



Grupo Security Financial Results September 2021

November 12th, 12:30 p.m.

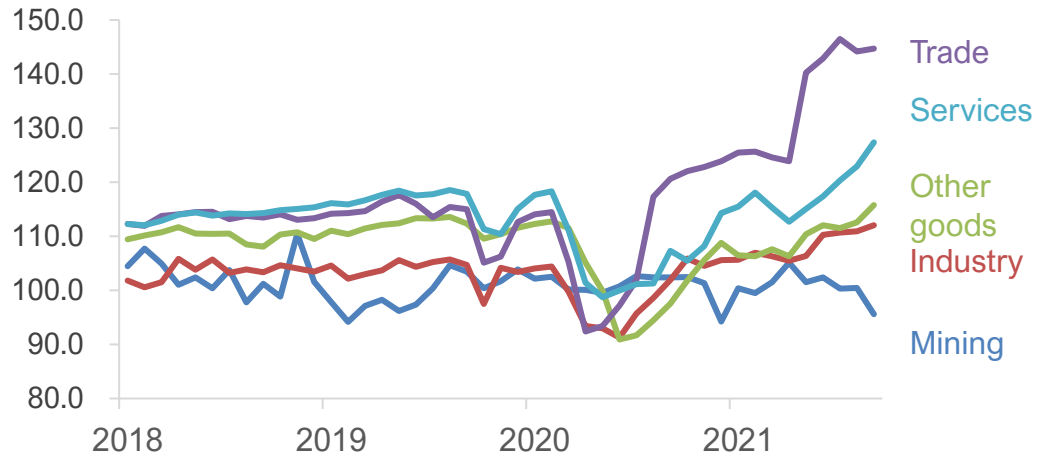
GRUPO | security

Macroeconomic Recap 2021

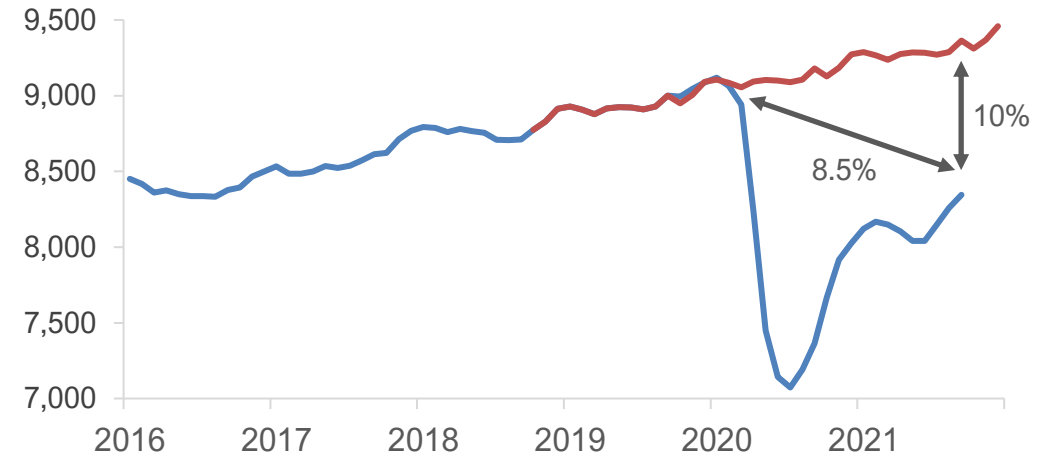
Recent Developments and Outlook



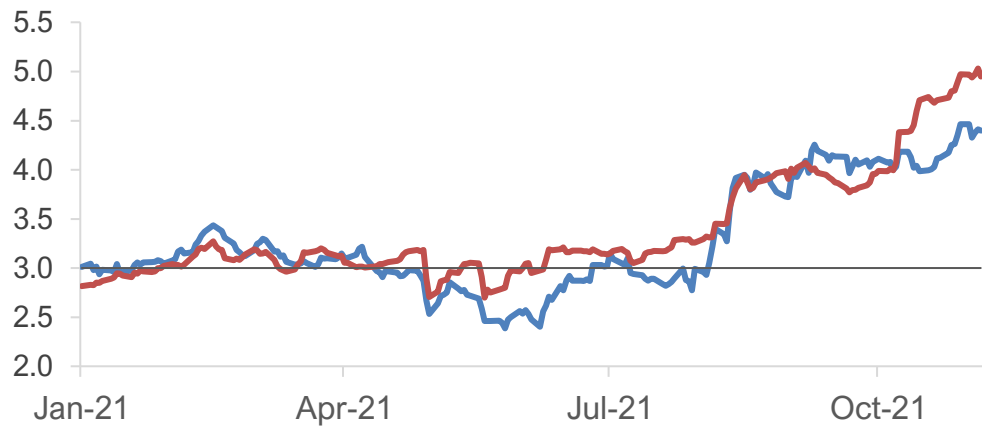
IMACEC by Sector (Seasonally Adjusted)



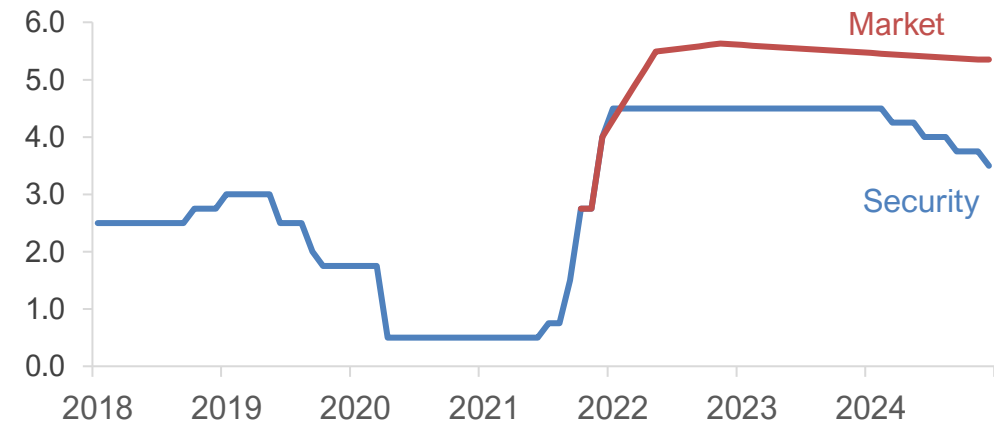
Employment (thousands)



Inflation Compensation (2 years, %)

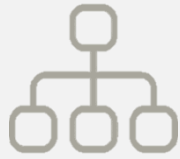


Expected MPR (%)





2020



Reviewed structures and efficiency to address the pandemic.

Transformation programs for companies: Origen and Desafío to strengthen commercial areas

2021



Reviewed corporate areas

Created Digital and Data Division

Objectives:

- Implement **digitalization**
- Integrated **data** governance
- Complement our offering of financial services through investments, partnerships or alliances with **Fintechs**



Investment in Monument Bank

- **100% digital** or digital-first bank for the mass affluent segment in the UK
- License recently approved by the Bank of England
- Joint work to explore possibilities for **growth**
- Security gains access to cutting-edge **technology** and a first-rate **team** operating in one of the world's leading Fintech and Open Banking hubs

Grupo Security Results Sept 2021 MCH\$67,502 (+41.3% YoY)



(MCH\$)	Sep-21	Sep-20	% Chg
Business areas profit	100,383	67,590	48.5%
Support areas and group expenses	-10,659	-10,329	3.2%
Finance costs	-9,992	-9,929	0.6%
Indexation units	-11,994	-3,603	232.9%
Taxes and others	-229	4,861	-
Grupo Security Profit	67,502	47,772	41.3%
EBITDA	95,842	75,175	27.5%
LTM Profit	84,876	67,902	25.0%

- Recovering earnings in business areas (+48.5% YoY), mostly by Vida Security
- Finance costs stable (+0.6% YoY)
- Indexed assets and liabilities (+232.9% YoY): Higher inflation (3.5% Sept-21; 1.4% Sept-20) and more emissions in 2020.
- Corporate and support area expenses stable (+3.2% YoY)

Banco Security

Consolidated profit **MCH\$51,297**
(+16.0% YoY)

- * **Commercial Banking:** Reduced results due to higher LLP expenses
- * **Retail Banking:** Weaker results due to lower revenue
- * **Treasury:** Improved results due to higher operating income
- * **Subsidiaries:** Improved results at AGF and Valores

Inversiones Security

Profit **MCH\$6,565**
(+122.2% YoY)

- * Improved results at AGF, Valores, Securitizadora and CasaNuestra.
- * Deferred taxes recognized by Valores

Vida Security

Profit of **MCH\$38,122**
(+131.4% YoY)

- * Third-place market share
- * Improved investment income and a better technical result in DSI

Inmobiliaria Security

Profit **MCH\$2,777**
(-30.0% YoY)

- * Ownership transferred on fewer units during the period (65 versus 114 as of Sept-20)

Factoring Security

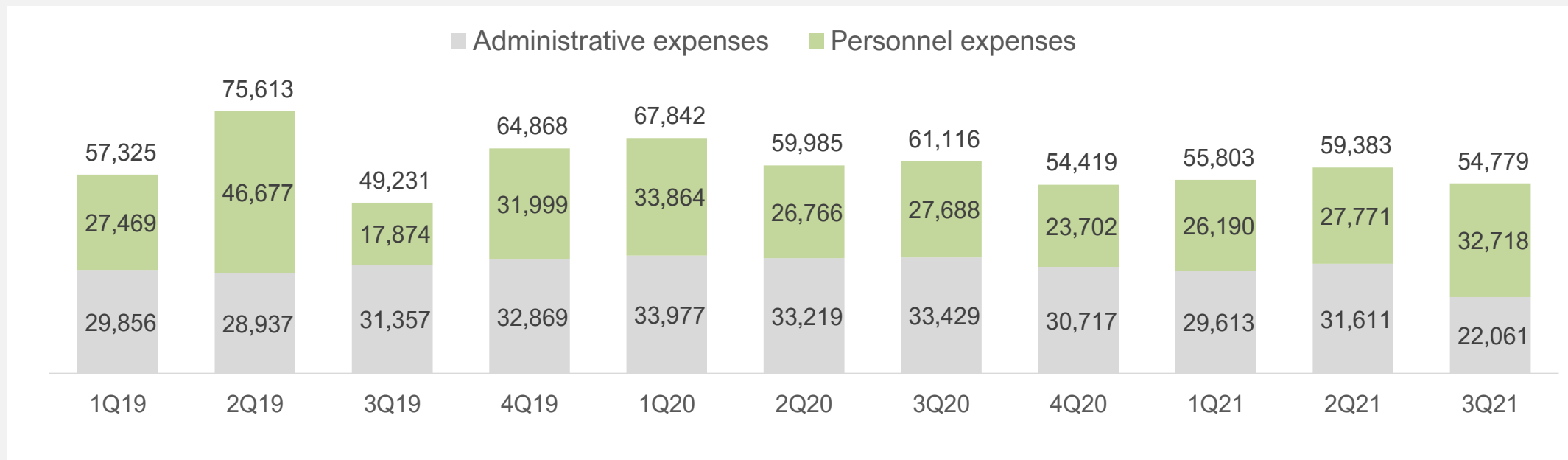
Profit **MCH\$7,210**
(-2.6% YoY)

- * Lower operating income due to tighter spread.
- * Increased factored receivables (+21.9%)

Grupo Security Expenses September 2021



(MCH\$)	Dec-19	Dec-20	% Chg YoY	Sep-20	Sep-21	% Chg
Total expenses	-247,037	-243,362	-1.5%	-189,218	-169,965	-10.2%
Personnel expenses	-123,019	-131,342	6.8%	-100,625	-83,285	-17.2%
Administrative expenses	-124,018	-112,020	-9.7%	-88,594	-86,679	-2.2%



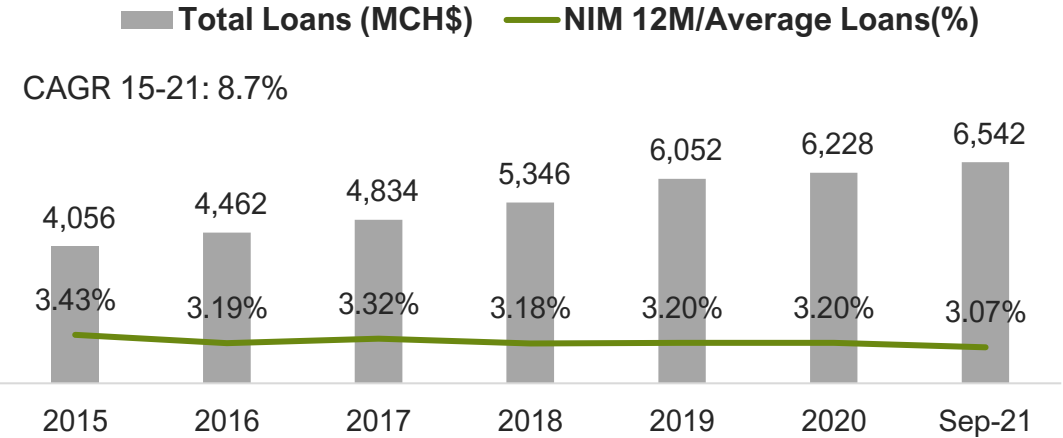
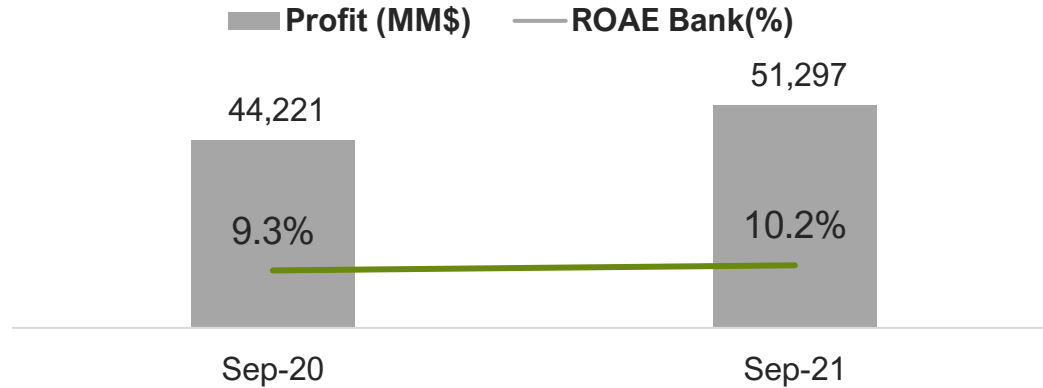
Employee termination benefits in 2020: MCH\$14,491

Employee termination benefits for 9M21: over MCH\$4,000

Banco Security, Consolidated



Banco Security, Consolidated



Efficiency Indicator, YTD



Total Loans <i>In Ch\$ Millions</i>	Banco Security		Industry ¹	
	MCH\$	YoY	MCH\$	YoY
Consumer	415,531	-11.3%	23,060,098	0.3%
Mortgage	786,018	12.4%	62,914,347	12.0%
Mortgage + Consumer	1,201,549	2.9%	85,974,445	8.6%
Commercial	5,338,376	3.8%	110,061,215	2.1%
Total Loans	6,542,131	3.6%	197,276,151	5.2%

¹Excluding the industry's foreign subsidiaries



Banco Security – Results by Business Area

Banco Security	Commercial Banking			Retail Banking			Treasury		
MCH\$	sept-20	sept-21	Var YoY %	sept-20	sept-21	Var YoY %	sept-20	sept-21	Var YoY %
Net interest margin	75,684	73,970	-2.3%	45,906	36,750	-19.9%	32,185	38,287	19.0%
Net fees	14,511	16,236	11.9%	11,134	9,228	-17.1%	(159)	(108)	-32.0%
Financial and FX transactions & other income	6,602	6,447	-2.3%	2,041	986	-51.7%	10,787	11,538	7.0%
Loan losses and foreclosed assets	(30,354)	(44,200)	45.6%	(21,659)	(11,544)	-46.7%	(71)	(1)	-
Total operating income	66,444	52,453	-21.1%	37,421	35,420	-5.3%	42,742	49,716	16.3%
Operating expenses	(32,826)	(29,187)	-11.1%	(41,705)	(38,430)	-7.9%	(11,058)	(9,786)	-11.5%
Net operating income	33,618	23,266	-30.8%	(4,284)	(3,010)	-29.8%	31,684	39,930	26.0%
Profit attributable to equity holders	26,176	19,767	-24.5%	(3,336)	(2,557)	-23.4%	24,671	33,926	37.5%
Total loans (MCH\$)	5,144,150	5,338,376	3.8%	1,167,558	1,201,549	2.9%			
Provisions / loans	1.75%	2.40%	65.1 p	2.19%	1.74%	-45.4 p			
Non performing loans	2.63%	1.63%	-99.6 p	1.37%	1.02%	-35.0 p			
NPL Coverage	66.5%	147.2%	8064.1 p	159.4%	169.6%	1,011.9 p			

Bank's main business areas. The column "other" must also be considered to reach the final result since it includes items that are not allocated to these areas.

Treasury MCH\$33,926 for 9M21 (+37.5% YoY)



Balance Sheet Desk: Revenue MCH\$29,019 (+MCH\$2,051 YoY)

- UF 21 million in bond placements in 2020 and 2021, before the rate hike in the last few months
- Intensive use of accounting hedges with inflation insurance
- Increase in mismatch in third quarter given inflation expectations
- Efficient management of Central Bank financing facilities

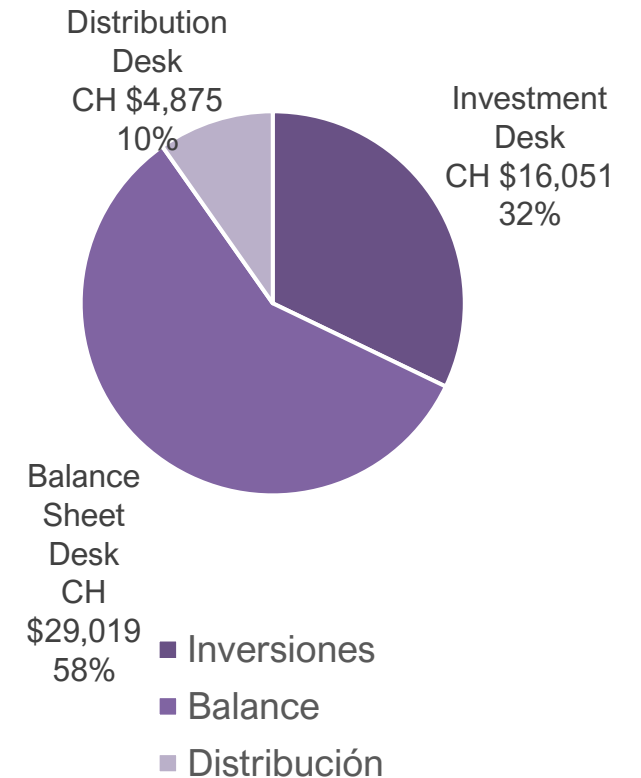
Investment Desk: Revenue MCH\$16,051 (+MCH\$1,800 YoY)

- Strategy to decrease positions and duration of local and foreign portfolios due to sale of commercial paper
- Good spread

Distribution Desk: Revenue MCH\$4,875 (-MCH\$1,218 YoY)

- Complex year for structured deals
- Increased focus on spot and forward business, benefited by market volatility

Distribution of Treasury Revenue Sept-21 MCH\$49,945 for 9M21

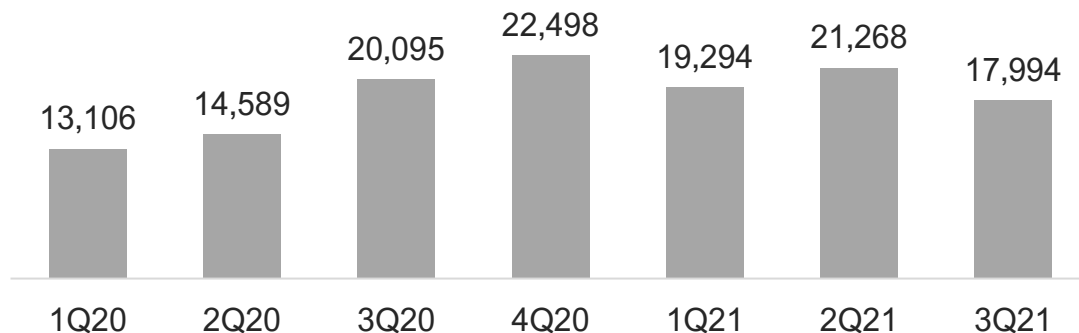


Banco Security – Risk



Quarterly LLP Expenses

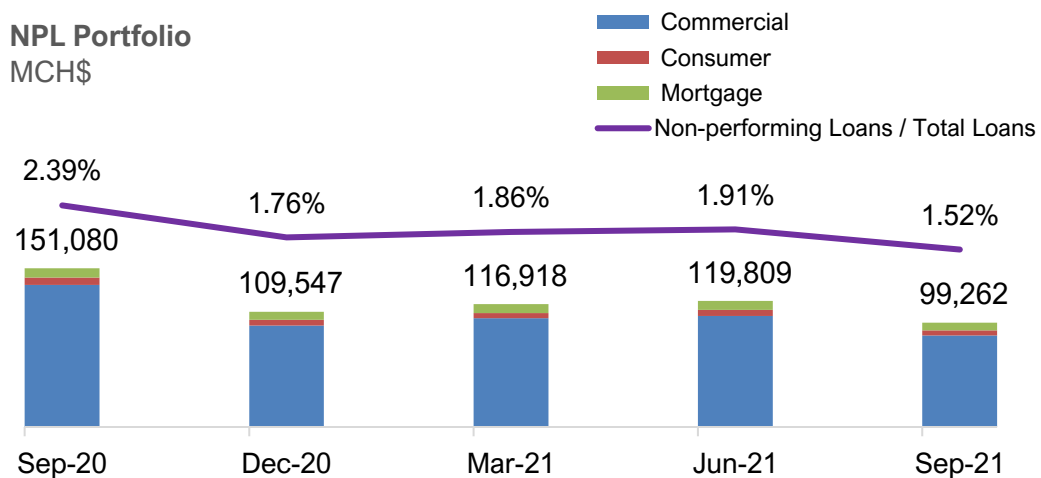
MCH\$



*Expense net of recovered loans, including additional provisions

NPL Portfolio

MCH\$



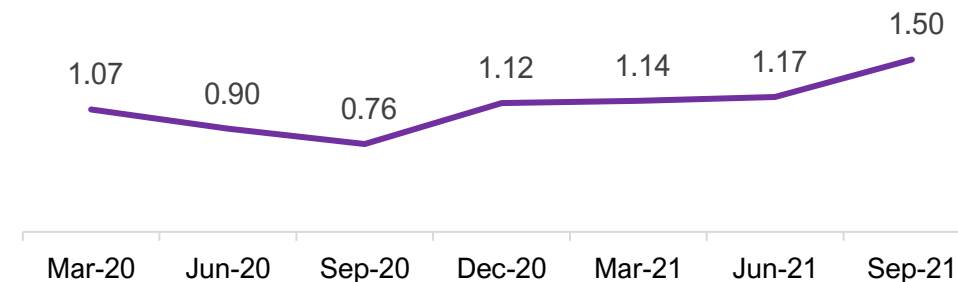
Internal estimate for individually assessed loans guarantees

Institution	Collateral / Loans	Provisions / Loans	(Collateral + Provisions) / Loans
System	54.81%	2.17%	56.97%
Peer Banks ³	70.86%	2.19%	73.05%
Large Banks ⁴	52.94%	2.15%	55.09%
Banco Security	73.64%	2.33%	75.97%

1 Peer banks: Peer insurance companies: BICE, Consorcio, Internacional and Security. 2 Large banks: Chile, BCI, Estado, Itaú, Scotiabank and Santander. Source: Financial Market Commission (CMF), information as of August 2021

NPL Coverage

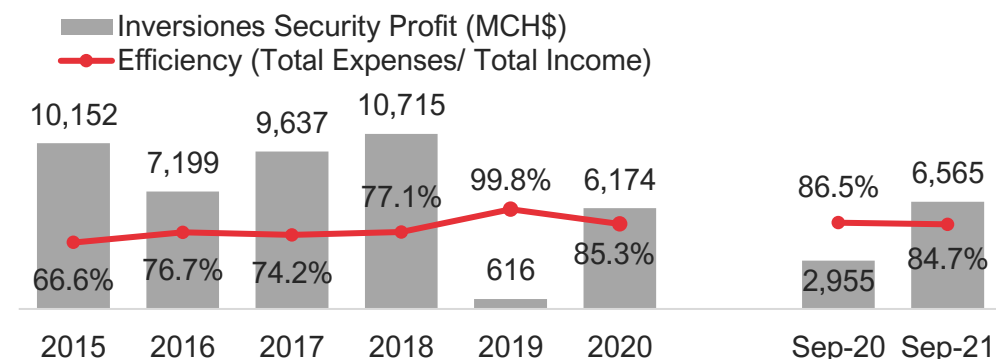
(Provisions / NPL Portfolio)





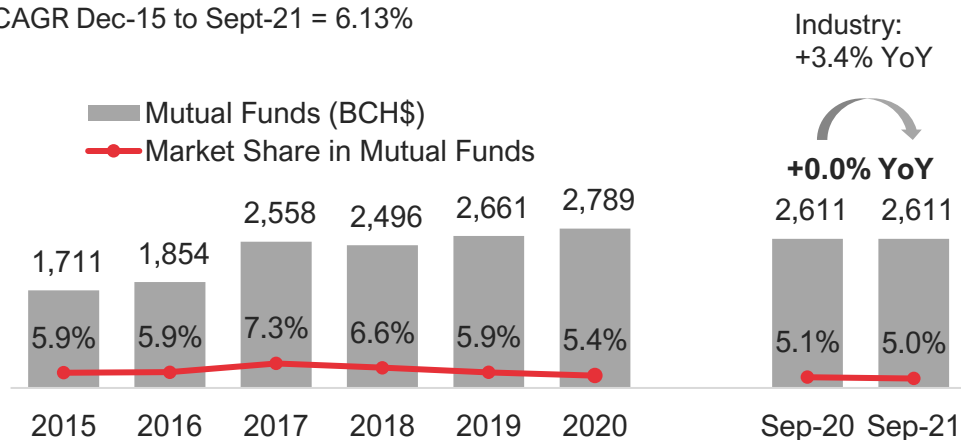
In MCH\$	9M20	9M21	% Chg YoY
Operating income	26,907	27,502	2.2%
Funds income	17,192	17,639	2.6%
Transactional income	9,714	9,863	1.5%
Total expenses	-25,656	-24,756	-3.5%
Gross operating income	1,251	2,745	119.5%
Non-operating income	2,748	1,717	-37.5%
Income tax expense	-245	1,156	-
Profit - AGF & Valores	3,753	5,618	49.7%
Securitization & CasaNuestra	-547	881	-
Global Security	-193	171	-
Profit - Asset management	2,955	6,565	122.2%

Inversiones Security - Area Profit (MCH\$)

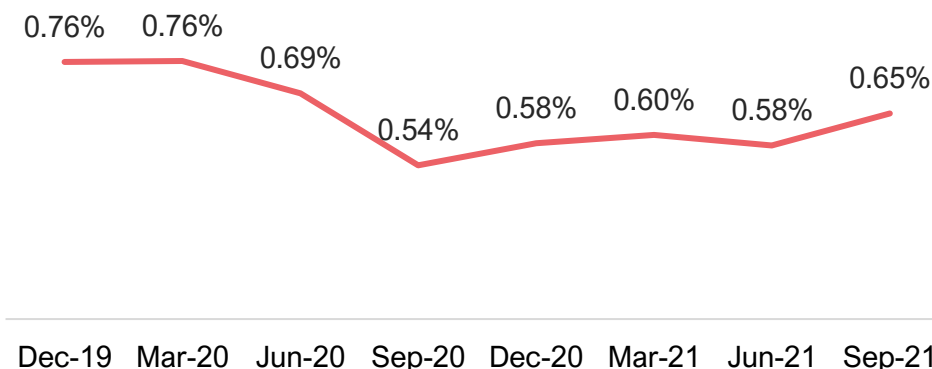


Total AUM in Mutual Funds - Inversiones Security (BCH\$)⁽¹⁾

CAGR Dec-15 to Sept-21 = 6.13%



Total ROA ⁽²⁾



Notes: (1) AUM: Monthly average as reported by Mutual Fund Association. (2) ROA: Revenue over total AUM

Factoring Security



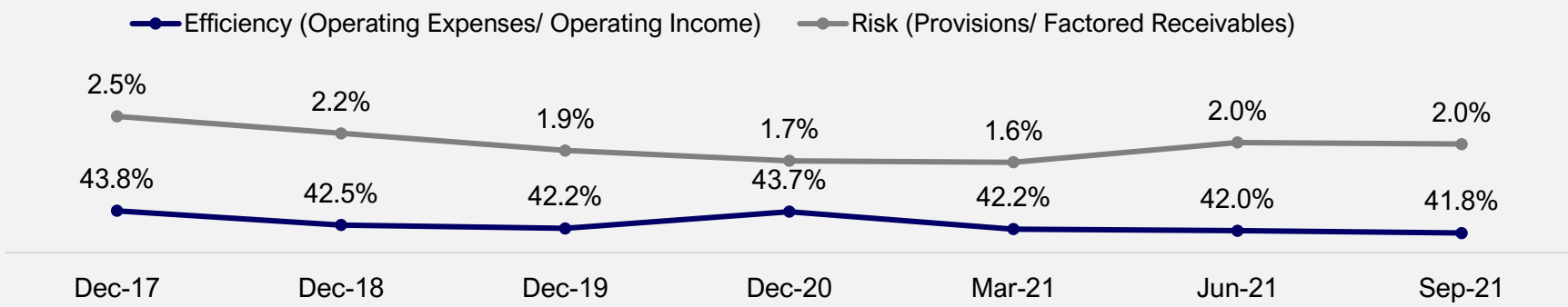
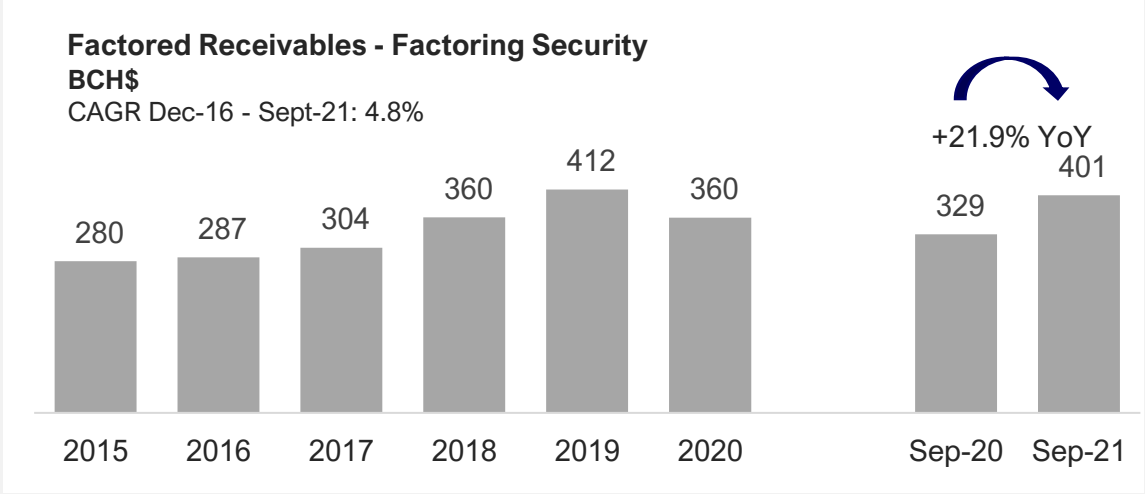
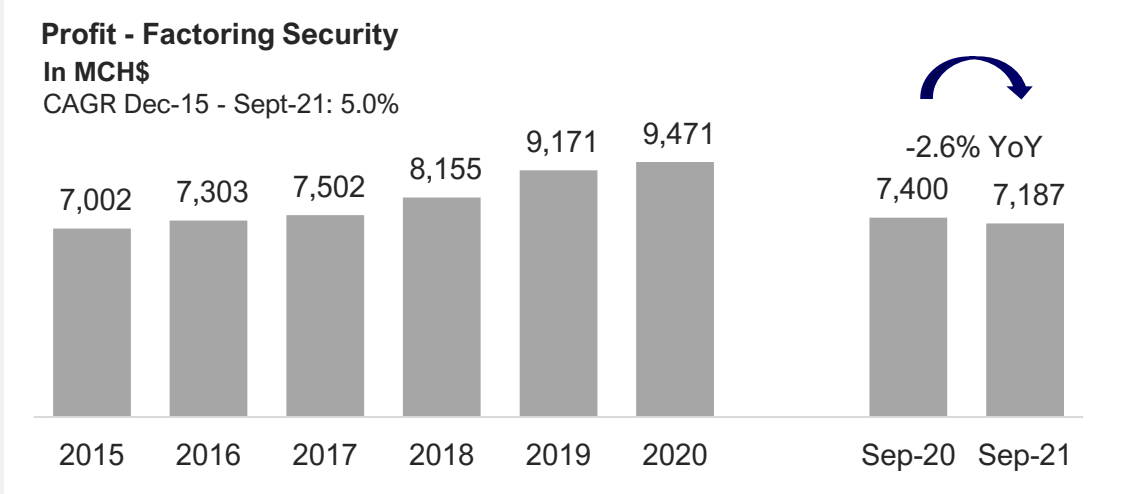
Profit:
MCH\$7,187
-2.9% YoY

Factored Receivables:
MCH\$401,159
+21.9% YoY

Efficiency Ratio:
41.8%
-39 bps YoY

Risk¹:
1.98%
-31 bps YoY

1) Provisions / Loans





In MCH\$	Individual		Family Protection		Group Insurance		Annuities		DSI		Total	
	9M21	9M20	9M21	9M20	9M21	9M20	9M21	9M20	9M21	9M20	9M21	9M20
Gross written premiums	110,233	100,151	5,065	5,163	47,479	52,917	72,564	8,552	196	225	235,537	167,008
Net premiums written	108,977	98,410	5,065	5,163	45,689	51,728	72,564	8,552	63	36	232,358	163,889
Variation in technical reserves	(41,931)	(19,797)	11	(49)	1,629	(237)	-	-	663	-	(39,629)	(20,083)
Claims paid	(72,150)	(71,178)	(1,399)	(795)	(36,614)	(21,322)	-	-	37,364	22,934	(72,799)	(70,361)
Pensions paid	(996)	(1,855)	-	-	-	-	(117,840)	(52,756)	(37,129)	(26,334)	(155,965)	(80,944)
Underwriting expenses	(6,289)	(7,420)	(1,510)	(1,516)	(2,637)	(3,122)	(650)	(117)	-	-	(11,086)	(12,176)
Medical expenses	(8)	(10)	(0)	(1)	(4)	(2)	0	(0)	-	-	(12)	(13)
Insurance impairment	-	-	-	-	(52)	(4)	-	-	-	-	(52)	(4)
Contribution Margin	(12,397)	(1,850)	2,167	2,803	8,011	27,041	(45,926)	(44,321)	961	(3,364)	(47,184)	(19,691)
CUI portfolio	20,837	13,804									20,837	13,804
Proprietary portfolio	-	-									94,918	49,487
Investment income											115,755	63,291
Administrative expenses											-24,716	-25,689
Exchange differences											-487	-713
Gain (loss) on indexed assets and liabilities											-5,441	-1,520
Other income and expenses											-97	-131
Income tax expense											291	928
Profit for the period											38,122	16,475



- * Continued positive results: MCH\$38,122 for 9M21 (+131.4% YoY) due to improved returns from the proprietary trading portfolio and better technical result in DSI
- * Third-place market share by gross written premiums of 6.4%

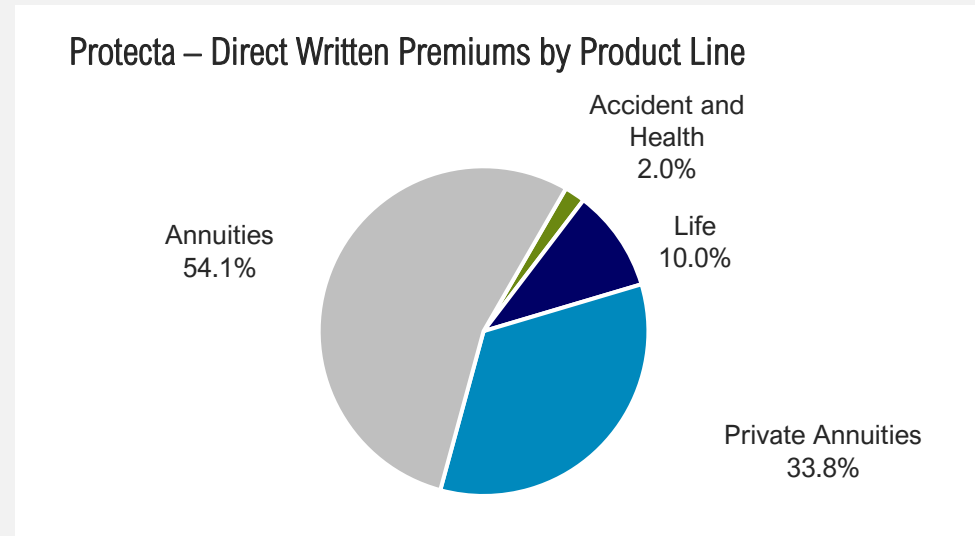
In CH\$ million	Portfolio				ROI	
	Sep-20	Sep-21	Δ YoY	%/Total	Sep-20	Sep-21
Fixed Income	1,759,105	1,798,593	2.2%	64.3%	4.3%	2.8%
Equities and indexes	577,076	693,716	20.2%	24.8%	0.0%	13.7%
Real estate	262,796	286,069	8.9%	10.2%	4.9%	4.6%
Other investments	24,517	19,350	-21.1%	0.7%	-19.6%	-15.8%
Investments Income	2,623,494	2,797,727	6.6%	100.0%	3.2%	5.5%
CUI Portfolio	569,416	652,999	14.7%	23.3%	3.2%	4.3%
Proprietary Portfolio	2,054,078	2,144,728	4.4%	76.7%	3.2%	5.9%

In MCH\$	9M21	9M20	% Chg.
Gross written premiums	235,537	167,008	41.0%
Net premiums written	232,358	163,889	41.8%
Variation in technical reserves	-39,629	-20,083	97.3%
Claims paid	-72,799	-70,361	3.5%
Pensions paid	-155,965	-80,944	92.7%
Underwriting expenses	-11,086	-12,176	-8.9%
Medical expenses	-12	-13	-4.7%
Insurance impairment	-52	-4	1146.9%
Contribution Margin	-47,184	-19,691	139.6%
Administrative expenses	-24,716	-25,689	-3.8%
Investment income	115,755	63,291	82.9%
Exchange differences	-487	-713	-31.6%
Gain (loss) on indexed assets and liabilities	-5,441	-1,520	257.8%
Other income and expenses	-97	-131	-26.5%
Income tax expense	291	928	-68.6%
Profit for the period	38,122	16,475	131.4%

- * Improved investment returns: MCH\$115,755 (+82.9% YoY)
- * Proprietary trading portfolio: MCH\$94,918 for 9M21 (+91.8% YoY)
 - * Greater returns on equities, indexes and real estate funds
 - * Smaller returns on fixed-income instruments



<i>In S./ Thousands</i>	9M21	9M20	% Chg
Annuities - Premiums written	268,872	131,871	103.9%
Annuities - Market share	23.1%	24.0%	-97 p
Private annuities - Premiums written	168,113	112,524	49.4%
Private annuities - Market share	17.2%	17.7%	-56 p
Premiums written	496,974	284,149	74.9%
Investment income	113,325	86,555	30.9%
Annualised return (LTM)	7.1%	7.6%	-55 p
Profit for the period	11,648	9,937	17.2%



Protecta: Profit 9M21 MS./ 11.6 (MUS\$2.8), +17.2% YoY

- * 23.1% market share in annuities as of Sept-21
- * 17.2% market share in private annuities as of Sept-21
- * Net premiums of MS./ 497.0 for 9M21 (+74.9% YoY vs +25.0% YoY for the industry)
- * Investment income of MS./ 113.3 for 9M21 (+30.9% YoY)

Other Services Area - Travel and Inmobiliaria Security



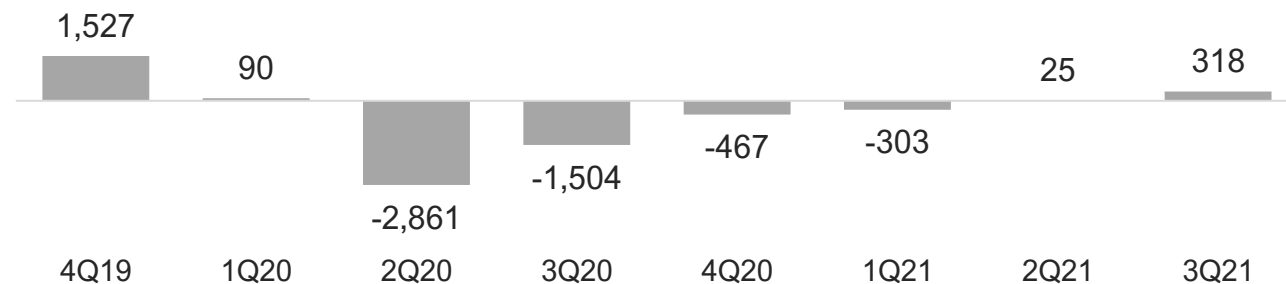
Travel Security

- * Profit of MCH\$39 for 9M21 (loss of -MCH\$4,275 for 9M20) due to impact of revenue. Above break-even point since 2Q21
- * Structural adjustments in light of medium- and long-term impacts on industry. Shift to primarily digital sales model.

Travel Perú

- * Loss of -MUS\$0.3 (vs loss of -MUS\$1.9 for 9M20)
- * Sales: MUS\$8 (vs MUS\$13 for 9M20)

Travel Security Profit (MCH\$)



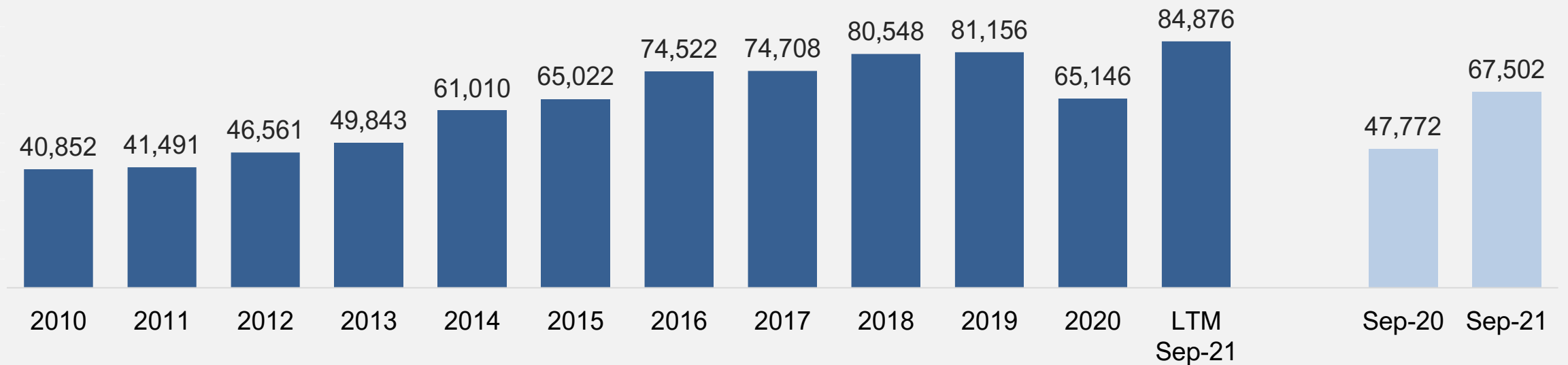
Inmobiliaria Security

- * Profit CH\$2,277 million as of Jun-21 (-30% YoY)
- * Ownership transferred on fewer units during the period
 - * Sept-20: 114 units
 - * Sept-21: 65 units
- * Real estate assets under management of MCH\$81,487 (-26.6% YoY)
- * Projects under development:
 - * 4 projects under development
 - * 55 units available for sale

Strategic Priorities



Profit - Grupo Security (MCH\$)





Grupo Security Financial Results September 2021

November 12th, 12:30 p.m.

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