



Financial Results Grupo Security December 2015

March 18, 9:30 AM

- » **GDP** stagnant at around 2%;
- » **Unemployment** averaged 6.2%;
- » **Inflation** for a large part of the year between 4% and 5%, above the target range (2% to 4%), mainly because of currency depreciation.
- » **Exchange rate; trend continues** for the dollar to gain strength against emerging currencies. Chilean peso depreciated 15% during 2015.
- » **MPR** remained at 3% almost the entire year. In September 2015, Central Bank adopts restrictive bias and raises MPR by 25 bp in both October and December.
- » Market **interest rates** have been gradually rising, in line with the Central Bank's restrictive bias. BCP-10 rose from 4.2% at the beginning of 2015 to 4.6% at year end.
- » Bank **loan growth** has slowed in response to economic deceleration. Commercial loans were hit the hardest; mortgage loans have remained dynamic.

Significant Events during the Period and Subsequent Events

- » **Purchase agreement for Banco Penta's Mutual Fund and Stock Brokerage Businesses:** On February 15, 2016, the acquisition and merger of the asset management subsidiaries of Banco Penta was successfully executed. The operation incorporated almost Ch\$800 billion in assets. Part of these funds will be used to capitalize the subsidiaries of Grupo Security, in particular the Bank.
- » **Sale of minority interest in Penta Security to Liberty International Holdings:** On January 8, 2016, the takeover bid of Penta Security was declared a success; the deal resulted in a net after-tax gain for Grupo Security of Ch\$14.937 million.
- » **Dividends:** On October 8, 2015, in a meeting of the Board of Directors of Grupo Security, approval was given for a dividend payment of Ch\$4 per share.
- » **Purchase of Protecta:** In August 2015, a 61% stake in Protecta was purchased for US\$23 million. This marks Grupo Security's entrance into the Peruvian life insurance market.
- » **Share subscription period ends:** In July 2015, the subscription period for options issued as part of the 2013 capital increase ended. Total issuance: 376,104,987 shares, equivalent to Ch\$71,460 million, 99.6% of those authorized to be placed. 1,636,408 remaining shares are available to the company Board to be placed up to July 2016.
 - » Total shares prior to capital increase (May 2013): 2,882,258,605
 - » Total shares following capital increase: 3,258,363,592

- » Distributable profit as of December 2015 of Ch\$65,022 million, up 6.6% YoY. Grupo Security reported ROE of 12.10%.

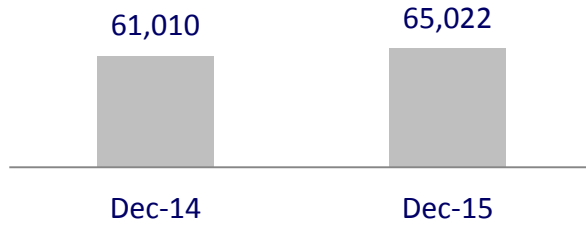
	2011	2012	2013	2014	2015
Consolidated Profit Grupo Security (Ch\$ million)	41,883	46,561	49,843	61,010	65,022
No. of shares close (million)	2,882	2,882	3,184	3,232	3,258
Closing Price	175	187	177	216	191
Market Cap close (Ch\$ million)	504,395	538,982	563,511	697,702	621,370
EPS (times)	14.53 x	16.15 x	15.66 x	18.88 x	19.96 x
P/E (times)	11.20 x	11.60 x	10.70 x	11.30 x	9.56 x
Price-to-book (times)	1.34 x	1.35 x	1.21 x	1.33 x	1.13 x
Dividend Yield	5.5%	5.4%	3.9%	5.1%	5.9%
Leverage	24.68%	26.16%	36.28%	36.14%	35.13%
ROAA	0.92%	0.90%	0.82%	0.84%	0.80%
Equity (Ch\$ million)	376,349	397,790	467,004	522,718	551,653
Business Area Profit (Ch\$ million)	51,212	58,356	64,070	97,563	92,782
ROAE	12.37%	11.53%	12.03%	12.33%	12.10%
Payout Ratio (Dividends/ Profit)	68.8%	59.8%	51.3%	54.5%	56.4%
Five-Year CAGR Consolidated Profit	9.38%	7.78%	22.89%	15.26%	9.74%

Grupo Security¹ Results (Ch\$ million)

Grupo Security

(Ch\$ million)

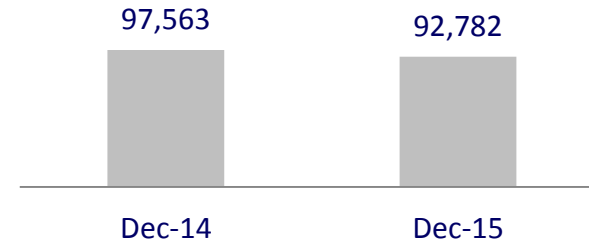
Chg. 2015/14 +6.6%



Business Areas

(Ch\$ million)

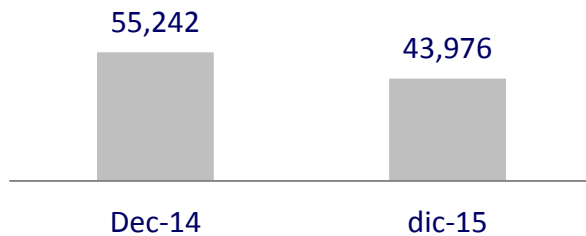
Chg. 2015/14 -4.9%



Lending Area

(Ch\$ million)

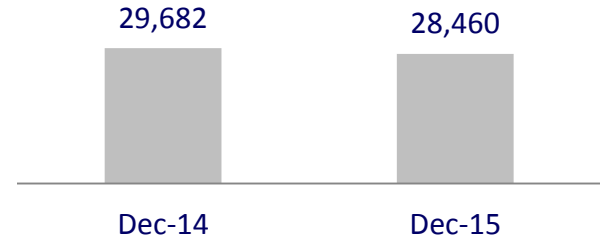
Chg. 2015/14 -20.4%



Insurance

(Ch\$ million)

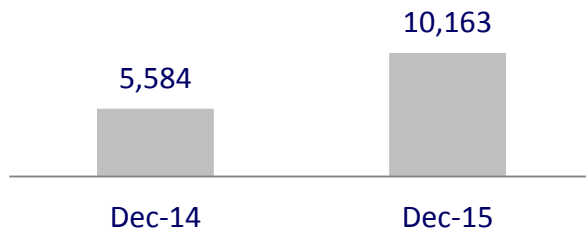
Chg. 2015/14 -4.1%



Asset Management

(Ch\$ million)

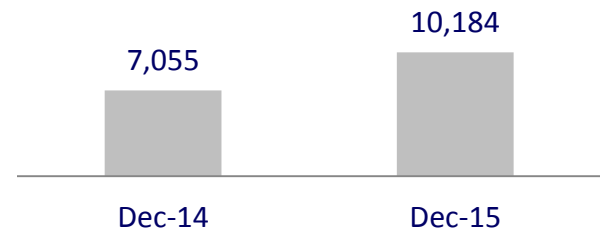
Chg. 2015/14 +82%



Other Services

(Ch\$ million)

Chg. 2015/14 +44.3%

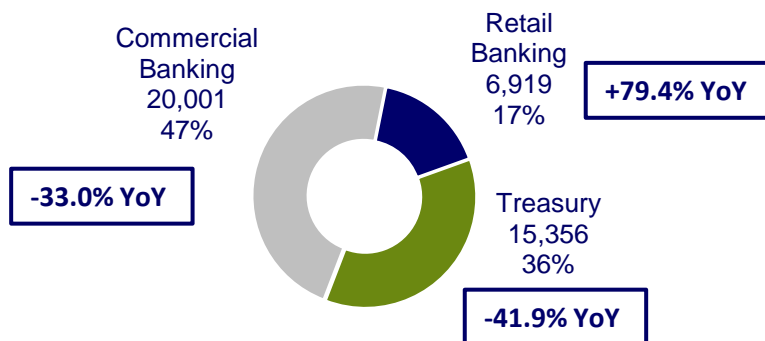


¹ Profit (loss) attributable to owners of the controller based on segment note in Grupo Security Earnings Report.

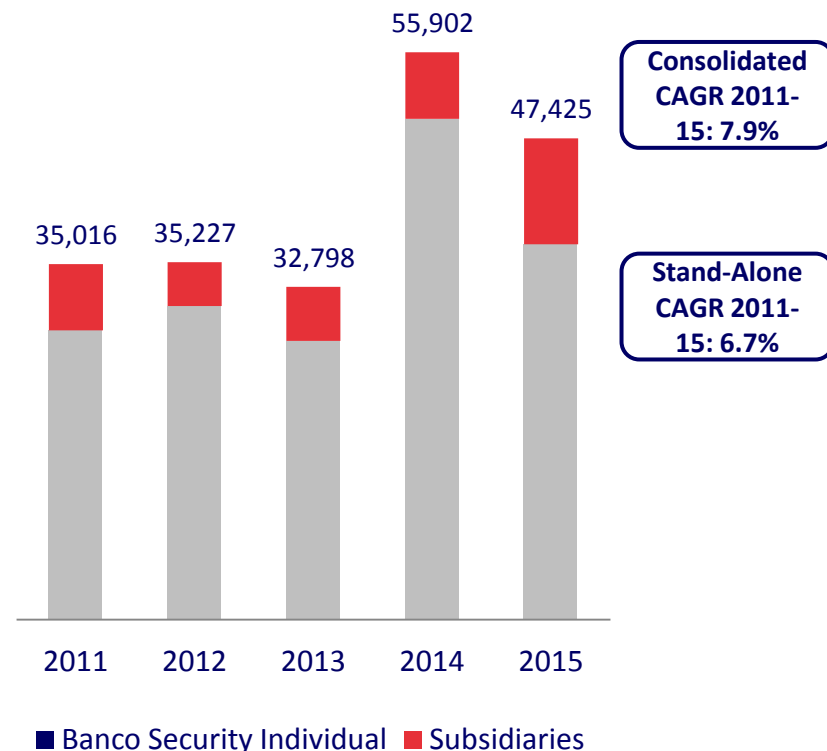
Banco Security - Profit

- » Consolidated profit December 2015 Ch\$47,425 million (-15.2% YoY)
- » Consolidated gross operating income of Ch\$203,524 million (+6.7% YoY)

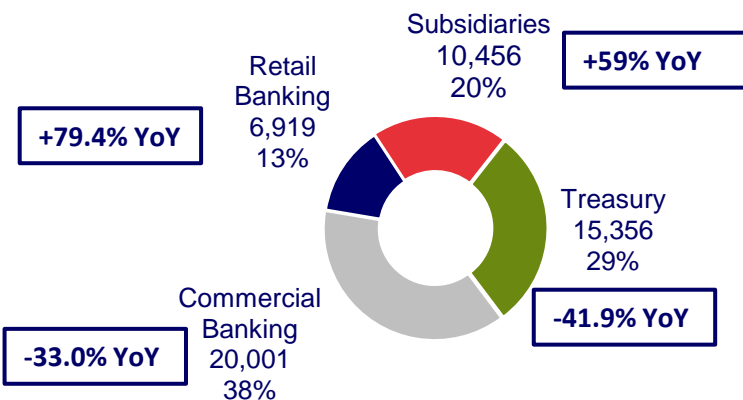
Banco Security Stand-Alone Profit: Ch\$36,969 million
(Ch\$ million) Chg. 2015/14 -25.1% YoY*



Banco Security Profit: Ch\$36,969 million
(Ch\$ million)



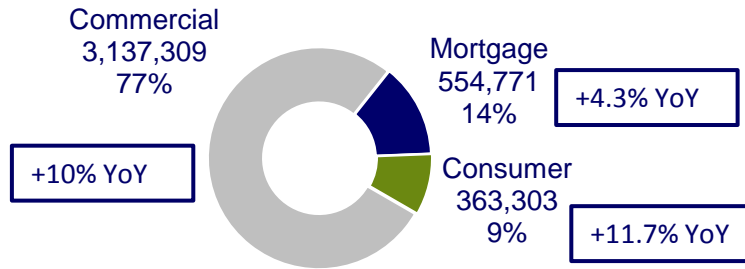
Banco Security Consolidated Profit: Ch\$47,425 million
(Ch\$ million) Chg. 2015/14 -15.2% YoY*



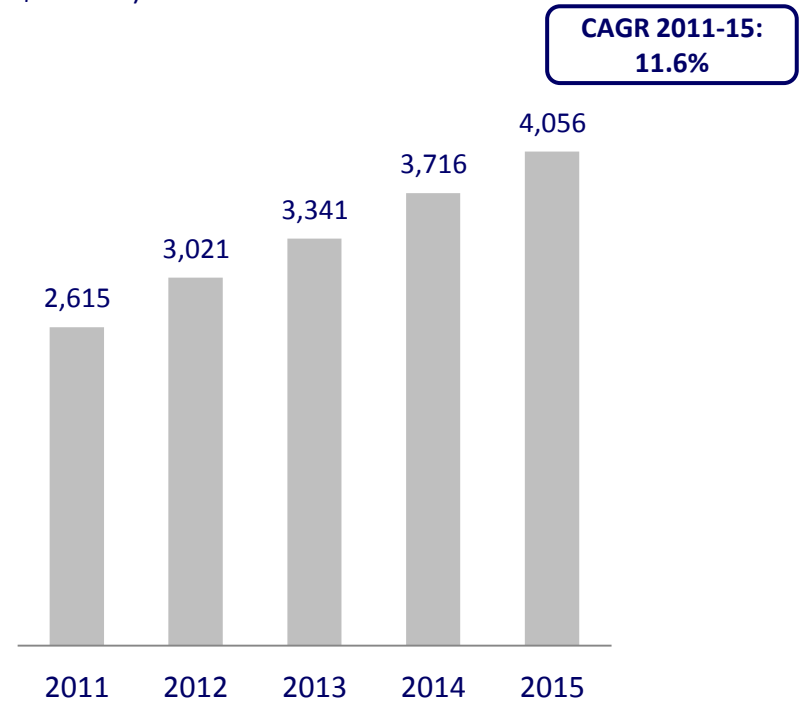
*Considers (Ch\$5,308 million) of net loss in Corporate Support and "Adjustments."

- » Consistent trend of growth of loans with a CAGR of 12% since 2011 and 12% YoY growth in consumption, over the system's result of 11%.

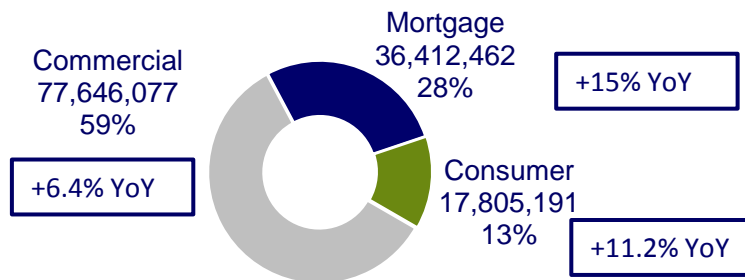
Banco Security - Loans: Ch\$4,056,096 million
(Ch\$ million) Chg. 2015/14 +9.2% YoY



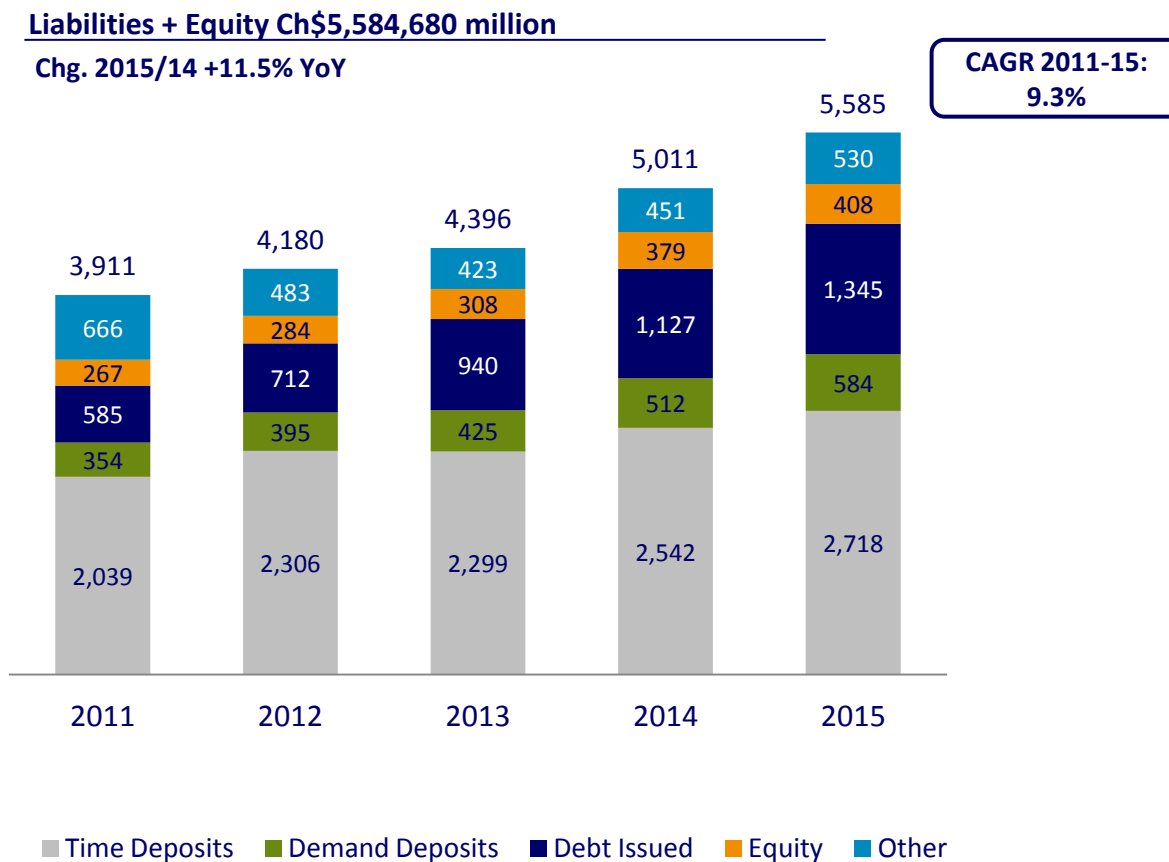
Banco Security - Loans
(Ch\$ million)



Industry - Loans: Ch\$132,665,321 million
(Ch\$ million) Chg. 2015/14 +8.3% YoY



» 8.1% YoY increase in total loans.



	2011	2012	2013	2014	2015
Efficiency Index	54.16%	54.69%	53.26%	48.87%	48.07%
Risk Index (Provisions/Loans)	1.39%	1.38%	1.39%	1.59%	1.83%
Non-Performing Loan Coverage	103.9%	104.0%	124.8%	105.4%	119.0%
ROAE (Profit LTM / Average Equity)	14.78%	12.79%	11.08%	16.27%	12.05%
NIM LTM / Average Loans	2.62%	2.41%	2.60%	3.35%	3.43%
Equity (Ch\$ million)	267,463	283,593	308,362	379,051	408,340
Consolidated Profit LTM (Ch\$ million)	35,016	35,227	32,798	55,902	47,425
Payout Ratio	60.0%	60.0%	99.9%	30.0%	30.0%
(Core Capital - Goodwill) / RWA	8.70%	8.15%	8.18%	8.51%	8.49%
Regulatory Capital / RWA	12.03%	11.92%	12.19%	12.44%	12.10%

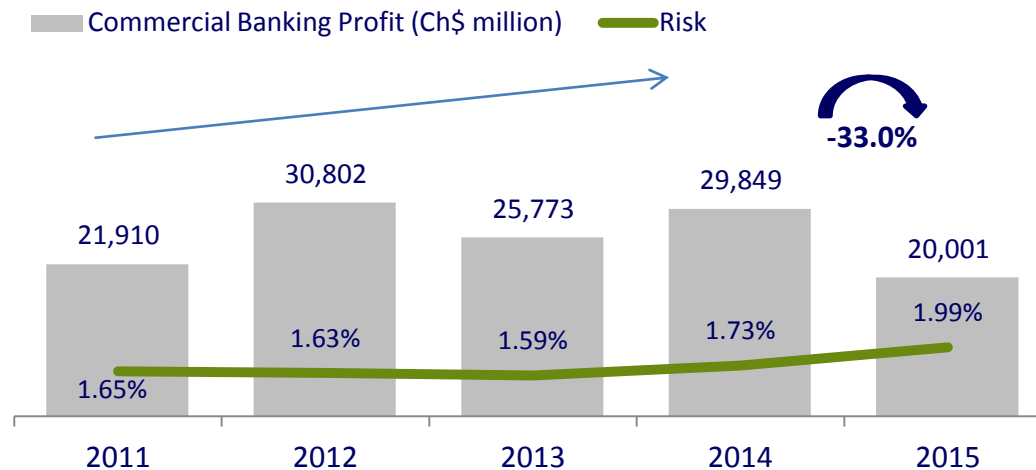
Banco Security vs. Peer Banks vs. Chilean Banking System

December 2015	Banco Security	Peer Banks	System
Gross Operating Income LTM / Average Total Assets	3.83%	3.83%	4.67%
Efficiency Index	48.07%	50.52%	47.66%
Risk Index (Provisions/Loans)	1.83%	1.69%	2.38%
Commercial Risk Index	1.99%	1.71%	2.38%
Retail Risk Index	1.28%	1.50%	2.44%
ROAE (Profit LTM / Average Equity)	12.05%	12.54%	14.80%
ROAA (Profit LTM / Average Total Assets)	0.89%	0.96%	1.15%
NIM LTM / Average Loans	3.43%	3.32%	4.54%
Core Capital / Total Assets	6.63%	6.60%	6.68%
Regulatory Capital/ RWA	12.10%	12.10%	12.62%

Peer Banks: Aggregate of Bice, BBVA, Itaú, Scotiabank and Security.

Results as of December 2015

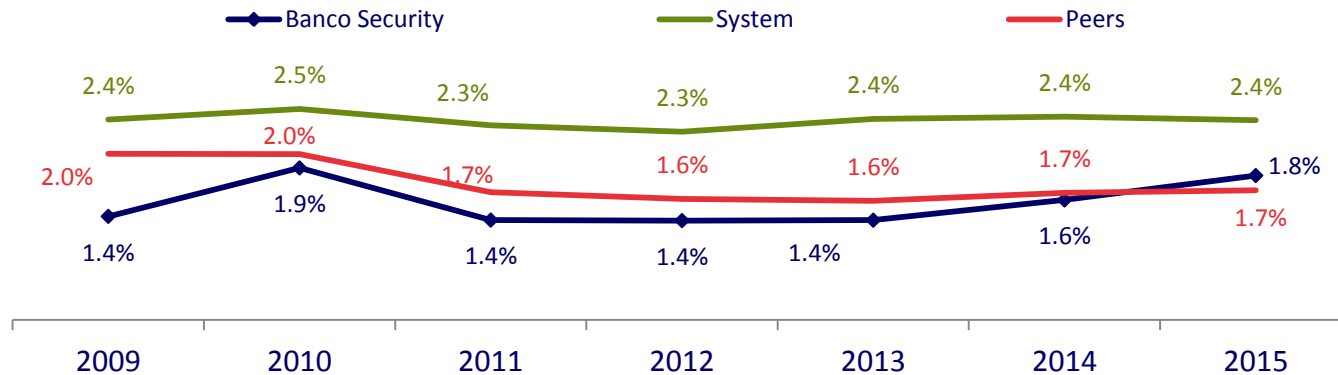
- » Increased provision expenses due to specific cases and more restrictive criteria for managing non-performing loans. Growth of net interest margin and fees because of increased commercial activity and a fall of 150 bp in the MPR during 2014, the impact of which was fully reflected throughout 2015.
- » Commercial Loans: \$3,137,309 million (+10.0% YoY vs. 11.6% for the system); 77.3% of total loans
- » Profit as of December 2015: Ch\$20,001 million (-33.0% YoY)
 - » **Increased interest margin** (+9.1% YoY (+Ch\$5,410 million), Ch\$64,839 million as of Dec-15)
 - » **Increased provision expenses** (+85.3% YoY (-Ch\$15,340 million), Ch\$33,321 million as of Dec-15)



- » Increased provision expenses due to new risk assessment control mechanisms and stricter default matrix.
- » Increased provisions involve increased coverage and provision to loan ratios, and a rise in coverage levels, an indicator that rose from 88.1% in June 2015 to 119.0% in December 2015.

	Banco Security		% Chg YoY	System		
	Dec-15	Dec-14		Dec-15	Dec-14	
Total loans (Ch\$ million)	4,056,096	3,715,979	9.2%	143,477,084	127,834,447	12.2%
Credit risk provisions (Ch\$ million)	74,300	59,044	25.8%	3,413,283	3,083,527	10.7%
Coverage - total non-performing loans	119.0%	105.4%	1362 p	128.2%	115.2%	1304 p
Provisions / Loans	1.83%	1.59%	24 p	2.38%	2.42%	-3 p

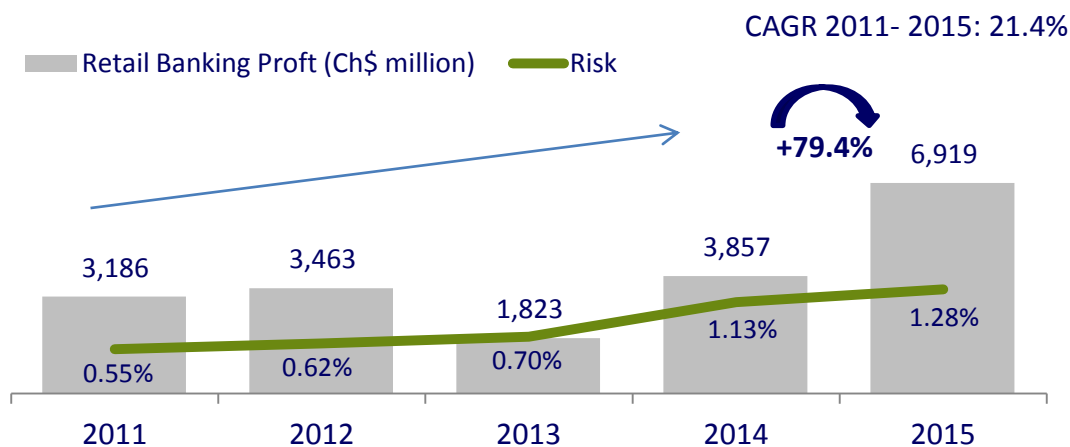
Risk (Provisions/Loans)



Results as of December 2015

- » Increasing share of Bank's earnings: from 3% of Bank's consolidated profit in 2010 to 15% as of December 2015.
- » Growth of +11.7% YoY in consumer loans (system +11.0% YoY)
- » Growth of +4.3% YoY in mortgage loans (system +14.3% YoY)
- » Retail banking risk reaches 1.3% as of December 2015 (system 2.4%)

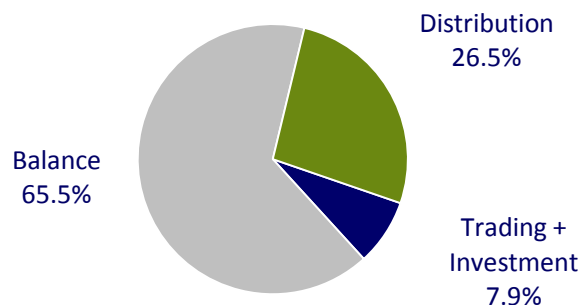
- » Consumer + Mortgage Loans: Ch\$918,074 million (+7.1% YoY vs. 14.6% for system); 22.3% of total loans
- » Profit - December 2015 Ch\$6,919 million (+79.4% YoY)
 - » **Increased interest margin** (+19.0% YoY (+ Ch\$8,174 million), Ch\$51,094 million as of Dec-15)
 - » **Increased net fees** (+21.8% YoY, (+ Ch\$3,090 million), Ch\$17,235 million as of Dec-15)
 - » **Increased operating expenses** (+9.6% YoY, (+ Ch\$4,064 million), Ch\$46,377 million as of Dec-15)



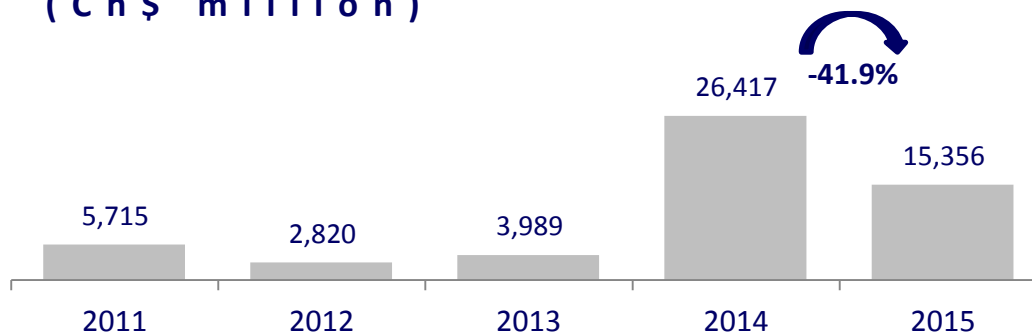
Results December 2015

- » Profit December 2015: Ch\$15,356 million (-41.9% YoY). Profit 4Q15: Ch\$476 million (-90.4% QoQ)
- » Weaker results due to high basis of comparison in 2014, with a high net interest margin thanks to elevated inflation and a 150 bp drop in the monetary policy rate.
- » Decreased 4Q2015 results: Fall in the value of foreign bonds due to U.S. Treasury interest hikes and Brazil's increased sovereign risk. Provisions due to drop in value of domestic corporate debt instruments.

INCOME BY DESK

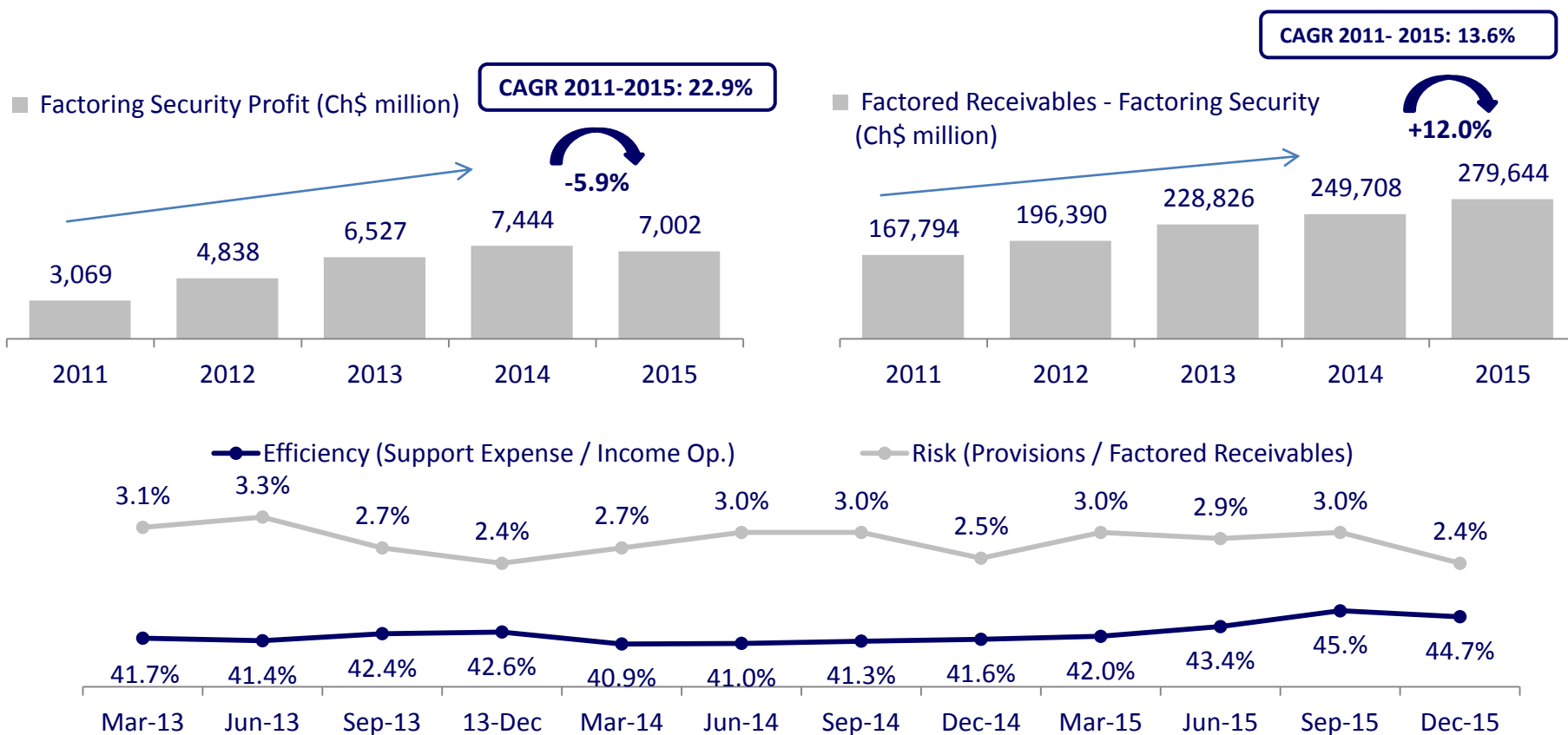


PROFIT TREASURY (Ch\$ million)



Factoring Security

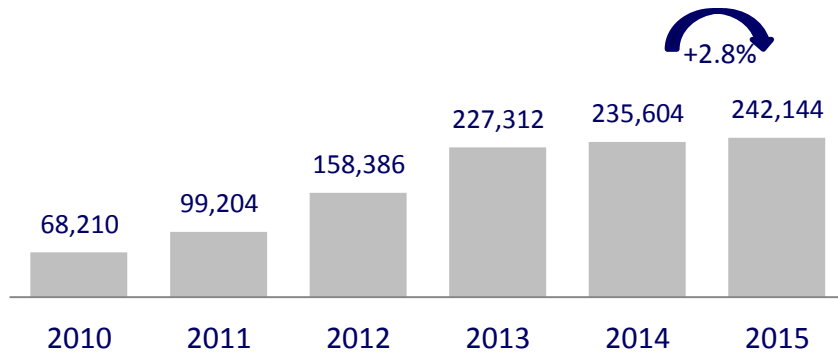
- » Profit as of December 2015 Ch\$7,002 million (-5.9% YoY)
- » Average annual spread of around 9.0%, -60 bp YoY
- » Factored receivables Ch\$279,644 million. Growth of +12.0% YoY (industry -0.6% YoY).
- » Lower risk: Provisions/ Loans of 2.4% as of 4Q15; -10 bp YoY and -60 bps QoQ.
- » Efficiency Ratio (Operating Expenses / Net Operating Income) 44.7% (+314 bps YoY)



Gross Premiums Written¹

(Ch\$ million)

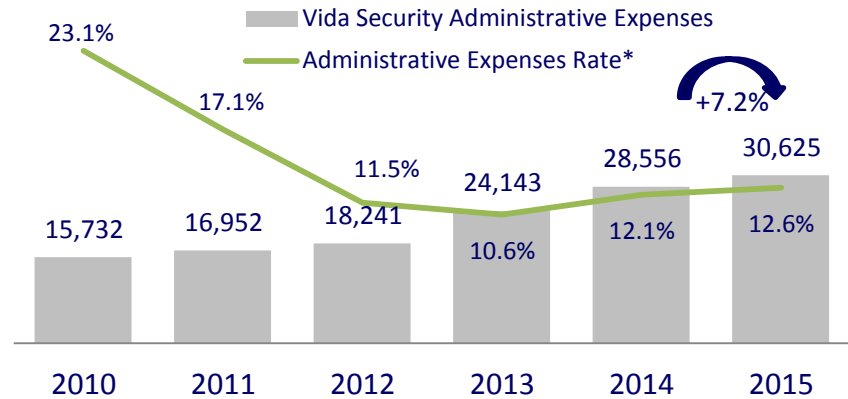
CAGR 2010-2015= 28.8%



Administrative Expenses¹

(Ch\$ million)

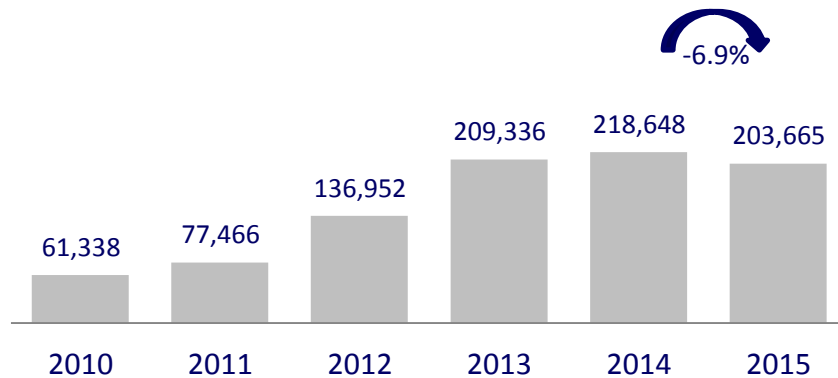
CAGR 2010-2015= 14.3%



Claims Paid + Pensions Paid¹

(Ch\$ million)

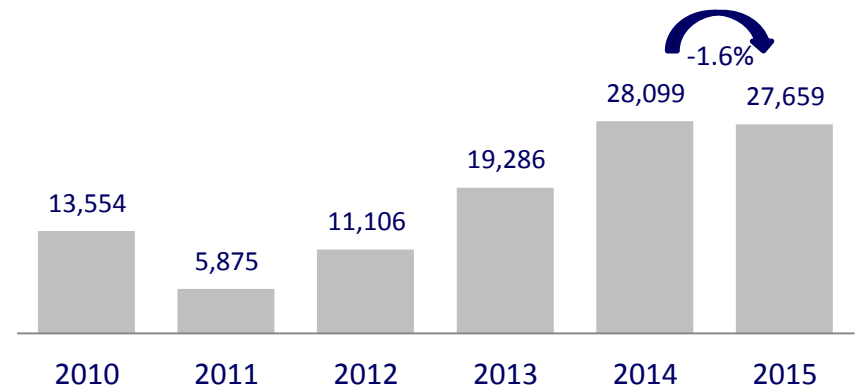
CAGR 2010-2015= 27.1%



Vida Security Profit¹

(Ch\$ million)

CAGR 2010-2015= 15.3%



¹ In Proforma format, includes operating income for CDS from the second quarter of 2013.

* Administrative Expenses/ Grpss Premiums Written

Vida Security – Gross Premiums Written*

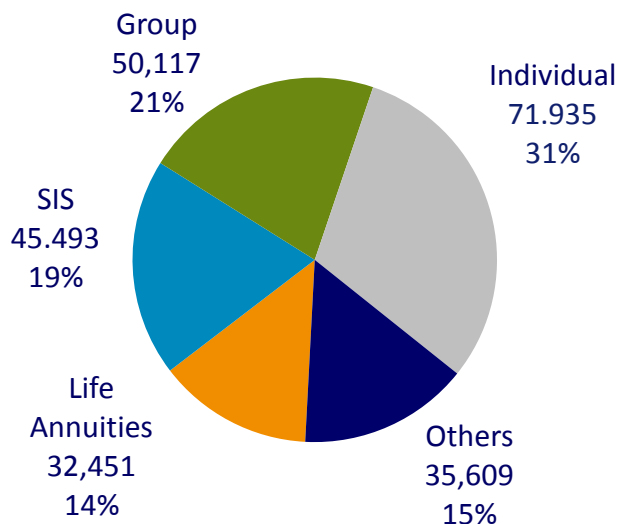
* In Proforma format, includes operating income for CDS for the first quarter of 2014.

- » Gross Written Premiums of Ch\$242,144 million as of December 2015, +2.8% YoY .
- » Increased sales of life annuities, individual policies and group policies more than made up for the lower direct premium of Ch\$45,108 million of the SIS
- » Change in regulations reduces accounting loss in life annuity sales.

Gross Premiums Written

December 2014

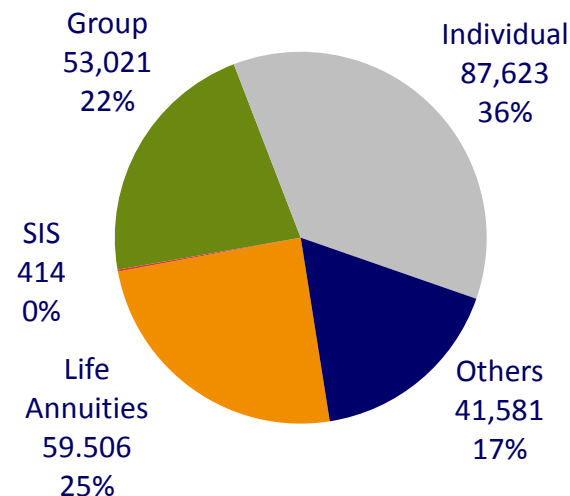
Ch\$ 235,604 million



Gross Premiums Written

December 2015

Ch\$ 242,144 million



- » Investment earnings influenced by the strong performance of real estate funds and an extraordinary gain on the sale of a building.
- » Deterioration of international financial markets has an impact on investment profits, particularly during 3Q15.

In Ch\$ million	2015	2014	% Chg.
Fixed Income	60,537	58,328	3.8%
Variable Income and Indexes	7,731	16,274	-52.5%
Real estate	12,680	15,003	-15.5%
Other investment	19,318	9,324	107.2%
Investment income	100,265	98,928	1.4%

Returns on Proprietary Trading Portfolio: 5.6%

Fixed income: +4.8%

Variable income: 1.9%

Real estate: 11.2%

Real estate funds: 14.5%

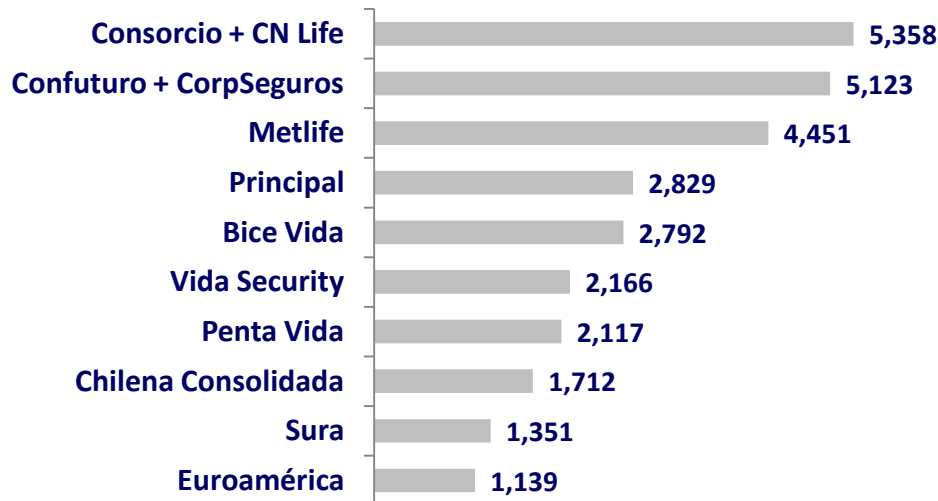
Trading: 3.1%

Other: 3.4%

Investment Portfolio Main Life Insurance Companies

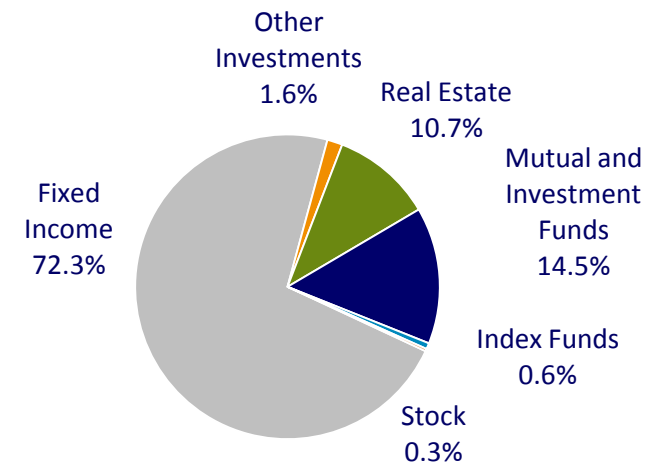
December 2015

Ch\$ 29,039 billion



Investment Portfolio

December 2015



Vida Security vs. System

* In Proforma format, includes operating income for CDS for the first quarter of 2014.

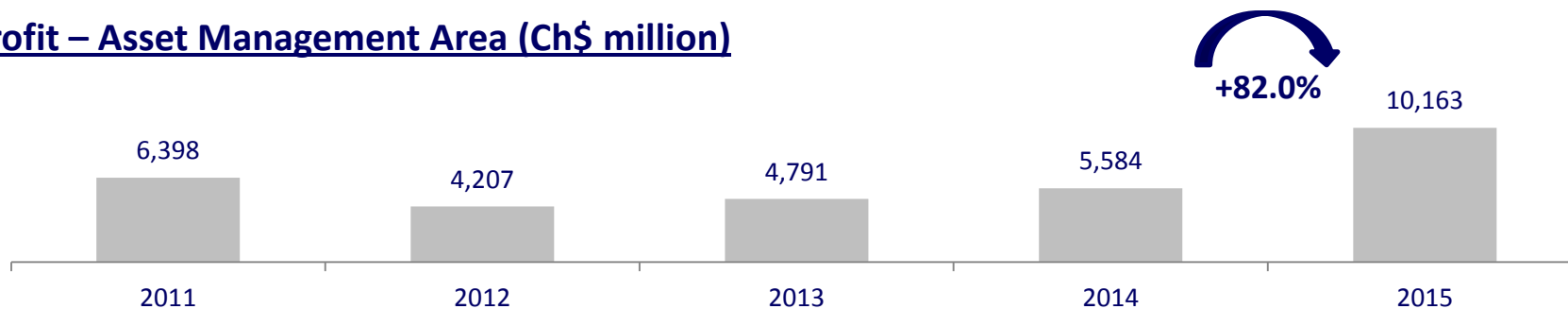
December 2015	Vida Security*	System
Gross Premiums Written (Ch\$ million)	238,897	4,971,401
Claims Paid / Retained Premium	31.9%	27.0%
Administrative Expenses / Gross Premiums Written	12.6%	12.1%
Profit / Gross Premiums Written	11.4%	7.5%
ROAE	16.8%	13.2%
	Δ% YoY	
Direct Premium	6.4%	23.4%
Claims Paid	3.7%	20.1%
Administrative Expenses	17.3%	4.9%
Profit	3.2%	22.0%
Investment Income	1.4%	-5.7%

- » On August 31, 2015, Vida Security purchased a 61% stake in Protecta for US\$23 million.
- » **This investment does not back accounting reserves** of Vida Security and, therefore, had an effect on the company's free equity of CH\$17,273 million.
- » **New Protecta Board:** Alfredo Jochamowitz, Francisco Silva; Renato Peñafiel, Andrés Tagle, Alejandro Alzérreca, Marino Costa and Alfredo Dancourt

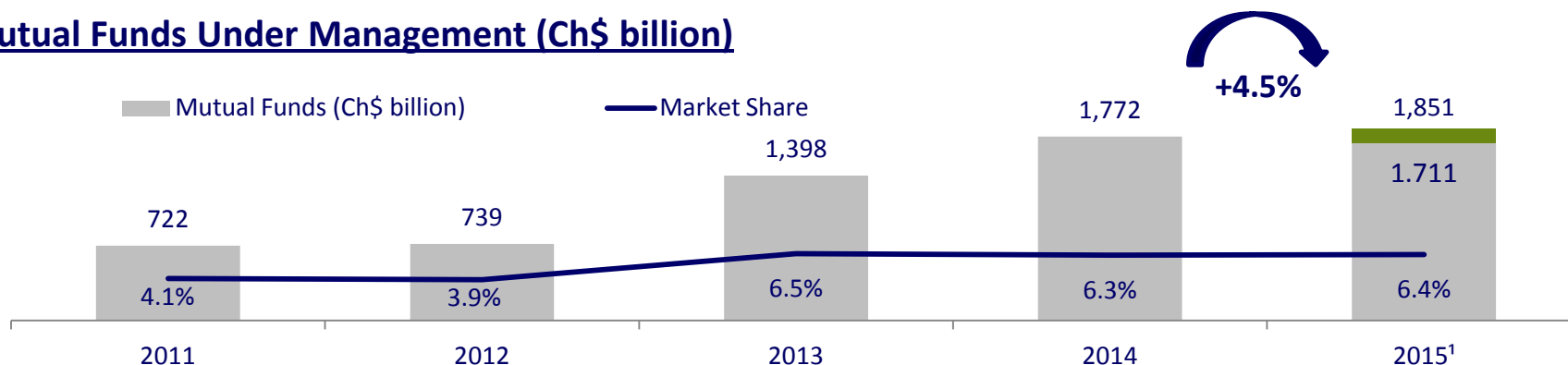
- » Profits of Protecta as reported to Peruvian regulatory authority:
 - » Year 2015: S./ 11,691,067 (US\$3,427,460)
 - » ROE 15.0% (industry 18.0%)
 - » ROI 9.9% (industry 7.3%)
 - » 2.9% market share in life insurance

- » Consolidates with Vida Security. Accounting adjustment to investment properties for Ch\$961 million, and to Equity for - \$200 million, both against results, due to differences with Peruvian law in the treatment of investment income.

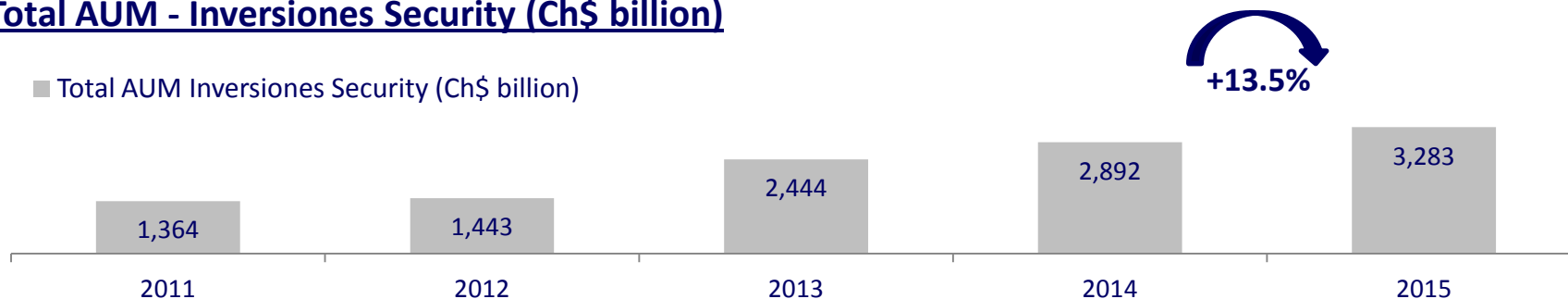
Profit – Asset Management Area (Ch\$ million)



Mutual Funds Under Management (Ch\$ billion)

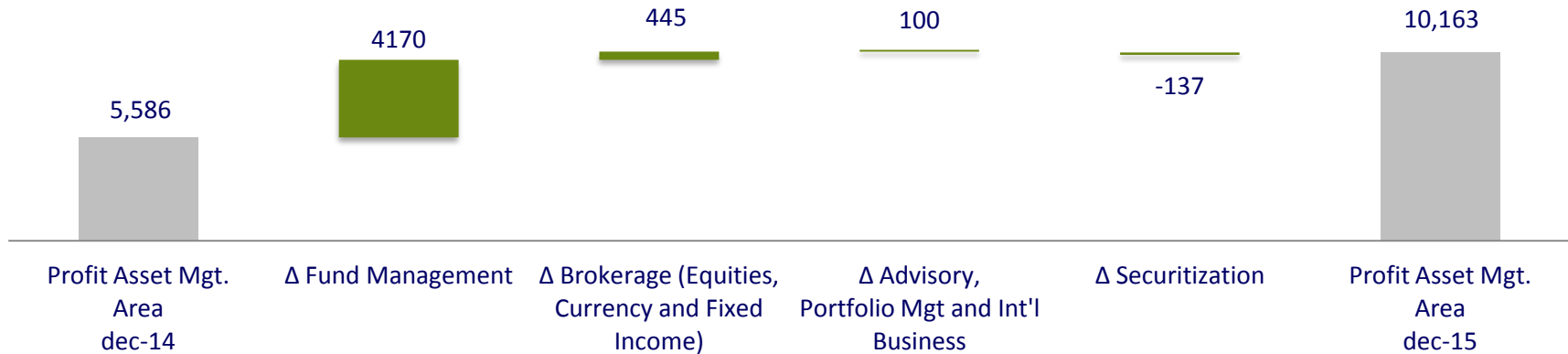


Total AUM - Inversiones Security (Ch\$ billion)



¹Includes assets managed in mutual funds of Penta Administradora General de Fondos

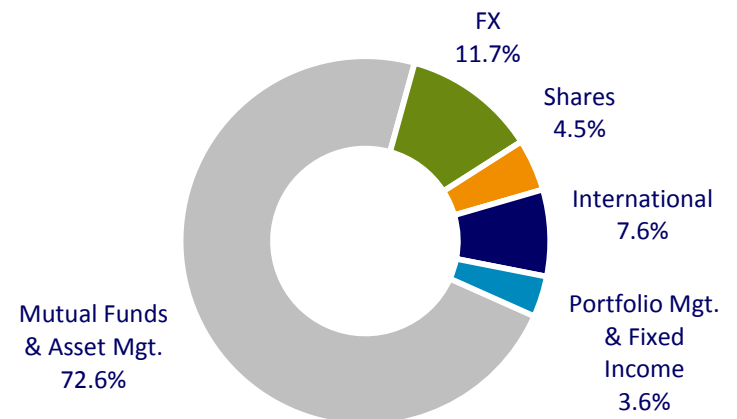
Investment Area Profit (Ch\$ million)



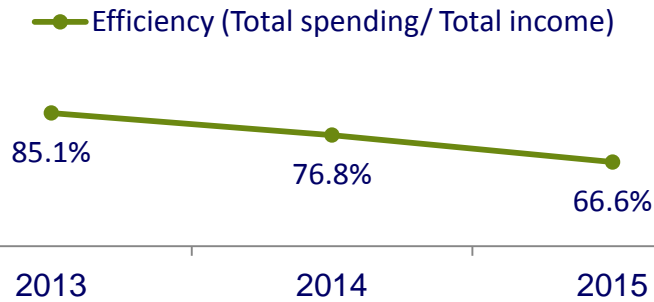
- » Earnings Driven by Fund Management:
 - » Total AUM for Inversiones +13.5% YoY, reaching Ch\$ 3,283 billion
 - » Share volumes traded -20.5% YoY (industry -23.1%)
 - » On May 5, 2015, Valores Security sold one share in the Santiago Stock Exchange to Bovespa for Ch\$2,200 million.

Total Sales Dec-15

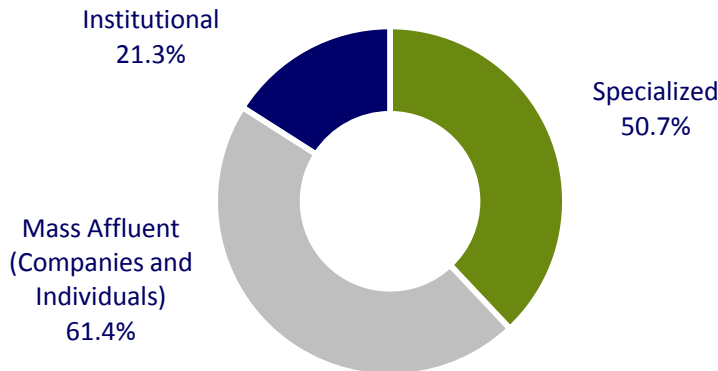
Ch\$ 32,075 million



- » Merger: Annual synergies of Ch\$ 5,195 million
- » Scale needed to operate efficiently:
 - » Efficiency Ratio: Total Expenses / Total Income 66.6% as of Dec-15 (76.8% in Dec-14)

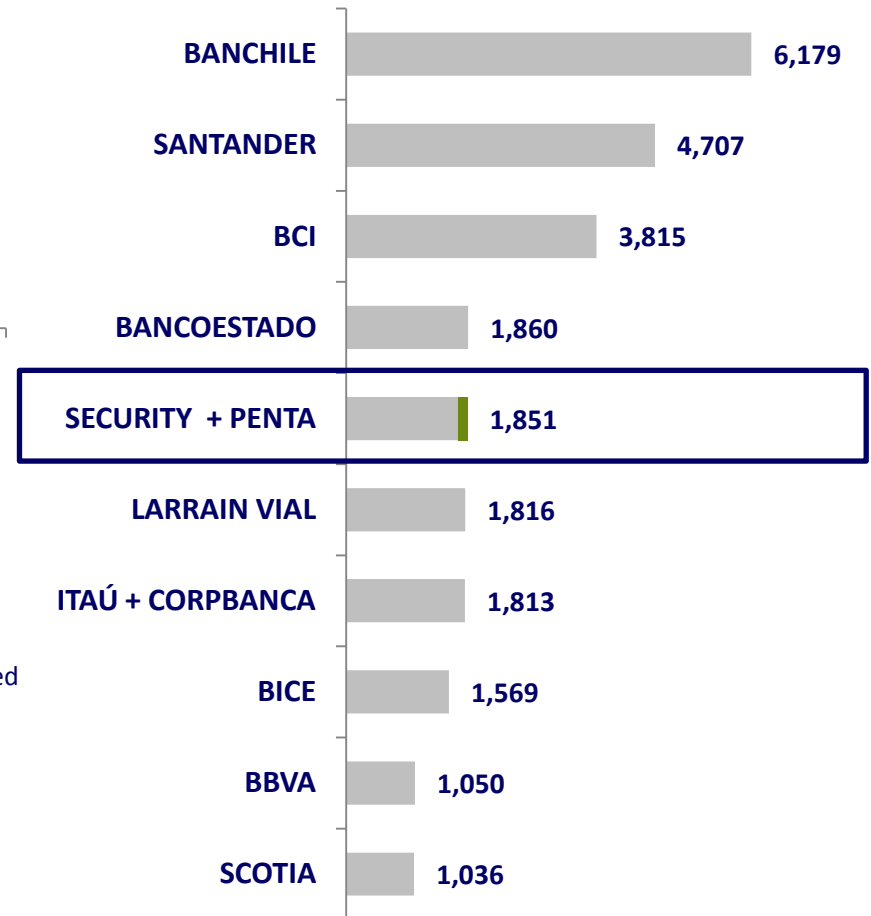


Total Sales Dec-15
Ch\$ 32,075 million



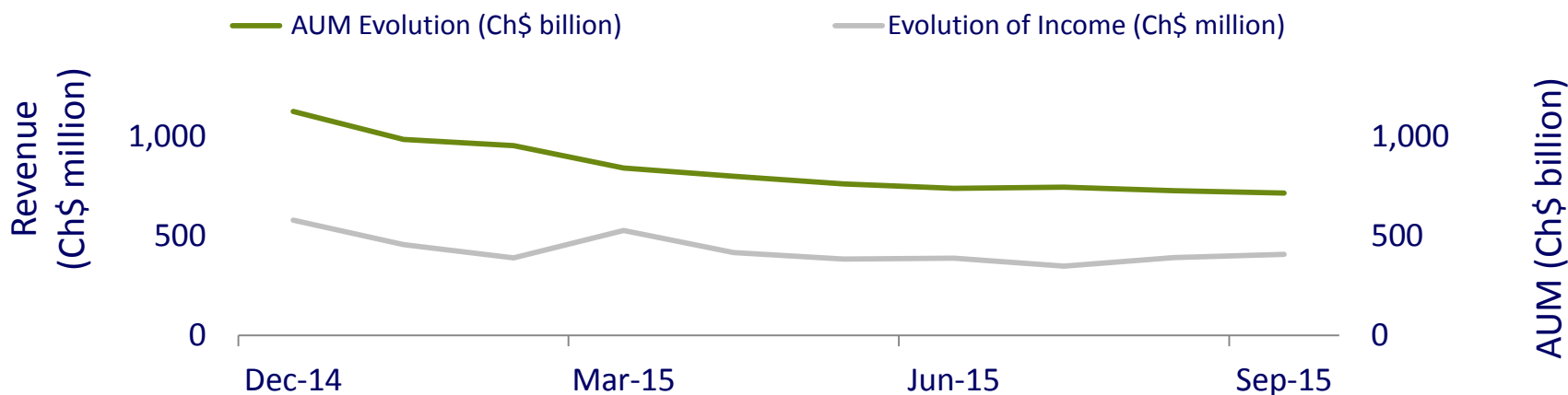
AUM Ten Main Fund Management Companies

Total: Ch\$25,697 million



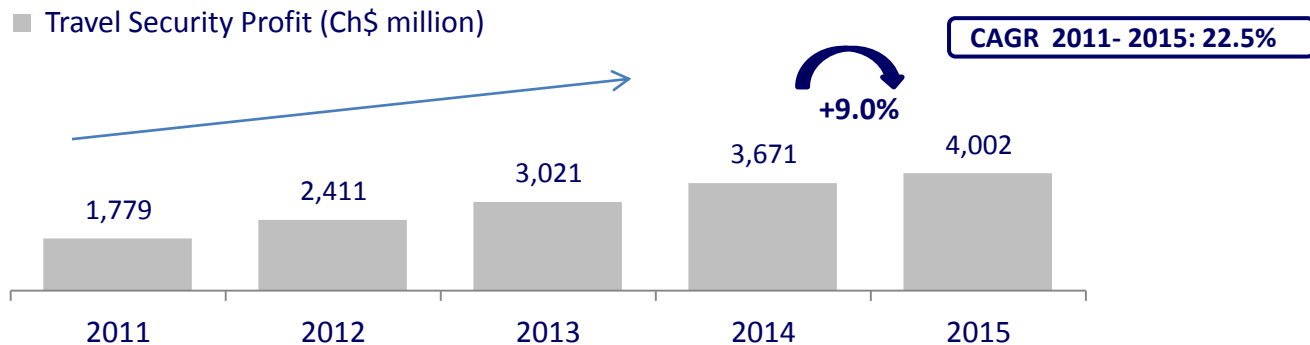
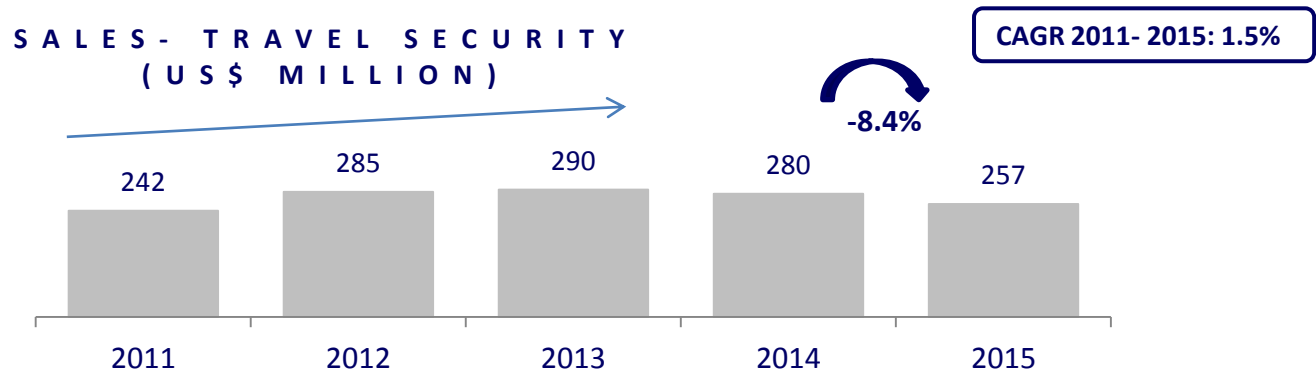
Inversiones Security – Acquisition and Merger of Penta Administradora General de Fondos S.A. and Corredores de Bolsa

- » On February 15, 2016, Banco Security successfully concluded the acquisition and merger of the asset management business of Banco Penta together with its subsidiaries AGF Security and Valores Security Corredores de Bolsa.
- » Cost of the transaction: \$36,036 million, which can be broken down into Ch\$30,809 million in equity backed by highly-liquid instruments at market value, and Ch\$5,228 million in negative goodwill.
- » On March 16, the subsidiaries of Investment Security distributed a total dividend of MCh\$29,503 to its parent company Banco Security.
- » Business case projects a VPN for the transaction of around Ch\$ 10,000 million, with annual profits of more than Ch\$1,000 million starting from 2017, and additional AUM for Inversiones Security of Ch\$800 billion.



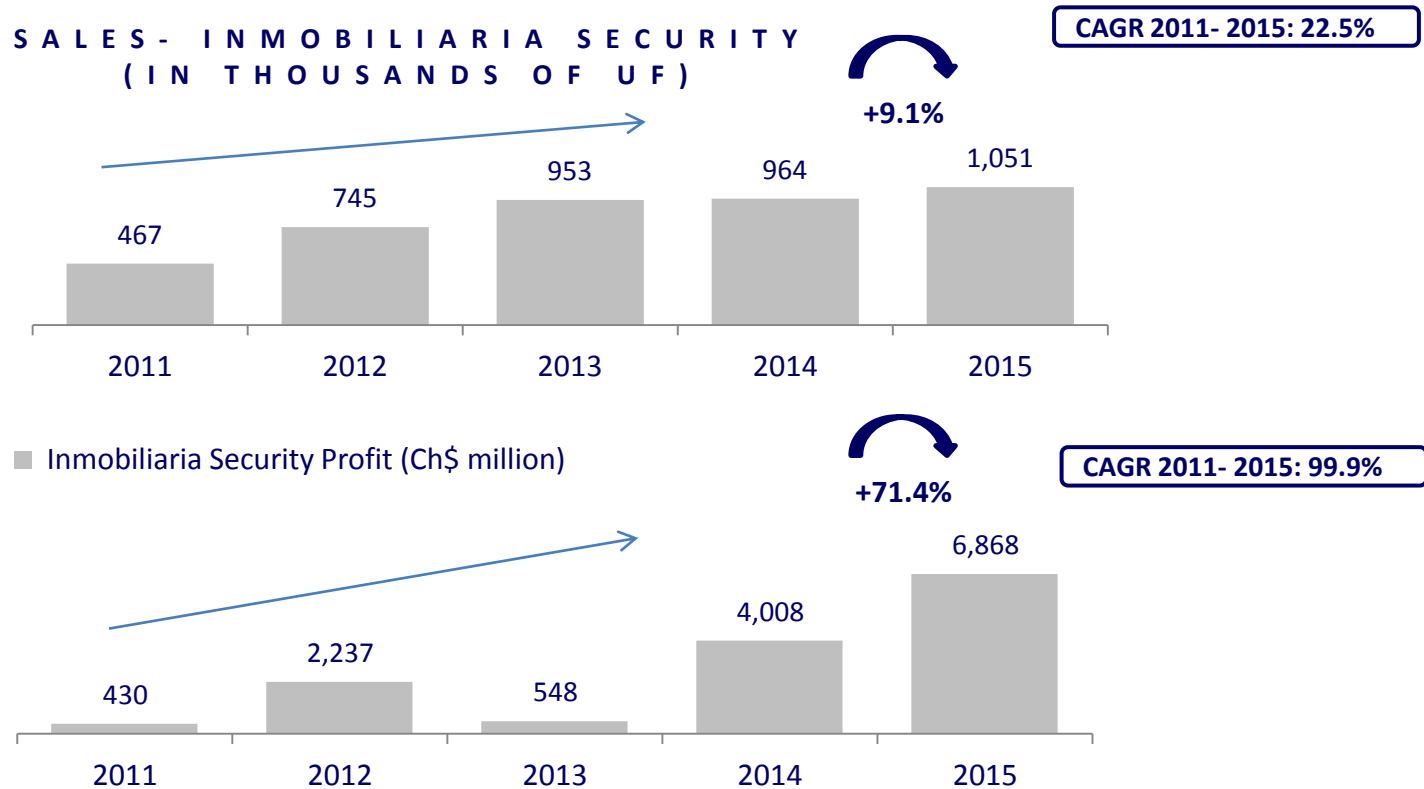
Other Services: Travel Security

- » Consolidated profit as of December 2015 Ch\$4,002 million, (+9.0% YoY)
 - » Travex Security profit: Ch\$825 million (+69.4% YoY)
 - » Sales US\$257 million as of December 2015 (-8.4% YoY)
 - » Increase due to rise in commissions paid by airlines
 - » Travex Security recorded sales of US\$ 64 million (-8.1% YoY) and profits of US\$ 1.3 million (+47.6% YoY)



Other Services: Inmobiliaria Security

- » Profit Ch\$6,868 million as of December 2015 (+71.4% YoY)
- » Apartment sales as of December 2015 of UF 1,051,199
- » Real estate assets under management of Ch\$55,055 million, due mainly to the purchase of two new lots for UF 857 thousand during the last quarter of 2015
- » Recognition of revenue from projects sold in recent years. Under IFRS, revenue is recognized once legal title to the property has been transferred.



Empresas Security - Profit*

Accumulated Profit - Related Companies (Ch\$ million)								
	4Q15	3Q15	4Q14	% Chg		2015	2014	% Chg
				QoQ	YoY			
Lending Area								
Banco Security (Individual)	2,059	8,959	9,777	-77.0%	-78.9%	36,974	49,322	-25.0%
Factoring Security	1,746	1,643	1,864	6.3%	-6.4%	7,002	7,444	-5.9%
Insurance Area								
Valores Security	(243)	241	540	-	-	1,871	2,171	-13.8%
AGF Security	2,010	2,323	806	-13.4%	149.4%	8,584	4,414	94.5%
Asesorias Security	(3)	18	62	-	-	88	3	-
Asset Management Area								
Vida Security	10,767	(127)	8,841	-	21.8%	27,659	26,793	3.2%
Penta Security	45	299	(204)	-85.0%	-	632	1,165	-45.8%
Servicios Security	191	236	267	-18.7%	-28.2%	680	690	-1.3%
Other Services								
Inmobiliaria Security	4,242	(501)	3,267	-	29.8%	6,868	4,008	71.4%
Travel Security	808	1,164	918	-30.5%	-12.0%	4,002	3,671	9.0%
Travex Security	231	186	125	24.6%	84.2%	825	487	69.4%
Grupo Security Profit¹	13,769	6,728	11,193	104.6%	23.0%	65,022	61,010	6.6%

¹ Attributable to owners.

• Subsidiary earnings correspond to 100% of their profits (excluding Penta Security, where the Group has a 29.55% minority interest) and differ from the results reported in the segment note, which includes consolidation adjustments to account for Grupo Security's percent ownership in each of its respective subsidiaries.

Grupo Security: Individual Statement of Income Summary

(Ch\$ million)	2014	2015	Var %
Total Income	86,051	88,502	2.8%
Total Expenses	-7,041	-8,348	18.6%
Gain (loss) on indexed assets and liabilities	-8,670	-6,693	-22.8%
Operational Margin	70,339	73,461	4.4%
Personnel and administrative expenses	-7,578	-8,597	13.5%
Depreciation and amortization	-1,869	-415	-77.8%
Total Operating Expenses	-9,447	-9,013	-4.6%
Profit before taxes	60,892	64,448	5.8%
Income tax expense	-9	98	-
Deferred tax	127	475	274.8%
Profit for the year	61,010	65,022	6.6%

Deteriorating Macroeconomic Environment 2016

- » **Δ% GDP e:** 1.7%
- » **Loans** Rapidly shrinking growth, from a nominal 8% in 2015 to 6% in 2016. It would be led by commercial loans, then consumer and finally mortgage loans.
- » **Unemployment e:** 6.9%
- » **Inflation e:** 3.5%
- » **International Variable Income;** relative divergence between developed and emerging economies. Greater expected returns in developed economies.
- » **International Fixed Income;** global rates at historically low levels, with a very slight upward trend. Spreads at normal levels. Good outlook for dollar-denominated bonds.
- » **Local Variable Income;** less favorable outlook for the region. Defensive portfolio recommended in sectors with greater variability (electric power, banking).
- » **Local Fixed Income;** Central Bank expects there to be one or two more increases in the MPR.

Outlook 2016

- » Further deterioration of macroeconomic environment: negative expectations affect investment and employment
- » Disappointing political context coupled with high levels of uncertainty associated with reforms (labor, constitution): Less flexibility and capacity for adjustments
- » Timetable for regulatory changes unknown (Basel III, CBR)

How it affects us:

- » Little commercial activity
- » Higher credit risk
- » Financial risk: environment of greater volatility

- » Focus on improved productivity and cost control in each of the subsidiaries



Financial Results Grupo Security December 2015