

Grupo Security Earnings Report

Grupo Security Reports Profit of MCH\$66,948 for 6M22 (+65.1% YoY).

Santiago, Chile – August 17, 2022. Grupo Security S.A., (BCS: SECURITY; BBG: SECUR).

Grupo Security reported profit of MCH\$66,948 for the first half of 2022, 65% greater than 6M21. These results are explained largely by a strong performance from Banco Security and its asset management subsidiaries, reaching profit of MCH\$67,843 for the first half of the year, more than double the first half of 2021. This can be attributed to strong financial results from the Treasury Division, an improved margin in commercial areas and lower risk expenses in the commercial segment. Despite volatile financial markets, Vida Security reported profit of MCH\$24,420, up 3.4% from 6M21. Also worth highlighting are Factoring Security's profit of MCH\$7,204 (+50.6% YoY) and recovering sales at Travel Security, reversing the loss of MCH\$278 from 6M21 with profit of MCH\$1,661 for the period.

At a board meeting held today, August 4, 2022, Francisco Silva Silva tendered his resignation as director and chairman of Grupo Security, stepping down after a successful, 36-year career with the organization. He is one of the original founders of Banco Security Pacific, which became Grupo Security in 1991. The board appointed Renato Peñafiel to replace him as director and chairman. Until today Mr. Peñafiel served as the Chief Executive Officer of Grupo Security and was also one of its founders. The board named Fernando Salinas to the position of Chief Executive Officer of Grupo Security, who until now was Corporate Finance and Performance Manager for the company, with over 19 years with the group. These changes are part of a planned process aligned with Grupo Security's corporate policies that enable it to continue strengthening the organization in order to face the challenges and profound changes taking place in the financial world.

With previous experience with transformation and efficiency projects successfully implemented in recent years, supported by a robust governance model, in this new phase Grupo Security will continue to delve deeper into the strategic priorities defined for this three-year period: 1) Implementing a digital strategy that boosts the Group's business volumes and incorporates new technologies. Furthermore, Security will seek out fintech partnerships, associations and acquisitions to harness technology and improve its offering of financial services; 2) Improving our performance by adding new talents to address current needs, all backed by our culture; and 3) Incorporating concrete sustainability objectives into the Grupo Security brand with clear awareness of our impact on society.

- Banco Security's consolidated profit for 6M22 was MCH\$67,843, double the result from 6M21, explained by a larger net interest margin in the commercial areas, with a 13.1% rise in total loans and strong treasury earnings, due to higher interest rates and inflation. In addition, provisions for credit losses totaled MCH\$33,463 (-18.0% YoY) due to lower expenses for the commercial portfolio (-34.8% YoY).
- Commercial loans expanded 12.8% YoY, with market share in its target segment of medium and large companies of 5.9%. As for credit quality, its risk ratio, measured as provisions to loans, was 2.3% as of June 2022 (+8 bps YoY). Banco Security's consolidated efficiency ratio was 43.2% as of June 2022 (-480 bps YoY), while ROAE (profit LTM over average equity) was 19.0% (+985 bps YoY).
- The asset management area reported profit of MCH\$9,761 (+148.6% YoY) due to improved returns on the proprietary trading portfolio and operating revenue in line with plans (+3.9% YoY).
- Factoring Security reported profit of MCH\$7,204 (+50.6% YoY), with 20.7% YoY growth in factored receivables to MCH\$435,963 as of June 2022, a larger spread and increased indexation income. Efficiency was 37.2% (-480 bps YoY), while the ratio of loan loss provision expenses to total factored receivables was 1.53% (-50 bps).
- Vida Security had profit of MCH\$24,420 (+3.4% YoY) with improved returns on the proprietary trading portfolio, despite market volatility, of MCH\$65,519 for 6M22 (+14.8% YoY), partly offset by increased inflation. The company had premiums of MCH\$239,619 as of June 2022 (+57.9% YoY) with market share of 7.5% in total premiums written and 8.9% in annuities.
- As planned, Travel Security reversed the loss of MCH\$278 from 2021 for a positive bottom line of MCH\$1,661, with a gradual recovery in sales. Meanwhile, Inmobiliaria Security had profit of MCH\$169 (-92.7% YoY) due to legal title transferred on fewer units (29 vs 55 as of June 2021).
- Protecta Security, in Peru, had profit of MS./10.1 for 6M22 (+6.4% YoY), thanks to solid investment income (+52.8% YoY). Bear in mind that converting results in soles to IFRS used in Chile and adjusting for the varied accounting criteria used in each country results in a different book-basis profit.
- Overall, Grupo Security's profit was MCH\$66,948 for 6M22, 65.1% greater than 6M21, in line with improved performances in all business areas.

SIGNIFICANT AND SUBSEQUENT EVENTS

- To continue to simplify the corporate structure, Mandatos Security was absorbed by Capital on January 3, 2022.
- In March 2022, Grupo Security placed third on the ranking of the Best Workplaces in Chile 2021, in recognition of the distinctive culture for which it is known. In August 2022, Grupo Security placed 26th on the ranking of the Best Workplaces in Latin America 2022 prepared by Great Place to Work.
- Bondholders' meetings for series K, L3, M, N1 and S bonds were held on March 23, 2022, to agree a new rule for calculating financial covenants, updating the leverage ratio to reflect individual net financial debt over equity attributable to the owner of the parent¹. In this context of liability restructuring, all of the series F bonds issued by Grupo Security were redeemed on May 9, 2022.
- At the annual general meeting on April 21, 2022, Grupo Security shareholders approved a dividend payment of CH \$8.5 per share charged to profit for the year 2021. This dividend plus the interim dividend distributed in October 2021 are equivalent to CH \$14.0 per share, totaling MCH\$56,155, or 63% of profit for the year 2021.
- At this meeting, shareholders also approved the annual report, balance sheet and financial statements for the year 2021. They also agreed to appoint EY as the Company's external auditors for the year 2022 and Fitch and ICR as its risk rating agencies.
- In addition, at the AGM three new directors were elected to Grupo Security's board: Ms. Consuelo Raby Guarda, an attorney with vast experience in corporate and contract law, Mr. Ramón Eluchans Olivares, the former CEO of Banco Security and a member of the Bank's board, and Mr. Gonzalo Pavez Aro, a member of the boards of Vida Security and Factoring Security and chairman of the board of DEVISA, a property management company. At the meeting, Francisco Silva expressed special recognition to outgoing directors Horacio Pavez García, Bruno Philippi Irrarrázabal and Mario Weiffenbach Oyarzún, thanking them for their commitment and ongoing support for the Group's development.
- At a board meeting on August 4, 2022, Francisco Silva presented his resignation as director and chairman of Grupo Security. To replace him as chairman, the board appointed Renato Peñafiel, until then Grupo Security's Chief Executive Officer. The board named Fernando Salinas to the position of Chief Executive Officer of Grupo Security, who until then was Corporate Finance and Performance Manager for the company.

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¹ The calculation of the individual leverage ratio is disclosed in Note 39 of Grupo Security's Financial Statements.

SECURITY STOCK PERFORMANCE

As of June 30, 2022, Grupo Security stock was valued at CH \$128.9 per share (+4.4% YoY), giving total returns of 15.9%. This represents a market-to-book ratio of 0.59 and a dividend yield of 10.9%. For the same period, the S&P IPSA Index was at 4,950 points, with returns of +14.9% for the period, while the stocks on the S&P/CLX Banks Index (CLP) reported returns of +21.4%.

As of August 16, 2022, the stock price is CH \$133.2, with a price-to-earnings ratio of 4.7 and a market-to-book ratio of 0.61.

Grupo Security Ratios	Aug-22*	Jun-22	Mar-22	Dec-21	Jun-21	QoQ	% Chg YTD	YoY
Net Profit (MM\$)	66,948	66,948	30,065	88,603	40,542	-	-	65.1%
Net Profit LTM (MM\$)	115,008	115,008	94,317	88,603	88,361	21.9%	29.8%	30.2%
Profit per share (\$)	28.5	28.5	23.3	21.9	22.3	21.9%	29.8%	27.8%
ROAE	15.8%	15.8%	14.2%	10.6%	9.7%	164 p	525 p	617 p
P/U (Times)	4.7	4.5	5.4	5.5	5.5	-16.6%	-17.0%	-18.3%
Price / Book value (Times)	0.61	0.59	0.58	0.56	0.58	1.9%	5.8%	2.5%
Dividend yield	10.4%	10.9%	8.5%	9.0%	7.1%	238 p	188 p	378 p
Share Price (\$)	134.1	128.9	126.8	119.7	123.5	1.7%	7.7%	4.4%
Equity (MM\$)	882,826	882,826	884,360	867,079	867,101	-0.2%	1.8%	1.8%
Free float	27.6%	27.6%	27.6%	27.6%	27.6%	1 p	1 p	1 p
Number of Shares (millions)	4,042	4,042	4,042	4,042	4,042	0.0%	0.0%	0.0%

* Price and Number of Shares as of 16/08/22. Equity and profit as of Jun-22.

GRUPO SECURITY EARNINGS REPORT FOR 6M22

Grupo Security posted profit attributable to owners of the parent of MCH\$66,948 for the six months ended June 2022 (+65.1% YoY) and MCH\$36,882 for 2Q22 (+22.7% QoQ). EBITDA for the same period totaled MCH\$76,285 (+27.6% YoY and +145.3% QoQ), The Grupo posted an annualized ROAE as of June 2022 of 15.8% (+164 bps YoY).

Corporate and support area expenses totaled MCH\$7,686 (+4.2% YoY) due to increased bonuses, technology projects and expenses to change the covenant for Grupo Security's bond lines. Net finance costs totaled -MCH\$6,042 (-8.5% YoY), with increased income from investment instruments and stable finance costs. The Group recorded a loss on indexed assets and liabilities of -MCH\$24,475 (+221.6% YoY) due to higher cumulative inflation (UF variation of 6.8% for 6M22 vs 2.2% for 6M21).

(MCH\$)	2Q22	1Q22	% Chg QoQ	Jun-22	Jun-21	% Chg
Support areas and group expenses	-3,505	-4,181	-16.2%	-7,686	-7,375	4.2%
Finance costs	-2,200	-3,843	-42.8%	-6,042	-6,606	-8.5%
Indexation units	-15,829	-8,646	83.1%	-24,475	-7,610	221.6%

1. Includes finance income and costs

In a quarterly comparison, indexation expenses were up +83.1% QoQ to MCH\$15,829 due to higher inflation for the period (UF variation of 4.3% for 2Q22 vs 2.4% for 1Q22). Net finance costs totaled -MCH\$2,200 (-42.8% QoQ) explained by increased indexation income and stable finance costs. Meanwhile, corporate expenses reached MCH\$3,505 (-16.2% QoQ), with a high basis of comparison because of 1Q22 bonus payments and costs to change the covenants for Grupo Security's bond lines.

From a consolidated perspective, Grupo Security reported revenue of MCH\$1,242,968 (+99.2% YoY) for 6M22, mainly explained by improved revenue at Banco Security of MCH\$804,477 (+210% YoY), due to increased indexation income because of higher inflation during the period, reaching MCH\$260,005 (+249% YoY), and greater interest income of MCH\$223,962 (+54.6% YoY), related to the interest rate hikes that began in the second half of 2021 (average MPR of 6.52% for 6M22 vs 0.5% for 6M21). Vida

Security and Protecta also had greater revenue because of higher premium volumes. Meanwhile, Factoring Security reported greater revenue of MCH\$32,666, explained mostly by a larger loan volume (+38.1% YoY), effects related to interest rate hikes and greater indexation income (+137.8% YoY) because of higher inflation during the period (UF variation of 6.8% for 6M22 vs 2.2% for 6M21).

As for consolidated operating expenses, this figure reached MCH\$1,002,199 for 6M22 (+125.4% YoY), mainly attributable to an increase in operating expenses at Banco Security, up 412.3% YoY due primarily to increased indexation expense (+247.8% YoY) because of high inflation during the period and greater interest expense (+83.3% YoY) largely on time deposits (+760.4% YoY), also associated with high interest rates during the period and larger deposit volumes (+45.8% YoY and +7.6% YTD). Furthermore, there was an increase in operating expenses at Vida Security and Protecta of MCH\$308,857 (+25.8% YoY) explained by a rise in claims and pensions paid (+54.5% YoY), largely due to increased sales and surrenders. Banco Security reported lower provisions for credit losses² (-18.0% YoY), explained on pages 8 to 10 of this report.

Consolidated statement of income* (MCH\$)	2Q22	1Q22	% Chg QoQ	Jun-22	Jun-21	% Chg YoY
Revenue	807,999	434,969	85.8%	1,242,968	623,840	99.2%
Banco Security - Revenue ¹	564,661	239,816	135.5%	804,477	259,518	210.0%
Vida Security & Protecta - Gross premium	162,876	144,317	12.9%	307,193	211,484	45.3%
Vida Security & Protecta - Interest & investment income	28,225	17,026	65.8%	45,251	79,283	-42.9%
Factoring Security - Revenue	18,342	14,324	28.0%	32,666	16,226	101.3%
Other revenue	33,895	19,485	74.0%	53,380	57,329	-6.9%
Cost of sales	-672,716	-329,484	104.2%	-1,002,199	-444,690	125.4%
Banco Security - Cost of sales ²	-457,458	-158,509	188.6%	-615,968	-120,229	412.3%
Banco Security - LLP expenses ³	-16,189	-16,612	-2.5%	-32,801	-40,562	-19.1%
Vida Security & Protecta - Cost of sales ⁴	-175,977	-132,881	32.4%	-308,857	-245,490	25.8%
Factoring - Cost of sales ⁵	-9,766	-5,730	70.4%	-15,496	-3,813	306.4%
Other costs	-14,186	-14,891	-4.7%	-29,077	-34,597	-16.0%
Gross profit	135,283	105,485	28.2%	240,769	179,150	34.4%
Other revenue	-2,734	-5,171	-47.1%	-7,905	-2,176	263.2%
Total expenses	-66,640	-67,402	-1.1%	-134,042	-115,185	16.4%
Personnel expenses	-30,883	-35,205	-12.3%	-66,088	-61,224	7.9%
Administrative expenses	-34,897	-33,058	5.6%	-67,954	-53,961	25.9%
Operational profit	65,909	32,912	100.3%	98,821	61,788	59.9%
Finance costs	-2,991	-4,002	-25.2%	-6,993	-6,706	4.3%
Exchange differences	-2,065	7,345	-	5,280	1,059	398.6%
Indexation units	-22,828	-12,062	89.3%	-34,889	-9,801	256.0%
Others ⁶	-408	-364	12.1%	-772	-168	358.3%
Profit before tax	37,617	23,830	57.9%	61,448	46,172	33.1%
Finance costs	-901	5,166	-	4,264	-5,326	-
Profit (loss) attributable to equity holders of the parent	36,882	30,065	22.7%	66,948	40,542	65.1%

*Any differences between the figure presented here and those published by each subsidiary are the result of different accounting criteria between subsidiaries and the parent company. 1. Includes interest, indexation and fee income, financial operating income and other operating income. 2. Includes interest, indexation and fee expenses. 3. Allowances for loan losses do not include adjustment for minimum provisions on normal portfolio. Includes loan recoveries. 4. Includes variations in technical reserves, claims and pensions paid and underwriting expenses. 5. Includes banking and other expenses. 6. Includes share of profit (loss) of equity-accounted associates and joint ventures and gains (losses) arising from the difference between the book value and fair value of financial assets reclassified at fair value.

² Excluding adjustment for minimum provisions on normal portfolio

Expenses totaled MCH\$134,042 for 6M22 (+16.4% YoY), mainly due to higher administrative expenses (+22.9% YoY) related mostly to increased business at the Bank and Vida Security, technology projects and digital area development. For 6M22, payroll expenses grew 7.9% YoY because of new hires, inflation over the past 12 months and greater commercial bonuses.

Consolidated taxes totaled +MCH\$4,264 (versus -MCH\$5,326 for 6M21). The positive amount is explained mainly by a tax refund for Grupo Security for fiscal year 2019. Taxes at Vida Security totaled +MCH\$5,716 (-MCH\$2,497 for 6M21) due to permanent differences like price-level restatement of equity because of higher inflation (UF variation of 6.8% for 6M22 vs 2.2% for 6M21) and dividends received by Vida Security's investment portfolio. Both effects were partly offset by a larger tax payment by Banco Security, in response to its improved earnings.

Grupo Security Indicators In MCH\$	Jun-22	Mar-22	Dec-21	Jun-21	QoQ	% Chg YTD	YoY
Banco - Total Loans	7,077,592	6,774,454	6,731,538	6,259,186	4.5%	5.1%	13.1%
Industry - Total Loans ¹	217,153,724	206,117,558	204,332,026	190,710,072	5.4%	6.3%	13.9%
Inversiones - AUM Mutual Funds	2,350,029	2,278,685	2,464,190	2,630,336	3.1%	-4.6%	-10.7%
Industry - AUM Mutual Funds	48,451,565	47,903,918	50,987,024	52,482,707	1.1%	-5.0%	-7.7%
Vida - Investment Portfolio	3,085,333	2,921,782	2,859,226	2,676,166	5.6%	7.9%	15.3%
Industry (life insurance) - Investment Portfolio	54,150,513	50,960,295	50,104,070	46,781,953	6.3%	8.1%	15.8%
Factoring - Factored Receivables	435,963	431,123	440,264	361,164	1.1%	-1.0%	20.7%

¹Excludes loans and advances to banks and foreign subsidiaries of local banks.

Grupo Security Indicators Statement of Income	2Q22	1Q22	% Chg QoQ	6M22	6M21	% Chg YoY
Banco - Net Interest Margin	91,014	67,675	34.5%	158,690	93,231	70.2%
Banco - Net Fees	16,755	15,936	5.1%	32,692	30,557	7.0%
Banco - Operating Expenses	-37,474	-44,532	-15.8%	-82,006	-68,453	19.8%
Banco - Net Provision Expenses	-17,389	-16,074	8.2%	-33,463	-40,791	-18.0%
Vida - Direct Premium	128,032	111,587	14.7%	239,619	151,735	57.9%
Vida - Claims Paid	-47,803	-28,699	66.6%	-76,502	-43,135	77.4%
Vida - Pensions Paid	-75,837	-77,859	-2.6%	-153,696	-105,858	45.2%
Vida - Investment Income	29,690	7,350	303.9%	37,041	73,158	-49.4%
Factoring - Revenue	12,553	11,733	7.0%	24,286	13,513	79.7%

Grupo Security	Jun-22	Mar-22	Dec-21	Jun-21	QoQ	% Chg YoY
Employees	3,301	3,236	3,184	3,172	2.0%	3.7%

Ratios	Jun-22	Mar-22	Jun-21	% Chg	
				QoQ	YoY
Grupo - ROAE ¹	15.8%	14.2%	9.7%	164 p	617 p
Banco (Consolidated) - ROAE ¹	19.0%	14.4%	9.1%	460 p	985 p
Factoring - ROAE ¹	25.1%	25.0%	17.4%	3 p	762 p
Vida - ROAE ¹	24.8%	27.4%	23.2%	-255 p	166 p
Travel - ROAE ¹	52.8%	28.1%	-	2,465 p	-
Grupo - Leverage ²	31.3%	31.8%	28.6%	-45 p	268 p
Banco - Efficiency ³	43.2%	50.7%	48.0%	-753 p	-480 p
Factoring - Efficiency ³	37.2%	36.9%	42.0%	27 p	-480 p
Banco - Non-Performing Loans	1.89%	2.11%	1.91%	-22 p	-3 p
Banco - Risk Index ⁴	2.32%	2.50%	2.24%	-17 p	8 p
Factoring - Risk Index ⁴	1.53%	1.40%	2.03%	13 p	-50 p
Banco - BIS Tier I Ratio	7.2%	7.3%	7.6%	-14 p	-40 p
Banco - BIS Tier II Ratio ⁵	14.1%	13.9%	13.8%	29 p	30 p

1. ROAE: Annualized profit over average equity. 2. Leverage: net standalone financial liabilities over consolidated equity attributable to owners of the parent. 3. Efficiency: total operating expenses over total revenue. 4. Provisions over total loans. 5. Proforma estimate for June 2021.

Earnings from Related Companies (In Ch\$ Million)						
	2Q22	1Q22	% Chg QoQ	Jun-22	Jun-21	% Chg YoY
Lending Area						
Banco Security (standalone)	37,161	21,788	70.6%	58,949	27,149	117.1%
Factoring Security	3,573	3,631	-1.6%	7,204	4,784	50.6%
Asset Management Area						
Valores Security	1,371	1,160	18.2%	2,531	1,326	90.9%
AGF Security	3,794	2,572	47.5%	6,366	2,219	186.9%
Securizadora Security & CasaNuestra	510	352	44.8%	863	210	311.3%
Insurance Area						
Vida Security	11,105	13,315	-16.6%	24,420	23,608	3.4%
Other Services						
Inmobiliaria Security	-138	307	-	169	2,309	-92.7%
Travel Security	1,260	401	213.9%	1,661	-278	-
International Business						
Protecta Security (S./ Th.)	4,928	5,204	-5.3%	10,133	9,519	6.4%
Travex Security (S./ Th.)	427	123	246.9%	550	-1,266	-
Grupo Security Profit¹	36,882	30,065	22.7%	66,948	40,542	65.1%

(1) Subsidiary earnings correspond to 100% of their profits and differ from those used to prepare the segment note, which includes consolidation adjustments to account for Grupo Security's percent ownership in each of its respective subsidiaries.

REVIEW OF OPERATIONS BY BUSINESS AREA

LENDING BUSINESS AREA (69.6% of assets; 66.0% of profit from business areas as of June 2022)

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

BANCO SECURITY

For 6M22, Banco Security reported consolidated profit attributable to owners of the parent of MCH\$67,843 (+121.0% YoY, +65.9% QoQ). The Bank's standalone profit (excluding subsidiaries AGF Security and Valores Security Corredores de Bolsa) was MCH\$58,949 (+117.1% YoY and +70.6% QoQ).

For the same period, its ROAE (profit LTM over average equity) was 19.0% (+985 bps YoY).

Banco Security - Consolidated Statement of Income

Banco Security's consolidated profit was MCH\$67,843 (+121.0% YoY) for 6M22 and MCH\$42,325 (+65.9% QoQ) for 2Q22.

<i>In Ch\$ Millon</i>	2Q22	1Q22	% Chg QoQ	6M22	6M21	% Chg YoY
Net interest margin	91,014	67,675	34.5%	158,690	93,231	70.2%
Net Fees	16,755	15,936	5.1%	32,692	30,557	7.0%
Net financial operating income	(6,974)	4,321	-	(2,653)	15,257	-117.4%
Other income	1,273	(135)	-	1,138	3,584	-68.2%
Other net operating income	102,068	87,798	16.3%	189,866	142,629	33.1%
Total operating expenses	(37,474)	(44,532)	-15.8%	(82,006)	(68,453)	19.8%
Gross operating income	64,594	43,266	49.3%	107,861	74,176	45.4%
Provisions for credit losses	(17,389)	(16,074)	8.2%	(33,463)	(40,791)	-18.0%
Profit before tax	47,206	27,192	73.6%	74,398	33,385	122.9%
Income tax expense	(4,879)	(1,672)	191.8%	(6,551)	(2,691)	143.5%
Profit for the period	42,327	25,520	65.9%	67,847	30,694	121.0%
Profit attributable to owners of the parent	42,325	25,518	65.9%	67,843	30,692	121.0%

*Considers results of investments in other companies, non-current assets and disposal groups and other operating income

The net interest margin was MCH\$158,690 for 6M22 (+70.2% YoY). Net interest income totaled MCH\$97,651 (+28.5% YoY), attributable particularly to higher income from commercial loans (+37.6% YoY) and debt instruments in the Bank's investment portfolio (+412.5% YoY), due to interest rate hikes that began in the second half of 2021 (average MPR of 6.52% for 6M22 vs 0.5% for 6M21). In addition, the Bank reported greater interest expense (+83.3% YoY), principally from time deposits (+760.4% YoY), also because of higher interest rates during the period and a larger deposit volume (+45.8% YoY and +7.6% YTD). It also had higher net indexation income (+253.7% YoY) given the rise in inflation (6.9% for 6M22 vs 2.1% for 6M21, UF variation of 6.8% for 6M22 vs 2.2% for 6M21).

In comparison to the immediately preceding quarter, the net interest margin climbed 34.5% to MCH\$91,014 in 2Q22. Net interest income was up 13.3% for the quarter, in line with higher rates during the period (average MPR of 7.94% in 2Q22 vs 5.07% in 1Q22). Net indexation income rose 78.8% for the quarter due to higher inflation for the quarter (4.3% for 2Q22 vs 2.4% for 1Q22, measured as the UF variation during the period).

Net Interest Margin (NIM) <i>In Ch\$ Millon</i>	2Q22	1Q22	4Q21	% Chg QoQ	6M22	6M21	% Chg
Interest income	131,289	92,672	88,222	41.7%	223,962	144,888	54.6%
Interest expenses	-79,424	-46,887	-52,386	69.4%	-126,311	-68,916	83.3%
Net interest income	51,865	45,785	35,837	13.3%	97,651	75,972	28.5%
Indexation income	170,528	89,477	110,995	90.6%	260,005	74,458	249.2%
Indexation expenses	-131,379	-67,587	-81,050	94.4%	-198,966	-57,200	247.8%
Net indexation income	39,149	21,890	29,945	78.8%	61,039	17,259	253.7%
Net interest margin	91,014	67,675	65,782	34.5%	158,690	93,231	70.2%
Interest margin net of provisions	73,626	51,601	45,283	42.7%	125,227	52,440	138.8%
Net interest margin / total loans	5.14%	4.00%	3.91%	115 p	4.48%	2.97%	151 p
Net interest margin net of provisions / Total loans	4.16%	3.05%	2.69%	111 p	3.54%	1.67%	187 p

Interest and indexation income		2Q22	1Q22	4Q21	%Chg QoQ	Jun-22	Jun-21	% Chg YoY
<i>In Ch\$ Millions</i>								
	Consumer	12,790	11,386	10,458	12.3%	24,176	20,973	15.3%
	Mortgage	41,372	24,356	-	69.9%	65,728	24,356	169.9%
	Mortgage + Consumer	54,162	35,742	10,458	51.5%	89,904	45,330	98.3%
	Commercial	197,044	123,264	133,903	59.9%	320,308	148,110	116.3%
	Investment instruments	33,533	21,267	17,479	57.7%	54,800	12,000	356.7%

Interest and indexation income/Loans		2Q22	1Q22	4Q21	%Chg QoQ	Jun-22	Jun-21	% Chg YoY
<i>In Ch\$ Millions</i>								
	Consumer	11.64%	10.49%	9.87%	115 p	11.00%	9.92%	108 p
	Mortgage	18.24%	11.45%	0.00%	679 p	14.49%	6.45%	804 p
	Mortgage + Consumer	16.09%	11.13%	3.35%	496 p	13.35%	7.70%	565 p
	Commercial	13.75%	8.98%	9.77%	477 p	11.18%	5.83%	535 p
	Total	14.20%	9.39%	8.58%	481 p	11.59%	6.18%	541 p

Meanwhile, net fee and commission income reached MCH\$32,692 for 6M22 (+7.0% YoY) due to increased business from credit and debit cards and supplementary loan insurance products in the Retail Banking Division, in addition to lower expenses following adjustments to the commercial structure of the asset management subsidiaries resulting in some expenses now being recognized as operating expenses. These effects more than offset the reduced income from loan prepayments related to the interest rate hikes during the period.

For the quarter, net fee and commission income reached MCH\$16,755 (+5.1% YoY), because of increased commissions in the asset management subsidiaries and higher income from supplementary loan insurance products in the Retail Banking Division.

Net finance costs reached -MCH\$6,974 (-117.4% YoY), largely due to lower returns on fixed-income instruments, together with a high basis of comparison because of strong returns during the first half of 2021. The lower figure for this line item is partly offset by greater interest income from reinvesting with a better spread. Other income totaled MCH\$1,138 for 6M22 (-68.2% YoY) because of greater write-offs on repossessed or awarded assets during the period.

Banco Security focuses on corporate customers and high-income individuals, which is reflected in its risk ratios. The Bank's strategy for the commercial portfolio has centered around supporting customers in long-term businesses with adequate collateral coverage. Bear in mind that allowances for loan losses for the commercial portfolio are calculated based on the unsecured portion of the loan, so greater collateral coverage results in lower ratios of allowances for loan losses to total loans.

	Credit Risk (%)								
	Provisions / Loans				Over 90 Day Nonperforming Loans				
	Mortgage	Consumer	Commercial	Total	Mortgage	Consumer	Commercial	Total	
Security	0.13	4.34	2.52	2.32	0.62	1.16	2.15	1.89	
Peer banks*	0.14	3.79	2.17	1.88	0.91	0.86	1.44	1.30	
Banking system	0.58	6.67	2.49	2.36	1.12	1.77	1.51	1.41	

*Average for BICE, Security, Internacional, Consorcio

Institution	Loans ¹ MCH\$	Collaterals ² MCH\$	Provisions MCH\$	Collateral / Loans	Provisions / Loans	(Collateral + Provisions) / Loans
System	102,977,643	53,477,459	2,072,871	51.9%	2.0%	53.9%
Peer Banks ³	15,759,622	10,912,790	336,992	69.2%	2.1%	71.4%
Large Banks ⁴	84,934,303	41,894,476	1,653,987	49.3%	1.9%	51.3%
Banco Security	5,109,148	3,580,724	122,453	70.1%	2.4%	72.5%

1. Individually assessed commercial loans, information as of May 2022. 2. In-house estimate of individually assessed commercial loan portfolio based on report "Bank LLP Indicators" as of May 2021, available at www.cmf.cl 3. Peer banks: BICE, Consorcio, Internacional and Security. 4. Large Banks: Chile, BCI, Estado, Itaú, Scotiabank and Santander.

Provisions for credit losses net of recovery for 6M22 were MCH\$33,463 (-18.0% YoY), equivalent to 0.95% of loans (-36 bps)

YoY). The decrease is explained mainly by lower risk expenses for the commercial portfolio of MCH\$23,881 (-34.8% YoY), with a high basis of comparison because of impairment of one particular corporate segment customer in 2021, along with increased recovery on loans in the commercial portfolio of MCH\$3,763 in 6M22 (+105.3% YoY). These effects were offset in part by higher risk expenses in consumer loans (MCH\$6,323, +122.4% YoY) and mortgage loans (MCH\$1,364, +119.9% YoY), due to a low basis of comparison because of decreased business and lower delinquency attributable to greater market-wide liquidity in 2021. On the other hand, the line item impairment of other financial assets reflected an expense of MCH\$438 (MCH\$0 in 6M21), related to impairment of some issuers in the Bank's investment portfolio.

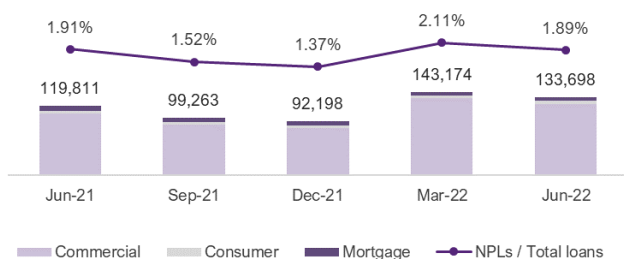
Banco Security recorded MCH\$3,500 in additional voluntary provisions (+29.6% YoY) in the first half of 2022, detailed as follows: MCH\$1,500 for the commercial portfolio (MCH\$1,300 in 6M21), MCH\$1,500 for the consumer portfolio (MCH\$1,400 in 6M21) and MCH\$500 for the mortgage portfolio (MCH\$0 in 6M21). As of June 2022, the stock of additional voluntary provisions totaled MCH\$12,000 (+118% YoY).

Quarter on quarter, provisions for credit losses were up 8.2% (MCH\$17,389 for 6M22). In particular, commercial provisions fell 29.4% during the quarter, continuing the downward trend for the period, with MCH\$1,000 in additional provisions. This was more than offset by increased expenses for the consumer portfolio (+75.8% QoQ) with MCH\$1,000 in additional provisions, and for the mortgage portfolio (+111.3% QoQ) due to portfolio impairment, although below the industry, with MCH\$300 in additional provisions. It also recorded an impairment loss on other financial assets of MCH\$1,014 (income of MCH\$575 in 1Q22) because of deteriorating ratings of some issuers in the Bank's investment portfolio. During the quarter, additional provisions reached MCH\$2,300 (MCH\$1,200 for 1Q22).

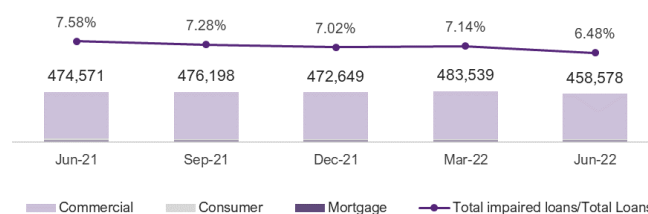
<i>In Ch\$ Million</i>	2Q22	1Q22	% Chg QoQ	6M22	6M21	%Chg YoY
Consumer LLP expenses ¹	4,031	2,293	75.8%	6,323	2,843	122.4%
Mortgage LLP expenses ¹	926	438	111.3%	1,364	620	119.9%
Commercial LLP expenses ¹	9,885	13,995	-29.4%	23,881	36,606	-34.8%
Impairment loss on other financial assets	1,014	-575	-	438	0	-
Others ²	1,534	-77	-	1,456	721	101.9%
Expense in total provisions	17,389	16,074	8.2%	33,463	40,791	-18.0%
Consumer LLP / Loans	3.67%	2.11%	155 p	2.88%	1.35%	153 p
Mortgage LLP / Loans	0.41%	0.21%	20 p	0.30%	0.16%	14 p
Commercial LLP / Loans	0.69%	1.02%	-33 p	0.83%	1.44%	-61 p
LLP expenses¹ / Loans	0.98%	0.95%	3 p	0.95%	1.30%	-36 p

The NPL portfolio totaled MCH\$133,698 as of June 2022, which represents 1.89% of loans (-3 bps YoY, -22 bps QoQ), below the target range of 2.0%. It is worth mentioning that the quarterly 6.6% decrease in the NPL portfolio, explained by collections management with several large customers during the period. With this, the NPL coverage ratio was 1.23 (1.17 for 6M21, 1.18 for 1Q22). Including additional provisions, the ratio climbs to 1.32 (1.22 for 6M21, 1.25 for 1Q22). Meanwhile, the impaired portfolio totaled MCH\$458,578 for 6M22 (-3.4% YoY, -5.2% QoQ) because of a decrease in the NPL portfolio. With this, the NPL portfolio represents 6.5% of loans (-110 bps YoY, -66 bps QoQ).

Non Performing Loans MM\$

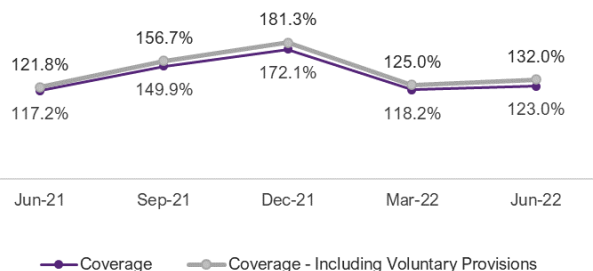


Impaired Loans MMS



Coverage

Total Provisions / Non Performing Loans



In Ch\$ Million	2Q22	1Q22	2Q21	4Q21	QoQ	% Chg YTD	YoY
Consumer loans	439,557	434,019	422,691	423,790	1.3%	3.7%	4.0%
Mortgage loans	907,226	850,779	754,816	824,967	6.6%	10.0%	20.2%
Commercial loans	5,730,809	5,489,057	5,078,363	5,479,946	4.4%	4.6%	12.8%
Total Loans	7,077,592	6,774,454	6,259,186	6,731,538	4.5%	5.1%	13.1%
Nonperforming loans - consumer	5,084	4,094	5,696	5,277	24.2%	-3.7%	-10.7%
Nonperforming loans - mortgage	5,656	6,335	8,516	6,268	-10.7%	-9.8%	-33.6%
Nonperforming loans - commercial	122,958	132,745	105,598	80,652	-7.4%	52.5%	16.4%
Total nonperforming loans	133,698	143,174	119,811	92,198	-6.6%	45.0%	11.6%
Non-performing loans - consumer	1.16%	0.94%	1.35%	1.25%	21 p	-9 p	-19 p
Non-performing loans - mortgage	0.62%	0.74%	1.13%	0.76%	-12 p	-14 p	-50 p
Non-performing loans - commercial	2.15%	2.42%	2.08%	1.47%	-27 p	67 p	7 p
Total nonperforming loans	1.89%	2.11%	1.91%	1.37%	-22 p	52 p	-3 p
Gross provisions	184,285	179,142	161,185	199,952	2.9%	-7.8%	14.3%
Write-offs	-19,835	-9,927	-20,722	-41,271	-	-51.9%	-4.3%
Credit risk provisions	164,450	169,214	140,463	158,681	-2.8%	3.6%	17.1%
Provisions - consumer (% total)	19,068	18,280	21,288	18,375	4.3%	3.8%	-10.4%
Provisions - mortgage (% total)	1,165	1,145	1,537	1,496	1.8%	-22.1%	-24.2%
Provisions - commercial (% total)	144,217	149,790	117,639	138,809	-3.7%	3.9%	22.6%
Credit risk provisions	164,450	169,214	140,463	158,681	-2.8%	3.6%	17.1%
Coverage - consumer	375.0%	446.5%	373.8%	348.2%	-7147 p	2684 p	128 p
Coverage - mortgage	20.6%	18.1%	18.0%	23.9%	253 p	-326 p	256 p
Coverage - commercial	117.3%	112.8%	111.4%	172.1%	445 p	-5482 p	589 p
Coverage - total nonperforming loans¹	123.0%	118.2%	117.2%	172.1%	481 p	-4911 p	576 p
Provisions / loans	2.32%	2.50%	2.24%	2.36%	-17 p	-3 p	8 p
Total impaired loans	6.48%	7.14%	7.58%	7.02%	-66 p	-54 p	-110 p
Impaired loans - consumer	3.36%	3.25%	4.73%	3.57%	11 p	-21 p	-137 p
Impaired loans - mortgage	1.05%	1.21%	1.80%	1.47%	-17 p	-43 p	-76 p
Impaired loans - commercial	7.58%	8.36%	8.68%	8.13%	-79 p	-55 p	-111 p

¹ Credit risk provisions / Total nonperforming loans

For 6M22, the Bank reported operating expenses of MCH\$37,474 (+19.8% YoY) Personnel expenses totaled MCH\$10,905 (+4.6% YoY), with greater commercial bonuses and increased payroll expenses in line with higher inflation during the period. Employee performance bonuses paid in 1Q22 were for the year 2021, while bonuses paid in 1Q21 were for the year 2020.

Administrative expenses totaled MCH\$39,814 (+23.0% YoY) because of higher corporate rates, mostly in the digital area, and increased credit card activity. The Bank reported depreciation and amortization expense of MCH\$3,521 for 6M22, down 7.4% from 2021. Other operating expenses reached MCH\$8,805 for 6M22 (+136.4% YoY) mainly due to operational risk expenses related to errors in process execution.

Quarter on quarter, support expenses declined 15.8% to MCH\$37,474 with a high basis of comparison due to commercial bonus payments during the first quarter of the year, contributions to the regulator and operational risk expenses related to process execution errors during the quarter.

<i>In Ch\$ Millions</i>	2Q22	1Q22	% Chg QoQ	6M22	6M21	% Chg
Personnel	10,905	18,961	-42.5%	29,866	28,555	4.6%
Administrative expenses	21,970	17,844	23.1%	39,814	32,371	23.0%
Depreciation and amortization	1,781	1,739	2.4%	3,521	3,802	-7.4%
Other operating expenses	2,818	5,987	-52.9%	8,805	3,725	136.4%
Total operating expenses	37,474	44,532	-15.8%	82,006	68,453	19.8%
Total operating income	102,068	87,798	16.3%	189,866	142,629	33.1%
Efficiency ratio	36.7%	50.7%	-1,401 p	43.2%	48.0%	-480 p

Banco Security's efficiency ratio—measured as total operating expenses over total operating income—reached 43.2% as of June 2022 (-480 bps YoY), due to increased revenue, mostly from the net interest margin, because of interest rate hikes and high inflation during the period. During the quarter, it had an efficiency ratio of 36.7% (-1.401 bps QoQ), due to a drop in expenses such as bonus payments and other seasonal expenses from 1Q22.

In January 2022 changes to the compendium of accounting standards for banks went into effect. These changes also modified the efficiency indicator published by the CMF. Using a proforma estimate of the former version of the indicator³, efficiency was 39.1% as of June (-657 bps YoY) and 34.0% for the quarter (-1,130 bps QoQ).

As of June 2022, it reported an income tax expense of MCH\$6,551 (+143.4% YoY) due to the 123% rise in profit before tax. It also recorded higher price-level restatement of tax-basis equity as a result of higher inflation during the period (UF variation of 6.8% for 6M22 vs 2.2% for 6M21). The first half of 2021 represents a low basis of comparison due to MCH\$1,141 in income recognized on deferred taxes by Valores Security.

³ Former efficiency calculation: Support expenses (personnel expenses + administrative expenses – depreciation and amortization) / Gross operating income (total operating income + other operating expenses + recovery of written-off loans)

Banco Security - Operating Segments

Banco Security Segment Note	Commercial Banking		Retail		Banking		Treasury		Other		Total Bank		Subsidiaries		Total Consolidated	
	Jun-22	Jun-21	Jun-22	Jun-21	Jun-22	Jun-21	Jun-22	Jun-21	Jun-22	Jun-21	Jun-22	Jun-21	Jun-22	Jun-21	Jun-22	Jun-21
<i>In Ch\$ Million</i>																
Net interest margin	75,207	48,839	33,659	24,656	47,747	25,203	0	0	156,613	98,698	2,931	128	159,544	98,826		
Δ% 6M22	54.0%		36.5%		89.5%				58.7%				61.4%			
Net Fees	11,481	10,553	7,022	5,906	-92	-72	0	0	18,412	16,387	15,577	12,580	33,989	28,967		
Δ% 6M22	8.8%		18.9%		27.5%				12.4%				23.8%			
Net FX transactions and other income	502	4,303	735	274	-4,981	8,778	-3,519	-1,052	-7,263	12,303	5,723	3,383	-1,540	15,686		
Δ% 6M22	-88.3%		168.2%		-				234.7%				69.2%			
Provision for Credit Losses (PCL) and foreclosed assets	-26,320	-32,322	-8,606	-7,789	-485	-1	0	0	-35,411	-40,112	0	0	-35,411	-40,112		
Δ% 6M22	-18.6%		10.5%		-				-11.7%				-			
Total operating income, net of credit risk prov.	60,870	31,372	32,811	23,048	42,189	33,908	-3,519	-1,052	132,351	87,276	24,231	16,091	156,582	103,367		
Δ% 6M22	94.0%		42.4%		24.4%				51.6%				51.5%			
Operating expenses	-25,042	-19,117	-28,748	-26,079	-8,217	-6,624	-4,819	-4,312	-66,826	-56,132	-15,358	-13,866	-82,184	-69,998		
Δ% 6M22	31.0%		10.2%		24.0%				11.7%				10.8%			
Net operating income	35,827	12,255	4,063	-3,031	33,972	27,284	-8,338	-5,364	65,525	31,144	8,873	2,225	74,398	33,369		
Δ% 6M22	192.3%		-		24.5%				110.4%				123.0%			
Income tax expense	-2,334	-1,578	-302	390	-4,560	-3,513	619	688	-6,576	-4,012	25	1,321	-6,551	-2,691		
Δ% 6M22	47.9%		-		29.8%				63.9%				143.4%			
Profit attributable to equity holders of the bank	33,494	10,677	3,761	-2,641	29,413	23,771	-7,719	-4,660	58,949	27,148	8,894	3,545	67,843	30,692		
Δ% 6M22	213.7%		-		23.7%				65.6%				121.0%			

Banco Security Segment Note	Commercial Banking		Retail		Banking		Treasury		Other		Total Bank		Subsidiaries		Total Consolidated	
	2Q-22	1Q-22	2Q-22	1Q-22	2Q-22	1Q-22	2Q-22	1Q-22	2Q-22	1Q-22	2Q-22	1Q-22	2Q-22	1Q-22	2Q-22	1Q-22
<i>In Ch\$ Million</i>																
Net interest margin	41,917	33,290	17,918	15,741	26,753	20,994	0	0	86,588	70,026	1,743	1,188	88,331	71,213		
Δ% 2Q22	25.9%		13.8%		27.4%				23.7%				24.0%			
Net Fees	6,086	5,395	3,998	3,625	-54	-38	0	0	9,430	8,982	7,940	7,637	17,370	16,619		
Δ% 2Q22	12.8%		-6.3%		42.4%				5.0%				4.5%			
Net FX transactions and other income	-1,802	2,304	353	382	-6,429	1,448	1,200	-4,719	-6,678	-585	2,925	2,798	-3,753	2,213		
Δ% 2Q22	-		-7.6%		-				1041.7%				-			
Provision for Credit Losses (PCL) and foreclosed assets	-10,464	-15,856	-5,732	-2,873	-978	493	0	0	-17,175	-18,237	0	0	-17,175	-18,237		
Δ% 2Q22	-34.0%		99.5%		-				-5.8%				-5.8%			
Total operating income, net of credit risk prov.	35,737	25,133	15,937	16,875	19,292	22,897	1,200	-4,719	72,165	60,186	12,609	11,623	84,774	71,809		
Δ% 2Q22	42.2%		-5.6%		-15.7%				19.9%				18.1%			
Operating expenses	-11,056	-13,986	-14,010	-14,738	-3,219	-4,997	-1,555	-3,264	-29,840	-36,985	-7,727	-7,631	-37,568	-44,616		
Δ% 2Q22	-20.9%		-4.9%		-35.6%				-19.3%				-15.8%			
Net operating income	24,680	11,147	1,926	2,137	16,072	17,900	-355	-7,984	42,325	23,200	4,881	3,992	47,206	27,192		
Δ% 2Q22	121.4%		-9.8%		-10.2%				82.4%				73.6%			
Income tax expense	-1,655	-678	-172	-130	-3,470	-1,089	134	486	-5,164	-1,412	285	-260	-4,879	-1,672		
Δ% 2Q22	144.0%		32.1%		218.5%				265.7%				191.8%			
Profit attributable to equity holders of the bank	23,025	10,469	1,755	2,007	12,602	16,811	-221	-7,498	37,161	21,788	5,164	3,730	42,325	25,518		
Δ% 2Q22	119.9%		-12.6%		-25.0%				70.6%				65.9%			

Commercial Banking

Banco Security's Commercial Banking Division targets companies with annual sales above MUS\$ 1.2. While Banco Security's core business targets large companies, efforts have been made in recent years to strengthen the medium-sized company segment by tailoring services to its needs. This strategy is designed to diversify our customer base and improve returns in each segment.

As of June 2022, commercial loans expanded 12.8% YoY and 4.6% YTD, totaling BCH\$5,731. The industry variation was 11.9% YoY and 4.8% YTD. Including foreign subsidiaries, the industry's commercial loans grew 15.3% YoY and 6.7% YTD. Banco Security's market share in commercial loans was 4.8% as of June

2022, while its market share in its target segment of medium and large companies was 5.9%⁴. The Commercial Banking Division had 7,971 customers as of June 2022 (+0.1% YoY).

The Commercial Banking Division posted profit of MCH\$33,494 for 6M22 (+213.7% YoY). The improved results are explained mainly by a larger net interest margin of MCH\$75,207 for 6M22 (+54.0% YoY), due to a rise in income from liabilities, mainly because of interest rate hikes (average MPR of 6.5% for 6M22 vs 0.5% for 6M21) and a larger volume of current account and other demand deposits. In addition, it reported growth of +12.8% YoY in commercial loans, partially offset by a slight decrease in the average spread. Net fee and commission income amounted to MCH\$11,481 (+8.8% YoY) due to a larger volume of performance and bid bonds. The line item financial operating income, net FX transactions and other income fell to MCH\$502 (-

Commercial Loans by Economic Sector	% Total
Real estate investors and corporate services	18.0%
Construction and real estate	15.8%
Financial services and insurance	19.3%
Social services	12.5%
Wholesale and retail trade	10.3%
Transportation	7.1%
Manufacturing	5.6%
Utilities	3.9%
Agriculture and livestock	3.9%
Fishing	1.5%
Mining	1.5%
Telecom	0.4%
Forestry	0.1%
Total commercial loans	100%

⁴ This includes companies with annual sales over MCH\$800, only in the regions of Chile where Banco Security has offices.

Source: Chilean Internal Revenue Service (SII).

88.3% YoY), which was offset by recoveries in the line item provisions for credit losses. Provisions for credit losses were down MCH\$26,320 (-18.6% YoY) with greater income from recoveries and a high basis of comparison mainly due to impairment of one particular corporate segment customer in 2021. These effects were partially offset by a rise in operating expenses of MCH\$25,042 in 6M22 (+31.0% YoY) due to bonus payments and a rise in corporate rates, mainly in the digital area.

For the quarter, profit reached MCH\$23,025 (+119.9% QoQ) due to an improved net interest margin of MCH\$41,917 (+25.9% QoQ) explained by a rise in income from liabilities related to higher interest rates (average MPR of 7.9% in 2Q22 vs 5.1% in 1Q22). There was also a rise in net fee and commission income to MCH\$6,086 (+12.8% QoQ), due to increased business, while provisions for credit losses reached MCH\$10,464 (-34.0% QoQ), maintaining the downward trend expected for the period. Meanwhile, operating expenses totaled MCH\$11,056, down 20.9% QoQ with a high basis of comparison due to bonus payments and adjustments to support area structures in 1Q22. The above was partially offset by a drop in the line item financial operating income, net FX transactions and other income to MCH\$1,802 (vs MCH\$2,304 in 1Q22), which was offset by recoveries in the line item provisions for credit losses.

Retail Banking

Banco Security's Retail Banking Division targets high-income individuals. The Retail Banking Division focused on consumer products until 2019 and has since shifted to mortgage products.

As of June 2022, the Bank had total retail loans (consumer + mortgage) of BCH\$1,347 (+14.4% YoY, 7.8% YTD), driven by mortgage (+20.2% YoY, 10% YTD) and consumer (4.0% YoY, 3.7% YTD) loans, representing 12.8% and 6.2% of the Bank's total loans, respectively. For the industry, retail loans increased +15.5% YoY and 7.3% YTD, driven by growth in mortgage (+14.6% YoY and +6.9% YTD) and consumer (+18.0% YoY and 8.4% YTD) loans. Including foreign subsidiaries, the industry's retail loans grew +16.7% YoY and 7.8% YTD. The Bank boasts market share of 5.1%⁵ in its target segment of high-income individuals as of June 2022. The Retail Banking Division had 64,735 customers as of June 2022 (-1.9% YoY).

The Retail Banking Division posted a profit of MCH\$3,761 for 6M22 (-MCH\$2,641 for 6M21). The net interest margin totaled MCH\$33,659 (+36.5% YoY) due to growth in income from liabilities mainly because of interest rate hikes (average MPR of 6.52% for 6M22 vs 0.5% for 6M21) and a larger volume of time deposits. Net fee and commission income reached MCH\$7,022 for 6M22 (+18.9% YoY) due to an increase in credit and debit cards and commissions from supplementary loan insurance products. In addition, financial operating income, net FX transactions and other income totaled MCH\$735 for 6M22 (+168.2% YoY). These effects were partially offset by higher operating expenses of MCH\$28,748 (+10.2% YoY) due to bonus payments, increased business and a rise in corporate rates, mainly in the digital area. It also reported higher risk expenses of MCH\$8,606 for 6M22 (+10.5% YoY) due to a low basis of comparison because of decreased business and lower delinquency attributable to greater market-wide liquidity in 2021.

Quarter on quarter, the Retail Banking Division had profit of MCH\$1,755 in 2Q22 (-12.6% QoQ) due to increased provisions for credit losses of MCH\$5,732 (+99.5% QoQ) explained by portfolio impairment, although less than the industry. In addition, net fee and commission income fell to MCH\$3,398 (-6.3% QoQ) mainly due to lower fees from credit and debit cards and mortgage loans. Financial operating income, net FX transactions and other income totaled MCH\$353 (-7.6% QoQ). These effects were

⁵ This division includes individuals between 24 and 65 years of age in the middle and high-income segments (UF 60 in Santiago or UF 50 elsewhere in Chile) with a risk/return profile similar to Banco Security's customers, only for regions where Banco Security has offices. Source: Chilean Internal Revenue Service (CMF).

partially offset by a larger net interest margin of MCH\$17,918 for the quarter (+13.8% QoQ) due to increased income from liabilities because of higher interest rates (average MPR of 7.94% in 2Q22 vs 5.07% in 1Q22), increased retail loans (+4.8% QoQ) and slightly lower operating expenses (-4.9% QoQ) attributable to a high basis of comparison due to bonus payments in 1Q22 in the Retail Banking Division and the Bank's support areas.

Treasury

For 6M22 the Treasury Division reported profit of MCH\$29,413 (+23.7% YoY). Net operating income reached MCH\$42,189 (+24.4% YoY) thanks to a larger net interest margin (+89.5 YoY) related to higher inflation (UF variation of 6.8% for 6M22 vs 2.2% for 6M21), a larger mismatch since 4Q21 and interest rate hikes during the period. These effects were partially offset by the line item financial operating income, net FX transactions and other income (-MCH\$4,891 for 6M22, +MCH\$8,788 for 6M21), due to lower returns on fixed-income instrument, together with a high basis of comparison because of a large volume of transactions in 6M21. The lower figure for this line item is partly offset by greater interest income from reinvesting with a better spread. The division had operating expenses of MCH\$8,217 (+24.0% YoY) due to bonuses paid for 2021 employee performance and a rise in corporate rates, mainly in the digital area.

In comparison to the immediately prior quarter, profit fell 25.0% to MCH\$12,602. Net operating income totaled MCH\$19,292 in 2Q22, 15.7% less because of the line item financial operating income, net FX transactions and other income (-MCH\$6,429 in 2Q22, +MCH\$1,448 in 1Q22) due to lower returns on fixed-income instruments and provisions for credit losses of MCH\$978 (+MCH\$493 in 1Q22), due to impairment of some instruments in the investment portfolio. These effects were partially offset by a larger net interest margin of MCH\$26,753 (+27.4% QoQ), related to higher interest rates (average MPR of 7.94% in 2Q22 vs 5.07% in 1Q22), higher inflation during the quarter (UF variation of 4.3% in 2Q22 vs 2.4% in 1Q22) and reinvesting in instruments with better spreads. Meanwhile, operating expenses totaled MCH\$3,219, down -35.6% QoQ with a high basis of comparison due to bonus payments in 1Q22 in the Treasury Division and and payment of seasonal expenses.

The Treasury Division consists of trading, investment, distribution and asset and liability management (ALM) transactions. The ALM desk manages financial investments used to stabilize the net interest margin, manage interest rate risk in the balance sheet, manage liquidity and efficiently fund the Bank's loan portfolio. As of June 2022, ALM represented 79.5% of treasury income. The investment and trading desks manage the Bank's own portfolio of primarily Chilean Central Bank notes and corporate bonds and represent 8.6% of treasury income. The remaining 11.8% of the division's income comes from the distribution desk, which brokers specialized products for corporate banking customers (currency, forwards and structured products).

Loan Portfolio - Banco Security

Total loans reached MCH\$7,077,592 as of June 2022 (+13.1% YoY and +5.1% YTD) while industry loans were up 13.9% YoY and 6.3% YTD. Including foreign investments, the industry's total loans were up 16.2% YoY and 7.3% YTD. Commercial loans grew 12.8% YoY and 4.6% YTD, to MCH\$5,730,809 (81.0% of Banco Security's total loan portfolio), while retail loans (consumer + mortgage) reached MCH\$1,346,783 as of June 2022, +14.4% YoY and +7.8% YTD. The 20 largest borrowers represent 14.0% of the Bank's total loan portfolio.

Total Loans In Ch\$ Millions	Jun-22	Mar-22	Jun-21	Dec-21	QoQ	%Chg YTD	YoY
Consumer	439,557	434,019	422,691	423,790	1.3%	3.7%	4.0%
Mortgage	907,226	850,779	754,816	824,967	6.6%	10.0%	20.2%
Mortgage + Consumer	1,346,783	1,284,799	1,177,507	1,248,757	4.8%	7.8%	14.4%
No. Customers	64,735	64,731	65,997	65,085	0.0%	-0.5%	-1.9%
Commercial	5,730,809	5,489,057	5,078,363	5,479,946	4.4%	4.6%	12.8%
No. Customers	7,971	7,961	7,966	8,006	0.1%	-0.4%	0.1%
Total Loans	7,077,592	6,774,454	6,259,186	6,731,538	4.5%	5.1%	13.1%
Market Share	3.26%	3.29%	3.28%	3.29%	-3 p	-4 p	-2 p

Banco Security – Funding Sources

Funding Sources In MCH\$	Jun-22	Mar-22	Dec-21	Jun-21	QoQ	% Chg YTD	YoY
Demand deposits	1,386,924 14.2%	1,567,295 16.6%	1,715,145 18.3%	1,429,500 16.9%	-11.5%	-19.1%	-3.0%
Time deposits	2,007,304 20.6%	1,874,121 19.9%	1,865,280 19.9%	1,377,094 16.3%	7.1%	7.6%	45.8%
Total deposits	3,394,228 34.8%	3,441,415 36.5%	3,580,425 38.2%	2,806,594 33.3%	-1.4%	-5.2%	20.9%
Debt issued	3,059,923 31.3%	2,820,756 29.9%	2,787,965 29.8%	2,795,023 33.1%	8.5%	9.8%	9.5%
Subordinate bonds	376,495 3.9%	366,695 3.9%	359,320 3.8%	350,195 4.1%	2.7%	4.8%	7.5%
Interbank loans	1,515,406 15.5%	1,456,128 15.4%	1,473,906 15.7%	1,355,157 16.1%	4.1%	2.8%	11.8%
Other liabilities	685,427 7.0%	632,358 6.7%	463,546 4.9%	450,001 5.3%	8.4%	47.9%	52.3%
Total Liabilities	9,031,479 92.5%	8,717,352 92.4%	8,665,162 93%	7,756,971 91.9%	3.6%	4.2%	16.4%
Equity	729,106 7.5%	719,446 7.6%	700,616 7.5%	683,013 8.1%	1.3%	4.1%	6.7%
Liabilities + Equity	9,760,585 100%	9,436,798 100%	9,365,778 100%	8,439,984 100%	3.4%	4.2%	15.6%

*Includes the following accounts: transactions in the course of collection or payment, resale and repurchase agreements, financial derivative instruments, other financial liabilities, current taxes, deferred taxes, provisions and other liabilities.

Demand and Time Deposits

As of June 2022, deposits totaled MCH\$3,394,228 (+20.9% YoY and -5.2% YTD), while the industry figure increased +4.6% YoY (+1.6% YTD) and +9.3% YoY (+2.9% YTD) including foreign subsidiaries.

As of June 2022, time deposits totaled MCH\$2,007,304 (+45.8% YoY and 7.6% YTD). During the first half of 2021, time deposits decreased due to lower interest rates and a greater appetite for liquidity. This trend was reversed in the second half of 2021, in line with interest rate hikes that began during the second half of the year. In 2Q22 time deposits increased 7.1% QoQ, in line with interest rate growth during the second quarter of the year.

Banco Security's time deposits consisted of 49% retail deposits and 51% institutional deposits. The 15 largest depositors represent 9.9% of the Bank's total deposits. The loan to deposit ratio was 209% as of June 2022, compared to 175% as of June 2021. Banco Security's strategy is to diversify funding sources using sales incentives to increase its retail deposit base.

Banco Security strictly monitors liquidity risk⁶, striving to diversify funding sources while monitoring and controlling a series of limits on asset/liability mismatches, by maintaining a significant volume of liquid assets and lengthening liabilities to increase funding terms. The Bank's exposure from asset and liability mismatches is among the industry's lowest thanks to a conservative interest rate gap strategy that takes advantage of record-low rates to lengthen our liabilities. As of June 2022, the ratio of long-

⁶ Liquidity risk represents the possibility of not fulfilling obligations when they mature as a result of the inability to liquidate assets or funds, or not being able to dispose of them easily or offset exposure without significantly reducing prices due to insufficient market depth (Grupo Security Annual Report, note 35).

term interest rate risk to regulatory capital was 2.09%⁷.

As of June 30, 2022, liquid assets⁸ represented 126.7% of demand and other time deposits. The liquidity coverage ratio⁹ as June 2022 was 239%, well above the regulatory minimum of 100%.

⁷ This measures the exposure to changes in interest rates as a percentage of equity. Exposure to long-term interest rates is calculated as the sum of the differences by time band and currency of cash flows from banking books assets and liabilities, including amortization and interest, adjusted by a sensitivity factor as per table 2 of appendix 1 of Chapter III.B.2.2 of the Chilean Central Bank's compendium of financial standards.

⁸ Includes cash and cash deposits, transactions pending settlement and the portfolio of financial instruments.

⁹ Liquidity Coverage Ratio (LCR, C48) published on website www.bancosecurity.cl

Banco Security - Debt Issued

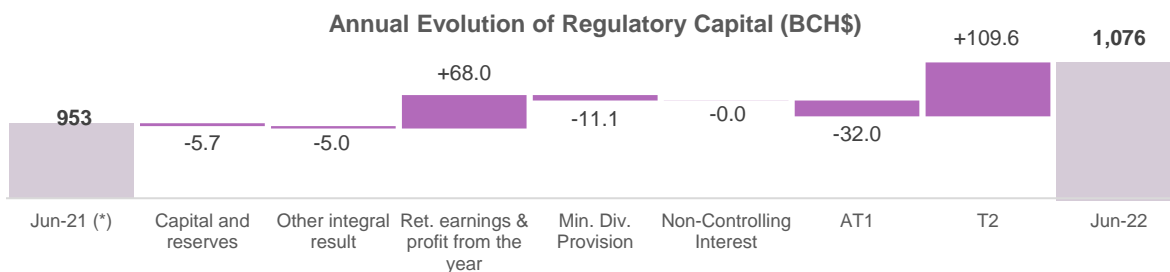
Series	CMF Registration Number	CMF Registration Date	Currency	Amount	Annual Interest Rate	Duration (Years)	Maturity
H1	03/2007	25-Jan-07	U.F.	3,000,000	3.00	23	1-Dec-29
K3	01/2013	26-Feb-13	U.F.	4,000,000	3.50	10	1-Nov-22
K4	10/2013	6-Nov-13	U.F.	5,000,000	3.60	10	1-Oct-23
K5	14/2014	9-Oct-14	U.F.	5,000,000	2.75	10	1-Jun-24
K6	05/2015	1-Apr-15	U.F.	5,000,000	2.75	5	1-Mar-25
K7	05/2015	1-Apr-15	U.F.	5,000,000	2.75	10	1-Sep-25
K-ocho	12/2016	3-Oct-16	U.F.	5,000,000	2.80	10	1-Oct-36
B7	08/2018	9-May-18	U.F.	4,000,000	2.20	5	1-Feb-23
K9	08/2018	9-May-18	U.F.	5,000,000	2.75	10	1-Jan-28
Z3	08/2018	9-May-18	Local Currency	75,000,000,000	4.80	5	1-Dec-22
B8	11/2018	20-Dec-18	U.F.	5,000,000	1.80	5.5	1-Aug-23
Q1	11/2018	20-Dec-18	U.F.	3,000,000	2.50	15	1-Aug-33
Z4	11/2018	20-Dec-18	Local Currency	75,000,000,000	4.80	5.5	1-Oct-23
D1	11/2018	20-Dec-18	U.F.	5,000,000	2.20	10.5	1-Aug-28
B9	11/2019	11-Nov-19	U.F.	5,000,000	0.70	5.5	1-Apr-24
C1	11/2019	11-Nov-19	U.F.	5,000,000	0.80	6	1-Mar-26
Z5	11/2019	11-Nov-19	Local Currency	75,000,000,000	3.50	6	1-Mar-27
D2	11/2019	11-Nov-19	U.F.	5,000,000	0.90	8.5	1-Mar-29
D3	11/2019	11-Nov-19	U.F.	5,000,000	1.00	10.5	1-Jun-25
Q2	04/2020	12-Mar-20	U.F.	5,000,000	0.70	15	1-Jul-30
Q3	04/2020	12-Mar-20	U.F.	5,000,000	0.80	15.5	1-Nov-34
Z7	04/2020	12-Mar-20	Local Currency	100,000,000,000	2.75	6	1-Nov-25
D4	04/2020	12-Mar-20	U.F.	5,000,000	0.50	10.5	1-Dec-30
C4	06/2021	23-Sep-21	U.F.	5,000,000	0.70	6	3-Dec-30
D6	06/2021	23-Sep-21	U.F.	5,000,000	1.40	10.5	6-Dec-30

As of June 2022, Banco Security had issued MCH\$2,819,280 in senior bonds, as detailed in Note 22 of Banco Security's financial statements.

Banco Security – Capitalization¹⁰

Banco Security's regulatory capital (RC) totaled MCH\$1,076,282, up 13.0% YoY due to increased retained earnings from prior years (+MCH\$30,850 YoY) along with greater profit for the year (+MCH\$37,151 YoY). In addition, there was also an increase in subordinated bonds calculated as regulatory capital (+25.7% YoY).

As of December 2021, subordinated bonds and voluntary provisions that can be accounted for as Additional Tier 1 (AT1) capital fell from 1.5% to 1% of Risk-Weighted Assets (RWA). This involved a shift in subordinated bonds calculated as AT1 instruments to T2 capital, aligned with the limits set forth in article 66 of the General Banking Act (GBA).



(*) Figures as of June 2022 consider the proforma Basel III calculation

The Basel III capital adequacy ratio as of June 2022, calculated as regulatory capital over risk-weighted assets, reached 14.15%

¹⁰ For more details on the comparison versus December 2021, see Note 48 of the Bank's financial statements.

(with a regulatory minimum of 8.625% according to the calendar), +92 bps YoY. The increase is due to a 13.0% rise in regulatory capital, partly offset by an increase in risk-weighted assets (5.6% YoY), in line with growth in total loans (+13.1% YoY). Meanwhile, the ratio of core capital to total assets reached 7.16% (-40 bps YoY).

In Ch\$ Millions	Jun-22	Mar-22	Dec-21	Jun-21	QoQ	YTD	YoY
Capital	325,041	325,041	325,041	325,041	0.0%	0.0%	0.0%
Reserves	17,944	17,815	22,164	23,677	0.7%	0.7%	-24.2%
Other integral result	- 4,065	- 7,117	- 12,431	960	-42.9%	-42.9%	-523.4%
Retained earnings from prior periods	342,646	388,923	311,796	311,796	-11.9%	-11.9%	9.9%
Profit for the year	67,843	25,518	77,127	30,692	165.9%	165.9%	121.0%
Min. Div. Provision	- 20,353	- 30,794	- 23,138	- 9,208	-33.9%	-33.9%	121.0%
Non-controlling Interest	49	59	57	54	-16.0%	-16.0%	-9.0%
Core Capital	729,106	719,446	700,616	683,013	1.3%	1.3%	6.7%
Deductions	13,039	13,039	13,039	13,039	0.0%	0.0%	0.0%
CET1	716,067	706,407	687,577	669,974	1.4%	1.4%	6.9%
AT1	76,066	72,264	74,724	108,023	5.3%	5.3%	-29.6%
T1	792,133	778,672	762,301	777,997	1.7%	1.7%	1.8%
T2	284,149	275,300	219,728	174,557	3.2%	3.2%	62.8%
Effective Equity	1,076,282	1,053,972	982,029	952,554	2.1%	2.1%	13.0%
Credit Risk	6,899,899	6,459,756	6,725,591	6,494,915	6.8%	6.8%	6.2%
Operational Risk	513,831	475,973	455,879	445,320	8.0%	8.0%	15.4%
Market Risk	192,849	290,694	290,889	261,308	-33.7%	-33.7%	-26.2%
Risk-Weighted Assets (RWA)	7,606,579	7,226,423	7,472,359	7,201,543	5.3%	5.3%	5.6%
Minimum Regulatory Capital	608,526	578,114	597,789	576,123	5.3%	5.3%	5.6%
CET1/RWC	9.41%	9.78%	9.51%	9.30%	-36 bps	-10 bps	11 bps
T1/RWC	10.41%	10.78%	10.55%	10.80%	-36 bps	-14 bps	-39 bps
Effective Equity/RWC	14.15%	14.58%	13.59%	13.23%	-44 bps	56 bps	92 bps
Core Capital/Total Assets	7.16%	7.30%	7.14%	7.56%	-14 bps	2 bps	-40 bps

1. Figures as of June 2021 consider the proforma Basel III calculation. 2. Considers valuation accounts and mark-to-market of accounting hedges. 3. Total assets calculated in accordance with chapter 21-30 of the Updated Compilation of Rules for Banks (RAN).

FACTORING SECURITY

For 6M22, Factoring Security reported profit of MCH\$7,204 (+50.6% YoY), and net operating income of MCH\$17,182 (+38.1% YoY), due to greater volumes of factored receivables of MCH\$435,963 (+20.7% YoY and -1.1% YTD), a larger portfolio spread and increased indexation income (+137.8% YoY) because of higher inflation during the period (UF variation of 6.8% for 6M22 vs 2.2% for 6M21), partially offset by greater borrowing costs due mainly to higher interest rates (average MPR for 6M22 of 6.52% vs 0.5% for 6M21). Operating expenses climbed to MCH\$6,392 (+22.3% YoY) mainly due to higher payroll expenses because of cost-of-living adjustments over the past twelve months, bonus payments and structural adjustments. This increase is also related to higher corporate rates, particularly in the digital area. Meanwhile, provisions for credit losses reached MCH\$1,501 (+15.9% YoY), explained by a larger loan volume (+20.7% YoY), giving a ratio of risk expenses to loans of 0.69% as June 2022 (-3 bps YoY).

During 2Q22, it reported profit of MCH\$3,537 (-1.6% QoQ), with net operating income of MCH\$8,587 (-0.1% QoQ) because of a slightly tighter spread and stable loans (+1.1% QoQ). It also had increased indexation income due to higher inflation during the period (UF variation of 4.3% in 2Q22 vs 2.4% in 1Q22) and higher banking expenses due to higher interest rates (average MPR of 7.94% in 2Q22 vs 5.07% in 1Q22). The subsidiary reported stable support expenses of MCH\$3,217 (+1.4% QoQ).

The aforementioned effects resulted in an efficiency ratio of 37.2% as of June 30, 2022 (-480 bps YoY) explained by greater revenue because of increased business and a ratio of 37.5% in 2Q22 (+53 bps QoQ). The risk ratio, measured as provisions over total loans, was 1.53% as of June 2022 (-50 bps YoY and +13 bps QoQ).

In Ch\$ Million	2Q22	1Q22	% Chg QoQ	6M22	6M21	% Chg YoY
Factored receivables	435,963	431,123	1.1%	435,963	361,164	20.7%
Provisions	6,663	6,023	10.6%	6,663	7,335	-9.2%
Net Operational Income	8,587	8,594	-0.1%	17,182	12,443	38.1%
Loan loss provision expenses	-640	-861	-25.6%	-1,501	-1,295	15.9%
Support expenses	-3,217	-3,174	1.4%	-6,392	-5,226	22.3%
Profit for the period	3,573	3,631	-1.6%	7,204	4,784	50.6%
Efficiency ratio ¹	37.5%	36.9%	53 p	37.2%	42.0%	-480 p
LLP / Factored receivables	0.59%	0.80%	-21 p	0.69%	0.72%	-3 p
Risk ratio ²	1.53%	1.40%	13 p	1.53%	2.03%	-50 p

1. Revenue, banking expenses and net indexation. 2. Support costs / Margin before expenses. 3. Provisions / Loans

ASSET MANAGEMENT BUSINESS AREA (1.7% of assets; 9.7% of profit from business areas as of June 2022)

The asset management business area includes Administradora General de Fondos Security and Valores Security Corredores de Bolsa. It also includes Securitizadora Security, which manages securitized assets and their respective special purpose vehicles (SPVs). This business area complements the product range offered by the rest of the Group's companies, providing services tailored to the needs of each customer segment. The products offered by the different companies in the asset management business area are: AGF Security manages mutual funds, investment funds and voluntary retirement savings (APV). Valores Security offers foreign exchange and stock brokerage services and forwards.

The asset management area had AUM of MCH\$4,090,124 as of June 2022 (-1.2% YoY) due to a drop in AUM in mutual funds (-4.3% YoY), mostly domestic short- and long-term fixed-income and balanced funds. Monthly average AUM in mutual funds reached MCH\$2,350,0129, down 10.7% from the prior year, in line with industry trends (-7.7% YoY). This was partially offset by greater AUM in both international custody (+5.2% YoY) and national custody (+5.2% YoY). Compared to the immediately preceding quarter, Inversiones Security's AUM grew 4.2% mainly because of an increase in mutual funds (+10.5% QoQ), in particular in domestic, UF-denominated fixed-income funds. AGF Security has market share of 4.9% of the mutual fund industry. The total value of shares traded was MCH\$569,878 for 6M22 (-13.9% YoY and +32.3% QoQ) with market share of 1.5%.

In Ch\$ Million	6M22	3M22	2021	6M21	QoQ	% Chg YTD	YoY
Assets under management (AUM)	4,090,124	3,926,595	4,101,102	4,141,893	4.2%	-0.3%	-1.2%
Mutual funds under management*	2,350,029	2,278,685	2,464,190	2,630,336	3.1%	-4.6%	-10.7%
Market share - mutual funds	4.9%	4.8%	4.8%	5.0%	9 p	2 p	-16 p

(*) Monthly average as reported by AAFM

<i>In Ch\$ Million</i>	2Q22	1Q22	% Chg QoQ	6M22	6M21	% Chg
Value of shares traded	324,007	244,871	32.3%	568,878	660,777	-13.9%
<i>Market share - equities brokerage</i>	1.6%	1.3%	22 p	1.5%	1.7%	-23 p
Operating income	9,688	9,274	4.5%	18,962	18,244	3.9%
Non-operating income	3,749	3,121	20.1%	6,870	1,232	457.7%
Total expenses	-8,555	-8,403	1.8%	-16,958	-17,252	-1.7%
Efficiency ratio	63.7%	67.8%	-413 p	65.6%	88.6%	-2294 p
AGF Security	3,794	2,572	47.5%	6,366	2,219	186.9%
Valores Security	1,371	1,160	18.2%	2,531	1,326	90.9%
Securitizadora & CasaNuestra	510	352	44.8%	863	210	311.3%
Profit - Asset Management	5,676	4,084	39.0%	9,761	3,926	148.6%

For 6M22 Inversiones Security reported profit of MCH\$9,761 (+148.6% YoY). By subsidiary, AGF Security had profit of MCH\$6,366 for 6M22 (+186.9% YoY), with stable operating income (+7.7% YoY) and improved returns on its proprietary trading portfolio (MCH\$3,783 for 6M22 vs. \$285 for 6M21). Meanwhile, Valores Security reported profit of MCH\$2,531 (+90.9% YoY), with improved return on its proprietary trading portfolio and stable revenue (-2.6% YoY), partly offset by a high basis of comparison due to MCH\$1,433 in deferred taxes recognized in 1Q21. Lastly, Securitizadora and Casanuestra had combined profit of MCH\$863 (+311.3% YoY).

From a consolidated perspective, operating income totaled MCH\$18,962 for 6M22, stable year on year (+3.9% YoY). There was an increase in fund income (MCH\$12,350, +7.8% YoY) due to a greater ROA because of higher interest rates in the second half of 2021, which more than offset the drop in AUM (-10.7% YoY). Transactional income fell to MCH\$6,612 (-2.6% YoY), due to decreased revenue from equities and local fixed-income instruments. Meanwhile, non-operating income totaled MCH\$6,870 (+457.7% YoY) due to higher inflation (UF variation of 6.8% for 6M22 vs 2.2% for 6M21). Lastly, expenses totaled MCH\$16,958 (-1.7% YoY), giving an efficiency ratio of 65.6% (-2,294 bps YoY).

In a quarterly comparison, profit was MCH\$5,676, or 39.0% higher than 1Q22. Operating income rose 4.5% during the period to MCH\$9,688, with increased income from funds (+7.7% QoQ) due to rises in AUM and improved ROA, offset by lower transactional income (-1.2% QoQ), mostly from international deals. Non-operating income totaled MCH\$3,749 for the quarter (+20.1% QoQ), explained by higher inflation for the quarter (4.3% for 2Q22 vs 2.4% for 1Q22, measured as the UF variation during the period). Total expenses reached MCH\$8,555 for the quarter (+1.8% QoQ).

INSURANCE BUSINESS AREA (22.6% of assets; 24.6% of profit from business areas as of June 2022)

The insurance business area reported profit of MCH\$24,647 for 6M22. This area includes the operations of the Vida Security insurance company and the insurance brokerage subsidiary, Corredores de Seguros Security. The following entities providing complementary activities are also included: Hipotecaria Security and Europ Assistance.

VIDA SECURITY

For 6M22 Vida Security had profit of MCH\$24,420 (+3.4% YoY) with improved returns from the proprietary trading portfolio of MCH\$65,519 for 6M22 (+14.8% YoY), offset by a greater loss from indexed assets and liabilities of MCH\$11,123 (+277.9% YoY) and higher administrative expenses of MCH\$19,083 (+22.0% YoY), related mainly to increased business. The company had premiums of MCH\$239,619 as of June 2022 (+57.9% YoY) with market share of 7.5% in total premiums written and 8.9% in annuities.

Results by Product Line

In MCH\$	Individual		Family Protection		Group Insurance		Annuities		DSI		Total	
	6M22	6M21	6M22	6M21	6M22	6M21	6M22	6M21	6M22	6M21	6M22	6M21
Gross written premiums	100,958	68,808	3,367	3,379	33,167	30,703	102,017	48,721	111	124	239,619	151,735
Net premiums written	99,664	67,623	3,367	3,379	31,922	30,044	102,017	48,721	66	29	237,036	149,796
Variation in technical reserves	10,729	-22,870	-104	26	-775	1,058	0	0	1,702	-335	11,552	-22,121
Claims paid	-64,093	-49,791	-860	-938	-19,868	-21,785	-38	0	8,281	29,379	-76,578	-43,135
Pensions paid	-1,144	-574	0	0	0	0	-144,610	-78,916	-7,942	-26,368	-153,696	-105,858
Underwriting expenses	-5,207	-4,051	-1,341	-964	-1,856	-1,761	-732	-489	0	0	-9,136	-7,265
Medical expenses	-7	-4	0	0	-1	-3	0	0	0	0	-8	-7
Insurance impairment	43	0	0	0	62	-15	0	0	0	0	106	-15
Contribution Margin	39,985	-9,668	1,062	1,503	9,485	7,539	-43,287	-30,684	2,107	2,705	9,351	-28,605
CUI portfolio	-28,478	16,094									-28,478	16,094
Proprietary portfolio											65,519	57,064
Investment income											37,041	73,158
Administrative expenses											-19,083	-15,636
Exchange differences											2,510	156
Gain (loss) on indexed assets and liabilities											-11,123	-2,943
Other income and expenses											8	-24
Income tax expense											5,716	-2,497
Profit for the period											24,420	23,608

In MCH\$	Individual		Family Protection		Group Insurance		Annuities		DSI		Total	
	2Q22	1Q22	2Q22	1Q22	2Q22	1Q22	2Q22	1Q22	2Q22	1Q22	2Q22	1Q22
Gross written premiums	54,972	45,986	1,639	1,728	16,689	16,478	54,670	47,346	62	49	128,032	111,587
Net premiums written	54,300	45,364	1,639	1,728	15,755	16,168	54,670	47,346	39	27	126,403	110,633
Variation in technical reserves	-7,724	18,453	-2	-102	352	-1,127	0	0	608	1,094	-6,765	18,317
Claims paid	-34,277	-29,816	-393	-467	-11,043	-8,824	0	-38	-2,090	10,370	-47,803	-28,775
Pensions paid	-353	-791	0	0	0	0	-77,789	-66,820	2,305	-10,248	-75,837	-77,859
Underwriting expenses	-2,619	-2,589	-725	-616	-957	-899	-421	-311	0	0	-4,721	-4,414
Medical expenses	-5	-2	0	0	-1	0	0	0	0	0	-6	-3
Insurance impairment	43	0	0	0	38	25	0	0	0	0	81	25
Contribution Margin	9,366	30,619	519	543	4,143	5,342	-23,540	-19,747	863	1,244	-8,649	18,000
CUI portfolio	-2,218	-26,260									-2,218	-26,260
Proprietary portfolio											31,908	33,610
Investment income											29,690	7,350
Administrative expenses											-9,212	-9,871
Exchange differences											2,709	-199
Gain (loss) on indexed assets and liabilities											-7,361	-3,761
Other income and expenses											19	-12
Income tax expense											3,909	1,807
Profit for the period											11,105	13,315

Individual Insurance (42.1% of gross written premiums as of June 2022)

Individual insurance policies are contracted by individuals to cover certain risks (life, health, credit life, etc.). They include product lines 101-112 and 425 and exclude line 107 in figure 601 in the financial statements of Vida Security.

The contribution margin was profit of MCH\$39,985 for 6M22, versus a loss of -MCH\$9,668 for 6M21, due to a positive variation in technical reserves because of weaker investment income. Gross written premiums were MCH\$100,958 for 6M22 (+46.7% YoY), due to greater gross written premiums from insurance with savings components (CUI) and, to a smaller extent, from voluntary retirement savings (APV) insurance, in line with the company's commercial strategy, which has positioned it second in the market by premiums. The variation in technical reserves was +MCH\$10,729, versus -MCH\$22,870 for 6M21, due to weaker investment income from the CUI and APV portfolios of -MCH\$28,478 (+MCH\$16,094 for 6M21), offset by increased premiums (+46.7% YoY). Meanwhile, underwriting expenses totaled -MCH\$5,207 (+28.5% YoY) due to increased premium volumes during the period. Although underwriting expenses are greater in absolute terms, the company has a lower underwriting expense rate (5.2% for 6M22, -77 bps YoY). Meanwhile, claims paid totaled MCH\$64,093 (+28.7% YoY) due to increased surrenders and transfers from CUI and APV policies.

Negative variations in the CUI and APV investment portfolio are counterbalanced by releases of technical reserves and do not include the positive effect of exchange differences, which are presented within 'exchange differences' in the income statement.

As of June 2022, CUI and APV policies represent 92.1% of total individual insurance premiums.

Individual Insurance In MCH \$	2Q22	1Q22	% Chg. QoQ	6M22	6M21	% Chg.
Gross written premiums	54,972	45,986	19.5%	100,958	68,808	46.7%
Net premiums written	54,300	45,364	19.7%	99,664	67,623	47.4%
Variation in technical reserves	-7,724	18,453	-	10,729	-22,870	-
Claims paid	-34,277	-29,816	15.0%	-64,093	-49,791	28.7%
Pensions paid	-353	-791	-55.3%	-1,144	-574	99.3%
Underwriting expenses	-2,619	-2,589	1.2%	-5,207	-4,051	28.5%
Medical expenses	-5	-2	97.8%	-7	-4	58.8%
Insurance impairment	43	0	-	43	0	-
Contribution Margin	9,366	30,619	-69.4%	39,985	-9,668	-
Claims rate (1)	63.8%	67.5%	-369 p	65.5%	74.5%	-902 p
Underwriting expense rate (2)	4.8%	5.7%	-88 p	5.2%	6.0%	-77 p

(1) Claims paid/ Net written premiums (2) Underwriting expense/ Net written premiums

For the quarter, the contribution margin totaled +MCH\$9,366 versus +MCH\$30,619 in 1Q22. Premium volumes were up 19.5% due to an increase in CUI premiums and, to a lesser extent, in APV premiums. The variation in technical reserves was a negative -MCH\$7,724 (vs MCH\$18,453 in 1Q22) explained by greater premium volumes, in addition to improved investment results from the CUI and APV portfolios of -MCH\$2,218 in 2Q22 vs -MCH\$26,260 in 1Q22, thus releasing fewer technical reserves. In addition, claims paid were up 15.0%, explained by increased surrenders.

Family Protection (1.4% of gross written premiums as of June 2022)

Family Protection In MCH\$	2Q22	1Q22	% Chg. QoQ	6M22	6M21	% Chg.
Gross written premiums	1,639	1,728	-5.2%	3,367	3,379	-0.4%
Net premiums written	1,639	1,728	-5.2%	3,367	3,379	-0.4%
Variation in technical reserves	-2	-102	-98.2%	-104	26	-
Claims paid	-393	-467	-15.9%	-860	-938	-8.2%
Pensions paid	0	0	-	0	0	-
Underwriting expenses	-725	-616	17.6%	-1,341	-964	39.0%
Medical expenses	0	0	-	0	0	-
Insurance impairment	0	0	-	0	0	-
Contribution Margin	519	543	-4.3%	1,062	1,503	-29.3%
Claims rate (1)	24.0%	27.0%	-306 p	25.6%	27.7%	-220 p
Underwriting expense rate (2)	44.2%	35.7%	856 p	39.8%	28.5%	1128 p

(1) Claims paid/ Net written premiums (2) Underwriting expense/ Net written premiums

Family protection insurance covers the insured party's family group in the event of death or disability, depending on the terms of the policy. It is product line 107 in figure 601 in the Vida Security financial statements.

The contribution margin was MCH\$1,062 for 6M22 (-29.3% YoY) due to higher underwriting expenses of MCH\$1,341 (+39.0% YoY), changes in the sales mix towards higher-fee products and a variation in technical reserves of -MCH\$104, versus +MCH\$26 in 6M21. Gross written premiums totaled MCH\$3,367, stable from one year to the next (-0.4% YoY), while cost of claims reached MCH\$860, 8.2% less than last year.

Compared to the preceding quarter, the contribution margin fell 4.3% due to a rise in underwriting expenses of MCH\$725 (+17.6% QoQ), and a smaller volume of gross written premiums of MCH\$1,639 (-5.2% in 1Q22).

Group Insurance (13.8% of gross written premiums as of June 2022)

Group insurance is contracted by a company for its employees and may include life or health coverage, depending on the terms of the policy. It also includes credit life insurance covering the unpaid balance of debt in the event of the insured party's death. Based on figure 601 in the financial statements of Vida Security, it includes product lines 202-213 and 302-312 and excludes lines 207 and 307.

Group Insurance In MCH\$	2Q22	1Q22	% Chg. QoQ	6M22	6M21	% Chg.
Gross written premiums	16,689	16,478	1.3%	33,167	30,703	8.0%
Net premiums written	15,755	16,168	-2.6%	31,922	30,044	6.3%
Variation in technical reserves	352	-1,127	-	-775	1,058	-
Claims paid	-11,043	-8,824	25.1%	-19,868	-21,785	-8.8%
Pensions paid	0	0	-	0	0	-
Underwriting expenses	-957	-899	6.5%	-1,856	-1,761	5.4%
Medical expenses	-1	0	78.0%	-1	-3	-53.2%
Insurance impairment	38	25	52.8%	62	-15	-
Contribution Margin	4,143	5,342	-22.4%	9,485	7,539	25.8%
Claims rate (1)	70.1%	54.6%	1551 p	62.2%	72.5%	-1027 p
Underwriting expense rate (2)	6.1%	5.6%	52 p	5.8%	5.9%	-5 p

(1) Claims paid/ Net written premiums (2) Underwriting expense/ Net written premiums

For 6M22, the contribution margin reached MCH\$9,485 (+28.8% YoY), due to a rise in gross written premiums to MCH\$33,167. In addition, it reported a decrease in its loss ratio (62.2%, -1,027 bps YoY) and a variation in technical reserves of -MCH\$775 for 6M22 (+MCH\$1,058 for 6M21).

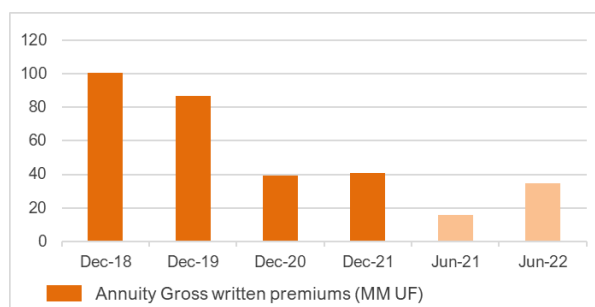
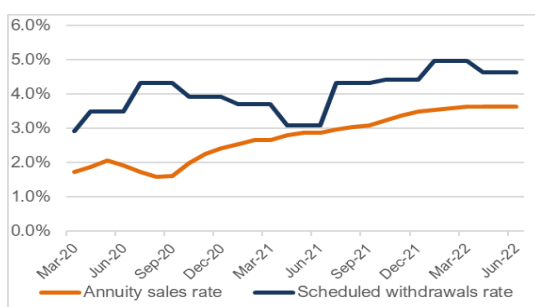
For the quarter, it reported profit of MCH\$4,143 (-22.4% QoQ) due to increased claims paid of MCH\$11,043 (+25.1% QoQ) on group life policies and due to seasonal effects of group health policies, partially offset by MCH\$352 in technical reserves released (-MCH\$1,129 in 1Q22) and a larger volume of gross written premiums (+1.3% QoQ).

Annuities (42.6% of gross written premiums as of June 2022)

Workers that choose an annuity upon retirement turn over their retirement funds to an insurance company and receive in exchange a fixed, inflation-indexed monthly payment for the rest of their life and survivor pensions for their legal beneficiaries. Based on figure 601 in the financial statements of Vida Security, it includes product lines 421, 422 and 423¹¹.

When an annuity is sold, a reserve must be recognized in the company's liabilities, equivalent to the present value of the obligations to the retiree, which is recognized within the line item pensions paid. This results in an accounting loss in the income statement.

As of June 2022, annuity sales rates in the industry averaged 3.61% (2.73% as of June 2021). In contrast, the rate for calculating scheduled withdrawals has averaged 4.62% for the year (vs 3.08% as of June 2021), which has driven retirees to prefer scheduled withdrawals over annuities, thus sharply reducing sales industry-wide in recent years. As of June 2022, the industry's total annuity premiums reached MUF30.7, up +120.9% from June 2021, but still below levels from prior years.



Annuities	2Q22	1Q22	% Chg. QoQ	6M22	6M21	% Chg.
In MCH\$						
Gross written premiums	54,670	47,346	15.5%	102,017	48,721	109.4%
Net premiums written	54,670	47,346	15.5%	102,017	48,721	109.4%
Pensions paid	-77,789	-66,859	16.3%	-144,648	-78,916	83.3%
Underwriting expenses	-421	-311	35.2%	-732	-489	49.7%
Contribution Margin	-23,540	-19,747	19.2%	-43,287	-30,684	41.1%
Underwriting expense rate (1)	0.8%	0.7%	11 p	0.7%	1.0%	-29 p

(1) Claims paid/ Net written premiums

¹¹This also includes line 424 from the SVS, which corresponds to the old Disability and Survivor's system defined in Circular 528 (C-528). As of September 2021, this line accounts for only MCH\$598 in pensions paid by Vida Security.

The contribution margin for annuities was a loss of -MCH\$43,287 for 6M22 (vs a loss of -MCH\$30,684 for 6M21), with a 109.4% rise in gross written premiums to MCH\$102,017. and market share of 8.9%. This effect was offset by an increase in pensions paid, reaching MCH\$144,610 for 6M22 (+83.2% YoY), because of higher sales volumes. When an annuity is sold with liability is recorded, known as the reserve, which is calculated based on CMF regulations and is equivalent to the present value of future pension payments that must be made by the company, adjusted based on current mortality rates. This reserve is backed primarily by long-term financial investments in accordance with strict matching standards.

For the quarter, the contribution margin was a loss of -MCH\$23,540 (loss of -MCH\$12,603 for 1Q22) due to increased pensions paid (+16.4% QoQ) because of a higher volume of gross written premiums (+15.5% QoQ).

Disability and Survivor Insurance (DSI)

Disability and survivor insurance is mandatory for all individuals with pension accounts at Pension Fund Management Companies (AFPs) and is directly contracted collectively by the AFPs for these individuals through semi-annual public bidding processes. It is financed by employers throughout a member's active work life with a fraction of the additional amount charged by the AFP¹². It provides protection to the insured and his or her family group in the event of disability or death of the insured party. Based on figure 601 in the financial statements of Vida Security, it includes product line 420.

DSI In MCH\$	2Q22	1Q22	% Chg. QoQ	6M22	6M21	% Chg.
Gross written premiums	62	49	25.5%	111	124	-10.2%
Net premiums written	39	27	44.1%	66	29	-
Variation in technical reserves	608	1,094	-44.4%	1,702	-335	-
Claims paid	-2,090	10,370	-	8,281	29,379	-71.8%
Pensions paid	2,305	-10,248	-	-7,942	-26,368	-69.9%
Contribution Margin	863	1,244	-30.7%	2,107	2,705	-22.1%

This table of pensions paid includes disability and survivor payments to insured retirees. Claims paid includes a reserve for the present value of the obligation with the insured parties.

The fifth DSI tender was organized by the AFPs for the period from July 2016 to June 2018, and Vida Security was awarded two fractions for men and two for women. The eighth tender for DSI insurance for the next period (July 1, 2022 to June 30, 2023) was concluded in April 2022. and Vida Security was not awarded any fractions.

Gross written premiums totaled MCH\$111 for 6M22, while the contribution margin was MCH\$2,107 (-22.1% YoY). These results are for the portfolio from the 5th DSI tender. As a run-off portfolio, the business is less significant each year.

Vida Security - Consolidated Results

Vida Security reported profit of MCH\$24,420 (+3.4% YoY) for 6M22, with MCH\$239,619 in premiums (+57.9% YoY). The improved result is explained largely by a greater premium volume and improved returns on the proprietary trading portfolio of MCH\$65,519 (+14.8% YoY), maintaining a stable ROI of 5.54% (-1 bps YoY). These effects were offset by an increase in claims and pensions paid, totaling MCH\$230,198 (+54.5% YoY), related to increased sales and the negative impact of losses on indexed assets and liabilities of -MCH\$11,123 (-MCH\$2,943 for 6M21).

For the quarter, the subsidiary reported profit of MCH\$11,105, 16.6% less than the prior year, due to an increase in claims paid (+66.6% QoQ), larger losses on indexed assets and liabilities of -MCH\$7,361 (-MCH\$3,761 in 1Q22) and reduced returns on the

¹² <http://www.spensiones.cl/portal/orientacion/580/w3-article-3024.html>

proprietary trading portfolio (-5.1% QoQ).

In MCH\$	2Q22	1Q22	% Chg. QoQ	6M22	6M21	% Chg.
Gross written premiums	128,032	111,587	14.7%	239,619	151,735	57.9%
Net premiums written	126,403	110,633	14.3%	237,036	149,796	58.2%
Variation in technical reserves	-6,765	18,317	-	11,552	-22,121	-
Claims paid	-47,803	-28,699	66.6%	-76,502	-43,135	77.4%
Pensions paid	-75,837	-77,859	-2.6%	-153,696	-105,858	45.2%
Underwriting expenses	-4,721	-4,414	7.0%	-9,136	-7,265	25.8%
Medical expenses	-6	-3	96.0%	-8	-7	18.7%
Insurance impairment	81	25	228.2%	106	-15	-
Contribution Margin	-8,649	18,000	-	9,351	-28,605	-
Administrative expenses	-9,212	-9,871	-6.7%	-19,083	-15,636	22.0%
CUI Portfolio	-2,218	-26,260	-91.6%	-28,478	16,094	-
Proprietary portfolio	31,908	33,610	-5.1%	65,519	57,064	14.8%
Investment income	29,690	7,350	303.9%	37,041	73,158	-49.4%
Exchange differences	2,709	-199	-	2,510	156	1514.2%
Gain (loss) on indexed assets and liabilities	-7,361	-3,761	95.7%	-11,123	-2,943	277.9%
Other income and expenses	19	-12	-	8	-24	-
Income tax expense	3,909	1,807	116.4%	5,716	-2,497	-
Profit for the period	11,105	13,315	-16.6%	24,420	23,608	3.4%
Administrative ratios						
(1) (Claims paid + pension paid)/ Net written premium	97.8%	96.3%	150 p	97.1%	99.5%	-235 p
(2) Administrative expenses/ Net written premiums	7.3%	8.9%	-163 p	8.1%	10.4%	-239 p
(3) Underwriting expenses/ Net written premiums	3.7%	4.0%	-25 p	3.9%	4.8%	-100 p
Combined Ratio (1) + (2) + (3)	108.8%	109.2%	-39 p	109.0%	114.8%	-573 p
(4) Profit / Net written premiums	8.8%	12.0%	-325 p	10.3%	15.8%	-546 p

In aggregate, gross written premiums reached MCH\$239,619 for 6M22 (+57.9% YoY) explained by higher annuity sales (+109.4% YoY), increased premiums on individual insurance policies (+46.7% YoY) and, to a lesser extent, increased premiums on group policies (+8.0% YoY).

For 6M22, the subsidiary recognized a variation in technical reserves of +MCH\$11,552 (-MCH\$22,121 for 6M21) for individual insurance, due to negative returns on investments in the CUI and APV portfolios (-MCH\$28,478 vs +MCH\$16,094 in 1Q21). Claims and pensions paid totaled MCH\$230,198 (+54.5% YoY), because of an increase in annuities paid resulting from higher sales and an increase in surrenders and transfers in CUI and APV policies.

This explains the contribution margin of MCH\$9,351 for 6M22, compared to -MCH\$28,605 for 6M21.

The area reported investment income of MCH\$37,041 (-49.4% YoY), attributable to weaker returns from equity investments and indexes in the CUI and APV portfolio, with an ROI of 2.4% (5.5% for 6M21). Negative returns from the CUI and APV investment portfolio are counterbalanced by releases of technical reserves. Administrative expenses reached MCH\$19,083 (+22.0% YoY), giving a ratio of administrative expenses to net premiums written of 8.1%, 239 bps less than 6M21.

Furthermore, for 6M22 the subsidiary reported an income tax benefit of +MCH\$5,716 (expense of -MCH\$2,497 for 6M21). This positive amount can be explained primarily by permanent differences as well as price-level restatement of equity because of higher inflation (UF variation 6.8% for 6M22 vs 2.2% for 6M21) and dividends on the investment portfolio received by the company. In addition, profit before tax was 28.3% lower than 6M21.

For the quarter, Vida Security reported profit of MCH\$11,105 (16.6% QoQ). The increase in gross premiums written (+14.7% QoQ) is explained by a rise in individual premium volumes (+19.5% QoQ) and, to a lesser extent, in annuities (+15.5% QoQ). For the quarter, the subsidiary reported a 303.9% rise in investment income attributable to stronger returns from equity investments

and indexes in the CUI and APV portfolio, offset by weaker returns in the proprietary trading portfolio. The total variation in technical reserves was -MCH\$6,765 (+MCH\$18,317 for 1Q22) due to improved returns from CUI and APV investments. It reported an income tax benefit of +MCH\$3,909 (+MCH\$2,103 for 1Q22), due to increased price-level restatement of equity because of higher inflation in 2Q22 (UF variation of 4.3% in 2Q22 vs 2.4% in 1Q22), given the smaller profit before tax with respect to the prior year.

Administrative Expenses - Vida Security

<i>In MCH\$</i>	2Q22	1Q22	% Chg QoQ	6M22	6M21	%Chg.
Payroll	3,914	3,936	-0.5%	7,850	6,951	12.9%
Distribution channel expenses	681	915	-25.6%	1,596	1,393	14.6%
Other	4,617	5,020	-8.0%	9,637	7,292	32.2%
Total administrative expenses	9,212	9,871	-6.7%	19,083	15,636	22.0%

For 6M22, Vida Security reported administrative expenses of MCH\$19,083 (22.0% YoY), giving a ratio of expenses to net premiums written of 8.1% (10.4% for 6M21). In particular, it had higher payroll expenses (+12.9% YoY) due to termination benefits paid during the period and an increase in “other expenses” (+32.2% YoY) because of increased business volumes, technology projects and higher corporate rates, mostly in the digital area.

In a quarterly comparison, expenses totaled MCH\$9,212 (-6.7% QoQ), largely because of the line item ‘other expenses’ (-25.6% QoQ), with a high basis of comparison due to technology project expenses in 1Q22. Payroll expenses held steady for the period (-0.5% QoQ).

Investment Income - Vida Security

The subsidiary’s investment income for 6M22 totaled MCH\$37,041 (-49.4% YoY), giving an ROI of 2.4% (-307 bps YoY). The proprietary trading portfolio had income of MCH\$65,519 (+14.8% YoY), with an ROI of 5.5% (-1bps YoY) due to greater returns from local fixed-income instruments and real estate funds, plus gains from exchange differences, offset by lower returns from alternative assets with respect to the same period last year. In alternative assets, the results for 6M21 represent a high basis of comparison because of extraordinary performances during the period, above long-term trends. Meanwhile, the CUI and APV portfolios reported a loss of -MCH\$28,478 for 6M22 (+MCH\$16,094 for 6M21), also associated with weaker returns on equity instruments and indexes. Weaker returns in the CUI and APV investment portfolio are counterbalanced by releases of technical reserves and do not include the positive effect of exchange differences, which are presented within ‘exchange differences’ in the income statement.

In the second quarter, investment income reached MCH\$26,690 (+303.9% QoQ), with an ROI of 3.8% (1.0% in 1Q21). The proprietary trading portfolio reported income of MCH\$31,908, (-5.1% QoQ, ROI 5.4%, -61 bps QoQ) due to losses from exchange differences, offset largely by improved returns on alternative assets, infrastructure funds and international equities. The CUI and APV portfolio reported a loss of -MCH\$2,218 (-MCH\$26,260 for 1Q21) due to weaker returns from fixed-income instruments and partial recovery in equities and indexes.

Investment Stock In Ch\$ Million	2Q22	1Q22	2Q21	% Chg		Stock % 2Q22
				QoQ	YoY	
Fixed Income	1,891,170	1,826,764	1,715,113	3.5%	10.3%	61.3%
Equities and indexes	815,074	728,177	661,701	11.9%	23.2%	26.4%
Real estate	339,511	335,066	277,294	1.3%	22.4%	11.0%
Other investments	39,578	31,774	22,058	24.6%	79.4%	1.3%
Investments Stock	3,085,333	2,921,782	2,676,166	5.6%	15.3%	-
CUI Portfolio	718,072	680,545	619,039	5.5%	16.0%	23.3%
Proprietary portfolio	2,367,261	2,241,237	2,057,126	5.6%	15.1%	76.7%
Investments Stock	3,085,333	2,921,782	2,676,166	5.6%	15.3%	-

Investment Income In Ch\$ Million	2Q22	1Q22	% Chg QoQ	6M22	6M21	% Chg.
Equities and indexes	12,906	-20,338	-	-7,433	42,525	-
Real estate	2,955	3,955	-25.3%	6,910	6,837	1.1%
Other investments	-5,810	7,057	-	1,247	-746	-
Investments Income	29,690	7,350	303.9%	37,041	73,158	-49.4%
CUI Portfolio	-2,218	-26,260	-91.6%	-28,478	16,094	-
Proprietary portfolio	31,908	33,610	-5.1%	65,519	57,064	14.8%
Investments Income	29,690	7,350	303.9%	37,041	73,158	-49.4%

ROI	2Q22	1Q22	% Chg QoQ	6M22	6M21	% Chg.
Equities and indexes	6.3%	-11.2%	1751 p	-1.82%	12.85%	-1468 p
Real estate	3.5%	4.7%	-124 p	4.07%	4.93%	-86 p
Other investments	-58.7%	88.8%	-14757 p	6.30%	-6.76%	1307 p
CUI Portfolio	-1.2%	-15.4%	1420 p	-7.93%	5.20%	-1313 p
Proprietary portfolio	5.4%	6.0%	-61 p	5.54%	5.55%	-1 p
ROI	3.8%	1.0%	284 p	2.4%	5.5%	-307 p

Exchange Differences and Gain (Loss) from Indexation Adjustments

Exchange differences totaled +MCH\$2,510 for 6M22 (+MCH\$2,355 for 6M21 and -MCH\$199 for 1Q22) due to an increase in exchange rates both YoY and QoQ. The subsidiary also posted a loss from indexed assets and liabilities for 6M22 of -MCH\$11,123 (+277.9% YoY), due to higher inflation during the period (UF variation of 6.76% for 6M22 versus 2.2% for 6M21). Quarter on quarter, it had a loss from indexed assets and liabilities of MCH\$7,361 as a result of the rise inflation during the period (+4.3% QoQ).

OTHER SERVICES BUSINESS AREA (0.9% of assets; 1.5% of profit from business areas as of June 2022)

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.

INMOBILIARIA SECURITY

Inmobiliaria Security reported profit of MCH\$169 for 6M22 (-92.7% YoY) due to legal title transferred on fewer units. During 6M22, ownership was transferred on 29 units versus 55 units in 6M21, in line with the current investment cycle. For the quarter, the subsidiary had a loss of -MCH\$138 (profit of MCH\$307 for 1Q22) due to legal title transfers on fewer units (7 versus 22 in 1Q22).

Inmobiliaria Security signed purchase promise agreements totaling THUF 172 for 6M22 (-68.5% YoY) because of smaller volumes sold (-68.4% YoY) and a lower average price per unit sold. For the quarter, it signed purchase promise agreements for THUF 131 (+208.4% QoQ), with larger volumes sold (+100.0% QoQ) and a higher average price. Real estate assets under management totaled MCH\$84,999 (+3.0% YoY) explained by existing projects, offset by ownership transfers during the period. There is a lag between a sale and revenue recognition. Under IFRS, revenue is recognized once legal title to the property has been transferred.

<i>In Ch\$ Million</i>	2Q22	1Q22	% Chg QoQ	6M22	6M21	% Chg
Real estate assets under management	84,999	73,138	16.2%	84,999	82,534	3.0%
Purchase promise agreements (UF)	130,616	42,350	208.4%	172,966	548,933	-68.5%
Purchase promise agreements (Units)	8	4	100.0%	12	38	-68.4%
Ownership transfers (UF)	162,332	285,441	-43.1%	447,773	998,642	-55.2%
Ownership transfers (Units)	7	22	-68.2%	29	55	-47.3%
Profit for the period	-138	307	-	169	2,309	-92.7%

TRAVEL AGENCY: TRAVEL SECURITY

Travel Security, including Travel Peru, had profit of MCH\$1,661 for 6M22 (versus a loss of -MCH\$278 for 6M21) due to a gradual recovery in sales, approaching pre-pandemic sales figures in the second quarter. Sales totaled MUS \$93 (+235.5% YoY, +65.7% QoQ).

	2Q22	1Q22	% Chg QoQ	6M22	6M21	% Chg
Total sales - Travel (MUSD)	58	35	65.7%	93	28	235.5%
Net operating income (MCH\$)	1,925	566	240.1%	2,491	4	-
Profit for the period - Travel (MCH\$)	1,260	401	214.2%	1,661	(278)	-

Travel Perú, Travel Security's subsidiary, reported sales of MUS \$16 for 6M22 (+262.2% YoY, +53.4% QoQ) and profit of THUS \$148 (loss of -THUS \$322 for 6M21), because of the gradual recovery in sales.

INTERNATIONAL BUSINESS AREA (5.2% of assets as of June 2022)

The international business area reported a loss attributable to the owners of the parent of -MCH\$1,796. This area has consolidated 61% of Protecta Security since November 2018. Protecta Security is a Peruvian life insurance company focused on annuities that was acquired in September 2015, and marks Grupo Security's entrance into the Peruvian financial market. This area also consolidates 75% of Travel Perú, the group's travel agency in Peru.

Protecta Security

For 6M22 Protecta reported profit of MS./10.1 (+6.4% YoY). During the period, it had total premiums written of MS./307 (+0.4% YoY), with a drop in private annuities (-35.2% YoY) offset by a rise in annuities (+17.8% YoY). The subsidiary reported greater investment income of MS./103.3 (+52.8% YoY). These effects were partially offset by an increase in claims paid (+31.2% YoY), related to a larger stock of pensions payable and indexation of pensions because of high inflation in Peru.

Protecta reported annuity sales of MS./185.2 (+17.8% YoY) and market share of 21.5%. In addition, it recorded annuity sales of MS./71.2 (-35.2% YoY) explained by a market contraction (-7.8% YoY) and heightened competition in this product line. Overall, Protecta had market share of 12.5% as of June 2022 in this product line.

For the quarter, profit was MS./4.9 (-5.3% QoQ) with a lower premium volume of MS./144.3 (-6.5% QoQ) and increased claims (+7.5% QoQ), partly offset by improved investment income of MS./53.9 (+9.0% QoQ).

<i>In S./ Thousands</i>	2Q22	1Q22	% Chg QoQ	6M22	6M21	% Chg YoY
Annuities - Premiums written	88,446	96,791	-8.6%	185,238	157,230	17.8%
Annuities - Market share	22.7%	20.5%	225 p	21.5%	22.3%	-77 p
Private annuities - Premiums written	30,904	40,283	-23.3%	71,187	109,928	-35.2%
Private annuities - Market share	11.5%	13.5%	-191 p	12.5%	17.9%	-533 p
Premiums written	148,338	158,664	-6.5%	307,002	305,694	0.4%
Investment income	53,883	49,420	9.0%	103,303	67,605	52.8%
Annualised return (LTM)	8.4%	8.3%	9 p	8.4%	6.8%	155 p
Profit for the period	4,928	5,204	-5.3%	10,133	9,519	6.4%

RISK RATINGS

	Grupo Security	Banco Security	Vida Security	Factoring Security	Inv. Previsión Security
FitchRatings (local)	AA-	AA	AA	AA-	A+
ICR (local)	AA-	AA	AA	AA-	A+
FitchRatings (international)		BBB			

BONDS ISSUED BY GRUPO SECURITY

Series	Registration Number	Registration Date	Currency	Amount	Annual Interest Rate	Duration (Years)	Maturity
K	763	30/06/13	UF	3,000,000	4.00	25	30/06/38
L3	795	09/10/14	UF	3,000,000	3.40	21	15/11/35
M	842	25/10/16	UF	1,189,000	4.20	25	15/10/41
N1	885	31/01/18	UF	1,500,000	2.85	25	10/12/42
S	1,036	30/06/20	UF	1,000,000	2.00	20	30/06/40
Total			UF	9,689,000			

Returns and Dividends

On October 7, 2021, the board of Grupo Security agreed to pay a total dividend of CH \$5.5 per share, charged to profit for the year.

At the annual general meeting on April 21, 2022, Grupo Security shareholders approved a dividend payment of CH \$8.5 per share charged to profit for the year 2021. This dividend plus the interim dividend distributed in October 2021 are equivalent to CH \$14.0 per share, totaling MCH\$56,155, or 63% of profit for the year 2021.

The Group's dividend yield as of June 30th, calculated as dividends per share over the last 12 months divided by the stock price, was 10.9% as of that date, and 10.5% as of August 16th. Grupo Security's stock reported a return of +15.9% for 6M22, outperforming the S&P/CLX IPSA (+14.9%).

2Q22 EARNINGS CONFERENCE CALL

Grupo Security's second quarter earnings report will be explained to the market in a conference call on August 19th. 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 results of the different business units, which are not guarantees of future results and are subject to significant risks and uncertainty. They may be affected by a number of unforeseen factors such as changes in global economic conditions, changes in market conditions, regulatory changes, actions by competitors and operational and financial risks inherent to the financial services business.

APPENDICES

1. Financial Statements and Indicators - Assets

Assets	December, 31	June, 30
In Ch\$ Millions	2021	2022
Current assets		
Cash and cash equivalents	934,936	667,963
Other financial assets, current	4,519,523	5,049,413
Other non-financial assets, current	7,608	15,215
Trade and other receivables, current	7,175,834	7,495,962
Accounts receivable from related parties, current	73,570	70,469
Inventories	109,167	115,372
Biological assets, current	0	0
Current tax assets	45,341	32,954
Total current assets other than assets or disposal groups classified as held for sale or held for distribution to owners	12,865,980	13,447,349
Non-current assets or disposal groups classified as held for sale or held for distribution to owners	12,746	29,938
Total non-current assets classified as held for sale or held for distribution to owners	12,746	29,938
Total current assets	12,878,727	13,477,287
Non-current assets		
Other non-financial assets, non-current	84,754	63,160
Equity-accounted investments	2,511	4,707
Intangible assets other than goodwill	38,536	40,698
Goodwill	119,067	119,067
Property, plant and equipment	47,072	46,906
Investment property	356,232	418,014
Assets for right of use	8,637	8,570
Deferred tax assets	97,138	108,974
Total non-current assets	753,948	810,095
Total assets	13,632,674	14,287,382

2. Financial Statements and Indicators - Liabilities and Equity

Liabilities and Equity In Ch\$ Millions	December, 31 2021	June, 30 2022
Other financial liabilities, current	8,368,694	8,607,468
Liabilities for leases, current	2,073	2,332
Trade and other payables	3,356,391	3,652,478
Accounts payable to related parties, current	1,410	633
Other short-term provisions	50,648	63,244
Current tax liabilities	38,458	18,920
Employee benefit provisions, current	16,855	17,275
Other non-financial liabilities, current	108,790	154,886
Total current liabilities other than liabilities or disposal groups classified as held for sale or held for distribution to owners	11,943,319	12,517,235
Liabilities held for sale	690	473
Total non-current liabilities classified as held for sale or held for distribution to owners	690	473
Total current liabilities	11,944,010	12,517,708
Non-current liabilities		
Other financial liabilities, non-current	807,655	870,273
Liabilities for leases, non-current	6,968	6,634
Accounts payable, non-current	2,216	5,144
Accounts payable to related parties, non-current	3,736	3,988
Deferred tax liabilities	1,011	808
Total non-current liabilities	821,586	886,847
Total liabilities	12,765,595	13,404,556
Equity		
Issued Capital	487,698	487,698
Retained earnings	446,731	461,940
	-4,637	(5,735)
Other reserves	(91,993)	(91,156)
Equity attributable to equity holders of parent	837,799	852,747
Non-controlling interests	29,280	30,079
Total equity	867,079	882,826
Total liabilities and equity	13,632,674	14,287,382

1. Financial Statements and Indicators - Consolidated Statement of Income

Consolidated statement of income (MCh\$)	June, 30 2021	June, 30 2022
Revenue	623,840	1,242,968
Cost of sales	-444,690	-1,002,199
Gross profit	179,150	240,769
Other income	1,066	974
Administrative expenses	-115,185	-134,042
Other expenses	-3,880	-9,430
Other gains	638	551
Finance income	263	2,434
Finance costs	-6,969	-9,427
Share of profit (loss) of associates and joint ventures, equity-accounted	-168	-772
Exchange differences	1,059	5,280
Gain (loss) on indexed assets and liabilities	-9,801	-34,889
Gains arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value	0	0
Profit before tax	46,172	61,448
Income tax benefit (expense)	-5,326	4,264
Profit (loss) from continuing operations	40,847	65,712
Profit (loss) from discontinued operations	0	0
Profit (loss) for the period	40,847	65,712
Profit (loss) attributable to		
Profit (loss) attributable to equity holders of the parent	40,542	66,948
Profit (loss) attributable to non-controlling interests	304	-1,236
Profit (loss) for the period	40,847	65,712
Depreciation and amortization	6,665	5,410
Ebitda	59,807	76,285

2. Segment Note - Grupo Security YoY

Segment Note - Grupo Security	Lending and Treasury		Asset Management		Insurance		International Business		Other Services		Consolidation Adjustments, Support Areas and Group Expenses		Total Grupo Security	
	Jun-21	Jun-22	Jun-21	Jun-22	Jun-21	Jun-22	Jun-21	Jun-22	Jun-21	Jun-22	Jun-21	Jun-22	Jun-21	Jun-22
<i>In MCH\$</i>														
Revenue	257,241	811,081	29,223	36,987	232,835	285,907	75,037	88,668	29,757	20,995	-254	-670	623,840	1,242,968
Cost of sales	-158,317	-659,604	-13,198	-13,937	-183,313	-232,703	-67,848	-82,778	-21,768	-12,215	-247	-963	-444,690	-1,002,199
Gross profit	98,924	151,477	16,025	23,051	49,522	53,204	7,189	5,889	7,989	8,780	-501	-1,633	179,150	240,769
Other income	16	413	466	26	71	106	-18	-38	438	387	93	81	1,066	974
Administrative expenses	-59,511	-69,366	-15,473	-15,841	-20,038	-24,010	-5,966	-8,919	-5,446	-6,800	-8,751	-9,107	-115,185	-134,042
Other expenses	-2,725	-8,882	-855	-330	-147	-150	-158	-65	-9	-5	14	2	-3,880	-9,430
Other gains (losses)	0	0	0	19	45	48	293	249	105	107	195	129	638	551
Finance income	0	0	259	69	2	140	0	0	2	100	0	2,124	263	2,434
Finance costs	0	0	-3	-154	-49	-151	-36	-53	-541	-1,346	-6,339	-7,723	-6,969	-9,427
Share of profit (loss) of associates and joint ventures, equity-accounted	0	0	0	0	-153	-1,573	0	0	-1	-1	-15	802	-168	-772
Exchange differences	414	20	1,983	2,315	494	2,530	-1,520	34	-62	183	-250	200	1,059	5,280
Gain (loss) from indexed assets and liabilities	29	12	324	509	-2,939	-11,015	0	0	395	34	-7,610	-24,429	-9,801	-34,889
Profit (loss) before tax	37,147	73,673	2,726	9,663	26,808	19,129	-216	-2,903	2,870	1,440	-23,163	-39,554	46,172	61,448
Income tax benefit (expense)	-5,213	-7,520	1,200	98	-2,653	5,806	64	-30	-475	134	1,752	5,776	-5,326	4,264
Profit (loss) from continuing operations	31,934	66,154	3,926	9,761	24,154	24,935	-151	-2,933	2,395	1,574	-21,411	-33,778	40,847	65,712
Profit (loss) attributable to														
Profit (loss) attributable to equity holders of the parent	31,927	66,139	3,926	9,761	23,839	24,647	-95	-1,795	2,231	1,489	-21,285	-33,293	40,542	66,948
Profit (loss) attributable to non-controlling interest	7	15	0	0	315	288	-56	-1,137	164	84	-126	-485	304	-1,236
Profit (loss) for the period	31,934	66,154	3,926	9,761	24,154	24,935	-151	-2,933	2,395	1,574	-21,411	-33,778	40,847	65,712

3. Segment Note - Grupo Security QoQ

Segment Note - Grupo Security <i>In MCH\$</i>	Lending and Treasury		Asset Management		Insurance		International Business		Other Services		Consolidation Adjustments, Support Areas and Group Expenses		Total Grupo Security	
	1Q-22	2Q-22	1Q-22	2Q-22	1Q-22	2Q-22	1Q-22	2Q-22	1Q-22	2Q-22	1Q-22	2Q-22	1Q-22	2Q-22
Revenue	242,051	569,030	16,588	20,400	122,903	163,004	42,118	46,550	11,266	9,729	44	-713	434,969	807,999
Cost of sales	-179,890	-479,714	-5,490	-8,447	-94,812	-137,891	-40,986	-41,792	-7,519	-4,695	-787	-176	-329,484	-672,716
Gross profit	62,161	89,315	11,098	11,953	28,091	25,113	1,132	4,757	3,746	5,034	-743	-889	105,485	135,283
Other income	285	128	2	24	29	77	-16	-23	241	147	32	49	573	402
Administrative expenses	-35,533	-33,833	-7,827	-8,014	-12,367	-11,642	-4,117	-4,801	-3,102	-3,697	-4,454	-4,653	-67,402	-66,640
Other expenses	-5,879	-3,003	-149	-181	-72	-79	-28	-37	-2	-3	2	0	-6,128	-3,303
Other gains (losses)	0	0	10	8	13	35	105	144	138	-31	119	10	384	167
Finance income	7	-7	16	53	27	113	0	0	49	51	488	1,637	587	1,847
Finance costs	0	0	-103	-52	-92	-58	-21	-31	-604	-743	-3,769	-3,954	-4,589	-4,838
Share of profit (loss) of associates and joint ventures, equity-accounted	0	0	0	0	-754	-818	0	0	-1	0	391	411	-364	-408
Exchange differences	6,526	-6,506	1,098	1,216	-199	2,728	91	-57	-90	273	-81	281	7,345	-2,065
Gain (loss) from indexed assets and liabilities	0	12	198	311	-3,705	-7,310	0	0	91	-57	-8,646	-15,783	-12,062	-22,828
Gains (losses) arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit (loss) before tax	27,567	46,106	4,344	5,319	10,970	8,159	-2,855	-48	466	974	-16,662	-22,892	23,830	37,617
Income tax benefit (expense)	-2,147	-5,372	-260	358	1,893	3,914	-12	-17	125	9	5,568	208	5,166	-901
Profit (loss) from continuing operations	25,420	40,734	4,084	5,676	12,863	12,072	-2,867	-65	591	983	-11,094	-22,684	28,996	36,716
Profit (loss) attributable to														
Profit (loss) attributable to equity holders of the parent	25,414	40,725	4,084	5,676	12,689	11,958	-1,768	-28	634	856	-10,988	-22,305	30,065	36,882
Profit (loss) attributable to non-controlling interest	5	9	0	0	174	114	-1,100	-38	-43	127	-106	-379	-1,069	-167
Profit (loss) for the period	25,420	40,734	4,084	5,676	12,863	12,072	-2,867	-65	591	983	-11,094	-22,684	28,996	36,716

4. Grupo Security Consolidated Statement of Cash Flows

Statement of Cash Flows	Jun-21	Jun-22
For the periods ended June 30, 2022 and 2021	MCh\$	MCh\$
Net cash flows provided by (used in) operating activities	-613,251	-248,697
Net cash flows used in investing activities	-6,273	-7,394
Net cash flows used in financing activities	819,308	-11,609
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	199,783	-267,700
Effect of changes in exchange rates on cash and cash equivalents	11,297	635
Net increase (decrease) in cash and cash equivalents	211,080	-267,065
Cash and cash equivalents at beginning of period	597,497	934,936
Cash and cash equivalents at end of period	808,577	667,871

Operating Cash Flows

For 6M22, the Group reported net operating cash flows of -MCH\$248,697 (-MCH\$613,251 for 6M21), largely because of the sale of financial instruments by Banco Security, while such assets were purchased during 6M21.

Investing Cash Flows

For 6M22 it reported net investing cash flows of -MCH\$7,394 (-MCH\$6,273 for 6M21), explained by increased investment in technology project development.

Financing Cash Flows

For 6M22, it had net financing cash flows of -MCH\$11,609 (+ MCH\$819,308), with a high basis of comparison because of financing secured by Banco Security from the Chilean Central Bank and a larger volume of bond placements by Banco Security.

5. Quarterly Statement of Income

Quarterly Earnings (M Ch\$)	2Q21	3Q21	4Q21	1Q22	2Q22
Revenue	316,584	347,807	417,436	434,969	807,999
Cost of sales	-230,507	-248,135	-323,415	-329,484	-672,716
Gross profit	86,077	99,673	94,020	105,485	135,283
Administrative expenses	-60,032	-54,779	-64,532	-67,402	-66,640
Operating income	25,342	43,950	27,906	32,912	65,909
Finance costs	-3,773	-3,989	-3,589	-4,589	-4,838
Profit before tax	16,749	28,888	15,779	23,830	37,617
Profit attributable to equity holders of parent	16,191	26,959	21,101	30,065	36,882
EBITDA ¹	23,805	36,035	22,235	31,097	45,188

1. EBITDA: Defined as the sum of profit before tax, finance costs and depreciation

6. Financial and Business Indicators

Activity levels (M Ch\$)	30-Jun-21	30-Sep-21	31-Dec-21	31-Mar-22	30-Jun-22
Cash (Grupo Security Standalone)	45,094	54,516	21,277	36,213	50,462
Total Assets	12,259,432	12,927,444	13,632,674	13,564,863	14,287,382
Total Liabilities	11,392,330	12,059,547	12,765,595	12,680,503	13,404,556
Total Equity	867,101	867,898	867,079	884,360	882,826

Leverage Ratios	30-Jun-21	30-Sep-21	31-Dec-21	31-Mar-22	30-Jun-22
Individual leverage ratio ¹	28.65%	28.26%	33.09%	31.77%	31.33%
Consolidated financial expenses ²	7.63	7.85	7.24	6.19	7.52

Profitability (M Ch\$)	30-Jun-21	30-Sep-21	31-Dec-21	31-Mar-22	30-Jun-22
Revenue	623,840	971,647	1,389,083	434,969	1,242,968
Profit attributable to equity holders of the company	40,542	67,502	88,603	30,065	66,948
EBITDA	59,807	95,842	118,076	31,097	76,285
Return of equity ³	9.67%	10.74%	10.59%	14.20%	15.84%
Return on assets ⁴	0.671%	0.724%	0.693%	0.884%	0.959%
Earnings per share ⁵ (\$)	22.27	21.02	21.92	23.33	28.45
Number of shares (m)	4,042	4,042	4,042	4,042	4,042

1. In March 2022, five bondholders' meetings were held to change the leverage covenant for Grupo Security's bonds. After the change, the covenant of individual leverage ratio is defined as Grupo Security's total standalone financial liabilities over equity attributable to owners of the parent, as indicated in Note 38 of the Consolidated Financial Statements.

2. Financial expense coverage: Defined as the sum of profit before tax and finance costs divided by finance costs.

3. Return on equity: Defined as the quotient between profit attributable to controlled properties for the annualized period and average equity attributable to controlled properties.

4. Return on assets: Defined as the quotient between profit attributable to controlled companies for the annualized period and total average assets.

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

Grupo Security's total consolidated assets were MCH\$14,287,382 as of June 2022, +4.8% YTD. Of these assets, 52.5% are trade and other receivables, primarily the Bank's loan portfolio. As of June 2022, this item reached MCH\$7,495,962 (+4.5% YTD), driven by +5.1% YTD growth in loans as explained on page 16.

Furthermore, 35.3% of total assets are other current financial assets. This line item primarily includes the investment portfolio for the insurance subsidiary's technical reserves and the Bank's portfolio of financial instruments. As of June 2022, other current financial assets reached MCH\$5,049,505 (+11.7% YTD) because of the rise of 13.2% YTD in the Bank's current financial assets, explained by the portfolio of available-for-sale investments of MCH\$1,512,888 as of June 2022 (+13.3% YTD) and an increase of 11.0% YTD in the investment portfolio for the insurance company's technical reserves, which reached MCH\$3,181,868 as of June 2022.

As of June 2022, total consolidated liabilities were MCH\$13,404,556, +5.01% YTD. Of those, 64.2% are other current financial liabilities, which include the Bank's time deposits and current accounts, as well as debt issued by the Bank or the Group. As of June 2022, other current financial liabilities reached MCH\$8,607,468 (+2.9% YTD) due to larger volumes of senior bonds (+11.0% YTD) and an increase in savings accounts and time deposits of MCH\$2,007,304 (+10.7% YTD).

Of total liabilities, 27.2% were trade and other payables, which are primarily the technical reserves of Vida Security and Protecta Security. As of June 2022, trade payables totaled MCH\$3,652,478 (8.82% YTD), as a result of the 11.3% YTD increase in Vida Security's technical reserves, which totaled MCH\$3,383,476, in keeping with business levels at both companies.

Grupo Security's equity attributable to the owners of the parent amounted to MCH\$852,747 as of June 2022 (+1.78% YTD) because of retained earnings for the year and stable reserves.

The individual leverage ratio is defined in Note 38 of Grupo Security's consolidated financial statements, in accordance with the bondholders' covenant, and must be less than or equal to 0.4. This indicator is defined as the ratio between individual net financial debt, as disclosed in the FECU, and equity attributable to owners of the parent. As of June 30, 2022, this ratio was 0.3133 (-176 bps YTD).

Consolidated financial expense coverage is the sum of profit before tax and finance costs, divided by finance costs. The majority of finance costs for this indicator are interest and indexation expenses for Grupo Security bonds. As of June 2022, the consolidated financial expense coverage ratio was 7.52 (-1.4% YoY) due to a +33.1% YoY variation in finance costs.

Market Information

Grupo Security is 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.

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 subsidiary Seguros de Vida Security Previsión, Corredora de Seguros Security and Europ Assistance operate respectively in the life insurance and life annuity, insurance brokerage and travel assistance industries. Valores Security Corredora de Bolsa, Administradora General de Fondos Security 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. Starting in 4Q18, the international business area, which consists of the Peruvian subsidiaries Protecta Security and Travel Perú, is reported separately. Grupo Security's other services business area includes two subsidiaries engaged in the real estate (Inmobiliaria Security) and travel and tourism (Travel Security) industries.

BANKING INDUSTRY

As of June 2022, the Chilean banking industry was made up of 17 financial institutions, including 1 state-owned bank (Banco Estado), 14 domestic banks and 2 branches of foreign banks. As of that date, industry loans totaled MCH\$239,442,356 (MCH\$217,153,724 excluding foreign subsidiaries). Equity totaled MCH\$25,738,379 while profit for the first half of 2019 was MCH\$2953.625, with return on average equity¹³ of 29.4%. The industry reported an efficiency ratio of 47.80% measured as operating expenses over operating income, and 1.76% measured as operating expenses over total assets. The banking system posted a risk ratio of 2.45%, measured as allowances for loan losses to total loans, and 1.53%, measured as 90-day nonperforming loans to total loans. As June 2022, Banco Security had total loans of MCH\$7,077,592, positioning it 8th in total loans with 2.96% of the Chilean market (3.26% excluding foreign subsidiaries)

FACTORING INDUSTRY

Factoring has become an important source of alternative financing to complement traditional bank lending for small- and medium-sized companies. This service allows customers to receive advances on receivables via a discount on their invoices, checks, promissory notes or other similar documents. It provides them immediate liquidity and reduces costs and inefficiencies by handing the collections process over to the factoring service provider. Although the industry is still maturing, several situations and regulatory changes have boosted growth recently, making it one of the financial sector industries with the best domestic and international outlook.

MUTUAL FUND INDUSTRY

As of June 2022, the mutual fund industry reported average assets under management of MCH\$48,451,565 and 2,957,587 investors. Administradora General de Fondos Security boasted average assets under management of MCH\$2,350,029 as of June 2022, giving it a market share of 4.9% and a seventh place industry ranking among the 19 fund managers operating in the market.

STOCK BROKERAGE INDUSTRY

During the first half of 2022, market activity measured as value of shares traded decreased 0.3% in comparison to 6M21, reaching BCH\$38,945. Value of shares traded for Valores Security Corredores de Bolsa for the same period totaled BCH\$569 with market share of 1.5%. Market share is calculated based on transactions on Santiago Exchange and the Chilean Electronic Stock Exchange.

LIFE INSURANCE INDUSTRY

As of June 2022, there were 33 life insurance companies in Chile. Total gross written premiums for the industry were MCH\$3,213,761. The life insurance industry posted profit of MCH\$711,761 for the period ended June 2022. For the same period, Vida Security had market share of 7.5% based on gross written 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 in private investment funds through Inmobiliaria Security. As of June 2022, investments accounted for using the equity method in the Consolidated Statements of Financial Position represent approximately 0.02% of total assets.

Goodwill, which represents the difference between the acquisition cost and the fair value of assets and liabilities, totaled MCH\$119,067 as of June 2022, equivalent to 0.87% of total assets.

Given the varying natures of the companies considered investments in related companies, their market value is normally higher than their carrying

¹³ Annualized profit for the period over average equity for the period

amount, which depends on the industry and the economic conditions they face.

Risk Factors

DEPENDENCE ON SUBSIDIARY RESULTS

Grupo Security is the ultimate parent company of a conglomerate of companies and receives its income from subsidiary profits. As of June 2022, Inversiones Previsión Security, the parent company of Vida Security, had distributed dividends of MCH\$21,000. In addition, Banco Security distributed MCH\$46,276 in dividends to its parent company, while Factoring Security distributed MCH\$6,625.

Grupo Security controls its main subsidiaries with an ownership interest of more than 90% in each subsidiary, which gives it flexibility in setting each subsidiary's investment policies based on growth requirements. This situation enables Grupo Security to increase its economic value by reinvesting its subsidiaries' profits while maintaining a flow of dividends to Grupo Security, which enables it to meet its financial obligations and pay dividends to its shareholders. This is especially true because of the vast diversification of the company's revenue 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 profits 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. Banco Security has consistently posted risk levels below industry averages, even despite the public health crisis in 2020 and 2021, because it has better collateral coverage than the rest of the industry.

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 implemented a special system for controlling interest rate risk that also allows ongoing monitoring of their medium- and long-term 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 June 30, 2022, 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 June 30, 2022, Grupo Security does not have any significant assets or liabilities in commodities.

RISKS ASSOCIATED WITH THE INSURANCE BUSINESS

Local Financial Risks

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

Mortality and Morbidity Rates

Increases in morbidity rates could cause the number of catastrophic claims to rise in the medium-term and the number of medical reimbursement claims to increase in the short term. If companies do not adjust to the new structure of the mortality curves, the decrease in adult mortality rates could negatively affect the income expected from the annuities area.

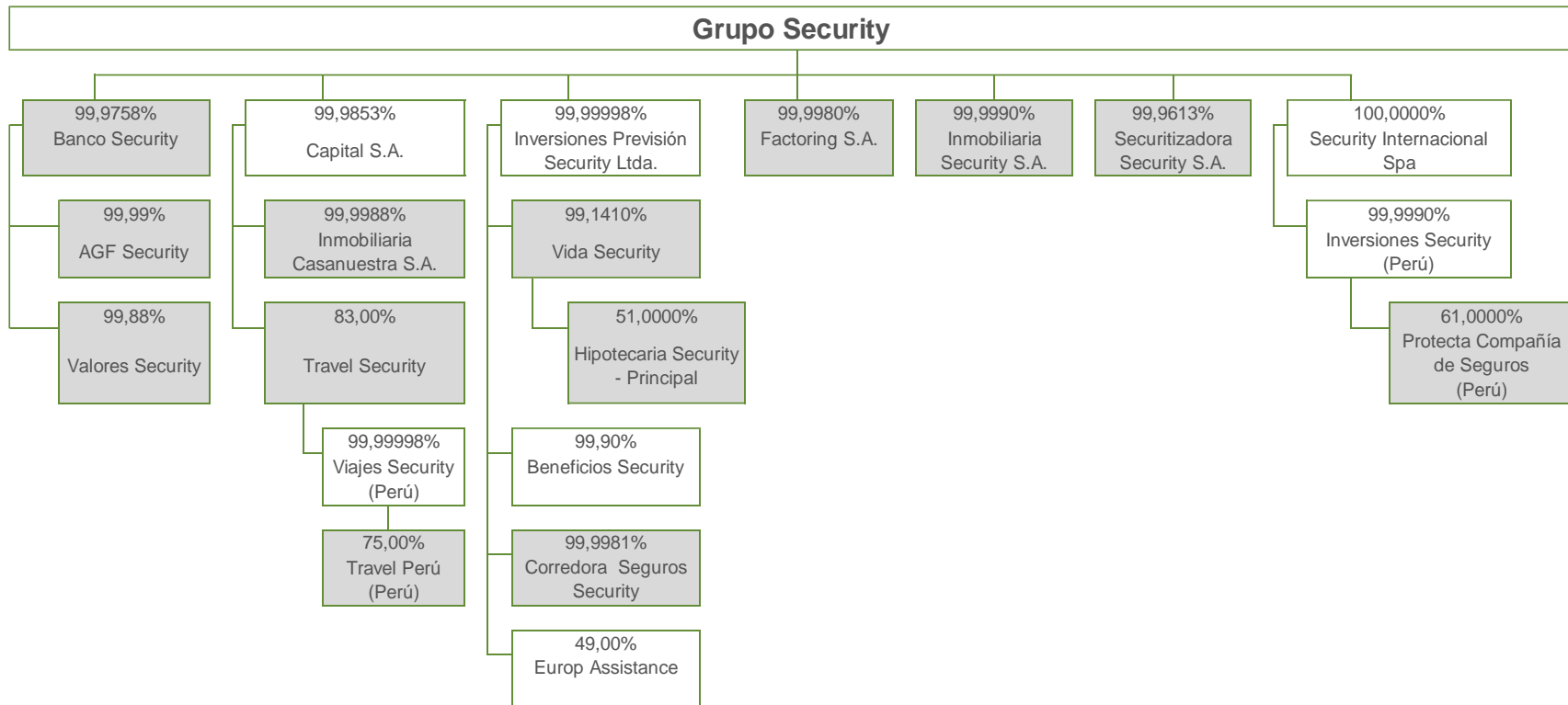
Industry Structure

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.

Grupo Security Corporate Structure as of June 30, 2022



As of January 1, 2022, the following change was made to the corporate organizational structure:

- Mandatos Security was absorbed by Capital S.A.