

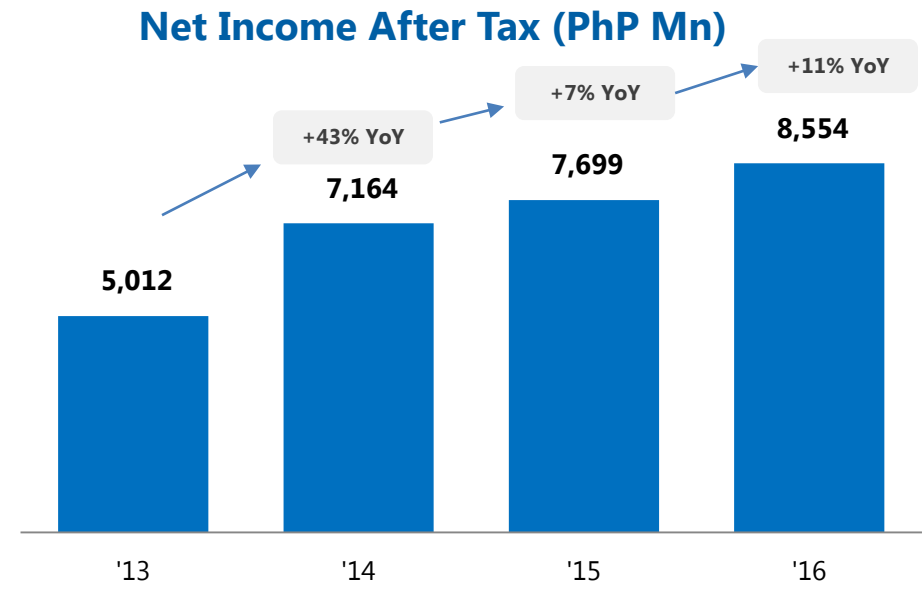
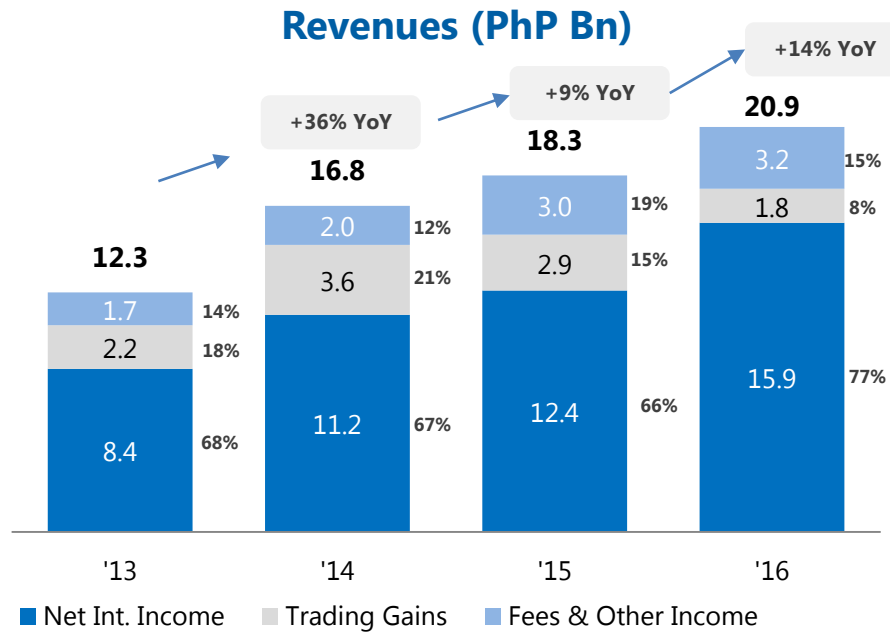


Analysts' Briefing (2016 Results)

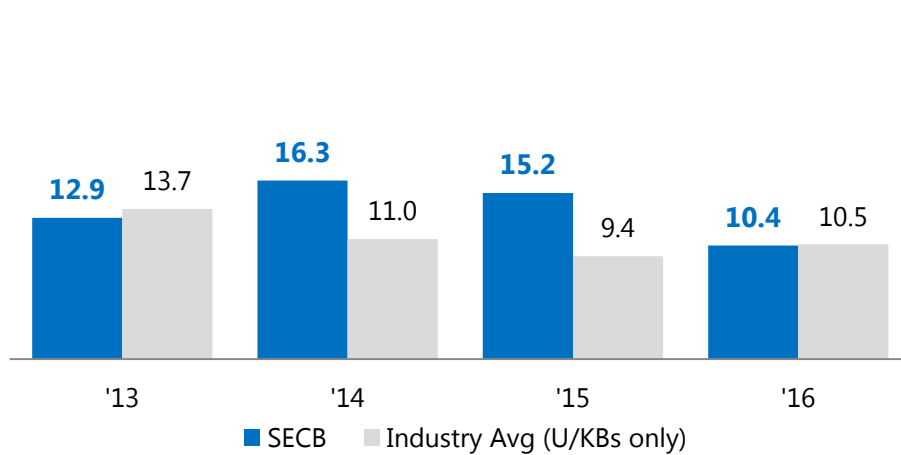
By: Mr. Alfonso L. Salcedo, Jr., President & CEO

March 14, 2017

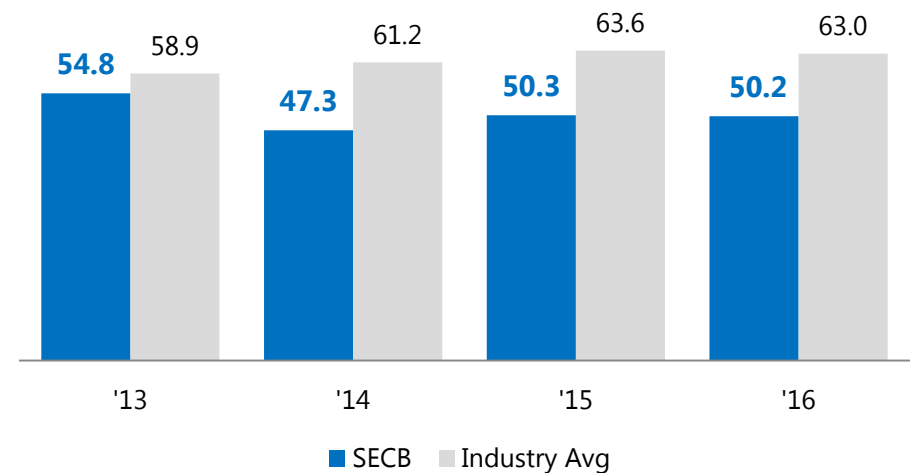
Profitability



Return on Equity (%) ⁽¹⁾

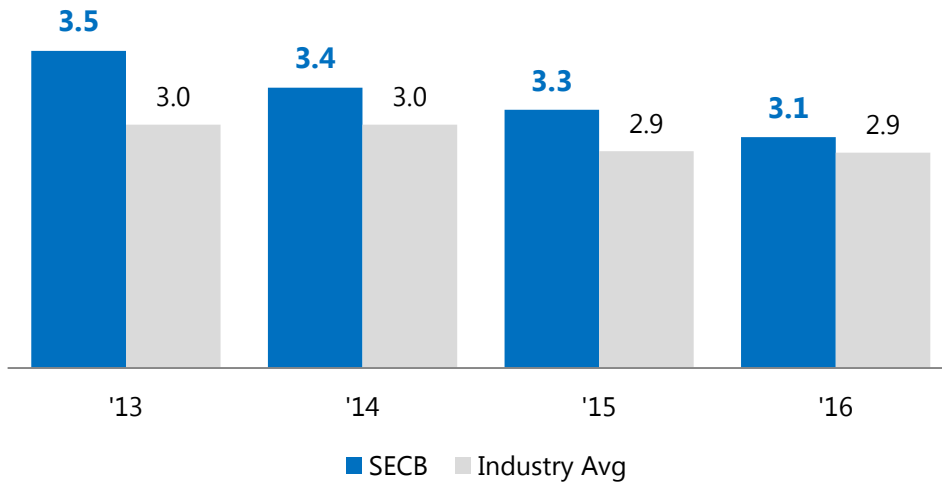


Cost-to-Income (%)

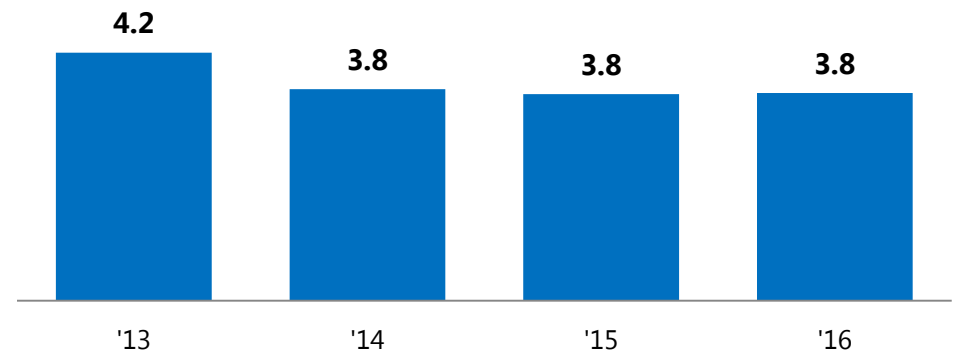


Net Interest Margin

Net Interest Margin (%) ⁽¹⁾



Net Interest Margin on Loans (%) ⁽²⁾

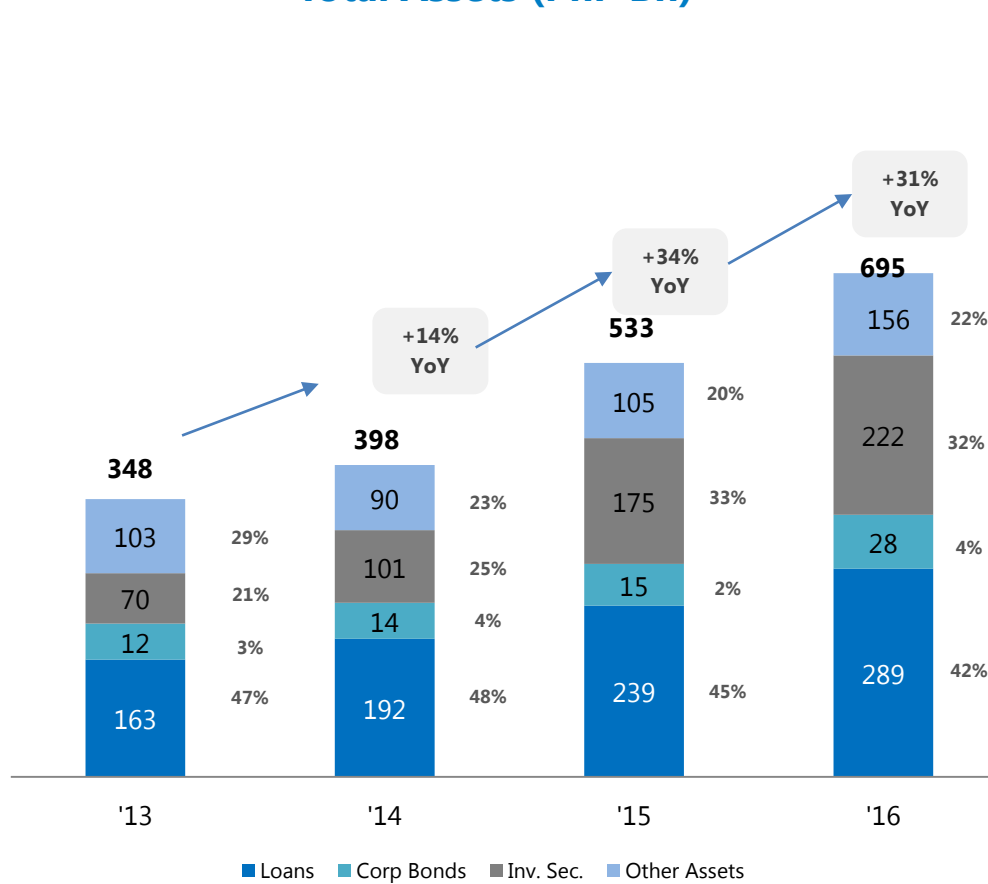


Note: (1) Industry data for Universal and Commercial Banks from Supervisory Data Center, Supervision and Examination Sector, Bangko Sentral ng Pilipinas, latest as of December 31, 2016.

(2) Using deposits as funding.

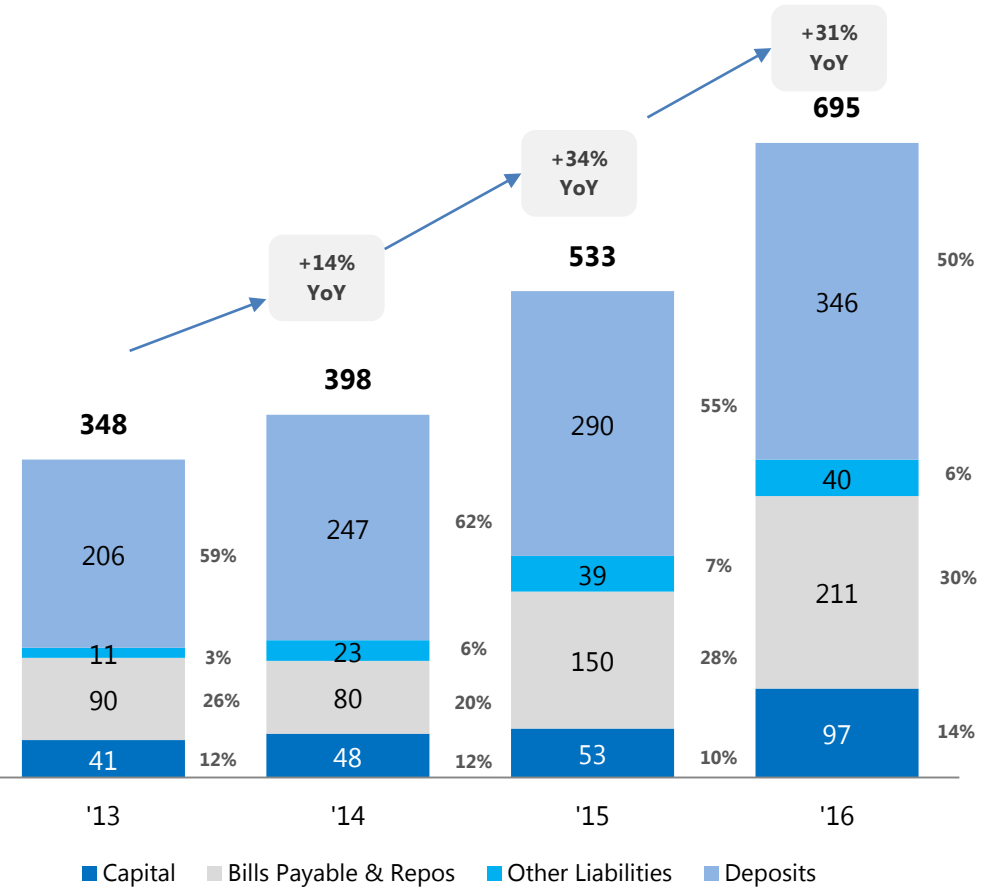
Balance Sheet: Asset & Funding Structure

Total Assets (PhP Bn)



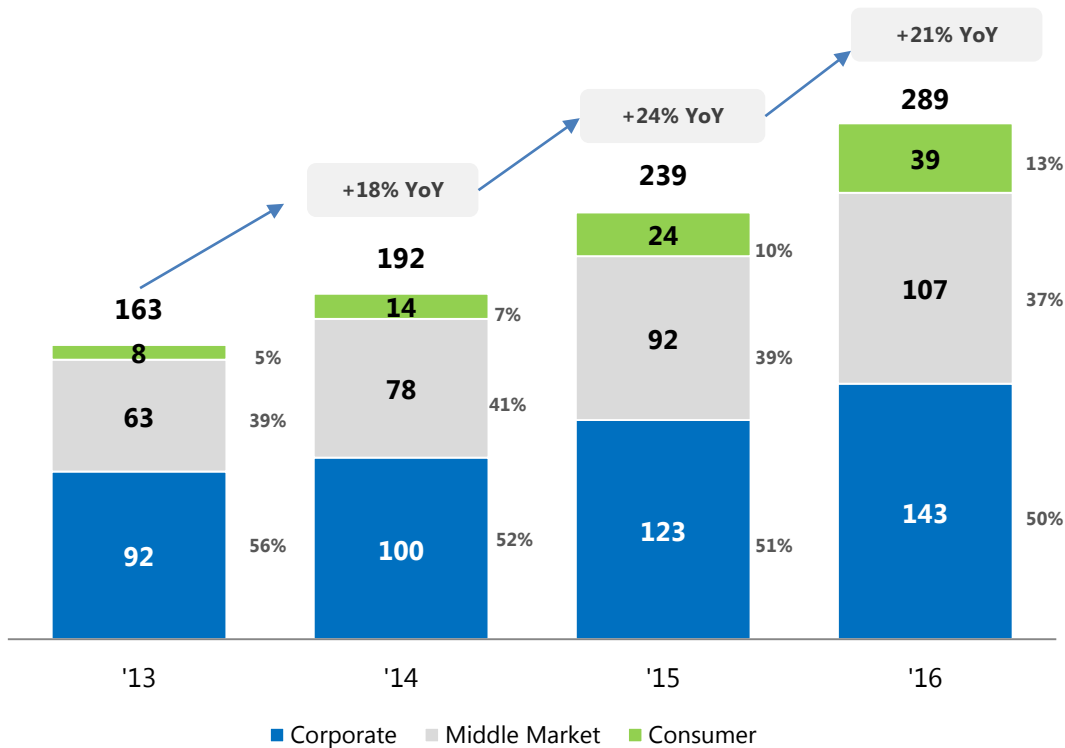
Note: Corp. Bonds above are local Philippine corporate bonds.

Total Liabilities and Capital (PhP Bn)

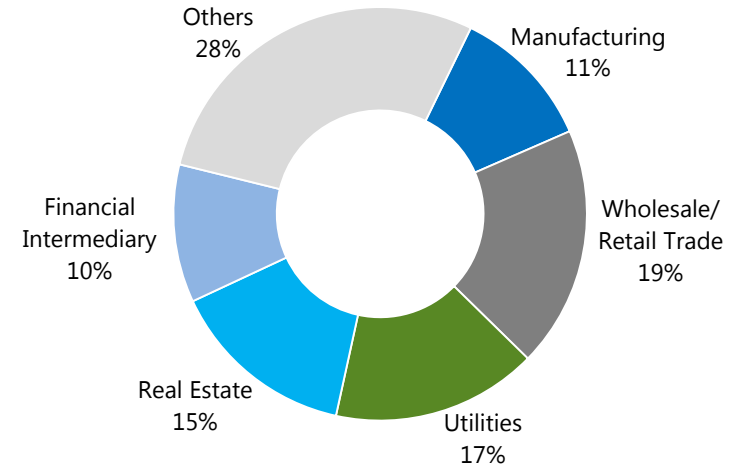


Loan Portfolio

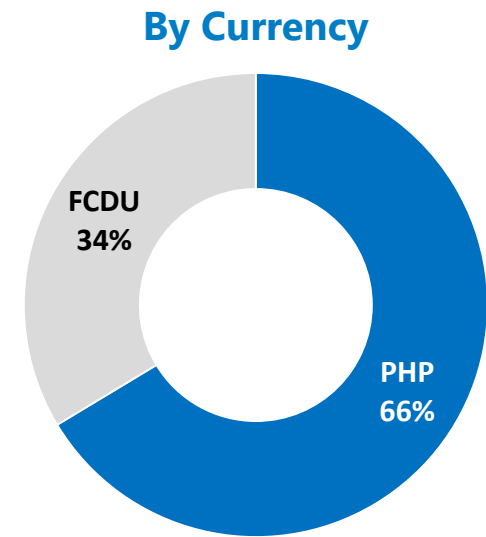
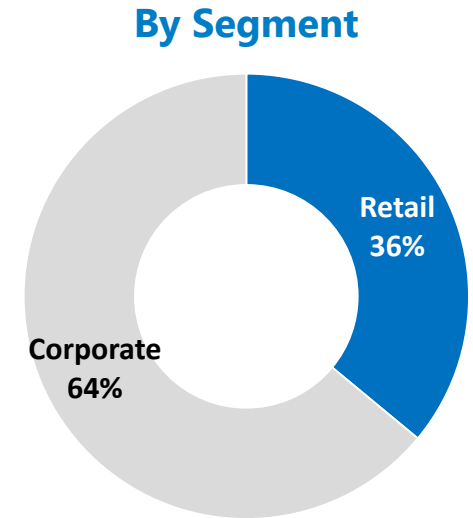
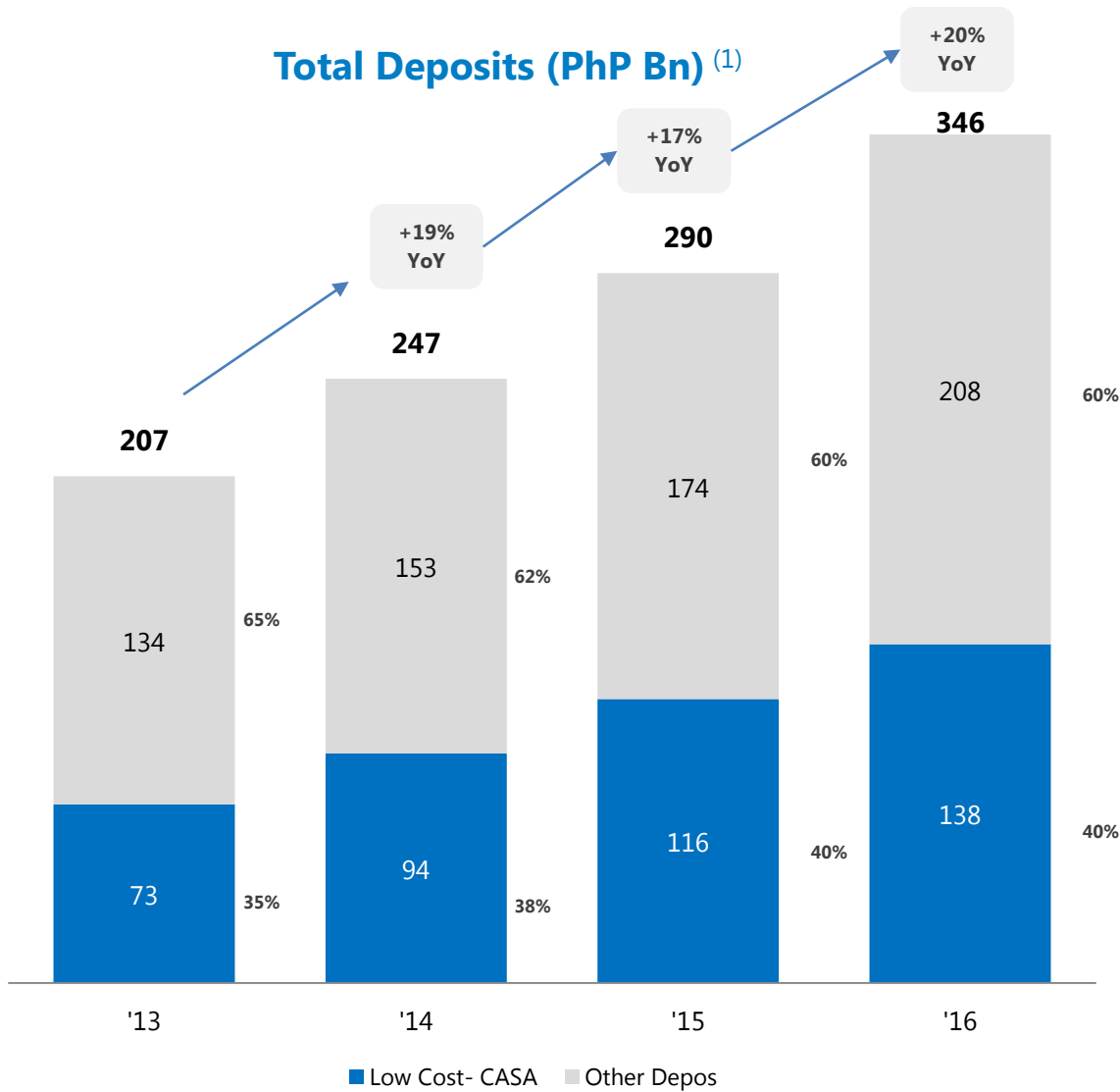
Total Loans (PhP Bn)



By Industry⁽¹⁾

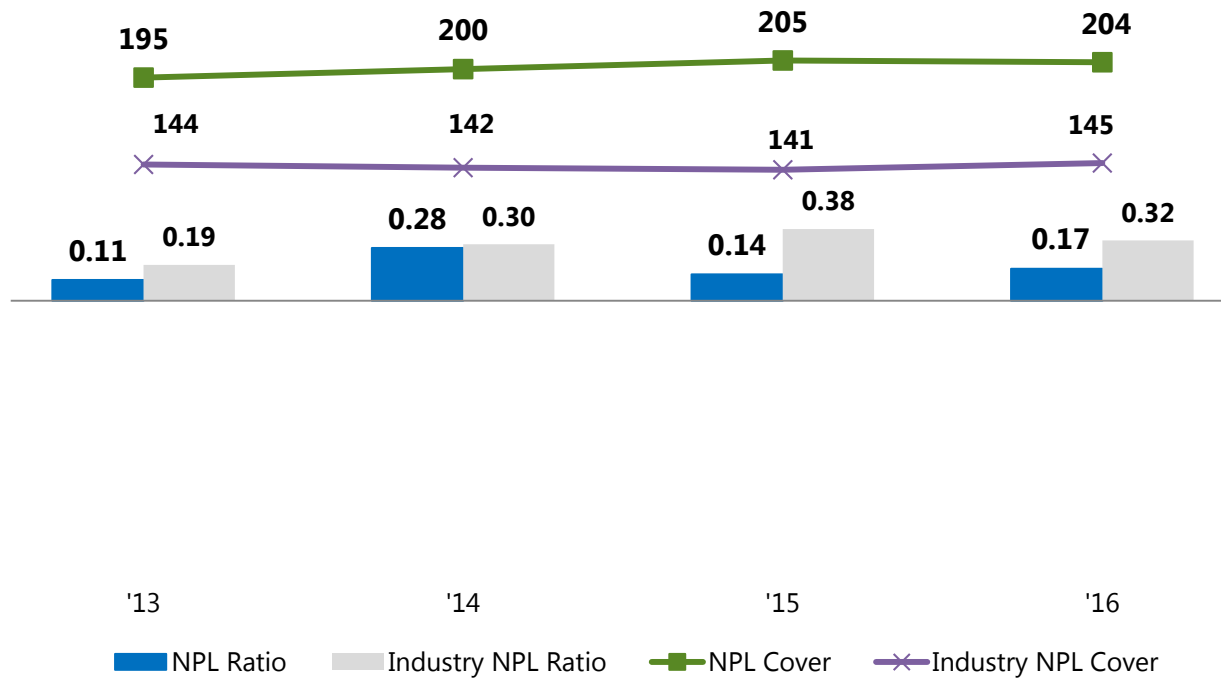


Deposit Portfolio



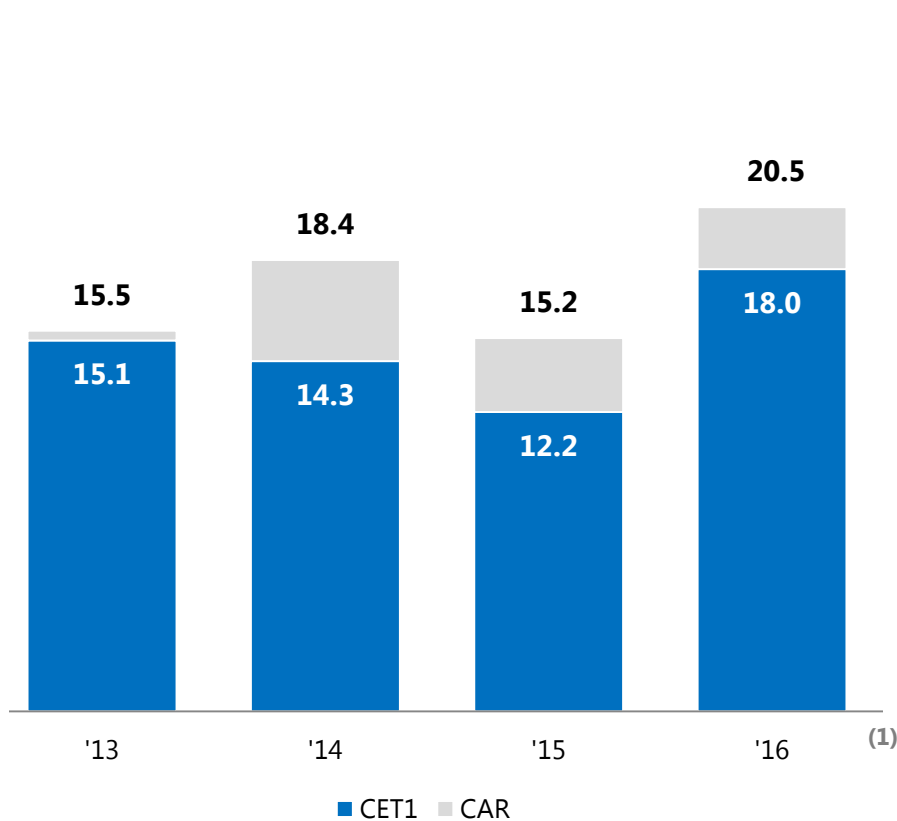
Asset Quality

NPL Ratio and NPL Cover (%) ⁽¹⁾



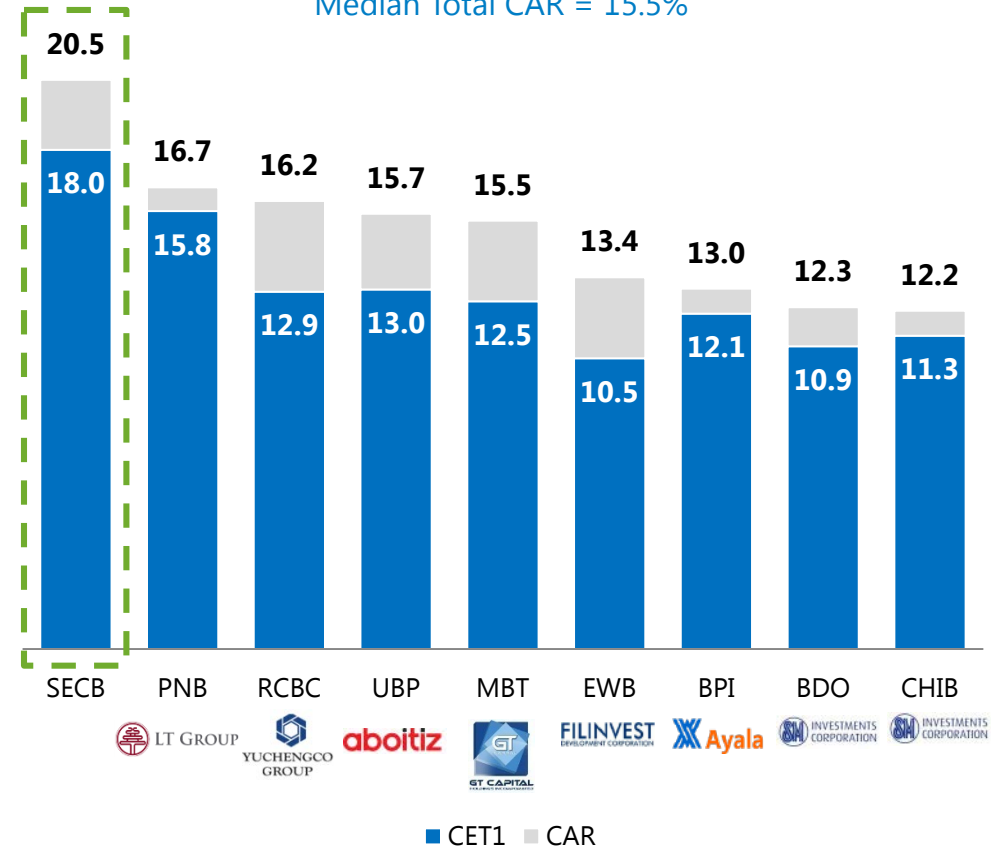
Capital Strength

Total CAR (%)



Major Philippine Banks' Capitalization (%) (2)

Median Tier 1 CAR = 12.5%
Median Total CAR = 15.5%



Note: (1) SECB's 2014 and 2015 CARs are Basel 3. Previous years' CARs are Basel 2. Basel 3 was implemented in Q1-'14.

Note that SECB's CET 1 ratio is same as Tier 1 CAR

(2) Source: Published Balance Sheets as of December 31, 2016.

2017 Major Initiatives

Complete I.T. Transformation

- › To sustain the delivery of our BetterBanking promise & increase our capacity to support growth in business.

Continue Branch Expansion; Review in Light of New BSP Circular 940 & “Branch Lite” Draft & Digitization Initiatives

- › To expand our coverage of retail and middle markets.

Continue the Focus on Growing Low-Cost Deposits

- › Through new and improved CASA product.
- › Heightened internal KRAs on low-cost deposits.

Broaden Consumer Finance Product Offerings with Higher Margins

- › Build the Retail Banking Business as a third business pillar by 2020.

BTMU Collaboration

- › Leverage BTMU’s network to access Japan-related business opportunities.