

## At an Extraordinary Meeting, Grupo Security shareholders approve capital increase

October 3, 2019

**The capitalization involves issuing 415 million shares. Funds raised will be used to capitalize the bank and other subsidiaries in a process to modernize their businesses.**

A capital increase of up to CH\$100,000 million was approved today at an extraordinary meeting of the shareholders of Grupo Security. In addition, the board was authorized to set the final placement price. The capital increase involves issuing 415 million shares over a period of three years.

The Chairman of Grupo Security, Francisco Silva, expressed his appreciation for shareholder support in approving this capital increase, "which aims to further boost growth, update our business models and maintain our relationships with and dedication to our customers, which has set our company apart in the market. We are grateful for the ongoing support of our shareholders as Grupo Security has grown for nearly 30 years," he remarked.

The CEO of Grupo Security, Renato Peñafiel, explained that the accelerated changes occurring in today's market force companies to quickly adapt to new demands from customers. "Security's customers, which have been our focus since the beginning, are challenging us each day to generate value for them." In that context, Peñafiel commented, "Given our deep conviction to continue growing, we have called this meeting to approve a capital increase of up to CH\$100,000 million in order to capitalize our subsidiaries and modernize our business models."

In this way, we can project the growth of the Commercial Banking Division, which represents the core business and more than 70% of Banco Security's profit. Thus far in 2019, commercial loans are up 6.9%, higher than the industry's 5.7% growth in the same period and the division's profit has grown 22% in relation to 2018.

The challenges of the Retail Banking and Investment Banking divisions will be addressed comprehensively through modifications in the current business model, advised by the prestigious international consulting firm McKinsey.

The Group's capital increase will enable it to further growth at the insurance company Vida Security, which already carried out a capital increase of approximately CH\$35,000 million last September.

In terms of other subsidiaries, the increase will enable the Group to reinforce growth at Factoring Security, where loans have expanded on average just under 10% per year over the last five years and profit represents 8% of the Group's business (ROE of 18.6% as of June 2019), while Inmobiliaria Security will use funds from the increase to strengthen its business plan.