

### Introduction (Slide 1)

#### **Renato Peñafiel (Chairman of the Board at Grupo Security)**

Good morning everyone. Thank you for connecting with us this morning. We would like to share information that Grupo Security announced yesterday and, of course, answer some of the questions that may arise. Since we are just beginning the process and some matters will have to be resolved along the way, we are not in a position to answer everything.

Having been with us for a long time, you are familiar with Grupo Security and its history. It is a solid, prestigious institution with a future-focused vision that has been developed and implemented over time. Our counterparty in the transaction, Bicecorp, has developed similarly and has approaches to business and employees that complement our own. The decision to merge is based on a vision of a shared future with opportunities for both groups, primarily in banking, insurance and other financial activities, like asset management.

The process is just beginning; the business agreement signed yesterday afternoon should give rise to promissory purchase and sale agreements and contracts by March or April this year. This will require regulatory approval from the CMF and the National Economic Prosecutor's Office. Until that happens, both entities will continue to operate independently.

That is precisely why our protocol dictates that we cannot answer all the questions at this point. Decisions regarding independence are uncompromisingly firm to ensure that the process is conducted in the best possible, regulatory-appropriate manner. Confirmatory reciprocal due diligence is planned for late March or early April.

Since our groups operate in the same segments and through the same type of diversified companies, we believe the due diligence process can be conducted clearly, transparently, appropriately and reasonably promptly. We are not talking about merging entities with different business segments, so significant customer overlap is highly likely, particularly with loans and similar investment decisions. That is why we are careful to maintain independence throughout the process. It is vital.

From a credit standpoint, we will ensure that there will be no credit-related or operational impacts for either group's customers. That question will certainly come up in the market today. Approved credit lines and processes involving individual and business customers remain unchanged. There is no risk in the commercial aspects.

Yesterday, the Grupo Security Board of Directors decided to move forward with this agreement with Bicecorp. Following approval by the regulatory authorities, the transaction will materialize in two simultaneous steps: First, Bicecorp and Forestal O'Higgins (both Matte group companies) will make a tender offer for 100% of Grupo Security shares. Twenty percent of the shares involved in the tender offer will be payable in cash; the remaining 80% will be payable in Bicecorp shares. Thus, without any discrimination whatsoever, all Grupo Security shareholders who accept the tender offer will receive 20% cash and 80% Bicecorp shares. Bicecorp will conduct a capital increase equivalent to the shares required to pay the share price.

### A combined Grupo Security-Bicecorp entity would be one of Chile's largest financial groups. (Slide 2)

We expect this process to take shape over the course of the year. Following the completion of the tender offer and approval, we expect the two companies to begin merging in some form this year. In 2025, we will probably

be able to start consolidating subsidiaries (banks, insurance companies, etc.). The new combined Grupo Security-Bicecorp entity will be a large, diversified financial group.

This page shows five or six elements that we consider critical. Consolidation poses major, far-reaching business development opportunities related to new customers and a strong, competitive position within our very complementary segments.

We believe this larger institution has tremendous potential in development, growth and customer penetration. Furthermore, given the future outlook of the financial world in Chile, we are absolutely aligned with international events. We expect the consolidated entities that result from this merger and integration to preserve all solvency ratios comfortably.

As you know, a bill on financial conglomerates is being drafted and debated in Chile. One critical point concerns capital allocated to financial entities, particularly banks and insurance companies. Consolidation would make us commercially sound and able to take significant future steps regarding solvency indicators and the incorporation of additional capital to meet regulatory or commercial requirements.

Diversification is another critical point for this partnership. As Grupo Security, our size has always been limited. To illustrate what I am saying, given the size of our organization, both entities have a relatively low market share for individuals and a segmented business vision. A consolidated entity could penetrate certain products, services and businesses that were not strong in our organization. This would be an opportunity to consolidate and diversify the companies further.

A fourth element that makes this partnership very favorable is that our cultures are quite similar from an employee perspective. We share a vision of trust and transparency for our customers and employees that has been a cornerstone in constructing both entities. This integration will enable us to consolidate this culture further and attract more and better talent. We believe there is a great new opportunity for development and growth.

The fifth element on the slide concerns the digital world. As you know, Security started its digital transformation process three years ago with great development efforts and a large investment. The situation at Bice has been similar. Fortunately, in both cases, without our knowledge, the groups developed digitally in a very interesting, complementary manner. Given the arrival of financial conglomerates, Grupo Security is already undergoing a transformation process to make great progress in analytics and integrated accounting. Bicecorp is also advancing on a more operational front. This integration will result in highly complementary economies and business visions. It seems to me that, together, our opportunities in the digital world are greatly enhanced.

The market has always been critical. At Security, approximately 30% of our shares are traded on the market. This merger is an opportunity to improve and expand access to capital markets with an optimal, better combination of liabilities or funding sources. We could also raise funds or issue bonds through the bank or the consolidated company. Under the right conditions, the market could play a strong role in future funding. So, there is a great opportunity in each of these little boxes we have presented here.

On the left-hand side are some basic pro forma indicators. As of September, the consolidated net profits for both entities are almost CLP 400 billion. Total assets are over US\$37 billion, with a good return on equity of around 17% for both consolidated entities.

The key is that we have had 40 years of solid experience in this segment, without ups and downs beyond market-related events. These solid institutions have never had major business, shareholder or commercial setbacks. We have around 2.4 million customers, approximately 6,200 employees and over 80 bank and insurance branches. I am not saying we are going to keep the same 80 branches. Significant adjustments will obviously be made once we have regulatory approval.

### Terms of the Deal (Slide 3)

Security has historically paid a dividend of between 50% and 55% of earnings, averaging 53%. We agreed that each entity would distribute 55% of last year's earnings in April or May, depending on the timing of each company's annual general meeting. Grupo Security expects much more succulent, record profits this year, so the expected dividend is significant. Since these are 2023 profits, this dividend is part of the transaction and does not alter either group's dividend distribution plans. Beginning in 2024, barring regulatory issues concerning solvency indicators, the agreed-upon dividend policy is 50%. We have agreed to a 50% dividend for three years and, obviously, expect the policy will be maintained as an incentive for shareholders in the market and the group being created.

### Terms of the Deal (continued) (Slide 4)

The only thing we can comment on today is the dividend, scheduled for March or April this year, on 2023 earnings. Security cannot currently comment on any new expenditures we are engaged in this merger as of January 1, 2024. Even though the transaction has not yet materialized, Grupo Security is no longer in a position to make decisions alone, which is an important consideration. As mentioned yesterday, the individual tender offer price is CLP 285 per share. This, plus the expected dividend, totals approximately CLP 300.

### **Fernando Salinas (Chief Executive Officer at Grupo Security)**

Thank you for joining us this morning. I am going to share some figures that illustrate the magnitude of the deal shareholders are being invited to participate in so that you understand the Group's implied valuation and a little bit about the strengths Renato mentioned.

In very concrete figures, we believe the deal will be very attractive in economic terms and future prospects for all participating shareholders. As Renato said, the implied valuation process has been considered in the share price. The tender offer price plus the implied valuation of the 60-40 stake gives us an equity valuation of CLP 1,322 billion, as shown on the graph to the right. The illustrative dividends Renato mentioned, which will be submitted for approval at the 2024 annual general meeting, plus the CLP 285 tender offer price, add up to an implied CLP 301.2 per share. When you compare that with our stock's 24, 12 and 6-month averages or the current price, the implied premiums are 82%, 47%, 29% and 15%, respectively.

On the other hand, the 55% payout ratio determines this figure, and the implied price-to-book value is 1.24. From a valuation perspective and the relative valuation of 60-40, this implies value for the future operation that is also considered.

### The financial groups have successful growth trajectories and are highly diversified in terms of business lines and products. (Slide 5)

As Renato said, we are combining two companies into a single project offering banking, financing, insurance, investments and other services. Both groups also have an international presence. Here, I simply want to show you what you have already seen in the market. These powerful brands operate with fairly similar development plans in different segments. We are confident that the new entity will become a powerhouse and perform well in terms of commercial and customer outreach as well as brand presence moving forward.

### Merger of two banks with robust regulatory capital positions that are renowned for their quality and financial performance (Slide 6)

In terms of lines of business, specifically combining the banking business – one of the most relevant for both groups – a pro forma sum of the main variables as of September 2023, all based on public data, suggest that this combined entity would have total loans of CLP 15,388 billion, total assets of CLP 21,824 billion, equity of CLP 1,728 billion, and combined net profit of CLP 338 billion. The return on assets would be 1.56%, with small

differences between Banco Security and Banco Bice and a return on average equity of around 20% for the year under consideration. For example, the regulatory CET1, typically a simple exercise, is 10.8% and is absolutely within the regulatory ratios. The combined NIM is approximately 3.2%, Banco Security (4.2%) and Bice (2.4%). The current combined pro forma efficiency ratio is 42.6%, and the cost of risk is approximately 0.7%.

#### Strengthening the market position of the banking businesses through complementary portfolios and funding structures (Slide 7)

On a pro forma basis, consolidation places the banking business seventh in terms of loans (excluding all foreign loans). This gives us a 6.6% market share, well ahead of our previous competitors and closer to average in the segments where we participate.

Integration will also enable us to reduce the cost of funds, probably in institutional markets. This is also a critical driver of the value added through synergies, which will be measured in the combined business.

#### Combination of two life insurance companies with high reserve volumes (Slide 8)

In insurance, Bice Vida has more reserves than we do, which is one of the reasons for the 60-40 relative valuation. The combined entity would have technical reserves of CLP 8,700 billion, direct premiums of CLP 1,000 billion, investment portfolios of CLP 9.5 billion and net profit of CLP 96 billion. Return on assets would be 1.01%, while return on average equity is 14%, and the leverage ratio is about average.

#### Positioned as a leading life insurance company (Slide 9)

We look at the two variables typically considered when evaluating companies: premiums and technical reserves, which show the size of our assets and investments. The pro forma exercise places this company third after Metlife and Consorcio. It is already among the market's top three and fourth in terms of premiums. Its very interesting market share in annuities positions us as a major company in the future of life insurance and life insurance market development (collective, individual and private).

#### Consolidation of major investment platforms, creating a regional corridor for financial services (Slide 10)

Bice and Security have grown significantly in investments, wealth management and third-party asset management. Bice is leveraging an international platform that will be quite useful for our shared project. We have undertaken very detailed work on the funding structure. Like Bice, Security also has an excellent track record in funds and loans. When we add assets under management or AUM, the combined entity reaches 10.6% market share, above Banco Estado and below BCI. Again, assets under management are significant. Like Bice, Security's commercial capacities with excellent bankers also stand out. We are certain this will be very good news for our customers. As Renato mentioned, we cannot coordinate at this stage, but we know it will strengthen our assets under management area in the future.

#### Grupo Security and BICECORP share a corporate culture that cultivates long-term relationships and quality service, coupled with a focus on sustainability (Slide 11)

This is a compilation of information Grupo Security and Bice have published about their ways of doing business. This public information reveals many similarities: culture, customer experience, interaction, obsession with well-being, human connection and diverse teams. We are certain these numerous commonalities will enable us to capitalize on this new project and face the market with commercial and digital growth.

#### Strategic focus on the digital transformation of both groups' businesses (Slide 12)

Bicecorp and Grupo Security have both been working on strategic digital developments related to fintech issues and various aspects of customer platforms to address digital issues. There are obvious opportunities for synergies related to platforms, operations and a shared vision of the many systems that enable us to operate

more efficiently and cheaply. Also, integrating the digital experience will enable us to better drive the transformation processes already underway at Security and Bicecorp. We believe there is also a tremendous opportunity here.

#### Next steps (Slide 13)

As Renato mentioned, the next steps include negotiations and Grupo Security and Bicecorp-Forestal O'Higgins shareholders are expected to sign the final agreements no later than March 30, 2024. The reciprocal confirmatory due diligence period will last 60 days following the signing, extendable by mutual agreement. Assuming that deadlines are met, and all relevant regulatory approvals are obtained, subject to regulatory conditions, we expect the transaction to occur during the second half of the year.

#### Executive Summary (Slide 14)

To summarize, wrap up and review everything: This agreement between Grupo Security, Bicecorp and Forestal O'Higgins shareholders would integrate Grupo Security and Bicecorp businesses. The exchange ratio is 60% for Bicecorp and 40% for Security. The tender offer is for 100% of Grupo Security shares, with 20% payable in cash at \$285 per share and 80% payable with Bicecorp shares. The proposed dividend of 55% of 2023 earnings will be submitted for approval at the 2024 annual general meeting and will not alter the terms of the deal. The dividend policy for the combined entity is designed to ensure a significant dividend yield for our shareholders, as Grupo Security always has. The proposed three-year policy of 50% dividends is subject to board approval and adequate coverage of regulatory capital requirements. As we mentioned, this implied Grupo Security valuation at US\$1.3 billion involves a 29% premium over the 6-month average share price and an implied price-to-book value of 1.24x. Based on our estimated valuations for this new combined entity, the economic value is US\$3.1 billion. The new entity changes the scale of our operations and will become one of the largest in terms of size and economic value as it establishes and creates value.

The strategic rationale is to strengthen the business's market position, all subject to the relevant regulatory approval. As Renato said, the combined entity's more robust capital ratios will enable much more solid operations in the regulated market. Our ways of operating, business line diversification and complementary cultures are very similar. In keeping with the culture we have consolidated over the years, the process will be conducted with deep respect for all the people involved to ensure as smooth a transition as possible for our team.

We believe there is great combined power in a strong strategic focus on digital transformation. Obviously, we will also identify synergies in administration expenses and funding costs as we put together a strong project. In closing, and as we were saying, I believe the Security-Bicecorp integration in similar segments will create a leading player. We will be seventh in loans, with an 8.5% market share in commercial loans – a niche where we have always operated. In life insurance, we will be third in terms of technical reserves and annuities and fourth in investments.

#### **Renato Peñafiel (Chairman of the Board at Grupo Security)**

A closing remark: One of Grupo Security's fundamental characteristics over the years has been its internal policy toward personnel and employees. We have led the market in this regard, placing at the top of Great Place To Work rankings for years. The Group has undergone two previous consolidations in insurance and merged with Dresdner in banking. Our policy has been successful in that we have never had any problems with people and employees, regardless of whether they stay or leave, as part of the consolidation. Grupo Security is unwavering on this point.

As this deal takes shape, I would like to convey our decision and intent to maintain the same policies so that there will be no change whatsoever in this regard. We know what this may mean and will proactively deliver the best solutions. That is the closing comment I wanted to make today.

**Marcela Villafaña (Investor Relations and Strategic Development Manager)**

Thank you very much. You may write your questions in the question-and-answer section or raise your hand to participate, and we will open the microphone so you can ask us questions.

The first thing is to understand a little about the structure of the tender offer. Can you clearly explain why you decided to structure it in 20% cash and 80% Bicecorp shares? Also, since investors can still benefit from future dividend growth in the coming years, why not think about a simple 100% share swap?

**Renato Peñafiel (Chairman of the Board at Grupo Security)**

A swap was one of the alternatives, but Grupo Security has historically distributed dividends, and our investors probably have commitments. We have paid attractive dividends and did not want to reduce them due to the deal. Just to remind you, there has been a consistent dividend policy for the last 36 years. If capital is required, a capital increase has been requested. We did not want to sully the dividend policy with capital requirements.

My next question is regarding the capital market issue. To understand from the investor's point of view: What percentage of float would the joint venture hold directly? I ask because the controllers hold 73.1% of Grupo Security, so the float is approximately 27%. I am unfamiliar with the Bicecorp ownership structure, but I know it is rather illiquid. I believe the float is less than 2-3%. After this swap, what will the ownership structure look like, and what percentage float might one expect?

**Fernando Salinas (Grupo Security Chief Executive Officer)**

We have just signed an agreement involving enough participating shareholders to generate the promissory purchase and sale and, subsequently, structuring agreements. Shareholding volumes will be clearer later; we are not in a position to provide that today. We can tell you that, regarding the combined company's shares, valued at 3.1 billion, float levels are similar and significant in absolute terms. Once the final shareholder definitions have been made, we believe float may be quite adequate percentage-wise in relation to the regulatory structure. However, we are not in a position today to venture into final figures.

**Renato Peñafiel (Chairman of the Board at Grupo Security)**

Let me add to what Fernando said a little bit. Obviously, in this transition, the consolidated float drops at the beginning, on day 0. Why? Bicecorp has no float, so there is an initial loss upon integration. However, the significant size – the three billion Fernando mentioned – will enable expanded float and ownership as time and consolidation go on. Importantly, the Grupo Security shareholder agreement has included a ROFR (Right of First Refusal) for years. That agreement disappears with this merger so that future shareholders have ample latitude in buying and/or selling shares on the market. My perspective, therefore, is that the depth and float in the market should increase after the deal has materialized.

**Marcela Villafaña (Investor Relations Manager at Grupo Security)**

To clarify your question regarding stock market considerations, specifically IPSA, and whether the FMC (Float-Adjusted Market Cap) increases, this indicator increases because Market Cap increases.

I would like to know how the consolidated brand will be managed. Will it be under the Bicecorp umbrella?

**Fernando Salinas (Chief Executive Officer at Grupo Security)**

This question is part of the integration process, and these are things that are still being decided. Based on discussions thus far, we can tell you the process will be rational. We have to see each brand's presence and what is best for each niche and segment. The new entity will make these decisions based on strategic rationale, as has been the case historically. Getting ahead of ourselves would be irresponsible. We will not go into that for now.

I think my last question is very much in line with what you just said. Integration makes a lot of sense for businesses where you can harness synergies: banking, insurance, and investments. What are you looking at for the other



services Security offers, such as travel, real estate and its capital interest in Peru? Would this also open the door to divestments of certain businesses? or is it a matter where the structure merges into the consolidated entity?

**Renato Peñafiel (Chairman of the Board at Grupo Security)**

Yes, that is a good question that, so far, has no answer. We are integrating at the holding company level. Security has a couple of different companies. Bicecorp has a much bigger real estate management operation than we do. However, we do not know how real estate levels might evolve or change. So, that is part of the decisions to be made for the future business. We know Bicecorp does not offer travel, which currently has a significant relationship with retail banking. We believe that keeping the company presents a development opportunity, but that is not something that has been decided.

In light of the complex processes seen in other industry mergers, e.g., Itaú-Corpbanca or Scotiabank-BBVA, what are the main challenges you see for this merger?

**Fernando Salinas (Chief Executive Officer at Grupo Security)**

Indeed, this type of group merger process is complex. We believe working groups focused on different aspects will be critical. I was personally involved when we merged significantly smaller entities. All the operational and technological issues require great precision as we pinpoint where issues and synergies exist and decide which systems remain. There are also commercial matters regarding customer maintenance to be considered.

The approach to the project will be extremely professional, and we will build on lessons from past merger experiences to maximize impact. These are complete, complex mergers. However, both the Bicecorp and Security teams have people with experience in internal or external integration processes at insurance companies and banks. Since we must do this in the best possible way, we will gradually advance. The technology operations impact is certainly one of the main considerations.

**Renato Peñafiel (Chairman of the Board at Grupo Security)**

I will answer from another perspective. There are many elements in common here. There are no different cultures, commercial levels or market segments to homogenize. I would say that the big issues are reasonably manageable without major difficulties. As we mentioned at the beginning and as Fernando showed, digital technology integration does pose a major challenge. Both companies have projects we need to revise and complement; certainly, many will replace another system or be replaced. In my opinion, this is the greatest challenge of this integration; everything else poses everyday problems.



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