SCRIPT FOR GRUPO SECURITY'S EARNINGS CONFERENCE CALL FOR 1Q19

Marcela Villafaña (Head of Investor Relations Grupo Security)

Good morning. Thank you for joining our earnings presentation for the first quarter of 2019. With us today, we have Fernando Salinas, Planning and Development Manager for Grupo Security, the IR team and some executives from the Bank and Vida Security, who will help us with the Q&A session at the end of the presentation.

Macroeconomic Recap 2019 *(Page 2 of the presentation)*

Fernando Salinas (Planning and Development Manager at Grupo Security):

On page 2, we have a brief recap of the macroeconomic environment. GDP expanded 1.6% YoY and unemployment was 6.9% as of March 2019. Inflation has remained on the lower end of the target range, reaching 2% for the first quarter of the year.

In January of this year, the Chilean Central Bank raised the MPR for the second time by 25 b.p. to 3%. Short-term rates increased in line with the MPR in January, although they then resumed a downward trend. Long-term rates fell during the first half of the year and are expected to remain low for the rest of the year.

The exchange rate began 2019 by appreciating from CH$700 to CH$650, and then stabilized above CH$700 by the end of May. It is expected to hover around CH$680 - CH$700 during the year. For the same period last year, the exchange rate fluctuated between CH$588 and CH$615, closing the first quarter of 2018 at CH$605.

As for our outlook for 2019, we estimate GDP growth of around 3%, below potential, due to lingering high uncertainty from the trade war. These conditions will lead the Central Bank to maintain the MPR at its current level of 3% for much longer than originally predicted. For this year, we expect inflation to remain below 3%, and loans to grow around 9%.

Significant and Subsequent Events *(Page 3 of the presentation)*

Marcela Villafaña

On April 29, 2019, we held our Annual General Shareholders' Meeting, where the Group's entire board was reelected and EY was designated as our external auditors for 2019. Shareholders also approved a dividend of CH$7.45 per share. Coupled with the dividend distributed in October 2018, the Group has distributed a total of CH$11.95 per share, or CH$44,155 million in distributed earnings, equivalent to 55% of profit for the year 2018.

Grupo Security Results *(Page 4 of the presentation)*

Fernando Salinas

Grupo Security's profit was down 10.2% with respect to the first quarter of 2018.

Profit from business areas (lending, insurance, asset management, international business and other services) fell 9.2% over the same period. After deducting corporate expenses and finance costs, we reached net profit of CH$21,158 million. In particular, finance costs grew 11.2% YoY, because of the N1 bond placed by Grupo Security on March 15, 2018, for 1.5 million UF.

Banco Security (standalone) (*Page 5 of the presentation)*

By business area, the lending area's profit was down 8.8% over 1Q18. This area consists of the standalone bank and the factoring subsidiary.

The Bank's standalone profit was CH$16,945 million, or 10.6% less than 1Q18. Decreased profit from the treasury and retail banking divisions was not fully offset by an improved performance from the commercial banking division. For the same period, the industry's consolidated profit fell 6.0% YoY, while peer banks were down 11.4%.

The commercial banking division reported profit of CH$14,045 million, up 8.9% from the prior year. This improved result is explained by a 12.1% greater net interest margin, due to a 10.2% rise in commercial loans, which is the same figure reported by the industry as a whole (10.2%). With this, the commercial portfolio represents 78.9% of total loans at Banco Security. In addition, there was a 16.0% increase in net FX transactions and other income and a 31.2% decrease in provision expenses. These items were not offset by the 4.2% drop in net fees and greater operating expenses.

Marcela Villafaña

The retail banking division reported profit of CH$1,179 million, down 47.5% from the first quarter of 2018, due to a 8.2% increase in operating expenses. This is in addition to a 6.4% increase in provision expenses due to impairment of a few entrepreneur banking customers and a smaller recovery of written-off loans during the period. This was not offset by a 4.4% rise in the net interest margin, because of the 4.3% YoY increase in retail loans, which is below the system figure of 13.1%.

Specifically, the Bank boasted 13.1% growth in consumer loans, as opposed to 21.7% for the industry. It is important to mention that BCI and Banco Falabella incorporated the Presto card (Walmart) and CMR card portfolios, respectively, in December 2018. Consumer loans represent 9.6% of Banco Security's total portfolio. Mortgage loans fell 2.1%, versus an increase of 9.1% for the industry, and accounted for 11.4% of the Bank's total loans.

The treasury division reported profit of CH$2,237 million, down 61.0% from the same period last year, due to hikes in the MPR during the last two quarters that drove the net interest margin downwards as price adjustments for liabilities are faster than for assets. In addition, net FX transactions and other income fell 18.8%, because of reduced income from fixed-income trading and brokering. Bear in mind that 1Q18 represents a high basis of comparison in brokerage income.

The Bank's risk ratio reached 1.62% during the period and the NPL portfolio was 1.74% of loans. This led to an NPL coverage ratio of 93%. During the first quarter, several customers were added to the nonperforming loan portfolio that had large guarantees and, therefore, required smaller provisions, thus pushing coverage below 100%.

Banco Security Consolidated Indicators *(Page 6 of the presentation)*

While the ratio of the LTM net interest margin to average loans has remained stable around 3.3% in prior periods, it fell to 3.2% in March 2019. Although loans grew 8.9% YoY, hikes in the MPR in the last two quarters negatively impacted the net interest margin.

The consolidated efficiency ratio reached 51.5% for the first quarter of the year, up from 48.1% for the first quarter of 2018, explained by a drop in total operating income of 3.0%, because of reduced income from fixed-income trading and brokering in the treasury division, which was not offset by a 1.4% increase in the net interest margin, accompanied by a 3.9% increase in operating expenses. In April 2019, the Bank's efficiency ratio was 50%.

During the first quarter, the ratio of provision expenses net of recovery to total loans was 0.39%, down from 0.52% in March 2018, mainly due to a strong performance from the commercial banking division's portfolio.

The drop of 10.6% in the Bank's consolidated profit, coupled with a 5.4% increase in equity, resulted in ROAE of 12.6%, below the 14.2% recorded for 1Q18.

Banco Security vs Peer Banks vs Chilean Banking System *(Page 7 of presentation)*

Fernando Salinas

The ratio of total operating income, which does not include loan loss provisions, to total average assets, reached 4.0%, above our peers at 3.8% and less than the industry figure of 4.5%.

The Bank's efficiency ratio reached 51.5%, above the 48.1% recorded for March 2018.

The industry reported an efficiency ratio of 47.5% for 1Q19, while our peer banks were at 50.5%.

We posted ROAE of 12.6%, outperforming both our peers and the industry with 11.3% and 11.8%, respectively. Lastly, our ratio of core capital to total assets was 7.7%, on par with the industry's 7.7%, mainly due to an increase in assets, driven by our 8.9% growth in total loans.

Factoring Security *(Page 8 of the presentation)*

Now let's take a look at Factoring Security, which is also part of the lending business area. It reported profit of CH$2,186 million for 1Q19, up 7.9% from the same period last year. This improvement is explained by an increase of 15.9% in operating income, due to 18.9% growth in factored receivables, which was partially offset by a reduced spread. This was not fully offset by the 25.8% spike in operating expenses due to higher banking costs because of a larger volume of factored receivables, nor by the 10.2% rise in operating expenses because of increased commercial activity.

Yesterday, Factoring Security successfully placed CH$40,000 million in bonds with demand of CH$80,870 million, or 2.0 times the amount offered. The notes were bullet bonds that mature in 5 years. They were rated AA- by Fitch and ICR Chile and placed on Santiago Exchange at a nominal placement rate of 3.95% per annum, which represents a spread of 0.69%.

Vida Security *(Page 9 of the presentation)*

The insurance area reported profit of CH$5,271 million, down 16.3% from the first quarter of 2018. Vida Security posted profit of CH$5,197 million for 1Q19, 18.9% lower than last year. The industry, excluding the uniformed police's mutual insurance company, reported profit 10.5% below last year.

Although the breakdown by product line reported to the CMF goes only as far as the contribution margin, from a management perspective, consolidated results are explained by weaker results from individual, disability and survivor and family protection insurance that was not offset by improved results from annuities and group insurance. These figures are obtained basically by allocating the investment income from the CUI portfolio to individual insurance and the rest to annuities, which concentrate most of the reserves.

From this perspective, individual insurance reported a decrease of CH$ 2,070 million in profit over last year, mainly due to increased surrenders and transfers from CUI and APV funds.

In addition, disability and survivor insurance had a loss of -CH$821 million, or CH$1,163 million less than last year. During the first quarter of last year, disability and survivor policies were still in force and, therefore, there was premium income to offset claims. For the first quarter of 2019, practically no premium income was received and higher-than-expected claims were filed.

For 1Q19, family protection insurance had profit of CH$100 million less than last year.

These effects were not offset by improved results from annuities, up CH$640 million from last year, due to a strong performance from the proprietary trading portfolio in both domestic and international equities and real estate funds. Gross written premiums for annuities totaled CH$20,386 million for 1Q19, up 101.4% from March 2018, thanks to the rise in sales to take advantage of improved financing conditions for investing contributions from retirees. The industry, excluding the uniformed police mutual insurance company, increased annuity sales by 2.2%.

Group insurance reported an increase of CH$769 million in profit over last year, thanks to a higher renewal rate and new policies contracted during the period.

Finally, during the first quarter of last year Vida Security recognized a loss of CH$979 million on its 61% share of Protecta Security, which was transferred to Security Internacional in late 2018.

Vida Security - Profit and Investments *(Page 10 of the presentation)*

Marcela Villafaña

Vida Security had investment income of CH$40,319 million, 71.5% greater than the first quarter of 2018, of which CH$14,739 million was from the CUI portfolio and CH$25,580 million from our proprietary trading portfolio. This improvement can be explained by better returns on equity investments in the CUI and APV portfolios, as markets performed well during the period. Improved returns on the CUI and APV investment portfolio are counterbalanced by greater variations in technical reserves for individual insurance. As a result, 76% of the improved investment income in 1Q19 can be explained by the CUI and APV portfolio.

Our proprietary trading portfolio saw an 18.3% improvement in returns over last year, thanks to a strong performance in both domestic and international equities and real estate funds.

Regarding our exposure to equities, the benchmarks for our portfolios had US-dollar returns of 11.9% in emerging countries and 5.2% in Chile during 1Q19.

The industry, excluding the uniformed police's mutual insurance company, reported a 42% increase in total investment income over last year.

Asset Management Area *(Page 11 of the presentation)*

Marcela Villafaña

The asset management area, which includes the fund management (Administradora General de Fondos or AGF), brokerage (Valores Security) and securitization (Securitizadora) subsidiaries, reported profit of CH$1,453 million, down 23.9% from the first quarter of 2018. Excluding the securitization subsidiary, profit was CH$1,678 million, down 8.6% over the prior year. This was explained by a 10.3% drop in operating income, due to a decrease in transactional revenue at the brokerage subsidiary, from stocks, foreign currency and international products.

Operating income was also affected by the 4.1% drop in the volume of mutual funds under management, which reached CH$2,682 billion as of March 2019, with a stable ROA during the period. In particular, our non-money market funds decreased 8.5% in relation to the prior March. The industry, therefore, grew 6.1% as of March 2019, giving us a market share in mutual funds of 6.8% and ranking us 5th in the industry.

This reduced income was not fully offset by the 6.2% decrease in expenses, explained by reduced commercial activity, nor by improved returns from Valores Security's fixed-income proprietary portfolio, which resulted in a 38.1% increase in the area’s non-operating income.

Lastly, Securitizadora Security and Inmobiliaria CasaNuestra reported a loss of -CH$224 million versus profit of CH$74 million last year.

International Business Area - Protecta and Travex *(Page 12 of presentation)*

Fernando Salinas

In the international business area, our long-term goal is to develop the Group's businesses in Peru. Starting the last quarter of 2018, we incorporated the International Business segment into the segment reporting note. This segment includes Protecta Security and Travex Security.

The international business area reported profit attributable to equity holders of the parent of CH$606 million for the first quarter of 2019. In particular, Protecta had profit of S./ 1.1 million, up from S./ 0.3 million for 1Q18, due to reduced claims and a drop in acquisition costs for annuities.

As of March 2019, Protecta Security had annuity sales of S:/ 48.4 million, up 21.2% YoY. Protecta Security’s market share has increased from 5.3% in September 2015, when Grupo Security purchased a stake in the company, to 20.0% as of March 2019.

In addition, Protecta Security has been expanding sales of private annuities, which reached S./ 26.1 million in March 2019. This figure is well above last year's S./ 3.7 million and already represents 28.8% of Protecta's total premiums. With this, Protecta now has market share of 10.4% in private annuities, as compared to 2.7% in March 2018.

Travex, the Company's travel agency in Peru, achieved sales of US$17 million and a 2.4% increase in profit with respect to 1Q18.

Other Services Area *(Page 13 of the presentation)*

For the first quarter, Travel Security reported profit of CH$896 million, up 43.3% from the first quarter of last year, due to a rising exchange rate, since an important part of the company's income is in dollars. The exchange rate began 2019 by appreciating from CH$700 to CH$650, and then stabilized above CH$700 by the end of May. For the same period last year, the exchange rate fluctuated between CH$588 and CH$615, closing the first quarter of 2018 at CH$605.

In addition, it had lower operating expenses thanks to improved commercial efficiency.

The real estate subsidiary reported a loss of -CH$395 million, similar to the -CH$268 million as of March 2018, because it transferred ownership on fewer properties than the fourth quarter of 2018. Real estate assets under management increased 14.7% during the same period. Profits are expected to be generated over the next few quarters on projects developed last year.

Evolution of Grupo Security - *Indicators (Page 14 of the presentation)*

Lastly, here we show Group indicators over a longer period of time. Consolidated profit over the last twelve months was CH$78,139, while return on equity was 10.7%.

Our projections for 2019 call for continued returns for our shareholders, through sustained growth in our businesses in Chile and Peru, with conservative risk management and the seal of excellence that has characterized Grupo Security since its formation.

Once again, thank you for joining our earnings call. Our team is now available to answer questions.

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