



Financial Results Grupo Security September 2015

November 17, 2015, 13:00

- » **GDP** stagnant at around 2%;
- » **Unemployment** stable at around 6.5%;
- » **Inflation** for the year above target range (2% to 4%), mainly because of currency depreciation.
- » **Exchange rate**; dollar continues to gain strength against emerging currencies. Chilean peso depreciated 13% for 9M15.
- » **MPR** remained at 3% almost the entire year. In September 2015, Central Bank adopts restrictive bias and raises MPR by 25 bp in October 2015.
- » Market **interest rates** have been gradually rising, in line with the Central Bank's restrictive bias.
- » Bank **loan growth** has slowed in response to economic deceleration. Commercial loans were hit the hardest; mortgage loans have remained dynamic.

- » **Purchase of Protecta:** In August 2015, a 61% stake in Protecta was purchased for US\$ 23 million. This marks Grupo Security's entrance into the Peruvian life insurance market.
- » **New Directors for Protecta:** Alfredo Jochamowitz; Francisco Silva; Renato Peñafiel; Andrés Tagle; Alejandro Alzérreca; Marino Costa and Alfredo Dancourt.
- » **Dividends:** On October 8, 2015, the Board of Directors of Grupo Security agreed to pay a total dividend of Ch\$ 4.00 per share.
- » **Sale of Minority Holding in Penta Security to Liberty International Holdings:** Once the transaction is complete, it will result in an extraordinary, pre-tax gain of Ch\$ 18,986 million for Grupo Security.
- » **Agreement to Buy Banco Penta's Mutual Fund and Brokerage Subsidiaries:** Deal worth up to Ch\$ 19,500 million; currently in due diligence process.
- » **Share Subscription Period Ends:** In July 2015, the subscription period for the 2013 capital increase ended. Total issuance: 376,104,987 shares, equivalent to Ch\$ 71,460 million and representing 99.6% of shares authorized for placement. 1,636,408 shares remain available to the Company's board to be placed before July 2016.

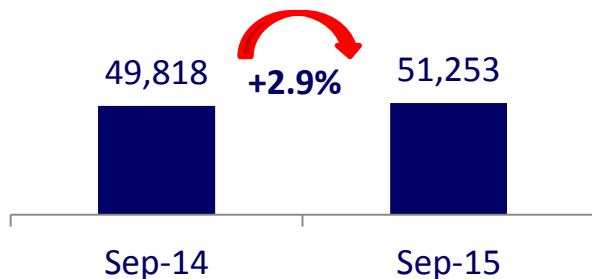
Trends for Grupo Security

- » Distributable profit for 9M15 of Ch\$ 51,253 million, up +2.9% YoY. Grupo Security reported ROE of 11.75%.

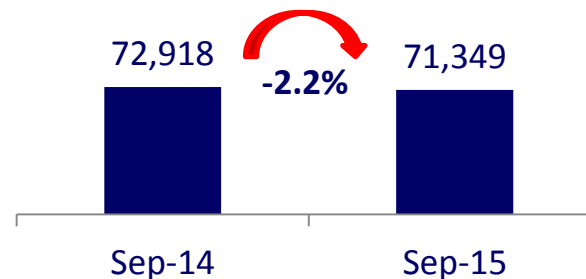
	2011	2012	2013	2014	Sep-15 LTM
EPS	14.5	16.2	15.7	18.9	19.3
P/E	11.2	11.6	10.7	11.3	9.3
Dividend Yield	5.6%	5.0%	4.2%	5.2%	
Leverage	24.68%	26.16%	36.28%	36.14%	35.77%
ROAA	0.92%	0.90%	0.82%	0.84%	0.80%
Equity (MCh\$)	376,349	397,790	467,004	522,718	560,293
Profit from Business Areas (MCh\$)	51,212	58,356	64,070	98,965	97,397
ROAE	12.37%	11.53%	12.03%	12.33%	11.75%
Payout Ratio (Dividends/Profit)	68.8%	59.8%	51.3%	54.5%	
Grupo Security Consolidated Profit (MCh\$)	41,883	46,561	49,843	61,010	62,445
Five-Year CAGR Consolidated Profit	9.38%	7.78%	22.89%	15.26%	13.61%

Grupo Security¹ Results (MCh\$)

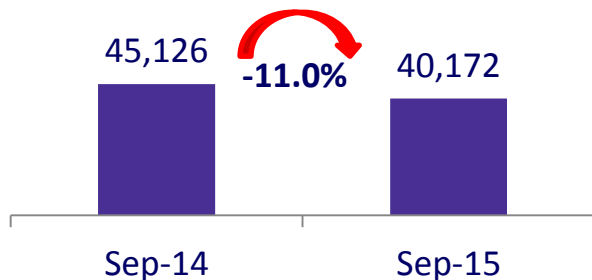
GRUPO SECURITY



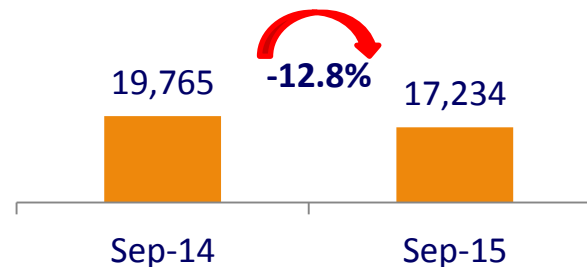
BUSINESS AREAS



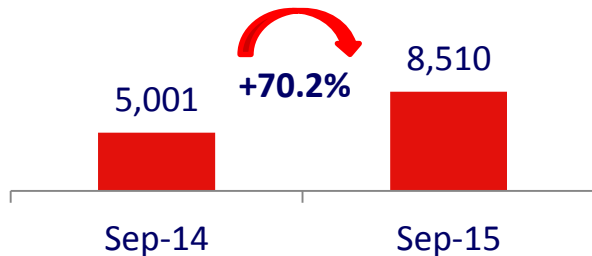
LENDING



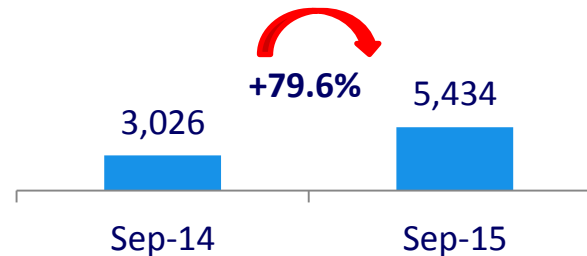
INSURANCE



ASSET MANAGEMENT



OTHER SERVICES



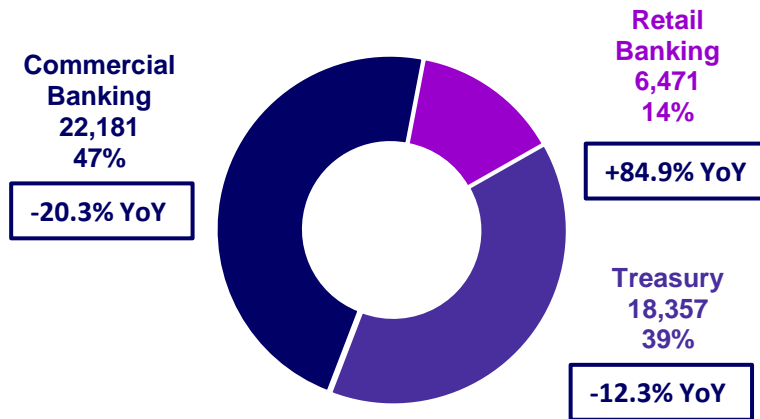
¹ Profit (loss) attributable to owners of the controller based on segment note in Grupo Security Earnings Report

Banco Security - Profit

- » Consolidated profit 9M15 Ch\$ 43,597 million (-2.7% YoY)
- » Consolidated gross operating income of Ch\$ 157,829 million (+12.7% YoY)

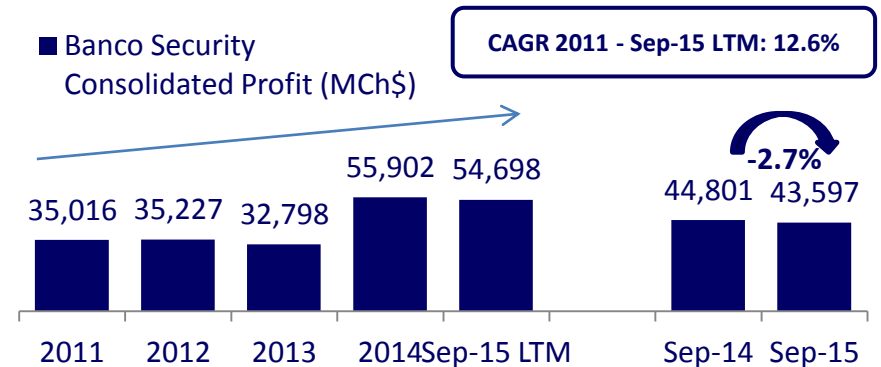
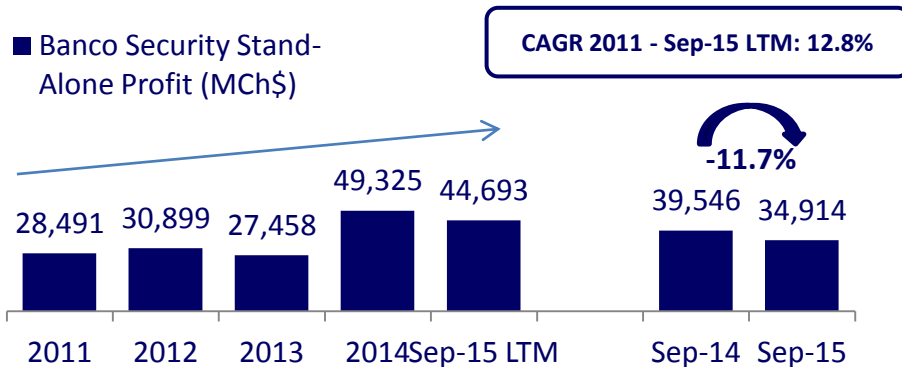
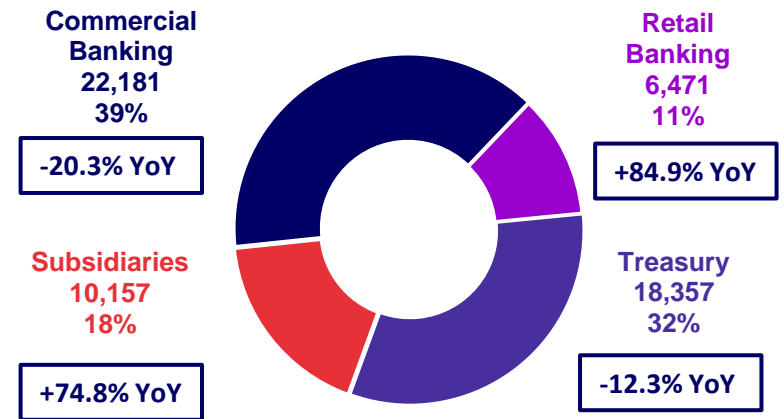
Banco Security Stand-Alone Profit Sep-15

Total: Ch\$ 34,914 million (-11.7% YoY)*



Banco Security Consolidated Profit Sep-15

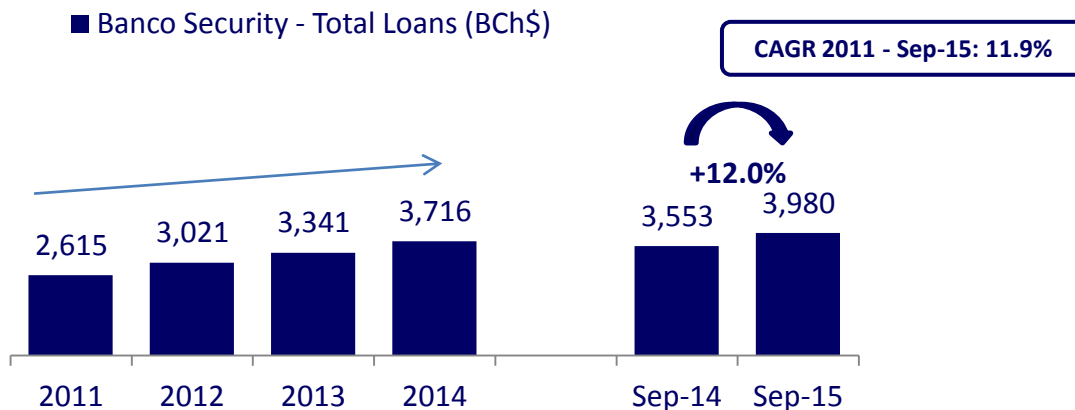
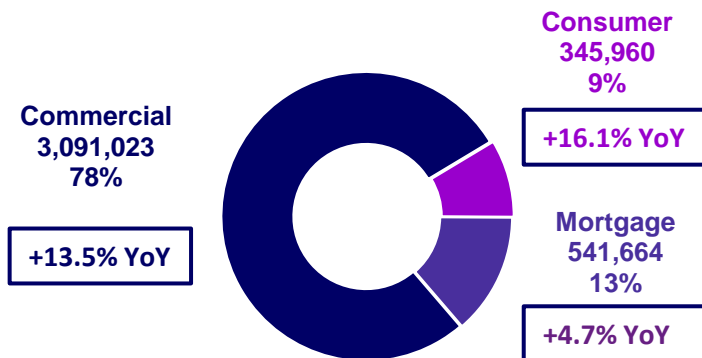
Total: Ch\$ 43,597 million (-2.7% YoY)*



*Includes net loss of Ch\$ 3,191 million in Corporate Support and "Adjustments"

- » Consistent historical loan growth with a CAGR of 12% since 2011, and YoY growth of 16% in consumer loans (only 10% for Chilean financial system).

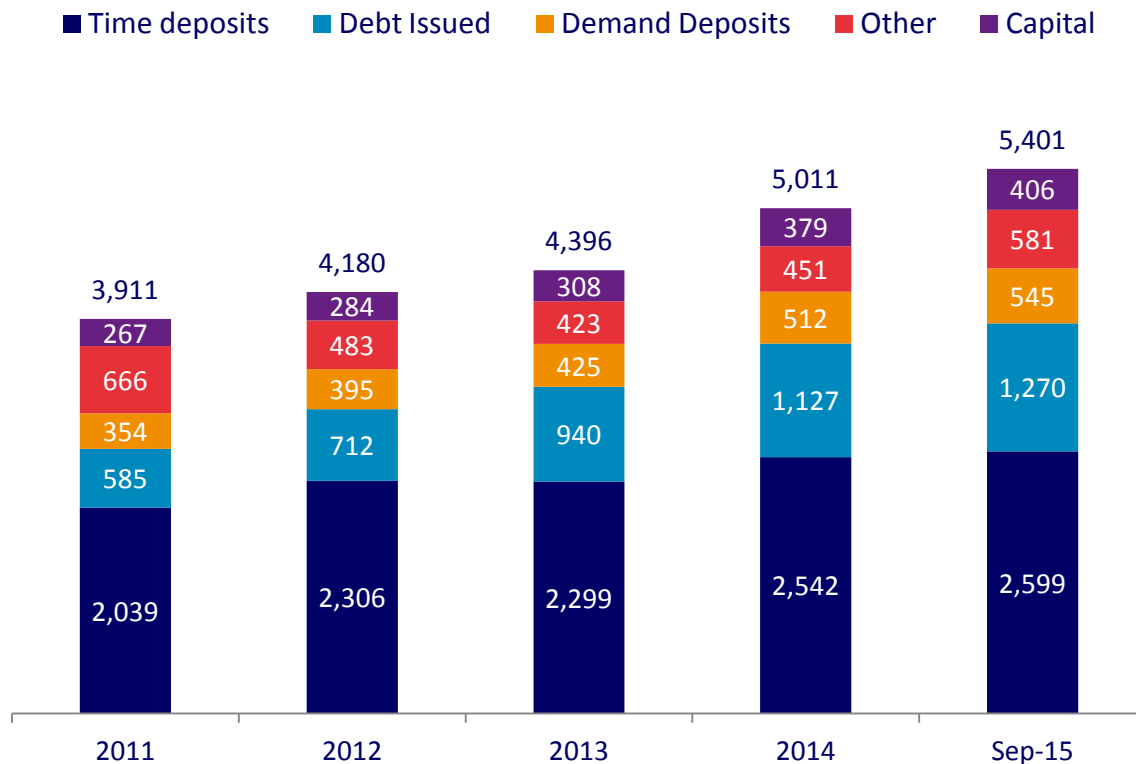
Banco Security - Loan Portfolio Sep-15
Total: Ch\$3,980,384 million (+12.0% YoY)



Banco Security - Lending

September 2015

- » 7.0% increase YoY in total loans.
- » Time deposits: 26.5% retail and 73.5% institutional.
- » Incentives for sales executives to diversify funding sources and expand retail time deposits to 30%.



	2011	2012	2013	2014	Sep-15
Efficiency Ratio	54.16%	54.69%	53.26%	48.87%	44.78%
Risk Index (Provisions/Loans)	1.39%	1.38%	1.39%	1.59%	1.70%
Non-Performing Loan Coverage	103.9%	99.9%	124.8%	107.0%	102.5%
ROAE (Profit LTM / Average Equity)	14.78%	12.79%	11.08%	16.27%	14.41%
NIM LTM / Average Loans	2.62%	2.41%	2.60%	3.35%	3.53%
Equity (MCh\$)	267,463	283,593	308,362	379,051	405,601
Consolidated Profit LTM (MCh\$)	35,016	35,227	32,798	55,902	54,698
Payout Ratio	60.0%	60.0%	99.9%	30.0%	
Tier 1 Capital / RWA	8.7%	8.2%	8.2%	8.7%	8.74%
Average Equity / RWA	12.03%	11.92%	12.19%	12.47%	12.21%

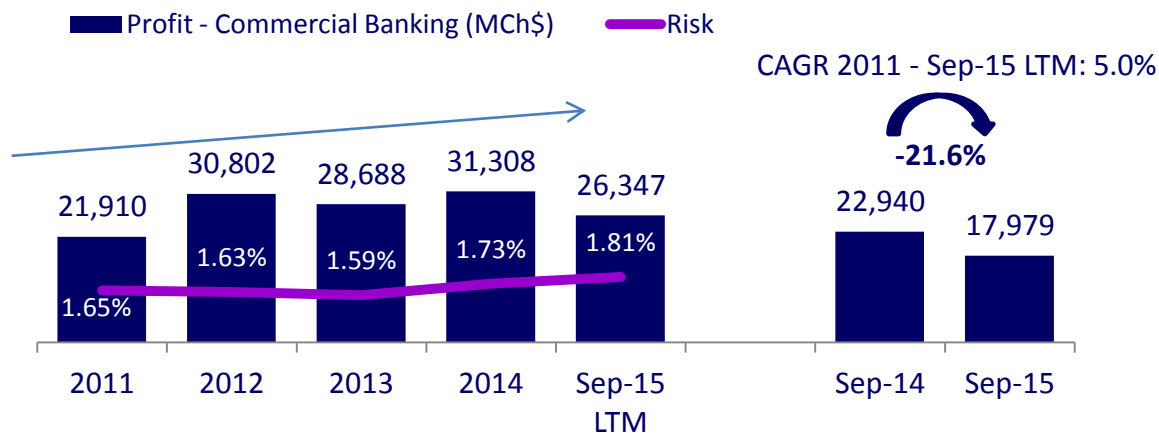
Banco Security vs Peer Banks vs Chilean Banking System

September 2015	Banco Security	Peer Banks	System
Gross Operating Income LTM / Average Total Assets	4.06%	3.76%	4.76%
Efficiency Ratio	45.27%	50.86%	46.95%
Risk Index (Provisions/Loans)	1.70%	1.68%	2.39%
Corporate Risk Index	1.81%	1.67%	2.36%
Retail Risk Index	1.30%	1.56%	2.51%
ROAE (Profit LTM / Average Equity)	14.41%	11.83%	15.41%
ROAA (Profit LTM / Average Total Assets)	1.06%	0.92%	1.20%
NIM LTM / Average Loans	3.53%	3.38%	4.73%
Tier 1 Capital / Total Assets	6.92%	6.67%	6.75%
Tier 2 Basel Index	12.29%	12.13%	12.67%

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

Results - September 2015

- » Increased provision expenses due to particular customers and more restrictive criteria for managing non-performing loans. Growth of net interest margin and fees because of increased commercial activity and lower MPR.
- » Commercial loans: Ch\$3,091,023 million (+13.5% YoY vs 8.7% for the system ¹); 77.7 % of total loans
- » Profit September 2015: Ch\$17,979 million (-21.6% YoY)
 - » **Increased interest margin** (+10.0% YoY (+MCh\$ 4,351), MCh\$ 47,877 as of Sep-15)
 - » **Increased operating expenses** (+6.3% YoY (-MCh\$ 1,392), MCh\$ 23,576 as of Sep-15)
 - » **Increased net fees** (+10.7% YoY (+MCh\$ 1,098), MCh\$ 11,401 as of Sep-15)
 - » **Increased FX transactions and other income** (+15.1% YoY (+MCh\$ 991), MCh\$ 7,553 as of Sep-15)
 - » **Increased provision expenses** (+103.3% YoY (-MCh\$ 10,708), MCh\$ 21,074 as of Sep-15)

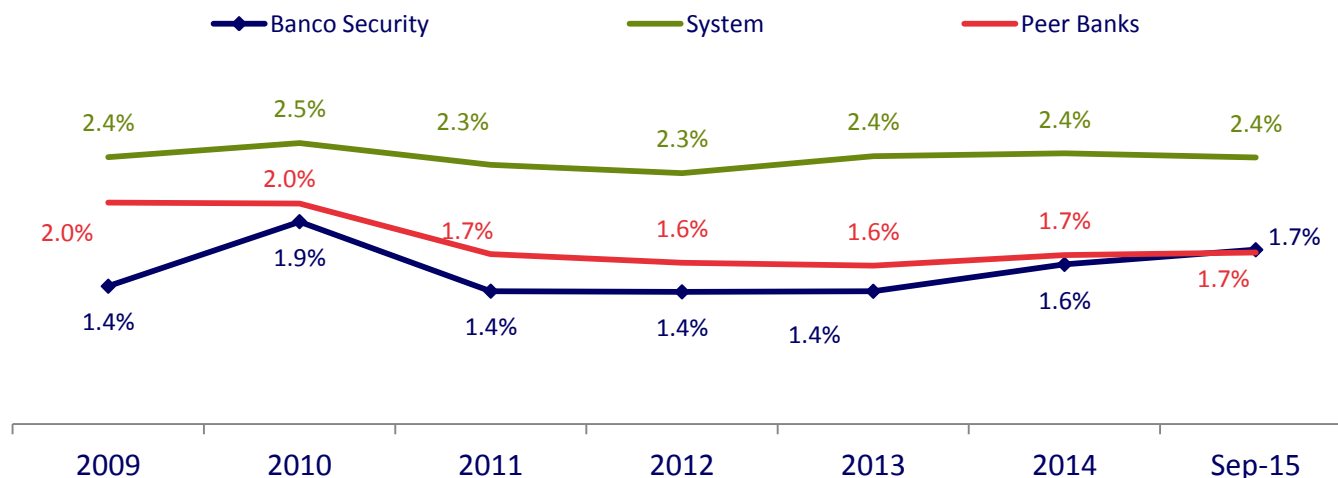


¹Excludes investments in Colombian financial system.

- » Δ + MCh\$3,000 in provision expenses due to new risk assessment control mechanisms and stricter default matrix.
- » Increased provisions involve increased coverage and provision to loan ratios.

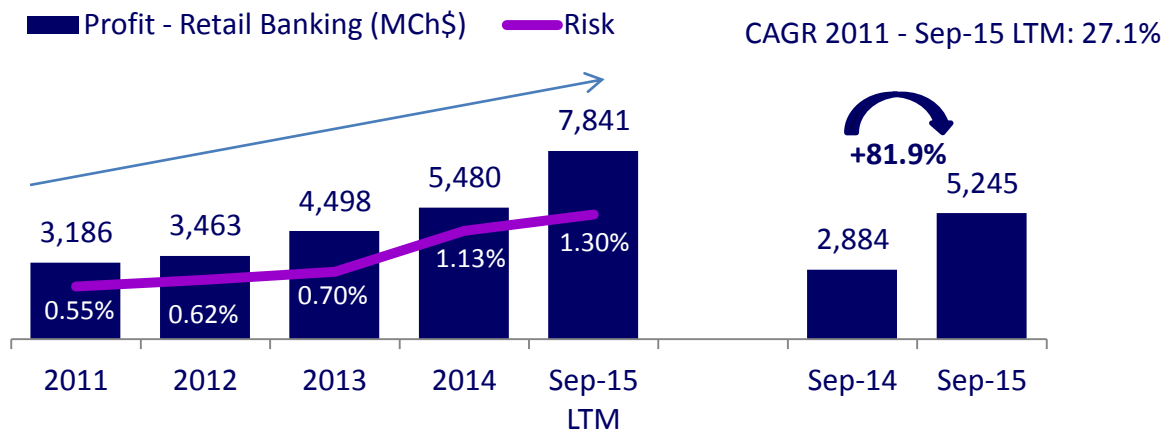
	Sep-15	Jun-15	Sep-14	% Chg	
				QoQ	YoY
Total loans	3,980,384	3,822,690	2,724,002	4.1%	46.1%
Credit risk provisions	67,605	60,077	53,045	12.5%	27.4%
Coverage - consumer	294.7%	298.0%	397.0%	-3.27 p	-102.33 p
Coverage - mortgage	13.7%	13.9%	11.9%	-0.17 p	1.83 p
Coverage - commercial	102.2%	88.1%	108.1%	14.10 p	-5.90 p
Coverage - total non-performing loans	102.5%	91.7%	109.3%	10.87 p	-6.75 p
Provisions / loans	1.70%	1.57%	1.49%	0.13 p	0.21 p
Provision expenses / loans	1.01%	0.83%	0.94%	0.19 p	0.08 p

Risk (Provision / Loans)



Results - September 2015

- » Increasing share of Bank's results: from 3% of Bank's consolidated profit in 2010 to 11% in September 2015.
- » Growth of +16.1% YoY in consumer loans, well above system average of +10.2% YoY¹.
- » Growth of +4.7% YoY in consumer loans, less than system average of +15.9% YoY¹, seeking efficient use of capital.
- » Growth in mortgage loans below system average (+4.7% YoY vs +15.9%¹ for system),
- » Retail banking risk index reaches 1.3% as of September 2015, below system average of 2.5%.
- » Consumer + Mortgage Loans: MCh\$ 887,624 (+8.8% YoY vs 14.0% for system¹); 22.3% of total loans
- » Profit 9M15 MCh\$ 6,471 (+84.9% YoY)
 - » **Increased interest margin** (+20.8% YoY (+MCh\$ 6,537), MCh\$ 37,974 as of Sep-15)
 - » **Increased net fees** (+19.3% YoY (+MCh\$ 2,001), MCh\$ 12,396 as of Sep-15)

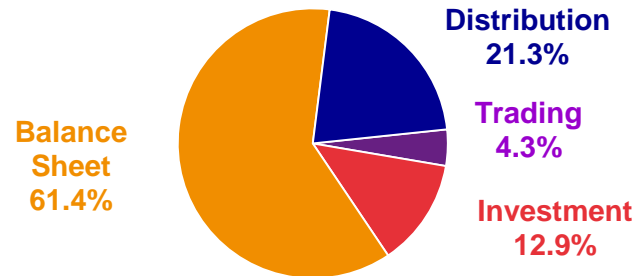


¹Excludes investments in Colombian financial system.

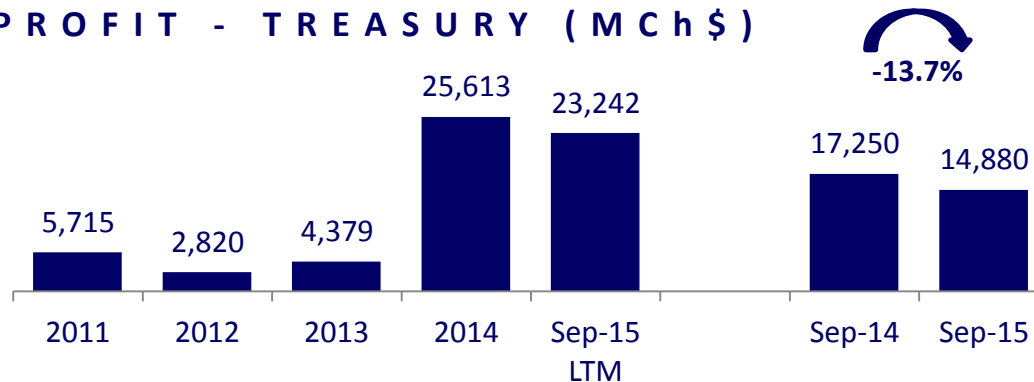
Results - September 2015

- » Profit September 2015: MCh\$ 14,880
- » Weaker results due to high basis of comparison in 2014, with a high net interest margin thanks to elevated inflation and a 150 bp drop in the monetary policy rate.
- » In the third quarter of 2015, a stronger dollar had a positive effect on the Bank's foreign exchange position, partially offset by an implicit foreign exchange effect in derivative instruments.

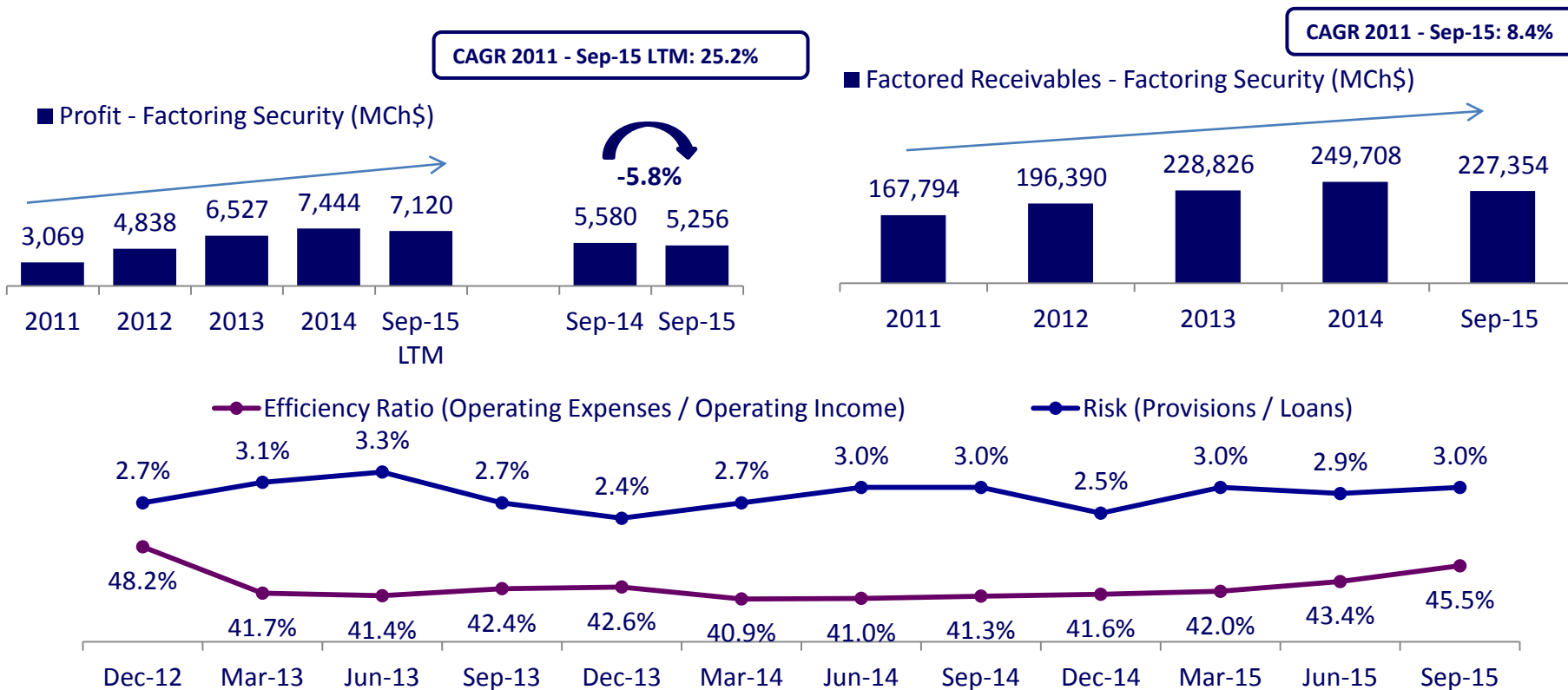
INCOME BY DESK



PROFIT - TREASURY (MCh\$)

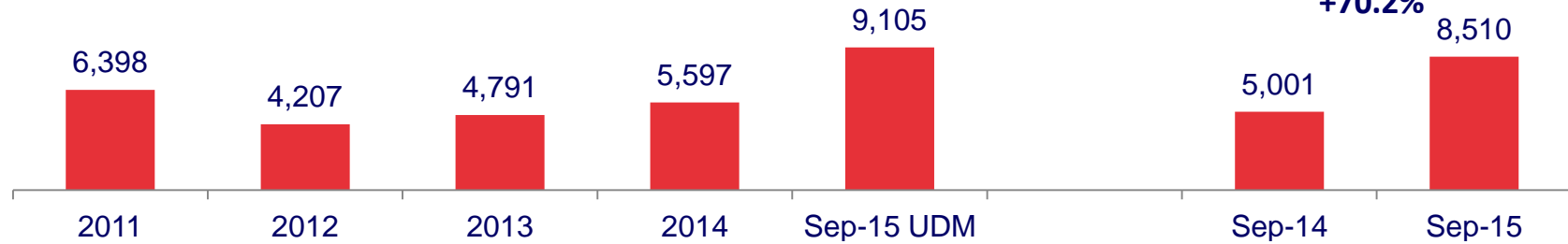


- » Profit 9M15 Ch\$ 5,256 million (-5.8% YoY)
- » Factored receivables Ch\$ 227,354 million. Growth of +7.7% YoY, above the decrease of 3.0% YoY in total factored receivables for the industry.
- » Average factored receivables 9M15 Ch\$ 227,049 million (+7.3% YoY)
- » Average spread of around 0.73% per month, -0.04 bps YoY
- » Efficiency Ratio (Operating Expenses / Net Operating Income) 45.5% (+4.21 bps YoY)

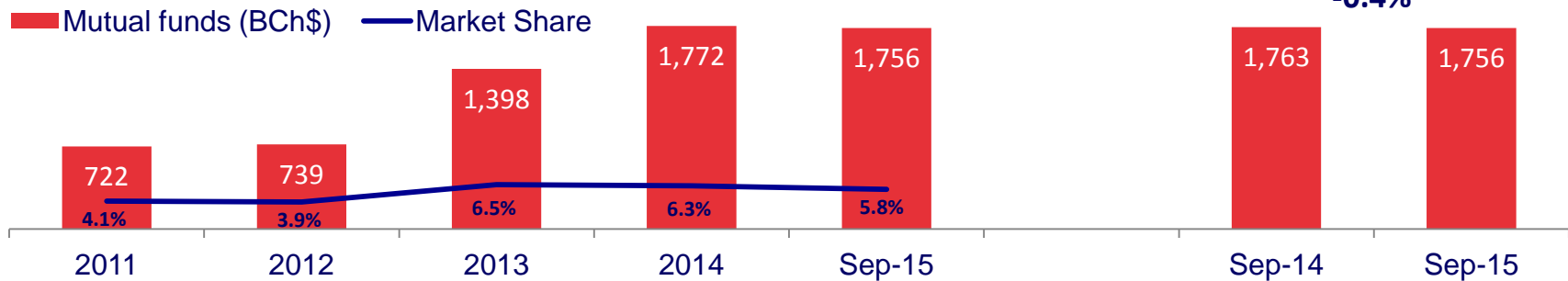


Inversiones Security – Historical Trends

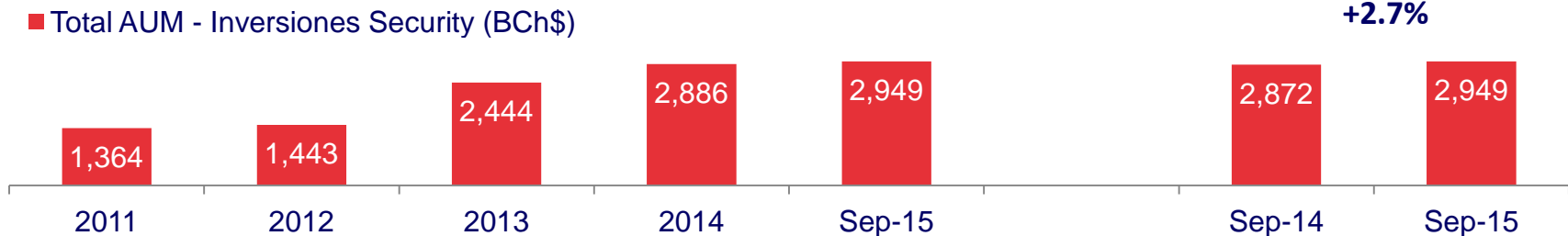
Profit - Asset Management Area (MCh\$)



Mutual Funds Under Management (BCh\$)



Total AUM - Inversiones Security (BCh\$)



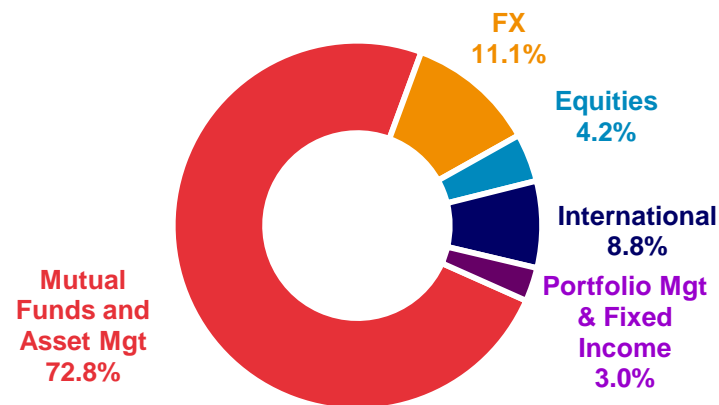
Profit by Division (MCh\$)



- » Earnings driven by fund management:
 - » Total AUM for Inversiones +2.7% YoY, reaching Ch\$ 2,949 billion
 - » Share volumes traded declined 23% YoY, more than the industry (-18%)
 - » On May 5, 2015, Valores Security sold one share in the Santiago Stock Exchange to Bovespa for Ch\$ 2,200 million.

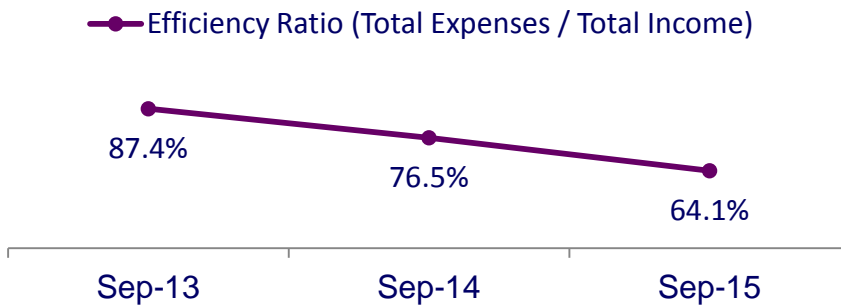
Total Sales Sep-15

MCh\$ 24,062

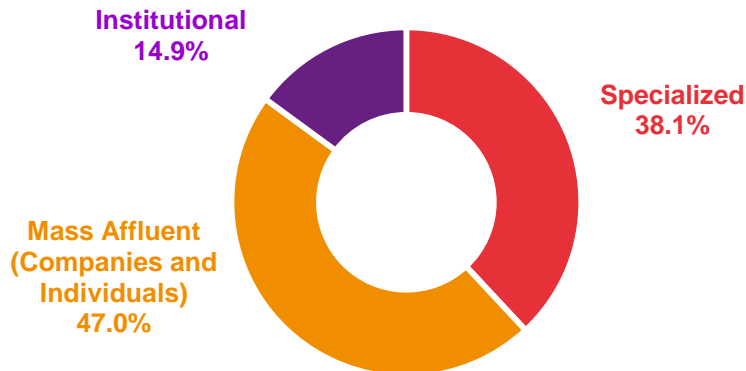


Inversiones Security – Commercial Management GRUPO | security

- » Merger: Annual synergies of MCh\$5,195
- » Scale needed to operate efficiently:
 - » Efficiency Ratio: Total Expenses / Total Income
64.1% as of Sep-15 (76.5% in Sep-14)

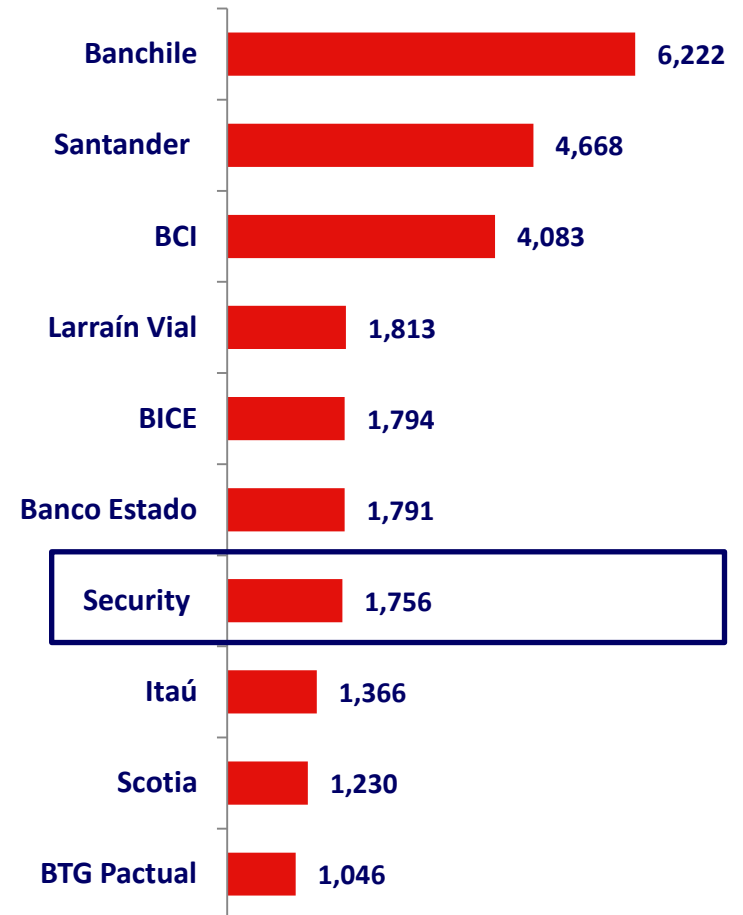


Total Sales Sep-15 MCh\$ 24,062



AUM Ten Main Fund Management Companies

Total: BCh\$25,769



Vida Security vs System

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

September 2015	Vida Security	System
Direct Premium (MCh\$)	Ch\$ 181,390	Ch\$ 3,718,948
Claims and Pensions Paid / Retained Premium	87.6%	94.2%
Underwriting Expenses / Direct Premium	12.9%	11.9%
Profit / Direct Premium	9.3%	7.4%
Investment Income / Investment Stock ¹	4.4%	4.2%
ROAE ²	16.6%	11.3%
	Δ% YoY	
Direct Premium	-3.0%	21.9%
Claims and Pensions Paid	-8.9%	17.8%
Underwriting Expenses	0.1%	3.7%
Profit	-12.3%	-1.4%
Investment Income	-15.4%	-11.1%

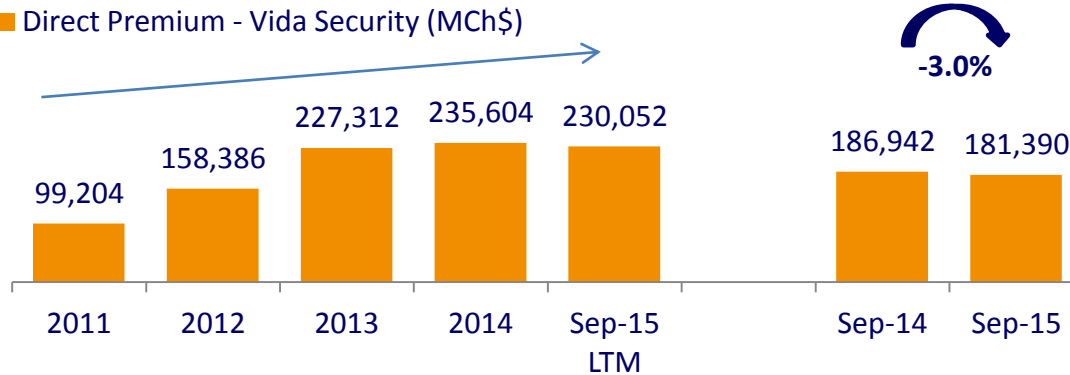
¹Annualized

² LTM Profit/ Average Equity

Vida Security History

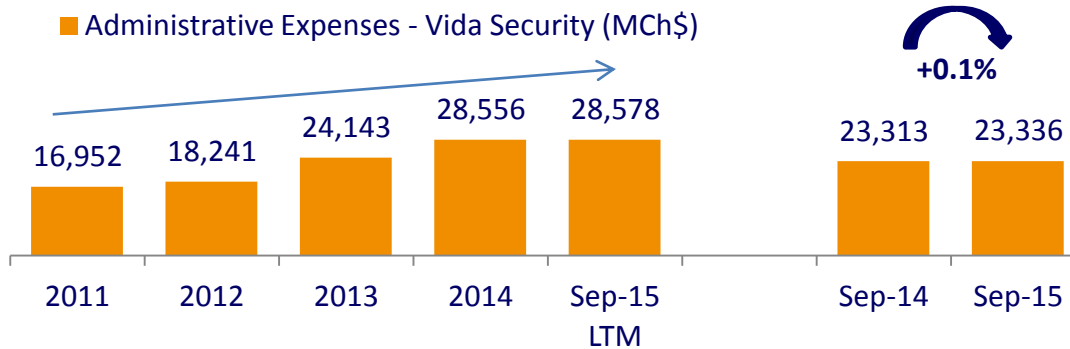
* In Proforma format, includes operating income for CDS since the second half of 2013

■ Direct Premium - Vida Security (MCh\$)



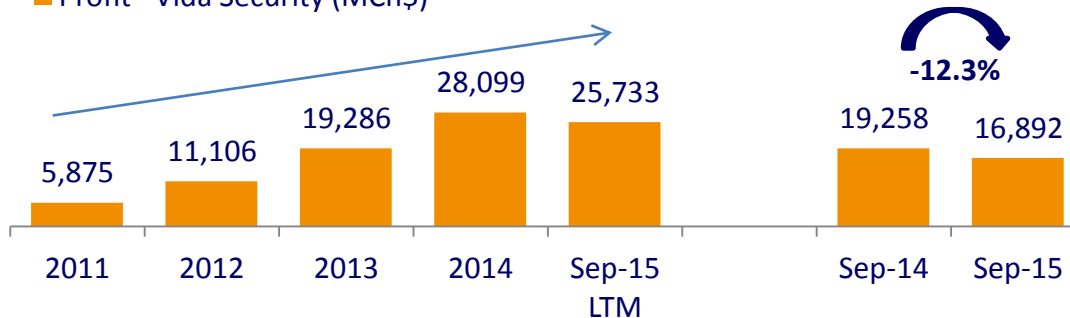
CAGR 2011 - Sep-15 LTM: 25.1%
Growth in direct premium of 27.7% YoY isolating the loss of Disability and Survival Insurance (SIS) policies (-MCh\$ 44,878 YoY due to SIS effect)

■ Administrative Expenses - Vida Security (MCh\$)



CAGR 2011 - Sep-15 LTM: 14.9%
Synergies executed during 2014; full impact seen in 2015 (MCh\$7,118 in synergies obtained).

■ Profit - Vida Security (MCh\$)



CAGR 2011- Sep-15 LTM: 48.3%

Vida Security - Direct Premium*

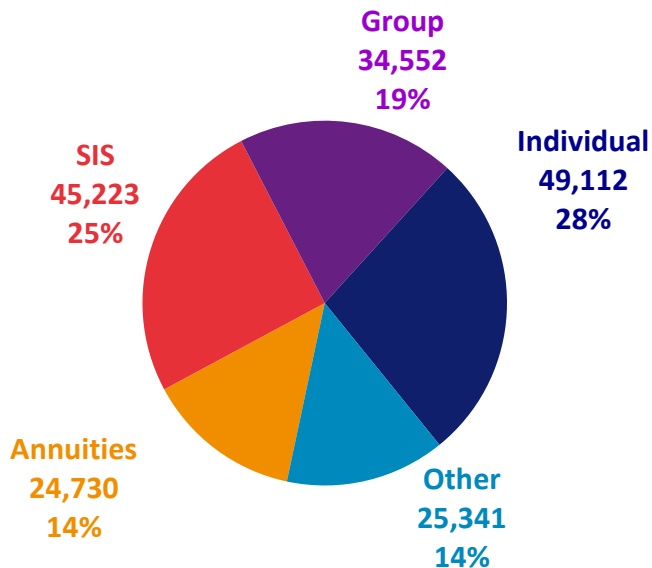
* In Proforma format, includes operating income for CDS for the first quarter of 2014

» Profit down, main explanations:

- » Absence of SIS installments
- » Decreased return on investments due to fall in variable income, in line with market;
- » Increase in reserves due to greater sales of individual policies with savings components (CUI) and annuities

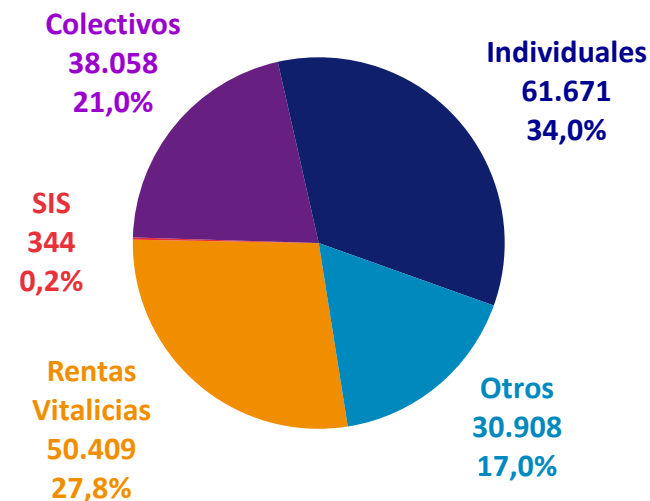
Direct Premium - September 2014

MCh\$186,942



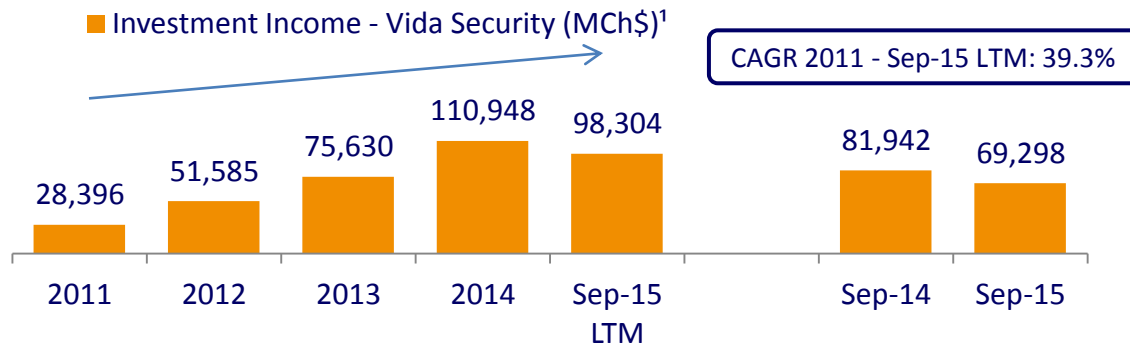
Direct Premium - September 2015

MCh\$181,390



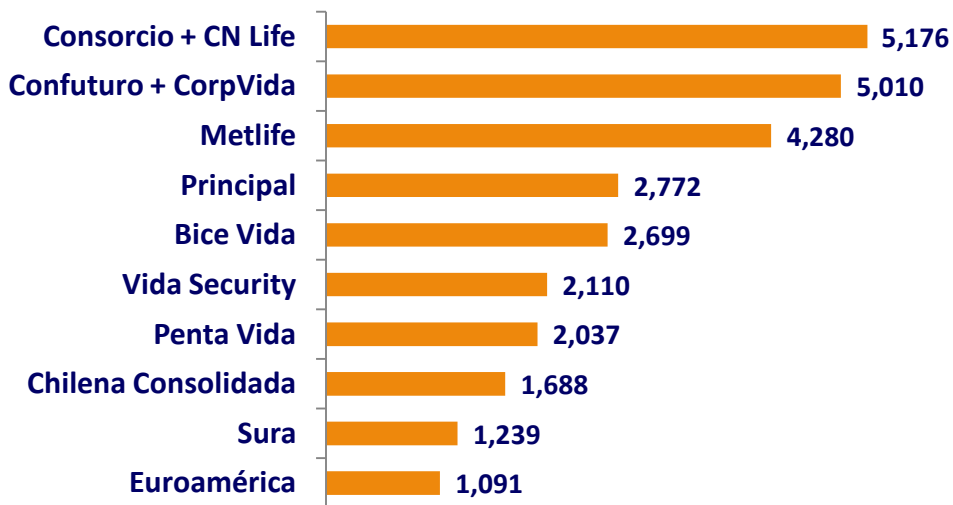
Vida Security - Investments

* In Proforma format, includes operating income for CDS since the second half of 2013

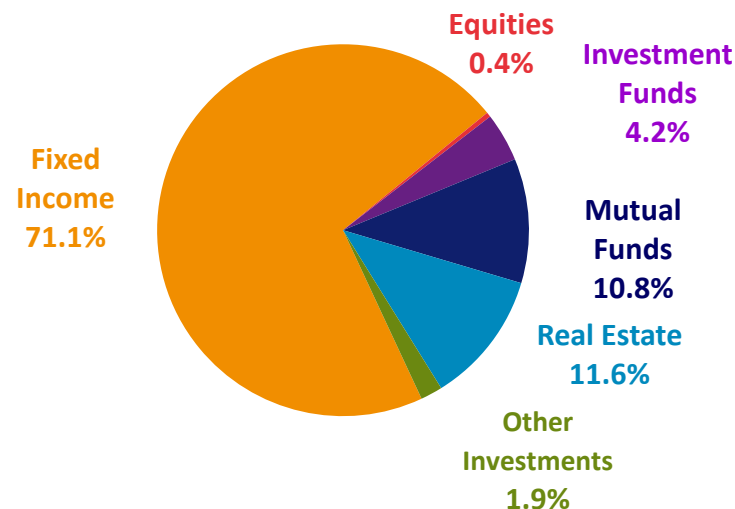


Investment Portfolios of Ten Main Life Insurance Companies

Total: BCh\$ 28,101



Investment Portfolio - Vida Security



¹ * In Proforma format, includes operating income for CDS since the second half of 2013

- » Deteriorating international financial markets impact investment income:
 - » Impact of variable income investments and indexes on proprietary trading and investments for insurance with savings components (CUI).
 - » Insurance with savings components free reserves as the portfolio deteriorates, thus partially offsetting the negative effect on profit.

In Ch\$ million	3Q15	2Q15	3Q14	% Chg.		9M15	9M14	% Chg.
				QoQ	YoY			
Fixed income	17,503	19,321	18,424	-9.4%	-5.0%	52,329	42,451	23.3%
Variable income and indexes	-6,193	2,308	11,450	-	-	110	12,789	-99.1%
Real estate	2,873	2,934	3,597	-2.1%	-20.1%	9,764	14,223	-31.4%
Other investment	-2,778	4,836	-9,882	-	-71.9%	7,465	305	-
Investment income	11,405	29,399	23,589	-61.2%	-51.7%	69,668	69,769	-0.1%

Returns on Proprietary Trading Portfolio: 5.2%

Fixed income: +4.8%

Variable income: -2.3%

Real estate: 8.2%

Infrastructure funds: 8.9%

Trading: 4.3%

Other: 5.3%

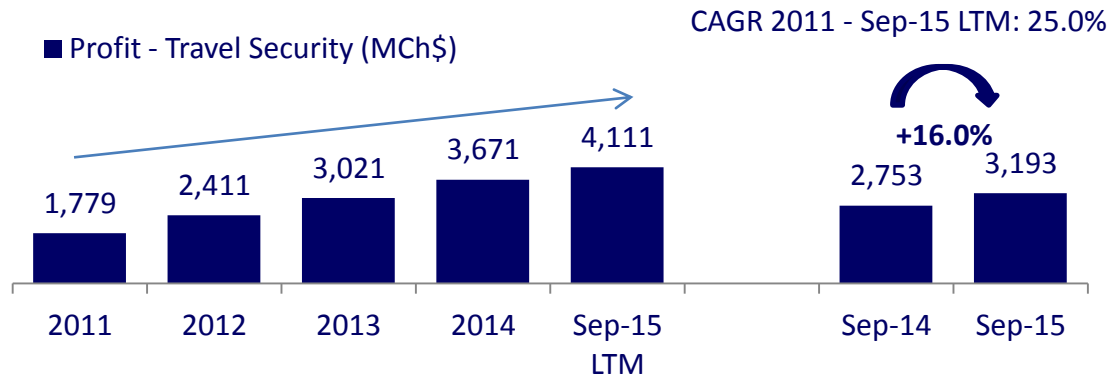
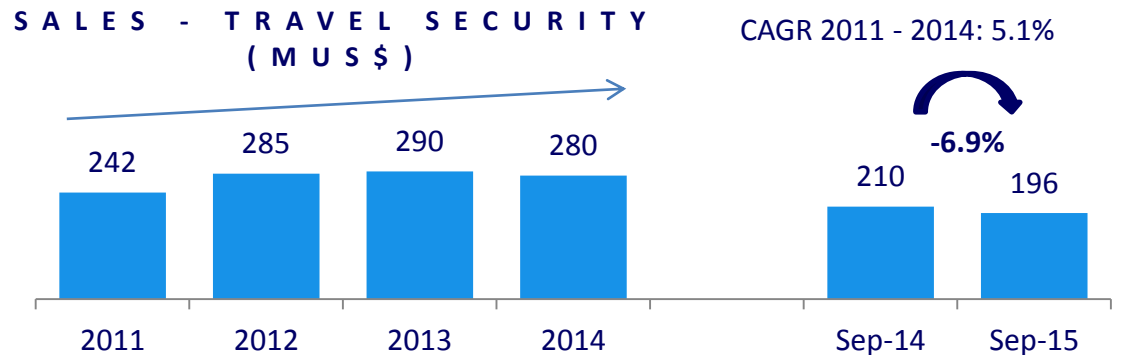
- » On August 31, 2015, Vida Security purchased a 61% stake in Protecta for US\$ 23 million.
- » This acquisition is classified as an investment that does not back accounting reserves and, therefore, had an effect on the company's free equity of Ch\$ 17,273 million.
- » **New Directors for Protecta:**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

- » Profit of Protecta:
 - » January-September 2015: S./ 10,539,154
 - » September 2015: S./ -1,236,107 (equivalent to MCh\$ \$247 for Vida Security)
 - » ROE 14.03% (industry 17.54%)
 - » ROI 7.81% (industry 7.25%)
 - » 3% market share in life insurance

Other Services: Travel Security

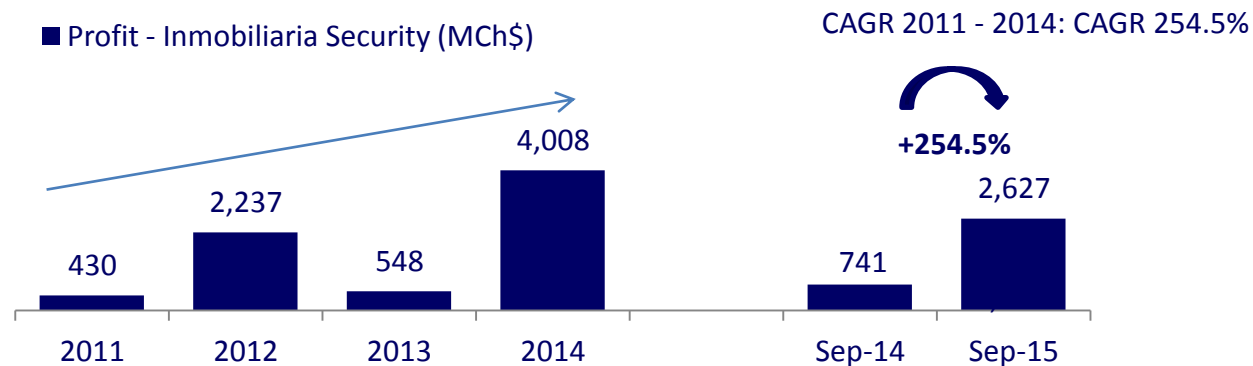
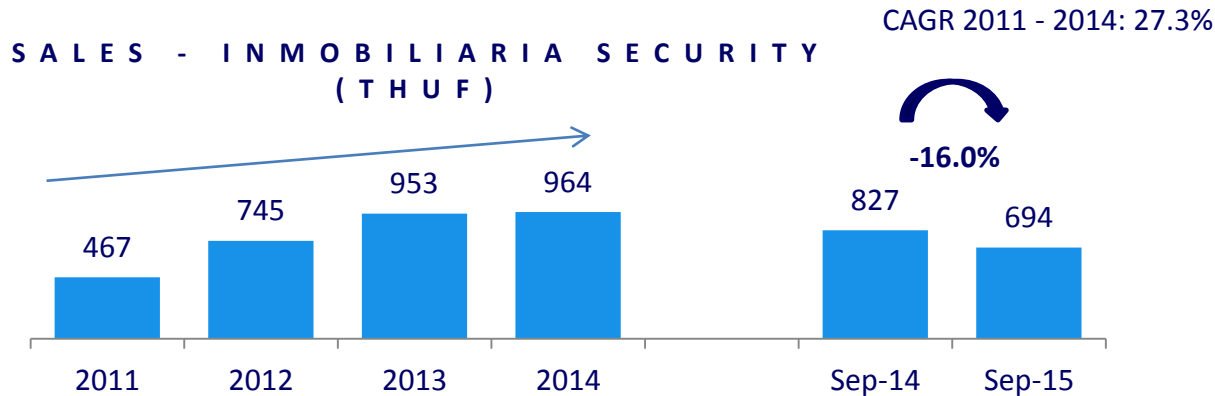
Travel Security

- » Profit 9M15 Ch\$ 3,193 million (+16.0% YoY)
 - » Sales US\$ 196 million 9M15 (-6.9% YoY).
 - » Increase attributable to the rise in commissions paid by airlines.
- » Travex Security recorded sales of US\$ 51 million (-0.4% YoY) and profit of US\$ 928 thousand (+44.0% YoY)



Inmobiliaria Security

- » Profit Ch\$ 2,627 million.
- » Apartment sales for 9M15 of UF 694,151
- » Real estate assets under management of Ch\$ 36,857 million.
- » Recognition of revenue from projects sold in recent years. Under IFRS, revenue is recognized once legal title to the property has been transferred.



- » **Loans** Growth should continue to slow, from a nominal 8% this year to 6% the next. It will continue to be led by commercial loans, then consumer and finally mortgage.
- » **International Variable Income**; relative divergence between developed and emerging economies. Greater expected returns in developed economies.
- » **International Fixed Income**; global rates at historically low levels, with a very slight upward trend. Spreads at normal levels. Good outlook for dollar-denominated bonds.
- » **Local Variable Income**; less favorable outlook for the region. Defensive portfolio recommended in sectors with greater variability (electric power, banking).
- » **Local Fixed Income**; Central Bank expects there to be one or two more increases in the MPR.



Financial Results Grupo Security September 2015