



**November 5, 2018**

**Ms. Paula Beatrice A. Bueno  
OIC, Issuer Compliance and Disclosure Department  
Philippine Dealing & Exchange Corp.  
37F Tower 1, The Enterprise Center  
Ayala Avenue, Makati City**

**Dear Ms. Bueno:**

**In compliance with the Exchange's Continuing Listing Requirements, we are submitting herewith a copy of the Bank's Balance Sheet (Consolidated and Bank Proper) as of September 30, 2018 as received by the Bangko Sentral ng Pilipinas on October 25, 2018. These financial reports will be published on Tuesday, November 6, 2018 in Business World.**

**We hope we have sufficiently complied with your requirements.**

**Very truly yours,**

  
**JOSELITO E. MAPE**  
**Executive Vice President & CFO** 



Security Bank Centre, 6776 Ayala Avenue, Makati City  
Tel. Nos.: +(632) 867-6788 / 888-78 / 88-791-88 • Website: www.securitybank.com

### BALANCE SHEET

(Head Office and Branches)  
As of September 30, 2018

| ASSETS  |          | Current Quarter           | Previous Quarter          |
|---|----------|---------------------------|---------------------------|
| Cash and Cash Items   | ₱        | 8,329,377,125.37          | 9,466,467,906.40          |
| Due from Bangko Sentral ng Pilipinas (BSP)                            |          | 62,042,701,021.26         | 57,367,777,555.28         |
| Due from Other Banks  |          | 7,091,479,886.42          | 2,676,136,985.14          |
| Financial Assets at Fair Value through Profit or Loss                 |          | 3,483,950,904.20          | 3,148,213,153.91          |
| Available-for-Sale Financial Assets-Net                               |          | 19,424,321,615.89         | 34,043,483,470.35         |
| Held-to-Maturity (HTM) Financial Assets-Net                           |          | 215,315,365,643.47        | 213,407,801,123.20        |
| Loans and Receivables-Net:  |          | 399,545,083,221.72        | 380,787,745,470.37        |
| Interbank Loans Receivable  |          | 4,882,753,278.60          | 7,828,974,070.92          |
| Loans and Receivables-Others  |          | 395,312,386,793.35        | 376,741,839,310.71        |
| General Loan Loss Provision   |          | 650,056,850.23            | 3,783,067,911.26          |
| Other Financial Assets  |          | 5,306,207,176.20          | 6,308,740,417.17          |
| Equity Investment in Subsidiaries, Associates, and Joint Ventures-Net |          | 4,687,373,764.09          | 4,582,552,499.71          |
| Bank Premises, Furniture, Fixture & Equipment-Net                     |          | 2,919,480,073.87          | 3,040,980,040.57          |
| Real and Other Properties Acquired-Net                                |          | 784,230,939.49            | 787,468,840.79            |
| Other Assets-Net  |          | 7,089,752,712.18          | 6,559,305,889.00          |
| <b>TOTAL ASSETS</b>   | <b>₱</b> | <b>736,019,324,084.16</b> | <b>722,176,673,351.89</b> |

| LIABILITIES  |          | Current Quarter           | Previous Quarter          |
|--|----------|---------------------------|---------------------------|
| Financial Liabilities at Fair Value through Profit or Loss | ₱        | 2,116,055,900.19          | 2,218,324,568.50          |
| Deposit Liabilities  |          | 469,573,072,102.01        | 444,706,194,095.41        |
| Due to Other Banks   |          | 52,676,746.29             | 35,014,272.24             |
| Bills Payable:   |          | 93,510,992,340.46         | 125,786,159,432.56        |
| Interbank Loans Payable                                    |          | 15,497,634,181.82         | 16,978,355,693.00         |
| Other Deposit Substitute                                   |          | 69,958,113,337.15         | 108,807,803,739.56        |
| Others   |          | 8,055,244,821.49          | -                         |
| Bonds Payable-Net  |          | 32,266,669,326.31         | 15,976,809,713.47         |
| Unsecured Subordinated Debt-Net                            |          | 9,955,592,485.63          | 9,953,960,103.74          |
| Other Financial Liabilities                                |          | 8,266,534,597.92          | 8,861,073,420.62          |
| Other Liabilities  |          | 10,254,609,480.01         | 9,280,813,394.00          |
| <b>TOTAL LIABILITIES</b>                                   | <b>₱</b> | <b>625,996,202,978.82</b> | <b>616,818,349,000.54</b> |

| STOCKHOLDERS' EQUITY              |          | Current Quarter           | Previous Quarter          |
|-----------------------------------|----------|---------------------------|---------------------------|
| Capital Stock                     | ₱        | 46,186,416,799.90         | 46,186,416,799.90         |
| Other Capital Accounts            |          | 5,568,966,391.22          | 3,039,569,827.41          |
| Retained Earnings                 |          | 58,267,737,914.22         | 56,132,337,724.04         |
| Minority Interest in Subsidiaries |          | -                         | -                         |
| <b>TOTAL STOCKHOLDERS' EQUITY</b> | <b>₱</b> | <b>110,023,121,105.34</b> | <b>105,358,324,351.35</b> |

| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY        |          | Current Quarter           | Previous Quarter          |
|---|----------|---------------------------|---------------------------|
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b> | <b>₱</b> | <b>736,019,324,084.16</b> | <b>722,176,673,351.89</b> |

| CONTINGENT ACCOUNTS                   |          | Current Quarter           | Previous Quarter          |
|---------------------------------------|----------|---------------------------|---------------------------|
| Performance Standby Letters of Credit | ₱        | 19,906,930,272.80         | 20,248,421,502.77         |
| Commercial Letters of Credit          |          | 9,071,579,977.76          | 9,327,255,129.81          |
| Trade Related Guarantees              |          | 2,215,345,331.54          | 616,038,413.33            |
| Commitments                           |          | 70,042,882,069.70         | 86,249,316,153.52         |
| Spot Foreign Exchange Contracts       |          | 14,761,125,841.78         | 7,184,636,572.35          |
| Trust Department Accounts:            |          | 46,075,678,525.41         | 44,347,502,854.74         |
| Trust and Other Fiduciary Accounts    |          | 35,321,642,193.34         | 34,378,085,708.24         |
| Agency Accounts                       |          | 10,754,036,332.07         | 9,969,417,146.50          |
| Derivatives                           |          | 616,554,948,592.21        | 591,033,422,920.63        |
| Others                                |          | 1,644,867,083.84          | 1,885,263,491.77          |
| <b>TOTAL CONTINGENT ACCOUNTS</b>      | <b>₱</b> | <b>780,273,357,695.04</b> | <b>760,891,857,038.92</b> |

#### ADDITIONAL INFORMATION

|   |   |                    |                    |
|---|---|--------------------|--------------------|
| 1. Gross total loan portfolio (TLP)   | ₱ | 402,730,418,354.29 | 386,957,936,301.72 |
| 2. Specific allowance for credit losses on the TLP  |   | 2,535,278,282.34   | 2,387,122,920.09   |
| 3. Non-Performing Loans (NPLs)  |   |                    |                    |
| a) Gross NPLs   |   | 2,617,722,711.70   | 2,264,379,743.25   |
| b) Ratio of gross NPLs to gross TLP (%)   |   | 0.65               | 0.59               |
| c) Net NPLs   |   | 1,427,892,984.01   | 1,146,336,168.64   |
| d) Ratio of Net NPLs to gross TLP (%)   |   | 0.35               | 0.30               |
| e) Ratio of total allowance for credit losses to gross NPLs (%)                                 |   | 121.68             | 272.49             |
| f) Ratio of specific allowance for credit losses on the gross TLP to gross NPLs (%)             |   | 96.85              | 105.42             |
| 4. Classified Loans & Other Risk Assets, gross of allowance for credit losses                   |   | 16,537,000,000.00  | 16,537,000,000.00  |
| 5. DOSRI Loans and receivables, gross of allowance for credit losses                            |   | 2,969,820,984.12   | 2,518,536,110.32   |
| 6. Ratio of DOSRI loans and receivables, gross of allowance for credit losses, to gross TLP (%) |   | 0.74               | 0.65               |
| 7. Gross non-performing DOSRI loans and receivables   |   | -                  | -                  |
| 8. Ratio of gross non-performing DOSRI loans and receivables to TLP (%)                         |   | -                  | -                  |
| 9. Percent Compliance with Magna Carta (%)  |   |                    |                    |
| a) 8% for Micro and Small Enterprises   |   | 0.26               | 0.30               |
| b) 2% for Medium Enterprises  |   | 3.75               | 3.86               |
| 10. Return on Equity (ROE) (%)  |   | 7.92               | 7.32               |
| 11. Capital Adequacy Ratio (CAR) on Solo Basis, as prescribed under existing regulations        |   |                    |                    |
| a) Total CAR (%)  |   | 17.84              | 17.79              |
| b) Tier 1 Ratio (%)   |   | 15.58              | 15.53              |
| c) Common Tier 1 Ratio (%)  |   | 15.58              | 15.53              |
| 12. Deferred Charges not yet Written Down   |   | -                  | -                  |
| 13. Unbooked Allowance for Credit Losses on Financial Instruments Received                      |   | -                  | -                  |

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

We, Alfonso L. Salcedo, Jr. and Milarey M. Wee of the above mentioned bank do solemnly swear that all matters set forth in the above balance sheet are true and correct to the best of our knowledge and belief.

(SGD.) MILAREY M. WEE  
FVP / Comptroller

(SGD.) ALFONSO L. SALCEDO, JR.  
President & CEO

SUBSCRIBED AND SWORN TO BEFORE ME this 23<sup>rd</sup> day of October, 2018 at City of Makati, affiants exhibiting their Passport No. EC2552074, issued at City of Manila on October 27, 2014 and Passport No. P8132832A, issued at City of Manila on July 28, 2018.

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Book No. II  
Series of 2018

(SGD.) HENSON M. MONTALVO  
NOTARY PUBLIC  
Until Dec. 31, 2019  
PTR No. 6614716  
01/03/2018; Makati City

### CONSOLIDATED BALANCE SHEET

(Bank and Financial Subsidiaries)  
As of September 30, 2018

| ASSETS  |          | Current Quarter           | Previous Quarter          |
|---|----------|---------------------------|---------------------------|
| Cash and Cash Items   | ₱        | 8,329,377,125.37          | 9,466,467,906.40          |
| Due from Bangko Sentral ng Pilipinas (BSP)                            |          | 62,042,701,021.26         | 57,367,777,555.28         |
| Due from Other Banks  |          | 7,209,693,966.80          | 2,769,015,506.90          |
| Financial Assets at Fair Value through Profit or Loss                 |          | 3,484,142,236.95          | 3,148,907,984.28          |
| Available-for-Sale Financial Assets-Net                               |          | 19,457,930,411.89         | 34,077,716,302.35         |
| Held-to-Maturity (HTM) Financial Assets-Net                           |          | 215,315,365,643.47        | 213,407,801,123.20        |
| Loans and Receivables-Net:  |          | 399,879,044,681.59        | 380,986,011,986.20        |
| Interbank Loans Receivable  |          | 4,882,753,278.60          | 7,828,974,070.92          |
| Loans and Receivables-Others  |          | 395,673,282,849.46        | 377,064,745,003.20        |
| General Loan Loss Provision   |          | 676,991,446.47            | 3,907,707,087.92          |
| Other Financial Assets  |          | 5,344,800,104.07          | 6,340,069,239.37          |
| Equity Investment in Subsidiaries, Associates, and Joint Ventures-Net |          | 279,776,946.90            | 269,550,356.27            |
| Bank Premises, Furniture, Fixture & Equipment-Net                     |          | 4,053,570,314.17          | 4,134,206,243.41          |
| Real and Other Properties Acquired-Net                                |          | 747,009,676.16            | 749,782,916.13            |
| Other Assets-Net  |          | 8,867,229,729.40          | 8,353,017,754.27          |
| <b>TOTAL ASSETS</b>   | <b>₱</b> | <b>735,010,641,858.03</b> | <b>721,070,324,874.06</b> |

| LIABILITIES  |          | Current Quarter           | Previous Quarter          |
|--|----------|---------------------------|---------------------------|
| Financial Liabilities at Fair Value through Profit or Loss | ₱        | 2,116,055,900.19          | 2,218,324,568.50          |
| Deposit Liabilities  |          | 467,732,378,102.72        | 442,930,582,310.58        |
| Due to Other Banks   |          | 52,676,746.29             | 35,014,272.24             |
| Bills Payable:   |          | 93,735,992,340.46         | 125,911,159,432.56        |
| Interbank Loans Payable                                    |          | 15,497,634,181.82         | 16,978,355,693.00         |
| Other Deposit Substitute                                   |          | 69,958,113,337.15         | 108,807,803,739.56        |
| Others   |          | 8,280,244,821.49          | 125,000,000.00            |
| Bonds Payable-Net  |          | 32,266,669,326.31         | 15,976,809,713.47         |
| Unsecured Subordinated Debt-Net                            |          | 9,955,592,485.63          | 9,953,960,103.74          |
| Other Financial Liabilities                                |          | 8,284,669,546.55          | 8,875,805,484.81          |
| Other Liabilities  |          | 10,959,824,243.81         | 9,916,795,231.79          |
| <b>TOTAL LIABILITIES</b>                                   | <b>₱</b> | <b>625,103,858,691.96</b> | <b>615,818,451,117.69</b> |

| STOCKHOLDERS' EQUITY              |          | Current Quarter           | Previous Quarter          |
|-----------------------------------|----------|---------------------------|---------------------------|
| Capital Stock                     | ₱        | 46,154,539,833.13         | 46,154,539,833.13         |
| Other Capital Accounts            |          | 5,537,980,288.86          | 3,018,798,796.66          |
| Retained Earnings                 |          | 58,202,994,682.84         | 56,067,594,492.66         |
| Minority Interest in Subsidiaries |          | 11,268,361.24             | 10,940,633.92             |
| <b>TOTAL STOCKHOLDERS' EQUITY</b> | <b>₱</b> | <b>109,906,783,166.07</b> | <b>105,251,873,756.37</b> |

| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY        |          | Current Quarter           | Previous Quarter          |
|---|----------|---------------------------|---------------------------|
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b> | <b>₱</b> | <b>735,010,641,858.03</b> | <b>721,070,324,874.06</b> |

| CONTINGENT ACCOUNTS                   |          | Current Quarter           | Previous Quarter          |
|---------------------------------------|----------|---------------------------|---------------------------|
| Performance Standby Letters of Credit | ₱        | 19,906,930,272.80         | 20,248,421,502.77         |
| Commercial Letters of Credit          |          | 9,071,579,977.76          | 9,327,255,129.81          |
| Trade Related Guarantees              |          | 2,215,345,331.54          | 616,038,413.33            |
| Commitments                           |          | 70,042,882,069.70         | 86,249,316,153.52         |
| Spot Foreign Exchange Contracts       |          | 14,761,125,841.78         | 7,184,636,572.35          |
| Trust Department Accounts:            |          | 46,075,678,525.41         | 44,347,502,854.74         |
| Trust and Other Fiduciary Accounts    |          | 35,321,642,193.34         | 34,378,085,708.24         |
| Agency Accounts                       |          | 10,754,036,332.07         | 9,969,417,146.50          |
| Derivatives                           |          | 616,554,948,592.21        | 591,033,422,920.63        |
| Others                                |          | 1,644,867,083.84          | 1,885,263,491.77          |
| <b>TOTAL CONTINGENT ACCOUNTS</b>      | <b>₱</b> | <b>780,273,357,695.04</b> | <b>760,891,857,038.92</b> |

#### ADDITIONAL INFORMATION

|   |       |       |
|---|-------|-------|
| 1. List of Financial Allied Subsidiaries:   |       |       |
| a) SB Cards Corporation   |       |       |
| b) SB Forex, Incorporated   |       |       |
| c) SB Capital Investment Corporation  |       |       |
| d) Landlink Property Investments (SPV-AMC), Inc.  |       |       |
| e) SB Finance Company, Inc.   |       |       |
| 2. Capital Adequacy Ratio (CAR) on Consolidated Basis, as prescribed under existing regulations |       |       |
| a) Total CAR (%)  | 18.58 | 18.46 |
| b) Tier 1 Ratio (%)   | 16.33 | 16.19 |
| c) Common Equity Tier 1 Ratio (%)   | 16.33 | 16.19 |

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

We, Alfonso L. Salcedo, Jr. and Milarey M. Wee of the above mentioned bank do solemnly swear that all matters set forth in the above balance sheet are true and correct to the best of our knowledge and belief.

(SGD.) MILAREY M. WEE  
FVP / Comptroller

(SGD.) ALFONSO L. SALCEDO, JR.  
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SUBSCRIBED AND SWORN TO BEFORE ME this 23<sup>rd</sup> day of October, 2018 at City of Makati, affiants exhibiting their Passport No. EC2552074, issued at City of Manila on October 27, 2014 and Passport No. P8132832A, issued at City of Manila on July 28, 2018.

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Member: PDIC  
Maximum Deposit Insurance for Each Depositor: ₱500,000.00

Regulated by the Bangko Sentral ng Pilipinas (02) 708 7087  
consumeraffaris@bsp.gov.ph