

Grupo Security Earnings Report

Grupo Security Reports Profit of MCH\$24,352 for the First Quarter of 2021 (+274.6% YoY and +40.2% QoQ).

Santiago, Chile – May 27, 2021. Grupo Security S.A., (BCS: SECURITY; BBG: SECUR).

Renato Peñafiel, CEO of Grupo Security, commented, “We are very pleased with this quarter’s results. For 1Q21, Grupo Security reported profit of MCH\$24,352, or 275% higher than MCH\$6,500 in 1Q20. Mobile LTM profit was MCH\$82,998, recovering pre-crisis levels from 2019. This is equivalent to earnings per share of CH\$20.5, up 25% from CH\$16.8 as of year-end 2020 and 17% above March of last year.

Grupo Security's price-to-earnings ratio is 6.8 and its market to book ratio is 0.6, both record lows. This could be partly explained by the impact of local political uncertainty on the domestic stock market. Meanwhile, the Group's dividend yield is 6.3%, among the highest figures in recent years.

The Bank reported consolidated profit of MCH\$16,892 for 1Q21 (+6.1% YoY), which accounted for 48.1% of profit from the Group's related companies. Inversiones Security posted profit of MCH\$2,885 (+513% YoY), with growth in assets under management despite a challenging setting, savings in total expenses and robust returns on its proprietary trading portfolio (+144.9% YoY) because of market conditions. This result was also reinforced by a strong performance by Vida Security (MCH\$15,322 for 1Q21 vs a loss of -MCH\$957 for 1Q20), explained by solid returns on financial investments. Inmobiliaria Security reported profit of MCH\$1,401 for 1Q21 (loss of -MCH\$168 for 1Q20). At Factoring Security, earnings are in line with expected growth.

Other important factors contributing to Grupo Security's strong earnings are its savings plan and structural adjustments by Group companies. In the first quarter of 2021 we see a YoY reduction in total expenses of 17.7%, already reflecting the results of the plan, which should continue to be seen in the Group's future earnings.

We believe that the active vaccination process underway in our country will positively impact the second half of the year and reactivate the local economy. Together with improved international economic conditions, we should reach GDP growth rates of around 6%, with the resulting effects on the financial sector where Grupo Security does business.

- Banco Security's consolidated profit for 1Q21 was MCH\$16,892, +6.1% YoY, and market share reached 3.4% as of March 2021 (3.3% as of March 2020). Commercial loans expanded 3.3% YoY, with market share in its target segment of medium and large companies of 6.1%¹.
- Its risk ratio, measured as provisions to loans, was 2.12% as of March 2021 (+15 bps YoY), which compares favorably to the banking system's 2.65%. The Bank's consolidated efficiency ratio was 46.6% as of March 2021 (-535 bps YoY), above the industry figure of 44.4% (+177 bps YoY). The Banco posted an ROAE as of March 2021 of 10.1% (-26 bps YoY).
- Factoring Security reported profit of MCH\$2,374 for 1Q21 (-17.1% YoY), explained by a drop of -3.7% YoY in factored receivables due to economic slowdown and tighter spreads.
- Vida Security reported profit of MCH\$15,322 for 1Q21 (vs a loss of -MCH\$957 for 1Q20), because of improved investment income (+206.9% YoY) and better technical results from disability and survivor insurance (MCH\$2,316 for 1Q21 vs -MCH\$2,408 for 1Q20).
- For 1Q21, Protecta Security had profit of MS./0.5 (-91.9% YoY) explained by weaker investment income (-28.7% YoY). Despite the lower earnings, the subsidiary did enjoy a record high premium volume of MS./155 (+30.0% YoY) for the first quarter of the year. Protecta Security has 23.4% market share in annuities, positioning it second in sales in the Peruvian market.
- Inversiones Security, including Securitizadora Security, reported profit of MCH\$2,885 for 1Q21, or 513% greater than the same period last year, due to improved non-operating income (+144.9% YoY) because of a strong performance from local fixed-income instruments. In addition, the brokerage subsidiary recognized deferred taxes of MCH\$1,141.
- Inmobiliaria Security posted profit of MCH\$1,401 for 1Q21, explained by legal title transferred on more projects during the quarter (38 units).

¹ This includes companies with annual sales over MCH\$800, in the regions of Chile where Banco Security has offices.
Source: Chilean Internal Revenue Service (SII).

- Travel Security, including Travel Peru, had a loss of -MCH\$303 for 1Q21 (versus profit of MCH\$90 for 1Q20) due to reduced sales because of the public health crisis. In 2020 these subsidiaries switched to a primarily digital sales model, in line with industry trends.
- At a consolidated level, Grupo Security posted profit of MCH\$24,352 for the first quarter of 2021 (+274.6% YoY and +40.2% QoQ), and annualized ROAE of 11.6% (3.4% as of March 2020).

SIGNIFICANT AND SUBSEQUENT EVENTS

On February 22, 2021, Jorge Meyer De Pablo resigned from the position of CEO of Securitizadora Security and Inmobiliaria Casanuestra effective February 28, 2021, to take on the role of Investment Manager of AGF Security. Fiorella Battilana Ferla replaced him as CEO of Securitizadora Security and Inmobiliaria Casanuestra.

At Grupo Security's annual general meeting on April 6, 2021, shareholders approved a dividend payment of CH\$5.25 per share, charged to profit for the year 2020. This dividend and the interim dividend paid in October 2020 are equivalent to a total dividend of CH\$10.95 per share, totaling MCH\$41,588, or 64% of profit for the year 2020. At this meeting, shareholders also approved the annual report, balance sheet and financial statements for the year 2020. They also agreed to appoint EY as the Company's external auditors for the year 2021 and Fitch and ICR as its risk rating agencies.

SECURITY STOCK PERFORMANCE

As of March 31, 2021, Grupo Security's stock reached a price of CH\$175.1 per share (+32.7% YTD), which represents a market-to-book ratio of 0.81. Political uncertainty once again impacted the stock's value, in line with the market, reaching a record low of CH\$121.0 in May 2021. The stock is currently at CH\$138.6, with a price-to-earnings ratio of 6.8 and a market-to-book ratio of 0.64, among the Group's all-time lows. Meanwhile, the Group's dividend yield is 6.3%, among the highest figures in recent years. In 2020 the impact of the public health crisis on financial markets precipitated a sharp fall in the stock's value during the first quarter to CH\$142.6 as of March 30, 2020 (-27.1% YTD), with a market-to-book ratio of 0.68. This value remained relatively stable throughout 2Q20, with additional drops during the second half of the year. Consequently, the stock had a daily average price of CH\$149.8 for the year, closing 2020 at CH\$131.9, with a market-to-book ratio of 0.62.

Ratios	mar-21*	dic-20	mar-20	% Chg	
				QoQ	YoY
Net Profit (MM\$)	24,352	65,146	6,500	-	274.6%
Net Profit LTM (MM\$)	82,998	65,146	66,498	27.4%	24.8%
Profit per share	20.5	16.8	18.0	21.9%	14.1%
Grupo - ROE	11.6%	8.1%	3.4%	346 p	818 p
P/U	6.6	7.8	7.9	-15.5%	-16.5%
Price / Book value	0.63	0.62	0.68	1.7%	-8.0%
Dividend yield	6.4%	8.3%	8.6%	-186 p	-215 p
Share Price (\$)	135.9	131.9	142.6	3.0%	-4.7%
Equity (MM\$)	872,887	861,744	770,467	1.3%	13.3%
Free float	27.6%	27.6%	27.0%	0 p	60 p
Number of Shares (millions)	4,042	4,042	3,695	0.0%	9.4%

* Price and Number of Shares as of 05/27/21

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GRUPO SECURITY EARNINGS REPORT FOR 1Q21

Grupo Security posted profit of MCH\$24,352 for the first quarter of 2021 (+274.6% YoY and +40.2% QoQ). EBITDA for the same period totaled MCH\$36,002 (+143.2% YoY and +22.0% QoQ), and annualized ROAE reached 11.6% as of March 2021 (3.4% as of March 2020).

Grupo Security posted profit of MCH\$24,352 for 1Q21 (+274.6% YoY), due to higher profit from the Group's business areas of MCH\$35,025 (+101.6% YoY), as explained throughout this document. In addition, Group and support area expenses totaled MCH\$2,994 (-2.0% YoY) in line with the savings plan rolled out in 2020, while finance costs reached MCH\$3,855 (+39.0% YoY) because of bonds issued by Grupo Security and Inversiones Previsión Security in 2020. Furthermore, the adjustment for support companies was a loss of -MCH\$564 for 1QM21 (-70.7% YoY).

For the quarter, Grupo Security posted profit of MCH\$24,352 (+40.2% QoQ), explained by improved results from business areas (+20.6% QoQ). Group and support area expenses totaled MCH\$2,994 (-24.8% QoQ) mainly due to lower technology and advisory expenses. The Group also had lower finance costs (-10.2% QoQ) and a slightly smaller loss on indexed assets and liabilities (-1.0% QoQ) due to lower inflation during the quarter (4Q20 1.26% vs 1Q21 1.12%).

(MCH\$)	1Q21	4Q20	1Q20	% Chg	
				QoQ	YoY
Business areas profit	35,111	29,051	17,377	20.9%	102.1%
Support areas and group expenses	(2,994)	(3,984)	(3,057)	-24.8%	-2.0%
Finance costs	(3,291)	(3,324)	(3,412)	-1.0%	-3.5%
Indexation units	(3,855)	(4,293)	(2,774)	-10.2%	39.0%
Support areas adjustments	(564)	(437)	(1,928)	29.1%	-70.7%
Taxes and others	537	360	293	49.2%	83.6%
Grupo Security Profit	24,352	17,374	6,500	40.2%	274.6%
EBITDA	36,002	29,509	14,805	22.0%	143.2%

From a consolidated perspective, Grupo Security recognized revenue of MCH\$307,261 for 1Q21, remaining relatively stable from one year to the next (+3.0% YoY). At Vida Security and Protecta, gross written premiums increased 8.1% YoY, while interest and investment income was up 14.1%, as explained on pages 19-26 and 28 of this report. Banco Security's revenue fell 5.3% due to lower interest rates and a drop in consumer loans, as discussed on pages 6-16.

As for consolidated cost of sales, this figure reached MCH\$213,534 for 1Q21, holding steady from 1Q20 (-1.0% YoY). At Banco Security, cost of sales was down 13.5% YoY due to lower finance costs, explained on pages 6 and 7 of this document, offset by greater loan loss provisions (+36.6% YoY) described on pages 7-10 of this report. Vida Security's cost of sales fell 2.1% YoY due to a decrease in claims paid on individual and disability and survivor policies, partly offset by an increase in pensions paid. Cost of sales at Factoring Security was also down (-32.4% YoY), in line with lower cost of funds and lower volumes of factored receivables (-3.7% YoY).

Consolidated statement of income* (MCH\$)	1Q21	1Q20	4Q20	% Chg	
				QoQ	YoY
Revenue	307,261	298,418	315,441	-2.6%	3.0%
Banco Security - Revenue ¹	130,906	138,297	135,678	-3.5%	-5.3%
Vida Security & Protecta - Gross premium	99,934	92,429	78,126	27.9%	8.1%
Vida Security & Protecta - Interest & investment income	47,169	41,358	39,403	19.7%	14.1%
Factoring Security - Revenue	8,207	10,218	6,486	26.5%	-19.7%
Other revenue	21,046	16,115	55,748	-62.2%	30.6%
Cost of sales	- 213,534	- 215,693	- 231,634	-7.8%	-1.0%
Banco Security - Cost of sales ²	- 60,679	- 70,124	- 67,944	-10.7%	-13.5%
Banco Security - LLP expenses	- 19,294	- 14,124	- 22,497	-14.2%	36.6%
Vida Security & Protecta - Cost of sales ³	- 114,342	- 116,737	- 117,881	-3.0%	-2.1%
Factoring - Cost of sales ⁴	- 2,082	- 3,079	- 196	961.2%	-32.4%
Other costs	- 17,137	- 11,629	- 23,116	-25.9%	47.4%
Gross profit	93,728	82,725	83,807	11.8%	13.3%
Other revenue	- 1,473	- 3,908	- 2,275	-35.2%	-62.3%
Total expenses	- 55,803	- 67,842	- 54,419	2.5%	-17.7%
Personnel expenses	- 29,613	- 33,977	- 30,717	-3.6%	-12.8%
Administrative expenses	- 26,190	- 33,864	- 23,702	10.5%	-22.7%
Operational profit	36,452	10,975	27,114	34.4%	232.1%
Finance costs	- 2,896	- 3,454	- 3,667	-21.0%	-16.2%
Exchange differences	769	4,527	5,020	-84.7%	-83.0%
Indexation units	- 4,831	- 4,165	- 6,504	-25.7%	16.0%
Others ⁵	- 70	- 131	606	-111.6%	-46.1%
Profit before tax	29,423	7,752	22,569	30.4%	279.5%
Finance costs	- 5,103	- 1,267	- 5,288	-3.5%	302.8%
Profit (loss) attributable to equity holders of the parent	24,352	6,500	17,374	40.2%	274.6%

*Any differences between the figure presented here and those published by each subsidiary are the result of different accounting criteria between subsidiaries and the parent company. 1. Includes interest, indexation and fee income, financial operating income and other operating income. 2. Includes interest, indexation and fee expenses. 3. Includes variations in technical reserves, claims and pensions paid and underwriting expenses. 4. Includes banking and other expenses. 5. Includes share of profit (loss) of equity-accounted associates and joint ventures and gains (losses) arising from the difference between the book value and fair value of financial assets reclassified at fair value.

In 2020 Grupo Security implemented a savings plan in all subsidiaries, with efficiency efforts that included structural adjustments at the Group's main businesses. As a result, total expenses reached MCH\$55,803 for 1Q21 (-17.7% YoY), reflecting efforts made during 2020. Administrative expenses were down 22.5% YoY, while payroll expenses fell 12.8% YoY.

Grupo Security Indicators In MCH\$	Mar-21	Dec-20	Mar-20	% Chg	
				QoQ	YoY
Banco - Total Loans	6,272,530	6,228,083	6,191,897	0.7%	1.3%
Industry - Total Loans ¹	187,965,804	185,091,882	187,627,727	1.6%	0.2%
Inversiones - AUM Mutual Funds	2,828,241	2,789,219	2,558,199	1.4%	10.6%
Industry - AUM Mutual Funds	53,252,029	51,307,877	45,325,172	3.8%	17.5%
Vida - Investment Portfolio	2,686,240	2,643,190	2,634,577	1.6%	2.0%
Industry (life insurance) - Investment Portfolio	47,169,542	46,473,602	46,409,505	1.5%	1.6%
Factoring - Factored Receivables	373,306	360,084	387,505	3.7%	-3.7%

¹Excludes loans and advances to banks and foreign subsidiaries of local banks.

Grupo Security Indicators Statment of Income	1Q21	4Q20	1Q20	% Chg	
				QoQ	YoY
Banco - Net Interest Margin	47,802	50,029	47,542	-4.5%	0.5%
Banco - Net Fees	14,801	13,721	16,491	7.9%	-10.2%
Banco - Operating Expenses	-33,876	-32,733	-35,607	3.5%	-4.9%
Banco - Net Provision Expenses	-19,294	-22,498	-13,106	-14.2%	47.2%
Vida - Direct Premium	69,214	62,383	63,408	10.9%	9.2%
Vida - Claims Paid	-11,141	-34,590	-42,156	-67.8%	-73.6%
Vida - Pensions Paid	-50,637	-23,546	-24,786	115.1%	104.3%
Vida - Investment Income	38,962	44,637	-13,212	-12.7%	-
Factoring - Revenue	7,176	6,486	10,225	10.6%	-29.8%

Grupo Security	Apr-21	Mar-21	Dec-20	Mar-20	% Chg	
					QoQ	YoY
Employees	3,201	3,286	3,256	3,892	0.9%	-15.6%

Ratios	Mar-21	Dec-20	Mar-20	% Chg	
				QoQ	YoY
Grupo - ROE	11.6%	8.1%	3.4%	346 p	818 p
Banco (Consolidated) - ROAE	10.1%	9.4%	10.4%	74 p	-26 p
Factoring - ROE	16.8%	17.4%	22.4%	-52 p	-553 p
Vida - ROAE	30.3%	11.7%	-1.9%	1867 p	3224 p
Travel - ROE	-	-	3.3%	-	-
Grupo - Leverage	36.7%	35.6%	36.6%	110 p	10 p
Banco - Efficiency	46.6%	47.2%	51.9%	-63 p	-535 p
Factoring - Efficiency	42.2%	43.7%	39.7%	-159 p	244 p
Banco - Non-Performing Loans	1.86%	1.76%	1.56%	10 p	30 p
Banco - Risk Index	2.12%	1.97%	1.66%	15 p	46 p
Factoring - Risk Index	1.65%	1.68%	1.88%	-3 p	-23 p
Banco - BIS Tier I Ratio	8.0%	7.8%	6.8%	12 p	114 p
Banco - BIS Tier II Ratio	14.1%	14.1%	12.0%	9 p	212 p

Earnings from Related Companies (In Ch\$ Million)

	1Q21	4Q20	1Q20	% Chg	
				QoQ	YoY
Lending Area					
Banco Security (standalone)	13,767	14,462	14,789	-4.8%	-6.9%
Factoring Security	2,374	2,071	2,862	14.6%	-17.1%
Asset Management Area					
Valores Security	1,693	344	59	392.0%	-
AGF Security	1,434	1,123	1,070	27.7%	33.9%
Securizadora Security & Casa	96	1,450	-385	-93.4%	-
Insurance Area					
Vida Security	15,322	7,054	-957	117.2%	-
Other Services					
Inmobiliaria Security	1,401	2,800	-168	-50.0%	-
Travel Security	-303	-467	90	-	-
International Business					
Protecta Security (S./ Th.)	478	13,206	5,898	-96.4%	-91.9%
Travex Security (S./ Th.)	-780	600	-571	-	-
Grupo Security Profit¹	24,352	17,374	6,500	40.2%	274.6%

(1) Subsidiary earnings correspond to 100% of their profits and differ from those used to prepare the segment note, which includes consolidation adjustments to account for Grupo Security's percent ownership in each of its respective subsidiaries.

REVIEW OF OPERATIONS BY BUSINESS AREA

LENDING BUSINESS AREA (69.3% of assets; 46.1% of profit from business areas as of March 2021)

The lending business area comprises the operations of Banco Security (excluding its subsidiaries, AGF Security and Valores Security Corredores de Bolsa), and Factoring Security.

BANCO SECURITY

For 1Q21, Banco Security reported consolidated profit attributable to owners of the parent of MCH\$16,892, +6.1% YoY, +6.0% QoQ. Banco Security's standalone profit (excluding subsidiaries AGF Security and Valores Security Corredores de Bolsa) was MCH\$13,899 (-5.0% YoY and -3.9% QoQ).

Banco Security's ROAE (profit LTM over average equity) was 10.1% as of March 31, 2021 (-26 bps YoY).

Banco Security - Consolidated Statement of Income

Banco Security's consolidated profit for 1Q21 was MCH\$16,892 (+6.1% YoY and +6.0% QoQ).

<i>In Ch\$ Millon</i>	1Q21	4Q20	1Q20	% Chg	
				QoQ	YoY
Net interest margin	47,802	50,029	47,542	-4.5%	0.5%
Net Fees	14,801	13,721	16,491	7.9%	-10.2%
Net financial Operating Income	6,710	6,505	2,083	3.2%	222.1%
Net foreign exchange transactions	2,115	5,146	5,399	-	-60.8%
Recovery of charged-off loans	1,448	1,126	889	28.6%	62.9%
Other net operating income	-135	-1,495	-3,818	-	-
Gross operating income	72,741	75,032	68,586	-3.1%	6.1%
Loan loss provision expenses	-20,742	-23,624	-13,995	-12.2%	48.2%
Administrative expenses	-33,876	-32,460	-35,607	4.4%	-4.9%
Net operating income	18,123	18,948	18,984	-4.4%	-4.5%
Income attributable to investments in other companies	0	10	0	-	-
Profit before tax	18,123	18,958	18,984	-4.4%	-4.5%
Income tax expense	-1,229	-3,028	-3,066	-59.4%	-59.9%
Profit for the period	16,894	15,930	15,918	6.1%	6.1%
Profit attributable to owners of the parent	16,892	15,929	15,918	6.0%	6.1%

For 1Q21 the Bank reported a net interest margin of MCH\$47,802 (+0.5% YoY), with lower interest and indexation income and lower interest and indexation expense. Interest and indexation income for the period totaled MCH\$104,136 (-8.8% YoY), mainly due to less interest income from loans. Broken down by product, interest income from commercial loans was down 4.9% due to lower interest rates, although this was offset by YoY volume growth of +3.3%. Meanwhile, consumer loans fell 21.2% YoY, in line with a 16.6% drop in loan volumes and lower rates. The portfolio of investments available for sale also reported lower interest and indexation income (-24.9% YoY) due to reduced volumes (-15.3% YoY). Interest and indexation expense reached MCH\$56,334 (-15.5% YoY) due to a smaller volume of time deposits (-51.0% YoY), lower interest rates and the use of financing mechanisms provided by the Chilean Central Bank. As a reference, the MPR was 0.5% as of March 2021, versus 1.0% as of March 2020 and 1.75% as of December 2019.

In comparison to 4Q20, the net interest margin fell 4.5% to MCH\$47,802. Interest and indexation income was down 6.7% because of a drop in indexation due to lower inflation during the quarter (4Q20 1.26% vs 1Q21 1.12%), compounded by lower income from commercial loans due to lower interest rates and a drop in interest income on the portfolio of investments available for sale

(-17.1% QoQ) due to a smaller portfolio volume (-11.5% QoQ). This effect was partly offset by lower interest and indexation expense (-8.5% QoQ) resulting from a drop in indexation due to lower inflation and a lower volume of time deposits (-8.6% QoQ).

Interest and indexation income In Ch\$ Millions	1Q21	4Q20	1Q20	%Chg	
				QoQ	YoY
Consumer	10,895	11,337	13,830	-3.9%	-21.2%
Mortgage	12,662	13,713	12,300	-7.7%	2.9%
Mortgage + Consumer	23,557	25,050	26,130	-6.0%	-9.8%
Commercial	74,563	79,988	78,418	-6.8%	-4.9%
Investment instruments	5,131	6,189	6,834	-17.1%	-24.9%

Interest and indexation income In Ch\$ Millions	1Q21	4Q20	1Q20	%Chg	
				QoQ	YoY
Consumer	9.92%	9.91%	10.50%	1 p	-58 p
Mortgage	6.92%	7.70%	6.77%	-79 p	15 p
Mortgage + Consumer	8.04%	8.57%	8.34%	-52 p	-29 p
Commercial	5.85%	6.33%	6.35%	-48 p	-51 p
Total	6.26%	6.75%	6.75%	-49 p	-50 p

Net fee and commission income totaled MCH\$14,801 for 1Q21 (-10.2% YoY), due mainly to reduced income from supplementary loan insurance products mainly in the retail banking division. With respect to the preceding quarter, net fee and commission income was up 7.9% QoQ, because of higher commissions from the fund management and brokerage subsidiaries.

Finance income, which is the sum of net financial operating income (loss) and the net gain from FX transactions, rose to MCH\$8,825 (+17.9% YoY), due to an increase from brokerage of fixed-income instruments, offset by lower revenue from structured products and a drop in sales of mortgage bonds. With respect to the preceding quarter, profit was down 24.3% due to lower trading volumes at Valores Security.

The line item other net operating income (loss) reached -MCH\$135 for 1Q21 (vs -MCH\$3,818 for 1Q20), with a high basis of comparison because of repossessed or awarded assets written off in 1Q20.

Banco Security focuses on corporate customers and high-income individuals, which is reflected in its risk ratio, measured as provisions over loans, of 2.12% versus 2.65% for the banking industry. The Bank's strategy for the commercial portfolio has centered around supporting customers in long-term businesses with adequate guarantee coverage, which is valued using conservative standards. Bear in mind that loan loss provisions are calculated based on the unsecured portion of the loan, so greater guarantee coverage results in lower ratios of loan loss provisions to loans.

	Credit Risk (%)								
	Provisions / Loans				Over 90 Day Nonperforming Loans				
	Mortgage	Consumer	Total	Commercial	Total	Mortgage	Consumer	Commercial	Total
Banco Security	0.17	5.10	2.02	2.15	2.12	1.16	1.10	2.03	1.86
Medium Banks*	0.19	3.83	1.03	2.25	2.00	1.12	0.81	1.72	1.58
Banking system	0.66	6.37	2.23	2.98	2.65	1.37	1.36	1.71	1.55

*Average for BICE, Security, Internacional, Consorcio

Institution	Loans ¹ MCH\$	Collaterals ² MCH\$	Provisions MCH\$	Collateral / Loans	Provisions / Loans	(Collateral + Provisions) / Loans
System	90,452,066	49,934,333	2,294,779	55.2%	2.5%	57.74%
Peer Banks ³	14,242,331	10,184,115	307,808	71.5%	2.2%	73.67%
Large Banks ⁴	74,521,502	40,007,480	1,954,708	53.7%	2.6%	56.31%
Banco Security	4,764,524	3,565,082	95,776	74.8%	2.0%	76.84%

1. Individually assessed commercial loans, information as of February 2021. 2. Internal estimate of individually assessed commercial loan portfolio based on report "Bank LLP Indicators" as of March 2021, available at www.cmf.cl. 3. Peer banks: BICE, Consorcio, Internacional and Security 4. Large Banks: Chile, BCI, Estado, Itaú, Scotiabank and Santander.

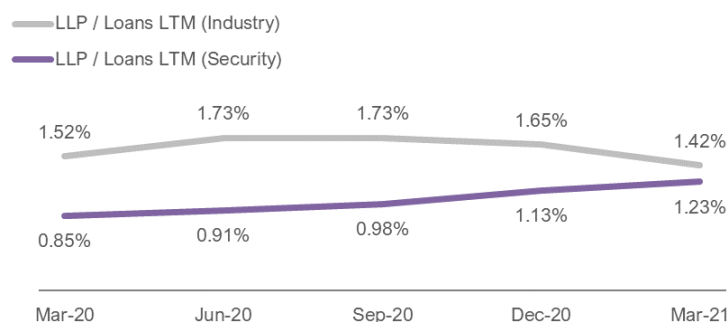
Net LLP expenses for 1Q21 totaled MCH\$19,294 (+47.2% YoY), explained by higher loan loss provisions for commercial loans of MCH\$17,563 for 1Q21 (+130.8% YoY), offset by lower loan loss provisions for consumer loans of MCH\$1,594 for 1Q21 (-71.0% YoY). From a quarterly perspective, expenses fell -14.2% QoQ, following a downward trend with risk peaking in 3Q20 and 4Q20.

In Ch\$ Million	1Q21	4Q20	1Q20	% Chg	
				QoQ	YoY
Consumer LLP expenses ²	-1,594	-5,113	-5,505	-68.8%	-71.0%
Mortgage LLP expenses ²	-110	-267	-63	-58.8%	74.6%
Commercial LLP expenses ²	-17,563	-16,453	-7,611	6.7%	130.8%
Others ³	-27	-665	73	-	-
Expense in total provisions²	-19,294	-22,498	-13,106	-14.2%	47.2%
Consumer LLP / Loans	1.45%	4.47%	4.18%	-302 p	-273 p
Mortgage LLP / Loans	0.06%	0.15%	0.03%	-9 p	3 p
Commercial LLP / Loans	1.38%	1.30%	0.62%	8 p	76 p
LLP expenses² / Loans	1.23%	1.44%	0.85%	-21 p	38 p

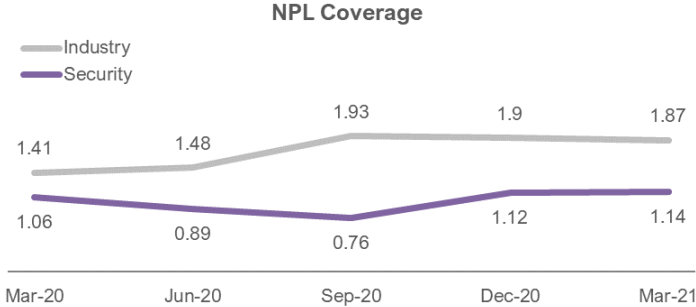
²Expense in provisions net of recovery

³Provision expenses for loans granted to banks and contingent loans

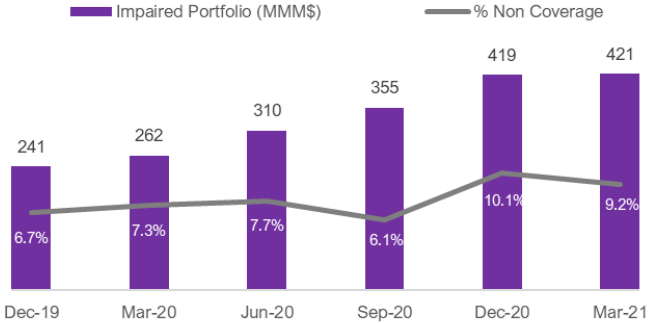
The ratio of loan loss provisions to loans over the last 12 months reached 1.23% for 1Q21 (+38 bps YoY, +32 bps QoQ). The gap between Banco Security and the Chilean banking industry became smaller because the largest component of the industry's LLPs is the consumer portfolio, which was favorably impacted by a drop in loans (-13.5% YoY) and a reduction in the NPL portfolio (-15.0% YoY) because of government relief plans and pension fund withdrawals. These factors have favored the Bank's consumer loan portfolio, reflected in a smaller NPL portfolio (-49.0% YoY) and lower LLP expenses for the consumer portfolio (-71.0% YoY). However, the Bank's portfolio is concentrated in commercial loans (81% commercial, 12% mortgage and 7% consumer), so the effect has been proportionally smaller.



In terms of the NPL portfolio, Banco Security has an NPL coverage ratio of 114.0% (+749 bps YoY; +192 bps QoQ), maintaining the trend from year-end 2020. In particular, NPL coverage in the commercial portfolio was 105.8% (+556 bps YoY; +534 bps QoQ). Bear in mind that Security’s individually assessed commercial portfolio has a high level of guarantees.



The impaired portfolio represents 7.25% of loans (+245 bps YoY, -5 bps QoQ) due to growth in the impaired commercial portfolio of 8.25% in 1Q21 (+295 bps YoY; -3 bps QoQ), as indicated in the chart below, maintaining the gap with the Chilean banking system. Despite a larger impaired commercial portfolio, the high level of provision and guarantee coverage of around 91% is noteworthy. Security has historically maintained similar levels, thus moderating the impact on LLP expenses versus other industry players.



Non-coverage: 1- (Provisions and guarantees for impaired portfolio / Impaired portfolio)

In Ch\$ Million	1Q21	4Q20	1Q20	% Chg	
				QoQ	YoY
Consumer loans	439,394	457,704	526,997	-4.0%	-16.6%
Mortgage loans	732,216	712,074	726,885	2.8%	0.7%
Commercial loans	5,100,920	5,057,580	4,937,771	0.9%	3.3%
Total Loans	6,272,530	6,228,083	6,191,897	0.7%	1.3%
Nonperforming loans - consumer	4,825	5,669	9,462	-14.9%	-49.0%
Nonperforming loans - mortgage	8,497	7,447	9,025	14.1%	-5.9%
Nonperforming loans - commercial	103,596	96,431	78,050	7.4%	32.7%
Total nonperforming loans	116,918	109,547	96,537	6.7%	21.1%
Non-performing loans - consumer	1.10%	1.24%	1.80%	-14 p	-70 p
Non-performing loans - mortgage	1.16%	1.05%	1.24%	11 p	-8 p
Non-performing loans - commercial	2.03%	1.91%	1.58%	12 p	45 p
Total nonperforming loans	1.86%	1.76%	1.56%	10 p	30 p
Gross provisions	141,956	170,437	115,551	-16.7%	22.9%
Write-offs	(8,704)	(47,694)	(12,757)	-81.8%	-31.8%
Credit risk provisions	133,252	122,743	102,794	8.6%	29.6%
Provisions - consumer (% total)	22,406	24,721	23,234	-9.4%	-3.6%
Provisions - mortgage (% total)	1,232	1,136	1,312	8.5%	-6.1%
Provisions - commercial (% total)	109,614	96,886	78,248	13.1%	40.1%
Credit risk provisions	133,252	122,743	102,794	8.6%	29.6%
Coverage - consumer	464.4%	436.1%	245.6%	2830 p	21882 p
Coverage - mortgage	14.5%	15.3%	14.5%	-76 p	-4 p
Coverage - commercial	105.8%	100.5%	100.3%	534 p	556 p
Coverage - total nonperforming loans¹	114.0%	112.0%	106.5%	192 p	749 p
Provisions / loans	2.12%	1.97%	1.66%	15 p	46 p
Total impaired loans	7.25%	7.30%	4.79%	-5 p	245 p
Impaired loans - consumer	4.75%	5.28%	4.37%	-53 p	38 p
Impaired loans - mortgage	1.77%	1.60%	1.61%	17 p	16 p
Impaired loans - commercial	8.25%	8.29%	5.31%	-3 p	295 p

¹ Credit risk provisions / Total nonperforming loans

For 1Q21, support expenses totaled MCH\$33,876 (-4.9% YoY) explained by lower personnel expenses (-9.3% YoY), given the high basis of comparison because of commercial bonuses paid on 2019 results, together with lower payroll expenses following structural adjustments in late 2020 as part of the savings plan rolled out at all Grupo Security companies. These effects were partially offset by higher termination expenses of MCH\$2,094 in 1Q21 (+58.8% YoY) related to the same adjustment plan. Meanwhile, administrative expenses (-1.2% YoY) and depreciation and amortization expenses (+3.6% YoY) head steady from one year to the next.

Compared to the preceding quarter, support expenses were up 3.5% due to a 10.6% rise in administrative expenses because of software license payments. On the other hand, personnel expenses fell 2.4%, explained by lower bonus payments and lower payroll expenses following structural adjustments carried out in recent months. These effects were partially offset by higher termination expenses in 1Q21 related to the same adjustment plan. Finally, depreciation and amortization expense held steady (-2.1% QoQ).

<i>In Ch\$ Millions</i>	1Q21	4Q20	1Q20	% Chg	
				QoQ	YoY
Personnel	-15,641	-16,019	-17,236	-2.4%	-9.3%
Administrative expenses	-16,282	-14,720	-16,486	10.6%	-1.2%
Depreciation and amortization	-1,953	-1,994	-1,885	-2.1%	3.6%
Total operating expenses	-33,876	-32,733	-35,607	3.5%	-4.9%
Gross operating income	72,741	75,032	68,586	-3.1%	6.1%
Operating expenses / Gross operating income	46.6%	43.3%	51.9%	330 p	-535 p

Banco Security's efficiency ratio, measured as operating expenses + other operating expenses over total operating income, was 46.6% for 1Q21 (-535 bps YoY), due to lower support expenses (-4.9% YoY) and improved gross operating income (+6.1% YoY). Quarter-on-quarter, the effect was inverse (+330 bps QoQ), with higher support expenses (+3.5% QoQ) and lower gross operating income (-3.1% QoQ).

For 1Q21, the Bank recognized a lower income tax expense (MCH\$1,229; -59.9% YoY), due to MCH\$1,141 in deferred taxes recorded by the brokerage subsidiary and a smaller profit before taxes (-4.5% YoY).

Banco Security - Operating Segments

<i>In Ch\$ Million</i>	Commercial Banking		Retail Banking		Treasury		Other		Total Bank		Subsidiaries		Total Consolidated	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Net interest margin	24,270	24,529	12,601	15,985	12,934	9,126	0	0	49,806	49,640	-31	-76	49,774	49,564
$\Delta\%$ 3M21	-1.1%		-21.2%		41.7%		-		0.3%		-58.7%		0.4%	
Net Fees	5,403	5,431	2,770	4,642	-32	-58	0	0	8,141	10,014	6,733	6,571	14,874	16,585
$\Delta\%$ 3M21	-0.5%		-40.3%		-45.6%		-		-18.7%		2.5%		-10.3%	
Net FX transactions and other income	2,026	2,336	133	1,559	5,899	2,398	-2,783	-5,127	5,275	1,166	1,978	1,227	7,253	2,393
$\Delta\%$ 3M21	-13.3%		-91.5%		146.0%		-45.7%		352.4%		61.2%		203.1%	
Loan losses and foreclosed assets	-15,838	-6,038	-4,062	-6,812	0	-1,100	0	0	-19,901	-13,950	0	0	-19,901	-13,950
$\Delta\%$ 3M21	162.3%		-40.4%		-		-		42.7%		-		42.7%	
Total operating income, net of credit risk prov.	15,860	26,257	11,442	15,374	18,801	10,366	-2,783	-5,127	43,320	46,869	8,679	7,722	52,000	54,591
$\Delta\%$ 3M21	-39.6%		-25.6%		81.4%		-45.7%		-7.6%		12.4%		-4.7%	
Operating expenses	-10,518	-11,681	-13,488	-14,238	-3,870	-4,308	628	984	-27,248	-29,244	-6,627	-6,363	-33,876	-35,607
$\Delta\%$ 3M21	-10.0%		-5.3%		-10.2%		-36.1%		-6.8%		4.2%		-4.9%	
Net operating income	5,342	14,576	-2,046	1,135	14,931	6,057	-2,155	-4,143	16,072	17,625	2,052	1,359	18,124	18,984
$\Delta\%$ 3M21	-63.4%		-280.2%		146.5%		-48.0%		-8.8%		-		-4.5%	
Income tax expense	-728	-2,453	279	-191	-2,035	-1,019	311	671	-2,173	-2,992	944	-74	-1,229	-3,066
$\Delta\%$ 3M21	-70.3%		-246.0%		99.7%		-53.6%		-27.4%		-1375.7%		-59.9%	
Profit attributable to equity holders of the bank	4,614	12,123	-1,767	944	12,896	5,038	-1,843	-3,472	13,899	14,633	2,994	1,285	16,892	15,918
$\Delta\%$ 3M21	-61.9%		-287.2%		156.0%		-46.9%		-5.0%		133.0%		6.1%	

<i>In Ch\$ Million</i>	Commercial Banking		Retail Banking		Treasury		Other		Total Bank		Subsidiaries		Total Consolidated	
	1Q-21	4Q-20	1Q-21	4Q-20	1Q-21	4Q-20	1Q-21	4Q-20	1Q-21	4Q-20	1Q-21	4Q-20	1Q-21	4Q-20
Net interest margin	24,270	26,565	12,601	13,935	12,934	12,952	0	-3,349	49,806	50,103	-31	123	49,774	50,226
$\Delta\%$ 1Q21	-8.6%		-9.6%		-0.1%		-100.0%		-0.6%		-125.5%		-0.9%	
Net Fees	5,403	4,335	2,770	3,506	-32	-36	0	1,052	8,141	8,857	6,733	4,693	14,874	13,550
$\Delta\%$ 1Q21	24.6%		-21.0%		-		-		-8.1%		43.5%		9.8%	
Net FX transactions and other income	2,026	2,355	133	121	5,899	8,261	-2,783	-1,402	5,275	9,335	1,978	4,203	7,253	13,538
$\Delta\%$ 1Q21	-14.0%		10.1%		-28.6%		98.6%		-43.5%		-52.9%		-46.4%	
Loan losses and foreclosed assets	-15,838	-17,351	-4,062	-8,280	0	-3	0	0	-19,901	-25,634	0	0	-19,901	-25,634
$\Delta\%$ 1Q21	-8.7%		-50.9%		-		-		-22.4%		-		-22.4%	
Total operating income, net of credit risk pr	15,860	15,904	11,442	9,281	18,801	21,174	-2,783	-3,699	43,320	42,661	8,679	9,019	52,000	51,680
$\Delta\%$ 1Q21	-0.3%		23.3%		-11.2%		-24.8%		1.5%		-3.8%		0.6%	
Operating expenses	-10,518	-10,158	-13,488	-13,310	-3,870	-3,280	628	1,402	-27,248	-25,347	-6,627	-7,385	-33,876	-32,732
$\Delta\%$ 1Q21	3.5%		1.3%		18.0%		-55.2%		7.5%		-10.3%		3.5%	
Net operating income	5,342	5,746	-2,046	-4,029	14,931	17,894	-2,155	-2,297	16,072	17,314	2,052	1,634	18,124	18,948
$\Delta\%$ 1Q21	-7.0%		-16.6%		-16.6%		-6.2%		-7.2%		25.6%		-4.3%	
Income tax expense	-728	-719	279	779	-2,035	-3,266	311	346	-2,173	-2,860	944	-168	-1,229	-3,028
$\Delta\%$ 1Q21	1.2%		-64.2%		-37.7%		-10.1%		-24.0%		-661.9%		-59.4%	
Profit attributable to equity holders of the bank	4,614	5,027	-1,767	-3,250	12,896	14,628	-1,843	-1,941	13,899	14,464	2,994	1,466	16,892	15,930
$\Delta\%$ 1Q21	-8.2%		-45.6%		-11.8%		-5.0%		-3.9%		104.3%		6.0%	

Commercial Banking

Banco Security's commercial banking division targets companies with annual sales above MUS\$ 1.2. While Banco Security's core business targets large companies, efforts have been made in recent years to strengthen the medium-sized company segment by tailoring services to its needs. This strategy is designed to diversify our customer base and improve returns in each segment.

As of March 2021, commercial loans had expanded 3.3% YoY and 0.9% YTD, totaling BCH\$5,101. Industry wide, commercial loans fell by 0.7% YoY and 1.3% YTD. Including foreign subsidiaries, the industry's commercial loans declined 2.0% YoY and 0.8% YTD. Banco Security's market share in commercial loans was 4.9% as of March 2021², while its market share in its target segment of medium and large companies was 6.1%³. The commercial banking division had 7,955 customers as of March 2021 (-3.2% YoY).

Commercial Loans by Economic Sector	% Total
Construction and real estate	19.3%
Real estate investors and corporate services	18.4%
Financial services and insurance	16.2%
Social services	12.2%
Wholesale and retail trade	10.3%
Transportation	6.3%
Manufacturing	5.9%
Utilities	4.3%
Agriculture and livestock	3.6%
Fishing	1.4%
Mining	1.4%
Telecom	0.5%
Forestry	0.2%
Total commercial loans	100%

The commercial banking division reported profit of MCH\$4,614 for 1Q21 (-61.9% YoY). This weaker result is explained mainly by increased provision expenses, totaling MCH\$15,838 for 1Q21 compared to MCH\$6,038 for 1Q20 (see pages 7-10 for more information). It also recorded a smaller net interest margin of MCH\$24,270 (-1.1% YoY), due to lower income from liabilities because of lower interest rates, partially offset by a larger average spread and a greater loan volume (+3.3% YoY). The line item financial operating income, net FX transactions and other income totaled MCH\$2,026 (-13.3% YoY) due to lower revenue from structured products, while net fee and commission income reached MCH\$5,403, holding steady year-on-year (-0.5% YoY). These effects were partly offset by lower support expenses of MCH\$10,518 for 1Q21 (-10.0% YoY), explained by lower payroll expenses related to structural adjustments made in 2020, and lower commercial performance bonuses for the year 2020.

Compared to the preceding quarter, results were down 8.2% QoQ due to a smaller net interest margin (-8.6%) as a result of lower income from liabilities. The line item financial operating income, net FX transactions and other income was also down (-14.0% QoQ) because of lower revenue from distributing structured products. Support expenses increased 3.5% QoQ due to payments for termination benefits and software licenses. This was offset in part by lower loan loss provisions (-8.7% QoQ) and greater net fee and commission income (+24.6% QoQ) explained by increased business.

Retail Banking

Banco Security's retail banking division targets high-income individuals. In recent years, the retail division has focused on expanding consumer products.

As of March 2021, the Bank had total retail loans (consumer + mortgage) of BCH\$1,172 (-6.6% YoY, +0.2% YTD), explained by lower consumer loan volumes (-16.6% YoY, -4.0% YTD), partly counteracted by greater mortgage loan volumes (+0.7% YoY, +2.8% YTD), representing 7.0% and 11.7% of the Bank's total loans, respectively. For the industry, retail loans increased +1.3% YoY and +1.9% YTD, driven by growth in mortgage loans (+8.4% YoY and +3.0% YTD), partially offset by a drop in consumer loans (-13.5% YoY and -1.1% YTD). Including foreign subsidiaries, the industry's retail loans grew +0.7% YoY. The Bank boasts

² Excluding foreign subsidiaries of Chilean banks

³ This includes companies with annual sales over MCH\$800, only in the regions of Chile where Banco Security has offices. Source: Chilean Internal Revenue Service (SII).

market share of 3.8%⁴ in its target segment of high-income individuals as of March 2021. The retail banking division had 66,877 customers as of March 2021 (-4.4% YoY).

The retail banking division posted a loss of -MCH\$1,767 for 1Q21 (+CH\$944 in 1Q20). The division's net interest margin fell to MCH\$12,601 (-21.2% YoY), explained by a contraction in consumer loans (-16.6% YoY) and lower interest rates. Net fees and commissions fell to MCH\$2,770 (-40.3% YoY), due to a decline in supplementary loan insurance products. The line item financial operating income, net FX transactions and other income reached MCH\$133 for 1Q21 (-91.5% YoY), with a high basis of comparison because of revenue from the sale of mortgage bonds in 1Q20. These effects were partially offset by lower LLP expenses of MCH\$4,062 for 1Q21 (-40.4% YoY). For more information see pages 7-10 of this report. Meanwhile, support expenses totaled MCH\$13,488 (-5.3% YoY) because of decreased business and, to a smaller extent, savings efforts and structural adjustments carried out in 2020.

Compared to the previous quarter, the retail banking division reported a loss of -MCH\$1,767 for 1Q21 (-MCH\$3,250 for 4Q20) due to lower LLP expenses of MCH\$4,062 (-50.9% QoQ). For more information see pages 7-10 of this report. This effect was partly counteracted by a lower net interest margin (-9.6% QoQ) because of lower volumes of consumer loans (-4.0% YTD). In addition, net fee and commission income fell 21.0% for the quarter due to lower revenue from supplementary loan insurance products and decreased credit card activity. The line item financial operating income, net FX transactions and other income remained stable during the quarter (+10.1% QoQ; +MCH\$12), as did support expenses (+1.3% QoQ).

Treasury

For 1Q21, the treasury area reported profit of MCH\$12,896 (+156.0% YoY), because of greater net operating income of MCH\$18,801 (+81.4% YoY), lower cost of funds due to lower interest rates and greater trading of fixed-income instruments. As a reference, the MPR was 0.5% as of March 2021, versus 1.0% as of March 2020 and 1.75% as of December 2019. In 1Q20 the division recorded a risk-related loss of MCH\$1,100 due to impairment on an instrument in the available-for-sale investment portfolio. Operating expenses fell to MCH\$3,870 (-10.2% YoY) due to lower commercial performance bonuses for the year 2020.

During the quarter, the area reported a 11.8% QoQ decline in profit, with net operating income of MCH\$18,801 (-11.2% QoQ) explained by decreased trading of fixed-income instruments during the quarter and a smaller UF gap. It also accrued less revenue on the investment portfolio due to lower volumes and a drop in revenue from structured products in the distribution area. Support expenses increased 18% due to payments for sales bonuses, termination benefits and software licenses.

The treasury division consists of trading, investment, distribution and asset and liability management (ALM) transactions. The ALM desk manages financial investments used to stabilize the net interest margin, manage the balance of interest rate risk, manage liquidity and efficiently fund the bank's loan portfolio. As of March 2021, ALM represented 49.8% of treasury income. The investment and trading desks manage the Bank's own portfolio of primarily Chilean Central Bank notes and corporate bonds and represent 38.5% of treasury income. The remaining 11.7% of treasury division income comes from the distribution desk, which brokers specialized products for corporate banking customers (currency, forwards and structured products).

Loan Portfolio - Banco Security

⁴This division includes individuals between 24 and 65 years of age in the middle and high-income segments (UF 60 in Santiago or UF 50 elsewhere in Chile) with a risk/return profile similar to Banco Security's customers, only for regions where Banco Security has offices. Source: Financial Market Commission (CMF).

Total loans reached MCH\$6,272,530 as of March 2021, +1.3% YoY and +0.9% YTD, while industry loans fell 0.6% YoY but grew +0.8% YTD. Including foreign investments, the industry's total loans shrunk 1.8% YoY but grew +0.4% YTD. As of March 2021, commercial loans grew 3.3% YoY and 0.9% YTD, to MCH\$5,100,920 (81.3% of Banco Security's total loan portfolio), while retail loans (consumer + mortgage) reached MCH\$1,171,610, -6.6% YoY and +0.2% YTD. The 20 largest borrowers represent 11.4% of the Bank's total loan portfolio.

Total Loans <i>In Ch\$ Millions</i>	Mar-21	Dec-20	Mar-20	%Chg	
				QoQ	YoY
Consumer	439,394	457,704	526,997	-4.0%	-16.6%
Mortgage	732,216	712,074	726,885	2.8%	0.7%
Mortgage + Consumer	1,171,610	1,169,778	1,253,882	0.2%	-6.6%
No. Customers	66,877	67,496	69,953	-0.9%	-4.4%
Commercial	5,100,920	5,057,580	4,937,771	0.9%	3.3%
No. Customers	7,955	8,023	8,219	-0.8%	-3.2%
Total Loans	6,272,530	6,228,083	6,191,897	0.7%	1.3%
Market Share	3.3%	3.4%	3.3%	-3 p	4 p

Interest and indexation income <i>In Ch\$ Millions</i>	1Q21	4Q20	1Q20	%Chg	
				QoQ	YoY
Consumer	10,895	11,337	13,830	-3.9%	-21.2%
Mortgage	12,662	13,713	12,300	-7.7%	2.9%
Mortgage + Consumer	23,557	25,050	26,130	-6.0%	-9.8%
Commercial	74,563	79,988	78,418	-6.8%	-4.9%
Investment instruments	5,131	6,189	6,834	-17.1%	-24.9%

Interest and indexation income <i>In Ch\$ Millions</i>	1Q21	4Q20	1Q20	%Chg	
				QoQ	YoY
Consumer	9.92%	9.91%	10.50%	1 p	-58 p
Mortgage	6.92%	7.70%	6.77%	-79 p	15 p
Mortgage + Consumer	8.04%	8.57%	8.34%	-52 p	-29 p
Commercial	5.85%	6.33%	6.35%	-48 p	-51 p
Total	6.26%	6.75%	6.75%	-49 p	-50 p

Banco Security – Funding Sources

Funding Sources <i>In MCH\$</i>	Mar-21		Dec-20		Mar-20		% Chg	
							QoQ	YoY
Demand deposits	1,173,076	14.6%	1,175,142	14.5%	939,332	11.0%	-0.2%	24.9%
Time deposits	1,520,942	19.0%	1,890,734	23.4%	3,106,695	36.3%	-19.6%	-51.0%
Total deposits	2,694,018	33.6%	3,065,876	37.9%	4,046,027	47.3%	-12.1%	-33.4%
Bonds	3,072,773	38.3%	2,930,589	36.3%	2,887,452	33.8%	4.9%	6.4%
Interbank loans	1,103,581	13.8%	1,052,094	13.0%	413,868	4.8%	4.9%	166.7%
Other liabilities*	482,222	6.0%	369,219	4.6%	594,208	7.0%	30.6%	-18.8%
Total Liabilities	7,352,594	91.6%	7,417,778	91.8%	7,941,555	92.9%	-0.9%	-7.4%
Equity	670,256	8.4%	661,938	8.2%	607,126	7.1%	1.3%	10.4%
Liabilities + Equity	8,022,850	100%	8,079,716	100%	8,548,681	100%	-0.7%	-6.2%

*Includes borrowings from financial institutions and derivative instruments, among other items.

Demand and Time Deposits

For 1Q21, total deposits were MCH\$2,694,018 (-33.4% YoY), while the industry figure decreased -2.0% YoY and -1.4% YoY (including foreign subsidiaries). This smaller volume of total deposits was offset by a larger volume of borrowings from financial institutions of MCH\$1,103,581 as of March 31, 2021 (+166.7% YoY), mainly from using credit lines and financing from the Chilean Central Bank.

Banco Security's time deposits consisted of 42.5% retail deposits and 57.5% institutional deposits. The 15 largest depositors represent 10.5% of the Bank's total deposits. The loan to deposit ratio was 233% as of March 2021, compared to 153% as of March 2020. Banco Security's strategy is to diversify funding sources using sales incentives to increase its retail deposit base.

Banco Security strictly monitors liquidity risk⁵, striving to diversify funding sources while monitoring and controlling a series of limits on asset/liability mismatches, by maintaining a significant volume of liquid assets and lengthening liabilities to increase funding terms. The Bank's exposure from asset and liability mismatches is among the industry's lowest thanks to a conservative interest rate gap strategy that takes advantage of record-low rates to lengthen our liabilities. As of March 31, 2021, the ratio of long-term interest rate risk to regulatory capital was 3.2%⁶.

As of March 2021, liquid assets⁷ represented 108.9% of demand and other time deposits. The liquidity coverage ratio⁸ as of March 31, 2021, was 304.34%, above the regulatory minimum of 80%.

⁵Liquidity risk represents the possibility of not fulfilling obligations when they mature as a result of the inability to liquidate assets or funds, or not being able to dispose of them easily or offset exposure without significantly reducing prices due to insufficient market depth (Grupo Security Annual Report, note 35).

⁶This measures the exposure to changes in interest rates as a percentage of equity. Exposure to long-term interest rates is calculated as the sum of the differences by time band and currency of cash flows from banking books assets and liabilities, including amortization and interest, adjusted by a sensitivity factor as per table 2 of appendix 1 of Chapter III.B.2.2 of the Chilean Central Bank's compendium of financial standards.

⁷Includes cash and cash deposits, transactions pending settlement and the portfolio of financial instruments.

⁸Liquidity Coverage Ratio (LCR, C48) published on website www.bancosecurity.cl

Banco Security - Debt Issued

Series	CMF Registration Number	CMF Registration Date	Currency	Amount	Annual Interest Rate	Duration (Years)	Maturity
H1	03/2007	25-Jan-07	U.F.	3,000,000	3.00	23	1-Dec-29
R1	10/2011	6-Oct-11	U.F.	3,000,000	3.00	10	1-Jun-21
K2	01/2012	14-Mar-12	U.F.	4,000,000	3.25	10	1-Nov-21
K3	01/2013	26-Feb-13	U.F.	4,000,000	3.50	10	1-Nov-22
K4	10/2013	6-Nov-13	U.F.	5,000,000	3.60	10	1-Oct-23
K5	14/2014	9-Oct-14	U.F.	5,000,000	2.75	10	1-Jun-24
K6	05/2015	1-Apr-15	U.F.	5,000,000	2.75	5	1-Mar-25
K7	05/2015	1-Apr-15	U.F.	5,000,000	2.75	10	1-Sep-25
B5	11/2016	3-Oct-16	U.F.	5,000,000	2.40	5	1-Aug-26
K8	12/2016	3-Oct-16	U.F.	5,000,000	2.80	10	1-Oct-36
Z2	13/2016	3-Oct-16	CLP	75,000,000,000	5.30	5.5	1-Feb-27
B6	06/2017	11-Jul-17	U.F.	5,000,000	2.25	5.5	1-Apr-22
B7	08/2018	9-May-18	U.F.	4,000,000	2.20	5	1-Feb-23
K9	08/2018	9-May-18	U.F.	5,000,000	2.75	10	1-Jan-28
Z3	08/2018	9-May-18	CLP	75,000,000,000	4.80	5	1-Dec-22
B8	11/2018	20-Dec-18	U.F.	5,000,000	1.80	5.5	1-Aug-23
Q1	11/2018	20-Dec-18	U.F.	3,000,000	2.50	15	1-Aug-33
Z4	11/2018	20-Dec-18	CLP	75,000,000,000	4.80	5.5	1-Oct-23
D1	11/2018	20-Dec-18	U.F.	5,000,000	2.20	10.5	1-Aug-28
B9	11/2019	11-Nov-19	U.F.	5,000,000	0.70	5.5	1-Apr-24
D2	11/2019	11-Nov-19	U.F.	5,000,000	0.90	8.5	1-Mar-27
D3	11/2019	11-Nov-19	U.F.	5,000,000	1.00	10.5	1-Mar-29
Z5	11/2019	11-Nov-19	CLP	75,000,000,000	3.50	6	1-Jun-25

As of March 2021, Banco Security had issued MCH\$2,711,013 in senior bonds, as detailed in Note 18 of Banco Security's financial statements.

Banco Security – Capitalization

As of March 2021, Banco Security's equity attributable to the owners of the parent totaled MCH\$670,201 (+10.4% YoY).

In Ch\$ Million	Mar-21	Dec-20	Mar-20	% Chg	
				QoQ	YoY
Capital	302,047	302,048	302,047	0.0%	0.0%
Reserves and valuation accounts	32,503	36,010	12,163	-9.7%	167.2%
Retained earnings	335,651	323,828	292,865	3.7%	14.6%
Equity attributable to equity holders of bank	670,201	661,886	607,075	1.3%	10.4%
Tier I (core capital)	670,201	661,886	607,075	1.3%	10.4%
Regulatory capital	939,691	926,896	825,812	1.4%	13.8%
Minimum required capital	531,539	527,721	549,306	0.7%	-3.2%
Risk-weighted assets	6,644,242	6,596,514	6,866,329	0.7%	-3.2%
BIS ratio	14.14%	14.05%	12.03%	9 p	212 p
Core capital / total assets	7.97%	7.85%	6.82%	12 p	114 p

In order to strengthen the Bank's capital base, Grupo Security (the Bank's largest shareholder) carried out a capital increase of MCH\$23,000 in the Bank in April 2021. This puts Banco Security in a good position to implement Basel III, effective in Chile in 2022.

The Bank's capital adequacy ratio as of March 2021, calculated as regulatory capital over risk-weighted assets, reached 14.1% (with a regulatory minimum of 8%), +212 bps YoY. This increase can be attributed to a 13.8% rise in regulatory capital because of a 14.6% increase in retained earnings, impacted positively by a reduction in dividend distributions in 2020. The ratio of core

capital to total assets reached 7.97%, +114 bps YoY. Banco Security's ROAE (profit LTM over average equity) was 10.1% as of March 31, 2021 (-26 bps YoY).

FACTORING SECURITY

Factoring Security reported profit of MCH\$2,374 for 1Q21 (-17.1% YoY), with operating income of MCH\$7,476 (-17.7% YoY), due to a smaller volume of factored receivables (-3.7% YoY) because of reduced business and a smaller spread. This effect was only partly offset by lower banking expenses (-26.7% YoY), related to lower loan volumes. Operating expenses fell to MCH\$2,582 (-9.0% YoY) mainly due to lower payroll expenses. Bear in mind this decrease is explained by the savings plan and structural adjustments implemented in late 2020. LLP expenses totaled MCH\$649 (+15.2% YoY) because of greater write-offs during the period.

During 1Q21, it reported profit of MCH\$2,374 (+14.6% QoQ), with net operating income of MCH\$6,125 (-2.6% QoQ) because of greater banking expenses. Meanwhile, support expenses totaled MCH\$2,582 (-15.7% QoQ) due to lower personnel expenses because of the savings plan and structural adjustments implemented throughout 2020.

These effects resulted in an efficiency ratio of 42.2% as of March 2021 (+244 bps YoY and -653 bps QoQ). As of March 2021, the risk ratio measured as provisions over total loans was 1.65%, -23 bps YoY and -3 bps QoQ, because of write-offs during 2020. The ratio of LLP to loans was 0.70% as of March 30, 2021, (+11 bps YoY) because of lower loan volumes (-3.7% YoY) and greater LLP expenses (+15.2% YoY).

In Ch\$ Million	1Q21	4Q20	1Q20	% Chg	
				QoQ	YoY
Factored receivables	373,306	360,084	387,505	3.7%	-3.7%
Provisions	6,159	6,040	7,299	2.0%	-15.6%
Net Operational Income	6,125	6,290	7,146	-2.6%	-14.3%
Loan loss provision expenses	-649	-634	-563	2.3%	15.2%
Support expenses	-2,582	-3,062	-2,838	-15.7%	-9.0%
Profit for the period	2,374	2,071	2,862	14.6%	-17.1%
Efficiency ratio ¹	42.2%	48.7%	39.7%	-653 p	244 p
LLP / Factored receivables	0.70%	0.70%	0.58%	-1 p	11 p
Risk ratio ²	1.65%	1.68%	1.88%	-3 p	-23 p

1. Support expenses / Profit before expenses. 2. Provisions stock / Factored receivables

ASSET MANAGEMENT BUSINESS AREA (2.2% of assets; 8.2% of profit from business areas as of March 2021)

The asset management business area includes Administradora General de Fondos Security and Valores Security Corredores de Bolsa. It also includes Securitizadora Security, which manages securitized assets and their respective special purpose vehicles (SPVs). This business area complements the product range offered by the rest of the Group's companies, providing services tailored to the needs of each customer segment. The products offered by the different companies in the asset management business area are: AGF Security manages mutual funds, investment funds and voluntary retirement savings (APV). Valores Security offers foreign exchange and stock brokerage services and forwards. Asesorías Security and Global Security provide support and advisory services for the different asset management businesses.

At Inversiones Security, AUM totaled MCH\$4,307,027 as of March 2021 (+11.2% YoY and +1.4% QoQ) due to greater AUM in mutual funds, which amounted to MCH\$2,828,241 (+10.6% YoY and +1.4% QoQ), mainly in unrestricted investment funds and debt maturing in under 1 year, with market share of 5.3% of the industry. It also had an increase in AUM of domestic stocks (+12.8% YoY) and local fixed-income instruments (+10,8% YoY) in custody. Investment funds shrunk by -4.8% YoY. In 2020, AGF Security moved up to 5th place (10th in 2019) in the ranking of fund managers by average returns published by El Mercurio Inversiones. The total value of shares traded was MCH\$317,015 for 1Q21 (+10.3% YoY and +62.3 QoQ), with market share of 1.8%.

In Ch\$ Million	3M21	2020	3M20	% Chg	
				QoQ	YoY
Assets under management (AUM)	4,307,027	4,229,873	3,872,756	1.8%	11.2%
Mutual funds under management	2,828,241	2,789,219	2,558,199	1.4%	10.6%
Market share - mutual funds	5.3%	5.4%	5.6%	-13 p	-33 p

In Ch\$ Million	1Q21	4Q20	1Q20	% Chg	
				QoQ	YoY
Value of shares traded	317,015	195,276	287,473	62.3%	10.3%
Market share - equities brokerage	1.8%	1.8%	1.9%	-5 p	-11 p
Operating income	9,283	9,226	9,623	0.6%	-3.5%
Non-operating income	1,531	2,273	625	-32.7%	144.9%
Total expenses	-9,095	-9,444	-9,233	-3.7%	-1.5%
Efficiency ratio	84.1%	82.1%	90.1%	198 p	-599 p
AGF Security	1,434	1,124	1,070	27.6%	33.9%
Valores Security	1,693	346	59	390.1%	2779.7%
Global Security	-338	301	-273	-	-
Securizadora & CasaNuestra	96	1,450	-385	-93.4%	-124.9%
Profit - Asset Management	2,885	3,219	471	-10.4%	513.1%

For 1Q21, the asset management area reported profit of MCH\$2,885 (+513.1% YoY), explained by improved earnings at Valores Security of MCH\$1,693 (vs MCH\$59 for 1Q20) and AGF Security (33.9% YoY). Net operating income was MCH\$9,283 for 1Q21 (-3.5% YoY) due to lower fund income because of a lower ROA, partially offset by larger mutual fund volumes (+10.6% YoY). It also had higher non-operating income of MCH\$1,531 (+144.9% YoY) due to improved returns from proprietary trading because of a strong performance from local fixed-income instruments. Total expenses fell to MCH\$9,095 (-1.5% YoY) in line with cost savings efforts throughout the year at all Grupo Security companies. In addition, the brokerage subsidiary recognized deferred taxes of MCH\$1,141.

For 1Q21 it reported profit of MCH\$2,885 (-10.4% QoQ) explained by lower non-operating income of MCH\$1,531 (-32.7% QoQ) with a high basis of comparison because of strong returns from fixed-income instruments in 4Q20. This was offset in part by lower total expenses (-3.7% QoQ), particularly because of expenses in 4Q20 in technology for digital projects. Securizadora Security reported profit of MCH\$96 for 1Q21, versus MCH\$1,450 in 4Q20 due to a securitized bond issued in October 2020. In addition, the brokerage subsidiary recognized deferred taxes of MCH\$1,141.

INSURANCE BUSINESS AREA (23.9% of assets; 43.5% of profit from business areas as of March 2021)

The insurance business area reported profit of MCH\$15,254 for 1Q21. This area includes the operations of the Vida Security insurance company and the insurance brokerage subsidiary, Corredores de Seguros Security. The following entities providing complementary activities are also included: Hipotecaria Security and Europ Assistance.

VIDA SECURITY

For 1Q21 Vida Security reported profit of MCH\$15,322 (vs a loss of -MCH\$957 for 1Q20), due to improved returns from the proprietary trading portfolio (+MCH 31,941, +206.9% YoY) and a better technical result in DSI (+MCH\$2,316 for 1Q21 vs a loss of -MCH\$2,408 for 1Q20) and, to a lesser extent, in annuities (-MCH\$15,208 for 1Q21 vs -MCH\$15,642 for 1Q20).

Results by Product Line

In MCH\$	Individual		Family Protection		Group Insurance		Annuities		DSI		Total	
	3M21	3M20	3M21	3M20	3M21	3M20	3M21	3M20	3M21	3M20	3M21	3M20
Gross written premiums	31,482	39,491	1,700	1,735	14,547	17,429	21,431	4,629	54	124	69,214	63,408
Net premiums written	30,907	38,882	1,700	1,721	14,301	17,005	21,431	4,629	2	46	68,342	62,282
Variation in technical reserves	-14,101	25,744	16	-24	238	-265	-	-	-980	-	-14,827	25,455
Claims paid	-18,358	-33,356	-571	-448	-9,384	-9,803	-	-	17,171	1,452	-11,141	-42,156
Pensions paid	-342	-674	-	-	-	-	-36,417	-20,206	-13,878	-3,906	-50,637	-24,786
Underwriting expenses	-1,750	-2,344	-409	-543	-850	-981	-222	-64	-	-	-3,231	-3,932
Medical expenses	-1	-4	-0	-0	-1	-1	0	0	-	-	-2	-5
Insurance impairment	-	-	-	-	-13	-299	-	-	-	-	-13	-299
Contribution Margin	-3,645	28,248	737	705	4,290	5,656	-15,208	-15,642	2,316	-2,408	-11,510	16,559
CUI portfolio	7,021	-23,621	-	-	-	-	-	-	-	-	7,021	-23,621
Proprietary portfolio	-	-	-	-	-	-	-	-	-	-	31,941	10,409
Investment income											38,962	-13,212
Administrative expenses											-7,681	-9,327
Exchange differences											439	3,549
Gain (loss) on indexed assets and liabilities											-1,241	-1,248
Other income and expenses											-11	-170
Income tax expense											-3,637	2,893
Profit for the period											15,322	-957

In MCH\$	Individual		Family Protection		Group Insurance		Annuities		DSI		Total	
	1Q21	4Q20	1Q21	4Q20	1Q21	4Q20	1Q21	4Q20	1Q21	4Q20	1Q21	4Q20
Gross written premiums	31,482	41,133	1,700	1,744	14,547	13,640	21,431	5,767	54	100	69,214	62,383
Net premiums written	30,907	40,599	1,700	1,744	14,301	13,230	21,431	5,767	2	27	68,342	61,367
Variation in technical reserves	-14,101	-22,166	16	5	238	-125	-	-	-980	-3,432	-14,827	-25,718
Claims paid	-18,358	-26,988	-571	-742	-9,384	-12,693	-	-41	17,171	5,792	-11,141	-34,673
Pensions paid	-342	-442	-	-	-	-	-36,417	-19,875	-13,878	-3,229	-50,637	-23,546
Underwriting expenses	-1,750	-2,002	-409	-524	-850	-897	-222	-60	-	-	-3,231	-3,483
Medical expenses	-1	-4	-0	-0	-1	-3	0	-0	-	-	-2	-6
Insurance impairment	-	-	-	-	-13	36	-	-	-	-	-13	36
Contribution Margin	-3,645	-11,003	737	483	4,290	-452	-15,208	-14,127	2,316	-842	-11,510	-25,942
CUI portfolio	7,021	15,408	-	-	-	-	-	-	-	-	7,021	15,408
Proprietary portfolio	-	-	-	-	-	-	-	-	-	-	31,941	29,230
Investment income											38,962	44,637
Administrative expenses											-7,681	-7,191
Exchange differences											439	-191
Gain (loss) on indexed assets and liabilities											-1,241	-2,645
Other income and expenses											-11	-390
Income tax expense											-3,637	-1,225
Profit for the period											15,322	7,054

Individual Insurance (45.5% of gross written premiums as of March 2021)

Individual insurance policies are contracted by individuals to cover certain risks (life, health, credit life, etc.). They include product lines 101-112 and 425 and exclude line 107 in figure 601 in the financial statements of Vida Security.

The contribution margin was a loss of -MCH\$3,645 for 1Q21, versus profit of MCH\$28,248 for 1Q20, due to a negative variation in technical reserves because of improved investment income. Gross written premiums were MCH\$31,482 for 1Q21 (-20.3% YoY), due to lower gross written premiums from insurance with savings components (CUI) and voluntary retirement savings (APV). The variation in technical reserves was -MCH\$14,101, versus -MCH\$25,744 for 1Q20, due to improved investment income on the CUI and APV portfolios of MCH\$7,021 (versus MCH\$23,621 for 1Q20), offset by decreased premiums. Meanwhile, claims paid totaled MCH\$18,358 (-45.0% YoY) due to decreased surrenders and transfers from CUI and APV policies.

Weaker returns on the CUI and APV investment portfolio are counterbalanced by releases of technical reserves.

As of March 2021, CUI and APV policies represent 89.9% of total individual insurance premiums.

Individual Insurance In MCH \$	1Q21	4Q20	1Q20	% Chg.	
				QoQ	YoY
Gross written premiums	31,482	41,133	39,491	-23.5%	-20.3%
Net premiums written	30,907	40,599	38,882	-23.9%	-20.5%
Variation in technical reserves	-14,101	-22,166	25,744	-36.4%	-154.8%
Claims paid	-18,358	-26,988	-33,356	-32.0%	-45.0%
Pensions paid	-342	-442	-674	-22.6%	-49.2%
Underwriting expenses	-1,750	-2,002	-2,344	-12.6%	-25.3%
Medical expenses	-1	-4	-4	-65.4%	-67.8%
Insurance impairment	0	0	0	-	-
Contribution Margin	-3,645	-11,003	28,248	-66.9%	-112.9%
CUI Portfolio	7,021	15,408	-23,621	-54.4%	-129.7%
Individual Insurance Profit	3,376	4,405	4,627	-23.4%	-27.0%
Claims rate (1)	60.5%	67.6%	87.5%	-706 p	-2702 p
Underwriting expense rate (2)	5.7%	4.9%	6.0%	73 p	-37 p

(1) Claims paid/ Net written premiums (2) Underwriting expense/ Net written premiums

For 1Q21, the contribution margin was a loss of -MCH\$3,645, versus -MCH\$11,003 for 4Q20. Gross written premiums reached MCH\$31,482 (-23.5% QoQ) due to lower gross written premiums from CUI and APV insurance. The total variation in technical reserves was -MCH\$14,101 (versus -MCH\$22,166 for 4Q20) due to weaker investment income from CUI and APV investments (MCH\$7,021 for 1Q21 vs MCH\$15,408 for 4Q20) and decreased premiums during the quarter. In addition, claims paid fell to MCH\$18,358 (-32.0% QoQ) due to decreased surrenders and transfers from CUI and APV policies.

Family Protection (2.5% of gross written premiums as of March 2021)

Family Protection In MCH\$	1Q21	4Q20	1Q20	% Chg.	
				QoQ	YoY
Gross written premiums	1,700	1,744	1,735	-2.5%	-2.0%
Net premiums written	1,700	1,744	1,721	-2.5%	-1.2%
Variation in technical reserves	16	5	-24	-	-166.2%
Claims paid	-571	-742	-448	-23.1%	27.2%
Pensions paid	0	0	0	-	-
Underwriting expenses	-409	-524	-543	-22.0%	-24.8%
Medical expenses	0	0	0	-	-
Insurance impairment	0	0	0	-	-
Contribution Margin	737	483	705	52.5%	4.5%
Claims rate (1)	33.6%	42.5%	26.1%	-899 p	749 p
Underwriting expense rate (2)	24.0%	30.1%	31.6%	-601 p	-753 p

(1) Claims paid/ Net written premiums (2) Underwriting expense/ Net written premium

Family protection insurance covers the insured party's family group in the event of death or disability, depending on the terms of the policy. It is product line 107 in figure 601 in the Vida Security financial statements.

For 1Q21, the contribution margin totaled MCH\$737 (+4.5% YoY) due to a lower underwriting expense ratio (-753 bps YoY), in line with decreased business and a drop in gross written premiums (-2.0% YoY). This was partially offset by an increase in claims paid, reaching MCH\$571 (+27.2% YoY).

Compared to the preceding quarter, the contribution margin was 52.5% higher, due to a drop in claims paid to MCH\$571 (versus MCH\$742 in 4Q20), partially offset by a lower underwriting expense ratio (-601 bps QoQ).

Group Insurance (21.0% of gross written premiums as of March 2021)

Group insurance is contracted by a company for its employees and may include life or health coverage, depending on the terms of the policy. It also includes credit life insurance covering the unpaid balance of debt in the event of the insured party's death. Based on figure 601 in the financial statements of Vida Security, it includes product lines 202-213 and 302-312 and excludes lines 207 and 307.

Group Insurance In MCH\$	1Q21	4Q20	1Q20	% Chg.	
				QoQ	YoY
Gross written premiums	14,547	13,640	17,429	6.7%	-16.5%
Net premiums written	14,301	13,230	17,005	8.1%	-15.9%
Variation in technical reserves	238	-125	-265	-290.2%	-189.9%
Claims paid	-9,384	-12,693	-9,803	-26.1%	-4.3%
Pensions paid	0	0	0	-	-
Underwriting expenses	-850	-897	-981	-5.2%	-13.3%
Medical expenses	-1	-3	-1	-	29.8%
Insurance impairment	-13	36	-299	-137.6%	-95.5%
Contribution Margin	4,290	-452	5,656	-	-
Claims rate (1)	65.6%	95.9%	57.6%	-3032 p	797 p
Underwriting expense rate (2)	5.9%	6.8%	5.8%	-84 p	18 p

(1) Claims paid/ Net written premiums (2) Underwriting expense/ Net written premiums

For 1Q21, the contribution margin reached MCH\$4,290 (-24.1% YoY), because of lower gross written premiums of MCH\$14,547 (-16.5% YoY), as sales efforts were limited by the pandemic. Other factors include a lower volume of credit life policies because of the decrease in consumer loans and a drop in claims paid of MCH\$9,384 for 1Q21 (-4.3% YoY). There was a larger drop in net premiums written (-15.9% YoY) in comparison to the drop in claims paid (-4.3% YoY) during the period.

For the quarter, this product line reported profit of MCH\$4,290 (versus -MCH\$452 for 4Q20), due to lower claims paid of MCH\$9,384 (-26.1% QoQ), with a high basis of comparison because of greater claims paid in 4Q20 when the market experienced a rise in health services. For the quarter, this product line reported profit of MCH\$4,290 (versus -MCH\$452 for 4Q20), due to lower claims paid of MCH\$9,384 (-26.1% QoQ), with a high basis of comparison because of greater claims paid in 4Q20 when the market experienced a rise in health services. In addition, gross written premiums increased to MCH\$14,547 (+6.7% QoQ) due to greater volumes of health insurance policies.

Annuities (31.0% of gross written premiums as of March 2021)

Workers that choose an annuity upon retirement turn over their retirement funds to an insurance company and receive in exchange a fixed, inflation-indexed monthly payment for the rest of their life and survivor pensions for their legal beneficiaries. Based on figure 601 in the financial statements of Vida Security, it includes product lines 421, 422 and 423⁹.

When an annuity is sold, a reserve must be recognized in the company's liabilities, equivalent to the present value of the obligations to the retiree, which is recognized within the line item pensions paid. This results in an accounting loss in the income statement.

As of March 2021, annuity sales rates in the industry averaged 2.62% during the year (vs 1.68% as of March 2020). In contrast, the rate for calculating scheduled withdrawals has averaged 3.71% for the year (vs 2.92% as of March 2020), which has driven retirees to prefer scheduled withdrawals over annuities, thus sharply reducing sales industry-wide.

Annuities In MCH\$	1Q21	4Q20	1Q20	% Chg.	
				QoQ	YoY
Gross written premiums	21,431	5,767	4,629	271.6%	363.0%
Net premiums written	21,431	5,767	4,629	271.6%	363.0%
Variation in technical reserves	0	0	0	-	-
Claims paid	0	-41	0	-	-
Pensions paid	-36,417	-19,875	-20,206	83.2%	80.2%
Underwriting expenses	-222	-60	-64	269.0%	243.7%
Medical expenses	0	0	0	-	-
Insurance impairment	0	0	0	-	-
Contribution Margin	-15,208	-14,127	-15,642	7.6%	-2.8%
Underwriting expense rate (1)	1.0%	1.0%	1.4%	-1 p	-36 p

(1) Claims paid/ Net written premiums

The contribution margin for annuities was a loss of -MCH\$15,208 for 1Q21 (-2.8% YoY) because of a 363.0% rise in gross written premiums. In the annuity business the decision was made to adjust technical parameters in order to boost sales, thus maintaining expected returns. Bear in mind that the market has been contracting since 4Q19. This effect was offset by an increase in pensions paid, reaching MCH\$36,417 for 1Q21 (+80.2% YoY), because of greater reserve requirements due to higher sales volumes.

When an annuity is sold, a liability is recorded, known as the reserve, which is calculated based on CMF regulations and is equivalent to the present value of future pension payments that must be made by the company, adjusted based on current

⁹ This also includes line 424 from the SVS, which corresponds to the old Disability and Survivor's system defined in Circular 528 (C-528). As March 2021, this line contributes to Vida Security only MCH\$257 in pensions paid.

mortality rates. This reserve is backed primarily by long-term financial investments.

For the quarter, the contribution margin was a loss of -MCH\$15,208 (+7.6% QoQ) due to greater pensions paid of MCH\$36,417 because of a higher volume of gross written premiums of MCH\$21,431 (versus MCH\$5,767 in 4Q20). In the annuity business the decision was made to adjust technical parameters in order to boost sales, thus maintaining expected returns.

Disability and Survivor Insurance (DSI) (0.1% of gross written premiums as of March 2021)

Disability and survivor insurance is mandatory for all individuals with pension accounts at Pension Fund Management Companies (AFPs) and is directly contracted collectively by the AFPs for these individuals through semi-annual public bidding processes. It is financed by employers throughout a member's active work life with a fraction of the additional amount charged by the AFP¹⁰. It provides protection to the insured and his or her family group in the event of disability or death of the insured party. Based on figure 601 in the financial statements of Vida Security, it includes product line 420.

DSI In MCH\$	1Q21	4Q20	1Q20	% Chg.	
				QoQ	YoY
Gross written premiums	54	100	124	-46.6%	-56.8%
Net premiums written	2	27	46	-	-
Variation in technical reserves	-980	-3,432	0	-71.5%	-
Claims paid	17,171	5,792	1,452	196.5%	-
Pensions paid	-13,878	-3,229	-3,906	329.8%	-
Underwriting expenses	0	0	0	-	-
Medical expenses	0	0	0	-	-
Insurance impairment	0	0	0	-	-
Contribution Margin	2,316	-842	-2,408	-	-

This table of pensions paid includes disability and survivor payments to insured retirees. Claims paid includes a reserve for the present value of the obligation with the insured parties.

The fifth DSI tender was organized by the AFPs for the period from July 2016 to June 2018, and Vida Security was awarded two fractions for men and two for women. The seventh tender for DSI insurance for the next period (July 1, 2020 to June 30, 2022) was concluded in June 2020, and Vida Security was not awarded any fractions.

Gross written premiums totaled MCH\$54 for 1Q21 since it was awarded no new policies in the current tender, while claims and pensions paid reached MCH\$3,293 (a loss of -MCH\$454 for 1Q20), due to the 1Q21 rise in interest rates used to calculate technical reserves.

This explains the contribution margin of -MCH\$2,316 for 1Q21, compared to -MCH\$2,408 last year.

Vida Security - Consolidated Results

For 1Q21, Vida Security reported profit of MCH\$15,322 (vs a loss of -MCH\$957 for 1Q20) due to greater investment income (vs -MCH\$13,212 for 1Q20), increased premiums (+9.2% YoY) and lower claims and pensions paid (-7.7% YoY).

For the quarter, it reported profit of MCH\$15,322 (+117.2% QoQ), because of lower variations in technical reserves (-42.3% QoQ) and increased premiums (+10.9% QoQ), partly offset by lower claims paid during the period (+6.3% QoQ)

¹⁰ <http://www.spensiones.cl/portal/orientacion/580/w3-article-3024.html>

In MCHS	1Q21	4Q20	1Q20	% Chg.	
				QoQ	YoY
Gross written premiums	69,214	62,383	63,408	10.9%	9.2%
Net premiums written	68,342	61,367	62,282	11.4%	9.7%
Variation in technical reserves	-14,827	-25,718	25,455	-42.3%	-158.2%
Claims paid	-11,141	-34,590	-42,156	-67.8%	-73.6%
Pensions paid	-50,637	-23,546	-24,786	115.1%	104.3%
Underwriting expenses	-3,231	-3,483	-3,932	-7.3%	-17.8%
Medical expenses	-2	-6	-5	-60.0%	-48.4%
Insurance impairment	-13	36	-299	-137.6%	-95.5%
Contribution Margin	-11,510	-25,942	16,559	-55.6%	-169.5%
Administrative expenses	-7,681	-7,191	-9,327	6.8%	-17.7%
CUI Portfolio	7,021	15,408	-23,621	-54.4%	-129.7%
Proprietary portfolio	31,941	29,230	10,409	9.3%	206.9%
Investment income	38,962	44,637	-13,212	-12.7%	-394.9%
Exchange differences	439	-191	3,549	-	-87.6%
Gain (loss) on indexed assets and liabilities	-1,241	-2,645	-1,248	-53.1%	-0.6%
Other income and expenses	-11	-390	-170	-97.1%	-93.4%
Income tax expense	-3,637	-1,225	2,893	197.0%	-
Profit for the period	15,322	7,054	-957	117.2%	-

In aggregate, gross written premiums reached MCH\$69,214 for 1Q20 (+9.2% YoY) explained by higher sales of annuities (+363.0% YoY), offset by reduced premiums on individual and group insurance policies (-20.3% YoY and 16.5% YoY, respectively).

For 1Q21, the subsidiary recognized a variation in technical reserves of -MCH\$14,827 (vs +MCH\$25,455 for 1Q20) for individual insurance, due to better returns on investments in the CUI and APV portfolios. Claims and pensions paid totaled MCH\$61,778 (-7.7% YoY), due to decreased surrenders and transfers from individual CUI and APV policies and lower claims and pensions paid in DSI insurance. These effects were only partly offset by higher claims and pensions paid in annuities as a result of greater sales.

This explains the contribution margin of -MCH\$11,510 for 1Q21, compared to +MCH\$16,559 for 1Q20.

The area reported investment income of MCH\$38,962 (vs -MCH\$13,212 for 1Q20), attributable to improved results on equity investments in both the CUI and APV portfolios, as well as the proprietary trading portfolio, coupled with stronger returns from real estate assets in the proprietary trading portfolio. Weaker returns on the CUI and APV investment portfolio are counterbalanced by releases of technical reserves. Administrative expenses reached MCH\$7,681 (-17.7% YoY), in line with long-term cost savings efforts rolled out throughout 2020.

The income tax expense for 1Q21 was -MCH\$3,637 (vs +MCH\$2,893 for 1Q20), in line with a larger profit before taxes.

For 1Q21, Vida Security reported profit of MCH\$15,322 (+117.2% QoQ). The larger direct premiums written (+9.2% QoQ) are explained by a rise in annuity volumes (MCH\$21,431 for 1Q21 vs MCH\$5,767 for 4Q20), partly offset by individual insurance policies due to lower premiums from CUI and APV policies. For the quarter, investment income totaled MCH\$38,962 (-12.7% QoQ), due to weaker returns on equity instruments in the CUI portfolio. Meanwhile, the proprietary trading portfolio reported better results (+9.3% QoQ). The total variation in technical reserves was -MCH\$14,827 (-MCH\$25,718 for 4Q20), in line with decreased the investment income from CUI investments (-54.4% QoQ).

Administrative Expenses - Vida Security

In MCH\$	1Q21	4Q20	1Q20	% Chg	
				QoQ	YoY
Payroll	-3,523	-3,672	-3,899	-4.1%	-9.6%
Distribution channel expenses	-710	-862	-1,018	-17.7%	-30.3%
Other	-3,449	-2,658	-4,411	29.8%	-21.8%
Total administrative expenses	-7,681	-7,191	-9,327	6.8%	-17.7%

For 1Q21, Vida Security reported administrative expenses of MCH\$7,681 (-17.7% YoY). In 2020 all Group companies implemented a savings plan and carried out structural adjustments. As a result, it had lower personnel expenses (-21.8% YoY). On a quarterly basis, expenses totaled MCH\$7,681 (+6.8% QoQ), in line with the company's increased business.

Investment Income - Vida Security

Investment income reached MCH\$38,962 for 1Q21 (vs MCH\$13,212 for 1Q20). The proprietary trading portfolio had returns of MCH\$31,941 (+206.9% YoY) due to greater returns from equity instruments, indexes and real estate funds, which more than offset the decreased returns on fixed-income instruments. Meanwhile, the CUI and APV portfolios had income of MCH\$7,021 for 1Q21 (vs -MCH\$23,621 for 1Q20), also associated with stronger returns on equity instruments. More robust returns on the CUI and APV investment portfolio are counterbalanced by recording technical reserves.

In quarterly terms, investment income fell by MCH\$5,675 (-12.7% QoQ). The proprietary trading portfolio generated income of MCH\$31,941 for 1Q21 (+9.3% QoQ), outperforming the prior quarter. The CUI and APV portfolios generated income of MCH\$7,021 for the quarter (-54.4% QoQ) due to poorer returns on equity instruments.

Investment Stock In Ch\$ Million	1Q21	4Q20	1Q20	% Chg		Stock % 1Q21
				QoQ	YoY	
Fixed Income	1,728,226	1,727,716	1,802,671	0.0%	-4.1%	64.3%
Equities and indexes	653,323	608,022	543,500	7.5%	20.2%	24.3%
Real estate	274,759	272,602	239,162	0.8%	14.9%	10.2%
Other investments	29,931	34,850	49,244	-14.1%	-39.2%	1.1%
Investments Stock	2,686,240	2,643,190	2,634,577	1.6%	2.0%	-
CUI Portfolio	607,138	586,888	525,677	3.5%	15.5%	22.6%
Proprietary portfolio	2,079,102	2,056,302	2,108,899	1.1%	-1.4%	77.4%
Investments Stock	2,686,240	2,643,190	2,634,577	1.6%	2.0%	-

Investment Income In Ch\$ Million	1Q21	4Q20	1Q20	% Chg	
				QoQ	YoY
Fixed Income	13,542	15,872	19,421	-14.7%	-30.3%
Equities and indexes	20,904	25,697	-34,371	-18.7%	-
Real estate	3,909	3,426	3,320	14.1%	17.7%
Other investments	608	-357	-1,582	-	-
Investments Income	38,962	44,637	-13,212	-12.7%	-
CUI Portfolio	7,021	15,408	-23,621	-54.4%	-
Proprietary portfolio	31,941	29,230	10,409	9.3%	206.9%
Investments Income	38,962	44,637	-13,212	-12.7%	-

ROI	1Q21	4Q20	1Q20	% Chg	
				QoQ	YoY
Fixed Income	3.13%	3.67%	4.31%	-54 p	-63 p
Equities and indexes	12.80%	16.91%	-25.30%	-411 p	4220 p
Real estate	5.69%	5.03%	5.55%	66 p	-53 p
Other investments	8.12%	-4.10%	-12.85%	1222 p	875 p
CUI Portfolio	4.63%	10.50%	-17.97%	-588 p	2847 p
Proprietary portfolio	6.15%	5.69%	1.97%	46 p	371 p
ROI	5.80%	6.76%	-2.01%	-95 p	876 p

Exchange Differences and Gain (Loss) from Indexation Adjustments

Exchange differences totaled MCH\$439 in 1Q21 (MCH\$3,549 in 1Q20 and MCH\$191 for 4Q20).

On the other hand, the subsidiary posted a loss from indexed assets and liabilities for 1Q21 of -MCH\$1,241 (-MCH\$1,248 for 1Q20 and -MCH\$2,645 for 4Q20), due to higher inflation during the period (1.12% in 1Q21 vs 1.26% in 4Q20).

OTHER SERVICES BUSINESS AREA (1.1% of assets; 3.6% of profit from business areas as of March 2021)

This business area includes the operations of Travel Security and Inmobiliaria Security, which offer non-financial products and services that complement Grupo Security's offering and are directed towards the same target markets.

INMOBILIARIA SECURITY

Inmobiliaria Security reported profit of MCH\$1,401 for 1Q21 (vs -MCH\$168 for 1Q20) due to legal title transferred on more units. Ownership was transferred on 38 units as of March 2021 (THUF 565) versus 14 units as of March 2020. In quarterly terms, profit for 1Q21 reached MCH\$1,401 (-50.0% QoQ) because title was transferred on fewer units during the quarter (38 in 1Q21 vs 72 in 4Q20). There is a lag between a sale and revenue recognition. Under IFRS, revenue is recognized once legal title to the property has been transferred.

Inmobiliaria Security signed purchase promise agreements totaling THUF 328 for 1Q21 (-46.2% YoY, -52.7% QoQ) because of smaller volumes, offset by a higher average price per unit sold. Meanwhile, real estate assets under management totaled MCH\$89,895, (-27.8% YoY and -7.8% QoQ), explained by the rise in the number of units on which ownership was transferred.

<i>In Ch\$ Million</i>	1Q21	4Q20	1Q20	% Chg	
				QoQ	YoY
Real estate assets under management	89,895	97,487	124,549	-7.8%	-27.8%
Purchase promise agreements (UF)	328,073	692,930	224,439	-52.7%	46.2%
Ownership transfers (Units)	38	72	14	-47.2%	171.4%
Profit for the period	1,401	2,800	-168	-50.0%	-

TRAVEL AGENCY: TRAVEL SECURITY

Travel Security, including Travel Peru, had a loss of -MCH\$303 for 1Q21 (versus profit of MCH\$578 for 1Q20) due to reduced sales because of the public health crisis. This situation gave rise to an important structural adjustment in 2020 to shift towards a fundamentally digital sales model, watchful of how the industry will evolve.

	1Q21	4Q20	1Q20	% Chg	
				QoQ	YoY
Total sales - Travel (MUSD)	12	12	43	-1.5%	-71.8%
Net operating income (MCH\$)	- 141	- 614	578	-	-
Profit for the period - Travel (MCH\$)	- 303	- 467	90	-	-

Travel Perú, Travel Security's subsidiary, reported sales of MUS\$2 for 1Q21 (vs MUS\$12 for 1Q20) and a net loss of -MUS\$0.2 as a result of the pandemic's impact on the travel and tourism industry.

INTERNATIONAL BUSINESS AREA (3.6% of assets; -1.4% of profit from business areas as March 2021)

The international business area reported a loss attributable to the owners of the parent of -MCH\$959. This area has consolidated 61% of Protecta Security since November 2018. Protecta Security is a Peruvian life insurance company focused on annuities that was acquired in September 2015, and marks Grupo Security's entrance into the Peruvian financial market. This area also consolidates 75% of Travel Perú, the group's travel agency in Peru.

Protecta Security

Protecta posted profit of MS./0.5 (-91.9% YoY) for 1Q21 with total premiums written of MS./155.3 (+30.0% YoY), a record high for the company. It also recorded lower claims paid (-2.5% YoY), lower fee and commission expenses (-51.0% YoY), and lower investment income (-19.2% YoY).

Protecta reported annuity sales of MS./80.1 (+20.9% YoY) and market share of 23.4%. In addition, the subsidiary boasted sales of private annuities of MS./56.1 (+63.8% YoY) and market share of 17.5%.

It reported profit of MS./0.5 for 1Q21 due to lower investment income of MS./28.3 (-28.7% QoQ). The variation in technical reserves improved during the quarter due to an increase in premiums (+24.8% QoQ) and a rise in net claims (+4.0% QoQ).

<i>In S./ Thousands</i>	1Q21	4Q20	1Q20	% Chg	
				QoQ	YoY
Annuities - Premiums written	80,145	56,250	66,274	42.5%	20.9%
Annuities - Market share	23.4%	22.5%	26.0%	86 p	-262 p
Private annuities - Premiums written	56,057	47,565	34,225	17.9%	63.8%
Private annuities - Market share	17.5%	15.5%	14.3%	198 p	324 p
Premiums written	155,330	124,498	119,513	24.8%	30.0%
Investment income	28,324	39,726	35,051	-28.7%	-19.2%
Annualised return (LTM)	-3.6%	7.2%	9.7%	-1074 p	-1323 p
Profit for the period	478	13,206	5,898	-96.4%	-91.9%

RISK RATINGS

	Grupo Security	Banco Security	Vida Security	Factoring Security	Inv. Previsión Security
FitchRatings (local)	AA-	AA	AA-	AA-	A+
ICR (local)	AA-	AA	AA	AA-	A+
FitchRatings (international)		BBB			

BONDS ISSUED BY GRUPO SECURITY

Series	Registration Number	Registration Date	Currency	Amount	Annual Interest Rate	Duration (Years)	Maturity
F	620	15/09/09	UF	43,844	4.50	23	15/09/32
K	763	30/06/13	UF	3,000,000	4.00	25	30/06/38
L3	795	09/10/14	UF	3,000,000	3.40	21	15/11/35
M	842	25/10/16	UF	1,189,000	4.20	25	15/10/41
N1	885	31/01/18	UF	1,500,000	2.85	25	10/12/42
S	1,036	30/06/20	UF	1,000,000	2.00	20	30/06/40
Total			UF	9,732,844			

For more information on debt issued by subsidiaries of Grupo Security, please see the financial liability notes in the financial statements.

Returns and Dividends

At the annual general meeting on April 06, 2021, Grupo Security shareholders approved a dividend payment of CH\$5.25 per share charged to profit for the year 2020. This dividend plus the interim dividend distributed in October 2020 are equivalent to CH\$10.95 per share, totaling MCH\$41,588, or 64% of profit for the year 2020.

The Group's dividend yield, calculated as dividends per share over the last 12 months divided by the stock price as of March 31st, was 8.3%. For 1Q21, Grupo Security's stock reported a return of +32.7%, outperforming the S&P/CLX IPISA's +17.3%.

1Q21 EARNINGS CONFERENCE CALL

Grupo Security's first quarter earnings report will be explained to the market in a conference call on June 3, 2021. A transcript of the call will be available on our website. For more information, please contact the Investor Relations Team at relacioninversionistas@security.cl.

GRUPO SECURITY

Grupo Security S.A. is a niche Chilean-based diversified financial group offering banking, insurance, asset management and other services to large and medium-sized companies and high-income individuals. Through a differentiated and innovative offering of financial products and services tailored to its niche, the group leverages operational and financial synergies through organic growth and acquisitions.

Safe Harbor

This report contains results of the different business units, which are not guarantees of future results and are subject to significant risks and uncertainty. They may be affected by a number of unforeseen factors such as changes in global economic conditions, changes in market conditions, regulatory changes, actions by competitors and operational and financial risks inherent to the financial services business.

APPENDICES

1. Financial Statements and Indicators - Assets

Assets In Ch\$ Millions	December, 31 2020	March, 31 2021
Current assets		
Cash and cash equivalents	597,497	537,968
Other financial assets, current	3,878,087	3,778,865
Other non-financial assets, current	13,344	12,678
Trade and other receivables, current	6,616,652	6,677,684
Accounts receivable from related parties, current	53,343	78,110
Inventories	100,559	93,563
Current tax assets	41,281	46,516
Total current assets other than assets or disposal groups classified as held for sale or held for distribution to owners	11,300,764	11,225,385
Non-current assets or disposal groups classified as held for sale or held for distribution to owners	2,874	2,867
Total non-current assets classified as held for sale or held for distribution to owners	2,874	2,867
Total current assets	11,303,638	11,228,253
Non-current assets		
Other non-financial assets, non-current	53,036	40,762
Equity-accounted investments	1,950	1,809
Intangible assets other than goodwill	36,248	36,329
Goodwill	119,067	119,067
Property, plant and equipment	50,610	50,033
Investment property	291,001	294,470
Assets for right of use	0	0
Deferred tax assets	56,888	65,822
Total non-current assets	617,873	616,913
Total assets	11,921,511	11,845,166

2. Financial Statements and Indicators - Liabilities and Equity

Liabilities and Equity In Ch\$ Millions	December, 31 2020	March, 31 2021
Other financial liabilities, current	7,087,157	6,838,870
Liabilities for leases, current	2,140	2,140
Trade and other payables	2,863,722	2,964,259
Accounts payable to related parties, current	4,813	7,274
Other short-term provisions	35,831	41,518
Current tax liabilities	31,893	44,557
Employee benefit provisions, current	12,369	11,885
Other non-financial liabilities, current	133,674	156,127
Total current liabilities	10,171,578	10,066,629
Non-current liabilities		
Other financial liabilities, non-current	869,297	877,535
Liabilities for leases, non-current	6,907	6,907
Accounts payable, non-current	10,733	20,625
Accounts payable to related parties, non-current	0	0
Deferred tax liabilities	803	582
Total non-current liabilities	888,188	905,650
Total liabilities	11,059,767	10,972,279
Equity		
Issued Capital	487,691	487,697
Retained earnings	399,605	416,554
Share premium	0	0
Other reserves	(51,776)	(57,939)
Equity attributable to equity holders of parent	835,520	846,312
Non-controlling interests	26,225	26,575
Total equity	861,744	872,887
Total liabilities and equity	11,921,511	11,845,166

3. Financial Statements and Indicators - Consolidated Statement of Income

Consolidated statement of income (MCh\$)		
	March, 31 2020	March, 31 2021
Revenue	298,418	307,261
Cost of sales	-215,693	-213,534
Gross profit	82,725	93,728
Other income	380	280
Distribution costs	0	0
Administrative expenses	-67,842	-55,803
Other expenses	-5,034	-1,975
Other gains	746	221
Finance income	343	300
Finance costs	-3,797	-3,196
Share of profit (loss) of associates and joint ventures, equity-accounted	-85	-65
Exchange differences	4,527	769
Gain (loss) on indexed assets and liabilities	-4,165	-4,831
Gains arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value	-46	-6
Profit before tax	7,752	29,423
Income tax benefit (expense)	-1,267	-5,103
Profit (loss) from continuing operations	6,485	24,320
Profit (loss) from discontinued operations	0	0
Profit (loss) for the period	6,485	24,320
Profit (loss) attributable to		
Profit (loss) attributable to equity holders of the parent	6,500	24,352
Profit (loss) attributable to non-controlling interests	-15	-30
Profit (loss) for the period	6,485	24,320
Depreciation and amortization	3,256	3,383
Ebitda	14,805	36,002

4. Segment Note - Grupo Security YoY

Segment Note - Grupo Security	Lending and Treasury		Asset Management		Insurance		International Business		Other Services		Consolidation Adjustments, Support Areas and Group Expenses		Total Grupo Security	
	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21
<i>In MCH\$</i>														
Revenue	138,835	128,779	13,261	13,809	58,236	112,694	38,935	38,092	9,151	16,331	40,000	-2,445	298,418	307,261
Cost of sales	-84,292	-79,190	-5,291	-5,265	-48,866	-82,090	-32,835	-35,099	-5,086	-12,259	-39,322	369	-215,693	-213,534
Gross profit	54,543	49,589	7,969	8,544	9,370	30,604	6,099	2,993	4,065	4,073	678	-2,076	82,725	93,728
Other income	7	0	9	0	142	24	5	-1	246	223	-30	34	380	280
Administrative expenses	-32,737	-30,426	-8,840	-7,683	-11,714	-9,913	-5,402	-2,814	-3,685	-2,600	-5,464	-2,366	-67,842	-55,803
Other expenses	-4,485	-1,406	-383	-432	-130	-75	-103	-70	-10	-2	78	9	-5,034	-1,975
Other gains (losses)	0	0	338	0	40	21	260	120	-18	7	127	74	746	221
Finance income	0	0	208	242	6	0	0	0	0	9	129	49	343	300
Finance costs	0	0	-2	-2	-12	-18	-44	-14	-303	-237	-3,436	-2,925	-3,797	-3,196
Share of profit (loss) of associates and joint ventures, equity-accounted	0	0	0	0	-85	-48	0	0	-1	0	1	-16	-85	-65
Exchange differences	4,052	1,130	1,350	985	140	-244	-838	-929	34	-31	-212	-142	4,527	769
Gain (loss) from indexed assets and liabilities	0	0	-129	136	-1,239	-1,235	0	0	-23	123	-2,774	-3,855	-4,165	-4,831
Gains (losses) arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value	56	-2	-102	-4	0	0	0	0	0	0	0	0	-46	-6
Profit (loss) before tax	21,436	18,886	419	1,786	-3,482	19,116	-23	-715	305	1,564	-10,903	-11,214	7,752	29,423
Income tax benefit (expense)	-3,785	-2,745	51	1,098	2,815	-3,656	-15	37	-320	-369	-12	532	-1,267	-5,103
Profit (loss) from continuing operations	17,651	16,141	470	2,884	-667	15,460	-38	-678	-16	1,195	-10,915	-10,682	6,485	24,320
Profit (loss) attributable to														
Profit (loss) attributable to equity holders of the parent	17,647	16,138	471	2,885	-708	15,254	-25	-415	-8	1,250	-10,877	-10,760	6,500	24,351
Profit (loss) attributable to non-controlling interest	4	3	-1	-1	42	206	-13	-263	-8	-55	-39	78	-15	-30
Profit (loss) for the period	17,651	16,141	470	2,884	-667	15,460	-38	-678	-16	1,195	-10,915	-10,682	6,485	24,320

5. Segment Note - Grupo Security QoQ

Segment Note - Grupo Security <i>In MCH\$</i>	Lending and Treasury		Asset Management		Insurance		International Business		Other Services		Consolidation Adjustments, Support Areas and		Total Grupo Security	
	4Q-20	1Q-21	4Q-20	1Q-21	4Q-20	1Q-21	4Q-20	1Q-21	4Q-20	1Q-21	4Q-20	1Q-21	4Q-20	1Q-21
Revenue	132,648	128,779	27,613	13,809	110,803	112,694	33,197	38,092	21,166	16,331	-9,986	-2,445	315,441	307,261
Cost of sales	-85,548	-79,190	-18,337	-5,265	-90,016	-82,090	-30,239	-35,099	-16,475	-12,259	8,981	369	-231,634	-213,534
Gross profit	47,099	49,589	9,276	8,544	20,787	30,604	2,958	2,993	4,691	4,073	-1,004	-2,076	83,807	93,728
Other income	9	0	-9,391	0	29	24	14	-1	215	223	9,559	34	435	280
Administrative expenses	-29,060	-30,426	-5,893	-7,683	-10,019	-9,913	-3,325	-2,814	-2,406	-2,600	-3,716	-2,366	-54,419	-55,803
Other expenses	-2,183	-1,406	-515	-432	126	-75	-96	-70	5	-2	83	9	-2,579	-1,975
Other gains (losses)	0	0	17	0	86	21	174	120	600	7	-107	74	770	221
Finance income	0	0	173	242	-6	0	0	0	-15	9	-167	49	-15	300
Finance costs	0	0	-1	-2	-18	-18	-21	-14	-265	-237	-3,347	-2,925	-3,652	-3,196
Share of profit (loss) of associates and joint ventures, equity-accounted	0	0	0	0	-165	-48	0	0	-356	0	506	-16	-15	-65
Exchange differences	4,021	1,130	1,122	985	168	-244	-286	-929	-310	-31	6	-142	4,723	769
Gain (loss) from indexed assets and liabilities	0	0	-29	136	-2,654	-1,235	0	0	769	123	-4,293	-3,855	-6,207	-4,831
Gains (losses) arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value	13	-2	608	-4	0	0	0	0	0	0	0	0	621	-6
Profit (loss) before tax	19,900	18,886	4,014	1,786	8,334	19,116	-582	-715	2,930	1,564	-11,125	-11,214	23,470	29,423
Income tax benefit (expense)	-3,367	-2,745	-771	1,098	-1,256	-3,656	380	37	-700	-369	426	532	-5,288	-5,103
Profit (loss) from continuing operations	16,533	16,141	3,243	2,884	7,078	15,460	-202	-678	2,230	1,195	-10,699	-10,682	18,183	24,320
Profit (loss) attributable to														
Profit (loss) attributable to equity holders of the parent	16,530	16,138	3,242	2,885	6,916	15,254	-122	-415	2,348	1,250	-11,266	-10,760	17,649	24,351
Profit (loss) attributable to non-controlling interest	4	3	1	-1	161	206	-80	-263	-118	-55	566	78	534	-30
Profit (loss) for the period	16,533	16,141	3,243	2,884	7,078	15,460	-202	-678	2,230	1,195	-10,699	-10,682	18,183	24,320

6. Grupo Security Consolidated Statement of Cash Flows

Statement of Cash Flows	Mar-20	Mar-21
For the periods ended December 31st, 2019 and 2020	MCh\$	MCh\$
Net cash flows provided by (used in) operating activities	-251,946	-105,521
Net cash flows used in investing activities	-1,513	-3,686
Net cash flows used in financing activities	63,476	44,516
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	-189,983	-64,691
Effect of changes in exchange rates on cash and cash equivalents	33,592	5,163
Net increase (decrease) in cash and cash equivalents	-156,392	-59,529
Cash and cash equivalents at beginning of period	800,422	597,497
Cash and cash equivalents at end of period	644,030	537,968

Operating Cash Flows

For 1Q21, the company reported net operating cash flows of -MCH\$105,532 (-MCH\$251,947 for 1Q20). Although negative, it was an improvement over 1Q20 because of the sale of instruments in the Bank's investment portfolio and lower loan growth during the quarter (0.7% in 1Q21, vs 2.3% in 1Q20).

Investing Cash Flows

For 1Q21, the company reported net investing cash flows of -MCH\$3,686 (-MCH\$1,513 for 1Q20).

Financing Cash Flows

For 1Q21, it had net financing cash flows of MCH\$44,527 (-29.8% YoY), due to lower proceeds from long-term loans at Banco Security, particularly because of obtained financing through central bank lines in 1Q20.

7. Quarterly Statement of Income

Quarterly Earnings (M Ch\$)		1Q20	2Q20	3Q20	4Q20	1Q21
Revenue	M Ch\$	298,418	199,468	276,725	315,441	307,261
Cost of sales	M Ch\$	-215,693	(124,960)	(165,755)	(231,634)	(213,534)
Gross profit	M Ch\$	82,725	74,509	110,971	83,807	93,728
Administrative expenses	M Ch\$	-67,842	(59,870)	(61,232)	(54,419)	(55,803)
Operating income	M Ch\$	10,975	13,331	47,789	27,114	36,452
Finance costs	M Ch\$	-3,797	(3,269)	(3,747)	(3,652)	(3,196)
Profit before tax	M Ch\$	7,752	6,791	39,960	22,569	29,423
Profit attributable to equity holders of parent	M Ch\$	6,500	10,828	30,445	17,374	24,352
EBITDA ¹	M Ch\$	14,805	13,264	47,106	29,509	36,002

1. EBITDA: Defined as the sum of profit before tax, finance costs and depreciation

8. Financial and Business Indicators

Activity levels (M Ch\$)		31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20	31-Mar-21
Cash (Grupo Security Standalone)	\$ millions	3,977	5,807	76,000	60,294	58,164
Total Assets	\$ millions	12,522,935	12,172,785	12,117,911	11,921,511	11,845,166
Total Liabilities	\$ millions	11,752,468	11,381,065	11,255,703	11,059,767	10,972,279
Total Equity	\$ millions	770,467	791,721	862,208	861,744	872,887

Leverage Ratios (M Ch\$)		31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20	31-Mar-21
Individual leverage ratio ¹	%	36.64%	34.46%	35.14%	35.64%	36.74%
Consolidated financial expenses ²	Times	3.04	3.06	6.04	6.33	10.21

Profitability (M Ch\$)		31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20	31-Mar-21
Revenue	\$ millions	298,418	497,886	774,611	1,090,053	307,261
Profit attributable to equity holders of the company	\$ millions	6,500	17,328	47,772	65,146	24,352
EBITDA	\$ millions	14,805	28,070	75,175	104,685	36,002
Return of equity ³	%	3.40%	4.52%	7.95%	8.12%	11.58%
Return on assets ⁴	%	0.212%	0.287%	0.528%	0.544%	0.820%
Earnings per share ⁵	\$	18.00	15.06	17.98	16.84	20.98
Number of shares	\$ millions	3,695	3,695	4,017	4,042	4,042

1. Individual leverage ratio: Defined as the quotient between the sum of Grupo Security's individually considered leverage and total consolidated equity, defined in note 38 to Grupo Security's Consolidated Financial Statement.
2. Financial expense coverage: Defined as the sum of profit before tax and finance costs divided by finance costs.
3. Return on equity: Defined as the quotient between profit attributable to controlled properties for the annualized period and average equity attributable to controlled properties.
4. Return on assets: Defined as the quotient between profit attributable to controlled companies for the annualized period and total average assets.
5. Earnings per share: Defined as the quotient between profit attributable to controlled companies LTM and the weighted average number of shares LTM.

Grupo Security's total consolidated assets were MCH\$11,845,166 as of March 2021, -0.6% YTD. Of these assets, 56.4% are trade and other receivables, primarily the Bank's loan portfolio. As of March 2021, this item reached MCH\$6,677,684, +0.9% YTD, driven by +0.7% YoY growth in loans as explained on page 14.

Furthermore, 31.9% of total assets are other current financial assets. This line item primarily includes the investment portfolio for the insurance

subsidiary's technical reserves and the Bank's portfolio of financial instruments. As of March 2021, other current financial assets reached MCH\$3,778,865, down -2.6% YTD, due to a 12.5% drop in the Bank's current financial assets, which totaled MCH\$1,136,041 as of March 2021, mostly because of a decrease in the portfolio of financial investments available for sale of MCH\$825,574 for 1Q21 (-11.4% YTD). This effect was partly offset by an increase of 1.7% YTD in the investment portfolio for the insurance subsidiary's technical reserves, which totaled MCH\$2,387,615 for 1Q21.

As of March 2020, total consolidated liabilities reached MCH\$10,972,279, -0.8 YTD. Of those, 62.3% are other current financial liabilities, which include the Bank's time deposits and current accounts, as well as debt issued by the Bank or the Group. As of March 2021, other current financial liabilities reached MCH\$6,838,870, -3.5% YTD, due to lower volumes of time deposits at the Bank of MCH\$1,520,942 as of March 2021 (-19.6% YTD).

Of total liabilities, 27.0% were trade and other payables, which are primarily the technical reserves of Vida Security and Protecta Security. As of March 2021, trade payables totaled MCH\$2,964,259 (+3.5% YTD), as a result of the 1.4% YoY increase in life insurance technical reserves, which totaled MCH\$2,440,348, in keeping with activity levels at Vida Security, as explained on pages 20 to 26. There were also greater reserves at Protecta Security, in line with greater sales of annuities and private annuities, as discussed on page 28 of this report.

Grupo Security's total equity amounted to MCH\$872,887 as of March 2021, +1.3% YTD, because of retained earnings for the year.

The individual leverage ratio is defined in note 38 of Grupo Security's financial statements as the ratio of standalone financial liabilities, as presented in the FECU disclosures, to total equity. Under the bondholder protection covenant, it may not exceed 0.4, measured on the standalone statement of financial position. As of March 2021, this ratio was 0.3674, +10 bps YoY and +110 bps YTD.

Consolidated financial expense coverage is the sum of profit before tax and finance costs, divided by finance costs. The majority of finance costs for this indicator are interest and indexation expenses for Grupo Security bonds. As of March 2021, the consolidated financial expense coverage ratio was 10.21 (+235.5% YoY) due to a +143.2% YoY variation in profit before tax.

As of March 2021, revenue was MCH\$307,261, +3.0% YoY. Of this, 32.5% corresponds to gross written premiums from Vida Security and Protecta Security, which grew 9.2% YoY and +30% YoY, respectively, as explained on pages 19 to 26 and 28. In addition, 34.1% of revenue was from interest and indexation on Bank loans, which fell 8.4% YoY, due to lower interest rates and a decrease in consumer loans, as explained on pages 6 and 7. On the other hand, 13.2% of consolidated revenue corresponds to other interest income earned mainly on Vida Security's investment portfolio, which had higher returns on investments, as mentioned on page 26.

For 1Q21, profit attributable to owners of the parent was MCH\$24,352, +274.6% YoY, while EBITDA reached MCH\$36,002 (+143.2% YoY). As of March 2021, annualized return on equity was 11.6% (+818 bps YoY) and return on assets was 0.82% (+61 bps YoY) with earnings per share of CH\$25.0 (+39.1% YoY). These results are explained by the results of Grupo Security and its subsidiaries, which are presented in detail throughout this report.

Market Information

Grupo Security is structured into five main business areas. Each area includes the subsidiaries and divisions that share common business objectives. These five areas are: lending, insurance, asset management, other services and international business.

Grupo Security is the parent company of a conglomerate of diversified companies engaged in the main sectors of the Chilean financial industry. Its subsidiaries Banco Security and Factoring Security provide lending services to companies and individuals. The subsidiary Seguros de Vida Security Previsión, Corredora de Seguros Security and Europ Assistance operate respectively in the life insurance and life annuity, insurance brokerage and travel assistance industries. Valores Security Corredora de Bolsa, Administradora General de Fondos Security and Securitizadora Security, complement the Group's offering of financial services by developing and distributing specialized financial products and personalized investment and asset management services. Starting in 4Q18, the international business area, which consists of the Peruvian subsidiaries Protecta Security and Travel Perú, is reported separately.

Grupo Security's other services business area includes two subsidiaries engaged in the real estate (Inmobiliaria Security) and travel and tourism (Travel Security) industries. In addition, since 2001 the subsidiary Invest Security provides all group companies with shared services such as accounting, business risk and control, corporate culture, research and corporate IT services to support their development and technological requirements. In December 2014, Invest Security merged with Capital S.A., a wholly-owned subsidiary of Grupo Security.

BANKING INDUSTRY

As of March 2021, the Chilean banking industry was made up of 18 financial institutions, including 1 state-owned bank (Banco Estado), 14 domestic banks and 3 branches of foreign banks. As of that date, industry loans totaled MCH\$201,792,318 (MCH\$186,506,816 excluding foreign subsidiaries). Equity totaled MCH\$22,518,731 while profit for 1Q20 was MCH\$928,870, with return on average equity¹¹ of 6.9%. The industry reported an efficiency ratio of 44.4% measured as operating expenses over gross operating profit, and 1.7% measured as operating expenses over total assets. The banking system posted a risk ratio of 2.65%, measured as loan loss provisions to total loans, and 1.55%, measured as 90-day nonperforming loans to total loans. As of March 2021, Banco Security had total loans of MCH\$6,225,833, positioning it 8th in total loans with 3.1% of the Chilean market (3.3% excluding foreign subsidiaries).

FACTORING INDUSTRY

Factoring has become an important source of alternative financing to complement traditional bank lending for small- and medium-sized companies. This service allows customers to receive advances on receivables via a discount on their invoices, checks, promissory notes or other similar documents. It provides them immediate liquidity and reduces costs and inefficiencies by handing the collections process over to the factoring service provider. Although the industry is still maturing, several situations and regulatory changes have boosted growth recently, making it one of the financial sector industries with the best domestic and international outlook.

MUTUAL FUND INDUSTRY

As of March 2021, the mutual fund industry reported average assets under management of MCH\$53,252,029 and 2,744,534 investors. Administradora General de Fondos Security boasted average assets under management of MCH\$2,828,241 as of March 2021, giving it a market share of 5.3% and a seventh place industry ranking among the 20 fund managers operating in the market.

¹¹ Annualized profit for the period over average equity for the period

STOCK BROKERAGE INDUSTRY

During the first quarter of 2021, market activity measured as value of shares grew 17.1% in comparison to 1Q20, reaching BCH\$18,074. Value of shares traded for Valores Security Corredores de Bolsa for the same period totaled BCH\$317 with market share of 1.8%. Market share is calculated based on transactions on Santiago Exchange and the Chilean Electronic Stock Exchange.

LIFE INSURANCE INDUSTRY

As of March 2021, there were 35 life insurance companies in Chile. Total gross written premiums for the industry were MCH\$1,092,047. The life insurance industry posted profit of MCH\$377,999 for the period ended March 2021. For the same period, Vida Security had market share of 6.3% based on gross written premiums.

Differences Between Book Values and Economic Values and/or Market Values of Principal Assets

Grupo Security participates in the insurance and services businesses through its investments in related companies, mainly Europ Assistance and in private investment funds through Inmobiliaria Security. As of March 2021, investments accounted for using the equity method in the Consolidated Statements of Financial Position represent approximately 0.02% of total assets.

Goodwill, which represents the difference between the acquisition cost and the fair value of assets and liabilities, totaled MCH\$119,067 as of March 2021, equivalent to 1.00% of total assets.

Given the varying natures of the companies considered investments in related companies, their market value is normally higher than their carrying amount, which depends on the industry and the economic conditions they face.

Risk Factors

DEPENDENCE ON SUBSIDIARY RESULTS

Grupo Security is the ultimate parent company of a conglomerate of companies and receives its income from subsidiary profits. As of March 2021, Grupo Security had not received any dividends from its subsidiaries.

Grupo Security controls its main subsidiaries with an ownership interest of more than 90% in each subsidiary, which gives it flexibility in setting each subsidiary's investment policies based on growth requirements. This situation enables Grupo Security to increase its economic value by reinvesting its subsidiaries' profits while maintaining a flow of dividends to Grupo Security, which enables it to meet its financial obligations and pay dividends to its shareholders. This is especially true because of the vast diversification of the Company's revenue sources, with subsidiaries in various sectors of the financial industry.

OTHER RISK FACTORS

Risks Associated with General Economic Performance

The performance of the Grupo Security subsidiaries is correlated to economic and financial conditions that, in turn, are dependent on monetary policy, which results in reduced growth of income and profits under restrictive conditions and the opposite under expansionary conditions.

Competition in All Group Business Areas

The industries in which the Group competes are known for being highly competitive, especially the banking and insurance industries, and trending toward decreased margins. The mergers and alliances that arise between competitors are proof of the competition that Group companies face. Despite the potential challenges to the companies, the possible negative effects of competition are deemed to be offset by Grupo Security's solid brand image in its target market, strong customer loyalty and the niche strategy that drives the Group's development. This has allowed Grupo Security to earn a favorable market position with which to face future competition.

Regulatory changes

The banking and insurance industries in which the Group does business are government-regulated and are consequently subject to potential regulatory changes over time. However, this risk is estimated to be low thanks to market transparency, the considerable development of these industries and their excellent global reputation.

RISKS ASSOCIATED WITH THE FINANCIAL BUSINESS

Credit Risk

Credit risk is dependent on monetary policy, which ultimately determines a customers' payment capacity. In early 2008, a general deterioration was seen in the system's loan portfolio, which was reflected in higher risk and delinquency ratios. In the third quarter of 2011, trends in risk ratios began to shift, with an improvement in risk levels. Banco Security has consistently posted risk levels below industry averages, even despite the public health crisis in 2020, because it has better collateral coverage than the rest of the industry.

Market Risk

The main market risks facing the Chilean banking industry are inflation and interest rate risk. As a result, Grupo Security has established market risk policies, procedures and limits to manage its maturity and exchange rate exposure in accordance with its own objectives and regulatory limits. In particular, the bank, its subsidiaries and the insurance companies have implemented a special system for controlling interest rate risk that also allows ongoing monitoring of their medium- and long-term investment portfolios.

Risks Associated with International Financial Market Volatility

The Chilean economy and its markets generally operate within international markets and may be affected by external shocks. The volatility of world financial markets and changes in global economic conditions can negatively affect the performance of local and international assets and risk premiums demanded by investors.

Interest Rate Risk

As of March 31, 2021, the Company has loans at reasonable rates based on current market conditions.

Foreign Exchange Risk

Grupo Security has implemented the policy of matching foreign currency transactions with financial institutions to sales transactions in the same currency.

Commodity Risk

As of March 31, 2021, Grupo Security does not have any significant assets or liabilities in commodities.

RISKS ASSOCIATED WITH THE INSURANCE BUSINESS

Local Financial Risks

Decreases in medium- and long-term interest rates could affect the performance of life annuity-backing assets and guaranteed-return investment accounts when investments with shorter maturities must be made, creating a medium-term operating deficit.

Mortality and Morbidity Rates

Increases in morbidity rates could cause the number of catastrophic claims to rise in the medium-term and the number of medical reimbursement claims to increase in the short term. If companies do not adjust to the new structure of the mortality curves, the decrease in adult mortality rates could negatively affect the income expected from the annuities area.

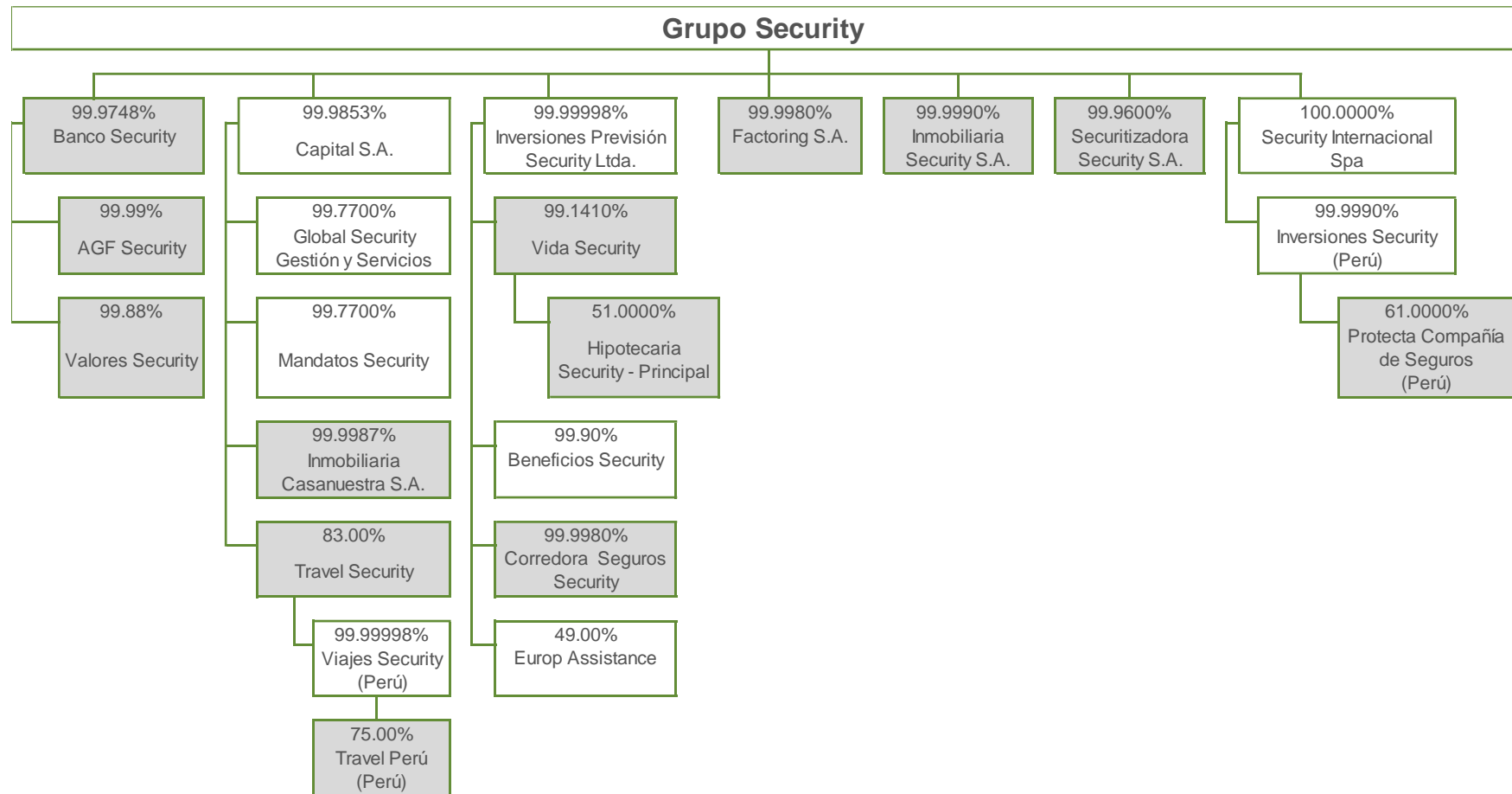
Industry Structure

The large number industry players can lead to company closures and mergers. Consequently, the current industry structure may vary, triggering adjustments to the structure of sales and operating margins.

Re-insurance Industry

The current trend toward concentration of re-insurance companies could affect the variety of coverage options and could prevent the reinsurance of risks that are currently backed thanks to the strong competition that until recently had existed in this market.

Grupo Security Corporate Structure



In 2020, the following changes were made to the corporate organizational structure:

- Asesorías Security was absorbed by Capital
- Servicios Security was absorbed by Inversiones Previsión Security
- Representaciones Security was absorbed by Travel Security