

EXPLANATORY NOTES TO AGENDA ITEMS THAT WILL BE SUBMITTED FOR RATIFICATION / APPROVAL OF THE STOCKHOLDERS

Agenda Item 3

Approval of the minutes of the annual meeting of stockholders held on April 29, 2015:

- i. *Call to Order and Certification of Quorum. The meeting was called to order by Chairman Arthur Ty at 3:00 o'clock in the afternoon. The Corporate Secretary, Alfred V. Ty, certified that there were 1,981,210,468 common shares actually present in person or by proxy, out of the 2,744,801,066 common shares outstanding. This constituted 72.18% of the outstanding capital stock.*

All incumbent directors attended the meeting.

- ii. *Approval of the Minutes of the Annual Stockholders' Meeting held on April 30, 2014 via the following:*

RESOLUTION NO. 044-MBTC-SH-2015

RESOLVED, that the Minutes of the Annual Stockholders' Meeting on April 30, 2014 are hereby approved.

- iii. *President's Report on the performance of Metrobank for 2014, as further detailed in the Annual Report for 2014.*

During the Meeting, stockholders were given the opportunity to be heard. The following questions and comments were raised from the floor:

- a. *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.*
- b. *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.*
- c. *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.*
- d. *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.*
- e. *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.

- f. 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.
 - g. 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.
 - h. 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.
- iv. Ratification of All Acts and Resolutions of the Board of Directors, Management, Board and Management Committees from April 30, 2014 to April 28, 2015 via the following:

RESOLUTION NO. 045-MBTC-SH-2015

RESOLVED, that all acts, transactions and resolutions of the Board of Directors, management, board and management committees from April 30, 2014 to April 28, 2015, including among others, the approval of all loans, investments, new Bank products and services and related party transactions, are hereby ratified and confirmed.

- v. Election of the Fourteen (14) Members of the Board Directors

Mr. Renato C. Valencia, Chairman of the Nominations Committee, explained that the Nominations Committee and the Corporate Governance and Compensation Committee chaired by Rex C. Drilon II had jointly evaluated the qualifications of all nominees to the Board of Directors, and that the Committees found that the nominees had all the qualifications and none of the disqualifications prescribed by law and regulations, and that out of the fourteen (14) nominees, seven (7) were nominated as independent directors. Fourteen (14) directors were elected for the year 2015-2016:

RESOLUTION NO. 046-MBTC-SH-2015

RESOLVED, that the following are hereby elected as directors of Metrobank effective immediately and until the successors are elected and qualified:

1)	Dr. George S.K. Ty	8)	Dr. Vicente B. Valdepeñas, Jr.*
2)	Mr. Francisco C. Sebastian.	9)	Mr. Robin A. King *
3)	Mr. Arthur Ty	10)	Ms. Rex C. Drilon II*
4)	Mr. Fabian S. Dee	11)	Mr. Francisco F. Del Rosario, Jr.*
5)	Mr. Jesli A. Lapus*	12)	Mr. Edmund A. Go
6)	Mr. Renato C. Valencia*	13)	Atty. Antonio V. Viray
7)	Ms. Remedios L. Macalincag*	14)	Mr. Vicente R. Cuna, Jr.

* Independent directors

vi. *Election of SGV & Co. as External Auditors via the following:*

RESOLUTION NO. 047-MBTC-SH-2015

RESOLVED, that as recommended by the Audit Committee and approved by the Board of Directors, SGV & Co. is hereby appointed as the External Auditors of Metrobank for the year 2015.

There being no other matters for discussion, the meeting was adjourned.

Agenda Item 5

Ratification of Corporate Acts

The matters for ratification include all acts, transactions and resolutions of the Board of Directors, management and all Committees done in the ordinary course of business from April 29, 2015 until April 26, 2016, including, among others, the approval of loans, investments, new Bank products and services and related party transactions.

Agenda Item 6

Amendment of the Articles of Incorporation and By-Laws Reducing the Number of Directors from Fourteen (14) to Twelve (12)

On March 16, 2016, the Board of Directors approved the recommendation of the Corporate Governance and Compensation Committee to amend the Bank's Articles of Incorporation and By-laws reducing 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 corporate governance best practices, namely:

- i. Over the past three (3) years, the Bank has been gradually divesting interests in non-core banking assets and closing down international offices, as necessitated by Basel III requirements. This resulted in lessening the number of investments that require directorial oversight.
- ii. Of late, there has been a general difficulty in recruiting willing and qualified directors not only for the Bank but also for its subsidiaries and affiliates. The regulations have become more complex, requiring a higher degree of expertise from the candidates.
- iii. Note also the restrictions set by SEC and the Asean Corporate Governance Scorecard (ACGS) on the term limits of independent directors.
- iv. There are also instances when qualified potential candidates as independent directors have to beg off due to existing directorships or officerships with companies which are borrowing clients of Metrobank. In those cases, an interlocking directorship will have the unwelcome effect of such companies becoming DOSRI or RPT companies of Metrobank, or worse, compromising the independent directorship position in existing affiliations.
- v. The proposal is meant to align the Metrobank Board of Directors with the Asean Corporate Governance Scorecard standard of 12 directors as the ideal board size for publicly-listed companies.

All board committees have more than the adequate number of directors (both independent and nominee) as members.

The following are the proposed amendments:

1. On the Articles of Incorporation

“SIXTH That the number of directors of said corporation shall be twelve (12) and that the names, nationalities and residence of those who

are to serve until their successors are duly elected and qualified as provided in the by laws are as follows xxx.”

2. On the By-Laws

“ARTICLE IV

THE BOARD OF DIRECTORS

1. NUMBER AND QUALIFICATIONS. The members of the Board of Directors shall be twelve (12) who shall serve for a term of one (1) year and until their successors shall have been elected and qualified xxx.”

Upon favorable approval by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, the proposed amendment will be submitted to both BSP and SEC for evaluation and approval.

Agenda Item 7

Election of Directors for 2016-2017

The incumbent directors listed in the table below have been nominated to become directors for 2016-2017. All directors are elected for a term of one year and until their successors shall have been elected and qualified. The table below indicates their board position (Group Chairman, Chairman, Vice-Chairman, President, Director, Independent Director) current board committee assignments, age, academic qualification, date of first appointment, experience, and directorships in other listed companies

Name	Experience
<p>GEORGE S.K. TY Group Chairman</p>	<p>Dr. George S.K. Ty, Filipino, 83 years old, founder of Metrobank, 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.</p> <p>Dr. Ty is the father of Chairman Arthur Ty and Director Alfred Ty, and father-in-law of First Vice-President Zandra M. Ty.</p>
<p>ARTHUR TY Chairman Chairman, Executive Committee IT Steering Committee Member, Anti-Money Laundering Committee Corporate Governance Committee Domestic Equity Investments Committee</p>	<p>Mr. Arthur Ty, Filipino, 49 years old, 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 Vice-Chairman of 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.</p> <p>His father, Dr. George S. K. Ty, is the Metrobank Group Chairman while his brother Alfred Ty is a Director. He is married to Zandra M. Ty, Metrobank First Vice-President.</p>

<p>FRANCISCO C. SEBASTIAN Vice-Chairman Vice-Chairman, Overseas Banking Committee Member, Domestic Equity Investments Committee Rotating Member, Executive Committee</p>	<p>Mr. Francisco C. Sebastian, Filipino, 61 years old, has been the Vice-Chairman of the Bank 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.</p>
<p>FABIAN S. DEE President Chairman, Manpower Committee Senior Credit Committee Anti-Money Laundering Compliance Committee IT Governance Committee Vice-Chairman, Executive Committee Member, Trust Committee IT Steering Committee Overseas Banking Committee</p>	<p>Mr. Fabian S. Dee, Filipino, 53 years old, 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.</p>
<p>RENATO C. VALENCIA Independent Director Chairman, Related Party Transactions Committee Vice Chairman, Audit Committee Member, Risk Oversight Committee</p>	<p>Mr. Renato C. Valencia, Filipino, 73 years old, was first elected independent director 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 Management.</p>
<p>JESLI A. LAPUS Independent Director Chairman, Trust Committee Vice-Chairman, Risk Oversight Committee Member, Domestic Equity Investments Committee Nominations Committee</p>	<p>Mr. Jesli A. Lapus, Filipino, 66 years old, became an independent director in 2010. He has been Chairman and Independent Director of STI Education Services Group, Inc. since 2013 and Chairman of LBP Service Corporation since 2012. He has been Independent Director of STI Education Systems 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.</p>

<p>ROBIN A. KING Independent Director Chairman, Audit Committee Vice Chairman, Domestic Equity Investments Committee Member, Overseas Banking Committee Anti-Money Laundering Committee Nominations Committee</p>	<p>Mr. Robin A. King, Filipino, 69 years old, was first elected independent director 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.</p>
<p>REX C. DRILON II Independent Director Chairman, Corporate Governance and Compensation Committee Vice Chairman, Trust Committee, Related Party Transactions Committee Member, Domestic Equity Investment Committee, Anti-Money Laundering Committee</p>	<p>Mr. Rex C. Drilon II, Filipino, 69 years old, became an independent director 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.</p>
<p>FRANCISCO F. DEL ROSARIO, JR. Independent Director Chairman, Domestic Equity Investments Committee Member, Audit Committee Corporate Governance Committee Overseas Banking Committee</p>	<p>Mr. Francisco F. Del Rosario, Jr., Filipino, 68 years old, was first elected independent director in 2011. He is the incumbent President of the Management Association of the Philippines and will be a director of Philab Industries, Inc. on March 21, 2016, 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 degree from the Asian Institute of Management.</p>
<p>ALFRED V. TY Director Member, Domestic Equity Investments Committee Overseas Banking Committee</p>	<p>Mr. Alfred V. Ty, Filipino, 48 years old, 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</p>

	<p>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.</p> <p>His father, Dr. George S. K. Ty is the Bank's Group Chairman while his brother Arthur Ty is the Bank's Chairman.</p>
<p>VICENTE R. CUNA, JR. Director Vice Chairman, IT Steering Committee Rotating Member, Executive Committee</p>	<p>Mr. Vicente R. Cuna, Jr., Filipino, 54 years old, 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 the former 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, 2016. He graduated from the De La Salle University with a degree in AB Economics and pursued further studies at the Ateneo Graduate School of Business.</p>
<p>EDMUND A. GO Director Chairman, Anti-Money Laundering Committee Risk Oversight Committee Member, IT Steering Committee Trust Committee</p>	<p>Mr. Edmund A. Go, Filipino, 65 years old, was first elected director 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.</p>

The following were nominated as Independent Directors, namely, Mr. Renato C. Valencia, Mr. Jesli A. Lapus, Mr. Robin A. King, Mr. Rex C. Drilon II, and Mr. Francisco F. Del Rosario, Jr. They have always possessed the qualifications and none of the disqualifications of an independent director.

Agenda Item 8

Appointment of External Auditors

SyCip Gorres Velayo & Co., CPAs (SGV) has been the external auditors of the Bank since 1962. Representatives of SGV are expected to be present at the Meeting and will have the opportunity to make a statement if they desire to do so, and will be available to answer appropriate questions from the stockholders.

Ms. Janeth T. Nuñez-Javier, SGV Partner, reviewed/audited the Group's financial statements as of and for the years ended December 31, 2015 and 2014. In compliance with the amended SRC Rule 68 (3) (b) (ix), the signing partners are rotated after every five years reckoned from the year 2002.

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.

Voting Procedures

1. At least 2/3 of the outstanding capital stock is required for the approval of the following:

Amendment of the Articles of Incorporation and By-laws Reducing the Number of Directors from Fourteen (14) to Twelve (12)

2. Majority vote is required for the following:

- a) Approval of the minutes of the annual meeting of the stockholders held on April 29, 2015
- b) Ratification of Corporate Acts
- c) Election of External Auditors

On the election of directors, nominees receiving the highest number of votes shall be declared elected following the provisions of the Corporation Code.

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.
4. Metrobank has not solicited any discretionary authority to cumulative voting.
5. Votes cast at the meeting shall be counted by the Bank's Stock Transfer Agent and validated by SGV & Co.