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Security Bank Accepts Strategic Partnership Offer of The Bank of Tokyo-Mitsubishi UFJ, Ltd.

14 January 2016, Makati, Philippines – Security Bank Corporation (PSE: SECB) announced today that its Board of Directors accepted the offer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) for a strategic partnership agreement. The two parties (SECB and BTMU) will be signing the agreement shortly.

Under the strategic partnership agreement, BTMU will acquire newly issued primary shares of SECB consisting of 150,707,778 common shares at Php 245 per share and 200,000,000 preferred shares at Php 0.10 per share for a total investment of Php 36.9 billion representing 20% stake in Security Bank. BTMU will appoint two directors on Security Bank's Board. Security Bank will become an equity affiliate of BTMU. The transaction is expected to be completed within the first half of 2016, subject to regulatory approval in the Philippines and condition precedents. Once completed, the transaction will be the largest equity investment in a Philippine financial institution by a foreign investor.

BTMU will become the second largest shareholder of SECB with 20% of voting stock. The Dy Group will remain as the biggest shareholder of SECB with majority voting control.

For Security Bank, this partnership with Japan's largest banking group will enhance its shareholder value by accelerating its growth strategy, including expansion of its branch network and increasing its penetration of the retail market. Security Bank can also leverage on BTMU's extensive relationship with Japanese corporates, global network and expertise to tap new niche markets. The deal will raise Php 36.9 billion in capital for Security Bank, which will increase its shareholder capital from Php 52.4 billion as of September 2015 to Php 89.3 billion on a pro-forma post-transaction basis.

"We are elated to have BTMU as a strategic shareholder and business partner. The transaction will position Security Bank as a large independent bank supporting the growth of the Philippine economy," said Mr. Alberto S. Villarosa, Chairman of the Board of Security Bank.

"The additional capital will help us execute faster and with more scale our strategy to build our Retail Banking business as a third business pillar alongside Wholesale Banking and Financial Markets. It will allow us to accelerate the expansion of our branch network to support retail market penetration as well as make inroads into the Japanese business sector," said Mr. Alfonso L. Salcedo, Jr., President and Chief Executive Officer of Security Bank.

The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU), a member of Mitsubishi UFJ Financial Group, Inc. (MUFG), is Japan's premier bank, with a global network spanning more than 40 countries. Outside of Japan, BTMU offers an extensive scope of commercial and investment banking products and services to businesses, governments and individuals worldwide.

BTMU's parent, MUFG, is one of the world's leading financial groups with total assets of JPY 286 trillion or US\$ 2.4 trillion as of 31 March 2015. MUFG's services include commercial banking, trust banking, securities, credit cards, consumer finance, asset management and leasing.

About Security Bank

Security Bank is the sixth largest private domestic universal bank in the Philippines by total assets (at Php 482 billion) as of September 30, 2015.

Security Bank has been a recipient of various awards, among which, in 2015, the Bank was **Bank of the Year in the Philippines** by *The Banker* of London; **Overall Best Managed Company in the Philippines – Medium Cap** by *Asiamoney*; one of the **Best Mid-Cap Companies in the Philippines** by *FinanceAsia*; **Best Branch Innovation in the Philippines** by *The Asian Banker*; **Best Investor Relations Company** and **Best Corporate Social Responsibility** awards by *Corporate Governance Asia* of Hong Kong; **Bank of the Year, Philippines** by *M&A Today* of London; and **Best Foreign Exchange Bank, Philippines** by *Global Banking & Finance Review*. In 2014, the Bank was **Best Bank in the Philippines** by *Global Financial Market Review*; **Best Small Cap Equity Deal of the Year in Southeast Asia** for Xurpas' Php 1.36 billion (USD 30 million) IPO by *Alpha Southeast Asia Magazine*; **Best Overall Domestic Provider of FX Services in the Philippines** as voted by **Corporates and Financial Institutions** by *Asiamoney*; **Best Service Provider and e-Solutions Partner Bank in the Philippines** by *The Asset*. In 2013, the Bank was **Best Managed Bank in the Philippines** by *The Asian Banker* of Singapore. In 2012, Security Bank was **Bank of the Year in the Philippines** by *The Banker* of London, and the **Strongest Bank in the Philippines** by *The Asian Banker*. The Bank has been operating for 64 years since it was established in 1951.

More information is available on our website: www.securitybank.com.