

Grupo Security emphasizes proactivity of authorities and support for companies during the public health crisis

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At the annual general shareholders' meeting held today:

GRUPO SECURITY EMPHASIZES PROACTIVITY OF AUTHORITIES AND SUPPORT FOR COMPANIES DURING THE PUBLIC HEALTH CRISIS

The conglomerate appreciates the government's new measures to boost liquidity of affected companies.

At the annual general shareholders' meeting held online today, Grupo Security expressed appreciation for measures that authorities have taken to combat the spread of Covid-19 in Chile in order to enable the country to deal with the impact of this contingency.

In his presentation to shareholders, the chairman of the board of Grupo Security, Francisco Silva, commented on the challenging period and how all sectors must collaborate for the good of the entire country. "The magnitude of this emergency has surpassed all estimates and the government has acted very pragmatically and proactively. We value the assertiveness of decision making to protect health and employment, support household income and SMEs and boost liquidity, which today give us the largest fiscal support package in Latin America," underscored Silva. Likewise, he valued the soundness of the Chilean financial industry and its capacity to deal with this confluence of events. "We hope that the economic assistance measures released today, along with those already taken by the government, the Chilean Central Bank and the CMF, will be complemented with additional measures that will facilitate loan restructuring and granting of new loans to all companies whose liquidity and sales have been affected by Covid-19," explained Francisco Silva.

On the same topic, the CEO of Grupo Security, Renato Peñafiel, commented that it is important for authorities to have a risk perspective beyond the current circumstances, both for companies and individuals. "People, because of their consumer and mortgage loans, have launched a major restructuring process. At Banco Security approximately 85% to 90% of requests from individuals have already been favorably resolved and the rest are in process," detailed Peñafiel. The CEO of Grupo Security explained that "companies, unlike people, not only have loans with monthly payments, but also quarterly, bi-annual or annual maturities. Many of their installments have not matured yet, but they will be affected by the economic impacts of the virus.

In terms of new lending, Renato Peñafiel stated that "the measures from the Chilean Central Bank are necessary, but insufficient. Its timely, proactive actions are appreciated but the likelihood of it flowing to the real world will be slim without a program of guarantees or revised provisions. Fogain and Fogape, guarantee programs for SMEs from the Chilean Development Corporation (Corfo) that have been successful for years, must be reinforced, made more flexible and adapted to the current situation," he affirmed. In this sense, he remarked, "we value that the government is considering modifying the Fogape guarantee fund to include more companies. To do this, it must broaden the sales limits. For example, up to 1 or 2 million UF, which would greatly facilitate the supply of new loans."

The Group's internal measures have focused on operational continuity (with 94% working from home), prevention and care of customer and employee health and proactivity in customer relations.

As of year-end 2019, Grupo Security reported profit of CH\$81,156 million, up 0.8% compared to 2018. At the meeting, shareholders approved a dividend payment of CH\$7.45 per share charged to profit for the year 2019.

Because of the public health crisis, the shareholders' meeting was held online using digital platforms, with 82.8% of shares in attendance. No shareholders were physically present and the meeting complied with all legal requirements.

Grupo Security is a diversified financial group with 13 companies structured into five main business areas. Each area includes the subsidiaries and divisions that share common business objectives. These five areas are: lending, insurance, asset management, other services and international business, which consists of the Group's businesses in Peru.