	3.75%	April 12, 2018
Deposit Substitutes	2	-	2	3.75%	April 12, 2018
Deposit Substitutes	1	-	1	3.75%	April 16, 2018
Deposit Substitutes	1	-	1	3.75%	April 16, 2018
Deposit Substitutes	2	-	2	3.75%	April 16, 2018
Deposit Substitutes	1	-	1	3.75%	April 16, 2018
Deposit Substitutes	10	-	10	3.75%	April 16, 2018
Deposit Substitutes	5	-	5	3.75%	April 16, 2018

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	4	-	4	3.75%	April 16, 2018
Deposit Substitutes	4	-	4	3.75%	April 16, 2018
Deposit Substitutes	4	-	4	3.75%	April 16, 2018
Deposit Substitutes	2	-	2	3.75%	April 16, 2018
Deposit Substitutes	2	-	2	3.75%	April 16, 2018
Deposit Substitutes	4	-	4	3.75%	April 16, 2018
Deposit Substitutes	1	-	1	3.75%	April 19, 2018
Deposit Substitutes	2	-	2	3.75%	April 19, 2018
Deposit Substitutes	5	-	5	3.75%	April 19, 2018
Deposit Substitutes	2	-	2	3.75%	April 23, 2018
Deposit Substitutes	1	-	1	3.75%	April 23, 2018
Deposit Substitutes	2	-	2	3.75%	April 23, 2018
Deposit Substitutes	1	-	1	3.75%	April 23, 2018
Deposit Substitutes	2	-	2	3.75%	April 23, 2018
Deposit Substitutes	10	-	10	3.75%	April 23, 2018
Deposit Substitutes	2	-	2	3.75%	April 23, 2018
Deposit Substitutes	10	-	10	3.75%	April 23, 2018
Deposit Substitutes	1	-	1	3.75%	April 23, 2018
Deposit Substitutes	11	-	11	3.75%	April 23, 2018
Deposit Substitutes	2	-	2	3.75%	April 23, 2018
Deposit Substitutes	2	-	2	3.75%	April 23, 2018
Deposit Substitutes	10	-	10	3.75%	April 23, 2018
Deposit Substitutes	1	-	1	3.75%	April 23, 2018
Deposit Substitutes	1	-	1	3.75%	April 23, 2018
Deposit Substitutes	11	-	11	3.75%	April 23, 2018
Deposit Substitutes	4	-	4	3.75%	April 23, 2018
Deposit Substitutes	1	-	1	3.75%	April 23, 2018
Deposit Substitutes	1	-	1	3.75%	April 24, 2018
Deposit Substitutes	2	-	2	3.75%	April 26, 2018
Deposit Substitutes	1	-	1	3.75%	April 26, 2018
Deposit Substitutes	1	-	1	3.75%	April 26, 2018
Deposit Substitutes	1	-	1	3.75%	April 26, 2018
Deposit Substitutes	2	-	2	3.75%	April 30, 2018
Deposit Substitutes	2	-	2	3.75%	April 30, 2018
Deposit Substitutes	1	-	1	3.75%	April 30, 2018
Deposit Substitutes	1	-	1	3.75%	April 30, 2018
Deposit Substitutes	5	-	5	3.75%	May 2, 2018
Deposit Substitutes	1	-	1	3.75%	May 2, 2018
Deposit Substitutes	3	-	3	3.75%	May 2, 2018
Deposit Substitutes	1	-	1	3.75%	May 2, 2018
Deposit Substitutes	5	-	5	3.75%	May 2, 2018
Deposit Substitutes	4	-	4	3.75%	May 3, 2018
Deposit Substitutes	3	-	3	3.75%	May 3, 2018
Deposit Substitutes	1	-	1	3.75%	May 3, 2018
Deposit Substitutes	4	-	4	3.75%	May 7, 2018

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	1	-	1	3.75%	May 7, 2018
Deposit Substitutes	2	-	2	3.75%	May 7, 2018
Deposit Substitutes	8	-	8	3.75%	May 7, 2018
Deposit Substitutes	5	-	5	3.75%	May 7, 2018
Deposit Substitutes	3	-	3	3.75%	May 7, 2018
Deposit Substitutes	2	-	2	3.75%	May 7, 2018
Deposit Substitutes	2	-	2	3.75%	May 7, 2018
Deposit Substitutes	3	-	3	3.75%	May 7, 2018
Deposit Substitutes	1	-	1	3.75%	May 7, 2018
Deposit Substitutes	4	-	4	3.75%	May 7, 2018
Deposit Substitutes	20	-	20	3.75%	May 10, 2018
Deposit Substitutes	2	-	2	3.75%	May 10, 2018
Deposit Substitutes	3	-	3	3.75%	May 10, 2018
Deposit Substitutes	1	-	1	3.75%	May 10, 2018
Deposit Substitutes	5	-	5	3.75%	May 10, 2018
Deposit Substitutes	1	-	1	3.75%	May 10, 2018
Deposit Substitutes	3	-	3	3.75%	May 14, 2018
Deposit Substitutes	1	-	1	3.75%	May 14, 2018
Deposit Substitutes	10	-	10	3.75%	May 14, 2018
Deposit Substitutes	10	-	10	3.75%	May 14, 2018
Deposit Substitutes	1	-	1	3.75%	May 14, 2018
Deposit Substitutes	3	-	3	3.75%	May 14, 2018
Deposit Substitutes	3	-	3	3.75%	May 14, 2018
Deposit Substitutes	1	-	1	3.75%	May 14, 2018
Deposit Substitutes	10	-	10	3.75%	May 14, 2018
Deposit Substitutes	2	-	2	3.75%	May 14, 2018
Deposit Substitutes	6	-	6	3.75%	May 14, 2018
Deposit Substitutes	3	-	3	3.75%	May 14, 2018
Deposit Substitutes	5	-	5	3.75%	May 14, 2018
Deposit Substitutes	1	-	1	3.75%	May 14, 2018
Deposit Substitutes	1	-	1	3.75%	May 17, 2018
Deposit Substitutes	60	-	60	3.75%	May 17, 2018
Deposit Substitutes	22	-	22	3.75%	May 21, 2018
Deposit Substitutes	4	-	4	3.75%	May 21, 2018
Deposit Substitutes	2	-	2	3.75%	May 21, 2018
Deposit Substitutes	1	-	1	3.75%	May 21, 2018
Deposit Substitutes	3	-	3	3.75%	May 21, 2018
Deposit Substitutes	3	-	3	3.75%	May 21, 2018
Deposit Substitutes	2	-	2	3.75%	May 21, 2018
Deposit Substitutes	1	-	1	3.75%	May 21, 2018
Deposit Substitutes	1	-	1	3.75%	May 21, 2018
Deposit Substitutes	1	-	1	3.75%	May 21, 2018
Deposit Substitutes	1	-	1	3.75%	May 24, 2018
Deposit Substitutes	3	-	3	3.75%	May 24, 2018
Deposit Substitutes	2	-	2	3.75%	May 24, 2018

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	2	-	2	3.75%	May 24, 2018
Deposit Substitutes	5	-	5	3.75%	May 24, 2018
Deposit Substitutes	3	-	3	3.75%	May 24, 2018
Deposit Substitutes	1	-	1	3.75%	May 24, 2018
Deposit Substitutes	5	-	5	3.75%	May 24, 2018
Deposit Substitutes	1	-	1	3.75%	May 24, 2018
Deposit Substitutes	2	-	2	3.75%	May 24, 2018
Deposit Substitutes	2	-	2	3.75%	May 24, 2018
Deposit Substitutes	3	-	3	3.75%	May 28, 2018
Deposit Substitutes	3	-	3	3.75%	May 28, 2018
Deposit Substitutes	3	-	3	3.75%	May 28, 2018
Deposit Substitutes	1	-	1	3.75%	May 28, 2018
Deposit Substitutes	10	-	10	3.75%	May 28, 2018
Deposit Substitutes	2	-	2	3.75%	May 28, 2018
Deposit Substitutes	3	-	3	3.75%	May 28, 2018
Deposit Substitutes	2	-	2	3.75%	May 28, 2018
Deposit Substitutes	1	-	1	3.75%	May 28, 2018
Deposit Substitutes	1	-	1	3.75%	May 28, 2018
Deposit Substitutes	2	-	2	3.75%	May 28, 2018
Deposit Substitutes	3	-	3	3.75%	May 28, 2018
Deposit Substitutes	1	-	1	3.75%	May 28, 2018
Deposit Substitutes	3	-	3	3.75%	May 28, 2018
Deposit Substitutes	8	-	8	3.75%	May 28, 2018
Deposit Substitutes	1	-	1	3.75%	May 31, 2018
Deposit Substitutes	1	-	1	3.75%	May 31, 2018
Deposit Substitutes	1	-	1	3.75%	May 31, 2018
Deposit Substitutes	1	-	1	3.75%	May 31, 2018
Deposit Substitutes	1	-	1	3.75%	May 31, 2018
Deposit Substitutes	50	-	50	3.75%	May 31, 2018
Deposit Substitutes	2	-	2	3.75%	May 31, 2018
Deposit Substitutes	1	-	1	3.75%	May 31, 2018
Deposit Substitutes	1	-	1	3.75%	May 31, 2018
Deposit Substitutes	1	-	1	3.75%	May 31, 2018
Deposit Substitutes	1	-	1	3.75%	May 31, 2018
Deposit Substitutes	2	-	2	3.75%	May 31, 2018
Deposit Substitutes	1	-	1	3.75%	May 31, 2018
Deposit Substitutes	2	-	2	3.75%	June 1, 2018
Deposit Substitutes	1	-	1	3.75%	June 4, 2018
Deposit Substitutes	1	-	1	3.75%	June 4, 2018
Deposit Substitutes	2	-	2	3.75%	June 4, 2018
Deposit Substitutes	5	-	5	3.75%	June 4, 2018
Deposit Substitutes	1	-	1	3.75%	June 4, 2018
Deposit Substitutes	1	-	1	3.75%	June 4, 2018
Deposit Substitutes	2	-	2	3.75%	June 4, 2018

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	5	-	5	3.75%	June 4, 2018
Deposit Substitutes	1	-	1	3.75%	June 4, 2018
Deposit Substitutes	5	-	5	3.75%	June 4, 2018
Deposit Substitutes	2	-	2	3.75%	June 4, 2018
Deposit Substitutes	2	-	2	3.75%	June 4, 2018
Deposit Substitutes	1	-	1	3.75%	June 4, 2018
Deposit Substitutes	2	-	2	3.75%	June 4, 2018
Deposit Substitutes	1	-	1	3.75%	June 4, 2018
Deposit Substitutes	2	-	2	3.75%	June 8, 2018
Deposit Substitutes	2	-	2	3.75%	June 8, 2018
Deposit Substitutes	5	-	5	3.75%	June 8, 2018
Deposit Substitutes	10	-	10	3.75%	June 11, 2018
Deposit Substitutes	1	-	1	3.75%	June 11, 2018
Deposit Substitutes	1	-	1	3.75%	June 11, 2018
Deposit Substitutes	3	-	3	3.75%	June 11, 2018
Deposit Substitutes	1	-	1	3.75%	June 13, 2018
Deposit Substitutes	1	-	1	3.75%	June 13, 2018
Deposit Substitutes	2	-	2	3.75%	June 13, 2018
Deposit Substitutes	2	-	2	3.75%	June 18, 2018
Deposit Substitutes	2	-	2	3.75%	June 18, 2018
Deposit Substitutes	4	-	4	3.75%	June 18, 2018
Deposit Substitutes	1	-	1	3.75%	June 18, 2018
Deposit Substitutes	1	-	1	3.75%	June 18, 2018
Deposit Substitutes	2	-	2	3.75%	June 18, 2018
Deposit Substitutes	1	-	1	3.75%	June 18, 2018
Deposit Substitutes	16	-	16	3.75%	June 18, 2018
Deposit Substitutes	1	-	1	3.75%	June 18, 2018
Deposit Substitutes	1	-	1	3.75%	June 18, 2018
Deposit Substitutes	4	-	4	3.75%	June 18, 2018
Deposit Substitutes	1	-	1	3.75%	June 18, 2018
Deposit Substitutes	2	-	2	3.75%	June 18, 2018
Deposit Substitutes	2	-	2	3.75%	June 18, 2018
Deposit Substitutes	10	-	10	3.75%	June 18, 2018
Deposit Substitutes	1	-	1	3.75%	June 18, 2018
Deposit Substitutes	3	-	3	3.75%	June 18, 2018
Deposit Substitutes	5	-	5	3.75%	June 18, 2018
Deposit Substitutes	1	-	1	3.75%	June 18, 2018
Deposit Substitutes	1	-	1	3.75%	June 18, 2018
Deposit Substitutes	2	-	2	3.75%	June 18, 2018
Deposit Substitutes	3	-	3	3.75%	June 18, 2018
Deposit Substitutes	4	-	4	3.75%	June 18, 2018
Deposit Substitutes	1	-	1	3.75%	June 18, 2018
Deposit Substitutes	2	-	2	3.75%	June 20, 2018
Deposit Substitutes	10	-	10	3.75%	June 21, 2018
Deposit Substitutes	2	-	2	3.75%	June 21, 2018
Deposit Substitutes	6	-	6	3.75%	June 21, 2018

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	6	-	6	3.75%	June 21, 2018
Deposit Substitutes	50	-	50	3.75%	June 21, 2018
Deposit Substitutes	4	-	4	3.75%	June 21, 2018
Deposit Substitutes	5	-	5	3.75%	June 21, 2018
Deposit Substitutes	1	-	1	3.75%	June 25, 2018
Deposit Substitutes	10	-	10	3.75%	June 25, 2018
Deposit Substitutes	1	-	1	3.75%	June 25, 2018
Deposit Substitutes	10	-	10	3.75%	June 25, 2018
Deposit Substitutes	10	-	10	3.75%	June 25, 2018
Deposit Substitutes	10	-	10	3.75%	June 25, 2018
Deposit Substitutes	1	-	1	3.75%	June 25, 2018
Deposit Substitutes	3	-	3	3.75%	June 25, 2018
Deposit Substitutes	1	-	1	3.75%	June 25, 2018
Deposit Substitutes	1	-	1	3.75%	June 25, 2018
Deposit Substitutes	1	-	1	3.75%	June 25, 2018
Deposit Substitutes	12	-	12	3.75%	June 25, 2018
Deposit Substitutes	1	-	1	3.75%	June 25, 2018
Deposit Substitutes	1	-	1	3.75%	June 25, 2018
Deposit Substitutes	4	-	4	3.75%	June 25, 2018
Deposit Substitutes	3	-	3	3.75%	June 28, 2018
Deposit Substitutes	10	-	10	3.75%	June 28, 2018
Deposit Substitutes	3	-	3	3.75%	June 28, 2018
Deposit Substitutes	2	-	2	3.75%	June 28, 2018
Deposit Substitutes	1	-	1	3.75%	June 28, 2018
Deposit Substitutes	3	-	3	3.75%	June 28, 2018
Deposit Substitutes	2	-	2	3.75%	June 28, 2018
Deposit Substitutes	3	-	3	3.75%	June 28, 2018
Deposit Substitutes	10	-	10	3.75%	July 2, 2018
Deposit Substitutes	3	-	3	3.75%	July 2, 2018
Deposit Substitutes	2	-	2	3.75%	July 2, 2018
Deposit Substitutes	1	-	1	3.75%	July 2, 2018
Deposit Substitutes	10	-	10	3.75%	July 2, 2018
Deposit Substitutes	10	-	10	3.75%	July 2, 2018
Deposit Substitutes	5	-	5	3.75%	July 2, 2018
Deposit Substitutes	5	-	5	3.75%	July 9, 2018
Deposit Substitutes	2	-	2	3.75%	July 12, 2018
Deposit Substitutes	11	-	11	3.75%	July 12, 2018
Deposit Substitutes	2	-	2	3.75%	July 12, 2018
Deposit Substitutes	5	-	5	3.75%	July 12, 2018
Deposit Substitutes	1	-	1	3.75%	July 12, 2018
Deposit Substitutes	2	-	2	3.75%	July 12, 2018
Deposit Substitutes	5	-	5	3.75%	July 12, 2018
Deposit Substitutes	10	-	10	3.75%	July 12, 2018

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	1	-	1	3.75%	July 23, 2018
Deposit Substitutes	1	-	1	3.75%	July 26, 2018
Deposit Substitutes	1	-	1	3.75%	July 26, 2018
Deposit Substitutes	3	-	3	3.75%	July 26, 2018
Deposit Substitutes	3	-	3	3.75%	July 26, 2018
Deposit Substitutes	3	-	3	3.75%	July 26, 2018
Deposit Substitutes	2	-	2	3.75%	July 26, 2018
Deposit Substitutes	1	-	1	3.75%	July 26, 2018
Deposit Substitutes	1	-	1	3.75%	July 26, 2018
Deposit Substitutes	10	-	10	3.75%	July 26, 2018
Deposit Substitutes	5	-	5	3.75%	July 30, 2018
Deposit Substitutes	3	-	3	3.75%	July 30, 2018
Deposit Substitutes	3	-	3	3.75%	July 30, 2018
Deposit Substitutes	1	-	1	3.75%	July 30, 2018
Deposit Substitutes	1	-	1	3.75%	July 30, 2018
Deposit Substitutes	1	-	1	3.75%	July 30, 2018
Deposit Substitutes	4	-	4	3.75%	August 2, 2018
Deposit Substitutes	2	-	2	3.75%	August 2, 2018
Deposit Substitutes	4	-	4	3.75%	August 6, 2018
Deposit Substitutes	10	-	10	3.75%	August 6, 2018
Deposit Substitutes	3	-	3	3.75%	August 6, 2018
Deposit Substitutes	2	-	2	3.75%	August 6, 2018
Deposit Substitutes	3	-	3	3.75%	August 6, 2018
Deposit Substitutes	1	-	1	3.75%	August 13, 2018
Deposit Substitutes	2	-	2	3.75%	August 13, 2018
Deposit Substitutes	1	-	1	3.75%	August 13, 2018
Deposit Substitutes	2	-	2	3.75%	August 13, 2018
Deposit Substitutes	2	-	2	3.85%	August 13, 2018
Deposit Substitutes	1	-	1	3.75%	August 14, 2018
Deposit Substitutes	5	-	5	3.75%	August 14, 2018
Deposit Substitutes	5	-	5	3.75%	August 14, 2018
Deposit Substitutes	2	-	2	3.75%	August 14, 2018
Deposit Substitutes	1	-	1	3.75%	August 14, 2018
Deposit Substitutes	1	-	1	3.75%	August 14, 2018
Deposit Substitutes	5	-	5	3.75%	August 14, 2018
Deposit Substitutes	5	-	5	3.73%	August 20, 2018
Deposit Substitutes	5	-	5	3.73%	August 20, 2018
Deposit Substitutes	1	-	1	3.73%	August 20, 2018
Deposit Substitutes	3	-	3	3.73%	August 22, 2018
Deposit Substitutes	2	-	2	3.75%	August 27, 2018
Deposit Substitutes	1	-	1	3.75%	August 27, 2018
Deposit Substitutes	3	-	3	3.75%	August 27, 2018
Deposit Substitutes	1	-	1	3.75%	August 27, 2018
Deposit Substitutes	1	-	1	3.75%	August 27, 2018

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	1	-	1	3.75%	August 27, 2018
Deposit Substitutes	1	-	1	3.75%	August 27, 2018
Deposit Substitutes	1	-	1	3.75%	August 27, 2018
Deposit Substitutes	1	-	1	3.75%	August 27, 2018
Deposit Substitutes	1	-	1	3.75%	August 27, 2018
Deposit Substitutes	1	-	1	3.75%	August 27, 2018
Deposit Substitutes	1	-	1	3.75%	August 27, 2018
Deposit Substitutes	1	-	1	3.75%	August 27, 2018
Deposit Substitutes	1	-	1	3.75%	August 27, 2018
Deposit Substitutes	1	-	1	3.75%	August 27, 2018
Deposit Substitutes	1	-	1	3.75%	August 27, 2018
Deposit Substitutes	2	-	2	3.75%	August 28, 2018
Deposit Substitutes	1	-	1	3.75%	August 28, 2018
Deposit Substitutes	1	-	1	3.75%	August 28, 2018
Deposit Substitutes	1	-	1	3.75%	August 28, 2018
Deposit Substitutes	1	-	1	3.75%	August 28, 2018
Deposit Substitutes	2	-	2	3.75%	August 28, 2018
Deposit Substitutes	1	-	1	3.75%	August 28, 2018
Deposit Substitutes	2	-	2	3.75%	August 28, 2018
Deposit Substitutes	2	-	2	3.25%	September 3, 2018
Deposit Substitutes	3	-	3	3.75%	September 3, 2018
Deposit Substitutes	5	-	5	3.75%	September 3, 2018
Deposit Substitutes	2	-	2	3.75%	September 3, 2018
Deposit Substitutes	2	-	2	3.75%	September 3, 2018
Deposit Substitutes	9	-	9	3.75%	September 3, 2018
Deposit Substitutes	1	-	1	3.75%	September 3, 2018
Deposit Substitutes	1	-	1	3.75%	September 3, 2018
Deposit Substitutes	1	-	1	3.75%	September 3, 2018
Deposit Substitutes	6	-	6	3.75%	September 6, 2018
Deposit Substitutes	1	-	1	3.75%	September 6, 2018
Deposit Substitutes	1	-	1	3.75%	September 10, 2018
Deposit Substitutes	1	-	1	3.75%	September 10, 2018
Deposit Substitutes	1	-	1	3.75%	September 10, 2018
Deposit Substitutes	1	-	1	3.75%	September 10, 2018
Deposit Substitutes	1	-	1	3.75%	September 10, 2018
Deposit Substitutes	5	-	5	3.75%	September 10, 2018
Deposit Substitutes	1	-	1	3.75%	September 12, 2018
Deposit Substitutes	1	-	1	3.75%	September 17, 2018
Deposit Substitutes	1	-	1	3.75%	September 17, 2018
Deposit Substitutes	2	-	2	3.75%	September 17, 2018
Deposit Substitutes	5	-	5	3.75%	September 17, 2018
Deposit Substitutes	1	-	1	3.75%	September 17, 2018
Deposit Substitutes	3	-	3	3.75%	September 17, 2018
Deposit Substitutes	1	-	1	3.75%	September 17, 2018

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	1	-	1	3.75%	September 20, 2018
Deposit Substitutes	5	-	5	3.75%	September 20, 2018
Deposit Substitutes	1	-	1	3.75%	September 20, 2018
Deposit Substitutes	3	-	3	3.38%	September 24, 2018
Deposit Substitutes	1	-	1	3.75%	September 24, 2018
Deposit Substitutes	3	-	3	3.75%	September 24, 2018
Deposit Substitutes	1	-	1	3.75%	September 24, 2018
Deposit Substitutes	2	-	2	3.75%	September 24, 2018
Deposit Substitutes	1	-	1	3.75%	September 24, 2018
Deposit Substitutes	5	-	5	3.75%	September 24, 2018
Deposit Substitutes	5	-	5	3.75%	September 24, 2018
Deposit Substitutes	1	-	1	3.75%	September 24, 2018
Deposit Substitutes	1	-	1	3.75%	September 24, 2018
Deposit Substitutes	1	-	1	3.75%	September 24, 2018
Deposit Substitutes	2	-	2	3.75%	October 1, 2018
Deposit Substitutes	2	-	2	3.75%	October 1, 2018
Deposit Substitutes	2	-	2	3.75%	October 1, 2018
Deposit Substitutes	1	-	1	3.75%	October 1, 2018
Deposit Substitutes	3	-	3	3.75%	October 1, 2018
Deposit Substitutes	5	-	5	3.75%	October 1, 2018
Deposit Substitutes	5	-	5	3.75%	October 1, 2018
Deposit Substitutes	3	-	3	3.75%	October 1, 2018
Deposit Substitutes	3	-	3	3.75%	October 1, 2018
Deposit Substitutes	2	-	2	3.75%	October 1, 2018
Deposit Substitutes	10	-	10	3.75%	October 1, 2018
Deposit Substitutes	2	-	2	3.75%	October 1, 2018
Deposit Substitutes	20	-	20	3.75%	October 2, 2018
Deposit Substitutes	5	-	5	3.75%	October 4, 2018
Deposit Substitutes	2	-	2	3.75%	October 4, 2018
Deposit Substitutes	1	-	1	3.38%	October 8, 2018
Deposit Substitutes	4	-	4	3.75%	October 8, 2018
Deposit Substitutes	1	-	1	3.75%	October 10, 2018
Deposit Substitutes	2	-	2	3.75%	October 22, 2018
Deposit Substitutes	4	-	4	3.75%	October 22, 2018
Deposit Substitutes	5	-	5	3.75%	October 22, 2018
Deposit Substitutes	1	-	1	3.75%	October 23, 2018
Deposit Substitutes	1	-	1	3.75%	October 23, 2018
Deposit Substitutes	1	-	1	3.75%	October 23, 2018
Deposit Substitutes	5	-	5	3.75%	October 23, 2018
Deposit Substitutes	1	-	1	3.75%	October 23, 2018
Deposit Substitutes	1	-	1	3.75%	October 23, 2018
Deposit Substitutes	1	-	1	3.75%	October 23, 2018
Deposit Substitutes	2	-	2	3.75%	October 23, 2018
Deposit Substitutes	1	-	1	3.75%	October 23, 2018
Deposit Substitutes	2	-	2	3.75%	October 24, 2018

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	3	-	3	3.75%	October 29, 2018
Deposit Substitutes	3	-	3	3.38%	November 5, 2018
Deposit Substitutes	5	-	5	3.75%	November 5, 2018
Deposit Substitutes	5	-	5	3.75%	November 5, 2018
Deposit Substitutes	2	-	2	3.75%	November 5, 2018
Deposit Substitutes	4	-	4	3.75%	November 5, 2018
Deposit Substitutes	1	-	1	3.75%	November 5, 2018
Deposit Substitutes	5	-	5	3.75%	November 5, 2018
Deposit Substitutes	5	-	5	3.75%	November 5, 2018
Deposit Substitutes	7	-	7	3.75%	November 5, 2018
Deposit Substitutes	1	-	1	3.75%	November 5, 2018
Deposit Substitutes	4	-	4	3.75%	November 5, 2018
Deposit Substitutes	2	-	2	3.75%	November 5, 2018
Deposit Substitutes	1	-	1	3.75%	November 5, 2018
Deposit Substitutes	4	-	4	3.75%	November 5, 2018
Deposit Substitutes	1	-	1	3.75%	November 5, 2018
Deposit Substitutes	1	-	1	3.75%	November 6, 2018
Deposit Substitutes	2	-	2	3.75%	November 8, 2018
Deposit Substitutes	5	-	5	3.75%	November 12, 2018
Deposit Substitutes	2	-	2	3.75%	November 12, 2018
Deposit Substitutes	2	-	2	3.75%	November 12, 2018
Deposit Substitutes	5	-	5	3.75%	November 12, 2018
Deposit Substitutes	2	-	2	3.75%	November 12, 2018
Deposit Substitutes	3	-	3	3.75%	November 12, 2018
Deposit Substitutes	5	-	5	3.75%	November 12, 2018
Deposit Substitutes	2	-	2	3.75%	November 12, 2018
Deposit Substitutes	6	-	6	3.75%	November 12, 2018
Deposit Substitutes	1	-	1	3.75%	November 12, 2018
Deposit Substitutes	4	-	4	3.75%	November 26, 2018
Deposit Substitutes	2	-	2	3.75%	November 26, 2018
Deposit Substitutes	2	-	2	3.75%	November 26, 2018
Deposit Substitutes	1	-	1	3.75%	November 26, 2018
Deposit Substitutes	4	-	4	3.75%	November 26, 2018
Deposit Substitutes	1	-	1	3.75%	November 26, 2018
Deposit Substitutes	3	-	3	3.75%	November 26, 2018
Deposit Substitutes	4	-	4	3.75%	November 26, 2018
Deposit Substitutes	2	-	2	3.75%	November 26, 2018
Deposit Substitutes	5	-	5	3.75%	November 26, 2018
Deposit Substitutes	1	-	1	3.75%	November 26, 2018
Deposit Substitutes	1	-	1	3.75%	November 26, 2018
Deposit Substitutes	5	-	5	3.75%	November 26, 2018
Deposit Substitutes	2	-	2	3.75%	November 29, 2018
Deposit Substitutes	1	-	1	3.75%	November 29, 2018
Deposit Substitutes	1	-	1	3.75%	November 29, 2018
Deposit Substitutes	35	-	35	3.75%	November 29, 2018

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	3	-	3	3.75%	November 29, 2018
Deposit Substitutes	2	-	2	3.75%	November 29, 2018
Deposit Substitutes	1	-	1	3.75%	November 29, 2018
Deposit Substitutes	15	-	15	3.85%	November 29, 2018
Deposit Substitutes	16	-	16	3.75%	November 29, 2018
Deposit Substitutes	3	-	3	3.75%	November 29, 2018
Deposit Substitutes	10	-	10	3.75%	November 29, 2018
Deposit Substitutes	2	-	2	3.75%	December 4, 2018
Deposit Substitutes	1	-	1	3.75%	December 4, 2018
Deposit Substitutes	1	-	1	3.75%	December 4, 2018
Deposit Substitutes	1	-	1	3.75%	December 4, 2018
Deposit Substitutes	1	-	1	3.50%	December 10, 2018
Deposit Substitutes	0	-	0	3.50%	December 10, 2018
Deposit Substitutes	1	-	1	3.75%	December 10, 2018
Deposit Substitutes	1	-	1	3.75%	January 7, 2019
Deposit Substitutes	1	-	1	3.75%	January 7, 2019
Deposit Substitutes	1	-	1	3.75%	January 7, 2019
Deposit Substitutes	1	-	1	3.75%	January 8, 2019
Deposit Substitutes	2	-	2	3.75%	January 10, 2019
Deposit Substitutes	100	-	100	3.80%	March 25, 2019
Deposit Substitutes	100	-	100	3.80%	March 25, 2019
Deposit Substitutes	1	-	1	3.63%	March 25, 2019
Deposit Substitutes	1	-	1	3.50%	June 6, 2019
Deposit Substitutes	1	-	1	3.63%	June 25, 2019
Deposit Substitutes	1	-	1	3.75%	August 12, 2019
Deposit Substitutes	2	-	2	3.75%	August 13, 2019
Deposit Substitutes	1	-	1	3.75%	December 2, 2019
Deposit Substitutes	1	-	1	3.75%	December 9, 2019
Deposit Substitutes	6	-	6	3.88%	January 6, 2020
Deposit Substitutes	1	-	1	3.88%	January 7, 2020
Deposit Substitutes	25	-	25	3.88%	February 10, 2020
Deposit Substitutes	1	-	1	3.88%	March 5, 2020
Deposit Substitutes	2	-	2	3.88%	March 16, 2020
Deposit Substitutes	1	-	1	3.88%	March 24, 2020
Deposit Substitutes	8	-	8	3.88%	April 28, 2020
Deposit Substitutes	4	-	4	3.88%	May 27, 2020
Deposit Substitutes	2	-	2	3.88%	May 27, 2020
Deposit Substitutes	2	-	2	3.88%	May 27, 2020
Deposit Substitutes	5	-	5	3.88%	June 16, 2020
Deposit Substitutes	15	-	15	3.88%	June 29, 2020
Deposit Substitutes	4	-	4	3.88%	July 13, 2020
Deposit Substitutes	63	-	63	4.13%	August 25, 2020
Deposit Substitutes	2	-	2	4.13%	September 2, 2020
Deposit Substitutes	6	-	6	4.13%	September 8, 2020
Deposit Substitutes	3	-	3	4.13%	September 9, 2020

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Long Term Debt
December 31, 2015

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
Deposit Substitutes	2	-	2	4.13%	September 9, 2020
Deposit Substitutes	3	-	3	4.13%	September 10, 2020
Deposit Substitutes	2	-	2	4.13%	September 21, 2020
Deposit Substitutes	1	-	1	4.13%	October 26, 2020
Deposit Substitutes	10	-	10	4.13%	October 27, 2020
Deposit Substitutes	5	-	5	4.13%	November 12, 2020
Deposit Substitutes	10	-	10	4.25%	December 1, 2020
Deposit Substitutes	10	-	10	4.25%	December 1, 2020
Deposit Substitutes	2	-	2	4.13%	December 2, 2020
Deposit Substitutes	2	-	2	4.13%	December 2, 2020
Deposit Substitutes	3	-	3	4.13%	December 2, 2020
Deposit Substitutes	16	-	16	5.13%	September 14, 2022
Deposit Substitutes	8	-	8	5.13%	September 21, 2022
Deposit Substitutes	5	-	5	5.13%	November 3, 2022
Deposit Substitutes	1	-	1	5.13%	November 7, 2022
Deposit Substitutes	4	-	4	5.13%	November 14, 2022
Deposit Substitutes	15	-	15	5.13%	December 1, 2022
	<u>5,670</u>		<u>5,668</u>		
Total Bills Payable	<u>13,662</u>		<u>13,654</u>		
Other Liabilities					
Bonds Payable - Fixed Rate Corporate Bonds	5,000	-	4,863	5.675%	February 25, 2017
Bonds Payable - Fixed Rate Corporate Bonds	4,000	-	3,867	5.500%	November 10, 2017
Bonds Payable - Fixed Rate Corporate Bonds	3,000	-	2,786	5.750%	August 10, 2019
	<u>12,000</u>		<u>11,516</u>		
	<u>55,332</u>		<u>54,657</u>		

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule F - Indebtedness to Related Parties (Long-Term Loans from Related Companies)
December 31, 2015

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
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NOT APPLICABLE

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

Schedule G - Guarantees of Securities of Other Issuers

December 31, 2015

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which this Statement is Filed	Nature of Guarantee
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NOT APPLICABLE

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule H - Capital Stock
December 31, 2015

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
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Authorized

Preferred stock - P20 par value	1,000,000,000
Common stock - P20 par value	4,000,000,000

Issued and outstanding

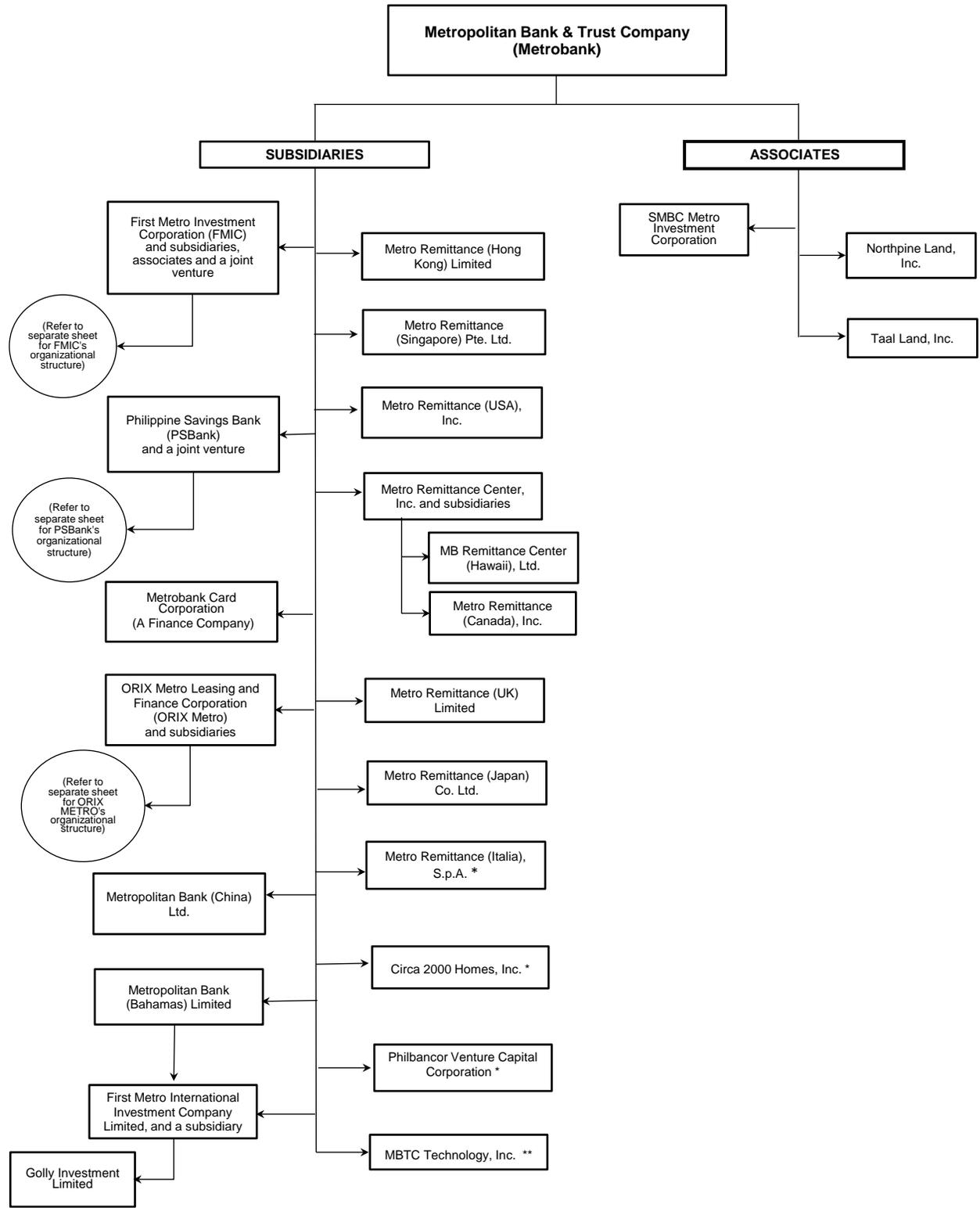
Common stock - P20 par value	3,180,172,786	1,578,468,840	35,708,845	1,565,995,101
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METROPOLITAN BANK & TRUST COMPANY
SURPLUS AVAILABLE FOR DIVIDENDS *
AS OF DECEMBER 31, 2015
(In ₱ Millions)

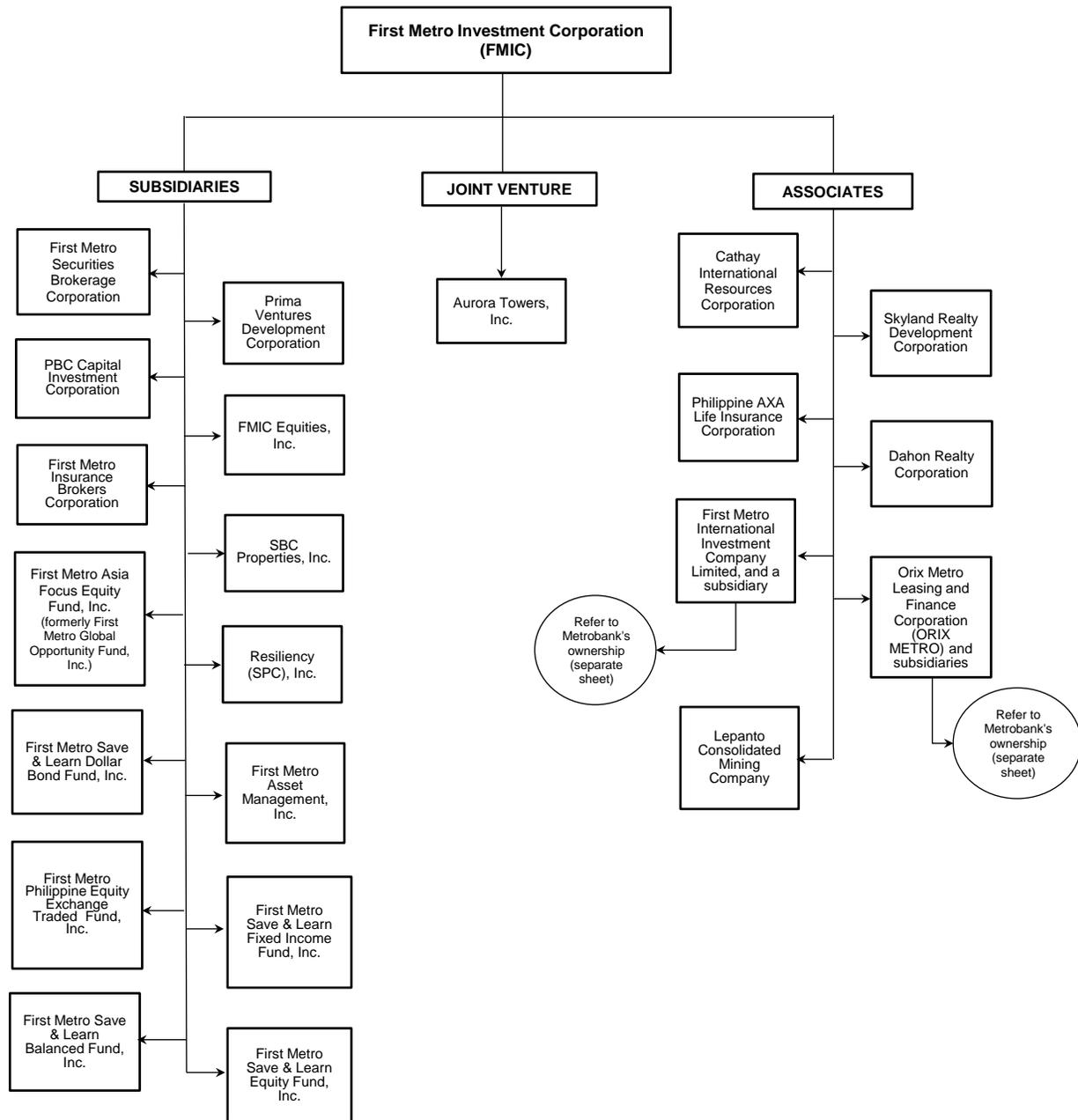
UNAPPROPRIATED SURPLUS, BEGINNING	₱	45,265
Adjustments:		
Less: Non-actual/unrealized income net of tax:		
Fair value adjustments (mark-to-market gains)		191
Recognized deferred tax asset		4,928
Unrealized gains on foreclosure of investment properties - net of accumulated depreciation		790
		5,909
UNAPPROPRIATED SURPLUS AS ADJUSTED TO AVAILABLE FOR DIVIDEND DISTRIBUTION AT BEGINNING OF YEAR		39,356
Add: Net income actually earned/realized during the period:		
Net income during the period closed to Surplus		15,726
Less: Non-actual/unrealized income net of tax:		
Fair value adjustment (mark-to-market gains)		2,448
Net income actually earned during the year		13,278
Add(Less):		
Dividend declarations during the period		(2,745)
Stock Dividends		-
Appropriations of Retained Earnings during the period		(135)
Effect of change in accounting for retirement benefits (PAS 19)		-
Others (Coupon payment of hybrid capital securities)		(506)
		(3,386)
UNAPPROPRIATED SURPLUS AVAILABLE FOR DIVIDEND DISTRIBUTION AT END OF YEAR	₱	49,248

* The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 11 issued in December 2008 differs to a certain extent from the computation following Bangko Sentral ng Pilipinas guidelines.

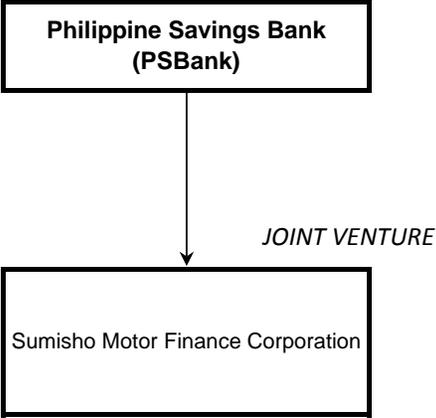
**Metropolitan Bank & Trust Company
Subsidiaries and Associates
As of December 31, 2015**



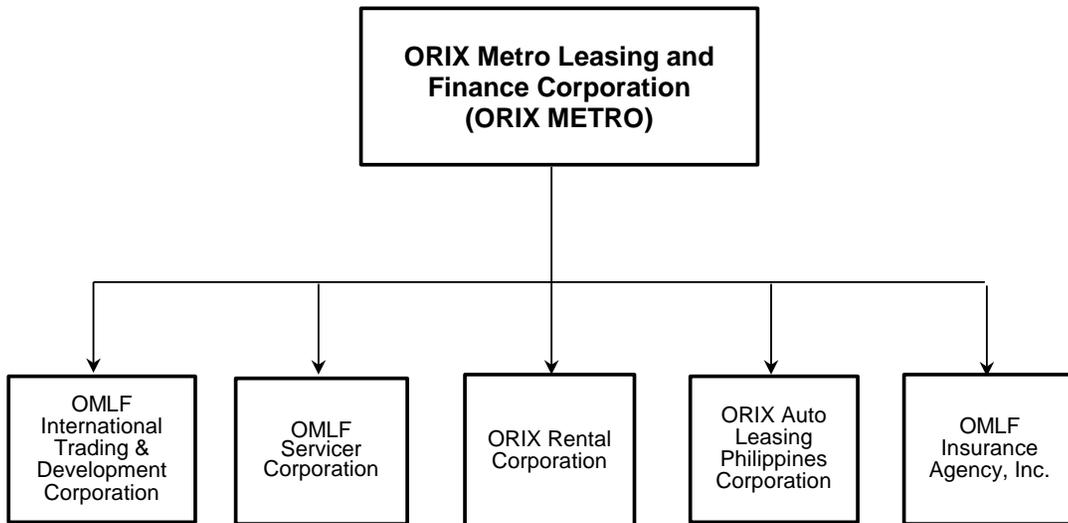
**First Metro Investment Corporation
Subsidiaries, Joint Venture and Associates
As of December 31, 2015**



**Philippine Savings Bank
Joint Venture
As of December 31, 2015**



ORIX Metro Leasing and Finance Corporation (ORIX METRO)
Subsidiaries
As of December 31, 2015



Metropolitan Bank & Trust Company and Subsidiaries
Schedule of All the Effective Standards and Interpretations
December 31, 2015

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary		✓		
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1: Additional Exemption for First-time Adopters			✓
	Amendments to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
	Amendment to PFRS 1: Meaning of Effective PFRSs			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Amendment to PFRS 2: Definition of Vesting Condition			✓
PFRS 3 (Revised)	Business Combinations	✓		
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination	✓		
	Amendment to PFRS 3: Scope Exceptions for Joint Arrangements			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✓		
	Amendment to PFRS 5: Changes in methods of disposal		Effective 01/01/16 (Not early adopted)	
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition	✓		
	Amendments to PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures			Not early adopted
	Amendments to PFRS 7: Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in PFRS 9			Not early adopted

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
	Amendments to PFRS 7: Servicing Contracts and Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements		Effective 01/01/16 (Not early adopted)	
PFRS 8	Operating Segments	✓		
	Amendments to PFRS 8: Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets	✓		
PFRS 9	Financial Instruments: Classification and Measurement of Financial Assets		Not early adopted	
	Financial Instruments: Classification and Measurement of Financial Liabilities		Not early adopted	
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures		Not early adopted	
	PFRS 9, Financial Instruments (Hedge Accounting and amendments to PFRS 9, PFRS 7 and PAS 39)		Not early adopted	
	PFRS 9, Financial Instruments (2014)		Effective 01/01/18 (Not early adopted)	
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Transition Guidance	✓		
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 10: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture		Effective 01/01/16 (Not early adopted)*	
	Amendments to PFRS 10: Investment Entities: Applying the Consolidation Exception		Effective 01/01/16 (Not early adopted)	
PFRS 11	Joint Arrangements	✓		
	Amendments to PFRS 11: Transition Guidance	✓		
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations		Effective 01/01/16 (Not early adopted)	
PFRS 12	Disclosures of Interests in Other Entities	✓		
	Amendments to PFRS 12: Transition Guidance	✓		
	Amendments to PFRS 12: Investment Entities	✓		
	Amendments to PFRS 12: Investment Entities Applying the Consolidation Exception		Effective 01/01/16 (Not early adopted)	
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Short-term Receivables and Payables	✓		
	Amendment to PFRS 13: Portfolio Exception			✓
PFRS 14	Regulatory Deferral Accounts			✓
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1 (Revised): Disclosure Initiative		Effective 01/01/16 (Not early adopted)	
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendments to PAS 12- Deferred Tax: Recovery of Underlying Assets			✓
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Revaluation Method – Proportionate Restatement of Accumulated Depreciation on Revaluation			✓
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization		Effective 01/01/16 (Not early adopted)	
	Amendments to PAS 16, Agriculture: Bearer Plants			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits	✓		
	Amendments to PAS 19: Defined Benefit Plans: Employee Contribution	✓		
	Amendments to PAS 19: Discount Rate: Regional Market Issue		Effective 01/01/16 (Not early adopted)	
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation	✓		
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendments to PAS 24: Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments for investment entities			✓
	Amendments to PAS 27: Equity Method in Separate Financial Statements		Effective 01/01/16 (Not early adopted)	
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendments to PAS 28 (Amended): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture		Effective 01/01/16 (Not early adopted)*	

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
	Amendments to PAS 28 (Amended): Investment Entities: Applying the Consolidation Exception		Effective 01/01/16 (Not early adopted)	
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 32: Classification of Rights Issues	✓		
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
	Amendment to PAS 34: Disclosure of information 'Elsewhere in the Interim financial report'		Effective 01/01/16 (Not early adopted)	
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
	Amendments to PAS 38 : Revaluation Method – Proportionate Restatement Of Accumulated Amortization			✓
	Amendments to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization		Effective 01/01/16 (Not early adopted)	
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions	✓		
	Amendments to PAS 39: The Fair Value Option	✓		
	Amendments to PAS 39: Financial Guarantee Contracts			✓
	Amendments to PAS 39: Reclassification of Financial Assets	✓		
	Amendments to PAS 39: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendment to PAS 39: Embedded Derivatives	✓		
	Amendment to PAS 39: Eligible Hedged Items	✓		
	Amendment to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
	Amendments to PAS 39: Hedge Accounting		Not early adopted	
PAS 40	Investment Property	✓		
	Amendments to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner-Occupied Property	✓		
PAS 41	Agriculture			✓
	Amendments to PAS 41, Agriculture: Bearer Plants			✓
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives	✓		
	Amendments to Philippine Interpretation IFRIC-9: Embedded Derivatives	✓		
IFRIC 10	Interim Financial Reporting and Impairment	✓		
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes	✓		
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
	Amendments to Philippine Interpretations IFRIC - 14, Prepayments of a Minimum Funding Requirement	✓		
IFRIC 16	Hedges of a net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies	✓		
SIC-7	Introduction of the Euro	✓		
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases - Incentives	✓		
SIC-25	Income Taxes- Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

**Original effective date of January 1, 2016 of the amendment was postponed by the FRSC (subject to approval by the Board of Accountancy) on January 13, 2016, until the IASB has completed its broader review of the research project on equity accounting.*

Standards and Interpretations applicable to annual periods beginning on or after January 1, 2016 (where early application is allowed) will be adopted by the Group as they become effective.

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
FINANCIAL INDICATORS
AS OF DECEMBER 31, 2015 AND 2014

	2015	2014
a) Liquidity Ratio	46.16%	49.29%
b) Loans to Deposits Ratio	70.01%	64.07%
c) Debt to Equity Ratio	803.77%	963.01%
d) Asset to Equity Ratio	908.70%	1068.77%
e) Return on Average Equity	10.83%	14.11%
f) Return on Average Assets	1.11%	1.35%
g) Net Interest Margin on Average Earning Assets	3.54%	3.73%
h) Operating Efficiency Ratio	59.15%	56.07%
i) Capital Adequacy Ratio	17.75%	16.03%
j) Common Equity Tier 1 Ratio	14.25%	12.14%

**METROPOLITAN BANK & TRUST COMPANY
ANNUAL CORPORATE GOVERNANCE REPORT
(SEC FORM – ACGR)
CONSOLIDATED CHANGES AS OF DECEMBER 31, 2015
(AS SUBMITTED TO THE SEC ON JANUARY 6, 2016)**

TABLE OF CONTENTS

A. BOARD MATTERS	1
1) BOARD OF DIRECTORS.....	
(a) Composition of the Board.....	1
(b) Directorship in Other Companies.....	3
(c) Shareholding in the Company.....	4
2) CHAIRMAN AND CEO.....	5
3) OTHER EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS.....	7
4) CHANGES IN THE BOARD OF DIRECTORS.....	9
5) ORIENTATION AND EDUCATION PROGRAM.....	10
B. CODE OF BUSINESS CONDUCT & ETHICS	13
1) POLICIES.....	13
2) DISSEMINATION OF CODE.....	15
3) COMPLIANCE WITH CODE.....	16
4) RELATED PARTY TRANSACTIONS.....	16
(a) Policies and Procedures.....	16
(b) Conflict of Interest.....	17
5) FAMILY, COMMERCIAL AND CONTRACTUAL RELATIONS.....	18
6) ALTERNATIVE DISPUTE RESOLUTION.....	19
C. BOARD MEETINGS & ATTENDANCE	19
1) SCHEDULE OF MEETINGS.....	19
2) DETAILS OF ATTENDANCE OF DIRECTORS.....	19
3) SEPARATE MEETING OF NON-EXECUTIVE DIRECTORS.....	20
4) ACCESS TO INFORMATION.....	20
5) EXTERNAL ADVICE.....	21
6) CHANGES IN EXISTING POLICIES.....	22
D. REMUNERATION MATTERS	23
1) REMUNERATION PROCESS.....	23
2) REMUNERATION POLICY AND STRUCTURE FOR DIRECTORS.....	23
3) AGGREGATE REMUNERATION	24
4) STOCK RIGHTS, OPTIONS AND WARRANTS.....	25
5) REMUNERATION OF MANAGEMENT.....	26
E. BOARD COMMITTEES	26
1) NUMBER OF MEMBERS, FUNCTIONS AND RESPONSIBILITIES.....	26
2) COMMITTEE MEMBERS.....	33
3) CHANGES IN COMMITTEE MEMBERS.....	37
4) WORK DONE AND ISSUES ADDRESSED.....	39
5) COMMITTEE PROGRAM.....	42
F. RISK MANAGEMENT SYSTEM	45
1) STATEMENT ON EFFECTIVENESS OF RISK MANAGEMENT SYSTEM.....	45
2) RISK POLICY.....	46
3) CONTROL SYSTEM.....	47
G. INTERNAL AUDIT AND CONTROL	48
1) STATEMENT ON EFFECTIVENESS OF INTERNAL CONTROL SYSTEM.....	48

2) INTERNAL AUDIT	
(a) Role, Scope and Internal Audit Function.....	49
(b) Appointment/Removal of Internal Auditor.....	50
(c) Reporting Relationship with the Audit Committee.....	50
(d) Resignation, Re-assignment and Reasons.....	50
(e) Progress against Plans, Issues, Findings and Examination Trends.....	51
(f) Audit Control Policies and Procedures.....	52
(g) Mechanisms and Safeguards.....	53
H. ROLE OF STOCKHOLDERS	53
I. DISCLOSURE AND TRANSPARENCY	58
J. RIGHTS OF STOCKHOLDERS.....	61
1) RIGHT TO PARTICIPATE EFFECTIVELY IN STOCKHOLDERS' MEETINGS.....	61
2) TREATMENT OF MINORITY STOCKHOLDERS.....	68
K. INVESTORS RELATIONS PROGRAM.....	68
L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES.....	69
M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL.....	71
N. INTERNAL BREACHES AND SANCTIONS.....	71

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	14
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Actual number of Directors for 2015	14
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(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ⁱ	Elected when (Annual /Special Meeting)	No. of years served as director
George SK Ty	NED	All EDs and NEDs are nominees of the Ty Family and related companies.	All EDs and NEDs are nominees of the Ty Family and related companies. For the IDs, the nominators (not related to the IDs) are as follows: 1. Jose Castillo Ang &/or Fely Ang for Francisco F. Del Rosario Jr. 2. Kuong Ho Kian for Rex C. Drilon II 3. Eduardo G. Yap for Robin A. King 4. Joselito P. dela Rosa for Jesli A. Lapus 5. Amparo R. Godinez for Vicente B. Valdepeñas, Jr. 6. Angelin L. Tan for Renato C. Valencia	March 12, 1975	April 29, 2015	April 29, 2015 (Annual Stockholders' Meeting)	40 yrs. & 1 mo.
Arthur Ty	ED			April 24, 2002	April 29, 2015		13 yrs.
Francisco C. Sebastian	NED			April 24, 2002	April 29, 2015		13 yrs.
Fabian S. Dee	ED			September 19, 2007	April 29, 2015		7 yrs & 7 mos.
Renato C. Valencia	ID			October 21, 1998	3 yrs.		16 yrs. & 6 mos.
Remedios L. Macalincag	ID			October 27, 2004	3 yrs.		10 yrs and 6 mos.
Jesli A. Lapus	ID			August 18, 2010	3 yrs.		4 yrs. & 8 mos.
Vicente B. Valdepeñas, Jr.	ID			April 25, 2012	3 yrs.		3 yrs.
Robin A. King	ID			April 25, 2012	3 yrs.		3 yrs.
Rex C. Drilon II	ID			August 29, 2012	2 yrs. & 8 mos.		2 yrs. & 8 mos.
Francisco F. Del Rosario Jr.	ID			April 15, 2013	2 yrs.		2 yrs.
Edmund A. Go	NED			May 17, 2007	April 29, 2015		8 yrs.
Antonio V. Viray*	NED			April 27, 2005	April 29, 2015		6 yrs. & 6 mos.

ⁱ Reckoned from the election immediately following January 2, 2012.

Vicente R. Cuna Jr.	NED		7. Nieves J. Katigbak for Remedios L. Macalincag	April 30, 2014	April 29, 2015		1 yr.
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*Member until September 2015, replaced by Alfred V. Ty

- (b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasis the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

The Bank's Board-approved Corporate Governance Manual (CGM) provides the following:

Stockholder's rights and protection of minority stockholder's interest

1. The Board grants the stockholders the following rights:
 - a. Right to vote on all matters that require their consent or approval;
 - b. Right to inspect books and records of the Bank;
 - c. Right to information;
 - d. Right to dividends; and
 - e. Appraisal right
2. The Board shall be transparent and fair in the conduct of the annual and special stockholders' meetings of the Bank. The Bank shall encourage the stockholders to personally attend such meetings and actively participate by giving comments and raising questions. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of the right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.
3. The Board shall promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.
4. The Board shall also make available to the stockholders accurate and timely information to enable the latter to make a sound judgment on all matters brought to their attention for consideration or approval.
5. Any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence.

General Responsibility of the Board

The Board is primarily responsible for approving and overseeing the implementation of the Bank's strategic objectives, risk strategy, corporate governance and corporate values. Further, the Board is also responsible for monitoring and overseeing the performance of Senior Management as the latter manages the day to day affairs of the Bank.

It is the Board's responsibility to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders.

Specific Duties and Responsibilities of the Board

1. Approve and monitor the implementation of strategic objectives.
2. Approve and oversee the implementation of policies governing major areas of banking operations.

3. Approve and oversee the implementation of risk management policies.
4. Oversee selection and performance of Senior Management.
5. Consistently conduct the affairs of the Bank with a high degree of integrity.
6. Define appropriate governance policies and practices for the Bank and for its own work and to establish means to ensure that such are followed and periodically reviewed for ongoing improvement.
7. Constitute committees to increase efficiency and allow deeper focus in specific areas.
8. Effectively utilize the work conducted by the internal audit, risk management and compliance functions and the external auditors.
9. Have the overall responsibility for defining an appropriate corporate governance framework that shall contribute to the effective oversight over entities in the group.
10. Identify the corporations' stakeholders in the community in which it operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them.

(c) How often does the Board review and approve the vision and mission?

The Vision Mission statement (VMS) was reviewed in January 2014. The new VMS was approved by the Board in February 2015.

(d) Directorship in Other Companies

(i) Directorship in the Company's Groupⁱⁱ

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
George S. K. Ty	GT Capital Holdings, Inc. Global Business Power Corporation	Group Chairman/NED Honorary Chairman/NED
Arthur Ty	Metropolitan Bank (China) Ltd. GT Capital Holdings, Inc. Philippine Savings Bank First Metro Investment Corporation	Chairman/NED Co-Vice Chairman/NED Vice Chairman/NED Vice Chairman/NED
Francisco C. Sebastian	GT Capital Holdings, Inc. First Metro Investment Corporation First Metro Asset Management, Inc. Global Business Power Corporation	Chairman/NED Chairman/NED Chairman/NED Chairman/NED
Fabian S. Dee	Metrobank Card Corporation Metro Remittance Singapore Pte. Ltd. SMBC Metro Investment Corporation FMIC Equities Inc.	Chairman/NED Chairman/NED Chairman/NED Director/NED
Edmund A. Go	Metropolitan Bank (China) Ltd.	NED

ⁱⁱ The Group is composed of the parent, subsidiaries, associates and joint ventures of the company

Vicente R. Cuna Jr.	Philippine Savings Bank	President
Alfred V. Ty	GT Capital Holdings, Inc. Cathay International Resources Corporation Global Business Power Corporation	Co-Vice Chairman/NED Chairman/NED Vice Chairman/NED

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Jesli A. Lapus	STI Education Systems Holdings, Inc.	Independent Director
Renato C. Valencia	iPeople, Inc. House of Investments, Inc. Vulcan Industrial & Mining Corporation Anglo Philippine Holdings Corporation	Chairman & Independent Director Independent Director Independent Director Independent Director
Alfred V. Ty	Metro Pacific Investments, Inc.	Independent Director

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
George S. K. Ty Arthur Ty Alfred V. Ty	GT Capital Holdings, Inc. (owns 25.112% of the Company)	Arthur and Alfred Ty are the sons of George S.K. Ty, Group Chairman of GT Capital Holdings, Inc.

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

Director's Name	Guidelines	Maximum Number of Directorships in other companies
Executive Director	In compliance with SEC Memo No. 9 S2011, the Bank has adopted limits on Independent Directors (ID) in business conglomerates where an ID can be elected to only five (5) companies within a conglomerate, whether publicly-listed or not.	
Non-Executive Director		
CEO		

(e) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
George S.K. Ty	13,852,150	5,272,999	0.436%
Arthur Ty	10,525,485	438,099,305	0.331%
Francisco C. Sebastian	500,000	-	0.016%
Fabian S. Dee	650	-	0.000%
Renato C. Valencia	871	-	0.000%
Jesli A. Lopus	150	-	0.000%
Robin A. King	187	-	0.000%
Vicente B. Valdepeñas Jr.	130	-	0.000%
Rex C. Drilon II	1,430	-	0.000%
Remedios L. Macalincag	1,040	-	0.000%
Francisco F. Del Rosario Jr.	130	-	0.000%
Edmund A. Go	5,281	-	0.000%
Alfred Ty	10,525,750	77,081,677	0.331%
Vicente R. Cuna Jr.	115	-	0.000%
TOTAL	35,413,369	520,453,981	1.114%

2) Chairman and CEO

(a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes No

Identify the Chair and CEO:

Chairman of the Board	Arthur Ty
CEO/President	Fabian S. Dee

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

CGM Part II, C states the following duties and responsibilities of the Chairman and the President.

	Chairman	Chief Executive Officer/President
Role, Accountabilities, Deliverables	The Chairman of the Board shall provide leadership in the Board. He shall ensure effective functioning of the Board, including maintaining a relationship of trust with Board members. In addition, the Chairman shall	The President exercises direct and active management of the business operations of the Bank and general superintendence and direction over the other officers and the employees of the Bank.

	<p>ensure a sound decision making process and he should encourage and promote critical discussions and ensure that dissenting views can be expressed and discussed within the decision-making process.</p> <p>Based on the Bank's By-Laws, the Chairman shall have the following powers and duties</p> <ol style="list-style-type: none"> 1. To preside at all meetings of the stockholders and of the Board, and to ensure that the meeting of the Board are held in accordance with the By-Laws or as the Chairman may deem necessary; 2. To supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the President, management and the directors; 3. To maintain qualitative and timely lines of communication and information between the Board and management; 4. To submit an annual report of the operations of the Bank to the stockholders at the annual meeting; 5. To exercise such general supervision as may be necessary to determine whether the resolutions and orders of the Board and of any authorized committee have been carried out by the management; and 6. To exercise such other powers and perform such other duties as the Board may from time to time fix or delegate 	<p>Based on the Bank's By-Laws, the President shall have the following powers and duties</p> <ol style="list-style-type: none"> 1. To exercise direct and active management of the business and operations of the Bank, conducting the same according to the orders, resolutions and instructions of the Board and of any authorized committee, and according to his own discretion wherever the same is not expressly limited by such orders, resolutions and instructions; 2. To exercise general superintendence and direction over the other officers and the employees of the Bank and to see to it that their respective duties are properly performed; 3. To recommend to the Board, the appointment or removal of any of the management officers, employees and agents of the Bank, the fixing of their salaries and wages, to prescribe their duties, and to require guarantees or bonds to secure the faithful discharge of certain officers, employees or agents of their official duties; 4. To suspend, at his discretion, any management officer or employees of the Bank; To sign and execute on behalf of the Bank, when so authorized by the Board, either singly or jointly with any other officer or officers designated by the Board, all contracts and agreements which it may enter into; 5. To represent the Bank in all judicial and administrative proceedings affecting its business; 6. To sign with the Secretary all the certificates of stock of the Bank; 7. To carry out all the resolutions and orders of the Board and of any authorized committee; 8. To submit to the Board such statements, reports, memoranda and accounts, as the latter may require; and prepare such statements and reports as may be required from time to time by law or government regulations with respect to domestic corporations in general and Banks in particular; and 9. To perform such other duties as may be prescribed by the Board or which may properly pertain to his office and which in his judgment will serve the best interest of the Bank in conformity with the provisions of statutory law and the Bank's By-Laws.
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3) Explain how the board of directors plans for the succession of the CEO/Managing Director/President and the top key management positions?

Successors to top key management positions are sourced from the existing pool of senior officers without prejudice to getting candidates outside the Bank.

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board?

Yes

Please explain.

CGM Part A.1 states the composition of the Board:

To the extent practicable, the members of the Board shall be selected from a broad pool of qualified candidates. The Board’s composition should reflect an appropriate mix with regards to skill representation, board experience, tenure, gender, age, and geographic experience. Other considerations are personal qualities, communication capabilities, ability and commitment to devote appropriate time to properly discharge the task, professional reputation and community standing. The Bank may compile a board profile when considering candidates to the Board (i.e., identify the professional skills and personal characteristics present on the current Board; identify the missing skills and characteristics; and nominate individuals who could fill the possible gaps).

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Yes, 14 out of the 14 directors have extensive banking experience.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	Non-Executive	Independent Director
Role, Accountabilities, Deliverables	<p>The Board is primarily responsible for approving and overseeing the implementation of the Bank’s strategic objectives, risk strategy, corporate governance and corporate values. Further, the Board is also responsible for monitoring and overseeing the performance of senior management as the latter manages the day to day affairs of the Bank.</p> <p>The Corporate Governance Manual provides:</p> <p>To ensure a high standard of best practice for the Bank and its stockholders, the Board should conduct itself with honesty and integrity in the performance of, among others, the following:</p> <p>Duties and Responsibilities of the Board:</p> <ol style="list-style-type: none"> 1. Approve and monitor the implementation of strategic objectives 2. Approve and oversee the implementation of policies governing major areas of banking operations 3. Approve and oversee the Implementation of risk management policies 4. Oversee selection and performance of senior management 5. Consistently conduct the affairs of the Bank with a high degree of integrity <p>Define appropriate governance policies and practices for the Bank and for its own work and to establish means to ensure that such are followed and periodically reviewed for ongoing improvement</p> <ol style="list-style-type: none"> 7. Constitute committees to increase efficiency and allow deeper focus in specific areas. The Board shall create committees, the number and nature 		

	<p>of which would depend on the size of the Bank and the Board, the complexity of operations, long-term strategies and risk tolerance level of the Bank.</p> <ol style="list-style-type: none"> 8. Effectively utilize the work conducted by the internal audit, risk management and compliance functions and the external auditors 9. Have the overall responsibility for defining an appropriate corporate governance framework that shall contribute to the effective oversight over entities in the group 10. Identify the corporations' stakeholders in the community in which it operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them <p>Specific Duties and Responsibilities of a Director:</p> <ol style="list-style-type: none"> 1 Remain fit and proper for the position for the duration of his term 2 Conduct fair business transactions with the Bank and to ensure that personal interest does not bias Board decisions 3 Act honestly and in good faith, with loyalty and in the best interest of the Bank, its stockholders, regardless of the amount of their Stockholdings, and other stakeholders such as its depositors, investors, borrowers, other clients and the general public. 4 Devote time and attention necessary to properly discharge their duties and responsibilities 5 Act judiciously 6 Contribute significantly to the decision-making process of the Board 7 Exercise independent judgment 8 Have a working knowledge of the statutory and regulatory requirements affecting the Bank, including the content of its articles of incorporation and by-laws, the requirements of the BSP and where applicable, the requirements of other regulatory agencies 9 Observe confidentiality
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Provide the company's definition of "independence" and describe the company's compliance to the definition.

An independent director:

1. is not or has not been an officer or employee of the Bank, its subsidiaries or affiliates or related interests during the past five (5) years counted from the date of his election as independent director;
2. is not a director or officer of the related companies of the Bank's majority stockholder;
3. is not a stockholder owning more than two percent (2%) of the Company's shares of stock, nor is he an owner of shares of stock sufficient to elect one seat in the Board, or in any of its related companies or of its majority corporate shareholders;
4. is not a relative within the fourth degree of consanguinity or affinity, legitimate or common-law of any director, officer or a stockholder holding shares of stock sufficient to elect one seat in the Board of the Bank or any of its related companies;
5. is not acting as a nominee or representative of any director or substantial shareholder of the bank, any of its related companies or any of its substantial shareholders; and
6. is not retained as professional adviser, consultant, agent or counsel of the institution, any of its related companies or any of its substantial shareholders, either in his personal capacity or through his firm; is independent of management and free from any business or other relationship, has not engaged and does not engage in any transaction with the institution or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms-length and could not materially interfere with or influence the exercise of his judgment.

Does the company have a term limit of five consecutive years for independent directors?

Yes. In compliance with SEC Memo Cir. No. 9 S2011., an ID can serve as such for five (5) consecutive years, provided that service for a period of at least six (6) months shall be equivalent to one (1) year.

If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years?

No

Please explain.

In compliance with SEC Memo Cir. No. 9 S2011., an ID re-elected as such in the same company after the required two (2) year “cooling off” period may serve for another five (5) consecutive years. After serving as ID for ten (10) years, the ID shall be perpetually barred from being elected as such in the same company.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason
Antonio V. Viray	Director	September 23, 2015	For personal reasons; not due to disagreement with the Board or Management of the Company

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment	Any shareholder may submit nominations for directorial positions to the Nominations Committee. The independent directors are nominated by the minority shareholders. The qualifications of all nominees are then evaluated by the Nominations Committee. Those who meet the qualifications and none of the disqualifications are included in the list of final candidates.	Qualifications/disqualifications based on regulations and as adopted in the Bank’s Corporate Governance Manual (CGM).
(i) Executive Directors		
(ii) Non-Executive Directors		
(iii) Independent Directors		
b. Re-appointment		

(i) Executive Directors		
(ii) Non-Executive Directors		
(iii) Independent Directors		
f. Re-instatement		
(i) Executive Directors		
(ii) Non-Executive Directors		
(iii) Independent Directors		
c. Permanent Disqualification		
(i) Executive Directors		
(ii) Non-Executive Directors		
(iii) Independent Directors		
d. Temporary Disqualification		
(i) Executive Directors		
(ii) Non-Executive Directors		
(iii) Independent Directors		
e. Removal		
(i) Executive Directors		
(ii) Non-Executive Directors		
(iii) Independent Directors		
g. Suspension		
(i) Executive Directors		
(ii) Non-Executive Directors		
(iii) Independent Directors		

Per Sec. 28 of the Philippines Corporations Code, removal may be with or without cause, provided that the removal may not be used to deprive minority stockholders of the right of representation.

Voting Result of the last Annual General Meeting

All nominees have been elected as directors of Metrobank. All directors received votes ranging from 1,901,899,890 (69.29%) to 1,979,089,420 (72.10%) out of 1,981,210,468 (72.18%) common shares present in person or by proxy.

6) Orientation and Education Program

- (a) Disclose details of the company's orientation program for new directors, if any.

Orientation for first-time directors begins immediately after they are selected and before their first Board meeting.

In compliance with BSP Circular No. 758, the Bank shall furnish all the first-time directors with a copy of the general responsibility and specific duties and responsibilities of the board of directors and of a director. The directors shall submit under oath a certification that they have received copies of such general responsibility and specific duties and responsibilities and that they fully understand and accept the same.

The Bank shall submit the certification to the appropriate department of the BSP-Supervision and Examination Sector, together with a copy of certificate of attendance in Corporate Governance Seminar.

(b) State any in-house training and external courses attended by Directors and Senior Managementⁱⁱⁱ for the past three (3) years:

For the Board of Directors:

1. Anti-Money Laundering Risk Rating System and Amendments to BSP Circular No. 706 and AMLA Law, RA 10365 (May 2013) and Anti-Money Laundering Briefing for Directors and Senior Management (August 2014) conducted by the Bankers Institute of the Philippines, Inc. (BAIPHIL)
2. Corporate Governance Requirements Under US Laws & Regulations and The Foreign Corrupt Practices Act of 1977 conducted by Philippine Long Distance Telephone Company (October 2014)
3. Distinguished Corporate Governance Speaker Seminar Series (February 2014) and Annual Training Program for Corporate Governance (April 2015) conducted by the Institute of Corporate Directors (ICD)
4. Corporate Governance Seminar conducted by SGV and Co. (July 2014 and September & October 2015)
5. Annual Working Sessions on Corporate Governance and Monthly Breakfast Roundtable for ICD Fellows (2015)
6. Continuing Facilitation of Corporate Governance Workshops (2015)
7. Financing Growth of Philippine Companies conducted by Latham & Watkins (March 2015)

Senior Management (President, Sector Head, Group Head, Region Head, Regional Sales Head) attended additional seminars/trainings. These are:

1. Standards and Controls
 - a. BSP Circular 808: IT Risk Management Framework
 - b. ASEAN Corporate Governance Scorecard - Workshop for Publicly Listed Companies
 - c. Best Practices in Corporate Housekeeping
 - d. AML & Financial Crime Conference Asia Pacific
 - e. Business Process Management and Balanced Scorecard
 - f. IT Risk Management Framework & IT Risk Rating System
 - g. The Integrated ASEAN Regulatory Environment
 - h. Understanding Bank Regulations for Bank Products
 - i. Enterprise-Wide Risk Management: A Basic and Practical Workshop
 - j. BSP Circular 855 Guidelines on Sound Credit Risk Management
 - k. 2015 Annual Disclosure Rules Examiner
 - l. Corporate Governance Seminar
2. Networking and Other Programs

ⁱⁱⁱ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

- a. 28th National Convention
- b. 12th General Assembly: Sharing Prosperity at the Crossroads of ASEAN Integration - The Legal Challenges
- c. 15th National Convention of Lawyers
- d. 52nd PMAP Annual Conference
- e. 8th ABCOMP Biennial Workshop
- f. 3rd Executive Labor Updates: Managing Conflicts and Resolving Labor Disputes
- g. 15th National Convention of Lawyers “A Renewal and Revival of National Relevance”
- h. TOAP 2015 Annual Convention
- i. FMAP Annual Convention
- j. Business Forum with the Board of Investment and BSP
- k. 7th Annual Corporate Treasury & CFO Summit Philippines
- l. 5th Annual SME Banking Excellence 2015

(c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director	Date of Training 2015	Program	Name of Training Institution
(1) George SK Ty	March 25, 2015	a. Financing Growth of Philippine Companies ⁱ	a. Latham & Watkins
(2) Arthur Ty	April 22, 2015	b. - Annual Training Program for Corporate Governance* - Annual Working Sessions on Corporate Governance and Monthly Breakfast Roundtable for ICD Fellows ⁱⁱ - Continuing Facilitation of Corporate Governance Workshops ⁱⁱ	b. Institute of Corporate Directors
(3) Francisco C. Sebastian			
(4) Fabian S. Dee			
(5) Renato C. Valencia			
(6) Remedios L. Macalincag			
(7) Jesli A. Lapus			
(8) Vicente B. Valdepeñas, Jr.			
(9) Robin A. King			
(10) Rex C. Drilon II			
(11) Edmund Go			
(12) Antonio V. Viray			
(13) Francisco F. del Rosario, Jr.			
(14) Vicente R. Cuna, Jr.			
(15) Alfred V. Ty			

* attended by all Directors

ⁱ attended by Mr. Viray

ⁱⁱ attended by Mr. Drilon

B. CODE OF BUSINESS CONDUCT & ETHICS

1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

The following excerpts are included in the Bank's Policy on Insider Trading, Code of Conduct for Directors, Senior Management and employees and Compliance Program:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	<p><u>Excerpts from the Code of Conduct and Ethics for Bank Directors:</u></p> <p>Every director must remain fit and proper for the position for the duration of his term. He should possess unquestionable integrity to make decisions objectively and resist undue influence.</p> <p>Every director must act judiciously. Before deciding on any matter brought before the Board, every director should thoroughly evaluate the issues, ask questions and seek clarifications when necessary.</p>	<p><u>A.2 Code of Conduct Standards of Conduct</u> <u>Avoidance of Conflict of Interest</u> Conflict of interest arises when an employee is engaged in a personal activity that directly competes or may potentially compete with the Bank's business. This includes activities that claim the employee's time and attention during office hours. xxx The employee is expected to effectively manage his/her personal affairs and avoid any situation or business endeavors arising from associations, interests or relationships that may lead to conflict or potential conflict between his/her personal interests and that of the Bank. Xxx</p>	
(b) Conduct of Business and Fair Dealings	<p>Every director should view each problem/situation objectively. When a disagreement with others occurs, he should carefully evaluate the situation and state his position. He should not be afraid to take a position even though it might be unpopular. Corollarily, he should support plans and ideas that he thinks will be beneficial to the Bank.</p> <p>Every director must conduct fair business transactions with the Bank and ensure that personal interest does not bias board decisions. A director should, whenever possible, avoid situations that would give rise to a conflict of interest. If a transaction with the Bank cannot be avoided, it should be done in the regular course of business and upon terms not less favorable to the bank than those offered to others.</p> <p>The basic principle to be observed is that a director should not use his position to make profit or to acquire benefit or advantage for himself and/or his related</p>	<p><u>A.2 Code of Conduct Standards of Conduct</u> <u>Honesty and Integrity</u> xxx employees are expected to maintain the highest degree of honesty and integrity, fully aware that any misconduct or misdemeanor is a breach of the confidence that the Bank has entrusted to them. Employees should refrain from engaging in any kind of activity inside or outside the Bank that might cast doubt on their honesty and integrity, including activities that might compromise the interest of the Bank. Xxx</p> <p><u>Professional Decorum</u> As a responsible corporate citizen, the Bank adheres to the standard principle that a culture of professionalism and high ethical standards is essential to the Bank's corporate success. Employees are expected to be guided by this principle in all their dealings within or outside the Bank. In promoting and maintaining the institutional image and reputation of the Bank, which they carry as employees, they are expected to be guided by the following: xxx</p> <p><u>Quality Service and Operational Efficiency</u> The Bank fully advocates that quality service and operational efficiency are vital and essential factors for business success. xxx employees should possess the ardent desire to achieve results through action and to rise quickly to challenges and opportunities. Employees should exhibit genuine and sincere concern to provide consistent quality service at all times and to maintain a working environment more conducive to enhanced work productivity or output.</p>	

(c) Receipt of gifts from third parties	interests. He should avoid situations that would compromise his impartiality.	[same as (a) Conflict of Interest]
(d) Compliance with Laws & Regulations	Every director must have a working knowledge of statutory and regulatory requirements affecting the Bank, observe and comply with the same.	<p><u>Compliance Program - Policy Statement</u> xxx. For the Bank, compliance is not the responsibility of only one person or of one unit alone. It is a collective and shared responsibility of everyone, from its Board of Directors, to Management, and to all its employees xxx</p> <p>Each is committed to fully comply not only with the letter of laws, regulations and rules, but also to their spirit or significance. Each is committed to adhere to the principles of sound and prudent banking practices in the conduct of transactions. The Board, Management, Officers and Staff of the Bank hereby commit themselves to the principles and practices contained in this Program and acknowledge that the same will guide them in the development and achievement of our corporate goals.</p> <p>xxx</p>
(e) Respect for Trade Secrets/Use of Non-public Information	<p>Policy on Insider Trading</p> <p>To ensure that the shareholders are afforded protection and that individuals do not benefit from knowledge which is not generally available to the market, Metrobank has instituted its own Insider Trading Policy. The policy covers the standard of conduct applicable to all directors and employees within the Metrobank Group including their immediate family members residing with them in the same household and corporations, other entities and funds subject to their influence or control to the extent that they are considered insiders having access to material nonpublic information about the securities of companies within the Metrobank Group ("Metrobank Group Securities") as well as the securities of any of their corporate clients and business partners ("Partner's Securities").</p> <p>The policy requires that the disclosure of Material Nonpublic Information about any of the companies within the Metrobank Group or any Partner shall be made on a reasonable need-to-know basis and in furtherance of a legitimate business purpose. It further requires the reporting insiders to confirm their respective beneficial ownership of listed shares of stock in their respective companies, if any, and report any changes thereto on the next trading day from the date of the change pursuant to the requirements of the Securities and Exchange Commission and the Philippine Stock Exchange.</p>	
	<p><u>Code of Conduct and Ethics for Bank Directors</u></p> <p>Every director must observe confidentiality of non-public information acquired by reason of his position as a director. He may not disclose said information without the authority of the board.</p>	<p><u>Code of Conduct for Employees (Preservation of Confidential Information)</u></p> <p>The Bank advocates protection of confidential information as a basic principle in maintaining public trust and nurturing business endeavors. In line with this principle, the Bank always complies with Bank Secrecy laws. Employees are expected to adopt every practicable measure to preserve confidential information at all times. Employees should not disclose or provide confidential documents or strategic information to any third party, without expressed written consent of senior authority or the affected client, or unless authorized/required by existing laws. This includes, but is not limited to, information relating to clients, competitors or suppliers of the Bank.</p>
(f) Use of Company Funds,	<u>Code of Conduct and Ethics for Bank Directors</u>	<u>Code of Conduct for Employees (Maintenance and Protection of Bank Property)</u>

Assets and Information	Every director must observe confidentiality of non-public information acquired by reason of his position as a director. He may not disclose said information without the authority of the board.	The Bank believes that proper and appropriate use, maintenance and protection of Bank properties, including its operating systems and facilities, contribute to its overall objective of attaining success in all its varying and changing business endeavors. In line with the Bank's thrust to maximize its resources, all employees have the primary responsibility of ensuring the effective, efficient and responsible utilization and handling of Bank operating systems and properties including prevention of waste and damage to the same. xxx
(g) Employment & Labor Laws & Policies	N/A	[same as (d) Compliance with Laws & Regulations]
(h) Disciplinary action		<u>Per Internal Policy</u> All employees are expected to exercise unquestionable honesty in dealing with clients, co-employees, vendors, suppliers, and others. Any act of dishonesty is tantamount to undermining the core of the Bank's business and will be treated with severity. In this regard, the Bank will exercise firm resolve to apply sanctions to those guilty but will be fair and compassionate in its normal relationship with employees. Officers and staff who will use their position in the bank for personal gain at the expense of the Bank and/or clients will be dealt with severe corrective action including the possibility of termination of employment. Non-adherence to company rules and regulations shall subject the employee concerned to appropriate disciplinary action, which may include termination of employment, as determined by the appropriate committee. Sanctions depend upon the severity of the offense:
(i) Whistle Blower		<u>Whistle blowing Policy</u> xxx This policy shall apply in instances when an employee deems it more prudent to report violations or offenses to another authorized unit/person within the Bank for proper handling, investigation and resolution. This policy may also apply when the matter which is brought to the attention of the immediate superior is not acted upon in accordance with the standard reporting procedures, or is concealed, or the immediate superior is himself involved in the infraction, or the reporting employee fears reprisal; thus preventing him from availing of the standard reporting procedures. Under the policy, the Bank shall maintain the identity of the reporting employee as confidential and retaliation against any reporting employee shall not be allowed. Consistent with the principles of good governance, the Chief Audit Officer reports to the Board's Audit Committee
(j) Conflict Resolution		[same as (a) Conflict of Interest]

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

Yes. The Code of Conduct/Ethics for Employees/Directors is disseminated and has always been a part of the orientation of new employees/directors. The Code of Conduct/Ethics for

Employees and Directors are posted in the Bank’s intranet for easy access.

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

The Codes are implemented by the Corporate Governance and Compensation Committee and the Human Resources Group. Compliance with the Code is embedded in the policies and procedures of the Bank. In addition, employees are reminded of the policies through advisories.

Breaches are subject to appropriate disciplinary actions set forth under the Corporate Governance Manual and the Bank’s Manual on Policies and Procedures in accordance with the principles of due process.

4) Related Party Transactions

(a) Policies and Procedures

Describe the company’s policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	<p>Related Party shall mean any of the Bank’s Directors, Officers, Stockholders and their related interests under DOSRI rules, subsidiaries and affiliates of the Bank; entities other than the subsidiaries/affiliates of the Bank, including Special Purpose Entities, that the Bank exert control/significant influence over or those that exert control/significant influence over the Bank or those related to the Bank either through common ownership (provided that the common owner owns at least 10% of the subscribed capital of such borrowing entities)and through common directorship/officership; close family members of the directors, officers and individual stockholders (i.e. by consanguinity – brother, sister, grandparents, grandchildren; by affinity – brother-in-law, sister-in-law; grandparents-in-law, grandchildren-in-law); entities that belong to the DOS or any of their close family members with at least 10% ownership of the subscribed capital of such entities; and entities where any of the close family members of director or officer acts a director or principal officer.</p>
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	<p>Related Party Transactions on the other hand, are transactions or dealings of the Bank with a related party, whether or not a price is charged. Related Party Transactions shall include credit accommodations/waiver of penalties/charges; derivatives; purchase, sale and lease of assets; insourcing/outsourcing (including consulting or professional service contracts/transfer of technology resources); equity investments; write-off of loans, other credit accommodations, advances and other assets; donations/gifts/charitable contributions.</p> <p>The Bank, through its Board, ensures that transactions with related parties are reviewed to assess risks, are subject to appropriate restrictions to ensure that such are conducted at arms-length terms and that corporate or business resources of the Bank are not misappropriated or misapplied.</p> <p>1. Proposed transactions of related parties shall be endorsed by proponent units to the appropriate transaction approving authority following existing policies and processes.</p>

	<p>2. The RPTC shall review the proposed related party transactions endorsed to it, by considering the following:</p> <ol style="list-style-type: none"> a. Identity of the parties involved in the transaction or relationship; b. Terms of the transaction or relationship and whether these are no less favourable than terms generally available to an unrelated third party under the same circumstances; c. Business purpose, timing, rationale and benefits of the transaction or relationship; d. Approximate monetary value of the transaction and the approximate monetary value of the Related Party's interest in the transaction; e. Valuation methodology used and alternative approaches to valuation of the transaction; f. Information concerning potential counterparties in the transaction; g. Description of the provisions or limitations imposed as a result of entering into the transaction; h. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the transaction; i. Impact to a Director's independence; and j. Extent that such transaction or relationship would present an improper conflict of interest. <p>In reviewing proposals endorsed to it, the RPTC may consult third-party experts if it deems the same necessary.</p> <p>3. Upon review of RPTC, the proponent unit shall forward this to the Board for approval.</p>
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(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

Details of Conflict of Interest (Actual or Probable)	
Name of Director/s	
Name of Officer/s	
Name of Significant Shareholders	

None

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

Directors/Officers/Significant Shareholders	
Company	
Group	

To detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders, all proposed related party transactions are reviewed by the RPTC by considering the following:

- a. Identity of the parties involved in the transaction or relationship;
- b. Terms of the transaction or relationship and whether these are no less favourable than terms generally available to an unrelated third party under the same circumstances;
- c. Business purpose, timing, rationale and benefits of the transaction or relationship;
- d. Approximate monetary value of the transaction and the approximate monetary value of the Related Party's interest in the transaction;
- e. Valuation methodology used and alternative approaches to valuation of the transaction;
- f. Information concerning potential counterparties in the transaction;
- g. Description of the provisions or limitations imposed as a result of entering into the transaction;
- h. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the transaction;
- i. Impact to a Director's independence; and
- j. Extent that such transaction or relationship would present an improper conflict of interest

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family^{iv}, commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
None		

(b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description
None		

(c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

Names of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
None		

^{iv} Family relationship up to the fourth civil degree either by consanguinity or affinity.

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

	Alternative Dispute Resolution System
Corporation & Stockholders	
Corporation & Third Parties	
Corporation & Regulatory Authorities	

For amicable settlement of disputes and/or legal issues with third parties including suppliers, service providers, counterparties, clients, and stockholders, among others, the Bank may resort to alternative modes of dispute resolution as may be agreed upon with the adverse party, depending on the complexity:

C. BOARD MEETINGS & ATTENDANCE

1) Are Board of Directors' meetings scheduled before or at the beginning of the year?

Per Bank's By-laws, the Board shall hold regular meetings every second Wednesday of each month.

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Group Chairman	George S.K. Ty	April 29, 2015	12	12	100
Chairman	Arthur Ty	April 29, 2015	12	12	100
Vice Chairman	Francisco C. Sebastian	April 29, 2015	12	12	100
President/Director	Fabian S. Dee	April 29, 2015	12	12	100
Director	Edmund A. Go	April 29, 2015	12	12	100
Director	Antonio V. Viray**	April 29, 2015	8	8	100
Independent	Renato C. Valencia	April 29, 2015	12	12	100
Independent	Remedios L. Macalincag	April 29, 2015	12	12	100
Independent	Jesli A. Lapus	April 29, 2015	12	11	92
Independent	Robin A. King	April 29, 2015	12	12	100
Independent	Vicente B. Valdepeñas, Jr.	April 29, 2015	12	12	100
Independent	Rex C. Drilon II	April 29, 2015	12	12	100
Independent	Francisco F. Del Rosario Jr.	April 29, 2015	12	12	100
Director	Vicente R. Cuna, Jr	April 29, 2015	12	12	100
Director	Alfred V. Ty*	September 23, 2015	3	3	100

*newly elected

**Director until September 2015

- 3) Do non-executive directors have a separate meeting during the year without the presence of any executive?
As endorsed by the Corporate Governance and Compensation Committee and approved by the Board of Directors, independent and non-executive directors meet at least once a year. In 2015, such meeting was held on 06 July 2015.

In addition, Board-level committees composed of independent and non-executive directors (e.g. RPTC, AuditCom, ROC, NomCom) regularly meet without the presence of any executive. On average, each committee meets 12 times a year. At Board-level, a meeting of independent and non-executive directors occurs once a year.

If yes, how many times?

All the independent and non-executive directors met without the presence of any executive on 06 July 2015.

In 2015, the various Board-level committees composed only of independent and non-executive directors met several times:

- For Related Party Transaction Committee – 13 times
- For Audit Committee – 12 times
- For Risk Oversight Committee – 13 times
- For Nominations Committee – 6 times

- 4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

No. Per By-laws, a majority of the members of the Board constitutes a quorum and the vote of the majority of the quorum is needed to decide any action.

- 5) Access to Information

- (a) How many days in advance are board papers^v for board of directors meetings provided to the board?

The materials are provided, as far as practicable, within 5 banking days before the meeting.

- (b) Do board members have independent access to Management and the Corporate Secretary?

Yes. The directors can, at any time, meet with Management and the Corporate Secretary.

- (c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

The Office of the Corporate Secretary plays a significant role in supporting the Board of Directors in discharging its responsibilities. The Corporate Secretary and the Assistant Corporate Secretary, in consultation with the Chairman, prepare the agenda for each meeting and ensure that all supporting documents required for the evaluation of the items in the Agenda are on hand, prepare the minutes of each meeting and keep records of the proceedings. In coordination with the Compliance Officer, the Office of the Corporate Secretary also communicates with the directors the relevant statutory and regulatory updates, and likewise advises them of the schedules of relevant seminars/fora that they can attend.

^v Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

(d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative

The Company Secretary and the Assistant Corporate Secretary are both lawyers and have extensive training in corporate secretarial duties.

(e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes

No

Committee	Details of the procedures
Executive	The Committee Secretary sends notice of meeting at least 3 days ahead and sends the agenda and copies of the materials on the same day, before start of the meeting.
Audit	The Committee Secretary sends notice of meeting at least 2-3 weeks ahead and sends the agenda at least 3 days before the meeting. Copies of the materials are released as they become available.
Nomination	The members of the Nominations Committee have access to the Human Resources Group for the qualifications, education, training and previous working experience of the persons proposed for hiring as senior officers. For the relevant regulatory issuances, the members of the Nominations Committee have access to the Compliance Division and the Office of the Corporate Secretary.
Corporate Governance and Compensation Committee	The Committee Secretary sends notice of meeting at least 1-2 weeks ahead and sends the agenda and copies of the materials at least 3 days before the meeting.
Others	
Trust Committee	The TrustCom Secretariat sends notice of meeting at least 10 days ahead and sends the agenda and copies of the materials at least 1 (1) day before the meeting.
Risk Oversight Committee	The Committee Secretary sends notice of meeting at least 5 days ahead and sends the agenda and copies of the materials at least 1-3 days before the meeting or as it becomes available.
Related Party Transaction Committee	The Committee Secretary sends notice of meeting at least 1-2 weeks ahead and sends the agenda and copies of the materials at least 3 days before the meeting.
Domestic Equity Investments Committee	The Committee Secretary sends notice of meeting at least 2 weeks ahead and sends the agenda and copies of the materials at least 1 (1) day before the meeting.
Overseas Banking Committee	The Committee Secretary sends notice of meeting at least 15 days ahead and sends the agenda and copies of the materials at least 5 days before the meeting.
Information Technology Steering Committee	The Committee Secretary sends notice of meeting at least five (5) days ahead and sends the agenda and copies of the materials at least one (1) day before the meeting.
Anti-Money Laundering Committee	The Committee Secretary sends notice of meeting at least 10 days ahead and sends the agenda and copies of the materials at least 3 days before the meeting.

6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

Procedures	Details
Review of Related Party Transactions	In reviewing proposals endorsed to it, RPTC may consult third party experts if it deems necessary.
Assessment of the performance/effectiveness of the Board as a body, its various committees, President, individual directors	The assessment may be facilitated by external facilitators.
Proposed strategic transactions like merger and acquisitions	The ROC, when appropriate shall have access to external expert advice particularly on proposed strategic transactions.

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason
Revised IT Project Governance Framework	Revision of IT Project Governance Framework	To ensure that all IT projects are undertaken, monitored and executed in accordance with the project governance framework.
Pre-Settlement Risk Factors (PSR) and Potential Future Credit Exposure Factors (PFCE) for Fixed Income Securities, Bond Forwards, Forward Rate Agreements, Bond Options	Updating of PSR and PFCE factors	To ensure that credit exposure to counterparties is considered in proposals and monitored in the booking systems.
Amendment of the Charter of Domestic Equity Investments Committee	Changed scope of duties and interaction with the Board, including monitoring, review and reportorial functions on cross-selling arrangements between the Bank and related companies.	To ensure focused monitoring and review of domestic equity investment policies affecting the quality and performance of the Bank's major equity investments.
Amendment of the Charter of the Overseas Banking Committee	Changed charter to include AMLACOM as one of the committees that OBCOM will closely coordinate with.	To ensure proper oversight over the compliance of overseas branches, subsidiaries and IOSG to the laws and regulations of the host countries and the BSP.
Amendment of the Charter of the Anti-Money Laundering Committee	To specify responsibility of oversight of the Bank's AML framework	To ensure effective oversight of the Bank's compliance to regulations.
Amendment to the Responsibility Statement of the Audit Committee	To update the committee's responsibilities	To comply with BSP Cir 871.
New Interest Rate for Foreign Currency Savings/Time Deposit Accounts	Revised interest rates on FXCY SA and TD	To align rates with market rates.
Sale of ROPA and Other Bank Properties to Related Parties	Prescribed terms and conditions in the conduct of bidding of properties	To ensure that income on the sale of ROPA and other Bank property to related parties is maximized with the best price offered in the market.

Revised Black-out Periods for Insider Trading	To prescribe blackout periods for insider trading of Metrobank Shares	To ensure that all officers and employees maintain a level of confidentiality consistent with ethical standards and in compliance with insider trading policy.
Related Party Transactions	To redefine related party transactions, define threshold amounts and prescribe the review, approval and reporting process.	To ensure that transactions with related parties are reviewed to assess risks, are subject to appropriate restrictions to ensure that such are conducted at arms-length terms, and that resources of the Bank are not misappropriated.
Reconstitution of Board-level and Bank-level committees	Change in memberships	To reflect changes in Bank organization and leadership
Various policies including but not limited to: <ul style="list-style-type: none"> • Country Limits • Vendor Management • Operational Key Risk Indicators • Information Security Policies • Loan Valuation Factors • Client Risk Assessment • Handling of Accounts Subject of Freeze Order • Guidelines to Enhance Existing Controls 	Amendment to various items	To comply with regulatory requirements
Various organizational changes	Changes in table of organization	To ensure better management and supervision of units

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	Chairman	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Based on market/industry survey	Based on market/industry survey
(2) Variable remuneration	Based on individual and bank performance & market conditions	Based on individual and bank performance & market conditions
(3) Per diem allowance	Based on industry survey	Based on industry survey
(4) Bonus	Based on the Bank's policy on guaranteed bonuses	Based on the Bank's policy on guaranteed bonuses
(5) Stock Options and other financial instruments	n.a.	n.a.
(6) Others (specify)	n.a.	n.a.

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Based on market/industry survey	Regular compensation (as officers of the Bank) Director's fee Transportation allowance Committee Meeting allowance Bonus	Regular compensation + Director's fee + Transportation allowance + Committee Meeting allowance + Bonus
Non-Executive Directors	Based on market/industry survey	Director's fee Transportation allowance Committee Meeting allowance Bonus	Director's fee + Transportation allowance + Committee Meeting allowance + Bonus

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Remuneration Scheme	Date of Stockholders' Approval

No. Directors' compensation is determined by survey among peers.

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item*	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	Please see below	Please see below	Please see below
(b) Variable Remuneration			
(c) Per diem Allowance			
(d) Bonuses			
(e) Stock Options and/or other financial instruments			
(f) Others (Specify)			
Total			

*Below is the table showing the compensation of directors and officers as a group as presented in the Definitive Information Statement:

in million pesos	Year	Salary	Bonuses	Other Annual Compensation*
Total for all executive officers and directors	2015 (Estimate)	322.35M	130.10M	50.93M
	2014	271.90M	119.18M	50.58M
	2013	266.09	104.84	48.94

*Inclusive of directors' per diem and transportation allowances amounting to P31.86 million, P30.21 million and P30.08 million as of December 31, 2015, 2014, and 2013, respectively, or an average of P189,643.00, P179,851.00 and P179,048.00 per month/per director in 2015, 2014 and 2013, respectively.

The directors receive fees, bonuses and allowances that are already included in the amounts stated above. Aside from the said amounts, they have no other compensation plan or arrangement with the registrant. The directors receive compensation based on their banking or finance experience and their attendance in the meetings of the board and the committees where they are members or chairs of.

The executive officers receive salaries, bonuses and other usual cash benefits that are also already included in the amounts stated above. Aside from the said amounts, they have no other compensation plan or arrangement with the Metrobank.

None of the directors and officers holds any warrant or option related to Metrobank.

Other Benefits*	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
(a) Advances	NA	NA	NA
(b) Credit granted	NA	NA	NA
(c) Pension Plan/s Contributions	2.501 Million	NA	NA
(d) Pension Plans, Obligations incurred	NA	NA	NA
(e) Life Insurance Premium	NA	NA	NA
(f) Hospitalization Plan	0.52 Million	NA	NA
(g) Car Plan	Bank assigned car	NA	NA
(h) Others (Specify)	NA	NA	NA
Total	3.021 Million		

*These benefits are provided as an officer of the Bank (2013)

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
NA				

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval
NA		

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
Group Heads	68.082 Million (2013)

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members				Committee Charter (Functions, Key Responsibilities, Power)
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)	Non-Director Member (NDM)	
Executive (Excom)	2	1*	None	2	Responsibility Statement: 1. Review the Bank's corporate plans, strategies that may be endorsed by the various committees for Excom's approval

*2 Different NEDs on rotation					<p>2. Evaluate loan proposals in excess of the authority delegated to the Senior Credit Committee, and approve risk exposures for the following types of entities:</p> <ol style="list-style-type: none"> Commercial Exposures to Corporations and Businesses Consumer / Retail Exposures under Existing Policy Bank and Non-Bank Financial Institutions Country Risk Limits Approve credit policies <p>3. May act, by majority of vote of all its members, on such specific matters within the competence of the Board, as may be delegated to it by Bank's By-Laws or by a majority vote of the Board.</p>
Audit (AuditCom)	None	None	5	None	<p>Responsibility Statement: It assists the Board in fulfilling its statutory and fiduciary responsibilities, enhancing shareholder value, and protecting shareholders' interest through (a) effective oversight of internal and external audit functions, (b) transparency and proper reporting, (c) compliance with laws, rules and regulations; and code of conduct, and (d) adequate and effective internal controls.</p> <p>The AuditCom shall be responsible for overseeing Senior Management in establishing and maintaining an adequate, effective and efficient internal control framework. It shall ensure that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets.</p> <p>Primary Responsibilities:</p> <ol style="list-style-type: none"> Provide effective oversight of external and internal audit functions, including insourcing and outsourcing of internal audit activities Ensure transparency and proper reporting with emphasis on the reports' integrity, timeliness and compliance with standards Ensure compliance with Bank policies, and applicable laws, rules and regulations and code of conduct; and Ensure adequate and effective internal controls. <p>Authority: Explicit authority to investigate any matter within its terms of reference, full access to and cooperation by management and full discretion to invite any director or executive officer to attend its meetings, and adequate resources to enable it to effectively discharge its functions.</p>
Nomination (NomCom)	None	None	3	None	<p>Responsibility Statement: The Committee shall review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board of Directors. All nominees to the Board as well as for other positions requiring Board approval shall possess all the qualifications and shall not have any of the disqualifications prescribed by applicable laws, rules and regulation of regulatory authorities such as BSP and SEC.</p> <p>Key Responsibility: It shall promulgate the guidelines or criteria to govern the conduct of nominations.</p>

Corporate Governance and Compensation (CGCCom)	1	None	3	None	<p>Responsibility Statement: It assists the Board in fulfilling its corporate governance responsibilities and in providing oversight in the implementation of the Bank’s Compliance System.</p> <p>Duties and Responsibilities: The CGCOM shall assist the Board in fulfilling its statutory and fiduciary responsibilities, enhancing shareholder value, and protecting shareholders’ interest through (a) effective oversight on corporate governance practices, (b) ensuring the effectiveness and observance by the Board of corporate governance principles and guidelines, (c) providing oversight in the implementation of the Bank’s Compliance System, (d) making recommendations to the Board regarding the continuing education of directors, assignment to board committees, succession plan for the senior officers, and the remuneration policy linked to the corporate and individual performance to ensure that compensation is consistent with the Bank’s culture, strategy and the business environment in which it operates.</p> <p>In addition, the CGCOM shall also aid the Board in the discharge of its overall responsibility for defining an appropriate corporate governance framework that shall contribute to the effective oversight function over entities in the group.</p> <p>Primary Responsibilities:</p> <ol style="list-style-type: none"> 1. Provide effective oversight on corporate governance practices over the Bank and entities in the group 2. Assist the Board in fulfilling its corporate governance responsibilities 3. Ensure the effectiveness and due observance by the Board of corporate governance principles and guidelines 4. Provide oversight in the implementation of the Bank’s compliance system. It shall ensure that oversight on the Bank’s compliance management is adequate. 5. Extend assistance to the Board in <ol style="list-style-type: none"> a. defining appropriate governance and compliance policies, practices and structure that will enable effective oversight over entities in the group and b. ensuring consistent adoption of corporate governance and compliance policies and systems across the group
Others					
Trust Committee (TrustCom)	1	1	2	1 (Trust Officer)	<p>Responsibility Statement: It is responsible for the acceptance and closing of trust and other fiduciary accounts. It performs initial review of assets placed under the trustee’s or fiduciary’s custody. It is responsible for the investment, reinvestment and disposition of funds or property. The Trust Com reviews and approves transactions between trust and/or fiduciary accounts.</p> <p>Duties and Responsibilities: Trust Com reviews trust and other fiduciary accounts at least once every three (3) years to determine the advisability of retaining or disposing of the trust or fiduciary assets, and/or whether the account is being managed in accordance with the instrument creating the trust or other fiduciary relationship.</p>

					<p>The Trust Committee is primarily responsible for overseeing the fiduciary activities of the bank. In discharging its function, it shall:</p> <ol style="list-style-type: none"> 1. Report regularly to the Board on matters arising from fiduciary activities; 2. Ensures that fiduciary activities are conducted in accordance with applicable laws, rules and regulations, and prudent practices; 3. Ensure that policies and procedures that translate the Board’s objectives and risk tolerance into prudent operating standards are in place and continue to be relevant, comprehensive and effective; 4. Confirm the acceptance, termination or closure of all trust and other fiduciary as approved by the trust officer or duly delegated management committee and shall record such in its minutes; 5. Confirm the initial review of assets placed under the trustee’s or fiduciary’s custody as conducted by trust officer or duly delegated management committee; 6. Approve the investment, reinvestment and disposition of funds or property as endorsed by the trust officer or duly delegated management committee; 7. Review and confirm transactions between trust and/or fiduciary accounts as approved by a the trust officer of duly delegated management committee; 8. Note the review of trust and other fiduciary accounts by a duly delegated management committee performed periodically as required by the regulation to determine the advisability of retaining or disposing of the trust or fiduciary assets, and/or whether the account is being managed in accordance with the instrument creating the trust or other fiduciary relationship. 9. Adopt an appropriate staffing pattern and operating budgets that shall enable the trust department to effectively carry out its functions; 10. Ensure that the officers and staff of the Bank are provided with appropriate training program in the administration and operation of all phases of trust and other fiduciary business; 11. Oversee and evaluate performance of the Trust Banking Group Head/Trust Officer; 12. Oversee the implementation of the Risk Management framework and ensure that internal controls are in place relative to the fiduciary activities; 13. Take appropriate action on the examination reports of supervisory agencies, internal and/or external auditors on the Bank’s trust and other fiduciary business and recording such actions thereon in the minutes for confirmation of the Board; and 14. Perform any and all functions that may be deemed necessary or proper in the exercise of its oversight functions over all fiduciary activities.
Risk Oversight (ROC)	None	1	4	None	<p>Principal Function: It is responsible for the development and oversight of the risk management program for the Bank and its Trust Banking Group.</p> <p>Risk Management Structure: The Board has the ultimate overall authority and responsibility for corporate risk management. By virtue of its approval of the Bank’s strategic plans, the Board effectively approves the ways and means by which the plans are carried out, including the risk stance to be adopted.</p>

					<p>ROC Duties and Responsibilities:</p> <ol style="list-style-type: none"> 1. Identify and evaluate risk exposures. ROC shall assess the chances of each risk becoming real and assess the potential effect and cost. Priority shall be given to those risks that are deemed most likely to occur and are costly should they happen. 2. Develop risk management strategies. The Committee shall develop a written plan defining strategies for managing and controlling the major risks. It shall identify practical strategies to reduce the chance of harm or failure, and realized losses if the risk is realized. 3. Oversee the implementation of the risk management plan. ROC shall conduct regular discussions on the Bank's risk exposures based on regular management reports, and evaluate how the concerned units monitored and reduced these risks. 4. Review and revise the risk management plan as needed. The Committee shall evaluate the plan to ensure its continued relevance, comprehensiveness, and effectiveness. It shall revisit strategies, look for emerging or changing exposures, and stay abreast of developments that affect the likelihood of harm or loss. ROC shall report regularly to the Board the Bank's overall risk exposure, actions taken to reduce the risks, and recommend further actions and/or plans if deemed necessary
Related Party Transaction (RPTC)	None	None	4	None	<p>Responsibility Statement: It reviews proposals on Related Party Transactions (RPT).</p> <p>Duties and Responsibilities: It reviews proposals by considering the following:</p> <ol style="list-style-type: none"> 1. Identity of the parties involved in the transaction or relationship; 2. Terms of the transaction or relationship and whether these are no less favorable than terms generally available to an unrelated third party under the same circumstances; 3. Business purpose, timing, rationale and benefits of the transaction or relationship; 4. Approximate monetary value of the transaction and the approximate monetary value of the Related Party's interest in the transaction; 5. Valuation methodology used and alternative approaches to valuation of the transaction; 6. Information concerning potential counterparties in the transaction; 7. Description of provisions or limitations imposed as a result of entering into the transaction; 8. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the transaction; 9. Impact to a Director's independence; and, 10. Extent that such transaction or relationship would present an improper conflict of interest.
Domestic Equity Investments (DEIC)	1	2	4	None	<p>Responsibility Statement: It assesses the results of operations and provides oversight on the domestic equity investments, as well as to review, evaluate and recommend to the Board, policy matters concerning the Bank's relationship with its domestic subsidiaries/affiliates and selected equity investments proposals.</p> <p>Duties and Responsibilities:</p> <ol style="list-style-type: none"> 1. Ensure that domestic equity investments goals support the Bank's mission and vision. 2. Assist the Board in reviewing DEI policies, strategies and programs of the Bank and its subsidiaries.

					<ol style="list-style-type: none"> 3. Review the procedures which Management utilized in determining the appropriateness of specific investments proposals in accordance with policies and limits approved by the Committee. 4. Review specific investments proposals and transactions consistent with DEI policy and guidelines and recommend appropriate Board action. 5. Monitor the quality and performance of major domestic equity investments in the portfolio. 6. Oversee how policies on cross-selling arrangements are implemented between related companies and the Bank. 7. Periodically review cross-selling arrangements and report to the Board 8. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval. 9. Evaluate the performance of the Committee and its individual members annually. .
Overseas Banking Committee (OBCom)	1	2	3	None	<p>Responsibility Statement: The Overseas Banking Committee shall assist the Board of Directors in its oversight functions over the operations and financial performance of the overseas branches and subsidiaries, their compliance with the rules and regulations of their respective host countries and their adherence to the parent bank’s business and corporate governance policies as prescribed by the Bangko Sentral ng Pilipinas and the Philippine Securities and Exchange Commission.</p> <p>Duties and Responsibilities:</p> <p>Exercise oversight over the business activities and financial performance of the overseas branches and subsidiaries as compared to their respective budgets and expressed business strategies.</p> <p>Exercise oversight over the compliance of the overseas branches and subsidiaries to the laws and regulations of the respective host countries as well as to the applicable rules of the Bangko Sentral ng Pilipinas.</p> <p>Review, evaluate and recommend approval to the BOD the Bank’s business plans towards expanding reach, strengthening support and providing quality service of its international banking and money transfer businesses. In this regard, OBCOM shall:</p> <ol style="list-style-type: none"> a) Review and endorse for approval of the Board recommendations of the IOSG for the opening or establishment of or closure of overseas branches and subsidiaries. b) Review and approve changes and amendments in the criteria, policies and procedures in the accreditation of remittance tie-ups/correspondents and remittance agents. c) Note appointments for the positions of Region Heads and Heads of overseas branches and subsidiaries with the rank of Assistant Vice President or its equivalents and above. d) Review and endorse the annual business plans and budgets of overseas branches and subsidiaries and other business activities of the IOSG.

					<p>e) Review the financial performance of the overseas branches and subsidiaries regularly.</p> <p>Monitor the examination results of host country regulators and internal audit reports of the overseas branches and subsidiaries and the implementation of corrective actions that need to be taken from the examination and audit results.</p> <p>Report to the BOD the activities of the OBCOM on a regular basis.</p>
Information Technology Steering Committee (ITSC)	2	2	None	1 (ITG Head)	<p>The ITSC provides governance and oversight in the management of the Bank's IT resources. Its principal function is to ensure that IT strategies are consistent with the overall business objectives. As an extension of the BOD, it shall supervise the IT Risk Management Program of the Bank and the development of policies, controls and specific accountabilities consistent with the Bank's IT Risk Management Framework. It should regularly provide adequate information to the BOD regarding overall IT performance, status of major projects or other significant issues related to IT risks.</p>
Anti-Money Laundering Committee (AMLACOM)	1	1	2	None	<p>Responsibility Statement: A Board level Committee tasked to assist the Board of Directors in fulfilling its oversight responsibility over the Bank's AML Compliance Management to make sure that the Bank complies with the provisions of the AMLA, as amended, its Revised Implementing Rules and Regulations (RIRR), and BSP regulations.</p> <p>Authority: The AMLACOM shall have explicit authority to cause the investigation of any matter within its terms of reference, full access to and cooperation by Senior Management and full discretion to invite any Director or Officer to attend to its meetings, and adequate resources to enable it to effectively discharge its functions.</p> <p>Duties and Responsibilities:</p> <ol style="list-style-type: none"> 1. Provide effective oversight of the Bank's AML Framework. <ol style="list-style-type: none"> a. Policies and procedures established by Senior Management are adequate to ensure compliance with all applicable laws and regulations, and AML risks are managed. b. Policies and procedures are kept updated and remain relevant to best react on changing AML regulatory scenarios and conditions. 2. Endorse to the Board for approval the Bank's Money Laundering and Terrorist Financing Prevention Program (MLPP) documenting the policies and procedures of the Bank's compliance with the core components of AMLA, as amended. 3. Receive regular reports from the Anti-Money Laundering Compliance Committee (AMLCC) on the effectiveness of the implementation of the Bank's MLPP and whether Senior Management is taking appropriate actions on identified weaknesses in its (MLPP) implementation. 4. Review and monitor the overall effectiveness of Anti-Money Laundering Division (AMLDD), particularly its progress on the implementation of its overall business plan. 5. Perform annual self-assessment.

					6. Review annually the AMLACOM Charter to reassess its adequacy, incorporate best practices and propose necessary changes thereto.
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2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Arthur Ty	April 29, 2015	52	38	73	More than 10 yrs
Member (ED)	Fabian S. Dee	April 29, 2015	52	49	94	More than 10 yrs
Member (NED)	Francisco C. Sebastian (rotating member)	April 29, 2015	52	23	44	5 years
Member (NED)	Vicente R. Cuna (rotating member)*	April 29, 2015	52	23	44	2 years
Member (NDM)	Mylene A. Caparas	April 29, 2015	52	44	84	1 year
Member (NDM)	Corazon B. Nepomuceno Noel Z. Yuseco (alternate)	April 29, 2015	52	46	88	3 years

*Mr. Vicente R. Cuna (NED) was appointed into the Excom after the Annual Stockholders meeting, he replaced Mr. Robin King (NED) who attended 5 meetings prior to the April 29, 2015. Prior to his appointment as President of PSBank, Mr. Cuna was Head of Corporate Banking Group of Metrobank and a member of the Excom for 8 years.

(b) Audit Committee (AC)

Office	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Robin A. King	April 29, 2015	8	8	100	8 mos.
Vice –Chairman (ID)	Renato C. Valencia	April 29, 2015	12	12	100	17 years and 2 mos.
Member (ID)	Remedios L. Macalincag	April 29, 2015	12	12	100	8 years 8 mos.
Member (ID)	Vicente B. Valdepeñas	April 29, 2015	12	12	100	4 years 8 mos.
Member (ID)	Francisco F. del Rosario, Jr.	April 29, 2015	12	11	92	2 years and 8 mos.

*Appointed April 29, 2015

Disclose the profile or qualifications of the Audit Committee members.

Qualifications:

As specified in the AC Charter; the members are appointed annually by the Board. It shall be composed of at least three (3) board members, majority of which shall be non-executive directors, and at least two (2) of whom shall be independent directors, including the Chairperson, preferably with accounting and financial management experience, and one (1) of whom shall have related audit experience commensurate with the size, complexity of operations and risk profile of the bank.

Profile:

RA King – Former Independent Director, Toyota Financial Services Philippines, Inc.; Former Independent Director, First Metro Investment Group; Former Independent Director, PBC Capital Investment Corp.; Former President & CEO, International Bank of California; Former President & Director, Global Business Bank

RC Valencia – Chairman/Director, iPeople Inc.; Director, Vulcan Industrial & Mining Corporation, Anglo Philippine Holdings Corporation, House of Investments, Inc., and Malayan Insurance Company, Inc.; Vice Chairman, Asia Pacific Network Holdings, Inc.; Chairman, Hypercash Payment Systems Inc.; Former President/CEO, Social Security System; Former Chairman/CEO, Union Bank of the Philippines

RL Macalincag – Chairman/President, Premium Equities, Inc.; Former Director, SMBC Metro, Megalink, and DBP - Daiwa Securities; Former Pres./CEO, Development Bank of the Philippines; Former Chairman/Vice Chairman, LGU Guarantee Corporation, Certified Public Accountant

VB Valdepeñas, Jr. – Consultant, Bangko Sentral ng Pilipinas; Chairman/ Member, Advisory panel to the ASEAN +3; Former Member, Monetary Board; Former Executive Director, South East Asian Central Banks Research and Training Centre at Kuala Lumpur; Former Consultant, Swedish International Development Authority on Bank Supervision; Citibank; Former Director General, National Economic and Development Authority; Deputy Minister, Trade and Industry

FF del Rosario, Jr. – Director, DMCI Homes, Inc. and Mapfre Insular Insurance Corp.; Former President/CEO, Roxas & Co., Inc.; Former Executive Vice President, Dela Salle University; Former Chairman/CEO, Asia Pacific Network; Former Executive Vice President, GSIS; Former President/Director, Cultural Center of the Philippines; Former Undersecretary, Department of National Defense; Former Vice Chairman/President/CEO, Development Bank of the Philippines

Describe the Audit Committee's responsibility relative to the external auditor.

As provided in its charter, one of the duties and responsibilities of the AC is to exercise effective oversight of external audit functions. With respect to the Bank's independent external auditors, the AC is responsible to:

- 1) Appoint, re-appoint, and terminate the independent external auditors;
- 2) Review and approve the annual plan (including scope, audit frequency, and resources) of the external auditors;
- 3) Discuss with external auditors before the audit commences the nature, scope and expenses of the audit, and ensure coordination where more than one audit firm is involved;
- 4) Review independent external auditors' report on the results of the audit of the annual financial statements before these are submitted to the Board for approval, focusing particularly on any change/s in accounting policies and procedures, major estimates, assumptions and judgmental areas, unusual or complex transactions, significant adjustments, material errors and fraud, going concern assumption, compliance with accounting standards, and compliance with tax, legal and regulatory requirements;
- 5) Review reports of external auditors and ensure that Management is taking appropriate corrective actions, in a timely manner in addressing control weaknesses and non-compliance with policies, laws and regulations and other issues identified by auditors. Furthermore, significant matters in the said reports should be reported to the Board of Directors;
- 6) Keep the nature and extent of non-audit services provided by the external auditors under review and disallow any non-audit work that will conflict with or pose a threat to the independence of the external auditors;
- 7) Meet with the lead audit partner and other members of the audit team as necessary, without the presence of management, to discuss issues arising from the audit and any other matters that the external auditors may wish to raise with the AC and vice versa;
- 8) Conduct regular performance appraisal of external auditors;
- 9) Ensure that the external auditors shall have free and full access to all the Bank's records, properties and personnel relevant to the audit activity, and that audit be given latitude in determining the scope of auditing examinations, performing work, and communicating results and shall be free from interference by outside parties in the performance of work; and
- 10) Recommend necessary enhancements in the audit processes.

Office	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Robin A. King	April 29, 2015	6	6	100	5 years & 3 months
Member (NED)	Vicente B. Valdepeñas, Jr.	April 29, 2015	6	6	100	8 months
Member (ID)	Jesli A. Lapus	April 29, 2015	6	5	83	8 months

(d) Corporate Governance and Compensation Committee

Office	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Rex C. Drilon II	April 29, 2015	6	6	100	3 years
Vice –Chairman (ID)	Remedios L. Macalincag	April 29, 2015	6	5	83	8 years and 10 months
Member (ED)	Arthur Ty	April 29, 2015	6	6	100	3 years and 8 months
Member (NED)	Antonio V. Viray*	April 29, 2015	4	3	75	4 years and 4 months
Member (ID)	Francisco F. del Rosario, Jr.	April 29, 2015	6	6	100	2 years and 7 months

*member until September 2015

(e) Others (Specify)

Provide the same information on all other committees constituted by the Board of Directors:

Trust Committee	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Jesli A. Lapus	April 29, 2015	11	11	100	5 years
Vice Chairman (ID)	Rex C. Drilon II	April 29, 2015	11	11	100	3 years
Member (ND)	Edmund A. Go	April 29, 2015	11	10	90	3 years
Member (ED)	Fabian S. Dee	April 29, 2015	11	10	90	3 years
Member	Josefina T. Tuplano	April 29, 2015	11	10	90	3 years

Risk Oversight Committee	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Edmund A. Go	April 29, 2015	13	12	92	8 years & 6 mos.
Vice Chairman (ID)	Jesli A. Lapus	April 29, 2015	13	9	69	5 years & 4 mos.
Member (ID)	Vicente B. Valdepenas Jr.	April 29, 2015	13	13	100	4 years & 8 mos.
Member (ID)	Renato C. Valencia	April 29, 2015	13	11	85	17 years & 2 mos.
Member (ID)	Remedios L. Macalincag	April 29, 2015	13	13	100	10 years & 2 mos.

Related Party Transaction Committee	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Renato C. Valencia	April 29, 2015	13	12	92	5 years
Vice –Chairman (ID)	Rex C. Drilon II	April 29, 2015	13	11	85	3 years & 3 mos
Member (ID)	Remedios L. Macalincag	April 29, 2015	13	12	92	5 years
Member (ID)	Vicente B. Valdepeñas	April 29, 2015	13	13	100	4 years & 8 mos.

Domestic Equity Investments Committee	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Francisco F. Del Rosario, Jr.	April 29, 2015	5	3*	60	8 mos.
Vice - Chairman (ID)	Robin A. King	April 29, 2015	5	5	100	4 years 8 mos.
Member (ED)	Arthur V. Ty	April 29, 2015	5	5	100	3 years 8 mos.
Member (ID)	Jeslie A. Lapus	April 29, 2015	5	5	100	4 years 10 mos.
Member (NED)	Francisco C. Sebastian	April 29, 2015	5	4	80	4 years 10 mos.
Member (NED)	Alfred V. Ty	October 01, 2015	5	1**	20	3 mos.
Member (ID)	Rex C. Drilon II	April 29, 2015	5	5	100	3 years & 2 mos
Member (Head of Internal Audit Group)	Maritess B. Antonio	April 29, 2014	5	2***	40	4 years

*appointed as Chairman only in April 2015, thus was able to attend meetings beginning 3rd quarter only

**appointed as member in October 2015, thus was able to attend the last quarter meeting only

*** member until April 29, 2015

Overseas Banking Committee	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Remedios L. Macalincag	April 29, 2015	4***	4	100	8 mos.
Vice Chairman (NED)	Francisco C. Sebastian	April 29, 2015	6	4	70	12 years
Member (ID)	Robin A. King*	April 29, 2015	6	6	100	5 years
Member (ED)	Arthur Ty**	April 30, 2014	2***	2	100	10 years
Member (ED)	Fabian S. Dee	April 29, 2015	6	5	80	4 years
Member (ID)	Francisco F. del Rosario, Jr.	April 29, 2015	6	5	80	2 years
Member (NED)	Alfred Ty	September 23, 2015	2***	1	50	3 months

*Chairman until April 28, 2015;

**Member until April 28, 2015;

***Number of meetings required to attend

Information Technology Steering Committee	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ED)	Arthur Ty	October 2013	7	7	100	2 years and 2 mos.
Vice Chairman (NED)	Vicente R. Cuna Jr.	April 2015**	7	5	71	1 year and 8 mos.
Member (ED)	Fabian S. Dee	April 2015**	7	7	100	2 years and 2 mos.
Member (NED)	Edmund A. Go	October 2013	7	4	57	2 years and 2 mos.
Member (Head, IT Group)	Bernardino V. Ramos	August 2015	7	2*	29	4 mos.

**FSDee (ED) was appointed as Vice Chairman last October 2013 and VRCunaJr (NED) was appointed as a regular member last April 2014. The Board of Directors decided to appoint a NED as Vice Chairman (VRCunaJr) and FSDee(ED) as regular member last April 2015.

*BVRamos was appointed as a regular member (NDM) since August 2015.

Anti-Money Laundering Committee (AMLACOM)	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Edmund A. Go	April 29, 2015	9	8	89	2 years
Member (ED)	Arthur Ty	April 29, 2015	9	8	89	2 years
Member (ID)	Rex C. Drilon II	April 29, 2015	9	8	89	2 years
Member (ID)	Robin A. King	April 29, 2015	9	7	78	2 years

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Trust Committee	Rex C. Drilon II Edmund A. Go Antonio V. Viray	Appointed Vice Chairman, effective October 1, 2015 Change of status from Vice Chairman to Member, effective October 1, 2015 Change of status from Member to Resource Person, effective October 1, 2015
Information Technology Steering Committee	Edwin S. Chow Antonio V. Viray Vicente R. Cuna Jr. Fabian S. Dee Bernardino V. Ramos	Removed, Resigned as ITG Head , August 2015 Appointed Member (NED), May 2015 Removed, Resigned as Board of Director, September 2015 Appointed Vice Chairman (NED), April 2015 Appointed Member (ED), April 2015 Newly Appointed ITG Head , August 2015
Corporate Governance and Compensation Committee	Antonio V. Viray	Removed, Resigned as Board of Director, September 2015
Overseas Banking Committee	Robin A. King Arthur V. Ty Remedios L. Macalincag Alfred V. Ty	Appointed as OBCOM Member effective April 29, 2015 per BOD approval Resigned as OBCOM member effective April 29, 2015 per BOD approval Appointed as OBCOM Chairperson effective April 29, 2015 per BOD approval Appointed as OBCOM Member effective September 23, 2015 per BOD approval
Domestic Equity Investments Committee	Francisco F. Del Rosario, Jr. Robin A. King Maritess B. Antonio Alfred V. Ty	FFDel Rosario replaced RAKing as Chairman (as approved in the Board Meeting on April 29, 2015) RAKing replaced JALapus as Vice-Chairman (as approved in the Board Meeting on April 29, 2015) No longer re-appointed as Member during the Board Meeting on April 29, 2015 Appointed new member starting October 01, 2015
Audit Committee	Robin A. King Renato C. Valencia Remedios L. Macalincag	RA King appointed as new Chairman on April 29, 2015 RC Valencia, former Chairman, appointed as Vice-Chairman on April 29, 2015 RL Macalincag, former Vice-Chairman, appointed as member on April 29, 2015
Excom	Vicente R. Cuna replaced Robin King beginning April 29, 2015	As nominated and approved during the Annual Stockholders meeting on April 29, 2015 under normal course of business

Risk Oversight Committee	Edmund A. Go Jesli A. Lapus	EA Go replaced RL Macalincag as Chairman (as announced in the Board Meeting on April 29, 2015) JA Lapus replaced EA Go as Vice Chairman (as announced in the Board Meeting on April 29, 2015)
Anti-Money Laundering Committee (AMLACOM)	Antonio V. Viray Fabian S. Dee Arthur Ty	Appointed as Vice Chairman effective April 30, 2015 (previously served as Resource Person); no longer a Committee Member effective October 1, 2015 (upon appointment as Corporate Secretary) Excluded as Committee Member effective April 30, 2015 Appointed from Vice Chairman to Member effective April 30, 2015

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive	Approved all loan proposals and policies submitted to the Committee for approval in 2015	All significant issues raised during the Committee meetings for the year were addressed accordingly.
Audit	<ol style="list-style-type: none"> 1. Oversight of External Auditors <ol style="list-style-type: none"> a. appointment b. review and approval of scope and plan c. review reports 2. Oversight of Internal Auditors <ol style="list-style-type: none"> a. review of Audit Com and IA Charters and audit plan b. review audit reports, including status of corrective actions c. review accomplishment of plan d. performance evaluation 3. Self-Assessment & Annual Performance Report 4. Reviewed financial statements 	<ol style="list-style-type: none"> 1. Reviewed and updated the Audit Committee and Internal Audit Charters. 2. Reviewed the results of the BSP Examination and received updates on actions taken to resolve significant matters. 3. Monitored resolution of significant audit observations and reviewed status reports of major projects. 4. Reviewed results of case/AML investigations including e-fraud. <p>Note: AC Report to the Board is included in the Bank's Annual Report.</p>
Nomination	<p>Reviewed and evaluated qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board.</p> <p>Amended the Charter of the Committee to align the same with the provisions of the Company By-Laws.</p>	All significant issues raised during the Committee meetings for the year were addressed accordingly.
Corporate Governance and Compensation	<ol style="list-style-type: none"> 1. Provided effective oversight on corporate governance practices over the Bank and entities in the group 2. Assisted the Board in fulfilling its corporate governance responsibilities 3. Ensured the effectiveness and due observance by the Board of 	<p>All significant compliance and governance issues raised during the Committee meetings for the year were addressed accordingly, which include the following:</p> <ol style="list-style-type: none"> 1. compliance and regulatory issues;

	<p>corporate governance principles and guidelines</p> <ol style="list-style-type: none"> 4. Made recommendations to the Board regarding the continuing education of directors, assignment to board committees, succession plan for the senior officers, and the remuneration policy linked to the corporate and individual performance 5. Provided oversight in the implementation of the Bank's compliance system and ensured that oversight on the Bank's compliance management is adequate. 6. Extended assistance to the Board in <ol style="list-style-type: none"> a. defining appropriate governance and compliance policies, practices and structure that will enable effective oversight over entities in the group and b. ensuring consistent adoption of corporate governance and compliance policies and systems across the group 7. Overseen the performance evaluation of the Board, Committees, executive management and interlocking directors or officers and the conduct of annual self-evaluation for its performance. 	<ol style="list-style-type: none"> 2. general status of the Bank's level of regulatory compliance; 3. approval of the Bank's Compliance Program, Corporate Governance Manual; and 4. Corporate Governance Scorecards (ICD/PSE)
Others		
Trust Committee	Oversight of the fiduciary activities of the Bank.	<p>All significant issues raised during the Committee meetings for the year were addressed accordingly, such as the following:</p> <ol style="list-style-type: none"> 1. Approval of new products and product enhancements 2. Handling of accounts with unusual circumstances 3. Resignation from selected pre-need accounts 4. Updating of Trust Compliance Manuals and Manual of Policies and Procedures 5. Results of audit examinations 6. Strategic Plans 7. Directions regarding new regulations on Stand-alone Trust Corporation (SATC) and PERA 8. Streamlining of processes and improvement of forms
Risk Oversight	<p>As stated in the ROC Charter, the oversight of risk management is as follows:</p> <ol style="list-style-type: none"> a. Identification and evaluation of risk exposures; assessment of the chances of each risk becoming real and assess the potential effect and cost. b. Developing risk management strategies/written plan defining strategies for managing and controlling the major risks; identification of practical strategies to reduce the chance of harm or failure, and minimize losses if the risk is realized. c. Oversight on the implementation of the risk management plan. d. Conduct of regular discussions on the Bank's risk exposures based on regular management reports, and evaluation of how the concerned units 	<p>All significant issues raised during the Committee meetings for the year have been addressed accordingly.</p>

	<p>monitored and reduced these risks.</p> <ol style="list-style-type: none"> e. Review and revision of the risk management plan as needed; evaluation of the plan to ensure its continued relevance, comprehensiveness, and effectiveness. f. Review of strategies, look for emerging or changing exposures, and stay abreast of developments that affect the likelihood of harm or loss. RMC shall report regularly to the BOD the Bank's overall risk exposure, actions taken to reduce the risks, and recommend further actions and/or plans if deemed necessary. 	
Related Party Transaction	<p>Reviewed proposals on related party transactions (RPTs) by considering, among others, the following:</p> <ol style="list-style-type: none"> 1. Identity of the parties involved in the transaction or relationship; 2. Terms of the transaction or relationship and whether these are no less favorable than terms generally available to an unrelated third party under the same circumstances; 3. Business purpose, timing, rationale and benefits of the transaction or relationship; 4. Approximate monetary value of the transaction and the approximate monetary value of the Related Party's interest in the transaction; 5. Valuation methodology used and alternative approaches to valuation of the transaction; 	All RPTs submitted for review and RPT issues raised during the Committee meetings for the year were addressed accordingly.
Domestic Equity Investment	<ol style="list-style-type: none"> 1. Assessed the results of operations of all active domestic subsidiaries/some selected affiliates. 2. Made the Board aware of the performance and any risk exposures of these entities in the group as well as the risks these pose to the Bank. 3. Review cross-selling arrangements of the Bank with Financial Product Providers 	<ol style="list-style-type: none"> 1. Improved the Board's oversight over domestic investments in subsidiaries/selected affiliates, 2. Raised the Board's awareness on the results of operations of all active domestic subsidiaries/selected affiliates including any risks exposures.
Overseas Banking Committee	<ol style="list-style-type: none"> 1. Exercised oversight on the business activities and financial performance of foreign offices and branches as compared to their budgets and business strategies 2. Exercised oversight over the compliance of the foreign offices and branches to the laws and regulations of the respective host countries as well as to the applicable rules of the BSP. 3. Reviewed, evaluated and endorsed for Board approval the application for additional capital of a foreign branch. 4. Reviewed the business plans/strategies for two (2) foreign branches. 5. Noted the relocation of a branch of a foreign office and a foreign branch 6. Noted the appointment of a new General Manager of a foreign branch. 7. Reviewed and endorsed the 2015 business plans and budgets of 	All significant issues raised during the Committee meetings for the year were addressed accordingly.

	<p>foreign offices and branches</p> <p>8. Monitored the examination results of host country regulators and internal audit reports of foreign offices and branches and the implementation of corrective actions.</p>	
Information Technology Steering	<ol style="list-style-type: none"> 1. Review and Approval of the ITSC Charter (2015) 2. Review of Delivery Dashboard 3. Review of BSP / Audit Action Items 4. Review of IT Risk Assessment 5. Review and Confirmation of ITGC Approved projects 6. Review and Confirmation of IT and IS related policies and standards 	Compliance with BSP Circular 808
Anti-Money Money Laundering	<ol style="list-style-type: none"> 1. Review and revision of the AMLACOM Charter 2. Review and evaluation of the Bank's AML Framework 3. Notation of the Minutes of Meetings of the Anti-Money Laundering Compliance Committee 4. Confirmation/approval of new AML-related policies 5. Review of AML-related findings by regulatory agencies and Internal Audit Reports 6. Monitor progress of AML System project 7. Review Covered and Suspicious Transaction Reports filed; monitor account disposition 8. Review and monitor compliance to Bank Inquiry Orders/Resolutions received from the AMLC and Court of Appeals 9. Review AML Training program and compliance testing done by AMLD 10. Conduct self-assessment 11. Review of results of administrative investigation on certain AML cases 12. Review of AML risk rating of Bank products 13. Review of disposition of certain high risk accounts 14. Review of revisions to the Responsibility Statement of AMLD 15. Review and endorsement for Board approval of the Revised Money Laundering and Terrorist Financing Prevention (MLPP) Manual 	To perform its core responsibility in assisting the Board of Directors fulfill its oversight function over the Bank's AML Compliance Management to make sure that the Bank complies with the provisions of the AMLA, as amended, its Revised Implementing Rules and Regulations (RIRR), and BSP regulations.

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive	<ol style="list-style-type: none"> 1. Review the Bank's corporate plans, strategies that may be endorsed by the various committees for Excom's approval 2. Evaluate loan proposals in excess of the authority delegated to the Senior Credit Committee, 	All significant issues that will be raised during the Committee meetings for the year

	<ol style="list-style-type: none"> 3. Approve risk exposures for the following types of entities: <ol style="list-style-type: none"> a. Commercial Exposures to Corporations and Businesses b. Consumer / Retail Exposures under Existing Policy c. Bank and Non-Bank Financial Institutions d. Country Risk Limits 4. Approve credit policies. 	
Audit	<p>To assist the Board in fulfilling its statutory and fiduciary responsibilities, enhancing shareholder value, and protecting shareholders' interest through (a) effective oversight of internal and external audit functions, (b) transparency and proper reporting, (c) compliance with laws, rules and regulations; and code of conduct, and (d) adequate and effective internal controls.</p> <ol style="list-style-type: none"> 1. Provide effective oversight of external and internal audit functions, including insourcing and outsourcing of internal audit activities. 2. Ensure transparency and proper reporting with emphasis on the reports' integrity, timeliness and compliance with standards; 3. Ensure compliance with Bank policies, and applicable laws, rules and regulations and code of conduct; and 4. Ensure adequate and effective internal controls. 	All significant issues that will be raised during the Committee meetings for the year
Nomination	Review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board.	All significant issues that will be raised during the Committee meetings for the year.
Corporate Governance and Compensation Committee	<p>The Corporate Governance and Compensation Committee shall continue to assist the Board in fulfilling its statutory and fiduciary responsibilities, enhancing shareholder value, and protecting shareholders' interest through the following, among others:</p> <ol style="list-style-type: none"> 1. Provide effective oversight on corporate governance practices over the Bank and entities in the group. 2. Ensure the Board's effectiveness and due observance of corporate governance principles and guidelines 3. Oversee the periodic performance evaluation of the Board and its committees, executive management and interlocking directors or officers and conduct of annual self-evaluation for its performance. 4. Assist the Board in fulfilling its corporate governance responsibilities. 5. Provide oversight in the implementation of the Bank's compliance system. 6. Decide the manner by which the Board's performance shall be evaluated and propose an objective performance evaluation criteria approved by the Board. 7. Decide whether or not a director is able to and has been adequately carrying out his/her duties as director bearing in mind the director's contribution and performance (e.g., competence, candor, attendance, preparedness and participation). 8. Determine whether or not a director or officer who has multiple positions is able to and has been adequately carrying out his/her duties and, if necessary, 	All significant compliance and governance issues that will be raised during the Committee meetings for the coming year.

	<p>recommend changes to the board based upon said performance/review</p> <ol style="list-style-type: none"> 9. Make recommendations to the Board regarding the continuing education of directors, assignment to board committees, succession plan for the senior officers, and the remuneration policy linked to the corporate and individual performance to ensure that compensation is consistent with the Bank's culture, strategy and the business environment in which it operates. 10. Define appropriate governance and compliance policies, practice and structure that will enable effective oversight over entities in the group 11. Ensure consistent adoption of corporate governance and compliance policies and systems across the group. 12. Ensure that a Compliance Program is defined for the bank and that compliance issues are resolved expeditiously. 	
Others (specify)		
Trust	<ol style="list-style-type: none"> 1. Continuously review the Manual of Policies and Procedures (MOPP) and revise as necessary 2. Monitor the progress of activities that focus on addressing audit observations 3. Enhance consumer protection framework 	All significant issues that will be raised during the Committee meetings for the year
Risk Oversight	Continued oversight of risk management, which in turn is guided by the Risk Management Manual. This serves as the governing policies & processes as business & risk dynamics evolve.	Any issue that will arise in the course of the year in order that the ROC will remain on top of the risks that will evolve in due course of business.
Related Party Transaction	<p>The RPTC shall continue to review proposals on RPTs by considering, among others, the following:</p> <ol style="list-style-type: none"> 1. Identity of the parties involved in the transaction or relationship; 2. Terms of the transaction or relationship and whether these are no less favorable than terms generally available to an unrelated third party under the same circumstances; 3. Business purpose, timing, rationale and benefits of the transaction or relationship; 4. Approximate monetary value of the transaction and the approximate monetary value of the Related Party's interest in the transaction; 5. Valuation methodology used and alternative approaches to valuation of the transaction; 	Review of all related party transaction and related party transaction issues that will be raised during the Committee meetings
Domestic Equity Investments	Continuous assessment of the viability of investments in domestic subsidiaries and selected affiliates.	To improve Board's oversight over the performance and continuing viability of the equity investments in domestic subsidiaries and selected affiliates.
Overseas Banking Committee	<ol style="list-style-type: none"> 1. Implementation of business strategies/recovery plans, subject for Board approval 	All significant issues that will be raised during the Committee meetings for the year.
Information Technology Steering	<ol style="list-style-type: none"> 1. IT Tactical Plan for 2015 2. ITG, ISD Monthly Performance Report 3. Review of Strategic and Large BAU projects with special focus on Core Banking Project 	Other requirements in compliance with BSP Circular 808

	<p>4. Review and Confirmation of ITGC Initiatives</p> <ul style="list-style-type: none"> a. Vendor Management b. IT Organization Management c. Information Security Asset – Based Risk Assessment d. Systems Inventory and Management 	
Anti-Money Money Laundering	Full completion of new SAS AML System	Full implementation of the new AML System by 1 st quarter of 2016

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Bank adheres to good corporate governance practices and implements structures and processes that would ensure that our business is being run well and responsibly. These are translated by the Risk Oversight Committee (ROC), a Board-level committee that is composed primarily of independent members of the Board. The Committee oversees the Bank's risk infrastructure, operating policies, and exposures.

(b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

The ROC periodically reviewed & evaluated the (a) compliance of the Bank's risk taking units to the various Board-approved risk exposure limits; as well as the (b) performance of the Chief Risk Officer & his team as the Bank's second line of defense. These are reflected in ROC meeting minutes & presentations to the Board of Directors.

(c) Period covered by the review;

For the year ended December 31, 2015

(d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and

Excerpt from ROC Charter

The Board has the ultimate overall authority and responsibility for corporate risk management. By virtue of its approval of the Bank's strategic plans, the Board effectively approves the ways and means by which the plans are carried out, including the risk stance to be adopted. The ROC reviews and revises the risk management plan as needed, evaluates the plan to ensure its continued relevance, comprehensiveness and effectiveness. It revisits strategies, looks for emerging or changing exposures and stays abreast of developments that affect the likelihood of harm or loss. ROC reports regularly to the Board the Bank's overall risk exposure, actions taken to reduce the risks and recommends further actions if deemed necessary.

(e) Where no review was conducted during the year, an explanation why not.

Not applicable. A review was conducted in 2015.

2) Risk Policy

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Credit, market, liquidity & operational risks	To identify, analyze, measure, mitigate/control and monitor credit, market, liquidity and operational risks in close coordination with the business units.	<p>Credit Risk- Make sure that the credit risk exposures are managed consistent with the Bank's risk appetite and in support of the balance sheet's sustainability.</p> <p>Market- To assist in the Bank's efficient risk/return decisions, and minimize volatility in operating performance.</p> <p>Liquidity- Ensure ample and diverse sources of funds are available to satisfy all maturing obligations and commitments fully and promptly.</p> <p>Operational- To effectively manage associated operational risks and keep operational risk at acceptable levels.</p>

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Credit, market, liquidity & operational risks	Strengthen the channels of risk management and control, communication, coordination and oversight across the head office, domestic and overseas branches as well as domestic subsidiaries. This is in line with BSP's initiatives towards strengthening corporate governance in BSP-supervised financial institutions.	Each subsidiary is managed independently. Risk management policies, processes, & methods are discussed & shared for possible coordination & standardization. Group-level exposures are tracked & reported to the parent Bank's Board.

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
There is relatively a strong alignment of interests between minority and majority shareholders. It is generally in both parties' interests to gain market share, grow revenues, control costs and capital expenditures, maximize operating profits and enhance returns on capital.

There is no risk to the minority shareholders as the Bank abides by the mandate of the Corporation Code on the required shareholder approval for company actions.

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Credit, market, liquidity & operational risks	<ol style="list-style-type: none"> 1. System-based tracking 2. Exposure estimation at various angles of profiles & levels of aggregation 3. Exposure analyses 4. Periodic review by Internal Audit 5. Compliance testings 6. Periodic reporting to Management and Board 	<ol style="list-style-type: none"> 1. 3 layers of defense starting with the risk taking units 2. 4 levels of risk governance up to the Board 3. System of limits 4. Escalation & control arrangements 5. Identification of risk and immediate remediation of exceptions/findings 6. Two-way and open communication within the Bank 7. Continuous monitoring and assessment

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Credit, market, liquidity & operational risks	<ol style="list-style-type: none"> 1. Each subsidiary is managed independently 2. Risk management policies, processes, & methods are discussed & shared for possible coordination & standardization 3. Group-level exposures are tracked & reported to the parent Bank's Board 	<ol style="list-style-type: none"> 1. Each subsidiary is managed independently 2. Risk management policies, processes, & methods are discussed & shared for possible coordination & standardization 3. Group-level exposures are tracked & reported to the parent Bank's Board 4. Group Supervisor Role

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Risk Oversight Committee (ROC)	Per its Charter, it oversees the Bank's risk management functions. The implementation of which, however, is within the ambit of	

	Management.
Audit Committee (AC)	Per its Charter, it assists the Board of Directors in fulfilling its statutory and fiduciary responsibilities, enhancing shareholder value, and protecting shareholders' interest through (a) effective oversight of internal and external audit functions, (b) transparency and proper reporting, (c) compliance with laws, rules and regulations; and code of conduct, and (d) adequate and effective internal controls.
Corporate Governance and Compensation Committee (CGCCom)	Per its Charter, it assists the Board in fulfilling its statutory and fiduciary responsibilities, enhancing shareholder value, and protecting shareholders' interest through (a) effective oversight on corporate governance practices, (b) ensuring the effectiveness and observance by the Board of corporate governance principles and guidelines, (c) providing oversight in the implementation of the Bank's Compliance System which includes oversight and monitoring of Bank's compliance with Anti-Money Laundering law, rules and regulations;

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

(a) Explain how the internal control system is defined for the company;

The Internal Audit Group (IAG) evaluates and makes recommendations regarding the adequacy, efficiency and effectiveness of the internal control structure, as well as identifies areas of material risk or weaknesses.

As part of the Audit Committee's (AC) oversight function, the committee ensures that the corporate governance, risk management processes and internal controls are adequate and implemented effectively. Management's representations on the effectiveness of the internal control systems and the results of testing carried out by internal and external auditors with recommendations to improve internal controls and action plans to resolve the issues raised are reviewed, evaluated and monitored. Members of management presents their strategic road maps, action plan and progress towards resolving internal control matters, with particular attention on implementing controls to prevent recurrence of events resulting to significant risk or losses.

(b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

As part of its oversight function, AC obtains a good understanding of business risks, communicates regularly with Management and corroborates the information received through regular reports, meetings and knowledge from previous experience and new developments.

As stated on the AC's Annual Report to the Board, the AC concludes that mechanisms are in place to achieve business objectives in accordance with acceptable banking practice based on the work undertaken, the Chief Audit Executive's favorable overall assessment/judgment on the adequacy and effectiveness of the Bank's risk management, governance and internal control processes and representation letter from the Management of the Bank with an unqualified opinion from the external auditors on the FS.

(c) Period covered by the review;

Annual

(d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and

Annual. The AC obtains a good understanding of business risks, communicates regularly with management and corroborates the information received through regular reports, meetings and knowledge from previous experience and new developments.

(e) Where no review was conducted during the year, an explanation why not.

Not applicable since annual review was done during the year.

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
<p>The IAG provides independent, objective assurance and consulting services designed to add value and improve the Bank's operations.</p>	<p>The scope of work of Internal Audit Group includes all processes, systems, units and activities (including outsourced services) of the Bank (including its subsidiaries/affiliates whose audits are directly handled by IAG). The scope of work of Internal Audit Group shall cover, among others, the following:</p> <ol style="list-style-type: none"> 1. Evaluation of the adequacy, efficiency and effectiveness of internal control, risk management and governance systems in the context of current and potential future risks; 2. Review of the reliability, effectiveness and integrity of management and financial information systems, including the electronic information system and electronic banking services; 3. Review of the systems and procedures of safeguarding the bank's physical and information assets; 4. Review of the compliance of trading activities with relevant laws, rules and regulations; 5. Review of the compliance system and the implementation of established policies and procedures; and 6. Review of areas of interest to regulators such as, among others monitoring of compliance with relevant laws, rules and regulations, including but not limited to the assessment of the adequacy of capital and provisions; liquidity level; regulatory and internal reporting. <p>The scope of work of the Internal Audit Group is to ensure that:</p> <ol style="list-style-type: none"> 1. Risks are appropriately identified and managed. 2. Interaction with the various governance groups occurs as needed. 3. Significant financial, managerial, and operating information is accurate, reliable, and timely. 	<p>In-house</p>	<p>Maritess B. Antonio</p>	<p>IAG personnel report to the IAG Head who in turn reports functionally to the Board through the Audit Committee, and administratively to the Office of the President.</p>

	<p>4. Operations and system functionalities are in compliance with Bank's code of conduct, policies, standards, procedures, and applicable laws and regulations, including adequacy and effectiveness of controls associated with money laundering and terrorist financing.</p> <p>5. Resources are acquired economically, used efficiently, and adequately protected.</p> <p>6. Bank's programs, plans, and objectives are achieved.</p> <p>7. Quality and continuous improvement are fostered in the organization's control process.</p> <p>8. Significant legislative or regulatory issues impacting the organization are recognized and addressed properly.</p> <p>9. System of assessing capital in relation to the estimate of organizational risks is adequate.</p> <p>Opportunities for improving management control, profitability, and the Bank's image may be identified during audits. These shall be communicated to the appropriate level of management.</p> <p>Performing consulting services, beyond internal audit's assurance services, to assist management in meeting its objectives (i.e., counsel, facilitation, process design, training, and advisory services).</p> <p>Establishing a follow-up process to monitor and ensure that Management actions have been effectively implemented or that Senior Management has been apprised of and has accepted the risk of not taking action.</p> <p>Supervising the internal audit functions of Subsidiaries/Affiliates through their respective Audit Heads and providing assurance and consulting services for Subsidiaries/Affiliates without internal audit function.</p>			
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(b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

As defined on its Charter, the AC is responsible for the appointment and termination of the Internal Auditor as well as the independent external auditor and external service providers. They also review and approve the internal audit activities/functions to be insourced/outsourced.

(c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

IAG is established by the Board, and its responsibilities are defined by the AC as part of its oversight function. To provide for the independence of the IAG, its personnel report to the IAG Head who in turn reports functionally to the Board through the Audit Committee.

The IAG Head or Chief Audit Executive, officers and staff of the IAG are authorized to have unrestricted access to all functions, records/documents, property, and personnel; have full and free access to the Audit Committee; allocate resources, set frequencies, select subjects, determine scopes of work, and apply the procedures and techniques required to accomplish audit objectives, and obtain necessary assistance of personnel in other units of the Bank where they perform audits, as well as other specialized services from within or outside the Bank.

(d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
Desengaño, Maria Jinkee Lou U.	Lack of Career Growth
Villaluna, Mary Rose	Change in Work Interest
Flores, Jenica K.	Further Education
Quitlig, Chris Mateo P.	Work Abroad
Ocampo, Julian Carlo F.	Remuneration
Marcelino, Reymarc V.	Reason not provided
Cabuco, Marily M.	Transferred to Metrobank's subsidiary
Gutierrez, Eddiemar M.	Lack of Career Growth
Miranda, Leonel B.	Preferred to work in the province
Kho, January O.	Reason not provided
Saavedra, Leommel A.	Change in Work Interest
Baldoza, Ronjan Eric M.	To focus on family business
Caniedo, Jennifer C.	Preferred to work in the province
Macarasig, Adelaida R.	Transferred to another department
Rivera, Aimi Grace F.	Career Advancement
Ramos, Maria Celeste Carmela P.	Migration
Lauc, Isbert L	Transferred to a government office

(e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

- Preparation of an audit plan inclusive of a timeline and milestones;
- Conduct of examination based on the plan;
- Evaluation of the progress in the implementation of the plan;
- Documentation of issues and findings as a result of the examination;
- Determination of the pervasive issues and findings (“examination trends”) based on single year result and/or year-to-year results;
- Conduct of the foregoing procedures on a regular basis.

Progress Against Plans	CY2015 (As of December 31, 2015*): 1,081 audits exceeding plan of 1,069; 1,047 case investigations and 45 AML cases.
Issues^{vi}	None, since these are resolved prior to adoption of policy.
Findings^{vii}	88% resolution rate*
Examination Trends	Regular audits based on risk-based audit plan
Progress Against Plans	Spot audits

* - As reported in the AuditCom meeting/s

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column “Implementation.”

Policies & Procedures	Implementation
All significant interim changes on the Audit Plan shall be submitted to the Audit Committee and Senior Management for review and approval.	Implemented. As confirmed by an independent auditing firm, IAG “Generally Conforms” to the International Standards for the Professional Practice of Internal Auditing, the Code of Ethics, and the Definition of Internal Auditing.
Frequency of the audit (audit cycle) is generally determined based on resulting risk rating.	
The decision to co-source/outsource some of IAG’s audit activities from outside service provider should be reviewed and approved by the IAG Head, Audit Committee, and Senior Management.	
The audit program is approved by the IAG Division Head (or in his absence, Department Head) prior to the commencement of fieldwork. Workpapers shall document result of work performed as basis for conclusion.	
After the completion of the fieldwork and receipt of the final responses, a formal draft, taking into account any revisions resulting from the exit conference and other discussions shall be prepared. The report is reviewed by Department Head and Division Head, and submitted to the IAGH prior to release to authorized recipient.	
IAG shall maintain a database of all resolutions/actions taken by auditee units in	

^{vi} “Issues” are compliance matters that arise from adopting different interpretations.

^{vii} “Findings” are those with concrete basis under the company’s policies and rules.

response to internal audit observations/exception	
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(g) Mechanism and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company’s shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
<ul style="list-style-type: none"> • To provide for the independence of the IAG, its personnel report to the IAG Head who, in turn, reports functionally to the Board through the Audit Committee, and administratively to the Office of the President. An annual report declaring the independence of the IAG personnel shall be included as part of its reports to the Audit Committee. • In order to assist auditors in identifying any personal impairment, an Annual Independence Statement should be completed. • To assist audit team members with review of their independence as it relates to specific audit engagements to which they are assigned, an Audit Engagement Independence Statement should be completed and documented in the audit work papers. • Internal auditors will not be assigned to operations for which they were previously responsible. Objectivity is presumed to be impaired if an internal auditor provides assurance services for an activity for which he/she had responsibility within the previous year. 	Financial analysts are provided (if requested) with published financial reports and disclosures and are further assisted through one-on-one meetings/ conference calls with the Investor Relations Dept.	N/A	Analysts from rating agencies are likewise provided (if requested) with published financial reports and disclosures. Others conduct annual reviews attended by the Investor Relations Dept. and other units i.e. Risk Management, Research, Treasury depending on the issues involved

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company’s full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

Arthur Ty – Chairman
 Fabian S. Dee - President

H. ROLE OF STAKEHOLDERS

1) Disclose the company’s policy and activities relative to the following:

	Policy	Activities
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Customers' welfare	<p><u>Code of Conduct - Customer Care</u> Customers are the driving force behind everything we do. We continuously prioritize their needs.</p> <p>Our customers expect, among others, that: (1) We deliver on our promises, dependably and accurately; (2) Our employees are knowledgeable and courteous, conveying trust and confidence; (3) We are willing to help and provide prompt service.</p> <p>Failure to attend promptly to clients' requests/inquiries and rumor-mongering, gossiping and character assassination of clients are among the examples of non-acceptable behavior under this standard of conduct.</p>
Supplier/contractor selection practice	<ol style="list-style-type: none"> 1. Policy on outsourcing of banking support and marketing activities and requirements on outsourcing provides guidelines on accreditation of service providers as well as monitoring and reviewing of their performance. 2. Policy on Canvas and Bidding serves as a basis for the evaluation and approval of goods/services under bidding
Environmentally friendly value-chain	<p>The Bank measures its performance not only with financial returns but also with our social objectives.</p> <p>Mindful of the impact that our practices may have on the environment, Metrobank is committed to sound environmental stewardship. We consistently strive to look for ways to improve our operations towards the conservation of energy, water and resources. In place are various policies on optimizing the use of paper and power shutdown of office equipment to minimize resource usage and to save on electricity costs.</p> <p>The Bank participates in environmental campaign which aims to empower individuals to proactively respond to the challenge of climate change beginning with small, simple steps that can be easily sustained and transformed into lifetime habit. From the top management to the rank and file personnel, Metrobankers pledged the following green acts, among others:</p> <ul style="list-style-type: none"> • Shut down & unplug (Energy Conservation) • Think before printing/Pay bills online/Shop with reusable bags (Solid Waste Reduction) • Walk/Bike/Join carpool (Sustainable Mobility) • Taking only what is needed (Food Waste Reduction) <p>Recognizing that within each of us is the power to create change and no action is big or small when done collectively and consistently, we shall continue to actively seek ways to improve and convey to our customers, industry associates, vendors and the general public our strong environmental commitment.</p>
Community interaction	<p>The Metrobank Group does not only prioritize its financial performance, but it also focuses on making meaningful contributions to the development of the nation. We believe we are responsible not just for our financial performance but also for the state and welfare of the larger society to which we belong. This belief we make real through our corporate social responsibility and employee volunteerism.</p> <p>Metrobank has comprehensive community and social responsibility programs conducted by the Metrobank Foundation and the employees through the Purple Hearts Club.</p> <p>Aimed at strengthening and advancing strategic sectors of society considered as key pillars in nation-building, the Bank annually honors Teachers to recognize their contribution in shaping the country's future leaders; Soldiers to professionalize the military and promote a more positive image of the armed forces; Police Officers to identify gallant men and women in the police force who are able to work with the community to prevent and solve crime; Artists to recognize excellence in Filipino Art and Design; and Journalists whose works have contributed to positive social change and in building the nation and have practice their career in influencing and developing their audiences towards constructive growth.</p>

	<p>Likewise, in the effort to help heal the nation, the Bank, through the Metrobank Foundation, initiates rehabilitation assistance to communities affected by calamities and sub-human conditions through its various programs and activities which include donations to development and charitable organizations, endowment to projects and advocacies in education, arts, health, poverty alleviation, environment and disaster preparedness.</p> <p>In serving the community, the Bank's employees volunteer and serve partner communities with various social development programs focusing on education, environment and health.</p>
Anti-corruption programmes and procedures	<p><u>Code of Conduct - Avoidance of Conflict of Interest</u> Business gifts or any form of gratuity and entertainment are courtesies designed to build understanding and goodwill among parties in a business relationship. A problem arises when a business gift compromises – whether potentially or actually – the recipient's ability to make objective and fair business decisions, or when they are contrary to applicable laws. The Bank prohibits the direct or indirect offering or receiving by an employee of any gift, gratuity, other payment or entertainment from any person, be it a client, vendor, supplier, business partner or subordinate, when the gift might affect the employee's judgment or actions in the performance of his/her duties.</p>
Safeguarding creditors' rights	<p><u>Code of Conduct - Customer Care</u> (depositors are the Bank's significant creditors) Customers are the driving force behind everything we do. We continuously prioritize their needs.</p> <p>Our customers expect, among others, that: (1) We deliver on our promises, dependably and accurately; (2) Our employees are knowledgeable and courteous, conveying trust and confidence; (3) We are willing to help and provide prompt service. Failure to attend promptly to clients' requests/inquiries and rumor-mongering, gossiping and character assassination of clients are among the examples of non-acceptable behavior under this standard of conduct.</p>

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

Yes. The Annual Report includes a separate corporate responsibility report/ section.

3) Performance-enhancing mechanisms for employee participation.

(a) What are the company's policy for its employees' safety, health, and welfare?

Metrobank actively promotes, as signified in its policy, a safe and healthy work environment that is conducive to the well-being and professional development of its employees, as follows:

We institute programs to ensure the safety of its people. We conduct regular branch visitations to prevent occupational hazards in the workplace. We prepare employees for situations that may endanger their lives, including conducting annual fire and earthquake drills, installing smoke and fire alarms at all offices and branches, and establishing and testing evacuation plans for fire, earthquake and other fortuitous events. Lectures on bank security are part of the new hires orientation to equip our personnel on what to do for suspicious events and emergency situations especially in the branches. Call trees are created, updated and tested to be used in emergency events. Fire exits and escape signs are well-established and well-lit, and fire extinguishers are placed in each floor of our offices, and in every branch. In this respect, the Bank fully complies with requirements of the Bureau of Fire Protection (BFP) and the Bangko Sentral ng Pilipinas (BSP). We are also compliant to the latter's requirements in developing and continually updating and testing a business continuity plan, such that business operations can still continue safely even after an actual disaster.

We create health programs that ensure the physical well-being of our employees. Metrobank actively promotes a healthy lifestyle through its Go 4 Health Program, a banner wellness program that starts with a wellness check of employees in our headquarters, the results of which were the basis of choosing relevant health interventions for our workforce, such as Zumba

classes and partnerships with gyms and other health institutions where our employees can enroll with a substantial discount. We disseminate bulletins on eating right, exercise, and the importance of preventing diseases. We also partner with our canteen's commissary to ensure that food items offered by our concessionaires are healthy and safe for consumption. To encourage camaraderie among our employees, we hold regular sports tournaments, and support special interest groups formed by employees that advocate healthy hobbies, such as yoga, basketball, and running. To promote holistic development, we provide avenues for active community involvement and participation in nation-building activities through our corporate social responsibility unit, the Purple Hearts Club, which offers volunteerism activities for community health, education and environment causes every week.

Metrobank has in place a Family Welfare Program that advocates the health and welfare of our workforce and their families. We provide comprehensive health insurance not only to our employees, but to their qualified dependents as well. We conduct free physical examinations in partnership with our medical affiliate, the Manila Doctors Hospital, and accredited hospitals of our health maintenance organization partners. We also engage a physician and a registered nurse who give free medical advice and basic medical treatment in an adequate clinic in our headquarters. We provide each branch and field office with first aid kits which are well-stocked with potent medicines and sufficient medical supplies.

We comply with government regulations that support the prevention and control of infectious diseases, such as tuberculosis (Dept. Order 73-05 or the Guidelines for the Implementation of Policy and Program on TB Prevention and Control in the Workplace) and HIV (RA 8504 or the Philippine AIDS Prevention and Control Act of 1998) by providing medical support for treatment of those afflicted by them. Also, pursuant to RA 9710 or the Magna Carta of Women, female employees who have undergone surgery caused by gynaecological disorders are entitled to paid leaves in accordance with the law to allow them to fully recover ("Special Leaves for Women").

We are also committed to promote a workplace that is free from drug abuse, and conduct periodic random drug testing among our employees nationwide, compliant with the provisions of RA 9165 (Comprehensive Dangerous Drugs Act of 2002).

We advocate a work-life balance that allows for the professional and personal growth of our people, and to keep them motivated and energized. The Bank also gives adequate paid time off to allow them to attend to personal and family matters.

We strive to protect our employees against harassment of any kind. We strongly enforce corporate discipline among our employees, and make our Code of Conduct known to all of our employees from Day One. We have established and implemented a valid and subsisting Anti-Sexual Harassment Policy compliant with the Anti-Sexual Harassment Act (RA 7877).

Any form of harassment, discrimination, abuse, threat and coercion is not tolerated. We have installed an administrative process that deals with such occurrences swiftly, justly and decisively.

We also comply with RA 9262 (Anti-Violence against Women and their Children "VAWC") by providing support to any female employee who may be a victim of violence that falls under this act, and granting them additional leave benefits to attend to related medical and legal concerns.

We strive to empower Metrobankers with the right skills, knowledge, work ethics and expertise that are relevant to the stakeholders. We are fully committed to ensuring that all employees perform their work consistently to high standards and achieve their full potential. We recognize that training and development is fundamental to the improvement of the bank's operational performance and the achievement of the bank's strategy and goals.

(b) Show data relating to health, safety and welfare of its employees.

As of December 31, 2015, there are no recorded incidents of work related accidents or illnesses.

(c) State the company's training and development programmes for its employees. Show the data.

The Bank is guided by training certification plans per position. The training is grouped according to job-related technical programs, institutional behavioral-leadership programs,

institutional behavioral-management programs, institutional-functional programs.

Training Take-up as of December 31, 2015 and based on employees due for certification for the year 2015 :

- a) Institutional-Functional
 - 1) NEO- 100.00% (1,729/1,729)
 - 2) AMLA – 99.85% (12,190/12,208)
 - 3) Infosec - 99.89% (12,195/12,208)

- b) Job-Related Technical – 77.03%

On a bankwide basis, a total of 12,194 (out of 12,208 population of active employees) were able to attend at least 1 training/seminar. Average training man-days is 7.23 days of training.

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures

The Bank grants a performance bonus i.e., a variable and non-guaranteed bonus that is based on the following: the Bank's performances in general, overall market conditions and the officer's performance.

In terms of individual performance, the following factors are considered:

- a. Scorecards / Performance Assessment & Management System
- b. Budgets
- c. Forced Distribution

4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.

The Bank has a "Whistle Blowing Policy" which includes the following provisions:

"Retaliation (as described under Definitions) shall not be allowed against any Reporting Employee. Retaliatory actions shall be considered as misconduct and erring officers/staff involved shall be dealt with following existing policies on Omissions/Errors/Offenses."

Within 5 banking days, upon receipt of complaint/concerns via pouch or email, nature of the case/complaint shall be evaluated if within scope of whistle blowing policy. Receipt of the complaint shall be acknowledged by replying to the complainant/reporting employee using the "Complaint Acknowledgment Receipt Form". If within scope of policy and evidence is sufficient, the case shall be referred to the investigating unit using the "Request to Investigate" form. Identity of the reporting employee/complainant shall not be disclosed to the investigating unit. If within scope but evidence or information provided is not sufficient, the complainant shall be requested to provide additional information necessary to proceed with the investigation, otherwise the complainant shall be informed that no investigation will be initiated. Similarly, where disclosure of identity of the complainant/reporting employee is necessary to conduct investigation, such shall be relayed to the complainant/reporting employee. Consent shall be documented using the "Identity Disclosure Consent Form. If complainant/reporting employee refuse to give consent, the complainant/reporting employee shall be informed that the investigation will not proceed.

If a Reporting Employee or Witness believes he has been retaliated upon for filing a complaint or for participating or cooperating in an investigation, a written complaint using the Retaliation Complaint Form may be filed with the IAG Head within one month from the occurrence of the alleged act or retaliation incident. Where identity of reporting employee was disclosed by the IAG Head as necessitated by investigation procedures, investigators shall not reveal the identity of the reporting employee to anybody. Disclosure shall be considered a violation of the policy

and shall be dealt with accordingly.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more (as of December 31, 2015)

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee (Non-Filipino)	1,102,029,334	34.653%	Various
GT Capital Holdings, Inc.	801,906,235	25.216%	GT Capital Holdings, Inc.
PCD Nominee (Filipino)	418,646,805	13.164%	Various

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
None			
TOTAL			

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Disclosed in the Definitive Information Statement submitted to SEC. Also, information on dividends declared for the year and in previous years are disclosed in the Annual Report.
Details of whistle-blowing policy	Yes
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/ commissioners	Yes
Training and/or continuing education programme attended by each director/ commissioner	Yes
Number of board of directors/commissioners meetings held during the year	Yes

Attendance details of each director/commissioner in respect of meetings held	Yes
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Sycip Gorres Velayo & Co. (SGV)	P27.72 MM	P0.48MM

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

- The Bank files disclosures and press releases to the PSE, which are then uploaded on PSE EDGE, the new reporting website of PSE; since November 2014, disclosures have also been sent to the Philippine Dealing and Exchange Corp. (PDEX), where Metrobank has 2 listed securities
- The Bank's Investor Relations Dept. holds one-on-one meetings and conference calls and attends roadshows as requested by analysts and investors
- Media briefing before or after the Annual Stockholders Meeting
- The Integrated Marketing Services Division (IMSD) also arrangers for regular (quarterly) lunch meetings with selected members of media as the need arises
- Other reports, disclosures and bank news are posted in the Bank's website

5) Date of release of audited financial report

March 2, 2015 (2014 Audited Financial Report)

6) Company Website

Does the company have a website disclosing up-to-date information about the following?

Business operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	Yes
Shareholding structure	Yes
Group corporate structure	Yes

Downloadable annual report	Yes
Notice of AGM and/or EGM	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7) Disclosure of RPT

Significant RPTs are disclosed in the Notes to the financial statements. These include the following:

RPT	Relationship	Nature	Contract Price/ Amount
GT Capital Holdings, Inc.	Stockholder with significant influence	Proceeds from sale of 15% ownership in Toyota Financial Services Philippines Corporation	Php 787.50 MM
Federal Land, Inc. (FLI)	Other related party	Proceeds from sale of bank-owned property Proceeds from sale of ROPA Payments relative to the purchase of commercial and office spaces	Php 856.43 MM Php 9.74 Bn Php 3.32 Bn
FLI and Federal Land Orix Corp.	Other related party	Parcels of land and former branch sites contributed to joint venture operations	Php 543.51 MM
Metropolitan Bank (China) Ltd.	100%-owned subsidiary	Additional capital infusion	RMB 200.00 MM
Metro Remittance (Japan) Co. Ltd.	100%-owned subsidiary	Additional capital infusion	JPY 75.00 MM

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

The Bank, through the Related Party Transactions Committee (RPTC), a Board-level committee ensures that transactions with related parties are reviewed to ensure that such are conducted at arms'-length terms and that corporate or business resources of the Bank are not misappropriated or misapplied.

The RPTC reviews proposals by considering the following:

1. Identity of the parties involved in the transaction or relationship;
2. Terms of the transaction or relationship and whether these are no less favorable than terms generally available to an unrelated third party under the same circumstances;
3. Business purpose, timing, rationale and benefits of the transaction or relationship;
4. Approximate monetary value of the transaction and the approximate monetary value of the Related Party's interest in the transaction;
5. Valuation methodology used and alternative approaches to valuation of the transaction;

6. Information concerning potential counterparties in the transaction;
7. Description of provisions or limitations imposed as a result of entering into the transaction;
8. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the transaction;
9. Impact to a Director's independence; and,
10. Extent that such transaction or relationship would present an improper conflict of interest.

Upon review of the RPTC, the proponent unit prepares the Memo to the Board and forward this to the BOD for approval.

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws

Quorum Required	<p>1. At least 2/3 of the outstanding capital stock is required for the approval of the following:</p> <ol style="list-style-type: none"> a. Increase in the Authorized Capital Stock and Creation of Preferred Shares b. Declaration of 30% Stock Dividends <p>2. Majority vote is required for the following:</p> <ol style="list-style-type: none"> a. Approval of the minutes of the annual meeting of the stockholders b. Ratification of corporate acts c. Election of external auditors <p>On the election of directors, nominees receiving the highest number of votes shall be declared elected following the provisions of the Corporation Code.</p> <p>3. Every stockholder entitled to vote on a particular question or matter involved shall be entitled to one (1) vote for each share of stock in his name. Cumulative voting is allowed provided that the total votes cast by a stockholder shall not exceed the number of shares registered in his name as of the record date multiplied by the number of directors to be elected. Matters submitted to stockholders for ratification shall be decided by the required vote of stockholders present in person or by proxy.</p> <p>4. The Bank does not solicit proxies.</p>
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Balloting
Description	The Bank's Stock and Transfer Agent tallies the votes received from corporate and individual stockholders through their written proxies submitted prior to the stockholders' meeting, provided the proxies actually attend the stockholders' meeting, and from individual stockholders present during the meeting.

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
None	

Dividends

Declaration Date	Record Date	Payment Date
March 26, 2014	May 7, 2014	May 16, 2014
January 23, 2013	March 8, 2013	April 3, 2013
January 25, 2012	March 5, 2012	March 26, 2012
March 25, 2011	May 16, 2011	May 23, 2011

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
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<p>The Bank provides timely disclosures on the date and venue of the stockholders' meeting, as well as timely disclosures and reports on the agenda of the meeting, and a detailed explanation of special corporate items. The stockholders are advised that they may attend the meeting in person or through their designated proxies. These are contained in detail in the Definitive Information Statement and the disclosures and reports submitted from time to time as they become due.</p>	<p>Online disclosures through the Bank's website and the Philippine Stock Exchange, as well as by mail in the case of the Definitive Information Statement. During the meeting itself, the Chairman, the President and the committee chairmen as may be necessary and as applicable, present the items to the stockholders for approval. Stockholders are encouraged to ask questions from the floor.</p>
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2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
- a. Amendments to the company's constitution
 - b. Authorization of additional shares
 - c. Transfer of all or substantially all assets, which in effect results in the sale of the company

Online disclosures through the Bank's website and the Philippine Stock Exchange, as well as by mail in the case of the Definitive Information Statement. During the meeting itself, the Chairman, the President and the committee chairmen as may be necessary and as applicable, present the items to the stockholders for approval. Stockholders are encouraged to ask questions from the floor.

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?
- a. Date of sending out notices:
April 7, 2015
 - b. Date of the Annual/Special Stockholders' Meeting:
April 29, 2015

4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting

Excerpt from the Minutes of the Annual Stockholders' Meeting held on April 29, 2015:

B. QUESTIONS AN COMMENTS FROM THE STOCKHOLDERS

During the Meeting, stockholders were given the opportunity to be heard. The following questions and comments were raised from the floor:

1. On the drop in Net Income from Php22.5 Billion in 2013 to Php20 Billion in 2014 – this question was raised by Mr. Phillip Turner. Metrobank President Fabian S. Dee explained that in 2013, the Bank earned around Php15 Billion from trading gains and foreign exchange. In 2014, this was down to Php3 Billion. Focusing on the interest income which is the

core source of the Bank’s revenue, the growth was 20% year-on-year. Chairman Arthur Ty added that 2013 was an extraordinary year as the Bank disposed and took profits on its investment portfolio in order to reflect higher income and capital in preparation for the Basel III regulations which took effect in 2014.

2. On how the slowdown in the Japan economy will impact the Bank’s business with Japanese companies – this is a question that was raised also by Mr. Turner. President Dee assured that the Bank’s business with Japan, driven by its dedicated Japan desk, was basically on cash management, foreign exchange and trade-related business. Exposure to Japanese names was limited and mostly supported by underlying trade transactions making the source of repayment certain.

3. On how the Bank was addressing security issues related to the handling of ATM cards – another question raised by Mr. Turner. President Dee replied that the Bank was moving toward the use of EMV technology or the new global standards in the handling of ATM, credit and debit cards. The Bank was expecting to roll this out by 2016, with full re-carding probably taking about a year and a half.

4. On the possibility of the Bank doing another Stock Rights Offering (SRO), a question asked by Ms. Elvie Estavillo. The President replied that another SRO exercise was not likely in the immediate future given the CAR position and the projected growth in the next 3-4 years.

5. On whether the Bank was already exploring the possibility of launching exchange traded funds (ETFs) based on consumer and fixed income securities indices following the strong performance of the First Metro ETF. The question was asked by Cecille Umali. Chairman Ty referred the query to Mr. Jojo Dispo, President of First Metro Investment Corporation (FMIC), a subsidiary of Metrobank. Mr. Dispo confirmed that since its launch in December 2013, return for the First Metro ETF already stood at 24%. He shared the plans to offer other variations such as the consumer based index and fixed income securities index. These will require approvals from both the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). The public will be advised once the plans materialize.

6. On the appointment of SGV and Co. as external auditor for 2015, stockholder Ms. Esperanza Lopez wanted to know the audit fee charged in 2014 and the duration of the contract. The Bank’s Controller, Ms. Marilou Bartolome, replied that for 2014, SGV’s audit fee amounted to Php5.07 million, exclusive of VAT and expenses. The audit contract is reviewed annually.

7. On the timeline for the demonetization of Philippine bank notes, Mr. Turner commented that the BSP had announced that old notes may be used to transact business only until the end of 2015. After that, and until the end of 2016, old notes may still be exchanged at face value with financial institutions. Mr. Turner requested the Bank to apprise its employees about this development and the actual procedures. Chairman Ty took note of the suggestion as President Dee confirmed the banks’ duty to advise the public and its clients about the BSP’s directive in line with the goal of protecting the integrity of the Philippine currency.

8. Lastly, stockholder Eduardo Lucero wanted to make sure that the directors had actually been elected, hence, he moved for the election of the directors earlier enumerated by Nominations Committee Chairman Mr. Renato Valencia as well as Chairman Ty. Chairman Ty thanked Mr. Lucero for the motion.

5. Result of Annual/Special Stockholders’ Meeting’s Resolutions

Resolution	Approving	Dissenting	Abstaining
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Approval of the Minutes Held on April 30, 2014 (Resolution No. 44-MBTC-SH-2015)	69.119%	0%	3.062%
Ratification of All Acts and Resolutions of Management, Board and Management Committees and the Board of Directors (Resolution No. 45-MBTC-SH-2015)	69.092%	0%	3.088%
Election of SGV & Co. as External Auditors (Resolution No. 47-MBTC-SH-2015)	72.157%	0%	0.024%

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

The results were published on the day immediately following the stockholders' meeting which was conducted beyond trading hours.

(a) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification
None	

(b) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
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Annual	All directors were present	April 29, 2015	Voting was by poll based on the tally of the Stock Transfer Agent	0.0021%	72.1784%	72.1805%
Special	NA	NA	NA	NA	NA	NA

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?

This is handled by Stock Transfer Unit of Bank's Trust Banking Group

(iii) Do the company's common shares carry one vote for one share?

Yes

If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

N/A

(c) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	Proxies should be In writing, submitted within a reasonable period before the date of the Meeting to the Stock and Transfer Agent for verification of signatures and counter-checking with the broker for the number of shares.
Notary	Not a requirement
Submission of Proxy	Please refer to the answer above.
Several Proxies	An alternate proxy is allowed in the absence of the main proxy, subject to the submission of the proper authorization from the shareholder.
Validity of Proxy	A proxy is valid on a per meeting basis and on a per item basis if so indicated in the Proxy.
Proxies executed abroad	The requirements are the same for proxies executed locally
Invalidated Proxy	For further verification with the stockholder(s) on record
Validation of Proxy	Done by the Stock and Transfer Agent

Violation of Proxy	Depending on the nature of the violation, a violation of the proxy may result in voiding of the votes or prevention of the voting by the purported proxy.
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(d) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
To abide by the requirements of the SEC and PSE	Online through PSE's Edge System and the Bank's website; printed reports filed with the SEC

(e) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	3,172 stockholders
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	April 7 to 13, 2015
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	April 7 to 13, 2015
State whether CD format or hard copies were distributed	Hard copies were distributed
If yes, indicate whether requesting stockholders were provided hard copies	

(f) Does the Notice of Annual/Special Stockholders' Meeting include the following

Each resolution to be taken up deals with only one item.	Yes, with respect to special corporate items
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes

An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	Yes
Documents required for proxy vote.	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
To abide by the requirements of the BSP, SEC and the PSE.	Minority shareholders are represented by 7 independent directors out of a total of 14 directors. The 7 independent directors sit as Chairmen/Members of the Audit Committee, Corporate Governance and Compensation Committee, Related Party Transactions Committee (all members are independent directors), the Domestic Equity Investments Committee, the Overseas Banking Committee, the Risk Oversight Committee, the Trust Committee, the Executive Committee, and the Nominations Committee (all members are independent directors).

(b) Do minority stockholders have a right to nominate candidates for board of directors?

Yes. Any stockholder may submit nominations for directorial positions to the Nominations Committee.

K. INVESTORS RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

The Bank customarily issues press releases on the Bank's quarterly financial and operational performance, and on other events/announcements that are deemed significant to its shareholders. These are prepared by the Investor Relations Dept. and are approved by the Controller and President.

2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
(1) Objectives	To educate and inform the investing public by accurately reflecting the Bank's operating and financial performance to achieve a fair stock value
(2) Principles	To promote effective communication with stockholders, stakeholders and the general public.

(3) Modes of Communications	Official disclosures and press releases, company website, meetings and conference calls
(4) Investors Relations Officer	JUAN PLACIDO T. MAPA III, Head, Investor Relations Dept. (T) 857-5348; (F) 817-6355

3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.

The general practice is to form a working group that is driven by the following:

1. Controller
2. Treasurer
3. Chief Risk Officer
4. Head of Strategic Planning
5. Head of Investor Relations
6. Head of Legal and Compliance
7. Corporate or Assistant Corporate Secretary

The working group represents the Bank in the conduct of due diligence and related negotiations, reviews all relevant proposals, and provides its own assessment and recommendations on all aspects of the transaction.

These recommendations are then reviewed by the Assets and Liability Committee, and the Board of Directors.

External independent parties involved in the transaction are: the consulting firm, legal counsel for the Bank and underwriter, and external auditor.

The Bank has established the Domestic Equity Investment (DEI) Committee (a Board-level committee) to assist the Board in overseeing the development and maintenance of the Bank's DEI policy and in monitoring its implementation by Management. Among its responsibilities, the following are included:

- a. approve specific investment proposals and transactions consistent with DEI policy and guidelines
- b. monitor the quality and performance of existing DEI in the portfolio.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

The Bank implements its Corporate Social Responsibility through the Purple Hearts Club (PHC), its employee-volunteer organization, which was established in February 2003.

The following are PHC's thematic activities which are programs/projects that define the thrusts of the club and are implemented on a long-term basis as of December 31, 2015 :

Initiative	Beneficiary
<p>A. Education</p> <p>1. <i>Kwentong Bata Beyond Storytelling Program</i></p> <ul style="list-style-type: none"> ○ Launched on August 15, 2009 with PHC's 1st ever long-term partner community, Gawad Kalinga (GK) Ligaya-Escopa III, Q.C. ○ 34-Saturday program intended for pre-school-aged children of marginalized partner communities ○ Encourages values formation and reading and writing skills development through storytelling and related activities ○ Uses children's books by Filipino authors <p>2. <i>Library Enrichment Program</i></p> <ul style="list-style-type: none"> ○ Launched in 2010 with GK Ligaya-Escopa III ○ Nurtures a culture of reading among partner communities through the donation of books and reference materials, following a declared theme for the month ○ Uses springboard activities to introduce and create interest for books donated <p>3. <i>Build-A-Classroom Project</i></p> <ul style="list-style-type: none"> ○ Launched on September 4, 2012 ○ An employee legacy project being implemented for 2 years in celebration of the Bank's 50th Anniversary ○ Fund-raising effort to fund the building of 24 classrooms in 9 DepEd-priority public elementary schools across the country <p>4. <i>MEADE Immersion Program</i></p> <ul style="list-style-type: none"> ○ Launched on November 10, 2012 ○ Plants the seed of community involvement and CSR awareness by having MEADE scholars, college students who are Bank employees' children, join PHC's various programs <p>B. Environment</p> <p>1. <i>You're in Green Hands Tree Planting</i></p> <ul style="list-style-type: none"> ○ Launched on July 2, 2011, but with its roots tracing to the 1st PHC Volunteerism Day on May 25, 2010 celebrated with coastal clean-ups and tree planting activities ○ Reforestation efforts to contribute to environmental preservation, conducted in 13 adopted forests and 1 city beautification site. 	<p>24 children - GK Hiyas ng Maynila, Sta. Ana, Manila 50 children - New Faith Family Children's Home, Cainta, Rizal 50 children – Trash Mountain Project Philippines (TMPP) 25 children – Bukas Loob sa Diyos – Sun Valley 19 children – Bukas Loob sa Diyos - Parañaque</p> <p>168 children (Total 2014-2015)</p> <p>110 (est) children - GK Ligaya-Escopa III, QC 264 (est) children - GK Calbayog, Mandaluyong 17 children - My Father's House, Las Piñas ----- 391 children (Total 2015)</p> <p>Students of 9 schools located in Navotas, Tarlac, Batangas, Camarines del Sur, Samar, Davao, North Cotabato (2 schools) and Zamboanga</p> <p>Qualified dependents of Bank employees (188 dependents, AY 2015-2016,) were sent to the immersion programs as of Dec 31, 2015.</p> <p>14 key cities and provinces across the nation: Luzon: Arroceros Forest Park Manila, Cavite; Baguio Mindanao: Cagayan de Oro, Davao, General Santos, Butuan</p>

<p>C. Others</p> <p>1. Bloodletting Activity</p> <ul style="list-style-type: none"> ○ Launched in Head Office on July 4, 2001 ○ Became a bi-annual run in 2002 with the 2nd hosting site located in Downtown Center, MM ○ Became a nationwide effort in September 2006, with 8 sites burgeoning to 14 sites in 2015 <p>2. Meme na Bunso Touch Therapy</p> <ul style="list-style-type: none"> ○ Launched on June 28, 2008 ○ Provides touch therapy incorporated in child care activities, to abandoned and orphaned babies 	<p>The bloodletting campaign of the bank in coordination with Manila Doctors Hospital and the Philippine National Red Cross produced enough blood supply to provide for 2,500 patients.</p> <p>Visited Hospicio de San Jose, Manila and provided touch therapy to the 15 resident infants of the Hospicio.</p>
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M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
Board of Directors	<p>The Board has created an internal self-rating system and procedures to determine and measure compliance with this Manual on Corporate Governance vis-à-vis good corporate governance principles and practices:</p> <ul style="list-style-type: none"> • Each Director self-rates and collectively rates the Board and the President ; 	<ul style="list-style-type: none"> • Composition • Performance of the general/specific duties and responsibilities of the Board • Upholding of Stockholders’ rights and protection of minority stockholders’ interest • Performance of the Chairman • Conduct of Meeting
Board Committees	<ul style="list-style-type: none"> • Corporate Governance and Compensation, Audit, Risk Oversight and other Board committees respectively rate themselves. 	Duties and responsibilities per Committee Charter and regulations, if applicable.
Individual Directors		General/specific duties and responsibilities per regulations /Corporate Governance Manual.
CEO/President	The results of the annual self-assessment are discussed in the CGC meeting and reported to the Board.	Duties and responsibilities per regulations/Corporate Governance Manual.

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

CGM Part III states that the Compliance Officer shall monitor compliance by the Bank with the SEC Corporate Governance Code and the rules and regulations of regulatory agencies and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation.

Violations	Sanctions
(stated above)	

SECRETARY'S CERTIFICATE

I, **LAARNI D. BERNABE**, of legal age, Filipino citizen, with office address at Metrobank Plaza, Sen. Gil J. Puyat Ave., Makati City, after having been sworn in accordance with law, depose and state that:

- I am the Assistant Corporate Secretary of Metropolitan Bank & Trust Company ("Metrobank"), a Philippine universal bank with head office at Metrobank Plaza, Sen. Gil J. Puyat Ave., Makati City.
- I hereby certify that the following items were approved by the Board of Directors:

Items	Date of BOD Meeting
1. Resignation of Antonio Viray as Director	September 23, 2015
2. Election of Alfred Ty to replace Antonio Viray	September 23, 2015
3. Changes in Policy/Charters	
a. Amendment of the Charter of the Domestic Equity Investments Committee	April 29, 2015
b. Amendment of the Charter of the Overseas Banking Committee	April 29, 2015
c. Amendment of the Charter of the Anti-Money Laundering Committee	May 21, 2015
d. Amendment of the Charter of the Nominations Committee	April 29, 2015
e. Amendment to the Responsibility Statement of the Audit Committee	June 17, 2015
f. Revised Related Party Transactions Policy	November 25, 2015
4. Reconstitution of Board-level Committees	April 29, 2015
5. Changes in the membership of the various board committees	September 23, 2015
6. Approval of the Corporate Governance Manual and Compliance Policy Manual	August 19, 2015

- I am executing this Certificate in compliance with the requirements of the Securities and Exchange Commission in relation to the Annual Corporate Governance Report.

Makati City, Philippines, January 8, 2016.


LAARNI D. BERNABE *afnd*
 Assistant Corporate Secretary

JAN 08 2016

SUBSCRIBED AND SWORN to before me in Makati City, this _____, affiant exhibited to me her Driver's License No. C0796144642 (expiry date on 27 November 2017).

Doc. No. 56 ;
 Page No. 13 ;
 Book No. I ;
 Series of 2016.


CYNTHIA G. RUIZ
 Notary Public - Makati City
 Appointment No. M-222 until December 31, 2016
 7/F Metrobank Plaza, Sen. Gil Puyat Ave., Makati City
 PTR# MKT4759471 / 01-12-15 / Makati City
 IBP # 0988617 / 01-09-15 / Makati City
 Rol# No. 37155
 MCFE Compliance #V-0007111 / 04-01-15