

GROUP FINANCIAL HIGHLIGHTS

In million pesos (except per share amounts)

	2013	2012 <i>As restated</i>	Increase (Decrease)	
			Amount	%
<i>At Year End</i>				
Total Assets	1,378,569	1,046,643	331,926	31.7%
Trading and Investment Securities	367,295	247,412	119,883	48.5%
Loans and Receivables, net	611,064	525,895	85,169	16.2%
Deposit Liabilities	1,016,268	738,694	277,574	37.6%
Subordinated Debt	8,628	14,243	(5,615)	-39.4%
Equity				
Attributable to:				
Equity Holders of the Parent Company	134,887	117,733	17,154	14.6%
Non-controlling Interest	7,818	6,976	842	12.1%
Book value per share	46.83	52.75		
Foreign Exchange				
PDS Closing Rate	44.40	41.05		
PDS Weighted Average Rates	42.43	42.24		
<i>(PDS: Philippine Dealing System)</i>				

	2013	2012 <i>As restated</i>	2011 <i>As restated</i>	Increase (Decrease) 2013 vs 2012		Increase (Decrease) 2012 vs 2011	
				Amount	%	Amount	%
<i>For the Year</i>							
Net Interest Income	38,269	30,854	29,437	7,415	24.0%	1,417	4.8%
Other Operating Income	40,655	26,224	19,696	14,431	55.0%	6,528	33.1%
Total Operating Income	78,924	57,078	49,133	21,846	38.3%	7,945	16.2%
Provision for Credit and Impairment Losses	10,722	4,478	3,823	6,244	139.4%	655	17.1%
Other Operating Expenses	38,775	33,375	30,700	5,400	16.2%	2,675	8.7%
Total Operating Expenses	49,497	37,853	34,523	11,644	30.8%	3,330	9.6%
Share in Net Income of Associates and a Joint Venture	1,477	2,548	1,423	(1,071)	-42.0%	1,125	79.1%
Provision for Income Tax	6,748	3,856	3,542	2,892	75.0%	314	8.9%
Net Income	24,156	17,917	12,491	6,239	34.8%	5,426	43.4%
Attributable to:							
Equity Holders of the Parent Company	22,488	15,399	11,031	7,089	46.0%	4,368	39.6%
Non-controlling Interest	1,668	2,518	1,460	(850)	-33.8%	1,058	72.5%
Basic/Diluted Earnings							
Per Share Attributable to Equity Holders of the Parent Company	8.02	5.44*	3.86*				

*Restated to include the effect of stock dividend issued in 2013

RESULTS OF OPERATIONS

With another positive year for the Philippine economy, Metrobank reported ₱22.5 billion consolidated net income attributable to the equity holders of the Parent Company, after a 46% growth over the previous year's ₱15.4 billion.

Total revenues consisting of net interest income, other operating income, and share in net income of associates and a joint venture reached ₱80.4 billion or 35% higher than the ₱59.6 billion registered in 2012. Net interest income derived from lending, investment and borrowing activities grew by 24% to ₱38.3 billion while other operating income went up by 46% to ₱42.1 billion due to resilient trading, steady service fees, and one-time gains from the sale of non-core assets.

The asset sales consisted of the Bank's 15% stake in Toyota Motor Philippines Corporation (TMPC), and a 40% stake in Global Business Power Corporation (GBPC) through its subsidiary, First Metro Investment Corporation (FMIC).

Income from trading and foreign exchange transactions totaled ₱14.9 billion; while service charges, fees and commissions, leasing income, and trust income improved to ₱8.6 billion, ₱1.6 billion, and ₱1.1 billion, respectively. Share in net income of associates and a joint venture dipped to ₱1.5 billion from the previous ₱2.5 billion.

Total operating expenses, excluding provision for credit and impairment losses, increased by 16% to ₱38.8 billion, mainly driven by the 9% increase in compensation and fringe benefits to ₱15.6 billion, and 54% increase in taxes and licenses to ₱8.1 billion as a result of the one-time divestments of non-core assets. Meanwhile, the Group set aside provision for credit and impairment losses of ₱10.7 billion and provision for income tax of ₱6.7 billion.

With the healthy profit growth, return on average equity rose to 17.8% from 13.6% in 2012 and return on average assets rose from the previous 1.5% to 1.9%.

In 2013, Metrobank raised its authorized capital stock from ₱50 billion to ₱100 billion to give the Bank the flexibility to release Basel III-compliant notes. As a result, the Bank issued 30% stock dividends out of the additional authorized capital stock. The Bank also paid cash dividends totaling ₱2.1 billion, representing a total payout of 13% of the Parent Company's net earnings for the year.

The Philippine stock market faced a challenging 2013, with gains accumulated earlier in the year wiped out by year-end. The Philippine Stock Exchange index (PSEi) closed at 5,889.83, up by 77 points from end-2012. Metrobank's market capitalization stood at ₱207.4 billion as of December 31, 2013 as the Bank's share price settled at ₱75.55 post adjustments from the increase in outstanding shares.

FINANCIAL CONDITION

The Group closed the year 2013 with audited consolidated total assets at ₱1.4 trillion or ₱331.9 billion higher from the ₱1.0 billion posted in the previous year. Consolidated total liabilities likewise increased to ₱1.2 trillion from ₱921.9 billion as funds sourced from total deposit liabilities, and bills payable and securities sold under repurchase agreements (SSURA) increased by ₱277.6 billion and ₱30.1 billion, respectively. On the other hand, subordinated debts decreased by ₱5.6 billion. Deposit liabilities, which represent 82% of the consolidated total liabilities, stood at ₱1.0 trillion with demand, savings, and time deposits accounting for 15%, 36%, and 49%, respectively. Low cost deposits represent 51% of the Group's total deposit liabilities.

Loans and receivables, net of allowance for credit losses, recorded an increase of ₱85.2 billion or 16% to ₱611.1 billion driven by double-digit growths in commercial and consumer loans. Consumer loans were bolstered by steady demand across the housing, auto, and credit card segments. Commercial loans continue to account for the biggest share of total portfolio at 72% with demand coming from the manufacturing, wholesale and retail trade, real estate, renting and business activities, and private households. With the Bank's continued focus to enhance credit quality, total nonperforming loans (NPL) was reduced to ₱7.8 billion from ₱9.6 billion in previous year and NPL ratio further improved to 1.3% from 1.8% in 2012. Meanwhile, the net book value of investment properties, which consist of foreclosed real estate properties and investment in real estate, further declined to ₱13.1 billion due to the sales and redemptions of various properties in line with the Parent Company's continuing efforts to dispose non-performing assets.

Liquid assets increased by 58% to ₱712.1 billion on account of the 48% hike in investment securities which consist of financial assets at fair value through profit or loss, available-for-sale and held-to-maturity investments. Due from Bangko Sentral ng Pilipinas, and due from other banks increased by 27% to ₱166.8 billion and by 14% to ₱26.3 billion, respectively. Equity attributable to equity holders of the Bank grew by 15% to ₱134.9 billion on account of higher earnings generated during the year.

SUPPLEMENTARY MANAGEMENT DISCUSSION

The capital-to-risk assets of the Group and the Parent Company as reported to the BSP as of December 31, 2013 and 2012 are shown in the table below.

	Group		Parent Company	
	2013	2012	2013	2012
	(In Millions)			
Tier 1 capital	₱123,895	₱100,056	₱118,183	₱96,180
Less: Required deductions	1,380	1,187	24,721	20,725
Sub-total	122,515	98,869	93,462	75,455
Excess from Tier 2 deducted to Tier 1 capital*	–	–	(15,868)	(7,061)
Net Tier 1 capital	122,515	98,869	77,594	68,394
Tier 2 capital	15,021	19,588	8,853	13,664
Less: Required deductions	1,380	1,187	24,721	20,725
Sub-total	13,641	18,401	(15,868)	(7,061)
Excess of Tier 2 deducted to Tier 1 capital*	–	–	15,868	7,061
Net Tier 2 capital	13,641	18,401	–	–
Total Qualifying Capital	₱136,156	₱117,270	₱77,594	₱68,394
Credit Risk-Weighted Assets	₱665,376	₱571,063	₱483,969	₱424,347
Market Risk-Weighted Assets	58,196	62,586	52,222	48,903
Operational Risk-Weighted Assets	94,240	86,227	55,791	53,184
Risk-Weighted Assets	₱817,812	₱719,876	₱591,981	₱526,434
Tier 1 capital ratio	14.98%	13.73%	13.11%	12.99%
Total capital ratio	16.65%	16.29%	13.11%	12.99%

*Deductions to Tier 2 capital are capped at its total gross amount and any excess shall be deducted from Tier 1 capital.

The regulatory qualifying capital of the Parent Company consists of Tier 1 (core) capital, which comprises paid-up common stock, Hybrid Tier 1 capital securities, retained earnings including current year profit, cumulative foreign currency translation and non-controlling interest less required deductions such as unsecured credit accommodations to DOSRI, deferred income tax and goodwill. Certain adjustments are made to PFRS-based results and reserves, as prescribed by the BSP. The other component of regulatory capital is Tier 2 (supplementary) capital, which includes unsecured subordinated debt, general loan loss provision, and net unrealized gains on AFS equity securities.

The components of Tier 1 capital and deductions follow:

	Group		Parent Company	
	December 31		December 31	
	2013	2012	2013	2012
	(In Millions)			
Tier 1 Capital				
Paid-up common stock	₱54,896	₱42,228	₱54,896	₱42,228
Additional paid-in capital	13,371	13,371	13,371	13,371
Retained earnings	56,496	50,195	56,496	50,195
Cumulative foreign currency translation	1,308	372	1,308	372
Minority interest in subsidiary financial allied undertakings which are less than wholly-owned	7,502	6,778	–	–
Sub-total	133,573	112,944	126,071	106,166
Less deductions:				
Total outstanding unsecured credit accommodations, both direct and indirect, to DOSRI, and unsecured loans, other credit accommodations and guarantees granted to subsidiaries and affiliates (net of specific provisions, if any) referred to in Circular No. 560	3,827	5,835	3,217	4,801
Deferred income tax (net of allowance for impairment, if any)	7,643	7,538	6,509	5,716
Goodwill (net of allowance for impairment, if any)	3,674	4,569	3,628	4,523
Total deductions from Tier 1 capital	15,144	17,942	13,354	15,040
Total core Tier 1 capital	118,429	95,002	112,717	91,126
Add Hybrid Tier 1 capital	5,466	5,054	5,466	5,054
Total Tier 1 capital	₱123,895	₱100,056	₱118,183	₱96,180

The components of Tier 2 capital consist of the following:

	Group		Parent Company	
	December 31		December 31	
	2013	2012	2013	2012
	(In Millions)			
Tier 2 Capital				
Net unrealized gains on available for sale equity securities (subject to a 55% discount)	₱6	₱35	₱6	₱35
General loan loss provision	6,430	5,389	4,389	3,728
Unsecured subordinated debts	8,585	14,164	4,458	9,901
Total Tier 2 capital	₱15,021	₱19,588	₱8,853	₱13,664

The following items were deducted 50% from Tier 1 and 50% from Tier 2 capital:

	Group		Parent Company	
	December 31		December 31	
	2013	2012	2013	2012
	(In Millions)			
Investments in equity of unconsolidated subsidiary securities dealers/brokers, insurance companies, and non-financial allied undertakings, after deducting related goodwill	₱766	₱528	₱42	₱58
Investments in equity of unconsolidated subsidiary banks and quasi-banks, and other financial allied undertakings (excluding subsidiary securities dealers/brokers, and insurance companies), after deducting related goodwill	–	–	48,747	40,809
Significant minority investments in banks and quasi-banks, and other financial allied undertakings	1,994	1,846	653	583
Total deductions	₱2,760	₱2,374	₱49,442	₱41,450
50%	₱1,380	₱1,187	₱24,721	₱20,725

Details of risk-weighted assets and capital requirements by type of exposure as of December 31, 2013 and 2012 follow:

	Credit Risk		Market Risk		Operational Risk	
	Group	Parent Company	Group	Parent Company	Group	Parent Company
(In Millions)						
December 31, 2013						
On-Balance Sheet	P635,617	P454,860				
Off-Balance Sheet	14,798	14,181				
Counterparty (Banking Book)	7,380	7,380				
Counterparty (Trading Book)	7,581	7,548				
Interest Rate Exposures			P31,423	P26,907		
Equity Exposures			1,843	–		
Foreign Exchange Exposures			2,490	2,875		
Options			22,440	22,440		
Basic Indicator					P94,240	P55,791
Total	P665,376	P483,969	P58,196	P52,222	P94,240	P55,791
Capital Requirements	P66,538	P48,397	P5,820	P5,222	P9,424	P5,579
December 31, 2012						
On-Balance Sheet	P548,413	P402,330				
Off-Balance Sheet	17,216	16,608				
Counterparty (Banking Book)	2,555	2,555				
Counterparty (Trading Book)	2,879	2,854				
Interest Rate Exposures			P40,061	P30,383		
Equity Exposures			3,897	–		
Foreign Exchange Exposures			17,126	17,018		
Options			1,502	1,502		
Basic Indicator					P86,227	P53,184
Total	P571,063	P424,347	P62,586	P48,903	P86,227	P53,184
Capital Requirements	P57,106	P42,435	P6,259	P4,890	P8,623	P5,318

Credit exposures for on-balance sheet assets cover exposures on sovereigns, multilateral development banks (MDBs), banks/quasi-banks, local government banks (LGUs), government corporations, corporates, housing loans, MSMEs, defaulted exposures, ROPA and other assets, net of deductions. On the other hand, counterparty risk assets cover derivatives and repo-style transactions both in the banking and trading books.

As of December 31, 2013 and 2012, the Group has no exposures to securitization structures, contracts that provide credit protection through credit derivatives and investments in other types of structured products.

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

Standardized credit risk weights were used in the credit assessment of asset exposures. Third party credit assessments were based on the ratings by Standard & Poor's, Moody's, Fitch and PhilRatings on exposures to Sovereigns, MDBs, Banks, LGUs, Government Corporations and Corporates.

Operational Risk-Weighted Assets are computed using the Basic Indicator Approach.

Total credit exposures of the Group and Parent Company broken down by type of exposures are shown in the following tables:

	GROUP		
	Exposures, Net of Specific Provisions	Exposures Covered by CRM, Gross of Materiality Threshold	Exposures after Risk Mitigation/Credit Equivalent
2013			
On-Balance Sheet Assets (net of deductions)*	P1,310,480	P35,335	P1,275,145
Off-Balance Sheet Assets			22,363
Counterparty Assets in the Banking Book			19,569
Counterparty Assets in the Trading Book			11,856
Total Credit Exposures			P1,328,933
2012			
On-Balance Sheet Assets (net of deductions)*	P948,924	P37,617	P911,307
Off-Balance Sheet Assets			17,867
Counterparty Assets in the Banking Book			6,019
Counterparty Assets in the Trading Book			4,395
Total Credit Exposures			P939,588

Total credit exposures broken down by risk buckets follows:

	Risk Weights						
	0%	20%	50%	75%	100%	150%	TOTAL
2013							
On-Balance Sheet Assets (net of deductions)*	P573,059	P34,856	P73,985	P32,305	P547,971	P12,969	P1,275,145
Off-Balance Sheet Assets	-	-	15,130	-	7,233	-	22,363
Counterparty Assets in the Banking Book	696	6,854	12,019	-	-	-	19,569
Counterparty Assets in the Trading Book	397	3,768	1,728	-	5,963	-	11,856
Total Credit Exposures	P574,152	P45,478	P102,862	P32,305	P561,167	P12,969	P1,328,933
Total Risk-Weighted On-Balance Sheet Assets	P-	P6,971	P36,993	P24,228	P547,971	P19,454	P635,617
Total Risk-Weighted Off-Balance Sheet Assets	-	-	7,565	-	7,233	-	14,798
Total Counterparty Risk-Weighted Assets in the Banking Book	-	1,371	6,009	-	-	-	7,380
Total Counterparty Risk-Weighted Assets in the Trading Book	-	754	864	-	5,963	-	7,581
Total Credit Risk-Weighted Assets	P-	P9,096	P51,431	P24,228	P561,167	P19,454	P665,376
2012							
On-Balance Sheet Assets (net of deductions)*	P293,928	P45,106	P59,322	P42,874	P455,081	P14,996	P911,307
Off-Balance Sheet Assets	-	600	343	-	16,924	-	17,867
Counterparty Assets in the Banking Book	844	597	4,285	-	293	-	6,019
Counterparty Assets in the Trading Book	-	1,378	827	-	2,190	-	4,395
Total Credit Exposures	P294,772	P47,681	P64,777	P42,874	P474,488	P14,996	P939,588
Total Risk-Weighted On-Balance Sheet Assets	P-	P9,021	P29,661	P32,156	P455,081	P22,494	P548,413
Total Risk-Weighted Off-Balance Sheet Assets	-	120	172	-	16,924	-	17,216
Total Counterparty Risk-Weighted Assets in the Banking Book	-	119	2,143	-	293	-	2,555
Total Counterparty Risk-Weighted Assets in the Trading Book	-	276	413	-	2,190	-	2,879
Total Credit Risk-Weighted Assets	P-	P9,536	P32,389	P32,156	P474,488	P22,494	P571,063

PARENT COMPANY			
	Exposures, Net of Specific Provisions	Exposures Covered by CRM, Gross of Materiality Threshold	Exposures after Risk Mitigation/Credit Equivalent
2013			
On-Balance Sheet Assets (net of deductions)*	P1,027,043	P30,637	P996,406
Off-Balance Sheet Assets			21,746
Counterparty Assets in the Banking Book			19,569
Counterparty Assets in the Trading Book			11,689
Total Credit Exposures			P1,049,410
2012			
On-Balance Sheet Assets (net of deductions)*	P703,801	P25,357	P678,444
Off-Balance Sheet Assets			16,779
Counterparty Assets in the Banking Book			6,019
Counterparty Assets in the Trading Book			4,271
Total Credit Exposures			P705,513

Total credit exposures broken down by risk buckets follows:

	Risk Weights						
	0%	20%	50%	75%	100%	150%	TOTAL
2013							
On-Balance Sheet Assets (net of deductions)*	P495,147	P22,686	P49,261	P30,741	P390,440	P8,131	P996,406
Off-Balance Sheet Assets	-	-	15,130	-	6,616	-	21,746
Counterparty Assets in the Banking Book	696	6,854	12,019	-	-	-	19,569
Counterparty Assets in the Trading Book	397	3,601	1,728	-	5,963	-	11,689
Total Credit Exposures	P496,240	P33,141	P78,138	P30,741	P403,019	P8,131	P1,049,410
Total Risk-Weighted On-Balance Sheet Assets	P-	P4,537	P24,630	P23,056	P390,440	P12,197	P454,860
Total Risk-Weighted Off-Balance Sheet Assets	-	-	7,565	-	6,616	-	14,181
Total Counterparty Risk-Weighted Assets in the Banking Book	-	1,371	6,009	-	-	-	7,380
Total Counterparty Risk-Weighted Assets in the Trading Book	-	721	864	-	5,963	-	7,548
Total Credit Risk-Weighted Assets	P-	P6,629	P39,068	P23,056	P403,019	P12,197	P483,969
2012							
On-Balance Sheet Assets (net of deductions)*	P222,814	P32,215	P45,449	P41,103	P325,917	P10,946	P678,444
Off-Balance Sheet Assets	-	-	343	-	16,436	-	16,779
Counterparty Assets in the Banking Book	844	597	4,285	-	293	-	6,019
Counterparty Assets in the Trading Book	-	1,254	827	-	2,190	-	4,271
Total Credit Exposures	P223,658	P34,066	P50,904	P41,103	P344,836	P10,946	P705,513
Total Risk-Weighted On-Balance Sheet Assets	P-	P6,443	P22,725	P30,827	P325,917	P16,418	P402,330
Total Risk-Weighted Off-Balance Sheet Assets	-	-	172	-	16,436	-	16,608
Total Counterparty Risk-Weighted Assets in the Banking Book	-	119	2,143	-	293	-	2,555
Total Counterparty Risk-Weighted Assets in the Trading Book	-	251	413	-	2,190	-	2,854
Total Credit Risk-Weighted Assets	P-	P6,813	P25,453	P30,827	P344,836	P16,418	P424,347

*As of December 31, 2013 and 2012, deductions from other assets amounted to P74.4 million and P94.1 million, respectively, for the Group and P109.8 million and P120.9 million, respectively, for the Parent Company. Deductions from other assets include among others: financial assets held for trading, derivatives with positive fair value held for hedging, total outstanding unsecured credit accommodations to DOSRI (both direct and indirect), unsecured loans, other credit accommodations and guarantees granted to subsidiaries and affiliates, deferred income tax, goodwill, investments in equity of unconsolidated banks and quasi-banks and other financial allied undertakings (excluding subsidiary securities dealers/brokers and insurance companies), after deducting goodwill, if any (for solo basis), investments in equity of unconsolidated subsidiary securities dealers/brokers, insurance companies and non-financial allied undertakings, after deducting related goodwill, if any (for both solo and consolidated bases), significant minority investments (20%-50% of voting stock) in banks and quasi-banks and other financial allied undertakings (for both solo and consolidated bases), loans to RBU by FCDU/EFCDU and net accumulated market gain/(losses) on available for sale debt securities.

The impacts of reasonably possible changes in the interest rates on net interest income are as follows:

		Sensitivity of net interest income			
		Group		Parent Company	
		December 31			
Currency	Movement in basis points	2013	2012	2013	2012
PHP	+10	(P136.94)	P40.22	(P17.70)	P95.74
USD	+10	(21.97)	4.90	(24.10)	4.98
Others	+10	4.54	105.65	4.54	105.65
PHP	-10	138.17	(62.74)	17.70	(95.74)
USD	-10	21.97	(4.90)	24.10	(4.98)
Others	-10	(4.54)	(105.65)	(4.54)	(105.65)

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Metropolitan Bank & Trust Company and Subsidiaries (the Group) and of Metropolitan Bank & Trust Company (the Parent Company) is responsible for the preparation and fair presentation of the financial statements, including the additional components attached therein, in accordance with accounting principles generally accepted in the Philippines for banks for the Group and Philippine Financial Reporting Standards for the Parent Company as of December 31, 2013 and 2012 and for each of the three years in the period ended December 31, 2013. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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

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

Signed this 18th day of February, 2014.



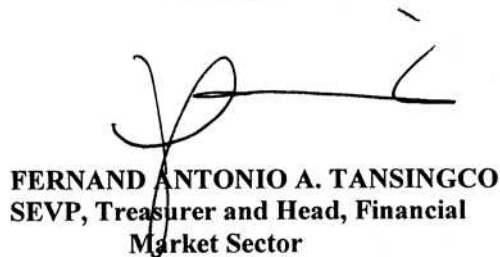
ARTHUR TY
Chairman



FABIAN S. DEE
President



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



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



MARILOU C. BARTOLOME
SVP and Controller

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

SUBSCRIBED AND SWORN to before me at Makati City, Metro Manila this MAR 11 2014, affiants exhibiting to me their respective Passports with the following details:

Names	Passport No.	Date/Place of Issue	Valid Until
ARTHUR TY	EB7793813	Apr. 4, 2013/DFA Manila	Apr. 3, 2018
FABIAN S. DEE	EB9374579	Oct. 16, 2013/PCG Vancouver	Oct. 15, 2018
JOSHUA E. NAING	EA0021496	Jan. 6, 2010/DFA Manila	Jan. 5, 2015
FERNAND ANTONIO A. TANSINGCO	EB6547601	Oct. 12, 2012/DFA Manila	Oct. 11, 2017
MARILOU C. BARTOLOME	EB9792501	Dec. 11, 2013/DFA Manila	Dec. 10, 2018

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 Series of 2014.

Rhea C. Balato
ATTY. RHEA C. BALATO
 Notary Public - Makati City
 Appointment No. M-105 until December 31, 2014
 7/F Metrobank Plaza, Sen. Gil Puyat Ave., Makati City
 PTR No. M-423742 01/16/14 Makati City
 IBP License No. 02134 Northern Samar
 Roll No. 44411
 MCLC Cert. No. III-0016721 05/25/10

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Metropolitan Bank & Trust Company
Metrobank Plaza, Sen. Gil J. Puyat Avenue
Makati City

Report on the Financial Statements

We have audited the accompanying financial statements of Metropolitan Bank & Trust Company and Subsidiaries (the Group) and of Metropolitan Bank & Trust Company (the Parent Company), which comprise the statements of financial position as at December 31, 2013 and 2012 and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2013 and 2012 and its financial performance and its cash flows for each of the three years in the period ended December 31, 2013 in accordance with the accounting principles generally accepted in the Philippines for banks as described in Note 2 to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Parent Company as at December 31, 2013 and 2012 and its financial performance and its cash flows for each of the three years in the period ended December 31, 2013 in accordance with Philippine Financial Reporting Standards.

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 19-2011 and 15-2010 in Note 38 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of the Parent Company. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

SYCIP GORRES VELAYO & CO.



Aris C. Malantic

Partner

CPA Certificate No. 90190

SEC Accreditation No. 0326-AR-2 (Group A),
March 15, 2012, valid until March 14, 2015

Tax Identification No. 152-884-691

BIR Accreditation No. 08-001998-54-2012,
April 11, 2012, valid until April 10, 2015

PTR No. 4225187, January 2, 2014, Makati City

February 18, 2014

STATEMENTS OF FINANCIAL POSITION

(In Millions)

	Consolidated			Parent Company		
	December 31		January 1,	December 31		January 1,
	2013	2012 (As Restated - Note 2)	2012 (As Restated - Note 2)	2013	2012 (As Restated - Note 2)	2012 (As Restated - Note 2)
ASSETS						
Cash and Other Cash Items	₱29,742	₱24,382	₱20,954	₱26,532	₱21,540	₱16,985
Due from Bangko Sentral ng Pilipinas (Note 16)	166,774	131,278	156,537	143,724	111,515	146,636
Due from Other Banks	26,275	22,996	32,761	8,947	7,873	13,310
Interbank Loans Receivable and Securities Purchased Under Resale Agreements (Notes 7 and 33)	122,011	23,392	24,367	96,872	15,046	3,222
Financial Assets at Fair Value Through Profit or Loss (Notes 8, 17 and 29)	55,441	72,920	8,908	36,140	57,635	4,597
Available-for-Sale Investments (Note 8)	273,429	123,041	143,223	226,943	102,574	115,976
Held-to-Maturity Investments (Note 8)	38,425	51,451	47,457	38,358	21,491	17,464
Loans and Receivables (Note 9)	611,064	525,895	457,556	456,895	398,563	352,042
Investments in Subsidiaries (Note 11)	-	-	-	24,882	24,922	25,399
Investments in Associates and a Joint Venture (Note 11)	6,274	14,868	16,660	578	578	1,263
Property and Equipment (Note 10)	15,756	15,345	13,937	10,296	10,321	9,408
Investment Properties (Note 12)	13,125	15,422	15,471	9,504	11,898	11,044
Non-Current Asset Held For Sale (Note 13)	-	1,102	-	-	336	-
Deferred Tax Assets (Note 28)	7,190	8,871	8,577	6,333	7,276	7,008
Goodwill (Note 11)	5,206	6,409	6,413	-	1,203	1,203
Other Assets (Note 14)	7,857	9,271	9,255	4,696	6,285	7,198
	₱1,378,569	₱1,046,643	₱962,076	₱1,090,700	₱799,056	₱732,755
LIABILITIES AND EQUITY						
LIABILITIES						
Deposit Liabilities (Notes 16 and 31)						
Demand	₱150,694	₱106,229	₱77,589	₱134,788	₱94,516	₱71,667
Savings	362,915	305,034	283,011	348,244	293,934	272,331
Time	502,659	327,431	320,393	407,722	245,969	237,638
	1,016,268	738,694	680,993	890,754	634,419	581,636
Bills Payable and Securities Sold Under Repurchase Agreements (Notes 17 and 31)	127,204	97,108	99,657	45,993	16,223	13,600
Derivative Liabilities (Notes 8 and 31)	4,452	6,692	2,826	4,452	6,425	2,689
Manager's Checks and Demand Drafts Outstanding	3,927	3,489	2,610	2,816	2,732	1,955
Income Taxes Payable	676	1,326	597	267	912	322
Accrued Interest and Other Expenses (Note 18)	8,507	8,341	7,199	6,002	5,907	4,547
Bonds Payable (Note 19)	11,643	11,556	4,678	-	-	-
Subordinated Debt (Note 20)	8,628	14,243	19,735	4,497	9,977	18,442
Deferred Tax Liabilities (Note 28)	479	244	157	-	-	-
Other Liabilities (Note 21)	54,080	40,241	28,876	28,860	25,450	19,491
	1,235,864	921,934	847,328	983,641	702,045	642,682
EQUITY						
Equity Attributable to Equity Holders of the Parent Company						
Common stock (Note 23)	₱54,896	₱42,228	₱42,228	₱54,896	₱42,228	₱42,228
Hybrid capital securities (Note 23)	6,351	6,351	6,351	6,351	6,351	6,351
Capital paid in excess of par value	19,312	19,312	19,312	19,312	19,312	19,312
Surplus reserves (Note 24)	1,235	1,108	1,002	1,235	1,108	1,002
Surplus (Notes 23 and 24)	55,525	48,418	35,712	30,903	29,570	21,115
Remeasurement losses on retirement plan (Note 26)	(2,870)	(2,011)	(1,460)	(2,617)	(1,877)	(1,358)
Net unrealized gain (loss) on available-for-sale investments (Note 8)	(481)	2,439	4,460	(2,133)	1,613	2,377
Equity in net unrealized gain on available-for-sale investments of associates (Note 11)	272	757	433	-	-	-
Translation adjustment and others	647	(869)	26	(888)	(1,294)	(954)
	134,887	117,733	108,064	107,059	97,011	90,073
Non-controlling Interest	7,818	6,976	6,684	-	-	-
	142,705	124,709	114,748	107,059	97,011	90,073
	₱1,378,569	₱1,046,643	₱962,076	₱1,090,700	₱799,056	₱732,755

See accompanying Notes to Financial Statements.

Notes:

STATEMENTS OF INCOME

(In Millions, Except Earnings Per Share)

	Consolidated			Parent Company		
	Years Ended December 31					
	2013	2012 (As Restated - Note 2)	2011	2013	2012 (As Restated - Note 2)	2011
INTEREST INCOME ON						
Loans and receivables (Notes 9 and 31)	₱35,537	₱32,728	₱29,035	₱18,156	₱17,652	₱15,656
Trading and investment securities (Note 8)	11,415	10,463	9,893	9,106	7,118	5,146
Interbank loans receivable and securities purchased under resale agreements (Note 31)	2,417	551	458	1,705	269	311
Deposits with banks and others (Note 16)	523	1,274	5,682	282	499	4,498
	49,892	45,016	45,068	29,249	25,538	25,611
INTEREST AND FINANCE CHARGES						
Deposit liabilities (Notes 16 and 31)	7,556	8,756	10,234	4,975	5,679	7,010
Bills payable and securities sold under repurchase agreements, bonds payable, subordinated debt and others (Notes 17, 19, 20 and 31)	4,067	5,406	5,397	873	1,389	1,460
	11,623	14,162	15,631	5,848	7,068	8,470
NET INTEREST INCOME	38,269	30,854	29,437	23,401	18,470	17,141
Trading and securities gain - net (Notes 8 and 31)	17,182	6,680	6,246	8,586	1,706	3,710
Service charges, fees and commissions (Note 31)	8,640	8,123	7,666	3,555	3,527	3,558
Gain on sale of investment in an associate (Note 11)	7,388	–	370	–	–	–
Gain on sale of non-current asset held for sale (Notes 13 and 31)	3,440	3,403	–	4,201	4,164	–
Leasing (Notes 12, 27 and 31)	1,638	1,380	1,017	243	207	196
Income from trust operations (Notes 24 and 29)	1,071	853	695	1,057	841	687
Profit from assets sold (Note 12)	894	1,119	886	643	1,118	826
Dividends (Note 11)	435	156	136	10,006	1,773	2,777
Foreign exchange gain (loss) - net (Note 31)	(2,266)	3,636	1,623	(2,575)	3,380	1,539
Miscellaneous (Note 25)	2,233	874	1,057	421	373	420
TOTAL OPERATING INCOME	78,924	57,078	49,133	49,538	35,559	30,854
Compensation and fringe benefits (Notes 26 and 31)	15,634	14,406	13,310	11,018	10,385	9,308
Provision for credit and impairment losses (Note 15)	10,722	4,478	3,823	5,294	777	1,186
Taxes and licenses	8,131	5,268	4,606	4,167	3,162	2,609
Depreciation and amortization (Notes 10, 12 and 14)	2,400	2,188	2,104	1,112	1,028	1,080
Occupancy and equipment-related cost (Note 27)	2,225	2,107	1,959	1,286	1,215	1,139
Amortization of software costs (Note 14)	284	236	230	139	120	120
Miscellaneous (Note 25)	10,101	9,170	8,491	6,162	5,964	5,382
TOTAL OPERATING EXPENSES	49,497	37,853	34,523	29,178	22,651	20,824
INCOME BEFORE SHARE IN NET INCOME OF ASSOCIATES AND A JOINT VENTURE	29,427	19,225	14,610	20,360	12,908	10,030
SHARE IN NET INCOME OF ASSOCIATES AND A JOINT VENTURE (Note 11)	1,477	2,548	1,423	–	–	–
INCOME BEFORE INCOME TAX	30,904	21,773	16,033	20,360	12,908	10,030
PROVISION FOR INCOME TAX (Note 28)	6,748	3,856	3,542	3,646	1,760	2,119
NET INCOME	₱24,156	₱17,917	₱12,491	₱16,714	₱11,148	₱7,911
Attributable to:						
Equity holders of the Parent Company (Note 32)	₱22,488	₱15,399	₱11,031			
Non-controlling Interest	1,668	2,518	1,460			
	₱24,156	₱17,917	₱12,491			
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company (Note 32)	₱8.02	₱5.44*	₱3.86*			

*Restated to include the effect of stock dividend issued in 2013 (Note 23).

See accompanying Notes to Financial Statements.

Notes:

STATEMENTS OF COMPREHENSIVE INCOME

(In Millions)

	Consolidated			Parent Company		
	Years Ended December 31					
	2013	2012 (As Restated - Note 2)	2011	2013	2012 (As Restated - Note 2)	2011
Net Income	₱24,156	₱17,917	₱12,491	₱16,714	₱11,148	₱7,911
Other Comprehensive Income for the Year, Net of Tax						
Items that may not be reclassified to profit or loss:						
Change in remeasurement loss of retirement liability	(897)	(556)	–	(740)	(519)	–
Items that may be reclassified to profit or loss:						
Change in net unrealized gain on available- for-sale investments (Note 8)	(2,917)	(2,517)	3,732	(3,746)	(764)	1,555
Change in equity in net unrealized gain on available-for-sale investments of associates (Note 11)	(498)	330	152	–	–	–
Translation adjustment and others (Notes 8 and 11)	1,746	(2,099)	362	406	(340)	(10)
	(1,669)	(4,286)	4,246	(3,340)	(1,104)	1,545
Total Comprehensive Income for the Year	₱21,590	₱13,075	₱16,737	₱12,634	₱9,525	₱9,456
Attributable to:						
Equity holders of the Parent Company	₱19,740	₱12,256	₱14,931	₱12,634	₱9,525	₱9,456
Non-controlling Interest	1,850	819	1,806	–	–	–
	₱21,590	₱13,075	₱16,737	₱12,634	₱9,525	₱9,456

See accompanying Notes to Financial Statements.

Notes:

STATEMENTS OF CHANGES IN EQUITY

(In Millions)

	Consolidated											
	Equity Attributable to Equity Holders of the Parent Company											
	Common Stock (Note 23)	Hybrid Capital Securities (Note 23)	Capital Paid In Excess of Par Value	Surplus Reserves (Note 24)	Surplus (Notes 23 and 24)	Net Unrealized Gain/(Loss) on Available-for-Sale Investments (Note 8)	Investments of Associates (Note 11)	Available-for-Sale Investments for Sale of Associates (Note 26)	Remeasurement Losses on Retirement Plan (Note 26)	Translation Adjustment and Others	Non-controlling Interest	Total Equity
Balance at January 1, 2013, as previously reported	P42,228	P6,351	P19,312	P1,108	P48,692	P2,438	P758	P-	(P869)	P120,018	P7,002	P127,020
Effect of change in accounting for (Note 2):	-	-	-	-	(274)	-	-	(2,011)	-	(2,285)	(26)	(2,311)
Retirement benefits (PAS 19)	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated financial statements (PFRS 10)	-	-	-	-	-	1	(1)	-	-	-	-	-
Balance as at January 1, 2013, as restated	42,228	6,351	19,312	1,108	48,418	2,439	757	(2,011)	(869)	117,733	6,976	124,709
Total comprehensive income for the year	-	-	-	-	22,488	(2,920)	(485)	(859)	1,516	19,740	1,850	21,590
Transfer to surplus reserves	-	-	-	127	(127)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,111)	-	-	-	-	(2,111)	(1,008)	(3,119)
Coupon payment of hybrid capital securities (Note 32)	-	-	-	-	(475)	-	-	-	-	(475)	-	(475)
Stock dividends	12,668	-	-	-	(12,668)	-	-	-	-	-	-	-
Balance at December 31, 2013	P54,896	P6,351	P19,312	P1,235	P55,525	(P481)	P272	(P2,870)	P647	P134,887	P7,818	P142,705
Balance as at January 1, 2012, as previously reported	P42,228	P6,351	P19,312	P1,002	P35,986	P4,458	P435	P-	P26	P109,798	P6,706	P116,504
Effect of change in accounting for (Note 2):	-	-	-	-	(274)	-	-	(1,460)	-	(1,734)	(22)	(1,756)
Retirement benefits (PAS 19)	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated financial statements (PFRS 10)	-	-	-	-	-	2	(2)	-	-	-	-	-
Balance as at January 1, 2012, as restated	42,228	6,351	19,312	1,002	35,712	4,460	433	(1,460)	26	108,064	6,684	114,748
Total comprehensive income for the year	-	-	-	-	15,399	(2,021)	324	(551)	(895)	12,256	819	13,075
Transfer to surplus reserves	-	-	-	106	(106)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,111)	-	-	-	-	(2,111)	(527)	(2,638)
Coupon payment of hybrid capital securities (Note 32)	-	-	-	-	(476)	-	-	-	-	(476)	-	(476)
Balance at December 31, 2012	P42,228	P6,351	P19,312	P1,108	P48,418	P2,439	P757	(P2,011)	(P869)	P117,733	P6,976	P124,709
Balance at January 1, 2011, as previously reported	P38,228	P6,351	P13,484	P912	P27,640	P1,238	P284	P-	(P503)	P87,634	P5,383	P93,017
Effect of change in accounting for retirement benefits (PAS 19) (Note 2)	-	-	-	-	(274)	-	-	(1,460)	-	(1,734)	(22)	(1,756)
Balance as at January 1, 2011, as restated	38,228	6,351	13,484	912	27,366	1,238	284	(1,460)	(503)	85,900	5,361	91,261
Total comprehensive income for the year	-	-	-	-	11,031	3,222	149	-	529	14,931	1,806	16,737
Transfer to surplus reserves	-	-	-	90	(90)	-	-	-	-	-	-	-
Issuance of shares of stock	4,000	-	5,828	-	-	-	-	-	-	9,828	-	9,828
Cash dividends	-	-	-	-	(2,111)	-	-	-	-	(2,111)	(483)	(2,594)
Coupon payment of hybrid capital securities (Note 32)	-	-	-	-	(484)	-	-	-	-	(484)	-	(484)
Balance at December 31, 2011	P42,228	P6,351	P19,312	P1,002	P35,712	P4,460	P433	(P1,460)	P26	P108,064	P6,684	P114,748

Parent Company	Net Unrealized Gain (Loss) on Available- Remeasurement								Total Equity
	Common Stock (Note 23)	Hybrid Capital Securities (Note 23)	Capital Paid In Excess of Par Value	Surplus Reserves (Note 24)	Surplus (Notes 23 and 24)	Investments (Note 8)	Losses on Retirement Plan (Note 26)	Translation Adjustment and Others	
Balance at January 1, 2013, as previously reported	₱42,228	₱6,351	₱19,312	₱1,108	₱29,882	₱1,613	₱-	(₱1,294)	₱99,200
Effect of change in accounting for retirement benefits (PAS 19) (Note 2)	-	-	-	-	(312)	-	(1,877)	-	(2,189)
Balance at January 1, 2013, as restated	42,228	6,351	19,312	1,108	29,570	1,613	(1,877)	(1,294)	97,011
Total comprehensive income for the year	-	-	-	-	16,714	(3,746)	(740)	406	12,634
Transfer to surplus reserves	-	-	-	127	(127)	-	-	-	-
Cash dividends	-	-	-	-	(2,111)	-	-	-	(2,111)
Stock dividends	12,668	-	-	-	(12,668)	-	-	-	-
Coupon payment of hybrid capital securities (Note 32)	-	-	-	-	(475)	-	-	-	(475)
Balance at December 31, 2013	₱54,896	₱6,351	₱19,312	₱1,235	₱30,903	(₱2,133)	(₱2,617)	(₱888)	₱107,059
Balance at January 1, 2012, as previously reported	₱42,228	₱6,351	₱19,312	₱1,002	₱21,427	₱2,377	₱-	(₱954)	₱91,743
Effect of change in accounting for retirement benefits (PAS 19) (Note 2)	-	-	-	-	(312)	-	(1,358)	-	(1,670)
Balance at January 1, 2012, as restated	42,228	6,351	19,312	1,002	21,115	2,377	(1,358)	(954)	90,073
Total comprehensive income for the year	-	-	-	-	11,148	(764)	(519)	(340)	9,525
Transfer to surplus reserves	-	-	-	106	(106)	-	-	-	-
Cash dividends	-	-	-	-	(2,111)	-	-	-	(2,111)
Coupon payment of hybrid capital securities (Note 32)	-	-	-	-	(476)	-	-	-	(476)
Balance at December 31, 2012	₱42,228	₱6,351	₱19,312	₱1,108	₱29,570	₱1,613	(₱1,877)	(₱1,294)	₱97,011
Balance at January 1, 2011, as previously reported	₱38,228	₱6,351	₱13,484	₱912	₱16,201	₱822	₱-	(₱944)	₱75,054
Effect of change in accounting for retirement benefits (PAS 19) (Note 2)	-	-	-	-	(312)	-	(1,358)	(1,670)	(2,340)
Balance at January 1, 2011, as restated	38,228	6,351	13,484	912	15,889	822	(1,358)	(944)	73,384
Total comprehensive income for the year	4,000	-	5,828	-	7,911	1,555	-	(10)	9,456
Issuance of shares of stock	-	-	-	-	-	-	-	-	9,828
Transfer to surplus reserves	-	-	-	90	(90)	-	-	-	-
Cash dividends	-	-	-	-	(2,111)	-	-	-	(2,111)
Coupon payment of hybrid capital securities (Note 32)	-	-	-	-	(484)	-	-	-	(484)
Balance at December 31, 2011	₱42,228	₱6,351	₱19,312	₱1,002	₱21,115	₱2,377	(₱1,358)	(₱954)	₱90,073

See accompanying Notes to Financial Statements.

Notes:

STATEMENTS OF CASH FLOWS

(In Millions)

	Consolidated			Parent Company		
	Years Ended December 31					
	2013	2012 (As Restated - Note 2)	2011	2013	2012 (As Restated - Note 2)	2011
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax	₱30,904	₱21,773	₱16,033	₱20,360	₱12,908	₱10,030
Adjustments for:						
Provision for credit and impairment losses (Note 15)	10,722	4,478	3,823	5,294	777	1,186
Trading and securities gain on available-for-sale investments (Note 8)	(12,833)	(7,096)	(5,831)	(4,816)	(4,004)	(3,671)
Depreciation and amortization (Notes 10, 11, 12 and 14)	2,400	2,188	2,104	1,112	1,028	1,080
Share in net income of associates and a joint venture (Note 11)	(1,477)	(2,548)	(1,423)	–	–	–
Profit from assets sold (Notes 10 and 12)	(894)	(1,119)	(886)	(643)	(1,118)	(826)
Gain on initial recognition of investment properties and chattel properties acquired in foreclosure (Note 25)	(649)	(139)	(238)	(61)	(122)	(135)
Amortization of software costs (Note 14)	284	236	230	139	120	120
Amortization of discount on subordinated debt and bonds payable	29	42	62	20	35	36
Unrealized market valuation loss (gain) on financial assets and liabilities at FVPL	(4,624)	3,747	944	(3,691)	3,721	968
Dividends (Note 11)	(435)	(156)	(136)	(10,006)	(1,773)	(2,777)
Gain on sale of non-current asset held for sale (Notes 13 and 31)	(3,440)	(3,403)	–	(4,201)	(4,164)	–
Net loss on sale/dissolution of investment in subsidiaries (Note 11)	–	–	–	1	14	–
Gain on sale of investment in an associate (Note 11)	(7,388)	–	(370)	–	–	–
Changes in operating assets and liabilities:						
Decrease (increase) in:						
Financial assets at fair value through profit or loss	19,958	(63,989)	4,200	23,201	(53,016)	3,518
Loans and receivables	(95,041)	(73,989)	(68,937)	(61,553)	(48,037)	(60,620)
Other assets	245	(2,217)	(1,293)	1,191	(1,257)	(1,160)
Increase (decrease) in:						
Deposit liabilities	277,574	57,701	29,731	256,335	52,783	17,828
Manager's checks and demand drafts outstanding	438	879	567	84	777	561
Accrued interest and other expenses	166	1,142	2,003	95	1,360	1,775
Other liabilities	12,920	11,191	3,587	2,366	5,612	(1,278)
Net cash generated from (used in) operations	228,859	(51,279)	(15,830)	225,227	(34,356)	(33,365)
Dividends received	716	2,981	1,454	10,006	1,773	2,741
Income taxes paid	(5,482)	(3,706)	(3,397)	(3,347)	(1,437)	(1,569)
Net cash provided by (used in) operating activities	224,093	(52,004)	(17,773)	231,886	(34,020)	(32,193)
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisitions of:						
Available-for-sale investments	(982,284)	(481,008)	(483,687)	(882,101)	(408,144)	(360,008)
Held-to-maturity investments	(23,798)	(21,577)	(30,811)	(23,798)	(19,303)	(18,953)
Property and equipment (Note 10)	(3,295)	(3,841)	(2,783)	(1,560)	(2,208)	(1,228)
Investments in subsidiaries, associates and a joint venture (Note 11)	(959)	(644)	(1,278)	(41)	(41)	–
Proceeds from sale of:						
Available-for-sale investments	877,988	503,669	477,238	759,206	424,436	345,574
Property and equipment	1,301	585	313	954	430	206

(Forward)

Notes:

	Consolidated			Parent Company		
	Years Ended December 31					
	2013	2012 (As Restated - Note 2)	2011	2013	2012 (As Restated - Note 2)	2011
Investments in subsidiaries and associates (Note 11)	P14,308	P314	P175	P-	P71	P-
Investment properties (Note 12)	3,059	4,090	4,424	2,402	3,287	4,084
Non-current asset held for sale (Notes 13 and 31)	4,537	4,500	-	4,537	4,500	-
Decrease (increase) in interbank loans receivable and securities purchased under resale agreements (Note 33)	(492)	(3,380)	1,768	(492)	(3,380)	1,768
Proceeds from maturity of held-to-maturity investments	6,932	17,583	16,017	6,932	15,277	15,434
Net cash provided by (used in) investing activities	(102,703)	20,291	(18,624)	(133,961)	14,925	(13,123)
CASH FLOWS FROM FINANCING ACTIVITIES						
Settlements of bills payable	(1,767,989)	(983,041)	(1,001,574)	(1,271,929)	(467,160)	(249,712)
Availments of bills payable and securities sold under repurchase agreement	1,798,085	980,491	1,015,718	1,301,699	469,783	252,907
Proceeds from issuance of shares of stock (Note 23)	-	-	9,828	-	-	9,828
Repayments of subordinated debt (Note 20)	(6,800)	(8,500)	(2,000)	(5,500)	(8,500)	-
Proceeds from issuance of:						
Bonds payable (Note 19)	-	6,958	-	-	-	-
Subordinated debt (Note 20)	1,170	2,968	-	-	-	-
Cash dividends paid (Note 23)	(3,119)	(2,638)	(2,594)	(2,111)	(2,111)	(2,111)
Coupon payment of hybrid capital securities (Note 23)	(475)	(476)	(484)	(475)	(476)	(484)
Net cash provided by (used in) financing activities	20,872	(4,238)	18,894	21,684	(8,464)	10,428
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	142,262	(35,951)	(17,503)	119,609	(27,559)	(34,888)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR						
Cash and other cash items	24,382	20,954	20,201	21,540	16,985	16,996
Due from Bangko Sentral ng Pilipinas	131,278	156,537	168,402	111,515	146,636	162,391
Due from other banks	22,996	32,761	38,780	7,873	13,310	19,416
Interbank loans receivable and securities purchased under resale agreements (Note 33)	19,048	23,403	23,775	10,702	2,258	15,274
	197,704	233,655	251,158	151,630	179,189	214,077
CASH AND CASH EQUIVALENTS AT END OF YEAR						
Cash and other cash items	29,742	24,382	20,954	26,532	21,540	16,985
Due from Bangko Sentral ng Pilipinas	166,774	131,278	156,537	143,724	111,515	146,636
Due from other banks	26,275	22,996	32,761	8,947	7,873	13,310
Interbank loans receivable and securities purchased under resale agreements (Note 33)	117,175	19,048	23,403	92,036	10,702	2,258
	P339,966	P197,704	P233,655	P271,239	P151,630	P179,189

OPERATIONAL CASH FLOWS FROM INTEREST

	Consolidated			Parent Company		
	Years Ended December 31					
	2013	2012 (As Restated - Note 2)	2011	2013	2012 (As Restated - Note 2)	2011
Interest paid	P11,663	P14,371	P15,432	P5,904	P7,316	P8,255
Interest received	48,836	44,714	44,193	27,985	25,133	25,059

See accompanying Notes to Financial Statements.

Notes:

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

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

In November 1980, the SEC approved and certified the listing of its shares and on February 26, 1981, the listing and trading took effect in Makati Stock Exchange, Inc. and Manila Stock Exchange which unified and now, The Philippine Stock Exchange, Inc. (PSE). The universal banking license was granted by the Philippine Central Bank, now Bangko Sentral ng Pilipinas (BSP) on August 21, 1981.

The Parent Company and its subsidiaries (the Group) are engaged in all aspects of banking, financing, leasing, real estate and stock brokering through a network of over 1,000 local and international branches, subsidiaries, representative offices, remittance correspondents and agencies. As a bank, the Parent Company provides services such as deposit products, loans and trade finance, domestic and foreign fund transfers, treasury, foreign exchange, trading and remittances, and trust services. Its principal place of business is at Metrobank Plaza, Sen. Gil J. Puyat Avenue, Makati City.

2. Summary of Significant Accounting Policies

Basis of Preparation

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

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

The accompanying financial statements provide comparative information in respect of the previous years. An additional statement of financial position at the beginning of the earliest year presented is included when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. A statement of financial position as at January 1, 2012 is presented in the 2013 financial statements due to the retrospective application of certain accounting policies as discussed in this Note.

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

Notes:

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

Statement of Compliance

The financial statements of the Group have been prepared in compliance with the accounting principles generally accepted in the Philippines for banks or Philippine GAAP for banks. As discussed in Note 8, in 2011, First Metro Investment Corporation (FMIC), a majority-owned subsidiary of the Parent Company, participated in a bond exchange transaction under the liability management exercise of the Philippine Government. The SEC granted an exemptive relief from the existing tainting rule on held-to-maturity (HTM) investments under Philippine Accounting Standard (PAS) 39, *Financial Instruments: Recognition and Measurement*, while the BSP also provided the same exemption for prudential reporting to the participants. Following this exemption, the basis of preparation of the financial statements of the availing entities shall not be Philippine Financial Reporting Standards (PFRS) but should be the prescribed financial reporting framework for entities which are given relief from certain requirements of the PFRS. Except for the aforementioned exemption which is applied starting 2011, the financial statements of the Group have been prepared in compliance with the PFRS.

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

Presentation of Financial Statements

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

Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and of its subsidiaries and are prepared for the same reporting period as the Parent Company using consistent accounting policies. The following are the wholly and majority-owned foreign and domestic subsidiaries of the Parent Company in 2013 and 2012 (Note 11):

Subsidiary	Country of Incorporation	Effective Percentage of Ownership	Functional Currency
Financial Markets:			
Domestic:			
FMIC and Subsidiaries (99.21% in 2012)	Philippines	99.23	PHP
Philippine Savings Bank (PSBank)	Philippines	75.98	PHP
Metrobank Card Corporation (A Finance Company) (MCC)	Philippines	60.00	PHP
ORIX Metro Leasing and Finance Corporation (ORIX Metro) and Subsidiaries (59.84% in 2012)	Philippines	59.85	PHP
Foreign:			
Metropolitan Bank (China) Ltd. (MBCL)	China	100.00	Chinese Yuan
Metropolitan Bank (Bahamas) Limited (Metrobank Bahamas)	The Bahamas	100.00	United States Dollar (USD)
First Metro International Investment Company Limited (FMIC) and Subsidiary (99.84% in 2012)	Hong Kong	99.85	Hong Kong Dollar (HKD)
Remittances:			
Metro Remittance (Hong Kong Limited (MRHL))	Hong Kong	100.00	HKD
Metro Remittance (Singapore) Pte. Ltd. (MRSPL)	Singapore	100.00	Singapore Dollar

(Forward)

Notes:

Subsidiary	Country of Incorporation	Effective Percentage of Ownership	Functional Currency
Metro Remittance (UK) Limited	United Kingdom	100.00	Great Britain Pound
Metro Remittance (USA), Inc (MR USA)	United States of America (USA)	100.00	USD
Metro Remittance Center, Inc. MRCI)	USA	100.00	USD
Metro Remittance (Japan) Co. Ltd. (MR Japan)	Japan	100.00	Japanese Yen
Metro Remittance (Italia), S.p.A.(MR Italia)*	Italy	100.00	Euro (EUR)
Metro Remittance (Spain), S.A. (MR Spain)**	Spain	100.00	EUR
Others:			
Philbancor Venture Capital Corporation***	Philippines	60.00	PHP
Real Estate			
Circa 2000 Homes, Inc. (Circa)***	Philippines	100.00	PHP
Computer Services			
MBTC Technology, Inc. (MTI)***	Philippines	100.00	PHP

* On July 16, 2013, the Parent Company's BOD approved the voluntary closure of MR Italia effective November 1, 2013; in process of dissolution.

** Liquidated in July 2013.

*** In process of dissolution.

MR Japan, a wholly-owned subsidiary, was established in Yokohama, Japan on May 8, 2013 to carry on remittance business to foreign countries and undertake intermediary business between Japan and the Philippines.

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

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

When a change in ownership interest in a subsidiary occurs which results in a loss of control over the subsidiary, the Parent Company:

- ? derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- ? derecognizes the carrying amount of any non-controlling interest;
- ? derecognizes the related other comprehensive income recorded in equity and recycles the same to statement of income or retained earnings;
- ? recognizes the fair value of the consideration received;
- ? recognizes the fair value of any investment retained;
- ? recognizes any surplus or deficit in statement of income; and
- ? reclassifies the Parent Company's share of components previously recognized in other comprehensive income (OCI) to profit or loss or surplus, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Entity with significant influence over the Group

GT Capital Holdings, Inc. (GT Capital) holds 25.112% of the total shares of the Parent Company as of December 31, 2013 and 2012.

Notes:

Non-controlling Interest

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

Changes in Accounting Policies and Disclosures

The Group applied, for the first time, the following applicable new and revised accounting standards. Unless otherwise indicated, these new and revised accounting standards have no impact to the Group. Except for these standards and amended PFRS which were adopted as of January 1, 2013, the accounting policies adopted are consistent with those of the previous financial year.

PFRS 7, Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments)

These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set off in accordance with PAS 32, *Financial Instruments: Presentation*. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information. This is presented separately for financial assets and financial liabilities recognized at the end of the reporting period:

- a) The gross amounts of those recognized financial assets and recognized financial liabilities;
- b) The amounts that are set off in accordance with the criteria in PAS 32 when determining the net amounts presented in the statement of financial position;
- c) The net amounts presented in the statement of financial position;
- d) The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
 - i. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
 - ii. Amounts related to financial collateral (including cash collateral); and
- e) The net amount after deducting the amounts in (d) from the amounts in (c) above.

The additional disclosures required by the amendments are presented in Note 4 to the financial statements.

PFRS 10, Consolidated Financial Statements

The Group adopted PFRS 10 in the current year. PFRS 10 replaced the portion of PAS 27, *Consolidated and Separate Financial Statements*, that addressed the accounting for consolidated financial statements. It also included the issues raised in SIC 12, *Consolidation - Special Purpose Entities*. PFRS 10 established a single control model that applied to all entities including special purpose entities. The changes introduced by PFRS 10 require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27.

Notes:

The application of PFRS 10 affected the accounting for the Group's interest in First Metro Save and Learn Balance Fund, Inc. (FMSALBF) and First Metro Save and Learn Equity Fund, Inc. (FMSALEF), subsidiaries of FMIC, collectively referred to as the Funds. FMIC holds 17.97% and 22.58% equity interests, respectively, and for all financial years up to December 31, 2012, the Funds were considered to be associates under the previously existing PAS 28, *Investments in Associates*, and were accounted for using the equity method. At the date of initial application of PFRS 10, the Group assessed that it controls the Funds based on the factors explained in Note 3, *Judgments and Estimates*.

As a result of the adoption of PFRS 10, the Group retrospectively consolidated the accounts of FMSALBF and FMSALEF. Non-controlling interests have been recognized at the proportionate share of the net assets of the subsidiaries. The opening balances at January 1, 2012 and comparative information for the year ended December 31, 2012 have been restated accordingly.

The following tables show the significant increase (decrease) in the following accounts in the consolidated statements of comprehensive income, net equity, and statements of cash flows as a result of the adoption of PFRS 10:

Statements of comprehensive income

	Years Ended December 31	
	2012	2011
Other income	₱1,161	₱123
Operating expenses	25	20
Share in net income of associates and a joint venture	(285)	(14)
Net income	870	101
Total comprehensive income	870	101
Attributable to non-controlling interest	870	101

Statements of financial position

	December 31	
	2012	2011
Financial assets at FVPL	₱6,199	₱2,720
Total assets	5,076	2,721
Other liabilities	5,355	2,913
Total liabilities	5,076	2,721
Net impact on equity	-	-

Statements of cash flows

	Years Ended December 31	
	2012	2011
Net cash provided by (used in) operating activities	(₱40)	(₱138)
Net cash provided by (used in) investing activities	(187)	332
Net cash provided by (used in) financing activities	-	-
Net increase (decrease) in cash and cash equivalents	(₱227)	₱194

PFRS 11, *Joint Arrangements*

PFRS 11 replaces PAS 31, *Interests in Joint Ventures*, and SIC-13, *Jointly-controlled Entities - Non-monetary Contributions by Venturers*. PFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method.

Notes:

PFRS 12, Disclosure of Interests in Other Entities

PFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in PFRS 12 are more comprehensive than the previously existing disclosure requirements for subsidiaries (for example, where a subsidiary is controlled with less than a majority of voting rights). While the Group has subsidiaries with material non-controlling interests, there are no unconsolidated structured entities. PFRS 12 disclosures are provided in Note 11.

PFRS 13, Fair Value Measurement

PFRS 13 establishes a single source of guidance under PFRSs for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS. PFRS 13 defines fair value as an exit price. PFRS 13 also requires additional disclosures.

As a result of the guidance in PFRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. The Group has assessed that the application of PFRS 13 has not materially impacted the fair value measurements of the Group. Additional disclosures, where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Note 5.

PAS 1, Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income (OCI) (Amendments)

The amendments to PAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified.

PAS 19, Employee Benefits (Amendment) (PAS 19R)

PAS 19R includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognized in OCI and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognized in profit or loss, instead, there is a requirement to recognize interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognized in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized. Other amendments include new disclosures, such as, quantitative sensitivity disclosures. Further, the transition to PAS 19R had an impact on the net defined benefit plan obligations due to the difference in accounting for interest on plan assets and unvested past service costs. The effect of the adoption of PAS 19R is explained below.

The Group operates a defined benefit pension plan, which requires contributions to be made to a separately administered fund. PAS 19R has been applied retrospectively from January 1, 2011. As a result, expected returns on plan assets of defined benefit plans are not recognized in profit or loss. Instead, interest on net defined benefit obligation (net of the plan assets) is recognized in profit or loss, calculated using the discount rate used to measure the net pension obligation or asset. Also, unvested past service costs can no longer be deferred and recognized over the future vesting period. Instead, all past service costs are recognized at the earlier of when amendment occurs and when the Group recognizes related restructuring or termination costs. Until 2011, the Group's unvested service costs were recognized as an expense on a straight-line basis over the average period until the benefits become vested. Upon transition to PAS 19R, past service costs are recognized immediately if the benefits have vested immediately following the introduction of, or changes to, a pension plan.

Notes:

The impact of PAS 19R on the statements of financial position of the Group and the Parent Company follows:

	Consolidated			Parent Company		
	As restated	As previously reported	Change	As restated	As previously reported	Change
<u>As at December 31, 2012</u>						
Retirement liability	₱4,278	₱972	₱3,306	₱3,891	₱758	₱3,133
Deferred tax asset	1,287	292	995	1,171	227	944
Equity	(2,991)	(680)	(2,311)	(2,720)	(531)	(2,189)
<u>As at January 1, 2012</u>						
Retirement liability (asset)	₱2,581	₱68	₱2,513	₱2,290	(₱101)	₱2,391
Deferred tax asset (liability)	778	21	757	691	(30)	721
Equity	(1,803)	(47)	(1,756)	(1,599)	71	(1,670)

PAS 27, *Separate Financial Statements* (as revised in 2011)

As a consequence of the new PFRS 10, *Consolidated Financial Statements*, and PFRS 12, *Disclosure of Interests in Other Entities*, what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements.

PAS 28, *Investments in Associates and Joint Ventures* (as revised in 2011)

As a consequence of the new PFRS 11, *Joint Arrangements* and PFRS 12, *Disclosure of Interests in Other Entities*, PAS 28 has been renamed PAS 28, *Investments in Associates and Joint Ventures*, and describes the application of the equity method to investments in joint ventures in addition to associates.

Amendments to PFRS 1 covering first time adoption of PFRS on government loans and Philippine Interpretation IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine* are not applicable to the Group.

Significant Accounting Policies

Foreign Currency Translation

Transactions and balances

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

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

FCDU, foreign branches and subsidiaries

As at the reporting date, the assets and liabilities of foreign branches and subsidiaries and FCDU of the Parent Company and PSBank are translated into the Parent Company's presentation currency (the Philippine peso) at PDS closing rate prevailing at the statement of financial position date, and their income and expenses are translated at PDS weighted average rate (PDSWAR) for the year. Exchange differences arising on translation are taken to statement of comprehensive income. Upon disposal of a foreign entity or when the Parent Company ceases to have control

Notes:

over the subsidiaries or upon actual remittance of FCDU profits to RBU, the deferred cumulative amount recognized in the statement of comprehensive income is recognized in the statement of income.

Fair Value Measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortized cost are disclosed in Note 5.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ? In the principal market for the asset or liability, or
- ? In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

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

Notes:

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

Financial Instruments - Initial Recognition and Subsequent Measurement

Date of recognition

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

Initial recognition of financial instruments

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

Determination of fair value

The fair value for financial instruments traded in active markets at the statement of financial position date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and ask prices are not available, the price of the most recent transaction is used since it provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models.

'Day 1' difference

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

Derivatives recorded at FVPL

The Parent Company and some of its subsidiaries are counterparties to derivative contracts, such as currency forwards, currency swaps, interest rate swaps, call options, non-deliverable forwards and other interest rate derivatives. These derivatives are entered into as a service to customers and as a means of reducing or managing their respective foreign exchange and interest rate exposures, as well as for trading purposes. Such derivative financial instruments are initially recorded at fair value on the date at which the derivative contract is entered into and are subsequently remeasured at fair value. Any gains or losses arising from changes in fair values of derivatives (except those

Notes:

accounted for as accounting hedges) are taken directly to the statement of income and are included in 'Trading and securities gain - net'. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Hedge accounting

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

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

Cash flow hedge

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

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

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

Hedge effectiveness testing

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

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For prospective effectiveness, the hedging instrument must be expected to be highly effective in offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated. The Group applies the dollar-offset method using hypothetical derivatives in performing hedge effectiveness testing. For actual effectiveness to be achieved, the changes in fair value or cash flows must offset each other in the range of 80.0% to 125.0%. Any hedge ineffectiveness is recognized in the statement of income.

Embedded derivatives

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

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

Financial assets or financial liabilities held for trading

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

AFS investments

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

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

When the security is disposed of, the cumulative gain or loss previously recognized in the statement of comprehensive income is recognized as 'Trading and securities gain - net' in the statement of income. Gains and losses on disposal are determined using the average cost method.

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Interest earned on holding AFS investments are reported as 'Interest income' using the effective interest rate (EIR) method. Dividends earned on holding AFS investments are recognized in the statement of income as 'Dividends' when the right of the payment has been established. The losses arising from impairment of such investments are recognized as 'Provision for credit and impairment losses' in the statement of income.

HTM investments

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

- ? are so close to maturity or the financial asset's call date (for example, less than three months before maturity) that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- ? occur after the entity has collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or
- ? are attributable to an isolated event that is beyond the entity's control, is non-recurring and could not have been reasonably anticipated by the entity.

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

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

Loans and receivables

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

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

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

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

Other financial liabilities

Issued financial instruments or their components, which are not designated at FVPL, are classified as liabilities under ‘Deposit liabilities’, ‘Bills payable’ or other appropriate financial liability accounts, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

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

Derecognition of Financial Assets and Liabilities

Financial assets

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

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

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

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Financial liabilities

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

Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date ('repos') are not derecognized from the statement of financial position. The corresponding cash received, including accrued interest, is recognized in the statement of financial position as securities sold under repurchase agreements (SSURA) included in 'Bills Payable and SSURA' and is considered as a loan to the Group, reflecting the economic substance of such transaction.

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

Impairment of Financial Assets

The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost

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

Financial assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment for impairment. The carrying amount of the asset is reduced through use of an allowance account and the amount of loss is charged to the statement of income. Interest income continues to be recognized based on the original EIR of the asset. Financial assets, together with the associated allowance accounts,

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are written off when there is no realistic prospect of future recovery and all collateral has been realized. If, in a subsequent period, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. If a future write-off is later recovered, any amounts formerly charged are credited to the 'Provision for credit and impairment losses' in the statement of income.

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

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

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

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

AFS investments

In case of quoted equity investments classified as 'AFS investments', this would include a significant or prolonged decline in the fair value of the investments below its cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously

Notes:

recognized in the statement of income - is removed from the statement of comprehensive income and recognized in the statement of income. Impairment losses on equity investments are not reversed through the statement of income. Increases in fair value after impairment are recognized directly in the statement of comprehensive income.

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

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

Restructured loans

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

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Terminal Value of Leased Assets and Deposits on Finance Leases

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

Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Interest income

For all financial instruments measured at amortized cost and interest-bearing financial instruments classified as AFS investments, interest income is recorded at the EIR, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or a

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shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options), including any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The adjusted carrying amount is calculated based on the original EIR. The change in carrying amount is recorded as 'Interest income'.

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

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

Fee and commission income

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

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

Leasing income - Finance lease

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

Dividend income

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

Trading and securities gain - net

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

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Rental income

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

Discounts earned and awards revenue on credit cards

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

MCC operates a loyalty points program which allows customers to accumulate points when they purchase from member establishments using the issued card of MCC. The points can then be redeemed for free products subject to a minimum number of points being obtained. Consideration received is allocated between the discounts earned, interchange fee and the points earned, with the consideration allocated to the points equal to its fair value. The fair value is determined by applying statistical analysis. The fair value of the points issued is deferred and recognized as revenue when the points are redeemed.

Income on direct financing leases and receivables financed

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

Underwriting fees, commissions, and sale of shares of stock

Underwriting fees and commissions are accrued when earned. Income derived from sales of shares of stock is recognized upon sale.

Gain on sale of investment in an associate

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

Gain on sale of non-current asset held for sale

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

Other income

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

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Cash and Cash Equivalents

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

Property and Equipment

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

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

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

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

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

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

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

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

Investment in subsidiaries

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

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

Investment in associates

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

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Investment in a JV

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

Under the equity method, an investment in an associate or a JV is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of the net assets of the associate or JV. Goodwill relating to an associate and a JV is included in the carrying value of the investment and is not amortized. When the Group increases its ownership interest in an associate or a JV that continues to be accounted for under the equity method, the cost for the additional interest is added to the existing carrying amount of the associate or JV and the existing interest in the associate or JV is not remeasured. The Group's share in an associate or a JV's post-acquisition profits or losses is recognized in the statement of income while its share of post-acquisition movements in the associate or JV's equity reserves is recognized directly in the statement of comprehensive income. When the Group's share of losses in an associate or a JV equals or exceeds its interest in the associate or JV, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate or JV. Profits and losses resulting from transactions between the Group and an associate or JV are eliminated to the extent of the Group's interest in the associate or JV.

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

Investment Properties

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

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

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

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

Notes:

and only when, there is a change in use evidenced by commencement of owner occupation or commencement of development with a view to sale.

Non-Current Assets Held for Sale

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition, management has committed to the sale, and the sale is expected to have been completed within one year from the date of classification (Note 13).

Interest in Joint Operations

The Group is a party to joint operations whereby it contributed parcels of land for development into residential and commercial units. In respect of the Group's interest in the joint operations, the Group recognizes the following: (a) the assets that it controls and the liabilities that it incurs; and (b) the expenses that it incurs and its share of the income that it earns from the sale of units by the joint operations. The assets contributed to the joint operations are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale (Note 14).

Chattel Mortgage Properties

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

Subordinated Notes

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

Intangible assets

Intangible assets include software costs and exchange trading right (included under 'Miscellaneous assets') presented under 'Other assets'.

Software costs

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

Exchange trading right

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

Notes:

Goodwill

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

Impairment of Nonfinancial Assets

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

At each statement of financial position date, the Group assesses whether there is any indication that its nonfinancial assets may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Group makes a formal estimate of recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use (VIU) and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the cash generating unit to which it belongs. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to operations in the year in which it arises.

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

Intangible assets

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

Goodwill

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

Notes:

Leases

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

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

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

Residual Value of Leased Assets and Deposits on Lease Contracts

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

Group as lessee

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

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

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

Group as lessor

Finance leases, where the Group transfers substantially all the risks and benefits incidental to the ownership of the leased item to the lessee, are included in the statement of financial position under 'Loans and receivables'. A lease receivable is recognized at an amount equivalent to the net investment (asset cost) in the lease. All income resulting from the receivable is included in 'Interest income' in the statement of income.

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

Notes:

Retirement Cost

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

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

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

Defined benefit costs comprise the following:

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

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

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

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

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

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

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Notes:

Payments to the defined contribution retirement benefit plans and the MPFS are recognized as expenses when employees have rendered service entitling them to the contributions.

Equity

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

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

Surplus represents accumulated earnings of the Group less dividends declared.

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

Provisions

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

Contingent Liabilities and Contingent Assets

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

Income Taxes

Current taxes

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

Deferred taxes

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

Notes:

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

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

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

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

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

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

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

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

Earnings Per Share

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

Dividends on Common Shares

Cash dividends on common shares are recognized as a liability and deducted from the equity when approved by the Board of Directors (BOD) of the Parent Company and the BSP while stock dividends are deducted from equity when approved by BOD, shareholders of the Parent Company and the BSP. Dividends declared during the year but are approved by the BSP after the statement of financial position date are dealt with as a subsequent event.

Notes:

Coupon Payment on Hybrid Capital Securities

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

Debt Issue Costs

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

Capital Securities Issuance Costs

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

Events after the Statement of Financial Position Date

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

Segment Reporting

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

Fiduciary Activities

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

Standards Issued but not yet Effective

PAS 36, Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets (Amendments)

These amendments remove the unintended consequences of PFRS 13 on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after January 1, 2014 with earlier application permitted, provided PFRS 13 is also applied. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

Investment Entities (Amendments to PFRS 10, PFRS 12 and PAS 27)

These amendments are effective for annual periods beginning on or after January 1, 2014. They provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Group since none of the entities in the Group would qualify to be an investment entity under PFRS 10.

Notes:

Philippine Interpretation IFRIC 21, Levies (IFRIC 21)

IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. The Group does not expect that IFRIC 21 will have material financial impact in future financial statements

PAS 39, Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting (Amendments)

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after January 1, 2014. The Group has not novated its derivatives during the current period. However, these amendments would be considered for future novations.

PAS 32, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (Amendments)

The amendments clarify the meaning of “currently has a legally enforceable right to set-off” and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments affect presentation only and have no impact on the Group’s financial position or performance. The amendments to PAS 32 are to be retrospectively applied for annual periods beginning on or after January 1, 2014.

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

The amendments apply to contributions from employees or third parties to defined benefit plans. Contributions that are set out in the formal terms of the plan shall be accounted for as reductions to current service costs if they are linked to service or as part of the remeasurements of the net defined benefit asset or liability if they are not linked to service. Contributions that are discretionary shall be accounted for as reductions of current service cost upon payment of these contributions to the plans. The amendments to PAS 19 are to be retrospectively applied for annual periods beginning on or after July 1, 2014.

The Group will assess the impact of these amendments on its financial position or performance when they become effective.

Annual Improvements to PFRSs (2010-2012 cycle)

The Annual Improvements to PFRSs (2010-2012 cycle) contain non-urgent but necessary amendments to the following standards:

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

The amendment revised the definitions of vesting condition and market condition and added the definitions of performance condition and service condition to clarify various issues. This amendment shall be prospectively applied to share-based payment transactions for which the grant date is on or after July 1, 2014. This amendment does not apply to the Group as it has no share-based payments .

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

The amendment clarifies that a contingent consideration that meets the definition of a financial instrument should be classified as a financial liability or as equity in accordance with PAS 32. Contingent consideration that is not classified as equity is subsequently measured at fair value

Notes:

through profit or loss whether or not it falls within the scope of PFRS 9 (or PAS 39, if PFRS 9 is not yet adopted) The amendment shall be prospectively applied to business combinations for which the acquisition date is on or after July 1, 2014. The Group shall consider this amendment for future business combinations.

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

The amendments require entities to disclose the judgment made by management in aggregating two or more operating segments. This disclosure should include a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. The amendments also clarify that an entity shall provide reconciliations of the total of the reportable segments’ assets to the entity’s assets if such amounts are regularly provided to the chief operating decision maker. These amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments affect disclosures only and have no impact on the Group’s financial position or performance.

PFRS 13, Fair Value Measurement – Short-term Receivables and Payables

The amendment clarifies that short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. This amendment has no impact on the Group’s financial position or performance.

PAS 16, Property, Plant and Equipment – Revaluation Method – Proportionate Restatement of Accumulated Depreciation

The amendment clarifies that, upon revaluation of an item of property, plant and equipment, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

- a. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
- b. The accumulated depreciation is eliminated against the gross carrying amount of the asset.

The amendment is effective for annual periods beginning on or after July 1, 2014. The amendment shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period. The amendment has no impact on the Group’s financial position or performance.

PAS 24, Related Party Disclosures – Key Management Personnel

The amendments clarify that an entity is a related party of the reporting entity if the said entity, or any member of a group for which it is a part of, provides key management personnel services to the reporting entity or to the parent company of the reporting entity. The amendments also clarify that a reporting entity that obtains management personnel services from another entity (also referred to as management entity) is not required to disclose the compensation paid or payable by the management entity to its employees or directors. The reporting entity is required to disclose the amounts incurred for the key management personnel services provided by a separate management entity. The amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments affect disclosures only and have no impact on the Group’s financial position or performance.

Notes:

PAS 38, Intangible Assets – Revaluation Method – Proportionate Restatement of Accumulated Amortization

The amendments clarify that, upon revaluation of an intangible asset, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

- a. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated amortization at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
- b. The accumulated amortization is eliminated against the gross carrying amount of the asset.

The amendments also clarify that the amount of the adjustment of the accumulated amortization should form part of the increase or decrease in the carrying amount accounted for in accordance with the standard.

The amendments are effective for annual periods beginning on or after July 1, 2014. The amendments shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period. The amendments have no impact on the Group's financial position or performance.

Annual Improvements to PFRSs (2011-2013 cycle)

The Annual Improvements to PFRSs (2011-2013 cycle) contain non-urgent but necessary amendments to the following standards:

PFRS 1, First-time Adoption of Philippine Financial Reporting Standards – Meaning of 'Effective PFRSs'

The amendment clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but that permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements. This amendment is not applicable to the Group as it is not a first-time adopter of PFRS.

PFRS 3, Business Combinations – Scope Exceptions for Joint Arrangements

The amendment clarifies that PFRS 3 does not apply to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. The amendment is effective for annual periods beginning on or after July 1 2014 and is applied prospectively.

PFRS 13, Fair Value Measurement – Portfolio Exception

The amendment clarifies that the portfolio exception in PFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective for annual periods beginning on or after July 1 2014 and is applied prospectively.

PAS 40, Investment Property

The amendment clarifies the interrelationship between PFRS 3 and PAS 40 when classifying property as investment property or owner-occupied property. The amendment stated that judgment is needed when determining whether the acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of PFRS 3. This judgment is based on the guidance of PFRS 3. This amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment has no significant impact on the Group's financial position or performance.

Notes:

Mandatory Date Yet to Be Determined

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

This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11 or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

PFRS 9, Financial Instruments

PFRS 9, as issued, reflects the first and third phases of the project to replace PAS 39 and applies to the classification and measurement of financial assets and liabilities and hedge accounting, respectively. Work on the second phase, which relate to impairment of financial instruments, and the limited amendments to the classification and measurement model is still ongoing, with a view to replace PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For liabilities designated as at FVPL using the fair value option, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change relating to the entity's own credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward to PFRS 9, including the embedded derivative bifurcation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

On hedge accounting, PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items, but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a financial instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 currently has no mandatory effective date. PFRS 9 may be applied before the completion of the limited amendments to the classification and measurement model and impairment methodology. The Group conducted an evaluation of the financial impact of the adoption of PFRS 9 based on the audited financial statements as of December 31, 2012 and decided not to early adopt PFRS 9 in its 2013 financial reporting.

Notes:

3. Significant Accounting Judgments and Estimates

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

Judgments

a. Consolidation of subsidiaries

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

As discussed in Note 2, in accordance with PFRS 10, the Group included the accounts of FMSALBF and FMSALEF in its consolidated financial statements. The Group re-assessed the control conclusion for these Funds. Although the ownership is less than half of the voting power of these investees, the Group has control due to its power to direct the relevant activities of the Funds through First Metro Asset Management Inc. (FAMI), a subsidiary of FMIC, which acts as the fund manager of the Funds. Further, the Group has the exposure to variable returns from its investments and its ability to use its power over the Funds to affect their returns.

b. Existence of significant influence over an associate with less than 20.0% ownership

As discussed in Note 11, there are instances that an investor exercises significant influence even if its ownership is less than 20.0%. The Group applies significant judgment in assessing whether it holds significant influence over an investee and considers the following: (a) representation in the board of directors or equivalent governing body of the investee; (b) participation in policy-making processes, including participation in decisions about dividends or other distributions; (c) material transactions between the investor and the investee; (d) interchange of managerial personnel; or (e) provision of essential technical information.

c. HTM investments

The classification under HTM investments requires significant judgment. In making this judgment, the Group evaluates its intention and ability to hold such investments to maturity. If the Group fails to keep these investments to maturity other than in certain specific circumstances - for example, selling an insignificant amount close to maturity - it will be required to reclassify the entire portfolio as AFS investments. The investments would therefore be measured at fair value and not at amortized cost. In 2013 and 2012, the Group follows Philippine GAAP for banks in accounting for HTM investments in the consolidated financial statements (Notes 2 and 8).

In addition, as discussed in Note 8, the Group's management has determined that the change in intention on certain HTM investments of PSBank and FMIC in response to the significant increase in the regulatory capital requirements of the BSP is an isolated event that is beyond the Group's control and is non-recurring and could not have been reasonably anticipated.

Notes:

d. *Fair value of financial instruments*

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

e. *Financial assets not quoted in an active market*

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

f. *Embedded derivatives*

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

g. *Leases*

Operating lease

Group as lessor

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

Group as lessee

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

Finance lease

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

Notes:

h. Functional currency

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

i. Contingencies

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

Estimates

a. Credit losses of loans and receivables

The Group reviews its loan portfolios and receivables to assess impairment on a semi-annual basis with updating provisions made during the intervals as necessary based on the continuing analysis and monitoring of individual accounts by credit officers. In determining whether credit losses should be recorded in the statement of income, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates in the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes in the allowance.

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

The carrying values of loans and receivables and the related allowance for credit losses of the Group and the Parent Company are disclosed in Note 9. In 2013, 2012 and 2011, provision for credit losses on loans and receivables amounted to ₱8.69 billion, ₱4.31 billion and ₱3.38 billion, respectively, for the Group and ₱3.26 billion, ₱0.72 billion and ₱0.46 billion, respectively, for the Parent Company.

Notes:

b. *Fair values of structured debt instruments and derivatives*

The fair values of structured debt instruments and derivatives that are not quoted in active markets are determined using valuation techniques such as discounted cash flow analysis and standard option pricing models. The models incorporate various inputs including the credit quality of counterparties. Where valuation techniques are used to determine fair values, they are reviewed by qualified personnel independent of the area that created them. All models are reviewed before they are used and to the extent practicable, models use only observable data. Changes in assumptions about these factors could affect reported fair value of financial instruments. As of December 31, 2013, credit valuation adjustments (CVA) are applied to over-the-counter derivative instruments where the theoretical base spread is discounted using the relevant yield curve as discount rate. The effect of such CVA on the marked-to-market value of derivatives is not material. Refer to Note 5 for the information on the fair values of these investments and Note 8 for information on the carrying values of these instruments.

c. *Valuation of unquoted equity securities*

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

As of December 31, 2013 and 2012, the carrying value of unquoted AFS equity securities amounted to ₱3.5 billion and ₱0.3 billion, respectively, for the Group and ₱0.1 billion for both years for the Parent Company (Note 8).

d. *Impairment of AFS equity securities*

The Group determines that AFS equity securities are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. The Group treats 'significant' generally as 20.00% or more of the original cost of investment, and 'prolonged', greater than 12 months. In making this judgment, the Group evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

As of December 31, 2013 and 2012, allowance for impairment losses on AFS equity securities amounted to ₱568.3 million and ₱572.8 million, respectively, for the Group and ₱178.0 million and ₱176.2 million, respectively, for the Parent Company. As of December 31, 2013 and 2012, the carrying value of AFS equity securities (included under AFS investments) amounted to ₱6.4 billion and ₱2.6 billion, respectively, for the Group and ₱325.1 million and ₱455.8 million, respectively, for the Parent Company (Notes 8 and 15).

e. *Recognition of deferred income taxes*

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

Notes:

f. *Present value of retirement liability*

The cost of defined retirement pension plan and other post employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and the long-term nature of these plans, such estimates are subject to significant uncertainty. The assumed discount rates were determined using the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as of the statement of financial position date. The present values of the retirement liability of the Group and the Parent Company are disclosed in Note 26.

g. *Impairment of nonfinancial assets*

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

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

Goodwill

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the statement of income. The Group estimated the discount rate used for the computation of the net present value by reference to industry cost of capital. Future cash flows from the business are estimated based on the theoretical annual income of the CGU. Average growth rate was derived from the average increase in annual income during the last 5 years. The recoverable amount of the CGU has been determined based on a VIU calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. In 2013 and 2012, the applicable pre-tax discount rate applied to cash flow projections is 16.78% and 14.92%, respectively. Key assumptions in VIU calculation of CGUs are most sensitive to discount rates and growth rates used to project cash flows.

The Parent Company has undergone reorganizations of various units and has changed its business plans which affected the recoverable amount of the CGUs to which the goodwill relates. As of December 31, 2013, the Parent Company has fully impaired its goodwill amounting to ₱1.2 billion.

As of December 31, 2013 and 2012, goodwill amounted to ₱5.2 billion and ₱6.4 billion respectively, for the Group. As of December 31, 2012, ₱1.2 billion pertained to the Parent Company (Note 11).

Notes:

4. Financial Risk and Capital Management

Introduction

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

Risk management framework

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

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

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

Credit Risk

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

Management of credit risk

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

- ? Formulating credit policies in consultation with business units, covering collateral requirements, credit/financial assessment, risk grading and reporting and compliance with regulatory requirements;
- ? Establishment of authorization limits for the approval and renewal of credit facilities;

Notes:

- ? Limiting concentrations of exposure to counterparties and industries (for loans), and by issuer (for investment securities);
- ? Utilizing the Internal Credit Risk Rating System (ICRRS) in order to categorize exposures according to the risk profile. The risk grading system is used for determining impairment provisions against specific credit exposures. The current risk grading framework consists of ten grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation; and
- ? Monitoring compliance with approved exposure limits.

The ICRRS contains the following:

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

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

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

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

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

	Consolidated							
	2013				2012 (As Restated - Note 2)			
	Carrying Amount	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Maximum Exposure to Credit Risk	Carrying Amount	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Maximum Exposure to Credit Risk
Interbank loans receivable and SPURA	P94,548	P95,623	P94,476	P72	P4,993	P4,989	P4,989	P4
Loans and receivables - net								
Receivables from customers								
Commercial loans	139,551	254,828	125,884	13,667	116,322	278,710	71,842	44,480
Residential mortgage loans	62,369	135,727	62,232	137	51,972	117,116	51,858	114
Auto loans	53,933	91,979	53,532	401	45,689	80,165	45,327	362
Trade	29,678	-	-	29,678	21,476	-	-	21,476
Others	1,336	78	49	1,287	3,769	7,555	3,589	180
	286,867	482,612	241,697	45,170	239,228	483,546	172,616	66,612
Accounts receivable	1	1	-	1	-	-	-	-
Accrued interest receivable	1,986	2,042	1,440	546	1,289	647	647	642
Sales contract receivable	408	882	368	40	579	1,276	527	52
	289,262	485,537	243,505	45,757	241,096	485,469	173,790	67,306
Total	P383,810	P581,160	P337,981	P45,829	P246,089	P490,458	P178,779	P67,310

Notes:

	Parent Company				2012 (As Restated - Note 2)			
	2013	2013	2013	2013	2012	2012	2012	2012
	Carrying Amount	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Maximum Exposure to Credit Risk	Carrying Amount	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Maximum Exposure to Credit Risk
Interbank loans receivable and SPURA	₱79,872	₱79,938	₱79,800	₱72	₱6,182	₱7,770	₱6,182	₱-
Loans and receivables - net								
Receivables from customers								
Commercial loans	116,239	224,374	103,622	12,617	100,016	257,266	57,488	42,528
Residential mortgage loans	34,355	81,393	34,218	137	29,588	67,159	29,473	115
Auto loans	15,970	36,338	15,579	391	14,557	33,145	14,254	303
Trade	29,678	-	-	29,678	21,476	-	-	21,476
Others	1,287	-	-	1,287	120	-	-	120
	197,529	342,105	153,419	44,110	165,757	357,570	101,215	64,542
Accrued interest receivable	1,354	809	809	545	627	450	450	177
Sales contract receivable	136	319	101	35	213	436	166	47
	199,019	343,233	154,329	44,690	166,597	358,456	101,831	64,766
Total	₱278,891	₱423,171	₱234,129	₱44,762	₱172,779	₱366,226	₱108,013	₱64,766

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

Financial assets recognized by type	Gross Carrying Amounts (before offsetting)	Gross Amounts Offset in Accordance with the Offsetting Criteria	Net Amount Presented in Statement of Financial Position	Effect of Remaining Rights of Set-Off (including rights to set-off financial collateral) offsetting criteria		Net Exposure
				Financial Instruments	Fair Value of Financial Collateral	
Consolidated						
2013						
Derivative assets	₱114,506	₱110,734	₱3,772	₱1,298	₱-	₱2,474
SPURA	94,548	-	94,548	-	94,476	72
	₱209,054	₱110,734	₱98,320	₱1,298	₱94,476	₱2,546
2012						
Derivative assets	₱102,287	₱100,246	₱2,041	₱892	₱-	₱1,149
SPURA	4,993	-	4,993	-	4,989	4
	₱107,280	₱100,246	₱7,034	₱892	₱4,989	₱1,153
Parent Company						
2013						
Derivative Assets	₱112,264	₱108,506	₱3,758	₱1,298	₱-	₱2,460
SPURA	79,324	-	79,324	-	79,252	72
	₱191,588	₱108,506	₱83,082	₱1,298	₱79,252	₱2,532
2012						
Derivative Assets	₱102,287	₱100,246	₱2,041	₱892	₱-	₱1,149
	₱102,287	₱100,246	₱2,041	₱892	₱-	₱1,149
Financial liabilities recognized by type						
Consolidated						
2013						
Derivative liabilities	₱115,897	₱111,466	₱4,431	₱1,298	₱-	₱3,133
SSURA	25,117	-	25,117	-	25,098	19
	₱141,014	₱111,466	₱29,548	₱1,298	₱25,098	₱3,152
2012						
Derivative liabilities	₱127,580	₱120,903	₱6,677	₱892	₱-	₱5,785
SSURA	9,267	-	9,267	-	9,267	-
	₱136,847	₱120,903	₱15,944	₱892	₱9,267	₱5,785
Parent Company						
2013						
Derivative liabilities	₱115,897	₱111,466	₱4,431	₱1,298	₱-	₱3,133
SSURA	22,180	-	22,180	-	22,180	-
	₱138,077	₱111,466	₱26,611	₱1,298	₱22,180	₱3,133
2012						
Derivative liabilities	₱124,589	₱118,180	₱6,409	₱892	₱-	₱5,517
SSURA	5,066	-	5,066	-	5,066	-
	₱129,655	₱118,180	₱11,475	₱892	₱5,066	₱5,517

Notes:

Excessive risk concentration

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

Concentration of risks of financial assets with credit risk exposure

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

	Consolidated				Total
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	
2013					
Concentration by Industry					
Financial intermediaries	P38,353	P315,062	P16,614	P10,764	P380,793
Manufacturing (various industries)	124,090	-	1,891	9,652	135,633
Wholesale and retail trade	96,062	-	99	9,402	105,563
Real estate, renting and business activities	102,998	-	3,124	563	106,685
Private households	130,305	-	868	69,611	200,784
Transportation, storage and communication	36,505	-	3,197	4,936	44,638
Electricity, gas and water	42,953	-	7,830	408	51,191
Other community, social and personal activities	3,066	-	58	34	3,158
Construction	16,462	-	524	6,160	23,146
Hotel and restaurants	12,764	-	-	82	12,846
Agricultural, hunting and forestry	6,258	-	-	47	6,305
Public administration and defense, compulsory social security	1,912	-	-	-	1,912
Mining and quarrying	1,049	-	202	234	1,485
Others****	12,861	-	333,456	1,908	348,225
	625,638	315,062	367,863	113,801	1,422,364
Less allowance for credit losses	16,626	2	568	9,956	27,152
	P609,012	P315,060	P367,295	P103,845	P1,395,212
Concentration by Location					
Philippines	P603,058	P270,127	P328,670	P111,403	P1,313,258
Asia	22,075	34,245	15,445	2,047	73,812
USA	328	4,281	15,973	351	20,933
Europe	102	4,258	4,038	-	8,398
Others	75	2,151	3,737	-	5,963
	625,638	315,062	367,863	113,801	1,422,364
Less allowance for credit losses	16,626	2	568	9,956	27,152
	P609,012	P315,060	P367,295	P103,845	P1,395,212
2012 (As Restated - Note 2)					
Concentration by Industry					
Financial intermediaries	P47,505	P177,668	P36,231	P10,516	P271,920
Manufacturing (various industries)	99,704	-	659	8,779	109,142
Wholesale and retail trade	93,057	-	210	8,812	102,079
Real estate, renting and business activities	87,974	-	1,397	2,557	91,928
Private households	69,276	-	-	40	69,316
Transportation, storage and communication	39,683	-	2,648	4,307	46,638
Electricity, gas and water	40,697	-	2,475	533	43,705
Other community, social and personal activities	18,183	-	1	39	18,223
Construction	9,772	-	-	5,804	15,576
Hotel and restaurants	11,454	-	-	2	11,456
Agricultural, hunting and forestry	5,636	-	-	13	5,649
Public administration and defense, compulsory social security	2,930	-	-	-	2,930

(Forward)

Notes:

Consolidated					
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
Mining and quarrying	P824	P-	P411	P237	P1,472
Others****	13,204	-	203,953	57,429	274,586
	539,899	177,668	247,985	99,068	1,064,620
Less allowance for credit losses	15,726	2	573	9,583	25,884
	P524,173	P177,666	P247,412	P89,485	P1,038,736
Concentration by Location					
Philippines	P529,711	P145,819	P217,419	P96,841	P989,790
Asia	9,300	25,794	17,459	1,697	54,250
USA	644	4,649	4,519	530	10,342
Europe	229	1,294	4,148	-	5,671
Others	15	112	4,440	-	4,567
	539,899	177,668	247,985	99,068	1,064,620
Less allowance for credit losses	15,726	2	573	9,583	25,884
	P524,173	P177,666	P247,412	P89,485	P1,038,736

Parent Company					
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
2013					
Concentration by Industry					
Financial intermediaries	P32,007	P249,543	P10,384	P10,354	P302,288
Manufacturing (various industries)	114,839	-	166	9,651	124,656
Wholesale and retail trade	88,753	-	22	9,402	98,177
Real estate, renting and business activities	70,242	-	4	557	70,803
Private households	50,273	-	868	16	51,157
Electricity, gas and water	40,872	-	3,532	408	44,812
Transportation, storage and communication	28,577	-	2,121	4,936	35,634
Construction	12,174	-	-	6,106	18,280
Hotel and restaurants	12,120	-	-	82	12,202
Agricultural, hunting and forestry	4,125	-	-	47	4,172
Mining and quarrying	829	-	45	234	1,108
Other community, social and personal activities	512	-	48	15	575
Public administration and defense, compulsory social security	121	-	-	-	121
Others****	9,049	-	284,429	1,194	294,672
	464,493	249,543	301,619	43,002	1,058,657
Less allowance for credit losses	9,650	-	178	9,956	19,784
	P454,843	P249,543	P301,441	P33,046	P1,038,873
Concentration by Location					
Philippines	P460,238	P224,024	P265,173	P40,842	P990,277
Asia	3,615	15,051	12,876	1,811	33,353
USA	421	4,118	15,795	349	20,683
Europe	144	4,199	4,038	-	8,381
Others	75	2,151	3,737	-	5,963
	464,493	249,543	301,619	43,002	1,058,657
Less allowance for credit losses	9,650	-	178	9,956	19,784
	P454,843	P249,543	P301,441	P33,046	P1,038,873
2012 (As Restated - Note 2)					
Concentration by Industry					
Financial intermediaries	P34,179	P134,434	P27,683	P9,974	P206,270
Manufacturing (various industries)	95,433	-	494	8,780	104,707
Wholesale and retail trade	71,517	-	91	8,810	80,418
Real estate, renting and business activities	61,509	-	3	947	62,459
Private households	45,335	-	-	40	45,375
Electricity, gas and water	35,228	-	2,073	531	37,832
Transportation, storage and communication	30,815	-	2,404	4,306	37,525
Construction	6,386	-	-	5,749	12,135
Hotel and restaurants	10,358	-	-	3	10,361
Agricultural, hunting and forestry	4,324	-	-	13	4,337
Mining and quarrying	517	-	53	237	807

2012 (As Restated - Note 2)

Concentration by Industry					
Financial intermediaries	P34,179	P134,434	P27,683	P9,974	P206,270
Manufacturing (various industries)	95,433	-	494	8,780	104,707
Wholesale and retail trade	71,517	-	91	8,810	80,418
Real estate, renting and business activities	61,509	-	3	947	62,459
Private households	45,335	-	-	40	45,375
Electricity, gas and water	35,228	-	2,073	531	37,832
Transportation, storage and communication	30,815	-	2,404	4,306	37,525
Construction	6,386	-	-	5,749	12,135
Hotel and restaurants	10,358	-	-	3	10,361
Agricultural, hunting and forestry	4,324	-	-	13	4,337
Mining and quarrying	517	-	53	237	807

(Forward)

Notes:

	Parent Company				Total
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	
Other community, social and personal activities	P770	P-	P-	P-	P770
Public administration and defense, compulsory social security	142	-	-	-	142
Others****	8,561	-	149,075	1,272	158,908
	405,074	134,434	181,876	40,662	762,046
Less allowance for credit losses	8,233	-	176	9,583	17,992
	P396,841	P134,434	P181,700	P31,079	P744,054
Concentration by Location					
Philippines	P402,313	P119,731	P152,268	P38,486	P712,798
Asia	1,694	8,958	16,749	1,646	29,047
USA	788	4,442	4,273	530	10,033
Europe	265	1,192	4,147	-	5,604
Others	14	111	4,439	-	4,564
	405,074	134,434	181,876	40,662	762,046
Less allowance for credit losses	8,233	-	176	9,583	17,992
	P396,841	P134,434	P181,700	P31,079	P744,054

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

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

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

**** Includes government-issued debt securities.

Credit quality per class of financial assets

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

Loans and receivables

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

High Grade

1 - Excellent

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

2 - Strong

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

Notes:

Standard Grade

3 - Good

This rating is given to smaller corporations with limited access to public capital markets or to alternative financial markets. Access is however limited to favorable economic and/or market conditions. While probability of default is quite low, it bears characteristics of some degree of stability and substance. However, susceptibility to cyclical changes and more concentration of business risk, by product or market, may be present. Typical is the combination of comfortable asset protection and an acceptable balance sheet structure. Debt service capacity is strong.

4 - Satisfactory

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

5 - Acceptable

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

Substandard Grade

6 - Watchlist

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

7 - Especially Mentioned

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

Impaired

8 - Substandard

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

Notes:

9 - Doubtful

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

10 - Loss

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

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

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

High Grade

Good credit rating

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

Standard Grade

Good

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

Limited

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

Substandard Grade

Poor

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

Poor litigation

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

Impaired

Poor repossessed

This rating is given to accounts whose collaterals were repossessed.

Poor written-off

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

Notes:

Trading and investment securities

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

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

The following table shows the credit quality of financial assets:

	Consolidated				
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
2013					
Neither past due nor impaired	₱598,241	₱315,062	₱366,000	₱103,845	₱1,383,148
Past due but not impaired	13,164	-	-	-	13,164
Impaired	14,233	-	1,863	9,956	26,052
Gross	625,638	315,062	367,863	113,801	1,422,364
Less allowance for credit losses	16,626	2	568	9,956	27,152
Net	₱609,012	₱315,060	₱367,295	₱103,845	₱1,395,212
2012 (As Restated - Note 2)					
Neither past due nor impaired	₱513,058	₱177,668	₱246,316	₱89,132	₱1,026,174
Past due but not impaired	11,965	-	-	-	11,965
Impaired	14,876	-	1,669	9,936	26,481
Gross	539,899	177,668	247,985	99,068	1,064,620
Less allowance for credit losses	15,726	2	573	9,583	25,884
Net	₱524,173	₱177,666	₱247,412	₱89,485	₱1,038,736

	Parent Company				
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
2013					
Neither past due nor impaired	₱454,309	₱249,543	₱301,366	₱33,046	₱1,038,264
Past due but not impaired	623	-	-	-	623
Impaired	9,561	-	253	9,956	19,770
Gross	464,493	249,543	301,619	43,002	1,058,657
Less allowance for credit losses	9,650	-	178	9,956	19,784
Net	₱454,843	₱249,543	₱301,441	₱33,046	₱1,038,873
2012 (As Restated - Note 2)					
Neither past due nor impaired	₱393,358	₱134,434	₱181,530	₱30,726	₱740,048
Past due but not impaired	289	-	-	-	289
Impaired	11,427	-	346	9,936	21,709
Gross	405,074	134,434	181,876	40,662	762,046
Less allowance for credit losses	8,233	-	176	9,583	17,992
Net	₱396,841	₱134,434	₱181,700	₱31,079	₱744,054

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

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

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

Notes:

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

	Consolidated				Total
	High Grade	Standard Grade	Substandard Grade	Unrated	
2013					
Loans and advances to banks					
Due from BSP	P148,132	P18,642	P-	P-	P166,774
Due from other banks	19,279	6,734	-	262	26,275
Interbank loans receivable and SPURA	105,332	12,647	-	4,034	122,013
	272,743	38,023	-	4,296	315,062
Financial assets at FVPL					
HFT investments					
Debt securities					
Government	30,494	8,873	-	-	39,367
Private	1,177	684	-	471	2,332
BSP	19	-	-	-	19
Equity securities - quoted	4,610	4,938	89	-	9,637
Derivative assets	1,547	211	-	2,328	4,086
	37,847	14,706	89	2,799	55,441
AFS investments					
Debt securities					
Government	202,368	37,027	31	6,094	245,520
Private	8,976	4,319	-	8,236	21,531
Subtotal	211,344	41,346	31	14,330	267,051
Equity securities					
Quoted	453	889	-	247	1,589
Unquoted	-	3,277	148	69	3,494
Subtotal	453	4,166	148	316	5,083
	211,797	45,512	179	14,646	272,134
HTM investments					
Government bonds	37,437	22	-	921	38,380
Private bonds	-	-	-	-	-
Treasury notes	45	-	-	-	45
	37,482	22	-	921	38,425
Loans and receivables					
Receivables from customers					
Commercial loans	120,700	231,249	35,302	-	387,251
Residential mortgage loans	19,458	38,694	1,811	-	59,963
Auto loans	28,541	19,755	120	-	48,416
Trade	6,650	21,632	1,490	-	29,772
Others	51,895	6,714	208	98	58,915
	227,244	318,044	38,931	98	584,317
Unquoted debt securities	1,620	2,342	-	133	4,095
Accrued interest receivable	4,731	964	755	246	6,696
Accounts receivable	872	17	12	1,510	2,411
Sales contract receivable	231	-	18	161	410
Other receivables	-	183	-	129	312
	234,698	321,550	39,716	2,277	598,241
Others	70,091	6	-	33,748	103,845
	P864,658	P419,819	P39,984	P58,687	P1,383,148
2012 (As Restated - Note 2)					
Loans and advances to banks					
Due from BSP	P-	P131,278	P-	P-	P131,278
Due from other banks	11,164	11,312	400	120	22,996
Interbank loans receivable and SPURA	8,462	7,369	-	7,563	23,394
	19,626	149,959	400	7,683	177,668
Financial assets at FVPL					
HFT investments					
Debt securities					
Government	1,037	60,611	-	-	61,648
Private	368	111	-	322	801
Equity securities - quoted	508	7,334	290	-	8,132
Derivative assets	1,404	730	-	205	2,339
	3,317	68,786	290	527	72,920

(Forward)

Notes:

	Consolidated				
	High Grade	Standard Grade	Substandard Grade	Unrated	Total
AFS investments					
Debt securities					
Government	₱7,222	₱86,288	₱27	₱10,299	₱103,836
Private	15,557	-	-	1,055	16,612
Subtotal	22,779	86,288	27	11,354	120,448
Equity securities					
Quoted	297	623	-	299	1,219
Unquoted	17	-	51	210	278
Subtotal	314	623	51	509	1,497
	23,093	86,911	78	11,863	121,945
HTM investments					
Government bonds	4,200	29,795	-	3,486	37,481
Private bonds	4,335	-	-	-	4,335
Treasury notes	42	9,593	-	-	9,635
	8,577	39,388	-	3,486	51,451
Loans and receivables					
Receivables from customers					
Commercial loans	100,887	178,643	49,896	-	329,426
Residential mortgage loans	18,843	30,389	428	-	49,660
Auto loans	28,626	13,304	19	-	41,949
Trade	3,228	14,416	3,893	-	21,537
Others	20,612	7,188	150	26,593	54,543
	172,196	243,940	54,386	26,593	497,115
Unquoted debt securities	4,806	1,562	-	-	6,368
Accrued interest receivable	1,392	3,343	218	167	5,120
Accounts receivable	105	55	-	2,263	2,423
Sales contract receivable	301	-	-	240	541
Other receivables	9	1,279	-	203	1,491
	178,809	250,179	54,604	29,466	513,058
Others	-	2,010	15	87,107	89,132
	₱233,422	₱597,233	₱55,387	₱140,132	₱1,026,174

	Parent Company				
	High Grade	Standard Grade	Substandard Grade	Unrated	Total
2013					
Loans and advances to banks					
Due from BSP	₱143,724	₱-	₱-	₱-	₱143,724
Due from other banks	8,785	57	-	105	8,947
Interbank loans receivable and SPURA	92,838	-	-	4,034	96,872
	245,347	57	-	4,139	249,543
Financial assets at FVPL					
HFT debt securities					
Government	30,421	-	-	-	30,421
Private	781	464	-	472	1,717
BSP	19	-	-	-	19
Derivative assets	1,547	107	-	2,329	3,983
	32,768	571	-	2,801	36,140
AFS investments					
Debt securities					
Government	199,959	-	31	6,093	206,083
Private	8,062	4,237	-	8,236	20,535
Subtotal	208,021	4,237	31	14,329	226,618
Equity securities					
Quoted	-	7	-	182	189
Unquoted	-	-	-	61	61
Subtotal	-	7	-	243	250
	208,021	4,244	31	14,572	226,868
HTM investments					
Government bonds	37,437	-	-	921	38,358
Private bonds	-	-	-	-	-
	37,437	-	-	921	38,358

(Forward)

Notes:

	Parent Company				Total
	High Grade	Standard Grade	Substandard Grade	Unrated	
Loans and receivables					
Receivables from customers					
Commercial loans	₱92,510	₱220,978	₱34,536	₱-	₱348,024
Residential mortgage loans	801	34,802	641	-	36,244
Auto loans	1,348	14,700	21	-	16,069
Trade	6,420	21,632	1,490	-	29,542
Others	16,623	429	-	-	17,052
	117,702	292,541	36,688	-	446,931
Unquoted debt securities	-	-	-	133	133
Accrued interest receivable	4,248	376	741	246	5,611
Accounts receivable	-	-	-	1,461	1,461
Sales contract receivable	-	-	-	145	145
Other receivables	-	-	-	28	28
	121,950	292,917	37,429	2,013	454,309
Others	266	-	-	32,780	33,046
	₱645,789	₱297,789	₱37,460	₱57,226	₱1,038,264
2012 (As Restated - Note 2)					
Loans and advances to banks					
Due from BSP	₱-	₱111,515	₱-	₱-	₱111,515
Due from other banks	7,668	102	-	103	7,873
Interbank loans receivable and SPURA	6,458	1,026	-	7,562	15,046
	14,126	112,643	-	7,665	134,434
Financial assets at FVPL					
HFT debt securities					
Government	970	53,615	-	-	54,585
Private	368	111	-	322	801
Derivative assets	1,404	640	-	205	2,249
	2,742	54,366	-	527	57,635
AFS investments					
Debt securities					
Government	6,777	69,073	27	10,299	86,176
Private	14,887	-	-	1,055	15,942
Subtotal	21,664	69,073	27	11,354	102,118
Equity securities					
Quoted	12	-	-	213	225
Unquoted	-	-	-	61	61
Subtotal	12	-	-	274	286
	21,676	69,073	27	11,628	102,404
HTM investments					
Government bonds	4,200	9,471	-	3,486	17,157
Private bonds	4,334	-	-	-	4,334
	8,534	9,471	-	3,486	21,491
Loans and receivables					
Receivables from customers					
Commercial loans	86,766	168,215	49,711	-	304,692
Residential mortgage loans	803	29,322	400	-	30,525
Auto loans	1,405	13,252	18	-	14,675
Trade	3,165	14,416	3,893	-	21,474
Others	15,174	394	39	-	15,607
	107,313	225,599	54,061	-	386,973
Unquoted debt securities	123	-	-	-	123
Accrued interest receivable	537	2,954	217	166	3,874
Accounts receivable	-	-	-	1,994	1,994
Sales contract receivable	-	-	-	227	227
Other receivables	-	-	-	167	167
	107,973	228,553	54,278	2,554	393,358
Others	-	-	-	30,726	30,726
	₱155,051	₱474,106	₱54,305	₱56,586	₱740,048

Notes:

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

Notes:

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

	Consolidated		Parent Company	
	2013	2012 (As Restated - Note 2)	2013	2012 (As Restated - Note 2)
Commercial loans	₱3,326	₱5,982	₱2,830	₱5,282
Residential mortgage loans	605	174	525	71
Auto loans	1	1	-	-
Others	69	16	-	4
	₱4,001	₱6,173	₱3,355	₱5,357

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

	Consolidated					Total
	Within 30 days	31-60 days	61-90 days	91-180 days	Over 180 days	
2013						
Receivables from customers						
Commercial loans	₱173	₱137	₱68	₱47	₱232	₱657
Residential mortgage loans	2,191	664	224	135	1,018	4,232
Auto loans	3,261	1,193	472	373	988	6,287
Trade	-	-	-	1	-	1
Others	589	420	28	86	442	1,565
Receivables from customers - net of unearned discounts and capitalized interest	6,214	2,414	792	642	2,680	12,742
Accrued interest receivable	40	20	11	12	35	118
Accounts receivable	3	4	1	3	274	285
Sales contract receivable	-	-	-	6	13	19
	₱6,257	₱2,438	₱804	₱663	₱3,002	₱13,164
2012 (As Restated - Note 2)						
Receivables from customers						
Commercial loans	₱669	₱54	₱30	₱24	₱98	₱875
Residential mortgage loans	2,140	652	199	37	143	3,171
Auto loans	2,479	955	389	298	619	4,740
Trade	-	-	-	1	11	12
Others	239	515	390	92	1,465	2,701
Receivables from customers - net of unearned discounts and capitalized interest	5,527	2,176	1,008	452	2,336	11,499
Accrued interest receivable	39	15	8	6	38	106
Accounts receivable	17	2	1	2	278	300
Sales contract receivable	30	10	5	4	11	60
	₱5,613	₱2,203	₱1,022	₱464	₱2,663	₱11,965
Parent Company						
	Within 30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
2013						
Receivables from customers						
Commercial loans	₱51	₱87	₱65	₱42	₱95	₱340
Residential mortgage loans	6	-	-	-	197	203
Auto loans	-	-	-	-	70	70
Trade	-	-	-	1	-	1
Others	-	-	-	-	5	5
Receivables from customers - net of unearned discounts and capitalized interest	57	87	65	43	367	619
Accrued interest receivable	-	-	1	-	3	4
	₱57	₱87	₱66	₱43	₱370	₱623

(Forward)

Notes:

	Parent Company					Total
	Within 30 days	31-60 days	61-90 days	91-180 days	Over 180 days	
2012 (As Restated - Note 2)						
Receivables from customers						
Commercial loans	P5	P12	P25	P12	P64	P118
Residential mortgage loans	6	–	–	–	114	120
Auto loans	–	–	–	–	46	46
Trade	–	–	–	2	–	2
Others	–	–	–	–	–	–
Receivables from customers - net of unearned discounts and capitalized interest	11	12	25	14	224	286
Accrued interest receivable	–	–	–	–	3	3
	P11	P12	P25	P14	P227	P289

The Group holds collateral against loans and receivables in the form of real estate and chattel mortgages, guarantees, and other registered securities over assets. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and are regularly updated according to internal lending policies and regulatory guidelines. Generally, collateral is not held over loans and advances to banks except for reverse repurchase agreements. Collateral usually is not held against investment securities, and no such collateral was held as of December 31, 2013 and 2012.

Liquidity Risk

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

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

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

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

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

Financial assets

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

Notes:

Financial liabilities

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

	Consolidated						Total
	On demand	Up to 1 month	1 to 3 Months	3 to 6 months	6 to 12 months	Beyond 1 Year	
2013							
Financial Assets							
Cash and other cash items	P29,742	P-	P-	P-	P-	P-	P29,742
Due from BSP	166,474	300	-	-	-	-	166,774
Due from other banks	17,836	914	150	233	53	7,097	26,283
Interbank loans receivable and SPURA	-	111,517	6,258	1,937	2,495	-	122,207
Financial assets at FVPL							
HFT investments	185	18,914	30,032	-	26	-	49,157
Derivative assets*							
Trading:							
Receive	-	19,372	17,062	6,085	7,497	2,539	52,555
Pay	-	(18,985)	(16,866)	(5,671)	(7,200)	(2,022)	(50,744)
	-	387	196	414	297	517	1,811
AFS investments	-	542	437	1,306	3,769	333,181	339,235
HTM investments	-	220	-	-	990	62,746	63,956
Loans and receivables:							
Receivables from customers	23,585	90,017	75,012	50,796	54,884	387,833	682,127
Unquoted debt securities	-	5	22	405	1,452	4,340	6,224
Accounts receivable	2,889	133	8	5	338	448	3,821
Accrued interest receivable	7,235	1	6	1	480	691	8,414
Sales contract receivable	42	9	30	22	48	323	474
Other receivables	12	112	-	-	190	-	314
Other assets							
Returned checks and other cash items	14	-	54	-	-	-	68
Residual value of leased assets	6	4	36	39	98	529	712
Pledged certificate of time deposit	-	-	-	-	-	266	266
Miscellaneous	1	5	4	8	18	63	99
	P248,021	P223,080	P112,245	P55,166	P65,138	P798,034	P1,501,684
Financial Liabilities							
Non-derivative liabilities							
Deposit liabilities							
Demand	P150,694	P-	P-	P-	P-	P-	P150,694
Savings	362,915	-	-	-	-	-	362,915
Time	-	304,575	129,551	21,459	21,077	32,039	508,701
	513,609	304,575	129,551	21,459	21,077	32,039	1,022,310
Bills payable and SSURA	-	69,120	30,295	9,176	5,612	13,906	128,109
Manager's checks and demand drafts outstanding	3,927	-	-	-	-	-	3,927
Accrued interest payable	246	499	301	50	282	391	1,769
Accrued other expenses	5,304	97	3	-	153	-	5,557
Bonds payable	-	-	87	169	338	25,953	26,547
Subordinated debt	-	-	127	4,628	86	8,579	13,420
Other liabilities							
Bills purchased - contra	16,637	-	-	-	-	-	16,637
Accounts payable	1,382	5,002	-	1,067	886	-	8,337
Outstanding acceptances	-	365	551	59	26	-	1,001
Marginal deposits	-	-	324	6,495	-	-	6,819
Deposits on lease contracts	-	8	55	52	197	679	991
Dividends payable	-	3	-	-	26	-	29
Notes payable	-	-	-	-	-	517	517
Miscellaneous	3	-	-	-	48	-	51
	541,108	379,669	161,294	43,155	28,731	82,064	1,236,021
Derivative liabilities*							
Trading:							
Pay	-	42,859	11,022	22,358	3,138	2,099	81,476
Receive	-	(40,270)	(9,877)	(21,596)	(1,470)	(1,684)	(74,897)
	-	2,589	1,145	762	1,668	415	6,579
Loan commitments and financial guarantees	2,114	2,133	9,508	7,258	7,570	73,653	102,236
	P543,222	P384,391	P171,947	P51,175	P37,969	P156,132	P1,344,836

(Forward)

Notes:

	Consolidated						Total
	On demand	Up to 1 month	1 to 3 Months	3 to 6 months	6 to 12 months	Beyond 1 Year	
2012 (As Restated - Note 2)							
Financial Assets							
Cash and other cash items	P24,382	P-	P-	P-	P-	P-	P24,382
Due from BSP	115,278	16,005	-	-	-	-	131,283
Due from other banks	20,762	1,876	281	68	10	-	22,997
Interbank loans receivable and SPURA	2,548	12,943	3,905	3,436	616	-	23,448
Financial assets at FVPL							
HFT investments	57	15,070	56,364	67	-	-	71,558
Derivative assets*							
Trading:							
Receive	-	45,525	27,930	4,817	2,627	1,447	82,346
Pay	-	(45,052)	(27,271)	(4,537)	(2,421)	(1,125)	(80,406)
	-	473	659	280	206	322	1,940
AFS investments	-	3,115	2,203	5,155	14,511	131,301	156,285
HTM investments	-	840	1,434	3,103	5,182	87,278	97,837
Loans and receivables:							
Receivables from customers	4,863	113,106	67,941	34,819	35,435	331,557	587,721
Unquoted debt securities	-	16	42	101	1,472	8,383	10,014
Accounts receivable	3,706	76	9	1	6	262	4,060
Accrued interest receivable	6,442	331	288	45	135	118	7,359
Sales contract receivable	37	7	53	26	53	804	980
Other receivables	40	395	1,058	-	-	-	1,493
Other assets							
Returned checks and other cash items	18	-	62	-	-	-	80
Residual value of leased assets	6	27	21	32	83	440	609
Pledged certificate of time deposit	-	-	-	-	-	452	452
Miscellaneous	-	7	4	5	14	492	522
	P178,139	P164,287	P134,324	P47,138	P57,723	P561,409	P1,143,020
Financial Liabilities							
Non-derivative liabilities							
Deposit liabilities							
Demand	P106,229	P-	P-	P-	P-	P-	P106,229
Savings	305,034	-	-	-	-	-	305,034
Time	-	228,853	56,046	12,872	17,094	17,734	332,599
	411,263	228,853	56,046	12,872	17,094	17,734	743,862
Bills payable and SSURA	-	51,223	22,326	5,284	3,846	15,023	97,702
Manager's checks and demand drafts outstanding	3,489	-	-	-	-	-	3,489
Accrued interest payable	-	879	249	232	87	363	1,810
Accrued other expenses	4,100	117	-	595	2	17	4,831
Bonds payable	-	-	-	-	602	14,590	15,192
Subordinated debt	-	106	156	263	6,027	10,450	17,002
Other liabilities							
Bills purchased - contra	15,217	-	-	-	-	-	15,217
Accounts payable	23	3,996	-	1,569	606	-	6,194
Outstanding acceptances	-	395	346	111	107	9	968
Marginal deposits	-	-	152	-	-	1,694	1,846
Deposits on lease contracts	-	8	27	42	167	588	832
Dividends payable	26	40	-	-	-	-	66
Notes payable	-	-	-	-	-	517	517
Deposits for keys	1	-	-	-	-	-	1
Miscellaneous	2	53	-	-	-	-	55
	434,121	285,670	79,302	20,968	28,538	60,985	909,584
Derivative liabilities*							
Trading:							
Pay	-	24,933	13,554	3,115	6,584	5,237	53,423
Receive	-	(24,239)	(13,081)	(2,809)	(5,933)	(3,932)	(49,994)
	-	694	473	306	651	1,305	3,429
Loan commitments and financial guarantees	56,930	4,589	8,277	5,579	6,278	5,301	86,954
	P491,051	P290,953	P88,052	P26,853	P35,467	P67,591	P999,967

Notes:

	Parent Company						
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Beyond 1 Year	Total
2013							
Financial Assets							
Cash and other cash items	₱26,532	₱–	₱–	₱–	₱–	₱–	₱26,532
Due from BSP	143,424	300	–	–	–	–	143,724
Due from other banks	6,440	2,075	190	198	49	2	8,954
Interbank loans receivable and SPURA	–	88,128	4,051	1,937	2,943	–	97,059
Financial assets at FVPL							
HFT investments	–	–	29,958	–	–	–	29,958
Derivative assets*							
Trading:							
Receive	–	21,142	17,068	6,097	7,938	2,539	54,784
Pay	–	(20,763)	(16,869)	(5,678)	(7,654)	(2,022)	(52,986)
	–	379	199	419	284	517	1,798
AFS investments	–	411	191	522	2,636	283,074	286,834
HTM investments	–	220	–	–	990	62,674	63,884
Loans and receivables							
Receivables from customers	2,365	88,182	72,137	43,377	34,131	280,968	521,160
Unquoted debt securities	–	–	–	133	–	1,113	1,246
Accounts receivable	2,360	–	–	–	–	–	2,360
Accrued interest receivable	6,910	–	–	–	–	–	6,910
Sales contract receivable	22	8	30	21	40	49	170
Other receivables	12	18	–	–	–	–	30
Other assets							
Returned checks and other cash items	–	–	54	–	–	–	54
Pledge certificate of time deposit	–	–	–	–	–	266	266
Miscellaneous	–	–	–	–	–	–	–
	₱188,065	₱179,721	₱106,810	₱46,607	₱41,073	₱628,663	₱1,190,939
Financial Liabilities							
Non-derivative liabilities							
Deposit liabilities							
Demand	₱134,788	₱–	₱–	₱–	₱–	₱–	₱134,788
Savings	348,244	–	–	–	–	–	348,244
Time	–	250,440	121,833	19,886	6,805	9,780	408,744
	483,032	250,440	121,833	19,886	6,805	9,780	891,776
Bills payable and SSURA	–	45,996	–	–	–	–	45,996
Manager's checks and demand drafts outstanding	2,816	–	–	–	–	–	2,816
Accrued interest payable	–	469	185	28	9	212	903
Accrued other expenses	4,031	–	–	–	–	–	4,031
Subordinated debt	–	–	84	4,584	–	–	4,668
Other liabilities							
Bills purchased - contra	16,587	–	–	–	–	–	16,587
Accounts payable	–	4,674	–	–	–	–	4,674
Outstanding acceptances	–	365	551	59	26	–	1,001
Marginal deposits	–	–	324	–	–	–	324
	506,466	301,944	122,977	24,557	6,840	9,992	972,776
Derivative liabilities*							
Trading:							
Pay	–	42,859	11,022	22,358	3,138	2,099	81,476
Receive	–	(40,270)	(9,877)	(21,595)	(1,470)	(1,684)	(74,896)
	–	2,589	1,145	763	1,668	415	6,580
Loan commitments and financial guarantees	2,114	2,079	9,506	7,011	7,569	4,058	32,337
	₱508,580	₱306,612	₱133,628	₱32,331	₱16,077	₱14,465	₱1,011,693
2012 (As Restated - Note 2)							
Financial Assets							
Cash and other cash items	₱21,540	₱–	₱–	₱–	₱–	₱–	₱21,540
Due from BSP	96,014	15,504	–	–	–	–	111,518
Due from other banks	7,873	–	–	–	–	–	7,873
Interbank loans receivable and SPURA	–	9,887	821	2,728	1,661	–	15,097
Financial assets at FVPL							
HFT investments	–	–	56,364	–	–	–	56,364
Derivative assets*							
Trading:							
Receive	–	45,525	27,930	4,817	2,627	1,447	82,346
Pay	–	(45,052)	(27,271)	(4,537)	(2,421)	(1,125)	(80,406)
	–	473	659	280	206	322	1,940

(Forward)

Notes:

	Parent Company						Total
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Beyond 1 Year	
AFS investments	P-	P2,718	P2,036	P4,544	P13,864	P97,165	P120,327
HTM investments	-	822	1,371	2,298	4,111	24,890	33,492
Loans and receivables							
Receivables from customers	2,643	93,291	65,137	28,940	26,569	236,595	453,175
Unquoted debt securities	-	-	-	-	357	1,173	1,530
Accounts receivable	3,070	-	-	-	-	-	3,070
Accrued interest receivable	5,646	-	-	-	-	-	5,646
Sales contract receivable	34	7	18	24	50	141	274
Other receivables	168	-	-	-	-	-	168
Other assets							
Returned checks and other cash items	-	-	63	-	-	-	63
Pledge certificate of time deposit	-	-	-	-	-	452	452
Miscellaneous	-	-	-	-	-	426	426
	P136,988	P122,702	P126,469	P38,814	P46,818	P361,164	P832,955
Financial Liabilities							
Non-derivative liabilities							
Deposit liabilities							
Demand	P94,516	P-	P-	P-	P-	P-	P94,516
Savings	293,934	-	-	-	-	-	293,934
Time	-	177,043	50,727	11,443	6,374	897	246,484
	388,450	177,043	50,727	11,443	6,374	897	634,934
Bills payable and SSURA	-	16,228	-	-	-	-	16,228
Manager's checks and demand drafts outstanding	2,732	-	-	-	-	-	2,732
Accrued interest payable	-	597	112	23	13	214	959
Accrued other expenses	3,338	-	-	-	-	-	3,338
Subordinated debt	-	107	84	191	5,882	4,669	10,933
Other liabilities							
Bills purchased – contra	15,156	-	-	-	-	-	15,156
Accounts payable	-	3,690	-	-	-	-	3,690
Outstanding acceptances	-	395	346	111	107	9	968
Marginal deposits	-	-	152	-	-	-	152
	409,676	198,060	51,421	11,768	12,376	5,789	689,090
Derivative liabilities*							
Trading:							
Pay	-	24,933	13,524	2,648	6,523	2,805	50,433
Receive	-	(24,239)	(13,073)	(2,388)	(5,908)	(1,664)	(47,272)
	-	694	451	260	615	1,141	3,161
Loan commitments and financial guarantees	1,682	3,373	8,269	5,564	5,788	4,860	29,536
	P411,358	P202,127	P60,141	P17,592	P18,779	P11,790	P721,787

*Does not include derivatives embedded in financial and nonfinancial contracts.

Market Risk

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

Notes:

Market risk - trading book

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

VaR methodology assumptions and parameters

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

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

	Parent Company		
	Rates and FX	Fixed Income	FX Options
As of December 31, 2013			
December 27	₱296.42	₱212.60	₱18.70
Average	283.79	203.47	13.23
Highest	448.91	373.87	35.45
Lowest	123.81	37.81	3.49

	Parent Company					
	Jan - May 22 ₁			May 23 - December 31 ₂		
	Rates and FX	Fixed Income	FX Options	Rates and FX	Fixed Income	FX Options
As of December 31, 2012						
December 28				₱189.12	₱260.93	₱7.71
Average	₱176.59	₱161.33	₱1.63	191.81	149.81	3.94
Highest	234.62	292.02	6.15	273.07	384.04	14.42
Lowest	143.40	32.67	0.00	135.79	60.79	0.02

1/Correlated Rates and FX VaR and FX Options VaR; Uncorrelated Fixed Income VaR

2/Fully correlated VaR across all trading products

Rates and Foreign Exchange (FX) VaR is the correlated VaR of the following products: FX Spot, Outright Forward, NDF, FX Swaps, IRS and CCS. The Fixed Income VaR is the correlated VaR of these products: peso and foreign currency bonds, bond forwards and credit default swaps. A correlated VaR can give a better measure of the probable portfolio losses as it takes into account the natural hedging existing within the portfolio.

The financial institution subsidiaries with trading portfolios adopted the Parent Company methodology in 2011. Below is the summary of the VaR levels of FMIC and PSBank.

	FMIC			PSBank			FX
	EQUITIES	Bonds		EQUITIES	Bonds		
		PHP	USD		PHP	USD	
As of December 31, 2013							
December 27	₱31.83	₱115.40	USD-	₱3.82	USD-	USD-	₱0.43
Average	45.63	65.86	0.14	2.17	-	41.17	0.84
Highest	121.24	182.04	1.07	10.06*	7.64**	1.15*	1.96
Lowest	27.62	9.60	-	1.79*	1.21**	0.51*	0.01

* January 1 to May 31

** June 1 to December 31

Notes:

	FMIC			PSBank		FX
	EQUITIES	Bonds		Bonds		
		PHP	USD	PHP	USD	
As of December 31, 2012						
December 28	₱37.40	₱23.34	USD 1.17	₱-	₱-	₱1.03
Average	36.31	34.55	0.23	3.65	2.51	1.04
Highest	49.50	216.58	1.21	13.14	10.39	1.95
Lowest	18.40	1.62	0.00	0.01	0.22	0.02

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

The Parent Company and PSBank perform stress testing on a quarterly basis while FMIC performs stress testing on a daily basis to complement the VaR methodology. The stress testing results of the Parent Company are reported to the ALCO and subsequently to the ROC and the BOD.

Market risk - banking book

The Group uses Earnings-at-Risk Methodology to measure the potential effect of interest rate movements to net interest earnings. The measurement and monitoring of exposures are done on a monthly basis.

EAR is derived by multiplying the repricing gap by the change in interest rate and the time over which the repricing gap is in effect. The repricing/maturity gap is a method that distributes rate-sensitive assets, liabilities, and off-balance sheet positions into time bands. Floating rate positions are distributed based on the time remaining to next repricing dates. On the other hand, fixed rate items are distributed based on the time remaining to respective maturities. There are certain balance sheet items that may require set-up of assumptions as to their distribution to time bands. For the Parent Company, rate-sensitive positions that lack definitive repricing dates or maturity dates (e.g. demand and savings deposit accounts) are assigned to repricing time bands based on frequency or pattern of interest rate change. Dynamic assumptions, which considers potential amount of loan pre-payments and time deposit pre-terminations, are based on analysis of historical cash flow levels.

The table below shows the earnings-at-risk profile of the Parent Company and certain subsidiaries as of December 31, 2013 and 2012:

	Parent Company	FMIC	PSBank	MCC	ORIX Metro	Total
2013	(₱1,656.51)	(₱268.10)	(₱54.13)	₱45.42	(₱0.47)	(₱1,933.79)
2012	(₱1,106.96)	(₱169.02)	(₱82.05)	(₱27.86)	(₱0.17)	(₱1,386.06)

Foreign currency risk

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

Notes:

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

Currency	Consolidated						Parent Company					
	2013			2012			2013			2012		
	Change in currency rate in %	Effect on profit before tax	Effect on equity	Change in currency rate in %	Effect on profit before tax	Effect on equity	Change in currency rate in %	Effect on profit before tax	Effect on equity	Change in currency rate in %	Effect on profit before tax	Effect on equity
USD	+1.00%	(P23.24)	(P359.67)	+1.00%	(P76.13)	P1.01	+1.00%	(P25.35)	(P0.87)	+1.00%	(P78.14)	P0.94
EUR	+1.00%	19.00	-	+1.00%	18.02	-	+1.00%	18.87	-	+1.00%	18.02	-
JPY	+1.00%	(6.21)	-	+1.00%	12.87	-	+1.00%	(6.21)	-	+1.00%	12.87	-
GBP	+1.00%	0.78	-	+1.00%	2.02	-	+1.00%	0.78	-	+1.00%	2.02	-
Others	+1.00%	9.09	-	+1.00%	89.06	-	+1.00%	9.09	-	+1.00%	89.06	-
USD	-1.00%	23.24	359.67	-1.00%	76.13	(1.01)	-1.00%	23.35	0.87	-1.00%	78.14	(0.94)
EUR	-1.00%	19.00	-	-1.00%	(18.02)	-	-1.00%	(18.87)	-	-1.00%	(18.02)	-
JPY	-1.00%	6.21	-	-1.00%	(12.87)	-	-1.00%	6.21	-	-1.00%	(12.87)	-
GBP	-1.00%	(0.78)	-	-1.00%	(2.02)	-	-1.00%	(0.78)	-	-1.00%	(2.02)	-
Others	-1.00%	(9.09)	-	-1.00%	(89.06)	-	-1.00%	(9.09)	-	-1.00%	(89.06)	-

Information relating to Parent Company's currency derivatives is included in Note 8. As of December 31, 2013 and 2012, the Parent Company has outstanding foreign currency spot transactions (in equivalent peso amounts) of P8.4 billion and P9.2 billion, respectively (sold), and P9.6 billion and P8.6 billion, respectively (bought).

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

Capital Management

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

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

Regulatory Qualifying Capital

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

The risk-based capital ratio of a bank, expressed as a percentage of qualifying capital to risk-weighted assets, should not be less than 10.00% for both stand-alone basis (head office and branches) and consolidated basis (the Parent Company and subsidiaries engaged in financial allied undertakings but excluding insurance companies). Qualifying capital and risk-weighted assets (RWA) are computed based on BSP regulations. RWA consist of total assets less cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items determined by the Monetary Board (MB) of the BSP.

Notes:

The details of CAR as of December 31, as reported to the BSP, based on BSP Circular 538 or Basel II follow:

	Consolidated		Parent Company	
	2013	2012	2013	2012
Tier 1 capital	₱123,895	₱100,056	₱118,183	₱96,180
Less: Required deductions	1,380	1,187	24,721	20,725
Sub-total	122,515	98,869	93,462	75,455
Excess from Tier 2 deducted to Tier 1 Capital*	–	–	(15,868)	(7,061)
Net Tier 1 Capital	122,515	98,869	77,594	68,394
Tier 2 capital	15,021	19,588	8,853	13,664
Less: Required deductions	1,380	1,187	24,721	20,725
Sub-total	13,641	18,401	(15,868)	(7,061)
Excess of Tier 2 deducted to Tier 1 Capital*	–	–	15,868	7,061
Net Tier 2 Capital	13,641	18,401	–	–
Total Qualifying Capital	₱136,156	₱117,270	₱77,594	₱68,394
<i>*Deductions to Tier 2 Capital are capped at its total gross amount and any excess shall be deducted from Tier 1 Capital.</i>				
Credit RWA	₱665,376	₱571,063	₱483,969	₱424,347
Market RWA	58,196	62,586	52,222	48,903
Operational RWA	94,240	86,227	55,791	53,184
Total RWA	817,812	719,876	591,981	526,434
Tier 1 capital ratio	14.98%	13.73%	13.11%	12.99%
Total capital ratio	16.65%	16.29%	13.11%	12.99%

The regulatory qualifying capital of the Parent Company consists of Tier 1 (core) capital, which comprises paid-up common stock, HT1 Capital, surplus including current year profit, surplus reserves and non-controlling interest less required deductions such as unsecured credit accommodations to DOSRI, deferred income tax, and goodwill. Certain adjustments are made to PFRS-based results and reserves, as prescribed by the BSP. The other component of regulatory capital is Tier 2 (supplementary) capital, which includes unsecured subordinated debt, general loan loss provision, and net unrealized gains on AFS equity securities.

Standardized credit risk weights were used in the credit assessment of asset exposures. Third party credit assessments were based on the ratings by Standard & Poor's, Moody's, Fitch and PhilRatings on exposures to Sovereigns, MDBs, Banks, LGUs, Government Corporations, Corporates.

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

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

In December 2010, the Basel Committee for Banking Supervision published the Basel III framework (revised in June 2011) to strengthen global capital standards, with the aim of promoting a more resilient banking sector. On January 15, 2013, the BSP issued Circular No. 781, *Basel III Implementing Guidelines on Minimum Capital Requirements*, which provides the implementing guidelines on the revised risk-based capital adequacy framework particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well

Notes:

as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. The Group is required to comply with this circular effective on January 1, 2014.

The Circular sets out a minimum Common Equity Tier 1 (CET1) ratio of 6.0% and Tier 1 capital ratios of 7.5% with effect from January 1, 2014. It also introduces a capital conservation buffer of 2.5% comprised of CET1 capital. BSP existing requirement for Total CAR remains unchanged at 10% and these ratios shall be maintained at all times.

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

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

5. Fair Value Measurement

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

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

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

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

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

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

Notes:

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

- ? Quoted market prices in active markets for identical assets or liabilities (Level 1);
- ? Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- ? Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	2013				Total Fair Value
	Consolidated				
	Carrying Value	Level 1	Level 2	Level 3	
Assets Measured at Fair Value					
Financial Assets					
Financial assets at FVPL					
HFT investments					
Debt securities					
Government	P39,367	P39,294	P73	P-	P39,367
Private	2,332	2,306	26	-	2,332
BSP	19	19	-	-	19
	41,718	41,619	99	-	41,718
Equity securities					
Quoted	9,637	9,637	-	-	9,637
Derivative assets					
Currency forwards	1,059	-	1,059	-	1,059
Interest rate swaps	1,061	-	1,061	-	1,061
Cross currency swaps	1,652	-	1,652	-	1,652
Put option	215	-	215	-	215
Call option	93	-	93	-	93
Embedded derivatives in non-financial contract	6	-	6	-	6
Derivative assets	4,086	-	4,086	-	4,086
	55,441	51,256	4,185	-	55,441
AFS investments					
Debt securities					
Government	245,520	241,566	3,954	-	245,520
Private	21,531	21,012	519	-	21,531
	267,051	262,578	4,473	-	267,051
Equity Securities					
Quoted	2,882	2,882	-	-	2,882
	269,933	265,460	4,473	-	269,933
	P325,374	P316,716	P8,658	P-	P325,374
Assets for which Fair Values are Disclosed					
Financial Assets					
HTM investments					
Government	P38,380	P41,176	P25	P-	P41,201
Treasury notes	45	46	-	-	46
	38,425	41,222	25	-	41,247
Loans and receivables-net					
Receivables from customers					
Commercial loans	385,251	-	383,705	-	383,705
Residential mortgage loans	64,496	-	64,782	-	64,782
Auto loans	54,101	-	58,082	-	58,082
Trade	29,847	-	29,854	-	29,854
Others	60,767	-	60,922	-	60,922
	594,462	-	597,345	-	597,345
Unquoted debt securities	4,639	-	5,067	-	5,067
Sales contract receivable	421	-	442	-	442
	599,522	-	602,854	-	602,854

(Forward)

Notes:

	2013				
	Consolidated				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Other assets					
Residual value of leased assets	P712	P-	P680	P-	P680
Miscellaneous	97	-	104	-	104
	809	-	784	-	784
	638,756	41,222	603,663	-	644,885
Non-financial assets					
Investment properties	13,125	-	22,941	-	22,941
	P651,881	P41,222	P626,604	P-	P667,826
Liabilities Measured at Fair Value					
Financial Liabilities					
Financial liabilities at FVPL					
Derivative liabilities					
Currency forwards	P1,365	P-	P1,365	P-	P1,365
Interest rate swaps	1,407	-	1,407	-	1,407
Cross currency swaps	1,641	-	1,641	-	1,641
Call option (FX option)	11	-	11	-	11
Credit default swaps	10	-	10	-	10
Embedded derivatives in non-financial contact	18	-	18	-	18
	4,452	-	4,452	-	4,452
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit Liabilities					
Time	P502,659	P-	P509,097	P-	P509,097
Bills payable and SSURA	127,204	-	127,768	-	127,768
Bonds payable	11,643	-	12,820	-	12,820
Subordinated debt	8,628	4,561	4,832	-	9,393
Other liabilities					
Deposits on lease contracts	991	-	951	-	951
	P651,125	P4,561	P655,468	P-	P660,029

	2013				
	Parent Company				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets Measured at Fair Value					
Financial Assets					
Financial assets at FVPL					
HFT investments					
Debt securities					
Government	P30,421	P30,421	P-	P-	P30,421
Private	1,717	1,717	-	-	1,717
BSP	19	19	-	-	19
	32,157	32,157	-	-	32,157
Derivative assets					
Currency forwards	1,059	-	1,059	-	1,059
Interest rate swaps	1,061	-	1,061	-	1,061
Cross currency swaps	1,639	-	1,639	-	1,639
Put option purchased - warrants	215	-	215	-	215
Call option	3	-	3	-	3
Embedded derivatives in non-financial contract	6	-	6	-	6
	3,983	-	3,983	-	3,983
	36,140	32,157	3,983	-	36,140

(Forward)

Notes:

	2013				
	Parent Company				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
AFS investments					
Debt Securities					
Government	P206,083	P205,895	P188	P-	P206,083
Private	20,535	20,311	224	-	20,535
	226,618	226,206	412	-	226,618
Equity Securities					
Quoted	264	264	-	-	264
	226,882	226,470	412	-	226,882
	P263,022	P258,627	P4,395	P-	P263,022
Assets for which Fair Values are Disclosed					
Financial Assets					
HTM investments - Government	P38,358	P41,176	P-	P-	P41,176
Loans and receivables-net					
Receivables from customers					
Commercial loans	347,808	-	344,300	-	344,300
Residential mortgage loans	36,482	-	36,709	-	36,709
Auto loans	16,120	-	16,208	-	16,208
Trade	29,617	-	29,625	-	29,625
Others	17,056	-	17,056	-	17,056
	447,083	-	443,898	-	443,898
Unquoted debt securities	534	-	534	-	534
Sales contract receivable	148	-	148	-	148
	447,765	-	444,580	-	444,580
	486,123	41,176	444,580	-	485,756
Non-Financial Assets					
Investment properties	9,504	-	18,264	-	18,264
	P495,627	P41,176	P462,844	P-	P504,020
Liabilities Measured at Fair Value					
Financial Liabilities					
Financial liabilities at FVPL					
Derivative liabilities					
Currency forwards	P1,365	P-	P1,365	P-	P1,365
Interest rate swaps	1,407	-	1,407	-	1,407
Cross currency swaps	1,641	-	1,641	-	1,641
Call option	11	-	11	-	11
Credit default swaps	10	-	10	-	10
Embedded derivatives in non-financial contract	18	-	18	-	18
	P4,452	P-	P4,452	P-	P4,452
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Time deposits	P407,722	P-	P407,722	P-	P407,722
Bills payable and SSURA	45,993	-	45,993	-	45,993
Subordinated debt	4,497	4,561	-	-	4,561
Total financial liabilities	P458,212	P4,561	P453,715	P-	P458,276

	2012 (As Restated - Note 2)			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Financial assets at FVPL (Note 8)				
HFT investments				
Debt securities				
Government	P61,648	P61,648	P54,585	P54,585
Private	801	801	801	801
Equity securities - quoted	8,132	8,132	-	-
Derivative assets	2,339	2,339	2,249	2,249
	72,920	72,920	57,635	57,635
AFS investments (Note 8)				
Debt securities				
Government	103,836	103,836	86,176	86,176
Private	16,612	16,612	15,942	15,942
Equity securities				
Quoted	2,314	2,314	395	395
Unquoted	279	279	61	61
	123,041	123,041	102,574	102,574

(Forward)

Notes:

	2012 (As Restated - Note 2)			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair Value
HTM investments (Note 8)				
Government	₱37,481	₱45,795	₱17,157	₱21,498
Treasury notes	9,635	12,162	–	–
Private	4,335	4,333	4,334	4,333
	51,451	62,290	21,491	25,831
Loans and receivables				
Cash and other cash items	24,382	24,382	21,540	21,540
Due from BSP	131,278	131,278	111,515	111,515
Due from other banks	22,996	22,996	7,873	7,873
Interbank loans receivable and SPURA (Note 7)				
Interbank loans receivable	18,399	18,399	15,046	15,046
SPURA	4,993	4,993	–	–
	23,392	23,392	15,046	15,046
Loans and receivables - net (Note 9)				
Receivables from customers				
Commercial loans	331,937	335,687	307,057	309,454
Residential mortgage loans	53,137	53,423	30,753	31,030
Auto loans	45,837	46,849	14,705	14,705
Trade	21,377	21,377	21,346	21,346
Others	54,871	56,435	15,615	15,615
	507,159	513,771	389,476	392,150
Unquoted debt securities	6,992	8,107	831	831
Accounts receivable	2,605	2,605	2,169	2,169
Accrued interest receivable	5,324	5,324	3,963	3,963
Sales contract receivable	602	598	236	236
Other receivables	1,491	1,491	166	166
	524,173	531,896	396,841	399,515
Other assets (Note 14)				
Interoffice float items	928	928	665	665
Residual value of leased assets	609	559	–	–
Returned checks and other cash items	80	80	63	63
Other investments	13	13	10	10
Pledged certificate of time deposit	452	452	452	452
Miscellaneous	449	424	353	353
Total financial assets	₱976,164	₱994,651	₱736,058	₱743,072
Financial Liabilities				
Financial liabilities at FVPL				
Derivative liabilities	₱6,692	₱6,692	₱6,425	₱6,425
Financial liabilities at amortized cost				
Deposit liabilities				
Demand	106,229	106,229	94,516	94,516
Savings	305,034	305,034	293,934	293,934
Time	327,431	330,682	245,969	245,969
	738,694	741,945	634,419	634,419
Bills payable and SSURA	97,108	97,213	16,223	16,223
Managers checks and demand drafts outstanding	3,489	3,489	2,732	2,732
Accrued interest and other expenses (Note 18)	6,642	6,642	4,297	4,297
Bonds payable (Note 19)	11,556	12,224	–	–
Subordinated debt (Note 20)	14,243	14,686	9,977	9,866
Other liabilities (Note 21)				
Bills purchased - contra	15,217	15,217	15,156	15,156
Accounts payable	6,195	6,195	3,691	3,691
Marginal deposits	1,846	1,846	152	152
Outstanding acceptances	968	968	968	968
Deposits on lease contracts	832	769	–	–
Dividends payable	66	66	–	–
Miscellaneous	543	543	–	–
	25,667	25,604	19,967	19,967
Total financial liabilities	₱904,091	₱908,495	₱694,040	₱693,929

Notes:

	Consolidated			Total
	Level 1	Level 2	Level 3	
2012 (As Restated - Note 2)				
Financial Assets				
Financial assets at FVPL				
HFT investments				
Debt securities				
Government	₱61,581	₱67	₱-	₱61,648
Private	801	-	-	801
Equity securities	8,132	-	-	8,132
Derivative assets	-	2,339	-	2,339
Total financial assets at FVPL	₱70,514	₱2,406	₱-	₱72,920
AFS investments				
Debt securities				
Government	₱102,240	₱1,596	₱-	₱103,836
Private	15,449	1,163	-	16,612
Equity securities - quoted	2,314	-	-	2,314
Total AFS investments	₱120,003	₱2,759	₱-	₱122,762
Financial Liabilities				
Financial liabilities at FVPL				
Derivative liabilities	₱-	₱6,692	₱-	₱6,692
	Parent Company			Total
	Level 1	Level 2	Level 3	
2012 (As Restated - Note 2)				
Financial Assets				
Financial assets at FVPL				
HFT investments				
Debt securities				
Government	₱54,585	₱-	₱-	₱54,585
Private	801	-	-	801
Derivative assets	-	2,249	-	2,249
Total financial assets at FVPL	₱55,386	₱2,249	₱-	₱57,635
AFS investments				
Debt securities				
Government	₱86,062	₱114	₱-	₱86,176
Private	15,110	832	-	15,942
Equity securities - quoted	395	-	-	395
Total AFS investments	₱101,567	₱946	₱-	₱102,513
Financial Liabilities				
Financial liabilities at FVPL				
Derivative liabilities	₱-	₱6,425	₱-	₱6,425

When fair values of listed equity and debt securities, as well as publicly traded derivatives at the reporting date are based on quoted market prices or binding dealer price quotations, without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy.

For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist and other revaluation models.

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

Notes:

6. Segment Information

The Group's operating businesses are recognized and managed separately according to the nature of services provided and the different markets served with segment representing a strategic business unit. The Group's business segments follow:

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

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

	Consumer Banking	Corporate Banking	Investment Banking	Treasury	Branch Banking	Others	Total
2013							
Results of Operations							
Net interest income (expense)							
Third party	P7,851	P7,999	(P44)	P11,148	P9,994	P1,321	P38,269
Intersegment	(280)	(4,014)	-	(5,995)	12,443	(2,154)	-
Net interest income (expense) after intersegment transactions	7,571	3,985	(44)	5,153	22,437	(833)	38,269
Non-interest income	4,068	382	731	13,426	3,646	18,402	40,655
Revenue - net of interest expense	11,639	4,367	687	18,579	26,083	17,569	78,924
Non-interest expense	8,307	1,573	149	2,547	17,123	19,798	49,497
Income (loss) before share in net income of associates and a JV	3,332	2,794	538	16,032	8,960	(2,229)	29,427
Share in net income of associates and a JV	-	110	-	-	-	1,367	1,477
Provision for income tax	(862)	(370)	(52)	(3,242)	64	(2,286)	(6,748)
Non-controlling interest in net income of consolidated subsidiaries	-	-	-	-	-	(1,668)	(1,668)
Net income (loss)	P2,470	P2,534	P486	P12,790	P9,024	(P4,816)	P22,488
Statement of Financial Position							
Total assets	P97,439	P202,740	P861	P503,490	P321,033	P253,006	P1,378,569
Total liabilities	P41,792	P197,033	P6	P481,636	P377,608	P137,789	P1,235,864
Other Segment Information							
Capital expenditures	P409	P212	P-	P105	P328	P2,599	P3,653
Depreciation and amortization	P293	P103	P-	P7	P949	P1,332	P2,684
Provision for credit and impairment losses	P3,665	(P157)	P-	P426	P1,886	P4,902	P10,722

Notes:

	Consumer Banking	Corporate Banking	Investment Banking	Treasury	Branch Banking	Others	Total
2012 (As restated - Note 2)							
Results of Operations							
Net interest income (expense)							
Third party	₱6,785	₱8,860	(₱66)	₱6,730	₱7,392	₱1,153	₱30,854
Intersegment	(217)	(5,672)	–	(3,837)	10,979	(1,253)	–
Net interest income (expense) after intersegment transactions							
	6,568	3,188	(66)	2,893	18,371	(100)	30,854
Non-interest income	3,435	234	739	8,193	3,106	10,517	26,224
Revenue - net of interest expense	10,003	3,422	673	11,086	21,477	10,417	57,078
Non-interest expense	7,007	1,342	106	1,220	13,918	14,260	37,853
Income (loss) before share in net income of associates and a JV							
	2,996	2,080	567	9,866	7,559	(3,843)	19,225
Share in net income of associates and a JV	–	1	–	–	–	2,547	2,548
Provision for income tax	(796)	(155)	(29)	(1,844)	(232)	(800)	(3,856)
Non-controlling interest in net income of consolidated subsidiaries							
	–	–	–	–	–	(2,518)	(2,518)
Net income (loss)	₱2,200	₱1,926	₱538	₱8,022	₱7,327	(₱4,614)	₱15,399
Statement of Financial Position							
Total assets	₱64,184	₱208,115	₱2,210	₱306,726	₱264,946	₱200,462	₱1,046,643
Total liabilities	₱33,952	₱205,180	₱2,302	₱278,774	₱295,235	₱106,491	₱921,934
Other Segment Information							
Capital expenditures	₱446	₱281	₱–	₱75	₱229	₱3,472	₱4,503
Depreciation and amortization	₱311	₱81	₱–	₱15	₱879	₱1,138	₱2,424
Provision for credit and impairment losses	₱3,051	₱83	₱–	₱–	₱572	₱772	₱4,478
2011 (As restated - Note 2)							
Results of Operations							
Net interest income (expense)							
Third party	₱5,809	₱8,643	(₱59)	₱8,973	₱3,943	₱2,128	₱29,437
Intersegment	(76)	(2,327)	–	(2,722)	5,697	(572)	–
Net interest income (expense) after intersegment transactions							
	5,733	6,316	(59)	6,251	9,640	1,556	29,437
Non-interest income	2,919	214	460	6,696	3,138	6,269	19,696
Revenue - net of interest expense	8,652	6,530	401	12,947	12,778	7,825	49,133
Non-interest expense	5,946	1,447	113	1,932	13,105	11,980	34,523
Income (loss) before share in net income of associates and a JV							
	2,706	5,083	288	11,015	(327)	(4,155)	14,610
Share in net income of associates and a JV	–	8	–	–	–	1,415	1,423
Provision for income tax	(750)	(154)	(31)	(1,490)	(113)	(1,004)	(3,542)
Non-controlling interest in net income of consolidated subsidiaries							
	–	–	–	–	–	(1,460)	(1,460)
Net income (loss)	₱1,956	₱4,937	₱257	₱9,525	(₱440)	(₱5,204)	₱11,031
Statement of Financial Position							
Total assets	₱55,060	₱197,713	₱1,131	₱344,522	₱228,735	₱134,915	₱962,076
Total liabilities	₱47,350	₱188,735	₱1,125	₱333,810	₱230,033	₱46,275	₱847,328
Other Segment Information							
Capital expenditures	₱504	₱108	₱–	₱139	₱100	₱2,148	₱2,999
Depreciation and amortization	₱251	₱67	₱–	₱199	₱654	₱1,163	₱2,334
Provision for credit and impairment losses	₱1,979	₱272	₱–	₱7	₱430	₱1,135	₱3,823

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

Notes:

Geographical Information

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

	Philippines	Asia (Other than Philippines)	USA	Europe	Total
2013					
Interest income	₱48,614	₱1,243	₱35	₱-	₱49,892
Interest expense	11,155	462	6	-	11,623
Net interest income	37,459	781	29	-	38,269
Non-interest income	39,130	1,000	411	114	40,655
Provision for credit and impairment losses	10,630	92	-	-	10,722
Total external net operating income	₱65,959	₱1,689	₱440	₱114	₱68,202
Non-current assets	₱30,985	₱667	₱25	₱13	₱31,690
2012 (As Restated - Note 2)					
Interest income	₱44,264	₱708	₱44	₱-	₱45,016
Interest expense	13,940	215	7	-	14,162
Net interest income	30,324	493	37	-	30,854
Non-interest income	24,637	1,118	329	140	26,224
Provision for credit and impairment losses	4,444	34	-	-	4,478
Total external net operating income	₱50,517	₱1,577	₱366	₱140	₱52,600
Non-current assets	₱33,775	₱550	₱31	₱13	₱34,369
2011 (As Restated - Note 2)					
Interest income	₱44,285	₱729	₱54	₱-	₱45,068
Interest expense	15,479	146	6	-	15,631
Net interest income	28,806	583	48	-	29,437
Non-interest income	17,948	1,198	352	198	19,696
Provision for credit and impairment losses	3,822	1	-	-	3,823
Total external net operating income	₱42,932	₱1,780	₱400	₱198	₱45,310
Non-current assets	₱32,970	₱391	₱110	₱19	₱33,490

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

7. Interbank Loans Receivable and Securities Purchased Under Resale Agreements

This account consists of:

	Consolidated		Parent Company	
	2013	2012	2013	2012
Interbank loans receivable (Note 31)	₱27,465	₱18,401	₱17,548	₱15,046
SPURA	94,548	4,993	79,324	-
	122,013	23,394	96,872	15,046
Less allowance for impairment losses (Note 15)	2	2	-	-
	₱122,011	₱23,392	₱96,872	₱15,046

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

Notes:

8. Trading and Investment Securities

This account consists of:

	Consolidated		Parent Company	
	2013	2012 (As Restated - Note 2)	2013	2012
Financial assets at FVPL (Note 29)	P55,441	P72,920	P36,140	P57,635
AFS investments (Notes 11, 29 and 31)	273,429	123,041	226,943	102,574
HTM investments (Note 31)	38,425	51,451	38,358	21,491
	P367,295	P247,412	P301,441	P181,700

Financial assets at FVPL consist of the following:

	Consolidated		Parent Company	
	2013	2012 (As Restated - Note 2)	2013	2012
HFT investments (Note 31)				
Debt securities				
Government (Note 17)	P39,367	P61,648	P30,421	P54,585
Private	2,332	801	1,717	801
BSP	19	–	19	–
	41,718	62,449	32,157	55,386
Equity securities - quoted	9,637	8,132	–	–
	51,355	70,581	32,157	55,386
Derivative assets (Note 31)	4,086	2,339	3,983	2,249
	P55,441	P72,920	P36,140	P57,635

Derivative Financial Instruments

The following are fair values of derivative financial instruments of the Parent Company recorded as derivative assets/liabilities, together with the notional amounts. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value are measured. The notional amounts indicate the volume of transactions outstanding as of December 31, 2013 and 2012 and are not indicative of either market risk or credit risk.

	Assets	Liabilities	Notional Amount	Average Forward Rate (in every USD 1)
December 31, 2013				
Freestanding derivatives:				
Currency forwards				
BOUGHT:				
USD	P769	P181	USD 754	P43.6032
CNY	182	2	CNY 1,664	CNY 0.1612
TWD	17	–	TWD 933	TWD 0.0338
EUR	7	–	EUR 14	EUR 1.3687
JPY	–	2	JPY 1,141	JPY 0.0096
CHF	1	–	CHF 3	CHF 1.1160
THB	–	1	THB 10	THB 0.0312
AUD	–	–	AUD 3	AUD 0.8888
SOLD:				
USD	57	1,078	USD 1,723	P43.7730
CNY	15	94	CNY 2,922	CNY 0.1632

(Forward)

Notes:

	Assets	Liabilities	Notional Amount	Average Forward Rate (in every USD 1)
JPY	₱11	₱3	JPY 2,827	JPY 0.0097
EUR	–	1	EUR 1	EUR1.3699
THB	–	–	THB 29	THB 0.0304
SGD	–	–	SGD 11	SGD 0.7900
AUD	–	3	AUD 5	AUD 0.8925
Put option purchased-warrants	215	–	USD 645	
Interest rate swaps - PHP	892	857	₱55,694	
Interest rate swaps - FX	169	550	USD 1,270	
Cross currency swaps	1,639	234	USD 1,154	
Cross currency swaps - PHP	–	1,407	₱13,632	
Credit default swaps	–	10	USD 35	
Over-the-counter FX Option	3	11	USD 89	
Embedded derivatives in:				
Financial contract*	–	18	USD 1	
Nonfinancial contract**	6	–	USD 0	
	₱3,983	₱4,452		

December 31, 2012

(As Restated - Note 2)

Freestanding derivatives:

Currency forwards

BOUGHT:

USD	₱39	₱1,280	USD 1,324	₱41.9696
CNY	47	3	CNY 2,283	CNY 0.1577
EUR	25	1	EUR 31	EUR 1.3223
JPY	–	1	JPY 16	JPY 0.0125
TWD	–	–	TWD 116	TWD 0.0344

SOLD:

USD	1,098	28	USD 2,101	₱41.5060
CNY	5	109	CNY 2,138	CNY 0.1572
JPY	1	–	JPY 191	JPY 0.0117
EUR	–	50	EUR 13	EUR 1.2278
AUD	–	50	AUD 80	AUD 1.0010
NZD	–	–	NZD 1	NZD 0.8328
SGD	–	–	–	SGD 0.8166
THB	–	–	THB 12	THB 0.0326

Put option purchased-warrants

Put option purchased-warrants	199	–	USD 645	
Interest rate swaps - PHP	791	1,050	₱38,972	
Interest rate swaps - FX	21	654	USD 710	
Cross currency swaps	8	3,163	USD 961	
Cross currency swaps - PHP	5	–	₱500	
Credit default swaps	–	1	USD 10	
Over-the-counter FX Option	3	15	USD 48	
Embedded derivatives in:				
Financial contract*	–	20	USD 2	
Nonfinancial contract**	7	–	USD 0	
	₱2,249	₱6,425		

* As of December 31, 2013 and 2012, derivative liabilities pertain to interest rate derivatives embedded in structured debt instrument with outstanding notional amount of USD 1.1 million and USD 1.7 million, respectively.

** Nonfinancial host contracts include foreign currency derivatives with average notional amounts of USD 1,440 and USD 1,415 per month as of December 31, 2013 and 2012, respectively (with maturities until 2021).

Notes:

As of December 31, 2013 and 2012, the Group's derivative assets include embedded call option in a financial contract amounting to ₱90.4 million and ₱27.4 million, respectively; currency forwards and derivative assets from Put Option Purchased Warrants of ₱1.4 million and ₱63.4 million, respectively, as of December 31, 2012; and interest rate swaps of ₱13.3 million as of December 31, 2013.

Derivatives designated as accounting hedges

MCC has two cross-currency swap agreements with a certain bank to hedge the foreign exchange and interest rate risks arising from its dollar-denominated loan with the same bank. Under the agreements, MCC, on a quarterly basis, pays fixed annual interest rates ranging from 4.1% to 5.5% in 2013 and 2012, respectively, on the peso principals and receives floating interest at 3 months LIBOR on the USD principals. As of December 31, 2013 and 2012, the swaps which are designated as hedging instruments under cash flow hedges have an aggregate positive and negative fair value of ₱13.3 million and ₱267.3 million, respectively. Cash outflows relating to the hedged item amounting to ₱2.2 billion and ₱2.9 billion are expected to be settled within one year and beyond one year, respectively. MCC assessed the hedge relationship of the swaps and the hedged loans as highly effective. The effective fair value changes on the swaps that were deferred in equity under 'Translation adjustment and others' as of December 31, 2013 and 2012 amounted to ₱17.7 million and ₱81.9 million, respectively. This is to recognize the offsetting effect of the change in fair value of the swaps and that of the hedged loans in the statement of income due to movements in the foreign exchange rates. No ineffectiveness was recognized in 2013 and 2012.

AFS investments consist of the following:

	Consolidated		Parent Company	
	2013	2012	2013	2012
Debt securities:				
Government (Note 17)	₱245,520	₱103,836	₱206,083	₱86,176
Private (Note 14)	21,531	16,612	20,535	15,942
	267,051	120,448	226,618	102,118
Equity securities:				
Quoted	3,182	2,619	356	485
Unquoted	3,764	547	147	147
	6,946	3,166	503	632
	273,997	123,614	227,121	102,750
Less allowance for impairment losses (Note 15)	568	573	178	176
	₱273,429	₱123,041	₱226,943	₱102,574

AFS investments include net unrealized gains (losses) as follows:

	Consolidated		Parent Company	
	2013	2012 (As Restated - Note 2)	2013	2012
Balance at the beginning of year	₱2,546	₱5,063	₱1,613	₱2,377
Unrealized gains recognized in other comprehensive income	9,910	4,684	1,163	3,269
Amounts realized in profit or loss	(12,833)	(7,096)	(4,816)	(4,004)
	(377)	2,651	(2,040)	1,642
Tax (Note 28)	6	(105)	(93)	(29)
Balance at end of year	(₱371)	₱2,546	(₱2,133)	₱1,613

Notes:

HTM investments consist of the following:

	Consolidated		Parent Company	
	2013	2012 (As Restated - Note 2)	2013	2012
Government bonds (Note 17)	₱38,380	₱37,481	₱38,358	₱17,157
Treasury notes	45	9,635	-	-
Private bonds	-	4,335	-	4,334
	₱38,425	₱51,451	₱38,358	₱21,491

HTM investments include US government securities with carrying value of USD 1.0 million (with peso equivalent of ₱45.1 million and ₱41.6 million as of December 31, 2013 and 2012, respectively) which are pledged by MR USA to the State Treasury Office pursuant to the California Financial Code and in accordance with the requirements of the California Department of Financial Institutions relative to its license as a transmitter of money.

Bond Exchange Transaction

In July 2011, the Republic of the Philippines (ROP) through the Department of Finance and the Bureau of Treasury embarked on the 6th phase of its Domestic Debt Consolidation via a Liability Management exercise executed through the Exchange Offer, Subscription Offer and Tender Offer - i.e., exchange of eligible fixed income government bonds for a new 10-year bonds (due 2022) or 20-year bonds (due 2031) wherein the proceeds of a simultaneous issuance of additional new 20-year bonds were used to buy back Eligible Bonds via Tender Offer.

To encourage existing bondholders to participate given the existing tainting rule on HTM investment under PAS 39, on June 28, 2011, the SEC granted all holders of eligible bonds currently classified as HTM that will exchange more than insignificant amount of such bonds under this program, an exemptive relief from the tainting rule subject to the following conditions:

- ? disclosure to SEC of the (i) the date of the exchange, (ii) amount of eligible bonds exchanged, (iii) amount of total HTM portfolio before and after the exchange;
- ? Day 1 profit or loss shall not be recognized and any unrealized gains or losses shall be amortized over the term of the new benchmark bonds;
- ? exemption shall not extend to Eligible Bonds that will be bought back by the ROP and shall not likewise apply if transaction would be a combination of tender offer for cash and exchange for new bonds;
- ? basis of preparation of the financial statements shall not be PFRS but should be the prescribed financial reporting framework for entities which are given relief from certain requirements of the PFRS. This basis of financial reporting shall be adopted by the availing entity until such time that the ground for its coverage under the tainting rule of PAS 39 is no longer present; and
- ? appropriate clearance shall be obtained from the BSP and Insurance Commission, as the primary regulators of banks and insurance companies, respectively.

On October 11, 2011, the BSP through Circular 738 issued exemption from tainting provision for prudential reporting on certain securities booked under HTM category which are covered by an offer and accepted tender offer pursuant to liability management transactions of the ROP, among others.

In July 2011, given its nature of business, FMIC participated in the domestic bond exchange covering its ₱3.0 billion eligible government bonds classified as HTM investments to extend the bond holdings (from maturity date of December 16, 2020 to July 19, 2031) and benefit from the

Notes:

higher yields (from 5.875% to 8.00%). FMIC has complied with the disclosure and other requirements of the SEC as follows:

- a. total HTM Investments portfolio of FMIC before and after the exchange remain the same while the gain on exchange of ₱14.5 million is deferred and amortized over the term of the new bonds; and
- b. as disclosed in Note 2, the related financial statements of the Group have been prepared in accordance with Philippine GAAP for banks.

Reporting under PFRS

As of December 31, 2013 and 2012, had the Group accounted for the transaction under PFRS, the unamortized balance of the deferred gain on exchange of ₱0.2 million and ₱13.4 million, respectively, would have been credited to the Group's 2011 net income and the entire HTM investments portfolio of the Group with amortized cost of ₱38.4 billion and ₱51.5 billion, respectively, would have been reclassified to AFS investments and carried at fair value with net unrealized gain of ₱2.8 billion and ₱10.8 billion, respectively, being recognized in other comprehensive income.

Reclassification of HTM Portfolio in 2013

In 2013, PSBank and FMIC reclassified its HTM investments totaling to ₱13.3 billion (consisting of dollar denominated bonds amounting to US\$73.5 million and peso denominated bonds of ₱10.3 billion) and ₱16.3 billion, respectively, to AFS investments as they no longer intend to hold them up to maturity but rather stands ready to sell such investments. The change in intention was primarily driven by the need to increase capital position in view of the following directions set forth in BSP Circular No. 781:

- ? Significant increase in the industry's regulatory capital requirements in view of the early implementation of Basel III effective 2014;
- ? Inclusion of "loss absorbency" feature in the issuance of additional Tier 2 capital; and
- ? For PSBank, disqualification of its ₱3.0 billion subordinated debt as Tier 2 Capital under Basel III.

The change in intention and eventual disposal of the said HTM investment portfolio in response to the significant increase in regulatory capital requirements is one of the conditions permitted under PAS 39 thus, not covered by the tainting rule.

As of December 31, 2013, out of the reclassified securities of PSBank, bonds originally costing ₱12.6 billion (dollar denominated bonds of US\$73.5 million and peso denominated bonds of ₱9.6 billion) have been sold with total trading gain of ₱4.0 billion. For FMIC, bonds totaling ₱11.3 billion have been sold with total trading gain of ₱3.8 billion.

Interest income on trading and investment securities consists of:

	Consolidated			Parent Company		
	2013	2012 (As Restated - Note 2)	2011	2013	2012	2011
Financial assets at FVPL	₱1,775	₱1,326	₱476	₱1,495	₱1,190	₱382
AFS investments	8,119	5,743	6,270	6,469	4,840	3,683
HTM investments	1,521	3,394	3,147	1,142	1,088	1,081
	₱11,415	₱10,463	₱9,893	₱9,106	₱7,118	₱5,146

Notes:

In 2013, 2012 and 2011, foreign currency-denominated trading and investment securities bear nominal annual interest rates ranging from 0.54% to 10.63%, 0.88% to 11.63% and 0.80% to 10.63%, respectively, for the Group and from 0.63% to 10.63%, 0.88% to 11.63% and 0.80% to 9.88%, respectively, for the Parent Company while peso-denominated trading and investment securities bear nominal annual interest rates ranging from 1.70% to 14.60%, 3.30% to 18.25% and 3.70% to 18.25%, respectively, for the Group and from 1.70% to 14.60%, 3.30% to 11.50% and 3.70% to 14.00%, respectively, for the Parent Company.

Trading and securities gain - net consists of:

	Consolidated			Parent Company		
	2013	2012 (As Restated - Note 2)	2011	2013	2012	2011
HFT investments	P992	P3,699	P1,338	P409	P1,791	P1,007
AFS investments	12,833	7,096	5,831	4,816	4,004	3,671
Derivative asset/liabilities - net	3,357	(4,115)	(923)	3,361	(4,089)	(968)
	P17,182	P6,680	P6,246	P8,586	P1,706	P3,710

Trading gains on AFS investments include realized gains/losses previously reported in other comprehensive income.

9. Loans and Receivables

This account consists of:

	Consolidated		Parent Company	
	2013	2012 (As Restated - Note 2)	2013	2012
Receivables from customers (Note 31):				
Commercial loans	P393,676	P338,830	P354,064	P311,618
Residential mortgage loans	65,686	53,838	36,910	31,184
Auto loans	57,734	52,109	16,568	15,852
Trade loans	30,186	21,715	29,956	21,684
Others	63,937	59,052	17,099	15,671
	611,219	525,544	454,597	396,009
Less unearned discounts and capitalized interest	3,942	7,180	580	1,376
	607,277	518,364	454,017	394,633
Unquoted debt securities (Note 17):				
Government	1,609	1,910	191	494
Private	3,745	6,076	829	819
	5,354	7,986	1,020	1,313
Accounts receivable (Note 31)	5,873	5,782	4,412	4,792
Accrued interest receivable (Note 31)	8,414	7,359	6,910	5,646
Sales contract receivable	458	637	156	244
Other receivables (Note 31)	314	1,493	30	168
	627,690	541,621	466,545	406,796
Less allowance for credit losses (Note 15)	16,626	15,726	9,650	8,233
	P611,064	P525,895	P456,895	P398,563

Receivables from customers consist of:

	Consolidated		Parent Company	
	2013	2012	2013	2012
Loans and discounts	P564,374	P488,645	P407,870	P358,992
Less unearned discounts and capitalized interest	3,942	7,180	580	1,376
	560,432	481,465	407,290	357,616
Customers' liabilities under letters of credit (LC)/trust receipts	30,186	21,715	29,956	21,684
Bills purchased (Note 21)	16,659	15,184	16,771	15,333
	P607,277	P518,364	P454,017	P394,633

Notes:

Receivables from customers-others of the Group include credit card receivables, notes receivables financed and lease contract receivables amounting to ₱32.6 billion, ₱4.7 billion and ₱4.0 billion, respectively, as of December 31, 2013 and ₱27.8 billion, ₱4.6 billion and ₱3.8 billion, respectively, as of December 31, 2012.

As of December 31, 2013 and 2012, other receivables include dividends receivable of ₱206.9 million and ₱1.4 billion, respectively, for the Group, and ₱18.0 million and ₱158.5 million, respectively, for the Parent Company. Dividends receivable of FMIC from its investee companies amounted to ₱188.9 million and ₱1.4 billion as of December 31, 2013 and 2012, respectively.

Interest income on loans and receivables consists of:

	Consolidated			Parent Company		
	2013	2012 (As Restated - Note 2)	2011	2013	2012	2011
Receivables from customers	₱25,853	₱23,548	₱21,097	₱16,953	₱16,293	₱14,323
Receivables from cardholders	6,500	5,810	4,803	–	–	–
Lease contract receivables	1,372	1,156	1,495	–	–	–
Customer liabilities under LC/trust receipts	713	848	697	713	808	697
Restructured loans	268	413	427	207	335	340
Unquoted debt securities and others	831	953	516	283	216	296
	₱35,537	₱32,728	₱29,035	₱18,156	₱17,652	₱15,656

Interest income on unquoted debt securities and others include interest accreted on impaired receivables in accordance with PAS 39 and interest income on sales contract receivable.

BSP Reporting

As of December 31, 2013 and 2012, 76.81% and 79.81% of the total receivables from customers of the Group, respectively, are subject to periodic interest repricing. In 2013 and 2012, the remaining peso receivables from customers earn annual fixed interest rates ranging from 3.00% to 42.00% while foreign currency-denominated receivables from customers earn annual fixed interest rates ranging from 1.25% to 36.00% and from 1.37% to 36.00%, respectively.

The following table shows information relating to receivables from customers by collateral, gross of unearned discounts and capitalized interest:

	Consolidated				Parent Company			
	2013		2012		2013		2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Secured by:								
Real estate	₱103,936	17.00	₱87,756	16.70	₱57,835	12.72	₱61,407	15.51
Chattel	69,775	11.42	62,820	11.95	17,539	3.86	17,594	4.44
Equity securities	13,674	2.24	10,785	2.05	11,421	2.51	8,510	2.15
Deposit hold-out	11,530	1.88	7,788	1.48	10,798	2.37	6,932	1.75
Other securities	98,491	16.11	73,200	13.93	98,491	21.67	73,200	18.48
Others	6,999	1.15	6,485	1.24	3,624	0.80	2,255	0.57
	304,405	49.80	248,834	47.35	199,708	43.93	169,898	42.90
Unsecured	306,814	50.20	276,710	52.65	254,889	56.07	226,111	57.10
	₱611,219	100.00	₱525,544	100.00	₱454,597	100.00	₱396,009	100.00

Information on the concentration of credit as to industry of receivables from customers, gross of unearned discount and capitalized interest, follows:

	Consolidated				Parent Company			
	2013		2012		2013		2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Manufacturing (various industries)	₱122,513	20.04	₱99,022	18.84	₱113,451	24.96	₱95,036	24.00
Real estate, renting and business activities	100,861	16.50	85,548	16.28	69,937	15.39	61,232	15.46
Wholesale and retail trade	98,897	16.18	96,322	18.33	88,618	19.49	71,374	18.02
Private households	82,578	13.51	73,655	14.02	49,886	10.97	45,675	11.53
Other community, social and personal activities	52,385	8.57	19,733	3.75	512	0.11	772	0.19
Electricity, gas and water	41,443	6.78	37,175	7.07	40,104	8.82	34,941	8.82

(Forward)

Notes:

	Consolidated				Parent Company			
	2013		2012		2013		2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Financial intermediaries	₱34,743	5.68	₱37,866	7.21	₱29,710	6.54	₱31,216	7.88
Transportation, storage and communication	33,793	5.53	37,760	7.18	28,224	6.21	30,192	7.62
Construction	16,615	2.72	9,882	1.88	12,156	2.67	6,379	1.61
Hotel and restaurants	12,738	2.08	11,512	2.19	12,111	2.66	10,359	2.62
Agricultural, hunting and forestry	6,401	1.05	5,756	1.10	4,120	0.91	4,321	1.09
Public administration and defense, compulsory social security	1,872	0.31	3,972	0.76	121	0.03	141	0.04
Mining and quarrying	1,073	0.18	861	0.16	829	0.18	519	0.13
Others	5,307	0.87	6,480	1.23	4,818	1.06	3,852	0.99
	₱611,219	100.00	₱525,544	100.00	₱454,597	100.00	₱396,009	100.00

The BSP considers that concentration of credit exists when total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio except for thrift banks. Current banking regulations allow banks with no unbooked valuation reserves and capital adjustments to exclude from nonperforming classification those receivables from customers classified as 'Loss' in the latest examination of the BSP which are fully covered by allowance for credit losses, provided that interest on said receivables shall not be accrued.

Non-performing loans (NPLs) not fully covered by allowance for credit losses follow:

	Consolidated		Parent Company	
	2013	2012	2013	2012
Total NPLs	₱7,808	₱9,596	₱3,125	₱4,193
Less NPLs fully covered by allowance for credit losses	2,506	4,992	1,389	2,496
	₱5,302	₱4,604	₱1,736	₱1,697

Under banking regulations, NPLs shall, as a general rule, refer to loan accounts whose principal and/or interest is unpaid for thirty (30) days or more after due date or after they have become past due in accordance with existing rules and regulations. This shall apply to loans payable in lump sum and loans payable in quarterly, semi-annual, or annual installments, in which case, the total outstanding balance thereof shall be considered non-performing.

In the case of receivables that are payable in monthly installments, the total outstanding balance thereof shall be considered non-performing when three (3) or more installments are in arrears. In the case of receivables that are payable in daily, weekly, or semi-monthly installments, the total outstanding balance thereof shall be considered non-performing at the same time that they become past due in accordance with existing BSP regulations, i.e., the entire outstanding balance of the receivable shall be considered as past due when the total amount of arrearages reaches 10.00% of the total receivable balance. Restructured receivables which do not meet the requirements to be treated as performing receivables shall also be considered as NPLs.

10. Property and Equipment

The composition of and movements in this account follow:

	Consolidated					Total
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Improvements	Building Under Construction	
2013						
Cost						
Balance at beginning of year	₱5,103	₱7,740	₱15,198	₱2,406	₱601	₱31,048
Additions	11	119	2,695	134	334	3,293
Disposals	(52)	(334)	(1,244)	-	-	(1,630)
Reclassification/others	796	200	24	142	(895)	267
Balance at end of year	5,858	7,725	16,673	2,682	40	32,978

(Forward)

Notes:

	Consolidated					
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Improvements	Building Under Construction	Total
Accumulated depreciation and amortization						
Balance at beginning of year	P-	P3,406	P10,787	P1,508	P-	P15,701
Depreciation and amortization	-	316	1,537	228	-	2,081
Disposals	-	(233)	(490)	-	-	(723)
Reclassification/others	-	140	80	(59)	-	161
Balance at end of year	-	3,629	11,914	1,677	-	17,220
Allowance for impairment losses (Note 15)	-	-	2	-	-	2
Net book value at end of year	P5,858	P4,096	P4,757	P1,005	P40	P15,756
2012						
Cost						
Balance at beginning of year	P4,998	P7,530	P13,847	P2,195	P288	P28,858
Additions	124	94	2,837	224	562	3,841
Disposals	(45)	(74)	(1,390)	-	-	(1,509)
Reclassification/others	26	190	(96)	(13)	(249)	(142)
Balance at end of year	5,103	7,740	15,198	2,406	601	31,048
Accumulated depreciation and amortization						
Balance at beginning of year	-	3,136	10,421	1,352	-	14,909
Depreciation and amortization	-	271	1,365	213	-	1,849
Disposals	-	(49)	(939)	-	-	(988)
Reclassification/others	-	48	(60)	(57)	-	(69)
Balance at end of year	-	3,406	10,787	1,508	-	15,701
Allowance for impairment losses (Note 15)						
Balance at beginning of year	-	-	12	-	-	12
Accounts charged off/others	-	-	(10)	-	-	(10)
Balance at end of year	-	-	2	-	-	2
Net book value at end of year	P5,103	P4,334	P4,409	P898	P601	P15,345
Parent Company						
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Improvements	Building Under Construction	Total
2013						
Cost						
Balance at beginning of year	P4,508	P5,608	P9,996	P1,502	P601	P22,215
Additions	-	26	1,174	26	334	1,560
Disposals	(52)	(50)	(819)	-	-	(921)
Reclassification/others	86	690	(7)	144	(895)	18
Balance at end of year	4,542	6,274	10,344	1,672	40	22,872
Accumulated depreciation and amortization						
Balance at beginning of year	-	2,937	8,010	947	-	11,894
Depreciation and amortization	-	258	592	109	-	959
Disposals	-	(30)	(232)	-	-	(262)
Reclassification/others	-	(7)	49	(57)	-	(15)
Balance at end of year	-	3,158	8,419	999	-	12,576
Net book value at end of year	P4,542	P3,116	P1,925	P673	P40	P10,296
2012						
Cost						
Balance at beginning of year	P4,436	P5,458	P9,337	P1,401	P288	P20,920
Additions	90	28	1,458	70	562	2,208
Disposals	(45)	(8)	(784)	-	-	(837)
Reclassification/others	27	130	(15)	31	(249)	(76)
Balance at end of year	4,508	5,608	9,996	1,502	601	22,215
Accumulated depreciation and amortization						
Balance at beginning of year	-	2,713	7,918	881	-	11,512
Depreciation and amortization	-	225	534	106	-	865
Disposals	-	(6)	(433)	-	-	(439)
Reclassification/others	-	5	(9)	(40)	-	(44)
Balance at end of year	-	2,937	8,010	947	-	11,894
Net book value at end of year	P4,508	P2,671	P1,986	P555	P601	P10,321

Building under construction pertains to bank premises yet to be completed and used by the Parent Company. The capital expenditures of the Parent Company related to the construction amounted to P333.5 million and P562.4 million in 2013 and 2012, respectively.

As of December 31, 2013 and 2012, the cost of fully depreciated property and equipment still in use amounted to P1.8 billion and P1.1 billion, respectively, for the Group and P600.9 million and P78.4 million, respectively, for the Parent Company.

Notes:

11. Investments in Subsidiaries, Associates and a Joint Venture

Investments in subsidiaries consists of:

	2013	2012
Acquisition cost:		
FMIC	₱11,751	₱11,751
MBCL	8,658	8,658
PSBank	3,626	3,626
Circa	837	837
ORIX Metro	265	265
MCC	214	214
MTI	200	200
MR USA	158	158
MRCI	131	131
MR Italia	66	66
MR Japan	41	-
MR UK	31	31
MRHL	26	26
MRSPL	17	17
FMIIC	12	12
Metrobank Bahamas	8	8
PVCC	5	5
MR Spain	-	42
	26,046	26,047
Allowance for impairment losses (Note 15)		
Circa	(733)	(719)
MTI	(185)	(153)
MRCI	(127)	(115)
MR USA	(53)	(53)
MR Italia	(66)	(41)
MR UK	-	(3)
MR Spain	-	(41)
	(1,164)	(1,125)
Carrying Value		
FMIC	11,751	11,751
MBCL	8,658	8,658
PSBank	3,626	3,626
Circa	104	118
ORIX Metro	265	265
MCC	214	214
MTI	15	47
MR USA	105	105
MRCI	4	16
MR Italia	-	25
MR Japan	41	-
MR UK	31	28
MRHL	26	26
MRSPL	17	17
FMIIC	12	12
Metrobank Bahamas	8	8
PVCC	5	5
MR Spain	-	1
	₱24,882	₱24,922

Notes:

The following subsidiaries have material non-controlling interests as of December 31, 2013.

	Principal Activities	Effective Percentage of Ownership of Non-Controlling Interest
ORIX Metro	Leasing, Finance	40.15%
MCC	Credit Card Services	40.00%
PSBank	Banking	24.02%

The following table presents financial information of subsidiaries with material non-controlling interests as of December 31, 2013.

	PSBank	MCC	ORIX Metro
Statement of Financial Position			
Total assets	₱130,026	₱39,468	₱19,401
Total liabilities	113,763	33,352	16,239
Non-controlling interest	3,907	2,446	1,270
Statement of Income			
Gross income	15,025	9,983	2,972
Operating income	12,684	8,821	2,557
Net income	2,928	2,006	602
Net income attributable to NCI	704	802	242
Total comprehensive income	2,677	2,146	601
Statement of Cash Flows			
Net cash used in operating activities	(1,915)	(3,478)	(604)
Net cash provided by (used in) investing activities	16,327	(178)	(949)
Net cash provided by (used in) financing activities	(1,263)	4,240	1,939
Net increase in cash and cash equivalents	13,149	584	386
Cash and cash equivalents at beginning of year	20,428	4,628	2,198
Cash and cash equivalents at end of year	33,577	5,212	2,584

Investment in associates and a JV consists of:

	Consolidated		Parent Company	
	2013	2012 (As Restated – Note 2)	2013	2012 (As Restated – Note 2)
Acquisition cost:				
Lepanto Consolidated Mining Company (LCMC) (16.80% owned in 2013; 16.82% owned in 2012)	₱2,397	₱2,397	₱–	₱–
SMFC* (30.39% owned)	800	800	–	–
Toyota Financial Services Philippines Corporation (TFSPC) (34.00% owned)	420	420	150	150
Northpine Land, Inc. (NLI) (20.00% owned)	232	232	232	232
SMBC Metro Investment Corporation (SMBC Metro) (30.00% owned)	180	180	180	180
Taal Land Inc. (TLI) (35.00% owned)	178	178	178	178
Cathay International Resources Corporation (CIRC) (34.73% owned in 2013; 34.72% owned in 2012)	175	175	–	–

(Forward)

Notes:

	Consolidated		Parent Company	
	2013	2012 (As Restated – Note 2)	2013	2012 (As Restated – Note 2)
Philippine AXA Life Insurance Corporation (PALIC) (27.96% owned)	₱172	₱172	₱–	₱–
Charter Ping An Insurance Corporation (CPAIC) (33.07% owned)	60	60	–	–
Global Business Power Corporation (GBPC) (48.72% owned in 2012)	–	7,281	–	–
Others	33	33	–	–
	4,647	11,928	740	740
Accumulated equity in net income (loss):				
Balance at beginning of year				
LCMC	(58)	(83)		
SMFC	(135)	(85)		
TFSPC	487	407		
NLI	96	55		
SMBC Metro	69	71		
TLI	(84)	(85)		
CIRC	9	(2)		
PALIC	573	545		
CPAIC	263	196		
TMPC	–	1,327		
GBPC	1,062	1,735		
Others	(22)	(22)		
	2,260	4,059		
Share in net income (loss)				
LCMC	(29)	25		
SMFC	–	(50)		
TFSPC	176	80		
NLI	15	43		
SMBC Metro	22	20		
TLI	–	1		
CIRC	–	11		
PALIC	349	252		
CPAIC	68	67		
GBPC	876	1,252		
TMPC	–	847		
	1,477	2,548		
Dividends				
NLI	(12)	(2)		
SMBC Metro	(18)	(22)		
PALIC	(251)	(224)		
BPC	–	(1,925)		
TMPC	–	(653)		
	(281)	(2,826)		
Divestments/reclassification				
GBPC	(1,938)	–		
MPC	–	(1,521)		
	(1,938)	(1,521)		
Balance at end of year				
LCMC	(87)	(58)		
SMFC	(135)	(135)		
TFSPC	663	487		
NLI	99	96		
SMBC Metro	73	69		
TLI	(84)	(84)		
CIRC	9	9		
PALIC	671	573		
CPAIC	331	263		
GBPC	–	1,062		
Others	(22)	(22)		
	1,518	2,260		
Equity in net unrealized gain (loss) on AFS investments				
LCMC	(59)	(58)		
TFSPC	(1)	–		
SMBC Metro	12	13		

(Forward)

Notes:

	Consolidated		Parent Company	
	2013	2012 (As Restated – Note 2)	2013	2012 (As Restated – Note 2)
TLI	(P3)	(P3)		
PALIC	301	356		
CPAIC	23	41		
GBPC	–	417		
	273	766		
Translation adjustment and others				
LCMC	–	31		
SMFC	(2)	–		
TFSPC	–	16		
CPAIC	–	29		
	(2)	76		
Allowance for impairment losses (Note 15)				
NLI	–	(58)	P–	(P58)
TLI	(162)	(104)	(162)	(104)
	(162)	(162)	(162)	(162)
Carrying Value				
LCMC	2,251	2,312	–	–
SMFC	663	665	–	–
TFSPC	1,082	923	150	150
NLI	331	270	232	174
SMBC Metro	265	262	180	180
TLI	(71)	(13)	16	74
CIRC	184	184	–	–
PALIC	1,144	1,101	–	–
CPAIC	414	393	–	–
GBPC	–	8,760	–	–
Others	11	11	–	–
	P6,274	P14,868	P578	P578

*Represents investment in a JV of the Group.

As of December 31, 2013 and 2012, carrying amount of goodwill amounted to P5.2 billion and P6.4 billion, respectively, for the Group and nil and P1.2 billion, respectively, for the Parent Company. The goodwill of the Parent Company amounting to P1.2 billion was fully impaired in 2013 (Note 3).

In 2012, the Parent Company invested an additional USD 1.0 million in MR USA which was approved by the BSP on October 1, 2012.

Investment in FMIC

Relative to the amended rule on minimum public ownership, on October 12, 2012, the BOD of FMIC in its special meeting approved the voluntary delisting of FMIC's shares from the PSE and the buy-back of all of its publicly-owned shares through a tender offer. On October 15, 2012, FMIC published its Notice to its Shareholders of the proposed voluntary delisting and the intent to buy back the publicly-owned common shares through a tender offer at P89.00 per share. It filed its initial tender offer report with the SEC and submitted the said report to the PSE on October 17, 2012. On December 12, 2012, the PSE's BOD approved such request effective on December 21, 2012. As required, the FMIC's shares were suspended for trading for 3 days before the delisting date or on December 18, 2012. As a result of FMIC's buyback of its own shares, the Parent Company's ownership in FMIC increased from 98.06% to 99.23% and 99.21% as of December 31, 2013 and 2012, respectively.

Investment of FMIC in GBPC

Following the SEC approval on the increase in authorized capital stock of GBPC to P1.0 billion and the reduction of the par value per share of stock from P100.00 to P1 a share, the deposit for future stock subscription of FMIC amounting to P5.6 billion as of December 31, 2011 had been used to subscribe additional 199,058,600 shares of GBPC in January 2012. This resulted in an increase in percentage of direct ownership to 49.11% from 30.00%. Further, in July 2012, FMIC

Notes:

subscribed to 18,212,638 shares amounting to ₱639.8 million, representing deposit for future stock subscription (included in its investment in GBPC as of December 31, 2012) in response to a capital call made by GBPC. A total of additional equity infusion of ₱1.6 billion representing the proportionate share of FMIC on such capital call was approved by its BOD on June 29, 2012. The remaining balance of the capital call was paid on February 15 and March 15, 2013 amounting to ₱736.7 million and ₱222.7 million, respectively.

On June 27, 2013, FMIC sold 20.0% of its ownership in GBPC to ORIX Corporation of Tokyo, Japan at a consideration of ₱7.2 billion which resulted in a gain of ₱3.1 billion. Further, on October 22, 2013, FMIC sold another 20.0% to Meralco PowerGen Corporation, a wholly-owned subsidiary of Manila Electric Company at a consideration of ₱7.2 billion which resulted in a gain of ₱4.3 billion. As of December 31, 2013, FMIC owned 9.11% of GBPC which warranted the reclassification of the investment to AFS investments. The sale of GBPC shares was in line with the Group's capital raising initiatives in preparation for the implementation of Basel III in the Philippines on January 1, 2014.

Investment of FMIC in CIRC

As of December 31, 2011, FMIC's investments include deposit for future stock subscription amounting to ₱314.0 million which was returned in December 2012.

Investment of FMIC in LCMC

In May 2011, FMIC partially disposed its ownership in LCMC to a third party which resulted in a gain of ₱370.0 million. FMIC holds less than 20.00% of the ownership interest and voting control in LCMC but holds 2 out of 9 board seats (or 22.20%) and has the ability to exercise significant influence through its nominated directors' active participation in the board and management sub-committee. As of December 31, 2013 and 2012, the fair value of the investment which is equivalent to the bid price of the shares in the PSE amounted to ₱2.2 billion and ₱7.4 billion, respectively.

The following tables present financial information of significant associates and a JV as of and for the years ended:

	Statement of Financial Position		Statement of Income		
	Total Assets	Total Liabilities	Gross Income	Operating Income (Loss)	Net Income (Loss)
December 31, 2013					
PALIC	₱54,931	₱50,863	₱10,617	₱1,388	₱1,192
TFSPC	29,576	26,850	1,931	611	437
LCMC	8,706	1,370	2,025	(250)	(258)
CPAIC	9,134	7,776	1,653	228	193
CIRC	2,390	1,829	117	0	1
NLI	2,174	647	234	57	69
SMFC	1,739	77	347	3	6
SMBC Metro	890	81	148	102	72
TLI	47	-	1	1	1
December 31, 2012					
PALIC	₱44,851	₱40,891	₱4,581	₱1,048	₱915
TFSPC	22,361	19,962	1,791	332	197
LCMC	15,096	6,558	2,282	378	251
CPAIC	6,343	5,122	1,632	288	214
CIRC	2,580	2,020	230	95	51
NLI	1,984	467	328	254	180
SMFC	1,729	73	326	(96)	(103)
SMBC Metro	884	85	117	85	66
TLI	46	0	1	1	1

Notes:

Major assets of significant associates and a JV include the following:

	2013	2012
PALIC		
Cash and cash equivalents	₱3,158	₱2,066
Loans and receivables - net	735	536
Financial assets at FVPL	994	1,286
AFS investments	6,305	6,653
Investment in unit-linked funds	43,323	33,758
Property and equipment	221	203
TFSPC		
Cash and cash equivalents	4,138	3,548
Receivables - net	19,952	14,897
LCMC		
Inventories	317	477
Investments and advances	813	812
Property, plant and equipment - net	6,741	6,748
CPAIC		
Receivables - net	5,960	1,247
Investments	1,763	1,125
CIRC		
Receivables - net	-	355
Investment properties - net	439	207
NLI		
Cash and cash equivalents	456	574
Real estate properties	1,074	962
Receivables - net	505	348
SMFC		
Cash and cash equivalents	716	790
Receivables - net	845	750
SMBC Metro		
Cash and cash equivalents	230	234
Due from other banks	-	150
AFS investments	194	70
Receivables - net	462	424
TLI		
Investments	46	46
GBPC		
Cash and cash equivalents		10,588
Receivables - net		5,150
Property, plant and equipment - net		35,946
Prepaid expenses		2,385

The following tables summarize dividends declared by investee companies of the Parent Company:

Subsidiary/Associate	Date of Declaration	Per Share	Total Amount	Date of BSP Approval	Record Date	Payment Date
2013						
Subsidiaries						
Cash Dividend						
FMIC	August 23, 2013	₱8.06	₱3,003	October 8, 2013	September 30, 2013	October 10, 2013
FMIC	November 5, 2013	13.42	5,001	December 12, 2013	December 20, 2013	December 26, 2013
MCC	February 28, 2013	1.50	1,500	April 11, 2013	April 12, 2013	April 24, 2013
PSBank	October 22, 2013	3.00	721	November 12, 2013	November 29, 2013	December 16, 2013
PSBank	October 22, 2013	0.75	180	November 12, 2013	November 29, 2013	December 16, 2013
PSBank	July 18, 2013	0.75	180	August 8, 2013	September 4, 2013	September 19, 2013
PSBank	April 19, 2013	0.75	180	May 28, 2013	June 18, 2013	July 3, 2013
PSBank	January 22, 2013	0.75	180	February 8, 2013	March 5, 2013	March 20, 2013
MRSPL	July 5, 2013	SGD2.00	34	Not required	July 5, 2013	July 23, 2013

Notes:

Subsidiary/Associate	Date of Declaration	Per Share	Total Amount	Date of BSP Approval	Record Date	Payment Date
Associates						
NLI	December 10, 2012	P4.89	P60	Not required	March 22, 2013	April 2, 2013
SMBC	December 9, 2013	10.00	60	Not required	December 9, 2013	January 8, 2013
Subsidiary						
Stock Dividend						
ORIX Metro	October 23, 2013	100.00	253	Note 36b	October 23, 2013	
2012						
Subsidiaries						
Cash Dividend						
MCC	March 22, 2012	P0.89	P886	August 1, 2012	August 7, 2012	August 8, 2012
PSBank	October 23, 2012	0.75	180	November 21, 2012	December 27, 2012	January 14, 2013
PSBank	July 23, 2012	0.75	180	August 13, 2012	September 11, 2012	September 26, 2012
PSBank	April 27, 2012	0.75	180	May 15, 2012	June 7, 2012	June 25, 2012
PSBank	January 24, 2012	0.15	36	February 9, 2012	March 8, 2012	March 23, 2012
Metrobank						
Bahamas	April 12, 2012	USD 0.18	39	Not required	April 27, 2012	April 27, 2012
MRSPL	May 3, 2012	SGD 2.00	34	Not required	May 3, 2012	May 3, 2012
MRHK	May 2, 2012	HKD 0.39	17	Not required	May 2, 2012	May 24, 2012
Associates						
TMPC	May 10, 2012	P140.58	2,178	Not required	December 31, 2011	May 11, 2012/ June 21, 2012
NLI	March 1, 2012	0.82	10	Not required	March 1, 2012	March 21, 2012
SMBC	December 13, 2012	12.00	72	Not required	December 13, 2012	January 8, 2013
Subsidiary						
Stock Dividend						
ORIX Metro	November 29, 2012	20.00	253		November 29, 2012	February 4, 2013

Dividends declared by significant investee companies of FMIC follow:

Subsidiary/Associate	Date of Declaration	Per Share	Total Amount	Date of BSP Approval	Record Date	Payment Date
2013						
Subsidiary						
Cash Dividend						
FAMI	July 12, 2013	P85.00	P20	Not required	July 12, 2013	October 22, 2013
Associate						
Cash Dividend						
PALIC	October 16, 2013	89.10	891	Not required	October 16, 2013	November 13, 2013
Stock Dividend						
PALIC	April 16, 2013	100.00	341	Not required	April 16, 2013	May 30, 2013
ORIX Metro	October 23, 2013	100.00	253	Note 36b	October 23, 2013	
2012						
Subsidiary						
Stock Dividend						
FMSBC*	December 28, 2012	100.00	39	Not required	December 28, 2012	January 25, 2013
Associates						
Cash Dividend						
GBPC	December 17, 2012	5.16	2,870	Not required	December 3, 2012	March 31, 2013
GBPC	August 11, 2012	1.89	1,050	Not required	July 31, 2012	August 30, 2012
PALIC	October 24, 2012	120.57	795	Not required	October 24, 2012	November 9, 2012

* First Metro Securities Brokerage Corporation

12. Investment Properties

This account consists of foreclosed real estate properties and investments in real estate:

	Consolidated					
	2013			2012		
	Land	Buildings and Improvements	Total	Land	Buildings and Improvements	Total
Cost						
Balance at beginning of year	P14,603	P5,495	P20,098	P14,929	P5,236	P20,165
Additions	436	652	1,088	622	1,064	1,686
Disposals	(2,471)	(872)	(3,343)	(2,873)	(843)	(3,716)
Reclassification/others	(252)	(192)	(444)	1,925	38	1,963
Balance at end of year	12,316	5,083	17,399	14,603	5,495	20,098

(Forward)

Notes:

	Consolidated					
	2013			2012		
	Land	Buildings and Improvements	Total	Land	Buildings and Improvements	Total
Accumulated depreciation and amortization						
Balance at beginning of year	P-	₱2,036	₱2,036	P-	₱2,168	₱2,168
Depreciation and amortization	-	207	207	-	226	226
Disposals	-	(322)	(322)	-	(362)	(362)
Reclassification/others	-	(137)	(137)	-	4	4
Balance at end of year	-	1,784	1,784	-	2,036	2,036
Allowance for impairment losses (Note 15)						
Balance at beginning of year	2,487	153	2,640	2,452	74	2,526
Provision for impairment loss	312	88	400	246	94	340
Disposals	(401)	(13)	(414)	(373)	(15)	(388)
Reclassification/others	(111)	(25)	(136)	162	-	162
Balance at end of year	2,287	203	2,490	2,487	153	2,640
Net book value at end of year	₱10,029	₱3,096	₱13,125	₱12,116	₱3,306	₱15,422

	Parent Company					
	2013			2012		
	Land	Buildings and Improvements	Total	Land	Buildings and Improvements	Total
Cost						
Balance at beginning of year	₱12,019	₱3,456	₱15,475	₱11,442	₱3,378	₱14,820
Additions	165	170	335	395	595	990
Disposals	(2,124)	(567)	(2,691)	(2,395)	(554)	(2,949)
Reclassification/others	(252)	2	(250)	2,577	37	2,614
Balance at end of year	9,808	3,061	12,869	12,019	3,456	15,475
Accumulated depreciation and amortization						
Balance at beginning of year	-	1,575	1,575	-	1,732	1,732
Depreciation and amortization	-	143	143	-	157	157
Disposals	-	(276)	(276)	-	(318)	(318)
Reclassification/others	-	7	7	-	4	4
Balance at end of year	-	1,449	1,449	-	1,575	1,575
Allowance for impairment losses (Note 15)						
Balance at beginning of year	1,937	65	2,002	1,998	46	2,044
Provision for impairment loss	290	36	326	26	31	57
Disposals	(400)	(5)	(405)	(275)	(12)	(287)
Reclassification/others	20	(27)	(7)	188	-	188
Balance at end of year	1,847	69	1,916	1,937	65	2,002
Net book value at end of year	₱7,961	₱1,543	₱9,504	₱10,082	₱1,816	₱11,898

As of December 31, 2013 and 2012, foreclosed investment properties still subject to redemption period by the borrower amounted to ₱1.0 billion and ₱719.1 million, respectively, for the Group and ₱271.1 million and ₱227.7 million, respectively, for the Parent Company.

As of December 31, 2013 and 2012, aggregate market value of investment properties amounted to ₱22.9 billion and ₱24.7 billion, respectively, for the Group and ₱18.3 billion and ₱20.1 billion, respectively, for the Parent Company, of which the aggregate market value of investment properties determined by independent external appraisers amounted to ₱20.0 billion and ₱21.9 billion, respectively, for the Group and ₱18.1 billion and ₱20.1 billion, respectively, for the Parent Company. Fair value has been determined based on valuations made by independent and/or in-house appraisers. Valuations were derived on the basis of recent sales of similar properties in the same area as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made.

Rental income on investment properties (included in 'Leasing income' in the statement of income) in 2013, 2012 and 2011 amounted to ₱83.1 million, ₱96.1 million and ₱222.1 million, respectively, for the Group and ₱37.0 million, ₱30.4 million and ₱144.0 million, respectively, for the Parent Company.

Notes:

Direct operating expenses on investment properties that generated rental income (included under 'Litigation expenses') in 2013, 2012 and 2011 amounted to ₱5.4 million, ₱28.5 million and ₱18.0 million, respectively, for the Group and ₱5.2 million, ₱27.2 million and ₱17.9 million, respectively, for the Parent Company.

Direct operating expenses on investment properties that did not generate rental income (included under 'Litigation expenses') in 2013, 2012 and 2011 amounted to ₱281.6 million, ₱288.1 million and ₱333.2 million, respectively, for the Group and ₱226.3 million, ₱227.7 million and ₱296.9 million, respectively, for the Parent Company (Note 25).

Net gains from sale of investment properties (included in 'Profit from assets sold' in the statement of income) in 2013, 2012 and 2011 amounted to ₱451.7 million, ₱1.0 billion and ₱807.2 million, respectively, for the Group and ₱393.4 million, ₱1.0 billion and ₱800.4 million, respectively, for the Parent Company (Note 31).

13. Non-Current Asset Held For Sale

On October 22, 2012, the respective BOD of the Parent Company and GT Capital on separate meetings, upon the endorsement of their respective Related Party Transaction Committees, have approved in principle the sale of the former's 30% ownership in TMPC to GT Capital at a consideration of ₱9.0 billion. This amount was arrived at after an independent valuation exercise and subjected to third party fairness opinions. The divestment of TMPC shares was undertaken by the Parent Company to enhance its regulatory capital position in preparation for the implementation of Basel III. Accordingly, in December 2012, the Parent Company sold its 15% ownership in TMPC and recognized a gain on sale of ₱3.4 billion and ₱4.2 billion for the Group and the Parent Company, respectively (Note 31). The remaining 15.0% ownership of the Parent Company in TMPC was sold in January 2013 wherein the Group and the Parent Company recognized gain on sale of ₱3.4 billion and ₱4.2 billion, respectively (Note 31).

14. Other Assets

This account consists of:

	Consolidated		Parent Company	
	2013	2012 (As Restated - Note 2)	2013	2012 (As Restated - Note 2)
Creditable withholding tax	₱1,428	₱1,749	₱1,028	₱1,331
Assets held under joint operations	1,361	1,189	1,361	1,189
Interoffice float items	1,127	1,550	1,061	1,288
Software costs – net	896	832	431	514
Residual value of leased assets	712	609	–	–
Chattel properties acquired in foreclosure – net	552	479	28	19
Prepaid expenses	365	385	47	79
Documentary and postage stamps on hand	166	132	139	110
Returned checks and other cash items	68	80	54	63
Other investments	3	13	–	10
Retirement asset* (Note 26)	28	–	2	–
Investments in SPVs – net	–	–	–	–
Miscellaneous	3,062	3,114	2,420	2,496
	9,768	10,132	6,571	7,099
Less allowance for impairment losses (Note 15)	1,911	861	1,875	814
	₱7,857	₱9,271	₱4,696	₱6,285

* Includes retirement asset of a foreign branch in 2013.

Notes:

Assets held under joint operations are parcels of land and former branch sites of the Parent Company with net realizable value of ₱1.4 billion and ₱1.2 billion as of December 31, 2013 and 2012, respectively, which were contributed to separate joint operations with Federal Land, Inc. and Federal Land Orix Corporation (Note 31).

Movements in software costs account follow:

	Consolidated		Parent Company	
	2013	2012	2013	2012
Cost				
Balance at beginning of year	₱1,793	₱1,445	₱1,097	₱688
Additions	360	662	61	476
Disposals/others	(12)	(314)	(5)	(67)
Balance at end of year	2,141	1,793	1,153	1,097
Accumulated amortization				
Balance at beginning of year	961	1,003	583	501
Amortization	284	236	139	120
Disposals/others	–	(278)	–	(38)
Balance at end of year	1,245	961	722	583
Net book value at end of year	₱896	₱832	₱431	₱514

Movements in chattel properties acquired in foreclosure follow:

	Consolidated		Parent Company	
	2013	2012	2013	2012
Cost				
Balance at beginning of year	₱587	₱566	₱28	₱73
Additions	1,112	904	34	22
Disposals/others	(1,023)	(883)	(17)	(67)
Balance at end of year	676	587	45	28
Accumulated depreciation and amortization				
Balance at beginning of year	95	127	6	53
Depreciation and amortization	112	113	10	6
Disposals/others	(95)	(145)	(4)	(53)
Balance at end of year	112	95	12	6
Allowance for impairment losses (Note 15)				
Balance at beginning of year	13	9	3	3
Provision for impairment loss	4	4	3	–
Disposals	(5)	–	(1)	–
Balance at end of year	12	13	5	3
Net book value at end of year	₱552	₱479	₱28	₱19

Investments in SPVs represent subordinated notes issued by Cameron Granville 3 Asset Management, Inc. and LNC 3 Asset Management, Inc. with face amount of ₱9.4 billion and ₱2.6 billion, respectively. These notes are non-interest bearing and payable over five (5) years starting April 1, 2006, with rollover of two (2) years at the option of the note issuers. These were received by the Parent Company on April 1, 2006 in exchange for the subordinated note issued by Asia Recovery Corporation (ARC) in 2003 with face amount of ₱11.9 billion. The subordinated note issued by ARC represents payment on the nonperforming assets (NPAs) sold by the Parent Company to ARC in 2003. The related deed of absolute sale was formalized on September 17, 2003 and approved by the BSP on November 28, 2003, having qualified as a true sale. As of December 31, 2013 and 2012, the estimated fair value of the subordinated notes, which is the present value of the estimated cash flows from such notes (derived from the sale of the underlying collaterals of the NPAs, net of the payment to senior notes by the SPV) amounted to nil, after deducting allowance for impairment losses of ₱8.8 billion.

Notes:

Miscellaneous account includes certificates of deposits totaling USD 6 million and USD 11 million as of December 31, 2013 and 2012, respectively (with peso equivalent of ₱266.4 million and ₱451.6 million as of December 31, 2013 and 2012, respectively) that are pledged by the Parent Company's New York Branch in compliance with the regulatory requirements of the Federal Deposit Insurance Corporation and the Office of the Controller of the Currency in New York. Of the USD 11 million pledged certificate of deposits as of December 31, 2012, USD 5 million matured in August 2013 and were invested in Floating Rate notes booked under AFS investments as part of the pledged securities (Note 8).

Further, miscellaneous account includes downpayment to a real estate company, a related party, amounting to ₱1.1 billion relative to the purchase of commercial and office spaces located at Bonifacio Global City, Taguig City (Note 31) and a receivable from a third party of ₱425.7 million pertaining to the final tax withheld on PEACe bonds which matured on October 18, 2011 (Note 30).

15. Allowance for Credit and Impairment Losses

Changes in the allowance for credit and impairment losses follow:

	Consolidated		Parent Company	
	December 31			
	2013	2012	2013	2012
Balance at beginning of year:				
Interbank loans and receivable (Note 7)	₱2	₱-	₱-	₱-
AFS investments (Note 8)				
Equity securities				
Quoted	305	337	90	90
Unquoted	268	224	86	86
Loans and receivables (Note 9)	15,726	14,884	8,233	8,666
Investments in subsidiaries (Note 11)	-	-	1,125	754
Investments in associates (Note 11)	162	150	162	150
Property and equipment (Note 10)	2	12	-	-
Investment properties (Note 12)	2,640	2,526	2,002	2,044
Other assets* (Note 14)	9,731	9,850	9,675	9,601
	28,836	27,983	21,373	21,391
Provisions for credit and impairment losses**	9,519	4,478	4,091	777
Reversal of allowance on assets sold/settled	(2,761)	(376)	(1,725)	(275)
Accounts written off/others	(4,964)	(3,249)	68	(520)
Balance at end of year:				
Interbank loans and receivable (Note 7)	2	2	-	-
AFS investments (Note 8)				
Equity securities				
Quoted	300	305	92	90
Unquoted	268	268	86	86
Loans and receivables (Note 9)	16,626	15,726	9,650	8,233
Investments in subsidiaries (Note 11)	-	-	1,164	1,125
Investments in associates (Note 11)	162	162	162	162
Property and equipment (Note 10)	2	2	-	-
Investment properties (Note 12)	2,490	2,640	1,916	2,002
Other assets* (Note 14)	10,780	9,731	10,737	9,675
	₱30,630	₱28,836	₱23,807	₱21,373

* Allowance for credit and impairment losses of other assets include allowance on investments in SPVs, chattel mortgage properties and miscellaneous assets.

** The amount presented excludes impairment loss on goodwill.

Notes:

Below is the breakdown of provision for credit and impairment losses:

	Consolidated			Parent Company		
	December 31					
	2013	2012	2011	2013	2012	2011
Interbank loans and receivable (Notes 7 and 33)	P-	P2	P-	P-	P-	P-
AFS investments	2	(32)	17	2	-	-
Loans and receivables	8,689	4,311	3,378	3,255	720	460
Investments in subsidiaries	-	-	36	79	-	403
Investments in associates	-	-	(203)	-	-	-
Property and equipment (Note 10)	-	-	10	-	-	-
Investment properties (Note 12)	400	340	341	326	57	291
Chattel properties acquired in foreclosure (Note 14)	4	4	-	3	-	-
Goodwill	1,203	-	-	1,203	-	-
Other assets	424	(147)	244	426	-	32
	P10,722	P4,478	P3,823	P5,294	P777	P1,186

With the foregoing level of allowance for credit and impairment losses, management believes that the Group has sufficient allowance to take care of any losses that the Group may incur from the noncollection or nonrealization of its receivables and other risk assets.

A reconciliation of the allowance for credit losses by class of loans and receivables is as follows:

	Consolidated							
	Commercial Loans	Residential Mortgage Loans	Auto Loans	Trade	Others	Subtotal	Other Receivables*	Total
	Balance at January 1, 2013	P6,169	P700	P736	P338	P3,262	P11,205	P4,521
Provisions during the year	3,410	493	1,364	-	3,144	8,411	278	8,689
Accounts written off	(42)	(3)	(621)	(3)	(3,889)	(4,558)	(37)	(4,595)
Reclassifications/reversals/ others	(1,894)	-	(261)	4	(92)	(2,243)	(951)	(3,194)
Balance at December 31, 2013	P7,643	P1,190	P1,218	P339	P2,425	P12,815	P3,811	P16,626
Individual impairment	P2,919	P1,075	P618	P279	P168	P5,059	P2,363	P7,422
Collective impairment	4,724	115	600	60	2,257	7,756	1,448	9,204
	P7,643	P1,190	P1,218	P339	P2,425	P12,815	P3,811	P16,626
Gross amount of loans individually determined to be impaired	P6,502	P1,491	P619	P413	P1,193	P10,218	P4,015	P14,233
Balance at January 1, 2012	P5,508	P628	P511	P389	P3,009	P10,045	P4,839	P14,884
Provisions during the year	887	92	173	27	2,858	4,037	274	4,311
Accounts written off	(131)	-	-	(76)	(2,591)	(2,798)	(160)	(2,958)
Reclassifications/reversals/ others	(95)	(20)	52	(2)	(14)	(79)	(432)	(511)
Balance at December 31, 2012	P6,169	P700	P736	P338	P3,262	P11,205	P4,521	P15,726
Individual impairment	P4,644	P599	P2	P206	P754	P6,205	P2,856	P9,061
Collective impairment	1,525	101	734	132	2,508	5,000	1,665	6,665
	P6,169	P700	P736	P338	P3,262	P11,205	P4,521	P15,726
Gross amount of loans individually determined to be impaired	P7,578	P1,006	P5	P208	P953	P9,750	P5,126	P14,876

	Parent Company							
	Commercial Loans	Residential Mortgage Loans	Auto Loans	Trade	Others	Subtotal	Other Receivables*	Total
	Balance at January 1, 2013	P4,313	P432	P20	P338	P54	P5,157	P3,076
Provisions during the year	3,218	-	2	-	-	3,220	35	3,255
Accounts written off	(42)	(3)	(3)	(3)	(12)	(63)	(36)	(99)
Reclassifications/reversals/ others	(1,384)	-	-	4	-	(1,380)	(359)	(1,739)
Balance at December 31, 2013	P6,105	P429	P19	P339	P42	P6,934	P2,716	P9,650
Individual impairment	P2,362	P367	P-	P279	P34	P3,042	P1,772	P4,814
Collective impairment	3,743	62	19	60	8	3,892	944	4,836
	P6,105	P429	P19	P339	P42	P6,934	P2,716	P9,650
Gross amount of loans individually determined to be impaired	P5,550	P462	P-	P413	P42	P6,467	P3,094	P9,561

Notes:

Parent Company								
	Commercial Loans	Residential Mortgage Loans	Auto Loans	Trade	Others	Subtotal	Other Receivables*	Total
Balance at January 1, 2012	P4,116	P446	P21	P389	P38	P5,010	P3,656	P8,666
Provisions during the year	614	1	–	27	18	660	60	720
Accounts written off	(115)	–	–	(76)	(1)	(192)	(100)	(292)
Reclassifications/reversals/ others	(302)	(15)	(1)	(2)	(1)	(321)	(540)	(861)
Balance at December 31, 2012	P4,313	P432	P20	P338	P54	P5,157	P3,076	P8,233
Individual impairment	P3,833	P388	P1	P206	P54	P4,482	P2,175	P6,657
Collective impairment	480	44	19	132	–	675	901	1,576
	P4,313	P432	P20	P338	P54	P5,157	P3,076	P8,233
Gross amount of loans individually determined to be impaired	P6,561	P539	P3	P208	P62	P7,373	P4,054	P11,427

* Allowance for credit losses on other receivables include allowance on unquoted debt securities, accounts receivables, accrued interest receivable, sales contract receivable and deficiency judgment receivable.

Movements in the allowance for credit and impairment losses on AFS investments and other assets follow:

	Consolidated			Parent Company		
	AFS Investments - Equity Securities	Other Assets*	Total	AFS Investments - Equity Securities	Other Assets*	Total
Balance at January 1, 2013	P573	P9,731	P10,304	P176	P9,675	P9,851
Provisions for credit and impairment losses	2	428	430	2	429	431
Disposals	–	–	–	(1)	–	(1)
Reclassifications/reversals/others	(7)	621	614	1	633	634
Balance at December 31, 2013	P568	P10,780	P11,348	P178	P10,737	P10,915
Balance at January 1, 2012	P561	P9,850	P10,411	P176	P9,601	P9,777
Provisions for credit and impairment losses	(32)	(143)	(175)	–	–	–
Accounts written-off	–	(56)	(56)	–	–	–
Disposals	–	6	6	–	–	–
Reclassifications/reversals/others	44	74	118	–	74	74
Balance at December 31, 2012	P573	P9,731	P10,304	P176	P9,675	P9,851

* Allowance for credit and impairment losses of other assets include allowance on investments in SPVs, chattel mortgage properties and miscellaneous assets.

16. Deposit Liabilities

Of the total interest-bearing deposit liabilities of the Group as of December 31, 2013 and 2012, 47.40% and 43.20%, respectively, are subject to periodic interest repricing. In 2013, 2012 and 2011, remaining peso deposit liabilities earn annual fixed interest rates ranging from 0.00% to 6.59%, while foreign currency-denominated deposit liabilities earn annual fixed interest rates ranging from 0.00% to 3.50%.

Interest expense on deposit liabilities consists of:

	Consolidated			Parent Company		
	2013	2012	2011	2013	2012	2011
Demand	P340	P293	P276	P208	P217	P196
Savings	799	1,045	1,159	734	988	1,109
Time	6,417	7,418	8,799	4,033	4,474	5,705
	P7,556	P8,756	P10,234	P4,975	P5,679	P7,010

Composition of Reserves

On March 29, 2012, the BSP issued Circular No. 753 mandating the unification of the statutory/legal and liquidity reserves requirement on deposit liabilities and deposit substitutes. As such, effective the reserve week starting April 6, 2012, non-FCDU deposit liabilities of the Parent Company and deposit substitutes of FMIC, ORIX Metro and MCC are subject to required reserves equivalent to 18.0%. On the other hand, non-FCDU deposit liabilities of PSBank are subject to required reserves equivalent to 6.0%. In compliance with this Circular, government securities

Notes:

which are used as compliance with the regular and/or liquidity reserve requirements shall continue to be eligible until they mature and cash in vault shall no longer be included as reserve. The required reserves shall be kept in the form of deposits maintained in the Demand Deposit Accounts (DDAs) with the BSP. Further, deposits maintained with the BSP in compliance with the reserve requirement no longer bear interest.

The Parent Company, PSBank, FMIC, MCC and ORIX Metro were in compliance with such regulations as of December 31, 2013 and 2012.

The total liquidity and statutory reserve, as reported to the BSP, are as follows:

	Due from BSP	
	2013	2012
Parent Company	₱143,492	₱96,014
PSBank	7,133	5,135
FMIC	6,401	8,000
MCC	4,408	3,832
Orix Metro	2,239	1,917
	₱163,673	₱114,898

17. Bills Payable and Securities Sold Under Repurchase Agreements

This account consists of borrowings from:

	Consolidated		Parent Company	
	2013	2012	2013	2012
Deposit substitutes	₱59,536	₱59,607	₱-	₱-
Local banks	21,767	15,358	5,327	1,437
Foreign banks	20,784	12,876	18,486	9,720
SSURA	25,117	9,267	22,180	5,066
	₱127,204	₱97,108	₱45,993	₱16,223

Interbank borrowings with foreign and local banks are mainly short-term borrowings. The Group's peso borrowings are subject to annual fixed interest rates ranging from 1.00% to 8.54%, from 1.00% to 8.12% and from 1.00% to 8.54% in 2013, 2012 and 2011, respectively, while the Group's foreign currency-denominated borrowings are subject to annual fixed interest rates ranging from 0.16% to 2.63%, from 0.15% to 1.95% and from 0.10% to 2.90% in 2013, 2012 and 2011, respectively.

Deposit substitutes pertain to borrowings from the public of FMIC, ORIX Metro and MCC.

The following are the carrying values of the investment securities pledged and transferred under SSURA transactions of the Group and the Parent Company:

	Consolidated			
	2013		2012	
	Transferred Securities	SSURA	Transferred Securities	SSURA
Government debt securities (Note 8)				
HFT investments	₱3,314	₱2,974	₱-	₱-
AFS investments	17,916	14,303	5,215	4,284
HTM investments	6,712	7,270	3,371	2,851
	27,942	24,547	8,586	7,135

(Forward)

Notes:

	Consolidated			
	2013		2012	
	Transferred Securities	SSURA	Transferred Securities	SSURA
Unquoted debt securities (Note 9)				
Government	₱570	₱570	₱1,320	₱1,320
Private	–	–	812	812
	570	570	2,132	2,132
	₱28,512	₱25,117	₱10,718	₱9,267

	Parent Company			
	2013		2012	
	Transferred Securities	SSURA	Transferred Securities	SSURA
Government debt securities (Note 8)				
HFT investments	₱3,314	₱2,974	₱–	₱–
AFS investments	12,574	11,936	5,215	4,284
HTM investments	6,712	7,270	733	782
	₱22,600	₱22,180	₱5,948	₱5,066

Interest expense on bills payable (included in the 'Interest expense on bills payable and SSURA, subordinated debt and others' in the statement of income) in 2013, 2012 and 2011 amounted to ₱2.3 billion, ₱3.3 billion and ₱3.7 billion, respectively, for the Group and ₱109.6 million, ₱51.0 million and ₱57.2 million, respectively, for the Parent Company.

18. Accrued Interest and Other Expenses

This account consists of:

	Consolidated		Parent Company	
	2013	2012	2013	2012
Accrued interest (Note 31)	₱1,770	₱1,810	₱903	₱959
Accrued other expenses (Note 31)	6,737	6,531	5,099	4,948
	₱8,507	₱8,341	₱6,002	₱5,907

Accrued other expenses include accruals for salaries and wages, fringe benefits, rentals, percentage and other taxes, professional fees, advertisements and information technology expenses.

19. Bonds Payable

This account represents scripless fixed rate corporation bonds issued by FMIC as follows:

Issue Date	Maturity Date	Interest Rate	Redemption Period	Face Value	Carrying value	
					2013	2012
November 25, 2011	February 25, 2017	5.675%	after 4 th year	₱5,000	₱4,823	₱4,793
August 10, 2012	November 20, 2017	5.50%	after 4 th year	4,000	3,858	3,790
August 10, 2012	August 10, 2019	5.75%	after 5 th year	3,000	2,962	2,973
				₱12,000	₱11,643	₱11,556

These bonds are issued in principal amounts of ₱50,000 and in multiples of ₱5,000 in excess of ₱50,000 with an option to redeem in whole, but not in part, on any quarterly interest payment after the fourth or fifth anniversary of the issue date at 102.00% of its face value plus accrued interest. These are exempt securities pursuant to certain provisions of the Securities Regulation Code and

Notes:

are covered by deed of assignments on government securities held in trust by a collateral agent which shall have aggregate market value of 100.00% of the issued amount, otherwise, additional government securities shall be offered to increase and maintain the cover at 100.00%.

As of December 31, 2013 and 2012, the carrying amount of the government securities assigned as collateral classified under AFS investments amounted to ₱11.5 billion, with market value of ₱12.7 billion as of December 31, 2013 and under HTM investments amounted to ₱10.0 billion, with market value of ₱12.5 billion in 2012. As of December 31, 2013 and 2012, FMIC has complied with the terms of the issuance.

Interest expense on bonds payable (included in 'Interest expense on bills payable and SSURA, subordinated debt and others') in 2013, 2012 and 2011 amounted to ₱665.9 million, ₱422.7 million and ₱26.6 million, respectively.

20. Subordinated Debt

This account consists of the following Peso Notes:

	Maturity Date	Face Value	Carrying Value		Market Value	
			2013	2012	2013	2012
Parent Company						
2018	October 3, 2018	₱5,500	₱-	₱5,490	₱-	₱5,451
2019	May 6, 2019	4,500	4,497	4,487	4,561	4,415
		10,000	4,497	9,977	4,561	9,866
MCC – 2019	June 30, 2019	1,300	-	1,296	-	1,423
MCC – 2023	December 20, 2023	1,170	1,159	-	1,328	-
PSBank – 2022	February 20, 2022	3,000	2,972	2,970	3,504	3,397
		₱15,470	₱8,628	₱14,243	₱9,393	₱14,686

Peso Notes issued by the Parent Company are unsecured and subordinated obligations and will rank pari passu and without any preference among themselves and at least equally with all other present and future unsecured and subordinated obligations of the Parent Company. These Peso Notes have a term of 10 years and are redeemable at the option of the Parent Company (but not the holders) after the fifth year in whole but not in part at redemption price equal to 100.00% of the principal amount together with accrued and unpaid interest on the date of redemption, subject to the prior consent of the BSP. Further, at any time within the first 5 years from respective issue dates of these Notes, upon (a) a change in tax status due to changes in laws and/or regulations or (b) the non-qualification as Lower Tier 2 capital as determined by BSP of these Notes, the Parent Company may, upon prior approval of BSP and at least 30-day prior written notice to the Noteholders on record, redeem all and not less than all of the outstanding Peso Notes prior to stated maturity by paying the face value plus accrued interest at the interest rate. Also, the following shall be prohibited from purchasing and/or holding these Peso Notes: (1) subsidiaries and affiliates, including the subsidiaries and affiliates of the Parent Company's subsidiaries and affiliates; (2) unit investment trust funds managed by the Trust Department of the Parent Company, its subsidiaries and affiliates or other related entities; and (3) other funds being managed by the Trust Department of the Parent Company, its subsidiaries and affiliates or other related entities where (a) the fund owners have not given prior authority or instruction to the Trust Department to purchase or invest in the Peso Notes or (b) the authority or instruction of the fund owner and his understanding of the risk involved in purchasing or investing in the Peso Notes are not fully documented.

Notes:

Each Noteholder may not exercise or claim any right of set-off in respect of any amount owed to it by the Parent Company arising under or in connection with the Peso Notes and to the fullest extent permitted by applicable law, waive and be deemed to have waived all such rights of set-off. These Notes are not deposits and are not insured by the Philippine Deposit Insurance Corporation (PDIC).

On September 17, 2008, the BOD of the Parent Company approved the listing of the 2018 Peso Notes and the 2017 Peso Notes with the Philippine Dealing & Exchange Corporation (PDEX).

Specific terms of these Notes follow:

2018 Peso Notes – issued on October 3, 2008, at 100.00% of the principal amount of ₱5.5 billion

- ? Bear interest at 7.75% per annum from and including October 3, 2008 to but excluding October 3, 2013. Interest will be payable quarterly in arrears on January 3, April 3, July 3 and October 3 of each year, commencing January 3, 2009 up to and including October 3, 2013. Unless these are previously redeemed, the interest rate from and including October 3, 2013 to but excluding October 3, 2018 will be reset at the equivalent of the five-year PDST-F as of the Reset date multiplied by 80.00% plus a spread of 2.71% per annum. Interest will be payable quarterly in arrears on January 3, April 3, July 3 and October 3 of each year, commencing January 3, 2014 up to and including October 3, 2018.

On October 4, 2013, the Parent Company exercised the call option on its ₱5.5 billion 7.75% Lower Tier 2 Notes, ahead of its original maturity on October 3, 2018. The redemption was approved by the BOD of the Parent Company and by the BSP on July 16, 2013 and August 15, 2013, respectively.

2019 Peso Notes – issued on May 6, 2009, at 100.00% of the principal amount of ₱4.5 billion

- ? Bear interest at 7.50% per annum from and including May 6, 2009 to but excluding May 6, 2014. Interest will be payable quarterly in arrears on August 6, November 6, February 6, and May 6, commencing August 6, 2009 up to and including May 6, 2014. Unless these are previously redeemed, the interest rate from and including May 6, 2014 to but excluding May 6, 2019 will be reset at the equivalent of the five-year PDST-F as of the Reset date multiplied by 80.00% plus a spread of 3.53% per annum. Interest will be payable quarterly in arrears on August 6, November 6, February 6 and May 6 of each year, commencing August 6, 2014 up to and including May 6, 2019.

On April 15, 2013, the BOD approved the issuance of Basel III-compliant Tier 2 capital notes up to USD500 million in one or more tranches, issued as part of the Parent Company's regulatory capital compliance in accordance with Basel III capital guidelines of the BSP and to proactively manage its capital base for growth and refinancing of maturing capital securities.

MCC

2019 Peso Notes – issued on June 30, 2009 at 100.00% of the principal amount of ₱1.3 billion

- ? Bear interest at 8.40% per annum from and including June 30, 2009 but excluding June 30, 2014 which is payable quarterly in arrears every 30th of September, December, March and June of each year, commencing on September 30, 2009.
- ? Constitute direct, unconditional, and unsecured obligations of MCC and claim in respect of the 2019 Notes shall be at all times pari passu and without any preference among themselves.
- ? Subject to the written approval of the BSP, MCC may redeem all and not less than the entire outstanding 2019 Notes, at a redemption price equal to the face value together with accrued and unpaid interest based on the interest rate.

Notes:

On September 30, 2014 (the Reset date), the Step-up Interest Rate will be based on a 5-year PDST-F FXTN as of the Reset date multiplied by 80.00%, plus the Step-up Credit Spread on the twenty-first interest period up to the last interest period in the event that the issuer does not exercise the Call Option. The Step-up Credit Spread is equivalent to 4.92%.

MCC exercised the call option on its 2019 Peso Notes amounting to ₱1.3 billion on July 31, 2013, as approved by the BSP on June 6, 2013. The redemption fell under the call provisions which had an original maturity of ten years or until 2019.

2023 Peso Notes – issued on December 20, 2013 at 100.00% of the principal amount of ₱1.17 billion.

- ? Bear interest at 6.21% per annum payable quarterly in arrears every 20th of March, June, September and December each year, commencing on March 20, 2014.
- ? Basel III - Compliant unsecured subordinated notes qualified as Tier 2 capital as approved by the BSP on February 17, 2013.
- ? In case of insolvency or liquidation of MCC, the notes will be subordinated in the right of payment of principal and interest to all depositors and other creditors of MCC, except those creditors expressed to rank equally with, or behind holders of the notes.
- ? If a non-viability trigger event occurs, MCC shall immediately write down some or all of the notes in accordance with the BSP's determination.
- ? Subject to the written approval of the BSP, MCC may redeem all and not less than the entire outstanding 2019 Notes, at a redemption price equal to the face value together with the accrued and unpaid interest based on the interest rate.

PSBank

2022 Peso Notes – issued on February 20, 2012 at 100.00% of the principal amount of ₱3.0 billion

- ? Bear interest at 5.75% per annum from and including February 20, 2012 but excluding February 20, 2017 which is payable quarterly in arrears every May 20, August 20, November 20 and February 20, commencing on February 20, 2012.
- ? Constitute direct, unconditional, and unsecured obligations of PSBank and claim in respect of the 2022 Notes shall be at all times pari passu and without any preference among themselves.
- ? Subject to satisfaction of certain regulatory approval requirements, PSBank may redeem all and not less than the entire outstanding 2022 Notes, at a redemption price equal to the face value together with accrued and unpaid interest based on the interest rate.

As of December 31, 2013 and 2012, the Parent Company, PSBank and MCC are in compliance with the terms and conditions upon which these subordinated notes have been issued.

In 2013, 2012 and 2011, interest expense on subordinated debt included in 'Interest expense on bills payable and SSURA, subordinated debt and others' amounted to ₱0.9 billion, ₱1.5 billion and ₱1.5 billion (including amortization of ₱24.3 million, ₱40.0 million and ₱62.3 million), respectively, for the Group, and ₱0.7 billion, ₱1.3 billion and ₱1.4 billion (including amortization of ₱19.7 million, ₱35.2 million and ₱36.7 million), respectively, for the Parent Company.

Notes:

21. Other Liabilities

This account consists of:

	Consolidated		Parent Company	
	2013	2012 (As restated – Note 2)	2013	2012 (As restated – Note 2)
Bills purchased – contra (Note 9)	₱16,637	₱15,217	₱16,587	₱15,156
Non-equity non-controlling interests	10,369	6,807	–	–
Accounts payable (Note 31)	8,337	6,194	4,674	3,690
Marginal deposits	6,819	1,846	324	152
Retirement liability* (Note 26)	4,830	4,312	4,162	3,894
Outstanding acceptances	1,001	968	1,001	968
Deposits on lease contracts	991	832	–	–
Deferred revenues	936	708	98	78
Other credits	680	496	382	341
Withholding taxes payable	412	519	270	342
Miscellaneous	3,068	2,342	1,362	829
	₱54,080	₱40,241	₱28,860	₱25,450

* Includes retirement liability of a foreign subsidiary and a foreign branch in 2012.

Deferred revenues include deferral and release of MCC's loyalty points program transactions and membership fees and dues.

Non-equity non-controlling interests arise when mutual funds are consolidated and where the Group holds less than 100% of the investment in these funds. When this occurs, the Group acquires a liability in respect of non-controlling interests in the funds of which the Group has control. Such non-controlling interests are distinguished from equity non-controlling interests in that the Group does not hold an equity stake in such funds.

As of December 31, 2013 and 2012, miscellaneous liabilities of the Group include dividends payable amounting to ₱28.6 million and ₱66.3 million, respectively, and notes payable amounting to ₱488.1 million.

22. Maturity Profile of Assets and Liabilities

The following tables present the assets and liabilities by contractual maturity and settlement dates:

	Consolidated					
	2013			2012 (As restated – Note 2)		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
Financial Assets – at gross						
Cash and other cash items	₱29,742	₱–	₱29,742	₱24,382	₱–	₱24,382
Due from BSP	166,774	–	166,774	131,278	–	131,278
Due from other banks	26,275	–	26,275	22,996	–	22,996
Interbank loans receivable and SPURA (Note 7)	122,013	–	122,013	23,394	–	23,394
Financial assets at FVPL (Note 8)	55,441	–	55,441	72,920	–	72,920
AFS investments (Note 8)	7,363	266,634	273,997	25,663	97,951	123,614
HTM investments (Note 8)	1,141	37,284	38,425	8,851	42,600	51,451
Loans and Receivables (Note 9)						
Receivables from customers	308,961	302,258	611,219	273,890	251,654	525,544
Unquoted debt securities	2,111	3,243	5,354	1,644	6,342	7,986
Accrued interest receivable	8,414	–	8,414	7,359	–	7,359
Accounts receivable	3,821	–	3,821	4,060	–	4,060
Sales contract receivable	109	349	458	133	504	637
Other receivables	314	–	314	1,493	–	1,493

(Forward)

Notes:

	Consolidated					
	2013			2012 (As restated – Note 2)		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
Other assets (Note 14)						
Interoffice float items	P1,127	P–	P1,127	P1,550	P–	P1,550
Returned checks and other cash items	68	–	68	80	–	80
Residual value of leased asset	–	712	712	383	226	609
Other investments	–	3	3	–	13	13
Investments in SPVs	8,857	–	8,857	8,857	–	8,857
Pledged certificate of time deposit	266	–	266	452	–	452
Miscellaneous assets	–	426	426	–	457	457
	742,797	610,909	1,353,706	609,385	399,747	1,009,132
Non-financial Assets – at gross						
Property and equipment (Note 10)	–	32,978	32,978	–	31,048	31,048
Investments in associates (Note 11)	–	6,436	6,436	–	15,030	15,030
Investment properties (Note 12)	–	17,399	17,399	–	20,098	20,098
Non-current asset held for sale (Note 13)	–	–	–	1,102	–	1,102
Deferred tax assets (Note 28)	–	7,190	7,190	–	8,871	8,871
Goodwill (Note 11)	–	5,206	5,206	–	6,409	6,409
Retirement asset (Note 26)	–	28	28	–	–	–
Assets held under joint operations (Note 14)	–	1,361	1,361	–	1,189	1,189
Accounts receivable (Note 9)	–	2,052	2,052	–	1,722	1,722
Other assets (Note 14)	1,960	5,186	7,146	2,266	4,585	6,851
	1,960	77,836	79,796	3,368	88,952	92,320
	P744,757	P688,745	1,433,502	P612,753	P488,699	P1,101,452
Less:						
Unearned discounts and capitalized interest (Note 9)			3,942			7,180
Accumulated depreciation and amortization (Notes 10, 12 and 14)			20,361			18,793
Allowance for credit and impairment losses (Note 15)			30,630			28,836
			P1,378,569			P1,046,643
Financial Liabilities						
Deposit liabilities						
Demand	P150,694	P–	P150,694	P106,229	P–	P106,229
Savings	362,915	–	362,915	305,034	–	305,034
Time	475,521	27,138	502,659	309,651	17,780	327,431
	989,130	27,138	1,016,268	720,914	17,780	738,694
Bills payable and SSURA (Note 17)	114,199	13,005	127,204	83,094	14,014	97,108
Derivative liabilities	4,452	–	4,452	6,692	–	6,692
Manager's checks and demand drafts outstanding	3,927	–	3,927	3,489	–	3,489
Accrued interest and other expenses	7,326	–	7,326	6,641	–	6,641
Bonds payable (Note 19)	–	11,643	11,643	–	11,556	11,556
Subordinated debt (Note 20)	4,497	4,131	8,628	4,266	9,977	14,243
Other liabilities (Note 21)						
Bills purchased – contra	16,637	–	16,637	15,217	–	15,217
Accounts payable	8,337	–	8,337	6,194	–	6,194
Non-equity non-controlling interest	10,369	–	10,369	6,807	–	6,807
Marginal deposits	6,819	–	6,819	1,846	–	1,846
Outstanding acceptances	1,001	–	1,001	968	–	968
Deposits on lease contracts	–	991	991	243	589	832
Dividends payable	29	–	29	66	–	66
Miscellaneous	–	488	488	–	482	482
	1,166,723	57,396	1,224,119	856,437	54,398	910,835
Nonfinancial Liabilities						
Retirement liability (Note 26)	–	4,830	4,830	–	4,312	4,312
Income taxes payable	676	–	676	1,326	–	1,326
Accrued interest and other expenses	1,181	–	1,181	1,700	–	1,700
Withholding taxes payable (Note 21)	412	–	412	519	–	519
Deferred tax and other liabilities (Notes 21 and 28)	3,473	1,173	4,646	2,496	746	3,242
	5,742	6,003	11,745	6,041	5,058	11,099
	P1,172,465	P63,399	P1,235,864	P862,478	P59,456	P921,934

Notes:

	Parent Company					
	2013			2012		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
Financial Assets – at gross						
Cash and other cash items	P26,532	P–	P26,532	P21,540	P–	P21,540
Due from BSP	143,724	-	143,724	111,515	-	111,515
Due from other banks	8,947	-	8,947	7,873	-	7,873
Interbank loans receivable and SPURA (Note 7)	96,872	-	96,872	15,046	-	15,046
Financial assets at FVPL (Note 8)	36,140	-	36,140	57,635	-	57,635
AFS investments (Note 8)	4,249	222,872	227,121	23,694	79,056	102,750
HTM investments (Note 8)	1,141	37,217	38,358	8,574	12,917	21,491
Loans and Receivables (Note 9)						
Receivables from customers	241,374	213,223	454,597	219,247	176,762	396,009
Unquoted debt securities	558	462	1,020	765	548	1,313
Accrued interest receivable	6,910	-	6,910	5,646	-	5,646
Accounts receivable	2,360	-	2,360	3,070	-	3,070
Sales contract receivable	80	76	156	111	133	244
Other receivables	30	-	30	168	-	168
Other assets (Note 14)						
Interoffice float items	1,061	-	1,061	1,288	-	1,288
Returned checks and other cash items	54	-	54	63	-	63
Other investments	-	-	-	-	10	10
Investments in SPVs	8,857	-	8,857	8,857	-	8,857
Pledged certificate of time deposit	266	-	266	452	-	452
Miscellaneous assets	-	426	426	-	457	457
	<u>579,155</u>	<u>474,276</u>	<u>1,053,431</u>	<u>485,544</u>	<u>269,883</u>	<u>755,427</u>
Nonfinancial Assets – at gross						
Property and equipment (Note 10)	-	22,872	22,872	-	22,215	22,215
Investment in subsidiaries (Note 11)	-	26,046	26,046	-	26,047	26,047
Investments in associates (Note 11)	-	740	740	-	740	740
Investment properties (Note 12)	-	12,869	12,869	-	15,475	15,475
Non-current asset held for sale (Note 13)	-	-	-	336	-	336
Deferred tax assets (Note 28)	-	6,333	6,333	-	7,276	7,276
Goodwill (Note 11)	-	-	-	-	1,203	1,203
Retirement asset (Note 26)	-	2	2	-	-	-
Assets held under joint operations (Note 14)	-	1,361	1,361	-	1,189	1,189
Accounts receivable (Note 9)	-	2,052	2,052	-	1,722	1,722
Other assets (Note 14)	1,214	2,926	4,140	1,520	2,713	4,233
	<u>1,214</u>	<u>75,201</u>	<u>76,415</u>	<u>1,856</u>	<u>78,580</u>	<u>80,436</u>
	<u>P580,369</u>	<u>P549,477</u>	<u>1,129,846</u>	<u>P487,400</u>	<u>P348,463</u>	<u>835,863</u>
Less:						
Unearned discounts and capitalized interest (Note 9)			580			1,376
Accumulated depreciation and amortization (Notes 10, 12 and 14)			14,759			14,058
Allowance for credit and impairment losses (Note 15)			23,807			21,373
			<u>P1,090,700</u>			<u>P799,056</u>
Financial Liabilities						
Deposit liabilities						
Demand	P134,788	P–	P134,788	P94,516	P–	P94,516
Savings	348,244	-	348,244	293,934	-	293,934
Time	398,497	9,225	407,722	245,135	834	245,969
	<u>881,529</u>	<u>9,225</u>	<u>890,754</u>	<u>633,585</u>	<u>834</u>	<u>634,419</u>
Bills payable and SSURA (Note 17)	45,993	-	45,993	16,223	-	16,223
Derivative liabilities	4,452	-	4,452	6,425	-	6,425
Manager's checks and demand drafts outstanding	2,816	-	2,816	2,732	-	2,732
Accrued interest and other expenses	4,934	-	4,934	4,297	-	4,297
Subordinated debt (Note 20)	4,497	-	4,497	-	9,977	9,977
Other liabilities (Note 21)						
Bills purchased – contra	16,587	-	16,587	15,156	-	15,156
Accounts payable	4,674	-	4,674	3,690	-	3,690
Marginal deposits	324	-	324	152	-	152
Outstanding acceptances	1,001	-	1,001	968	-	968
	<u>966,807</u>	<u>9,225</u>	<u>976,032</u>	<u>683,228</u>	<u>10,811</u>	<u>694,039</u>
Nonfinancial Liabilities						
Retirement liability (Note 26)	-	4,162	4,162	-	3,894	3,894
Income taxes payable	267	-	267	912	-	912
Accrued interest and other expenses	1,068	-	1,068	1,610	-	1,610
Withholding taxes payable (Note 21)	270	-	270	342	-	342
Other liabilities (Note 21)	1,444	398	1,842	907	341	1,248
	<u>3,049</u>	<u>4,560</u>	<u>7,609</u>	<u>3,771</u>	<u>4,235</u>	<u>8,006</u>
	<u>P969,856</u>	<u>P13,785</u>	<u>P983,641</u>	<u>P686,999</u>	<u>P15,046</u>	<u>P702,045</u>

Notes:

23. Capital Stock

This account consists of (amounts in millions, except par value and number of shares):

	Shares			Amount		
	2013	2012	2011	2013	2012	2011
Authorized						
Common stock – ₱20.00 par value	4,000,000,000	2,500,000,000	2,500,000,000			
Preferred stock – ₱20.00 par value	1,000,000,000	–	–			
Issued and outstanding						
Balance at beginning of year	2,111,386,017	2,111,386,017	1,911,386,017	₱42,228	₱42,228	₱38,228
Issuance of stock dividends	633,415,049	–	–	12,668	–	–
Issuance of common stock	–	–	200,000,000	–	–	4,000
Balance at end of year	2,744,801,066	2,111,386,017	2,111,386,017	54,896	42,228	42,228
HT1 Capital	–	–	–	6,351	6,351	6,351
	2,744,801,066	2,111,386,017	2,111,386,017	₱61,247	₱48,579	₱48,579

All issued and outstanding shares of the Parent Company are listed with the PSE (Note 1). As of December 31, 2013 and 2012, the Parent Company's share price closed at ₱75.55 and ₱102.00 a share, respectively.

Following the approval of the BOD of the Parent Company on October 13, 2010, on January 24, 2011, the Parent Company has concluded the ₱10.0 billion stock rights offering, involving 200 million common shares with a par value of ₱20.00 priced at ₱50.00 per share which was computed based on the 10-trading day volume-weighted average price of the Parent Company's common shares on the PSE prior to the December 10, 2010 pricing date, subject to a discount of 30.50%. Stockholders were entitled to the rights as of December 20, 2010, the record date, at the ratio of one (1) right share for every 9.557 common shares held (Note 32).

On March 15, 2013, the BOD of the Bank approved (a) the amendment of the Articles of Incorporation (AOI) for the purpose of increasing the authorized capital stock and (b) the declaration of 30% stock dividend, which were ratified by the stockholders representing at least 2/3 of the outstanding capital stock on April 15, 2013. These were subsequently approved by the BSP on May 15, 2013 while the SEC approved the amended AOI on August 13, 2013.

Following this, the authorized capital stock of the Bank increased from ₱50.0 billion to ₱100.0 billion consisting of 4.0 billion Common Shares and 1.0 billion Preferred Shares, both with par value of ₱20 per share. Preferred shares are non-voting except as provided by law; have preference over Common Shares in the distribution of dividends; subject to such terms and conditions as may be determined by the BOD and to the extent permitted by applicable law, may or may not be redeemable; and shall have such other features as may be determined by the BOD at the time of issuance.

The 30% stock dividend equivalent to 633.4 million common shares amounting to ₱12.7 billion represents at least the minimum 25% subscribed and paid-up capital for the increase in the authorized capital stock referred to above. As delegated by the BOD, the President fixed the record and payment dates on September 3 and 16, 2013, respectively. On September 10, 2013, the PSE approved the listing of additional 633,415,805 common shares and on September 16, 2013, the Bank issued the stock dividend and paid the cash equivalent of the related fractional shares.

HT1 Capital represents USD 125.0 million, 9.00% non-cumulative step-up callable perpetual capital securities with liquidation preference of USD 100,000 per capital security issued by the Parent Company on February 15, 2006 pursuant to a trust deed with The Bank of New York (Trustee) and listed with the Singapore Exchange Securities Trading Limited. The HT1 Capital is

Notes:

governed by English law except on certain clauses in the Trust Deed which are governed by Philippine law. Basic features of the HT1 Capital follow:

- ? Coupons – bear interest at 9.00% per annum payable semi-annually in arrear from (and including) February 15, 2006 to (but excluding) February 15, 2016, and thereafter at a rate, reset and payable quarterly in arrear, of 6.10% per annum above the then prevailing London interbank offered rate for three-month USD deposits. Under certain conditions, the Parent Company is not obliged to make any coupon payment if the BOD of the Parent Company, in its absolute discretion, elects not to make any coupon payment in whole or in part.
- ? Coupon Payment Dates – payable on February 15 and August 15 in each year, commencing on August 15, 2006 (in respect of the period from (and including) February 15, 2006 to (but excluding) August 15, 2006 and ending on February 15, 2016 (first optional redemption date); thereafter coupon amounts will be payable (subject to adjustment for days which are not business days) on February 15, May 15, August 15 and November 15 in each year commencing on May 15, 2016.
- ? Dividend and Capital Stopper – in the event that any coupon payment is not made, the Parent Company: (a) will not declare or pay any distribution or dividend or make any other payment on, and will procure that no distribution or dividend or other payment is made on any junior share capital or any parity securities; or (b) will not redeem, purchase, cancel, reduce or otherwise acquire any junior share capital or any parity securities. Such dividend and capital stopper shall remain in force so as to prevent the Parent Company from undertaking any such declaration, payment or other activity unless and until payment is made to the holders in an amount equal to the unpaid amount, if any, of coupon payments in respect of coupon periods in the 12 months including and immediately preceding the date such coupon payment was due, and the BSP does not otherwise object.
- ? Redemption
 - may be redeemed at the option of the Parent Company (but not the holders) under optional redemption, tax event call, and regulatory event call, subject to limitation of the terms of the issuance.
 - may not be redeemed (i) for so long as the dividend and capital stopper is in force; and (ii) without the prior written approval of the BSP which, as of February 8, 2006, is subject to the following conditions: (a) the Parent Company’s capital adequacy must be at least equal to the BSP’s minimum capital ratio; and (b) the HT1 Capital are simultaneously replaced with the issue of new capital which is neither smaller in size nor lower in quality than the original issue.

The HT1 Capital is unsecured and subordinated to the claims of senior creditors. In the event of the dissolution or winding-up of the Parent Company, holders will be entitled, subject to satisfaction of certain conditions and applicable law, to receive a liquidation distribution equivalent to the liquidation preference. Also, the HT1 Capital is not treated as deposit and is not guaranteed or insured by the Parent Company or any of its related parties or the PDIC and these may not be used as collateral for any loan availments. The Parent Company or any of its subsidiaries may not at any time purchase HT1 Capital except as permitted under optional redemption, tax event call, and regulatory event call as described in the terms of issuance. The HT1 Capital is sold to non-U.S. persons outside the United States pursuant to Regulation under the U.S. Securities Act of 1933, as amended, and represented by a global certificate registered in the name of a nominee of, and deposited with, a common depository for Euroclear and Clearstream.

Notes:

The Parent Company paid the semi-annual coupon amounting to USD 5.6 million from 2006 to 2013 after obtaining their respective BSP approvals. Details of approvals and payments from 2011 to 2013 are as follows:

<u>Date of BSP Approval</u>	<u>Date Paid</u>
August 12, 2013	August 15, 2013
February 6, 2013	February 15, 2013
August 12, 2012	August 15, 2012
February 1, 2012	February 15, 2012
August 11, 2011	August 15, 2011
February 10, 2011	February 15, 2011

Details of the Parent Company's cash dividend distributions from 2011 to 2013 follow:

<u>Date of Declaration</u>	<u>Per Share</u>	<u>Total Amount</u>	<u>Date of BSP Approval</u>	<u>Record date</u>	<u>Payment date</u>
January 23, 2013	₱1.00	₱2,111	February 8, 2013	March 8, 2013	April 3, 2013
January 25, 2012	1.00	2,111	February 13, 2012	March 5, 2012	March 26, 2012
March 25, 2011	1.00	2,111	April 28, 2011	May 16, 2011	May 23, 2011

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

24. Surplus Reserves

This account consists of:

	2013	2012
Reserve for trust business	₱862	₱756
Reserve for self-insurance	373	352
	₱1,235	₱1,108

In compliance with existing BSP regulations, 10.00% of the Parent Company's income from trust business is appropriated to surplus reserves. This yearly appropriation is required until the surplus reserve for trust business equals 20.00% of the Parent Company's regulatory net worth.

Reserve for self-insurance represents the amount set aside to cover losses due to fire, defalcation by and other unlawful acts of the Parent Company's personnel or third parties.

25. Miscellaneous Income and Expenses

In 2013, 2012 and 2011, miscellaneous income includes gain on initial recognition of investment properties and other nonfinancial assets amounting to ₱648.8 million, ₱138.9 million and ₱238.2 million, respectively, for the Group and ₱61.2 million, ₱121.9 million and ₱135.3 million, respectively, for the Parent Company and recovery on charged-off assets amounting to ₱455.4 million, ₱390.4 million and ₱324.8 million, respectively, for the Group and ₱27.9 million, ₱46.2 million and ₱31.3 million, respectively, for the Parent Company.

Notes:

Miscellaneous expenses consist of:

	Consolidated			Parent Company		
	2013	2012 (As Restated – Note 2)	2011	2013	2012	2011
Security, messengerial and janitorial	₱1,800	₱1,630	₱1,374	₱1,408	₱1,304	₱1,141
Insurance	1,672	1,480	1,528	1,333	1,180	1,227
Advertising	725	580	714	91	105	55
Information technology	718	639	706	576	577	695
Litigation (Note 12)	705	776	656	450	542	473
Communication	528	474	503	69	96	127
Transportation and travel	489	447	395	369	342	282
Stationery and supplies used	487	404	356	308	248	203
Management and professional fees	460	465	502	272	255	255
Supervision fees	448	333	265	362	263	205
Repairs and maintenance	409	451	375	249	253	219
Entertainment, amusement and representation (EAR) (Note 28)	236	238	217	198	188	180
Others	1,424	1,253	900	477	611	320
	₱10,101	₱9,170	₱8,491	₱6,162	₱5,964	₱5,382

26. Retirement Plan and Other Employee Benefits

The Parent Company and most of its subsidiaries have funded noncontributory defined benefit retirement plan covering all their respective permanent and full-time employees. Benefits are based on the employee's years of service and final plan salary.

For employees of the Parent Company, retirement from service is compulsory upon the attainment of the 55th birthday or 30th year of service, whichever comes first.

Under the existing regulatory framework, Republic Act (RA) 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan. The Parent Company and most of its subsidiaries meet the minimum retirement benefit specified under RA 7641.

The principal actuarial assumptions used in determining retirement liability of the Parent Company and significant subsidiaries are shown below:

	Parent Company	FMIC	PSBank	MCC	ORIX Metro
As of January 1, 2013					
Average remaining working life	9 years	6 to 8 years	9 years	10 years	20 to 25 years
Discount rate	5.00%	5.23% to 5.50%	5.45%	5.89%	8.64%
Future salary increases	8.00%	10.00%	8.00%	8.00%	7.00%
As of January 1, 2012					
Average remaining working life	9 years	6 to 8 years	9 years	11 years	25 years
Discount rate	5.74%	5.89% to 8.70%	6.30%	7.00%	8.60% to 10.00%
Future salary increases	8.00%	8.00% to 10.00%	8.00%	9.00%	7.00%

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date applicable to the year over which the obligation is to be settled.

Notes:

Discount rates used in computing for the present value of the defined benefit obligation (DBO) of the Parent Company and significant subsidiaries as of December 31, 2013 and 2012 follow:

	Parent Company	FMIC	PSBank	MCC	ORIX Metro
2013	4.33%	4.51% to 5.59%	4.86%	4.85%	6.11%
2012	5.00%	5.23% to 5.50%	5.45%	5.89%	8.60% to 10.00%

Net retirement liability (asset) included in the statement of financial position follows:

	Consolidated		Parent Company	
	2013	2012	2013	2012
Retirement asset (Note 14)	(P26)	P-	P-	P-
Retirement liability (Note 21)	4,830	4,267	4,162	3,891
Net retirement liability	P4,804	P4,267	P4,162	P3,891

The fair value of plan assets by each classes as at the end of the reporting period are as follow:

	Consolidated		Parent Company	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Due from BSP	P115	P12	P-	P-
Deposit in Banks	697	252	550	191
	812	264	550	191
FVPL - equity securities	1,429	717	-	-
AFS Investments – net				
Debt instruments				
Private	327	407	304	374
Government	5,683	4,958	5,303	4,607
	6,010	5,365	5,607	4,981
Equity securities				
Quoted	778	708	1,415	704
Unquoted	200	200	13	13
	978	908	1,428	717
Investment funds	25	11	-	-
Total AFS investments	7,013	6,284	7,035	5,698
Loans and discounts – net	58	131	58	108
Other receivables – net	93	62	62	66
Total Assets	P9,405	P7,458	P7,705	P6,063

Changes in net defined benefit liability of funded funds in 2013 are as follows:

Consolidated	Present Value of DBO	Fair Value of Plan Assets	Net retirement liability/(asset)
Net Benefit Cost in Consolidated			
Statement of Income			
January 1, 2013	P11,725	(P7,458)	P4,267
Current service cost	1,006	-	1,006
Past service cost	25	-	25
Net interest	580	(411)	169
Sub-total	13,336	(7,869)	5,467
Benefits paid	(662)	662	-
Remeasurement in Other Comprehensive			
Income			
Return on plan assets (excluding amount included in net interest)	-	(130)	(130)

(Forward)

Notes:

Consolidated	Present Value of DBO	Fair Value of Plan Assets	Net retirement liability/(asset)
Actuarial changes arising from experience adjustments	₱573	(₱119)	₱454
Actuarial changes arising from changes in financial/demographic assumptions	962	(5)	957
Changes in the effect of asset ceiling	–	–	–
Sub-total	1,535	(254)	1,281
Contributions paid	–	(1,944)	(1,944)
December 31, 2013	₱14,209	(₱9,405)	₱4,804

Parent Company	Present Value of DBO	Fair Value of Plan Assets	Net retirement liability (asset)
Net Benefit Cost in Consolidated			
Statement of Income			
January 1, 2013	₱9,954	(₱6,063)	₱3,891
Current service cost	791	–	791
Past service cost	–	–	–
Net interest	482	(333)	149
Sub-total	11,227	(6,396)	4,831
Benefits paid	(542)	542	–
Remeasurement in Other Comprehensive			
Income			
Return on plan assets (excluding amount included in net interest)	–	(125)	(125)
Actuarial changes arising from experience adjustments	563	–	563
Actuarial changes arising from changes in financial/demographic assumptions	619	–	619
Sub-total	1,182	(125)	1,057
Contributions paid	–	(1,726)	(1,726)
December 31, 2013	₱11,867	(₱7,705)	₱4,162

Changes in net defined benefit liability of funded funds in 2012 are as follows:

Consolidated	Present Value of DBO	Fair Value of Plan Assets	Net retirement liability/(asset)
Net Benefit Cost in Consolidated			
Statement of Income			
January 1, 2012	₱9,704	(₱7,140)	₱2,564
Current service cost	895	–	895
Past service cost	43	–	43
Net interest	554	(406)	148
Sub-total	11,196	(7,546)	3,650
Benefits paid	(715)	715	–
Remeasurement in Other Comprehensive			
Income			
Return on plan assets (excluding amount included in net interest)	–	(450)	(450)
Actuarial changes arising from experience adjustments	506	(24)	482
Actuarial changes arising from changes in financial/demographic assumptions	738	–	738
Changes in the effect of asset ceiling	–	–	–
Sub-total	1,244	(474)	770
Contributions paid	–	(153)	(153)
December 31, 2012	₱11,725	(₱7,458)	₱4,267

Notes:

Parent Company	Present Value of DBO	Fair Value of Plan Assets	Net retirement liability (asset)
Net Benefit Cost in Consolidated			
Statement of Income			
January 1, 2012	₱8,349	(₱6,059)	₱2,290
Current service cost	726	–	726
Net interest	468	(335)	133
Sub-total	9,543	(6,394)	3,149
Benefits paid	(638)	638	–
Remeasurement in Other Comprehensive			
Income			
Return on plan assets (excluding amount included in net interest)	–	(307)	(307)
Actuarial changes arising from experience adjustments	484	–	484
Actuarial changes arising from changes in financial/demographic assumptions	565	–	565
Sub-total	1,049	(307)	742
Contributions paid	–	–	–
December 31, 2012	₱9,954	(₱6,063)	₱3,891

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of December 31, 2013, assuming if all other assumptions were held constant:

	Parent Company	FMIC	PSBank	MCC
As of December 31, 2013				
Discount rate				
+100 basis points (bps)	₱10,960	₱281	₱1,366	₱365
-100 bps	12,905	334	1,693	468
Salary increase rate				
+100 bps	12,646	331	1,681	451
-100 bps	11,159	283	1,373	378
Turnover rate				
+100 bps	11,396	–	1,448	–
-100 bps	12,418	–	1,587	–
+200 bps	–	298	–	374
-200 bps	–	314	–	457

The Group expects to contribute to the defined benefit retirement plans the required funding for normal cost in 2014.

The average duration of the defined benefit obligation of the Parent Company as of December 31, 2013 and 2012 are 12.54 years and 14 years, respectively.

Shown below is the maturity analysis of the undiscounted benefit payments:

	Parent Company	FMIC	PSBank	MCC	Orix
As of December 31, 2013					
Less than 1 year	₱680	₱13	₱119	₱9	₱21
More than 1 year to 5 years	5,251	368	495	109	13
More than 5 years to 10 years	9,768	431	1,142	237	67
More than 10 years to 15 years	8,820	706	1,879	578	139
More than 15 years to 20 years	5,206	499	1,945	762	203
More than 20 years	6,408	575	3,813	1,314	2,035
As of December 31, 2012					
Less than 1 year	₱472	₱6	₱125	₱8	₱–
More than 1 year to 5 years	4,468	70	433	68	23
More than 5 years to 10 years	8,714	255	952	213	13
More than 10 years to 15 years	9,501	265	1,470	421	135
More than 15 years to 20 years	4,831	309	1,606	688	201
More than 20 years	5,648	339	2,802	1,177	1,768

Notes:

In addition, the Parent Company has a Provident Plan which is a supplementary contributory retirement plan to and forms part of the main plan, the Retirement Plan, for the exclusive benefit of eligible employees of the Parent Company in the Philippines. Based on the provisions of the plan, upon retirement or resignation, a member shall be entitled to receive as retirement or resignation benefits 100.00% of the accumulated value of the personal contribution plus a percentage of the accumulated value arising from the Parent Company's contributions in accordance with the completed number of years serviced. The Parent Company's contribution to the Provident Fund in 2013 and 2012 amounted to ₱180.4 million and ₱134.3 million, respectively.

As of December 31, 2013 and 2012, the retirement fund of the Parent Company's employees amounting to ₱7.7 billion and ₱6.1 billion, respectively, is being managed by the Parent Company's Trust Banking Group, which has a Trust Committee, that is mandated to approve, the plan, trust agreement, investment plan, including any amendments or modifications thereto, and other activities of the retirement plan. Certain members of the BOD of the Parent Company are represented in the Trust Committee. The Trust Banking Group of the Parent Company manages the plan based on the mandate as defined in the trust agreement. Directors' fees and bonuses of the Parent Company in 2013, 2012 and 2011 amounted to ₱48.94 million, ₱61.8 million and ₱35.1 million, respectively, while, officers' compensation and benefits of the Parent Company aggregated to ₱5.0 billion, ₱5.4 billion and ₱4.0 billion, respectively.

27. Long-term Leases

The Parent Company leases the premises occupied by some of its branches (about 44.62% and 46.05% of the branch sites in 2013 and 2012, respectively, are Parent Company-owned). Also, some of its subsidiaries lease the premises occupied by their Head Offices and most of their branches. The lease contracts are for periods ranging from 1 to 25 years and are renewable at the Group's option under certain terms and conditions. Various lease contracts include escalation clauses, most of which bear an annual rent increase of 5.00% to 10.00%. As of December 31, 2013 and 2012, the Group has no contingent rent payable.

Rent expense (included in 'Occupancy and equipment-related cost' in the statement of income) in 2013, 2012 and 2011 amounted to ₱1.5 billion, ₱1.4 billion and ₱1.3 billion, respectively, for the Group and ₱812.6 million, ₱751.3 million and ₱721.0 million, respectively, for the Parent Company.

Future minimum rentals payable under non-cancelable operating leases follows:

	Consolidated		Parent Company	
	2013	2012	2013	2012
Within one year	₱520	₱459	₱344	₱323
After one year but not more than five years	1,793	1,107	985	986
More than five years	726	259	201	259
	₱3,039	₱1,825	₱1,530	₱1,568

The Group has entered into commercial property leases on its investment property portfolio, consisting of the Group's available office spaces and real and other properties acquired and finance lease agreements over various items of machinery and equipment which are non-cancelable and have remaining non-cancelable lease terms between 1 and 20 years. In 2013, 2012 and 2011, leasing income amounted to ₱1.6 billion, ₱1.4 billion and ₱1.0 billion respectively, for the Group and ₱243.2 million, ₱207.3 million and ₱196.1 million, respectively, for the Parent Company.

Notes:

Future minimum rentals receivable under non-cancelable operating leases follows:

	Consolidated		Parent Company	
	2013	2012	2013	2012
Within one year	₱943	₱950	₱157	₱107
After one year but not more than five years	1,494	1,533	271	132
More than five years	33	468	33	–
	₱2,470	₱2,951	₱461	₱239

28. Income and Other Taxes

Under Philippine tax laws, the RBU of the Parent Company and its domestic subsidiaries are subject to percentage and other taxes (presented as ‘Taxes and licenses’ in the statement of income) as well as income taxes. Percentage and other taxes paid consist principally of gross receipts tax (GRT) and documentary stamp tax (DST). Income taxes include 30% regular corporate income tax (RCIT) and 20.00% final taxes paid, which is a final withholding tax on gross interest income from government securities and other deposit substitutes. Interest allowed as a deductible expense is reduced by an amount equivalent to 33% of interest income subjected to final tax.

Current tax regulations also provide for the ceiling on the amount of EAR expense (Note 25) that can be claimed as a deduction against taxable income. Under the regulation, EAR expense allowed as a deductible expense for a service company like the Parent Company and some of its subsidiaries is limited to the actual EAR paid or incurred but not to exceed 1.00% of net revenue. The regulations also provide for MCIT of 2.00% on modified gross income and allow a NOLCO. The MCIT and NOLCO may be applied against the Group’s income tax liability and taxable income, respectively, over a three-year period from the year of inception.

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

Following are the applicable taxes and tax rates for the foreign branches of the Parent Company:

Foreign Branches	Tax Rates
USA – New York Branch	30.00% income tax ; Business taxes – 0.01% (New York State) and 0.26% (New York City)
Japan – Tokyo and Osaka Branches	28.05% income tax; Various rates for business taxes – income tax, local business, sheet value and sheet capital allocations
Korea – Pusan Branch	20.00% income tax; 0.50% education tax
Seoul Branch	21.00% income tax; 0.50% education tax
Taiwan – Taipei Branch	17.00% income tax; 2.00% gross business receipts tax; 5.00% VAT

Notes:

The provision for income tax consists of:

	Consolidated			Parent Company		
	2013	2012	2011	2013	2012	2011
Current:						
Final tax	₱2,546	₱2,014	₱2,301	₱1,906	₱1,220	₱1,392
RCIT*	1,377	2,331	1,095	115	751	167
MCIT	266	13	268	244	-	263
	4,189	4,358	3,664	2,265	1,971	1,822
Deferred*	2,559	(502)	(122)	1,381	(211)	297
	₱6,748	₱3,856	₱3,542	₱3,646	₱1,760	₱2,119

* Includes income taxes of foreign subsidiaries.

Components of net deferred tax assets of the Group and the Parent Company follow:

	Consolidated		Parent Company	
	2013	2012 (As Restated – Note 2)	2013	2012 (As Restated – Note 2)
Deferred tax asset on:				
Allowance for credit and impairment losses	₱4,428	₱6,201	₱3,688	₱4,664
NOLCO	1,263	-	1,263	-
Accrued retirement liability	1,454	1,293	1,257	1,171
Unamortized past service cost	541	311	526	298
Accumulated depreciation of investment properties	464	504	401	443
MCIT	244	-	244	-
Accrued expenses	129	172	129	130
Unrealized loss on AFS investments	93	-	93	-
Deferred membership/awards	101	185	-	-
Unearned rental income	10	10	10	10
Unrealized losses on financial assets at FVPL	-	993	-	993
Unrealized foreign exchange loss – net	-	22	-	24
Others	263	112	26	26
	8,990	9,803	7,637	7,759
Deferred tax liability on:				
Unrealized gain on financial assets at FVPL	927	-	927	-
Unrealized gain on initial measurement of investment properties	618	692	371	454
Unrealized foreign exchange gain – net	20	-	6	-
Unrealized gain on AFS investments (Note 8)	99	78	-	29
Deferred acquisition cost	-	55	-	-
Others	136	107	-	-
	1,800	932	1,304	483
Net deferred tax assets	₱7,190	₱8,871	₱6,333	₱7,276

Components of net deferred tax liabilities of the Group follow:

	2013	2012 (As Restated – Note 2)
Deferred tax asset on:		
Allowance for credit and impairment losses	₱75	₱50
Unamortized past service cost	6	6
Accrued expenses	-	5
Accumulated depreciation of investment properties	4	5
Retirement liability	-	1
Others	2	2
	87	69

(Forward)

Notes:

	2013	2012 (As Restated – Note 2)
Deferred tax liability on:		
Leasing income differential between finance and operating lease method	₱340	₱280
Unrealized gain on Financial Assets at FVPL	12	–
Unrealized gain on AFS investments (Note 8)	–	27
Retirement asset	8	6
Others	206	–
	566	313
Net deferred tax liabilities	₱479	₱244

The Parent Company and certain subsidiaries did not recognize deferred tax assets on the following temporary differences:

	Consolidated		Parent Company	
	2013	2012	2013	2012
Allowance for credit and impairment losses	₱13,494	₱4,339	₱9,283	₱3,063
NOLCO	55	777	–	–
MCIT	30	34	–	–
Others	204	117	–	–

The Group believes that it is not reasonably probable that the tax benefits of these temporary differences will be realized in the future.

There are no income tax consequences attaching to the payment of dividends by the Group to the shareholders of the Group.

Details of the excess MCIT credits follow:

Inception Year	Consolidated				Parent Company			
	Amount	Used/Expired	Balance	Expiry Year	Amount	Used	Balance	Expiry Year
2010	₱1	₱–	₱1	2013	₱–	₱–	₱–	
2011	123	103	20	2014	103	103	–	2014
2012	13	–	13	2015	–	–	–	
2013	266	–	266	2016	244	–	244	2016
	₱403	₱103	₱300		₱347	₱103	₱244	

Details of the NOLCO follow:

Inception Year	Consolidated				Parent Company			
	Amount	Used/Expired	Balance	Expiry Year	Amount	Used	Balance	Expiry Year
2010	₱718	₱–	₱718	2013	₱–	₱–	₱–	
2011	17	–	17	2014	–	–	–	
2012	42	–	42	2015	–	–	–	
2013	4,211	–	4,211	2016	4,211	–	4,211	2016
	₱4,988	₱–	₱4,988		₱4,211	₱–	₱4,211	

A reconciliation of the statutory income tax rates and the effective income tax rates follows:

	Consolidated			Parent Company		
	2013	2012	2011	2013	2012	2011
Statutory income tax rate	30.00%	30.00%	30.00%	30.00	30.00%	30.00%
Tax effect of:						
Tax-paid and tax-exempt income	(27.66)	(23.22)	(21.63)	(30.37)	(22.25)	(28.96)
Nondeductible interest expense	7.83	10.23	7.13	2.75	3.66	8.51
Nonrecognition of deferred tax asset	6.77	3.45	6.60	7.98	2.13	11.63
FCDU income	(0.74)	(1.81)	(4.12)	(1.08)	(2.34)	(6.69)
Others – net	5.64	(0.94)	4.12	8.63	2.44	6.64
Effective income tax rate	21.84%	17.71%	22.10%	17.91%	13.64%	21.13%

Notes:

29. Trust Operations

Properties held by the Parent Company and certain subsidiaries in fiduciary or agency capacity for their customers are not included in the accompanying statements of financial position since these are not resources of the Parent Company and its subsidiaries (Note 30).

In compliance with current banking regulations relative to the Parent Company and certain subsidiaries' trust functions, government securities classified under HFT and AFS investments are deposited with the BSP. Face value of such government securities follows:

	Consolidated		Parent Company	
	2013	2012	2013	2012
HFT investments	₱7	₱4	₱-	₱-
AFS investments	5,170	5,153	5,130	5,113
	₱5,177	₱5,157	₱5,130	₱5,113

30. Commitments and Contingent Liabilities

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

The following is a summary of contingencies and commitments at their peso-equivalent contractual amounts arising from off-balance sheet items:

	Consolidated		Parent Company	
	2013	2012	2013	2012
Trust Banking Group accounts (Note 29)	₱324,839	₱420,440	₱323,174	₱418,167
Commitments				
Credit card lines	69,595	55,247	-	-
Underwriting	-	1,200	-	-
Undrawn – facilities to lend	1,835	415	1,835	-
Unused commercial letters of credit	32,641	29,284	31,254	28,309
Bank guaranty with indemnity agreement	6,777	4,071	6,777	4,071
Credit line certificate with bank commission	5,206	5,444	5,206	5,444
Late deposits/payments received	2,082	1,709	2,018	1,647
Outstanding shipside bonds/airway bills	936	1,147	936	1,147
Inward bills for collection	903	886	885	638
Outward bills for collection	443	520	443	518
Outstanding guarantees	78	80	78	80
Confirmed export letters of credits	72	69	70	65
Traveler's check unsold	-	11	-	11
Others	12,360	5,324	340	414
	₱457,767	₱525,847	₱373,016	₱460,511

In September 2008, the Parent Company filed petitions for rehabilitation against two Philippine subsidiaries of Lehman Brothers Holdings, Inc. (Lehman) in connection with a combined ₱2.4 billion loan exposure. These came as a result of the declaration of bankruptcy filed by Lehman, a surety under the loan agreements. The rehabilitation plans were duly approved by the Rehabilitation Court (RC). A Management Committee was created for each of the two (2) Lehman subsidiaries and these Management Committees oversaw and managed the company assets until their abolition in July 2012. In lieu thereof, the RC appointed a Comptroller who was nominated by the Parent Company. Earlier, in April 2012, the RC resolved to recognize the new equity holder in Philippine Investment One (SPV-AMC), Inc. (PI One) and Philippine Investment Two (SPV-AMC), Inc. (PI Two). On October 31, 2012, the Parent Company and PI One and PI Two (thru the new equity holder) entered into a universal compromise agreement to settle the

Notes:

issues among the parties. Said compromise bears the conformity of the Rehabilitation Receiver. On August 30, 2013, the RC issued an Order excluding another creditor bank as a creditor of PI Two entitled to payments under the approved Rehabilitation Plan. The Court of Appeals, however, issued a Temporary Restraining Order enjoining the RC from enforcing such Order upon a petition filed before it by this creditor bank. In November 2013, the Court of Appeals issued a resolution denying this creditor bank's application for the issuance of a writ of preliminary injunction and accordingly, upheld the RC's order excluding it as creditor of PI Two.

On October 17, 2011, a consortium of eight banks including the Parent Company filed a Petition for Certiorari, Prohibition and/or Mandamus (with Urgent Application for a Temporary Restraining Order (TRO) and/or Writ of preliminary Injunction) with the Supreme Court (SC) against respondents the ROP, Bureau of Internal Revenue (BIR) and its Commissioner, the Department of Finance and its Secretary and the Bureau of Treasury (BTr) and the National Treasurer, asking the Court to annul BIR Ruling No. 370-2011 which imposes a 20-percent final withholding tax on the 10-year Zero-Coupon Government Bonds (also known as the PEACe bonds) that matured on October 18, 2011 and command the respondents to pay the full amount of the face value of the PEACe Bonds. On October 18, 2011, the SC issued the TRO enjoining the implementation of the said BIR ruling on the condition that the 20-percent final withholding tax be withheld by the petitioner banks and placed in escrow pending resolution of the Petition. However, to date, the respondents have not complied with the said TRO, i.e., they have not credited the banks' escrow accounts with the amount corresponding to the questioned 20-percent final tax. The case is still pending resolution with the SC.

Several suits and claims relating to the Group's lending operations and labor-related cases remain unsettled. In the opinion of management, these suits and claims, if decided adversely, will not involve sums having a material effect on the Group's financial statements.

31. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subjected to common control or common significant influence such as subsidiaries and associates of subsidiaries or other related parties. Related parties may be individuals or corporate entities.

The Group has several business relationships with related parties. Transactions with such parties are made in the ordinary course of business and on substantially same terms, including interest and collateral, as those prevailing at the time for comparable transactions with other parties. These transactions also did not involve more than the normal risk of collectibility or present other unfavorable conditions.

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

Notes:

The following table shows information relating to the loans, other credit accommodations and guarantees classified as DOSRI accounts:

	Consolidated		Parent Company	
	2013	2012	2013	2012
Total outstanding DOSRI accounts	₱6,438	₱12,721	₱5,628	₱9,602
Percent of DOSRI accounts granted prior to effectivity of BSP Circular No. 423 to total loans	0.00%	0.00%	0.00%	0.00%
Percent of DOSRI accounts granted after effectivity of BSP Circular No. 423 to total loans	1.05%	2.42%	1.24%	2.42%
Percent of DOSRI accounts to total loans	1.05%	2.42%	1.24%	2.42%
Percent of unsecured DOSRI accounts to total DOSRI accounts	12.55%	20.34%	8.44%	19.22%
Percent of past due DOSRI accounts to total DOSRI accounts	1.31%	3.92%	0.00%	0.00%
Percent of nonaccruing DOSRI accounts to total DOSRI accounts	1.31%	3.92%	0.00%	0.00%

BSP Circular No. 560 provides the rules and regulations that govern loans, other credit accommodations and guarantees granted to subsidiaries and affiliates of banks and quasi-banks. Under the said Circular, the total outstanding loans, other credit accommodations and guarantees to each of the bank's/quasi-bank's subsidiaries and affiliates shall not exceed 10.00% of the net worth of the lending bank/quasi-bank, provided that the unsecured portion of which shall not exceed 5.00% of such net worth. Further, the total outstanding loans, credit accommodations and guarantees to all subsidiaries and affiliates shall not exceed 20.00% of the net worth of the lending bank/quasi-bank; and the subsidiaries and affiliates of the lending bank/quasi-bank are not related interest of any director, officer and/or stockholder of the lending institution, except where such director, officer or stockholder sits in the BOD or is appointed officer of such corporation as representative of the bank/quasi-bank as reported to the BSP. As of December 31, 2013 and 2012, the total outstanding loans, other credit accommodations and guarantees to each of the Parent Company's subsidiaries and affiliates did not exceed 10.00% of the Parent Company's net worth, and the unsecured portion did not exceed 5.00% of such net worth and the total outstanding loans, other credit accommodations and guarantees to all such subsidiaries and affiliates represent 2.89% and 5.48%, respectively, of the Parent Company's net worth.

BSP issued Circular No. 654 allows a separate individual limit to loans of banks/quasi-banks to their subsidiaries and affiliates engaged in energy and power generation, i.e., a separate individual limit of twenty-five (25.00%) of the net worth of the lending bank/quasi-bank: provided, that the unsecured portion thereof shall not exceed twelve and one-half percent (12.50%) of such net worth: provided further, that these subsidiaries and affiliates are not related interests of any of the director, officer and/or stockholder of the lending bank/quasi-bank; except where such director, officer or stockholder sits in the BOD or is appointed officer of such corporation as representative of the bank/quasi-bank. As of December 31, 2013 and 2012, the total outstanding loans, other credit accommodations and guarantees to each of the Parent Company's subsidiaries and affiliates engaged in energy and power generation did not exceed 25.00% of the Parent Company's net worth, as reported to the BSP, and the unsecured portion did not exceed 12.50% of such net worth.

Total interest income on the DOSRI loans in 2013, 2012 and 2011 amounted to ₱275.5 million, ₱629.0 million and ₱593.5 million, respectively, for the Group and ₱184.0 million, ₱469.1 million and ₱528.8 million, respectively, for the Parent Company.

Notes:

Details on significant related party transactions of the Group and the Parent Company follow (transactions with subsidiaries have been eliminated in the consolidated financial statements):

Category	Consolidated	
	Amount	December 31, 2013 Terms and Conditions/Nature
Entities with Significant Influence		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱705	Secured – ₱580.0 million and unsecured – ₱125.0 million, no impairment Short-term lending with interest rates ranging from 2.60% to 3.70% subject to regular repricing with maturity terms from 33 days to 98 days
Deposit liabilities*	231	With annual fixed rates ranging from 0.0% to 0.50%
<u>Amount/Volume:</u>		
Receivables from customers	(2,548)	Generally similar to terms and conditions above
Deposit liabilities	173	Generally similar to terms and conditions above
Interest income	5	Interest income on receivables from customers
Gain on sale of non-current asset held for sale	3,440	Gain on sale of 15.00% ownership in TMPC
Subsidiaries		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	1,882	Foreign currency-denominated lending with annual fixed interest rates ranging from 1.13% to 1.62% and maturity terms from 7 days to 372 days, no impairment
Receivables from customers*	1,061	Unsecured with no impairment With annual fixed rates ranging from 3.70% to 5.59% and maturity terms from 7 days to 5 years
Accounts receivable	322	Outstanding information technology fees and remittance receivable, non-interest bearing
Deposit liabilities*	3,906	With annual fixed interest rates ranging from 0.0% to 1.50% including time deposits with maturity terms from 1 day to 360 days
Bills payable	635	Short-term foreign currency-denominated borrowings subject to annual fixed interest rate of 0.19% and maturity term of 34 days
Bonds payable	309	Issued by FMIC with interest rates ranging from 5.50% to 5.75% and maturity terms from 5 to 7 years
Accounts payable	94	Unpaid various transactional charges, non-interest bearing
<u>Amount/Volume:</u>		
Interbank loans receivable	(6,933)	Generally similar to terms and conditions above
Receivables from customers	(293)	Generally similar to terms and conditions above
Bills payable	34	Generally similar to terms and conditions above
Deposit liabilities	(208)	Generally similar to terms and conditions above
Interest income	130	Income on receivables from customers and interbank loans receivables
Service charges, fees and commissions	14	Income on transactional fees
Trading and securities gain - net	4,635	Income from securities transactions
Foreign exchange gain - net	167	Net gain from foreign exchange transactions
Leasing income	35	Income from leasing agreements with various lease terms
Dividend income	9,971	Dividend income from various investee companies
Miscellaneous income	301	Information technology fees
Interest expense	46	Interest expense on deposit liabilities and bills payable
Securities transactions		
Purchases	293,797	Outright purchases of HFT securities and AFS investments
Sales	172,597	Outright sale of HFT securities and AFS investments
Foreign currency		
Buy	50,198	Outright purchases of foreign currency
Sell	42,666	Outright sale of foreign currency

Notes:

Category	Consolidated	
	December 31, 2013	
	Amount	Terms and Conditions/Nature
Associates		
<u>Outstanding Balance:</u>		
Receivables from customers	₱129	Non-interest bearing domestic bills purchased
Deposit liabilities*	2,507	With annual fixed interest rates ranging from 0.0% to 1.50% including time deposits with maturity terms from 1 day to 358 days
Bonds payable	10	Issued by FMIC subject to annual fixed interest rate of 5.68% and maturity term of 5 years
<u>Amount/Volume:</u>		
Receivables from customers	64	Generally similar to terms and conditions above
Deposit liabilities	(58)	Generally similar to terms and conditions above
Trading and securities gain - net	396	Net gain from securities transactions
Foreign exchange loss - net	(12)	Net loss from foreign exchange transactions
Leasing income	20	Income from leasing agreements with various lease terms
Dividend income	29	Dividend income from an investee company
Interest expense	18	Interest expense on deposit liabilities
Outstanding derivatives	118	Forward exchange bought with various terms
Securities transactions		
Outright purchases	590	Outright purchases of HFT securities and AFS investments
Outright sales	802	Outright sale of HFT securities and AFS investments
Foreign currency		
Buy	154	Outright purchases of foreign currency
Sell	293	Outright sale of foreign currency
Other Related Parties		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱14,134	Secured - ₱13,546 million and unsecured - ₱588 million, no impairment. With annual fixed rates ranging from 1.50% to 10.37% and maturity terms from 7 days to 12 years
Assets held under joint operations	1,361	Parcels of land and former branch sites of the Parent Company contributed to joint operations
Miscellaneous assets	1,069	Downpayment to a related party real estate company relative to the purchase of commercial and office spaces located at Bonifacio Global City, Taguig City
Deposit liabilities*	15,174	With annual fixed rates ranging from 0.0% to 2.00% including time deposits with maturity terms from 6 days to 360 days
Bills payable	7,014	Foreign currency-denominated borrowings with annual fixed interest rates ranging from 0.26% to 2.00% and maturity terms from 40 to 49 days and peso denominated borrowings with annual fixed interest rate of 0.01% to 1.75% and maturity terms from 15 days to five days
<u>Amount/Volume:</u>		
Receivables from customers	(4,187)	Generally similar to terms and conditions above
Bills payable	4,093	Generally similar to terms and conditions above
Deposit liabilities	11,852	Generally similar to terms and conditions above
Interest income	1,035	Interest income on receivables from customers
Foreign exchange loss - net	(1,546)	Net loss from foreign exchange transactions
Leasing income	14	Income from leasing agreements with various lease terms
Profit from assets sold	217	Net gain from sale of investment properties
Gain on sale of investment in an associate	7,388	Gain on sale of FMIC's 40% ownership in GBPC
Interest expense	127	Interest expense on deposit liabilities and bills payable
Contingent		
Unused commercial LCs	33	LC transactions with various terms
Others	6	Include outstanding shipside bonds/airway bills and outstanding guarantees
Foreign currency		
Buy	2,467	Outright purchases of foreign currency
Sell	42,895	Outright sale of foreign currency

Notes:

Category	Consolidated	
	Amount	December 31, 2013 Terms and Conditions/Nature
Key Personnel		
<u>Outstanding Balance:</u>		
Receivables from customers	₱67	Secured - ₱54.0 million, unsecured - ₱13.0 million, no impairment, with annual fixed rate ranging from 0.0% to 10.0% and maturity terms from 5 years to 15 years
Deposit liabilities	143	With various terms and with minimum annual interest rate of 0.0%
<u>Amount/Volume:</u>		
Receivables from customers	(17)	Generally similar to terms and conditions above
Deposit liabilities	32	Generally similar to terms and conditions above
Interest income	1	Interest income on receivables from customers
Profit from assets sold	7	Net gain from sale of investment property

Category	Consolidated	
	Amount	December 31, 2012 Terms and Conditions/Nature
<u>Entities with Significant Influence</u>		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱3,253	Secured - ₱2.3 billion and unsecured - ₱1.0 billion, no impairment Short-term lending with interest rate of 3.8% subject to regular repricing with maturity terms from 30 days to 94 days
Deposit liabilities	58	With annual fixed rates ranging from 0.0% to 0.38%
<u>Amount/Volume:</u>		
Receivables from customers	(3,839)	Generally similar to terms and conditions above
Deposit liabilities	(14)	Generally similar to terms and conditions above
Interest income	11	Interest income on receivables from customers
Gain on sale of non-current asset held for sale	3,403	Gain on sale of 15.00% ownership in TMPC
Securities transactions		
Purchases	75	Outright purchases of HFT securities and AFS investments
Sales	75	Outright sale of HFT securities and AFS investments
Foreign currency - sell	90	Outright sale of foreign currency

<u>Subsidiaries</u>		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	₱8,815	Peso and foreign currency lending with annual fixed interest rates ranging from 1.17% to 3.625% and maturity terms from five days to one year
Receivables from customers*	1,354	Unsecured with no impairment With annual fixed rates ranging from 4.00% to 5.59% and maturity terms from 30 days to 5 years
Accounts receivable	257	Uncollected information technology fees, non-interest bearing
Other receivable	142	Dividends receivable as disclosed in Note 11
Deposit liabilities*	4,113	With annual fixed interest rates ranging from 0.0% to 2.75% including time deposits with maturity terms from 5 days to 360 days
Bills payable	601	Short-term foreign currency borrowings with annual fixed interest rate of 0.15% and maturity term of 33 days
Accounts payable	126	Unpaid various transactional charges, non-interest bearing
<u>Amount/Volume:</u>		
Interbank loans receivable	6,602	Generally similar to terms and conditions above
Receivables from customers	(3,608)	Generally similar to terms and conditions above
Bills payable	(46)	Generally similar to terms and conditions above
Deposit liabilities	(4,467)	Generally similar to terms and conditions above
Interest income	187	Interest income on receivables from customers and interbank loans receivables
Service charges, fees and commissions	75	Income on transactional fees
Trading and securities gain - net	1,550	Income from securities transactions
Foreign exchange gain - net	134	Income from foreign exchange transactions
Leasing income	27	Income from leasing agreements with various lease terms

(Forward)

Notes:

Category	Consolidated	
	December 31, 2012	
	Amount	Terms and Conditions/Nature
Dividend income	₱1,112	See discussions on Note 11
Profit from assets sold	54	Net gain from sale of investment properties
Miscellaneous income	221	Information technology fees billed monthly
Interest expense	106	Interest expense on deposit liabilities and bills payable
Securities transactions		
Purchases	162,528	Outright purchases of HFT securities and AFS investments
Sales	164,498	Outright sale of HFT securities and AFS investments
Foreign currency		
Buy	18,211	Outright purchases of foreign currency
Sell	29,256	Outright sale of foreign currency

Associates

Outstanding Balance:

Receivables from customers	₱65	Secured - ₱13.0 million and unsecured - ₱52.0 million, no impairment Non-interest bearing domestic bills purchased
Other receivable	1,437	Dividends receivable as disclosed in Note 11
Deposit liabilities*	2,565	With annual fixed interest rates ranging from 0.0% to 2.75% including time deposits with maturity terms from 4 days to 358 days

Amount/Volume:

Receivables from customers	(58)	Generally similar to terms and conditions above
Deposit liabilities	(1,721)	Generally similar to terms and conditions above
Trading and securities loss - net	(9)	Income from securities transactions
Foreign exchange loss - net	(20)	Income from foreign exchange transactions
Leasing income	16	Income from leasing agreements with various lease terms
Dividend income	677	See discussions on Note 11
Interest expense	35	Interest expense on deposit liabilities
Outstanding derivatives	213	Forward exchange bought with various terms
Securities transactions		
Outright purchases	1,131	Outright purchases of HFT securities and AFS investments
Outright sales	1,549	Outright sale of HFT securities and AFS investments
Foreign currency		
Buy	178	Outright purchases of foreign currency
Sell	369	Outright sale of foreign currency

Other Related Parties

Outstanding Balance:

Receivables from customers*	₱18,321	Secured - ₱16.9 billion and unsecured - ₱1.4 billion, no impairment With annual fixed rates ranging from 2.63% to 10.45% and maturity terms from 30 days to 12 years
Other receivable	26	Various uncollected service fees
Assets held under operations	1,189	Parcels of land and former branch sites of the Parent Company contributed to joint operations
Miscellaneous assets	1,078	Downpayment to a related party real estate company relative to the purchase of commercial and office spaces located at Bonifacio Global City, Taguig City
Deposit liabilities*	3,322	With annual fixed rates ranging from 0.0% to 2.88% including time deposits with maturity terms from 5 days to 92 days
Bills payable	2,921	Foreign currency-denominated notes with annual interest rates ranging from 1.0% to 2.0% and maturities from one month to three years

Amount/Volume:

Receivables from customers	(2,166)	Generally similar to terms and conditions above
Bills payable	76	Generally similar to terms and conditions above
Deposit liabilities	(1,440)	Generally similar to terms and conditions above
Interest income	1,207	Interest income on receivables from customers
Service charges, fees and commissions	163	Income on transactional fees
Foreign exchange gain - net	931	Income from foreign exchange transactions
Leasing income	37	Income from leasing agreements with various lease terms

(Forward)

Notes:

Consolidated		
December 31, 2012		
Category	Amount	Terms and Conditions/Nature
Profit from assets sold	P592	Net gain from sale of investment properties
Miscellaneous income	64	Income from various transactions
Interest expense	325	Interest expense on deposit liabilities and bills payable
Contingent		
Unused commercial LCs	270	LC transactions with various terms
Others	20	Include bank guaranty with indemnity agreement; inward bills for collection; outstanding shipside bonds/airway bills; and outstanding guarantees
Foreign currency		
Buy	597	Outright purchases of foreign currency
Sell	32,838	Outright sale of foreign currency

Key Personnel

Outstanding Balance:

Receivables from customers	P84	Secured - P27.0 million and unsecured - P57.0 million, no impairment
Deposit liabilities	111	With annual fixed rates ranging from 8.0% to 9.0% and maturity terms from 5 years to 15 years
Bills payable	253	Various terms and with minimum annual interest rate of 0.0% Deposit substitutes of FMIC with various terms
Amount/Volume:		
Receivables from customers	(8)	Generally similar to terms and conditions above
Deposit liabilities	26	Generally similar to terms and conditions above
Interest income	1	Interest income on receivables from customers
Profit from assets sold	42	Net gain from sale of investment properties
Compensation expense	1,637	See related discussions below on compensation

Parent Company

December 31, 2013

Category	Amount	Terms and Conditions/Nature
Entities with Significant Influence		
Outstanding Balance:		
Receivables from customers*	P705	Secured - P580.0 million and unsecured - P125.0 million, no impairment. Short-term lending with interest rates ranging from 2.60% to 3.70% subject to regular repricing with maturity terms from 33 days to 98 days
Deposit liabilities	231	With annual fixed rates ranging from 0.0% to 0.50%
Amount/Volume:		
Receivables from customers	(2,548)	Generally similar to terms and conditions above
Gain on sale of non-current asset held for sale	4,201	Gain on sale of 15.00% ownership in TMPC
Subsidiaries		
Outstanding Balance:		
Interbank loans receivable*	P1,882	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 1.13% to 1.62% with maturity terms from 7 days to 372 days, no impairment
Receivables from customers*	1,061	Unsecured with no impairment. With annual fixed rates ranging from 3.70% to 5.59% and maturity terms from 7 days to 5 years
Accounts receivable	321	Outstanding information technology fees and remittance receivable, non-interest bearing
Deposit liabilities*	3,803	With annual fixed interest rates ranging from 0.0% to 1.50% including time deposits with maturity terms from 1 day to 360 days
Bills payable	635	Short-term foreign currency-denominated borrowings subject to annual fixed interest rate of 0.19% and maturity term of 34 days
Accounts payable	94	Unpaid various transactional charges, non-interest bearing
Amount/Volume:		
Interbank loans receivable	(6,433)	Generally similar to terms and conditions above
Receivables from customers	(243)	Generally similar to terms and conditions above

(Forward)

Notes:

Parent Company		
December 31, 2013		
Category	Amount	Terms and Conditions/Nature
Bills payable	₱49	Generally similar to terms and conditions above
Deposit liabilities	426	Generally similar to terms and conditions above
Interest income	127	Income on receivables from customers and interbank loans receivables
Service charges, fees and commissions	14	Income on transactional fees
Trading and securities gain - net	1,133	Income from securities transactions
Foreign exchange loss - net	167	Net loss from foreign exchange transactions
Leasing income	29	Income from leasing agreements with various lease terms
Dividend income	9,972	Dividend income from various investee companies
Miscellaneous income	301	Information technology fees
Interest expense	24	Interest expense on deposit liabilities and bills payable
Securities transactions		
Purchases	212,602	Outright purchases of HFT securities and AFS investments
Sales	86,283	Outright sale of HFT securities and AFS investments
Foreign currency		
Buy	50,198	Outright purchases of foreign currency
Sell	42,666	Outright sale of foreign currency
Associates		
<u>Outstanding Balance:</u>		
Receivables from customers	₱129	Non-interest bearing domestic bills purchased
Deposit liabilities*	2,251	With annual fixed interest rates ranging from 0.0% to 1.25% including time deposits with maturity terms from 1 day to 358 days
<u>Amount/Volume:</u>		
Receivables from customers	64	Generally similar to terms and conditions above
Deposit liabilities	400	Generally similar to terms and conditions above
Trading and securities loss - net	(15)	Net loss from securities transactions
Foreign exchange loss - net	(12)	Net loss from foreign exchange transactions
Leasing income	11	Income from leasing agreements with various lease terms
Dividend income	29	Dividend income from an investee company
Outstanding derivatives	118	Forward exchange bought with various terms
Securities transactions		
Outright purchases	84	Outright purchases of HFT securities and AFS investments
Outright sales	79	Outright sale of HFT securities and AFS investments
Foreign currency		
Buy	154	Outright purchases of foreign currency
Sell	293	Outright sale of foreign currency
Other Related Parties		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱13,018	Secured - ₱12.5 billion and unsecured - ₱509 million, no impairment. With annual fixed rates ranging from 2.50% to 10.37% and maturity terms from 7 days to 12 years
Assets held under joint operations	1,361	Parcels of land and former branch sites of the Parent Company contributed to joint operations
Miscellaneous assets	1,068	Downpayment to a related party real estate company relative to the purchase of commercial and office spaces located at Bonifacio Global City, Taguig City
Deposit liabilities*	11,683	With annual fixed rates ranging from 0.0% to 2.00% including time deposits with maturity terms from 6 days to 360 days
<u>Amount/Volume:</u>		
Receivables from customers	(1,812)	Generally similar to terms and conditions above
Deposit liabilities	8,853	Generally similar to terms and conditions above
Interest income	930	Interest income on receivables from customers
Foreign exchange loss - net	(1,546)	Net loss from foreign exchange transactions
Leasing income	12	Income from leasing agreements with various lease terms
Profit from assets sold	217	Net gain from sale of investment properties
Interest expense	1	Interest expense on deposit liabilities

(Forward)

Notes:

Parent Company		
December 31, 2013		
Category	Amount	Terms and Conditions/Nature
Contingent		
Unused commercial LCs	₱33	LC transactions with various terms
Others	6	Include outstanding shipside bonds/airway bills and outstanding guarantees
Foreign currency		
Buy	2,467	Outright purchases of foreign currency
Sell	42,895	Outright sale of foreign currency
Key Personnel		
Outstanding Balance:		
Receivables from customers	₱67	Secured - ₱54.0 million, unsecured - ₱13.0 million, no impairment, with annual fixed rate ranging from 0.0% to 10.0% and maturity terms from 5 years to 15 years
Deposit liabilities	143	With various terms and with minimum annual interest rate of 0.0%
Amount/Volume:		
Receivables from customers	(1)	Generally similar to terms and conditions above
Deposit liabilities	32	Generally similar to terms and conditions above
Interest income	1	Interest income on receivables from customers
Profit from assets sold	7	Net gain from sale of investment properties

Parent Company		
December 31, 2012		
Category	Amount	Terms and Conditions/Nature
Entities with Significant Influence		
Outstanding Balance:		
Receivables from customers*	₱3,253	Secured - ₱2.3 billion and unsecured - ₱1.0 billion, no impairment Short-term lending with interest rates subject to regular repricing and with maturity terms from 30 days to 94 days.
Deposit liabilities	58	Various terms with annual fixed rate ranging from 0.0% to 0.38%
Amount/Volume:		
Receivables from customers	(3,839)	Generally similar to terms and conditions above
Deposit liabilities	(14)	Generally similar to terms and conditions above
Interest income	11	Interest income on receivables from customers
Gain on sale of non-current asset held for sale	4,164	Gain on sale of 15.00% ownership in TMPC
Securities transactions		
Purchases	75	Outright purchases of HFT securities and AFS investments
Sales	75	Outright sale of HFT securities and AFS investments
Foreign currency - sell	90	Outright sale of foreign currency
Subsidiaries		
Outstanding Balance:		
Interbank loans receivable*	₱8,315	Peso and foreign currency lending which earn annual fixed interest rates ranging from 1.17% to 3.625% with maturity terms from five days to one year.
Receivables from customers*	1,304	Unsecured, no impairment With annual fixed rates ranging from 4.00% to 5.59% with maturity terms from 30 days to 5 years
Accounts receivable	256	Uncollected information technology fees, non-interest bearing
Other receivable	137	Dividends receivable as disclosed in Note 11
Deposit liabilities*	3,376	With annual fixed interest rates ranging from 0.0% to 2.75% including time deposits with maturity terms from 5 days to 360 days
Bills payable	586	Short-term foreign currency borrowings subject to annual fixed interest rate of 0.15% with maturity term of 33 days
Accounts payable	126	Various transactional charges
Amount/Volume:		
Interbank loans receivable	6,097	Generally similar to terms and conditions above
Receivables from customers	(3,607)	Generally similar to terms and conditions above

(Forward)

Notes:

Category	Parent Company	
	December 31, 2012	
	Amount	Terms and Conditions/Nature
Bills payable	(P39)	Generally similar to terms and conditions above
Deposit liabilities	(153)	Generally similar to terms and conditions above
Interest income	173	Interest income on receivables from customers and interbank loans receivables
Service charges, fees and commissions	75	Income on transactional fees
Trading and securities gain - net	1,536	Income from securities transactions
Foreign exchange gain - net	134	Income from foreign exchange transactions
Leasing income	27	Income from leasing agreements with various lease terms
Dividend income	1,093	See discussions on Note 11
Profit from assets sold	54	Net gain from sale of investment properties
Miscellaneous income	221	Information technology fees billed monthly
Interest expense	45	Interest expense on deposit liabilities and bills payable
Securities transactions		
Purchases	115,596	Outright purchases of HFT securities and AFS investments
Sales	122,051	Outright sale of HFT securities and AFS investments
Foreign currency		
Buy	18,211	Outright purchases of foreign currency
Sell	29,256	Outright sale of foreign currency
Associates		
Outstanding Balance:		
Receivables from customers	P65	Secured - P13.0 million and unsecured P52.0 million, no impairment
		Non-interest bearing domestic bills purchased
Other receivable	22	Uncollected information technology fees, non-interest bearing
Deposit liabilities*	1,851	With annual fixed interest rates ranging from 0.0% to 2.75% with maturity terms from 4 days to 358 days
Amount/Volume:		
Receivables from customers	(58)	Generally similar to terms and conditions above
Deposit liabilities	(1,485)	Generally similar to terms and conditions above
Trading and securities loss - net	(9)	Securities transactions
Foreign exchange loss - net	(20)	Foreign exchange transactions
Leasing income	7	Income from leasing agreements with various lease terms
Dividend income	677	See discussion on Note 11
Miscellaneous expense	24	Expenses from various transactions
Securities transactions		
Outright purchases	250	Outright purchases of HFT securities and AFS investments
Outright sales	425	Outright sale of HFT securities and AFS investments
Foreign currency		
Buy	178	Outright purchases of foreign currency
Sell	369	Outright sale of foreign currency
Other Related Parties		
Outstanding Balance:		
Receivables from customers*	P14,830	Secured - P14.0 billion and unsecured - P1.0 billion, no impairment
		With annual fixed rates ranging from 2.63% to 10.45% and maturity terms from 30 days to 12 years
Assets held under joint operations	1,189	Parcels of land and former branch sites of the Parent Company contributed to joint operations
Miscellaneous assets	1,068	Downpayment to a related party real estate company relative to the purchase of commercial and office spaces located at Bonifacio Global City, Taguig City
Deposit liabilities*	2,830	With annual fixed rates ranging from 0.0% to 2.88% including time deposits with maturity terms from 5 days to 92 days
Amount/Volume:		
Receivables from customers	(1,682)	Generally similar to terms and conditions above
Deposit liabilities	2,521	Generally similar to terms and conditions above
Interest income	964	Interest income on receivables from customers
Foreign exchange gain - net	931	Income from foreign exchange transactions
Leasing income	11	Income from leasing agreements with various lease terms
Profit from assets sold	592	Net gain from sale of investment properties
Interest expense	1	Interest expense on deposit liabilities
Contingent		
Unused commercial LC	270	LC transactions with various terms
Others	20	Include bank guaranty with indemnity agreement; inward bills for collection; outstanding shipside bonds/airway bills; and outstanding guarantees

(Forward)

Notes:

Category	Parent Company	
	December 31, 2012	
	Amount	Terms and Conditions/Nature
Foreign currency		
Buy	₱597	Outright purchases of foreign currency
Sell	32,838	Outright sale of foreign currency
Key Personnel		
<u>Outstanding Balance:</u>		
Receivables from customers	₱68	Secured - ₱27.0 million and unsecured - ₱41.0 million, no impairment With annual fixed rates ranging from 8.0% to 9.0% and maturity terms from 5 years to 15 years
Deposit liabilities	111	With various terms and minimum annual interest rate of 0.0%
<u>Amount/Volume:</u>		
Receivables from customers	(10)	Generally similar to terms and conditions above
Deposit liabilities	26	Generally similar to terms and conditions above
Profit from assets sold	42	Net gain from sale of investment properties
Compensation expense	1,101	See related discussion below on compensation

*including accrued interest

As discussed in Note 13, in December 2012, the Parent Company sold 15% of its ownership in TMPC to GT Capital which resulted in a gain amounting to ₱3.4 billion and ₱4.2 billion for the Group and Parent Company, respectively. The remaining 15% ownership was subsequently sold in January 2013 wherein the Group and the Parent Company recognized gain on sale of ₱3.4 billion and ₱4.2 billion, respectively.

Receivables from customers and deposit liabilities and their related statement of financial position and statement of income accounts resulted from the lending and deposit-taking activities of the Group and the Parent Company. Together with the sale of investment properties; borrowings; contingent accounts including derivative transactions; outright purchases and sales of HFT securities and AFS investments; foreign currency buy and sell; leasing of office premises; securing of insurance coverage on loans and property risks; and other management services rendered, these are conducted in the normal course of business and at arms-length transactions. The amounts and related volumes and changes are presented in the summary above. The Parent Company has a Related Party Transactions Committee headed by an independent director that oversees and monitors related party transactions. Terms of receivables from customers, deposit liabilities and borrowings are disclosed in Notes 9, 16 and 17, respectively, while other related party transactions above have been referred to their respective note disclosures.

As of December 31, 2013 and 2012, government bonds (classified under AFS investments) with total face value of ₱50.0 million are pledged by PSBank to the Parent Company to secure its payroll account with the Parent Company. Also, the Parent Company has assigned to PSBank government securities (classified under AFS investments) with total face value of ₱3.0 billion to secure PSBank deposits to the Parent Company.

The compensation of the key management personnel of the Group and the Parent Company follows:

	Consolidated			Parent Company		
	2013	2012	2011	2013	2012	2011
Short-term employee benefits	₱1,866	₱1,546	₱1,164	₱1,282	₱1,040	₱682
Post employment benefits	142	91	71	68	61	29
	₱2,008	₱1,637	₱1,235	₱1,350	₱1,101	₱711

Notes:

Transactions with retirement plans

Under PFRS, certain post-employment benefit plans are considered as related parties. The Parent Company has business relationships with a number of related party retirement plans pursuant to which it provides trust and management services to these plans. Certain trustees of the plans are either officers or directors of the Parent Company and/or the subsidiaries. Income earned by the Parent Company from such services amounted to ₱40.4 million and ₱32.2 million in 2013 and 2012, respectively. As of December 31, 2013 and 2012, the Parent Company sold securities totaling ₱2.8 billion and ₱3.1 billion, respectively, to its related party retirement plans and recognized net trading gain of ₱3.7 million and net trading loss of ₱1.0 million, respectively. The Parent Company also purchased securities totaling ₱1.3 billion and ₱1.1 billion as of December 31, 2013 and 2012, respectively. Further, as of December 31, 2013 and 2012, the total outstanding deposit liabilities of the Group to these related party retirement funds amounted to ₱56.3 million and ₱343.9 million, respectively. Interest expense on deposit liabilities amounted to ₱2.5 million and ₱9.8 million in 2013 and 2012, respectively.

As of December 31, 2013 and 2012, the related party retirement plans also hold investments in the equity shares of various companies within the Group amounting to ₱874.7 million and ₱744.0 million, respectively, with unrealized trading gains of ₱445.5 million and ₱289.7 million, respectively. As of December 31, 2013 and 2012, the related party retirement plans also hold investments in mutual funds and trust funds of various companies within the Group amounting to ₱28.2 million and ₱11.0 million, respectively, with unrealized trading gains of ₱4.7 million and ₱5.5 million, respectively. As of December 31, 2013 and 2012, dividend income recognized from these securities amounted to ₱33.4 million and ₱9.2 million, respectively, and realized trading gains amounting to ₱54.2 million and ₱25.7 million, respectively.

32. Financial Performance

The basis of calculation for earnings per share attributable to equity holdings of the Parent Company follows (amounts in millions except for earnings per share):

	2013	2012	2011
		(As Restated - Note 2)	
a. Net income attributable to equity holders of the Parent Company	₱22,488	₱15,399	₱11,031
b. Share of hybrid capital securities holders	(475)	(476)	(484)
c. Net income attributable to common shareholders	22,013	14,923	10,547
d. Weighted average number of outstanding common shares of the Parent Company, as previously reported		2,111	2,101
e. Basic/diluted earnings per share, as previously reported (c/d)		₱7.07	₱5.02
f. Weighted average number of outstanding common shares of the Parent Company, including effect of stock dividend issued in 2013 (Note 23)	2,745	2,745	2,731
g. Basic/diluted earnings per share, as restated in 2012 and 2011 (c/f)	₱8.02	₱5.44	₱3.86

Notes:

The following basic ratios measure the financial performance of the Group and the Parent Company:

	Consolidated			Parent Company		
	2013	2012 (As Restated - Note 2)	2011	2013	2012 (As Restated - Note 2)	2011
Return on average equity	17.80%	13.64%	11.27%	16.35%	11.68%	9.49%
Return on average assets	1.85%	1.53%	1.19%	1.77%	1.46%	1.11%
Net interest margin on average earning assets	3.90%	3.62%	3.53%	3.17%	2.92%	2.73%

33. Notes to Statements of Cash Flows

The amounts of interbank loans receivable and securities purchased under agreements to resell considered as cash and cash equivalents follow:

	Consolidated			Parent Company		
	2013	2012	2011	2013	2012	2011
Interbank loans receivable and SPURA	₱122,011	₱23,392	₱24,367	₱96,872	₱15,046	₱3,222
Interbank loans receivable and SPURA not considered as cash and cash equivalents	(4,836)	(4,344)	(964)	(4,836)	(4,344)	(964)
	₱117,175	₱19,048	₱23,403	₱92,036	₱10,702	₱2,258

Significant noncash transactions of the Group and the Parent Company include foreclosures of properties or additions to investment and chattel properties as disclosed in Notes 12 and 14, respectively; reclassification of investment in GBPC amounting to ₱3.3 billion to AFS investments in 2013 as discussed in Note 11; and bond exchange transactions in 2011 as discussed in Note 8.

Further, in 2012, in addition to the reclassification of investment in associate as discussed in Note 13, the Parent Company also reclassified its land covered by a completed agreement from assets held under joint operations (under 'Other assets') to investments properties amounting to ₱1.98 billion; and rescinded its sales contract receivable amounting to ₱693.0 million (Note 31).

34. Foreign Exchange

PDS closing rates as of December 31 and PDSWAR for the year ended December 31 are as follows:

	2013	2012	2011
PDS Closing	₱44.40	₱41.05	₱43.84
PDSWAR	42.43	42.24	43.31

35. Other Matters

The Group has no significant matters to report in 2013 on the following:

- Known trends, events or uncertainties that would have material impact on liquidity and on the sales or revenues.
- Explanatory comments about the seasonality or cyclicity of operations.

Notes:

- c. Issuances, repurchases and repayments of debt and equity securities except for the exercise of the call option on the 2018 Peso Notes and issuance of common stock by the Parent Company and for the exercise of the call option on the 2019 Peso Notes and the issuance of the 2023 Peso Notes by MCC (Notes 20 and 23).
- d. Unusual items as to nature, size or incidents affecting assets, liabilities, equity, net income or cash flows except for the payments of cash dividend and semi-annual coupons on the HT1 Capital as discussed in Note 23.
- e. Effect of changes in the composition of the Group, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations except for the establishment of MR Japan, a wholly-owned subsidiary, as discussed in Note 2 and sale of certain investees company as discussed in Note 11.

36. Subsequent Events

- a. In January 2014, FMIC sold ₱3.8 billion of its AFS investments previously classified under HTM investments, as discussed in Note 8, and recognized trading gains of ₱526.3 million.
- b. On October 23, 2013, the BOD of Orix Metro approved the declaration of a 20% stock dividend amounting to ₱252.9 million or ₱20.00 per share based on par value of ₱100.00 to all stockholders of record as of even date. This was approved by the BSP on January 14, 2014 and issued by ORIX Metro on January 15, 2014.
- c. On January 24, 2014, the BOD of PSBank declared a 7.50% cash dividend for the fourth quarter of 2013 amounting to ₱180.2 million or ₱0.75 per share to all stockholders as of date to be determined upon BSP approval.
- d. On January 27, 2014, FMIC sold 33.3% of its ownership in Charter Ping An to GT Capital at a consideration of ₱712.0 million which resulted in a gain of ₱210.0 million, as approved by the BOD on January 23, 2014.
- e. On January 30, 2014, the BSP approved the amendment to the terms and conditions of the Parent Company's issuance of Basel III-compliant Tier 2 capital notes as discussed in Note 20. Specifically, the BSP approved the issuance of up to USD500 million equivalent in either USD or PHP or combination in one or more tranches over the course of one (1) year.
- f. On February 10, 2014, the BSP approved the semi-annual coupon payment on HT1 Capital amounting to USD 5.6 million which the Parent Company paid on February 18, 2014.
- g. On February 18, 2014, the BOD approved the Parent Company's exercise of the call option on its ₱4.5 billion Lower Tier 2 Peso Notes on May 6, 2014.

Notes:

37. Approval of the Release of the Financial Statements

The accompanying financial statements of the Group and of the Parent Company were authorized for issue by the BOD on February 18, 2014.

38. Report on the Supplementary Information Required Under Revenue Regulations (RR) No. 19-2011 and 15-2010

Supplementary Information Under RR No. 19-2011

In addition to the required supplementary information under RR No. 15-2010, on January 24, 2014, the BIR issued RR No. 19-2011 which prescribes the new annual income tax forms that will be used for filing effective taxable year 2013. Specifically, companies are required to disclose certain tax information in their respective notes to financial statements. For the taxable year December 31, 2013, the Parent Company reported the following revenues and expenses for income tax purposes:

Revenues

Services/operations	₱17,214
Non-operating and taxable other income:	
Service charges, fees and commissions	₱3,381
Income from trust operations	1,057
Profit from assets sold	643
Trading and securities loss	(2,518)
Others	634
	₱3,197

Expenses

Cost of services:	
Compensation and fringe benefits	₱4,643
Others	3,559
	₱8,202
Itemized deductions:	
Compensation and fringe benefits	₱4,776
Taxes and licenses	2,786
Security, messengerial and janitorial	1,335
Depreciation	783
Rent	772
Communication, light and water	512
Information technology	501
Transportation and travel	349
Repairs and maintenance	236
Management and professional fees	212
EAR	187
Bad debts	99
Others	3,870
	₱16,418

Notes:

Supplementary Information Under RR No. 15-2010

On November 25, 2010, the BIR issued RR No. 15-2010 to amend certain provisions of RR No. 21-2002 which provides that starting 2010 the notes to financial statements shall include information on taxes, duties and license fees paid or accrued during the taxable year.

The Parent Company reported the following types of taxes for the year ended December 31, 2013 included under 'Taxes and licenses' account in the statement of income:

GRT	₱2,132
DST	1,318
Capital gains tax	408
Local taxes	91
Real estate tax	62
Others	156
	<hr/>
	₱4,167
	<hr/>

Details of total withholding taxes remitted for the taxable year December 31, 2013 follow:

Taxes withheld on compensation	₱1,843
Final withholding taxes	1,289
Expanded withholding taxes	180
	<hr/>
	₱3,312
	<hr/>

Notes:

PRODUCTS AND SERVICES

DEPOSIT SERVICES

ATM Savings Account
Passbook Savings Account
Fun Savers Club
Regular Checking Account
MetroChecking Extra
Account One
Time Deposit

FOREIGN CURRENCY DEPOSIT

Savings Account
Checking Account
Time Deposit

CONSUMER LENDING

Metrobank Car Loan
Retail
Fleet
Metrobank Home Loan
Retail
Wholesale

CARD PRODUCTS

Metrobank E.T. Card
Metrobank Debit Mastercard
Metrobank Prepaid Mastercard

ELECTRONIC BANKING FACILITIES

Automated Teller Machine
Affiliated with Cirrus-Maestro/BancNet
Visa Plus/Electron Cash Withdrawal and
Credit Card Advances
China Union Pay Withdrawal
Balance Inquiry
Bills Payment
Inter-bank Funds Transfer
Intra-bank Funds Transfer
Purchase of Prepaid PINs
Checkbook Request
Statement Request (Last 5 Transactions)
BancNet Point-of-Sale (Accredited BancNet
Merchants)
Payslip Viewing/Printing
Cash Accept Machine
Balance Inquiry
Cash Deposit
Fund Transfer
Prepaid Card Loading

Metrobankdirect Retail
Balance Inquiry
View/Download Statement
Bills Payment
Fund Transfer
Checkbook Request
View Deposit Interest Rates
View Foreign Exchange Rates
Enroll New/Existing Own Account
Manage Tax Payments
Manage Enrolled Accounts
Manage Stock Trading Funds
New Account Opening

Mobile Banking
Balance Inquiry
Bills Payment
Fund Transfer
Prepaid Reload
Request for last 3 transactions

Metrophone
Balance Inquiry
Bills Payment
Fund Transfer
Checkbook Request
Request Last 10 Transactions via Fax

MISCELLANEOUS OVER-THE COUNTER SERVICES

FSC Gift Checks
Cashier's Checks

CUSTODIAL SERVICES

Safety Deposit Boxes

CASH MANAGEMENT SERVICES

Metrobankdirect Corporate/
Electronic Solutions
Basic Banking Solutions
Account Inquiry
Account Information
Account Statement
Fund Transfer
Check Status
Bills Payment
Remittance
Checkbook Request
Loan Information
Cash Flow/Liquidity Solutions
Account Sweep
Reverse Sweep
Collections Solutions
Real-Time Debit
Auto-Debit
Online Post-Dated Check Warehousing
Electronic Invoice Presentment and Payment
(EIPP) – Biller
Multi-Channel Bills Payment Collection Arrangement
Internet Payment Portal (IPP)
Disbursement Solutions
Auto-Credit
Electronic Invoice Presentment and Payment
(EIPP) – Buyer
Comprehensive Disbursement Solution (CDS)
Corporate Check Writing
Batch Payment System (BPS)
Payroll Solutions
Payroll Service
Payroll Plus
Pay Card
E-Government Solutions
SSS Payments
BIR Tax Payments (Taxdirect)
Non-Electronic Solutions
Check Warehousing
Deposit Pick-Up
Cash Delivery

GOVERNMENT COLLECTION AND OTHER PAYMENT SERVICES

BIR Tax Payments
Philippine Health Insurance Corporation
(Philhealth) Premiums
Social Security System (SSS) Contributions
Bills Payment
Sickness, Maternity and Employees
Compensation (SMEC)
Bureau of Customs (BOC) Duties

FUND TRANSFER AND RELATED SERVICES

SSS Direct Deposit Pension
United States (U.S.) Direct Deposit Pension
Foreign and Domestic Telegraphic Transfer
Foreign Demand Draft
Purchase and Sale of Foreign Currency Notes
Foreign Exchange Sale for Invisible
(Non-Trade) Transactions
Bangko Sentral Registration Document (BSRD)
Inward Remittances/Investments

EXPORT TRADE

Red Clause Advances
Export Bills Purchase
(Letter of Credit (LC) and Non-LC)
Letter of Credit Advising
Letter of Credit Confirmation
Transferable Letter of Credit
Discounting Usance Letter of Credit

IMPORT AND DOMESTIC TRADE

Commercial Letters of Credit (LC)
Standby Letter of Credit
Bank Guarantee
Credit Line Certification with Bank
Undertaking
Certificate of Cash Deposit
Non-LC Trade Transactions
Documents Against Payment
Documents Against Acceptance
Open Account
Direct Remittance
Advance Payment
Shipping Guarantee
Trust Receipt Financing
Collection of Import Advance
and Final Duties
Floor Stock Financing Trust Receipt

SPECIALIZED LENDING FACILITIES

BSP Rediscouting Loan
Business Loans
Special Project Financing Program
Industry Loan Program
Pre-Settlement Risk Cover Line
Settlement Risk Cover Line
Working Capital Loans
FCDU Loans
Rural Power Projects for:
Type A Beneficiaries
(RESCO, QTP, NGO, Cooperatives & LGUs)
Type B Beneficiaries
(RET Purchasers/Suppliers)
Type C Beneficiaries
(Electric Cooperative)
Type D Beneficiaries
(Private Sectors Proponents and LGUs)
Dealership Financing Program
Financing Program for Tourism Projects
Hospital Financing Program
Financing Program for Educational Institutions
Special Financing Program for Vocational/Technical School
Environmental Development Project

OVERSEAS FILIPINO PRODUCTS

OFW PHP Savings Account (Passbook)
OFW PHP Savings Account (ATM)
OFW USD Savings Account (Passbook)
World Cash Card

OVERSEAS FILIPINO SERVICES

Credit to Metrobank Account
Credit to World Cash Card
Credit to Account with Other Philippine Banks
Door-to-Door Cash Delivery
Cash Pick-up at Metrobank Branches
Cash Pick-up Anywhere
Remittances through International Money Transfer Tie-ups*
*Remittances coursed through International Money Transfer
Tie-ups are as follows:
MoneyGram - Cash pick-up at Metrobank branches &
Credit to account (Metrobank or other banks)
Sigue - Cash pick-up at Metrobank branches
Xoom - Cash pick-up at Metrobank branches & Credit
to Metrobank account
Uniteller-Wells Fargo - Cash pick-up at Metrobank
branches & Credit to Metrobank Account
Xpress Money - Cash pick-up at Metrobank branches
Al-Ansari Cash Express - Cash pick-up at Metrobank
branches
CIMB Bank - Cash pick-up at Metrobank branches &
Credit to Metrobank account
Bills Payment*
*Includes payment services for SSS and PAG-IBIG
Contributions and monthly amortization for purchased
properties from the Bank's developer/bills payment
tie-ups.
Shipping Payroll Services

TREASURY PRODUCTS

Government Securities
Peso Treasury Bills
Peso Fixed Rate Treasury Notes
Peso Retail Treasury Bonds
Foreign Currency denominated Sovereign Bonds

Corporate Securities
Peso Corporate Bonds/Notes
Foreign Currency denominated Corporate Bonds
Bank Subordinated Notes

Foreign Exchange and Hedging Solutions
Spot Foreign Exchange
Forward Foreign Exchange
Non-Deliverable Forwards
Forward Rate Agreements
Interest Rate Swaps
Foreign Exchange Swaps
Cross Currency Swaps
European Foreign Exchange Options
Credit Default Swap
Bond Swap
Asset Swap

TRUST AND INVESTMENT SERVICES

Personal Wealth Management Services
Living Trust Account
Investment Management Account
Other Personal Trust Accounts

Institutional Fund Management Services
Employee Benefit Funds
Gratuity Retirement Fund
Provident Retirement Fund
Pre-need Fund
Corporate Fund Management

Other Fiduciary Services Accounts
Escrow Services
Safekeeping Agency
Property Administration
Life Insurance Trust
Court Trust
Corporate Fiduciary Services
Mortgage Trust Indenture
Facility/Loan Agency
Paying Agency
Transfer Agency

Investment Funds (UITF)
Peso Fixed Income Funds
Metro Money Market Fund
Metro Max-3 Bond Fund
Metro Max-5 Bond Fund
Metro Wealth Builder
Peso Balanced/Equity Funds
Metro Balanced Funds
Metro Equity Funds
Dollar Fixed Income Funds
Metro\$ Money Market Fund
Metro\$ Max-3 Bond Fund
Metro\$ Max-5 Bond Fund

BRANCH NETWORK

METRO MANILA

CALOOCAN

C3-A. Mabini

Magsimpan Complex
200 A. Mabini
Maypajo, Caloocan City
Tel No. 285-9298 to 99
Fax No. 285-9297

Caloocan

315 Rizal Ave. Ext.
Grace Park, Caloocan City
Tel No. 366-7303
361-1290
367-1844
361-1292
366-8246
361-1301
Fax No. 366-7304

Camarin Road-Caloocan

Camarin Road cor. Susano
Road
Caloocan City
Tel No. 962-5301
382-1995
382-2176
Fax No. 962-5218

Edsa-Kaloocan Center

EDSA near cor. A. De Jesus St.
Caloocan City
Tel No. 363-2090
363-6571
363-2092
364-9464
364-5356
364-2855
364-8662
363-5852
Fax No. 364-8579
362-0655

Grace Park Center

446 Rizal Ave. Ext.
Caloocan City
Tel No. 901-3368
901-3388
365-9948
901-3360
363-9645
365-7509
363-9646
366-1571
366-1565
Fax No. 366-1568
365-7506

Rizal Ave. Ext.-3rd Ave.

213-C Rizal Ave. Ext.
Between 2nd & 3rd Ave.
Caloocan City
Tel No. 366-9619
365-3317 to 18
Fax No. 366-9620

Samson Road-Caloocan

U.E. Tech cor. Samson Road
Caloocan City
Tel No. 361-3088
362-1347
361-0603
Fax No. 361-1905

LAS PIÑAS

Las Piñas-Alabang Zapote Road

Real St. Alabang-Zapote Road
Pamplona, Las Piñas
Tel No. 873-5030
873-6995
873-6247
Fax No. 873-9615

Las Piñas-Almanza

467 Alabang-Zapote Road
Almanza, Las Piñas City
Tel No. 806-0473
806-0467
806-0265
Fax No. 806-0266

Las Piñas-BF Resort

Lot 18 & 20, Block 18
BF Resort Drive, Las Piñas City
Tel No. 874-2072 to 73
873-6475
Fax No. 873-4529

Las Piñas-Naga Road

Naga Road, Pulang Lupa II
Las Piñas City
Tel No. 553-5274
553-5561

Las Piñas-Pamplona

Along Alabang-Zapote Road
Pamplona 3, Las Piñas City
Tel No. 872-2706
872-3458
Fax No. 872-4856

MAKATI

Head Office Center

Metrobank Plaza
Sen. Gil Puyat Ave.
Brgy. Urdaneta, Makati City
Tel No. 857-5319
857-5502
857-5309
893-6422
Fax No. 818-0136

A. Arnaiz-San Lorenzo

908 A. Arnaiz Ave.
Makati City
Tel No. 844-4274
818-2027
818-2093
Fax No. 810-3557

Aguirre-Salcedo

235 Cattleya
Condominium Bldg.
Salcedo St., Legaspi Village
Makati City
Tel No. 812-2190
813-3515
813-3493
812-3743
Fax No. 812-3743

Alfaro

G/F ALPAP Bldg.
140 LP Leviste St.
Salcedo Village, Makati City
Tel No. 892-6708
867-3113
892-5224
892-9607
Fax No. 892-2383

Ayala Avenue-Bankmer

GF, 6756 Bankmer Bldg.
Ayala Ave., Makati City
Tel No. 891-3466
891-3522
891-3328
Fax No. 891-3575

Ayala Avenue-VA Rufino

G/F Rufino Bldg.
6784 Ayala Ave., Makati City
Tel No. 811-0147
811-0134
810-3544
Fax No. 811-0132

Ayala Triangle

15th Flr. Tower One and
Exchange Plaza Bldg.
Ayala Ave. cor.
Paseo de Roxas St.
Makati City
Tel No. 759-4888 to 89
Fax No. 759-4890

Buendia-Dian

Buendia Ave. cor. Dian St.
Makati City
Tel No. 892-9603
844-1891
845-0359
845-0358
Fax No. 892-8981

Corinthian Plaza-Makati

G/F Corinthian Plaza Bldg.
121 cor. Paseo de Roxas Ave.
and Gamboa Sts.
Legaspi Village, Makati City
Tel No. 811-3209
892-1661 to 62
892-1664
892-1663
Fax No. 811-3290

Dela Rosa-Salcedo Street

164 Kalayaan Bldg.
G/F Salcedo cor. Dela Rosa
Sts., Legaspi Village, Makati
City
Tel No. 894-0359 to 61
Fax No. 894-0362

Don Bosco-Makati

La Fuerza Plaza Bldg.
2241 Don Chino Roces Ave.
Makati City
Tel No. 889-2099
844-3173
844-3820
Fax No. 885-7755

Edsa-Magallanes

19 EDSA
Bangkal, Makati City
Tel No. 887-5578 to 79
Fax No. 887-5580

Greenbelt

G/F Pioneer House Bldg.
108 Paseo de Roxas cor.
Legaspi Sts., Makati City
Tel No. 812-7174
840-4907
892-2175
Fax No. 892-3855

GT Tower Center

G/F. GT Tower
Ayala Ave., Makati City
Tel No. 840-1957
812-5156
856-1021
810-3362
812-0609
Fax No. 810-3362

H.V. Dela Costa

G/F Westgate Condominium
Plaza
120 H.V. dela Costa St.
Salcedo Village, Makati City
Tel No. 840-0649 to 50
840-0652 to 53
Fax No. 840-0651

J.P. Rizal

Along J. P. Rizal St.
Makati City
Tel No. 897-6836 to 37
897-6833
897-6834
897-6835
Fax No. 897-6834

Jupiter-Bel Air

130 Jupiter St.
Bel-Air, Makati City
Tel No. 896-6040
895-0268
895-0275
Fax No. 897-3171

Kalayaan-Bel Air

G/F Primetown Tower
Kalayaan Ave.
Bel-Air, Makati City
Tel No. 750-3141
896-9784
896-9788
Fax No. 896-9787

Kamagong-Sampaloc

Kamagong cor.
Sampaloc Sts.
San Antonio Village
Makati City
Tel No. 895-7125
895-7127
Fax No. 895-7135

Kayamanan C

2300 PIFCO Bldg.
Pasong Tamo Ext.
Makati City
Tel No. 810-8658
867-3260
810-8620
810-8638
810-8651
Fax No. 810-8659

Legaspi Village-Makati

G/F Amorsolo Mansion
130 Amorsolo cor.
V.A. Rufino Sts.
Legaspi Village, Makati City
Tel No. 894-3422
818-0901
892-1479
817-4118
Fax No. 894-3359

Magallanes Village

Paseo de Magallanes
Makati City
Tel No. 852-4908
852-4902
Fax No. 852-4909

Paseo De Roxas

G/F PSBank Bldg.
777 Paseo de Roxas
Makati City
Tel No. 840-1295 to 97
811-4558
864-0755
Fax No. 811-4559

Pasong Tamo

2300 Leelin Bldg.
Pasong Tamo St., Makati City
Tel No. 844-3182
893-9413
810-5006
816-1513
816-0889
Fax No. 843-7664

Pasong Tamo-Bagtikan
G/F Unit A BM Lou-Bel Plaza
Bagtikan cor. Pasong Tamo
Sts. Makati City
Tel No. 896-9693
896-9708 to 10
Fax No. 895-0895

Pasong Tamo-Buendia
Unit A & B, G/F Orchid Tower
Oriental Garden Makati
Chino Roces Avenue
Makati City
Tel No. 841-0563
810-0892
810-1031
Fax No. 810-4073

Pasong Tamo-Extension
2280 G/F Moridel Bldg.
Pasong Tamo Ext.
Makati City
Tel No. 867-1260 to 61
816-1952
Fax No. 867-1263

Pasong Tamo-Javier
The Oriental Place
Chino Roces Ave.
Makati City
Tel No. 478-7346
478-9978
478-9663
478-7734
Fax No. 478-9546

Pasong Tamo-Metropolitan Ave.
1133 Pasong Tamo St.
Brgy. San Antonio Village
Makati City
Tel No. 897-8656
896-3361
Fax No. 897-8657

Perea-Gallardo
G/F Century Plaza, 120 Perea
St.
Legaspi Village East, Makati
City
Tel No. 813-3430
813-3445
813-3456
813-3473
Fax No. 813-3435

Rada-Rodriguez
Unit 101 La Maison Condo.
115 Rada St.
Legaspi Village, Makati City
Tel No. 867-4717
817-4956
817-4939
892-1241
892-1270
Fax No. 867-4718

Rockwell Center
Phinma Bldg.
Rockwell Center, Makati City
Tel No. 898-1507 to 08
898-1511
896-3003
Fax No. 898-1510

Salcedo Village
G/F Plaza Royale Bldg.
120 LP Leviste St.
Salcedo Village, Makati City
Tel No. 819-3390
816-1215
816-1101
867-1671
840-3214
Fax No. 892-1112

San Agustin-HV Dela Costa
G/F Liberty Center Bldg.
104 H.V. dela Costa cor.
San Agustin Sts.
Salcedo Village, Makati City
Tel No. 845-2725
845-2926
845-2930
Fax No. 845-2931

San Lorenzo Village
1000 Lao' Ctr.
A. Arnaiz Ave., Makati City
Tel No. 844-2172 to 73
843-6946
Fax No. 844-2174

Skyland Plaza
G/F Skyland Plaza
Condominium
Sen. Gil Puyat Ave.
Makati City
Tel No. 888-6764
843-2576
888-6727
843-0390
Fax No. 888-6727

Tordesillas-Gil Puyat Ave.
Le Triomphe
H.V. Dela Costa St.
Salcedo Village, Makati City
Tel No. 817-2112
892-4389
815-0414
Fax No. 817-2113

Urdaneta Village-Makati
The Atrium Building
Makati Ave. cor.
Paseo de Roxas
Makati City
Tel No. 811-4064
811-4182
811-4084
Fax No. 811-4056

MALABON

Concepcion-Malabon
286 Gen. Luna St.
Concepcion, Malabon City
Tel No. 281-0741
281-1744
281-1748
Fax No. 281-1730

Malabon
696 Rizal Ave.
Malabon City
Tel No. 281-5994 to 95
281-5699
281-5797
281-5699
Fax No. 281-5796

Potrero-Malabon
Along McArthur Highway
cor. Del Monte Sts.
Ponciana Bldg.
Potrero, Malabon City
Tel No. 363-8238
363-8257
Fax No. 363-8241

Tugatog-Malabon
139 M.H. del Pilar St.
Tugatog, Malabon City
Tel No. 285-5650 to 51
285-6662
287-3090
287-4269
Fax No. 285-6788

MANDALUYONG

ADB
6 ADB Ave. 1501
Mandaluyong City
Tel No. 632-4145 to 46
632-4200
632-4011
632-5099
Fax No. 636-2689

Boni Avenue
743 Boni Ave., Brgy. Malamig
Mandaluyong City
Tel No. 533-6555 to 56
533-2779
533-0824
533-0864
532-4676
Fax No. 533-0339

EDSA-Corinthian
217-223 CLMC Bldg.
EDSA, Mandaluyong City
Tel No. 721-1645
724-2126
724-2126
722-4894
721-8813
480-3152
Fax No. 721-8828

EDSA-POEA
G/F Lobby, POEA Bldg.
Ortigas Ave. cor. EDSA
Mandaluyong City
Tel No. 724-3468
724-3093
Fax No. 725-4559

EDSA-Shaw
Beside Shangri-la Plaza
Shaw Blvd., Mandaluyong City
Tel No. 634-5380
634-3216
634-5381
Fax No. 632-7596

Kalentong-Mandaluyong
188 Gen. Kalentong
Daang Bakal
Mandaluyong City
Tel No. 531-7026
531-1403
531-9712
Fax No. 531-6731

Libertad-Mandaluyong
G/F PGMC Bldg.
Domingo M. Guevarra St.
(former Libertad St.)
cor. Calbayog St., Hi-way Hills
Mandaluyong City
Tel No. 533-2977
533-2974
533-6840
531-5443
Fax No. 533-6841

Mandaluyong-Pioneer
SunShine 100 City Plaza
Pioneer, Pioneer St.,
Mandaluyong City
Tel No. 633-7865
733-7863
Telefax No. 633-7864

Maysilo Circle-Mandaluyong
344 Maysilo St., Jejomar Bldg.
Mandaluyong City
Tel No. 532-8730
533-5884
Fax No. 531-5448

Shaw Boulevard-Pinagtipunan
Shaw Blvd. cor.
Pinagtipunan St.
Mandaluyong City
Tel No. 533-8292
533-7974
533-8393
531-1709
Fax No. 533-7920

Wack-Wack
S & R Bldg.
514 Shaw Blvd.
Mandaluyong City
Tel No. 533-0775
588-6831
534-8794
Fax No. 532-3795

MANILA

168 Mall
6TH Floor, Unit 607
168 Shopping Mall
Sta. Elena/Soler Streets
Binondo, Manila
Tel No. 708-2256
254-7504
254-7510

999 Mall
3rd Floor, 999 Mall Soler St.
Binondo, Manila
Tel No. 450-4029
450-4059
708-4779
Fax No. 450-4868

A. Lacson Ave-Sampaloc
1243 A.H. Lacson Ave.
Sampaloc, Manila
Tel No. 711-5689 to 90
711-5687
Fax No. 711-5688

A. Maceda
1174 A. Maceda St.
Sampaloc, Manila
Tel No. 742-5689
749-3929
Fax No. 749-3459

Adriatico
Rothman Inn Hotel Bldg.
1633 Adriatico St.
Malate, Manila
Tel No. 526-0202
526-0223
526-0650
526-0534
Fax No. 526-0269

Anda Circle-Port Area
Knights of Rizal Building
Bonifacio Drive
Port Area, Manila
Tel No. 527-6812 to 13
527-6815
523-0948
Fax No. 527-6814

Arranque Center
1344-1346 Soler St.
Sta. Cruz, Manila
Tel No. 588-2809
588-2809
588-2802-05
734-7967
480-0044
733-3276
480-0043
Fax No. 734-3258
733-1835

Asuncion
Chinatown Steel Tower
Asuncion St.
Tondo, Manila
Tel No. 242-4149 to 50
242-2137
242-2139
242-2140
Fax No. 242-2140

Benavidez
943-945 Benavidez St.
Binondo, Manila
Tel No. 244-8084 to 85
244-8082
245-3592
Fax No. 244-0151

Blumentritt-Sta. Cruz
(merged with L. Rivera-
Blumentritt)
2460 Rizal Ave. cor. Cavite Sts.
Sta. Cruz, Manila
Tel No. 743-8324
732-2131
732-2134
493-6103
493-3494
Fax No. 732-2140

Bustillos-Sampaloc
443 J. Figueras St.
Sampaloc, Manila
Tel No. 734-6378
735-5748
Fax No. 734-6268

C.M. Recto-Mendiola
2046-2050 C.M. Recto Ave.
Sampaloc, Manila
Tel No. 735-5556
735-5569
735-5546
Fax No. 735-5546

China Plaza-Tomas Mapua
645 Tomas Mapua St.
Sta. Cruz, Manila
Tel No. 735-2368
735-2788
735-2471
735-2217
Fax No. 733-9639

Comercio

New Divisoria Mall Bldg.
Comercio St., San Nicolas
Binondo, Manila
Tel No. 242-3421 to 22
242-3415
242-3421
Fax No. 242-3410

Dasmariñas-T. Pinpin

321 Dasmariñas St.
cor. Ugalde St.
Binondo, Manila
Tel No. 242-9453
242-9475
Fax No. 242-9452

Divisoria Center

760 MBTC Ylaya St.
Binondo, Manila
Tel No. 242-7007 to O8
242-7004
244-4693
244-7413
Fax No. 242-3163
242-7002

Downtown Center

Tytana Plaza,
Plaza Lorenzo Ruiz
Binondo, Manila
Tel No. 244-4208 to O9
245-7787
241-0282
241-4178
243-6251
241-0287
Fax No. 241-0468

Ermita

Metrobank Bldg.
A. Mabini cor. Flores Sts.
Ermita, Manila
Tel No. 523-9160
523-7651
526-6509
525-8607
Fax No. 524-7958

Escolta Tower

288 Escolta Twin Tower,
Escolta St.
Binondo, Manila
Tel No. 242-1447
241-5460 to 61
241-5464
241-5470
241-5457
Fax No. 241-5469

España

M. Dela Fuente near
cor. España St.
Sampaloc, Manila
Tel No. 731-3784 to 85
731-3333
Fax No. 731-3783

Evangelista-Quiapo

675 B. Evangelista St.
Quiapo, Manila
Tel No. 733-2345
733-2254
733-2348
Fax No. 733-2344

Federal Tower

Dasmariñas St. cor.
Muelle de Binondo
San Nicolas, Manila
Tel No. 243-0155 to 56
243-0146
243-0003
243-0007
243-0005
Fax No. 242-2171

Folgueras

922 Carmen Planas St.
Tondo, Manila
Tel No. 245-2456 to 57
245-2539 to 40
Fax No. 245-2114

Gen. Luna-Paco

1547 Gen. Luna St.
Paco, Manila
Tel No. 525-8204
525-8250
525-8209
Fax No. 525-8255

Harrison Plaza-Adriatico

A. Adriatico St.
Malate, Manila
Tel No. 536-0885
523-0995
523-5598
536-0889
Fax No. 526-7126

**Honorio Lopez
Boulevard-Balut**

262 H. Lopez Blvd., Balut
Tondo, Manila
Tel No. 522-3220 to 21
522-3224
Fax No. 522-3219

Intramuros

FEMII Bldg., A. Soriano Jr. Ave.
Intramuros, Manila
Tel No. 527-3323
527-3326
528-0261
528-0172
Fax No. 527-3336

Intramuros-CBCP

CBCP Building
470 General Luna St.
Intramuros, Manila
Tel No. 521-9646
525-4867
525-1514
Fax No. 525-1419

**J. Abad Santos-Antipolo
Manila**

Toyota Abad Santos Bldg.
2210 Jose Abad Santos Ave.,
Manila
Tel No. 251-7004
252-4539
251-6310
Fax No. 254-7665

J. Abad Santos-Mayhaligue

1385 Jose Abad Santos Ave.
Tondo, Manila
Tel No. 253-1577
253-1572
253-5491
Fax No. 251-5587

J. Nakpil-Taft Ave.

Along Taft Ave. near cor.
J. Nakpil Sts., Manila
Tel No. 536-1178 to 80
526-1088
Fax No. 526-1087

Lavezares

403 CDC Bldg.
Lavezares cor. Asuncion Sts.
Binondo, Manila
Tel No. 244-6978
242-7084
241-4756
242-4076
244-6986
Fax No. 244-9121

Luneta-T.M. Kalaw

470 T.M. Kalaw cor.
Cortada Sts.
Ermita, Manila
Tel No. 518-0827
567-1716
518*0829
Fax No. 518-0828

Masangkay

942 G. Masangkay St.
Binondo, Manila
Tel No. 244-8730 to 31
244-4060
244-8639
244-8739
244-4060
244-8712
Fax No. 244-8642

Masangkay-Luzon

1161-1163 Masangkay St.
Sta. Cruz, Manila
Tel No. 255-1125
255-1127
251-9030
Fax No. 295-0131

Masangkay-Mayhaligue

1348-1352 Broadview Tower
G. Masangkay St.
Sta. Cruz, Manila
Tel No. 559-7650 to 51
559-7641
559-1765
Fax No. 559-1754

Midtown-U.N. Ave.

1268 Midtown Executive
Homes
U.N. Ave., Paco, Manila
Tel No. 522-4580
522-4518
522-4602
480-2762
Fax No. 522-4394

Morayta

866 N. Reyes Ave.
Sampaloc, Manila
Tel No. 736-2671
735-1573
735-1478
Fax No. 736-2670

Nueva

562-568 Nueva St.
Binondo, Manila
Tel No. 241-3486
241-4274
242-0850
241-3449
Fax No. 242-3691

Ocean Tower

Ocean Tower
Roxas Blvd., Manila
Tel No. 567-3192
567-3322
567-0115
567-0102
Fax No. 567-2810

Ongpin

910 Ongpin St.
Sta. Cruz, Manila
Tel No. 734-5203 to O4
733-3197
734-5201
Fax No. 734-5202

Paco

1756 Singalong St.
Paco, Manila
Tel No. 521-7768
523-3604
522-3946
Fax No. 522-3974

Plaza Cervantes

Dasmariñas St. cor.
Juan Luna Sts.
Binondo, Manila
Tel No. 988-7500
988-7558
988-7555
988-7575
988-7567 to 68
988-7535
988-7537
988-7588
988-7599
Fax No. 244-5717
244-6220

Plaza Lorenzo Ruiz

475 Juan Luna St.
Binondo, Manila
Tel No. 242-0697
242-0695
242-7001
242-0691
Fax No. 242-7003

Pritil-Tondo

1995 Juan Luna St.
Tondo, Manila
Tel No. 251-4818
251-6896
253-0255
Fax No. 251-4792

Pureza-R. Magsaysay Blvd.

2244 De Ocampo Memorial
School
Annex Bldg., R. Magsaysay
Blvd. near cor. Pureza Sts.
Sta. Mesa, Manila
Tel No. 714-4692
713-5719
713-5718
Fax No. 713-5716

Quiapo

129 C. Palanca St.
Quiapo, Manila
Tel No. 733-7156
733-7139
733-7160
733-4590
733-7138
Fax No. 733-7157

Quirino Ave.-Leon Guinto

Quirino Ave. cor. L. Guinto Sts.
Malate, Manila
Tel No. 526-7439
526-7438
Fax No. 526-7440

Raon

633 Gonzalo Puyat St.
Sta. Cruz, Manila
Tel No. 733-1665
733-1676
733-1669
Fax No. 736-6252

Reina Regente

934-936 Reina Regente St.
Binondo, Manila along
Reina Regente & Alvarado
cor. Tres Martines Sts.
Tel No. 244-1246
244-1236
244-6960
244-6113
Fax No. 243-5671

Robinson's Place Adriatico

1413 M. Adriatico St.
Ermita, Manila
Tel No. 581-1808
522-4665
Fax No. 522-2720

Roxas Boulevard-Vito Cruz

G/F Legaspi Towers 300 Inc.
2600 Roxas Blvd. cor.
Vito Cruz, Manila
Tel No. 522-8879
521-6164
Fax No. 525-8053

San Nicolas Center

455 Clavel St., San Nicolas
Binondo, Manila
Tel No. 243-4363
244-9218
243-0650
242-4596
243-4049
Fax No. 243-1104

Soler

No. 1072 Solar St.
Binondo, Manila
Tel No. 244-3077
244-3082 to 83
244-2126
244-1185
Fax No. 244-3076

Sta. Ana-Manila

2447 Pedro Gil St.
Sta. Ana, Manila
Tel No. 561-0949 to 50
561-0952
564-4503
Fax No. 561-0951

Sta. Cruz-Manila

582 Gonzalo Puyat St.
Sta. Cruz, Manila
Tel No. 733-0468 to 70
733-0472
Fax No. 733-0475

Sto. Cristo-CM Recto

Ong Building, 859 Sto. Cristo
Binondo, Manila
Tel No. 241-9370 to 72
Fax No. 241-9369

Sto. Cristo-San Nicolas St.

600 Sto. Cristo cor.
San Nicolas Sts.
Binondo, Manila
Tel No. 243-6313 to 15
Fax No. 243-6316

Sta. Elena

Bodega Sales Bldg.
602 Sta. Elena St.
Binondo, Manila
Tel No. 243-2693 to 94
241-7491
Fax No. 243-0424

Taft Avenue-La Salle

2456 Taft Ave.
Manila
Tel No. 382-2004
404-3912
Fax No. 405-0221

Tayuman-Felix Huertas

Tayuman cor.
Felix Huertas Sts.
Sta. Cruz, Manila
Tel No. 711-1552 to 53
711-1512
Fax No. 711-1571

Tomas Mapua-Fugoso

No. 1052-1056 Tomas Mapua
cor. Fugoso Sts.
Sta. Cruz, Manila
Tel No. 711-3348
711-3329
Fax No. 711-3332

Tutuban

Stall No. M15, 16 & 17 CB11
Tutuban Center, Dagupan St.
Tondo, Manila
Tel No. 251-0069 to 70
Fax No. 251-0073

Tutuban Prime Block

Tutuban Primeblock
C.M. Recto Ave.
Tondo, Manila
Tel No. 251-9918 to 19
253-1959
Fax No. 253-1960

U.N. Avenue

G/F Manila Doctors Hospital
667 U.N. Ave., Ermita, Manila
Tel No. 523-6846
524-0903
526-6710
523-6895
523-6155
526-6708
Fax No. 523-6657

UST-España

1364 España St. cor.
Centro St.
Sampaloc, Manila
Tel No. 740-3017 to 20
Fax No. 740-3021

V. Mapa

3244 V. Mapa cor.
Valenzuela Sts.
Sampaloc, Manila
Tel No. 713-6263
713-6261
713-6260
713-6201
Fax No. 713-9188

Ylaya-Tondo

1057 Ylaya Mansion
Ylaya St., Tondo, Manila
Tel No. 245-0514 to 15
245-0544
243-5284
Fax No. 245-0522

Zurbaran

1662 V. Fugoso St.
cor. Oroqueta Sts.
Sta. Cruz, Manila
Tel No. 735-8082
735-0919
735-0887
735-8092
Fax No. 735-0907

MARIKINA**Barangka Riverbanks**

119 A. Bonifacio Ave.
Brgy. Tañong, Marikina City
Tel No. 997-6634
997-5957
997-6182
369-7858
386-3842
489-2105
Fax No. 997-5986

Calumpang-Marikina

J. P. Rizal St., Calumpang
Marikina City
Tel No. 681-7186
681-6612
Fax No. 681-6611

Concepcion-Marikina

15 Bayan-bayanan Ave.
Concepcion, Marikina City
Tel No. 942-2823 to 25
941-8168
Fax No. 942-0668

Marikina Center

321 J. P. Rizal St.
Sta. Elena, Marikina City
Tel No. 681-2934
646-1922
681-2932
646-1931
Fax No. 646-1921

Parang-Marikina

94 Balagtas cor. Tangile Sts.
Parang, Marikina City
Tel No. 941-4898
948-2772
Fax No. 948-2771

San Roque-Marikina

67 Tuazon cor. Chestnut Sts.
San Roque, Marikina City
Tel No. 645-7123
645-7157
646-9074
646-9131
Fax No. 645-7131

Sto. Niño-Marikina

Sumulong Highway cor.
Toyota Ave.
Brgy. Sto. Niño, Marikina City
Tel No. 647-8851 to 52
998-8170
Fax No. 647-8850

MUNTINLUPA

Acacia-Ayala Alabang
G/F Alabang Business Tower
Acacia Ave.
Madrigal Business Park
Alabang, Muntinlupa City
Tel No. 807-8419 to 20
809-2662
809-1349
Fax No. 850-8190

Alabang

Valdez Bldg., Montellano St.
Alabang, Muntinlupa City
Tel No. 807-2544 to 45
Fax No. 842-3745

Ayala-Alabang

Sycamore Prime Bldg.
Alabang-Zapote Road
cor. Buencamino St.
Muntinlupa City
Tel No. 807-0408 to 09
850-8842
807-0409
Fax No. 850-8887

Filinvest Corporate City

Asean Drive cor.
Singapura Lane
Filinvest Corporate City
Alabang, Muntinlupa City
Tel No. 850-8082 to 84
Fax No. 850-8085

Madrigal Business Park

Alabang
El Molito Bldg.
Madrigal Business Park
Alabang, Muntinlupa City
Tel No. 772-3046
772-3044
710-3201
Fax No. 772-3043

Muntinlupa

Poblacion National Highway
Muntinlupa City
Tel No. 862-0067
862-0069
Fax No. 862-0068

Muntinlupa-Lakefront

Space No. B 04, Presidio Walk
Lakefront, Sucat,
Muntinlupa City
Tel No. 519-5311
546-6536
546-0871
Fax No. 804-2281

West Service Road-

Alabang Hills
West Service Road cor.
Don Jesus Blvd.
Alabang Hills Village
Muntinlupa City
Tel No. 772-2536 to 37
Fax No. 772-2534

NAVOTAS**M. Naval-Navotas**

767 M. Naval St.
Navotas City
Tel No. 282-1111 to 12
281-3959
Fax No. 282-1107

Northbay Blvd-Navotas

130 Northbay Blvd.
Navotas City
Tel No. 282-6511
282-6513 to 14
381-8663
736-5826
Fax No. 282-6512

PARAÑAQUE**B.F. Homes**

22 Aguirre Ave.
B.F. Homes, Parañaque City
Tel No. 842-5307
842-4766
842-4706
807-8087
Fax No. 842-4744

Baclaran

Quirino Ave. cor. M. Roxas St.
Baclaran, Parañaque City
Tel No. 832-0471
832-0487
832-5895
831-9554
Fax No. 832-0471

Baclaran-Milenyo

2nd Floor, Baclaran
Bagong Milenyo Plaza
Russel Ave., Baclaran
Parañaque City
Tel No. 553-7922
553-7619
553-7625
588-6754
Fax No. 551-0821

Bayview

Bayview International
Roxas Blvd., Parañaque City
Tel No. 855-7024 to 26
Fax No. 855-7023

Doña Soledad Avenue-

Bicutan
65 Doña Soledad Ave.
Better Living Subd.
Bicutan, Parañaque City
Tel No. 824-0757
823-9201
823-7834
Fax No. 824-2113

East Service Road-Bicutan

East Service Road
South Super Highway
Bicutan, Parañaque City
Tel No. 837-1317
837-1315
837-1784
Fax No. 837-1314

El Grande-BF Homes

Aguirre St. cor.
Tehran El Grande Phase 3
BF Homes, Parañaque City
Tel No. 825-1081
820-8859
Fax No. 825-1127

N A I A

Columbia Airfreight Complex
Ninoy Aquino Ave.,
Parañaque City
Tel No. 853-5951 to 52
854-5225
854-5227
Fax No. 853-5953

Sucat-Gatchalian

8165 Dr. A. Santos Ave.
Parañaque City
Tel No. 825-9232
825-0382
826-0223
Fax No. 825-9760

Sucat-Ireneville

Dr. A. Santos Ave. cor.
Ireneville Ave.
Sucat, Parañaque City
Tel No. 820-2231
825-3595
825-0348
Fax No. 825-0301

Sucat-San Antonio Valley

Dr. A. Santos Ave.
beside Uniwide
Parañaque City
Tel No. 820-4495
820-3103
Fax No. 820-2429

PASAY**Domestic Airport**

Salem Int'l Comm'l Complex
Domestic Road, Pasay City
Tel No. 851-0432
Fax No. 851-0434

EDSA-Tramo

453 Highway Master Bldg.
Edsa, Pasay City
Tel No. 831-6386
833-6545
831-6391
831-6344
831-6359
Fax No. 831-6398

F.B. Harrison-Gil Puyat Ave.

Gil J. Puyat Ave. cor.
F.B. Harrison Sts.
Pasay City
Tel No. 551-0617
551-0609
551-0619
551-0625
Fax No. 551-0618

Metropolitan Park-Roxas

Boulevard
Diosdado Macapagal Ave. cor.
EDSA Ext., Pasay City
Tel No. 832-2115
833-3156
833-0552
822-3179
Fax No. 833-0464

Pasay-Baclaran

Kapt. Ambo Street
Pasay City
Tel No. 854-4446
851-5243
Fax No. 855-8022

Pasay-Buendia Avenue

2183 Taft Avenue near
Gil Puyat Ave.
Pasay City
Tel No. 831-0394
831-4111
Fax No. 831-0383

Pasay-Libertad

232 Libertad St.
Pasay City
Tel No. 833-6575
831-0219
831-6765
831-5242
831-0278
Fax No. 833-6538

Pasay-Rotonda

2717 Taft Ave. Ext.
Pasay City
Tel No. 551-4282
831-7674
831-7435
Fax No. 551-4117

Seafrost

Seafrost Garden Homes
Roxas Blvd., Pasay City
Tel No. 833-2675
833-2686
853-2311
804-0249
Fax No. 804-0343

Taft Avenue

1915 Taft Ave.
Pasay City
Tel No. 526-5931 to 33
536-3042 to 43
536-3197
523-7670
525-1404
526-5933
Fax No. 521-1632

West Service Road-Merville

KM 12 West Service Road
Merville, Pasay City
Tel No. 824-3799
824-3699
Fax No. 824-3599

PASIG**Felix Avenue**

Along Felix Ave.
Brgy. Tatlong Kawayan
Pasig City
Tel No. 646-7775
646-7235
681-6572
Fax No. 681-7297

Ortigas Commercial Complex

Banker's Plaza Bldg.
J. Vargas St. cor.
San Miguel Ave.
Ortigas Commercial
Complex Center
Pasig City
Tel No. 635-5078
635-5076
632-0876
988-7604
988-7605
988-7606/7
635-5079
632-0886
635-5081
988-7608
988-7609
988-7610
988-7611
635-5078 to 79
Fax No. 635-5082

Ortigas-Emerald Ave.

G/F Wynsum Corporate Plaza
Emerald Ave., Pasig City
Tel No. 638-8143 to 45
Fax No. 638-8142

Ortigas Meralco Ave.

G/F Ortigas Bldg., Meralco
cor. Ortigas Ave., Pasig City
Tel No. 634-9884
631-2662
634-9877
Fax No. 631-2659

Ortigas-San Miguel Ave.

G/F Belvedere Condominium
San Miguel Ave., Pasig City
Tel No. 638-9129
638-9178
637-9705
638-9198
Fax No. 638-9177

Ortigas Taipan

G/F Taipan Place Bldg.
Emerald Ave.
Ortigas, Pasig City
Tel No. 637-5702 to 03
637-3960
637-5700
Fax No. 637-5701

Pasig-C. Raymundo

Along C. Raymundo Ave.
Brgy. Rosario, Pasig City
Tel No. 238-4366
238-4841
Fax No. 451-0352

Pasig-Mabini

A. Mabini St.
Pasig City
Tel No. 628-4155 to 58
641-0519
641-5197
641-0457
628-4156
Fax No. 641-0463

Rosario-Pasig

Jess Lumber Bldg.
Ortigas Ave. Ext.
Rosario, Pasig City
Tel No. 643-6554
641-3606
653-6551
643-6571
Fax No. 641-4060

San Joaquin-Pasig

25 R. Jabson St.
San Joaquin, Pasig City
Tel No. 642-1090
642-1192
Fax No. 642-2234

Santolan-Pasig

A. Rodriguez Ave. cor.
Santolan St., Santolan
Pasig City
Tel No. 646-4131
681-1846
645-0351
645-0447
Fax No. 646-4133

Shaw Boulevard

676 Shaw Blvd.
Pasig City
Tel No. 633-0216 to 17
631-6352
631-3643
Fax No. 633-2723

Shaw Boulevard-J.M. Escriva

J.M. Escriva
Shaw Blvd., Pasig City
Tel No. 634-0173
635-6044
632-9705
635-6041
910-2063 to 64
Fax No. 635-5703

Shaw Boulevard-Oranbo

Along Shaw Blvd. near
Hill Crest Circle
Pasig City
Tel No. 637-8934 to 35
637-3853
Fax No. 633-1655

Valle Verde

73 E. Rodriguez
cor. P.E. Antonio Sts.
Barrio Ugong, Pasig City
Tel No. 671-8371
671-9558
Fax No. 671-9557

PATEROS**Pateros**

104 M. Almeda St.
Pateros, Metro Manila
Tel No. 642-7042
642-6053
642-6118
Fax No. 642-6054

QUEZON CITY**20th Ave.-Cubao**

No. 100, 20th Ave., Tagumpay
Cubao, Quezon City
Tel No. 913-1740
913-1744
Fax No. 438-8209

Acropolis

Metrobank Bldg.
E. Rodriguez Ave.
Acropolis, Quezon City
Tel No. 437-2725 to 26
386-4359
386-3209
Fax No. 439-2092

Aurora Blvd-Manhattan Parkway

Parkway Shopping Arcade
Manhattan Garden City
Aurora Blvd, Araneta Center
Cubao, Quezon City
Tel No. 621-3150
911-0880
621-3151
Fax No. 911-0843

Aurora Boulevard-Anonas

Caly Building
986 Aurora Blvd.
Brgy. Marilag, Quezon City
Tel No. 913-6467
439-5389
913-7819
Fax No. 913-6467

Baesa

Olympia Commercial Plaza
131 Quirino Highway
Baesa, Quezon City
Tel No. 330-7150
330-7148
453-5007
330-7147
Fax No. 330-7149

Balintawak

936 A. Bonifacio Ave.
Balintawak, Quezon City
Tel No. 363-0931 to 33
364-8713
362-4438
Fax No. 362-4992

Banawe

11 Metrobank Bldg.
Banawe cor. Cardiz Sts.
Doña Josefa, Quezon City
Tel No. 712-1320
712-1317
712-1306
711-5909
712-1464
712-1298
Fax No. 711-5925

Blue Ridge

222 Katipunan Ave.
Blue Ridge, Quezon City
Tel No. 647-1018 to 19
647-1022
439-5213
Fax No. 439-5212

Boni Serrano

45 Boni Serrano Ave. cor.
Greenview Compound
Quezon City
Tel No. 724-0157
725-7235
721-4889
724-0061
Fax No. 721-4890

Brixton Hill

118 G. Araneta Ave. cor.
Palanza St.
Quezon City
Tel No. 716-0674
715-6552
715-6410
714-1196
714-1191
489-2100
382-2282
Fax No. 714-1187

Commonwealth Avenue

Lenjul Bldg., Commonwealth
Ave. Capitol Hills, Diliman,
Quezon City
Tel No. 428-1861 to 62
932-6296
931-3365
Fax No. 931-3281

Congressional Avenue

141 Congressional Ave.
Bahay Toro 1, Quezon City
Tel No. 925-5047 to 49
925-5051 to 52
Fax No. 925-4055

Cubao

Along Aurora Blvd.
Cubao, Quezon City
Tel No. 911-8099
911-0499
911-0434
913-6158
Fax No. 913-6165

Cubao-Araneta Cyberpark

Telus Bldg. Araneta Center
Cubao, Quezon City
Tel No. 709-3185
709-3665
709-3596
Fax No. 709-3930

Cubao-P. Tuazon

P. Tuazon cor. 12th Ave.
Cubao, Quezon City
Tel No. 913-3080
911-5813
913-3075
Fax No. 911-5815

Culiat-Tandang Sora

Royal Midway Plaza
419 Tandang Sora Ave.
Brgy. Culiat, Quezon City
Tel No. 951-9067
951-9082
Fax No. 951-9066

D. Tuazon-Del Monte

Along D. Tuazon near cor.
Del Monte Ave.
Quezon City
Tel No. 416-7699
732-1378
731-1549
Fax No. 411-3078

Dapitan-Banawe

Unit 1-4 Solmac Bldg.
84 Banawe cor. Dapitan Sts.
Quezon City
Tel No. 743-7509 to 12
743-4781
Fax No. 743-7516

Del Monte

295 Del Monte Ave. and
G. Roxas St., Brgy. Manreza
Quezon City
Tel No. 364-4486
364-4350
365-1519
363-1108
363-1103
Fax No. 364-4485

Don Antonio Heights

Lot 20, Blk.6, Holy Spirit Drive
Don Antonio Heights
Diliman, Quezon City
Tel No. 932-9934 to 36
951-9693
932-9935
Fax No. 932-9934

E. Rodriguez

1661 E. Rodriguez Sr. Blvd.
Quezon City
Tel No. 727-1697
727-1696
448-7372
Fax No. 727-1690

E. Rodriguez-Cordillera

E. Rodriguez Sr. Blvd. cor.
Cordillera St.
Doña Aurora Dist. 4
Quezon City
Tel No. 743-8038
743-8132
743-8095
413-5689
Fax No. 413-5695

Eastwood City

Techno Plaza One Bldg.
118 E. Rodriguez Ave.
Brgy. Bagumbayan
Quezon City
Tel No. 421-2954 to 55
588-5232
588-5231
Fax No. 421-2956

EDSA-Congressional

Global Trade Ctr. Bldg.
1024 EDSA, Quezon City
Tel No. 928-6502
929-6517
924-3962
920-4871
363-1855
Fax No. 926-9276

EDSA-Muñoz Market

Lemon Square Bldg.
1199 Edsa
Brgy. Katipunan, Quezon City
Tel No. 371-5935 to 36
371-5954
Fax No. 371-5940

Examiner-Quezon Ave.

Ave Maria Bldg.
1517 Quezon Ave.
Quezon City
Tel No. 371-1634
373-7340
Fax No. 371-1633

Fairview

Commonwealth Ave. cor.
Winston St.
Quezon City
Tel No. 431-8820 to 21
938-0394
938-0392
Fax No. 938-0393

Farmers Plaza

Farmers Plaza, Araneta Center
Quezon City
Tel No. 912-7216 to 19
Fax No. 911-3991

G. Araneta-Quezon Ave.

G/F Ramirez & Co. Bldg.
G. Araneta cor. Quezon Ave.
Quezon City
Tel No. 712-8338
743-0163
712-8548
741-8968
414-3065
414-3064
Fax No. 741-8988

Gen. Luis-Novaliches

St. Claire Bldg.
Gen. Luis St.
Novaliches, Quezon City
Tel No. 935-0693 to 96
Fax No. 417-7300

Kalaw Hill

Commonwealth Ave.
cor. Kalaw Hill Subd.
Culiat, Quezon City
Tel No. 932-0630 to 32
932-3196
Fax No. 932-0633

Kalayaan Avenue

Odelco Bldg.
128 Kalayaan Ave.
Diliman, Quezon City
Tel No. 924-4130
924-4565
Fax No. 924-4001

Kamias

Kamias Road cor. K-H Sts.
Diliman, Quezon City
Tel No. 921-8554
925-4180
925-4149
Fax No. 925-4140

Kamuning

Along Kamuning Road
Quezon City
Tel No. 920-7813 to 14
Fax No. 924-6989

Katipunan

339 Katipunan Ave.
Loyola Heights, Quezon City
Tel No. 426-6537 to 41
Fax No. 928-2408

Lagro

Km 21 Lester Bldg.
Quirino Highway
Barangay Pasong Putik
Lagro, Novaliches
Quezon City
Tel No. 930-1340 to 43
394-7266
Fax No. 930-0310

Mayon-Sta. Teresita

177 Mayon St.
Brgy. Sta. Teresita
Quezon City
Tel No. 741-7280
741-7290
Fax No. 741-7285

Mindanao Avenue

Unit 1-3 Ground Floor Puregold
Mindanao Ave.
Quezon City
Tel No. 925-6437 to 39
Fax No. 925-6441

Mother Ignacia-Timog

23 Carlos P. Garcia Ave.
Quezon City
Tel No. 372-4471 to 72
374-3216
Fax No. 372-3046

New Manila

676 Aurora Blvd.
New Manila
Quezon City
Tel No. 725-6790 to 91
413-1628 to 29
724-4133
725-6791
Fax No. 724-1959

North EDSA

Walmart-North EDSA
548 Mindanao Ave. cor
near Roosevelt, Quezon City
Tel No. 332-1058 to 59
Fax No. 332-1061

Novaliches-Talipapa

HBC Corporate Center
Quirino Highway
Novaliches, Quezon City
Tel No. 938-8661
930-6051 to 52
Fax No. 984-0016

Ortigas Robinson's Galleria

Level 1 Food Blvd.
(Space O1316)
Robinson's Galleria, EDSA cor.
Ortigas Ave., Quezon City
Tel No. 632-7365 to 66
631-9635
Fax No. 632-7367

Q.C. Rotonda Center

Quezon Ave. cor.
Speaker Perez St., Quezon City
Tel No. 982-9292
982-9207
982-9202
982-9203
982-9204
982-9205
982-9206
Fax No. 743-4433

Quezon Avenue

982 Quezon Ave.
Quezon City
Tel No. 411-6026
371-1849
371-7775
411-6029
Fax No. 371-3691

Retiro-Cordillera

479 Retiro cor.
Cordillera Sts.
Quezon City
Tel No. 740-8885 to 86
515-2542
Fax No. 740-9010

Retiro-Mayon

308-310 NS Amoranto Ave.
cor. Mayon St.
La Loma, Quezon City
Tel No. 731-2058
731-2054
731-2025
740-1708
740-9196
Fax No. 740-9196

Roces Avenue

49 A. Roces Ave. cor.
Scout Reyes
Quezon City
Tel No. 373-9318
373-9316
373-2539
Fax No. 373-9317

Roosevelt

285 Roosevelt Ave.
San Antonio 1, Quezon City
Tel No. 371-5191 to 92
411-2050 to 51
Fax No. 371-5193

Sikatuna Village-Anonas

Anonas Road cor. K-7th St.
Project 2, Quezon City
Tel No. 929-7952
929-7829
Fax No. 929-7825

Sta. Mesa

73 Aurora Blvd. cor.
G. Araneta
Brgy. Santol Dist. 4
Quezon City
Tel No. 716-5227
716-5218
Fax No. 716-1564
386-5961

Sta. Monica-Novaliches

1035 Quirino Highway
Sta. Monica, Novaliches
Quezon City
Tel No. 939-5934
936-4235
Fax No. 930-0940

Susano Road-Novaliches

29 Susano St.
Novaliches Proper
Quezon City
Tel No. 930-3523
936-1063
Fax No. 938-2208

Tandang Sora

185 Tandang Sora Ave.
Quezon City
Tel No. 936-9933
938-8581
938-8609
Fax No. 456-3617

The Capital Towers

222 E. Rodriguez Sr. Blvd.
Brgy. Kalusugan, Quezon City
Tel No. 656-5991
656-5638
656-6121
Fax No. 656-0628

Timog

Timog Ave. cor.
Scout Torillo Sts.
Quezon City
Tel No. 924-7518 to 19
924-3963
926-6223
Fax No. 921-3344

Tomas Morato

46 Tomas Morato Ave. cor.
Scout Gandia Sts.
Quezon City
Tel No. 410-1894
372-0364
372-0333
Fax No. 372-0367

V. Luna-East Avenue

Lyman Comm'l Bldg.
East Ave. cor. V. Luna Road
Quezon City
Tel No. 924-9269
436-4171
924-6930
Fax No. 436-4172

Valencia Hills

Valencia cor.
N. Domingo Sts.
Quezon City
Tel No. 723-9569
723-8963
723-8935
Fax No. 724-0934

Vasra-Visayas Ave.

Along Visayas Ave., Brgy. Vasra
Proj. 6, Quezon City
Tel No. 925-3581 to 82
925-3583
Fax No. 925-3585

Visayas Avenue

Visayas Ave. cor.
Congressional Ave.
Quezon City
Tel No. 924-9882
924-9880
381-5054
381-5050
926-1797
Fax No. 920-9672

West Avenue

98 West Ave.
Quezon City
Tel No. 924-4489
929-7548
928-6402
926-9266
Fax No. 929-6424

West Triangle

1387 Quezon Ave.
Quezon City
Tel No. 372-9338
373-3550
373-3251
382-2169
382-2147
Fax No. 373-3539

Xavierville

Xavierville Ave. cor.
B. Gonzales St.
Loyola Heights, Quezon City
Tel No. 928-3332
Fax No. 929-4033

Zabarte Road-Novaliches

C.I. Plaza
1151 Old Zabarte Road cor.
Quirino Highway, Kaligayahan
Novaliches, Quezon City
Tel No. 935-4885
935-4872
938-2040
Fax No. 938-2045

SAN JUAN**Addition Hills**

204 Wilson St.
San Juan City
Tel No. 727-4789
727-4783
727-4773
725-8514
Fax No. 723-2756

Annapolis-Greenhills

14 Annapolis cor. La Salle Sts.
North Greenhills, San Juan City
Tel No. 744-1807
722-6039
722-4469
Fax No. 721-0631

Greenhills-Eisenhower

G/F Goldland Plaza
Condominium
8 Eisenhower St., San Juan
Tel No. 721-3645
722-0833
721-5295
721-3645
Fax No. 721-3570

Greenhills-Promenade
Unit #131 Ground floor
Promenade Bldg.,
Greenhills Shopping Center,
San Juan City
Tel No. 386-5375
697-2506
668-5954
781-7061
781-4401
697-2506

Greenhills-Wilson Center
A & E Building, Ortigas Avenue,
Greenhills, San Juan City
Tel No. 721-4315
721-4354
721-4407
726-1461
Fax No. 721-4359

Greenhills North
City Center Bldg.
Ortigas Ave., San Juan
Tel No. 722-4568
724-3107
724-2697
727-1273
727-1266
Fax No. 721-2776

N. Domingo-San Juan
128-132 N. Domingo St.
San Juan
Tel No. 724-0504
727-4790
724-0283
576-5004
Fax No. 724-0310

Ortigas-Xavier
Ortigas Ave. cor.
Xavier St., San Juan
Tel No. 724-1981 to 82
724-1985
Fax No. 725-2281

TAGUIG

Fort-Bonifacio Global City
32nd Ave., 5th Sts.
Fort Bonifacio Global City
Taguig, Metro Manila
Tel No. 844-5269
Fax No. 843-9133
844-5290

Fort-Bayani Road
Ground. Flr., GPI Bldg.
9A Bayani Road
Fort Bonifacio, Taguig City
Tel No. 511-0438
Telefax. 511-0423

Fort-Burgos Circle
G/F, The Fort Residences
30th St. cor. 2nd Ave.
cor. Padre Burgos Circle
Crescent Park, West Bonifacio
Global City, Taguig City
Tel No. 478-5818
478-5819

Fort-Clipp Center
Clipp Center
11th Ave. Corner 39th Street,
Bonifacio Global City, Taguig
City
Tel No. 403-9531
403-9545
403-9560

Fort-McKinley
1820 Bldg.
Upper McKinley Road
McKinley Hill, Fort Bonifacio
Taguig City
Tel No. 659-2773
798-0683
Fax No. 659-4869

Fort-South of Market
Twin Tower Bldg.
cor. 11th Ave. and 26th St.
South Market, Fort Bonifacio
Global City, Taguig
Tel No. 836-2820 to 22
Fax No. 836-2823

FTI Complex-Taguig
Old Admin Bldg., FTI, Ave., FTI
Complex, Taguig Metro Manila
Tel No. 821-4872
824-9127
Fax No. 824-4314

Taguig-Puregold
Commercial Unit 7
10 Puregold Taguig
Gen. Luna St.
Tuktukan, Taguig City
Tel No. 643-5023
642-7821
Fax No. 642-0839

The Fort-Marajo Tower
G/F, Marajo Tower
4th Ave. cor. 26th St.
Fort Bonifacio Global City,
Taguig
Tel No. 856-7508
856-7513
Fax No. 856-7516

VALENZUELA

Bagbaguin-Valenzuela
Gen. Luis cor. G. Molina Sts.
Bagbaguin, Valenzuela City
Tel No. 983-8547 to 48
443-5904
Fax No. 983-7857

Karuhatan-Valenzuela
235-I McArthur Highway
Karuhatan, Valenzuela City
Tel No. 293-1392 to 93
291-5211
291-5203
291-7962
Fax No. 293-1394

McArthur Highway-Malinta
KM 14 McArthur Highway
Malinta, Valenzuela City
Tel No. 293-1898
293-2014
293-2148
445-3564
Fax No. 292-7520

Malanday-Valenzuela
Km 16 McArthur Highway
Malanday, Valenzuela City
Tel No. 277-6867
294-1612
440-2823
Fax No. 292-3838

Marulas-Valenzuela
Km. 12 McArthur Highway
Marulas, Valenzuela City
Tel No. 293-1456 to 58
293-4617 to 18
293-1457
293-4620
Fax No. 293-4633

Paso De Blas-Maysan
179 Paso de Blas
Valenzuela City
Tel No. 292-8591
277-2798
292-3175
292-4327
Fax No. 292-8797

LUZON

La Union-Agoog
Sta. Barbara National Highway
Agoog, La Union
Tel No. (072) 710-0369
Fax No. 521-2058

Pangasinan, Alaminos
Quezon Ave., Poblacion
Alaminos, Pangasinan
Tel No. (075) 654-1096
Fax No. 551-4791

Aguinaldo-Imus
Aguinaldo Highway
Brgy. Tanzang Luma
Imus, Cavite
Tel No. (046) 471-5374
Fax No. 471-5319

Albay-Daraga
Rizal St.
Daraga, Albay
Tel No. (052) 483-0001
483-5355
Fax No. 483-3439

Angeles-Balibago
McArthur Highway, Balibago
Angeles City, Pampanga
Tel No. (045) 892-6883
322-8870
Fax No. 625-5766

Angeles-Fields Avenue
Devera Hotel, Fields Ave.
Brgy. Malabañas
Angeles City, Pampanga
Tel No. (045) 633-0091
633-0092
Fax No. 624-0276

Angeles-Main
Henson St.
Angeles City, Pampanga
Tel No. (045) 887-1858
888-9499
Fax No. 888-9500

Angeles-McArthur Hi-way
Lot 6, Block 1
Mac Arthur Highway
Salapungan, Angeles City
Pampanga
Tel No. (045) 624-1181
Fax No. 642-1177

Angeles-Sto. Domingo
901 Sto. Rosario St.
Sto. Domingo, Angeles City
Pampanga
Tel No. (045) 624-1192
624-1196

Angeles-Sto. Rosario
464 Sto. Rosario St.
Angeles City, Pampanga
Tel No. (045) 322-8220
323-4451
Fax No. 888-9740

Angono
M. L. Quezon Ave.
Brgy. San Isidro
Angono, Rizal
Tel No. (02) 651-2928 to 29
Fax No. 651-2922

Apalit
McArthur Highway
San Vicente
Apalit, Pampanga
Tel No. (045) 652-0231
302-6776
Fax No. 879-0225

Aparri
Rizal St.
Aparri, Cagayan
Tel No. (078) 888-2018 to 19
Fax No. 888-0234

Bacao-CEPZ
Bacao Diversion Road
Gen. Trias, Cavite
Tel No. (046) 437-6409 to 10
437-6699
Fax No. 884-1135

Bacoor-Cavite
206 Gen. Aguinaldo Highway
Bacoor, Cavite
Tel No. (046) 417-0559
417-0659
Fax No. 502-4698

Baguio-Bonifacio
Bonifacio St., Baguio City
Tel No. (074) 442-9535
304-1031
Fax No. 442-9995

Baguio-Burnham
Burnham Suites
Condominium Bldg.
Kisad Road
Legarda, Baguio City
Tel No. (074) 444-9276
304-1556
Fax No. 444-9275

Baguio-Lucban
FZ Bldg., 532 Magsaysay Ave.
Baguio City
Tel No. (074) 442-2288
444-2688
Fax No. 300-2388

Baguio-Magsaysay
Magsaysay Ave. cor.
Gen. Luna Road
Baguio City
Tel No. (074) 442-3129
442-5932
Fax No. 442-3767

Baguio-Naguilian Road
Cooyeesan Hotel Plaza
Naguilian Road, Baguio City
Tel No. (074) 424-7700
Fax No. 424-7699

Baguio-Session
Porta Vaga Bldg.
Upper Session Road
Baguio City
Tel No. (074) 445-0829
304-4014
Fax No. 445-0615

Balagtas-Bulacan
McArthur Highway
Brgy. Wawa, Balagtas, Bulacan
Tel No. (044) 693-2057
693-3641
Fax No. 693-3608

Balanga-Don M. Banzon Avenue
Don Manuel Banzon Ave.
Balanga, Bataan
Tel No. (047) 791-2207
237-9902
Fax No. 237-9901

Balanga-Main
Paterno St. cor. Hugo St.
Balanga, Bataan
Tel No. (047) 237-2090
237-1992
Fax No. 791-4011

Batangas-Balayan
Antorcha St. cor.
Emma Sison St.
Balayan, Batangas
Tel No. (043) 211-5325
407-0712
Fax No. 211-5326

Batangas-Lemery
Independencia St. cor.
Ilustre St. Lemery
Batangas
Tel No. (043) 409-0838
214-2618
Fax No. 411-1516

Batangas-Mabini
Along National Road,
Poblacion, Mabini, Batangas
Tel No. (043) 706-2845
706-2842

Batangas-Sto. Tomas
Brgy. 2, Maharlika Highway,
Sto. Tomas, Batangas
Tel No. (043) 702-2813
702-2240

Baliuag-JP Rizal
J.P. Rizal St., San Jose
Baliuag, Bulacan
Tel No. (044) 766-2294
766-1003
Fax No. 766-2296

<p>Baliuag-Trinidad Highway Doña Remedios Trinidad Highway Baliuag, Bulacan Tel No. (044) 766-5188 to 89 Fax No. 673-0197</p>	<p>Bocaue-Bulacan 23 McArthur Highway Brgy. Wakas Bocaue, Bulacan Tel No. (044) 692-1813 920-0283 Fax No. 692-1811</p>	<p>Calamba-Market Pabalan St., Calamba Market Site Calamba, Laguna Tel No. (049) 545-1807 to 80 (02) 844-2967 Fax No. (049) 545-1809</p>	<p>Carmona-Biñan Highway National Highway, Brgy. Maduya Carmona, Cavite Tel No. (046) 506-3157 430-1572 Fax No. 889-4286</p>	<p>Dagupan-Perez Perez Blvd. Dagupan City Tel No. (075) 523-1288 523-1299 Fax No. 515-5285</p>
<p>Bangued, Abra McKinley St. cor. Taft St. Bangued, Abra Tel No. (074) 752-5457 862-0878 Fax No. 752-5458</p>	<p>Bulacan-San Ildefonso Brgy. San Juan San Ildefonso, Bulacan Tel No. (044) 373-0019 373-0026 Fax No. 901-0004</p>	<p>Calamba-Parian 728 South Nat'l. Highway Brgy. Parian, Calamba, Laguna Tel No. (049) 545-7152 (02) 889-3366 Fax No. (049) 545-7153</p>	<p>Carmona-Cavite Grandville Industrial Complex Bangkal, Carmona, Cavite Tel No. (046) 430-1931 430-1920 Fax No. 430-1932</p>	<p>Dagupan-Tapuac Tapuac District Dagupan City, Pangasinan Tel No. (075) 653-4965 515-8275 Fax No. 653-4966</p>
<p>Batac, Ilocos Norte Washington St., Brgy. Ablan Batac, Ilocos Norte Tel No. (077) 792-2112 617-1345 Fax No. 792-2113</p>	<p>Cabanatuan-Main Burgos Ave. cor. Sancliangco St. Cabanatuan City Tel No. (044) 463-1337 463-1339 Fax No. 463-1338</p>	<p>Calamba-Real PJM Bldg., National Highway Brgy. Real, Calamba, Laguna Tel No. (049) 545-7092 (02) 889-3363 Fax No. (049) 545-7093</p>	<p>Cauayan-Main Roxas St. cor. Reyes St. Cauayan, Isabela Tel No. (078) 652-2286 652-1299 Fax No. 652-2001</p>	<p>Dasmariñas-Cavite Aguinaldo Highway Dasmariñas, Cavite Tel No. (046) 416-1830 416-1828 Fax No. 416-1827</p>
<p>Batangas-Bauan National Highway, Poblacion I Bauan, Batangas Tel No. (043) 727-3967 to 68 (02) 844-3600 Fax No. (043) 980-6178</p>	<p>Cabanatuan-Maharlika-H. Concepcion Priscilla Bldg. Brgy. H. Concepcion Maharlika Highway Cabanatuan City Tel No. (044) 600-2565 Fax No. 940-8266</p>	<p>Calamba-Waltermart Makiling Waltermart Makiling Brgy. Makiling Calamba, Laguna Tel No. (049) 530-1211 926-6695 926-6696 333-5484</p>	<p>Cauayan-Maharlika Highway Renew Lumber Bldg. Maharlika Highway Cauayan City Tel No. (078) 652-3963 to 64</p>	<p>Dasmariñas-Salawag Molino, Paliparan Road Brgy. Salawag, Dasmariñas City, Cavite Tel No. (046) 402-3625 402-3524 811-5385 811-5386 Fax No. 402-4526</p>
<p>Batangas-Calicanto P. Burgos St. Ext. Brgy. Calicanto Batangas City Tel No. (043) 722-0002 300-0473</p>	<p>Cabanatuan-Maharlika North Maharlika Highway Bitas, Cabanatuan City Tel No. (044) 463-1867 463-7861 Fax No. 463-3185</p>	<p>Calapan J.P. Rizal St., Calapan Oriental Mindoro Tel No. (043) 288-1929 288-4634 Fax No. 441-2109</p>	<p>Cavite Economic Zone Lot A, Cavite Economic Zone Rosario, Cavite Tel No. (046) 437-0678 Fax No. 437-0547</p>	<p>Dau McArthur Highway, Dau Mabalacat, Pampanga Tel No. (045) 892-6522 331-2152 Fax No. 892-6525</p>
<p>Batangas-Kumintang Ilaya National Highway Kumintang Ilaya Batangas City Tel No. (02) 844-3625 (043) 980-1090 Fax No. (043) 723-5801</p>	<p>Cabanatuan-Maharlika South Maharlika Highway Cabanatuan City Tel No. (044) 463-7461 to 62 Fax No. 463-7369</p>	<p>Calasiao, Pangasinan McArthur Highway San Miguel Calasiao, Pangasinan Tel No. (075) 522-5544 517-6833 Fax No. 523-4455</p>	<p>Circumferential Road-Antipolo Circumferential Road Antipolo City Tel No. (02) 696-4305 696-4307 Fax No. 696-4306</p>	<p>Dinalupihan, Bataan No. 3 San Ramon Highway Dinalupihan, Bataan Tel No. (047) 481-2559 Fax No. 481-2560</p>
<p>Batangas-Main J.P. Rizal St. cor. P. Burgos St. Batangas City Tel No. (043) 980-1020 723-1794 Fax No. 723-1903</p>	<p>Laguna-Cabuyao Nat'l. Highway cor. F. Bailon St. Sala, Cabuyao, Laguna Tel No. (02) 781-3002 (049) 531-4678 Fax No. (049) 531-4679</p>	<p>Tarlac-Camiling Quezon Ave. Camiling, Tarlac Tel No. (045) 934-0206 Fax No. 934-0203</p>	<p>Clark Unit 24, The Pavilion Mall PhilExcel Business Park Clark Freeport Zone, Pampanga Tel No. (045) 499-5411 499-5412 Fax No. 499-5413</p>	<p>Batangas-FPIP- Sto.Tomas First Philippine Industrial Park Sto. Tomas, Batangas Tel No. (043) 405-5421 Fax No. 405-5420</p>
<p>Batangas-Nasugbu J.P. Laurel St. corner R. Martinez Sts. Nasugbu, Batangas Tel No. (043) 216-2598 416-0560 Fax No. 931-3484</p>	<p>Cainta Felix Ave. Cainta, Rizal Tel No. (02) 656-4173 655-2901 Fax No. 656-9569</p>	<p>Candon National Highway cor. Calle Gray Candon, Ilocos Sur Tel No. (077) 644-0085 742-6519 Fax No. 742-6511</p>	<p>Tarlac-Concepcion Consumer Bldg., L. Cortez St. Poblacion, Concepcion, Tarlac Tel No. (045) 923-0097 Fax No. 923-0125</p>	<p>Gapan Gen. Tinio St., Sto. Niño Gapan, Nueva Ecija Tel No. (044) 486-0527 486-0517 Fax No. 486-0924</p>
<p>Batangas V. Luna V. Luna St. Batangas City Tel No. (043) 980-2878 Fax No. 723-9453</p>	<p>Calamba-Carmelray Aries 1400 Bldg. Carmelray Industrial Park (CIP) II National Highway Barangay Tulo Calamba, Laguna Tel No. (049) 502-5788 502-5848 Fax No. 502-5789</p>	<p>Canlubang-Carmelray Carmelray Industrial Park I Canlubang, Laguna Tel No. (049) 549-0492 to 93 (02) 889-6948 Fax No. (049) 549-0484</p>	<p>Daet Vinzons Avenue, Daet Camarines Norte Tel No. (054) 571-2385 440-3185 Fax No. 721-1676</p>	<p>General Trias-Cavite Governor's Drive, Manggahan Gen. Trias, Cavite Tel No. (02) 711-0239 (046) 402-0645 Fax No. (046) 402-0555</p>
<p>Biñan A. Bonifacio St., Canlaya Biñan, Laguna Tel No. (049) 511-6185 (02) 994-3936 Fax No. (049) 411-2964</p>	<p>Calamba-Crossing J.P. Rizal St. Calamba, Laguna Tel No. (049) 545-1917 (02) 888-6407 Fax No. (049) 545-2269</p>	<p>Caridad-Cavite P. Burgos Ave. Caridad, Cavite City Tel No. (046) 431-2318 431-1898 Fax No. 431-3179</p>	<p>Dagupan-Fernandez Avenue A.B. Fernandez Ave. Dagupan City Tel No. (075) 522-8288 515-3729 Fax No. 522-5638</p>	<p>Guagua Sto. Cristo Guagua, Pampanga Tel No. (045) 900-4955 900-0965 Fax No. 900-0964</p>
<p>Binangonan National Road Binangonan, Rizal Tel No. (02) 652-0887 652-1925 Fax No. 652-0888</p>		<p>Pangasinan-Carmen Rosales McArthur Highway Carmen West Rosales, Pangasinan Tel No. (075) 582-3226 Fax No. 582-3227</p>	<p>Dagupan-Main A. B. Fernandez Ave. Dagupan City Tel No. (075) 522-5565 522-0172 Fax No. 522-5566</p>	<p>Guiguinto-Bulacan McArthur Highway Baryo Tukukan Guiguinto, Bulacan Tel No. (044) 690-0258 794-1851 Fax No. 794-1852</p>

<p>Gumaca A. Bonifacio St. Gumaca, Quezon Tel No. (042) 421-1492 317-6465 Fax No. 317-6600</p>	<p>La Union-Sevilla Monumento Tan Bldg., Along Quezon Ave. Sevilla, San Fernando City La Union Tel No. (072) 607-2703 Fax No. 607-2701</p>	<p>Lipa-B. Morada B. Morada Ave. Lipa City Tel No. (043) 981-0360 756-1412 Fax No. 756-0866</p>	<p>Malolos-Paseo del Congreso Paseo del Congreso Catmon Malolos, Bulacan Tel No. (044) 791-5010 (02) 584-4018 Fax No. (044) 791-0985</p>	<p>Naic-Cavite Governor's Drive Brgy. Ibayo Silangan Naic, Cavite Tel No. (046) 412-1140 to 41 Fax No. 412-1153</p>
<p>Hagonoy, Bulacan Sto. Niño Hagonoy, Bulacan Tel No. (044) 793-3654 Fax No. 793-3655</p>	<p>Laguna Bel-Air Sta. Rosa Sta. Rosa Tagaytay Nat'l. Road cor. Rodeo Drive Sta. Rosa, Laguna Tel No. (049) 541-2307 541-2305 Fax No. 541-2306</p>	<p>Lipa-Cathedral Brgy. 9, C.M. Recto Lipa City, Batangas Tel No. (043) 981-3433 Fax No. 757-5581</p>	<p>Marilao-Bulacan McArthur Highway Abangan Norte Marilao, Bulacan Tel No. (044) 711-2487 711-1510 Fax No. 760-0472</p>	<p>Nasugbu-Batangas J.P. Laurel corner R. Martinez Sts. Nasugbu, Batangas Tel No. (043) 216-2598 416-0560 Fax No. 931-3484</p>
<p>Iba-Zambales Magsaysay National Highway Zone I, Iba, Zambales Tel No. (047) 811-2594 811-2596 Fax No. 811-2600</p>	<p>Laguna-Technopark LTI Complex Spine Road Biñan, Laguna Tel No. (049) 541-2234 (02) 888-6428 Fax No. (049) 541-2236</p>	<p>Los Baños Olivarez Plaza, National Highway Los Baños, Laguna Tel No. (049) 536-0034 Fax No. 536-0142</p>	<p>Masbate Zurbito St. Masbate City Tel No. (056) 333-4542 333-4537 Fax No. 333-4545</p>	<p>Nueva Ecija- Talavera Maharlika Highway Brgy. Marcos, Talavera Nueva Ecija Tel No. (044) 940-1237 251-1058 251-1060</p>
<p>Ilagan Rizal St. Ilagan, Isabela Tel No. (078) 624-2201 622-2910 Fax No. 622-3605</p>	<p>Laoag-Gen. Segundo Avenue Brgy. 12, Gen. Segundo Ave. Laoag City Tel No. (077) 771-3454 770-3344 Fax No. 773-1733</p>	<p>Lucena-Iyam ML Tagarao St. Gaisano/Pacific Mall Compound Iyam, Lucena City Tel No. (042) 940-1229 940-1233 Fax No. 373-0028</p>	<p>Mayamot-Cogeo Cherry Foodarama Marcos Highway Brgy. Mayamot, Antipolo City Tel No. (02) 647-8025 to 26 647-8023 Fax No. 647-8024</p>	<p>Occidental Mindoro C. Liboro St. cor. Rajah Soliman St. San Jose, Occidental Mindoro Tel No. (043) 491-1352 Fax No. 491-1439</p>
<p>Ilocos Norte-San Nicolas McKinley Bldg. National Highway San Nicolas, Ilocos Norte Tel No. (077) 670-6463 Fax No. 781-2567</p>	<p>Laoag-Rizal Rizal St. cor. Guerrero St. Brgy. 19, Sta. Marcella, Laoag City Tel No. (077) 772-0220 771-4797 Fax No. 771-4274</p>	<p>Lucena-Main Enriquez St. cor. Magallanes St. Lucena City Tel No. (042) 373-6172 (02) 741-8025 Fax No. (042) 373-5055</p>	<p>Meycauayan-Malhacan Along National Road Meycauayan, Bulacan Tel No. (044) 935-4846 935-4860 Fax No. 935-4860</p>	<p>Ortigas Ave. Ext.-Cainta Km. 23, Ortigas Extension Cainta, Rizal Tel No. (02) 656-0797 656-1660 Fax No. 656-0799</p>
<p>Imus-Cavite Nueno Ave., Tansang Luma Imus, Cavite Tel No. (046) 471-0183 471-0264 Fax No. 471-4084</p>	<p>Legazpi-Albay District 863 Rizal St., Albay District Legazpi City Tel No. (052) 480-6919 480-6921 Fax No. 480-6920</p>	<p>Lucena-Quezon Enriquez St. cor. San Fernando St. Lucena City Tel No. (042) 373-4663 to 64 373-4665 Fax No. 373-4665</p>	<p>Meycauayan-McArthur Highway McArthur Highway, Calvario Meycauayan, Bulacan Tel No. (044) 815-2441 840-7379 Fax No. 815-2442</p>	<p>Olongapo-Main 1967 Rizal Ave. West Bajac-Bajac, Olongapo Tel No. (047) 224-5877 222-2971 Fax No. 222-2693</p>
<p>Iriga, Camarines Sur Poblacion Iriga, Camarines Sur Tel No. (054) 456-1707 655-2461 Fax No. 456-1708</p>	<p>Legazpi-Mabini Rizal St. cor. Mabini St. Legaspi City Tel No. (052) 480-7130 480-7128 Fax No. 480-7129</p>	<p>Lucena-Red V National Highway Red-V, Lucena City Tel No. (042) 710-4401 710-2693 Fax No. 710-3336</p>	<p>Molino-Bacoor Cavite Molino II, Molino Road Bacoor, Cavite Tel No. (046) 477-1851 to 53 529-8890 Fax No. 529-8890</p>	<p>Olongapo-Gordon Avenue Gordon Avenue Olongapo City Tel No. (047) 611-0638 304-5065 Fax No. 611-0637</p>
<p>Kawit-Cavite National Road cor. Visita Road Binakayan, Kawit, Cavite Tel No. (046) 434-8842 434-3814 Fax No. 434-5242</p>	<p>Legazpi-Rizal 85 Rizal St., Brgy. 35 Tinago, Legaspi City, Albay Tel No. (052) 480-6431 480-6433 Fax No. 480-6432</p>	<p>Macaria Business Center-Carmona Blk 2 Lot 4, Macaria Business Center Governor's Drive, Carmona, Cavite Tel No. (046) 430-2751 (02) 886-6626 Fax No. (046) 430-2752</p>	<p>Molina-Bacoor Cavite Molino II, Molino Road Bacoor, Cavite Tel No. (046) 477-1851 to 53 529-8890 Fax No. 529-8890</p>	<p>Olongapo-Main 1967 Rizal Ave. West Bajac-Bajac, Olongapo Tel No. (047) 224-5877 222-2971 Fax No. 222-2693</p>
<p>La Trinidad-Benguet JB78 Central Pico KM4 La Trinidad, Benguet Tel No. (074) 309-3780 422-1174 Fax No. 422-2278</p>	<p>Ligao City, Albay Chua Kim Chio Bldg. Mckinley St., Ligao City Albay Tel No. (052) 531-0841 531-0842 Fax No. 485-2165</p>	<p>Malolos-Cabanas The Cabanas, KM 44/45, Mac Arthur Highway, Malolos City Tel No. (044) 760-2931 760-2788 760-1438</p>	<p>Molino-Bacoor Cavite Molino II, Molino Road Bacoor, Cavite Tel No. (046) 477-1851 to 53 529-8890 Fax No. 529-8890</p>	<p>Olongapo-Gordon Avenue Gordon Avenue Olongapo City Tel No. (047) 611-0638 304-5065 Fax No. 611-0637</p>
<p>La Union-Main Quezon Ave., Nat'l. Highway San Fernando, La Union Tel No. (072) 888-2068 700-3275 Fax No. 242-1081</p>	<p>Lingayen, Pangasinan 7 Avenida Rizal West Lingayen, Pangasinan Tel No. (075) 542-0303 542-8002 Fax No. 662-1988</p>	<p>Malolos-McArthur Highway Carzen Bldg., McArthur Highway Malolos City, Bulacan Tel No. (044) 796-4073 662-2797</p>	<p>Molino-Bacoor Cavite Molino II, Molino Road Bacoor, Cavite Tel No. (046) 477-1851 to 53 529-8890 Fax No. 529-8890</p>	<p>Olongapo-Main 1967 Rizal Ave. West Bajac-Bajac, Olongapo Tel No. (047) 224-5877 222-2971 Fax No. 222-2693</p>
<p>La Union-ML Quezon Kenny's Plaza Quezon Ave. San Fernando City, La Union Tel No. (072) 700-4740 242-4339 Fax No. 242-0470</p>	<p>Lipa-Ayala Pres. J. P. Laurel Highway Lipa City Tel No. (043) 981-2658 312-4126 Fax No. 756-2100</p>	<p>Malolos-Cabanas The Cabanas, KM 44/45, Mac Arthur Highway, Malolos City Tel No. (044) 760-2931 760-2788 760-1438</p>	<p>Molino-Bacoor Cavite Molino II, Molino Road Bacoor, Cavite Tel No. (046) 477-1851 to 53 529-8890 Fax No. 529-8890</p>	<p>Olongapo-Main 1967 Rizal Ave. West Bajac-Bajac, Olongapo Tel No. (047) 224-5877 222-2971 Fax No. 222-2693</p>
<p>La Union-ML Quezon Kenny's Plaza Quezon Ave. San Fernando City, La Union Tel No. (072) 700-4740 242-4339 Fax No. 242-0470</p>	<p>Lipa-Ayala Pres. J. P. Laurel Highway Lipa City Tel No. (043) 981-2658 312-4126 Fax No. 756-2100</p>	<p>Malolos-Cabanas The Cabanas, KM 44/45, Mac Arthur Highway, Malolos City Tel No. (044) 760-2931 760-2788 760-1438</p>	<p>Molino-Bacoor Cavite Molino II, Molino Road Bacoor, Cavite Tel No. (046) 477-1851 to 53 529-8890 Fax No. 529-8890</p>	<p>Olongapo-Main 1967 Rizal Ave. West Bajac-Bajac, Olongapo Tel No. (047) 224-5877 222-2971 Fax No. 222-2693</p>
<p>La Union-ML Quezon Kenny's Plaza Quezon Ave. San Fernando City, La Union Tel No. (072) 700-4740 242-4339 Fax No. 242-0470</p>	<p>Lipa-Ayala Pres. J. P. Laurel Highway Lipa City Tel No. (043) 981-2658 312-4126 Fax No. 756-2100</p>	<p>Malolos-Cabanas The Cabanas, KM 44/45, Mac Arthur Highway, Malolos City Tel No. (044) 760-2931 760-2788 760-1438</p>	<p>Molino-Bacoor Cavite Molino II, Molino Road Bacoor, Cavite Tel No. (046) 477-1851 to 53 529-8890 Fax No. 529-8890</p>	<p>Olongapo-Main 1967 Rizal Ave. West Bajac-Bajac, Olongapo Tel No. (047) 224-5877 222-2971 Fax No. 222-2693</p>
<p>La Union-ML Quezon Kenny's Plaza Quezon Ave. San Fernando City, La Union Tel No. (072) 700-4740 242-4339 Fax No. 242-0470</p>	<p>Lipa-Ayala Pres. J. P. Laurel Highway Lipa City Tel No. (043) 981-2658 312-4126 Fax No. 756-2100</p>	<p>Malolos-Cabanas The Cabanas, KM 44/45, Mac Arthur Highway, Malolos City Tel No. (044) 760-2931 760-2788 760-1438</p>	<p>Molino-Bacoor Cavite Molino II, Molino Road Bacoor, Cavite Tel No. (046) 477-1851 to 53 529-8890 Fax No. 529-8890</p>	<p>Olongapo-Main 1967 Rizal Ave. West Bajac-Bajac, Olongapo Tel No. (047) 224-5877 222-2971 Fax No. 222-2693</p>
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<p>La Union-ML Quezon Kenny's Plaza Quezon Ave. San Fernando City, La Union Tel No. (072) 700-4740 242-4339 Fax No. 242-0470</p>	<p>Lipa-Ayala Pres. J. P. Laurel Highway Lipa City Tel No. (043) 981-2658 312-4126 Fax No. 756-2100</p>	<p>Malolos-Cabanas The Cabanas, KM 44/45, Mac Arthur Highway, Malolos City Tel No. (044) 760-2931 760-2788 760-1438</p>	<p>Molino-Bacoor Cavite Molino II, Molino Road Bacoor, Cavite Tel No. (046) 477-1851 to 53 529-8890 Fax No. 529-8890</p>	<p>Olongapo-Main 1967 Rizal Ave. West Bajac-Bajac, Olongapo Tel No. (047) 224-5877 222-2971 Fax No. 222-2693</p>
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Along National Highway
Brgy. San Pedro
Puerto Prinsesa, Palawan
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434-2309
Fax No. 434-2310

Pangasinan-Bayambang
Rizal Ave., Poblacion
Sur Bayambang, Pangasinan
Tel No. (075) 531-0008
Fax No. 633-0072

Pangasinan-Mangaldan
Casa Filomena
546 Rizal Avenue, Mangaldan,
Pangasinan
Tel No. (075) 653-2082
653-1856
Telefax No. 653-2660

Tarlac-Paniqui
M.H. del Pilar St.
Paniqui, Tarlac
Tel No. (045) 931-0006
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Paseo de Sta. Rosa
Paseo de Sta. Rosa
Tagaytay Road
Sta. Rosa, Laguna
Tel No. (049) 541-2665 to 66
(02) 889-3885
Fax No. (049) 541-2662

Plaridel-Bulacan
Gov. Padilla Road Banga
Plaridel, Bulacan
Tel No. (044) 795-1422
670-1131
Fax No. 795-1423

Pulilan, Bulacan
Doña Remedios Trinidad
National Highway
Sto. Cristo, Pulilan, Bulacan
Tel No. (044) 794-0351
794-0355

Batangas-Rosario
Gualberto Ave., Poblacion
Rosario, Batangas
Tel No. (043) 321-2504
Fax No. 321-2506

Rosario-Cavite
Gen. Trias Drive
Rosario, Cavite
Tel No. (046) 438-3629 to 30
Fax No. 438-1109

Roxas, Isabela
No. 34 National Rd. cor.
Gen. A. Luna St.
Bantug Roxas, Isabela
Tel No. (078) 642-7113
Fax No. 642-7112

Pangasinan-San Carlos
Mabini St.
San Carlos City, Pangasinan
Tel No. (075) 532-5018
532-5008
Fax No. 634-1235

San Fernando-Main
V. Tiomico St.
San Fernando, Pampanga
Tel No. (045) 961-2856
961-4221
Fax No. 961-4225

**San Fernando-Dolores
McArthur**
San Fernando, Pampanga
Tel No. (045) 860-1294
963-5360
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San Fernando-Dolores
McArthur Highway, Dolores
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San Fernando-JASA
Jose Abad Santos Ave.
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San Fernando-Sindalan
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Highway**
Medical Arts Bldg.
Mother Theresa of Calcutta
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San Jose, Nueva Ecija
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Bulacan-San Miguel
Norberto St., San Jose
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San Pablo-Colago
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San Pablo City
Tel No. (049) 561-1359
(02) 889-4195
Fax No. (049) 561-1360

San Pablo-Maharlika
Maharlika Highway
San Pablo City
Tel No. (049) 562-0080
(02) 889-3400
Fax No. (049) 562-3847

San Pablo-Main
Regidor St. cor. Paulino St.
San Pablo City
Tel No. (049) 562-4570
562-3939
Fax No. (02) 844-5801

San Pedro-Laguna
365 Purok 5 Nueva
San Pedro, Laguna
Tel No. (02) 808-4931
847-6029 to 30
Fax No. 808-5026

San Pedro-Shopwise Pacita
Shopwise San Pedro
Along National Highway
Brgy. Landayan
Pacita Complex, San Pedro,
Laguna
Tel No. 553-8674
Fax No. 808-1542

Santiago City Road
Edna's Bldg., Bonifacio Ave.
Santiago City
Tel No. (078) 682-7353
682-7705
Fax No. 682-6036

Santiago-Maharlika
Daang Maharlika St. cor.
Camacam St.
Santiago City
Tel No. (078) 682-7418
682-4833
Fax No. 682-8221

Silang-Cavite
139 J. Rizal St. Brgy. I
Silang, Cavite
Tel No. (046) 414-2041 to 43
Fax No. 414-0405

Solano
National Highway cor.
Mabini St., Solano
Nueva Vizcaya
Tel No. (078) 326-5527
326-5033
Fax No. 326-6840

Sorsogon
Magsaysay St.
near Sorsogon Shopping
Center
Sorsogon, Sorsogon
Tel No. (056) 211-1833
Fax No. 421-5099

Sta. Cruz-Laguna
1527 P. Guevarra St.
Sta. Cruz, Laguna
Tel No. (049) 501-1664
501-1361
Fax No. 501-1325

Sta. Maria-Bagbaguin
Along F. Halili Ave. Bagbaguin
Sta. Maria, Bulacan
Tel No. (044) 815-6676
641-2749
Fax No. 815-6874

Sta. Maria-Bulacan
Corazon de Jesus St.
Poblacion Sta. Maria, Bulacan
Tel No. (044) 641-1687
641-2823
Fax No. 641-2973

Sta. Rosa-Balibago
Old Nat'l. Highway, Balibago
Sta. Rosa, Laguna
Tel No. (049) 838-0942
(02) 889-3889
Fax No. (049) 534-1310

Subic-Baraca
National Highway
Barangay Baraca
Camachili, Subic, Zambales
Tel No. (047) 232-3379
Fax No. 232-3381

Subic Bay
Bldg. 640 Sampson Road
Subic Bay Freeport Zone
Olongapo City
Tel No. (047) 252-2655
252-3356
Fax No. 252-6278

Subic-Harbor Point
Harbor Point, Rizal Ave.
Subic Bay Freeport Zone
Olongapo City, Zambales
Tel No. (047) 251-1059
472-3459
472-1797

Sumulong
Kingsville Arcade
Marcos Highway
Mayamot, Antipolo City
Tel No. (02) 646-0883
646-0003
Fax No. 645-7528

Albay-Tabaco
Gen Luna St. cor.
Llorente St., Tabaco, Albay
Tel No. (052) 830-2129
487-5332
Fax No. 487-5310

Tagaytay
Foggy Heights Subdiv.
San Jose
Tagaytay City, Cavite
Tel No. (046) 860-1260
413-1053
Fax No. 413-1404

Batangas-Tanauan
J.P. Laurel Highway
Tanauan, Batangas
Tel No. (043) 778-0468
(02) 844-3567
Fax No. (043) 778-0702

Tanza-Cavite
A. Soriano Highway
Daang Amaya
Tanza, Cavite
Tel No. (046) 437-6977 to 78
Fax No. 437-8519

Tarlac-Capas
City Center, Capas Bldg.,
McArthur Highway,
Capas, Tarlac
Tel No. (045) 491-4948
491-2356
491-1810

Tarlac-F. Tañedo
F. Tañedo St., Poblacion
Tarlac City, Tarlac
Tel No. (045) 982-2933
982-2998
Fax No. 982-2932

Tarlac-McArthur Highway
McArthur Highway
Tarlac City, Tarlac
Tel No. (045) 982-7045
982-1734
Fax No. 982-7044

Tarlac-Main
McArthur Highway
San Roque, Tarlac City
Tel No. (045) 982-0732 to 33
982-0134
Fax No. 982-0057

Taytay
East Road Ave.
Near New Taytay Public Market
Taytay, Rizal
Tel No. (02) 660-5801
660-5718
Fax No. 658-3060

Pangasinan-Tayug
Bonifacio St., Poblacion
Tayug, Pangasinan
Tel No. (075) 572-2635
Fax No. 572-2636

Trece Martires-Cavite
Governor's Drive
Brgy. San Agustin
Trece Martires City, Cavite
Tel No. (046) 419-2214 to 15
419-2217
Fax No. 419-2213

Tuguegarao-Balzain
Balzain Road
Tuguegarao, Cagayan
Tel No. (078) 844-7653
Fax No. 844-7652

Tuguegarao-Main
Luna St. cor. Blumentritt St.
Tuguegarao, Cagayan
Tel No. (078) 844-1955 to 56
844-1461
Fax No. 844-8558

Tungkong Mangga-Bulacan
Pecsonville Subdivision
27 Quirino Highway
San Jose Del Monte, Bulacan
Tel No. (044) 691-3749
(02) 386-8743
Fax No. (044) 691-3750

Urdaneta-Nancayasan
Home Ideas Superstore
Nancayasan, Urdaneta City
Tel No. (075) 568-2912 to 13
568-2914

Urdaneta-Main
Alexander St.
Urdaneta, Pangasinan
Tel No. (075) 568-2912 to 13
Fax No. 656-2187

Vigan
30 M.L. Quezon Ave.
Vigan, Ilocos Sur
Tel No. (077) 722-2583
722-2260
Fax No. 722-2323

Vigan-Market
Nieves Commercial Ctr.
Alcantara St., Vigan City
Tel No. (077) 722-5941
Fax No. 632-1161

Zapote-Bacoor
178 Aguinaldo Highway
Zapote Bacoor, Cavite
Tel No. (046) 417-9258
417-9259

VISAYAS

Antique

T.A. Fornier St.
San Jose, Antique
Tel No. (036) 540-9944
540-8660
Fax No. 540-8661

Bacolod-Araneta

Araneta St.
Bacolod City
Tel No. (034) 707-0107
437-8547
Fax No. 434-0582

Bacolod-Capitol

Capitol Shopping Ctr.
Hilado St. cor. Yakal St.
Bacolod City
Tel No. (034) 709-9058
434-2365 to 66
Fax No. 433-4837

Bacolod-Eastside

Villa Angela Arcade Annex
Circumferential Road
Bacolod City
Tel No. (034) 433-5993 to 94
433-2032
Fax No. 433-0813

Bacolod-Gatuslao

175-177 Gov. Gatuslao St.
Bacolod City
Tel No. (034) 434-1284
434-1295
Fax No. 434-1285

Bacolod-Gonzaga

MGL Bldg., Gonzaga St.
Bacolod City
Tel No. (034) 434-2481 to 83
Fax No. 435-0822

Bacolod-Lacson

Lacson St.
Bacolod City
Tel No. (034) 435-1449 to 50
435-1460
Fax No. 435-1691

Bacolod-Libertad

San Lorenzo Ruiz Bldg.
Lopez Jaena St.
Bacolod City
Tel No. (034) 433-9640 to 42
Fax No. 433-5209

Bacolod North Drive

B.S. Aquino Drive
Bacolod City
Tel No. (034) 709-0465
432-0082
Fax No. 432-0081

Bacolod-Singcang

UTC Bldg.
Araneta St. cor. Alunan St.
Bacolod City
Tel No. (034) 434-5735
434-5737
Fax No. 434-5734

Bais City, Negros Oriental

National Highway cor.
Aguinaldo St.
Bais City, Negros Oriental
Tel No. (035) 402-2170
Fax No. 402-2170

Baybay

Magsaysay Ave. cor.
Tres Martires St.
Baybay, Leyte
Tel No. (053) 335-2472 to 73
Fax No. 523-9332

Bayawan City Negros Oriental

Purok 1, Along National
Highway Tinago, Pangasinan
Tel No. (035) 485-2121
485-2160
Fax No. 531-0006

Bohol-Talibon

Bk. 248, Talibon Commercial
Building 1
Carlos P. Garcia Street
Poblacion, Talibon, Bohol
Tel No. (038) 515-1027
515-1028
515-1030

Boracay

Brgy. Balabag, Boracay
Malay, Aklan
Tel No. (036) 288-4868
288-5868
Fax No. 506-3068

Borongan-Samar

Gregorio Abogado St.
Borongan, Eastern Samar
Tel No. (055) 261-2927
Fax No. 560-9092

Calbayog

City Fair Bldg.
Pajarito St. cor. Rosales Blvd.
Calbayog City, Western Samar
Tel No. (055) 209-1951 to 52
Fax No. 533-9008

Catarman

Bonifacio St. cor.
P. Garcia St., Brgy. Mabolo
Catarman, Northern Samar
Tel No. (055) 251-8458
500-9010
Fax No. 500-9155

Catbalogan

Del Rosario St.
Lot 116 Rizal Ave.
Calayaan St.
Catbalogan, Samar
Tel No. (055) 251-2081
543-8398
Fax No. 251-2080

Cebu-AS Fortuna

A. S. Fortuna St.
Mandaue City, Cebu
Tel No. (032) 343-7187
343-7172
346-1051
Fax No. 412-8858

Cebu-Balamban

E. S. Bingham St., Balamban
Cebu City
Tel No. (032) 261-5337
261-7428
Telefax No. 261-9110

Cebu-Banilad

Metrobank Bldg.
Gov. Cuenco Ave.
Banilad, Cebu City
Tel No. (032) 346-5519
416-1766
416-1769
Fax No. 346-5520

Cebu-Bogo

SIM Bldg., P. Rodriguez St.
Bogo, Cebu
Tel No. (032) 434-8090
434-9144
Fax No. 251-2977

Cebu-Borromeo

Borromeo St. cor.
Lopez St., Cebu City
Tel No. (032) 253-4555
253-7750
253-4777
253-7565
Fax No. 254-0301

Cebu-Business Park

Mindanao Ave. cor.
Cardinal Rosales Ave.
Cebu Business Park
Cebu City
Tel No. (032) 231-5722 to 24
417-1028
Fax No. 231-5727

Cebu-Carcar

Gaisano Price Club Carcar
Poblacion III, Awayan
Carcar City, Cebu
Tel No. (032) 373-7890
585-5545
Fax No. 487-7006

Cebu-Capitol

N. Escario St. cor.
M. Zosa St., Cebu City
Tel No. (032) 255-6944 to 46
Fax No. 255-6282

Cebu-Colon Center

O251 Palaez St.
Cebu City
Tel No. (032) 416-7745
256-0456
255-7115
256-0473
256-0457
255-3170
Fax No. 256-0457

Cebu-Consolacion

Cebu National Road, Cansaga
Consolacion, Cebu
Tel No. (032) 564-3913
423-9229
Fax No. 423-9223

Cebu-Danao City

C.P. Garcia Ave.
Danao City, Cebu
Tel No. (032) 901-0005
901-0006
Fax No. 200-6305

Cebu-Downtown Center

191 Plaridel St.
Cebu City
Tel No. (032) 255-0145
253-9223
Fax No. 254-8811

Cebu-Fuente Osmeña Center

Metrobank (Cebu) Plaza
Osmeña Blvd.
Near Rotonda, Cebu City
Tel No. (032) 253-1364
253-2652
253-2658
253-2644
253-2650
253-6338
254-4662
Fax No. 253-2735

Cebu-Gorordo

117 Gorordo Ave.
Lahug, Cebu City
Tel No. (032) 231-0910
231-0712 to 13
Fax No. 414-7153

Cebu-Guadalupe

M. Velez St.
Cebu City
Tel No. (032) 253-3728
253-5202
253-5468
Fax No. 253-3448

Cebu-Lahug

Archbishop Reyes Ave.
cor. Tohong St.
Lahug, Cebu City
Tel No. (032) 231-449
412-2248
412-2698
231-4596
Fax No. 231-4507

Cebu-Lapu-Lapu

National Highway
Pusok, Lapu-Lapu City
Tel No. (032) 494-0090
340-1181 to 83
Fax No. 340-1182

Cebu-Leon Kilat

Gaisano Capital South
cor. Colon & Leon Kilat Sts.,
Cebu City
Tel No. (032) 256-0395
254-9581
256-0396
256-0397
Fax No. 256-0397

Cebu-Mabolo

1956 M. J. Cuenco Ave.
Mabolo, Cebu City
Tel No. (032) 231-2391 to 92
231-7596
235-5304
Fax No. 231-7595

Cebu-Mactan MEPZ

Mactan Economic Zone 1
Lapu-Lapu City
Tel No. (032) 341-3011
341-3014
Fax No. 341-3013

Cebu-Magallanes

Magallanes St.
Brgy. Ermita, Cebu City
Tel No. (032) 416-9855
418-4458
254-1349
Fax No. 254-9068

Cebu-Mambaling

N. Basalco Ave.
Mambaling, Cebu City
Tel No. (032) 418-9825 to 26
261-9051 to 52
Fax No. 414-6029

Cebu-Mandaue Center

Nat'l Highway cor. Jayme St.
Mandaue, Cebu City
Tel No. (032) 346-3592 to 93
420-2216 to 17
Fax No. 420-2217

Cebu-Mango Avenue

Metrobank Bldg.
Gen. Maxilom Ave.
Cebu City
Tel No. (032) 254-2204
253-9564
Fax No. 412-6683

Cebu-M.C. Briones

La Nueva Supermarket
City Hall Center
M.C. Briones St., Cebu City
Tel No. (032) 251-7004
252-4539
251-6310
Fax No. 255-1039

Cebu-MEPZ II

N.G.A Dev't. Corp. Bldg.,
MEPZ II
Basac, Lapu-Lapu City
Tel No. (032) 495-9885
341-5408
Fax No. 341-5409

Cebu-Minglanilla

Lower Tiber cor.
Cebu South Rd.
Minglanilla, Cebu
Tel No. (032) 490-8488
272-6617 to 18
Fax No. 272-6619

Cebu-North Reclamation Area

APM Mall, A. Soriano Ave.
Cebu Port Centre
Cebu North Reclamation Area
Cebu City
Tel No. (032) 268-3938
268-3940
Fax No. 419-1402

Cebu-North Road

Metrobank Bldg.
North Nat'l Road
Brgy. Tabok, Mandaue City
Tel No. (032) 346-6871 to 72
346-6015
Fax No. 346-2564

Cebu-Opon

G.Y. dela Serna St.
Poblacion, Lapu-Lapu City
Tel No. (032) 340-1038
340-1050
Fax No. 340-8484

Cebu -Park District

Grnd. Flr., 2 Quad Bldg.,
Cardinal Rosales Ave. cor.
Sumilon Road, Cebu Business
Park, Cebu City
Tel No. (032) 266-9382
260-7332
Fax No. 260-4279

Cebu-Parkmall

Cebu-Parkmall
North Reclamation Area
Mandaue City
Tel No. (032) 344-8457
Fax No. 422-8884

Cebu-Ramos

Metrobank Bldg.
F. Ramos St. cor.
Junquera Ext.
Cebu City
Tel No. (032) 254-9423
255-1047 to 48
Fax No. 412-6680

Cebu-Salinas Drive

Amon Trading Corp. Bldg.
Salinas Drive, Cebu City
Tel No. (032) 232-8411
232-7999
Fax No. 232-7979

Cebu-SRP Talisay
Gaisano Capital SRP Mall
Brgy. San Roque, SRP
Highway,
Talisay City, Cebu
Tel No. (032) 260-4401
Telefax No. 260-4400

Cebu-Subangdaku
Lopez Jaena St.
Subangdaku, Mandaue City
Tel No. (032) 344-0857
346-4310
Fax No. 346-0357

Cebu-Tabo-an
B. Aranas St.
Tabo-an, Cebu City
Tel No. (032) 261-6172 to 74
Fax No. 261-1415

Cebu-Tabunok
South National Road, Bulacao
Talisay, Cebu City
Tel No. (032) 273-1002
272-0462
Fax No. 273-1003

Cebu-Talamban
PNF, Commercial Bldg.
Talamban, Cebu City
Tel No. (032) 416-0678
346-6931
Fax No. 346-6942

Cebu-Toledo
Diosdado Macapagal Highway
Brgy. Poblacion
Toledo City, Cebu
Tel No. (032) 467-8053
467-8060 to 61

Dumaguete-Capitol
Victoria Residence
Condominium Bldg., Capitol
Front, North National Highway,
Dumaguete City
Tel No. (035) 420-9168
522-0021
Telefax No. 420-9167

Dumaguete-Main
Dr. Vicente Locsin St.
Dumaguete City, Negros
Oriental
Tel No. (035) 225-4754 to 55
422-7551 to 52
Fax No. 225-4374

Dumaguete-Real
131 Real St.
Dumaguete City
Tel No. (035) 225-4555 to 56
422-7057
Fax No. 225-4629

Guiuan, Eastern Samar
Lugay St., Brgy. 08
Guiuan, Eastern Samar
Tel No. (055) 271-2101
271-2653

Iloilo-Delgado
Delgado St.
Iloilo City
Tel No. (033) 337-0594
337-5509
Fax No. 338-0114

Iloilo-Diversion Road
JSB Bldg., B.S. Aquino Ave.
Mandurriao, Iloilo City
Tel No. (033) 320-6861
320-7082
Fax No. 320-5090

Iloilo-General Luna
Gen. Luna St.
Iloilo City
Tel No. (033) 337-6390
337-0814
Fax No. 335-0269

Iloilo-Guanco
Guanco St.
Iloilo City
Tel No. (033) 335-0192
335-1246
Fax No. 335-0017

Iloilo-Iznart
Iznart St.
Iloilo City
Tel No. (033) 337-7177
335-0477
Fax No. 337-7615

Iloilo-J.M. Basa
G/F Magdalena Bldg.
J.M. Basa St.
Iloilo City
Tel No. (033) 335-0057
335-0649 to 50
Fax No. 335-1196

Iloilo-Jaro
Simon Ledesma St.
Jaro, Iloilo City
Tel No. (033) 509-0152
329-2631
Fax No. 329-2632

Iloilo-La Paz
Huervana St.
La Paz, Iloilo City
Tel No. (033) 329-6813 to 14
Fax No. 329-6812

Iloilo-Mabini
39-AD Valiant Bldg.
Mabini St., Iloilo City
Tel No. (033) 338-0630
337-8636
Fax No. 336-5500

Iloilo-Mandurriao
Along Q. Abeto St.,
Mandurriao, Iloilo City
Tel No. (033) 321-1497
Fax No. 321-1460

Iloilo-Oton
Gaisano Capital Oton
JC Zulueta St., cor.
Benedicto St., Oton, Iloilo
Tel No. (033) 335-1018
335-1023
335-1029

Jagna, Bohol
Along National Highway
Pagina, Jagna, Bohol
Tel No. (038) 508-8638
508-8640
Fax No. 238-3148

Kalibo
Roxas Ave.
Kalibo, Aklan
Tel No. (036) 500-5006
268-4106
Fax No. 262-4852

Leyte-Palompon
Ipil 1, Public Market
Palompon, Leyte
Tel No. (053) 555-8213
Telefax No.: 555-8215

Maasin, Southern Leyte
Tomas Oppus &
E. Cabrera Sts.,
Brgy. Tunga- Tunga
Maasin City,
Southern Leyte
Tel No. (053) 381-2580
381-2579
Fax No. 570-9660

Naval-Biliran
Ballesteros St., Naval
Biliran
Tel No. (053) 500-9462
500-9482

Ormoc
Real St. cor. Lopez Jaena St.
Ormoc City, Leyte
Tel No. (053) 561-8808
255-4215
Fax No. 561-8800

Roxas
Roxas Ave.
Roxas City, Capiz
Tel No. (036) 621-0636
621-0816
Fax No. 621-2744

Roxas-Arnaldo
Gaisano Arcade, Arnaldo Blvd.
Roxas City
Tel No. (036) 522-1010
621-4555
Fax No. 621-4575

San Carlos-Negros Occidental
Carmona St.
San Carlos City,
Negros Occidental
Tel No. (034) 729-9689
312-5119
Fax No. 312-5626

Silay-Negros Occidental
Rizal St., Silay City
Tel No. (034) 495-1328
495-1321
Fax No. 714-8773

Sogod-Southern Leyte
J.P. Rizal St.
Sogod, Southern Leyte
Tel No. (053) 382-3490
Fax No. 382-0088

Tacloban-Main
P. Zamora St.
Tacloban City, Leyte
Tel No. (053) 321-3147
523-7390
Fax No. 523-9092

Tacloban-P. Burgos
P. Burgos cor. Del Pilar St.
Tacloban City
Tel No. (053) 321-4212
325-2332
Fax No. 523-6135

Tacloban-Marasbaras
Marasbaras National Highway
Tacloban City
Tel No. (053) 323-5638
323-5639
Fax No. 523-1029

Tacloban-Rizal Ave.
109 Rizal Ave.
Tacloban City
Tel No. (053) 523-7080
321-2188
Fax No. 321-2627

Tagbilaran-Cogon
Junevil Bldg., Belderol St.
Cogon District, Tagbilaran City
Tel No. (038) 235-6192
411-2205
Fax No. 501-8570

Tagbilaran-Main
No. 20 C.P. Garcia Ave.
Tagbilaran City, 6300, Bohol
Tel No. (038) 501-8283
235-3097
Fax No. 411-3352

Tubigon, Bohol
Jose P. Dual cor.
Salustiano Baura Sts.
Centro, Tubigon, Bohol
Tel No. (038) 624-0277
624-0278
Fax No. 508-8639

MINDANAO

Agusan del Sur
Bonifacio St.
San Francisco, Agusan Del Sur
Tel No. (085) 242-3306
242-2029
Fax No. 343-9521

Basilan
J.S. Alano St. cor.
L. Magno St.
Isabela, Basilan
Tel No. (062) 200-3624
Fax No. 200-3625

Butuan-Main
San Francisco St. cor.
P. Burgos St.
Butuan City
Tel No. (085) 341-5246
341-5212
Fax No. 341-5213

Butuan-Montilla Blvd.
Montilla St. cor. Villanueva St.
Butuan City
Tel No. (085) 342-2892
Fax No. 225-6733

Cagayan de Oro-Carmen
Carmen Market
Max Suniel St. cor. Ipil St.
Cagayan de Oro City
Tel No. (088) 858-1722
Fax No. 858-5162

Cagayan de Oro-Cogon
Osmeña St. cor. Hayes St.
Cogon, Cagayan de Oro City
Tel No. (088) 857-2057
Fax No. 857-2056

Cagayan de Oro-Divisoria Park
G/F RN Abejuela Pabayo St.
Cagayan de Oro City
Tel No. (088) 857-6999
857-5999
Fax No. 857-7990

Cagayan de Oro-Gaisano C.M. Recto
Ground Level,
Gaisano City Mall
C.M. Recto Ave., cor.
Corrales Ext.,
Cagayan de Oro City
Tel No. (088) 850-0012
880-1323
880-1324

Cagayan de Oro-JR Borja
J.R. Borja St.
Cagayan de Oro City
Tel No. (088) 857-2999
Fax No. 857-1999

Cagayan de Oro-Lapasan
Nat'l. Highway, Lapasan
Cagayan de Oro City
Misamis Oriental
Tel No. (088) 434-8090
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<p>Davao-Bankerohan Quirino Ave. cor. Pichon St., Davao City Tel No. (082) 222-2856 to 57 221-4780 to 82 Fax No. 222-2858</p>	<p>Davao Oriental-Mati Andrada Bldg., 56 Rizal St. Mati City, Davao Oriental Tel No. (087) 514-6680 514-6660 Fax No. 811-5387</p>	<p>General Santos-National Highway National Highway General Santos Tel No. (083) 554-2311 554-2313 Fax No. 301-2511</p>	<p>Ozamiz-Rizal 38-C Rizal Ave. Ozamiz City Tel No. (088) 521-1617 521-0017 Fax No. 521-0016</p>	<p>Zamboanga-Gov. Lim 38-C Rizal Ave. Zamboanga City Tel No. (062) 991-1564 991-6432 Fax No. 992-4243</p>
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<p>Davao-Buhangin Along Kilometer 5 Buhangin Road Davao City Tel No. (082) 222-3752 to 53 Fax No. 222-3754</p>	<p>Davao-Rizal J. Rizal St. cor. F. Inigo St., Davao City Tel No. (082) 227-9151 221-3775 Fax No. 221-3529</p>	<p>General Santos-Santiago Boulevard I. Santiago Blvd. General Santos City Tel No. (083) 553-5569 552-2708 Fax No. 552-6258</p>	<p>Pagadian-Sta. Lucia J.P. Rizal Ave. Pagadian City Tel No. (062) 214-2718 215-3164 Fax No. 214-2708</p>	<p>Zamboanga-Nunez Ext. Nunez Extension Zamboanga City Tel No. (062) 991-1111 991-7666 991-7777</p>
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Damansara Heights 50490 Kuala Lumpur

CIMB Bank Berhad

Head Office, Menara Bumiputra Commerce,
11 Jalan Raja Laut 50350,
Kuala Lumpur

EZ Money Express Sdn. Bhd.

F-35-5, Signature Office,
KK Time Square,
88100, Kota Kinabalu, Sabah, Malaysia
www.ezmoneyexpress.com.my

Merchantrade Express Remittance

No.10 Ground Floor
Wisma GTK, Jalan Hang Lekiu,
50100 Kuala Lumpur
Website link: www.mtradeasia.com

NEW ZEALAND

LM Money Transfer Ltd.

10 Egret Court Unsworth Heights
North Shore City 0632, New Zealand

Diamond Leaf (MoneyMET Money Remittance)

350 Greers Road, Bishopdale,
Christ Church New Zealand

JC International Money Transfer Service

5B Coates Street, Tawa, Wellington,
New Zealand

Peso Express New Zealand

21 Boderg Way, East Tamaki,
Auckland, 2016, New Zealand

Tindahan Pnoy Money Transfer Ltd

6 Ronad Macken Place,
Windsor Park
Auckland 0632 New Zealand

PAPUA NEW GUINEA

PesoEpadala.Com Ltd.

P.O. Box 2972 Boroko, NCD
Papua New Guinea

PHILIPPINES

Mabini Express Phils., Inc.
#105 Unit 9-C HV, Dela Costa St., Salcedo Village, Makati City

BTI Courier Express, Inc.
1647 Taft Avenue Malate Manila

Czarina Foreign Exchange
Unit 1412 Tower One & Exchange Plaza
Ayala Ave. Makati City 1226

ABS-CBN Easy Remit E-Money Plus
GF ELJ Communications Center Bldg., 9501 Eugenio Lopez Drive, South Triangle, QC

New York Bay Remittance
New York Bay Phil. (NYBP)
Unit 2102, 21F Antel Global Corp. Center
Julia Vargas Ave. (cor. Meralco Ave.)
Ortigas Center Pasig City,
Metro Manila

WeRQuick Inc.
Unit 208 Cityland Condominium, Herrera St., San Lorenzo Village, Makati City

CITI Express Payment Phils. Cor.
18-D San Marcelino St., Brgy. Plainview, Mandaluyong City

Pinoy Express Hatid Padala
2F Security Bank Bldg.,
President Ave., Paranaque

DMK
3rd Floor, RCBC Building
AB Fernandez Avenue
Dagupan City

DTD Express
B4 L29 Constellation Avenue
Rainbow Village, San Isidro
Paranaque City

LMI Express Delivery Inc.
2nd FCC Building,
Pio Del Pilar, Makati City

Unilink Express Payments
123 Road 8 Bagong Pag-asa
Quezon City

Uniteller Filipino Inc.
Suite 1108, 11th floor Prestige tower
F. Ortigas Avenue, Ortigas Center
Pasig City 1600

Overseas Network Exchange Remit Inc. (Phil. Office)
Ground Floor Worldwide
Corporate Center, Shaw Boulevard,
Mandaluyong City

Coriner International Services, Inc.
(Phil. Office) Room 602 Annapolis Tower
Condominium, 43 Annapolis St., Greenhills,
San Juan City

TAIWAN

WCT Express Remittance Services
2F 500 Section & Chung Hsan Rd., Tantzou
Taichang Hsien, Taiwan

Ang Pinoy Bakeshop Inc.
Huan Feihe Trading Co. Ltd., 143 Cheien
Kun 4th Rd., Yen Cheng District, Kaoshung

METREX Service Co.
2F #28 Chung Ping Rd., Chungli City,
Taoyuan Century, Taiwan City

Well Chain International Co. Ltd.
No.11, Lane 18 Shuang Cheng Street
Zhongshan District
Taipei City, Taiwan

EUROPE

GERMANY

MA Transworld GmbH
Springeltwiete 5 & 7 20095
Hamburg, Germany

GREECE

Intel Express
42 Sevastoupeleas, Ambelokipi
Athens, Greece

ITALY

ValuTrans S.P.A.
Via Melchiorre Gioia
168 Milan, Italy 20125

NETHERLANDS

Sunro Change B.V.
Damrak 17, 1012 LH Amsterdam,
The Netherlands

SPAIN

United Europhil EP S.A.U.
United Europhil, S.A. Dirección: calle
Alfonso XII, 58 Bajo - 28014 Madrid -
España

UNITED KINGDOM

Direct Money Transfer U.K. Limited
2/F Pinoy Supermarket 10 Hogarth Road,
Earls Court London SW5 OPT

World Remit Ltd.
Kensington Centre
66 Hammersmith Road
London W14 8UD

MIDDLE EAST

BAHRAIN

National Finance & Exchange Company
46 Al Khalifa Ave., Manama Bahrain

JORDAN

Alawneh Exchange
15 Abdul Hamid Shoman St. Shmeisani,
P.O. Box 942041, Amman 11194, Kingdom
of Jordan

Saudi Exchange Company

Wasfi Al-Tar St. (Al-Gardens),
Bldg. No. 87
Amman, Kingdom of Jordan

KUWAIT

Al Fuad Exchange Co.- Kuwait

Fahad Al Salem St.
Behind Jawharet Alkabej Bldg. Exchange
Mancet Kuwait City, Kuwait

Al Mulla International Exchange Co.

P.O. Box 177, Safat, 13002 Kuwait

Al Muzaini Exchange Co. K.S.C.C.

Al Mubarakiya, Saud Bin Abd
Al Aziz Street
P.O. Box 2154, Safat 13022, Kuwait

Bahrain Exchange Co.

P.O. Box 29149, Safat, 13152 Kuwait

City International Exchange Co. W.L.L.

Abdulla Dashti Bldg., Abdullah
Mubarak Street
Safat, 13079 Kuwait

Dollarco Exchange Co. Ltd.

Sulaiman Abdullah Al Mansoor Bldg.
Al Shuhanda Street Safat, 13125
Mirqab, Kuwait

Etemadco Exchange Co. W.L.L.

G/F Zaid Al Kazemi Bldg.,
Mubarak Al Keabir Street
Darwasa Abdulrazzak, Kuwait

International Financial Line Co. W.L.L.

Al Sharq Ahmed Al Jabber Street
P.O. Box 24171, Safat, Kuwait
Tel. no. (965) 246-7543

National Exchange Company

P.O. Box 11520, Dasma 15355 Kuwait

National Money Exchange W. L.L.

P.O. Box 29760, Safat 13158, Kuwait

UAE Exchange Centre, W.L.L.

P.O. Box 26155, Safat 13122, Kuwait

OMAN

Al Jadeed Exchange L.L.C.

P.O. Box 3705 Ruwi Postal Code 112
Sultanate of Oman

Asia Express Exchange

P.O. Box 881 Postal code 112
Ruwi Sultanate of Oman

Majan Exchange L.L.C.

P.O. Box 583, Postal Code 117
Muscat Governorate, Sultanate of Oman

Oman & UAE Exchange Centre Co., L.L.C.

P.O. Box 1116 Postal Code 131
Al Hamriya, Sultanate of Oman

Purshottam Kanji Exchange Co.L.L.C.

P.O. Box 41, Postal Code 100, Muscat,
Sultanate of Oman

QATAR

Al Dar For Exchange Works

P.O. Box 24451 Doha, Qatar

Al Fardan Exchange Co. W.L.L.

P.O. Box 339 Doha Qatar

Al Sadd Exchange

P.O. Box 17127 Doha, Qatar

Gulf Exchange Co.

P.O. Box 4847 Doha, Qatar

Habib Qatar International Exchange Ltd.

Mushrib Street,
P.O. Box 1188, Doha, Qatar

Al Zaman Exchange W.L.L.

P.O. Box 23497 Souq Najada, Doha, Qatar

UNITED ARAB EMIRATES

Al Ahalia Money Exchange Bureau

P.O. Box 2419, Hamdan St., Abu Dhabi, UAE

Al Ansari Exchange

P.O. Box 325, Abu Dhabi, UAE

Al Falah Exchange

P.O. Box 3692, Abu Dhabi
Sheikh Zayed The Second Street, UAE

Al Fardan Exchange

P.O. Box 498 Al Amin Tower, Liwa Street
Abu Dhabi, UAE

Al Fuad Exchange

Shop #2 Bldg. Of Saif Al Otaiba,
Al Reqqa St. Deira P.O. Box 16362,
Dubai, U.A.E.

Al Ghurair Exchange

P.O. Box 5530, 7/F Rm 702
Al Masaoud Bldg. Al Maktoum Abu Dhabi,
UAE

Al Razouki International Exchange Co. L.L.C.

P.O. Box 12583, Naif Rod., Deira, Dubai, UAE

Al Rostamani International Exchange (Thomas Cook)

Al Rostamani Bldg. Mezzanine Floor
(above First Gulf Bank) Bank St.,
Bur Dubai,
Dubai, UAE, P.O. Box 10072

Delma Exchange Company

P.O. Box 129869, Abu Dhabi, UAE

Emirates India International Exchange

Room 202, 2nd Floor, Kanoo Bldg.,
near Al Manama Hypermarket,
P.O. Box 7190, Karama, Dubai, UAE

Habib Exchange Co.

Central Office - P.O. Box 2370
Hamdan St., Abu Dhabi, UAE

Hadi Express Exchange

P.O. Box 28909, Dubai, UAE

Leela Megh Exchange Co. L.L.C.

P.O. Box 6309, Deira, Dubai, UAE

Lulu International Exchange Co.

Al Dhfrh St. Al Muroor
Al Shaikh Mohammad Bin Zayedh
Al Nehyan Bldg. P.O. Box 4059,
Abu Dhabi, UAE

Orient Exchange Co. L.L.C.

Al Souq Al Kabeer St., Murshid Bazar
P.O. Box 25557, Dubai, UAE

Redha Al Ansari Exchange Est.

Al Falah Branch, P.O. Box 8828,
Dubai, UAE

Central Exchange L.L.C. (Sharaf)

P.O. box 29040, Dubai, UAE

Smart Exchange

Main Office Harib Tower Bldg.
Sheikh Rashid Bin Saeed Al Maktoum St.
P.O. Box 2911, Abu Dhabi, UAE

UAE Exchange Centre L.L.C.

P.O. Box 170, Sheik Hamdan St.
Abu Dhabi, UAE
Website link: www.uaeexchange.com

Wallstreet Exchange Centre, L.L.C.

1103 Twin Towers, Baniyas Rd.
P.O. Box 3014, Dubai, UAE

Xpress Money Services Ltd.

P.O. Box 170 Sheik Hamdan St.
Abu Dhabi, UAE

ARY Forex Ltd. (Speed Remit)

(Head Office) Unit 11-12 Atlip Centre
197 Faling Road, Wembley, Middlessex Hoo
Alu, U.K.

Al Ghurair International

Sheikha Jamila Al Ghurair Building
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UAE

Al Ansari Cash Express

P. O. Box 325, Abu Dhabi, UAE

Al Jarwan Exchange

P. O. Box 5504 Sharjah United Arab
Emirates

Economic Exchange

P. O. Box 116496, Dubai UAE

Lari Exchange

P. O. Box 988, Saif Bin Darwish Bldg.
Liwa Street, Abu Dhabi, UAE

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Al Khobar 31952 KSA

Al Amoudi Exchange Company

Al Bald Gabil Street
Al Hazzazy Bldg. Office 58, KSA
Al Rajhi Bank
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Arab National Bank

Arab National Bank Bldg.
Mouraba St., P.O. Box 56921,
Riyadh 11564 KSA

Bank Al Bilad-Enjaz

Bank Al Bilad, Head Office- Alseteen St.
Al Malaz, P.O. Box 140 Riyadh-11411 KSA

National Commercial Bank

King Abdulaziz Street P.O. Box 3555,
Jeddah 21481 KSA

Riyadh Bank

P.O. Box 229, Riyadh 11411 KSA

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