Marcela Villafaña (Strategic Development and Investor Relations Manager, Grupo Security)

Introduction (Slide 1)

Good morning and thank you for joining us for Grupo Security's earnings presentation for the third quarter of 2024.

Today we are joined by Fernando Salinas, CEO of Grupo Security and Nicole Winkler, Planning and Development Manager, as well as Eduardo Olivares, CEO of Banco Security, and Alberto Oviedo, the Risk Division Manager.

From Vida Security we have Rodrigo Guzmán, Planning and Finance Manager for the subsidiary.

Also with us is Felipe Jaque, Chief Economist of the Research Department.

You may either submit questions in the Q&A section or raise your hand at the end of the presentation.

Fernando Salinas (CEO, Grupo Security)

Grupo Security 2024 (Slide 2)

Good morning, we are very pleased to present the results for the third quarter of 2024. Today we'll touch on Grupo Security's earnings and profitability, and its businesses' outstanding performances. We will also address some of the major milestones of the period.

By the end of the third quarter of 2024, Grupo Security had profit of MCH$112,882 and an ROAE of 15.5% for the last 12 months, closing the third quarter with solid results amid a challenging economic and regulatory backdrop. Although profit was down 25.0% compared to the same period last year, these figures reflect normalizing earnings after a period of exceptionally high results. This performance for the first nine months of the year was driven largely by the lending area. In particular, Banco Security and its subsidiaries achieved consolidated profit of MCH$112,761, with an ROAE of 16.8%, surpassing the industry average.

Throughout this presentation, we will explore the results of our various subsidiaries in depth.

Milestones (Slide 3)

Remember that our results are based on several pillars that we have been working on systematically for many years. One clear example is having been chosen as one of the best places to work (GPTW) for the second consecutive year, both in Chile and in Latin America, which reflects not only a recognition in rankings, but also the essence of our core values: closeness, professionalism and transparency.

We have also been recognized by numerous indexes attesting to our trust and service quality in the industries where we do business, particularly banking and factoring. In addition, our asset management area has once again earned Salmon Awards in several categories.

Finally, the Group has been actively engaged in digital transformation to face the new times. Our teams have met this challenge efficiently and with great success, always placing our customers at the center.

In sustainability matters, Grupo Security earned first place in the Financial and Insurance Industry category of the Corporate Sustainability Ranking 2024, organized by Brinca, the Adolfo Ibáñez University Business School and El Mercurio. This ranking evaluates the commitments and results of large companies with respect to environmental, social and corporate governance factors. This honor endorses the work we have been doing for over three years to be a sustainability benchmark in our industry.

Now Felipe will briefly comment on the macroeconomic environment.

Felipe Jaque (Chief Economist – Grupo Security Research Department)

Macroeconomic Context 2023-24 (Slides 4-5)

Economic activity has been growing for several months at around the trend level of 2%, as confirmed by the recently published Imacec for October. In our opinion, this performance responded to the favorable external impulse that the Chilean economy has received since the end of 2023, since domestic demand has been weaker. A note of caution comes from the loss of this momentum at the margin—higher interest rates, stronger dollar—which could impact economic activity in 2025.

The dollar has strengthened amid resilient activity in the U.S., as well as Trump’s election, which could generate new inflationary pressures, and slow or stop interest rate cuts by the Fed.

As mentioned, domestic demand has remained weak. Seasonally adjusted private consumption recovered slightly in the first quarter, but contracted in the second and remained virtually flat in the third, although it should gradually improve again at the margin as local financial conditions have become more expansionary. While investment recovered in the third quarter, the increase was lower than expected and remains below early 2023 levels, which could be due to lingering political uncertainty.

In the labor market, seasonally adjusted employment has been stagnant for six months, although the labor force has shown a similar trajectory. Thus, the seasonally adjusted unemployment rate has hovered around 8.5%.

As for inflation, during 2023 the year-on-year CPI variation dropped from 13% to 4%. Since then, it has fluctuated between 4% and 5% so far this year, without reaching the 3% target. For the short term, we foresee high total and core inflation, somewhat above what is implied by the market, due to a depreciating Chilean peso and specific price adjustments still pending. All in all, both the market's and our outlook points to a convergence to 3% within the Central Bank's two-year forecast horizon.

Persisting high core inflation should lead the Central Bank to wait a few months before resuming MPR adjustments. Going forward, the monetary normalization process should be more dependent on data and the Fed's actions. Nevertheless, we continue to forecast an MPR of 4.5% in mid-2025, at the high end of the range considered neutral, which is not very different from what is implied by market prices.

Regarding financial markets, short-term interest rates have remained practically stable in recent months, anticipating a convergence of the MPR towards levels considered neutral. On the other hand, medium and long-term nominal rates have mimicked the movement of external rates. Going forward, we expect them to remain under upward pressure given the complex fiscal outlook.

As for credit, the system's loans grew by 2.9% YoY as of October (-1.7% real), reflecting a meager performance on par for the year. By segment, the best performance was in mortgage loans and, to a lesser extent, in consumer and commercial loans. Finally, the local stock market (measured through the IPSA) is up 7% to date measured in Chilean pesos, but down -3.7% in dollars, contrary to the rise of 19% in global stock markets (MSCI global) and 5% in emerging markets (MSCI Emerging).

I now leave you with Eduardo Olivares, CEO of Banco Security, for a brief summary of the bank's results.

Eduardo Olivares (CEO, Banco Security)

Banco Security, Consolidated (Slide 7)

As of September 2024, Banco Security reported consolidated profit of MCH$112,761. This translates into a return on average equity of 16.8%, outperforming the industry average and reinforcing our strategy of making the business profitable even in a challenging environment.

The bank's strong performance was driven by favorable market conditions, namely a drop in interest rates, with an MPR of 6.6% vs. 11.0% as of September 2023, which boosted income from the investment portfolio. Also noteworthy is the bank's commercial activity, which led to an increase in commission income during the period.

Year-to-date profit was lower than the same period last year, due to a smaller net interest margin in the commercial areas, affected in part by decreased commercial activity at the bank and across the industry. In addition, compared to the previous year, this result was affected by the end of the FCIC program, a source of low-cost funding provided by the Central Bank during the pandemic.

(Slide 8)

Banco Security has prioritized returns by stabilizing portfolio risk. The bank's total loans reached BCH$7,385 at the end of September, representing a nominal increase of 1.3% compared to the same period in 2023, influenced by a drop in activity in the commercial portfolio for both the bank and the industry. This effect was partially offset by outstanding growth in the consumer and mortgage portfolios, up 7.9% and 13.2%, respectively, outpacing the system's growth of 3.0% and 6.7%, in each case.

Overall, the bank had market share of 3.16% by total loans. The Commercial Banking Division accounted for 4.7% of total industry commercial loans, while Retail Banking reached 4.8% in its target segment.

Now Alberto Oviedo, Risk Division Manager for Banco Security, will provide more details on credit risk during the period.

Alberto Oviedo (Risk Division Manager, Banco Security)

Banco Security – Risk (Slide 9)

Provisions for credit losses for 9M24 totaled MCH$40,137, down 26.7% from 9M23, equivalent to 0.72% of loans. This figure is somewhat lower than we envisioned at the beginning of the year, but consistent with the long-term balance we are seeking between risk and return. The commercial portfolio incurred risk expense of MCH$29,983, down

13.6% from the same period last year. The consumer portfolio also performed well risk-wise, with risk expense of MCH$14,871, 6.5% lower than September 2023 due to no additional allowances recorded in the period. The mortgage portfolio also had a lower risk expense for the period of MCH$242.

Non-performing loans amounted to MCH$144,777 million as of September 2024, representing 1.96% of loans, with an incipient improvement in commercial portfolio delinquency, which has let us maintain stable levels in a context of increasing industry-wide pressure on this indicator.

The bank's non-performing loan coverage is above the industry figure, which reached 1.45, or 1.62 including additional allowances, reflecting the bank's commitment to a conservative approach to credit risk provisioning.

Next, Nicole Winkler, Group Planning and Development Manager, will comment on the results of Factoring and Inversiones Security.

Nicole Walker (Corporate Planning and Development Manager, Grupo Security)

Factoring Security (Slide 10)

Factoring Security remains in first place among non-bank factoring companies, with a market share of 31.0% at the end of September. Factoring Security had a total of 2,482 customers at the end of September, with a larger proportion (45.7%) using its self-service platform, up 758 bps compared to the same period in 2023, reflecting a 42% rise in the number of clients on the digital platform, in line with the company's strategy.

Factoring Security reported profit of MCH$10,899, up 5.2% from the same period last year. This performance was driven by a 9.6% increase in factored receivables over the previous year, reaching MCH$438,979. On the risk side, the risk ratio, measured as allowances to total loans, showed a year-on-year improvement of 15 bps, reaching 1.59% as of the third quarter of 2024.

Support expenses remained stable in real terms compared to September 2023, reaching MCH$12,256. Overall, the efficiency ratio in September 2024 was 44.5%, which compares positively with 45.6% in the same period last year.

Asset Management (Slide 12)

The asset management area, comprising AGF and Valores Security, reported a 13.1% increase in total AUM compared to the same period last year, reaching a total of

BCH$4,839, and a year-on-year increase of 12.4% in income from funds, which totaled MCH$23,783.

During the period, AGF enjoyed noteworthy year-on-year growth of 20.8% in assets under management in mutual funds, reaching a market share of 4.2%.

This performance was complemented by higher transactional income from the brokerage firm of MCH$10,179, reflecting an increase of 15.3% compared to the same period of 2023. This growth was mainly due to an increase in local fixed-income brokerage activity, as well as a higher volume of FX and international market transactions.

With this, the consolidated operating margin of AGF and Valores Security reached MCH$4,151, marking an increase of 44.6% compared to the same period last year and an improvement of 6.3% in the efficiency ratio.

The Company's proprietary trading portfolio performed well, favored by the lower interest rates during the period, generating income of MCH$7,968, representing an increase of 25.0% over the previous year.

Overall, the area reported profit of MCH$10,145 for 9M24, up 20.7% from the same period last year.

Now Rodrigo Guzmán, Planning and Finance Division Manager at Vida Security, will present the insurance company’s results.

Rodrigo Guzmán (Planning and Finance Division Manager)

Vida Security and Industry (Slide 14)

Vida Security has performed well in its main areas, driven by a favorable economic environment that allowed for efficient business management.

In particular, it reported a 13.8% increase in gross written premiums, which totaled MCH$455,758, led by annuities, up 25% in real terms, representing 53% of total premiums. This progress was driven by an economic context where we could offer more convenient sales rates, enabling us to far exceed the industry's 2.6% growth.

As a result, we achieved a market share of 6.8% in total gross written premiums and 7.7% in gross written annuity premiums.

Vida Security – Segments (Slide 15)

In nominal terms, gross written annuity premiums amounted to MCH$241,053, an increase of 31% compared to 2023, partially offset by a 6.4% rise in administrative costs, mainly due to greater amortization of technological projects. This, together with stable claims and pensions paid year-on-year, leaves Vida Security with year-to-date profit of MCH$30,596 at the end of September.

Individual insurance premiums remained stable year-on-year, ranking second in the market with 15.9%. This effect, combined with lower CUI surrenders, led to a 14.5% increase in reserves compared to the previous year, totaling MCH$880,695.

Group insurance generated stronger earnings due to a lower loss ratio, which was partially offset by lower premiums, particularly in health and personal accident insurance.

In the end, Vida Security reported profit of MCH$30,596, up 10.6% from the same period last year,

Vida Security - Investment Income (Slide 16)

Investment income reached MCH$147,871, up 7.5% from the same period in 2023, with a return on investment of 5.3%.

Specifically, the CUI and APV portfolio reported income of MCH$45,924, 53.4% higher than September 2023, driven by stronger performances in equities, indexes and fixed income.

Investment income from the proprietary trading portfolio was down 5.3% year-on-year to MCH$101,947 for 9M24, with an ROI of 4.8% explained by weaker returns from alternative and real estate funds.

However, the investment portfolio reached BCH$2,853, 7.7% higher than in 2023, driven by growth in annuities and a higher net flow in insurance with savings.

Inmobiliaria (Slide 17)

Inmobiliaria Security reported profit MCH$246 year to date, versus a loss of -MCH$2,364 for 9M23, explained by a reduction in support expenses, in line with its business cycle.

Real estate assets under management totaled MCH$58,170, mainly because of ownership being transferred on fewer units.

Nicole Winkler will present more details on the International Business and Other Services segments.

Nicole Walker (Corporate Planning and Development Manager, Grupo Security)

Protecta Security (Slide 19)

In the international business area, Protecta Security had profit of MS./ 32.8 for 9M24, up 41.9% from 9M23. This growth is mainly due to an increase in total premiums, which reached MS/.507.6, growing by 25.8% year-on-year, with a particularly noteworthy increase in private annuity premiums, which totaled MS/.269.6, or 98.1% more than the previous year, in line with the strong market growth of 101.0% driven by a cycle of low interest rates that has led clients to move their surpluses to private annuities offering higher yields. As a result, it achieved a market share of 15.0% in this segment.

However, this positive result was partially offset by a 14.2% drop in annuities, due to increased competition, especially in non-urban areas, with a market share of 19.4%.

On the other hand, net investment income grew by 15.5% compared to the end of September of the previous year, totaling MS/.196.3 for 9M24, in line with a 16.3% increase in the volume of the investment portfolio, reflecting business growth. However, these results were partially offset by higher net pensions paid, associated with a larger portfolio of pensions and annuities payable.

Finally, 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.

Other Services Area (Slide 20)

Travel Security obtained profit of MCH$4,847 after consolidating its subsidiary in Peru, versus MCH$4,306 for 9M23, representing a 12.6% increase, explained by greater airline commissions, partially offset by higher personnel expenses.

Now I'll leave you with Fernando Salinas, CEO of Grupo Security,

Fernando Salinas (CEO Grupo Security)

Closing Slide, Group (Slide 21)

To wrap up, for the first nine months of 2024 Grupo Security reported LTM profit of MCH$158,978, with an ROAE of 15.5% for the same period, reflecting normalizing earnings after a period of exceptionally high results. With this, Grupo Security achieved earnings per share of CH$39.7 based on LTM profit.

Progress on Integration Process (Slide 21)

Regarding the integration of Bicecorp and Grupo Security announced in January 2024, both the FNE and the CMF granted the necessary regulatory authorizations in October, while on November 13, the parties deemed the conditions precedent fulfilled. With these two milestones, the merger continues according to schedule.

The price set for the purchase/sale and exchange of shares in the TO is CH$276.43 per share plus the agreed adjustment. This will be paid 20% in cash for the shares accepted for sale in the TO, and the remaining 80% of the shares accepted for transfer in the TO, will be contributed in first issue shares of Bicecorp S. A. per the exchange ratio of 60.721% for Bicecorp S.A. and 39.279% for Grupo Security S.A.

Bicecorp held an extraordinary shareholders' meeting on November 25, 2024, at which shareholders voted to increase capital by issuing the payment shares necessary to carry out the TO. The new shares should be registered with the CMF in the next few weeks, which would allow the TO to be carried out in the first quarter of 2025.

Closing Remarks (Slide 22)

Marcela Villafaña (Strategic Management and Investor Relations Manager)
Thank you to our presenters and thanks to everyone for logging on. You may ask questions by raising your hand on the platform or submitting them in the Q&A section.

What are your expectations for the bank's loan numbers at year end?

Eduardo Olivares

Industry loan levels are quite flat, with Retail Banking somewhat more active. We expect them to grow slightly more this quarter, but have not yet seen momentum in the investment cycle that ultimately justifies the growth we have seen in the past, especially their relationship with growth.

We anticipate they will stay quite flat and hopefully grow towards the second half of next year.

What's in store for the big picture, in terms of interest rates and economic growth?

Felipe Jaque

After the U.S. elections and market movements in recent weeks, we corrected 2025 growth downward from 2% to 1.8% in our last outlook revision. That goes hand in hand with correcting the exchange rate from 830 to 900 for year-end 2025, on the heels of a stronger dollar.

For interest rates, we maintain our estimate of a short-term rate of 4.5% at the end of 2025, with no movement there. Long-term rates should approach 6% nominal for the 2025 horizon. What did occur was an upward correction of inflation expectations, from 3% to 3.5% for next year, due to the higher exchange rate.

What will happen to the dividend?

Fernando Salinas

Yes, we have an extraordinary board meeting scheduled for December, where we will define and specifically communicate the dividend issues, as informed in the material event filing, to propose a dividend from both us and Bicecorp to be communicated specifically in December.

Marcela Villafaña

We have published material events that we can share later by email, but it was announced that we are going to propose this interim dividend out of 2024 earnings. The payment date will be communicated in the coming weeks. When we announced the transaction at the beginning of the year, we also communicated that we plan to distribute 50% of profit in 2025.

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