

Grupo Security Earnings Report

Grupo Security Reports Profit of Ch\$65,022 Million as of December 2015, Up 6.6% YoY

- Grupo Security distributable profit grew 6.6%, reaching Ch\$65,022 million.
- 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.
- Process to acquire Protecta Compañía de Seguros for almost US\$23 million closed on August 31, 2015, marking Grupo Security's entrance into the Peruvian life insurance and annuity market.
- Agreement by Grupo Security's board on October 8, 2015, to pay a total dividend of Ch\$4 per share, consisting of an interim dividend of Ch\$2 per share charged to profit for the year 2015 and an additional dividend of Ch\$2 per share charged to prior year retained earnings.

Santiago, Chile – March 7, 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 three- and twelve-month periods ending December 31, 2015.

Renato Peñafiel, Grupo Security's Chief Executive Officer, commented, “Grupo Security has posted 6.6% year-on-year profit growth for 2015, thanks to continual growth in sales across all business areas in the first half of the year and despite weakening domestic and international economic conditions impacting the Group's results during the second half of the year. Security continued to be a vital market force throughout 2015 and early in 2016 with successful transactions including the purchase of the Peruvian insurance company Protecta, the sale of our minority interest in Penta-Security and the acquisition and merger of Banco Penta's asset management subsidiaries with the Inversiones Security companies.”

In Ch\$ millions	4Q15	3Q15	4Q14	% Chg		2015	2014	% Chg
				QoQ	YoY			
Balance Sheet								
Banco - Total Loans	4,056,096	3,980,384	3,715,979	1.9%	9.2%	4,056,096	3,715,979	9.2%
Banco - Total Deposits	5,585,206	3,301,524	5,046,178	69.2%	10.7%	5,585,206	5,046,178	10.7%
Factoring - Total Factored Receivables	279,644	227,354	249,708	23.0%	12.0%	279,644	249,708	12.0%
Inversiones - Total AUM	3,282,864	3,136,721	2,891,821	4.7%	13.5%	3,282,864	2,891,821	13.5%
Vida - Investment Portfolio	2,166,482	2,110,071	1,988,248	2.7%	9.0%	2,002,055	1,919,401	2.7%
Income Statement								
Banco - Net Interest Margin	33,209	36,140	32,623	-8.1%	1.8%	133,403	118,379	12.7%
Banco - Net Fees	12,901	12,210	10,635	5.7%	21.3%	48,334	38,163	26.7%
Banco - Operating Expenses	(26,055)	(23,702)	(28,862)	9.9%	-9.7%	(97,842)	(93,254)	4.9%
Banco - Net Provision Expenses	(13,844)	(14,437)	(10,209)	-4.1%	35.6%	(44,118)	(29,324)	50.5%
Vida - Direct Premium	60,754	72,570	48,662	-16.3%	49.1%	242,144	227,620	6.4%
Vida - Claims Paid	(20,777)	(22,152)	(16,049)	-6.2%	38.0%	(76,306)	(52,358)	45.7%
Vida - Pensions Paid	(26,117)	(38,410)	(30,585)	-32.0%	25.6%	(127,359)	(145,076)	-12.2%
Vida - Investment Income	30,967	11,035	29,006	180.6%	-62.0%	100,265	98,928	1.4%
Factoring - Revenue	5,858	5,648	5,904	3.7%	-0.8%	23,187	25,346	-8.5%
Operations								
Total Customers ¹ (number)	219,701	214,553	188,394	2.4%	16.6%	219,701	188,394	16.6%
Employees (number)	3,901	3,670	3,578	6.3%	9.0%	3,901	3,578	9.0%

¹Customer growth as of 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	2015	2014	% Chg
Grupo - Share Price (Ch\$)	190.7	215.9	-11.7%
Grupo - Number of Shares	3,258,363,592	3,231,596,633	0.8%
Grupo - ROE	12.1%	12.3%	-22 p
Banco (Consolidated) - ROE	12.0%	16.3%	-422 p
Factoring - ROE	23.7%	27.4%	-370 p
Vida - ROE	16.8%	23.1%	-631 p
Travel - ROE	34.5%	32.9%	160 p
Grupo - Leverage	34.9%	36.1%	-128 p
Banco - Efficiency	48.1%	48.9%	-87 p
Factoring - Efficiency	44.7%	41.6%	314 p
Banco - Non-Performing Loans	1.54%	1.48%	6 p
Banco - Risk Index	1.83%	1.59%	24 p
Factoring - Risk Index	2.4%	2.5%	-10 p
Banco - BIS Tier I Ratio	8.5%	8.5%	-2 p
Banco - BIS Tier II Ratio	12.1%	12.6%	-46 p
Dividend-adjusted share price			
ROE: Profit 12M over average equity			

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 involves 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 consists of Ch\$30,809 million in equity backed by highly-liquid instruments recorded at market value and Ch\$5,228 million in 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 will be recorded in the first quarter of 2016. Peñafiel commented, "Part of these resources will be used to capitalize several Grupo Security subsidiaries, particularly to strengthen the Bank's capital base. For several years now, Banco Security has prepared for the implementation of Basel III. For this reason, a dividend equivalent to 30% of the 2015 profit will be proposed at the next Bank's annual meeting, in order to retain nearly 100% of the 2015 profit of that company".

On August 31, 2015, Grupo Security completed the purchase of a 61% stake in Protecta Compañía de Seguros for US\$23 million through its subsidiary Vida Security, marking the Group's entry into the Peruvian life insurance market. In addition to closing the deal, a shareholders' meeting was held to elect the following individuals to Protecta's board of directors: Alfredo Jochamowitz, Francisco Silva, Renato Peñafiel, Andrés Tagle, Alejandro Alzérreca, Marino Costa and Alfredo Dancourt.

On October 8, 2015, the Board of Directors of Grupo Security agreed to pay a total dividend of Ch\$4 per share, consisting of an interim cash dividend of Ch\$2 per share charged to profit for the year 2015 and an additional cash

dividend of Ch\$2 per share charged to prior year retained earnings. Grupo Security reported a dividend yield¹ of 5.21% for 2014.

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¹ Calculated as the sum of dividends per share, divided by the share price when each dividend was distributed for the corresponding year.

GRUPO SECURITY EARNINGS REPORT AS OF DECEMBER 2015

Grupo Security reported distributable profit of Ch\$65,022 million for the year ended December 31, 2015, +6.6% YoY, and Ch\$13,769 million for 4Q15, +104.6% QoQ. EBITDA for the year ended December 31, 2015, totaled Ch\$102,743 million, +1.5% YoY, while EBITDA for the fourth quarter of 2015 reached Ch\$18,206 million, 1.9% lower than the Ch\$18,551 million recorded for 4Q14, +17.5% QoQ. This quarterly growth is explained mainly by a recovery in investment income from the Group's life insurance subsidiary. Grupo Security's return on equity as of December 2015, measured as distributable profit over the last 12 months over average equity attributable to controllers, was 12.1%, down 22 b.p. YoY.

Grupo Security's business areas contributed total profit of Ch\$97,782 million, -4.9% YoY and +55.6% QoQ. The year-on-year decrease was offset by reduced corporate expenses compared to 2014, when profits of Ch\$6,088 million recognized by Banco Security and Vida Security were reversed at the corporate level. Furthermore, as of year-end 2015 the Group posted a smaller expense from inflation-indexed liabilities of Ch\$1,977 million, due to UF-denominated bonds², because of lower inflation as compared to the prior year.

EARNINGS CONTRIBUTION BY BUSINESS AREA

Accumulated Profit - Related Companies (Ch\$ millions)								
	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%
Asset Management 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	-
Insurance 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 Profit	13,769	6,728	11,193	104.6%	23.0%	65,022	61,010	6.6%

- (1) 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.

² UF: Chilean CPI-Indexed Unit of Account

REVIEW OF OPERATIONS BY BUSINESS AREA

LENDING BUSINESS AREA (68.2% of assets; 47.4% of business areas profit as of December 2015)

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\$47,425 million for the year ended December 31, 2015, 15.2% lower YoY, which is similar to the 11% drop seen in 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\$36,969 million for the year 2015, (-25.1% YoY). The area's consolidated results as of December 2015 can be explained mainly by decreased profit from the commercial banking division (-Ch\$9,848 million YoY) due to greater credit risk provisions, and decreased profit from the treasury area (-Ch\$11,061 million YoY) as a result of the higher basis of comparison in 2014 because of higher-than-expected inflation and successive drops in interest rates over the previous year. These effects were only partially offset by the improved performances from the Bank's asset management subsidiaries (+Ch\$3,878 million YoY) and increased activity in retail banking (+Ch\$3,062 million YoY). Lastly, the Group's profit was affected by bonuses and provisions made during the last quarter of 2014 for the organizational restructuring plan carried out in 2015. These expenses explain most of the difference of +Ch\$5,490 million in the column "other".

Banco Security's consolidated ROE (profit LTM over average equity) was 12.05%, down 422 b.p. and 237 b.p. compared to December 2014 and September 2015, respectively.

Banco Security Segment Note <i>In Ch\$ millions</i>	Commercial Banking		Retail Banking		Treasury		Other		Total Bank		Subsidiaries		Consolidated Total	
	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15
Net interest margin	59,430	64,839	42,921	51,094	20,378	21,385	-1,828	-1,959	120,900	135,359	-2,736	-1,956	118,163	133,403
-% 12m14		9.1%		19.0%		4.9%		7.2%		12.0%		-28.5%		12.9%
Net fees	14,914	15,538	14,145	17,235	-514	-719	-823	-110	27,721	31,944	10,442	16,390	38,163	48,334
-% 12m14		4.2%		21.8%		39.8%		-86.6%		15.2%		57.0%		26.6%
Net FX transactions and other income	8,859	9,977	1,071	879	20,800	9,185	-10,084	-11,843	20,647	8,198	9,386	10,766	30,032	18,964
-% 12m14		12.6%		-17.9%		-55.8%		17.5%		-60.3%		14.7%		-36.9%
Loan losses and foreclosed assets	-17,981	-33,321	-11,343	-14,316	-11	-30	475	1,482	-28,861	-46,186	-	400	-28,566	-45,786
-% 12m14		85.3%		26.2%		166.0%		211.9%		60.0%		-		60.3%
Total operating income, net of credit risk provisions	65,222	57,034	46,793	54,892	40,652	29,820	-12,260	-12,431	140,408	129,315	17,388	25,600	157,795	154,915
-% 12m14		-12.6%		17.3%		-26.6%		1.4%		-7.9%		47.2%		-1.8%
Operating expenses	-30,546	-32,419	-42,313	-46,377	-9,963	-10,922	-303	5,126	-83,125	-84,592	-10,129	-13,250	-93,254	-97,842
-% 12m14		6.1%		9.6%		9.6%		-		1.8%		30.8%		4.9%
Net operating income	34,676	24,615	4,481	8,515	30,689	18,899	-12,563	-7,306	57,283	44,723	7,259	12,350	64,542	57,073
-% 12m14		-29.0%		90.0%		-38.4%		-41.8%		-21.9%		70.1%		-11.6%
Profit attributable to owners of the controller	29,849	20,001	3,857	6,919	26,417	15,356	-10,798	-5,308	49,325	36,969	6,577	10,456	55,902	47,425
-% 12m14		-33.0%		79.4%		-41.9%		-50.8%		-25.1%		59.0%		-15.2%

Consolidated profit for 4Q15 fell to Ch\$3,827 million, down 66.8% in relation to 3Q15, explained mainly by decreased profit from the treasury area (-Ch\$4,500 million QoQ), affected by the decrease in value of corporate local debt instruments and the drop in value of foreign bonds due to U.S. Treasury interest rate hikes and Brazil's increased sovereign risk. In addition, the commercial banking

division posted profit of Ch\$2,022 million, 39.1% less than 3Q15, influenced by greater loan losses as a result of stricter risk policies, which involved changing the credit risk classification of some customers, and increased operating expenses due to productivity bonuses, offset only partially by increased sales and finance income. The retail banking division recorded a drop of 21.9% in profit for the fourth quarter of 2015, mainly because of increased operating expenses due to year-end productivity bonuses. Banco Security's asset management subsidiaries, AGF Security and Valores Security Corredores de Bolsa, reported a decrease of Ch\$792 million in profit for 4Q15 compared to 3Q15, due mainly to a decrease in net FX transactions and other income because of decreased income from proprietary trading by Valores Security, in line with the weakening of national and international financial markets.

Banco Security Segment Note	Commercial Banking		Retail Banking		Treasury		Other		Total Bank		Subsidiaries		Consolidated Total	
	3Q-15	4Q-15	3Q-15	4Q-15	3Q-15	4Q-15	3Q-15	4Q-15	3Q-15	4Q-15	3Q-15	4Q-15	3Q-15	4Q-15
<i>In Ch\$ millions</i>														
Net interest margin	16,544	16,962	13,356	13,121	7,267	4,252	-570	-680	36,597	33,655	-457	-446	36,140	33,209
- % 3Q15		2.5%		-1.8%		-41.5%		19.3%		-8.0%		-2.4%		-8.1%
Net fees	3,770	4,137	4,501	4,840	-167	-168	-2	-70	8,102	8,739	4,108	4,162	12,210	12,901
- % 3Q15		9.7%		7.5%		0.5%		-		7.9%		1.3%		5.7%
Net FX transactions and other income	2,285	2,424	140	445	1,435	-713	-2,792	-5,986	1,068	-3,831	2,633	1,876	3,701	-1,955
- % 3Q15		6.1%		216.9%		-149.7%		114.4%		-458.7%		-28.8%		-152.8%
Loan losses and foreclosed assets	-11,042	-12,246	-3,769	-3,551	30	-35	317	1,601	-14,464	-14,231	0	0	-14,464	-14,231
- % 3Q15		10.9%		-5.8%		-		-		-1.6%		-		-1.6%
Total operating income, net of credit risk provisions	11,557	11,276	14,229	14,854	8,564	3,336	-3,047	-5,135	31,303	24,332	6,284	5,592	37,587	29,924
- 3Q15		-2.4%		4.4%		-61.0%		68.5%		-22.3%		-11.0%		-20.4%
Operating expenses	-7,438	-8,842	-11,580	-12,810	-2,409	-2,795	1,198	1,792	-20,229	-22,656	-3,473	-3,399	-23,702	-26,055
- % 3Q15		18.9%		10.6%		16.0%		49.6%		12.0%		-2.1%		9.9%
Net operating income	4,119	2,434	2,649	2,044	6,155	541	-1,849	-3,343	11,074	1,676	2,811	2,193	13,885	3,869
- 3Q15		-40.9%		-22.8%		-91.2%		80.8%		-84.9%		-22.0%		-72.1%
Profit attributable to owners of the controller	3,318	2,022	2,143	1,674	4,976	476	-1,480	-2,117	8,957	2,055	2,564	1,772	11,521	3,827
- % 3Q15		-39.1%		-21.9%		-90.4%		43.0%		-77.1%		-30.9%		-66.8%

Banco Security's Loan Portfolio

Total loans reached Ch\$4,056 billion as of December 2015, which represents growth of 9.2% YoY and 1.9% QoQ. This increase compares with rises of 12.2% YoY and 4.4% QoQ for the total system.

Total Loans <i>In Ch\$ millions</i>		4Q15	3Q15	4Q15	% Chg		2015	2014	% Chg
					QoQ	YoY			
Consumer	Loans	363,303	345,960	325,127	5.0%	11.7%			
	Interest and indexation income	11,558	11,398	10,495	1.4%	10.1%	44,803	38,887	15.2%
Mortgage	Loans	554,771	541,664	532,065	2.4%	4.3%			
	Interest and indexation income	11,274	12,841	14,964	-12.2%	-24.7%	42,157	50,321	-16.2%
Mortgage + Consumer	Loans	918,074	887,624	857,192	3.4%	7.1%			
	(1) Interest and indexation income	22,832	24,239	25,459	-5.8%	-10.3%	86,960	89,208	-2.5%
	No. Customers	83,020	80,481	75,808	3.2%	9.5%			
Commercial	Loans	3,137,309	3,091,023	2,851,607	1.5%	10.0%			
	(2) Interest and indexation income	53,339	57,626	57,348	-7.4%	-7.0%	203,131	209,737	-3.1%
	No. Customers	8,649	8,669	8,181	-0.2%	5.7%			
	(3) Interest and indexation income, other*	7,293	6,887	7,643	5.9%	-4.6%	26,719	26,489	0.9%
	(4) Interest and indexation expenses	(50,255)	(52,612)	(57,827)	-4.5%	-13.1%	-183,407	-207,055	-11.4%
	Net Interest Margin (1)+(2)+(3)+(4)	33,209	36,140	32,623	-8.1%	1.8%	133,403	118,379	12.7%
	Net Interest Margin / Loans (LTM)	3.29%	3.34%	3.19%	-4.8 p	10.33 p	3.29%	3.19%	
	Total Loans	4,056,096	3,980,384	3,715,979	1.9%	9.2%	4,056,096	3,715,979	
	Market Share	2.83%	2.90%	2.91%	-6.8 p	-7.99 p			

*Includes Fees from Prepayments, Balances due to Banks, Financial Instruments and Others

Commercial loans grew 10.0% YoY and 1.5% QoQ, to Ch\$3,137 billion (77.3% of Banco Security's total loan portfolio excluding balances due from banks), while retail loans (consumer + mortgage) reached Ch\$918 billion as of December 2015, up 7.1% YoY and 3.4% QoQ.

The 20 largest loans represent 9.1% of the Bank's total loan portfolio. Although the Bank's loan portfolio has continued to

grow, it has experienced deceleration levels similar to the rest of the banking industry, in line with 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 December 2015, posting profit of Ch\$6,919 million for the year 2015 and Ch\$1,674 million for the fourth quarter (+79.4% YoY and -21.9% QoQ, respectively). In recent years, the retail division has focused on expanding consumer products while appropriately managing risk, resulting in average annual growth of 28% since 2010. As of December 2015, consumer loans had expanded 11.7% YoY and 5.0% QoQ, totaling Ch\$363 billion. For the same periods, total system consumer loans posted growth of 11.0% and 4.8%. Mortgage loans reached Ch\$555 billion, posting growth of 4.3% YoY and 2.4% QoQ.

Commercial Banking

Banco Security's commercial banking division targets companies with sales above US\$1.2 million. As of December 2015, commercial loans had expanded 10.0% YoY and 1.5% QoQ, totaling Ch\$3,137 million. The division posted profit of Ch\$20,001 million for the year 2015, down 33.0% from the same period in 2014. For 4Q15, the division reported quarterly profit of Ch\$2,022 million (-39.1% QoQ). These decreases in quarterly and accumulated 2015 profit can be explained by greater credit risk provisions for particular customers within the portfolio and stricter risk policies.

Commercial Loans by Economic Sector	Loans Dec-15	% Dec-15
<i>In Ch\$ million</i>		
Construction	655,300	20.6%
Financial services and Insurance	486,476	15.3%
Wholesale and retail	476,490	15.0%
Manufacturing	352,357	11.1%
Real estate and corporate services	347,866	10.9%
Social services	221,805	7.0%
Transport	214,132	6.7%
Utilities	151,361	4.8%
Fishing	89,530	2.8%
Agriculture and livestock	88,610	2.8%
Telecom	54,805	1.7%
Mining	41,888	1.3%
Forestry	5,732	0.2%
Total Commercial Loans	3,186,351	100.0%

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.

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 119.0% in December 2015.

In Ch\$ millions	Dec-15	Sep-15	Dec-14	% Chg	
				QoQ	YoY
Total loans	4,056,096	3,980,384	3,715,979	1.9%	9.2%
Non-performing loans - consumer	3,728	3,559	5,188	4.8%	-28.1%
Non-performing loans - mortgage	8,575	7,503	8,154	14.3%	5.2%
Non-performing loans - commercial	50,121	54,878	41,289	-8.7%	21.4%
Total non-performing loans	62,424	65,940	54,631	-5.3%	14.3%
Non-performing loan ratio - consumer	1.03%	1.03%	1.60%	0 p	-57 p
Non-performing loan ratio - mortgage	1.55%	1.39%	1.53%	16 p	1 p
Non-performing loan ratio - commercial	1.60%	1.78%	1.45%	-18 p	15 p
Total non-performing loan ratio	1.54%	1.66%	1.48%	-12 p	29 p
Gross provisions	105,519	91,003	80,084	16.0%	31.8%
Charge-offs	(31,219)	(23,398)	(21,040)	33.4%	48.4%
Credit risk provisions	74,300	67,605	59,044	9.9%	25.8%
Provisions - consumer (% total)	14.5%	15.5%	15.1%	-98 p	-60 p
Provisions - mortgage (% total)	1.3%	1.5%	1.2%	-21 p	9 p
Provisions - commercial (% total)	84.2%	83.0%	83.6%	118 p	51 p
Credit risk provisions	74,300	67,605	59,044	9.9%	25.8%
Coverage - consumer	289.7%	294.7%	172.2%	-501 p	11746 p
Coverage - mortgage	11.4%	13.7%	8.9%	-231 p	253 p
Coverage - commercial	124.7%	102.2%	119.6%	2254 p	513 p
Coverage - total non-performing loans	119.0%	102.5%	108.1%	1650 p	1095 p
Provisions / loans	1.83%	1.70%	1.59%	13 p	24 p
Provision expenses / loans	1.45%	1.01%	1.05%	44 p	40 p

As of December 2015, Banco Security's risk index (loan loss provisions to total loans) reached 1.83%, +24 b.p. YoY and +13 b.p. QoQ. Provision expenses net of recovered charged-off loans, measured on an annualized basis over average loans, increased 40 b.p. YoY and +44 b.p. QoQ, to 1.45%.

	Credit Risk (%)								
	Provisions/ Loans					90 Day Non-Performing Loans			
	Mortgage	Consumer	Total	Commercial	Total	Mortgage	Consumer	Commercial	Total
Banco Security	0.18	2.97	1.28	1.99	1.83	1.55	1.03	1.60	1.54
Peer banks*	0.43	3.95	1.50	1.71	1.69	1.84	1.50	1.13	1.40
Banking system	0.71	5.84	2.44	2.38	2.38	2.69	2.08	1.47	1.86

*Average of BBVA, Scotiabank, BICE, Security and Itaú

Treasury

The treasury division posted profit of Ch\$15,356 million for the year ended December 2015 (-41.9% YoY) and Ch\$476 million for the quarter (-90.4% QoQ). This decrease in accumulated 2015 profit can be explained mainly by a higher basis of comparison in 2014 due to higher-than-expected inflation and repeated drops in interest rates. Furthermore, during the last quarter of 2015, the treasury area was 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. 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 December 2015, ALM represented 65.5% of treasury income. The investment and trading desks manage the Bank's own portfolio of primarily Chilean Central Bank notes and represent 7.9% of treasury income. The remaining 26.5% 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 <i>In Ch\$ millions</i>	4Q15		3Q15		4Q14		% Chg	
		%		%		%	QoQ	YoY
Demand deposits	583,856	10.5%	545,041	10.1%	512,242	10.2%	7.1%	14.0%
Time deposits	2,717,668	48.7%	2,599,188	48.1%	2,541,909	50.7%	4.6%	6.9%
Total deposits	3,301,524	59.1%	3,144,229	58.2%	3,054,151	61.0%	5.0%	8.1%
Bonds	1,344,873	24.1%	1,270,208	23.5%	1,126,708	22.5%	5.9%	19.4%
Loans from banks	228,156	4.1%	211,242	3.9%	146,429	2.9%	8.0%	55.8%
Other liabilities*	301,787	5.4%	369,576	6.8%	304,368	6.1%	-18.3%	-0.8%
Total liabilities	5,176,340	93%	4,995,255	92%	4,631,656	92%	3.6%	11.8%
Equity	408,340	7.3%	405,691	7.5%	379,051	7.6%	0.7%	7.7%
Liabilities + equity	5,584,680	100%	5,400,946	100%	5,010,707	100%	3.4%	11.5%

*Includes transactions in the course of collection, receivables from repurchase agreements and securities borrowing, financial derivative instruments, current taxes, deferred taxes, provisions and other financial obligations.

Bonds

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	25-Jan-10	3.00	10	01-dic-16
H1	3/2007	25-Jan-07	UF	3,000,000	25-Jan-10	3.00	23	1-Dec-29
K1	1/2008	4-Jan-08	UF	3,000,000	4-Jan-11	3.00	10	01-ene-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	10.5	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

○ Demand and Time Deposits

For the year ended December 2015, total deposits increased by 6.9% YoY and 5.0% QoQ, below the banking system as a whole, which posted growth of 13.4% YoY and 7.9% QoQ. Total bank deposits consisted of 23.8% retail deposits and 76.2% institutional deposits. The 15 largest depositors³ represent 34% of the Bank's total deposits. The deposit to loan ratio was 81.4% as of December 2015, compared to 83.1% for 4Q14 and 79.0% for 3Q15. 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 risk⁴, striving to diversify its funding sources while applying strict limits to balance sheet mismatches, lengthening liabilities to increase funding terms and maintaining liquid assets. As of December 31, 2015, liquid assets⁵ represented 50% of deposits and other short-term funds.

Banco Security - Capitalization

As of December 31, 2015, Banco Security's equity totaled Ch\$408,250 million. For several years now, Banco Security has prepared for the implementation of Basel III. For this reason, a dividend equivalent to 30% of the 2015 profit will be proposed at the next Bank's annual meeting, similar to the dividend distributed last year. Additionally, Grupo Security will propose to carry out a capital increase in Banco Security in order to retain nearly 100% of the 2015 profit of that company, strengthening the Bank's capital base, to better leverage loan growth opportunities.

<i>In Ch\$ millions</i>	4Q15	3Q15	4Q14	% Chg	
				QoQ	YoY
Capital	242,047	242,047	242,046	0.0%	0.0%
Reserves and valuation accounts	19,964	19,994	23,883	-0.2%	-16.4%
Retained earnings	146,239	143,560	113,037	1.9%	29.4%
Total equity	408,250	405,601	378,966	0.7%	7.7%
Tier I (core capital)	408,250	405,601	378,966	0.7%	7.7%
Tier II	161,037	161,213	162,028	-0.1%	-0.6%
Regulatory capital	569,287	566,813	540,994	0.4%	5.2%
Minimum regulatory capital	376,380	371,324	347,953	1.4%	8.2%
Risk-weighted assets	4,704,745	4,641,555	4,349,416	1.4%	8.2%
Tier I ratio	8.49%	8.55%	8.51%	-6 p	-2 p
BIS Ratio	12.10%	12.21%	12.44%	-11 p	-34 p
Core capital/ total assets	6.63%	6.81%	6.77%	-18 p	-14 p

Banco Security's capital adequacy ratio as of December 2015, calculated as regulatory capital over risk-weighted assets as defined by the SBIF⁶, reached 12.10% (with a regulatory minimum of 8%), falling 34 b.p. YoY and 11 b.p. QoQ, explained mainly by increased risk-weighted assets due to growth in the commercial and consumer loan portfolios and financial instruments, and by a decrease in equity due to the drop in value of fixed-income instruments in the available-for-sale portfolio. The Tier I BIS ratio, calculated as basic capital less goodwill over risk-weighted assets, reached 8.49% (with a required minimum of 6%), marking a decrease of 2 b.p. YoY and 6 b.p. QoQ.

³ Excludes stock brokerage companies.

⁴ Liquidity risk represents the possibility of not meeting 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).

⁵ Includes cash and cash deposits, transactions in the course of collection and the portfolio of financial instruments.

⁶ Superintendency of Banks and Financial Institutions

Banco Security - Profit and ROE

Banco Security reported consolidated profit of Ch\$47,425 million for the year ended December 2015 (-15.2% YoY) and Ch\$3,827 million for the fourth quarter of 2015 (-66.8% QoQ). Consolidated ROE as reported by the SBIF⁷ was 11.62%, reflecting decreases of 313 b.p. YoY and 272 b.p. QoQ. Return on average equity of the bank's controllers LTM as of December 2015 was 12.05%.

Banco Security - Net Interest Margin

<i>In Ch\$ millions</i>	4Q15	3Q15	4Q14	% Chg		2015	2014	% Chg
				QoQ	YoY			
Interest and indexation income	83,464	88,752	90,450	-6.0%	-7.7%	316,810	325,434	-2.6%
Interest and indexation expense	-50,255	-52,612	-57,827	-4.5%	-13.1%	-183,407	-207,055	-11.4%
Net interest margin	33,209	36,140	32,623	-8.1%	1.8%	133,403	118,379	12.7%
Interest margin net of provisions	17,359	20,880	21,817	-16.9%	-20.4%	84,793	85,652	-1.0%
Net interest margin / total loans	3.27%	3.63%	3.51%	-36 p	-24 p	3.29%	3.19%	10 p
Interest margin net of provisions / total loans	1.71%	2.10%	2.35%	-39 p	-64 p	2.09%	2.30%	-21 p

Banco Security posted a net interest margin of Ch\$133,403 million for the year 2015 (+12.7% YoY) explained by decreased interest and indexation expenses as compared to the prior year because gradual drops in monetary policy rates throughout 2014 (from 4.5% to 3.0%) are fully reflected in 2015. The net interest margin for 4Q15 was Ch\$33,209 million (-8.1% QoQ). This decrease is attributable to decreased interest and indexation income because of lower inflation as compared to 3Q15.

Banco Security - Net Fees

<i>In Ch\$ millions</i>	4Q15	3Q15	4Q14	% Chg		2015	2014	% Chg
				QoQ	YoY			
Commercial banking	4,137	3,770	4,611	9.7%	-10.3%	15,538	14,914	4.2%
Retail banking	4,840	4,501	3,751	7.5%	29.0%	17,235	14,145	21.8%
Treasury	-168	-167	-172	0.5%	-2.4%	-719	-514	-
Other	-70	-2	-272	-	-	-110	-823	-
Banco Security, individual	8,739	8,102	7,919	7.9%	10.4%	31,944	27,721	15.2%
Subsidiaries	4,162	4,108	2,716	1.3%	53.2%	16,390	10,442	57.0%
Consolidated fees	12,901	12,210	10,635	5.7%	21.3%	48,334	38,163	26.7%

Net fees for the year 2015 totaled Ch\$48,334 million, up 26.7% YoY and 5.7% QoQ, mainly due to greater volumes of assets under management by its subsidiary Administradora General de Fondos Security.

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

For the year 2015, Banco Security reported Ch\$18,964 million in net foreign exchange transactions and net financial operating income, reflecting a decrease of 36.9% YoY. This reduction can be explained by a higher basis of comparison in 2014 because of favorable financial conditions (falling interest rates and higher-than-expected inflation). In quarterly terms, Banco Security reported -Ch\$1,955 million in consolidated net foreign exchange transactions and net financial operating income for 4Q15, a decrease of 152.8% QoQ. This decrease is explained mainly by the decrease in value of corporate local debt instruments, and of foreign bonds due to U.S. Treasury interest rate hikes and Brazil's increased sovereign risk.

⁷ Superintendency of Banks and Financial Institutions

Banco Security - Operating Expenses and Efficiency

In Ch\$ millions	4Q15	3Q15	4Q14	% Chg		2015	2014	% Chg
				QoQ	YoY			
Personnel	-12,090	-8,834	-16,554	36.9%	-27.0%	-41,358	-46,319	-10.7%
Administrative expenses	-12,188	-13,129	-10,645	-7.2%	14.5%	-49,691	-41,052	21.0%
Depreciation and amortization	-1,777	-1,739	-1,663	2.2%	6.9%	-6,793	-5,883	15.5%
Total operating expenses	-26,055	-23,702	-28,862	9.9%	-9.7%	-97,842	-93,254	4.9%
Operating expenses / gross operating income	57.0%	44.8%	57.2%	1224 p	-22 p	48.1%	48.9%	-87 p

Banco Security posted consolidated operating expenses for the year ended December 2015 of Ch\$97,842 million (+4.9% YoY). In quarterly terms, operating expenses increased 9.9% over 3Q15. This increase can be explained mainly by a 21.0% YoY rise in administrative expenses due to increased commissions paid to sales executives because of greater activity and increased expenses related to credit card use by Banco Security's retail customers. This growth was partially offset by the 10.7% decrease in personnel expenses because of the organizational restructuring plan carried out in 2015, and the absence of provisions such as those made during the last quarter of 2014. During the last quarter of 2015, personnel expenses increased 36.9% with respect to 3Q15 because of year-end productivity bonus and termination benefits related to the organizational restructuring plan. Banco Security's efficiency ratio, measured as operating expenses over gross operating profit, totaled 48.1% as of December 2015, down 87 b.p. YoY. In quarterly terms, the Bank posted an efficiency ratio of 57.0%, up from the 44.8% recorded in 3Q15. This ratio compares to 47.7% for the banking system and 50.5% for peer banks⁸.

FACTORING SECURITY

Factoring Security posted profit of Ch\$7,002 million for the year ended December 2015, (-5.9% YoY) and Ch\$1,746 million for 4Q15 (+6.3% QoQ). Factored receivables totaled Ch\$279,644 million as of year-end 2015, which represents an increase of 12.0% YoY and 23.0% QoQ, despite a context of falling sales in line with the general weakening of the domestic economy. This year-on-year and quarterly growth in factored receivables is due mainly to the increase in exposure to lower-risk segments thanks to a pricing strategy targeted at those groups. As a result, despite the increase in factored receivables, the risk index decreased -10 bps YoY and -60 bps QoQ, from 3.0% as of September 2015 to 2.4% as of December 2015. As of December 2015, peer factoring companies belonging to the Chilean Association of Factoring Companies (ACHEF) reported a QoQ increase of 6.2% and a YoY reduction of 0.6% in factored receivables. As a result of its performance, Factoring Security increased its market share from 9.7% as of December 2014 to 11.0% as of December 2015.

In Ch\$ millions	4Q15	3Q15	4Q14	% Chg		2015	2014	% Chg
				QoQ	YoY			
Factored receivables	279,644	227,354	249,708	23.0%	12.0%	279,644	249,708	12.0%
Provisions	6,802	6,864	6,249	-0.9%	8.8%	6,802	6,249	8.8%
Traditional factoring income	5,858	5,648	5,904	3.7%	-0.8%	23,187	25,346	-8.5%
Fees and advisory services	410	407	403	0.8%	1.8%	1,605	1,613	-0.5%
Gross operating income	6,700	6,448	6,603	3.9%	1.5%	26,219	26,948	-2.7%
Operating expenses	-2,124	-2,113	-2,046	0.5%	3.8%	-8,287	-7,917	4.7%
Profit for the period	1,746	1,643	1,864	6.3%	-6.4%	7,002	7,444	-5.9%
Efficiency ratio	46.2%	46.0%	42.3%	19 p	9 p	44.7%	41.6%	314 p
Risk ratio	2.4%	3.0%	2.5%	-60 p	-10 p	2.4%	2.5%	-10 p

⁸ Comparably-sized banks: Average of Bice, BBVA, Itaú, Scotiabank and Security

For the year ended December 2015, the subsidiary's efficiency ratio, measured as operating expenses over net operating income, was 44.7%, up 314 b.p. YoY. This variation is a reflection of the fall in revenue, despite the increase in factored receivables, as a result of the pricing strategy designed to increase exposure in lower-risk segments. At the same time, operating expenses increased 4.7% YoY and 0.5% QoQ. The risk ratio, measured as provisions over total loans, was 2.4% as of December 2015, down 10 b.p. YoY and 60 b.p. QoQ.

INSURANCE BUSINESS AREA (28.2% of assets; 30.7% of business areas profit as of December 2015)

The insurance business area reported profit attributable to the controllers of Ch\$28,460 million for the year ended December 2015. This area includes the life insurance subsidiary Vida Security, which consolidates 61% of Protecta beginning in September 2015, and Servicios Security, which consolidates the insurance brokerage (Corredora de Seguros Security) and assistance business (Europ Assistance).

VIDA SECURITY

On August 31, 2015, Grupo Security concluded the purchase of a 61% stake in the Peruvian insurance company Protecta Compañía de Seguros for US\$23 million from Grupo ACP. As part of the agreement, the Peruvian corporation Grupo ACP retains a 39% interest in the company. This transaction marks Security's entrance into the Peruvian life insurance and annuity market. This acquisition is classified as an investment that does not back accounting reserves and, therefore, had an effect on the company's free equity of Ch\$17,273 million.

Vida Security reported profit of Ch\$27,659 million for the year ended December 2015, up 3.2% YoY. During 4Q15, Vida Security posted profit of Ch\$10,767 million, an increase from the loss of Ch\$127 million recorded for 3Q15. This improved fourth quarter performance can be explained mainly by increased investment income, which totaled Ch\$30,967 million (+180.6% YoY), thanks to a strong performance from real estate funds due to one extraordinary gain on the sale of a building. The subsidiary also recorded exchange differences of Ch\$7,533 million, up Ch\$7,298 million YoY, explained by the depreciation of the US dollar during the year. This was partially offset by decreased indexation income, which totaled -Ch\$7,688 million, (-Ch\$4,572 million YoY), explained mainly by the effect of inflation on a larger technical reserve base, which is expressed in UF. Lastly, income taxes totaled -Ch\$316 million as of year-end 2015, Ch\$2,339 million less than in 2014.

In Ch\$ millions	4Q15	3Q15	4Q14	% Chg.		2015	2014	% Chg.
				QoQ	YoY			
Retained premium	59,927	71,733	47,509	-16.5%	26.1%	238,897	222,052	7.6%
Variation in technical reserves	-24,248	-11,370	-9,726	113.3%	149.3%	-62,993	-48,985	28.6%
Claims paid	-20,777	-22,152	-16,049	-6.2%	29.5%	-76,306	-52,358	45.7%
Pensions paid	-26,117	-38,410	-30,585	-32.0%	-14.6%	-127,359	-145,076	-12.2%
Underwriting expenses	-4,559	-4,525	-4,124	0.7%	10.5%	-16,894	-15,129	11.7%
Contribution margin	-15,296	-4,681	-12,754	226.8%	19.9%	-43,798	-40,714	7.6%
Administrative expenses	-7,289	-7,575	-5,242	-3.8%	39.0%	-30,625	-26,108	17.3%
Investment income	30,967	11,035	29,006	180.6%	6.8%	100,265	98,928	1.4%
Profit for the period	10,767	-127	8,841	-	21.8%	27,659	26,793	3.2%

Administrative ratios

Loss ratio (1)	-35.9%	-29.6%	-34.7%	-626 p	-118 p	-32.1%	-24.4%	-771 p
Net retained loss ratio (2)	-34.7%	-30.9%	-33.8%	-379 p	-89 p	-31.9%	-23.6%	-836 p
Administrative expenses ratio (3)	-12.0%	-10.4%	-10.8%	-156 p	-123 p	-12.6%	-11.5%	-118 p
Profit ratio (4)	17.7%	-0.2%	18.2%	1790 p	-45 p	11.4%	11.8%	-35 p

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

(2) Claims paid/ retained premium

(3) Administrative expenses/ direct premium

(4) Profit for the period/ direct premium

Administrative expenses totaled Ch\$30,625 million as of December 2015 (+17.3% YoY). Including Cruz del Sur's administrative expenses from the first quarter of 2014 (Ch\$2,447 million), the increase shrinks to just +7.2%. The results of Cruz del Sur were incorporated through equity from the date of the merger with Vida Security (March 31, 2014).

Technical reserves, which totaled Ch\$62,993 million, posted variations of +28.6% YoY and +113.3% QoQ, attributable primarily to increased sales of individual insurance policies with savings components during the year. The fall in pensions paid, which totaled Ch\$127,359 million for the year ended December 2015 (-12.2% YoY and -32.0% QoQ), resulted from the reduction in the volume of claims from the Disability and Survivorship insurance (Ch\$50,068 million), which was partially offset by a greater volume of pensions paid, of Ch\$33,979 million.

Direct Premiums

In Ch\$ millions	4Q15	3Q15	4Q14	% Chg.		2015	2014	% Chg.
				QoQ	YoY			
Direct premium	60,754	72,570	48,662	-16.3%	24.8%	242,144	227,620	6.4%
Individual	25,952	25,625	18,655	1.3%	39.1%	87,623	67,767	29.3%
Group	14,963	12,680	12,111	18.0%	23.5%	53,021	46,663	13.6%
Mass	2,071	2,972	1,767	-30.3%	17.2%	8,779	7,425	18.2%
Retirement - annuities	9,097	21,823	7,721	-58.3%	17.8%	59,506	32,451	83.4%
Retirement - SIS	69	90	299	-23.2%	-76.9%	414	45,522	-99.1%
Retirement - Other*	8,602	9,381	8,109	-8.3%	6.1%	32,802	27,792	18.0%
Retirement	17,768	31,294	16,129	-43.2%	10.2%	92,722	105,765	-12.3%

* Corresponds to individual policies with voluntary retirement savings components considered retirement policies by SVS

Total direct premiums reached Ch\$242,144 million for the year ended December 31, 2015 (+6.4% YoY) and Ch\$60,754 million for 4Q15 (+8.2 QoQ). As of year-end 2015, the absence of disability and survival insurance (Ch\$45,108 million in direct premiums collected as of December 2014 that were not received in 2015) has been offset by increased sales across all product lines, mainly annuities, individual policies and group policies. Annuity sales, which totaled Ch\$59,506 million for the

year ended December 2015 (+83.4% YoY), were driven by a change in regulations that reduced the accounting loss that had to be recognized upon sale. Annuity direct premiums for the fourth quarter fell to Ch\$17,768 million, from the Ch\$31,294 million achieved during 3Q15, because the subsidiary had already achieved the sales volumes forecasted in its commercial plans.

Results by Product Line

In Ch\$ millions	Individual		Group		Mass		Retirement		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Direct premium	87,623	67,767	53,021	46,663	8,779	7,425	92,722	105,765	242,144	227,620
Retained premium	86,685	65,598	51,421	44,613	8,147	7,095	92,644	104,746	238,897	222,052
Variation in technical reserves	-48,890	-34,256	953	1,032	-2,351	-582	-12,705	-15,179	-62,993	-48,985
Claims paid	-26,168	-21,008	-42,661	-34,729	-344	-638	-7,134	4,017	-76,306	-52,358
Pensions paid	-2,356	-3,801	0	0	0	0	-125,003	-141,275	-127,359	-145,076
Underwriting expenses	-6,891	-5,954	-3,495	-2,781	-641	-1,094	-5,868	-5,299	-16,894	-15,129
Medical expenses	-52	-40	-7	-9	-1	0	-46	-42	-107	-91
Impairment	17	-14	867	-1,031	80	-81	0	0	965	-1,126
Contribution margin	2,345	524	7,079	7,095	4,891	4,700	-58,112	-53,033	-43,798	-40,714
Loss ratio (1)	32.9%	37.8%	83.0%	77.8%	4.2%	9.0%	142.6%	131.0%	85.3%	88.9%
Underwriting expense ratio (2)	7.9%	9.1%	6.8%	6.2%	7.9%	15.4%	6.3%	5.1%	7.1%	6.8%

(1) Underwriting expense / retained premium

(2) Claims paid / retained premium

By product line, individual policies accounted for a greater share of total profit, driven by a rise in sales, partially offset by increased surrenders. In group policies, the loss rate increased from 76.8% in June to 83.0% in December due to a longer-than-normal winter, which altered the product's typical seasonal correlation.

In mass policies, the decrease in underwriting expenses can be explained by a decrease in fees paid to intermediaries. In retirement policies, increased sales of annuities partially offset the loss of disability and survival insurance policies, along with the lower accounting loss that has to be recognized on annuity sales with respect to December 2014.

Investment Income - Vida Security

The subsidiary reported investment income of Ch\$100,265 million for the year ended December 2015, up 1.4% from the same period in 2014, thanks to a strong performance in the first half of the year. In 4Q15, investment income totaled Ch\$30,597 million (+168.3% QoQ), due to a low basis of comparison from the prior quarter as a result of poorly performing variable income instruments in an unfavorable financial setting.

In Ch\$ millions	4Q15	3Q15	4Q15	% Chg.		2015	2014	% Chg.
				QoQ	YoY			
Fixed income	8,208	17,503	15,877	-53.1%	-48.3%	60,537	58,328	3.8%
Variable income and indexes	7,621	-10,133	3,485	-	118.7%	7,731	16,274	-52.5%
Real estate	2,916	2,873	779	1.5%	274.2%	12,680	15,003	-15.5%
Other investment	11,853	1,162	9,018	-	31.4%	19,318	9,324	107.2%
Investment income	30,597	11,405	29,159	168.3%	4.9%	100,265	98,928	1.4%

<i>In Ch\$ millions</i>	Dec-15	Sep-15	Dec-14	% Chg		% of Portfolio
				QoQ	YoY	Dec-15
Fixed income	1,565,965	1,500,884	1,419,401	4.3%	10.3%	72.3%
Variable income and indexes	333,945	325,177	309,704	2.7%	7.8%	15.4%
Real estate	231,444	243,805	243,080	-5.1%	-4.8%	10.7%
Other investments	35,128	40,205	16,063	-12.6%	118.7%	1.6%
Investments	2,166,482	2,110,071	1,988,248	2.7%	9.0%	

ASSET MANAGEMENT BUSINESS AREA (1.9% of assets; 11% of business areas profit as of December 2015)

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). Following the mid-2013 merger of Security and Cruz del Sur, Security attained the necessary business scale to become an efficient third-party asset manager. This business area complements the product range offered by the rest of the Group's companies, providing services tailored to the needs of each segment served by Security, including mass affluent customers, companies, high-net worth individuals and institutional investors. 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.

<i>In Ch\$ millions</i>	4Q15	3Q15	4Q14	% Chg		2015	2014	% Chg
				QoQ	YoY			
Assets under management (AUM)	3,282,864	3,136,721	2,891,821	4.7%	13.5%	3,282,864	2,891,821	13.5%
Share volumes traded	387,985	354,120	449,022	9.6%	-13.6%	1,435,131	1,805,126	-20.5%
<i>Market share - equities brokerage</i>	4.8%	4.9%	3.5%	-6 p	129 p	4.2%	4.1%	14 p
Operating income	8,012	8,497	7,406	-5.7%	8.2%	32,075	28,132	14.0%
Non-operating income	741	946	1,629	-21.7%	-54.5%	5,701	5,640	1.1%
Efficiency	74.9%	69.6%	77.6%	535 p	-271 p	66.6%	76.8%	-1016 p
Fund management	2,010	2,323	530	-13.4%	279.6%	8,584	4,414	94.5%
Equity, currency and fixed income brokerage*	-243	257	45	-	-	1,871	1,426	31.2%
Advisory, portfolio management and international business	-1	18	48	-	-	90	-10	-
Securitization	-114	-105	-39	-	-	-382	-245	-
Profit - Asset Management	1,653	2,492	583	-33.7%	183.7%	10,163	5,584	82.0%

During the year ended December 2015, the asset management business area reported profit attributable to the controllers of Ch\$10,163 million, up 82.0% from the Ch\$5,584 million recorded for the same period in 2014. This growth can be explained by growth in assets under management, coupled with an extraordinary gain on the sale of a share of the Santiago Stock Exchange in May following the merger of the Security and Cruz del Sur brokerage subsidiaries.

Assets under management as of December 2015 totaled Ch\$3,282,864 million, 13.5% higher than December 2014 and 4.7% higher than September 2015. The rise is due mainly to increased sales of foreign funds with alternative investment strategies referred by Inversiones Security. This increase was partially offset by a decrease in the volume of mutual funds, which totaled Ch\$1,711 million (-3.5% YoY and -2.5% QoQ). This drop in mutual funds is concentrated in the second half of the year and is due mainly to the transfer in September of approximately Ch\$60,000 million in mutual funds belonging to another fund

manager that were previously held by Security under a placement agent scheme—with a limited impact on results—and the decreased value of the BRL mutual fund (Brazilian fixed income fund). Inversiones Security's market share in mutual funds totaled 5.9%, while the area reported traded share volumes of Ch\$1,435 billion as of year-end 2015, with market share of 4.2%.

Operating income totaled Ch\$32,075 million for the year ended December 2015 (+14.0% YoY) and Ch\$8,012 million for 4Q15 (-5.7% QoQ), explained by strong performances from the international and foreign currency areas during the year and the decreased volume of mutual funds during the quarter. Non-operating income for the year 2015 totaled Ch\$5,701 million, up +1.1% YoY. This figure was strengthened by an extraordinary gain on the sale of a share of the Santiago Stock Exchange in 2Q15 following the merger of the Security and Cruz del Sur brokerage subsidiaries. During the fourth quarter, the area posted non-operating income of Ch\$741 million, down 21.7% QoQ, because of the decreased income from proprietary trading by Valores Security, in line with the weakening of national and international financial markets.

The efficiency ratio, measured as total expenses over total income, was 66.6% for the year ended December 2015 (-1016 b.p. YoY). These positive expense figures can be explained mainly by synergies generated after the merger with CDS, in accordance with work plans.

OTHER SERVICES BUSINESS AREA (1.3% of assets; 11% of business areas profit as of December 2015)

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 posted profit of Ch\$6,868 million for the year ended December 2015 (+71.4% YoY) and profit of Ch\$4,242 million for the fourth quarter of 2015, which compares favorably to the loss of Ch\$501 million recorded for 3Q15. 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. Revenue from projects sold in recent years has been recognized during the year ended December 2015. Legal title to significantly more units was transferred in the fourth quarter as opposed to the third quarter. Inmobiliaria Security recorded apartment sales totaling UF 1,051 thousand for the year ended December 2015 (+9.1% YoY) and UF 357 thousand in 4Q15 (+8.1% QoQ).

The subsidiary had total real estate assets under management of Ch\$55,055 million, up 15.3% YoY and 49.4% QoQ, mainly due to the purchase of two new pieces of land for UF 857 thousand during 4Q15.

In Ch\$ millions	4Q15	3Q15	4Q14	% Chg		2015	2014	% Chg
				QoQ	YoY			
Real estate assets under management	55,055	36,857	47,766	49.4%	15.3%	55,055	47,766	15.3%
Total revenue	4,704	-121	3,566	-	31.9%	8,378	7,972	5.1%
Total expenses	-504	-423	-337	19.1%	49.5%	-1,586	-4,051	-60.9%
Profit before taxes	4,200	-544	3,229	-	30.1%	6,793	3,921	73.2%
Profit for the period	4,242	-501	3,267	-	29.8%	6,868	4,008	71.4%

CORPORATE TRAVEL AGENCY: TRAVEL SECURITY

Travel Security recorded sales of US\$257 million for the year ended December 2015 (-8.4% YoY) and US\$61 million for 4Q15 (+6.3% QoQ). The subsidiary posted profit of Ch\$4,002 million for the year ended December 31, 2015, and Ch\$808 million for the fourth quarter of 2015, reflecting an increase of 9.0% YoY and a decrease of 37.4% QoQ. This year-on-year rise is attributable to the increase in commissions paid by airlines. Travex Security, the third largest travel agency in Peru, which was acquired by Travel Security in July 2012, recorded sales of US\$64 million for the year 2015 (-8.1% YoY) and US\$13 million for 4Q15 (-41.2% QoQ).

	4Q15	3Q15	4Q14	% Chg		2015	2014	% Chg
				QoQ	YoY			
Total sales - Travel (MUS\$)	61	58	70	6.3%	-13.0%	257	280	-8.4%
Total sales - Travex (MUS\$)	13	22	18	-41.2%	-29.2%	64	69	-8.1%
Net operating income - Travel (MCh\$)	1,180	1,691	1,278	-30.2%	-7.7%	5,271	5,109	3.2%
Profit Travel (MCh\$)	808	1,292	918	-37.4%	-11.9%	4,002	3,671	9.0%

RISK RATINGS

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

BONDS ISSUED BY GRUPO SECURITY

Series	Registration Number	Registration Date	Currency	Amount	Placement Term	Annual Interest Rate	Duration (Years)	Maturity
F	620	15/09/09	UF	1,250,000	20/11/12	4.50	23	15/09/32
K	763	30/06/13	UF	3,000,000	30/06/16	4.00	25	30/06/38
L 3	795	09/10/14	UF	3,000,000	09/10/17	3.80	21	15/11/35

RECENT EVENTS

RETURNS AND DIVIDENDS

On April 20, 2015, Grupo Security shareholders approved a dividend payment of Ch\$6.75 per share charged to profit for the year 2014. Furthermore, on October 8, 2015, the Board of Directors of Grupo Security agreed to pay a total dividend of Ch\$4 per share, consisting of an interim dividend of Ch\$2 per share charged to profit for the year 2015 and an additional dividend of Ch\$2 per share charged to prior year retained earnings. These dividends and the interim dividend distributed in October 2014 total Ch\$10.25 per share, equivalent to Ch\$33,134 million, or 54% of profit for the year 2014. Grupo Security reported a dividend yield⁹ of 5.21% for 2014.

For the year ended December 2015, Grupo Security's stock reported a return of -6.8%, in line with returns for the IPSA (-4.4%), but below the banking sector index (+1.5%).

CAPITAL INCREASES AND DEBT ISSUANCES

On July 24, 2015, the subscription period for options issued as part of the 2013 capital increase ended. A total of 376,104,987 shares were issued (99.6% of shares authorized for placement), thus increasing capital by Ch\$71,460 million. The 1,636,408 shares remaining can be placed by the Company's board before July 2016. As of July 31, Grupo Security had a total of 3,258,363,592 shares.

On December 18, 2014, Grupo Security successfully placed the L3 30-year non-convertible bond (symbol BSECU-L3) for a total of UF 3,000,000. The interest rate for this placement was UF 3.80% per annum. The funds were used to prepay the B2, C2, D and E series bonds and to finance the Group's investment plans. After this transaction, the Group's debt had a lower average interest rate of 4.02% (versus 4.25%) and its duration increased from 10.18 to 13.49 years.

MERGERS AND ACQUISITIONS

On August 31, 2015, Grupo Security completed the purchase of a 61% stake in Protecta Compañía de Seguros for US\$23 million through its subsidiary Vida Security, marking its entry into the Peruvian life insurance market. This is the tenth acquisition in the Group's history and its second in Peru, following its 2012 purchase of the Peruvian travel agency Travex, the fourth largest of its kind in Peru, now called Travex Security. Protecta Compañía de Seguros, founded in 2007 by Grupo ACP, is engaged in the annuity business. In 2014, it had 2.8% market share based on net premiums and 3.0% based on insurance in the Peruvian private pension system. Currently¹⁰, it is the tenth largest company by investment portfolio with US\$169 million. It has 161 associates in 13 offices, four of which are located in Lima.

⁹ Calculated as dividend per share, divided by the average share price when each dividend was distributed for the corresponding year.

¹⁰ As of November 2015.

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, 2015, 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 goodwill.

Regarding the Cruz del Sur companies, acquired in mid-2013, the brokerage subsidiaries Valores Security and Cruz del Sur Corredora de Bolsa merged on March 17, 2015. Previously, on March, 2014, Seguros de Vida Cruz del Sur and Vida Security merged on, while the merger of Cruz del Sur AGF and AGF Security was completed on December 18, 2014, generating annual synergies of Ch\$7,118 million. In order to compare the price paid for the Cruz del Sur companies (UF 6,273,407, equivalent to US\$300 million at that time¹¹) in present-value terms, annual synergies were initially estimated at US\$15.8 million, equivalent to a present value of US\$144 million, while the annual synergies actually attained were US\$25.9 million, which represents US\$236 million. On May 5, 2015, Valores Security sold one share in the Santiago Stock Exchange to Bovespa for Ch\$2,200 million.

2Q15 EARNINGS CONFERENCE CALL

Grupo Security's fourth quarter earnings report will be explained in a conference call led by Mr. Renato Peñafiel, the company's CEO, on Monday, March 14, 2015. 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.

¹¹ The 2012 year-end exchange rate of Ch\$/US\$475.02 and a discount rate of 11% in dollars were used in these calculations.

APPENDICES

1. Financial Statements and Indicators - Assets

ASSETS	December 31, December 31,	
In Ch\$ millions	2014	2015
Current assets		
Cash and cash equivalents	390,718	626,758
Other financial assets, current	2,469,159	2,777,556
Other non-financial assets, current	24,995	16,093
Trade and other receivables, current	4,086,211	4,450,945
Accounts receivable from related parties, current	62,000	44,443
Inventories	47,650	55,037
Biological assets, current	0	0
Current tax assets	20,155	26,486
Total current assets other than assets or disposal groups classified as held for sale or held for distribution to owners	7,100,889	7,997,319
Non-current assets or disposal groups classified as held for sale or held for distribution to owners	1,009	2,510
Total non-current assets classified as held for sale or held for distribution to owners	1,009	2,510
Total current assets	7,101,898	7,999,828
Non-current assets		
Other non-financial assets, non-current	85,712	77,132
Equity-accounted investments	12,672	13,123
Intangible assets other than goodwill	54,003	72,063
Goodwill	114,678	114,705
Property, plant and equipment	73,527	68,218
Investment property	115,871	139,386
Deferred tax assets	110,483	123,995
Total non-current assets	566,945	608,622
Total assets	7,668,844	8,608,450

2. Financial Statements and Indicators - Liabilities and Equity

LIABILITIES AND EQUITY		
	December 31, 2014	December 31, 2015
In Ch\$ millions		
Other financial liabilities, current	4,505,003	5,127,607
Trade and other payables	1,868,799	2,125,778
Other short-term provisions	87,436	102,321
Current tax liabilities	23,330	23,677
Employee benefits provision, current	6,774	7,423
Other non-financial liabilities, current	110,980	134,345
Total current liabilities not held for sale or for distribution to the owners	6,603,976	7,521,151
Total current liabilities	6,603,976	7,521,151
Non-current liabilities		
Other financial liabilities, non-current	376,216	383,637
Deferred tax liabilities	71,172	71,278
Total non-current liabilities	533,833	516,021
Total liabilities	7,137,809	8,037,173
Equity		
Issued capital	297,321	302,406
Retained earnings (accumulated losses)	213,371	247,363
Share premium	33,219	33,210
Other reserves	(21,192)	(31,326)
Equity attributable to owners of the controller	522,718	551,653
Non-controlling interest	8,317	19,624
Total equity	531,035	571,277
Total liabilities & equity	7,668,844	8,608,450

3. Financial Statements and Indicators - Consolidated Statement of Income

Consolidated Income Statement (MCh\$)	Dec-14	Dec-15	4Q-14	4Q-15
Profit for the year				
Revenue	808,422	848,633	197,475	235,131
Cost of sales	(556,117)	(585,492)	(138,320)	(166,457)
Gross profit	252,304	263,141	59,155	68,674
Other income, by function	1,790	2,142	95	656
Distribution costs	0	0	0	0
Administrative expenses	-153,775	-179,333	-34,149	-49,215
Other expenses, by function	(16,077)	(15,337)	(7,189)	(9,325)
Other gains (losses)	5,576	10,005	2,038	5,701
Finance income	84	-	35	-
Finance costs	(12,729)	(13,139)	(3,874)	(3,388)
Share of profit (loss) of associates and joint ventures, equity-accounted	3,116	692	904	76
Gain (loss) from indexation adjustments	40	10,633	-2,900	1,270
Gain (loss) arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value	(1,074)	1,136	(1,290)	(2,186)
Profit before taxes	79,254	79,940	12,823	12,263
Income tax expense	(16,284)	(13,338)	(2,003)	1,545
Profit for the year	62,970	66,602	10,820	13,808
Profit attributable to				
Profit attributable to owners of the controller	61,010	65,022	10,386	13,769
Profit attributable to non-controlling interests	1,960	1,580	434	39
Profit for the year	62,970	66,602	10,820	13,808
Depreciation and amortization	9,281	9,664	1,803	2,556
Ebitda	101,265	102,743	18,551	18,206

4. Grupo Security Breakdown by Business Area – 12M15 and 12M14

Segment Note - Grupo Security <i>In Ch\$ millions</i>	Lending and Treasury		Asset Management		Insurance		Other Services		Consolidation Adjustments, Support Areas and Group Expenses		Total Grupo Security	
	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15
Revenue	403,204	371,064	44,002	46,105	337,175	372,668	59,040	66,295	-34,999	-7,500	808,422	848,633
Cost of sales	-246,079	-238,389	-15,479	-12,056	-270,557	-299,003	-32,462	-34,761	8,459	-1,282	-556,117	-585,492
Gross profit	157,125	132,674	28,523	34,049	66,618	73,665	26,578	31,535	-26,540	-8,782	252,304	263,141
Other income, by function	24	37	207	285	239	937	501	612	819	272	1,790	2,142
Administrative expenses	-93,483	-94,942	-19,863	-21,457	-33,203	-44,166	-15,162	-16,521	7,935	-2,247	-153,775	-179,333
Other expenses, by function	-10,927	-7,541	-1,418	-1,235	-210	-222	-268	-5,261	-3,255	-1,079	-16,077	-15,337
Other gains (losses)	0	0	125	377	850	2,938	784	5,773	3,817	917	5,576	10,005
Finance income	0	0	0	0	84	9	0	0	0	-9	84	0
Finance costs	0	0	-79	-11	-67	-412	-1,493	-1,501	-11,090	-11,215	-12,729	-13,139
Share of profit (loss) of associates and joint ventures, equity-accounted	0	2	128	25	2,092	734	5	-8	891	-60	3,116	692
Exchange differences	13,818	21,216	-715	410	171	2,664	-104	631	-263	-478	12,906	24,443
Gain (loss) from indexation adjustments	82	38	23	17	-4,300	-7,181	50	4	-8,720	-6,689	-12,866	-13,811
Gain (loss) arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value	-661	1,457	-413	-321	0	0	0	0	0	0	-1,074	1,136
Profit (loss) before taxes	65,978	52,941	6,518	12,139	32,274	28,967	10,890	15,263	-36,407	-29,371	79,254	79,940
Income tax benefit (expense)	-10,736	-8,965	-920	-1,952	-2,705	-507	-2,349	-3,549	426	1,636	-16,284	-13,338
Profit (loss) from continuing operations	55,242	43,976	5,599	10,187	29,569	28,460	8,541	11,714	-35,980	-27,735	62,970	66,602
Profit (loss) attributable to												
Profit (loss) attributable to owners of the controller	55,242	43,976	5,584	10,163	29,682	28,460	7,055	10,184	-35,980	-27,735	61,010	65,022
Profit (loss) attributable to non-controlling interests	0	0	15	24	-113	0	1,486	1,530	572	26	1,960	1,580
Profit (loss) for the year	55,242	43,976	5,599	10,187	29,569	28,460	8,541	11,714	-35,980	-27,735	62,970	66,602

5. Grupo Security Breakdown by Business Area – Fourth Quarter 2015 and 2014

Segment Note - Grupo Security <i>In Ch\$ millions</i>	Lending and Treasury		Asset Management		Insurance		Other Services		Consolidation Adjustments, Support Areas and Group Expenses		Total Grupo Security	
	4Q-14	4Q-15	4Q-14	4Q-15	4Q-14	4Q-15	4Q-14	4Q-15	4Q-14	4Q-15	4Q-14	4Q-15
Revenue	113,814	96,562	10,290	16,046	80,116	107,776	24,155	22,100	-30,901	-7,353	197,475	235,131
Cost of sales	-70,421	-67,013	-2,612	-4,622	-62,094	-85,267	-14,160	-11,077	10,968	1,523	-138,320	-166,457
Gross profit	43,393	29,548	7,679	11,423	18,022	22,509	9,994	11,023	-19,933	-5,830	59,155	68,674
Other income, by function	2	4	-1	45	101	226	190	312	-196	69	95	656
Administrative expenses	-28,239	-25,260	-6,487	-8,772	-7,213	-13,741	-4,376	-4,342	12,166	2,900	-34,149	-49,215
Other expenses, by function	-5,238	-3,969	-381	-179	-56	-57	-58	-5,087	-1,455	-33	-7,189	-9,325
Other gains (losses)	0	0	125	43	210	110	301	5,188	1,400	360	2,038	5,701
Finance income	0	0	0	0	35	0	0	0	0	0	35	0
Finance costs	0	0	70	-5	-29	-125	-459	-384	-3,456	-2,873	-3,874	-3,388
Share of profit (loss) of associates and joint ventures, equity-accounted	0	2	34	25	-48	662	-5	-3	924	-610	904	76
Exchange differences	2,581	4,990	39	9	-251	-983	-231	26	-211	-133	1,927	3,909
Gain (loss) from indexation adjustments	46	15	8	5	-2,007	-789	59	18	-2,932	-1,888	-4,827	-2,639
Gain (loss) arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value	-1,100	-1,656	-190	-530	0	0	0	0	0	0	-1,290	-2,186
Profit (loss) before taxes	11,444	3,674	895	2,063	8,762	7,812	5,413	6,751	-13,693	-8,037	12,823	12,263
Income tax benefit (expense)	-1,328	130	-309	-404	640	3,288	-1,125	-1,499	120	30	-2,003	1,545
Profit (loss) from continuing operations	10,116	3,804	587	1,659	9,402	11,100	4,288	5,251	-13,573	-8,006	10,820	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 owners of the controller	10,116	3,804	582	1,653	9,917	11,226	4,029	4,750	-13,573	-8,006	10,386	13,769
Profit (loss) attributable to non-controlling interests	0	0	4	6	-515	-126	259	502	686	-342	434	39
Profit (loss) for the year	10,116	3,804	587	1,659	9,402	11,100	4,288	5,251	-13,573	-8,006	10,820	13,808

6. Banco Security Breakdown by Business Area – 12M15 and 12M14

Banco Security Segment Note <i>In Ch\$ millions</i>	Commercial Banking		Retail Banking		Treasury		Other		Total Bank		Subsidiaries		Consolidated Total	
	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15
Net interest margin	59,430	64,839	42,921	51,094	20,378	21,385	-1,828	-1,959	120,900	135,359	-2,736	-1,956	118,163	133,403
<i>-% 12m14</i>		9.1%		19.0%		4.9%		7.2%		12.0%		-28.5%		12.9%
Net fees	14,914	15,538	14,145	17,235	-514	-719	-823	-110	27,721	31,944	10,442	16,390	38,163	48,334
<i>-% 12m14</i>		4.2%		21.8%		39.8%		-86.6%		15.2%		57.0%		26.6%
Net FX transactions and other income	8,859	9,977	1,071	879	20,800	9,185	-10,084	-11,843	20,647	8,198	9,386	10,766	30,032	18,964
<i>-% 12m14</i>		12.6%		-17.9%		-55.8%		17.5%		-60.3%		14.7%		-36.9%
Loan losses and foreclosed assets	-17,981	-33,321	-11,343	-14,316	-11	-30	475	1,482	-28,861	-46,186	-	400	-28,566	-45,786
<i>-% 12m14</i>		85.3%		26.2%		-		211.9%		60.0%		-		60.3%
Total operating income, net of credit risk provisions	65,222	57,034	46,793	54,892	40,652	29,820	-12,260	-12,431	140,408	129,315	17,388	25,600	157,795	154,915
<i>-% 12m14</i>		-12.6%		17.3%		-26.6%		1.4%		-7.9%		47.2%		-1.8%
Operating expenses	-30,546	-32,419	-42,313	-46,377	-9,963	-10,922	-303	5,126	-83,125	-84,592	-10,129	-13,250	-93,254	-97,842
<i>-% 12m14</i>		6.1%		9.6%		9.6%		-		1.8%		30.8%		4.9%
Net operating income	34,676	24,615	4,481	8,515	30,689	18,899	-12,563	-7,306	57,283	44,723	7,259	12,350	64,542	57,073
<i>-% 12m14</i>		-29.0%		90.0%		-38.4%		-41.8%		-21.9%		70.1%		-11.6%
Profit attributable to owners of the controller	29,849	20,001	3,857	6,919	26,417	15,356	-10,798	-5,308	49,325	36,969	6,577	10,456	55,902	47,425
<i>-% 12m14</i>		-33.0%		79.4%		-41.9%		-50.8%		-25.1%		59.0%		-15.2%

Banco Security Breakdown by Business Area – Fourth Quarter 2015 and 2014

Banco Security Segment Note <i>In Ch\$ millions</i>	Commercial Banking		Retail Banking		Treasury		Other		Total Bank		Subsidiaries		Consolidated Total	
	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15	Dec-14	Dec-15
Net interest margin	16,544	16,962	13,356	13,121	7,267	4,252	-570	-680	36,597	33,655	-457	-446	36,140	33,209
<i>-% 3Q15</i>		2.5%		-1.8%		-41.5%		19.3%		-8.0%		-2.4%		-8.1%
Net fees	3,770	4,137	4,501	4,840	-167	-168	-2	-70	8,102	8,739	4,108	4,162	12,210	12,901
<i>-% 3Q15</i>		9.7%		7.5%		0.5%		-		7.9%		1.3%		5.7%
Net FX transactions and other income	2,285	2,424	140	445	1,435	-713	-2,792	-5,986	1,068	-3,831	2,633	1,876	3,701	-1,955
<i>-% 3Q15</i>		6.1%		216.9%		-149.7%		114.4%		-458.7%		-28.8%		-152.8%
Loan losses and foreclosed assets	-11,042	-12,246	-3,769	-3,551	30	-35	317	1,601	-14,464	-14,231	0.0%	0	-14,464	-14,231
<i>-% 3Q15</i>		10.9%		-5.8%		-		-		-1.6%		-		-1.6%
Total operating income, net of credit risk provisions	11,557	11,276	14,229	14,854	8,564	3,336	-3,047	-5,135	31,303	24,332	6,284	5,592	37,587	29,924
<i>-% 3Q14</i>		-2.4%		4.4%		-61.0%		68.5%		-22.3%		-11.0%		-20.4%
Operating expenses	-7,438	-8,842	-11,580	-12,810	-2,409	-2,795	1,198	1,792	-20,229	-22,656	-3,473	-3,399	-23,702	-26,055
<i>-% 3Q15</i>		18.9%		10.6%		16.0%		49.6%		12.0%		-2.1%		9.9%
Net operating income	4,119	2,434	2,649	2,044	6,155	541	-1,849	-3,343	11,074	1,676	2,811	2,193	13,885	3,869
<i>-% 3Q15</i>		-40.9%		-22.8%		-91.2%		80.8%		-84.9%		-22.0%		-72.1%
Profit attributable to owners of the controller	3,318	2,022	2,143	1,674	4,976	476	-1,480	-2,117	8,957	2,055	2,564	1,772	11,521	3,827
<i>-% 3Q15</i>		-39.1%		-21.9%		-90.4%		43.0%		-77.1%		-30.9%		-66.8%

7. Grupo Security Consolidated Statement of Cash Flows

Statement of Cash Flows	2014	2015
For the years ended December 31, 2015 and 2014	MM\$	MM\$
Net cash flows provided by operating activities	50,623	128,553
Net cash flows used in investing activities	(12,832)	(39,692)
Net cash flows provided by financing activities	3,247	146,490
Increase in cash and cash equivalents before effect of exchange rate changes	41,037	235,351
Effect of changes in exchange rates on cash and cash equivalents	61	688
Net increase in cash and cash equivalents	41,098	236,039
Cash and cash equivalents at beginning of period	349,620	390,718
Cash and cash equivalents at end of period	390,718	626,758

8. Quarterly Statement of Income

Quarterly Earnings		4Q15	3Q15	2Q15	1Q15	4Q14	4Q13
Revenue	MCh\$	235,131	203,979	236,783	172,740	197,475	198,756
Cost of sales	MCh\$	(166,457)	(156,995)	(155,464)	(106,576)	(138,320)	(149,401)
Gross profit	MCh\$	68,674	46,985	81,319	66,164	59,155	49,355
Administrative expenses	MCh\$	(49,215)	(42,522)	(43,634)	(43,963)	(34,149)	(39,688)
Net operating income	MCh\$	16,491	3,345	39,070	21,711	19,998	11,155
Finance costs	MCh\$	(3,388)	(2,994)	(3,426)	(3,331)	(3,874)	(4,379)
Profit before taxes	MCh\$	12,263	9,598	33,387	24,691	12,873	16,928
Profit attributable to owners of controller	MCh\$	13,769	6,728	26,210	18,315	11,193	13,402
EBITDA ⁶	MCh\$	18,206	15,490	38,192	30,854	18,551	23,457

9. Financial Indicators

Liquidity Ratios			31-Dec-15	30-Sep-15	30-Jun-15	31-Mar-15	31-Dec-14
Liquidity ratio (Total current assets / Total current liabilities)	times		1.06	1.08	1.08	1.07	1.08
Acid ratio (Cash and cash equivalents / Total current liabilities)	times		0.08	0.07	0.07	0.07	0.06

Activity Levels			31-Dec-15	30-Sep-15	30-Jun-15	31-Mar-15	31-Dec-14
Total assets	MCh\$		8,608,450	8,243,342	7,849,118	7,859,916	7,668,844
Inventory rotation			No aplica	No aplica	No aplica	No aplica	No aplica
Inventory permanence			No aplica	No aplica	No aplica	No aplica	No aplica

Leverage Ratios			31-Dec-15	30-Sep-15	30-Jun-15	31-Mar-15	31-Dec-14
Individual leverage ratio ¹	times		0.35	0.36	0.35	0.36	0.36
Current liabilities / Total liabilities	times		0.94	0.93	0.93	0.93	0.93
Non-current liabilities / Total liabilities	times		0.06	0.07	0.07	0.07	0.07
Consolidated financial expense coverage ⁸	times		7.08	7.94	9.59	8.41	7.23

Results			31-Dec-15	30-Sep-15	30-Jun-15	31-Mar-15	31-Dec-14
Revenue	MCh\$		848,633	613,502	409,523	172,740	808,422
Cost of sales	MCh\$		(585,492)	(419,034)	(262,040)	(106,576)	(556,117)
Gross profit	MCh\$		263,141	194,468	147,483	66,164	252,304
Administrative expenses	MCh\$		(179,333)	(130,119)	(87,597)	(43,963)	(153,775)
Net operating income	MCh\$		80,617	64,127	60,782	21,711	89,817
Finance costs	MCh\$		(13,139)	(9,751)	(6,757)	(3,331)	(12,729)
Profit before taxes	MCh\$		79,940	67,677	58,078	24,691	79,254
Profit attributable to controllers	MCh\$		65,022	51,253	44,525	18,315	61,010
EBITDA ⁶	MCh\$		102,743	84,537	69,047	37,303	101,265

Profitability			31-Dec-15	30-Sep-15	30-Jun-15	31-Mar-15	31-Dec-14
Return on equity ²	%		12.10%	11.70%	12.99%	12.25%	12.33%
Return on assets ³	%		0.80%	0.78%	0.92%	0.84%	0.84%
Return on operating assets ^{4,7}	%		0.68%	0.22%	1.36%	1.28%	1.33%
Earnings per share ⁵	Ch\$		19.96	19.16	21.09	19.33	18.88

1. 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 Statements

2. Return on equity: Defined as the quotient between profit attributable to controlled properties LTM and average equity attributable to controlled properties.

3. Return on assets: Defined as the quotient between profit attributable to controlled companies LTM and total average assets.

4. Operating assets: Defined as total average current assets.

5. Earnings per share: Defined as the quotient between profit attributable to controlled companies LTM and the number of shares.

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

7. Return on operating activities: Defined as the quotient between net operating income LTM and average operating assets

8. Financial expense coverage: Defined as the quotient between the sum of profit before taxes and finance costs and finance costs.

9. 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	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Financial Expense Coverage (times)	8.50 x	8.14 x	8.41 x	9.59 x	7.94 x	7.08 x
Debt / Equity (1)	34.66%	36.14%	36.76%	35.18%	35.77%	34.86%
Number of Shares (in millions)	3,229	3,232	3,234	3,243	3,258	3,258
LTM Earnings per Share (Ch\$)	19.81	18.88	19.35	21.17	19.33	19.96
Return on Equity (2)	12.9%	12.3%	12.2%	13.0%	11.8%	12.1%

(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	Dec-14			Dec-15		
	Total Customers	Customers with Cross Sales	Cross Selling Ratio	Total Customers	Customers with Cross Sales	Cross Selling Ratio
Bank - Banco Security	8,181	3,235	40%	8,649	3,373	39%
Factoring - Factoring Security	3,565	1,962	55%	3,897	2,120	54%
Insurance - Vida Security	1,259	546	43%	1,240	516	42%
Insurance - Corredora Security	834	347	42%	857	322	38%
Asset Mgt - Valores Security	1,367	1,020	75%	1,604	1,157	72%
Asset Mgt - Fondos Mutuos Security	4,410	2,693	61%	4,525	2,843	63%
Travel -Travel Security	5,587	1,712	31%	4,308	1,341	31%
Total - Group	18,441	4,279	23%	18,146	4,344	24%

Cross Selling Ratio: Retail Customers	Dec-14			Dec-15		
	Total Customers	Customers with Cross Sales	Cross Selling Ratio	Total Customers	Customers with Cross Sales	Cross Selling Ratio
Bank - Banco Security	75,808	23,279	31%	83,020	26,599	32%
Factoring - Factoring Security	254	76	30%	285	100	35%
Insurance - Vida Security	56,703	9,478	17%	86,191	13,294	15%
Insurance - Corredora Security	2,946	1,254	43%	4,566	1,700	37%
Asset Mgt - Valores Security	5,672	4,575	81%	6,496	5,022	77%
Asset Mgt - Fondos Mutuos Security	43,104	13,379	31%	41,852	14,020	33%
Travel -Travel Security	16,556	5,806	35%	15,723	6,902	44%
Total - Group	169,953	26,322	15%	201,555	30,625	15%

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

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 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 December 2015, 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\$143,477,084 million. Equity totaled Ch\$15,425,775 million while profit for the year 2015 was Ch\$2,208,895 million, with return on average equity of 14.86%. The industry reported an efficiency ratio of 47.66%, measured as operating expenses over gross operating profit, and 2.08%, measured as operating expenses over total assets. The banking system posted a risk ratio of 2.38%, measured as loan loss provisions to total loans, and 1.86%, measured as 90-day nonperforming loans to total loans. As of December 2015, Banco Security had total loans of Ch\$4,056,096 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 ACHF (factoring trade association) as of December 2015 reached Ch\$2,552,414 million, down 0.6% from the same month in 2014. As of December 2015, Factoring Security had total factored receivables of Ch\$279,644 million, equivalent to a market share of 11.0%.

MUTUAL FUND INDUSTRY

As of December 2015, the mutual fund industry reported average assets under management of Ch\$29,119 billion and 2,082,655 investors. Administradora General de Fondos Security boasted average assets under management of Ch\$1,711,059 million as of December 2015, giving it a market share of 5.9% and a sixth place industry ranking among the 17 fund managers operating in the market.

STOCK BROKERAGE INDUSTRY

During 2015, market activity measured as traded equity volumes fell 23.1% in comparison to 2014, reaching Ch\$33,818 billion. Share volumes traded for Valores Security Corredores de Bolsa for the same period totaled Ch\$1,435 billion with market share of 4.2%. Market share is calculated based on transactions on the Santiago Stock Exchange and the Chilean Electronic Stock Exchange.

LIFE INSURANCE INDUSTRY

As of September 2015, there were 35 life insurance companies in Chile. Total direct premiums for the industry were Ch\$3,719 billion for the nine months ended September 2015. The life insurance industry posted profit of Ch\$276,384 million for the same period. As of September 2015, Vida Security had market share of 4.9% 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 December 2015, investments accounted for using the equity method in the Consolidated Statements of Financial Position represent approximately 0.15% of total assets.

Goodwill, which represents the difference between the acquisition cost and the fair value of assets and liabilities, totaled Ch\$114,705 million as of December 2015, equivalent to 1.33% 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.

In 2015, Banco Security distributed Ch\$16,766 million in dividends, equivalent to 30% of profit for the year 2014. As of December 2015, Factoring Security distributed Ch\$5,211 million in dividends (70% of profit for the year 2014). Also, during 2015 the insurance business area distributed Ch\$15,887 million in dividends to its parent company. Penta Security, subsidiary in which Grupo Security holds an interest equivalent to 29.55%, distributed Ch\$352 million in dividends to its parent company. Travel Security distributed Ch\$3.552 million in dividends to its parent company. 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 December 31, 2015, 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 December 31, 2015, 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 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 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.

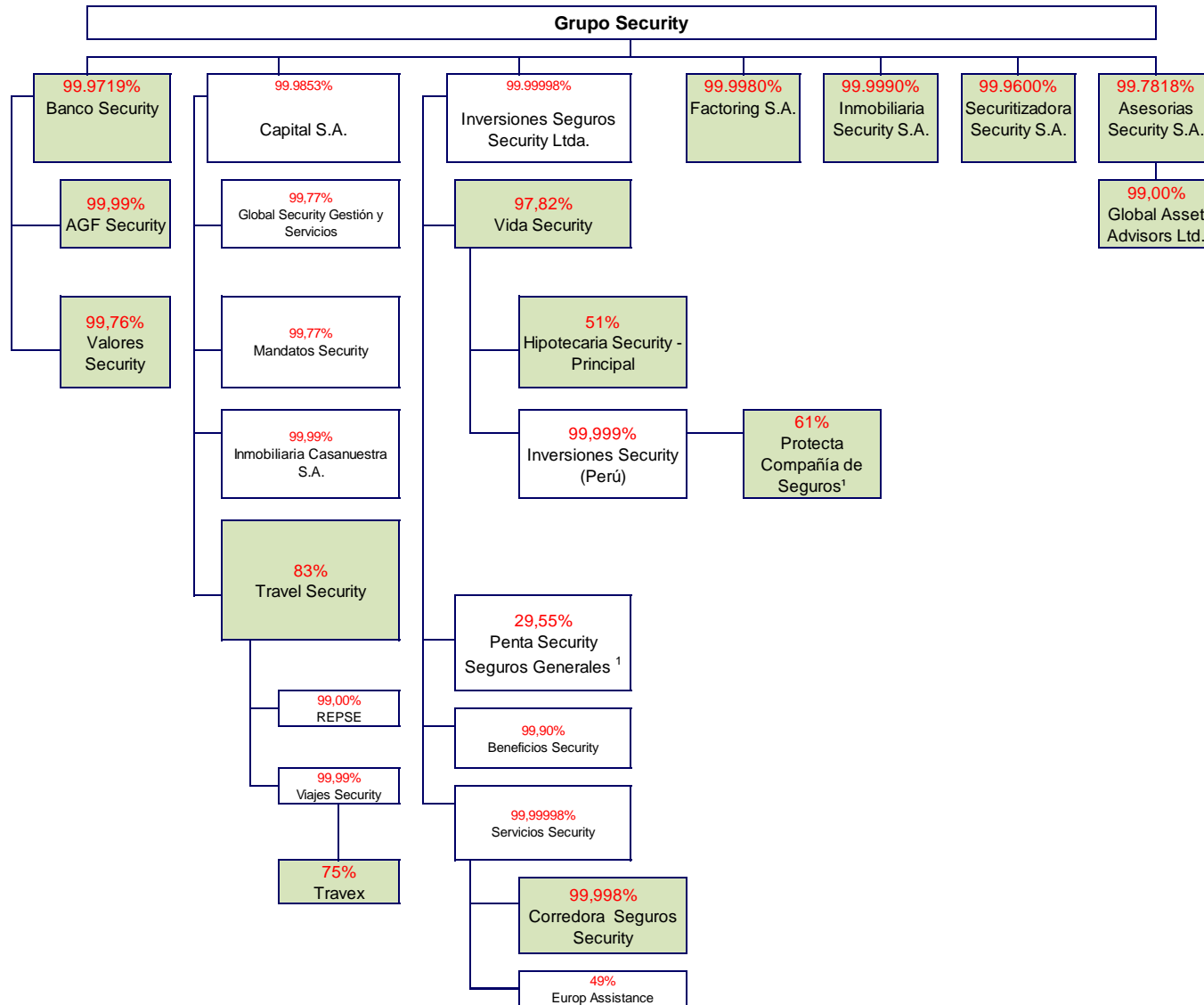
Re-insurance Industry

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



¹ On January 8, 2016, the sale of the interest in Penta Security was concluded. Therefore, this company is no longer part of the Grupo Security Corporate Structure