

Grupo Security Earnings Report

Grupo Security Reports First Quarter 2016 Profit of CH\$ 30,889 Million, Up 68.6% YoY

- On February 15, 2016, Banco Security successfully concluded the acquisition and merger of Banco Penta's asset management business with its subsidiaries AGF Security and Valores Security Corredores de Bolsa.
- On January 8, 2016, the Group completed the sale of its minority interest in Penta-Security. This sale resulted in a net extraordinary after-tax gain for Grupo Security of CH\$ 14,937 million.
- At an ordinary shareholders' meeting on April 28, 2016, shareholders approved a dividend payment of CH\$ 7.25 per share charged to profit for the year 2015.
- The results of the fifth bidding process for Disability and Survivors Insurance (SIS) were announced in May 2016. Vida Security was awarded four fractions for the period from July 2016 to June 2018.

Santiago, Chile – May 26, 2016, Grupo Security S.A., (SSE: Security), (“Grupo Security”), a niche Chilean-based diversified financial group offering banking, insurance, asset management and other services to large and medium-sized companies and high-income individuals, today announced financial results for the first quarter of 2016.

Renato Peñafiel, CEO of Grupo Security, commented, “During the first quarter of 2016, Grupo Security increased profit by 68.6%, totaling CH\$ 30,889 million, partially explained by the extraordinary gain on the sale of our minority interest in Penta-Security.” Our other businesses have posted results in line with expectations in the midst of a sluggish domestic economy. During the rest of 2016, as a group we will concentrate on managing risks in an adverse macroeconomic cycle. We will also work to consolidate our presence in Peru and integrate the investment management area's recent acquisition of Banco Penta's asset management subsidiaries.”

	1Q16	4Q15	1Q15	% Chg	
				QoQ	YoY
Banco - Total Loans	4,093,302	4,056,096	3,728,129	0.9%	9.8%
Banco - Total Deposits	3,225,030	3,301,524	3,116,752	-2.3%	3.5%
Factoring - Total Factored Receivables	237,805	279,644	225,787	-15.0%	5.3%
Inversiones - Total AUM	4,162,581	3,292,280	2,957,902	26.4%	40.7%
Vida - Investment Portfolio	2,146,719	2,167,038	2,002,055	-0.9%	7.2%
Statement of Income					
Banco - Net Interest Margin	31,858	33,209	31,046	-4.1%	2.6%
Banco - Net Fees	11,551	12,901	11,239	-10.5%	2.8%
Banco - Operating Expenses	-29,643	-26,055	-24,507	13.8%	21.0%
Banco - Net Provision Expenses	-5,875	-13,844	-7,915	-57.6%	-25.8%
Vida - Direct Premium	64,635	60,754	43,557	6.4%	48.4%
Vida - Claims Paid	-19,891	-20,777	-15,467	-4.3%	28.6%
Vida - Pensions Paid	-30,049	-26,117	-24,109	15.1%	24.6%
Vida - Investment Income	22,668	31,153	28,864	-27.2%	-21.5%
Factoring - Revenue	6,393	5,858	5,886	9.1%	8.6%
Operations					
Total Customers (number)	215,924	219,701	181,016	-1.7%	19.3%
Employees (number)	3,902	3,901	3,367	0.0%	15.9%

¹Customer growth beginning September 2015 stems mainly from incorporating Cruz del Sur's customer base once systems were merged in July 2015 for life insurance and December 2014 for mutual funds.

Ratios	1Q16	1Q15	% Chg
Grupo - Share Price (CH\$)	187	178	5.0%
Grupo - Number of Shares	3,258,363,592	3,242,707,157	0.5%
Grupo - ROE	14.0%	12.2%	170.80 p
Banco (Consolidated) - ROE	12.3%	15.5%	-325 p
Factoring - ROE	18.9%	21.3%	-240 p
Vida - ROE	15.4%	16.6%	-123 p
Travel - ROE	33.8%	33.1%	70 p
Grupo - Leverage	35.3%	36.1%	-82 p
Banco - Efficiency	52.9%	50.1%	284 p
Factoring - Efficiency	47.1%	41.6%	552 p
Banco - Non-Performing Loans	1.6%	1.7%	-9 p
Banco - Risk Index	1.9%	1.6%	25 p
Factoring - Risk Index	3.1%	3.0%	4 p
Banco - Core Capital / Total Assets	7.1%	6.9%	22 p
BIS ratio	12.8%	12.7%	7 p

On February 15, 2016, the acquisitions of Penta Administradora General de Fondos S.A. and Penta Corredores de Bolsa S.A. were successfully concluded. These companies were immediately merged with Banco Security's respective asset management subsidiaries, AGF Security and Valores Security. The deal involved almost CH\$ 800 billion in assets, positioning Inversiones Security among industry leaders in the third-party asset management business. A price of CH\$ 36,036 million was agreed upon for the two companies. This figure can be broken down into CH\$ 30,809 million in equity for both companies—backed by highly-liquid instruments at market value—and CH\$ 5,228 million in negative goodwill.

On January 8, 2016, the takeover bid extended to all shareholders of Compañía de Seguros Generales Penta Security was declared a success, thus concluding the sale of Grupo Security's minority holding for CH\$ 31,652 million as part of the sale of this company to Liberty International Holdings. This deal resulted in a net after-tax gain for Grupo Security of CH\$ 14,937 million, which is reflected in the results for the first quarter of 2016.

On April 28, 2016, Grupo Security shareholders approved a dividend payment of CH\$ 7.25 per share charged to profit for the year 2015. This dividend and the interim dividend distributed in October 2015 total CH\$ 11.25 per share, equivalent to CH\$ 36,657 million, or 56% of profit for the year 2015. At this meeting, shareholders also approved the annual report, balance sheet and financial statements for the year 2015.

Shareholders also elected a new Board of Directors for Grupo Security, which is now comprised of Francisco Silva, Juan Cristóbal Pavez, Ana Sainz de Vicuña, Horacio Pavez, Jorge Marín, Hernán De Las Heras (independent director), Bruno Philippi, Naoshi Matsumoto and Mario Weiffenbach.

The results of the fifth bidding process for Disability and Survivors Insurance (SIS), organized by the pension fund management companies to provide coverage for their members, were announced in May 2016. Vida Security was awarded two fractions for men and two for women for the period from July 2016 to June 2018.

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GRUPO SECURITY EARNINGS REPORT FOR 1Q16

For the first quarter of 2016, Grupo Security reported distributable profit of CH\$ 30,889 million, +68.6% YoY and +124.3% QoQ. EBIDTA for the same period totaled CH\$ 45,048 million, +46.0% YoY and +147.4% QoQ. Both the Group's year-on-year and quarter-on-quarter growth are primarily due to the extraordinary gain on the sale of its minority interest in Penta-Security. Grupo Security's return on equity as of March 2016, measured as distributable profit over the last 12 months over average equity attributable to the parent, was 14.0%, up 171 b.p. YoY. Profit from the Group's business areas amounted to CH\$ 37,436 million, +63.8% YoY and +74.7% QoQ.

EARNINGS CONTRIBUTION BY BUSINESS AREA

Retained Earnings Related Companies					
	1Q16	4Q15	1Q15	% Chg	
				QoQ	YoY
Lending Area					
Banco Security (Individual)	13,455	2,059	10,214	-	31.7%
Factoring Security	1,700	1,746	1,812	-2.6%	-6.1%
Asset Management Area					
Valores Security	203	(243)	50	-	309.5%
AGF Security	1,781	2,010	2,047	-11.4%	-13.0%
Asesorias Security	(5)	(3)	141	-	-
Insurance Area					
Vida Security	4,321	10,767	6,386	-59.9%	-32.3%
Penta Security	18,979	45	212	-	-
Servicios Security	86	191	42	-55.3%	101.7%
Other Services					
Inmobiliaria Security	394	4,242	1,550	-90.7%	-74.6%
Travel Security	988	808	871	22.2%	13.5%
Travex Security	68	189	210	-64.1%	-67.6%
Grupo Security Profit	30,889	13,769	18,315	124.3%	68.6%

- (1) Subsidiary earnings correspond to 100% of their profits 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.
- (2) For Penta-Security, a minority interest of 29.55% is considered. The figure shown here is the before-tax gain on the sale of its minority interest in Penta-Security. After taxes, the extraordinary gain totaled CH\$ 14,937 million.

REVIEW OF OPERATIONS BY BUSINESS AREA

LENDING BUSINESS AREA (67.6% of assets; 40.5% of profit from business areas as of March 2016)

The lending business area comprises operations of Banco Security (excluding its asset management subsidiaries, AGF Security and Valores Security Corredores de Bolsa), and Factoring Security.

BANCO SECURITY

Banco Security reported consolidated profit of CH\$ 15,439 million for the first quarter of 2016, +25.4% YoY, which is significantly larger than the 2.1% YoY rise for the industry as a whole. Banco Security's stand-alone profit (excluding asset management subsidiaries AGF Security and Valores Security Corredores de Bolsa) reached CH\$ 13,453 million for 1Q16, (+31.7% YoY). The variation from the consolidated earnings for the year 2015 can be explained primarily by the increased earnings from the Commercial

Banking Division (+CH\$ 6,015 million YoY) attributable to an improved financial margin (+CH\$ 2,021 million) and reduced credit risk provision expenses (+CH\$ 5,236 million). This effect was offset in part by a drop in earnings from the treasury area (-CH\$ 608 million YoY), and the Retail Banking Division (-\$ 181 million YoY), where the increase of CH\$ 2,140 million in the financial margin was offset by greater loan losses (-CH\$ 1,491 million YoY) and increased operating expenses (-CH\$ 1,795 million YoY). Similarly, the Bank's asset management subsidiaries reported a reduction in earnings of -CH\$ 106 million YoY, mainly because of the rise of CH\$ 1,205 million YoY in operating expenses due to increased commercial activity. Banco Security's consolidated ROE (profit LTM over average equity) was 12.27%, reflecting a variation of -325 b.p. and +22 b.p. compared to 1Q16 and 4Q15, respectively.

Banco Security Segment Note	Commercial Banking		Retail Banking		Treasury		Other		Total Bank		Subsidiaries		Total Consolidated	
	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16
<i>In MCH\$</i>														
Net interest margin	15,575	17,596	12,047	14,187	4,298	1,296	-338	-754	31,582	32,325	-536	-467	31,045	31,858
-% 1Q15		13.0%		17.8%		-69.8%		123.0%		2.4%		-12.9%		2.6%
Net fees	3,653	3,965	3,318	4,071	-168	-156	315	-404	7,118	7,476	4,121	4,075	11,239	11,551
-% 1Q15		8.5%		22.7%		-7.1%		-228.1%		5.0%		-1.1%		2.8%
Net FX transactions and other income	1,663	2,249	125	310	3,992	6,611	-1,227	-1,095	4,553	8,075	2,563	3,115	7,115	11,190
-% 1Q15		35.3%		148.5%		65.6%		-10.7%		77.3%		21.5%		57.2%
Loan losses and foreclosed assets	-5,262	-25	-3,566	-5,057	21	30	-405	-555	-9,211	-5,608	-	0	-9,082	-5,608
-% 1Q15		-99.5%		41.8%		-		37.2%		-39.1%		-		-38.2%
Total operating income, net of credit risk provisions	15,630	23,785	11,924	13,511	8,144	7,781	-1,654	-2,809	34,043	42,268	6,278	6,723	40,320	48,991
-% 1Q15		52.2%		13.3%		-4.5%		69.8%		24.2%		7.1%		21.5%
Operating expenses	-8,033	-8,472	-10,670	-12,464	-3,164	-3,488	512	-862	-21,356	-25,287	-3,151	-4,356	-24,507	-29,643
-% 1Q15		5.5%		16.8%		10.2%		-		18.4%		38.2%		21.0%
Net operating income	7,596	15,313	1,254	1,046	4,979	4,293	-1,143	-3,671	12,687	16,981	3,127	2,367	15,814	19,348
-% 1Q15		101.6%		-16.6%		-13.8%		221.3%		33.8%		-24.3%		22.3%
Profit attributable to equity holders of the bank	6,117	12,132	1,010	829	4,010	3,401	-919	-2,910	10,217	13,453	2,093	1,986	12,310	15,439
-% 1Q15		98.3%		-17.9%		-15.2%		216.5%		31.7%		-5.1%		25.4%

The consolidated profit for the quarter rose 303.4% over the fourth quarter of last year to CH\$ 15,439 million, mainly because of the improved earnings from the Commercial Banking Division (+CH\$ 10,111 million QoQ), due to a reduction in loan losses (+CH\$ 12,221 million QoQ). In addition, the treasury area posted a CH\$ 2,925 million rise in earnings over the immediately prior quarter due to strong performances from foreign currency derivatives, which benefited from depreciating exchange rates and recovering values of foreign and domestic debt instruments, which had been impaired for accounting purposes. This was partially offset by the CH\$ 845 million fall in earnings QoQ from the Retail Banking Division. Despite an improved financial margin (+CH\$ 1,067 million QoQ), this division suffered additional loan losses (+CH\$ 1,507 million QoQ).

Banco Security Segment Note	Commercial Banking		Retail Banking		Treasury		Other		Total Bank		Subsidiaries		Total Consolidated	
	4Q-15	1Q-16	4Q-15	1Q-16	4Q-15	1Q-16	4Q-15	1Q-16	4Q-15	1Q-16	4Q-15	1Q-16	4Q-15	1Q-16
<i>In MCH\$</i>														
Net interest margin	16,962	17,596	13,121	14,187	4,252	1,296	-680	-754	33,655	32,325	-446	-467	33,209	31,858
-% 4Q15		3.7%		8.1%		-69.5%		11.0%		-4.0%		4.7%		-4.1%
Net fees	4,137	3,965	4,840	4,071	-168	-156	-70	-404	8,739	7,476	4,162	4,075	12,901	11,551
-% 4Q15		-4.2%		-15.9%		-7.3%		-		-14.5%		-2.1%		-10.5%
Net FX transactions and other income	2,424	2,249	445	310	-713	6,611	-5,986	-1,095	-3,831	8,075	1,876	3,115	-1,955	11,190
-% 4Q15		-7.2%		-30.2%		-		-81.7%		-		66.0%		-
Loan losses and foreclosed assets	-12,246	-25	-3,551	-5,057	-35	30	1,601	-555	-14,231	-5,608	0	0	-14,231	-5,608
-% 4Q15		-99.8%		42.4%		-		-		-60.6%		-		-60.6%
Total operating income, net of credit risk provisions	11,276	23,785	14,854	13,511	3,336	7,781	-5,135	-2,809	24,332	42,268	5,592	6,723	29,924	48,991
-% 4Q15		110.9%		-9.0%		133.2%		-45.3%		73.7%		20.2%		63.7%
Operating expenses	-8,842	-8,472	-12,810	-12,464	-2,795	-3,488	1,792	-862	-22,656	-25,287	-3,399	-4,356	-26,055	-29,643
-% 4Q15		-4.2%		-2.7%		24.8%		-		11.6%		28.2%		13.8%
Net operating income	2,434	15,313	2,044	1,046	541	4,293	-3,343	-3,671	1,676	16,981	2,193	2,367	3,869	19,348
-% 4Q15		529.2%		-48.8%		693.3%		9.8%		913.2%		7.9%		400.1%
Profit attributable to equity holders of the bank	2,022	12,132	1,674	829	476	3,401	-2,117	-2,910	2,055	13,453	1,772	1,986	3,827	15,439
-% 4Q15		500.1%		-50.5%		614.2%		37.5%		554.6%		12.1%		303.4%

Banco Security's Loan Portfolio

Total loans reached CH\$ 4,093,302 million as of March 2016, which represents growth of 9.8% YoY and 0.9% QoQ. This increase compares with rises of 11.5% YoY and 0.2% QoQ for the total system.

Total Loans In MCH\$		1Q16	4Q15	1Q15	% Chg		1Q16	1Q15	% Chg
					QoQ	YoY			
Consumer	Loans	362,811	363,303	331,837	-0.1%	9.3%	362,811	331,837	9.3%
	Interest and indexation income	11,978	11,558	10,631	3.6%	12.7%	11,978	10,631	12.7%
Mortgage	Loans	558,737	554,771	529,862	0.7%	5.4%	558,737	529,862	5.4%
	Interest and indexation income	9,246	11,274	5,155	-18.0%	79.4%	9,246	5,155	79.4%
Mortgage + Consumer	Loans	921,548	918,074	861,699	0.4%	6.9%	921,548	861,699	6.9%
	Interest and indexation income	21,224	22,832	15,786	-7.0%	34.4%	21,224	15,786	34.4%
	No. Customers	83,258	83,020	76,658	0.3%	8.6%	83,258	76,658	8.6%
Commercial	Loans	3,171,711	3,137,309	2,861,883	1.1%	10.8%	3,171,711	2,861,883	10.8%
	Interest and indexation income	50,162	53,339	38,502	-6.0%	30.3%	50,162	38,502	30.3%
	No. Customers	8,489	8,649	8,227	-1.8%	3.2%	8,489	8,227	3.2%
Total Loans		4,093,302	4,056,096	3,728,129	0.9%	9.8%	4,093,302	3,728,129	9.8%
Market Share		2.85%	2.83%	2.89%	1.89 p	-4.40 p	0.03 p	0.03 p	-4.40 p
Market Share (Excluding Foreign Market Sha		3.07%	3.06%	3.01%	0.82 p	5.40 p	0.03 p	0.03 p	5.40 p

Commercial loans grew 10.8% YoY and 1.1% QoQ, to CH\$ 3,171,711 million (77.5% of Banco Security's total loan portfolio excluding balances due from banks), while retail loans (consumer + mortgage) reached CH\$ 921,548 million as of March 2016, up 6.9% YoY and 0.4% QoQ. The 20 largest loans represent 9.5% of the Bank's total loan portfolio. The Bank's loan portfolio has continued to grow, although more slowly in line with the rest of the banking industry, reflecting the impact of the general economic downturn.

Retail Banking

Banco Security's retail banking division, which targets high-income individuals, has increased its share of the Bank's earnings from 3% of consolidated profit in 2010 to 15% in 2015. In recent years, the retail division has focused on expanding consumer products while conservatively managing risk, resulting in average annual growth of 17% since 2011. For the first quarter of 2016, the division reported profit of CH\$ 829 million, -17.9% YoY and -50.5% QoQ. For the same period, consumer loans posted variations of +9.3% YoY and -0.1% QoQ, totaling CH\$ 363 billion. For the same periods, total system consumer loans posted growth of 18.1% and -1.0%. Mortgage loans reached CH\$ 559 billion, posting growth of 5.4% YoY and 0.7% QoQ.

Commercial Banking

Banco Security's commercial banking division targets companies with sales above USD1.2 million. As of March 2016, commercial loans had expanded 10.8% YoY and 1.1% QoQ, totaling CH\$ 3,171 billion. The division posted profit of CH\$ 12,132 million for the first quarter of 2016, up 98.3% YoY and significantly higher than the CH\$ 2,022 million recorded in the fourth quarter of 2015.

This increase is mainly attributable to decreased credit risk provisions. While Banco Security's core business consists of large companies, efforts have been made to strengthen the medium-sized company segment. These efforts include services tailored to their needs, skilled professional account executives, a full range of products and services, first-class technological support in all channels and the backing of Grupo Security. This strategy is designed to diversify our customer base and improve returns in each segment.

Commercial Loans by Economic Sector	Loans 1Q16	% 1Q16
Construction and real estate	683,442	21.5%
Financial services and insurance	490,072	15.5%
Wholesale and retail trade	450,760	14.2%
Real estate investors and corporate services	372,808	11.8%
Manufacturing	351,092	11.1%
Transportation	207,567	6.5%
Social services	203,705	6.4%
Utilities	147,991	4.7%
Agriculture and livestock	90,474	2.9%
Fishing	80,739	2.5%
Telecom	49,911	1.6%
Mining	37,237	1.2%
Forestry	6,130	0.2%
Total commercial loans	3,171,928	100%

Asset Quality

Given Banco Security's exposure to corporate and high-income customers, its risk ratios are among the lowest in the industry. During the second half of 2015, Banco Security changed its credit risk provisioning policies for its commercial portfolio. These changes toughened risk policies in light of weak economic expectations, which could negatively impact credit conditions in some sectors in the near future. The new measures include improvements to control mechanisms and information flows throughout the entire risk assessment process, along with a stricter default matrix. As a result, changes were made to some customer classifications, which meant recognizing additional credit risk provisions. This has prepared Banco Security for further economic deceleration, increased unemployment and other external shocks. These increased provisions improved coverage levels, which rose from 88.1% in June 2015 to 116.0% in March 2016.

	Mar-16	Dec-15	Mar-15	% Chg QoQ	% Chg YoY
Total Loans	4,093,302	4,056,096	3,728,129	0.9%	9.2%
Nonperforming loans - consumer	3,890	3,728	3,059	4.3%	27.2%
Nonperforming loans - mortgage	6,226	8,575	6,094	-27.4%	2.2%
Nonperforming loans - commercial	55,374	50,121	53,748	10.5%	3.0%
Total nonperforming loans	65,490	62,424	62,902	4.9%	4.1%
Non-performing loans - consumer	1.07%	1.03%	0.92%	5 p	15 p
Non-performing loans - mortgage	1.11%	1.55%	1.15%	-43 p	-4 p
Non-performing loans - commercial	1.75%	1.60%	1.88%	15 p	-13 p
Total nonperforming loans	1.60%	1.54%	1.69%	6 p	-9 p
Gross provisions	81,412	105,160	67,088	-22.6%	21.4%
Write-offs	(5,415)	(30,860)	(7,236)	-82.5%	-25.2%
Credit risk provisions	75,997	74,300	59,852	2.3%	27.0%
Provisions - consumer (% total)	15.6%	14.5%	16.4%	103 p	-88 p
Provisions - mortgage (% total)	2.2%	1.3%	1.3%	85 p	81 p
Provisions - commercial (% total)	82.3%	84.2%	82.2%	-188 p	6 p
Credit risk provisions	75,997	74,300	59,852	2.3%	27.0%
Coverage - consumer	304.2%	289.7%	321.8%	1449 p	-1761 p
Coverage - mortgage	26.4%	11.4%	13.2%	1498 p	1315 p
Coverage - commercial	112.9%	124.7%	91.5%	-1184 p	2137 p
Coverage - total nonperforming loans	116.0%	119.0%	95.2%	-298 p	2089 p
Provisions / loans	1.86%	1.83%	1.61%	2 p	25 p
Provision expenses / loans	0.57%	1.09%	0.85%	-51 p	-28 p

As of March 2016, Banco Security's risk index (loan loss provisions to total loans) reached 1.86%, +2 b.p. YoY and +25 b.p. QoQ. Provision expenses net of recovered charged-off loans, measured on an annualized basis over average loans, decreased 28 b.p. YoY and 51 b.p. QoQ, to 0.57%.

	Credit Risk (%)								
	Provisions / Loans					Over 90 Day Nonperforming Loans			
	Mortgage	Consumer	Total	Commercial	Total	Mortgage	Consumer	Commercial	Total
Banco Security	0.29	3.26	1.46	1.97	1.86	1.11	1.07	1.75	1.60
Medium Banks*	0.56	4.03	1.60	1.77	1.75	1.83	1.51	1.41	1.56
Banking system	1.00	6.04	2.66	2.44	2.51	2.76	2.02	1.62	1.96

*Average for BBVA, Scotiabank, BICE, Security, Itaú

Treasury

The treasury division posted profit of CH\$ 3,401 million for the first quarter of 2016 (-15.2% YoY), which is significantly higher than the CH\$ 476 million posted for 4Q15. During that last quarter of 2015, the treasury area's earnings were affected by provisions due to the drop in the value of both domestic corporate debt instruments and foreign bonds, the latter due to U.S. Treasury interest rate hikes and Brazil's increased sovereign risk. As of the first quarter of 2016, these instruments recovered partially in value, benefiting both the Bank's equity and the treasury's results. The area's improved results during the first quarter of 2016 are explained partially by the strong performance of foreign currency derivatives as a result of depreciated exchange rates. These effects were offset by losses in inflation futures, affected by unforeseen drops in inflation. The treasury division consists of trading, investment, distribution and asset and liability management (ALM) operations. The ALM desk manages financial investments in order to stabilize the financial margin, manage liquidity and efficiently fund the bank's loan portfolio. As of March 2016, ALM represented 55.3% of treasury income. The investment and trading desks manage the Bank's own portfolio of primarily Chilean Central Bank notes and represent 23.4% of treasury income. The remaining 21.3% of treasury income comes from the distribution desk, which brokers specialized products for the commercial banking division (currency, forwards and structured products).

Banco Security - Funding Sources

Funding Sources In MCH\$	1Q16		4Q15		1Q15		% Chg	
							QoQ	YoY
Demand deposits	554,770	9.9%	583,856	10.5%	509,990	10.0%	-5.0%	8.8%
Time deposits	2,670,260	47.9%	2,717,668	48.7%	2,606,762	50.9%	-1.7%	2.4%
Total deposits	3,225,030	57.8%	3,301,524	59.1%	3,116,752	60.9%	-2.3%	3.5%
Bonds	1,398,171	25.1%	1,344,873	24.1%	1,173,270	22.9%	4.0%	19.2%
Interbank loans	166,434	3.0%	228,156	4.1%	136,719	2.7%	-27.1%	21.7%
Other liabilities*	355,221	6.4%	302,313	5.4%	301,236	5.9%	17.5%	17.9%
Total Liabilities	5,144,856	92%	5,176,866	93%	4,727,977	92%	-0.6%	8.8%
Equity	435,009	7.8%	408,340	7.3%	388,926	7.6%	6.5%	11.8%
Liabilities + Equity	5,579,865	100%	5,585,206	100%	5,116,903	100%	-0.1%	9.0%

*Includes borrowings from financial institutions and derivative instruments, among other items.

○ Debt Issued

Series	SBIF Registration Number	SBIF Registration Date	Currency	Amount	Placement Period	Annual Interest Rate	Duration (Years)	Maturity
S1	3/1997	11-Mar-97	UF	800,000	1-Sep-98	5.50	20	11-Mar-17
S2	3/1997	11-Mar-97	UF	200,000	1-Sep-98	5.50	20	11-Mar-17
G1	3/2007	25-Jan-07	UF	3,000,000	Jan 25,	3.00	10	01-Dec-16
H1	3/2007	25-Jan-07	UF	3,000,000	25-Jan-10	3.00	23	1-Dec-29
K1	1/2008	04-Jan-08	UF	3,000,000	04-Jan-11	3.00	10	01-Jan-18
M1	1/2009	19-May-09	UF	3,000,000	19-May-12	3.00	10.5	1-Jul-19
N1	1/2009	19-May-09	UF	3,000,000	19-May-12	3.00	105	1-Jul-19
P1	10/2001	6-Oct-11	UF	3,000,000	6-Oct-14	2.00	5	1-Jun-16
R1	10/2011	6-Oct-11	UF	3,000,000	6-Oct-14	2.00	10	1-Jun-21
K2	1/2012	14-Mar-12	UF	4,000,000	14-Mar-15	3.25	10	14-Mar-22
B2	1/2013	26-Feb-13	UF	4,000,000	26-Feb-16	3.25	5	1-Nov-17
K3	1/2013	26-Feb-13	UF	4,000,000	26-Feb-16	3.50	10	1-Nov-22
K4	10/2013	6-Nov-13	UF	5,000,000	6-Nov-16	3.60	10	1-Oct-23
B3	14/2014	9-Oct-14	UF	5,000,000	1-Jun-17	2.50	5	1-Jun-19
K5	14/2014	9-Oct-14	UF	5,000,000	1-Jun-17	2.75	10	1-Jun-24
B4	05/2015	1-Apr-15	UF	5,000,000	4-Dec-18	2.25	5	1-Jun-20
K6	05/2015	1-Apr-15	UF	5,000,000	4-Dec-18	2.75	10	1-Mar-25
K7	05/2015	1-Apr-15	UF	5,000,000	4-Dec-18	2.75	10	1-Sep-25
Z1	10/2015	1-Sep-15	CLP	75,000,000,000	1-Jul-20	5.25	5	1-Jul-20

○ Demand and Time Deposits

For the quarter ended March 2016, total deposits increased by 3.5% YoY and decreased by 2.3% QoQ, below the banking system as a whole, which posted variations of +14.0% YoY and -0.1% QoQ. Total bank deposits consisted of 19.04% retail deposits and 80.96% institutional deposits. The 15 largest depositors¹ represent 34% of the Bank's total deposits. The loan to deposit ratio was 127% as of March 2016, compared to 120% for 1Q15 and 123% for 4Q15. Banco Security has a strategy to diversify funding sources using sales incentives to increase its retail deposit base. Banco Security strictly controls and monitors its liquidity risk², striving to diversify its funding sources while applying strict limits to asset/liability mismatches, lengthening liabilities to increase funding terms and maintaining liquid assets. As of March 31, 2016, liquid assets³ represented 49% of deposits and other short-term funds.

Banco Security - Capitalization

As of March 31, 2015, Banco Security's equity totaled CH\$ 435,009 million. For some years now, Banco Security has been preparing for the implementation of Basel III. In line with this objective, on March 15, 2016 the Bank completed a capital increase of CH\$ 10,000 million. With this, 91% of 2015 profit was retained (net) and the Bank's capital base was strengthened to better leverage loan growth opportunities.

¹ Excludes brokerage subsidiaries.

² Liquidity risk represents the possibility of not fulfilling obligations when they mature as a result of the inability to liquidate assets or funds, or not being able to dispose of them easily or offset exposure without significantly reducing prices due to insufficient market depth (Grupo Security Annual Report, note 35).

³ Includes cash and cash deposits, transactions in the course of collection and the portfolio of financial instruments.

<i>In MCH\$</i>	1Q16	4Q15	1Q15	% Chg	
				QoQ	YoY
Capital	252,047	242,047	242,047	4.1%	4.1%
Reserves and valuation accounts	25,916	19,964	25,135	29.8%	3.1%
Retained earnings	157,046	146,239	121,658	7.4%	29.1%
Total equity	435,009	408,250	388,840	6.6%	11.9%
Basic capital	435,009	408,250	388,842	6.6%	11.9%
Regulatory capital	607,157	569,287	549,146	6.7%	10.6%
Minimum required capital	380,211	376,380	345,693	1.0%	10.0%
Risk-weighted assets	4,752,637	4,704,745	4,321,158	1.0%	10.0%
BIS ratio	12.78%	12.10%	12.71%	67 p	7 p
Core capital / total assets	7.11%	6.63%	6.89%	48 p	22 p

Banco Security's Capital Adequacy Ratio for 1Q16, calculated as regulatory capital over risk-weighted assets as defined by the SBIF⁴, reached 12.78% (with a regulatory minimum of 8%), reflecting increases of 7 b.p. YoY and 67 b.p. QoQ. This is explained mainly by the capital increase of CH\$ 10,000 million completed on March 15, 2016, the issuance of the J3 series subordinated bond for UF 430 thousand and gains in equity from recovering values of foreign and domestic debt instruments, which had been impaired for accounting purposes. The ratio of core capital to total assets reached 7.11% (with a required minimum of 6%), marking increases of 22 b.p. YoY and 48 b.p. QoQ.

Banco Security - Profit and ROE

Banco Security reported consolidated profit of CH\$ 15,439 million for the first quarter of 2016 (+25.4% YoY), which is significantly higher than the CH\$ 3,827 million recorded for the fourth quarter of 2015. Consolidated ROE as reported by the SBIF⁵ was 14.19%, reflecting increases of 153 b.p. YoY and 258 b.p. QoQ. Return on average equity of the Bank's parent LTM as of March 2016 was 12.27%.

Banco Security - Net Interest Margin

Banco Security posted a net interest margin of CH\$ 31,858 million for the first quarter of 2016 (+2.6% YoY and -4.1% QoQ) explained by increased spreads in retail and commercial banking and higher inflation in 1Q16 as compared to 1Q15. This was offset by increased interest and indexation expenses stemming from the rise in the monetary policy rate late last year, which impacted market rates.

	1Q16	4Q15	1Q15	% Chg		1Q16	1Q15	% Chg
				QoQ	YoY			
Interest and indexation income	78,720	83,464	60,003	-5.7%	31.2%	78,720	60,003	31.2%
Interest and indexation expenses	-46,862	-50,255	-28,957	-6.8%	61.8%	-46,862	-28,957	61.8%
Net interest margin	31,858	33,209	31,046	-4.1%	2.6%	31,858	31,046	2.6%
Interest margin net of provisions	24,840	17,437	22,440	42.5%	10.7%	24,840	22,440	10.7%
Net interest margin / total loans	3.11%	3.27%	3.33%	-16 p	-22 p	3.11%	3.33%	-22 p
Net interest margin net of provisions / Total loans	2.43%	1.72%	2.41%	71 p	2 p	2.43%	2.41%	2 p

⁴ Superintendency of Banks and Financial Institutions

⁵ Superintendency of Banks and Financial Institutions

Banco Security - Net Fees

<i>In MCH\$</i>	1Q16	4Q15	1Q15	% Chg	
				QoQ	YoY
Commercial Banking	3,965	4,137	3,653	-4.2%	8.5%
Retail Banking	4,071	4,840	3,318	-15.9%	22.7%
Treasury	-156	-168	-168	-	-
Other	-404	-70	315	-	-
Banco Security, individual	7,476	8,739	7,118	-14.5%	5.0%
Subsidiaries	4,075	4,162	4,121	-2.1%	-1.1%
Consolidated fees	11,551	12,901	11,239	-10.5%	2.8%

Net commissions as of March 2016 totaled CH\$ 11,551 million, reflecting variations of +2.8% YoY and -10.5% QoQ. The year-on-year increase can be explained in part by greater volumes of assets under management by the subsidiary AGF Security, following the merger with Penta's AGF subsidiary in February.

Banco Security - Net Foreign Exchange Transactions, Net Financial Operating Income and Other Income

During the first quarter of 2016, Banco Security reported CH\$ 18,078 million in net financial operating income, which represents an increase of 278.8% YoY, and a net loss on foreign exchange transactions of -CH\$ 7,902 million. This increase is explained mainly by strong performances from foreign currency derivatives and recovering values of foreign and domestic debt instruments, which had been impaired for accounting purposes. These effects were offset by losses in inflation futures.

Banco Security - Operating Expenses and Efficiency

<i>In MCH\$</i>	1Q16	4Q15	1Q15	% Chg	
				QoQ	YoY
Payroll and personnel expenses	-13,531	-12,090	-10,394	11.9%	30.2%
Administrative expenses	-14,084	-12,188	-12,501	15.6%	12.7%
Depreciation and amortization	-2,028	-1,777	-1,612	14.1%	25.8%
Total operating expenses	-29,643	-26,055	-24,507	13.8%	21.0%
Operating expenses / Gross operating income	52.9%	57.0%	50.1%	-409 p	284 p

Banco Security posted consolidated operating expenses for the first quarter of 2016 of CH\$ 29,643 million (+21.0% YoY). In quarterly terms, operating expenses increased 13.8% over 4Q15. This year-on-year increase can be explained mainly by a 12.7% YoY rise in administrative expenses due to increased expenses related to credit card use by Banco Security's retail customers and a rise in rates for technology services. In addition, an increase of 30.2% YoY was recorded in payroll and personnel expenses, mainly due to an extraordinary provision for productivity bonuses and termination benefits. Banco Security's efficiency ratio, measured as operating expenses over gross operating profit, was 52.9% as of March 2016, reflecting variations of +284 b.p. YoY and -409 b.p. QoQ. This ratio compares to 48.7% for the banking system and 54.5% for peer banks⁶ as of March 2016.

FACTORING SECURITY

For the first quarter of 2016, Factoring Security reported profit of CH\$ 1,700 million, -6.1% YoY and -2.6% QoQ. Factored receivables totaled CH\$ 237,805 million as of March 31, 2016, which represents an increase of 5.3% YoY and a decrease of

⁶ Comparably-sized banks: Average of Bice, BBVA, Itaú, Scotiabank and Security

15.0% QoQ. This year-on-year growth in loans is due mainly to new customers from recently added market segments. The quarterly decrease arose in a context of sluggish sales in line with the general weakening of the domestic economy. In terms of the industry, as of March 2016, peer factoring companies belonging to the Chilean Association of Factoring Companies (ACHEF) reported a QoQ increase of 9.2% and a YoY increase of 1.3% in factored receivables. As a result of its performance, Factoring Security increased its market share from 9.9% as of March 2015 to 10.3% as of March 2016.

In MCH\$	1Q16	4Q15	1Q15	% Chg	
				QoQ	YoY
Factored receivables	237,805	279,644	225,787	-15.0%	5.3%
Provisions	7,275	6,864	6,827	6.0%	6.6%
Traditional factoring income	6,393	5,858	5,886	9.1%	8.6%
Fees and advisory services	413	410	371	0.6%	11.3%
Gross operating income	6,998	6,700	6,581	4.4%	6.3%
Operating expenses	-2,612	-2,124	-2,504	23.0%	4.3%
Profit for the period	1,700	1,746	1,812	-2.6%	-6.1%
Efficiency ratio	47.1%	46.2%	41.6%	92 p	552 p
Risk ratio	3.1%	2.4%	3.0%	66 p	4 p

For the first quarter of 2016, the subsidiary's efficiency ratio, measured as operating expenses over net operating income, was 47.1%, up 552 b.p. YoY. This variation is a reflection of increased banking expenses, in line with the rise in market interest rates, and greater operating expenses (+4.3% YoY and +23.0% QoQ) mainly because of increased sales efforts. This was partially offset by the increase in revenue from credit and confirming products. The risk ratio, measured as provisions over total loans, was 3.1% as of March 2016, up 4 b.p. YoY and 66 b.p. QoQ.

INSURANCE BUSINESS AREA (28.5% of assets; 51.3% of profit from business areas as of March 2016)

The insurance business area reported profit attributable to the parent of CH\$ 19,219 million for the first quarter of 2016. This area includes the life insurance subsidiary Vida Security, which consolidates 61% of Protecta beginning in September 2015, and Servicios Security, the holding that groups the insurance brokerage (Corredora de Seguros Security) and assistance business (Europ Assistance).

VIDA SECURITY

The results of the fifth bidding process for Disability and Survivors Insurance (SIS), organized by the pension fund management companies to provide coverage for their members, were announced in May 2016. Vida Security was awarded two fractions for men and two for women for the period from July 2016 to June 2018. For the first quarter of 2016, Vida Security reported profit attributable to its parent of CH\$ 4,321 million, reflecting decreases of 32.3% YoY and 59.9% QoQ, explained mainly by decreased investment income (-21.5% YoY and -26.8% QoQ), despite growth in retained premium (+49.5% YoY and +6.2% QoQ), and improvements in claims rates and administrative expenses. When compared to the first quarter of 2015, this decrease in investment income is attributable to a weak performance from international equity instruments, in line with market plunges (S&P 500 -2.2% YTD, MSCI Europa -5.2% YTD). Therefore, when compared to the

immediately preceding quarter, it is important to remember that an extraordinary gain on the sale of a building was recorded during that period, thus creating a high basis of comparison.

In MCH\$	1Q16	4Q15	1Q15	% Chg	
				QoQ	YoY
Retained premium	63,663	59,927	42,583	6.2%	49.5%
Variation in technical reserves	-19,026	-24,248	-13,560	-21.5%	40.3%
Claims paid	-19,891	-20,777	-15,467	-4.3%	28.6%
Pensions paid	-30,049	-26,117	-24,109	15.1%	24.6%
Underwriting expenses	-4,094	-4,559	-3,607	-10.2%	13.5%
Contribution margin	-9,590	-15,296	-14,025	-37.3%	-31.6%
Administrative expenses	-7,271	-7,289	-7,683	-0.2%	-5.4%
Investment income	22,668	30,967	28,864	-26.8%	-21.5%
Profit for the period	4,321	10,767	6,386	-59.9%	-32.3%
Administrative ratios					
Loss ratio (1)	-30.8%	-34.2%	-35.5%	342 p	474 p
Net retained loss ratio (2)	-31.2%	-34.7%	-36.3%	343 p	508 p
Underwriting expenses ratio (3)	-11.2%	-12.0%	-17.6%	75 p	639 p
Insurance profit margin (4)	6.7%	17.7%	14.7%	-1104 p	-798 p

(1) (Claims paid-claims ceded) / direct premium

(2) Claims paid / retained premium

(3) Underwriting expenses / direct premium

(4) Profit / direct premium

Administrative expenses totaled CH\$ 7,271 million for the period ended March 2016, -5.4% YoY and -0.2% QoQ. The variation in technical reserves reached CH\$ 19,026 million, +40.3% YoY and -21.5% QoQ. Pensions paid grew +24.6% YoY and +15.1% QoQ, to CH\$ 30,049 million for the period ended March 2016, due to increased sales of life annuities beginning in March 2015.

Direct Premium

Total direct premiums reached CH\$ 64,635 million for the first quarter of 2016, which represents increases of 48.4% YoY and 6.4% QoQ. The growth over the first quarter of 2015 can be explained by increased sales of life annuities (+89% YoY), individual policies (+84% YoY), and, to a lesser degree, group policies (+22.8% YoY).

In MCH\$	1Q16	4Q15	1Q15	% Chg	
				QoQ	YoY
Direct premium	64,635	60,754	43,557	6.4%	48.4%
Individual	26,742	25,952	14,532	3.0%	84.0%
Group	13,860	14,963	11,289	-7.4%	22.8%
Mass	2,166	2,071	2,124	4.6%	2.0%
Retirement - annuities	13,607	9,097	7,198	49.6%	89.0%
Retirement - SIS	45	69	153	-34.3%	-70.3%
Retirement - other*	8,213	8,602	7,334	-4.5%	12.0%
Retirement	21,866	17,768	14,638	23.1%	49.4%

Life annuity sales, which totaled CH\$ 13,607 million for the first quarter of 2016 (+89.0% YoY and +49.6% QoQ), were driven since early 2015 by a change in regulations⁷ that reduced the accounting loss that had to be recognized upon sale. Therefore, individual insurance premiums totaled CH\$ 26,742 million, increasing Vida Security's market share to 12.7%, from 9% in March 2015.

⁷ More information is available at <http://www.svs.cl/portal/prensa/604/w3-article-20029.html>

Results by Product Line

The contribution margin increased across all product lines, with individual policies performing particularly well, rising from -CH\$ 1,527 million to CH\$ 89 million. This improvement reflects the growth of this business, in line with plans designed by management. Insurance with savings components (CUI) posted market share of 16% during the first quarter of the year, making Vida Security the second largest industry player in this type of insurance. The claims rate for group policies increased over the prior year from 72.8% as of March 2015 to 73.7% as of March 2016. The contribution margin of mass policies remained fairly stable from one year to the next with an improvement of 1.1% YoY. In retirement policies, increased sales of life annuities due to the change in regulations that reduced the loss rate upon sale more than offset the greater variation in technical reserves and the rise in pensions paid, improving its contribution margin by CH\$ 4,435 million YoY.

In MCH\$	Individual		Group		Mass		Retirement		Total	
	1Q16	1Q15	1Q16	1Q15	1Q16	1Q15	1Q16	1Q15	1Q16	1Q15
Direct premium	26,742	14,955	13,860	11,755	2,166	2,163	21,866	14,685	64,635	43,557
Retained premium	26,331	14,532	13,465	11,289	2,058	2,124	21,808	14,638	63,663	42,583
Variation in technical reserves	-15,866	-7,246	-652	-914	125	1	-2,633	-5,401	-19,026	-13,560
Claims paid	-8,107	-6,703	-9,926	-8,217	-71	-67	-1,787	-480	-19,891	-15,467
Pensions paid	-571	-640	0	0	0	0	-29,478	-23,470	-30,049	-24,109
Underwriting expenses	-1,689	-1,422	-746	-769	-151	-131	-1,508	-1,286	-4,094	-3,607
Medical expenses	-9	-11	-2	-1	0	0	-5	-8	-16	-20
Impairment	0	-37	-189	169	13	25	0	0	-176	156
Contribution margin	89	-1,527	1,950	1,556	1,974	1,953	-13,603	-16,007	-9,590	-14,025
Loss ratio (1)	33.0%	50.5%	73.7%	72.8%	3.4%	3.2%	143.4%	163.6%	78.4%	92.9%
Underwriting expense ratio (2)	6.4%	9.8%	5.5%	6.8%	7.3%	6.1%	6.9%	8.8%	6.4%	8.5%

(1) Claims paid / retained premium

(2) Underwriting expenses / retained premium

Investment Income - Vida Security

The subsidiary's investment income for the first quarter of 2016 totaled CH\$ 22,668 million, -21.5% YoY and -27.2% QoQ. This decrease is attributable to a weak performance from international equity instruments, in line with declining markets (S&P 500 - 2.2% YTD, MSCI Europa -5.2% YTD). Therefore, when compared to the immediately preceding quarter, it is important to remember that an extraordinary gain on the sale of a building was recorded during that period, thus creating a high basis of comparison.

In MCH\$	1Q16	4Q15	1Q15	% Chg	
				QoQ	YoY
Fixed income	21,058	8,208	17,704	156.6%	18.9%
Variable income and indexes	7,731	7,621	5,373	1.4%	43.9%
Real estate	3,635	2,916	3,957	24.7%	-8.1%
Other investments	-4,256	12,409	1,830	-134.3%	-332.6%
Investment income	22,668	31,153	28,864	-27.2%	-21.5%

In MCH\$	1Q16	4Q15	1Q15	% Chg		% of Portfolio
				QoQ	YoY	
Fixed income	1,566,697	1,565,965	1,435,080	0.0%	9.2%	73.0%
Variable income and indexes	334,990	333,945	308,133	0.3%	8.7%	15.6%
Real estate	232,376	231,444	243,185	0.4%	-4.4%	10.8%
Other investments	12,656	35,684	15,656	-64.5%	-19.2%	0.6%
Investments	2,146,719	2,167,038	2,002,055	-0.9%	7.2%	

ASSET MANAGEMENT BUSINESS AREA (2.6% of assets; 4.9% of profit from business areas as of March 2016)

The asset management business area includes Administradora General de Fondos Security S.A.; Valores Security Corredores de Bolsa and Asesorías Security. It also includes Securitizadora Security, which manages securitized assets and their respective special purpose vehicles (SPVs). This business area complements the product range offered by the rest of the Group's companies, providing services tailored to the needs of each of its segments. The products and services offered by this business area include mutual funds, investment funds and voluntary pension savings (APV), foreign currency and forwards, stocks, portfolio management and international investments.

In MCH\$	1Q16	4Q15	1Q15	% Chg		1Q16	1Q15	% Chg
				QoQ	YoY			
Assets under management (AUM)	4,162,581	3,292,280	2,957,902	26.4%	40.7%	4,162,581	2,957,902	40.7%
Value of shares traded	317,527	387,985	305,436	-18.2%	4.0%	317,527	305,436	4.0%
Market share - equities brokerage	4.0%	4.8%	3.5%	0 p	49 p	4.0%	3.5%	49 p
Operating income	8,429	8,012	7,654	5.2%	10.1%	8,429	7,654	10.1%
Non-operating income	1,052	741	1,393	42.1%	-24.5%	1,052	1,393	-24.5%
Efficiency ratio	75.1%	74.9%	67.8%	21 p	738 p	75.1%	67.8%	738 p
Fund management	1,781	2,010	2,047	-11.4%	-13.0%	1,781	2,047	-13.0%
Equity, currency and fixed income brokerage*	203	-243	8	-	-	203	8	-
Advisory, portfolio management and international b ¹	-18	-46	141	-	-	-18	141	-
Securitization	-119	-114	-89	-	-	-119	-89	-
Profit - Asset Management	1,847	1,608	2,107	14.9%	-12.3%	1,847	2,107	-12.3%

* 1Q15 includes loss of CH\$ 41 million from CdB Cruz del Sur and profit of CH\$ 50 million from Valores Security, merged in March 2015.

During the first quarter of 2016, the asset management business area reported profit attributable to the parent of CH\$ 1,847 million, reflecting variations of -12.3% YoY and +14.9% QoQ. The year-on-year decrease is explained mainly by the fall in mutual fund management fees and a rise in expenses as a result of increased commercial activity. These factors were not fully offset by increased income generated by assets under management from the merger with Banco Penta's asset management subsidiary in February, and increased income from the sale of foreign funds with alternative investment strategies referred by Inversiones Security.

Assets under management as of March 2016 totaled CH\$ 4,162,581 million, +40.7% YoY and +26.4% QoQ. The rise is due mainly to the merger with Banco Penta's asset management subsidiary and increased sales of foreign funds with alternative investment strategies referred by Inversiones Security. Mutual funds under management as of March 2016 totaled CH\$ 1,948 billion, +8.8% YoY and +13.8% QoQ. Inversiones Security's market share in mutual funds totaled 6.5%, while the area reported a total value of shares traded of CH\$ 318 billion as of March 2016, with market share of 4.0%.

Operating income for the first quarter of 2016 totaled CH\$ 8,429 million, +10.1% YoY and +5.2% QoQ, explained by the strong performance of the portfolio management area, increased income from the sale of foreign funds with alternative investment strategies referred by Inversiones Security and the increase in funds under management as a result of the merger with Banco Penta's asset management subsidiary. This was offset in part by the decreased average management fees on mutual funds, in line a general decline seen in the industry, and decreased management fees from investment funds from Banco Penta's asset management subsidiary. Non-operating income for the first quarter of 2016 totaled CH\$ 1,052 million, -24.5% YoY and

+42.1% QoQ. The increase is due mainly to a strong performance from fixed income instruments in Valores Security's proprietary trading portfolio.

The efficiency ratio, measured as total expenses over total income, was 75.1% for the first quarter of 2016, +738 b.p. YoY and +21 b.p. QoQ. This growth is due mainly to higher expenses because of increased commercial activity, which were not fully offset by the rise in operating income.

OTHER SERVICES BUSINESS AREA (1.3% of assets; 3.2% of profit from business areas as of March 2016)

This business area includes the operations of Travel Security and Inmobiliaria Security, which offer non-financial products and services that complement Grupo Security's offering and are directed towards the same target markets.

REAL ESTATE: INMOBILIARIA SECURITY

Inmobiliaria Security reported profit of CH\$ 394 million for the first quarter of 2016, -74.6% YoY and -90.7% QoQ. This is explained mainly by the lag between a sale and revenue recognition. Under IFRS, revenue is recognized once legal title to the property has been transferred. Ownership has been transferred on fewer units during the first quarter of 2016 than both the first quarter of 2015 and the last quarter of 2015. Inmobiliaria Security recorded apartment sales totaling UF 80 thousand for the first quarter of 2016, -30.2% YoY and -77.6% QoQ.

The subsidiary had total real estate assets under management of CH\$ 57,928 million, up 29.2% YoY and up 5.2% QoQ. The year-on-year increase is due mainly to the purchase of two new lots for UF 857 thousand during the last quarter of 2015.

<i>In MCH\$</i>	1Q16	4Q15	1Q15	% Chg	
				QoQ	YoY
Real estate assets under management	57,928	55,055	44,843	5.2%	29.2%
Total revenue	815	4,704	1,872	-82.7%	-56.4%
Total expenses	-456	-504	-288	-9.5%	58.5%
Profit before tax	359	4,200	1,584	-91.5%	-77.3%
Profit for the period	394	4,242	1,550	-90.7%	-74.6%

CORPORATE TRAVEL AGENCY: TRAVEL SECURITY

Travel Security recorded sales of US\$ 54 million for the first quarter of 2016, down -9.2% YoY and -11.2% QoQ. The subsidiary posted profit of CH\$ 988 million for the period ended March 2016, +22.2% YoY and +13.5% QoQ. Travex Security, the third largest travel agency in Peru, which was acquired by Travel Security in July 2012, recorded sales of US\$ 13 million for the first quarter of 2016, -26.3% YoY and -2.8% QoQ.

	1Q16	4Q15	1Q15	% Chg	
				QoQ	YoY
Total sales - Travel (MUS\$)	54	61	60	-11.2%	-9.2%
Total sales - Travex (MUS\$)	13	13	17	-2.8%	-26.3%
Net operating income - Travel (MCH\$)	1,391	1,180	1,181	18.0%	17.8%
Profit Travel (MCH\$)	988	808	871	22.2%	13.5%

RISK RATINGS

	Grupo Security	Banco Security	Vida Security	Factoring Security
FitchRatings (local)	A+	AA-	AA-	
ICR (local)	AA-	AA	AA	AA-
Standard & Poor's (international)		BBB-/A-3		

BONDS ISSUED BY GRUPO SECURITY

Series	Registration Number	Registration Date	Currency	Amount	Annual Interest Rate	Duration (Years)	Maturity
F	620	15/09/09	UF	1,250,000	4.50	23	15/09/32
K	763	30/06/13	UF	3,000,000	4.00	25	30/06/38
L 3	795	09/10/14	UF	3,000,000	3.80	21	15/11/35

RECENT EVENTS

RETURNS AND DIVIDENDS

On April 28, 2016, Grupo Security shareholders approved a dividend payment of CH\$ 7.25 per share charged to profit for the year 2015. This dividend and the interim dividend distributed in October 2015 total CH\$ 11.25 per share, equivalent to CH\$ 36,657 million, or 56% of profit for the year 2015. At this meeting, shareholders also approved the annual report, balance sheet and financial statements for the year 2015.

Shareholders also elected a new Board of Directors for Grupo Security, which is now comprised of Francisco Silva, Juan Cristóbal Pavez, Ana Sainz de Vicuña, Horacio Pavez, Jorge Marín, Hernán De Las Heras, Bruno Philippi, Naoshi Matsumoto and Mario Weiffenbach.

Grupo Security's dividend yield, calculated as dividends per share, divided by the average share price when each dividend was distributed for the corresponding year, amounted to 5.87% in 2015. For the first quarter of 2016, Grupo Security's stock reported a return of +1.7%, trailing the returns for the IPSA (+7.0%) and the banking sector index (+5.3%).

MERGERS AND ACQUISITIONS

On January 8, 2016, the takeover bid extended to all shareholders of Penta Security was declared a success, thus concluding the sale of the Group's minority holding for CH\$ 31,652 million as part of the sale of this company to Liberty International Holdings. This sale resulted in a net extraordinary after-tax gain for Grupo Security of CH\$ 14,937 million.

In addition, on February 15, 2016, the acquisition and merger of Banco Penta's asset management subsidiaries (Penta Administradora General de Fondos S.A. and Penta Corredores de Bolsa S.A.) were successfully concluded. The deal involves almost CH\$ 800 billion in assets, positioning Inversiones Security among industry leaders in the asset management business. The newly acquired subsidiaries were merged with the respective subsidiaries AGF Security and Valores Security and subsequently dissolved. A price of CH\$ 36,036 million was agreed upon for the two companies.

This figure consists of CH\$ 30,809 million in equity backed by highly-liquid instruments recorded at market value and CH\$ 5,228 million in negative goodwill.

1Q16 EARNINGS CONFERENCE CALL

Grupo Security's first quarter earnings report will be explained in a conference call led by Mr. Renato Peñafiel, the company's CEO, on Friday, June 3, 2016. A transcript of the call will be available on our website. For more information, please contact the Investor Relations Team at relacioninversionistas@security.cl.

GRUPO SECURITY

Grupo Security S.A. is a niche Chilean-based diversified financial group offering banking, insurance, asset management and other services to large and medium-sized companies and high-income individuals. Through a differentiated and innovative offering of financial products and services tailored to its niche, the group leverages operational and financial synergies through organic growth and acquisitions.

Safe Harbor

This report contains forward-looking statements based on the intentions, beliefs and expectations of the management of Grupo Security S.A. regarding the future functioning of the different business units. These forward-looking statements are not guarantees of future results and are subject to significant risks and uncertainty. Actual results may differ from those contained in forward-looking statements as a result of a number of unforeseen factors such as changes in global economic conditions, changes in market conditions, regulatory changes, actions by competitors and operational and financial risks inherent to the financial services business.

APPENDICES

1. Financial Statements and Indicators - Assets

ASSETS		
In MCH\$	March 31, 2015	March 31, 2016
Current assets		
Cash and cash equivalents	456,431	530,322
Other financial assets, current	2,519,620	2,837,990
Other non-financial assets, current	28,658	17,560
Trade and other receivables, current	4,071,276	4,475,336
Accounts receivable from related parties, current	59,856	38,293
Inventories	45,059	57,909
Biological assets, current	0	0
Current tax assets	20,472	32,150
Total current assets other than assets or disposal groups classified as held for sale or held for distribution to owners	7,201,372	7,989,559
Non-current assets or disposal groups classified as held for sale or held for distribution to owners	1,009	2,604
Total non-current assets classified as held for sale or held for distribution to owners	1,009	2,604
Total current assets	7,202,382	7,992,164
Non-current assets		0
Other non-financial assets, non-current	75,697	55,911
Equity-accounted investments	12,901	655
Intangible assets other than goodwill	55,310	75,217
Goodwill	114,671	120,257
Property, plant and equipment	74,538	68,112
Investment property	115,503	140,109
Deferred tax assets	110,640	125,631
Total non-current assets	559,259	585,892
Total assets	7,761,640	8,578,056

2. Financial Statements and Indicators - Liabilities and Equity

LIABILITIES AND EQUITY		
In MCH\$	March 31, 2015	March 31, 2016
Other financial liabilities, current	4,579,643	4,919,654
Trade and other payables	1,886,359	2,145,528
Other short-term provisions	86,769	105,638
Current tax liabilities	31,876	33,019
Employee benefit provisions, current	4,828	6,808
Other non-financial liabilities, current	106,624	136,025
Total current liabilities other than liabilities included in disposal groups classified as held for sale or held for distribution to owners	6,700,452	7,346,672
Liabilities held for sale	0	0
Total current liabilities	6,700,452	7,346,672
Non-current liabilities		
Other financial liabilities, non-current	372,961	452,385
Deferred tax liabilities	68,181	73,781
Total non-current liabilities	518,007	635,066
Total liabilities	7,218,459	7,981,738
Equity		
Issued capital	297,757	302,406
Retained earnings	226,303	268,051
Share premium	33,219	33,210
Other reserves	(22,550)	(26,279)
Equity attributable to equity holders of the parent	534,729	577,389
Non-controlling interest	8,452	18,929
Total equity	543,181	596,318
Total liabilities and equity	7,761,640	8,578,056

3. Financial Statements and Indicators - Consolidated Statement of Income

Consolidated Statement of Income (MCH\$)	Mar-15	Mar-16
Revenue	172,740	224,297
Cost of sales	(106,576)	(142,964)
Gross profit	66,164	81,332
Other income	636	242
Distribution costs	0	0
Administrative expenses	-43,963	-49,336
Other expenses	(1,930)	(1,011)
Other gains	805	539
Finance income	-	4
Finance costs	(3,331)	(3,215)
Share of profit (loss) of associates and joint ventures, equity-accounted	172	18,759
Exchange differences	1,919	-14,788
Gain (loss) on indexed assets and liabilities	-157	5,302
Gains arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value	4,377	1,173
Profit before tax	24,691	39,001
Income tax benefit (expense)	(5,961)	(7,731)
Profit (loss) from continuing operations	18,730	31,271
Profit (loss) from discontinued operations	0	0
Profit (loss) for the period	18,730	31,271
Profit (loss) attributable to		
Profit (loss) attributable to equity holders of the parent	18,315	30,889
Profit (loss) attributable to non-controlling interests	415	382
Profit (loss) for the period	18,730	31,271
Depreciation and amortization	2,832	2,832
Ebitda	30,854	45,048

4. Segment Note - Grupo Security YoY

Segment Note - Grupo Security <i>In MCH\$</i>	Lending and Treasury		Asset Management		Insurance		Other Services		Ajustes de Consolidación, Áreas de Apoyo y Gastos de Grupo		Total Grupo Security	
	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16
Revenue	74,827	110,215	8,476	12,235	74,552	95,263	14,225	8,707	660	-2,123	172,740	224,297
Cost of sales	-39,055	-55,927	-1,941	-3,410	-57,396	-80,445	-7,252	-2,971	-931	-212	-106,576	-142,964
Gross profit	35,772	54,288	6,535	8,826	17,156	14,818	6,972	5,737	-272	-2,335	66,164	81,332
Other income	4	5	6	11	231	41	143	105	252	79	636	242
Administrative expenses	-23,860	-27,899	-4,302	-6,585	-9,781	-10,686	-3,714	-3,798	-2,308	-368	-43,963	-49,336
Other expenses	-1,578	-650	-235	-210	-51	-65	-52	-86	-15	0	-1,930	-1,011
Other gains (losses)	0	0	334	98	107	33	114	139	250	268	805	539
Finance income	0	0	0	0	0	4	0	0	0	0	0	4
Finance costs	0	0	0	0	-87	-28	-364	-278	-2,880	-2,910	-3,331	-3,215
Share of profit (loss) of associates and joint ventures, equity-accounted	0	0	-41	0	217	18,764	-2	-3	-3	-2	172	18,759
Exchange differences	941	-7,629	153	-237	597	-6,779	228	-63	0	-80	1,919	-14,788
Gain (loss) from indexed assets and liabilities	0	18	0	3	-275	6,412	79	101	40	-1,232	-157	5,302
Gains (losses) arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value	3,704	885	673	288	0	0	0	0	0	0	4,377	1,173
Profit (loss) before tax	14,985	19,019	3,122	2,194	8,115	22,514	3,404	1,854	-4,936	-6,579	24,691	39,001
Income tax benefit (expense)	-2,958	-3,863	-1,009	-341	-1,437	-3,166	-953	-425	395	64	-5,961	-7,731
Profit (loss) from continuing operations	12,027	15,156	2,113	1,852	6,679	19,348	2,452	1,429	-4,540	-6,515	18,730	31,271
	0	0	0	0	0	0	0	0	0	0	0	0
Profit (loss) attributable to	0	0	0	0	0	0	0	0	0	0	0	0
Profit (loss) attributable to equity holders of the parent	12,027	15,156	2,107	1,847	6,451	19,219	2,273	1,214	-4,540	-6,515	18,315	30,889
Profit (loss) attributable to non-controlling interest	0	0	6	5	228	129	179	215	2	33	415	382
Profit (loss) for the period	12,027	15,156	2,113	1,852	6,679	19,348	2,452	1,429	-4,540	-6,515	18,730	31,271

5. Segment Note - Grupo Security QoQ

Segment Note - Grupo Security <i>In MCH\$</i>	Lending and Treasury		Asset Management		Insurance		Other Services		Ajustes de Consolidación, Áreas de Apoyo y Gastos de Grupo		Total Grupo Security	
	1Q-16	4Q-15	1Q-16	4Q-15	1Q-16	4Q-15	1Q-16	4Q-15	1Q-16	4Q-15	1Q-16	4Q-15
Revenue	110,215	96,562	12,235	16,046	95,263	107,776	8,707	22,100	-2,123	-7,353	224,297	235,131
Cost of sales	-55,927	-67,013	-3,410	-4,622	-80,445	-85,267	-2,971	-11,077	-212	1,523	-142,964	-166,457
Gross profit	54,288	29,548	8,826	11,423	14,818	22,509	5,737	11,023	-2,335	-5,830	81,332	68,674
Other income	5	4	11	45	41	226	105	312	79	69	242	656
Administrative expenses	-27,899	-25,260	-6,585	-8,772	-10,686	-13,741	-3,798	-4,342	-368	2,900	-49,336	-49,215
Other expenses	-650	-3,969	-210	-179	-65	-57	-86	-5,087	0	-33	-1,011	-9,325
Other gains (losses)	0	0	98	43	33	110	139	5,188	268	360	539	5,701
Finance income	0	0	0	0	4	0	0	0	0	0	4	0
Finance costs	0	0	0	-5	-28	-125	-278	-384	-2,910	-2,873	-3,215	-3,388
Share of profit (loss) of associates and joint ventures, equity-accounted	0	2	0	25	18,764	662	-3	-3	-2	-610	18,759	76
Exchange differences	-7,629	4,990	-237	9	-6,779	-983	-63	26	-80	-133	-14,788	3,909
Gain (loss) from indexed assets and liabilities	18	15	3	5	6,412	-789	101	18	-1,232	-1,888	5,302	-2,639
Gains (losses) arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value	885	-1,656	288	-530	0	0	0	0	0	0	1,173	-2,186
Profit (loss) before tax	19,019	3,674	2,194	2,063	22,514	7,812	1,854	6,751	-6,579	-8,037	39,001	12,263
Income tax benefit (expense)	-3,863	130	-341	-404	-3,166	3,288	-425	-1,499	64	30	-7,731	1,545
Profit (loss) from continuing operations	15,156	3,804	1,852	1,659	19,348	11,100	1,429	5,251	-6,515	-8,006	31,271	13,808
	0	0	0	0	0	0	0	0	0	0	0	0
Profit (loss) attributable to	0	0	0	0	0	0	0	0	0	0	0	0
Profit (loss) attributable to equity holders of the parent	15,156	3,804	1,847	1,653	19,219	11,226	1,214	4,750	-6,515	-8,006	30,889	13,769
Profit (loss) attributable to non-controlling interest	0	0	5	6	129	-126	215	502	33	-342	382	39
Profit (loss) for the period	15,156	3,804	1,852	1,659	19,348	11,100	1,429	5,251	-6,515	-8,006	31,271	13,808

6. Segment Note - Banco Security YoY

Banco Security Segment Note	Commercial Banking		Retail Banking		Treasury		Other		Total Bank		Subsidiaries		Total Consolidated	
	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16
<i>In MCH\$</i>														
Net interest margin	15,575	17,596	12,047	14,187	4,298	1,296	-338	-754	31,582	32,325	-536	-467	31,045	31,858
-% 1Q15		13.0%		17.8%		-69.8%		123.0%		2.4%		-12.9%		2.6%
Net fees	3,653	3,965	3,318	4,071	-168	-156	315	-404	7,118	7,476	4,121	4,075	11,239	11,551
-% 1Q15		8.5%		22.7%		-7.1%		-228.1%		5.0%		-1.1%		2.8%
Net FX transactions and other income	1,663	2,249	125	310	3,992	6,611	-1,227	-1,095	4,553	8,075	2,563	3,115	7,115	11,190
-% 1Q15		35.3%		148.5%		65.6%		-10.7%		77.3%		21.5%		57.2%
Loan losses and foreclosed assets	-5,262	-25	-3,566	-5,057	21	30	-405	-555	-9,211	-5,608	-	0	-9,082	-5,608
-% 1Q15		-99.5%		41.8%		-		37.2%		-39.1%		-		-38.2%
Total operating income, net of credit risk provisions	15,630	23,785	11,924	13,511	8,144	7,781	-1,654	-2,809	34,043	42,268	6,278	6,723	40,320	48,991
-% 1Q15		52.2%		13.3%		-4.5%		69.8%		24.2%		7.1%		21.5%
Operating expenses	-8,033	-8,472	-10,670	-12,464	-3,164	-3,488	512	-862	-21,356	-25,287	-3,151	-4,356	-24,507	-29,643
-% 1Q15		5.5%		16.8%		10.2%		-		18.4%		38.2%		21.0%
Net operating income	7,596	15,313	1,254	1,046	4,979	4,293	-1,143	-3,671	12,687	16,981	3,127	2,367	15,814	19,348
-% 1Q15		101.6%		-16.6%		-13.8%		221.3%		33.8%		-24.3%		22.3%
Profit attributable to equity holders of the bank	6,117	12,132	1,010	829	4,010	3,401	-919	-2,910	10,217	13,453	2,093	1,986	12,310	15,439
-% 1Q15		98.3%		-17.9%		-15.2%		216.5%		31.7%		-5.1%		25.4%

Segment Note - Banco Security QoQ

Banco Security Segment Note	Commercial Banking		Retail Banking		Treasury		Other		Total Bank		Subsidiaries		Total Consolidated	
	4Q-15	1Q-16	4Q-15	1Q-16	4Q-15	1Q-16	4Q-15	1Q-16	4Q-15	1Q-16	4Q-15	1Q-16	4Q-15	1Q-16
<i>In MCH\$</i>														
Net interest margin	16,962	17,596	13,121	14,187	4,252	1,296	-680	-754	33,655	32,325	-446	-467	33,209	31,858
-% 4Q15		3.7%		8.1%		-69.5%		11.0%		-4.0%		4.7%		-4.1%
Net fees	4,137	3,965	4,840	4,071	-168	-156	-70	-404	8,739	7,476	4,162	4,075	12,901	11,551
-% 4Q15		-4.2%		-15.9%		-7.3%		-		-14.5%		-2.1%		-10.5%
Net FX transactions and other income	2,424	2,249	445	310	-713	6,611	-5,986	-1,095	-3,831	8,075	1,876	3,115	-1,955	11,190
-% 4Q15		-7.2%		-30.2%		-		-81.7%		-		66.0%		-
Loan losses and foreclosed assets	-12,246	-25	-3,551	-5,057	-35	30	1,601	-555	-14,231	-5,608	0	0	-14,231	-5,608
-% 4Q15		-99.8%		42.4%		-		-		-60.6%		-		-60.6%
Total operating income, net of credit risk provisions	11,276	23,785	14,854	13,511	3,336	7,781	-5,135	-2,809	24,332	42,268	5,592	6,723	29,924	48,991
-% 4Q15		110.9%		-9.0%		133.2%		-45.3%		73.7%		20.2%		63.7%
Operating expenses	-8,842	-8,472	-12,810	-12,464	-2,795	-3,488	1,792	-862	-22,656	-25,287	-3,399	-4,356	-26,055	-29,643
-% 4Q15		-4.2%		-2.7%		24.8%		-		11.6%		28.2%		13.8%
Net operating income	2,434	15,313	2,044	1,046	541	4,293	-3,343	-3,671	1,676	16,981	2,193	2,367	3,869	19,348
-% 4Q15		529.2%		-48.8%		693.3%		9.8%		913.2%		7.9%		400.1%
Profit attributable to equity holders of the bank	2,022	12,132	1,674	829	476	3,401	-2,117	-2,910	2,055	13,453	1,772	1,986	3,827	15,439
-% 4Q15		500.1%		-50.5%		614.2%		37.5%		554.6%		12.1%		303.4%

7. Grupo Security Consolidated Statement of Cash Flows

Statement of Cash Flows	Mar-15	Mar-16
For the periods ended March 31, 2015 and 2016	MCH\$	MCH\$
Net cash flows provided by (used in) operating activities	107,388	(59,029)
Net cash flows used in investing activities	(8,657)	(9,831)
Net cash flows used in financing activities	(32,969)	(27,574)
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	65,762	(96,434)
Effect of changes in exchange rates on cash and cash equivalents	(49)	(2)
Net increase (decrease) in cash and cash equivalents	65,713	(96,436)
Cash and cash equivalents at beginning of period	390,718	626,758
Cash and cash equivalents at end of period	456,431	530,322

8. Quarterly Statement of Income

Quarterly Earnings		1Q16	4Q15	3Q15	2Q15	1Q15	4Q14
Revenue	M Ch\$	224,297	235,131	203,979	236,783	172,740	197,475
Cost of sales	M Ch\$	(142,964)	(166,457)	(156,995)	(155,464)	(106,576)	(138,320)
Gross profit	M Ch\$	81,332	68,674	46,985	81,319	66,164	59,155
Administrative expenses	M Ch\$	(49,336)	(49,215)	(42,522)	(43,634)	(43,963)	(34,149)
Net operating income	M Ch\$	31,766	16,491	3,345	39,070	21,711	19,998
Finance costs	M Ch\$	(3,215)	(3,388)	(2,994)	(3,426)	(3,331)	(3,874)
Profit before taxes	M Ch\$	39,001	12,263	9,598	33,387	24,691	12,873
Profit attributable to owners of controller	M Ch\$	30,889	13,769	6,728	26,210	18,315	11,193
EBITDA ⁶	M Ch\$	45,048	18,206	15,490	38,192	30,854	18,551

6. EBITDA: Defined as the sum of Profit before taxes, finance costs and depreciation

9. Financial Indicators

Liquidity Ratios		31-Mar-16	31-Dec-15	30-Sep-15	30-Jun-15	31-Mar-15	31-Dec-14
Liquidity Ratios (Total current assets / Total current liabilities)	times	1.09	1.06	1.08	1.08	1.07	1.08
Acid ratio (Cash and cash equivalents / Total current liabilities)	times	0.07	0.08	0.07	0.07	0.07	0.06
Activity levels		31-Mar-16	31-Dec-15	30-Sep-15	30-Jun-15	31-Mar-15	31-Dec-14
Total assets	M Ch\$	8,578,056	8,612,037	8,243,342	7,849,118	7,761,640	7,668,844
Inventory rotation		N/A	N/A	N/A	N/A	N/A	N/A
Inventory permanence		N/A	N/A	N/A	N/A	N/A	N/A
Leverage Ratios		31-Mar-16	31-Dec-15	30-Sep-15	30-Jun-15	31-Mar-15	31-Dec-14
Individual leverage ratio ¹	M Ch\$	0.35	0.35	0.36	0.35	0.36	0.36
Current liabilities / Total liabilities	M Ch\$	0.92	0.94	0.93	0.93	0.93	0.93
Non-current liabilities / Total liabilities	M Ch\$	0.08	0.06	0.07	0.07	0.07	0.07
Consolidated financial expenses coverage ⁸	M Ch\$	13.13	7.08	7.94	9.59	8.41	7.23
Results		31-Mar-16	31-Dec-15	30-Sep-15	30-Jun-15	31-Mar-15	31-Dec-14
Revenue	M Ch\$	224,297	848,633	613,502	409,523	172,740	808,422
Cost of sales	M Ch\$	(142,964)	(585,492)	(419,034)	(262,040)	(106,576)	(556,117)
Gross profit	M Ch\$	81,332	263,141	194,468	147,483	66,164	252,304
Administrative expenses	M Ch\$	(49,336)	(179,333)	(130,119)	(87,597)	(43,963)	(153,775)
Net operating income	M Ch\$	31,766	80,617	64,127	60,782	21,711	89,817
Finance costs	M Ch\$	(3,215)	(13,139)	(9,751)	(6,757)	(3,331)	(12,729)
Profit before taxes	M Ch\$	39,001	79,940	67,677	58,078	24,691	79,254
Profit attributable to controlers	M Ch\$	30,889	65,022	51,253	44,525	18,315	61,010
EBITDA ⁶	M Ch\$	45,048	102,743	84,537	69,047	30,854	101,265
Profitability		31-Mar-16	31-Dec-15	30-Sep-15	30-Jun-15	31-Mar-15	31-Dec-14
Return on equity ²	%	13.95%	12.10%	11.70%	12.99%	12.25%	12.33%
Return on assets ³	%	0.95%	0.80%	0.78%	0.92%	0.85%	0.84%
Return on operating assets ^{4,7}	%	1.19%	0.68%	0.22%	1.36%	1.29%	1.33%
Earnings per share ⁵	Ch\$	23.81	19.96	19.16	21.09	19.33	18.88

- Individual leverage ratio: Defined as the quotient between the sum of Grupo Security's individually considered indebtedness and total consolidated equity, defined in Note 31 to Grupo Security Consolidated Financial Statement.
- Return on equity: Defined as the quotient between profit attributable to controlled properties LTM and average equity attributable to controlled properties.
- Return on assets: Defined as the quotient between profit attributable to controlled companies LTM and total average assets.
- Operating assets: Defined as total average current assets.
- Earnings per share: Defined as the quotient between profit attributable to controlled companies LTM and the number of shares
- EBITDA: Defined as the sum of profit before tax, finance costs and depreciation.
- Return on operating assets: Defined as the quotient between net operating income LTM and average operating assets.
- Financial expense coverage: Defined as the the sum of profit before tax and finance costs divided by finance costs.
- Sum of dividend per share, divided by the share price when each dividend was distributed over the last twelve months.

10. Financial and Business Indicators

Key Financial Indicators	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Financial Expense Coverage (times)	7.23 x	8.41 x	9.59 x	7.94 x	7.08 x	13.13 x
Debt / Equity (1)	0.36	0.36	0.35	0.36	0.35	0.35
Number of Shares (in millions)	3,232	3,234	3,243	3,258	3,258	3,258
LTM Earnings per Share (CH\$)	18.88	19.33	21.09	19.16	19.96	23.81
Return on Equity (2)	12.3%	12.2%	13.0%	11.7%	12.1%	14.0%

(1) Unconsolidated debt ratio: Defined as the ratio of Grupo Security's unconsolidated debt to equity, as per Note 31 to the Group's Financial Statements.

(2) Ratio of profit attributable to owners of the controller to equity attributable to owners of the controller, annualized.

* The following indicators were modified with respect to previous periods following application of IFRS in Vida Security: financial expense coverage, debt / equity, earnings per share and return on equity.

Cross Selling Ratio: Commercial Customers:	Mar-15			Mar-16		
	Total Customers	Customers with Cross Sales	Cross Selling Ratio	Total Customers	Customers with Cross Sales	Cross Selling Ratio
Bank - Banco Security	8,227	3,067	37%	8,489	3,207	38%
Factoring - Factoring Security	3,672	1,989	54%	4,029	2,125	53%
Insurance - Vida Security	1,280	509	40%	1,206	465	39%
Insurance - Corredora Security	945	362	38%	851	311	37%
Asset Management - Valores Security	1,527	1,093	72%	1,842	1,352	73%
Asset Management - Fondos Mutuos Security	4,427	2,746	62%	5,472	3,054	56%
Travel -Travel Security	2,418	882	36%	2,365	825	35%
Total - Group	16,392	4,023	25%	17,549	4,324	25%

¹Customer growth in Seguros Vida Security stems mainly from the incorporation of Cruz del Sur's customer base beginning in September 2015 once systems were merged in July 2015 for life insurance.

Cross Selling Ratio: Retail Customers	Mar-15			Mar-16		
	Total Customers	Customers with Cross Sales	Cross Selling Ratio	Total Customers	Customers with Cross Sales	Cross Selling Ratio
Bank - Banco Security	76,658	21,738	28%	83,258	24,209	29%
Factoring - Factoring Security	259	80	31%	293	100	34%
Insurance - Vida Security	57,705	9,610	17%	86,068	12,988	15%
Insurance - Corredora Security	4,637	1,620	35%	4,517	1,619	36%
Asset Management - Valores Security	6,566	5,023	77%	7,164	5,578	78%
Asset Management - Fondos Mutuos Security	42,715	13,503	32%	43,819	14,261	33%
Travel -Travel Security	4,474	1,959	44%	5,403	2,290	42%
Total - Group	164,624	24,704	15%	198,375	28,456	14%

Market Information

Grupo Security is 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.

Grupo Security is the parent company of a conglomerate of diversified companies engaged in the main sectors of the Chilean financial industry. Its subsidiaries Banco Security and Factoring Security provide lending services to companies and individuals. The subsidiaries Compañía de Seguros de Vida Security Previsión, Corredora de Seguros Security and Europ Assistance operate respectively in the life insurance and life annuity, insurance brokerage and travel assistance industries. Valores Security Corredora de Bolsa, Administradora General de Fondos Security, Asesorías Security and Securitizadora Security, complement the Group's offering of financial services by developing and distributing specialized financial products and personalized investment and asset management services.

Grupo Security's other services business area includes two subsidiaries engaged in the real estate (Inmobiliaria Security) and travel and tourism (Travel Security) industries. In addition, since 2001 the subsidiary Invest Security provides all group companies with shared services such as accounting, business risk and control, corporate culture, research and corporate IT services to support their development and technological requirements. In December 2014, Invest Security merged with Capital S.A., a wholly-owned subsidiary of Grupo Security.

BANKING INDUSTRY

As of March 2016, the Chilean banking industry was made up of 24 financial institutions, including 1 state-owned bank (Banco Estado), 19 domestic banks and 4 branches of foreign banks. As of that date, industry loans totaled CH\$ 143,833,669 million. Equity totaled CH\$ 16,022,531 million while profit for the first quarter of 2016 was CH\$ 475,780 million, with return on average equity of 14.53%. The industry reported an efficiency ratio of 48.73%, measured as operating expenses over gross operating profit, and 2.18%, measured as operating expenses over total assets. The banking system posted a risk ratio of 2.51%, measured as loan loss provisions to total loans, and 1.96%, measured as 90-day nonperforming loans to total loans. As of March 2016, Banco Security had total loans of CH\$ 4,093,302 million, positioning it 9th in total loans in the market with 2.8% of the Chilean market.

FACTORING INDUSTRY

Factoring has become an important source of alternative financing to complement traditional bank lending for small- and medium-sized companies. Although the factoring industry has performed well in recent years, it experienced a drop in growth last year as a result of a sluggish domestic economy: Total factored receivables for companies belonging to the Chilean Association of Factoring Companies (ACHEF) as of March 2016 reached CH\$ 2,318,693 million, up 1.3% from the same month in 2015. As of March 2016, Factoring Security had total factored receivables of CH\$ 237,805 million, equivalent to a market share of 10.3%.

MUTUAL FUND INDUSTRY

As of March 2016, the mutual fund industry reported average assets under management of CH\$ 29,983 billion and 2,117,547 investors. Administradora General de Fondos Security boasted average assets under management of CH\$ 1,947,795 million as of March 2016, giving it a market share of 6.5% and a fifth place industry ranking among the 18 fund managers operating in the market.

STOCK BROKERAGE INDUSTRY

During the first quarter of 2016, market activity measured as traded equity volumes fell 8.9% in comparison to the same period in 2015, reaching CH\$ 7,987 billion. Value of shares traded for Valores Security Corredores de Bolsa for the same period totaled CH\$ 318 billion with market share of 4.0%. Market share is calculated based on transactions on the Santiago Stock Exchange and the Chilean Electronic Stock Exchange.

LIFE INSURANCE INDUSTRY

As of March 2016, there were 36 life insurance companies in Chile. Total direct premiums for the industry were CH\$ 1,358 billion for the quarter ended March 2016. The life insurance industry posted profit of CH\$ 116,676 million for the same period. As of March 2016, Vida Security, had market share of 4.8% based on direct premiums.

Differences Between Book Values and Economic Values and/or Market Values of Principal Assets

Grupo Security participates in the insurance and services businesses through its investments in related companies, mainly Europ Assistance and Compañía de Seguros Penta Security, and in private investment funds through Inmobiliaria Security. As of March 2016, investments accounted for using the equity method in the Consolidated Statements of Financial Position represent approximately 0.01% of total assets.

Goodwill, which represents the difference between the acquisition cost and the fair value of assets and liabilities, totaled CH\$ 120,257 million as of March 2016, equivalent to 1.40% of total assets.

Given the varying natures of the companies considered investments in related companies, their market value is normally higher than their carrying amount, which depends on the industry and the economic conditions they face.

Risk Factors

DEPENDENCE ON SUBSIDIARY DIVIDENDS

Grupo Security is the ultimate parent company of a conglomerate of companies; as such, it receives its income from subsidiary dividends. As a result, the Company's earnings depend considerably on the performance of its subsidiaries.

As of March 2016, Banco Security had distributed CH\$ 4,223 million in dividends to Grupo Security. As of March 2016, Factoring Security had distributed CH\$ 4,901 million in dividends (70% of profit for the year 2015). On the same date, Inversiones Seguros Security had distributed CH\$ 32,883 million in dividends. Inmobiliaria Security distributed CH\$ 4,800 million in dividends to Grupo Security. Lastly, it is important to point out that Grupo Security controls its main subsidiaries with an ownership interest of more than 90% in each subsidiary, which gives it flexibility in setting their dividend policies based on its requirements. This is especially true because of the vast diversification of the Company's income sources, with subsidiaries in various sectors of the financial industry.

OTHER RISK FACTORS

Risks Associated with General Economic Performance

The performance of the Grupo Security subsidiaries is correlated to economic and financial conditions that, in turn, are dependent on monetary policy, which results in reduced growth of income and profit under restrictive conditions and the opposite under expansionary conditions.

Competition in All Group Business Areas

The industries in which the Group competes are known for being highly competitive, especially the banking and insurance industries, and trending toward decreased margins. The mergers and alliances that arise between competitors are proof of the competition that Group companies face. Despite the potential challenges to the companies, the possible negative effects of competition are deemed to be offset by Grupo Security's solid brand image in its target market, strong customer loyalty and the niche strategy that drives the Group's development. This has allowed Grupo Security to earn a favorable market position with which to face future competition.

Regulatory Changes

The banking and insurance industries in which the Group does business are government-regulated and are consequently subject to potential regulatory changes over time. However, this risk is estimated to be low thanks to market transparency, the considerable development of these industries and their excellent global reputation.

RISKS ASSOCIATED WITH THE FINANCIAL BUSINESS

Credit Risk

Credit risk is dependent on monetary policy, which ultimately determines a customers' payment capacity. In early 2008, a general deterioration was seen in the system's loan portfolio, which was reflected in higher risk and delinquency ratios. In the third quarter of 2011, trends in risk ratios began to shift, with an improvement in risk levels. Within this framework, Banco Security has consistently posted risk levels below industry averages.

Market Risk

The main market risks facing the Chilean banking industry are inflation and interest rate risk. As a result, Grupo Security has established market risk policies, procedures and limits to manage its maturity and exchange rate exposure in accordance with its own objectives and regulatory limits. In particular, the bank, its subsidiaries and the insurance companies have also implemented a special system for controlling interest rate risk. Along with ongoing monitoring of medium- and long-term investments, the system actively monitors their investment portfolios.

Risks Associated with International Financial Market Volatility

The Chilean economy and its markets generally operate within international markets and may be affected by external shocks. The volatility of world financial markets and changes in global economic conditions can negatively affect the performance of local and international assets and risk premiums demanded by investors.

Interest Rate Risk

As of March 31, 2016, the company has loans at reasonable rates based on current market conditions.

Foreign Exchange Risk

Grupo Security has implemented the policy of matching foreign currency transactions with financial institutions to sales transactions in the same currency.

Commodity Risk

As of March 31, 2016, Grupo Security does not have any significant assets or liabilities in commodities.

RISKS ASSOCIATED WITH THE INSURANCE BUSINESS

Local Financial Risks

Decreases in medium- and long-term interest rates could affect the performance of life annuity-backing assets and guaranteed-return investment accounts when investments with shorter maturities must be made, creating a medium-term operating deficit.

Mortality and Morbidity Rates

Increases in morbidity rates could cause the number of catastrophic claims to rise in the medium-term and the number of medical reimbursement claims to increase in the short-term. If companies do not adjust to the new structure of the mortality

curves, the decrease in adult mortality rates could negatively impact the income expected from the life annuities area.

Industry Structure

The large number industry players can lead to company closures and mergers. Consequently, the current industry structure may vary, triggering adjustments to the structure of sales and operating margins.

Re-insurance Industry

The current trend toward concentration of re-insurance companies could affect the variety of coverage options and could prevent the reinsurance of risks that are currently backed thanks to the strong competition that until recently had existed in this market.

Internal Competition

Due to the price competition affecting the market, the technical margins of high-retention general insurance areas could continue to fall.

Grupo Security Corporate Structure

