



05 April 2021

PHILIPPINE STOCK EXCHANGE, INC.
6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City,

Attention: **MS. JANET A. ENCARNACION**
Head, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.
29th Floor, BDO Equitable Tower
8751 Paseo de Roxas
1226 Makati City

Attention: **ATTY. MARIE ROSE M. MAGALLEN-LIRIO**
Head, Issuer Compliance and Disclosure Department

Gentlemen / Mesdames:

Please see attached press release entitled "**Japan Credit Rating Agency affirms Security Bank's A- investment grade credit rating and stable outlook**".

Thank you.

Very truly yours,


ROPI F. DANGAZO
Investor Relations Head



FOR DETAILS CONTACT:
ROPI F. DANGAZO, Investor Relations Head
T: +632 8888-7175; E: RDangazo@securitybank.com.ph

PATRICIA N. TAN
Marketing & Communications Group Head
T: +632 8867-6788 loc. 8818; E: PNTan@securitybank.com.ph

FOR IMMEDIATE RELEASE

Japan Credit Rating Agency affirms Security Bank's A- investment grade credit rating and stable outlook

05 April 2021, Makati City, Philippines – In its March 29, 2021 release, Japan Credit Rating Agency, Ltd. (JCR) has affirmed its A- investment grade credit rating with stable outlook on Security Bank Corporation (PSE: SECB). This rating is at the same level as the Philippine sovereign rating. According to JCR, the rating reflects Security Bank's relatively robust domestic business base, high profitability and solid capital base. JCR has also incorporated into the rating the synergy effects of Security Bank's alliance with MUFG Bank.

JCR highlighted that "Security Bank's financial durability stays strong as indicated by its high loan-loss provision coverage ratio and capital adequacy ratio in addition to its high profitability ensured by a high net interest margin". The Bank kept its provision coverage ratio high at 115% at the end of 2020. JCR also holds that Security Bank's NPL ratio will continue to be controlled at a manageable level if the economy recovers steadily as the pandemic subsides because the Bank has strengthened its credit management for individual borrowers. Furthermore, the Bank had kept its higher credit costs at a level that can be fully absorbed by its profitability.

Security Bank's consolidated common equity Tier 1 ratio stood at 19.2% at the end of 2020, one of the highest among major Philippine banks. The Bank's equity ratio got a boost due partly to a strengthened capital base rendered by MUFG Bank's equity investment in 2016 and due partly to net income in 2020 and a reduction of risk assets through tighter lending and sale of securities.

"Japan Credit Rating Agency's affirmation of its credit rating for Security Bank is a testament to our strength as we continue to provide our customers with BetterBanking services in these trying times. Our strong capital position is an important pillar which both our customers and employees can rely upon to weather the challenges brought by the COVID-19 pandemic. That capital will continue to be deployed to support our clients' pandemic recovery efforts, employee health & safety initiatives, and investments in systems and technology to deliver on our BetterBanking promise," said Security Bank President and CEO, Sanjiv Vohra.

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About Security Bank

Security Bank is the eighth largest private domestic universal bank in the Philippines by total assets (at Php 653 billion) as of December 31, 2020. The Bank has been operating for 69 years since it was established in 1951. Security Bank has a total of 314 branches and 788 ATMs to-date.

Security Bank's major citations in 2020 are: **The Strongest Bank in the Philippines in 2020** by *The Asian Banker*; **Best Bank in the Philippines for 2020** by *The Lafferty Group (The Statement Magazine)*; and **Best Retail Bank in the Philippines in 2020** by *Alpha Southeast Asia*.

Security Bank's major awards received in 2019 are: **The Best Retail Bank in the Philippines for 2019** by *The Asian Banker* and **Deposit Product of the Year – "All Access Account"** by *The Asian Banker*; **Automobile Lending Product of the Year** by *The Asian Banker (Philippines Awards 2019)* and **Deposit Product of the Year** by *The Asian Banker (Philippine Awards 2019)*; **Best Bank in the Philippines in 2019** by *Alpha Southeast Asia* and **Best SME Bank in the Philippines in 2019** by *Alpha Southeast Asia*; and **Best Bank for SMEs in the Philippines in 2019** by *Asiamoney*.

Major awards received in 2018 were: **Bank of the Year – Philippines 2018** by *The Banker*; **Best Bank in the Philippines 2018** by *Global Finance*; **The Best Retail Bank in the Philippines for 2018** by *The Asian Banker*; **Best Retail Bank in the Philippines 2018** by *Alpha Southeast Asia*; and **People Program of the Year Award** for Security Bank's Total Wellness Program by *People Management Association of the Philippines (PMAP)*.

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