



Grupo Security Financial Results March 2020

June 8th, 11:00 a.m.

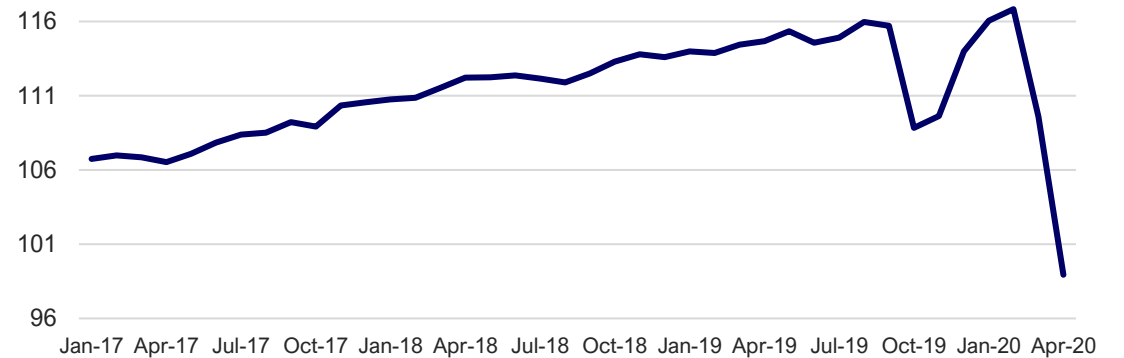
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Macroeconomic Recap 2020 - Summary and Outlook

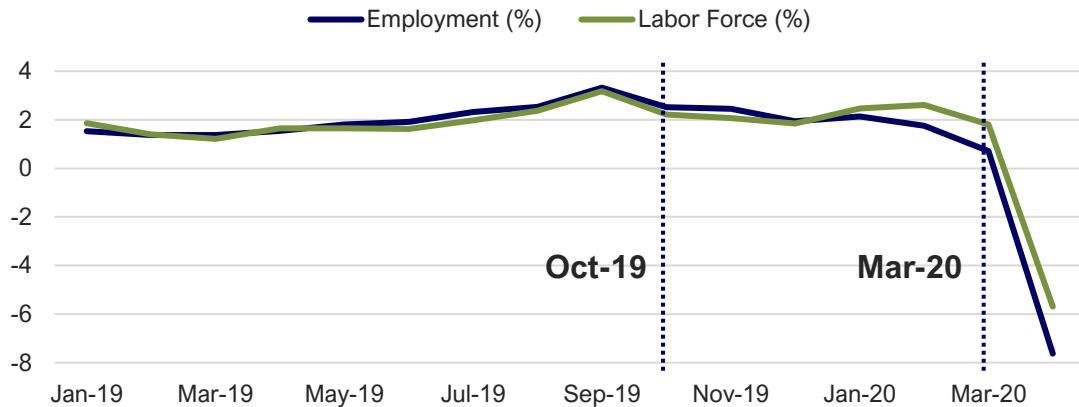


- * Economic recovery in first few months of 1Q20 – Imacec 1.3% and 3.3% in January and February, respectively
- * March: Pandemic declared. Imacec -3.1%
- * April: Drop of 14% YoY, reflecting effects of economic standstill.
- * May: We expect a new contraction of around 15% YoY.
- * 2020: We project GDP will recede 4%, depending on the (gradual) reopening of the economy starting in the third quarter.

Non-mining Imacec (Deseasonalized)

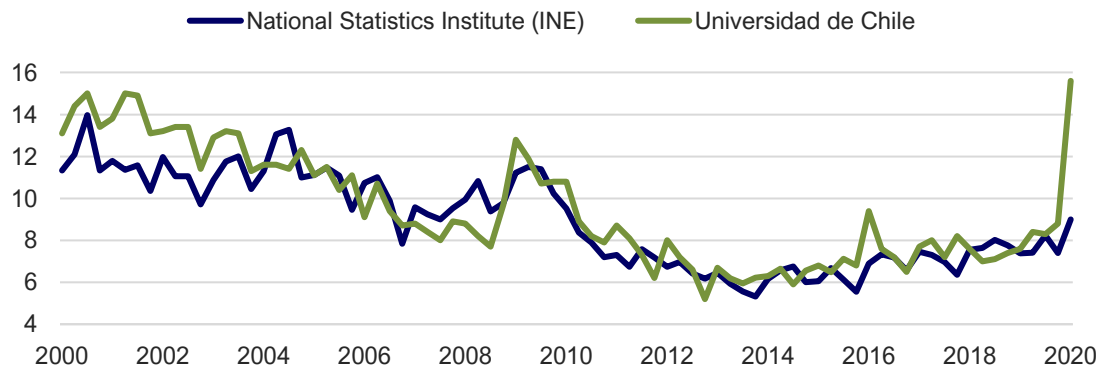


Macroeconomic Recap 2020 - Summary and Outlook



- * Deteriorated job market. Employment down 7.6% YoY in April (608 thousand jobs)
- * Labor force shrunk 5.7% YoY
- * 600 thousand additional layoffs* from October to April, according to Labor Bureau
- * Universidad de Chile survey reports a much greater YoY drop in employment in April (-15.5%) and a much higher unemployment rate (15.6%)

Unemployment Rate (%)

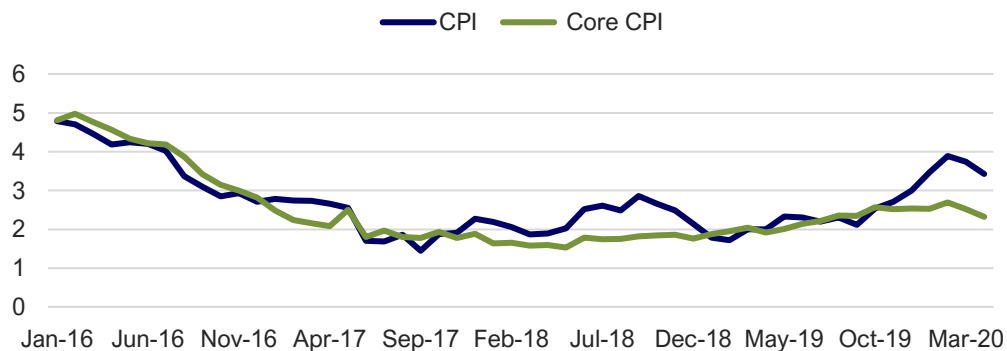


Macroeconomic Recap 2020 - Summary and Outlook

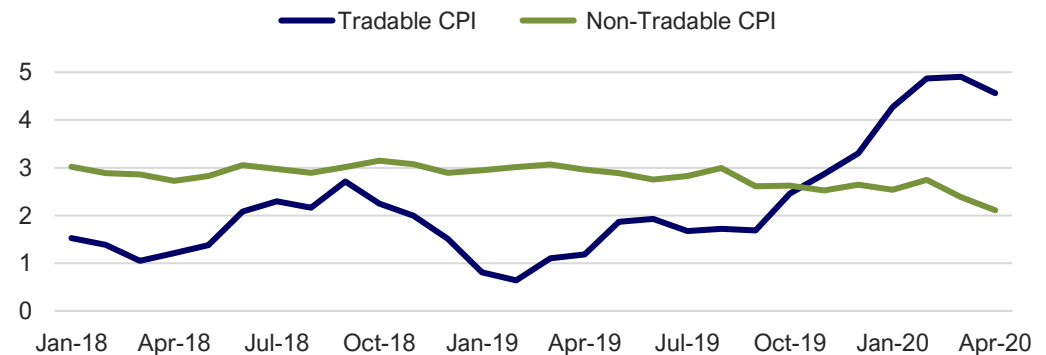


- * Inflation peaked in February: 3.9% ↑
- * Inflation of 3.4% in April due to lower inflationary pressure because of slack in the economy
- * Core inflation from 2.7% in February to 2.3% in April due to weakening internal demand.
- * Inflation of 2.7% is estimated for year-end 2020, due to the reopening of the economy that we expect to see in July and increases in some volatile prices (gasoline, food).

Total and Core Inflation (YoY % chg)



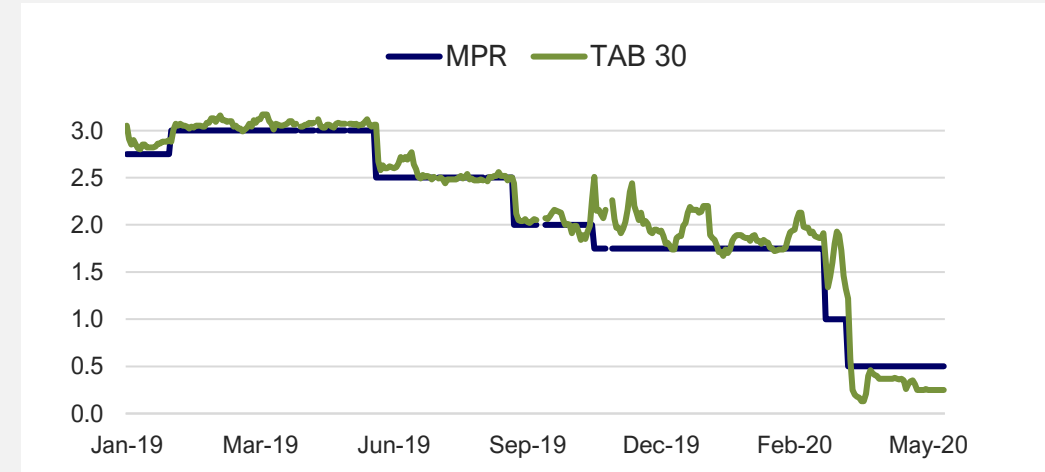
Tradable and Non-Tradable CPI (YoY % chg)



Macroeconomic Recap 2020 - Summary and Outlook



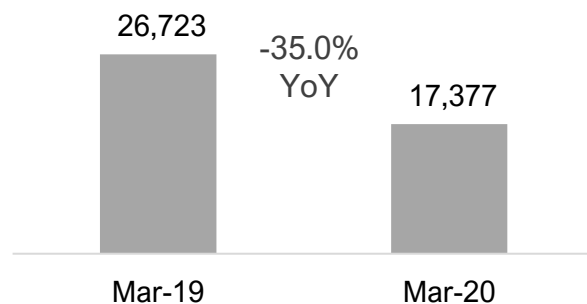
- * Swift response from economic authorities
- * MPR cut to 0.5% (technical minimum).
- * Unconventional measures to ease liquidity in the financial system.
- * Short-term rates: down in line with MPR
- * Long-term rates: additional drop in response to reduced activity.
- * Higher risk premiums will drive long-term rates upward
- * Local market risk premiums: peak in March. Part of that increase has returned due to greater global risk appetite. Premiums at pre-October levels due to changes in fiscal pressure, indebtedness and the economic growth dynamic.



Grupo Security Profit 2019 MCH\$6,500 (-69.3% YoY)



Profit from related companies (MCH\$)



	mar-19	mar-20	Var YoY
Profit Business Areas	26,723	17,377	-35.0%
Support areas and Group Expenses	-2,633	-4,984	89.3%
Finance Costs and Indexation Units	-2,936	-6,186	110.7%
Profit Grupo Security	21,158	6,500	-69.3%

Corporate Expenses

- * Group and support area expenses
 - * Greater employee termination expenses
- * Indexation and finance costs:
 - * Higher inflation during the period

Lending

Profit **MCH\$17,647**
(-7.8% YoY)

- * **Commercial Banking:** Reduced results due to higher provision expenses.
- * **Treasury:** Increased results due to higher operating income.
- * **Factoring Security:** Increased results due to higher operating income.

Asset Management

Profit **MCH\$471**
(-67.6% YoY)

- * **Values:** Reduced results due to drop in income from proprietary trading.
- * **AGF Security:** Increased operating income due to greater ROA.

Insurance

Loss **-MCH\$708**
(MCH\$5,271 Mar-19)

- * **Vida Security:** Reduced results due to lower investment income. Business lines in line with projections

Other Services

Loss **-MCH\$8**
(MCH\$343 Mar-19)

- * **Travel Security:** Reduced result due to public health crisis.
- * **Inmobiliaria Security:** in process of transferring ownership on properties in order to recognize sales in profit/loss

International Business

Loss **-MCH\$25**
(MCH\$592 Mar-19)

- * **Protecta Security:** Reduced results due to lower investment income.
- * **Travel Perú:** Reduced result due to public health crisis.

Lending Area - Banco Security (Standalone)



Profit:
MCH\$ 14,789
-12.7% YoY

Loans:
BCH\$ 6,192
+15.5% YoY

Coverage:
106.5% ↑
+1,353 bp YoY

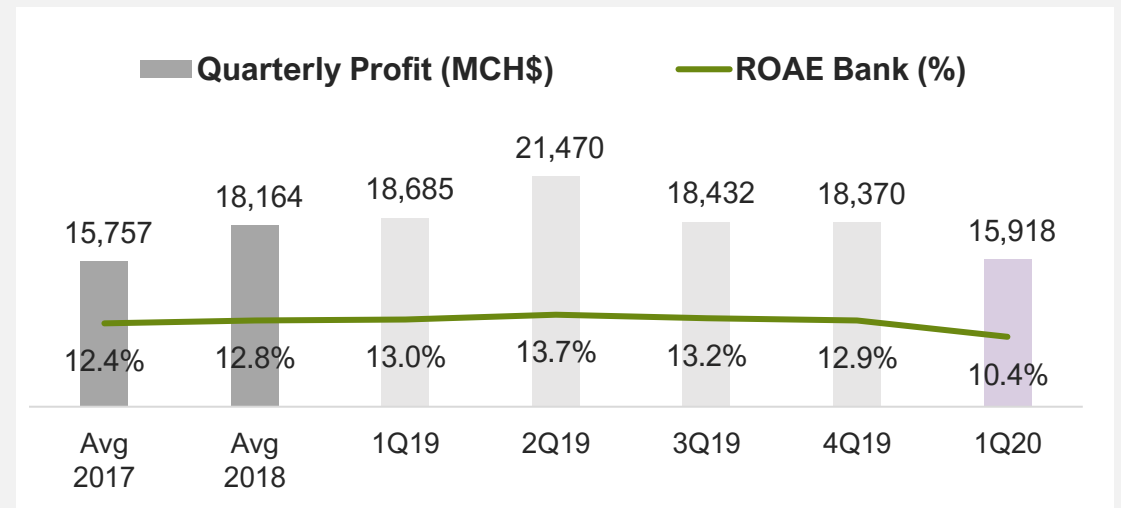
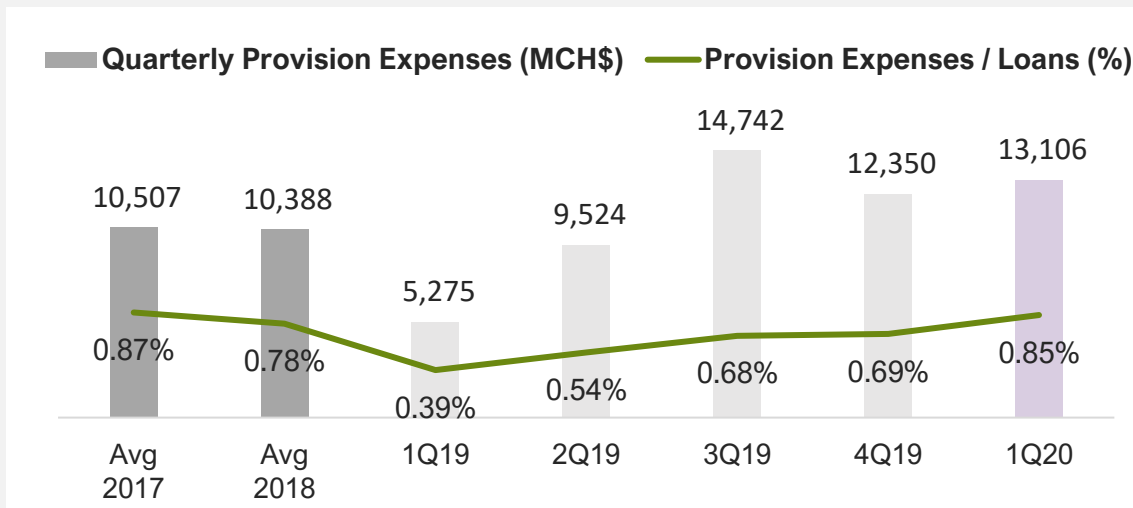
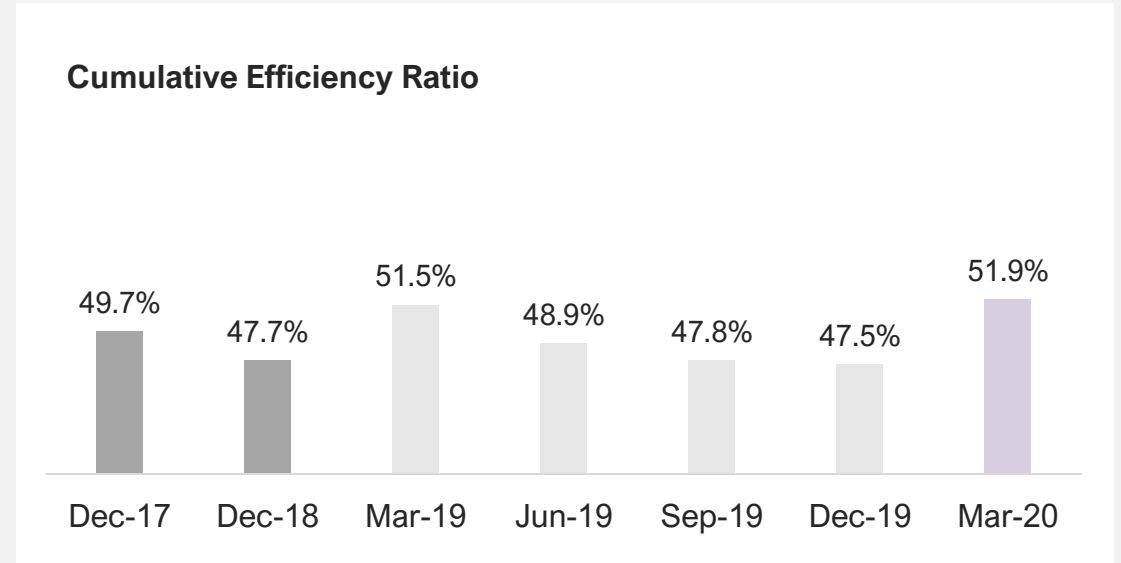
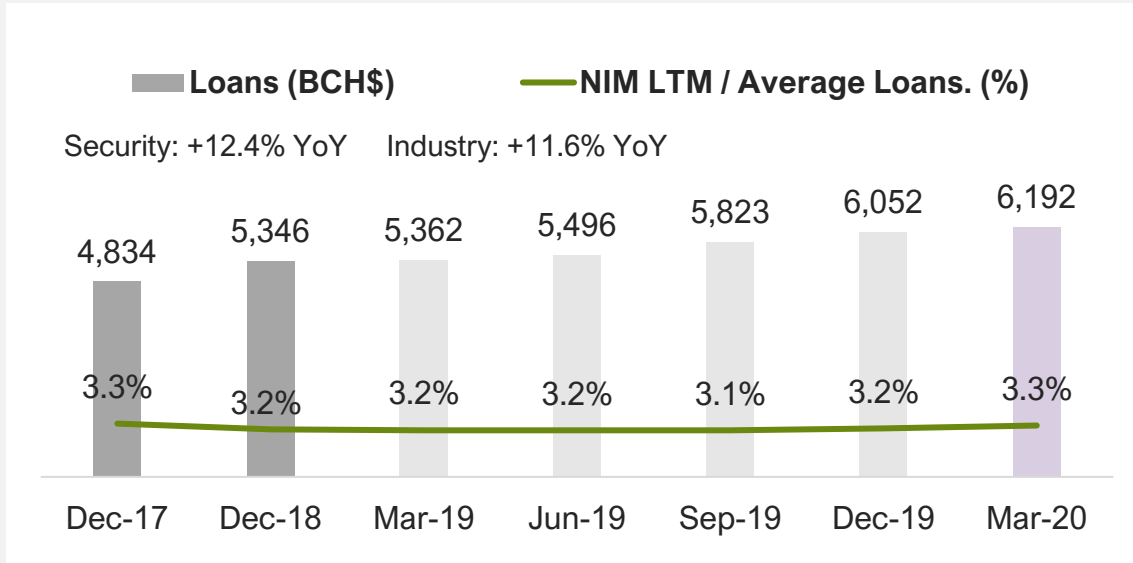
NPL:
1.56% ↑
-18 bp YoY

Banco Security Segment Note	Commercial Banking			Retail Banking			Treasury		
	mar-19	mar-20	Var YoY %	mar-19	mar-20	Var YoY %	mar-19	mar-20	Var YoY %
Net Interest Margin	22,580	24,563	8.8%	16,716	16,023	-4.1%	5,400	9,070	67.9%
Net fees	4,852	5,378	10.8%	4,965	4,694	-5.5%	(66)	(58)	-10.9%
Financial and FX transactions & other income	2,364	2,336	-1.2%	391	1,559	298.6%	2,161	2,398	11.0%
Loan losses and foreclosed assets	(610)	(6,038)	889.4%	(5,992)	(6,812)	13.7%	14	(1,100)	-
Total operating income	29,186	26,239	-10.1%	16,080	15,463	-3.8%	7,510	10,309	37.3%
Operating expenses	(9,832)	(11,669)	18.7%	(14,444)	(14,244)	-1.4%	(3,543)	(4,314)	21.8%
Net operating income	19,354	14,570	-24.7%	1,637	1,219	-25.5%	3,967	5,995	51.1%
Profit attributable to equity holders	14,107	12,118	-14.1%	1,193	1,014	-15.0%	2,892	4,986	72.4%
Total loans (MM CH\$)	4,233,163	4,937,771	16.6%	1,126,723	1,253,882	11.3%			
Provisions/ loans	1.53%	1.58%	5.8 p	1.98%	1.96%	-1.8 p			
Non performing loans	1.90%	1.58%	-31.6 p	1.17%	1.47%	30.4 p			
NPL Coverage	80.5%	100.3%	1975.2 p	168.8%	132.8%	-3600.3 p			

Banco Security's main business areas. The column "other" must also be considered to reach the final result since it includes items that are not allocated to these areas.



Lending Area - Banco Security Indicators (Consolidated)



¹Excluding the industry's foreign subsidiaries

Lending Area - Factoring Security

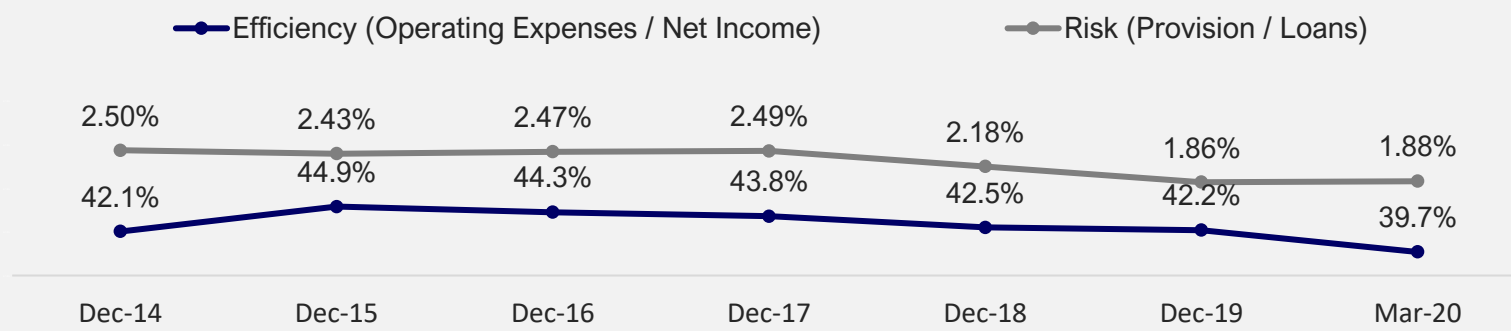
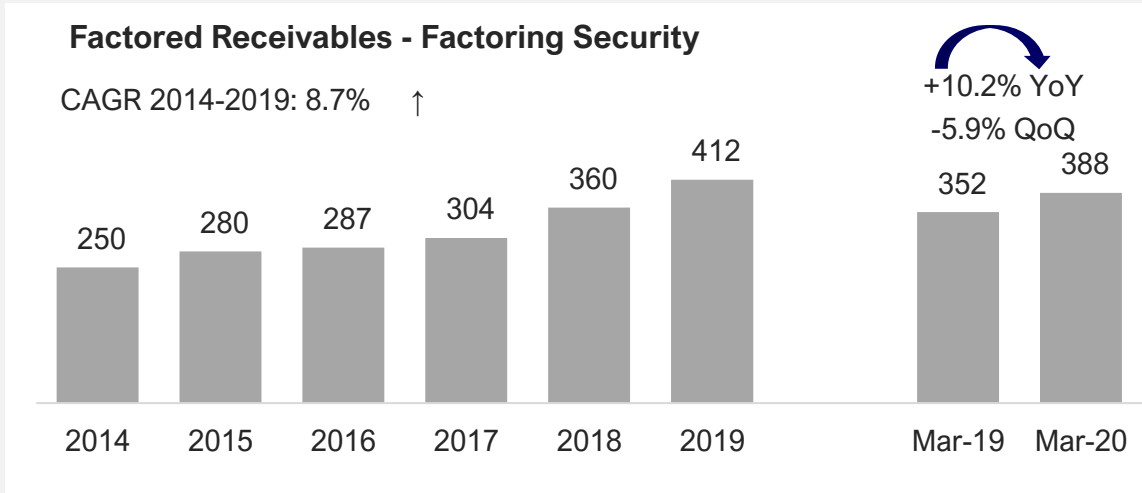


Profit:
MCH\$ 2,862
+31.0% YoY, +21.7% QoQ

Loans:
MCH\$ 387,505
+10.2% YoY, -5.9% QoQ

Efficiency Ratio:
39.7% ↑
-312 bp YoY

Risk:
1.88% ↑
-37 bp YoY



Insurance Area - Vida Security



Loss of -MCH\$957 for 1Q20, versus MCH\$1,646 for 1Q18

- Explained by investment income due to falling markets in March. It is important to mention that the insurance businesses are operating in line with projections for this year.

In MCH\$	Individual		Family Protection		Group Insurance		Annuities		DSI		Total	
	3M20	3M19	3M20	3M19	3M20	3M19	3M20	3M19	3M20	3M19	3M20	3M19
Gross written premiums	39,491	25,657	1,735	1,702	17,429	18,387	4,629	20,386	124	264	63,408	66,397
Net premiums written	38,882	25,276	1,721	1,702	17,005	18,073	4,629	20,386	46	129	62,282	65,566
Variation in technical reserves	25,744	-15,652	-24	-29	-265	-474	-	-	-	-	25,455	-16,156
Claims paid	-33,356	-18,079	-448	-400	-9,803	-10,279	-	-	1,452	4,854	-42,156	-23,904
Pensions paid	-674	-728	-	-	-	-	-20,206	-37,465	-3,906	-5,808	-24,786	-44,001
Underwriting expenses	-2,344	-2,460	-543	-593	-981	-945	-64	-153	-	-	-3,932	-4,150
Medical expenses	-4	-8	-0	-0	-1	-3	0	0	-	-	-5	-11
Insurance impairment	-	-	-	-	-299	-78	-	-	-	5	-299	-73
Contribution Margin	28,248	-11,652	705	680	5,656	6,295	-15,642	-17,232	-2,408	-821	16,559	-22,730
CUI portfolio	-23,621	14,739									-23,621	14,739
Proprietary portfolio											10,409	25,580
Investment income											-13,212	40,319
Administrative expenses											-9,327	-10,299
Exchange differences											3,549	-1,081
Gain (loss) on indexed assets and liabilities											-1,248	21
Other income and expenses											-170	160
Income tax expense											2,893	-1,195
Profit for the period											-957	5,197

Insurance Area - Vida Security – Investment Income

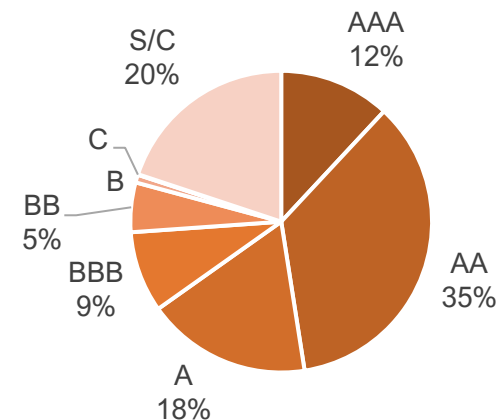


* Lower investment income (-MCH\$13,212 for 1Q20, vs MCH\$40,319 for 1Q19), due to falling markets in March.

* Returns on equity instruments related to performance of the following benchmarks in dollars:

- * MSCI AC World Index: -21.4% ↑
- * IPSA: -34.3% ↑
- * LVA Total Corporate Return: -6.8% ↑

Investment Portfolio by Risk Rating¹



Investment Income In CH\$ million	Portfolio				Gain (Loss)			ROI	
	mar-19	mar-20	Δ YoY	%/Total	mar-19	mar-20	Δ YoY	mar-19	mar-20
Fixed Income	1,745,859	1,802,671	3.3%	68.4%	19,126	19,421	1.5%	1.5%	1.4%
Equities and indexes	494,355	543,500	9.9%	20.6%	17,649	-34,371	-	4.8%	-8.4%
Real estate	228,534	239,162	4.7%	9.1%	3,328	3,320	-0.2%	1.9%	1.9%
Other investments	23,663	49,244	108.1%	1.9%	216	-1,582	-	1.2%	-4.3%
Investments Income	2,492,411	2,634,577	5.7%	100.0%	40,319	(13,212)	-	2.2%	-0.7%
CUI Portfolio	517,003	525,677	1.7%	20.0%	14,739	-23,621	-	3.8%	-6.0%
Proprietary Portfolio	1,975,408	2,108,899	6.8%	80.0%	25,580	10,409	-59.3%	1.7%	0.7%

¹Information as of Dec-19, CUI and Non-CUI Portfolios. Of unrated portfolio, 80% are mortgage bonds and leases. Source: FS Vida Security - Note 6

Asset Management Area - Inversiones Security



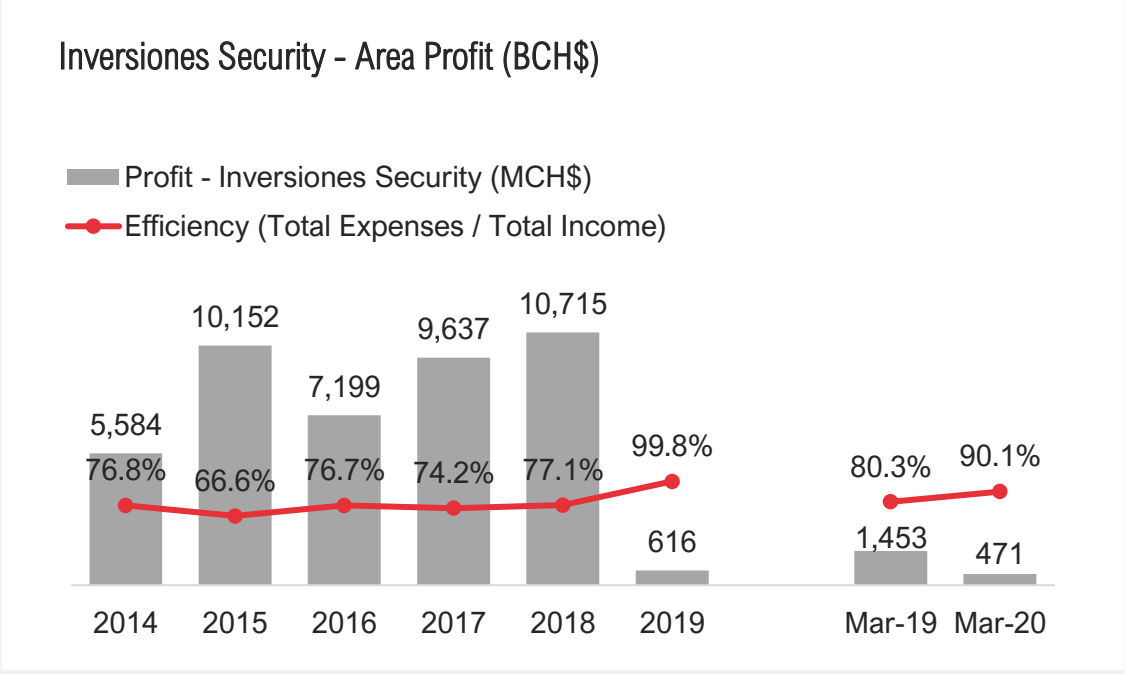
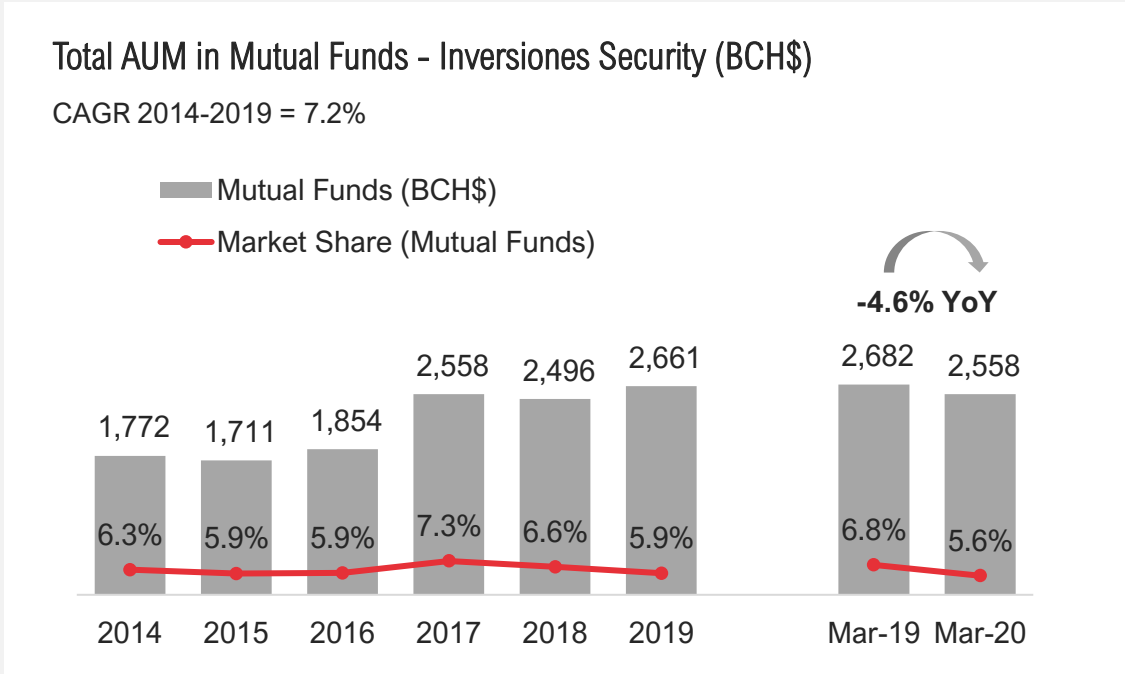
AUM¹
BCH\$ 3,873
-17.9% YoY

Profit
MCH\$ 471
-67.6% YoY

6th Place
5.2% market share
Ranking MF + IF²

6th Place
5.6% market share
Ranking MF

1.- Includes AUM in: Mutual Funds, Investment Funds, Domestic and International Custody.
 2.- Information as of Dec-19



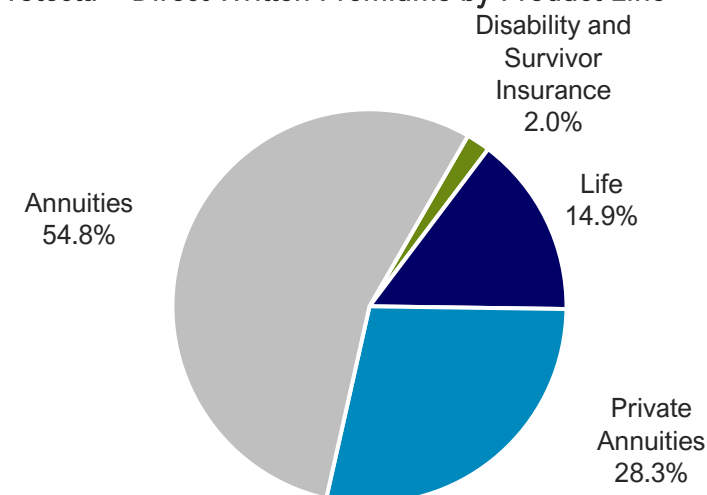
International Business Area - Protecta and Travel Perú



Protecta: Profit 1Q20 MS./ 5.9 (MUS\$ 1.7), versus MS./ 1.1 (MUS\$ 0.3) for 1Q19

- * 26.0% market share in annuities as of Mar-20
- * Net premiums of MS./ 119.5 (+32.2% YoY), due to greater sales of annuities and private annuities
- * Variation in technical reserves of MS./ 105.4 in as of Mar-20 (+35.1% YoY), because of greater sales of annuities.
- * Investment income of MS./ 35.1 for 1Q20 (+66.0% YoY)

Protecta – Direct Written Premiums by Product Line



Travel Perú: Loss -MCH\$133 (vs MCH\$115 for 1Q19)

Sales: MUS\$ 12 (-30.0% YoY, -17.9% QoQ)

Benefits Thousands S./	2015		1Q18			1Q19				1Q20				
	Market	Protecta	Market	Δ YoY	Protecta	Δ YoY	Market	Δ YoY	Protecta	Δ YoY	Market	Δ YoY	Protecta	Δ YoY
Survival	345,656	18,175	86,537	4.6%	14,795	93.7%	111,652	29.0%	18,198	23.0%	112,485	0.7%	26,551	45.9%
Disability	353,824	27,171	83,548	-2.5%	19,339	76.3%	117,110	40.2%	25,912	34.0%	131,903	12.6%	33,788	30.4%
Retirement	1,537,210	76,711	23,293	-72.2%	5,819	-24.7%	13,741	-41.0%	4,312	-25.9%	10,344	-24.7%	5,936	37.6%
Total	2,236,690	122,057	193,378	-23.3%	39,953	51.7%	242,504	25.4%	48,423	21.2%	254,732	5.0%	66,274	36.9%

Other Services Area - Travel and Inmobiliaria Security



INMOBILIARIA

security



TRAVEL

security

Travel Security

- * Profit of MCH \$90 for 1Q20 (-90.0% YoY and -94.1% QoQ), explained by impact of public health crisis on travel and tourism industry.
- * Streamlining structure and shifting to digital sales model resulted in 32% of workforce being laid off.
- * Implementing a fully integrated commercial and operations model in Chile and Peru

Inmobiliaria Security

- * Loss 1Q20 -MCH\$ 168
- * More deeds transferred on projects (13 in 1Q20 and 3 in 1Q19)
- * Real estate assets under management of MCH \$124,549 (+14.7% YoY)
- * Projects under development:
 - * 8 projects under development with a total of 404 units
 - * 123 units available for sale

Trends for Grupo Security - Indicators



* Distributable profit for 1Q20 of MCH\$ 6,500 (-69.3% YoY)

	2014	2015	2016	2017	2018	2019	mar-20
Grupo Security Consolidated Profit (MCH\$)	61,010	65,022	74,522	74,708	80,548	81,156	65,891
Closing Number of Shares (million)	3,234	3,258	3,258	3,683	3,695	3,695	3,695
Closing price	216	191	226	280	291	196	143
Closing Market Cap (MCH\$)	698,197	621,370	736,358	1,031,503	1,075,023	722,816	527,055
EPS (CH \$)	18.9	20.0	22.9	21.7	21.8	22.0	17.8
PE (times)	11.4 x	9.6 x	9.9 x	12.9 x	13.3 x	8.9 x	8.0 x
Market Book Value (times)	1.34 x	1.13 x	1.26 x	1.46 x	1.48 x	0.94 x	0.69 x
Dividend Yield	5.2%	5.7%	5.1%	3.8%	4.5%	6.4%	
Leverage	36.1%	34.9%	34.5%	29.3%	34.5%	35.1%	36.6%
ROAA	0.84%	0.80%	0.83%	0.78%	0.79%	0.72%	0.21%
Equity	522,718	551,653	585,628	704,910	728,495	769,754	758,688
Business Areas Profit (MCH\$)	97,563	92,201	102,133	91,485	117,162	109,888	17,377
ROAE	12.3%	12.1%	13.1%	11.6%	11.2%	10.8%	3.4%
Payout Ratio (Dividends/ Profit)	54.5%	57.6%	55.5%	57.3%	54.8%	43.9%	

Banco Security – State-Backed Lending and Renegotiations



State-Backed Loans (FOGAPE) Approved and Pending Disbursement by Industry

- * More than 80 loans disbursed
- * More than 200 loans approved and pending disbursement



Renegotiations

More than 12,500 retail loans renegotiated

More than 400 commercial loans renegotiated



Grupo Security Financial Results March 2020

June 8th, 11:00 a.m.

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