

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

Agenda Item 1

Call to order

At 3:00 in the afternoon on April 26, 2017, the Chairman, Mr. Arthur V. Ty, will call the 2017 Annual Stockholders' Meeting of Metropolitan Bank & Trust Company, Inc. to order.

Agenda Item 2

Certification of Notice and Quorum

The Corporate Secretary, Atty. Antonio V. Viray, will certify that copies of Notice for the 2017 Annual Stockholders Meeting have been duly sent to the Stockholders as of Record Date of February 27, 2017 as required by the Amended By-Laws. He will also attest whether the required quorum is present for the transaction of the business included in the Agenda.

Agenda Item 3

Approval of the minutes of the Annual Stockholders Meeting held on April 27, 2016:

- 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, Antonio V. Viray, certified that there were 2,175,228,187 common shares actually present in person or by proxy, out of the 3,180,172,786 common shares outstanding. This constituted 68.4% of the outstanding capital stock.*

All incumbent directors attended the meeting.

- ii. *Approval of the Minutes of the Annual Stockholders' Meeting held on April 29, 2015 via the following:*

RESOLUTION NO. 048-MBTC-SH-2016

RESOLVED, that the Minutes of the Annual Stockholders' Meeting on April 29, 2015 are hereby approved.

- iii. *President's Report on the performance of Metrobank for 2015, as further detailed in the Annual Report for 2015.*

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

- a. *Responsibility for Reviewing Branch Transactions*

In relation to the ongoing investigation by the Senate Blue Ribbon Committee on the US\$81 million withdrawn from a branch of a local bank, Metrobank stockholder Phillip Turner asked how Metrobank ensures that branch transactions are properly reviewed.

In reply, President Fabian S. Dee discussed the Bank's various levels of control in the review of branch transactions. He also mentioned the daily senior management meetings where matters such as significant flow of funds, among other significant transactions, are discussed.

b. *Securing the SWIFT messaging system*

Mr. Turner asked for Mr. Dee's opinion on the reported hacking of the SWIFT messaging system.

President Dee replied that there has been no confirmation of the alleged hacking of the SWIFT messaging account of the Central Bank of Bangladesh. There have been reports that it was not a hacking incident at all but rather, a case of duly-authorized personnel actually accessing the SWIFT account and sending the messages. Metrobank has sufficient maker-checker controls in place to prevent this from happening.

c. *Calamities in Japan: Impact to Business*

Moving on, Mr. Turner referred to the tsunami that hit Japan some years back and the latest earthquake in Southern Japan. It is forecasted that it will take years before operations get back to normal. How will this affect Metrobank's business interests in Japan?

President Dee replied that in terms of credit exposure, as a result of the negative interest rates, most borrowings happen within Japan. Banking businesses outside of Japan are limited to cash management, foreign exchange and treasury transactions. So the risk to Metrobank is limited. There is a possibility though of Japanese manufacturers relocating offshore, to Indonesia, Thailand, Vietnam and the Philippines. This is an opportunity that Metrobank's dedicated Japan Desk can explore.

d. *Insider Trading Policy*

Another stockholder, Mr. Roberto Go, asked for a background on the insider trading policy. President Dee replied that the policy was put in place to ensure proper handling of material non-public information and that no insider with knowledge of such information is able to use it to his advantage. All transactions should be professional, at arm's length and at objective prices.

e. *Whistle Blowing Policy*

Mr. Go then asked whether employees receive monetary reward in relation to the whistle-blowing policy. Mr. Dee replied that the policy extends due recognition to the whistle-blower, not in terms of monetary reward but, rather, a recognition that comes from the heart.

f. *Expression of Support to Metrobank*

Lastly, stockholder Ms. Elvie Estavillo thanked Metrobank's management and staff, and wished that Metrobank continues to be the country's strongest bank.

iv. *Ratification of All Acts and Resolutions of the Board of Directors, Management, Board and Management Committees from April 29, 2015 to April 26, 2016 via the following:*

RESOLUTION NO. 049-MBTC-SH-2016

RESOLVED, that all acts, transactions and resolutions of the Board of Directors, management, board and management committees from April 29, 2015 to April 26, 2016, 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 Twelve (12) Directors for the Year 2016 – 2017*

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 twelve(12) nominees, five(5) were nominated as independent directors. Twelve(12) directors were elected for the year 2016-2017:

RESOLUTION NO. 050-MBTC-SH-2016

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	7)	Mr. Alfred V. Ty
2)	Mr. Arthur Ty	8)	Mr. Renato C. Valencia*
3)	Mr. Francisco C. Sebastian.	9)	Mr. Jesli A. Lapus*
4)	Mr. Fabian S. Dee	10)	Mr. Robin A. King *
5)	Mr. Vicente R. Cuna, Jr.	11)	Ms. Rex C. Drilon II*
6)	Mr. Edmund A. Go	12)	Mr. Francisco F. Del Rosario, Jr.*

** Independent directors*

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

RESOLUTION NO. 051-MBTC-SH-2016

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 2016.

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

Agenda Item 4

President's Report to the Stockholders

The President will report the highlights on the Financial Performance of Metrobank for the year 2016.

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 27, 2016 until April 25, 2017, including, among others, the approval of loans, investments, new Bank products and services and related party transactions.

Agenda Item 6

Election of Directors for 2017-2018

The incumbent directors listed in the table below have been nominated to become directors for 2017-2018. 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, 84 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. (MBFI) 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, Director Alfred Ty and Vice-President Anjanette T. Dy Buncio, and father-in-law of First Vice-President Zandra M. Ty.</p>
<p>ARTHUR TY Chairman Chairman, Asset and Liabilities Committee Executive Committee IT Steering Committee Senior Non-Performing Assets Committee Member, Anti-Money Laundering Committee Corporate Governance and Compensation Committee Domestic Equity Investments Committee</p>	<p>Mr. Arthur Ty, Filipino, 50 years old, has been the Bank’s Chairman since 2012. He was the Bank’s President from 2006 to 2012. He has been the Chairman of GTCAP since May 2016 and Metropolitan Bank China (Ltd.) (MBCL) 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.</p> <p>His father, Dr. George S. K. Ty, is the Metrobank Group Chairman while his siblings Alfred Ty and Anjanette T. Dy Buncio are Director and Vice-President, respectively. He is married to Zandra M. Ty, Metrobank First Vice-President.</p>
<p>FRANCISCO C. SEBASTIAN Vice-Chairman Chairman, Overseas Banking Committee Member, Domestic Equity Investments Committee Rotating Member, Executive Committee</p>	<p>Mr. Francisco C. Sebastian, Filipino, 62 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 was the Chairman of GTCAP 2014 to April 2016. He has been the Vice-Chairman of GTCAP since May 2016. 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 Member, Executive Committee IT Steering Committee Overseas Banking Committee</p>	<p>Mr. Fabian S. Dee, Filipino, 54 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 (MCC) since 2006. He has been the Chairman of Metro Remittance Singapore PTE Ltd. since 2010 and SMBC Metro Investment Corporation (SMBC Metro) since 2014. He is the Acting Chairman of LGU Guarantee Corporation since May 10, 2016, Director of Bancnet since 2015, Director of Bankers Association of the Philippines since 2014 and Trustee of MBFI since 2012. He holds a degree in Management Engineering from the Ateneo de Manila University.</p>
<p>JESLI A. LAPUS Independent Director Chairman, Trust Committee Vice-Chairman, Risk Oversight Committee Member, Corporate Governance and Compensation Committee Nominations Committee</p>	<p>Mr. Jesli A. Lapus, Filipino, 67 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 has been a member of the Board of Governors 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's degree 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 Member, Related Party Transactions Committee Anti-Money Laundering Committee Nominations Committee</p>	<p>Mr. Robin A. King, Filipino, 70 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</p>	<p>Mr. Rex C. Drilon II, Filipino, 70 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 Chairman of Keyland Corporation and YLD Holdings, Inc. since 2012. He was</p>

<p>Transactions Committee Member, Anti-Money Laundering Committee</p>	<p>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 and Compensation Committee Overseas Banking Committee</p>	<p>Mr. Francisco F. Del Rosario, Jr., Filipino, 69 years old, was first elected independent director in 2011. He has been a director of Omnipay, Inc. since 2014, DMCI Homes, Inc. and Mapfre Insular Insurance Corp. since 2011. He has been a Trustee of ABS-CBN Foundation since 2007, Senior Executive Director of PWCI Isla Lipana and Director for Institute for Solidarity in Asia and Center for Family Advancement since 2016. He was the President and CEO of the 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 MBM 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, 49 years old, was first elected director in September 2015. He is the Vice-Chairman of GTCAP since 2012 and TMPC. He serves as the Chairman of Lexus Manila, Inc. since 2008; Federal Land, Inc. (FLI) since 2015; Horizon Land Property Devt. Corp. since 2011; Property Company of Friends, Inc. since 2015 and Vice-Chairman of Omni-Orient Management Corp. since 2013. He is a Director of Metro Pacific Investment Corp. since 2015. He is the Chairman of Bonifacio Landmark Realty & Devt. Corp. since 2008; Cathay International Resources, Inc. since 2013; Federal Brent Retail, Inc.. He is the Honorary Consul to the Oriental Republic of Uruguay to the Philippines since 2009; President and Director of Grand Estate Property Corp. since 2001; Chairman and President of Up Swing Corporation since 2012 and Vice-Chairman of Federal Homes, Inc. since 2012. He is the President and Director of Tytana Corporation since 2015 and Ferum Cee, Inc. since 2011. He is the Chairman and President of 82 Alpha Holdings Corp. since 2009. President and Director of Great Mark Resources and Grand Titan Capital Holdings, Inc. and Chairman of FLI and Orix Corp. since 2007. President and Director of Global Treasure Holdings, Inc. since 2006. He is the Executive Vice-President and Director of Philippine Securities Corp. since 2005. 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 Metrobank Group Chairman while his siblings Arthur Ty and Anjanette T. Dy Buncio are the Chairman and Vice-President of Metrobank, respectively. He is the brother-in-law of First Vice-President Zandra M. Ty.</p>
<p>VICENTE R. CUNA, JR. Director Vice-Chairman, IT Steering Committee Executive Committee (alternates with Director Francisco Sebastian)</p>	<p>Mr. Vicente R. Cuna, Jr., Filipino, 54 years old, became a director of Metrobank in 2014. He has been on secondment from Metrobank as President of PSBank since 2013. He was a director of FMIC from 2011 to 2015. He was the former Head of the Bank’s Institutional Banking Sector (2012-2013) and Corporate Banking Group (2006-2012). He is the Chairman of ORIX Auto Leasing Philippines Corporation since 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, 66 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 was a director of FMIIC Hong Kong from 2001 to 2008. He served as Metrobank Treasurer (2000-2007) and consultant of the Philippine Dealing and Exchange Corp. on Securities Training and Development (2008-2010). Prior to 2000, he held various management positions at Citibank Manila, Hong Kong, Taiwan and New York in the areas of Treasury, Derivatives, Investment Banking and Private Banking. He is a Certified Public Accountant and holds a BS Commerce Degree in Accounting, Cum Laude, from the San Beda College and an MBA degree, with distinction, from the Asian Institute of Management.</p>
<p>ANTONIO V. VIRAY Corporate Secretary Resource Person, Trust Committee</p>	<p>Mr. Antonio V. Viray is 77 years old and has been the Corporate Secretary of Metrobank and Property Company of Friends, Inc. since 2015. He has been Of Counsel at FERIA TANTOCO DAOS LAW OFFICE since 2008 and Corporate Secretary at GT Capital Holdings, Inc., Grand Titan Holdings, Inc. and Golden Treasure Holdings, Inc. also since 2008. He has been the Chairman and President of AVIR Development Corp. since 1993 and has been a Director of Padre Burgos Corporation since 2012. He was Metrobank's General Counsel in 1986-2003 and Special Counsel in 2003-2008. He was the Assistant Corporate Secretary of Metrobank from 1988 to 2007. He has been a director of Metrobank since 2012 to 2015. He obtained his Bachelor of Laws degree from the University of Sto. Tomas and his Master of Laws degree from Northwestern University, Illinois.</p>

The following were nominated as Independent Directors, namely, 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 7

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 December 31, 2016 and 2015 and for each of the three years ended December 31, 2016. 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 2017 and is submitting the same to the stockholders for ratification as endorsed by the Audit Committee with the approval of the Board of Directors.

Agenda Item 8

Other Matters

The Stockholders may raise questions and comments as may be relevant to the Annual Stockholders Meeting.

Agenda Item 9

Adjournment

After consideration of all business in the Agenda, the Chairman will adjourn the 2017 Annual Stockholders Meeting.

Metrobank's Dividend Policy Statement

The Bank's dividend policy is an integral component of its capital management policy rather than a stand-alone process. Its fundamental and overriding policy is sustainability.

Dividends are declared and paid out of unrestricted retained earnings of the Bank at such intervals as the Board of Directors may determine and in accordance with the provisions of law and the regulations of the BSP and the SEC. Historically, the Bank has declared annual cash dividends equal to P1.00 per common share, equivalent to 5% of the par value.

Cash dividends are subject to approval by at least a majority of the Board of Directors, with the record date not being earlier than 10 trading days from declaration, and the payment date not later than 18 trading days from the record date. On the other hand, stock dividends requires prior clearance from the Bangko Sentral ng Pilipinas, the Securities and Exchange Commission and the Philippine Stock Exchange.

The payment of dividends in the future will depend on the Bank's earnings, cash flow, financial condition, regulatory requirements for capital and other factors. Circumstances which could restrict the payment of cash dividends include, but are not limited to, when the Bank undertakes major projects and developments requiring substantial cash expenditures. The Board of Directors may, at any time, modify the Bank's dividend payout ratio depending on the results of operations and future projects and plans of the Bank.

Voting Procedures

1. Majority vote is required for the following:

- a) Approval of the minutes of the annual meeting of the stockholders held on April 27, 2016
- 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.

2. 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.
3. Metrobank has not solicited any discretionary authority to cumulative voting.
4. Votes cast at the meeting shall be counted by the Bank's Stock Transfer Agent and validated by SGV & Co.