

One great year.
One great world.
One unrivaled card.



 **Metrobank Card**
A joint venture of Metrobank and ANZ

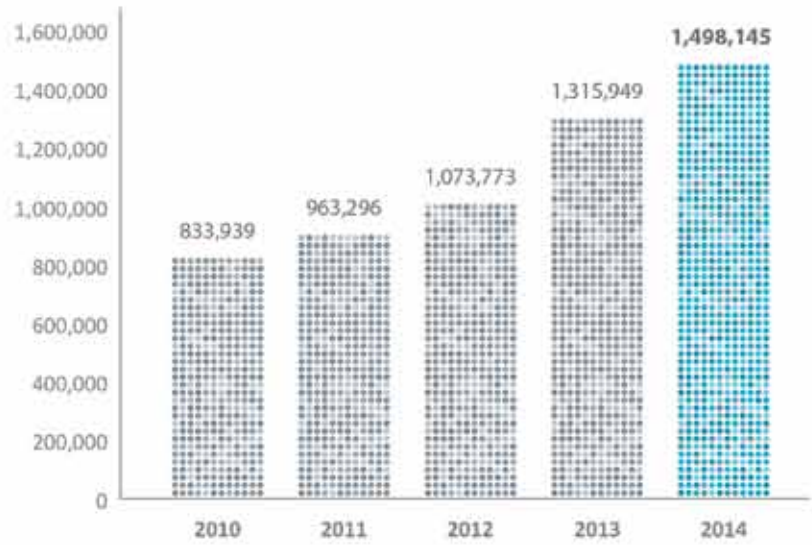
ANNUAL REPORT 2014

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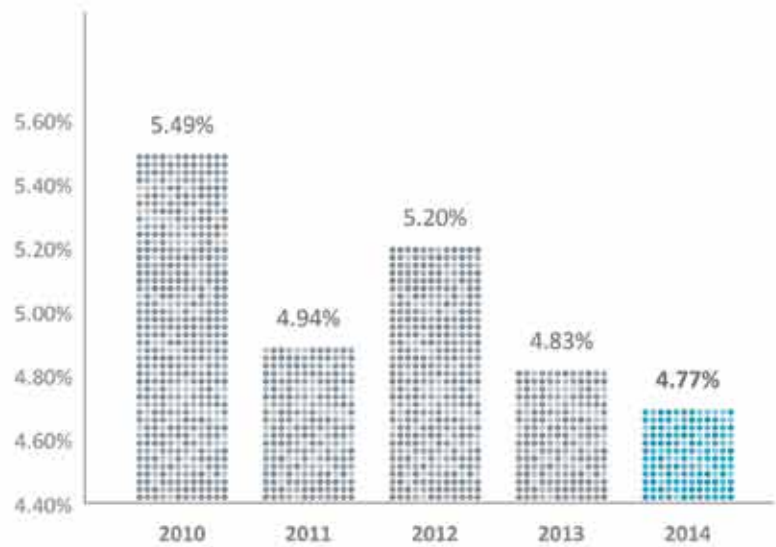
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CARDS IN FORCE (end of period)

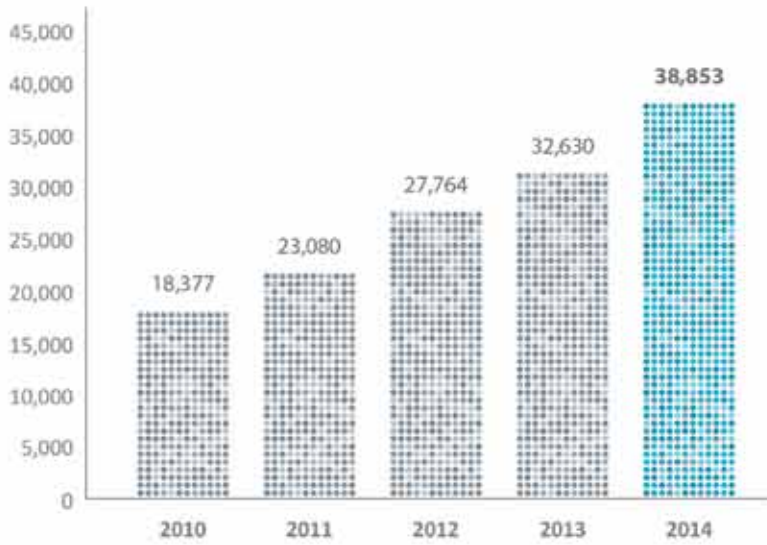


PAST DUE RATE

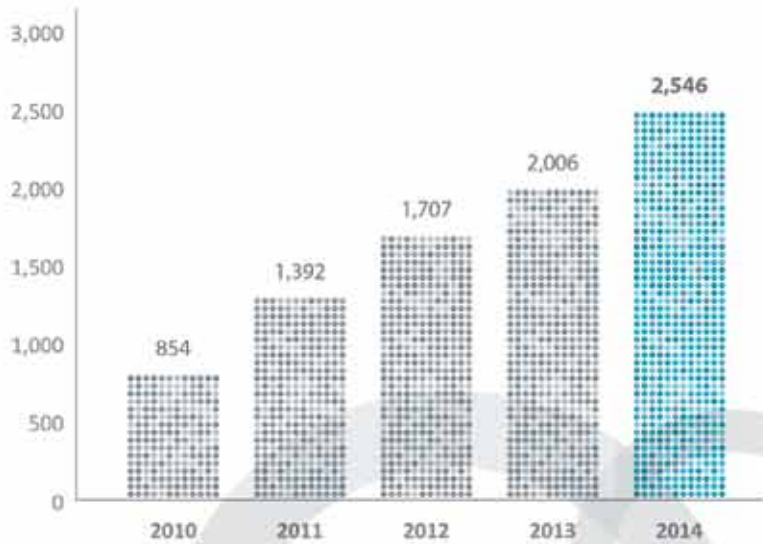


FINANCIAL HIGHLIGHTS

ENDING NET RECEIVABLE (in million pesos)



NET INCOME (in million pesos)





CHAIRMAN'S MESSAGE

Once more, we come to the end of the year, and again it has been a year of tremendous results.

2014 saw us take more leaps in delivering value to our segments, fostering lasting relationships with our individual customers, and attracting new cardholders with irresistible value propositions. We continued to invest in our own capabilities and have continued to see the importance of our products building strong partnerships with other industry leaders, enabling us to create even more value for the Metrobank Card customer.

A committed workforce, strong management team, and consistent delivery of products and services have all contributed to help build pioneering new products and offerings that enable us to keep our position of leadership in the market.

It is this leadership that serves as both proof, reward, and inspiration—continuously proving the strength of our perspective, our culture, and our commitment to excellence, giving our stakeholders sustained confidence, and inspiring us to push harder and go further.

FABIAN S. DEE
Chairman

PRESIDENT'S REPORT

This report offers a rewarding review of 2014—a year distinguished by many peaks and highlights, and distinguished by our continued position of leadership in the industry.

2014 was a landmark year in terms of financial performance. We posted a solid P2.5 billion net profit after tax. NPAT grew 27% from prior year. We also grew our customer base to 1,498,145 cards-in-force which yielded a 16% growth in billings and 19% growth in receivables.

Once more, Metrobank Card demonstrated its leadership in the industry, achieving top performance in terms of total number of Cards in Force (CIF), Merchant Acquiring Billings and Receivables.

Strengthening customer and merchant relationships

Last year also saw us sustaining and deepening relationships with key merchant partners who are also leaders in their respective retail segments. Our close ties with premiere hospitality brands, as well as dining and retail brands, have empowered us to offer more competitive and attractive promotions toward our markets and our segments. In turn, our existing customers continuously rewarded us with their patronage and loyalty, and attracted more new Metrobank cardholders.

We continued enriching our promotions for the premium card segment, with promotions and exclusive offers under our Metrobank Platinum and Metrobank World MasterCard. We are grateful for receiving international recognition at the 2014 MasterCard Innovation Forum for our *Premium Taste, Premium Perks* promo.

We broadened our approach toward the female market, complementing our Metrobank Femme Visa with the newly launched Metrobank Femme Signature Visa, an especially exclusive and rewarding experience for the affluent female segment.

Beyond physical cards, we also entered the highly important mobile digital space with the launch of the Metrobank Card mobile app, available in both iOS and Android mobile platforms. This achievement serves to tighten our relationship with our existing customers and enable new customers to more easily and conveniently engage with us.

In 2014, our strong brand positions and powerful value propositions proved successful. In the year ahead, these offerings are sure to flourish in the market space and reap more rewards for our stakeholders.

Engaging our people and the community

What makes our organization effective and inspires us to keep our focus on excellence are our people. Last year, we determined a host of engagement drivers that served to enrich our human resource component, from training and development programs to rewards and recognition.

Our focus on people does not just involve our employees. We also include the very communities around us that we serve as part of our corporate culture. With last year's social initiatives focusing on empowering women and children through strong partnerships with various foundations and concerns, we aim to stay the course and continue exercising our social responsibility.

Aiming for more

As we look back on another year brimming with achievements and successes behind us, I invite our stakeholders to look ahead, as well: the future beckons, and our commitment to excellence, hard work and long-range thinking will guide us to even greater triumphs ahead.

RIKO A.S. ABDURRAHMAN

President



PRODUCTS & SERVICES



You've got to own it.

Introducing a most exclusive and rewarding experience. The new Metrobank Femme Signature Visa.

APPLY NOW. Call 8 800 397 or visit your nearest Metrobank branch.

Metrobank Card
A joint venture of Metrobank and AIA.

You've got to own it.

Introducing a most exclusive and rewarding experience. The new Metrobank Femme Signature Visa.

APPLY NOW. Call 8 800 397 or visit your nearest Metrobank branch.

Metrobank Card
A joint venture of Metrobank and AIA.

50% OFF at **ibb'dlung | 太古廣場**

Metrobank Card

50% OFF at **INTERCONTINENTAL**

Metrobank Card

50% OFF at **H&M**

Metrobank Card

50% OFF at **Edis | 屈臣氏**

Metrobank Card

50% OFF at **Rebecca**

Metrobank Card

50% OFF at **Rock of Ages**

Metrobank Card

50% OFF at **SHREK The Musical**

Metrobank Card

50% OFF at **GHOST**

Metrobank Card

Apply now!

Metrobank Card

10% discount

APPLY NOW!

Metrobank Card

50% OFF at **THE DINING ROOM**

Metrobank Card

50% OFF at **THE GREAT WALL | 大都會**

Metrobank Card

50% OFF at **YOUNG & RUBICAM**

Metrobank Card

50% OFF at **GREEN SUSHI BARBERS**

Metrobank Card

3% rebate when you get up at Toyota

APPLY NOW!

TOYOTA
moving forward

Rewards Points for all your spending

APPLY NOW!

Metrobank Card

WIN 20 Prizes Singapore packages

Metrobank Card

WIN 20 Prizes Singapore packages

Metrobank Card

WIN 20 Prizes Singapore packages

Metrobank Card

10% REBATE on ALL online payments in ALL Robinsons Branches

Metrobank Card

Credit Card Issuing

Metrobank Card Corporation offers a range of credit card products suitable to meet the needs of the Philippine Market. Cardholders enjoy increased spending power and international purchasing convenience with acceptance in over 40 million establishments worldwide. Our credit card products offer flexible payment schemes, installment programs, perks and privileges that allow cardholders to get maximum value for their money.

Metrobank Classic MasterCard and Gold MasterCard



Metrobank Classic Visa and Gold Visa



Metrobank Card Corporation's core credit cards provide increased spending power and worldwide purchasing convenience.

Metrobank Femme Visa



The Metrobank Femme Visa offers the perks and privileges that a woman deserves, including exclusive offers at shopping, beauty, and wellness establishments.

Metrobank Femme Signature Visa



The Metrobank Femme Signature Visa is the first local Signature Visa and the first premium credit card targeted exclusively for women. It offers a most exclusive and rewarding experience for its premium cardholders.

Metrobank ON Internet MasterCard



The Metrobank ON Internet MasterCard enables cardholders to shop more securely online. It is designed for non face-to-face transactions, and offers greater security and peace of mind.

Metrobank Platinum MasterCard



The Metrobank Platinum MasterCard offers access to a wide-range of world-class privileges. It offers an exclusive 24/7 VIP Customer Service hotline, Concierge Service, as well as other rewards and perks.

Metrobank Platinum Dollar MasterCard



The Metrobank Platinum Dollar MasterCard allows cardholders to be charged in US dollars regardless of the currency transacted.

Metrobank World MasterCard



The Metrobank World MasterCard is the most premium credit card in the market, offering a credit limit that nearly sets no borders, 24/7 exclusive Concierge Service, and the unique reward feature of being able to redeem anything with Rewards Points.

M Free MasterCard



An annual fee-free credit card. It offers worldwide acceptance and convenience with perks and privileges.

M Lite MasterCard



A low interest rate credit card loaded with built-in card features and privileges.

Robinsons-Cebu Pacific MasterCard (Classic and Gold)



The Robinsons-Cebu Pacific MasterCard was launched in coordination with the Robinsons Retail Group and Cebu Pacific, both under the JG Summit Group of Companies. Aside from special privileges from these two establishments, cardholders also receive Fly/Buy points for all their spending so that they can both Fly and Buy for FREE!

Toyota MasterCard



Metrobank Card and Toyota Motor Philippines have partnered to launch the Toyota MasterCard. Offering discounts at Toyota dealers, fuel rebates from Petron, and Rewards Points for all card spending, the Toyota MasterCard is indeed the country's first complete motorist card.

M Here



Offering perks, privileges, discounts and freebies to all Metrobank Cardholders, M Here highlights the presence of Metrobank Card Corporation in leading establishments and caters to the urban and trendy lifestyle of its cardholders.

0% Installment



Financial flexibility with no added cost. It offers cardholders the opportunity to purchase products on installment up to 24 months with no additional interest.

Cash2Go



Fast cash for any need or occasion. Allows cardholders to get cash and pay in installments at low interest rates per month in 3- to 36-month terms.

Balance Transfer



With Balance Transfer, cardholders may transfer their outstanding balance from their non-Metrobank Card to their Metrobank Card and pay at a lower interest rate in 6- to 24-month terms.

Bills2Pay



MCC cardholders may enjoy hassle free utility payments by enrolling their Meralco, PLDT, Globe Telecom, SMART, SUN, Sky Cable Network, and Philippine AXA Insurance in Bills2Pay. By enrolling, their monthly bills will be automatically charged to their credit cards and cardholders will only need to monitor their monthly credit card statements.

Metrobank Card Mobile App



A mobile app available on both iOS and Android platforms, the Metrobank Card mobile app allows Metrobank cardholders to know more about MCC's ongoing promos and apply for a new Metrobank Card.

Merchant Acquiring

Metrobank Card offers its partner merchants a portfolio of payment solutions.

Contactless

Instead of swiping a card, customers simply tap or wave their card in the proximity of the contactless reader.

Loyalty Card/Gift Card

Metrobank cardholders can earn points for every purchase made at participating merchants.

M Swipe

M Swipe allows merchants to accept card transactions with their smartphones or tablets. This gives them the convenience and mobility to accept card payments anytime, anywhere.

Mail Order Telephone Order

A payment facility that allows credit card acceptance for purchases made by phone or mail.

Metrobank Internet Payment Solution

A credit card payment solution for Internet transactions through MasterCard Gateway Service. It enables online merchants to accept secure card payments that are authenticated by MasterCard Secure Code and Verified by Visa.

Point-of-Sale (POS) Terminals

Partner merchants can process MasterCard, Visa and Diners card transactions in a matter of seconds with MCC's cutting-edge terminal fleet.

Recurring/Auto Debit

Merchants can set up automatic payments for their customers via their credit cards. This facility allows collection of monthly recurring fees and charges such as memberships, subscriptions, insurance premiums, and utility bills via auto-debit arrangements.

Turn ON and get Php 500 FREE!

Get Php 500 to shop for FREE with your Metrobank ON Internet MasterCard. Use the free amount to purchase any item from any online merchant. (Limit 1 use per cardholder per month. Offer ends 12/31/14. See details at www.metrobank.com.ph)

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Turn ON and get Php 500 FREE!

Get Php 500 to shop for FREE with your Metrobank ON Internet MasterCard. Use the free amount to purchase any item from any online merchant. (Limit 1 use per cardholder per month. Offer ends 12/31/14. See details at www.metrobank.com.ph)

Metrobank Card
A joint venture of Metrobank and ANZ

Enjoy your McDonald's favorites FREE with your Metrobank credit card!

FREE for every single charge of P3,500. FREE for every single charge of P4,500.

| | |
|---|---|
| McDonald's and Regular Meal | 2 for 1 Chicken McNugget and Regular Meal |
| McDonald's Kids and Regular Meal | McDonald's and Regular Meal |
| 2 for 1 Chicken McNugget and Regular Meal | McDonald's Meal |

From 12/01/14 to 12/31/14. See details at www.metrobank.com.ph

Metrobank Card
A joint venture of Metrobank and ANZ

Apply Now!

Apply Now!

Apply Now!

Robinsons Supermarket

Your shopping's on us!

ABENSON CHRISTMAS EXCLUSIVES

Goh2Go

Balance Transfer

Use your Metrobank Credit Card ANYWHERE and get FREE merchant!

Use your Metrobank credit card ANYWHERE and get a FREE P100 Robinsons Gift Certificate for a minimum single-merchant purchase of P3,500.

Get your Robinsons Gift Certificate at Robinsons Supermarket 18 and Robinsons Supermarket 19.

Metrobank Card
A joint venture of Metrobank and ANZ

Your shopping's on us!

Use your Metrobank credit card ANYWHERE and get a FREE P100 Robinsons Gift Certificate for a minimum single-merchant purchase of P3,500.

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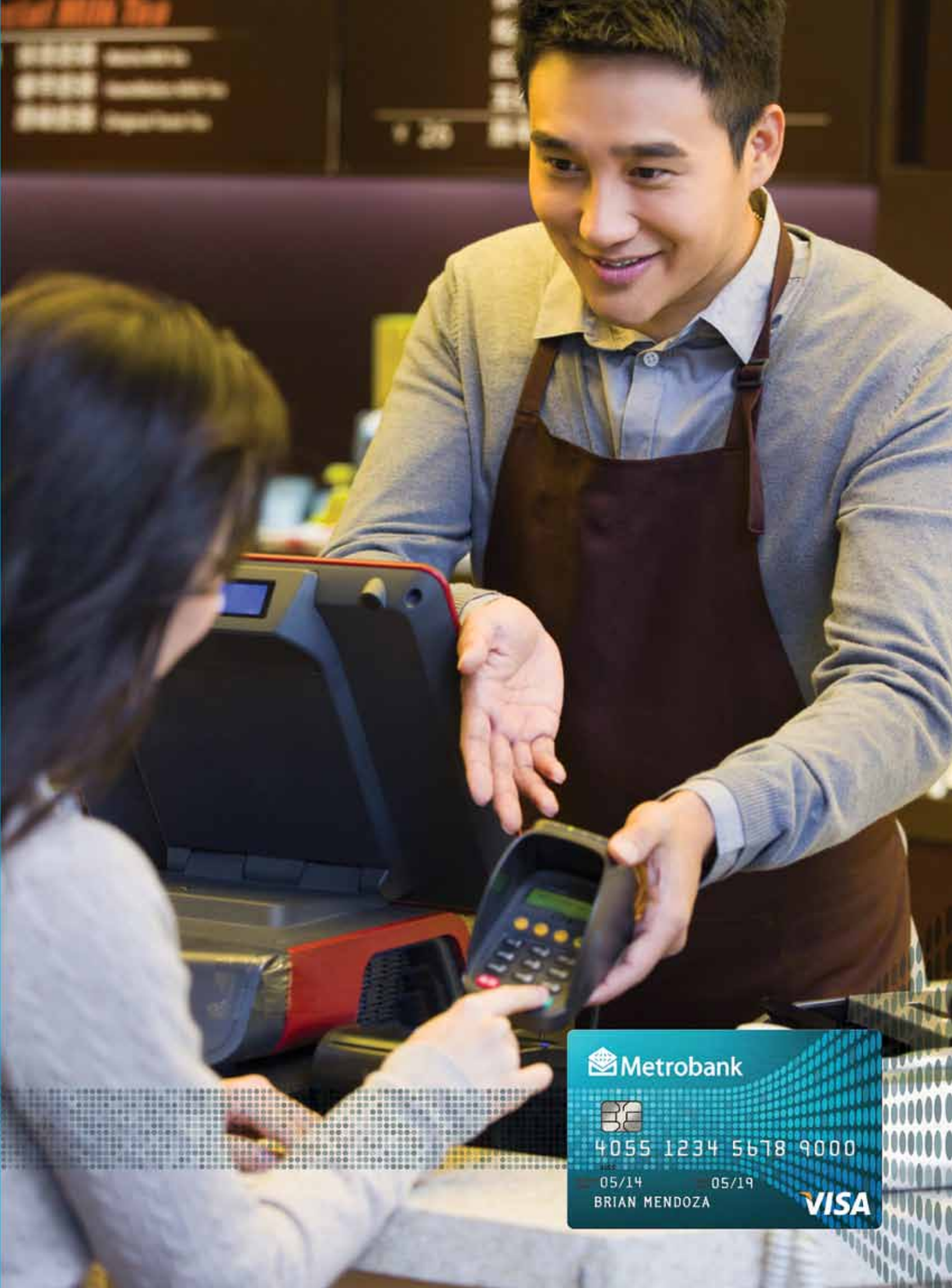
Metrobank Card
A joint venture of Metrobank and ANZ



Enjoy 40% discount for a minimum single dine-in charge of P3,500 with your Metrobank Credit Card!

Metrobank Card
A joint venture of Metrobank and ANZ

CORPORATE GOVERNANCE



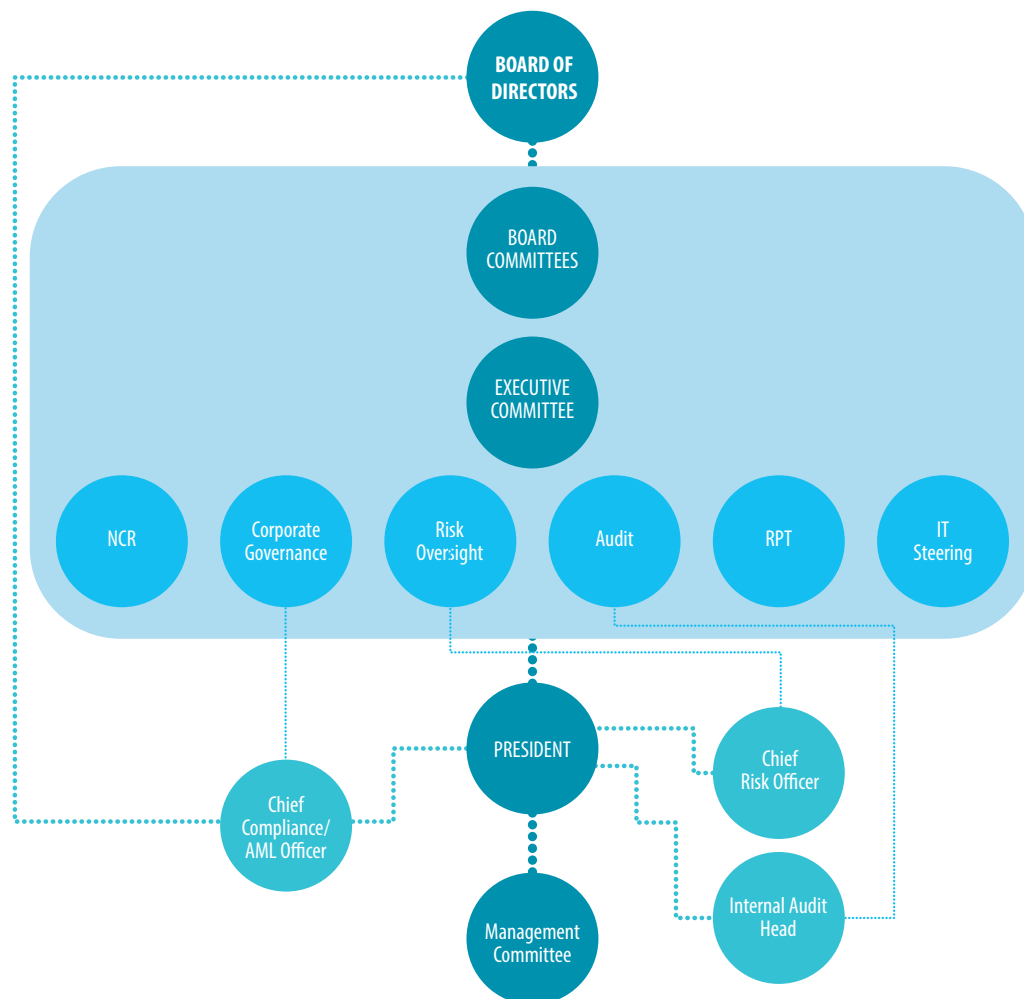


The Board of Directors and Senior Management of MCC are firmly committed to good corporate governance and are cognizant of the fact that it is the foundation of safe and sound operations. The view that creation and maintenance of shareholder value can only be achieved if sound corporate governance is in place is strongly espoused by the Company. MCC believes that it is essential for an effective compliance program in the company for the total commitment of the stockholders, Board of Directors, and Senior Management. It is equally believed that through good corporate governance, protection of the rights of all stakeholders can be ensured. MCC Board and Management adhere to the basic principles of accountability, fairness, integrity and transparency for the safe and sound

operations of the company. MCC Board and Management believe that accountability should permeate the entire organization starting with its directors and officers all the way to its staff. There should also be integrity in every action and more importantly, transparency in all dealings.

The Articles of Incorporation and By-Laws and Corporate Governance Manual contain MCC's corporate governance principles and practices. Taken altogether, the basics of good and transparent governance are encapsulated.

Our corporate governance program is implemented through the structure shown on the right:



Through its corporate governance framework, MCC is committed to developing and strengthening the Board of Directors and management team's transparency and integrity. At all times, the Board and management team works for the interests of our various stakeholders within the group, as well as the market or industry as a whole.

BOARD OF DIRECTORS

The overall vision, strategic objectives, key policies, and the monitoring and evaluation of the management performance are set by the Board of Directors. It is part of the Board's mandate to ensure the adequacy of internal controls and risk management practices, accuracy, and reliability of financial reporting, and compliance with applicable laws and regulations.

The Board consists of ten (10) members, two of whom are independent directors, who serve for a minimum of one year or until their successors are duly qualified and elected in accordance with the By-Laws. The Board is collectively responsible for the long-term shareholder value of MCC as a financial institution and has the primary responsibility to approve, oversee and review the implementation of strategic objectives; financial plans and annual budgets; key operational initiatives; enterprise risk strategy, financial performance review and the basic principles of Corporate Governance. The Board holds regular quarterly meetings in addition to special meetings as needed.

All Board members have undergone training in corporate governance and have been duly certified therefor. The Board is composed of professionals from various fields of expertise such as banking, law, general business and finance. MCC is assured that each director is capable of adding value and formulating sound corporate policies.

The roles of the Chairman and the CEO or President are separate to ensure Board independence from management as well as accountability. Of the ten members of the Board, only the President or CEO is an executive director. The rest are non-executive directors who are neither officers nor consultants of MCC.

Board Performance

Regular meetings of the full Board are held at least once every quarter. In 2014, the Board had four regular meetings, one organizational meeting, and a few special meetings. Individually, the directors complied with the SEC's minimum attendance requirement of 50%. The Board ensures that discussions during Board meetings are open, and independent views are encouraged and given due consideration.

It is a major objective of the Company to be able to monitor the performance of the Board through an annual self-assessment. A comprehensive self-assessment process

was put in place by the Board since 2010 and has since been consistently implemented. This process will be administered in the form of a formal questionnaire that is answered by each member of the Board individually and where members of the Board are able to rate their individual performance and that of the Board as a whole. The results are collated and compiled by the Compliance Officer, and are submitted to the Board for discussion and when needed, appropriate action.

BOARD COMMITTEES

The Board of Directors is supported by six (6) Board Committees with their respective mandates as follows:

- 1. Executive Committee** - Chairperson: Anjanette Ty Dy Buncio, Members: Richard Benedict S. So, Riko A.S. Abdurrahman, Anne Marie Young, Bernardo H. Tocmo.

The Executive Committee acts on behalf of the Board and has the general power and competence to perform any act or make any decision (or authorize the performance of any act or the making of any decision) with the general competence and authority of the Board subject to the limitations stated in the By-Laws of the Company.

- 2. Audit Committee** - Chairperson: John Mark Winders (Independent Director), Members: Cielito F. Habito (Independent Director), and Bernardo H. Tocmo.

The Audit Committee provides oversight of the internal and external audit functions and ensures both the independence from management of internal audit activities as well as the compliance with the regulations governing accounting standards on financial reporting. It approves the annual audit plan, the annual audited financial statements, and the analysis of results of operations as submitted by the Internal and External Auditor. It also evaluates strategic issues relating to plans and policies, financial and system controls, and methods of operation for adequacy and improvements.

- 3. Nomination Compensation & Remuneration Committee** Chairperson: Cielito F. Habito, Members: John Mark Winders and Anjanette Ty Dy Buncio.

The NCR Committee leads the process for identifying and recommending candidates for appointment to the key positions in the institution taking into full consideration the succession planning and the leadership and skills needed in MCC. It provides oversight on the compensation and remuneration of matters of the entire organization.

- 4. Corporate Governance Committee** - Chairperson: John Mark Winders (Independent Director) Members: Cielito F. Habito (Independent Director) and Regis V. Puno.

The Corporate Governance Committee is tasked primarily to assist the Board in formulating the policies and overseeing the implementation of MCC's corporate governance practices. It conducts annually the performance self-evaluation of the Board of Directors and its committees. It also oversees the implementation of the orientation of newly-elected Directors. In 2014, an annual performance review of the Board as a whole, the Committees, individual directors and the President was conducted using assessment questionnaires that measure their effectiveness.

5. Risk Management Committee - Chairperson: Cielito F. Habito (Independent Director) Members: John Mark Winders (Independent Director) and Richard Benedict S. So.

The Risk Management Committee is responsible for the development of MCC's risk policies and defining the appropriate strategies for identifying, quantifying, managing and controlling risk exposures including preventing and/or minimizing the impact of losses to the organization. It oversees the implementation and review of the enterprise wide risk management plan and system of limits of management's discretionary authority delegated by the Board. It is also responsible for reassessing the continued relevance, comprehensiveness and effectiveness of the risk management plan, and introduces revisions thereto as needed.

6. Related-Party Transactions Committee - Chairperson: John Mark Winders (Independent Director) Members: Cielito F. Habito (Independent Director), Regis V. Puno and Riko A.S. Abdurrahman.

The Related-Party Transactions Committee ensures that transactions with related parties (including internal Group transactions) of MCC are reviewed to assess the risks, are subject to appropriate restrictions to ensure that such are conducted at arm's-length terms and that corporate or business resources are not misappropriated or misapplied.

7. IT Steering Committee - Chairperson: Anne Marie Young; Co-Chairperson: Deputy Cards Head; Members: Head of Information Technology, President, Head of Operations and Technology, Head of Credit Operations, Chief Financial Officer, Head of Merchant Acquiring and MBTC IT Resource; Advisers: Chief Risk Officer and Internal Audit Head.

The IT Steering Committee is tasked to regularly review, endorse/approve, monitor and report to the Board MCC's Annual review of the IT Strategic Plan, IT Projects and initiatives, and related risks, IT Operations and Performance, Information Security Program and Policies

(IT-specific), IT Outsourcing activities and IT Policies, Procedures and Standards. The Committee also reviews, approves and endorses for Board's approval outsourcing to cloud environment and the provision of electronic services to customers.

Compliance

MCC has built a robust compliance program focused on enforcement of the Corporate Governance Manual, Money Laundering & Terrorist Financing Prevention Program (MLPP), Code of Business Conduct & Ethics, and other regulatory requirements.

MCC Compliance reports directly to the Board Corporate Governance Committee and the Chairman of the Board. The Compliance Office ensures timely submission of reports, issues advisories on new regulations or amendments, initiates policy pronouncements and implementation, engages regulators on their onsite and offsite reviews, provides training to employees and reports on significant compliance issues to the management and the Board.

Anti-Money Laundering

The Compliance Department also performs all functions and tasks pertaining to enforcement of the MLPP. It handles the administration of MCC's compliance with the Anti-Money Laundering Act (AMLA) and its implementing rules and regulations, monitoring of transactions and conduct of AML training including the customized e-learning AML training courses.

RISK MANAGEMENT



The MCC risk governance structure consists of the Board and its Risk Oversight Committee. Their primary responsibility is to set the overall corporate governance strategy and MCC's overall risk appetite.

The Risk Oversight Committee is responsible for appropriate oversight of risk management strategies, policies, and processes that have a potential to impact the business. The responsibilities extend to credit and market risk.

Together with the Audit Committee, the Risk Oversight Committee are responsible for monitoring the Company's compliance with regulatory requirements, risk management policies and procedures, and for reviewing the adequacy of these policies and procedures in regard to the risks faced by the Company. Both Committees are supported in these functions by the Risk Management Division (RMD), Finance, Compliance and Internal Audit, through the Executive and Management Committees.

In addition to the Risk Oversight Committee, the MCC Senior Management Team (SMT) consisting of key executive members and/or heads of business play an integral role in the oversight of the effectiveness of risk management policies and processes in the business. The SMT includes the Head of Risk Management.

Their primary responsibility is to assist in fulfilling governance responsibilities by establishing and maintaining a robust risk management program that allows for timely identification analysis and rectification of risk issues in addition to day-to-day risk management within the business.

The Company ensures that all risks are identified, monitored, controlled, and reported to appropriate senior management.

Credit Risk

It is the company's policy that all individuals who apply for a credit card are subjected to minimum risk acceptance criteria and credit verification purposes. Assignment of credit limit is controlled by using the individual cardholders' risk profile. Where appropriate, a hold-out deposit is obtained from customers who fail on certain credit policy requirements. Receivable balances are being monitored monthly to minimize exposure to delinquent cardholders while maximizing revenue of the portfolio.

The Company has continuously focused on process improvement, investments in new technology and enhancement in management information systems (MIS). The Company has also developed and continuously enhances an internal credit scoring system to have a more robust credit risk assessment. Through these efforts, the Company believes that the portfolio can be well-managed, quality of customer base will be improved, and sustainability of the business is ensured.

The Company manages credit risk guided by the following principles:

- Strict compliance to credit policies.
- Credit policies should be in consultation with business units and, where appropriate, supported by MIS reports. This covers credit assessment and process, compliance and regulatory requirements, and account management.
- Minimize losses by establishing robust credit policies and processes.
- Approval of credit facilities should be based on authorization limits approved by the BOD.
- Expansion to new markets is controlled through credit testing and full use of available credit scoring facilities.
- Management of portfolio through regular monitoring and analysis of acquisition, line management, and usage programs with the goal of controlling exposure to bad accounts while maximizing revenue through effective line management and usage campaigns.
- Delinquent accounts are managed by implementing robust collection strategies and efficient management of collection resources.
- A conscious effort to continuously challenge existing strategies and processes to adapt to changes in the market and maintain the Company's competitiveness.

To track the performance of the portfolio, Credit Risk develops, implements, and reviews the credit strategies, policies, models, processes, and MIS.

The Company classifies the credit quality of its receivables from cardholders that are neither past due nor impaired based on their delinquency history as follows:

- a. Balances of those accounts that are current and have never been past due
- b. Balances of those accounts that are current but with historical past due incidence in the 1-29 days aging bucket
- c. Balances of those accounts that are current but with historical past due incidence of the 30-59 days aging bucket
- d. Balances of those accounts that are current but with historical past due incidence in the 60-89 days aging bucket
- e. Balances of those accounts that are current but with historical past due incidence of the 90 days and up aging buckets

The following table shows the credit quality of neither past due nor impaired receivables from cardholders of the Company:

| | 2014 | | 2013 | |
|---|-----------------------|-------------|-----------------------|-------------|
| | Amount | Percentage | Amount | Percentage |
| Current and never past due | 35,045,267,554 | 93.12 | 29,578,519,053 | 92.8 |
| Balances of accounts with 1 to 29 days past due history | 1,930,168,253 | 5.43 | 1,828,869,663 | 5.7 |
| Balances of accounts with 30 to 59 days past due history | 300,936,173 | 0.85 | 260,801,207 | 0.8 |
| Balances of accounts with 60 to 89 days past due history | 133,008,352 | 0.37 | 117,435,359 | 0.4 |
| Balances of accounts with 90 days and up past due history | 83,112,325 | 0.23 | 85,138,878 | 0.3 |
| | 37,492,492,657 | 100% | 31,870,764,160 | 100% |

Aging analysis of past due but not impaired accounts receivables from cardholders of the Company is shown below:

| | 2014 | | 2013 | |
|------------|----------------------|-------------|----------------------|-------------|
| | Amount | Percentage | Amount | Percentage |
| 1-29 days | 1,369,906,987 | 57.3 | 1,058,099,578 | 54.0 |
| 30-59 days | 565,477,861 | 23.6 | 511,278,060 | 26.1 |
| 60-89 days | 456,111,565 | 19.1 | 390,715,886 | 19.9 |
| | 2,391,496,413 | 100% | 1,960,093,524 | 100% |

Of the total aggregate amount of gross past due but not impaired loans, the fair value of collateral held as of December 31, 2014 and 2013, amounted to P7.7 million and P7.0 million, respectively. These collaterals obtained from credit cardholders are hold-out cash deposits with affiliated local banks. The fair value of these cash deposits approximate their carrying value due to their short-term maturities.

Market Risk

Market risk is the risk to earnings or capital arising from adverse movements in factors that affect the market value of financial instruments. The Company focuses on two market risk areas such as interest rate risk and foreign currency risk.

Interest Rate Risk

The Treasury unit is primarily responsible in managing the liquidity, as well as, the interest rate risk of the Company. They ensure borrowings from various sources of funds are availed at the cheapest possible cost at acceptable terms. In measuring interest rate risk, the Company employs gap analysis wherein, an interest rate gap report is prepared by looking at the balance sheet accounts according to contractual maturities or repricing dates, whichever is applicable. The difference in the amount of assets and liabilities maturing or repriced in any pre-specified time band is an indicator of the Company's exposure to the risk of potential changes in net interest income.

To manage interest rate risk, the RMD uses a quantitative risk model on interest rate risk called the Earnings-at-Risk (EaR). EaR is used to measure any mismatch between assets and liabilities in terms of interest rate repricing. RMD sets an EaR limit over a 1-year period. The limit is established to reduce the potential exposure of earnings and/or capital from changes in interest rates. Such method of measuring and controlling interest rate risk is applied during the year. The approved EaR limit by the BOD is a maximum of positive (negative) amount equivalent to approximately 8.33% of the Planned Full Year Net Profit After Tax.

Liquidity Risk and Funding Management

The Company is continuously working on developing diversified funding sources to support its asset growth, as well as to minimize liquidity and interest rate risks. The Treasury unit, on a daily basis, monitors the cash position of the Company. They ensure that the Company has ample liquidity to settle financial obligations that are due as of a given period. The Treasury unit employs various liquidity/funding tools to determine the expected funding requirements for a particular period.

RMD prepares the monthly Maximum Cumulative Outflow (MCO) report to measure the liquidity mismatch risk. The MCO report provides quantitative information on the potential liquidity risk exposure based on pre-specified time bands. The Company has established MCO limit to control liquidity risk. The MCO limit of P 8.8 Billion for end-2014 corresponds to 80% of the total wholesale borrowing limit less utilized borrowing limit. Aside from the MCO report, the Risk Management also prepares Liquidity Stress testing to measure potential liquidity risk exposures under different stress scenarios.

Capital Management

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

Regulatory Qualifying Capital

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

The table shows the MCO report of the Company as of December 31, 2014 and 2013 (in millions):

| | 2014 | | | | | | TOTAL |
|----------------------------|---------------|---------------|---------------|---------------|----------------|---------------|--------|
| | Up to 1 month | 1 to 2 months | 2 to 3 months | 3 to 6 months | 6 to 12 months | Beyond 1 year | |
| Assets | 15,285 | 3,091 | 3,205 | 6,751 | 6,114 | 12,605 | 47,862 |
| Liabilities | 15,992 | 3,111 | 2,096 | 5,834 | 4,734 | 10,582 | 42,349 |
| Off-Balance Sheet Position | - | - | (6) | (6) | (12) | - | (24) |
| Periodic Gap | (708) | 791 | 1,103 | 912 | 1,369 | 2,023 | 5,489 |
| Cumulative Gap | (708) | 83 | 1,185 | 2,097 | 3,466 | 5,489 | |

| | 2013 | | | | | | TOTAL |
|----------------------------|---------------|---------------|---------------|---------------|----------------|---------------|--------|
| | Up to 1 month | 1 to 2 months | 2 to 3 months | 3 to 6 months | 6 to 12 months | Beyond 1 year | |
| Assets | 10,357 | 3,313 | 2,713 | 5,729 | 5,153 | 12,204 | 39,469 |
| Liabilities | 9,300 | 1,078 | 2,240 | 5,950 | 1,942 | 12,842 | 33,352 |
| Off-Balance Sheet Position | - | - | (13) | (18) | (12) | (23) | (66) |
| Periodic Gap | 1,057 | 2,235 | 460 | (239) | 3,199 | (661) | 6,051 |
| Cumulative Gap | 1,057 | 3,292 | 3,752 | 3,513 | 6,712 | 6,051 | |

In addition, the risk-based capital adequacy ratio (CAR) of the Company with quasi-banking operations, expressed as a percentage of qualifying capital to risk-weighted assets, should not be less than 10.0%. Qualifying capital and risk-weighted assets are computed based on BSP regulations.

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

Operational Risk

The Operational Risk Management facilitates and monitors the implementation of effective risk management practices by operational management and assists risk owners in defining the target risk exposure and reporting adequate risk-related information throughout the organization.

The operational risk management process adopted by MCC consists of a staged approach involving: establishing the context, identification, analysis, treatment, monitoring, review, and reporting of risks.

Risk and Control Self-Assessment

Risk and Control Self-Assessment (RCSA) forms an integral element of the overall operational risk framework of MCC, as it provides an excellent opportunity for a firm to integrate and coordinate its risk identification and risk management efforts and generally to improve the understanding, control, and oversight of its operational risks.

Incident Reporting

Incident Reporting is another process of MCC's risk management process. The business ensures that incidents, which may have either financial impact and/or reputational damage is escalated promptly. The collection and analysis of incident data provides management information which can be fed back into the operational risk management and mitigation process. Ultimately the database of incidents built up over time will also provide the basis for quantitative modeling and the calculation of capital or reserves allocation, where required.

Key Risk Indicators

Key Risk Indicators (KRIs) act as early warning signals by providing the capability to indicate changes in an organization's risk profile. KRIs are a fundamental component of a full-featured risk and control framework and sound risk management practice. Their usefulness stems from potentially helping the business to reduce losses and prevent exposure by proactively dealing with a risk situation before an event actually occurs.

Information Security Risk

The unit is responsible for overseeing conduct of independent risk assessment and governance of MCC's information security program, including oversight of information technology risk. This includes establishing, implementing, monitoring and improving controls to ensure protection of MCC information assets, as well as maintaining and improving the overall information security awareness of the organization.

CORPORATE SOCIAL RESPONSIBILITY





 Metrobank

ON

5345 1234 5678 9000
BIANCA MENDOZA

VALID THRU 08/21
VALID FROM 12/31



For internet use



MCC's corporate social responsibility initiatives in 2014 were driven by the organization's mission of empowering women and the youth for the country's future.

Empowering the country's outstanding women

MCC aims to recognize more outstanding women and help strengthen the belief in the power of the Filipina and the difference she can make to Philippine society. The latest roster of The Outstanding Women in the Nation's Service (TOWNS) awardees are Filipinas who are recognized in the fields of Atmospheric Science, Social Work, Theater Arts, Social Entrepreneurship and Education, Applied Physics, Sports, Government Service, Media, and Performing Arts. In 2014, MCC co-sponsored a series of workshops in Manila and Cebu which allowed third and fourth year female college students to learn about climate change and disaster preparedness from the diverse experiences of the TOWNS awardees.

Promoting breast cancer awareness

Together with ICanServe, a nationwide network of cancer survivors who provide hope and help to women with breast cancer, MCC promotes breast cancer awareness with the Metrobank Femme ICanServe Visa. In celebration of Breast Cancer Awareness Month every October, MCC donated a portion of its sales from partner merchants to the Foundation to help fund information programs and cancer screening. In 2014, Femme-ICanServe Visa cardholders also received exclusive discounts from select health, wellness, and beauty establishments.

Integrating CSR into the business

MCC partnered once again with fashion and design house Rags2Riches Foundation (R2R) to advocate women empowerment and integrate CSR into the business. Founded by a Filipina named Reese Fernandez, R2R creates unique fashion and home accessories through upcycled scrap cloth, indigenous fabrics, and organic materials. Metrobank Card has shown support for R2R's artisans and designers through the Metrobank Femme Visa, a credit card made exclusively for women.

Making dreams come true with wishes

Since 2009, MCC has been committed to help Make-A-Wish Philippines grant the wishes of children with life-threatening illnesses. Over 150 wish kids have interacted with hundreds of MCC employee volunteers and have received their wish from MCC. The organization's wish grants in 2014 have become even more interactive for both wish kids and employee volunteers, reaffirming MCC's commitment to help Make-A-Wish Philippines with their advocacy.

Recognizing modern-day Filipino heroes

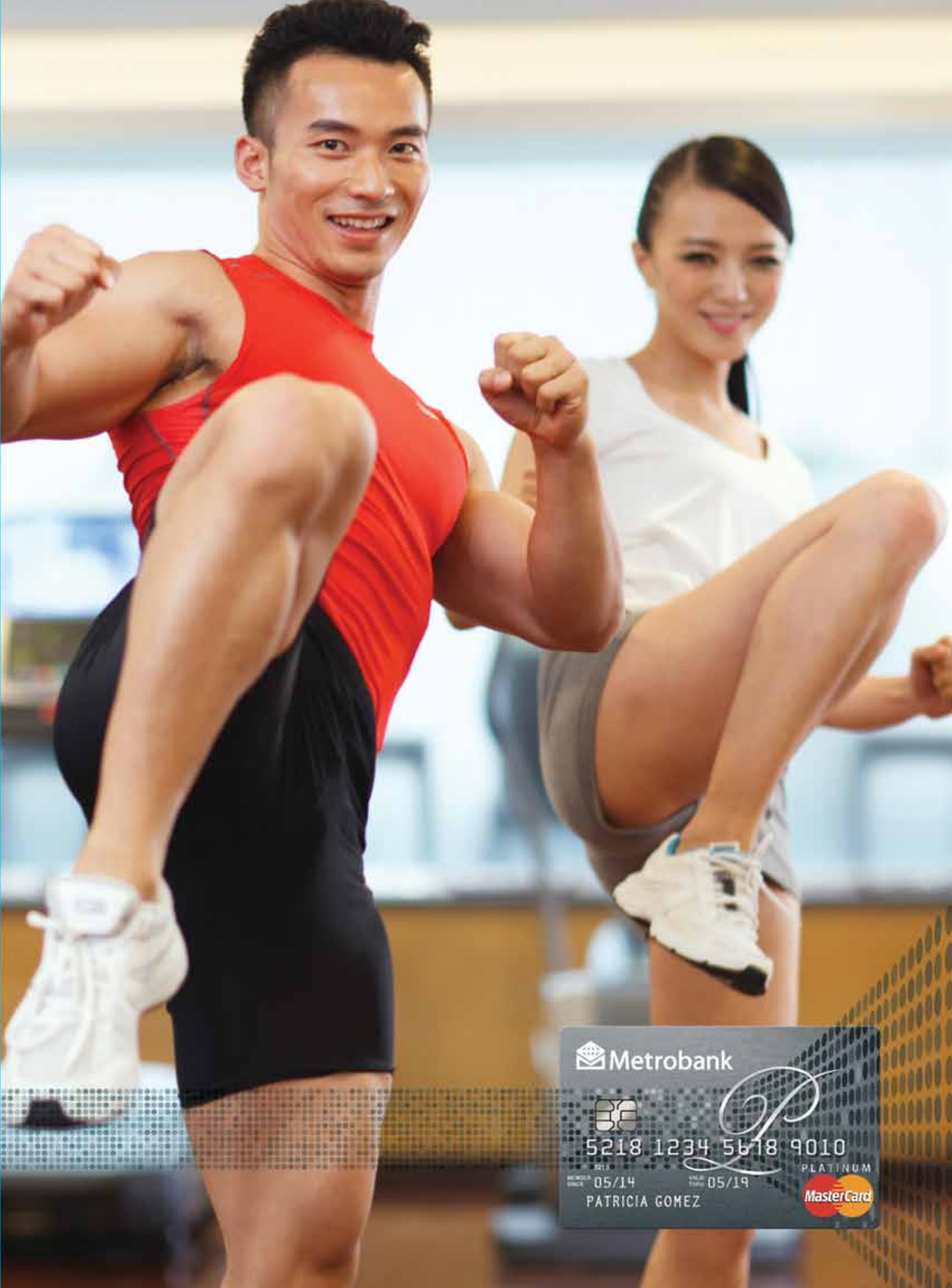
In support of Metrobank Foundation's Outstanding Filipinos - the Search for Outstanding Teachers, Soldiers, and Police Officers (SOT, TOPS, and COPS) awardees - MCC presented all 30 awardees with a special edition Metrobank credit card. The 2014 Outstanding Filipinos now join an elite group of 90 Outstanding Filipinos and fellow Metrobank cardholders who have made a significant impact on the lives of their fellow Filipinos through their chosen career/vocation.

Engaging the workforce to give back

CSR at MCC does not stop with the organization's site-wide wish grants made in partnership with Make-A-Wish Philippines. In 2014, over 200 MCC employees have dedicated 60 hours of their free time to bring CSR to a more personal level. By partnering with Home for the Angels Foundation, Philippine General Hospital, Philippine Toy Library, Sarnelli Center, and Virlanie Foundation, MCC volunteers organized department-wide outreach activities to know the members of these communities and raise funds to help their respective advocacies.



LEADERSHIP



 Metrobank



5218 1234 5678 9010

VALID THRU 05/19

PLATINUM

PATRICIA GOMEZ



BOARD OF DIRECTORS

- 1. **Fabian S. Dee**
Chairman
- 2. **Anjanette Ty Dy Buncio**
Vice-Chairperson
- 3. **Atty. Regis V. Puno**
Vice-Chairperson
- 4. **Panadda Manoleehakul**
Director
- 5. **Richard Benedict Sha So**
Director
- 6. **Bernardo H. Tocmo**
Director
- 7. **Anne Marie Young**
Director
- 8. **Cielito F. Habito**
Independent Director
- 9. **John Mark Winders**
Independent Director
- 10. **Riko A.S. Abdurrahman**
President/Director
- 11. **Anna Therese Rita D. Cuenco**
Treasurer
- 12. **Ma. Lourdes C. Plata-Abellar**
Corporate Secretary
- 13. **Maria Sofia A. Lopez**
Assistant Corporate Secretary







MANAGEMENT COMMITTEE

- 1. Riko A.S. Abdurrahman**
President
- 2. Anna Therese Rita D. Cuenco**
SVP - Deputy Cards Head
- 3. Aloysius C. Alday, Jr.**
SVP - Head of Sales, Alliances and Other Channels
- 4. Harrison C. Gue**
SVP - Head of Operations and Technology
- 5. Hiroko M. Castro**
FVP - Head of Credit Operations
- 6. Pamela I. Jimenez**
FVP - Head of Internal Audit and Compliance & AML Officer
- 7. Celeste Marie V. Lim**
FVP - Head of Merchant Acquiring Business
- 8. Cesar P. Nicolasora, Jr.**
FVP - Chief Finance Officer
- 9. Marie Anthonette L. Santiago**
FVP - Head of Human Resources
- 10. Rowel S. Andaya**
VP - Head of Risk Management
- 11. Francis Andre Z. Delos Santos**
VP - Head of Business Technology
- 12. Mary Grace L. Navarro**
VP - Head of Business Intelligence
- 13. Aileen Marie A. Vallesteros**
VP - Head of Marketing, Product Management and Acquisition; Head of Corporate Communications
- 14. Atty. Rommel T. Oquendo**
SAVP - Head of Legal



SENIOR VICE-PRESIDENTS



Left to Right: Harrison C. Gue (Head of Operations and Technology); Anna Therese Rita D. Cuenco (Deputy Cards Head); Aloysius C. Alday, Jr. (Head of Sales, Alliances and Other Channels)

FIRST VICE-PRESIDENTS



Left to Right: Marie Anthonette L. Santiago (Head of Human Resources); Celeste Marie V. Lim (Head of Merchant Acquiring Business); Hiroko M. Castro (Head of Credit Operations); Cesar P. Nicolasora, Jr. (Chief Finance Officer); Pamela I. Jimenez (Head of Internal Audit)

VICE-PRESIDENTS



Left to Right: Mary Grace L. Navarro (Head of Business Intelligence); Francis Andre Z. De Los Santos (Head of Business Technology); Aileen Marie A. Vallesteros (Head of Marketing - Product Management & Acquisition; Head of Corporate Communications); Rowel S. Andaya (Head of Risk Management); Jay S. Tatel (Head of Credit Acquisition); Michael Angelo R. Miranda (Special Projects - Head of Prepaid Cards); Thomas Wilfrido R. Bilbao (MBTC Group Alliances Head)



Left to Right: Renato P. Lozon (Head of Authorizations, Fraud & Chargeback); Elmer K. Mercado (Head of Treasury); Maria Cristine D. Reyes (Head of Collections & Recoveries); Francis Ramon L. Tioseco (Head of Usage and Portfolio Management); Ion Edmond A. De Guzman (Head of Card Operations); Sheila P. Umali (Head of Customer Service); Albert Arnold A. Tom (Head of IT Security and Service Desk)

SENIOR ASSISTANT VICE-PRESIDENTS AND ASSISTANT VICE-PRESIDENTS



Senior Assistant Vice-Presidents
Left to Right: Rommel T. Oquendo (Head of Legal); Albert Roy D. Navarrete (Head of Direct Sales); Anna Lissa C. Año (Deputy BIU Head); Abelardo R. Magalong (Financial Controller)



Assistant Vice-Presidents
Left to Right: Nolan Carlo U. Empalmado (Business Development Head); Gail Joseph S. Santos (Recoveries Head); Aileen B. Malco (Credit Acquisition Back-End Head); Jamie Rose D. Romualdez (Operating Risk & BCP Head); Joseph Vincent L. Pangilinan (Branch Sales Head); Maria Kareniña R. Lopez (IT Project Management & Quality Assurance Head); Andro Jose M. Lagman (Fraud Management Head); Emma R. De Pano (Senior Internal Auditor); Wellington M. Javellana Jr. (Head of Sales, Merchant Acquiring); Miguel Paolo L. Beltran (Portfolio Management & Special Installments Head)



Assistant Vice-Presidents

Left to Right: Apolonio C. Juan II (Assistant Compliance & AML Officer); Nadja Cecilia J. Rualo (Credit Systems & Quality Control Head); Alex B. Gomez (Talent Acquisition Head); Janylou M. Romaraog (Collections Support Head); Annalyn T. Famy (Reconciliation & Settlement Head); Michael R. Gabriel (Treasury Operations Head); Elvira S. Zablan (Compensation & Benefits Head); Al-Jalil B. Bandali (In-House Collections Head); Ivan Drieter D. Eusebio (BIU Database Marketing Head); Anne Kristen Y. Macallan (Business Planning Head)



Assistant Vice-Presidents

Left to Right: Tricia H. Valerio (Portfolio Risk Head); Rafael B. Gamad Jr. (Business Solutions, Data Architect & Data Warehouse Head); Shahlena G. Javier (Service Quality & Delivery Head); Winnie Vic G. Ventura (Risk Management Analytics Head); Carlsten A. Terrobias (Business Information Security Officer); Kharen S. Serote (Credit Risk Acquisition and Strategy Management Head); John Oliver T. Ko (Retail and Merchant Partnerships Head); Helen A. Panlilio (CS Inbound Head); Reuben Rinaldi Y. Cobankiat (Shared Services Head)