



# Financial Results Grupo Security March 2017

31 May,  
11.00 AM

- » **GDP;** growth of 2.1% is forecast for 2017, driven by better external conditions and an improvement in domestic expectations
- » **Unemployment;** averaged 6.5% in 2016, and is expected to average around 7% in 2017 due to decreasing job creation
- » **Inflation;** annual variation in CPI stood at 4.8% at the start of 2016, closing the year at 2.7%; during 2017 it is expected to be in the lower target range of the Central Bank target (2% to 4%), with the probability of falling below 2%
- » **Exchange rates;** expected to fluctuate around CH\$ 660 in 2017
- » **MPR;** Central Bank lowered the MPR by 100pb between January and May 2017, anticipating that it would remain at 2.5% for an extended period
- » **Market interest rates** were practically flat over the year. This may continue, due to the expectation of stability in the MPR. BCP-10, which closed 2016 at 4.4%, stood at 4.1% in May 2017.
- » **Bank loans grew by** 6.1% YoY as of Mar-17, surpassing the 5.5% growth recorded in 2016. Excluding foreign subsidies, loans increased by 5.5% YoY. Loans are expected to increase this year by between 5% and 6% across the industry.

# Significant Events During the Period and Subsequent Events

- » **Ordinary Shareholders Meeting**, was held on April 27, 2017, 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 2016. This dividend and the interim dividend distributed in November 2016 total CH\$12.00 per share, equivalent to CH\$39,100 million, or 52% of profit for the year 2016.
- » **Extraordinary Shareholders Meeting**, was held on April 27, 2017, and approval was given, among others, to the following:
  - » Capital increase in Grupo Security of CH\$ 100,000 million, in order to strengthen growth and capital in its main assets, Bank and Insurance

**Improved Positive Outlook  
from Fitch for Grupo, Banco  
and Factoring Security  
(March 2017)**

**Exchange of bond M  
for bond F  
(January 2017)**

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

## Profit – Business Areas

(CH\$ million)

Growth 2017/16 -39.5%

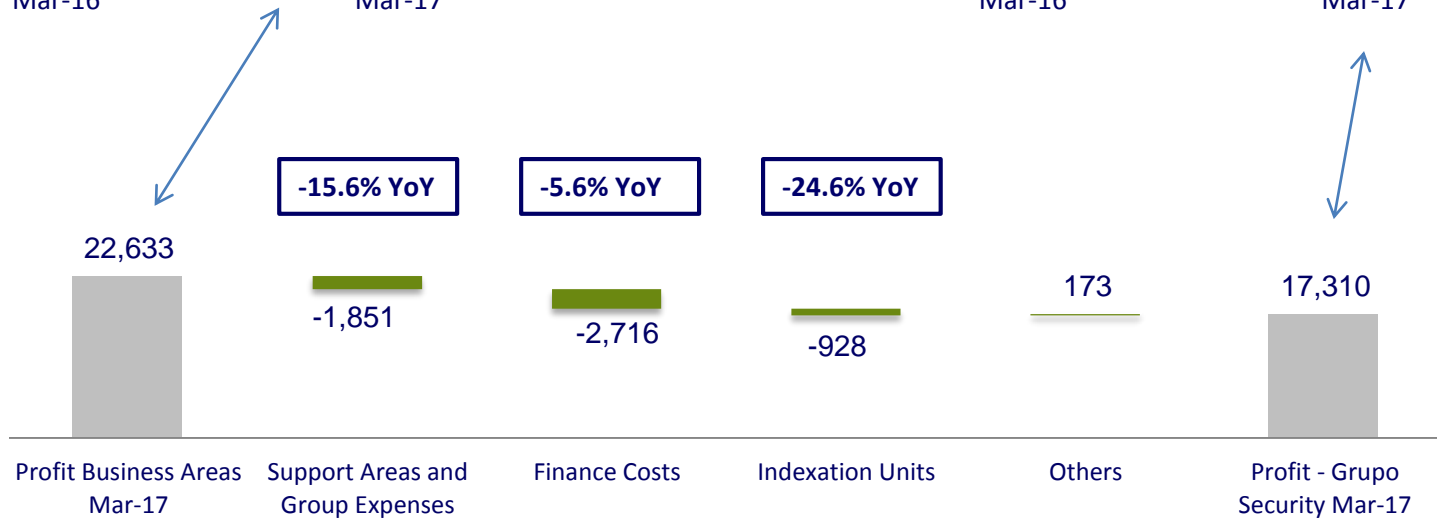
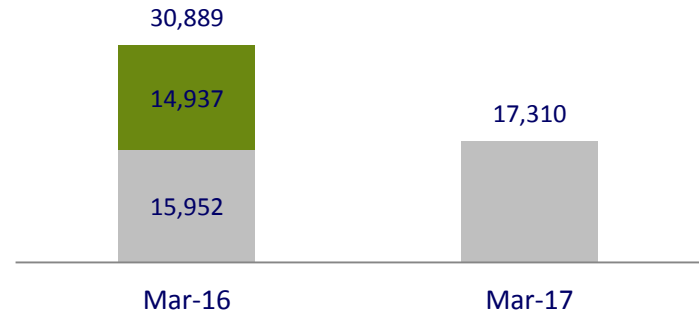
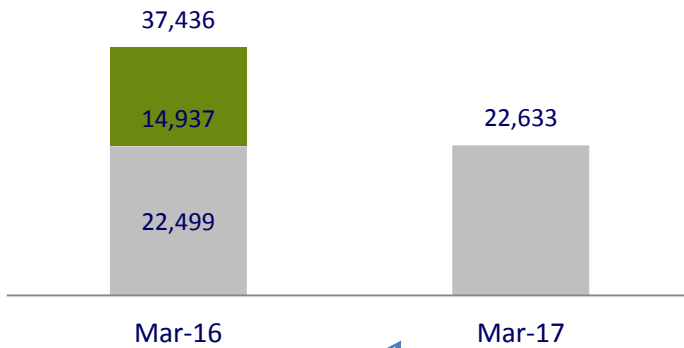
## Profit - Grupo Security

(CH\$ million)

Growth 2017/16 -44.0%

■ Extraordinary Profit Sale Penta-Security

■ Extraordinary Profit Sale Penta-Security



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

**Banco Security (Standalone): Profit CH\$10,549 million Mar-17, -21.6% YoY**

**Greater total loans, standing at CH\$4,533 billion as of Mar-17, +10.8% YoY; +1.6% YTD, growing above the industry (+5.5% YoY; +0.4% YTD)**

**Commercial Banking: CH\$ 9,234 million Mar-17, -15.6% YoY**

- » Higher **financial margin** (MCH\$ 18,672 as of Mar-17, +9.4% YoY) due to **commercial loan** growth (MCH\$3,572,549 as of Mar-17, +12.7% YoY, +1.9% YTD)
- » **Risk losses** reached MCH\$2,951 as of Mar-17 vs. MCH\$34 as of Mar-16. **NPL Portfolio and coverage** reached 1.60% and 116.8%, respectively, as of Mar-17, improving on the 1.75% and 112.4% as of Mar-16
- » **Operating expenses** stood at MCH\$10,742 as of Mar-17, +26.6% YoY, due to the implementation of technological projects and greater productivity bonuses associated with last year's results

**Retail Banking: CH\$-1,011 million Mar-17, vs CH\$748 million for 1Q16 (MCH\$-1,758 YoY)**

- » Increased **financial margin** (MCH\$15,057 as of Mar-17, +6.8% YoY), due to growth in **retail loan volume** (MCH\$960,440 as of Mar-17, +4.2% YoY, +0.5% YTD)
- » Higher **net fees** (MCH\$4,963 as of Mar-17, +22.8% YoY) due to increased credit card and current account fees.
- » **Risk losses** reached MCH\$6,500 as of Mar-17, +28.5%, due to growth in portfolios, lower recoveries and more conservative criteria in the constitution of provisions. **NPL Coverage** reached 165.9% as of Mar-17, improving on the 133.2% as of Mar-16, and at an appropriate level in a climate of lower economic growth
- » Greater **operating expenses** which rose to MCH\$15,315 as of Mar-17, +22.9% YoY, due to the implementation of technological projects

**Treasury: CH\$5,019 million Mar-17, +14.7% YoY**

- » Higher **financial margin** (MCH\$3,681 as of Mar-17, +32.2% YoY), due to fall in MPR from 3.5% to 3.0% during 1Q17
- » Higher **net foreign exchange transactions and other net operating income** (MCH\$6,419 as of Mar-17, +1.3% YoY), due to a strong performance from foreign currency derivatives

# Banco Security Indicators (Consolidated)

	2012	2013	2014	2015	2016	Mar-17
Risk Ratio (Provisions/Loans)	1.38%	1.39%	1.59%	1.83%	1.81%	1.86%
NPL Portfolio (Port. Non-Performing 90 days or more/Loans)	1.33%	1.10%	1.48%	1.54%	1.43%	1.49%
NPL Portfolio Coverage	104.13%	125.72%	107.04%	119.02%	126.29%	124.42%
Efficiency Ratio (Operating Expenses/ Gross Op. Income)	54.69%	53.26%	48.87%	48.07%	59.29%	55.72%
ROAE (Profit LTM/ Average Equity)	12.79%	11.08%	16.27%	12.05%	11.63%	10.52%
Net Interest Margin LTM / Average Loans	2.41%	2.60%	3.35%	3.43%	3.19%	3.25%
Equity (MCH\$)	283,593	308,362	379,051	408,340	461,783	467,946
Profit attributable to controllers (MCH\$)	35,227	32,798	55,902	47,424	50,604	12,252
Core Capital (Base Capital/ Total Assets)	6.2%	6.3%	6.8%	6.6%	7.1%	7.3%
Basel I Tier II Index (Equity/ RWA)	11.9%	12.2%	12.5%	12.1%	13.2%	13.2%

# Banco Security vs Peer Banks vs Chilean Banking System GRUPO | security

March	Banco Security		Peer Banks		System	
	2016	2017	2016	2017	2016	2017
Gross Operating Income LTM / Average Total Assets	3.94%	3.80%	3.89%	3.80%	4.69%	4.34%
Efficiency Ratio (Operating Expenses / Gross Operating Income)	52.93%	55.72%	52.52%	48.35%	51.15%	48.76%
Risk Ratio (Provisions/Loans)	1.85%	1.86%	1.74%	1.76%	2.51%	2.51%
Commercial Risk Ratio	1.96%	1.87%	1.76%	1.76%	2.44%	2.42%
Retail Risk Ratio	1.46%	1.82%	1.75%	1.69%	2.67%	2.68%
ROAE (Profits LTM / Avg. Equity)	12.25%	10.52%	12.58%	12.88%	14.34%	12.48%
ROAA (Profits LTM / Avg. Assets)	0.94%	0.82%	0.93%	0.95%	1.13%	1.01%
Net Interest Margin LTM / Average Loans	3.43%	3.25%	3.54%	3.31%	4.66%	4.22%
Core Capital (Basic Capital/Total Assets)	7.11%	7.31%	6.54%	6.74%	6.91%	7.54%
Basel I Tier 2 Index (Equity/ RWA)	12.78%	13.22%	12.68%	13.18%	12.94%	13.55%

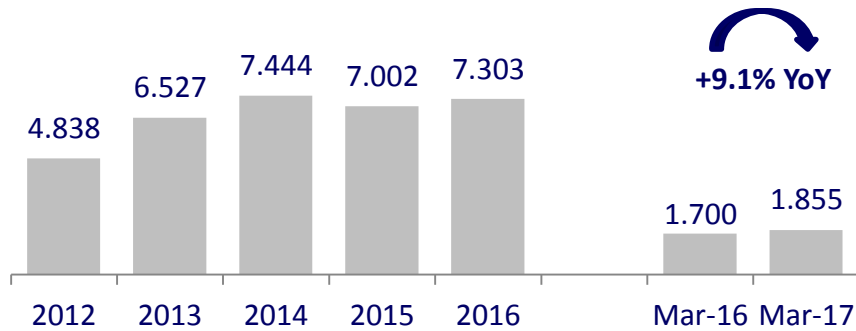
Peer Banks: Bice, BBVA, Consorcio, Scotiabank and Security

# Lending Area: Factoring Security

- » Profit CH\$1,855 million as of mar-17 (+9.1% YoY, -1.0% QoQ)
- » Average spread of around 0.68% as of mar-17, +1 bps YoY
- » Factored Receivables: CH\$293,702 million +23.5% YoY, +2.4% QoQ
- » Risk (Provisions/Loans) of 2.6% as of mar-17; -43 bps YoY y +16 bps QoQ
- » Efficiency (Operating expenses/Net income): 44.7% (-240 bps YoY)

■ Profit - Factoring Security (CH\$ million)

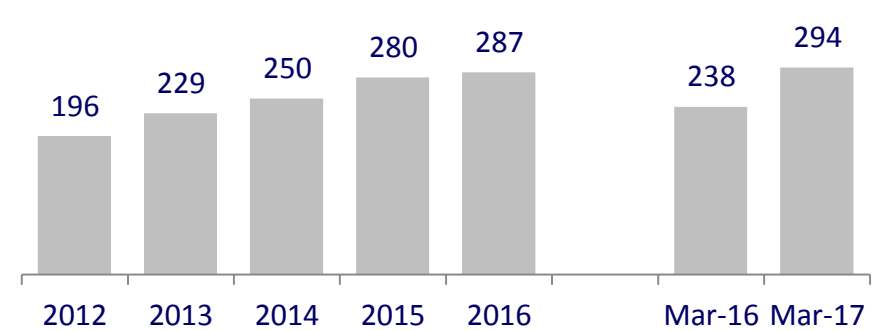
CAGR 2012- LTM Mar-2017: 9.0%



■ Factored Receivables - Factoring Security (BCH\$)

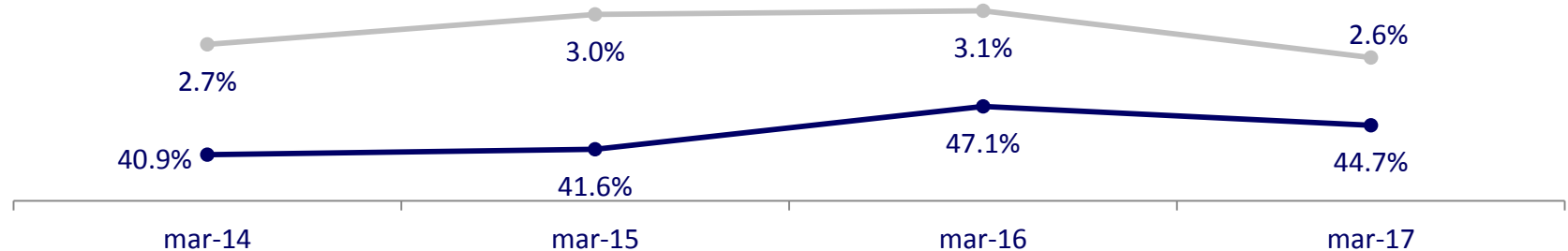
CAGR 2012-2017: 9.9%

+23.5% YoY  
+2.4% QoQ



● Efficiency (Operating Expenses/Operating Income)

● Risk (Provisions /Factored Receivables)





## Vida Security: Profit CH\$7,579 million as of Mar-17, (+75.4% YoY)

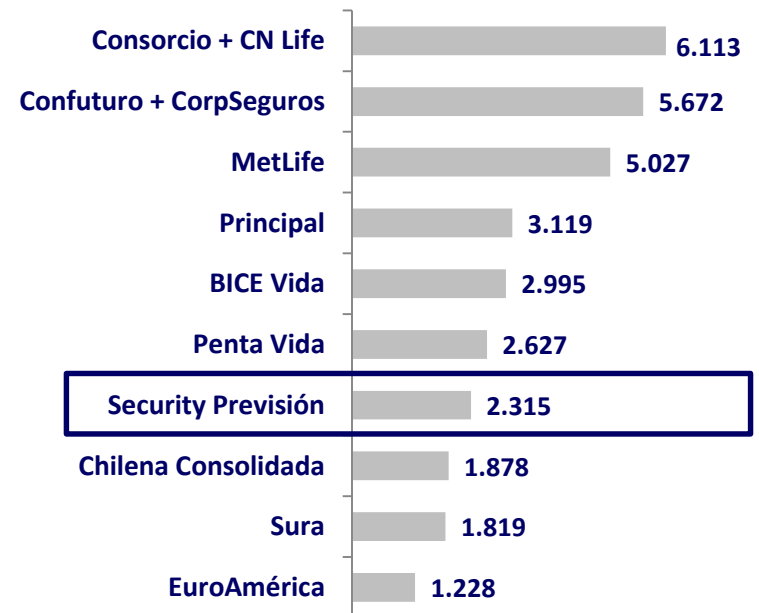
- » Improved **investment returns** (MCH\$41,019 as of mar-17, + 81.0% YoY, +63.1% QoQ). Good performance of CUI and APV portfolios due to a favorable scenario of interest rates and the recovery of equity markets.
  
- » **Contribution Margin:** CH\$-24,032 million as of mar-17, versus CH\$-9,590 million as of mar-16:
  - » **Direct Premium:** MCH\$99,890 as of mar-17 (+54.5% YoY). Increased CUI and APV premiums (MCH\$33,121 as of mar-17, +5.9% YoY). The **fifth Disability and Survivor Insurance contract** became effective, which provided direct premiums of MCH\$42,895 for 1Q17
  - » **Variation in technical reserves:** MCH\$-24,080 as of mar-17 (+26.6% YoY). Investment income performance from individual insurance with savings components has an impact on technical reserves, which partially offsets net profit
  - » **Claims paid:** MCH\$-37,298 as of mar-17, +87.5% YoY. Higher transfers and surrenders of individual insurance with savings components; the **fifth Disability and Survivor Insurance contract** became effective, which reported claims paid of MCH\$8,347 during 1Q17. In the Disability and Survivor Insurance the claims paid are the reserve established by the current value of the liability to the insured

- » Good portfolio performance associated with individual insurance with savings components due to a favorable scenario of interest rates and the recovery of equity markets.
- » Insurance with savings components generate reserves from investment returns, thus partially offsetting the positive effect on net profit

Investment Income	1Q16	1Q17	Portfolio			Gain (Loss)			
			<i>In CH\$ million</i>	Mar-16	Mar-17	Δ% YoY	Mar-16	Mar-17	Δ% YoY
Fixed Income	4.3%	5.2%	Fixed Income	1,566,697	1,689,177	7.8%	21,058	21,679	2.9%
Variable income and indexes	1.4%	7.3%	Variable income and indexes	334,990	356,220	6.3%	2,231	14,228	-
Real estate	5.2%	5.9%	Real Estate	232,376	231,497	-0.4%	3,635	3,537	-2.7%
Other investments	-	-	Other Investments	12,656	38,082	-	-4,256	1,575	-
<b>Investments Income</b>	<b>4.5%</b>	<b>5.8%</b>	<b>Investments Income</b>	<b>2,146,719</b>	<b>2,314,976</b>	<b>7.8%</b>	<b>22,668</b>	<b>41,019</b>	<b>81.0%</b>

## Investments of Main Life Insurance Companies

March 2017 Industry Total CH\$36,151 billion



## Vida Security Net Profit

(CH\$ million)

CAGR 2012-LTM Mar-2017= 17.8%



# Vida Security vs Industry

March 2017 LTM	Security	Peers	Industry
Profit/ Retained Premiums	7.5%	8.2%	9.0%
(Claims and Pensions Paid)/ Direct premiums (1)	77.4%	97.3%	90.7%
Cost of Administration/Direct Premiums (2)	8.9%	7.6%	11.6%
Result of Intermediation/Direct Premiums (3)	4.3%	4.0%	5.4%
Combined Ratio (1) + (2) + (3)	90.7%	108.9%	107.7%
ROAE	15.1%	16.2%	15.1%
ROAI	5.8%	6.0%	5.9%
Leverage (Liability/Equity)	13.98 x	12.45 x	9.90 x

Peer insurance companies: Aggregate of Bice Vida; Chilena Consolidada; Confuturo; Consorcio Nacional; Euroamérica; MetLife; Penta Vida; Principal; Vida Security and Sura

**Protecta: Profit as of mar-17 S./ 5.2 million (US\$ 1.59 million), versus profit as of mar-16 S./ 2.7 million (US\$ 0.82 million)**

- » Investment income increased by S./ 8.2 million YoY, to reach S./ 21.7 million as of mar-17, +60.4% YoY, due to good performance of real estate investments.
- » Technical profit -S./ 9.5 million as of mar-17 (S./ - 5.7 million YoY).
  - » Direct premiums decreased by S./ -5.0 million YoY in credit life insurance, and S./ -7.3 million YoY in annuities.
  - » Minor adjustment in technical reserves of S./ 5.3 million, and lower net commissions of S./ 12.9 million, due to lower annuity sales.
- » Net annuity premiums of S./ 26.3 million as of mar-17, -21.8% YoY. The Market fell by 46.1% over the same period. Impact of floods on sales of annuities during the quarter, which fell by 22.5% QoQ. Protecta registered -1.9% QoQ
- » Market share of annuities was 10.4% as of march 2017, versus 5.3% as of september 2015.

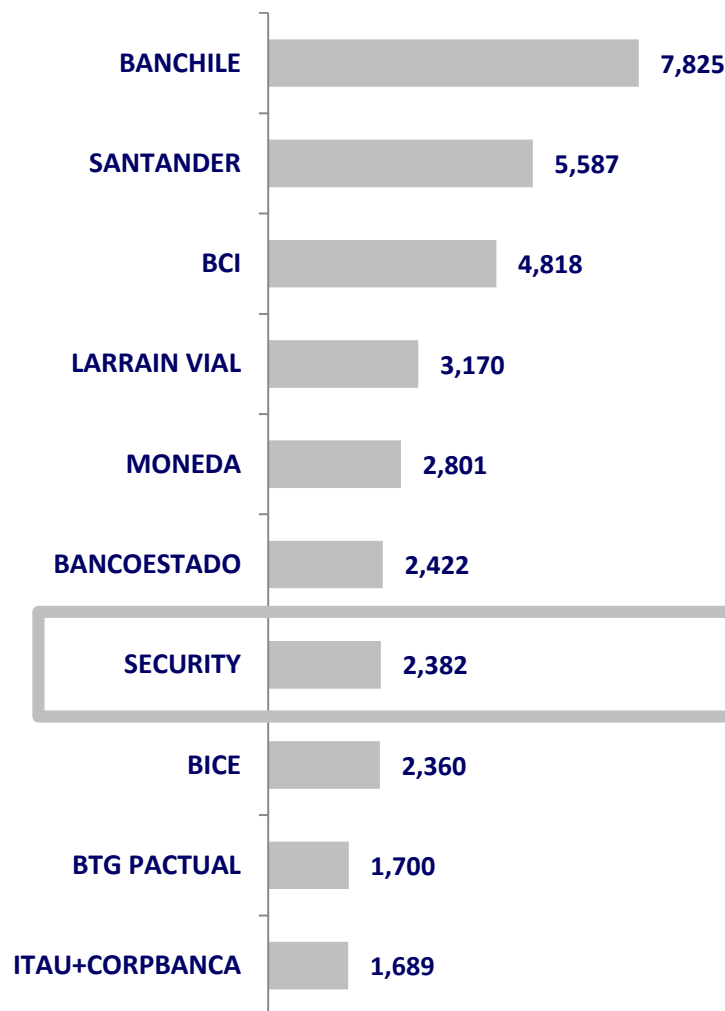
Benefits Thousands S./	1Q15		1Q16				1Q17			
	Market	Protecta	Market	Δ YoY	Protecta	Δ YoY	Market	Δ YoY	Protecta	Δ YoY
Disability	80,599	5,760	108,731	34.9%	10,710	86.0%	85,696	-21.2%	10,971	2.4%
Retirement	379,157	13,532	270,933	-28.5%	16,794	24.1%	83,728	-69.1%	7,732	-54.0%
Survival	85,504	4,587	88,269	3.2%	6,166	34.4%	82,753	-6.2%	7,638	23.9%
<b>Total</b>	<b>545,260</b>	<b>23,879</b>	<b>467,932</b>	<b>-14.2%</b>	<b>33,671</b>	<b>41.0%</b>	<b>252,178</b>	<b>-46.1%</b>	<b>26,340</b>	<b>-21.8%</b>

## Inversiones Security: Profit mar-17 CH\$1,534 million (-17.0% YoY, -24.4% QoQ)

- » **Increased AUM** CH\$3,856 billion (+2.9% YoY, +5.8% QoQ)
  - » Market share of public mutual and investment funds was 5.13%
  - » Market share of mutual funds was 6.0%
- » Higher **revenues** from funds and transactional businesses (Equities, Fixed Income, International). 1Q16 includes additional income from **distribution of alternative funds**, pending registration in 2017
- » **Lower returns** on mutual funds (0.97% Mar-17 vs 1.01% Mar-16): movement toward funds with lower returns due to volatility  
**Higher expenses** associated with commercial activity

### AUM Mutual and Investment Funds

Total Industry: CH\$ 46,446 billion



## Travel Security: Profit mar-17 CH\$715 million (-27.6% YoY, -36.3% QoQ)

- » Higher **sales** in Travel, to stand at US\$62 million as of mar-17 (+13.8% YoY, -3.0% QoQ), offset by lower commissions
  - » Higher **sales** in Travex: +31.1% YoY y +20.5% QoQ
  - » Growth in **Profit** Travex<sup>3</sup> : CH\$123 million (+80.% YoY, +113.2% QoQ)

## Inmobiliaria Security: Profit mar-17 CH\$688 million (+74.8% YoY)

- » Increase in **deeds transferred** on projects (20 in 1Q17, 15 in 1Q16)
- » **Real estate assets** under management of MCH\$71,575 (+23.6% YoY)
  - » Projects under development:
    - » Puerta Real. 294 units. 1 unit available for sale
    - » Espacio El Vergel: 81 units. 12 units available for sale
    - » Brisas del Canto: 33 units. 20 units available for sale
    - » San Damián (stages 1 & 2): 24 units. 10 units available for sale

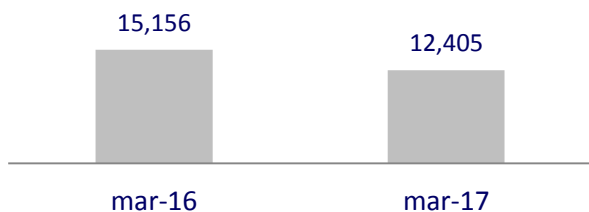
<sup>3</sup> Travel Security controls 75% of Travex Security through Viajes Security

# Grupo Security - Results by Business Area<sup>1</sup> (CH\$ millions) GRUPO | security

## Lending Area Profit

(CH\$ million)

Growth 2017/16 -18.2%

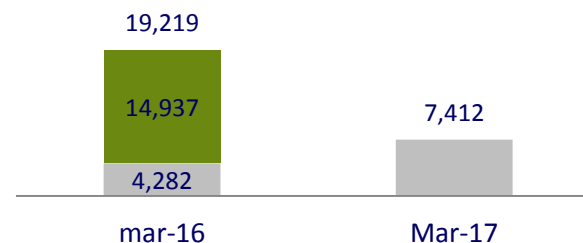


## Insurance Area Profit

(CH\$ million)

Growth 2017/16 -61.4%

■ Extraordinary Profit Sale Penta-Security



## Asset Management Area Profit

(CH\$ million)

Growth 2017/16 -17.0%



## Other Services Area Profit

(CH\$ million)

Growth 2017/16 +5.6%



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

# Trends for Grupo Security - Indicators

- » Distributable profit of CH\$17,310 million as of march 2017. 1Q16 includes extraordinary gain on the sale of shareholders minority interest in Penta-Security. Excluding this effect, profit grew by 8.5% compared to the previous year.
- » The ROAE of Grupo Security reached 10.38%

	2011	2012	2013	2014	2015	2016	mar-17 UDM
Grupo Security Consolidated Profit (MCH\$)	41,883	46,561	49,843	61,010	65,022	74,522	60,944
Closing Number of Shares (million)	2,882	2,882	3,184	3,232	3,258	3,258	3,258
Closing price	175	187	177	216	191	226	244
Closing Market Cap (MCH\$)	504,395	538,982	563,510	697,702	621,370	736,358	794,357
EPS (times)	14.53	16.15	15.66	18.88	19.96	22.87	18.70
PE (times)	12.04 x	11.58 x	11.31 x	11.44 x	9.56 x	9.88 x	13.03 x
Market Book Value (times)	1.34 x	1.35 x	1.21 x	1.33 x	1.13 x	1.26 x	1.33 x
Dividend Yield	5.7%	5.4%	4.0%	5.2%	5.8%	5.2%	
Leverage	24.68%	26.16%	36.76%	36.14%	34.86%	34.45%	34.96%
ROAA	0.92%	0.90%	0.82%	0.84%	0.80%	0.83%	0.68%
Equity	376,349	397,790	467,004	522,718	551,653	585,628	596,866
Business Areas Profit (MCH\$)	51,212	58,356	64,070	97,563	92,201	102,133	87,329
ROAE	12.37%	12.03%	11.53%	12.33%	12.10%	13.11%	10.38%
Payout Ratio (Dividends/ Profit)	68.8%	63.5%	47.9%	54.4%	56.4%	52.5%	
Five-year CAGR Consolidated Profit	9.38%	7.78%	22.89%	15.26%	9.74%	12.21%	



## Summary as of March 2017:

### Year-to-date overview:

- Bank loans **+1.6%** YTD (**+0.4%** Industry. **+0.8%** including foreign subsidiaries)
- Factored receivables **+2.4%** YTD
- AUM in mutual funds **+10.6%** YTD (Industry **+8.9%**)
- Direct life insurance premiums **+54.5%** YoY (Industry **+3.1% YoY**)

Risks



Measures taken by Security

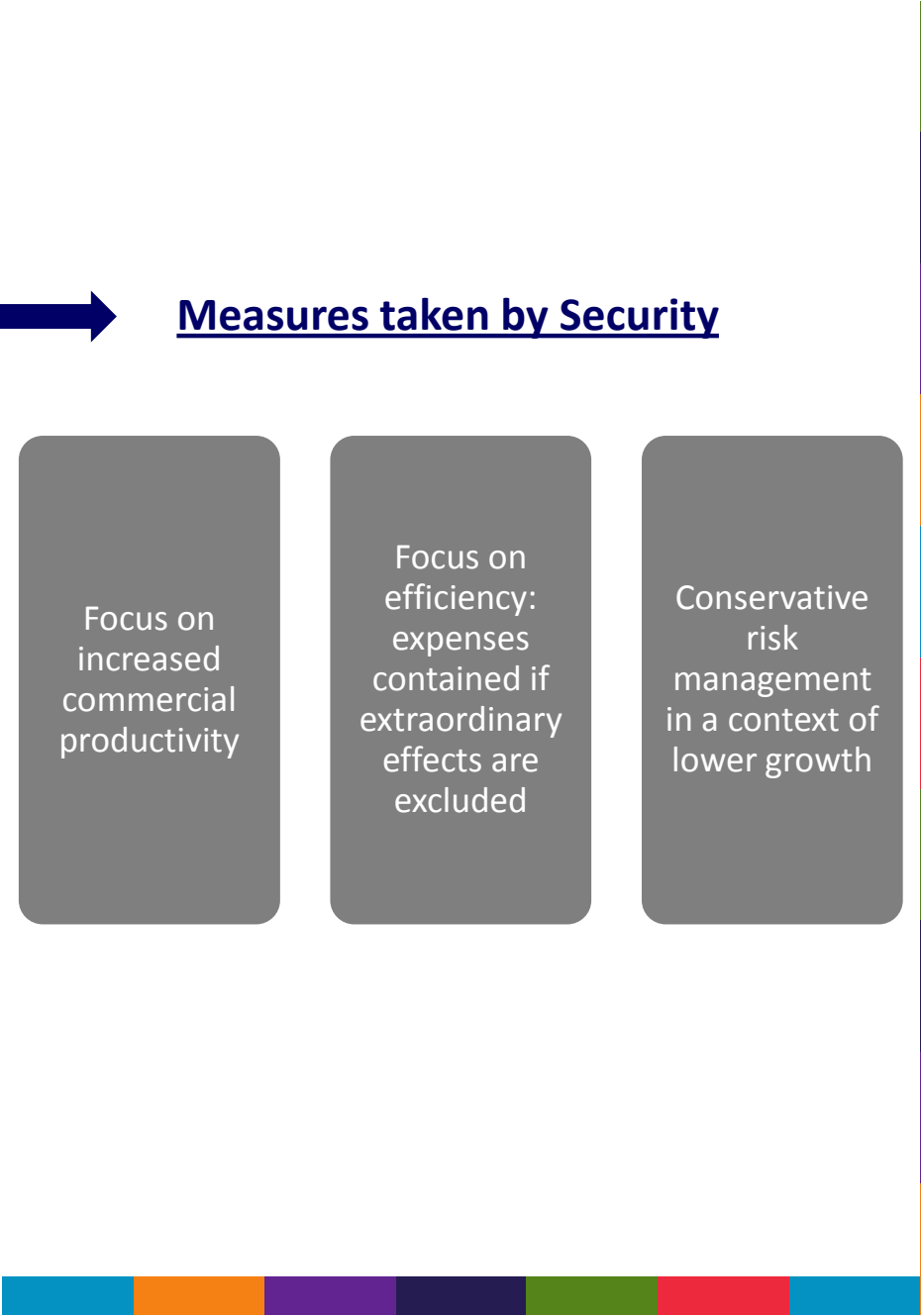


Scarce economic growth affecting all segments

Focus on increased commercial productivity

Focus on efficiency: expenses contained if extraordinary effects are excluded

Conservative risk management in a context of lower growth





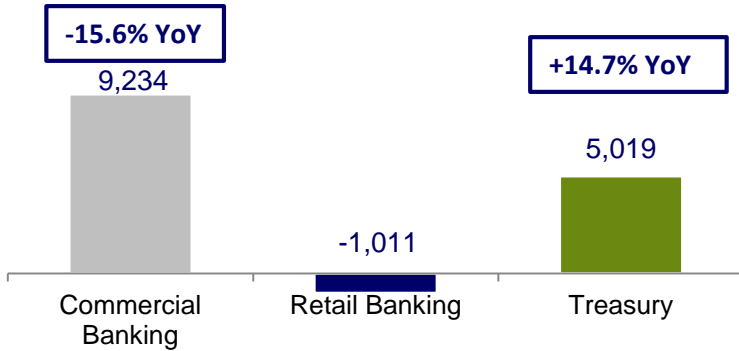
# Financial Results Grupo Security March 2017

# Banco Security - Profit

- » Consolidated profit of CH\$12,252 million as of march 2017 (-20.7% YoY, +13.8% QoQ)
- » Consolidated gross operating income of CH\$15,206 million (-21.4% YoY, +88.2% QoQ)

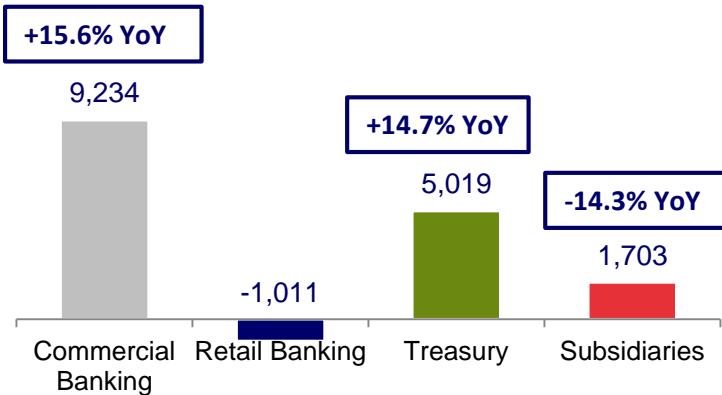
## Banco Security Standalone Profit: CH\$10,549 million

(CH\$ million) Growth 2017/16 -21.6% YoY



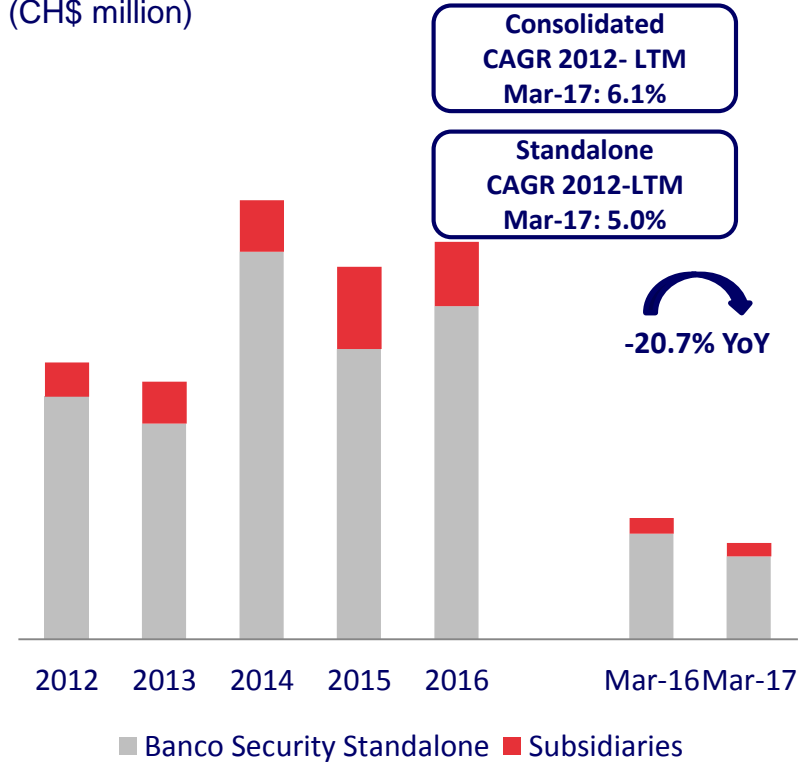
## Banco Security Consolidated Profit : CH\$12,252 million

(CH\$ million) Growth 2017/16 -20.7% YoY



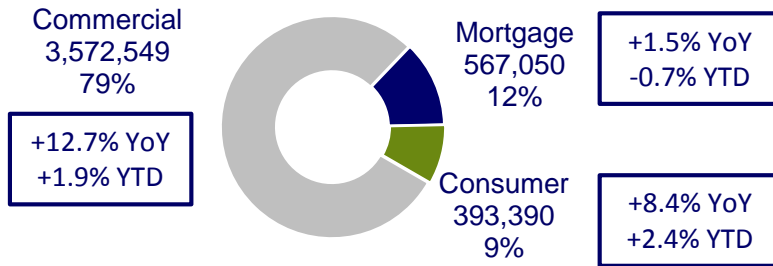
## Banco Security Profit

(CH\$ million)



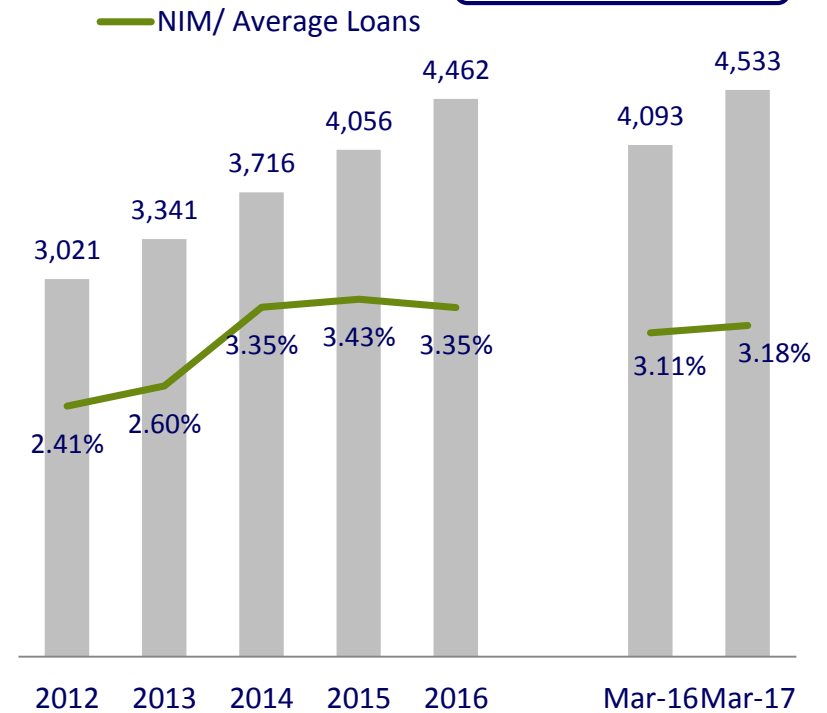
» Consistent trend in loan growth with CAGR of 11% between Mar-12 and Mar-17

**Banco Security – Loan Portfolio: CH\$4,533,229 million**  
Growth 2017/16 +10.8% YoY; +1.6% YTD

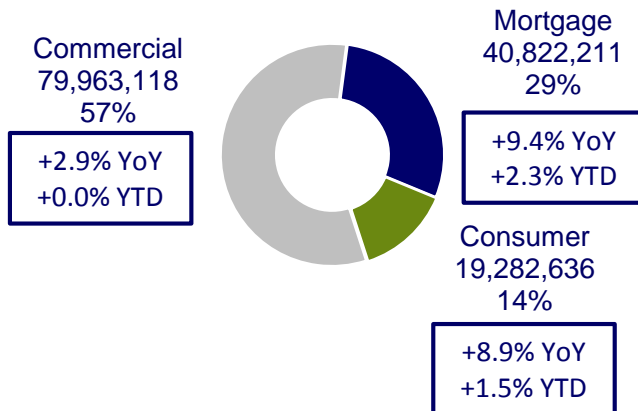


**Banco Security - Loan Portfolio**  
(CH\$ million)

**CAGR 2012-17: 10.0**



**Industry Loans<sup>1</sup>: CH\$140,801.211 million**  
Growth 2016/15 +5.5% YoY; +0.4% YTD

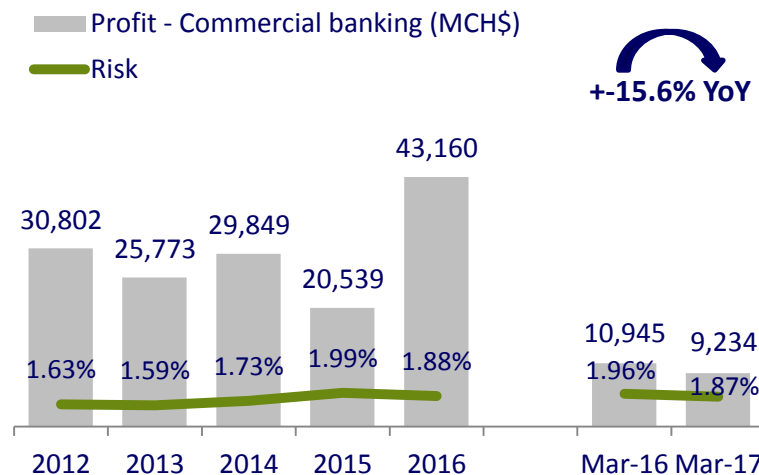
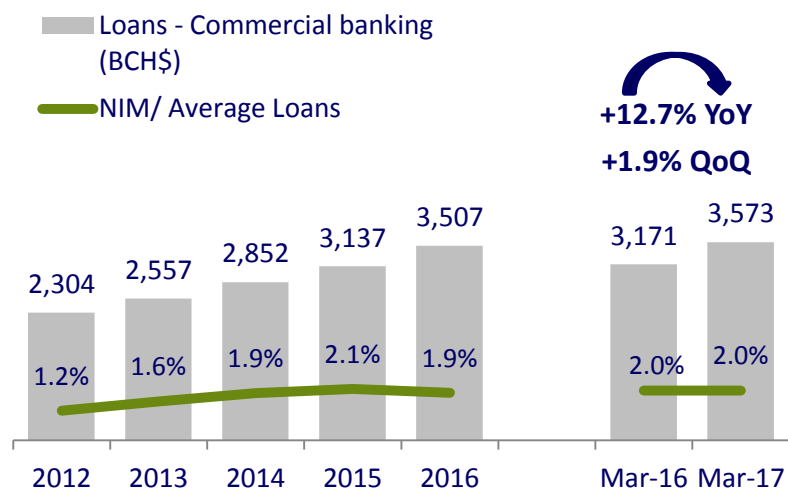


<sup>1</sup> Excluding the industry's foreign subsidiaries. Includes loans and advances to banks.

## Results as of March 2017

- » Commercial Loans: CH\$3,572,549 million (+12.7% YoY y +1.9% YTD; vs Industry<sup>1</sup> +2.9% YoY and 0.0% YTD); 78.8% of portfolio
- » Profit as of march 2017: CH\$9,234 million (-15.6% YoY)
- » Commercial Banking had 10,065 current accounts as of march 2017, +8.3% YoY

Main Effects on Profit as of Mar-17					
CH\$ millions	Δ% QoQ	Δ QoQ	Δ% YoY	Δ YoY	Mar-17
Interest Margin	-3.9%	-765	9.4%	1,599	18,672
Provision expenses	15.4%	302	-	-2,918	-2,951
Operating expenses	-15.9%	2,037	26.6%	-2,255	-10,742

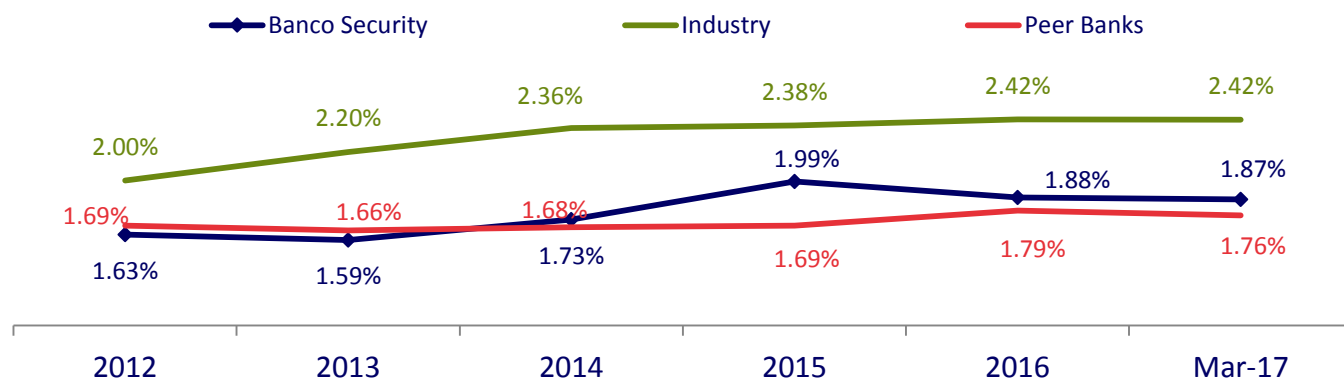


» **Greater provision expenses** (CH\$2,9518 million for 1Q17, above the CH\$34 million for 1Q16 )

- » 1Q16 represents a low comparison base due to provisions constituted during 2H15 anticipating an expectations of economic slowdown, which were not reflected in a risk increase.

	Mar-16	Mar-17	% Chg YoY
Commercial loans (millions)	3,171,317	3,572,549	12.7%
Loan Loss Provisions - Commercial Loans	-34	-2,951	-
Commercial provisions (millions)	62,220	66,806	7.4%
NPL Coverage - Commercial Loans (%)	112.4%	116.8%	442 p
Provisions/Loans (%)	1.96	1.87	-9 p

## Commercial Banking Risk (provisions/loans)

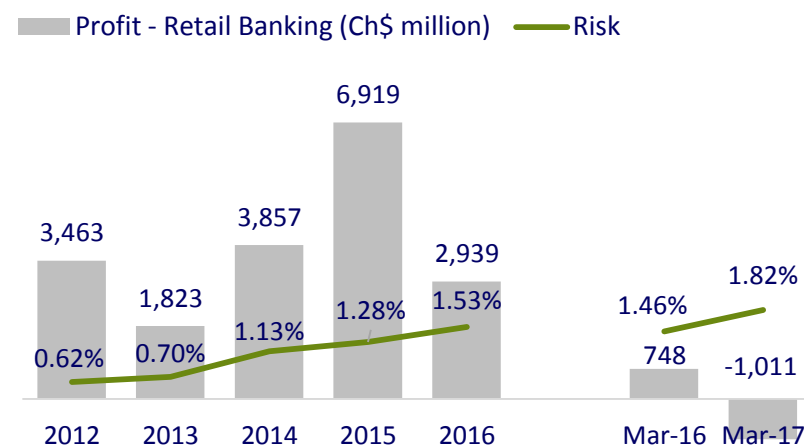
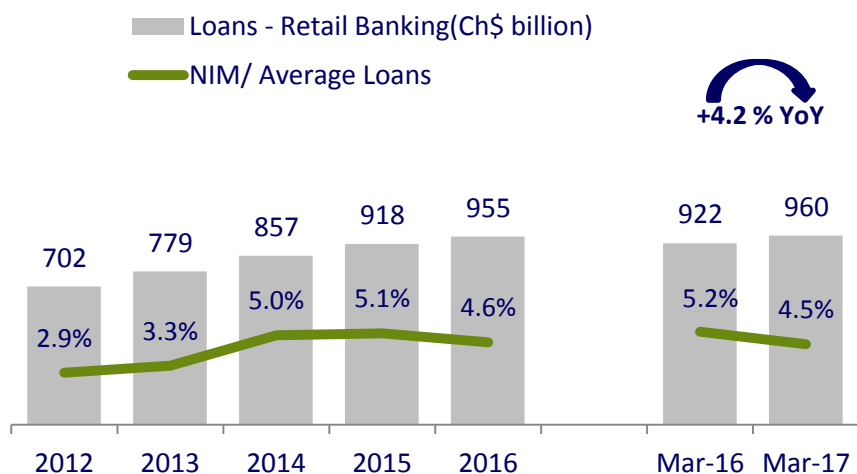


Peer Banks: Average of Bice, BBVA, Consorcio, Scotiabank and Security

## Results as of march 2017

- » Growth in consumer loans of +8.4% YoY and +2.4% YTD (Industry<sup>1</sup> +8.9% YoY and +1.5% YTD)
- » Growth in mortgage loans of +1.5% YoY and -0.7% YTD (Industry<sup>1</sup> +9.4% YoY and +2.3% YTD)
- » Retail banking risk was 1.82% as of March 2017 (Industry 2.68%)
- » Consumer + Mortgage loans : CH\$960,440 million (+4.2% YoY and +0.5% YTD; vs Industry<sup>1</sup> +9.2% YoY and +2.1% YTD); 21.2% of loan portfolio
- » As of march 2017, Retail Banking had 76,353 current accounts, +9.7% YoY:
- » Profit as of march 2017 CH\$-1,011 million (CH\$748 million as of march 2016)

Main effects on profit as of Mar-17					
CH\$ millions	Δ% QoQ	Δ QoQ	Δ% YoY	Δ YoY	Mar-17
Interest margin	1.2%	176	6.8%	953	15,057
Net fees	1.7%	81	22.8%	921	4,963
Provision expenses	34.4%	-1,665	28.5%	-1,442	-6,500
Operating expenses	-15.3%	2,768	22.9%	-2,859	-15,315



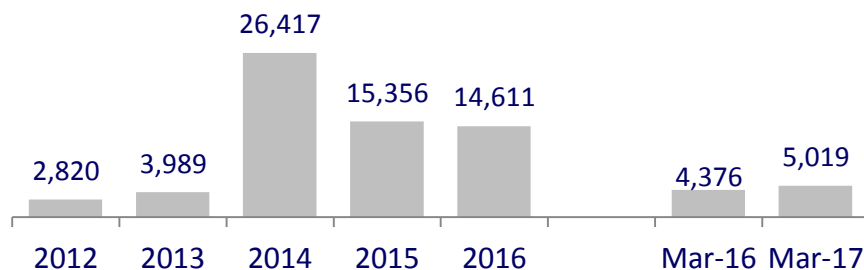
<sup>1</sup> Excluding the industry's foreign subsidiaries



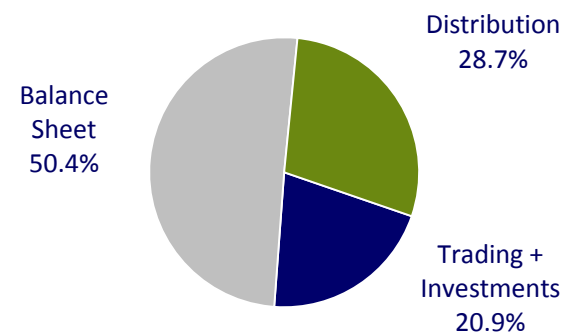
## Results as of march 2017

- » Profit March 2017: CH\$5,019 million (+14.7% YoY, +102.6% QoQ)
- » Good performance on derivative instruments associated with foreign currencies and higher levels of prepayment
- » MPR fell from 3.5% to 3.0% during first quarter of 2017, which improved the financial margin

### TREASURY PROFIT (CH\$ million)



### INCOME BY DESK

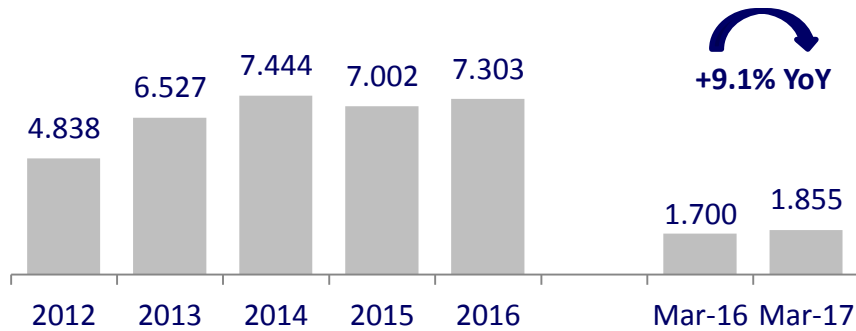


# Lending Area: Factoring Security

- » Profit CH\$1,855 million as of mar-17 (+9.1% YoY, -1.0% QoQ)
- » Average spread of around 0.68% as of mar-17, +1 bps YoY
- » Factored Receivables: CH\$293,702 million +23.5% YoY, +2.4% QoQ
- » Risk (Provisions/Loans) of 2.6% as of mar-17; -43 bps YoY y +16 bps QoQ
- » Efficiency (Operating expenses/Net income): 44.7% (-240 bps YoY)

■ Profit - Factoring Security (CH\$ million)

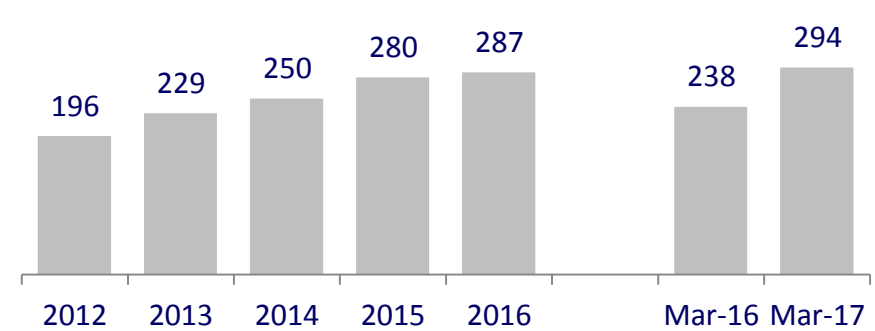
CAGR 2012- LTM Mar-2017: 9.0%



■ Factored Receivables - Factoring Security (BCH\$)

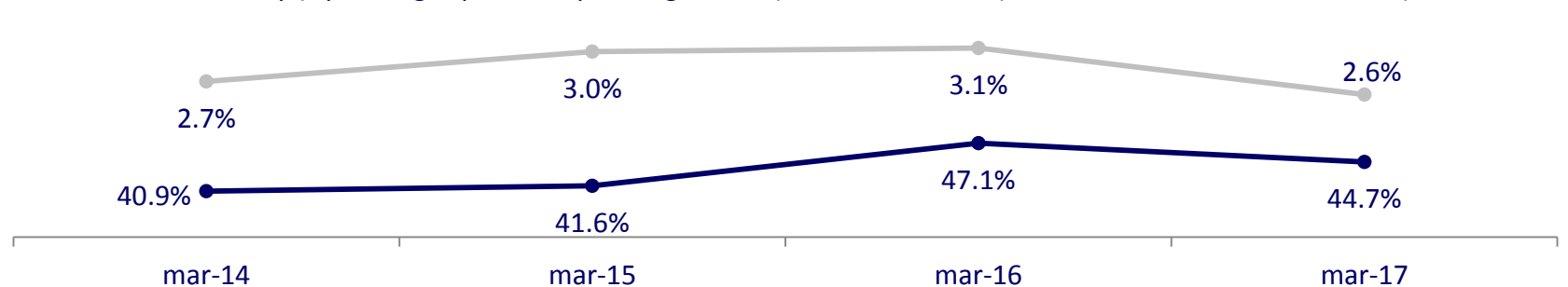
CAGR 2012-2017: 9.9%

+23.5% YoY  
+2.4% QoQ



● Efficiency (Operating Expenses/Operating Income)

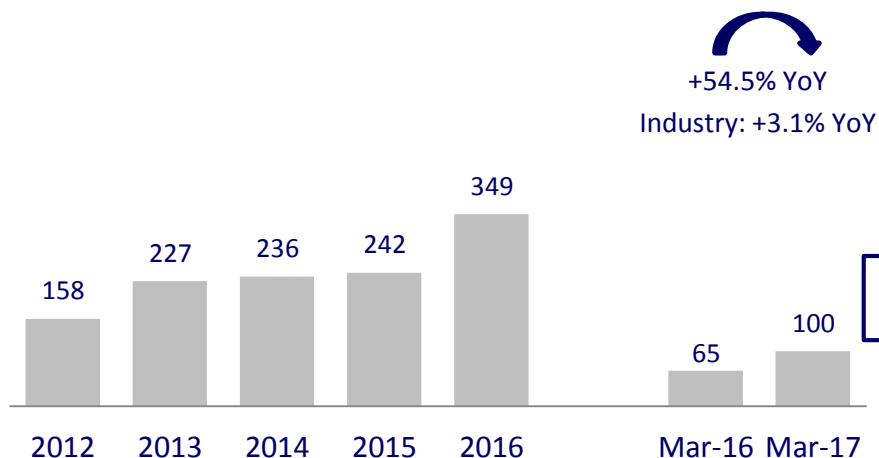
● Risk (Provisions /Factored Receivables)



## Direct Premium<sup>1</sup>

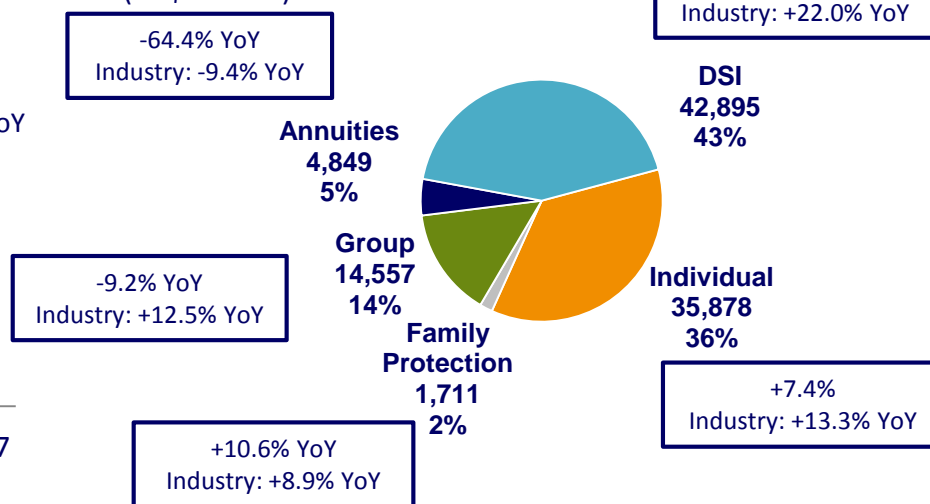
(CH\$ billion)

CAGR 2012- LTM Mar-2017= 19.4%



## Direct Premium by Product

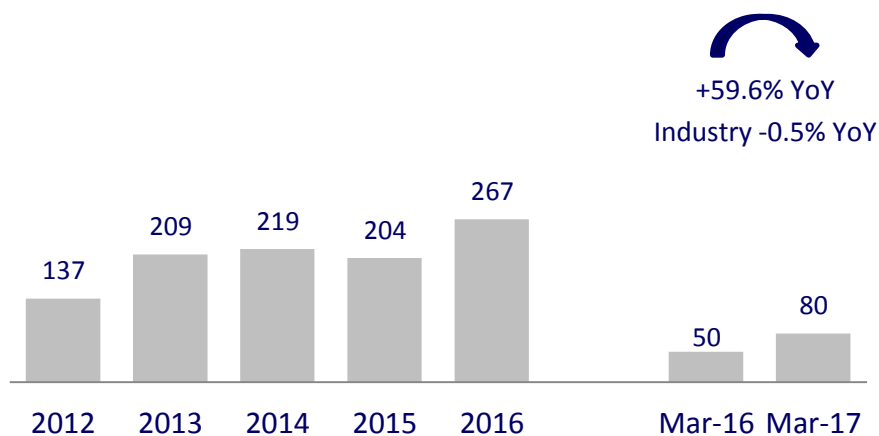
(CH\$ million)



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

(CH\$ billion)

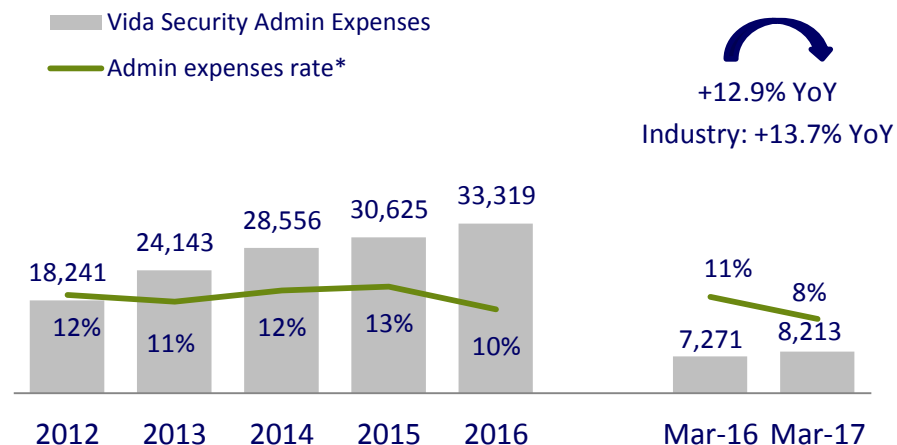
CAGR 2012-LTM Mar-2017= 16,8%



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

(CH\$ million)

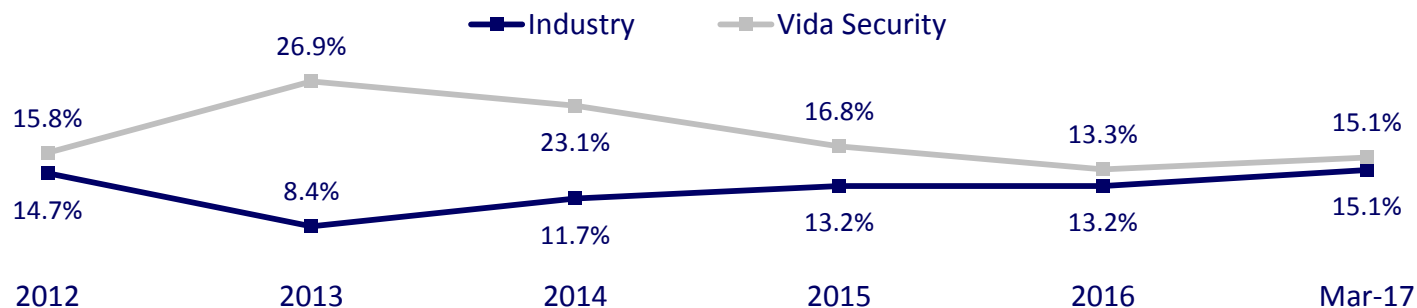
CAGR 2012-LTM Mar-2017= 13.4%



<sup>1</sup> Proforma format includes operating income for CDS since the second half of 2013

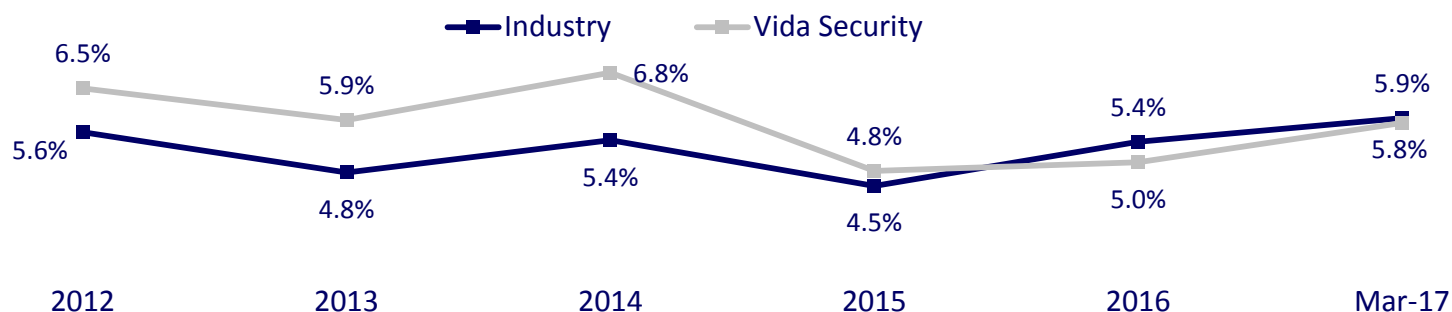
\* Administrative expenses / Direct premiums

## ROE



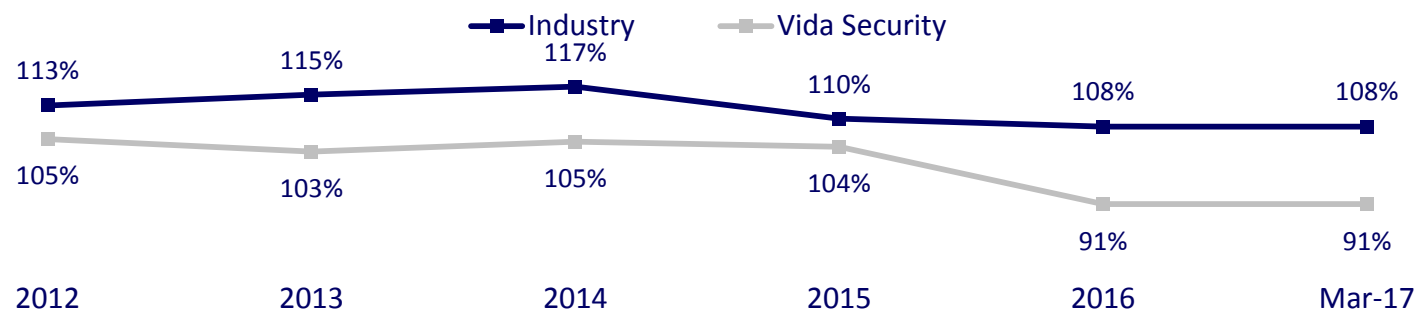
Average ROE  
5 years  
Security 18.5%  
Industry 12.7%

## ROI



Average ROI  
5 years  
Security 5.8%  
Industry 5.3%

## Combined Ratio



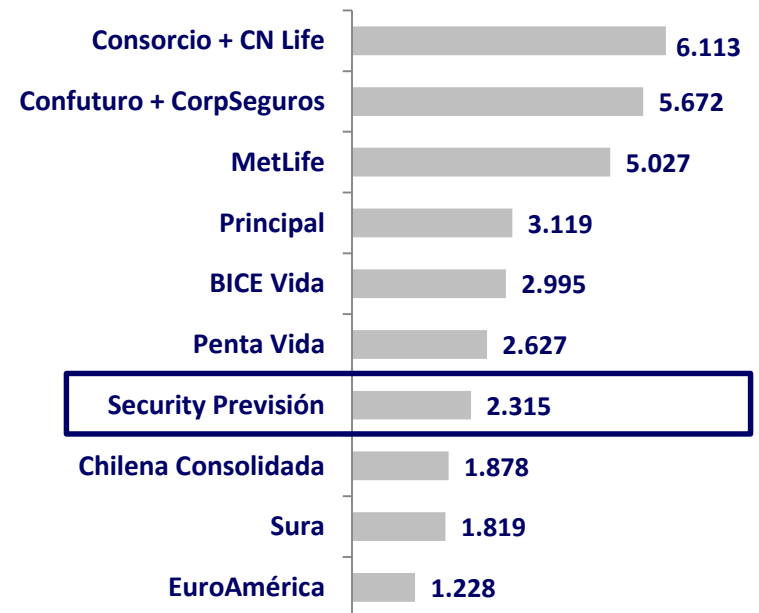
Average  
Combined Ratio  
5 years  
Security 100%  
Industry 112%

- » Good portfolio performance associated with individual insurance with savings components due to a favorable scenario of interest rates and the recovery of equity markets.
- » Insurance with savings components generate reserves from investment returns, thus partially offsetting the positive effect on net profit

Investment Income	1Q16	1Q17	Portfolio			Gain (Loss)			
			<i>In CH\$ million</i>	Mar-16	Mar-17	Δ% YoY	Mar-16	Mar-17	Δ% YoY
Fixed Income	4.3%	5.2%	Fixed Income	1,566,697	1,689,177	7.8%	21,058	21,679	2.9%
Variable income and indexes	1.4%	7.3%	Variable income and indexes	334,990	356,220	6.3%	2,231	14,228	-
Real estate	5.2%	5.9%	Real Estate	232,376	231,497	-0.4%	3,635	3,537	-2.7%
Other investments	-	-	Other Investments	12,656	38,082	-	-4,256	1,575	-
<b>Investments Income</b>	<b>4.5%</b>	<b>5.8%</b>	<b>Investments Income</b>	<b>2,146,719</b>	<b>2,314,976</b>	<b>7.8%</b>	<b>22,668</b>	<b>41,019</b>	<b>81.0%</b>

## Investments of Main Life Insurance Companies

March 2017 Industry Total CH\$36,151 billion



## Vida Security Net Profit

(CH\$ million)

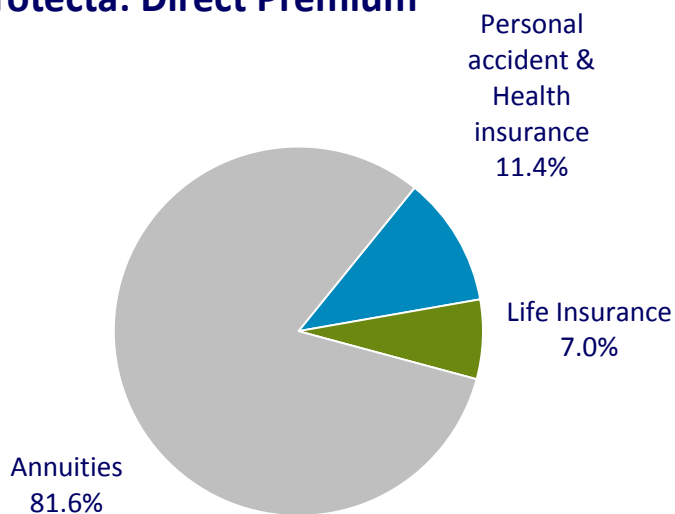
CAGR 2012-LTM Mar-2017= 17.8%



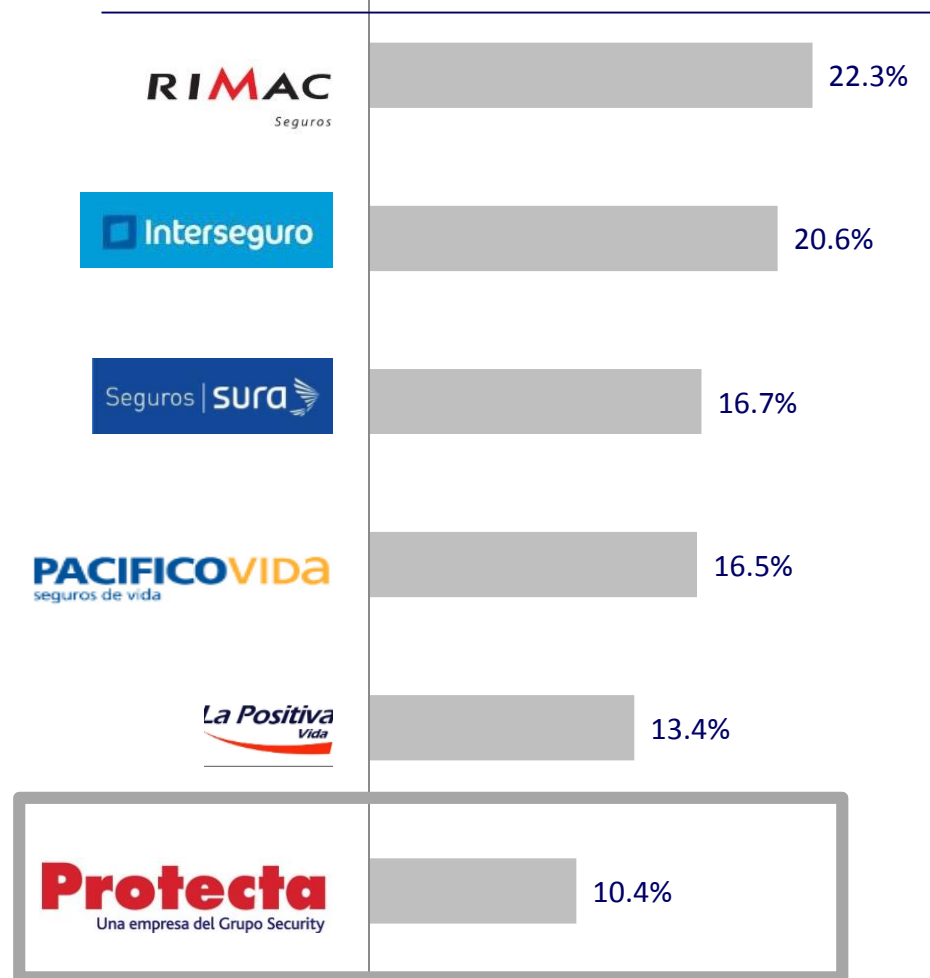
# Protecta Insurance Company

- This strategic acquisition marks Grupo Security's entrance into the Peruvian life insurance market.
- Net Profit:
  - » March 2017: S./ 5.15 million (US\$ 1.59 million)
  - » ROAE: 7.8% (Industry 14.9%)
  - » ROI : 10.2% (Industry 6.9%)

## Protecta: Direct Premium



## Direct Annuity Premiums – Peruvian Life Insurance Companies as of Mar-17



## Financial Principles

- Premium income growth and diversification
- Outstanding investment performance
- Growth in reserves
- Healthy capital structure to support sustained increases in the company's value (Risk and Technical Management)

## Customer Principles

- Brand repositioning
- New value offering to defined segments that is focused on service excellence and innovation

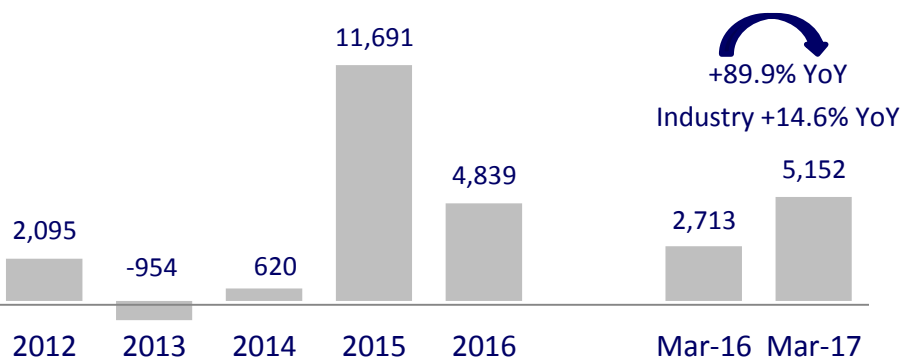
## Operating Principles

- Operational efficiency (focus on technology)
- Process redefinition and improvement

## Human Capital Principles

- New structure and employees that support new strategy
- Organizational culture focused on the employee, based on excellence
- Meritocracy built on performance evaluation system

### Net Profits (S./ thousands)



### Financial Indicators (S./ thousands)

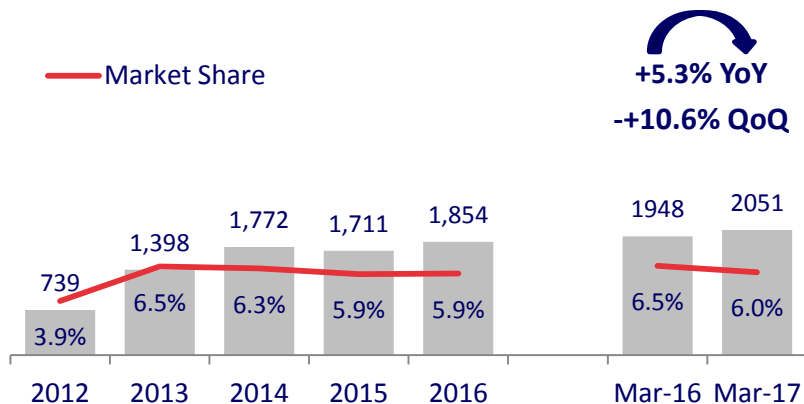
Protecta	1Q16	2Q16	3Q16	4Q16	1Q17
Direct premium	41,683	29,056	32,052	33,532	32,273
Claims Paid	-7,383	-8,101	-9,576	-9,716	-10,494
Administrative expenses	-7,030	-7,080	-7,027	-7,483	-7,035
Investment Income	13,546	15,451	21,377	11,121	21,726
Investment Portfolio	617,154	639,219	682,836	708,042	753,239
Equity	84,466	88,777	94,785	89,957	97,497

# Inversiones Security – Historical Trends

» Mutual funds under management CH\$2,051 billion, +5.3% YoY and +10.6% YTD (Industry +13.3% YoY and 8.9% YTD).

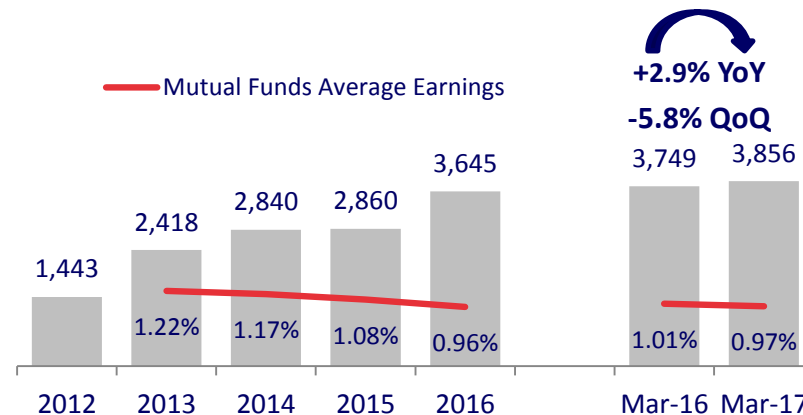
## Mutual Funds Under Management<sup>1</sup> (CH\$ billion)

CAGR 2012-2017= 14.5%

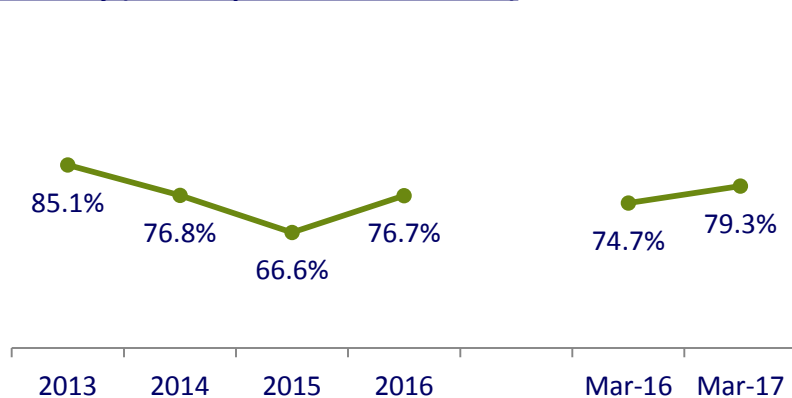


## Total AUM<sup>1</sup> - Inversiones Security (CH\$ billion)

CAGR 2012-2017= 26.0%

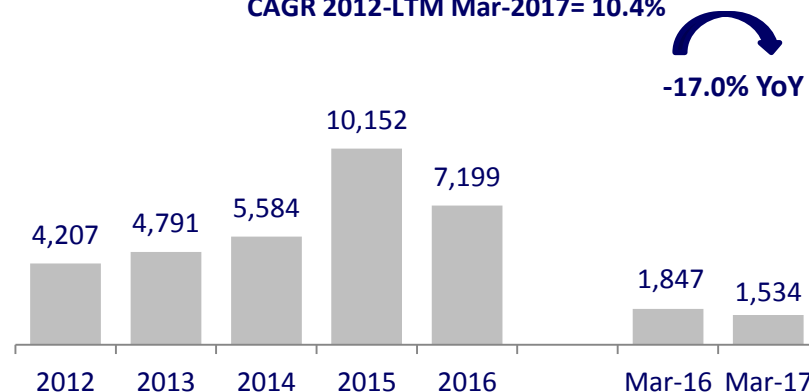


## Efficiency (Total Expenses/Total Income)



## Inversiones Security - Area Profit (CH\$ million)

CAGR 2012-LTM Mar-2017= 10.4%



<sup>1</sup> Proforma format includes operating income for CDS since the second half of 2013

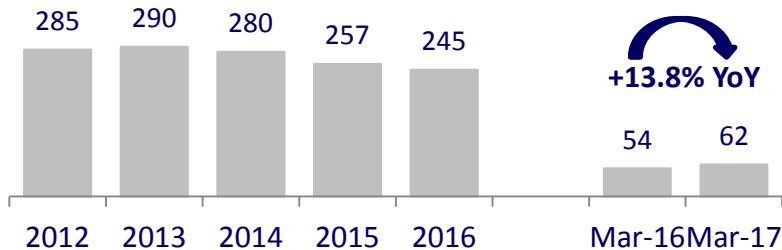


# Other Services: Travel Security

- » Consolidated Profit Travel Security as of mar-17 CH\$715 million, (-27.6% YoY, -36.3% QoQ)
- » Travel Reported Total Sales US\$62 million as of march 2017 (+13.8% YoY, -3.0% QoQ)
- » Increased income with a lower average commission
- » Travex<sup>3</sup> Profit: CH\$123 million (+80.2% YoY, +113.2% QoQ)

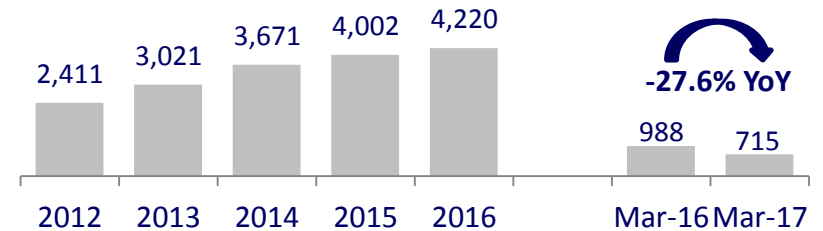
## TRAVEL SECURITY SALES ( U S \$ M I L L I O N )

CAGR 2012- LTM 2017: -2.3%



■ Profit Travel Security (Ch\$ millions)

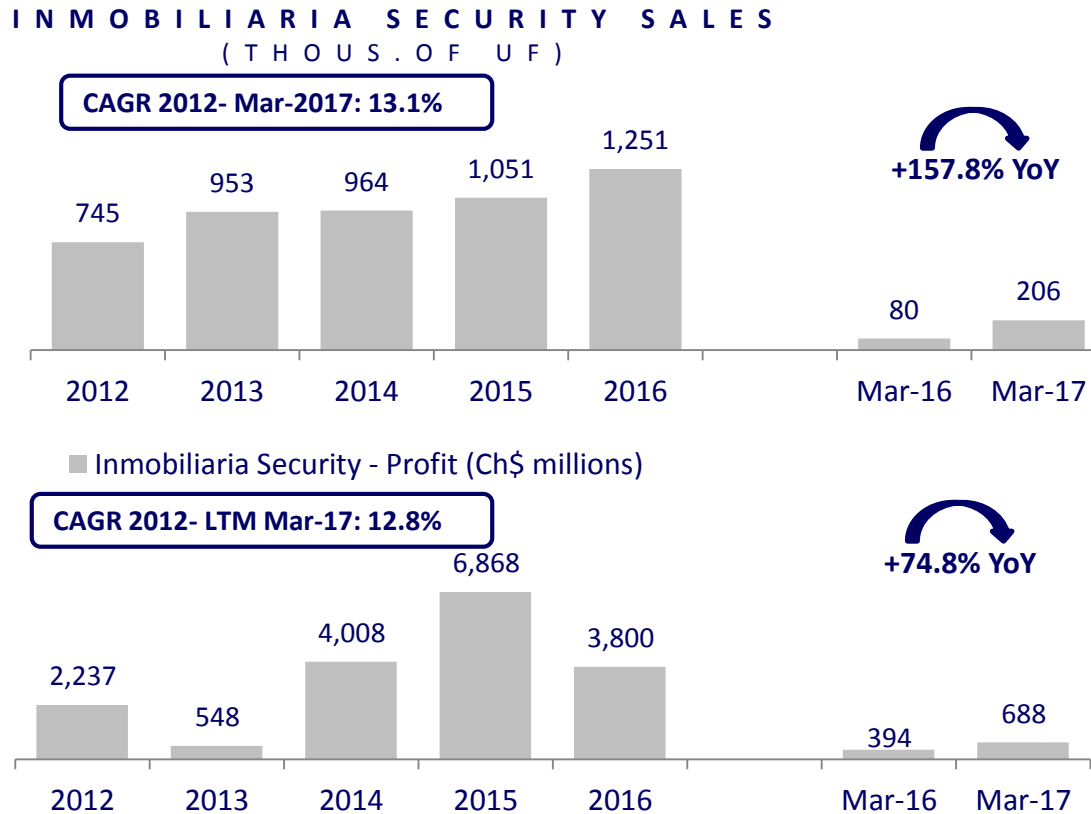
CAGR 2011- LTM Mar-2017: 10.4%



<sup>3</sup> Travel Security controls 75% of Travex Security through Viajes Security

# Other Services: Inmobiliaria Security

- » Profit CH\$688 million as of march 2017 (+74.8% YoY)
- » Apartment sales as of march 2017 of UF 206 thousand
- » Real estate assets under management of CH\$71,575 million, + 23.6% YoY, due to new land and capitalized projects in development
- » Under IFRS, revenue is recognized once legal title to the property has been transferred. Higher number of deeds transferred on projects (20 deeds as of Mar-17, 15 as of Mar-16)



# Profit Empresas Security\*

## Earnings from Related Companies

	1Q17	4Q16	1Q16	% Chg		1Q17	1Q16	% Chg
				QoQ	YoY			
<b>Lending Area</b>								
Banco Security (Standalone)	10,549	8,505	13,455	24.0%	-21.6%	10,549	13,455	-21.6%
Factoring Security	1,855	1,873	1,700	-1.0%	9.1%	1,855	1,700	9.1%
<b>Asset Management Area</b>								
Valores Security	431	502	203	-14.0%	112.1%	431	203	112.1%
AGF Security	1,269	1,756	1,781	-27.8%	-28.8%	1,269	1,781	-28.8%
Asesorias Security	(130)	(176)	(5)	-26.0%	-	(130)	(5)	-
<b>Insurance Area</b>								
Vida Security	7,579	6,659	4,321	13.8%	75.4%	7,579	4,321	75.4%
Penta Security	-	-	18,979	-	-	-	18,979	-
Servicios Security	(105)	417	86	-	-	(105)	86	-
<b>Other Services</b>								
Inmobiliaria Security	688	3,793	394	-	74.8%	688	394	74.8%
Travel Security	715	1,123	988	-36.3%	-27.6%	715	988	-27.6%
Travex Security	123	57	68	113.2%	80.2%	123	68	80.2%
<b>Grupo Security Profit</b>	<b>17,310</b>	<b>15,149</b>	<b>30,889</b>	<b>14.3%</b>	<b>-44.0%</b>	<b>17,310</b>	<b>30,889</b>	<b>-44.0%</b>

<sup>1</sup> Attributable to owners

\* Subsidiary's profits represent the entire profit (except at Penta Security, where there is a minority shareholding of 29.55%. The figure shown here is the gain before tax on the sale of its minority interest in the company. The extraordinary gain after tax 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.



# Financial Results Grupo Security March 2017