

 Metrobank

2015

ANNUAL
REPORT

**STANDING
STRONG**



RISING TO THE TOP

It takes undeniable strength to rise to the top.

This year, we continue to stand proud as the country's strongest bank, and one of the toughest in the region.

945 BRANCHES	32 INTERNATIONAL BRANCHES	134 REMITTANCE PARTNERSHIPS	196 REMITTANCE AGENTS	2,226 ATMs
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PHILIPPINES

CHINA

HONG KONG

TAIWAN

SOUTH KOREA

SINGAPORE

JAPAN

USA

CANADA

UK



VISION MISSION

To be the country's premiere financial conglomerate, empowering our individual and business clients to realize their goals and reach their full potential. By creating and customizing financial solutions in response to our stakeholders' needs, continuously expanding our scope of reach, and leading in community service, we live up to our "You're in Good Hands" promise that embodies who we are and what we do. We are Metrobank.

WE COMMIT TO BE THE TRUSTED FINANCIAL PARTNER

Our business relies on the principles of trust, honesty and integrity as we serve our customers and help them attain their financial goals.

THE EMPLOYER OF CHOICE

We strengthen the organization by continuously developing and enhancing the abilities of our people. We nurture them into professional individuals with integrity and passion

for service and excellence. We ensure their future by providing them with fulfilling careers.

RESPONSIBLE BANK

We adhere to the highest standards of corporate governance, exercising accountability, fairness, and transparency across all our business operations.

We exercise good management to provide our shareholders with sustainable returns on their investments.

AN INSTITUTION WITH A HEART

We give back to the communities we serve, committed to making meaningful contributions to the economic and social development of our nation.

STANDING STRONG

This year, we continue to stand proud as the country's strongest bank, and ranked as the 9th strongest bank overall in The Asian Banker 500.

It is a triumph built on the foundation of which our nation rises. It is a journey that goes on as we uplift our people, elevate our quality of service, and broaden our network. It is in this solid foundation that we renew our commitment to keep you in good hands.

2015 GROUP HIGHLIGHTS



GROUP CHAIRMAN'S MESSAGE



Because we put you first,
we stand stronger than we
have ever been.

Metrobank was built on the foundation of trust and partnership.

We take pride in our humble roots, a steadfast commitment to helping our customers succeed. For 53 years, I have seen Metrobank honor this commitment by putting the fruits of our customers' hard work in our good hands.

We are proud to say that we have earned the trust of our partner customers and this has given us the strength to stand today as the Strongest Bank in the Philippines.

As we turn to the future, we know that our position of strength comes with an even bigger challenge—to serve our customers and community with even greater fervor. This is a challenge that I am confident Metrobank can answer to.

This year, I take heart in the knowledge that we at Metrobank continue to stay committed to deliver superior banking experiences to our customers and to help bring meaningful contributions to our country.

Together with all our employees, partners and stakeholders, I know that we will continue to stand stronger than we have ever been.

A handwritten signature in white ink, appearing to be "G. S. K. Ty", enclosed in a white oval.

DR. GEORGE S. K. TY
Founder, Metrobank
Chairman, Metrobank Group



CHAIRMAN'S MESSAGE

Dear Fellow Shareholders,

We entered 2015 with high expectations after having five years of above 6% average GDP growth. The Philippines continued to be one of the few bright stars in Asia and looked poised for an inflection point given the positive effects of consumption spending and rising income levels.

The Philippines however was not completely immune to the external shocks from Greece, China and tensions in the Middle East. And by mid-year, the negative sentiment on the global scale found its way to the country. What started out as a year full of optimism quickly turned into a relatively challenging one for the economy. Nonetheless, the country managed to deliver a decent GDP growth of 5.8%. This still places the Philippines as one of the fastest growing economies in the region, ranking only behind Vietnam and China.

The growth in OFW remittances, often cited for the boost in per capita levels, has shown signs of slowing down, and the Philippine Stock Exchange index ended on a downturn, for the first time in six years.

In anticipation of this market volatility, we concentrated on building on our core businesses in order to deliver sustainable profitability. Over the last couple of years we focused on prudent balance sheet growth while maintaining our superior asset quality and strong capital position. Our highlights from last year further indicate that we have taken the right strategic direction and that we continue to execute on our plans.

I am proud to report that Metrobank was named by The Asian Banker as the Strongest Bank in the Philippines. More importantly, your Bank ranked #9 overall in Asia. This placed Metrobank alongside some of the biggest banks in the world.

In pursuit of our strategy, the Bank also completed a PHP32 billion capital raising transaction via a Stock Rights Issue in April 2015. The successful transaction serves further evidence of the shareholder support and confidence in the Bank.

This prestigious award and the capital raising transaction could not have come at a better time as both serve as external affirmation and confidence in our chosen strategy and a tangible manifestation that our prudent preparations have put us on the right track to success.

The results of our hard work are starting to come to fruition. Our chosen strategy has produced good results and we continue to deliver above industry growth in both loans and low cost deposits while reporting robust growth in our core operating income.

Despite the recent expansion in our balance sheet, we still maintain the best asset quality metrics among peers. Following our Stock Rights Offer, we now have one of the highest capital levels in the industry, which makes us more than ready for more stringent requirements under Basel III.

On the customer front, we continued to expand coverage with more branches and channels, launch new products and services and increase customer awareness via more aggressive advertising. We have been streamlining internal processes and continue to train and develop our people with the mindset of putting customers first.

Moving forward, we recognize that 2016 will again be a year of challenges. As we witnessed last year, there is reason to believe that the Philippines is bound to feel the ripple effects of global adversities. While on the domestic front, there are the uncertainties that come with the upcoming national elections.

As a counterpoint to this uncertainty, there is still a silver lining as the country has built the foundations aimed at achieving sustainable growth. Our GDP is still healthy by any standard, consumer consumption is thriving and new and varied opportunities for improving infrastructure continue to present themselves. The country is reaping the benefits of the demographic dividends, with a strong middle class that is projected to gain more purchasing power in the coming years.

Metrobank's priorities and corporate objectives remain anchored on increasing market relevance and achieving sustained profitability. We have reorganized ourselves to deliver on our customer-centric strategy by matching client needs with our product offerings and internal capabilities. We are placing greater emphasis on building the brand franchise and improving customer experience. This should allow us to build sufficient capacity to propel

volume growth which will contribute to keeping core earnings robust and sustainable. We also plan to diversify revenue streams by developing other sources of fee income, particularly in the fields of retail and wealth management. And we will continue to capitalize on natural synergies and cross-sell opportunities within the Metrobank Group so that we can provide our clients the full range of financial products and services to suit their needs.

In our renewed pursuit of success, we know that we need to build on our capabilities to truly put your banking experience in good hands. With the changing landscape and the evolving needs of our clients, we are prepared to make investments in productivity and innovation to ensure that Metrobank remains a formidable player in the domestic banking community. We are improving our talent acquisition and training programs, expanding client coverage, and pushing for the fast implementation of infrastructure, reengineering and technology initiatives. This will allow us to be more efficient in servicing the evolving needs of our customers. We continue to believe that putting the customers at the center of everything we do will differentiate Metrobank from the rest of the competition.

In closing, I would like to shine a light on the management team and employees of our Metrobank Group. It is reassuring to know that we are set apart by an unwavering dedication and commitment to excellence. To our shareholders, partners and customers, I offer you my deepest gratitude for your confidence and loyalty.

We commit ourselves to staying the course, banner the guiding principles of partnerships and trust and with the unwavering commitment of keeping you in good hands.



ARTHUR TY
Chairman



PRESIDENT'S REPORT

In 2015, Philippine GDP came in at a relatively decent 5.8%, helping the country retain its distinction as one of the fastest growing economies in the region. However, while the country performed better than most peers, 2015 GDP was still below initial expectations of above 6%.

This slower-than-projected growth rate set the tone for the performance of the banking industry. Overall performance for the industry in 2015 was relatively muted compared to the strong results in the previous year. Income levels were affected by the lack of hefty treasury gains from the past and growth in both loans and deposits were tempered coming off the high base of 2014.

Deposit growth normalized to the single-digit level, following years of high system liquidity as a result of the winding down of the Special Deposit Account (SDA) facility of the Bangko Sentral ng Pilipinas (BSP) in 2013. It was also a challenging year to generate loans, as strong capital market activity resulted in greater disintermediation. As a result, industry loan growth came in at just 13% after hitting a high of almost 20% in 2014. Recent regulations on stricter capital rules and underwriting standards also seem to have weighed down loan growth opportunities. Heightened competition coupled by the initial wave of entry of foreign banks, continued to put pressure on margins.

Despite these challenges, Metrobank delivered another banner year of performance.

Last year, Metrobank increased its core income by over 20% with a consolidated net income of PHP18.6 billion. Total resources hit a new high of PHP1.8 trillion as the Group once again delivered above industry growth in loans and low cost deposits.

As a result of this performance, Metrobank was named the Strongest Bank in the Philippines by The Asian Banker. Metrobank ranked 9th overall in Asia, which marked the first time a Philippine bank made it to the Top Ten List.

Metrobank successfully raised PHP32 billion via a Stock Rights Offer in April 2015, providing the capital strength to take advantage of market opportunities.

Our 2015 operational results are indicative of the Group's key focus on developing our core business of deposit taking and lending as well as generating fee income.

Total deposit liabilities reached PHP1.3 trillion or 6% higher than last year. More importantly, low cost deposits, or CASA, expanded 18%, more than double industry's deposit growth, to PHP702 billion. CASA now accounts for 56% of total deposits and continues to provide the funding advantage to fuel our growth.

Our total loan portfolio increased to PHP887 billion, or 17% higher than previous year. The Group reported equally strong growth across all sectors of corporate, commercial and consumer loans.

Amid stiffer competition, the robust growth in low cost deposits and loans allowed us to maintain relatively stable margins throughout the year at 3.54%. As a result, Metrobank booked PHP49.0 billion in net interest income, which now comprises over 70% of total operating income.

Meanwhile, the Group reported PHP18.4 billion in non-interest income. This came from PHP9.8 billion in service charges, fees and commissions, which went up by 10% from last year; PHP1.8 billion in net trading and FX gains; and PHP6.8 billion in other income.

With the focus on improving efficiency, operating expenses were kept at a reasonable level with single-digit cost growth.

Asset quality continues to improve with non-performing loans (NPL) ratio at a new low of below 1.0%. Given the falling NPL ratio, Metrobank reported provisions for credit and impairment losses of PHP2.1 billion.

Providing excellent customer service remains one of our key priorities. To serve clients better, we expanded our network, instituted improvements to our alternative channels and executed promotions tailor-fit for our customer segments. In addition, we expanded our sales and coverage teams and equipped them with the right skills and tools through the use of new, customized training modules.

Last year, the Group opened another 25 branches to increase its domestic presence to 945 branches. More than half of the network is located outside Metro Manila placing us in a position to better service the demands of the regional growth areas. This network advantage is supplemented by 2,226 ATMs nationwide and 100 Cash Accept Machines.

We also expanded our global reach with new partnerships. Our foreign network boasts of 32 international branches, subsidiaries and offices, 134 remittance tie-ups and over 190 remittance agents.

We launched a series of marketing campaigns which aimed to increase customer awareness of Metrobank product offerings, particularly consumer loans, online facilities and wealth management products.

Our internal efforts to facilitate greater internal synergy ensured that our sales initiatives were met with the appropriate level of customer support. The stronger coordination also made it easier to focus on active cross-selling to provide customers with the full range of Metrobank products that would cater to all their financial needs.

The quality of our people is a key element to better customer service, something we recognized and addressed through focused training and development efforts that sought the improvement of their technical competencies. These efforts made a direct and positive impact to the quality of our relationships and transactions. These were conducted mainly by our in-house Metrobank Academy which has been recently reorganized under the office of the president, which indicates how much importance we have placed on this initiative.

Together, we are stronger. This rings especially true as we report a successful 2015 from our partners in the Metrobank Group. Synergy among the different subsidiaries and affiliates made cross-selling and smart-sourcing initiatives not only possible but successful, maximizing the potential of a shared client base. Through synergy, our subsidiaries had notable victories in their fields of expertise.

Our investment banking arm, First Metro Investment Corporation (First Metro) remains to be an undisputed leader in the industry. First Metro broke new ground by becoming the first local investment bank to be recognized as Euromoney's Best Investment Bank in the Philippines

Metrobank's consumer business is well anchored on the Bank's partnerships with Philippine Savings Bank (PSBank), the Group's thrift banking arm, and Metrobank Card Corporation (MCC), a joint venture with Australia and New Zealand Bank (ANZ).

Philippine Savings Bank was once again the only savings bank ranked in the Top 10 Strongest Banks in the country and sustained its position as one of the dominant lenders in consumer banking.

Metrobank Card Corporation was awarded Best Credit Card in the Philippines, in addition to sustaining its No. 1 position in the industry with over 1.5 million cards in force.

Philippine AXA Life Insurance Company (AXA Philippines) posted healthy revenue growth of 15% translating to P4.0 billion in sales. Their performance was driven by their bancassurance business which contributed 67%, and was boosted by newly launched health products and successful campaigns.


We continue to have a positive view on the domestic economy and see that this coming 2016 will provide better growth opportunities compared to last year. We expect interest rates to be relatively stable given the benign inflation environment. We cannot discount however the possible negative effects of the global economies somehow trickling down to affect the Philippines, and as with any national election, there will be uncertainties as we make a switch to a new administration.

All said however, these dynamics present countless opportunities for the Metrobank Group particularly for our core target customer base - entrepreneurs, middle market commercial clients and SMEs. And with the rising per capita levels, we can expect that at the retail customer will take on a bigger portion of our portfolio moving forward.

We will continuously aim to maximize our existing client relationships even as we open the doors to new customers. To achieve this, we will continue coverage expansion by increasing our network and complementing our growing sales force.

We will also invest in our IT infrastructure as we seek to increase the efficiency of our internal processes. We are placing greater emphasis on innovation and reengineering to ensure that Metrobank is prepared for the next wave of development in the industry, especially as we move into the digital age of banking. These efforts are all being undertaken in keeping with our goal to comply with the highest service delivery and customer service standards.

I would like to end on a note of gratitude. Along with the management team of Metrobank, I would like to give credit where credit is due. To our employees, I give my thanks and appreciation for their dedication and diligence and for all their effort in keeping with our promise of keeping our customers in good hands.



FABIAN S. DEE
President



2015 PERFORMANCE HIGHLIGHTS

BUILDING OPPORTUNITIES

A key theme for Metrobank last year was the financing of capital expenditure for long-term project development in infrastructure, power and telecommunications. These long-term projects form the foundation of growth that will propel the Philippines to the next level.

ROOTED IN STRENGTH

For 53 years, we at Metrobank have been steadfast in our commitment to keeping our customers in good hands. By valuing relationships over transactions, we put ourselves in the position to consistently provide the best services and the most meaningful value to our stakeholders.

We believe that this heartfelt approach is a substantial reason why we were able to achieve this kind of success.

We are currently the 9th Strongest Bank in the Asia Pacific Region, a recognition that puts us at par with some of the world's best financial institutions.

As we enter a period that promises to be equal parts opportunity and challenge, we make it our responsibility to provide both meaningful and exceptional service to our clients. Our conviction to do so is matched only by our capability to deliver results. For our clients, we proudly banner our financial strength, coverage advantage and customer-first mindset to truly put your convenience and success in better hands.

Because we put you, our customers, first, we now stand stronger than ever.

RISING WITH A PURPOSE

Metrobank takes great pride in being able to serve our customers, wherever they are and whatever their needs might be. With the entire institution working in sync to provide the best possible value to each and every client, we built relationships with our customers and grew the Metrobank business to where it stands today.

This commitment demanded that we expand our coverage to better address the needs of all our clientele. In our efforts to be as accessible as possible, our expansion covered all client segments, notably our branches, business banking centers, wealth management desks and electronic portals.

We ensured that we gave the appropriate boost to an already strong presence. Last year, we increased our branch network to 945. The opening of 25 new branches ensured that our network grew both in established areas of business as well as emerging new cities.

With our customers' convenience in mind, we amplified our branch expansion by doing the same for our alternative channels. We added 126 ATMs, bringing our total network to 2,226. As we put a premium on the safety and integrity of our customers' transactions, this expansion coincided with an upgrade of our security systems which substantially lowered incidences of skimming and machine compromise.

We also made sure to optimize Metrobank's services online. In 2015, we rolled out an additional functionality to our online

platform—the enrollment of international mobile numbers. This made sure that no matter where they are, our clients abroad will be able to enjoy the convenience of Metrobank's internet banking by enabling them to receive the One Time Pin required for transactions and account registration.

The results of our internet and mobile platform upgrades were evident in 2015. We recorded a 61% increase in usage in internet banking and an astounding 389% in mobile banking usage, providing us with a wealth of encouragement for the exciting mobile upgrades slated to come in 2016.

Our coverage expansion also made sure to improve our accessibility to our partner entrepreneurs and high net worth clientele by establishing new satellite offices for SMEs and investment distribution desks.

Most importantly, we reaffirmed our commitment to customer service excellence. To truly listen to the pulse of our customers' needs, we conducted several studies that covered both our retail and business clients.

These included Brand Health and Mystery Shopper studies. Our branches performed well in the 2015 run of the Mystery Shopper, netting 98% rating on service standards for personnel competency and proper handling of customers. The positive rating score is consistent with the decline in number of customer complaints, from 5% of total feedback received in 2014 to 3% in 2015.

Although largely healthy, the 2015 performance of the Philippine economy was not without its challenges. The country felt the effects of global headwinds, higher than expected imports and a slowdown in foreign remittances. The Philippine Stock Exchange also saw its first negative posting in six years. The whole Philippine banking industry faced a new set of challenges, even after a strong showing in 2014.

Adversity, however, is never without opportunity.

Metrobank rose to this challenge, relying on both our established basic tradition of excellence and a little creative synergy to buck the trends.



It takes a strong partnership...

FAITH IN FILIPINO BUSINESS

Metrobank was founded in the spirit of helping the Filipino businesses find the right solutions to reach their goals. It is this faith in the entrepreneurs that drives us to help our partners find success.

From nurturing new commercial clients to strengthening partnerships with major industry players, we will continue planting seeds of trust with our partners as they continue their journeys of growth. As their partner, we have always provided sound financial guidance to aid their success. To us, it is simple: their successes form the pillars of our success.

In 2015, this commitment to the success of our customers delivered a 17% overall loan growth, significantly higher than the industry rate of 13%.

Over the last three years, we took steps to ensure that we are always there for our partners. This is evidenced by our expansions in new growth areas and the hiring of additional frontliners, making our extensive line of financial solutions readily available to customers.

For our SMEs in particular, our tagline “Ang Partner Mo Sa Negosyo” rings truer than ever, our constant reminder that every partner is a valued partner. With this mindset, we penetrated the market for aspiring businesses.

Metrobank's success in 2015 was achieved largely through a revitalized sales and service culture that put greater focus on improving the overall customer experience.

Initiatives of the Bank focused on new customer acquisition and active cross-selling, in line with its commitment to provide customers with the full range of Metrobank products that would cater to all their financial needs.

In the third quarter, Metrobank launched a new customer awareness campaign dubbed - "What's New at Metrobank". The ad campaign introduced a fresh new look to the brand that was consistent with the Metrobank core values and promise of keeping customers in good hands. It was launched in an effort to become more visible to the wider and younger

We deepen relationships with customers by listening— and then aligning our goals with theirs.



+61%
MB Direct Usage

+17%
Loans Growth



EXPANDING HORIZONS

Metrobank has always helped clients in fulfilling their growth potential. Last year, Metrobank facilitated the pursuit of the regional and global aspirations of local companies. A number of landmark transactions propelled Filipino corporations to the bigger map together with some of the global players in their industries.



+18%
CASA Growth

population. The ad series featured our consumer offerings for car and home loans, our alternative e-banking channels and our expertise in investments.

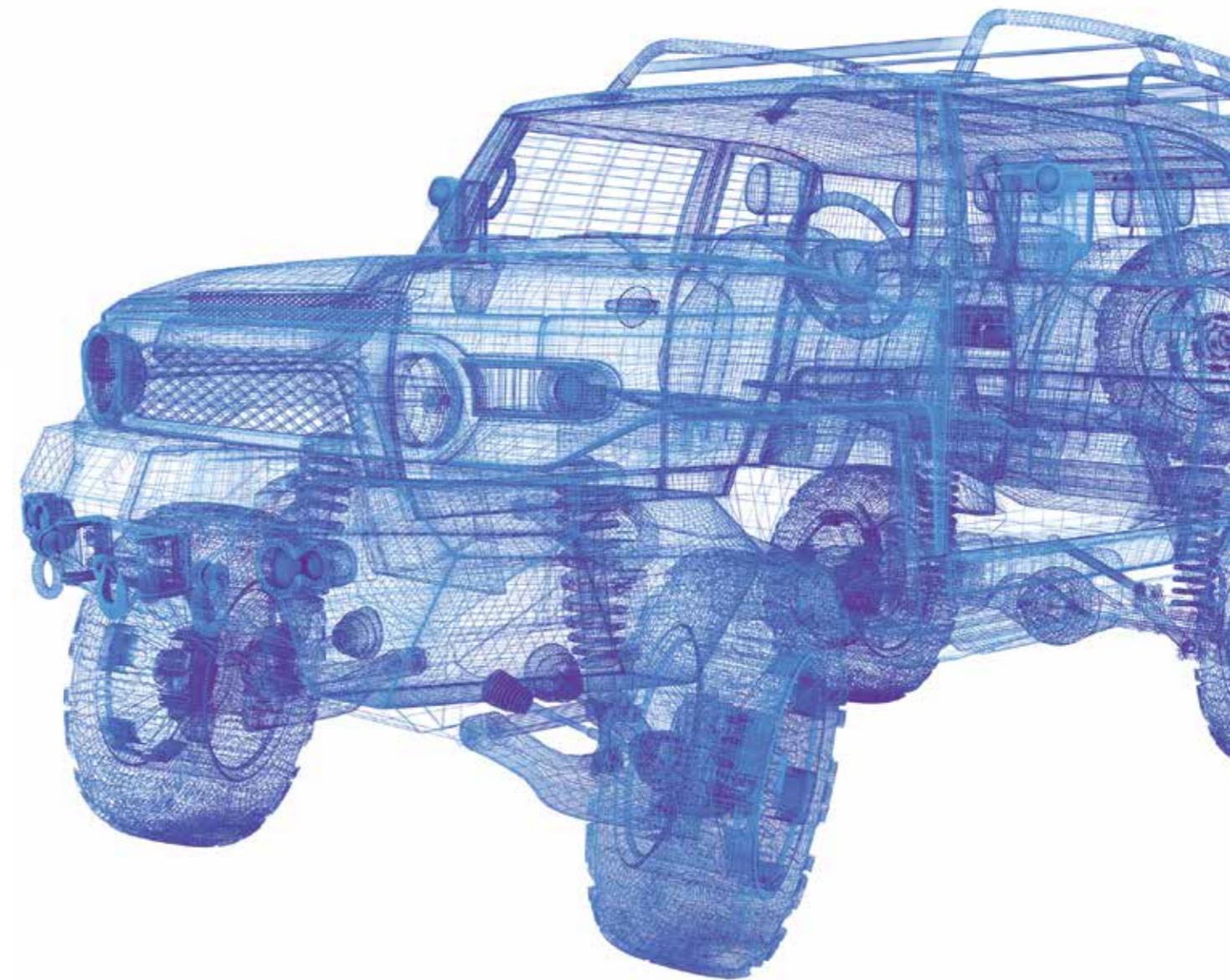
In addition, our sales force strengthened their internal working relations by engaging our people and emphasizing the importance of coordination and synergy. These efforts were done to ensure that each initiative to bring the right product to the right client was met with the appropriate level of customer support.

This extra push on the customer and sales front and better internal synergy delivered strong results in 2015.

The Bank expanded CASA by 18% and this provided a stable funding base to fuel our growth. Building on the momentum from previous years, the consumer portfolio continued to expand, up 18% year-on-year.

This growth in the consumer portfolio was supported by the successful release of special promotions for Metrobank's Home and Car Loans such as "We're Bringing Awesome Back", "It's the Awesome Comeback" and "Dream Loan For Your Dream Home", contributed to the sustained growth rates of our consumer portfolio.

Car loans in particular achieved substantial success. Streamlined processes and strong sales pick up, contributed to Metrobank winning the Best Automobile Lending Product award from The Asian Banker.



It takes an unwavering trust...



Lasting success is not achieved overnight. We know that it takes time and effort to form strong partnerships and to gain the trust of our clients. Today, it is this unwavering trust we have with our partners that differentiates us from the rest and allows us to constantly succeed.

Metrobank continued to assert its dominance in the premium segment of the market. By introducing new and more affordable products, we registered one of the highest Unit Investment Trust Fund (UITF) growth rates in the industry.

We also were able to retain our #1 ranking in the Towers Watson Survey for Retirement Funds. These rankings, of course, are on top of our usual excellence, as proven by our Treasury team's receipt of numerous awards from PDEX (Philippine Dealing Exchange) and FMAP (Fund Managers Association of the Philippines).

In a time of high market volatility, sales clinics and investor forums were regularly held to keep clients up to date with the latest market developments and trends.



You can start investing now
> www.metrobank.com.ph



Metrobank has always valued the convenience of our clients.

Consistent with our thrust to provide quality, accessible remittance and banking services to hardworking OFWs, 2015 saw us establishing new partnerships in the Middle East, Americas, Europe and Asia-Pacific. This expanded our remittance tie-up network to 134 partners all over the world. This was done in parallel with our efforts to strengthen our agent network establish more capabilities in handling transactions.

Our foreign branches, offices and subsidiaries forged arrangements with more agents, bringing the network force up to 196 representatives servicing clients all over the world.

Overseas efforts were matched with programs to expand our Domestic Remittance Partner Network. In the same year, we launched Remittance-to-Account services with Cebuana Lhuillier's over 1,700-strong branch network, marking another milestone in the Bank's domestic remittance business. This enables customers of Cebuana Lhuillier to remit to any Metrobank account, real-time. This in turn strengthens our CollectAnywhere network, making it the service available to nearly 7,000

We continue to improve and develop products and services to suit the evolving needs of the market.

outlets nationwide. In addition to this, our Cash Pickup Anywhere service also grew to over 6,800 locations, inclusive of Metrobank branches.

All these programs worked in harmony to expand our coverage, allowing us to boost our already strong market share. In 2015, total overseas Filipino remittances coursed through Metrobank reached over 6 million transactions—for a total value of over US\$4 billion.



134
Remittance
tie-ups

196
Remittance
Agents



CATERING TO YOUR NEEDS

With a diverse set of financial needs across our customer base, there was a need for Metrobank to get a deeper understanding of customers to deliver tailor-fit solutions. Greater synergy among product providers allowed us to craft the appropriate products to match each and every need of our client base.



It takes a relentless drive to perform

In our effort to improve and stay ahead of the curve, we created new teams focused on innovation and product development and adopted a results oriented culture built on timely execution and continuous development.

To drive improvement in our sales execution and technology platform, we aim to align our capacity building with international best practices and standards.

Across the organization, internal checkpoints were set to encourage the constant review and modification of existing systems and processes in our bid to push service standards to be as simple, efficient and consistent as possible.

Learn more
about Metrobank
> <https://careers.metrobank.com.ph>



KEEPING YOU ENGAGED

In a year of uncertainty, Metrobank made sure to keep its customers informed about relevant market developments by hosting a series of client and investment forums. The Group also opened new SME hubs, Trust and Investment Desks and a new First Metro center.

PEOPLE DEVELOPMENT

As we stand stronger than we have ever been for our customers, we continue to believe in the strength that we draw from our people.

We take a holistic approach to our programs aimed at the acquisition, retention and development of the best talent available to sustain our industry excellence. This multi-pronged effort covered the areas of operational efficiency, people development, capability building, employee well-being and community development.

Metrobank continued to put the values of Commitment to Customer Service, Passion for Results, Teamwork, Integrity, and Heart for Community at the center of all people development initiatives.

In 2015, we launched the Metrobank Career Website, an online recruitment portal. This recruitment hub worked in tandem with our new social media asset in LinkedIn. All these efforts shored up our support system for strategic manpower planning, talent

attraction and management. These 2015 initiatives accounted for a sharp increase in talent sourced from our online, university relations and walk-in applications.

To improve our retention of talent, we rolled out new Leadership and Management Development Courses and operationalized a Branch Lab to help our prized talent in their practice of the Metrobank brand of service.

We were also able to complete our talent profiling for MILER—our flagship talent development program. This program identified a pool of high potential talents developed specifically for growth and succession management. By developing promising talent and at same time, measuring training effectiveness, these collaborative efforts all support the achievement of Metrobank’s strategic goals and business growth.

For the rest of our valued workforce, Metrobank’s Human Resources Group further developed their career-planning capabilities to encourage talent-sharing and

cross-posting within the institution. Focused on both managerial and technical tracks, the program is set to kick off in 2016.

Along with improved career management, Metrobank continued its commitment to empowering employees with the right competencies, expertise, and work ethics, vital and relevant to stakeholders with the Metrobank Academy. This program sustained continuing professional development through an effective implementation of technical trainings.

CAPABILITY BUILDING

To ensure that our frontliners are embodiments of the Metrobank brand of service, new training programs for various roles at the branch level were rolled out to build the skills and knowledge base of branch employees. These programs drove strategic initiatives to revitalize sales and service in the branch network.

Efforts were also put into the upgrading of various hard and soft capabilities important to our sales teams. This was achieved via

our newly launched “field and forum” training modules that featured highly-relevant and interactive content.

EMPLOYEE WELL-BEING & COMMUNITY BUILDING

We remain steadfast in our commitment to the holistic development of our people. We recognize that employee health is a non-negotiable. As such, we ensured that certified First Aid Responders and Safety Officers were deployed to perform periodic health and safety inspections in our workspace. We partnered with Department of Labor and Employment to proactively perform joint assessments of all worksites to ensure strict adherence to both General Labor Standards and Occupational Safety and Health Standards.

We continue to support and enable a healthy lifestyle through our Go 4 Health Program—a comprehensive wellness initiative for head office employees that featured Zumba classes, gym partnerships, and health bulletins. We also successfully launched our new health insurance program for officers and dependents designed to expand benefit coverage and service.

CORPORATE GOVERNANCE

COMPLIANCE

Our drive for success is grounded on strict adherence to compliance and corporate governance standards which ensures that we have the strong foundation to pursue our goals. Guided by the spirit of accountability, transparency and fairness, Metrobank is motivated to continue improving by actively seeking ways to adopt the best practices to uphold the highest standards of corporate governance.

EXECUTIVE COMMITTEE

Committee Position	Designated Member
Advisers	George S. K. Ty Antonio S. Abacan, Jr. James Go Mary V. Ty
Chairman	Arthur Ty
Vice Chairman	Vicente R. Cuna, Jr. <i>(alternates with Francisco C. Sebastian)</i>
Regular Members	Fabian S. Dee Corazon B. Nepomuceno Mary Mylene A. Caparas Noel Peter Z. Yuseco *
Rotating Member Member	Francisco C. Sebastian <i>(alternates with Vicente R. Cuna, Jr.)</i>

*Alternate Member

Board of Directors

The Board takes the lead in establishing the tone of good governance. It is primarily responsible for approving and overseeing the implementation of the Bank's strategic objectives, risk strategy, corporate governance, corporate values and the code of conduct. It also ensures expeditious resolution of compliance issues and consistent adoption of corporate governance policies and systems across the Group. The members have an independent access to management and the corporate secretary as well as unrestricted access to information and records of the Company to fulfill their responsibilities.

Board Composition

At the end of 2015, the Board was comprised of 14 directors. The Bangko Sentral ng Pilipinas (BSP) and Securities and Exchange Commission (SEC) both require a minimum of 20% representation of independent directors in the Board. For Metrobank, seven (7) or 50% of the Board members are independent directors, the highest in the banking industry.

The independent directors are independent of management and major shareholders. They have not engaged and do not engage in any transaction with the institution or with any of its related companies or with any of its substantial shareholders, whether by themselves or with other persons or through a firm of which they are partners or a company of which they are directors

CORPORATE GOVERNANCE AND COMPENSATION COMMITTEE

Committee Position	Designated Member
Advisers	Antonio S. Abacan, Jr. Placido L. Mapa, Jr.
Chairman	Rex C. Drilon II
Vice Chairman	Remedios L. Macalincag
Regular Members	Arthur Ty Francisco F. Del Rosario, Jr.
Resource Person	Laarni D. Bernabe
Corporate Governance Officer	Fatima P. Gamboa (OIC - Compliance Division)

*The Committee also performs the functions of the Remuneration Committee

or substantial shareholders, other than transactions which are conducted at arms-length and could not materially interfere with or influence the exercise of their judgment.

The members of the Board are experts in their field and bring with them diversity in age, gender, ethnic background, skills and experience. All directors were selected based on their qualifications such as integrity, probity, physical & mental fitness, competence, relevant education, financial literacy and training, diligence, knowledge and experience.

Per Metrobank's By-Laws, directors are elected individually by the vote of the holders of common stock of the Bank in

accordance with Section 24 of the Corporate Code and other pertinent applicable laws. Any stockholder may submit nominations for directorial positions to the Nomination Committee. The Committee, having in place screening policies and parameters including among others, alignment of the quality of directors with the Bank's strategic directions, will then screen the nominations and come up with a Final List of Candidates. Only nominees whose names appear in the list shall be eligible for election as director at the annual meeting of the stockholders.

Any vacancies occurring in the Board of Directors may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum. Any vacancy that occurs by reason of removal by stockholders, expiration of term or increase in the number of directors shall be filled by the stockholders in a regular or special meeting called for the purpose.

Board Meetings

The organizational meeting of the Board is held immediately after the Annual Stockholders' Meeting. Regular Board meetings are held every second Wednesday of each month. Special meetings may be called at any time by the Chairman, or, in his absence, by the Vice Chairman, or pursuant to the written request of any four directors.

The Board had 12 meetings in 2015. One director attended 92% of the meetings, while all others have perfect attendance. The Office of the Corporate Secretary which plays a significant role in supporting the Board in discharging its responsibilities prepares the agenda and sends out notices and materials at least five business days before the meeting dates.

Board-level committees where executive directors are not members of (i.e. Audit, Risk Oversight, and Related Party Transactions Committee) regularly meet without the presence of executive directors. On 6 July 2015, all the independent and non-executive directors conducted a special meeting without any executives present.

Corporate Secretary

The Office of Corporate Secretary plays a significant role in supporting the Board in discharging its responsibilities. The Office prepares the agenda and sends out notices and the materials before the meeting date, prepares and distributes the minutes of the previous meeting and keeps full minutes of all Board and stockholder meetings. The Office of the Corporate Secretary also communicates with the directors the relevant statutory and regulatory changes as well as schedules of relevant seminars.

Orientation & Continuing Education

All first-time directors are furnished with a copy of the general responsibility and specific duties and responsibilities of the Board and of a director. Directors are required to certify under oath that they have received copies and fully understand and accept the general responsibility and specific duties. The certification is also submitted to BSP together with a certification that he or she has all the prescribed qualifications and none of the disqualifications after their election.

In maintaining their professional integrity, the directors are encouraged to continuously enhance their skills, knowledge and understanding of the activities that the Bank is engaged in or intends to pursue as well as the developments in the banking industry including regulatory changes through continuing education or training. For this purpose, the Bank also has a policy on continuing education for directors. In 2015, a special seminar conducted by SGV & Co. was provided to all directors and senior management of the Bank to apprise them on the significant developments in corporate governance.

BOARD OF DIRECTORS' ATTENDANCE AS OF DECEMBER 31, 2015

		Board Meetings	Executive Committee	Anti-Money Laundering Committee	Risk Oversight Committee	Domestic Equity Investment Committee	Trust Committee	Audit Committee	Corporate Governance Committee	Related Party Transactions Committee	Overseas Banking Committee	Nominations Committee	IT Steering Committee
Group Chairman	George S.K. Ty	12/12											
Chairman	Arthur Ty	12/12	38/52 (CC)	8/9		5/5			6/6		2/2 *****		7/7 (CC)
Vice Chairman	Francisco C. Sebastian	12/12	23/52 (VC) *			4/5					4/6 (VC)		
President/ Director	Fabian S. Dee	12/12	49/52				10/11				5/6		7/7
Director	Edmund A. Go	12/12		8/9 (CC)	12/13 (CC)		10/11						4/7
Independent	Renato C. Valencia	12/12				11/13		12/12 (VC)		12/13 (CC)			
Independent	Remedios L. Macalincag	12/12			13/13			12/12	6/6 (VC)	12/13	4/4 (CC)		
Independent	Jesli A. Lapus	11/12			9/13 (VC)	5/5	11/11 (CC)					5/6	
Independent	Robin A. King	12/12		7/9		5/5 (VC)		8/8 (CC)			6/6	6/6 (CC)	
Independent	Vicente B. Valdepeñas, Jr.	12/12			13/13			12/12		13/13		6/6	
Independent	Rex C. Drilon II	12/12		8/9		5/5	11/11 (VC)		6/6 (CC)	11/13 (VC)			
Independent	Francisco F. Del Rosario, Jr.	12/12				3/3 (CC) **		11/12	6/6		5/6		
Director	Vicente R. Cuna, Jr.	12/12	23/52 (VC) *										5/7 (VC)
Director	Alfred V. Ty ^(A)	4/4				1/1***					1/2		
Director	Antonio V. Viray ^(B)	8/8							3/4 ****				

(A) Member starting September 2015
(B) Member up to September 2015

* Rotating Member
** Appointed Chairman in April 2015
*** Appointed Member in October 2015
**** Member until September 2015
***** Member until April 2015

(CC) Committee Chairman
(VC) Committee Vice-Chairman

ANTI-MONEY LAUNDERING COMMITTEE

Committee Position	Designated Member
Chairman	Edmund A. Go
Regular Members	Arthur Ty Rex C. Drilon II Robin A. King

Evaluation System

The Board has an internal self-rating system and procedures to determine and measure compliance vis-à-vis good corporate governance principles and practices as prescribed in the Code of Corporate Governance: (i) each Director self-rates and collectively rates the Board, the Chairman of the Board and the President; (ii) the Corporate Governance and Compensation Committee (CGCC), Audit, Risk Oversight and other Board committees conduct self-

rating. When a director or officer has multiple positions in the Group, CGC determines whether or not said director or officer is able to and has been adequately carrying out his/her duties. The results of the annual self-assessment are validated and summarized, discussed by the CGCC and reported to the Board.

Based on the results of the annual evaluation, for the year 2015, the Bank has fully complied with the material requirements of the Code of Corporate Governance.

Compliance System

The compliance function, as an integral component of the Bank's internal controls, provides reasonable assurance that the Bank and its directors, officers and employees comply with relevant banking and corporate laws, regulations, rules and standard – all to promote safe and sound banking operations.

The Compliance Division is tasked to promote effective implementation of the compliance system and address breaches that may arise. It ensures that emerging compliance issues and key compliance risks are proactively identified, measured, and assessed and that advice and support to Management in managing regulatory and compliance risk are provided. In addition, it also ensures that compliance and awareness trainings for all employees are conducted on a regular basis; there is an effective upstream and downstream communication within the Bank to address compliance matters; and that compliance matters are reported to appropriate levels of management and to the Board of Directors through the Corporate Governance and Compensation Committee.

Compliance Division will continue to actively seek ways to boost compliance and adopt best practices in corporate governance. It shall also maintain a dynamic interaction with regulators to ensure a balance between having the right compliance culture and a risk-averse environment that will support business growth.

Corporate Governance Manual & Code of Conduct

The Corporate Governance Manual serves as a valuable reference in the implementation of the corporate governance rules and regulations. The Manual is periodically updated for new regulatory issuances and best industry practices.

The Board of Directors, Management, Officers and Staff of the Bank commit themselves to the principles and practices contained in the Manual and acknowledge that the same will guide them in the development and achievement of the Bank's corporate goals.

The Codes of Conduct for Directors and Employees ensure that the Bank goes beyond adherence with regulatory framework requiring Metrobankers to adhere only to the highest standard of fairness, accountability and transparency. Both Codes aim to instill a commitment and dedication to the virtues of honesty and integrity, together with a high sense of prudence, responsibility and efficiency in the conduct of duties.

Every director exercises honesty, good faith and loyalty and in the best interest of the Bank, its stockholders, regardless of the amount of their stockholdings, and other stakeholders such as depositors, investors, borrowers, other clients and the general public. 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.

The Codes are implemented by the Corporate Governance and Compensation Committee and the Human Resources Group. Breaches are subject to appropriate disciplinary actions in accordance with the principles of due process. To enjoin bank-wide compliance, the Board-approved Corporate Governance Manual and Code of Conduct are available in the Bank's intranet and posted in the Bank's website for public access.

Fair Business Transaction

The members of the Board conduct fair business transactions with the Bank and ensure that personal interest does not bias Board decisions. Directors whenever possible, avoid situations that would give rise to a conflict of interest. If transactions with the Bank cannot be avoided, it is done in the regular course of business and upon terms not less favorable to the Bank than those offered to others.

The Bank has a policy on related party transactions. Transactions with related parties are reviewed by the Related Party Transactions Committee, a Board-level committee composed of independent directors. These also require prior written approval of the members of the Board, with the exclusion of the director concerned in case the transaction involves him or his related interests.

Policy on Insider Training

To ensure that 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. The policy is applied to all insiders having access to material non-public information about the securities of companies within the Metrobank Group as well as the securities of any of their corporate clients and business partners.

The policy requires that the disclosure of material non-public 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 SEC and the Philippine Stock Exchange.

Whistle Blowing Policy

All employees are encouraged to play their part in improving the overall effectiveness and success of the Bank and in strengthening the Bank's system of integrity. The Bank has a Whistle Blowing Policy which aims to guide officers and staff on reporting complaints related to fraud, malpractice, conflict of interest or violation of internal/regulatory policies, procedures and controls. The policy also provides for the protection of the reporting employee from retaliation.

Compensation Policy

The Bank adopts an overall compensation package that is aligned with labor laws and regulations, performance-driven and competitive with industry standards, with a goal to attract, motivate and retain the best people.

The members of the Board of Directors receive a fixed remuneration package based on experience, professional background, level of responsibilities and attendance in Board and committee meetings.

The Bank pays salaries commensurate to the individual's qualifications & experience, nature of the job, position, and level of responsibility with reference to an approved salary scale.

The Bank's compensation package is reviewed regularly and benchmarked against competition through participation in annual compensation and benefit surveys to ensure its competitiveness vis-à-vis industry and other market considerations.

Pay for Performance. The Bank aims to achieve a performance-driven work culture by providing meaningful rewards for performance. Annual performance scorecards are structured to support business strategies and provide competitive rewards. Thus, the Bank grants annual merit increase and performance bonus (non-guaranteed) based on the Bank's overall performance, Group and individual performance, and market conditions.

Fair Compensation. The Bank ensures that its compensation package for non-officers or rank and file employees is in accordance with the labor law requirements. They receive salaries linked to both performance and the Bank's contractual obligation under a collective bargaining agreement which include loyalty bonuses for long-term employees.

Interest of Stakeholders

Metrobank has a responsibility to all its stakeholders and addresses their needs. The Bank has policies that safeguarded the interests of customers and creditors, suppliers, employees, shareholders and the environment.

The Bank continuously prioritizes the customers' and creditors' needs and ensures that their welfare is safeguarded. Customers expect, among others that the Bank delivers on its promises, dependably and accurately and that employees are knowledgeable, courteous, trustworthy, confident, and helpful and provide prompt service. Failure to attend promptly to client requests is an example of non-acceptable behavior under the standard of conduct.

The Bank also maintains policies for supplier and contract selection. The policy on outsourcing of banking support and marketing activities and vendor management provide guidelines on accreditation of service providers as well as monitoring and reviewing of their performance. The Bank also practices the policy of canvassing and bidding.

The Bank acknowledges that it has a responsibility to ensure the safety and security of its employees and clients. The Bank actively promotes a safe and healthy work environment that is conducive to the well-being and professional development of its employees. Among the programs instituted was the wellness check of employees, results of which were the basis of choosing relevant health interventions for the workforce. Lectures on bank security are likewise conducted to equip personnel in handling situations that may compromise the security of persons, property and information. The Bank also ensures a drug-and alcohol-free work environment at all times.

Metrobank is also fully committed to ensure that all employees perform their work consistently to high standards and achieve their full potential. It recognizes 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. The Metrobank Academy was established to provide all officers with a wide range of suitable programs to assist in their continuing professional development, so that the organization will have the right quality of people for the business to grow and achieve its goals. The Bank strives to empower Metrobankers with the right skills, knowledge, work ethics and expertise that are relevant to the stakeholders.

The Bank measures its performance not only with financial returns but also with its social objectives. The Bank believes that it is responsible also for the state and welfare of the larger society to which it belongs. Metrobank has comprehensive community and social responsibility programs conducted by the Metrobank Foundation and the employees through the Purple Hearts Club.

Mindful of the impact that practices may have on the environment, Metrobank is also committed to sound environmental stewardship. The Bank consistently strives to look for ways to improve its 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.

From the top management to the rank and file personnel, Metrobankers pledged the following green acts, among others:

- Shut down and 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)

RISK MANAGEMENT

The Risk Management Group (RSK) is an independent unit of the Bank that identifies, analyzes, measures, and monitors credit, market, liquidity, and operational risks in close coordination with other business units. The Group reports directly to the Board of Directors through the Risk Oversight Committee, which is composed primarily of independent members of the Board. The Committee's active role in overseeing the Bank's risk infrastructure, operating policies, and exposures ensures consistency among strategies and a good balance between risk appetite and prudence.

Credit and Risk Management

The primary task of RSK is to ensure that the credit risk exposures are consistently managed based on the Bank's risk appetite to support the balance sheet's sustainability. Following are some of the initiatives undertaken for 2015:

- Developed various credit-related policies to properly monitor loan exposures and adhere to the requirements of BSP.
- Expanded the coverage of impairment reporting to ensure pertinent provisions are set-up.
- Enhanced the existing Credit Review Framework to further improve assessment of lending units' adherence to policies and procedures.
- Ensure timely review of portfolio limits to promptly address concentration issues.
- Continued to work closely with various Groups in reviewing product programs of existing and new products as well as pertinent risk-related manuals

- Monitored & analyzed the credit risk profiles of the Bank's various portfolios
- Undertook efforts to enhance or keep up-to-date its credit risk obligor and exposure measurement tools
- Continued to work closely with the various subsidiaries and the subsidiaries of the Group to facilitate further alignment of credit risk related practices

Market & Liquidity Risk Management

Three themes characterized the activities on the market and liquidity management side. First is continuous enhancement of processes and systems, particularly on the Parent Bank side. Second is further consolidation of market risk exposures within the Metrobank Group. Third is alignment and standardization of practices within the Group. Among the tasks completed were:

- Updated and streamlined the market rates database
- Created specialized calculators and spreadsheets to enable transformation of derivative risk factors (e.g. volatilities) into a form directly readable by the bank's systems.
- Did testing and validation of the Treasury front-end system
- Rolled-out the bank's in-house risk-engine and risk system to selected subsidiaries to support entity-specific calculations and enterprise-wide risk consolidation.
- Consolidated the Metrobank Group's exposures across various institutional trading books through a correlated Group Value-at-Risk measure
- Conducted peer review of systems and processes across the Group in support of knowledge-sharing and standardization of practices across the Group

RISK OVERSIGHT COMMITTEE

Committee Position	Designated Member
Chairman	Edmund A. Go
Vice Chairman	Jesli A. Lapus
Regular Members	Renato C. Valencia Remedios L. Macalincag Vicente B. Valdepeñas, Jr.
Resource Persons	Joshua E. Naing Fernand A. Tansingco Corazon B. Nepomuceno Richard S. So Eligio C. Labog, Jr. Maritess B. Antonio Paul Robert Y. Murga

TRUST COMMITTEE

Committee Position	Designated Member
Advisers	Antonio S. Abacan, Jr. Placido L. Mapa, Jr.
Chairman	Jesli A. Lapus
Vice Chairman	Rex C. Drilon II
Regular Members	Fabian S. Dee Edmund A. Go Josefina T. Tuplano
Resource Persons	Antonio V. Viray

Operational Risk Management

RSK's thrust of a continuing awareness and appreciation for operational risks saw continuity through the following activities.

- The establishment of a risk aware culture through bankwide rollout of Operational Risk Management tools, conducting focus group discussions and seminars. Developed new e-learning materials as part of Risk Management's campaign to institutionalize risk consciousness within the Bank.

DOMESTIC EQUITY INVESTMENTS COMMITTEE

Committee Position	Designated Member
Adviser	Antonio S. Abacan, Jr.
Chairman	Francisco F. del Rosario, Jr.
Vice Chairman	Robin A. King
Regular Members	Arthur Ty Francisco C. Sebastian Alfred Ty Rex C. Drilon II Jesli A. Lapus
Resource Person	Joshua E. Naing Maritess B. Antonio

RELATED PARTY TRANSACTIONS COMMITTEE

Committee Position	Designated Member
Chairman	Renato C. Valencia
Vice Chairman	Rex C. Drilon II
RegularMembers	Remedios L. Macalincag Vicente B. Valdepeñas, Jr.
Resource Persons	Maritess B. Antonio

OVERSEAS BANKING COMMITTEE

Committee Position	Designated Member
Advisers	Antonio S. Abacan, Jr. Mary V. Ty
Vice Chairman	Francisco C. Sebastian
Regular Members	Fabian S. Dee Alfred Ty Robin A. King Francisco F. del Rosario, Jr.
Resource Persons	Joshua E. Naing Richard S. So Maritess B. Antonio

- The continued implementation of various Operational Risk Management tools to aid business units in actively identifying, measuring, controlling, and monitoring operational risks in their respective processes and practices.
- Collaboration with various business units to develop business level Key Risk Indicators (KRIs) and establish appropriate thresholds. The KRIs will serve as early warning indicators of significant movements on risk exposures to help business units prepare for responses in case of increasing changes to the risk exposure. Institutional KRI thresholds have also been established and improved.
- Continued comprehensive reviews of the Bank's new and existing policies and procedures, and developed various policies (Operational Key Risk Indicators, ITRA policy), to ensure embedding of the risk management process.
- The initiation of the development of tool portals for an efficient implementation of the various Operational Risk Management tools.
- Facilitation of the Earthquake tabletop exercise and developed the Earthquake Emergency Plan
- Consolidation of the results of the Anti-Money Laundering Product Risk Assessment tool that were presented to the AML Committee.
- Continued the annual business continuity testing activities, which have proven to increase disaster readiness of bank employees during actual events such as typhoons and floods.
- Regular monthly reporting of KRIs and risk exposures to the ROC and the BOD and increased the frequency of reporting to Senior Management and various Committees of RSK-ORD monitored Institutional Key Risk Indicators and IT related risks
- Continued assistance and guidance to subsidiaries to ensure practices are consistent within the group

Group Oversight

Over the years, RSK has developed dynamic and interactive partnerships with various units of the Bank to support them in managing their risks. RSK provides regular reports to several senior management level committees, as well as relevant business groups. The initiatives of RSK extend well beyond the Bank and in fact go on to collaborations with the risk management units of the subsidiaries under the Metrobank Group.

As part of its mandate, through the Risk Oversight Committee, RSK provides timely and relevant reports on the risk profile of the Bank and Group to the Board. The monthly committee meetings also serve as a venue to discuss strategies and recommendations on policies and procedures as part of the enterprise risk management system of the Bank and the Metrobank Group as a whole.

For years now, the collaboration between RSK and the subsidiaries' risk management units has led to an increasing level of standardization of risk management tools and monitoring of its implementation for the Group. By working closely and actively with the BSP-supervised subsidiaries of the Bank, RSK has been able to maintain oversight on the alignment of business practices, policies and procedures, where applicable.

Internal Audit

The 2015 risk-based audit plan, which was approved by the Audit Committee before the start of the year, was developed through a detailed and comprehensive evaluation of the Bank's strategy, attendant risks, significant regulatory requirements, and other factors, which may affect its delivery. It was revisited quarterly and all changes thereto were presented to and approved by the Audit Committee.

The audit plan covered all critical business areas, control activities, regulatory requirements and emerging risks, which enabled the Chief Audit Executive to render an overall assessment on the adequacy and effectiveness of the Bank's governance, risk management and internal control processes. The completion of the audit plan complemented the oversight function of the Board of Directors and the Senior Management, supported management initiatives, and encouraged system and process improvements.

The audit objectives were well-defined. These were effectively communicated and supported by the organization as manifested by the increasing requests for consultations and advice from the Internal Audit Group (IAG), particularly on ensuring appropriateness of risk mitigation, diligence on regulatory compliance and improvement in operational efficiency.

NOMINATIONS COMMITTEE

Committee Position	Designated Member
Chairman	Vicente B. Valdepeñas, Jr.
RegularMembers	Jesli A. Lapus Robin A. King

IT STEERING COMMITTEE

Committee Position	Designated Member
Chairman	Arthur Ty
Vice Chairman	Vicente R. Cuna, Jr.
Members	Fabian S. Dee Edmund A. Go Bernardino V. Ramos
Resource Persons	Joshua E. Naing Maritess B. Antonio

The IAG's activities are conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics. IAG remain up-to-date with best practices (i.e. increased use of analytics, technology and electronic data) and adopt effective audit techniques to align with system and process changes, industry developments and regulatory requirements. To adapt with and meet the increasing demands for assurance and consulting services, audit skills and knowledge are continuously developed and elevated through formal training and validation, especially on technical and specialized topics (i.e., Treasury, Trust, Anti-Money Laundering, Information Technology, etc.), which have become more relevant in recent years.

AUDIT COMMITTEE

Committee Position	Designated Member
Adviser	Antonio S. Abacan, Jr. Cornelio C. Gison
Chairman	Robin A. King
Vice Chairman	Renato C. Valencia
Regular Members	Vicente B. Valdepeñas, Jr. Francisco F. Del Rosario, Jr. Remedios L. Macalincag
Resource Persons	Joshua E. Naing Nurjehan D. Dayrit
Chief Audit Executive	Maritess B. Antonio

In 2015, as required by Bangko Sentral ng Pilipinas (BSP) Circ. 871 on Internal Controls and Audit, a Centralized Audit Function was formalized wherein the IAG was tasked to directly supervise the internal audit functions of the Bank's subsidiaries and report to their respective Audit Committees. This centralization will further align internal audit practices, maximize and augment skills through resource-sharing, increase coordination and further strengthen corporate governance through integration of information across the Metrobank Group.

A collaborative relationship is well-established and effectively observed with other control and monitoring functions of the Bank, such as Controllership Group, Compliance Division and Risk Management Group to achieve greater depth and coverage in assessing risks, and ensure that internal audit functions are effectively designed and performed. In 2016, this will extend to other monitoring and support functions to optimize and expand the use of available systems and work products.

Internal audit function continues to be strategically positioned, with direct access to the Board of Directors; and is provided with adequate resources to ensure objectivity and independence (access to all records, properties and personnel). The audit activities continue to uphold the highest level of integrity and promote unwavering diligence across the organization to concretely affirm our commitment to our stakeholders in ensuring reliability and integrity of financial and operational information, safeguarding of assets, and compliance with policies, laws, rules, and regulations.

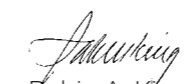
2015 AUDIT COMMITTEE REPORT

The Audit Committee (the Committee) assisted the Board of Directors (the Board) in fulfilling its fiduciary responsibilities to enhance stakeholders' value and protect their interest through its oversight on governance, risk management and internal controls.

The Committee convened twelve (12) times during the year, was provided adequate information/training, resources, and cooperation by Management, and had private meetings with the external auditor and Chief Audit Executive to carry out its mandate. Furthermore, selected Committee members hold concurrent roles in other Board-level Committees, which provide them with various information from across the organization regarding the control environment and risk taking/ management activities. Summarized below are the 2015 activities of the Committee:

Governance	Financial Reporting	Control Framework
<ul style="list-style-type: none"> Coordinated with other Board Committees in ensuring that governance processes are in place and operating effectively Confirmed that significant third party contracts (i.e., IT and IS risk assessment) were thoroughly evaluated and properly approved Discussed significant business developments (i.e., New ATM, internet and Core Banking system) and emerging risks (i.e. market competition, regulatory requirements) with senior management to ensure that capabilities are in place to achieve objectives 	<ul style="list-style-type: none"> Reviewed interim and annual financial reports and disclosures, valuation techniques (i.e., financial instruments), estimates/ assumptions used (i.e., allowance/ liability provisioning), impact of significant transactions and new accounting standards Evaluated the external auditor's objectivity, independence and qualifications, scope/ plan and performance Evaluated non-audit work (IS Risk Assessment) of external auditor to preserve independence 	<ul style="list-style-type: none"> Regularly received Internal Audit (IA) reports, obtained status reports on significant matters (i.e., IT initiatives, regulatory compliance, AML compliance, cyber/electronic fraud, etc.) and shared insights and recommendations to improve internal controls Reviewed the IA Charter, methodology, risk-based audit plan and IA performance

Based on the Committee's activities; representation letter from the Management of the Bank; an unqualified opinion from the external auditors on the financial statements; and CAE's favorable overall assessment/judgment on the adequacy and effectiveness of the Bank's risk management, governance and internal control processes, the Audit Committee concludes that business objectives will be efficaciously achieved while ensuring adherence to set standards and principles.


Robin A. King
Chairman of the
Audit Committee


Renato C. Valencia
Vice Chairman of
the Audit Committee


Remedios L. Macalincag
Member


Dr. Vicente B. Valdepeñas, Jr.
Member


Francisco F. del Rosario, Jr.
Member


Dr. Antonio S. Abacan, Jr.
Adviser


Atty. Cornelio C. Gison
Adviser

DOMESTIC SUBSIDIARIES

We have always believed that together, we are stronger. Working hand in hand, we are able to provide a broader spectrum of financial services to meet the growing demands of our clients, bolstering our growing identity as a full-range financial provider, ready to meet fast changing customer needs.



INVESTMENT BANKING



First Metro successfully completed 20 capital markets deals in 2015 that included follow-on offerings, corporate notes facilities, bonds issuances, term loan facilities, project finance facilities, among others, for the country's big corporations, the public sector, and emerging businesses.

First Metro opened its fourth Investors Center in Davao. The center is a one-stop investment hub that provides easier access to information and investment products. First Metro also hosted the fourth Philippines Investment Summit with the theme Boosting Competitiveness and Inclusive Growth as ASEAN Integrates. The Summit focused on how local businesses can breed a culture of innovation in order to compete on a regional and international level.

First Metro's excellence in the face of a trying year did not go unnoticed, as they won a number of accolades in 2015. Euromoney, the world's leading financial markets magazine, declared First Metro the Philippines' Best Investment Bank for 2015—a first for a local investment bank.

First Metro's Philippine Equity Exchange-Traded Fund (FMETF), the country's first and only exchange-traded fund, was also named Asia's Best Emerging Market ETF at the inaugural ETF and Indexing Awards of regional trade publications Asia Asset Management and ETFI Asia.

First Metro retained its #1 Asset Benchmark Research ranking in the bond market survey annually conducted by The Asset Benchmark Research (ABR) of Hong Kong. Concurrently, First Metro was voted as the Top Bank Arranger for Primary Issues in Asia Currency Bonds, Philippines, also for both Corporate and Government Bonds.

Lastly, First Metro was conferred its seventh consecutive Best Bond House and its first Best Mergers & Acquisitions (M&A) House win at the Triple A Country Awards 2015 of the Hong Kong-based finance publication The Asset.

CONSUMER BANKING



In 2015, the country's consumption story continued to be heartening, inspiring a general confidence that boosted spending and consequently set the stage for a welcome expansion in consumer banking products.

Metrobank's thrift banking arm, PSBank was steadfast in keeping with our strategies and focus areas. Drawing on common principles, PSBank stood as the Asian Banker strongest savings bank in 2015 for a fifth consecutive year.

PSBank also received an issuer rating of PRS AAA—the highest corporate credit rating on the PRS scale—from the Philippine Rating Services Corporation (PRS), proof of the bank's strong capacity to meet its financial commitments.

PSBank's total assets grew by 16%, driven primarily by consumer lending. Its consumer portfolio registered robust growth, up 23%, bulk of which came from Auto and Mortgage loans. Low-cost deposits also grew by 23%. Lastly, PSBank's Capital Adequacy Ratio remained formidable at 18.1%, well above the BSP minimum of 10%.

In 2015, PSBank launched an updated version of PSBank Mobile, featuring new functionalities and a more responsive user interface such as Q Anywhere, an automated, paperless lobby management system that enabled customers to queue their transactions in-branch or via PC or mobile, and ATM Lock, a security innovation that provides clients with a tool to protect their accounts by disabling ATM Card access at their discretion. The year also saw PSBank launch variable unit-linked insurance products through its AXA Bancassurance tie-up as well as a "No Annual Fee for Life" value for its PSBank Credit Mastercard.

PSBank's distribution network now stands at 248 branches and 615 ATMs nationwide.

The bank was given the Pagtugon Award for Excellence by the BSP for its reliable response and action on clients' concerns. It was also awarded the 2015 SSS Balikang Bayan Best Paying Partner for the speed with which it processed SSS pension payments.

CREDIT CARDS



In 2015, spending confidence fuelled the performance of Metrobank Card, helping it solidify its hold on the top of industry rankings in terms of total Number of Cards in Force as shown by the latest data of the Credit Card Association of the Philippines (CCAP). Riding on this wave, Metrobank Card rose to second in the industry in terms of Merchant Acquiring Billings and Receivables.

In 2015, Metrobank Card also posted a 27% growth for both assets and net income. This performance played a major role in Metrobank Card's receipt of the Best Credit Card Product by The Asian Banker through The Excellence in Retail Financial Services Awards Programme 2015: Philippine Country Awards.

In 2015, Metrobank also brought a fresh innovation to the market, launching the YAZZ Prepaid Card—a reloadable VISA prepaid card that allows cashless transactions with 40 million accredited VISA merchants and ATMs worldwide. In addition, MCC relaunched the Metrobank Gold Visa and positioned it as a health and fitness card that provides exclusive deals and features to those who want a healthier lifestyle.

On top of fresh market offerings, Metrobank card built on the success of previous campaigns, continuing its promos with popular retailers as well as premium restaurants and hotels. To wit, ongoing partnerships with retailers allowed Metrobank credit cardholders to get free food items or gift certificates for a minimum spend with their credit card. Successful programs such as Metrobank Platinum MasterCard's Premium Taste, Premium Perks and Metrobank Femme's Signature Lifestyle saw continued runs, much to the delight of loyal clientele.

INSURANCE



redefining / insurance

In our effort to anticipate the needs of an increasingly financially literate clientele, we saw that there would be immense value in providing them quality insurance products.

Through AXA Philippines, we expanded our capabilities in the insurance industry. AXA Philippines recently announced its acquisition of Charter Ping An, a non-life insurance company. This brought to AXA the capability to offer property and casualty insurance products to a wide market in addition to its robust line of life and savings products.

AXA Philippines' current product offering was also improved, with its best-selling plans Life Basix Plus and Axelerator Plus adding a critical illness coverage function, making it much more attractive to the market.

AXA Philippines also widened its reach by establishing an online presence, dubbed AXA Solutions. This website serves as a tool that provides a seamless end-to-end sales process for the AXA distributors. AXA Solutions also takes Clients through a step-by-step financial needs analysis and helps AXA distributors give needs-based proposals. Another initiative towards making better use of modern digital tools is the introduction of myAXAvideos, a video presentation prepared for clients to welcome them to AXA. This is seen as a groundbreaking initiative in the industry, as it gives AXA clients their very own personalized video that summarizes details about their policy.

On ground, AXA Philippines continued its growth with the opening of three branches in 2015—Makati, Davao and La Union. AXA Philippines also saw increased distribution through its synergy with the branch networks of both Metrobank and PSBank.

LEASING



Metrobank's financial leasing and mortgaging arm ORIX Metro also made good on its commitment to provide excellent service in its pursuit of business goals.

In 2015, ORIX Metro posted a 23% growth from its group earning assets, significantly higher than 2014 returns. Its wholly owned subsidiaries ORIX Auto Leasing Philippines Corporation and ORIX Rental Corporation also posted significant growth numbers—15% in assets and 20% in profits.

This performance provides the optimal scenario for the subsidiary's plans to create more opportunities. As of 2015, ORIX Metro set to motion its plan to open more branch offices in the countryside as well as an aggressive marketing effort to highlight its full-service operating lease products, targeting multinationals and big local corporations. To date, ORIX Metro maintains and operates 80 branches nationwide.

In 2015, ORIX Metro kept an eye on the future of energy solutions. The year saw ORIX Metro boast of a unique effort to explore alternative power sources. With the development of its capability to offer Solar Savings and Power Solutions through another wholly-owned subsidiary—the ORIX International and Trading Development Corporation—ORIX Metro Leasing has to date financed four solar rooftop projects

"Sakbibi ng galak at tagumpay" by Brian Teves - 2015 MADE Awardee

CORPORATE SOCIAL RESPONSIBILITY

Metrobank, through its Corporate Social Responsibility arm Metrobank Foundation, Inc. remains committed to making meaningful contributions to society.



The Foundation also supported a total of 119 socio-civic and charitable organizations in 2015 with a consolidated grant amount of over PHP20 million to aid programs and projects in education, healthcare and good governance. In addition, Metrobank also awarded PHP 15 million worth of grants to 40 chosen social development partners to support their programs and projects to benefit marginalized and underprivileged sectors.

The Foundation also has not forgotten its commitment to areas affected by super typhoon Yolanda. The Metrobank Group stakeholders and partners completed the construction of 25 disaster-resilient classrooms in public schools in Eastern Samar and Leyte in 2015. Over 506 fishing boats were also turned over to fishermen in the Visayas. Meanwhile, GT Foundation, constructed 3 disaster-resilient barangay health stations equipped with birthing facilities.

The Foundation sustained its position as a leader in business communication and public relations in the 50th Anvil Awards by the Public Relations Society of the Philippines (PRSP) and Philippine Quill Awards by the International Association of Business Communicators (IABC)-Philippines, respectively.

The Foundation bagged Platinum and Gold Anvil Awards and reaped a total of 10 Quills including its first Top Award for Communication Management division.



On its 36th year, the Foundation sustained the implementation of its different CSR programs on excellence recognition, education, visual arts and design, healthcare, social development, and calamity assistance.

Metrobank's 53rd anniversary celebration was marked by another tradition of recognizing exemplary public servants who are considered unsung heroes and together make up the solid foundation of society. The 2015 Metrobank Foundation Outstanding Filipinos included awardees of the Search for Outstanding Teachers (SOT), The Outstanding Philippine Soldiers (TOPS), and Country's Outstanding Police Officers in Service (COPS).

To honor and celebrate commendable journalists, the Foundation in partnership with Probe Media Foundation, awarded the 2nd batch of Metrobank Foundation Journalists of the Year (JOY). The JOY Search is a tribute to some of the country's finest media practitioners.

After three decades of fostering Filipino artistry and creativity, the Metrobank Art & Design Excellence (MADE) not only serves as a venue to develop holistic and well-rounded artists and designers but also fuels their passion in creating art for the common good. At the same time MADE discovers professional designers who are advocates of sustainable design solutions.

PHP20m

grant amount to aid programs and projects in education, healthcare and good governance.



BOARD OF DIRECTORS

Vicente R. Cuna, Jr.
 Director
 Director since April 2014
 54 years old
 President, Philippine Savings Bank*
 Director, First Metro Investment Corp.
 AB Economics, De la Salle University

Fabian S. Dee
 President/Director
 President/Director since April 2012
 (also served as Director from September 2007 to March 2011)
 53 years old
 Chairman, Metrobank Card Corp.
 Chairman, Metro Remittance Singapore Pte. Ltd.
 Chairman, SMBC Metro Investment Corp.
 Director, FMIC Equities, Inc.
 BS Management Engineering, Ateneo de Manila

Arthur Ty
 Chairman
 Director since April 2002
 49 years old
 Co-Vice Chairman, GT Capital Holdings, Inc.*
 Vice-Chairman, Philippine Savings Bank*
 Vice-Chairman, First Metro Investment Corp.
 Chairman, Metropolitan Bank (China) Ltd.
 MBA, Columbia University, New York

Remedios L. Macalincag
 Independent Director
 Director since October 2004
 79 years old
 Chairman/President, Premium Equities, Inc.
 Former President/CEO, Development Bank of the Philippines
 Former Chairman, LGU Guarantee, Corp.
 Diploma in Economic Development, University of Manchester, England

Dr. George S.K. Ty
 Group Chairman
 Founder, Metrobank*
 83 years old
 Chairman Emeritus, GT Capital Holdings, Inc.*
 Chairman, Metrobank Foundation, Inc.
 Doctorate degree in Humanities, honoris causa, University of Santo Tomas

Robin A. King
 Independent Director
 Director since April 2011
 69 years old
 Former Independent Director, Toyota Financial Services Philippines, Inc.
 Former Independent Director, First Metro Investment, Corp.
 Former Independent Director, PBC Capital Investment Corp.
 Former President/CEO International Bank of California
 Former President/Director, Global Business Bank
 MBA, Finance, University of the Philippines

Antonio V. Viray
 Corporate Secretary
 76 years old
 Former Director, Metrobank* (April 2012 to September 2015, April to July 2009 and April 2005 to July 2008)
 Of Counsel, FERIA Tantoco Robenio Law Office
 Corporate Secretary, GT Capital Holdings, Inc.*
 Master of Laws, Northwestern University, Illinois

Dr. Jesli A. Lapus
 Independent Director
 Director since 2010
 66 years old
 Chairman- Independent Director, STI Education Services Group, Inc.
 Chairman, LBP Service Corp.
 Independent Director, STI Education System Holdings, Inc.*
 Former Secretary, Department of Trade and Industry
 Former Secretary, Department of Education
 Former President/CEO and Vice-Chairman, Land Bank of the Philippines
 MBM, Asian Institute of Management
 DPA, honoris causa, Polytechnic University of the Philippines

Edmund A. Go
 Director
 Director since May 2007
 65 years old
 Director for Investment, Ateneo de Manila University
 Director, Metrobank (China) Ltd.
 Investment Consultant, St. Peter Life Group of Co.
 MBM, Asian Institute of Management

Renato C. Valencia
 Independent Director
 Director since October 1998
 74 years old
 Former President/CEO Social Security System
 Former Chairman/CEO, Union Bank of the Philippines
 MBA, Asian Institute of Management
 Chairman & Independent Director, iPeople, Inc.*
 Independent Director, House of Investments, Inc.*
 Independent Director, Vulcan Industrial & Mining Corporation*
 Independent Director, Anglo Philippine Holdings Corporation

Alfred V. Ty
 Director since September 2015
 48 years old
 Co-Vice Chairman, GT Capital Holdings, Inc.*
 Chairman, Federal Land, Inc.
 Chairman, Property Company of Friends, Inc.
 Vice-Chairman, Toyota Motor Philippines, Corp.
 Independent Director, Metro Pacific Investments Corporation*
 B.S. Business Administration, University of Southern California

Francisco F. del Rosario, Jr.
 Independent Director
 Director since April 2013
 68 years old
 Former Undersecretary, Department of National Defense
 Director, Mapfre Insular Insurance Corp.
 Director, DMCI Homes, Inc.
 Trustee, ABS-CBN Foundation
 Former President/CEO, Development Bank of the Philippines

Francisco C. Sebastian
 Vice Chairman
 Director since April 2002
 62 years old
 Chairman, GT Capital Holdings, Inc.*
 Chairman, First Metro Investments Corp.
 Chairman, First Metro Asset Management Inc.
 Chairman, Global Business Power Corp.
 Director, Federal Land, Inc.
 AB Economics, Ateneo de Manila

Dr. Vicente B. Valdepeñas, Jr.
 Independent Director
 Director since April 2011
 78 years old
 Consultant, Bangko Sentral ng Pilipinas
 Chairman Advisory Panel to the ASEAN +3
 Former Member, Monetary Board
 Former Director-General, National Economic Development Authority
 PhD, AM, Cornell University

Rex C. Drilon II
 Independent Director
 Director since August 2012
 69 years old
 Former Independent Director, First Metro Investment, Corp.
 Former Independent Director, First Metro Asset Management, Inc.
 Former President, Institute of Corporate Directors
 Trustee, Institute of Solidarity in Asia
 Former Trustee, Shareholders Association of the Philippines
 BS Business Administration, University of the East

* Publicly listed



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Former President, Republic of the Philippines



B. HON. ARTEMIO V. PANGANIBAN
Former Chief Justice, Supreme Court of the Philippines
Chairman, Board of Advisers, Metrobank Foundation



C. DR. DAVID K.P. LI
Chairman/CEO, Bank of East Asia, Ltd. Hong Kong



D. WASHINGTON SYCIP
Founder, SGV & Co.
Chairman Emeritus, Asian Institute of Management



E. DR. ANTONIO S. ABACAN, JR.
Vice Chairman, Metrobank Group of Companies
Chairman, Toyota Financial Services (Philis.) Inc.
Chairman, Sumisho Motor Finance Corp.
Vice Chairman/Executive Director, Global Business Power
Chairman, Manila Tytana Colleges
Chairman/President Manila Doctors Hospital



F. AMB. DOMINGO L. SIAZON, JR.
Former Secretary, Department of Foreign Affairs
Former Director General, United Nations Industrial Development Organization (UNIDO)
Former Philippine Ambassador to Japan



G. GABRIEL CHUA
President, Solid State Multi Products Corp.



H. DR. PLACIDO L. MAPA, JR.
Senior Adviser, Metrobank Foundation, Inc.
Chairman, University of Asia & the Pacific



I. JAMES GO
Chairman, Toyota Cubao Inc.
Chairman, Toyota Manila Bay Corp.



J. CARLOS S. CHAN
Chairman, Liwayway Marketing Corp.
Chairman, Chan C. Bros. Inc.
Chairman, Liwayway (China) Co., Ltd.
Special Envoy of the President for the People's Republic of China



ADVISERS

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Trustee, University of the East
Vice President, Federation of Filipino-Chinese Chambers of Commerce and Industry, Inc.
President, Cathay Pacific Steel Corp.

B. TAN TIAN SIONG
Chairman/President, Nation Paper Products & Printing Corp.

C. CORNELIO C. GISON
Former Undersecretary, Department of Finance

D. ROBERTO JUANCHITO T. DISPO
Former Deputy Treasurer of the Philippines

SENIOR EXECUTIVE VICE PRESIDENTS

Left to right:

Joshua E. Naing
Fernand Antonio A. Tansingco

EXECUTIVE VICE PRESIDENTS

Left to right:

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Aniceto M. Sobrepeña
Corazon Ma. Therese B. Nepomuceno

Paul Robert Y. Murga
Josefina T. Tuplano
Eligio C. Labog, Jr.
Richard Benedict S. So
Amelin S. Yao
Maritess B. Antonio
Mary Mylene A. Caparas



SENIOR VICE PRESIDENTS

Left to right:

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Bernardino V. Ramos
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Antonio R. Ocampo, Jr.
Mary Rose S. Tiamson
Anthony Paul C. Yap



Dennis C. Qua
Arlene Lapuz-Ureta
Stephen S. See
Melizza Doris L. Guiao
Quintin T. Medrano
Leandro G. Santillan



SENIOR VICE PRESIDENTS

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Susan L. Niere
Christine W. Yang
Leopoldo M. Ubaldo
Teresita L. Dy
Rowena D. Oliveros

Manolito M. Osorio
Godofredo V. Cruz
Emmeline D. Go
Vicente F. Jandayan
Angelica S. Reyes
Fermin T. Chio
Marilou C. Bartolome



SUMMARY OF GROUP FINANCIALS

In Million Pesos (Except Per Share Amounts and Foreign Exchange Rates)

At Year End	2015	2014	2013
Total Assets	1,760,692	1,604,540	1,378,569
Loans and Receivables - Net	887,202	759,481	611,064
Financial Assets at Fair Value Through Profit or Loss	48,856	45,935	55,441
Available-for-Sale Investments - Net	235,158	207,711	273,429
Held-to-Maturity Investments	208,432	129,076	38,425
Total Liabilities	1,557,382	1,445,755	1,235,864
Deposit Liabilities	1,257,970	1,184,454	1,016,268
Demand	233,912	187,285	150,694
Savings	467,587	406,767	362,915
Time	542,221	576,152	502,659
Long-Term Negotiable Certificates of Deposit	14,250	14,250	—
Total Equity	203,310	158,785	142,705
Attributable to:			
Equity Holders of the Parent Company	193,759	150,129	134,887
Non-controlling Interest	9,551	8,656	7,818
Book value per share	58.97	52.40	46.83
Foreign Exchange (USD:PHP)			
PDS Closing Rate	47.06	44.72	44.40
PDS Weighted Average Rate	45.50	44.39	42.43
(PDS: Philippine Dealing System)			

For the Year	2015	2014	2013
Net Interest Income	48,974	45,763	38,269
Interest Income	65,556	59,294	49,892
Interest Expense	16,582	13,531	11,623
Non-interest Income	18,837	29,574	42,132
Trading and Securities Gain - Net	1,282	3,305	17,182
Foreign Exchange Gain (Loss) - Net	517	(102)	(2,266)
Service Charges, Fees and Commissions	9,794	8,898	8,640
Income from Trust Operations	1,164	1,186	1,071
Other Non-interest Income ¹	6,080	16,287	17,505
Total Operating Income	67,811	75,337	80,401
Total Operating Expenses	41,931	46,843	49,324
Provision for Credit and Impairment Losses	2,059	4,849	10,722
Other Operating Expenses	39,872	41,994	38,602
Net Income	20,643	22,035	24,329
Attributable to:			
Equity Holders of the Parent Company	18,625	20,113	22,488
Non-controlling Interest	2,018	1,922	1,841
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company ²	5.86	6.88	7.72
<i>1 - Includes share in net income of associates and a joint venture</i>			
<i>2 - 2014 and 2013 restated to show the effect of stock rights issued in 2015</i>			
Key Ratios	2015	2014	2013
Net Interest Margin	3.5%	3.7%	3.9%
Return on Average Equity	10.8%	14.1%	17.8%
Return on Average Assets	1.1%	1.4%	1.9%
Non-performing Loans Ratio	1.0%	1.0%	1.3%
Non-performing Loans Cover	110.7%	165.2%	164.1%
Capital Adequacy Ratio	(Basel III) 17.8%	(Basel III) 16.0%	(Basel II) 16.7%
Tier 1 Capital	14.3%	12.1%	15.0%
Common Equity Tier 1	14.3%	12.1%	n.a.

SENIOR OFFICERS

First Vice President

Abellar, Ma. Lourdes P.
Abes, Kathryn Francis B.
Arjonillo, Carolina K.
Bellon, Elaida A.
Buenavista, Grace C.
Capili, Judy Grace D.
Capulong, Jovencio R.
Centena, Mia S.
Dayrit, Nurjehan Maria D.
De Santos, Justina Ma. Teresita M.
De Vera, Rosanna F.
Dionisio, Rommel Enrico C.
Esguerra, Edgar D.
Esguerra, Samuel D.
Evangelista, Ferlou I.
Fajardo, Ma. Theresa A.
Gamboa, Fatima P.
Go, Domingo C.
Kwan, Flordeliz T.
Lao, Carolyn T.
Lim, Alex C.
Lim, Mary Joyce S.
Lindo, Ely Roy B.
Lugue, Manolo T.
Mariano, Federico T.
Ng, Natalie T.
Ong, David S.
Oxales, Maria Lourdes Veronica C.
Pagaspas, Angel O.
Pedrosa, Ricardo N.
Perez, Mark Anthony B.
Reyes, Christopher Hector L.
Reyes, Rose Mary T.
Rivera, Elmer R.
Rivera, Maritess D.
Rivera, Melanie N.
See, Nelson G.
Sevidal, Raquel N.
Siriban, Cynthia P.
Sta. Ana, Lalaine C.
Tan, Irene Y.
Tolentino, Lorna Y.
Trinidad, Maria Elena Z.
Ty, Zandra M.
Villanueva, Paul Donato V.
Yap, Josephine Kee Hong S.
Yuseco, Noel Peter Z.

Vice President

Aguila, Elizabeth B.
Ajos, Jay Nazarene Christene A.
Alcantara, Allen D.
Alincastre, Celso Manuel, Jr., G.
Almeda, Mary Jacqueline Justina H.
Amahan, Alfredo F.
Amisacaray, Gina Rowena V.
Arellano, Marian B.
Baculi, Antonio T.
Balagtas, Dennis Edmund E.
Banson, Ma. Amparo M.
Bartolo, Eden L.
Bautista, Dionnette P.
Berbaño, Noel L.
Bernabe, Laarni D.
Bondad, Elizabeth D.
Bormate, Rebecca B.
Burgos, Reynaldo C.
Cabrera, Katherine H.
Calumpang, Eric A.
Carreon, Reynilo M.
Chan, Marie Chorie Candice R.
Chiong, Easter Angela S.
Chiu, Mary Ann K.
Chua, Claudine U.
Chua, Ma. Redeleen G.
Co, Cristina G.
Cocabo, Jinnah E.
Coloma, Ma. Teresa A.
David, Jaqueline L.

De Guzman, Crisostomo P.
De Leon, Patricia May P.
Del Rosario, Ma. Theresa P.
Delizo, Ricardo S.
Diño, Carissa A.
Felipe, Herman Rufino S.
Fernandez, Ma. Carlota C.
Florendo, Eugenia A.
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Go, Nathaniel D.
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Gregorio, Enrique M.
Guinto, Elizabeth B.
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Liao, Ma. Theresa E.
Liwanag, Fina Victoria S.
Lu, Dennis Lawrence T.
Malagar, Kathryn Kay T.
Manzano, Ma. Imelda L.
Mapa, Juan Placido III, T.
Maraingan, Rey T.
Matriano, Romulo, Jr., M.
Mayor, Ma. Ana S.
Medalla, Maria Nelia S.
Mercado, Rinaldo G.
Mirasol, Esmeraldo S.
Navarra, Jasmine E.
Ochoa, Marie Antoinette M.
Ode, Frances Jane L.
Ong, Nerisa Y.
Ongsiaco, Edna O.
Oppus, Maja G.
Padilla, John L.
Palao, Katherine T.
Que, Winny S.
Rabot, Joel U.
Reyes, Christian Francis C.
Reyes, Ma. Imelda A.
Reyes, Maria Sharon C.
Romero, John Jay M.
Rosales, Florian C.
Rosette, Edita E.
Roxas, Cynia C.
Ruiz, Cynthia G.
Salazar, Robert Manuel B.
Salcedo, Rosana R.
Samaniego, Chad Aaron R.
Samonte, Angela Esperanza M.
Seludo, Mary Grace J.
Siapuatco, Ma. Dolores L.
Simbulan, Mylene S.
Tan, Helen L.
Tan, Jennifer G.
Tan, Leny C.
Tan, Mary Janet S.
Tan, Roseanne T.
Tenorio, Florencio A.
Tiongson, Carmelita A.
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Tobias, Juan Antonio T.
Untal, Alexander C.
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Valenzuela, Ma. Gingili A.
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Villanueva, Michele L.
Wong, Jay S.
Xu, May Sherri M.
Yap, Sydney Thaddeus K.

Assistant Vice President

Abueg, Alona A.
Adizas, Fe Magnolia B.
Alejandrino, Randy A.
Aliluya, Annalice C.
Amantillo, Ma. Concepcion A.
Amores, James Anthony P.
Angco, Ronaldo D.
Angob, Maria Socorro T.
Antonio, Rodolfo E.
Anunciacion, Dante P.
Aquino, Cecilio II, A.
Arellano, Hector B.
Arenas, Celina A.
Atraje, Maria Teresa S.
Gregorio, Armelyn G.
Bautista, Ildemarc C.
Bauto, Ramoncito O.
Beltran, Ma. Jizzelle Lee M.
Bosita, Anna Gael D.
Cabaero, Claro B.
Cabral, Emmanuel R.
Calderon, Estela S.
Candelaria, Liv Ivy Lane P.
Capacillo, Joyce L.
Capili, Myra C.
Cayanan, Gabriel N.
Chan, Policarpio S.
Chan, Susana Y.
Chua, Marianne T.
Cirujano, Edralino G.
Cledera, Jean L.
Constantino, Marilyn M.
Cordero, Eufrocina C.
Cruz, Darius M.
Daleon, Wilfredo T.
De Guzman, Lyn L.
De Jesus, Jude Martin Peter S.
De Leon, Bernard M.
Dela Cruz, Ryan C.
Dionisio, Isabelo M.
Divinagracia, Maria Cecilia T.
Enriquez, Albert T.
Espino, Donato V.
Falcon, Flordeliz G.
Fernandez, Ferdinand B.
Fuentes, William J.
Gabor, Melissa K.
Gabriel, Eloisa A.
Galano, Romeo V.
Generoso, Anna Rita S.
Gloriani, Emelita A.
Go, Andrew Michael G.
Gonzales, Cromel D.
Gonzales, Iris B.
Hernandez, Maria Zarah C.
Ko, Francisco K.
Kow, Blaine P.
Kua, Sharon B.
Larlal, Francis Rene B.
Legaspi, Elizabeth D.
Leh, Paul Terence T.
Leonardo, Carilla S.
Lim, Jeremy Jay V.
Lim, Walter C.
Limpin, Irmimo Noel R.
Lo, Christy T.
Lomigo, Happy Mar S.
Lopez, Ma. Victoria S.
Macalalad, Raul S.
Madlangbayan, Reyni D.
Madrado, Alma E.
Magpayo, Ruth Salome A.
Magsalin, Ma. Dulce D.
Manansala, Fernando Jose T.
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Mangaban, Neliza B.
Mangonon, Flordeliza E.
Manzano, Ivy Din A.
Mariano, Marian Louise F.

Martin, Carlos V.
Martinez, Lourdes L.
Matibag, Virgin Glorie E.
Medina, Augusto, Jr., G.
Mendiola, Ernesto, Jr., E.
Mendoza, Alexander P.
Mercado, Maureen S.
Millonado, Maida Lourdes E.
Mir, Marjorie N.
Nadera, Caroline S.
Navarro, Don Manolo M.
Nieto, Anabel N.
Oliquino, Senen M.
Ong, Maria Rita Purificacion V.
Osol, Ludivico G.
Osorio, Melchor V.
Paatan, Yagtan Kenin S.
Pacaña, Evangeline U.
Padua, Myla S.
Pamaran, Mary Rose R.
Panogan, Hrothgar M.
Pantallon, Mark S.
Pascioles, Arnulfo, Jr., B.
Pasimio, Mikael Angelo S.
Payabyab, Ener F.
Pecaña, Genevieve C.
Pelaez, Joseph Eric D.
Pelayo, Shirley S.
Ponce, Anna Katrina Y.
Que, Marilou P.
Quesada, Nencie A.
Reyes, Ma. Glenda Y.
Reyes, Maurita C.
Rivera, Teddy D.
Rodriguez, David Lloyd D.
Rubiano, Susanna L.
Salientes, Rodolfo J.
Salvador, Maria Virna A.
San Miguel, Rolando L.
Sanagustin, Jose Luis S.
Sanchez, Enrico E.
Sandil, Ricardo L.
Santos, Jose Enrico S.
Santos, Ma. Milagros Laureta D.
Santos, Ruben L.
Santos, Vanessa Grace Y.
Santos, Veronica C.
Sio, Midel A.
Siochi, Reynaldo C.
Siy, Vida Jordana C.
Sowy, Maria Theresa Z.
Suplico, Maria Ava Sharone S.
Tan, Vivien V.
Tantuan, Mercy M.
Tee, Elsa U.
Tigas, Anna Melissa U.
Tinsay, Mary Ann M.
Tiu, Betty T.
Tongson, Reynald Ryan S.
Torrefranca, Steve O.
Trajano, Ma. Nelsa M.
Trinidad, Anna Maria C.
Tuason, Geoffrey V.
Valencia, Edwin M.
Valeriano, Ma. Michelle S.
Vargas, Merlito M.
Varquez, Esther T.
Velez, Ma Christina A.
Ventura, Remigia R.
Verceles, Josefina Janet F.
Villa, Hector M.
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Yap, Francisco P.
Yapson, Ma. Socorro L.
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