

Grupo Security Posts Profit of CH\$37,095 Million for First Half of 2018

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The Group's CEO, Renato Peñafiel, confirmed that the strong results for the period were driven by earnings growth at the Bank (+36% from 2017), where loans grew 9.7%, outperforming the industry at 7.4%

Grupo Security reported profit of CH\$37,095 million for the six months ended June 30, 2018, reflecting a 3.2% increase over 2017, as filed today with the Financial Market Commission (CMF).

As explained by the CEO of Grupo Security, Renato Peñafiel, "These strong results were driven by the Bank's earnings, which rose 36.6% from the first half of last year, giving profit of CH\$39,355 million." Peñafiel also pointed out that "the Bank's efficiency ratio was 46.5%, while loans grew 9.7% during the period to CH\$5,070,827 million, outperforming the industry at 7.4%." This was partially offset by a weaker performance from Vida Security, where earnings were affected by reduced returns on the investment portfolio due to a market correction during the period. "Our other businesses have posted results in line with expectations," he confirmed.

Among the material events that took place during the period, at an extraordinary meeting of the shareholders of Vida Security, they agreed to accept an offer from Security Internacional SpA to buy the company's interest in Protecta Security for 100 million Peruvian soles, subject to approval from Peruvian regulators. About the transaction, Peñafiel commented, "This movement marks another step towards consolidating Security Internacional, the holding for our life insurance and travel operations in Peru, which will also include other new business lines in the future. Our medium- to long-term objective is to replicate in Peru what Grupo Security has built in Chile over the past 25 years." Additionally, in March, a capital increase of 25 million Peruvian soles was carried out by Protecta Security in order to strengthen the company's solvency and sustain its commercial growth. Protecta's business plan for the next three years calls for strong growth in annuities, which will require future capital increases.

The asset management area posted profit of CH\$4,248 million, up 19.4% from last year, driven by increased operating income, increased revenue from mutual funds and a larger transaction volume. As of June 2018, assets under management of this subsidiary totaled CH\$4,763,479 million.

On March 28, 2018, Grupo Security successfully concluded the placement of 71,769,048 shares through an order book auction, attracting demand of 9 times the offering, equivalent to more than US\$ 297 million. On March 15, 2018, Grupo Security completed the placement of the N1 series bond on the local market for UF 1.5 million, with demand of 1.8 times the offering. This placement is part of a liability restructuring plan that the Group began last year.

Grupo Security is a diversified financial group with 13 companies structured into four main business areas. Each area includes the subsidiaries and divisions that share common business objectives. These four areas are: lending, insurance, asset management and other services.