



# Financial Results Grupo Security March 2016

June 3, 9:30 AM

- » **GDP** of 2% as of March 2016. For the remainder of 2016 it is expected to remain around 2%.
- » **Unemployment** rose from 5.8% at the close of 2015 to 6.4% in April, and is expected to average 7% for the remainder of the year.
- » **Inflation** CPI annual variation began 2016 at 4.8%, falling to 4.2% in April. It is expected to remain within the target range (3.0%) in the coming months
- » **Exchange rate**; high level of volatility due to uncertainty regarding normalization of US monetary policy. The peso/dollar stood at Ch\$730 at the beginning of the year, falling to an observed exchange rate of Ch\$660 in April.
- » **MPR** maintained by the Central Bank at 3.5% during the first half of the year, along with a restrictive bias. Further increases were delayed within a context of economic slowdown and moderate inflation.
- » Market **interest rates**, with some fluctuations, have remained around the same levels as noted at the end of 2015. The BCP-10 fell from 4.6% at the end of 2015 to 4.4% in April 2016.
- » Bank **loan growth** has continued its moderate growth, reaching 0.5% in the first quarter of 2016. This trend is expected to continue, from the 10% growth in average loans registered during 2015 to 8% this year, led by mortgage loans, and to a lesser extent by consumer and commercial loans.

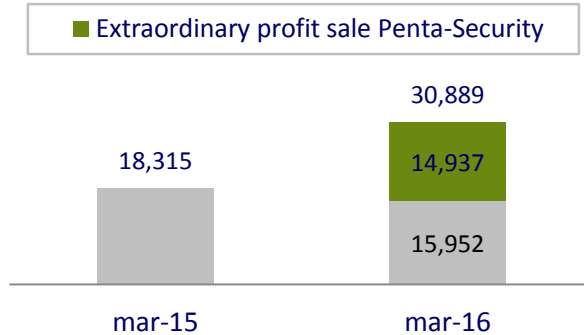
# Significant Events During the Period and Subsequent Events

- » **Purchase agreement for Banco Penta's Mutual fund and Brokerage Bussineses:** February 15, 2016, successful acquisition and merger of the asset management subsidiaries of Banco Penta. Operation incorporates almost Ch\$800 billion in assets.
  
- » **Sale of minority interest in Penta Security to Liberty International Holdings:** On January 8, 2016, the takeover bid of Penta Security was declared a success; the deal resulted in a net after-tax gain for Grupo Security of Ch\$14,937 million.
  
- » **Ordinary Shareholders Meeting:** The meeting was held on April 28, 2016, and approval was given, among others, to the following :
  - » **Dividends:** approval was given to a dividend payment of Ch\$7.25 per share charged to profit for the year 2015. This dividend and the interim dividend distributed in October 2015 total Ch\$11.25 per share, equivalent to Ch\$36,657 million, or 56% of profit for the year 2015.
  - » **Election of new Board of Directors:** Now comprised of Francisco Silva, Juan Cristóbal Pavez, Ana Sainz de Vicuña, Horacio Pavez, Jorge Marín, Hernán De Las Heras (independent member), Bruno Philippi, Naoshi Matsumoto and Mario Weiffenbach.
  
- » **SIS:** In May 2016, Vida Security was awarded four fractions of the Disability and Survivors Insurance (SIS) organized by the pension fund management companies to provide coverage for their members, coming into effect between July 2016 and June 2018.

# Grupo Security<sup>1</sup> Results (Ch\$ million)

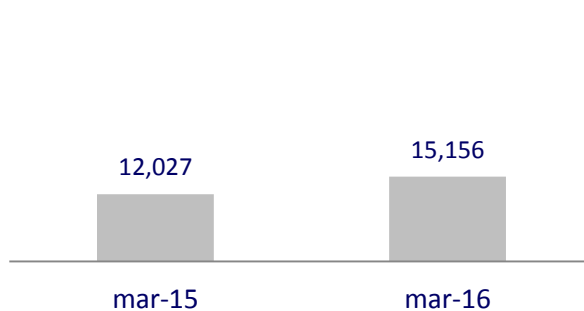
## Grupo Security

(Ch\$ million) Chg. 2016/15 +68.6%



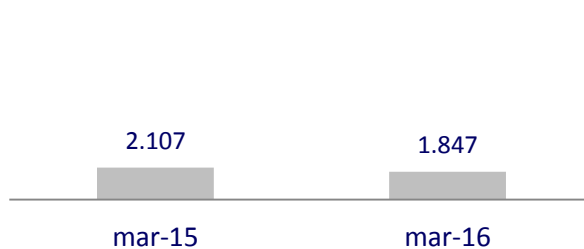
## Lending Area

(Ch\$ million) Chg. 2016/15 +26.0%



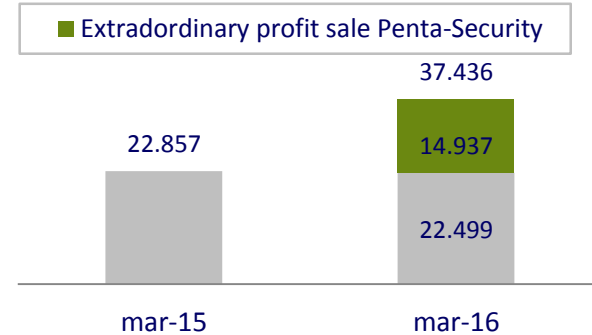
## Asset Management Area

(Ch\$ million) Chg. 2016/15 -12.3%



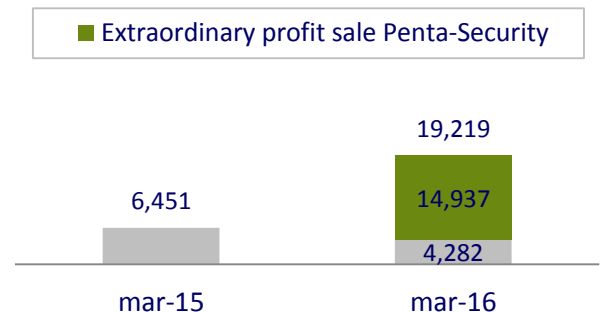
## Business Areas

(Ch\$ million) Chg. 2016/15 +63.8%



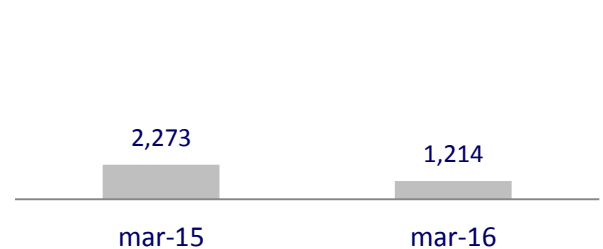
## Insurance Area

(Ch\$ million) Chg. 2016/15 +197.9%



## Other Services

(Ch\$ million) Chg. 2016/15 -46.6%



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

<b>Accumulated Profit - LTM</b>	<b>Dec-11</b>	<b>Dec-12</b>	<b>Dec-13</b>	<b>Dec-14</b>	<b>Dec-15</b>	<b>Mar-16</b>
(Ch\$ million)						
- Banco Security	28,492	30,895	27,456	49,322	36,974	40,216
- Factoring	3,069	4,838	6,527	7,444	7,002	6,890
<b>Lending</b>						
- Valores Security	1,601	827	875	2,171	1,871	2,024
- AGF Security	4,529	3,507	4,470	4,414	8,584	8,318
- Asesorías Security	47	-103	-303	4	88	-58
- Securitizadora Security	-177	-24	-159	-245	-339	-343
<b>Asset Management Area</b>						
- Seguros Generales Penta Security	3,908	1,919	2,506	3,942	632	18,895
- Seguros Vida Security	5,875	11,107	19,286	26,793	27,659	25,594
- Servicios Security	799	821	1,690	690	680	724
<b>Insurance Area</b>						
- Inmobiliaria Security	430	2,238	549	4,008	6,868	5,712
- Travel Security	1,779	2,411	3,022	3,671	4,002	4,119
<b>Other Services</b>						
<b>Grupo Security Profit</b>	<b>41,883</b>	<b>46,561</b>	<b>49,843</b>	<b>61,010</b>	<b>65,022</b>	<b>77,596</b>

# Trends for Grupo Security - Indicators

- » Distributable profit of Ch\$30,889 million recorded for the first quarter of 2016, +68.6% YoY. The ROAE of Grupo Security stood at 13.95%.

	2011	2012	2013	2014	2015	Mar-16
Consolidated Profit Grupo Security (Ch\$ million)	41,883	46,561	49,843	61,010	65,022	30,889
No. of shares close (million)	2,882	2,882	3,184	3,232	3,258	3,258
Closing Price	175	187	177	216	191	194
Market Cap close (Ch\$ million)	504,395	538,982	563,511	697,702	621,370	632,123
EPS (times)	14.53 x	16.15 x	15.66 x	18.88 x	19.96 x	23.81 x
P/E (times)	11.20 x	11.60 x	10.70 x	11.30 x	9.56 x	8.15 x
Price-to-book (times)	1.34 x	1.35 x	1.21 x	1.33 x	1.13 x	1.09 x
Dividend Yield	5.5%	5.4%	3.9%	5.1%	5.9%	
Leverage	24.68%	26.16%	36.28%	36.14%	35.13%	35.32%
ROAA	0.92%	0.90%	0.82%	0.84%	0.80%	0.95%
Equity (Ch\$ million)	376,349	397,790	467,004	522,718	551,653	577,389
Business Area Profit (Ch\$ million)	51,212	58,356	64,070	97,563	92,782	
ROAE	12.37%	11.53%	12.03%	12.33%	12.10%	13.95%
Payout Ratio (Dividends/ Profit)	68.8%	59.8%	51.3%	54.5%	56.4%	
Five-Year CAGR Consolidated Profit	9.38%	7.78%	22.89%	15.26%	9.74%	

## **Banco Security (Individual): Earnings Mar-16 Ch\$ 13,453 million (+25.4% YoY, +303% QoQ)**

### **Banca Empresas: Ch\$12,132 million, +98.3% YoY, +500% QoQ**

- » Reduced credit risk **provision expenses** in Banca Empresas (Ch\$-25 million as of Mar-16, Ch\$-5,262 million as of Mar-15)
  - » High basis of comparison in 2015 due to extraordinary cases of risk (≈Ch\$3,200 million, mid-size mining and transport).
  - » Improvement in the value of guarantees (≈Ch\$700 million) of provisioned customers
  - » Non-performing loans in dollars improve due to depreciation of the dollar against the peso (≈Ch\$ 530 million)

### **Retail Banking: Ch\$829 million, -17.9% YoY, -50% QoQ**

- » One-off impact on **provision expenses** (Ch\$1,021 million) due to change in regulations (mortgage loans)
- » Higher expenses in Retail Banking (Ch\$1,795 million), due to greater use of credit cards and payment of productivity bonuses for the year 2015
- » Growth in Retail Banking loans (Ch\$921,548 million, +6.9% YoY)

### **Treasury: Ch\$3,401 million, -15.2% YoY, +614% QoQ**

- » Improvement in bonds that had been deteriorating (Ch\$518 million in results)
- » Foreign currency derivatives benefit from exchange rate depreciation
- » High YoY basis of comparison due to improved financial margin
- » Low QoQ basis of comparison, affected result

## **Factoring Security: Expenses Mar-16 Ch\$1,700 million (-6.1% YoY, -2.6% QoQ)**

- » Weakening of domestic economy: Factored receivables totaled Ch\$ 237,805 million, +5.3% YoY however -15% QoQ
- » Lower **spread** (0.67%, -7 b.p. YoY)
- » Stable risk and efficiency (3.1% y 47.1%)

	2011	2012	2013	2014	2015	Mar-15	Mar-16
Efficiency Ratio	54.16%	54.69%	53.26%	48.87%	48.07%	50.09%	52.93%
Risk Index (Provisions/Loans)	1.39%	1.38%	1.39%	1.59%	1.83%	1.61%	1.86%
Non-Performing Loan Coverage	103.9%	104.0%	124.8%	105.4%	119.0%	95.2%	116.0%
ROAE (Profit LTM / Average Equity)	14.78%	12.79%	11.08%	16.27%	12.05%	15.52%	12.27%
NIM LTM / Average Loans	2.62%	2.41%	2.60%	3.35%	3.43%	3.44%	3.43%
Equity (Ch\$ million)	267,463	283,593	308,362	379,051	408,340	388,926	435,009
Consolidated Profit LTM (Ch\$ million)	35,016	35,227	32,798	55,902	47,425	12,310	15,439
Core Capital (Basic Capital/ Total Assets)		6.2%	6.3%	6.8%	6.6%	6.9%	7.1%
Basel I Tier II (Total Equity/ APPR)	12.0%	11.9%	12.2%	12.5%	12.1%	12.7%	12.8%



# Banco Security vs. Peer Banks vs. System

March	Banco Security		Peer Banks		System	
	2015	2016	2015	2016	2015	2016
Gross Operating Income LTM / Average Total Assets	4.0%	3.9%	3.7%	4.0%	4.9%	4.7%
Efficiency Ratio	50.1%	52.9%	55.1%	56.4%	48.5%	51.1%
Risk Index (Provisions/Loans)	1.61%	1.86%	1.62%	1.75%	2.39%	2.51%
Commercial Risk Index	1.72%	1.97%	1.63%	1.77%	2.30%	2.44%
Retail Risk Index	1.24%	1.46%	1.44%	1.60%	2.62%	2.66%
ROAE (Profit LTM / Average Equity)	15.52%	12.27%	12.66%	11.78%	16.92%	14.49%
ROAA (Profit LTM / Average Total Assets)	1.13%	0.95%	0.96%	0.94%	1.35%	1.14%
NIM LTM / Average Loans	3.44%	3.43%	3.29%	3.53%	4.84%	4.66%
Tier 1 Capital / Total Assets	6.89%	7.11%	6.72%	7.38%	7.08%	6.91%
Tier 2 Basel Index	12.70%	12.78%	12.30%	13.31%	13.25%	12.94%

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

## Penta Security: Extraordinary gain on the sale of interest Ch\$18,979 million

- » Ch\$14,937 million after taxes.

## Vida Security: Earnings Mar-16 Ch\$ 4,231 million (-32% YoY, -60% QoQ)

- » Lower investment income Ch\$22,668 million: international equity instruments and effect of exchange rate
- » High quarterly basis of comparison due to sale of building

## Protecta: Earnings Mar-16 S./ 2,712,897 (US\$ 815,664)

- » 6.2% share of market in life annuities

## Bidding process for Disability and Survivors Insurance (SIS)

- » Vida Security awarded 4 fractions in the bidding process for SIS 2016-2018
- » Business comes into effect between July 2016 and June 2018
- » Operation has an estimated present value of Ch\$9,906 million, should begin to generate profits as from 2017, and is not expected to generate additional capital requirements

Companies awarded with SIS fractions

	Men		Women		
	Rate	Fractions	Rate	Fractions	
<b>Security</b>	1.41%	2	<b>Security</b>	1.01%	2
<b>Chilena</b>	1.41%	3	<b>CN Life</b>	1.03%	1
<b>Ohio</b>	1.42%	1	<b>Bice</b>	1.05%	1
<b>Penta</b>	1.42%	3	<b>Chilena</b>	1.06%	1
<b>Euro</b>	1.44%	1	<b>Chilena</b>	1.06%	1
<b>Rigel</b>	1.44%	2	<b>Euro</b>	1.06%	2
<b>Bice</b>	1.45%	1	<b>Rigel</b>	1.06%	1
<b>BTG</b>	1.47%	1	<b>BTG</b>	1.08%	1
<b>CN Life</b>	1.48%	1	<b>Penta</b>	1.12%	2
<b>Banchile</b>	1.49%	1	<b>BBVA</b>	1.17%	1
<b>BBVA</b>	1.50%	1	<b>Banchile</b>	1.21%	1
<b>Vida Camara</b>	1.58%	2	<b>Vida Camara</b>	1.23%	1

March 2016	Security	Industry
Profit for the period/ Retained Premium	6.8%	8.8%
(Claims and Pensions paid)/ Gross Premiums Written (1)	77.3%	92.7%
Administrative expenses/ Gross Premiums Written (2)	11.2%	10.9%
Underwriting expenses/ Gross Premiums Written (3)	6.3%	5.4%
Combined Ratio (1) + (2) + (3)	94.8%	109.0%
Annualized ROE	10.2%	14.7%
Leverage (Liabilities/Equity)	12.09 x	9.59 x

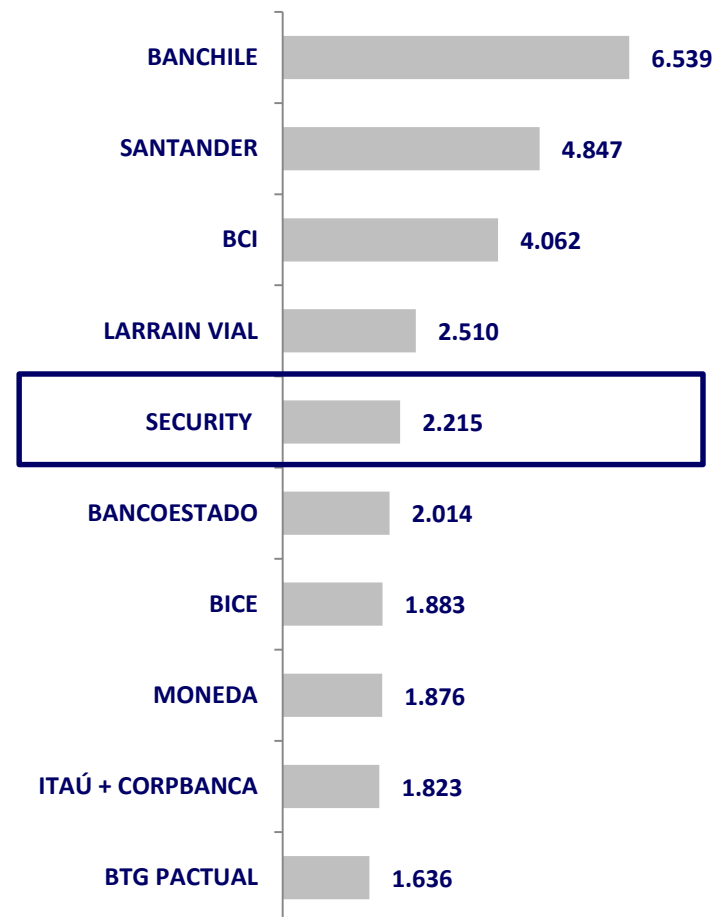
March 2016 LTM	Security	Industry
Profit for the period/ Retained Premium	9.8%	7.7%
(Claims and Pensions paid)/ Gross Premiums Written (1)	81.3%	91.7%
Administrative expenses/ Gross Premiums Written (2)	11.5%	11.5%
Underwriting expenses/ Gross Premiums Written (3)	6.6%	5.6%
Combined Ratio (1) + (2) + (3)	99.4%	108.9%
ROE	15.4%	13.6%
Leverage (Liabilities/Equity)	11.88 x	9.60 x

## Inversiones Security: Earnings Mar-16 Ch\$1,847 million (-12.3% YoY, +14.9% QoQ)

- » **Increased AUM** Ch\$4,163 billion (+40.7% YoY, +26.4% QoQ)
  - » Merger with Banco Penta's asset management subsidiary (≈ Ch\$800 billion)
  - » Growth in international funds with alternative investment strategies (≈Ch\$ 400 billion)
- » **Decreased management fees** on mutual funds (0.95% Mar-16 vs. 1.19% Mar-15 and 1.08% Dec-15): movement towards lower-fee funds due to market volatility
- » 6.16% share of mutual fund and investment fund (public) markets

### AUM Mutual Funds and Investment Funds

Total: Ch\$29,406 billion



## **Travel Security: Earnings Mar-16 Ch\$988 million (+13.5% YoY, +22% QoQ)**

- » Lower sales due to slowdown in activity of the area
  - » Industry sales through BSP<sup>1</sup> fall 16.2% YoY, in line with economic slowdown
  - » Travel sales of US\$54 million as of March 2016 (-9.2% YoY)
- » Favorable renegotiation of contracts with service providers of airline bookings (GDS<sup>2</sup>)
- » Increase in commissions paid by airline companies due to referral of demand
  - » Travex<sup>3</sup> earnings: Ch\$68 million (-67.6% YoY), affected by political uncertainty and economic slowdown
  - » Travex sales: US\$13 million (-26.3% YoY)

## **Inmobiliaria Security: Earnings Mar-16 Ch\$394 million (-74.6% YoY, -90% QoQ)**

- » Decreased certification of projects (15 certifications in 1Q16, 114 in 4Q15 and 64 in 1Q15)
- » Management of real estate assets of Ch\$57,928 million (+29.2% YoY, +5.2% QoQ)

<sup>1</sup>Billing and Settlement Plan, is a system that centralizes payment of airline tickets from the travel agents to the airline companies.

<sup>2</sup>Global Distribution and Reserves System, are systems that manage the distribution of airline reservations, among others.

<sup>3</sup> Travel Security controls 75% of Travex Security via Viajes (*Travel*) Security.



Period of low growth, focus placed on profitability and cost control.



Focus on management of credit risk and financial risk, given the projected economic conditions



Search to increase commercial productivity



Consolidate expansion in Peru, exploring the opening up of new lines of business



Greater visibility of Grupo Security at international investor level

**Obtain growth in earnings despite environment of economic slowdown**



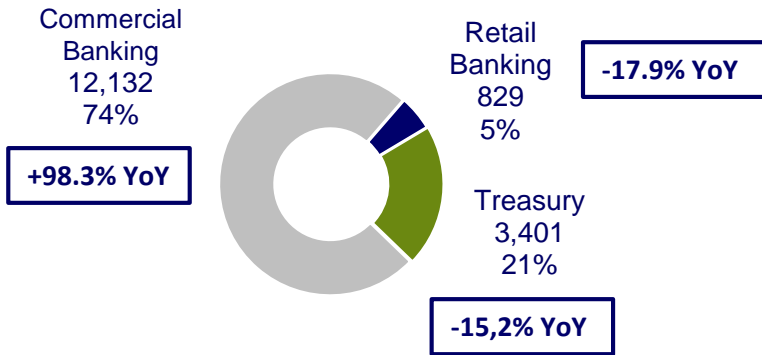


# Financial Results Grupo Security March 2016

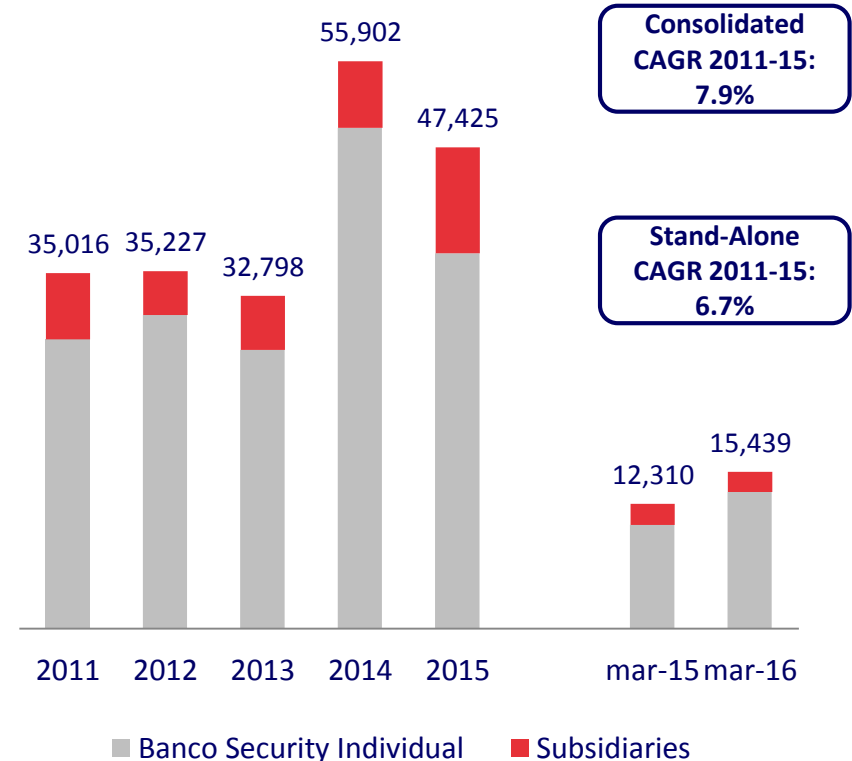
# Banco Security - Profit

- » Consolidated profit March 2016 Ch\$15,439 million (+25.4% YoY)
- » Consolidated gross operating income of Ch\$ 56,009 million (+14.5% YoY)

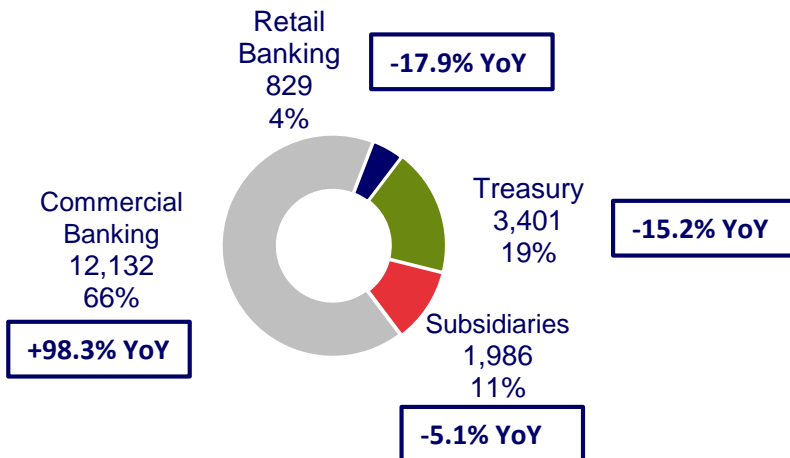
## Banco Security Stand-Alone Profit : Ch\$13,453 million (Ch\$ million) Chg. 2016/15 +31.7% YoY\*



## Banco Security Profit: Ch\$15,439 million (Ch\$ million)



## Banco Security Consolidated Profit: Ch\$15,439 million (Ch\$ million) Chg. 2016/15 +25.4% YoY\*

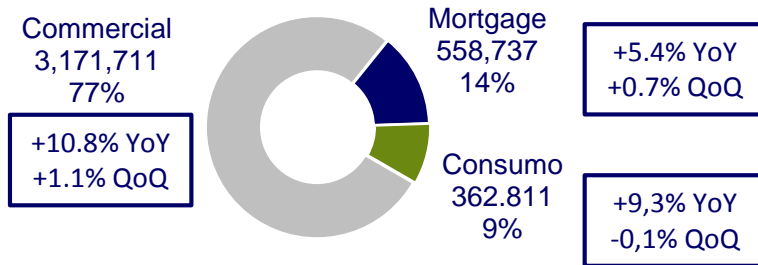


\* Includes net loss of Ch\$ 2,910 million in Corporate Support and "Adjustments."

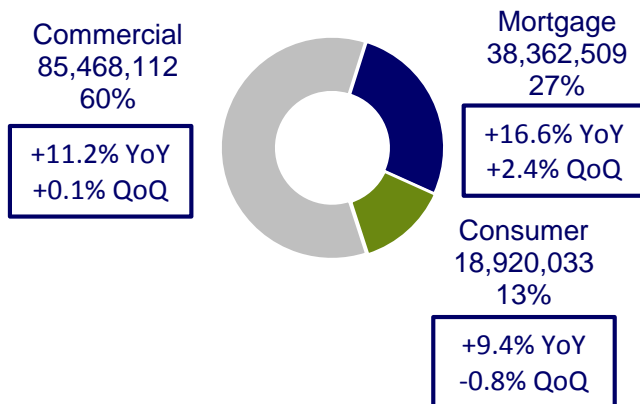


» Consistent historical loan growth with a CAGR of 12% since 2011.

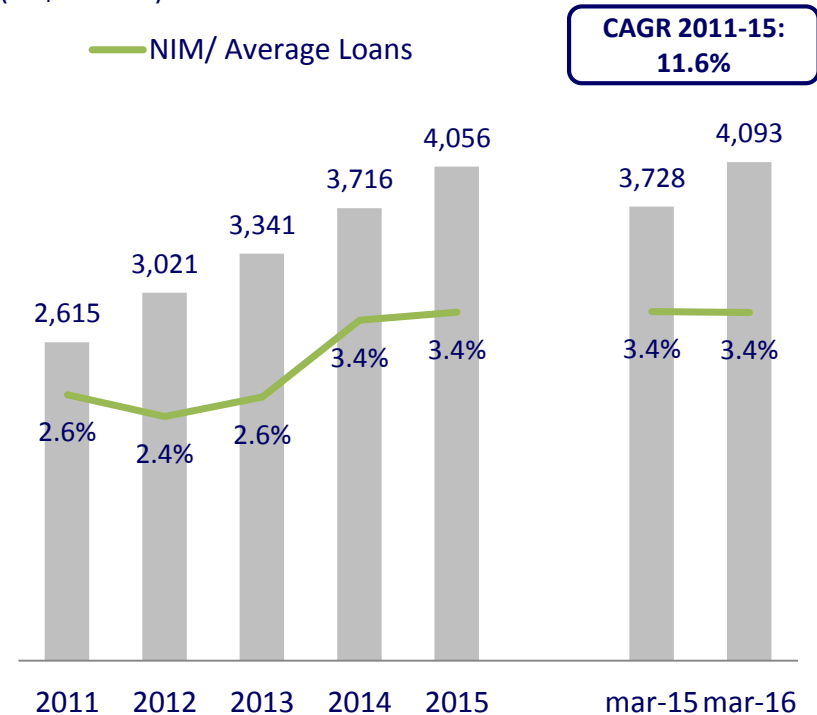
**Banco Security - Loans: Ch\$4,093,302 million**  
(Ch\$ million) Chg. 2016/15 +9.8% YoY; +0.9% QoQ



**Industry – Loans: Ch\$142,750,654 million**  
(Ch\$ million) Chg. 2016/15 +12.4% YoY; +0.5% QoQ



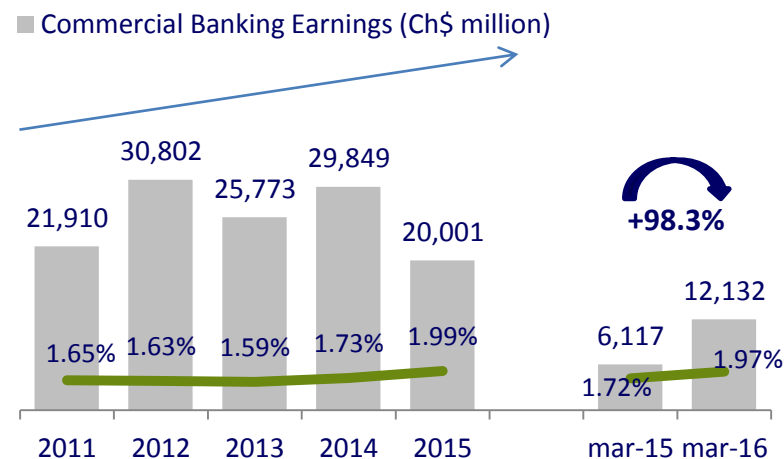
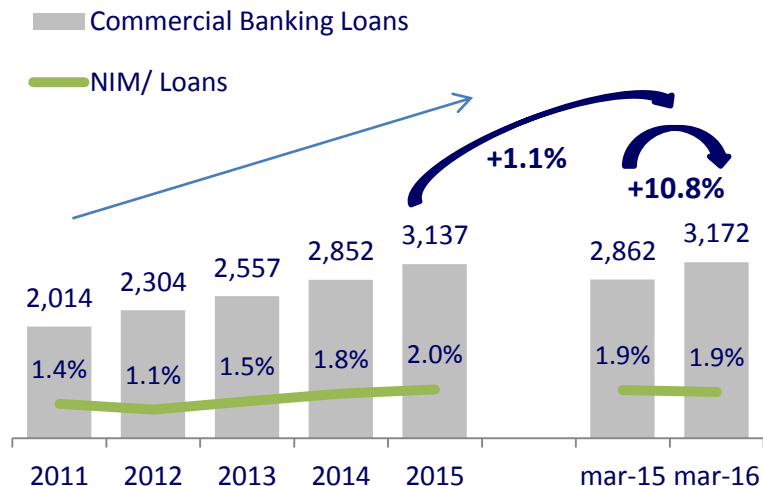
**Banco Security - Loans**  
(Ch\$ million)



## Results - March 2016

- » Commercial Loans: Ch\$3,171,711 million (+10.8% YoY and +1.1% QoQ; vs 11.2% YoY and 0.1% QoQ for the system ); 77.5 % of total stock
- » Profit March 2016: Ch\$12,132 million (+98.3% YoY)
- » Through March 2016, Commercial Banking had 9,291 checking accounts, +5.6% YoY

Main effects on profits up to Mar-16					
Ch\$ million	Δ% QoQ	Δ QoQ	Δ% YoY	Δ YoY	Mar-16
Interest Margin	+3.7%	+634	+13%	+2,021	17,596
Provision Expenses	-99.8%	+12,221	-99.5%	+5,236	-25

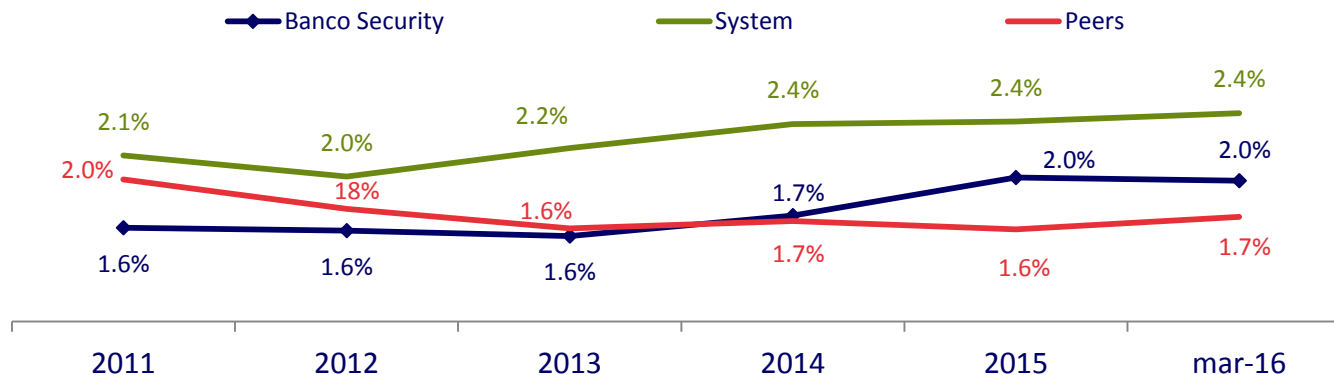


» **Decreased provision expenses** (-99.5% YoY ( $\Delta$ - Ch\$5,236 million), -Ch\$25 million as of Mar-16)

- » High basis of comparison in 2015 due to extraordinary cases of risk
- » Increased guarantee coverage among provisioned customers
- » Depreciation of the dollar against the peso reduces the amount of provisions for dollar loans

Commercial Banking	1Q15	4Q15	1Q16	% Chg	
				QoQ	YoY
<b>Commercial Loans</b>	<b>2,861,883</b>	<b>3,137,309</b>	<b>3,171,711</b>	<b>1.1%</b>	<b>-15.6%</b>
Commercial provision expenses (Ch\$ million)	-5,262	-12,246	-25	-99.8%	-99.5%
Provisions - commercial loans (Ch\$ million)	49,202	62,524	62,523	0.0%	27.1%
Coverage - commercial non-performing loans	91.5%	124.7%	112.9%	-1184 p	2137 p
<b>Provisions/Loans</b>	<b>1.72%</b>	<b>1.99%</b>	<b>1.97%</b>	<b>-2 p</b>	<b>25 p</b>

## Risk (Provisions/Loans)

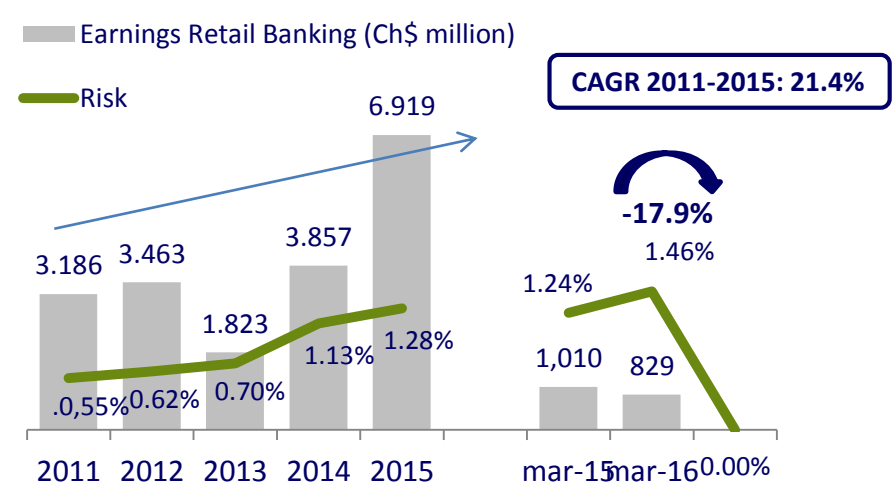
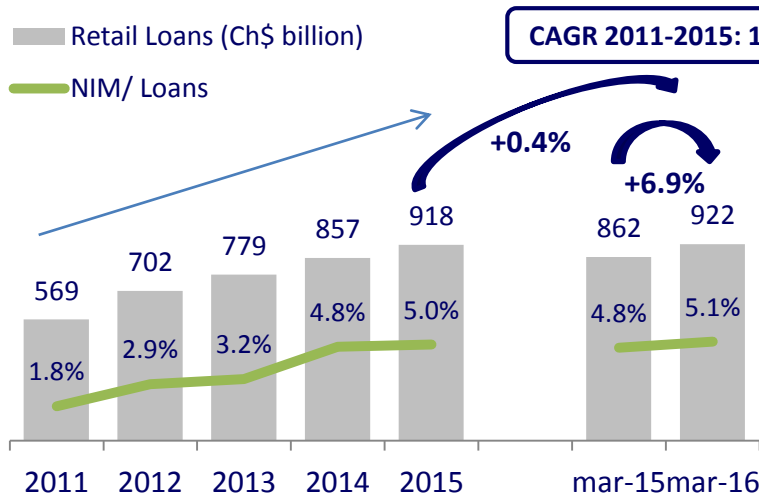


# Banco Security – Retail Banking

## Results - March 2016

- » Increasing share of Bank's results: from 3% of Bank's consolidated profit in 2010 to 15% in December 2015.
- » Growth of +9.3% YoY in consumer loans and -0.1% QoQ (system +9.4% YoY and -0.8% QoQ)
- » Growth in mortgage loans of +5.4% YoY and +0.7% QoQ (system +16.6% YoY and +2.4% QoQ)
- » Retail banking risk index reaches 1.5% as of March 2016 (system 2.7%)
- » Consumer + Mortgage loans: Ch\$921.548 million (+6.9% YoY and +0.4% QoQ; vs 14.2% YoY and +1.3% QoQ for the system); 22.5% of total loans. Up to March 2016, Retail Banking had 69,615 checking accounts, +7.6% YoY:
- » Profit up to March 2016: Ch\$829 million (-17.9% YoY)

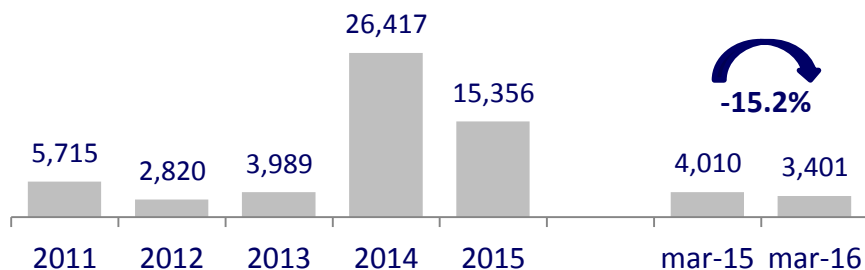
Main effects on profits up to Mar-16					
Ch\$ million	Δ% QoQ	Δ QoQ	Δ% YoY	Δ YoY	Mar-16
Interest Margin	+8.1%	+1,067	+17.8%	+2.141	14,187
Provision Expenses	+42.4%	-1,507	+41.8%	-1,491	-5,057
Operating Expenses	-2.7%	+346	+16.8%	-1,795	-12,464



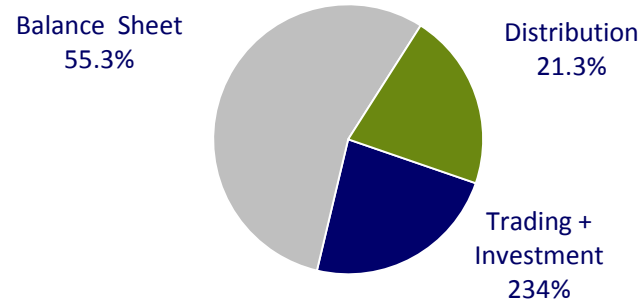
## Results - March 2016

- » Profit March 2016: Ch\$3,401 million (-15.2% YoY, +614.2% QoQ)
- » Good performance of derivative instruments linked to foreign currency, offset by losses in inflation futures due to unforeseen drops in inflation
- » Recovery during 1Q16 of provisions made during 4Q15 due to the deterioration of national and international corporate debt instruments, benefiting the result of the Treasury and the Bank's equity
- » Distribution desk increased its revenue by + 17.3% YoY, Δ + Ch\$360 million due to an increased operations flow with customers and good results in Market Making, due to exchanges and structured products

### TREASURY PROFIT (Ch\$ million)

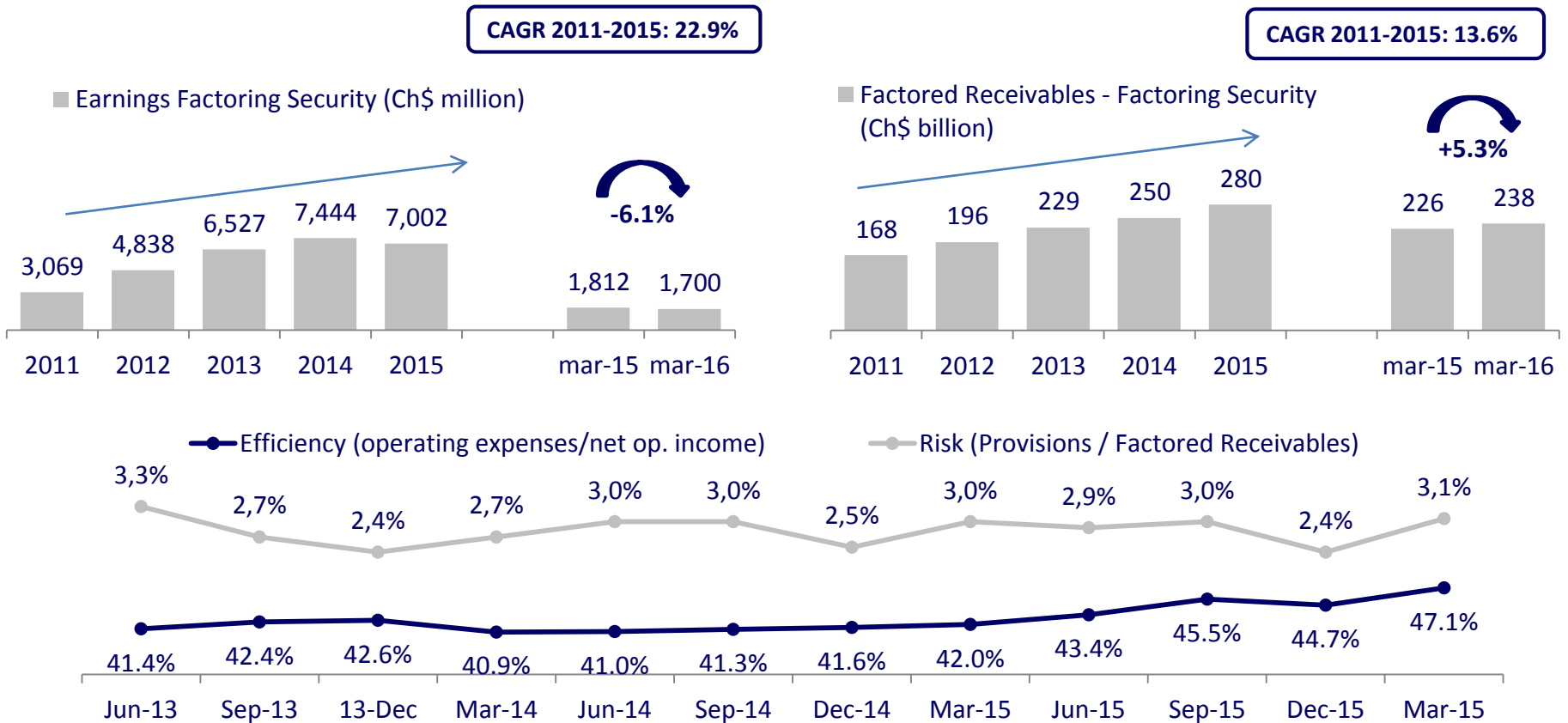


### INCOME BY DESK



# Factoring Security

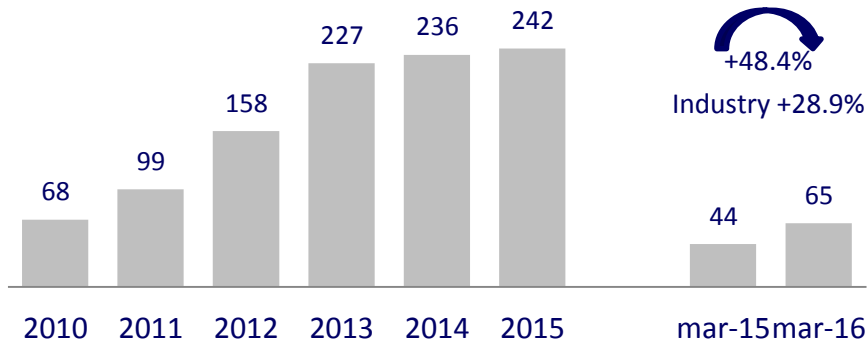
- » Profit as of March 2016 Ch\$1,700 million (-6.1% YoY)
- » Average spread up to March 2016 of around 0.67%, -7 b.p. YoY
- » Factored receivables Ch\$237,805 million +5.3% YoY (industry +1.3% YoY)
- » Risk (Provisions/Loans) of 3.1% for 1Q15; +4 b.p. YoY and +66 b.p. QoQ
- » Efficiency ratio (Operating expenses / Net operating income) 47.1% (+552 b.p. YoY)



## Gross Premiums Written<sup>1</sup>

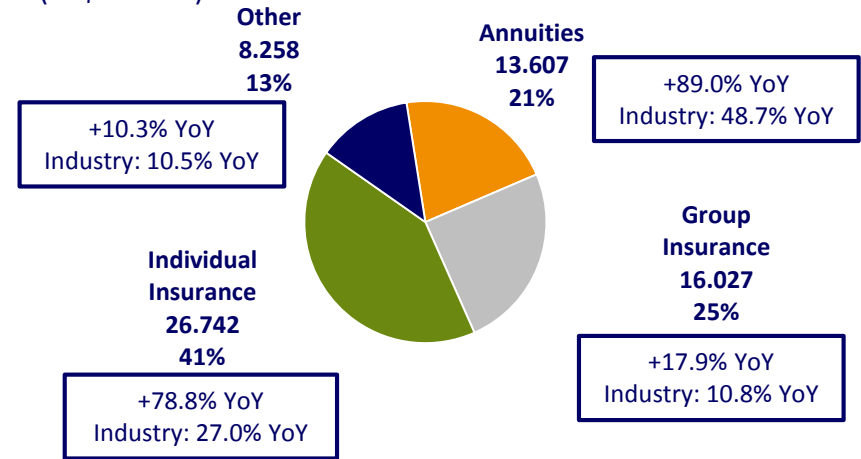
(Ch\$ billion)

CAGR 2010-2015= 28.8%



## Gross Premiums Written by Type of Product

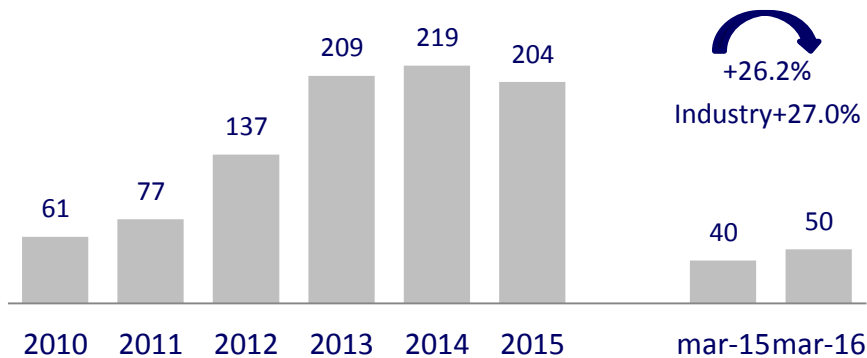
(Ch\$ million)



## Claims and Pensions Paid<sup>1</sup>

(Ch\$ billion)

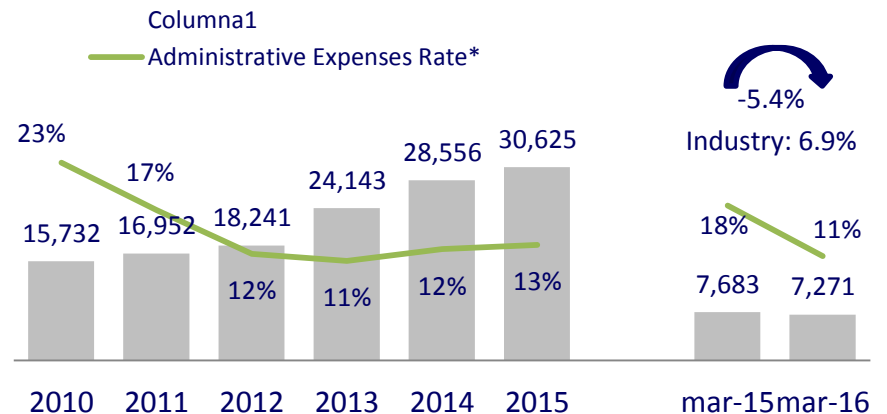
CAGR 2010-2015= 27.1%



## Administrative Expenses<sup>1</sup>

(Ch\$ million)

CAGR 2010-2015= 14.3%



<sup>1</sup> In Proforma format, includes operating income for CDS for the second semester of 2013

\* Underwriting Expenses/ Gross Premiums Written

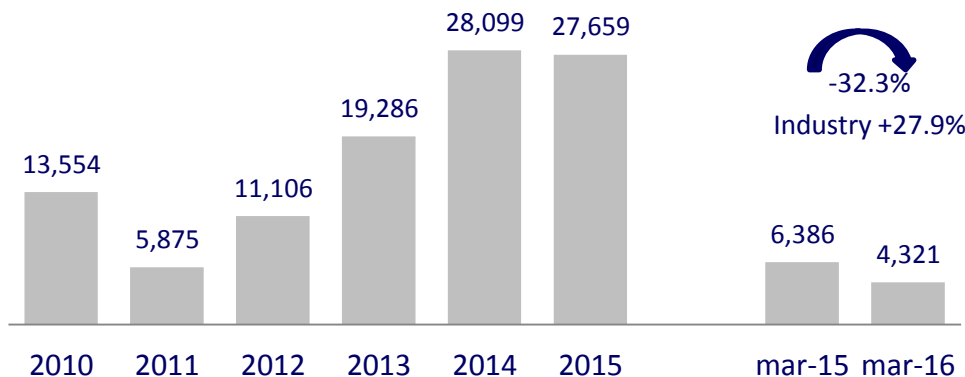
- » Downturn of international financial markets impacts international equities
- » High basis of comparison for 4Q15 due to extraordinary gain on the sale of a building
- » Drop in investment income affects company's profit for the period

Returns on Proprietary Trading Portfolio	Mar-15	Mar-16
Fixed Income	4.7%	5.0%
Variable Income	10.6%	-3.3%
Real Estate	7.8%	8.1%
Real Estate Funds	3.9%	12.2%
Trading	4.1%	-20.5%
Other	9.3%	2.0%
<b>Total Portfolio</b>	<b>5.4%</b>	<b>4.3%</b>

In Ch\$ Million	Stock Mar-15	Stock Mar-16	Stock Δ% YoY	Results Mar-15	Results Mar-16	Results Δ% YoY
Fixed Income	1,435,080	1,566,697	9.2%	17,704	21,058	18.9%
Variable income and indices	308,133	334,990	8.7%	5,373	7,731	43.9%
Real Estate	243,185	232,376	-4.4%	3,957	3,635	-8.1%
Other investments	15,656	12,656	-19.2%	1,830	-4,256	-332.6%
<b>Investment Income</b>	<b>2,002,055</b>	<b>2,146,719</b>	<b>7.2%</b>	<b>28,864</b>	<b>22,668</b>	<b>-21.5%</b>

## Vida Security Profit<sup>1</sup>

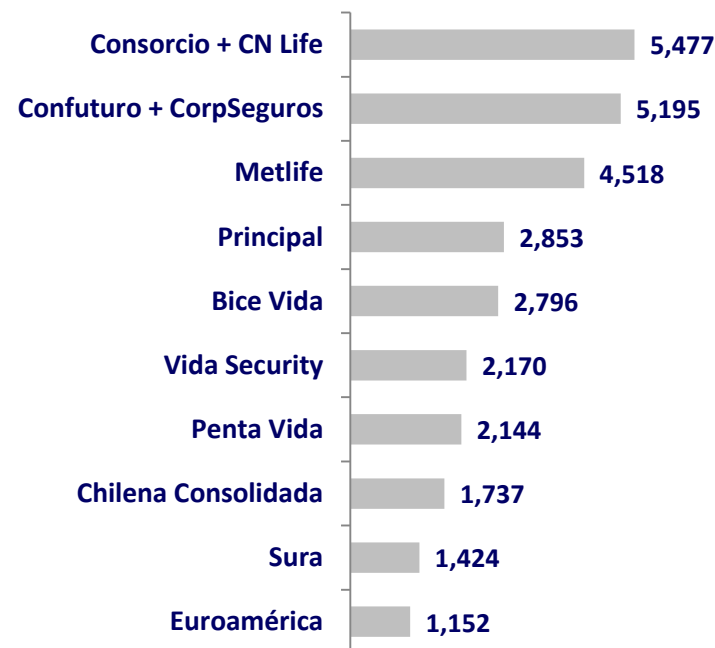
(Ch\$ million)



## Investment Portfolio Main Life Insurance Companies

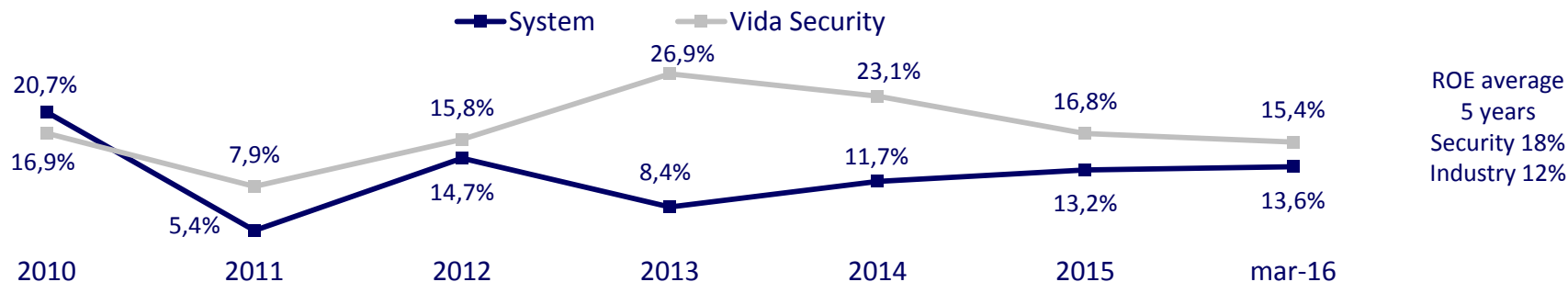
March 2016

Ch\$ 29,466 billion

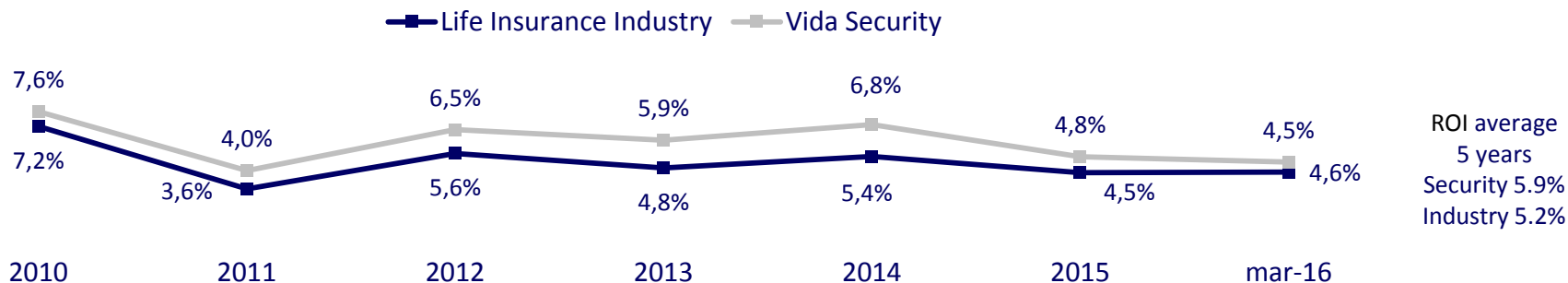




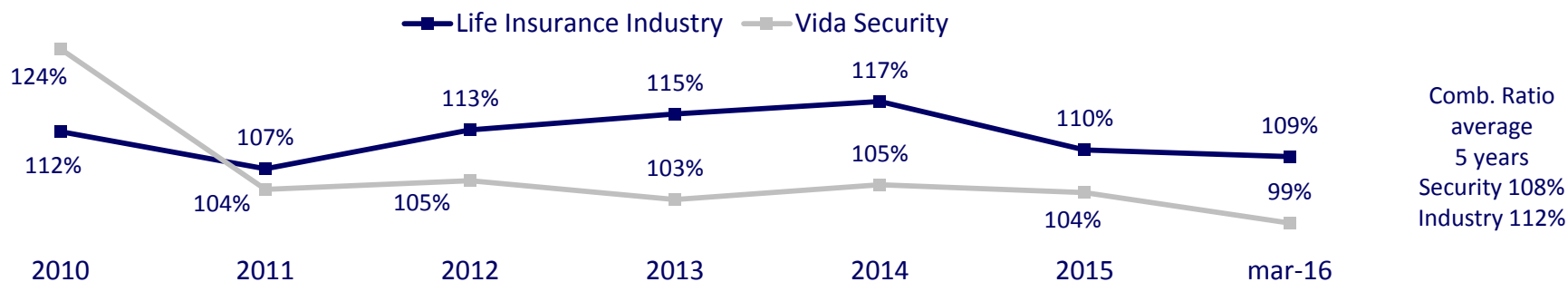
## ROE



## ROI



## Combined Ratio



- » In May 2016, Vida Security was awarded four fractions of the Disability and Survivors Insurance (SIS), organized by the pension fund management companies to provide coverage for their members, coming into effect between July 2016 and June 2018.
- » The operation has an estimated present value of Ch\$9,906 million, should begin to generate profits as from 2017, and is not expected to generate additional capital requirements.

	Men	
	Rate	Fractions
<b>Security</b>	1.41%	2
<b>Chilena</b>	1.41%	3
<b>Ohio</b>	1.42%	1
<b>Penta</b>	1.42%	3
<b>Euro</b>	1.44%	1
<b>Rigel</b>	1.44%	2
<b>Bice</b>	1.45%	1
<b>BTG</b>	1.47%	1
<b>CN Life</b>	1.48%	1
<b>Banchile</b>	1.49%	1
<b>BBVA</b>	1.50%	1
<b>Vida Camara</b>	1.58%	2

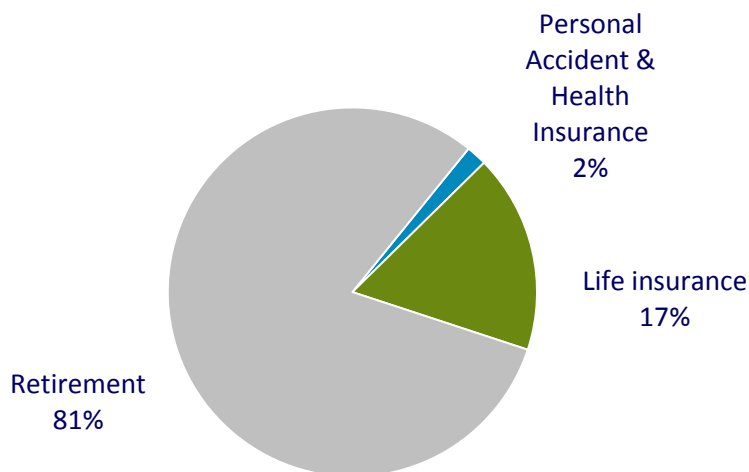
	Women	
	Rate	Fractions
<b>Security</b>	1.01%	2
<b>CN Life</b>	1.03%	1
<b>Bice</b>	1.05%	1
<b>Chilena</b>	1.06%	1
<b>Chilena</b>	1.06%	1
<b>Euro</b>	1.06%	2
<b>Rigel</b>	1.06%	1
<b>BTG</b>	1.08%	1
<b>Penta</b>	1.12%	2
<b>BBVA</b>	1.17%	1
<b>Banchile</b>	1.21%	1
<b>Vida Camara</b>	1.23%	1

Companies awarded with SIS fractions

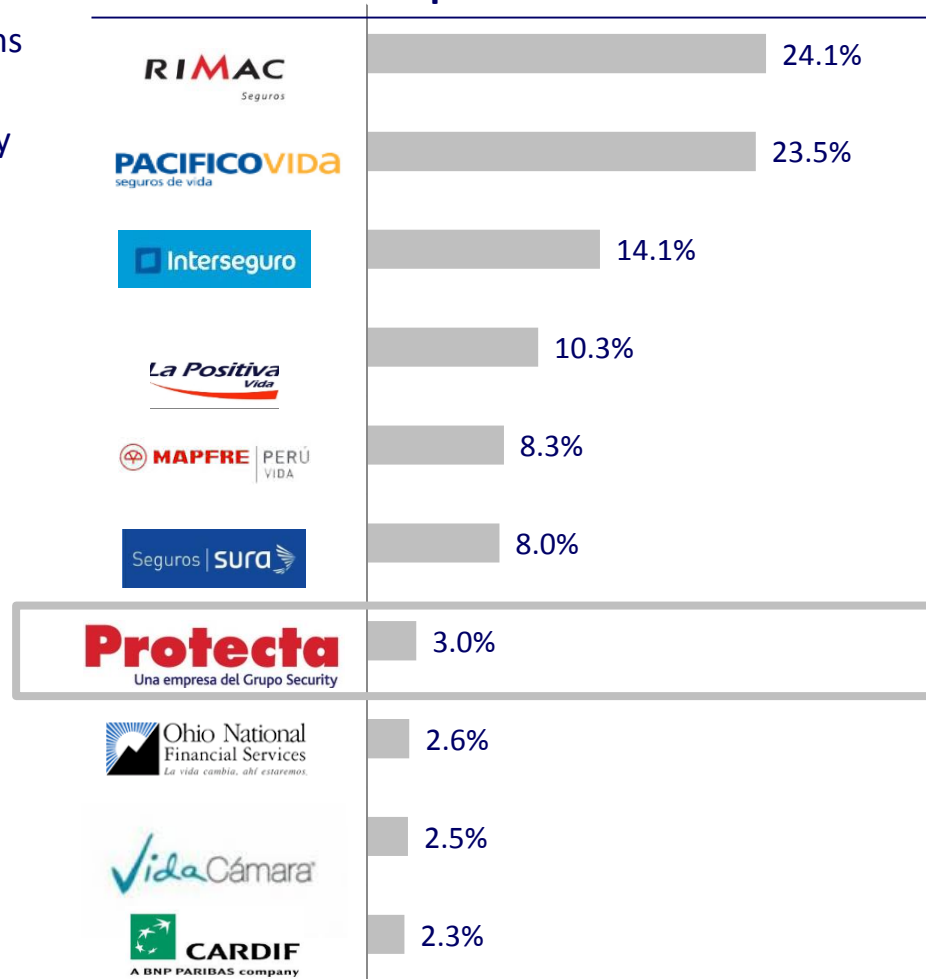
# Protecta Insurance Company

- Strategic acquisition marks the entry of Grupo Security into the Peruvian life insurance market
- The seventh Peruvian life insurance company in terms of size of investment portfolio (US\$171.6 million)
- Profits of Protecta as reported to Peruvian regulatory authority:
  - » March 2016: S./ 2,712,897 (US\$815,664)
  - » ROAE: 7.9% (industry 16.0%)
  - » ROI : 9.0% (industry 6.5%)

## Protecta: Gross Premiums Written



## Gross Premiums Written Main Peruvian Life Insurance Companies



## Financial Principles

- Premiums growth and diversification
- Outstanding return on investments
- Technical Reserves growth
- Healthy equity structure: Increase of Company's value (risk management and technical management)

## Customer and Product Principles

- Brand repositioning
- New value proposal to well-defined segments focused on service excellence and innovation
- Annuities sales of S./200 million
- Mass Insurance sales of S./ 29 million

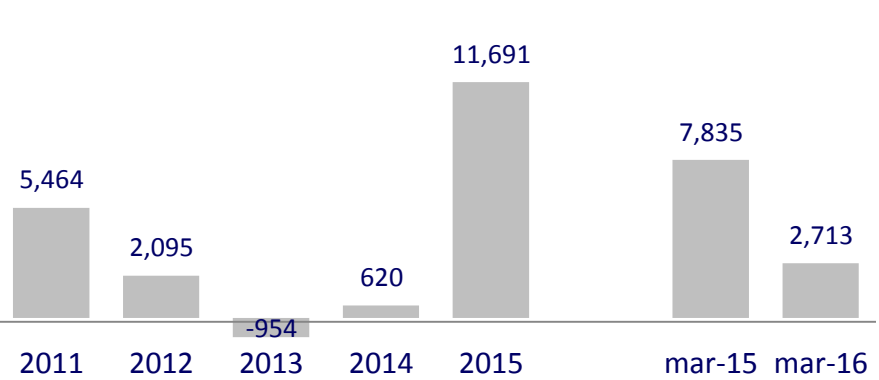
## Operational principles

- Operational efficiency (focus on technology)
- Redefinition and improvement of processes
- New structure and employees fitting the new strategy

## Competencies principles

- Organizational culture centered on the employee, based in organizational principles (excellence)
- Evaluation appraisal system as a cornerstone for meritocracy

### Profit (thousands of PEN)



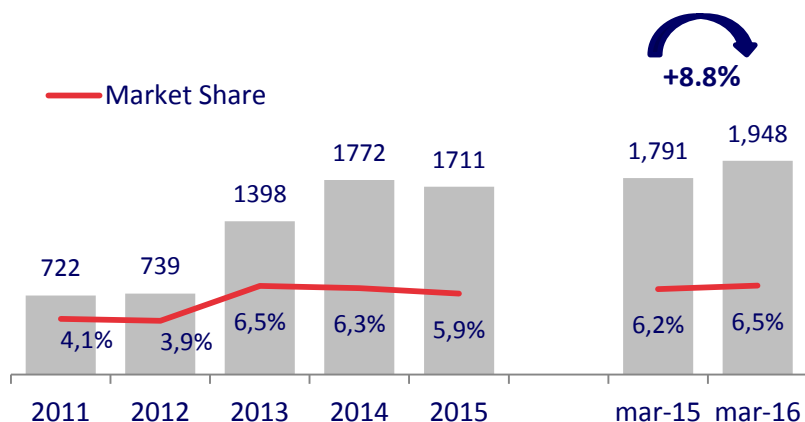
### Financial Indicators (thousands of PEN)

	4Q15	1Q16
Gross Premiums Written	38,988	35,196
Claims Paid	-8,400	-7,383
Administrative Expenses	-10,194	-7,030
Investment Income	16,865	13,546
Investment Portfolio	463,974	617,154
Equity	81,586	84,466

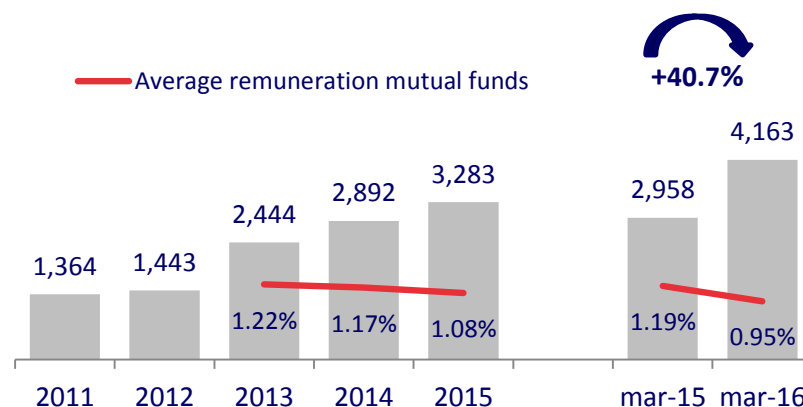
# Inversiones Security – Historical Trends

- » Increase in income from funds under management, as a result of the merger with Banco Penta's asset management subsidiary, offset in part by fall in management fees on mutual funds
- » Mutual funds under management: Ch\$1,948 billion, +8.8% YoY (industry +4.3% YoY).

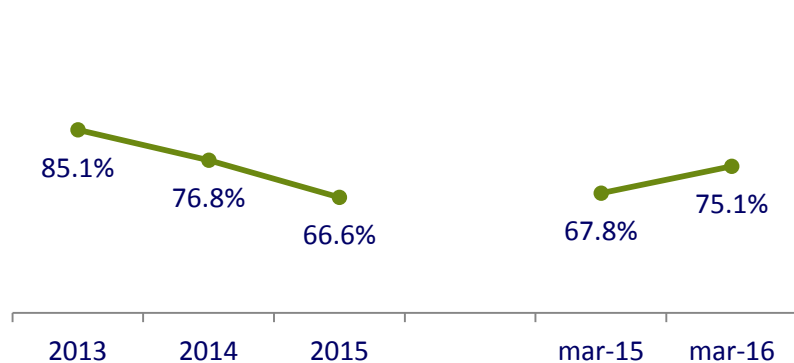
**Mutual funds under management (Ch\$ billion)**



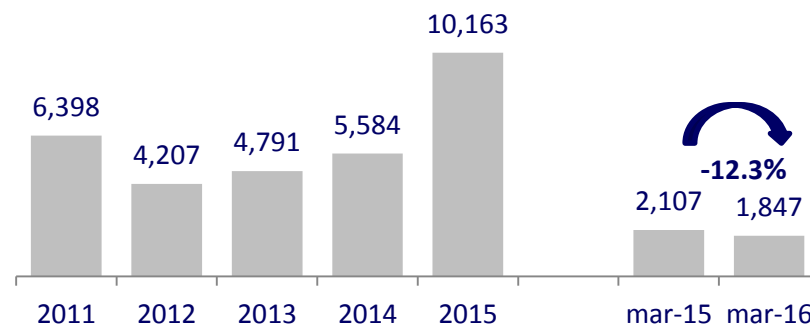
**Total AUM - Inversiones Security (Ch\$ billion)**



**Efficiency Ratio (Total Expenses/Total Income)**



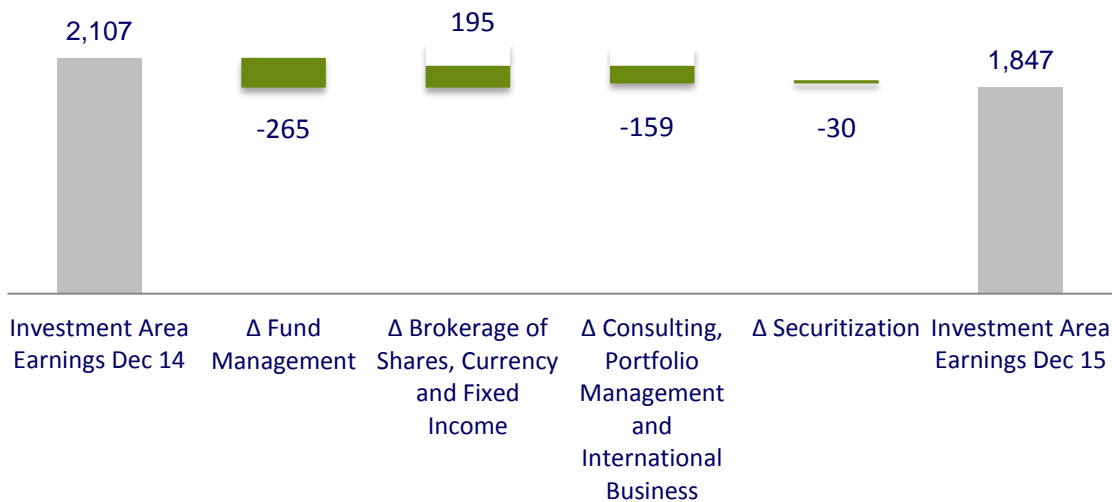
**Earnings Security Investment Area (Ch\$ million)**



# Inversiones Security – Results

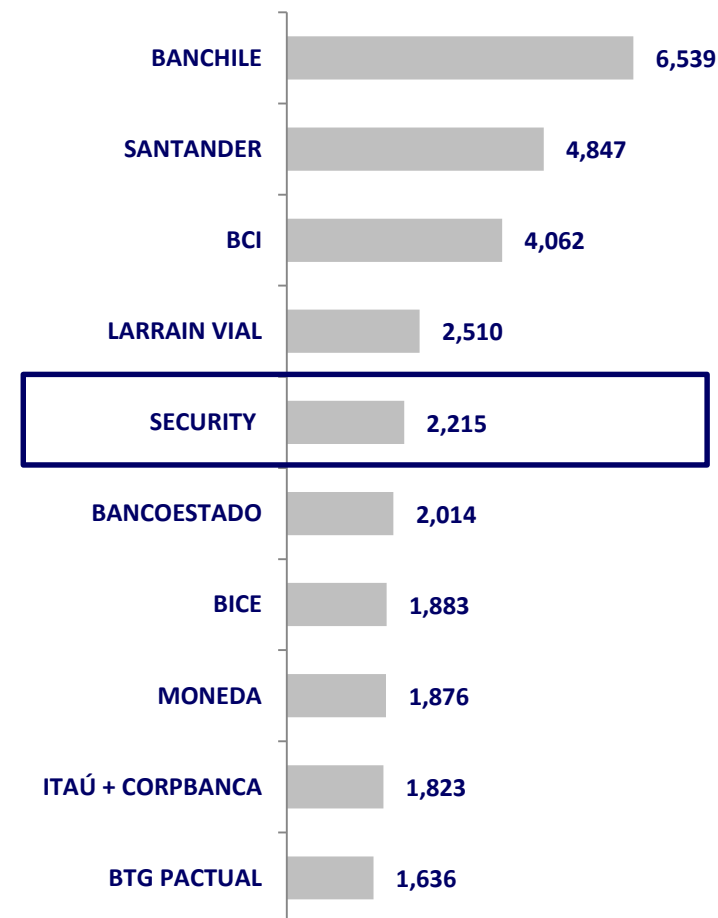
- » Consolidation in fifth place among fund managers. Strong performance from fixed income instruments in Valores Security's proprietary trading portfolio.

## Investment Area - Profit (Ch\$ million)



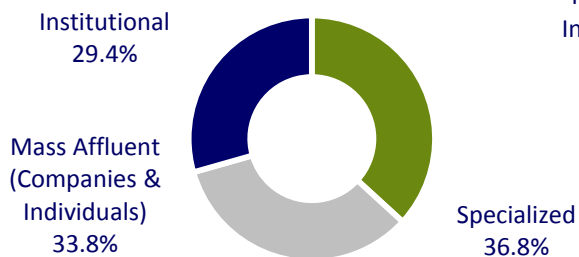
## AUM Mutual Funds and Investment Funds

Total: Ch\$29,406 billion



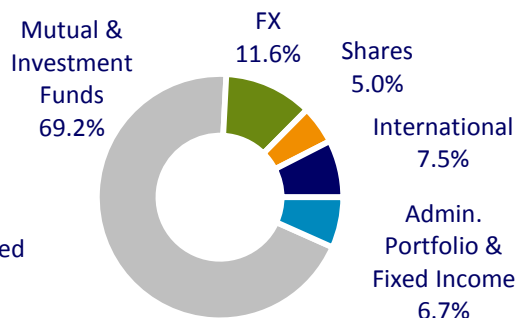
## Commercial Income Mar-16

Ch\$8,429 million



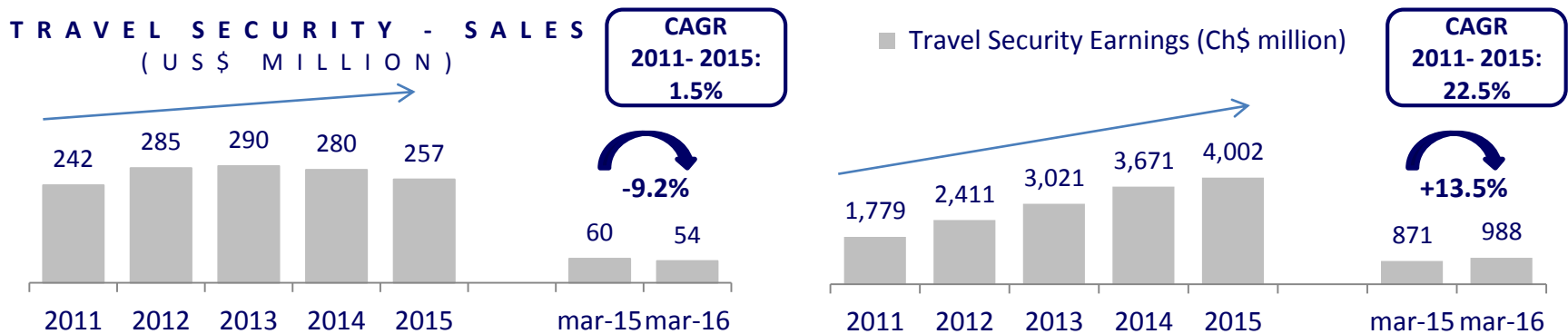
## Commercial Income Mar-16

Ch\$8,429 million



# Other Services: Travel Security

- » Consolidated profit of Travel Security for the first quarter of 2016: Ch\$988 million (+13.5% YoY)
- » Travel Security records sales of US\$54 million for the first quarter of 2016 (-9.2% YoY)
- » Sales in the industry by means of B.P.<sup>1</sup> fall 16.2% YoY, in line with the economic slowdown
- » Favorable renegotiation of contracts with service providers of airline bookings (GDS<sup>2</sup>)
- » Increase in commissions paid by airline companies from referral of demand
- » Travex<sup>3</sup> - Profit: Ch\$68 million (-67.6% YoY), affected by political uncertainty and economic slowdown



<sup>1</sup>Billing and Settlement Plan is a system that centralizes payment of airline tickets from the travel agents to the airline companies.

<sup>2</sup>Global Distribution and Reserves System, are systems that manage the distribution of airline reservations, among others.

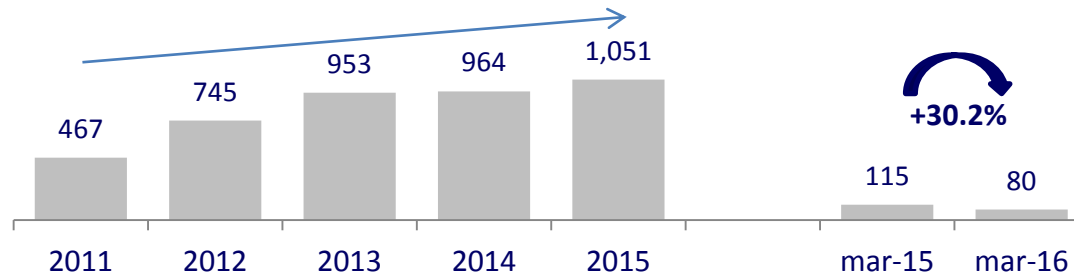
<sup>3</sup> Travel Security controls 75% of Travex Security via Viajes (*Travel*) Security.

# Other Services: Security Real Estate (Inmobiliaria)

- » Profit of Ch\$394 million for the first quarter of 2016 (-74.6% YoY)
- » Apartment sales for the first quarter of 2016 of UF 79,975
- » Real estate assets under management of Ch\$57,928 million due to the purchase of two new lots for UF 857 thousand during the last quarter of 2015
- » Under IFRS, revenue is recognized once legal title to the property has been transferred. Less revenue recorded from legal transference of properties has been recognized (15 legal titles were transferred in 1Q16; 114 in 4Q15 and 64 in 1Q15).

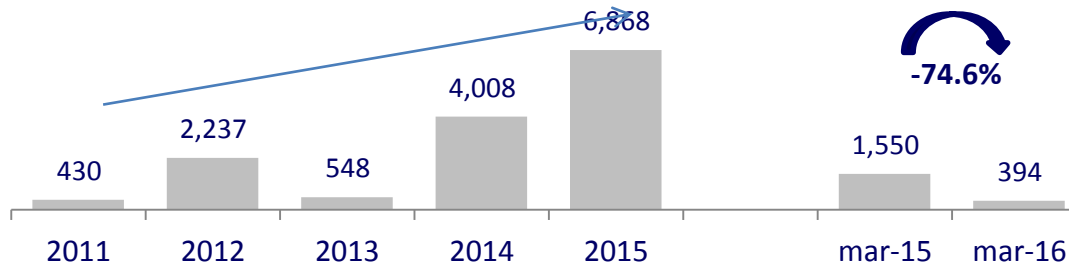
INMOBILIARIA SECURITY - SALES  
( IN THOUSANDS OF UF )

CAGR 2011- 2015: 22.5%



■ Inmobiliaria Security Earnings (Ch\$ million)

CAGR 2011- 2015: 99.9%





# Empresas Security\* Profit

Accumulated Profit - Related Companies (Ch\$ million)					
	1Q16	4Q15	1Q15	% Chg	
				QoQ	YoY
<b>Lending Area</b>					
Banco Security (Individual)	13,455	2,059	10,214	-	31.7%
Factoring Security	1,700	1,746	1,812	-2.6%	-6.1%
<b>Asset Management Area</b>					
Valores Security	203	(243)	50	-	309.5%
AGF Security	1,781	2,010	2,047	-11.4%	-13.0%
Asesorias Security	(5)	(3)	141	-	-
<b>Insurance Area</b>					
Vida Security	4,321	10,767	6,386	-59.9%	-32.3%
Penta Security	18,979	45	212	-	-
Servicios Security	86	191	42	-55.3%	101.7%
<b>Other Services</b>					
Inmobiliaria Security	394	4,242	1,550	-90.7%	-74.6%
Travel Security	988	808	871	22.2%	13.5%
Travex Security	68	189	210	-64.1%	-67.6%
<b>Grupo Security Profit<sup>1</sup></b>	<b>30,889</b>	<b>13,769</b>	<b>18,315</b>	<b>124.3%</b>	<b>68.6%</b>

<sup>1</sup> Attributable to owners

\*Subsidiary earnings correspond to 100% of their profits (except Penta Security, where the Group has a 29.55% interest. The figure shown here is the before-tax gain on the sale of its minority interest in the company. After taxes, the extraordinary gain totaled CH\$ 14,937 million). These figures differ from the results reported in the Segment Note, which includes consolidation adjustments to account for Grupo Security's percent ownership in each of its respective subsidiaries.

# Grupo Security: Individual Statement of Income Summary

(Ch\$ million)	Mar-15	Mar-16	Var %
Total Income	21,792	36,589	67.9%
Total Expenses	-1,752	-1,847	5.4%
Gain (loss) on indexed assets and liabilities	40	-1,232	-
Operational Margin	20,079	33,511	66.9%
Personnel and administrative expenses	-2,016	-2,106	4.5%
Depreciation and amortization	-94	-84	-10.3%
Total Operating Expenses	-2,110	-2,190	3.8%
Before-tax gain	17,970	31,321	74.3%
Income tax	98	0	-
Deferred tax	247	-432	-
Yearly earnings	18,315	30,889	68.6%



# Financial Results Grupo Security March 2016