



FOR INQUIRIES, PLEASE CONTACT:

ROPI F. DANGAZO, Investor Relations Head
T: +632-888-7175; E: RDangazo@securitybank.com.ph

RICA F. BAELO, Corporate Communications Head
T: +632-888-7650; E: RBaello@securitybank.com.ph

Security Bank Names New Chairman and President

During the annual meeting of stockholders and the ensuing Organizational Board meeting of Security Bank Corporation (PSE: SECB) on Tuesday, 28 April 2015, Frederick Y. Dy was appointed as Chairman Emeritus. Elected as Chairman of the Board was Alberto S. Villarosa, while Alfonso L. Salcedo, Jr. was named as President and Chief Executive Officer. Also elected to the Board of Directors were Paul Y. Ung as Vice Chairman, Diana P. Aguilar, Philip T. Ang (Independent), Anastasia Y. Dy, Jose R. Facundo, Joseph R. Higdon (Independent), James JK Hung (Independent), and Rafael F. Simpao, Jr. as directors.

In his message, Frederick Y. Dy explained that the step up of former President and CEO Alberto S. Villarosa to Chairman manifests the Bank's focus on ensuring continuity of its overall business strategy and execution. The appointment of Alfonso L. Salcedo, Jr. as President reinforces Security Bank's strategy of growing the Retail business as a third business pillar, complementing the Bank's existing strengths in wholesale banking and financial markets. Frederick Dy further said, "while I assume the role of Chairman Emeritus, I personally assure our customers, investors and other shareholders that the Dy Family remains, and will continue to remain absolutely committed as dominant shareholders of the Bank. Our support will be unwavering."

Chairman Alberto S. Villarosa further stated, "The change in leadership in Security Bank will not affect the Bank's strategic direction. Security Bank will continue to create value for customers, markets, and shareholders by delivering products vital for this period of economic growth in our country. I am confident that incoming President Alfonso L. Salcedo, Jr. has the depth of experience and capabilities to continue the strategy of growing Security Bank's Retail Banking business. He is a perfect fit for the job considering his stints as former President of BPI Family Bank and BPI Insurance Group, EVP of BPI's Corporate Clients Segment, and Country Marketing Director and Retail Banking Business Manager for Citibank N.A. Manila, in addition to his significant experience in consumer product marketing with P&G, SMC and Vicks."

President Alfonso L. Salcedo, Jr. noted that he would be coming in at a time when the Security Bank, over the last 2 -3 years, had put the building blocks in place to build the its Retail Banking business with its investment in branch expansion, rebranding, and process improvements efforts to deliver a brand of customer service with a promise and commitment of Better Banking. He further states, "These moves are very appropriate with the expected better prospects for the Philippine economy which will impact on consumer demand. Security Bank's efforts are likewise focused on a very specific target market and these moves make the Bank strategically positioned to service the requirements of the country's growing middle class or emerging mass affluent market."

During the Annual Meeting of Shareholders, in his report of 2014 operations, Villarosa noted that Security Bank turned in a strong, solid and well balanced performance in 2014 in the key aspects of earnings, balance sheet strength, and growth in core business.

Net income for 2014 amounted to Php 7.2 billion, representing a growth of 43% from 2013, resulting in 16.3% return on shareholders' equity, the highest among the private domestic universal banks. Growth was contributed by a 33% expansion in net interest income, 43% growth in non-interest income due to higher trading gains and fee-based income, versus a 17% growth in operating expenses due to investments in people, branches and re-branding activities.

Total assets grew by 14% to Php 397 billion. Loan growth was at 17% driven by expansion of the corporate, middle market and consumer portfolios. Asset quality remained firm and healthy with net non-performing loan ratio and NPL cover at among industry best at 0.28% and 200%, respectively. Deposits increased by 20% supported by a wider network of branches and intensified customer sales. Branch network stood at 256 branches. Capital funds stood at Php 47 billion with capital ratios well above regulatory minimum requirements.

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