

Grupo Security Earnings Report

Grupo Security Reports Profit of MCH\$88,603 for 12M21 (+36% YoY).

Santiago, Chile – February 25, 2022. Grupo Security S.A., (BCS: SECURITY; BBG: SECUR).

Grupo Security has a structured, integrated corporate governance model that provides its subsidiaries with strategic guidelines and organization-wide capacities, and conducts periodic monitoring and verification of compliance with the given guidelines. The model features independent bodies to help with control and regulatory compliance and provides shared services to achieve efficiency and economies of scale.

In 2021, the company adjusted its structure in order to deal with new market conditions, strengthening corporate governance by creating new areas and reinforcing existing ones. To this end, the Corporate Digital and Data Department was created. Its objective is to implement digitalization and integrated data governance and complement Grupo Security's offering of financial services through investments, partnerships or alliances with financial technology companies (Fintechs). The Group also formed the Corporate Affairs Department, which is charged with generating a corporate sustainability strategy and medium-term work plan, as well as managing communications and brands. In terms of existing areas, the team from the Transformation Office was rolled into the Corporate Performance Department to support control and monitoring of transformational and revenue capturing projects within the Group. The Technological Solutions and Cybersecurity Department also strengthened the team in charge of cybersecurity, an element that is vital for business performance.

In this context, Grupo Security purchased a minority interest in Monument Bank, a banking entity with a license to operate from the Bank of England that offers a 100% digital experience to the mass affluent segment in the United Kingdom. In addition, the Group has decided to prepare its annual report in a format similar to Integrated Reporting under SASB standards, incorporating materiality for the financial and insurance industries.

Grupo Security reported profit of MCH\$88,603 for 2021, a record high for the company. This figure is 36% greater than 2020. This historical result also reflects the cost-cutting efforts initiated in 2020 and continued in 2021, with a YoY reduction of 3.6% in administrative and personnel expenses across all group companies.

Vida Security performed exceptionally well with profit of MCH\$45,496 (+91% YoY) due to improved investment income (+40.1% YoY). The company had premiums of MCH\$329,921 as of December 2021 (+43.8% YoY) with market share of 7.3% in annuities. In addition, Fitch Ratings upgraded its risk rating for Vida Security from AA- to AA, based on its continuously improving business profile and capital.

Meanwhile, Banco Security recovered its pre-pandemic earnings levels with consolidated profit of MCH\$77,127 (+28.2% YoY) for 12M21, with an efficiency ratio of 44.1%, the lowest in the last 10 years. At Banco Security, total loans were up 8.1%, driven by commercial loans (+8.4% YoY). As for risk, the NPL portfolio reached 1.37% vs 1.76% in 2020, with NPL coverage of 172% (112% in 2020) and a total of MCH\$8,500 in additional voluntary provisions.

Factoring Security reported profit of MCH\$10,192 (+7.6% YoY), a company record, with an efficiency ratio of 41.5% (43.8% as of December 2020) and a ratio of loan loss provisions to loans of 2.00%. Factored receivables totaled MCH\$440,264, up 22.3% from December 2020, explained by the company's strengthened digitalization efforts through AutoFactoring, a 100% digital self-service channel.

Protecta Security, in Peru, had profit of MS./37.6 (+62.5% YoY), thanks to solid investment income. After converting results to Chilean GAAP and adjusting for ownership (61%), profit was MCH\$2,507, versus a loss of MCH\$30 in 2020.

As planned, Travel Security reported profit of MCH\$832, reversing the loss of -MCH\$4,742 from 2020, after adjusting its business model to a primarily digital sales model. Meanwhile, Inmobiliaria Security had profit of MCH\$2,039 and transferred ownership on 76 units in 2021.

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SIGNIFICANT AND SUBSEQUENT EVENTS

- In February 2021, Jorge Meyer De Pablo stepped down as CEO of Securitizadora Security and Inmobiliaria CasaNuestra, effective February 28, 2021, to take on the role of Investment Manager of AGF Security. Fiorella Battilana Feral replaced him as CEO of Securitizadora Security and Inmobiliaria CasaNuestra.
- At the annual general meeting on April 6, 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.
- 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.
- In June 2021 Fitch Ratings upgraded its risk rating for Vida Security from AA- to AA, based on its continuously improving business profile, indebtedness ratios and capital.
- To continue to simplify the corporate structure, Global Security was absorbed by Capital on July 1, 2021. Likewise, on January 2, 2022, Capital absorbed Mandatos Security.
- Grupo Security was honored with three awards reflecting the consistency of its unique culture built around respecting and caring for people with a focus on work-family-life balance.
 - In July 2021, Grupo Security placed first in the ranking of the Best Places to Work for Women in Chile 2021,
 - and 27th place on the ranking of the Best Places to Work in Latin America.
 - The company was also recently awarded first place in the 2021 Merco Talent ranking, named the Best Company at Attracting and Retaining Talent in the corporate holding category.
- At an extraordinary shareholders' meeting on August 25, 2021, the shareholders of Grupo Security approved the creation of a share buyback program for up to 5% of the subscribed and paid-in shares for a period of 5 years and delegated authority to the board to define the acquisition mechanism. As of December 31, 2021, Grupo Security had acquired 38,395,994 shares, equivalent to 0.95% of all shares, while as of the date of this report (February 25, 2022), the company had acquired 46,993,359 shares (1.16% of the subscribed and paid shares).
- In October 2021, Alejandra Zegers, Corporate Marketing and Customer Experience Manager, resigned after 16 years with Grupo Security. Two new corporate areas were created as part of corporate restructuring process: the Corporate Affairs Department and the Corporate Digital and Data Department. The Corporate Affairs Department will be responsible for providing guidelines for ESG aspects, reputation, editorial lines, brand, quality, advertising and public affairs for both the holding and its subsidiaries and will be led by Paulina Guerra Méndez. Francisco Letelier Balocchi, the new Corporate Digital and Data Manager, will be in charge of implementing the digital strategy throughout all group companies.
- In this context, Grupo Security purchased a minority interest in Monument Bank, a banking entity recently licensed by the English financial regulator that offers a 100% digital experience to the mass affluent segment in the United Kingdom. This investment will allow Grupo Security and Monument Bank to join forces to explore alternatives that complement its business model in Chile and the region. Similarly, for Grupo Security it represents an opportunity to access cutting-edge technology and high standards in digital financial services.

SECURITY STOCK PERFORMANCE

As of year-end 2021, Grupo Security's stock was valued at CH\$ 119.7 per share (-9.3% YoY), giving a market-to-book ratio of 0.56, among the Group's all-time lows, and a dividend yield of 9.0%. As of December 31, 2021, the S&P IPSA Index was at 4,308 points, with returns of +3.14% for the period, while the stocks on the S&P/CLX Banks Index (CLP) reported returns of -6.47% for the twelve-month period.

As of February 24, 2022, the stock price is CH\$127.5, with a price-to-earnings ratio of 5.8 and a market-to-book ratio of 0.59.

Grupo Security Ratios	feb-22*	Dec-21	Sep-21	Dec-20	% Chg	
					QoQ	YoY
Net Profit (MM\$)	88,603	88,603	67,502	65,146	-	36.0%
Net Profit LTM (MM\$)	88,603	88,603	84,876	65,146	4.4%	36.0%
Profit per share (\$)	21.9	21.9	21.0	16.8	4.4%	30.2%
ROAE	10.6%	10.6%	10.7%	8.1%	-15 p	247 p
P/U (Times)	5.6	5.5	6.2	7.8	-11.7%	-30.3%
Price / Book value (Times)	0.57	0.56	0.61	0.62	-7.8%	-9.8%
Dividend yield	8.8%	9.0%	6.7%	8.3%	224 p	68 p
Share Price (\$)	122.5	119.7	129.9	131.9	-7.9%	-9.3%
Equity (MM\$)	867,079	867,079	867,898	861,744	-0.1%	0.6%
Free float	27.6%	27.6%	27.6%	27.6%	0 p	0 p
Number of Shares (millions)	4,042	4,042	4,042	4,042	0.0%	0.0%

* Price and Number of Shares as of 24/02/22. Equity and profit as of Dec-21.

GRUPO SECURITY EARNINGS REPORT FOR 4Q20 AND 2021

Grupo Security posted profit of MCH\$88,603 for the year 2021 (+36.0% YoY and -21.7% QoQ). EBITDA for the same period totaled MCH\$118,076 (+12.8% YoY and -38.3% QoQ). The Grupo posted an annualized ROAE as of December 2021 of 10.6% (+247 bps YoY).

Corporate and support area expenses totaled MCH\$14,755, while finance costs reached MCH\$13,434 (+1.4% YoY), both stable year-over-year. The Group recorded a loss on indexed assets and liabilities of -MCH\$22,763 (+188.3% YoY) due to higher cumulative inflation (7.2% in 2021 vs 3.0% in 2020, UF variation of 6.6% in 2021 vs 2.7% in 2020) and bond issuances of UF 1,000,000 by Grupo Security and UF 1,200,000 by Inversiones Previsión Security in September 2020.

(MCH\$)	4Q21	3Q21	4Q20	% Chg		Dec-21	Dec-20	% Chg
				QoQ	YoY			
Support areas and group expenses	-4,100	-3,280	-4,420	25.0%	-7.2%	-14,755	-14,750	0.0%
Finance costs	-3,442	-3,376	-3,324	2.0%	3.5%	-13,434	-13,253	1.4%
Indexation units	-10,770	-4,384	-4,293	145.7%	150.9%	-22,763	-7,896	188.3%

For the quarter, Grupo Security reported profit of MCH\$21,101 (-21.7% QoQ), due to greater indexation expenses (+145.7% QoQ) because of higher inflation during the quarter (2.6% in 4Q21 vs 2.4% in 3Q21, UF variation 3.0% vs 1.3%). Corporate and support area expenses totaled MCH\$4,100 (+25.0% QoQ), with increased administrative expenses due to consulting and seasonal expenses, while finance costs remained stable (+2.0% QoQ).

From a consolidated perspective, Grupo Security's revenue reached MCH\$1,389,083 (+27.3% YoY) for 12M21, primarily because of increased revenue from gross written premiums at Vida Security and Protecta of MCH\$463,687 (+48.7% YoY), due to higher sales of annuities and individual insurance policies. Furthermore, Vida Security and Protecta reported greater investment income of MCH\$171,035 (+41.5% YoY), as explained on pages 20 to 28 of this report. On the flip side, Banco Security reported increased revenue of MCH\$607,220 (+22.9% YoY), explained mainly by a rise in indexation income because of higher inflation during the period (7.2% in 2021 vs 3.0% in 2020, a UF variation of 6.6% in 2021 vs 2.7% in 2020) as indicated on pages 6 to 17.

As for consolidated operating expenses, this figure reached MCH\$1,016,240 for 12M21 (+37.7% YoY). The main effect corresponds to higher operating expenses at Vida Security and Protecta, up 45.2% YoY in line with greater annuity premiums and a higher loss ratio in group and individual policies, as explained on pages 20 to 27. Operating expenses also rose at Banco Security (+45.0% YoY), as a result of greater indexation expense on debt issued due to higher inflation with respect to last year (7.2% in 2021 vs 3.0% in 2020, UF variation 6.6% in 2021 vs 2.7% in 2020). The Bank's increased LLP expenses¹ (+10.1% YoY) are explained on pages 8 to 10 of this report.

Consolidated statement of income* (MCH\$)				% Chg				% Chg
	4Q21	3Q21	4Q20	QoQ	YoY	Dec-21	Dec-20	YoY
Revenue	417,436	347,807	316,062	20.0%	32.1%	1,389,083	1,090,773	27.3%
Banco Security - Revenue ¹	206,289	141,413	135,678	45.9%	52.0%	607,220	494,267	22.9%
Vida Security & Protecta - Gross premium	131,839	120,364	78,126	9.5%	68.8%	463,687	311,867	48.7%
Vida Security & Protecta - Interest & investment income	40,864	50,887	27,389	-19.7%	49.2%	171,035	120,867	41.5%
Factoring Security - Revenue	12,568	9,797	6,486	28.3%	93.8%	38,590	32,364	19.2%
Other revenue	25,876	25,346	68,383	2.1%	-62.2%	108,551	131,408	-17.4%
Cost of sales	- 323,415	- 248,135	- 231,634	30.3%	39.6%	-1,016,240	-738,041	37.7%
Banco Security - Cost of sales ²	- 123,468	- 64,378	- 67,944	91.8%	81.7%	-308,075	-212,448	45.0%
Banco Security - LLP expenses ³	- 20,404	- 17,994	- 22,497	13.4%	-9.3%	-78,959	-71,699	10.1%
Vida Security & Protecta - Cost of sales ⁴	- 158,355	- 144,951	- 117,881	9.2%	34.3%	-548,796	-377,913	45.2%
Factoring - Cost of sales ⁵	- 5,731	- 3,529	- 196	62.4%	2820.7%	-13,073	-6,099	114.3%
Other costs	- 15,458	- 17,282	- 23,116	-10.6%	-33.1%	-67,337	-69,882	-3.6%
Gross profit	94,020	99,673	84,429	-5.7%	11.4%	372,843	352,732	5.7%
Other revenue	- 1,583	- 944	- 2,693	67.7%	-41.2%	-4,703	-9,643	-51.2%
Total expenses	- 64,532	- 54,779	- 54,143	17.8%	19.2%	-234,496	-243,362	-3.6%
Personnel expenses	- 32,410	- 22,061	- 30,717	46.9%	5.5%	-115,695	-131,342	-11.9%
Administrative expenses	- 32,122	- 32,718	- 23,427	-1.8%	37.1%	-118,801	-112,020	6.1%
Operational profit	27,906	43,950	27,592	-36.5%	1.1%	133,644	99,727	34.0%
Finance costs	- 3,295	- 3,964	- 3,524	-16.9%	-6.5%	-13,964	-13,934	0.2%
Exchange differences	4,233	- 4,253	5,020	-	-15.7%	1,039	2,979	-65.1%
Indexation units	- 14,139	- 6,721	- 6,504	110.4%	117.4%	-30,661	-11,611	164.1%
Others ⁶	1,074	- 124	- 15	-	-	781	-89	-
Profit before tax	15,779	28,888	22,569	-45.4%	-30.1%	90,839	77,072	17.9%
Finance costs	7,110	- 1,939	- 5,288	-	-	-155	-12,774	-98.8%
Profit (loss) attributable to equity holders of the parent	21,101	26,959	17,374	-21.7%	21.5%	88,603	65,146	36.0%

*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. Provisions for loan losses do not include adjustment for minimum provisions on normal portfolio. 4. Includes variations in technical reserves, claims and pensions paid and underwriting expenses. 5. Includes banking and other expenses. 6. 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.

Total expenses reached MCH\$234,496 for 12M21 (-3.6% YoY), as a result of the cost-cutting plan rolled out in 2020 and continued in 2021. During 2021, personnel expenses fell by 11.9% YoY, which includes adjustments at Banco Security and subsidiaries, with termination benefits in excess of MCH\$5,400. Meanwhile, administrative expenses were up 6.1% YoY mainly because of expenses in the new digital area.

¹ Excluding adjustment for minimum provisions on normal portfolio

Grupo Security Indicators In MCH\$	Dec-21	Sep-21	Dec-20	% Chg	
				QoQ	YoY
Banco - Total Loans	6,731,538	6,542,131	6,228,083	2.9%	8.1%
Industry - Total Loans ¹	204,332,026	197,276,151	185,091,882	3.6%	10.4%
Inversiones - AUM Mutual Funds	2,464,190	2,610,737	2,789,219	-5.6%	-11.7%
Industry - AUM Mutual Funds	50,987,024	52,441,917	51,307,877	-2.8%	-0.6%
Vida - Investment Portfolio	2,859,226	2,797,727	2,643,190	2.2%	8.2%
Industry (life insurance) - Investment Portfolio (2)	-	48,454,065	46,473,602	-	-
Factoring - Factored Receivables	440,264	401,159	360,084	9.7%	22.3%

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

² Not available as of the date of publication of this report.

Grupo Security Indicators Statement of Income	4Q21	3Q21	4Q20	% Chg		2021	2020	% Chg
				QoQ	YoY			
Banco - Net Interest Margin	66,026	50,364	50,226	31.1%	31.5%	213,195	196,519	8.5%
Banco - Net Fees	14,822	15,662	13,763	-5.4%	7.7%	59,430	57,854	2.7%
Banco - Operating Expenses	-35,972	-30,793	-32,733	16.8%	9.9%	-133,562	-134,127	-0.4%
Banco - Net Provision Expenses	-20,403	-17,994	-22,498	13.4%	-9.3%	-78,959	-70,288	12.3%
Vida - Direct Premium	94,384	83,803	62,383	12.6%	51.3%	329,921	229,392	43.8%
Vida - Claims Paid	-43,782	-29,664	-34,590	47.6%	26.6%	-116,581	-104,951	11.1%
Vida - Pensions Paid	-44,863	-50,106	-23,546	-10.5%	90.5%	-200,828	-104,490	92.2%
Vida - Investment Income	35,425	42,597	44,637	-16.8%	-20.6%	151,180	107,929	40.1%
Factoring - Revenue	8,076	7,069	7,446	14.2%	8.5%	28,659	32,604	-12.1%

Grupo Security	Jan-22	Dec-21	Sep-21	Dec-20	% Chg	
					QoQ	YoY
Employees	3,206	3,184	3,180	3,256	0.1%	-2.2%

Ratios	Dec-21	Sep-21	Dec-20	% Chg	
				QoQ	YoY
Grupo - ROE	10.6%	10.7%	8.1%	-15 p	247 p
Banco (Consolidated) - ROAE	11.3%	10.2%	9.4%	114 p	192 p
Factoring - ROE	18.0%	17.2%	17.4%	75 p	60 p
Vida - ROAE	23.1%	24.5%	11.7%	-139 p	1147 p
Travel - ROE	17.8%	1.1%	-	-	-
Grupo - Leverage	37.0%	36.8%	35.6%	21 p	135 p
Banco - Efficiency	44.1%	44.6%	47.2%	-59 p	-314 p
Factoring - Efficiency	41.5%	41.8%	43.8%	-32 p	-228 p
Banco - Non-Performing Loans	1.37%	1.52%	1.76%	-15 p	-39 p
Banco - Risk Index	2.36%	2.27%	1.97%	8 p	39 p
Factoring - Risk Index	2.00%	1.98%	1.68%	1 p	32 p
Banco - BIS Tier I Ratio	7.1%	7.4%	7.8%	-23 p	-71 p
Banco - BIS Tier II Ratio	13.9%	13.9%	14.1%	9 p	-11 p

ROAE: profit LTM over average equity attributable to owners

Earnings from Related Companies (In Ch\$ Million)								
	4Q21	3Q21	4Q20	% Chg		Dec-21	Dec-20	% Chg
				QoQ	YoY			
Lending Area								
Banco Security (standalone)	22,071	18,502	14,462	19.3%	52.6%	67,722	54,989	23.2%
Factoring Security	3,005	2,403	2,071	25.1%	45.1%	10,192	9,471	7.6%
Asset Management Area								
Valores Security	911	106	346	763.2%	163.8%	2,343	1,326	76.8%
AGF Security	2,981	1,866	1,124	59.7%	165.3%	7,066	3,838	84.1%
Securizadora Security & CasaNuestra	390	672	1,450	-41.9%	-73.1%	1,271	903	40.7%
Insurance Area								
Vida Security	7,373	14,514	7,054	-49.2%	4.5%	45,496	23,529	93.4%
Other Services								
Inmobiliaria Security	-238	-32	2,800	634.1%	-	2,039	6,038	-66.2%
Travel Security	793	318	-467	149.8%	-	832	-4,742	-
International Business								
Protecta Security (S./ Th.)	25,963	2,129	13,206	1119.5%	96.6%	37,611	23,143	62.5%
Travex Security (S./ Th.)	39	-90	600	-	-93.4%	-1,316	-5,999	-78.1%
Grupo Security Profit¹	21,101	26,959	17,374	-21.7%	21.5%	88,603	65,146	36.0%

(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 (70.6% of assets; 55.8% of profit from business areas for 12M21)

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

Banco Security reported consolidated profit attributable to owners of the parent of MCH\$77,127 for 12M21 (+28.2% YoY) and MCH\$25,830 for 4Q21 (+25.4% QoQ). The Bank's standalone profit (excluding subsidiaries AGF Security and Valores Security Corredores de Bolsa) was MCH\$67,707 (+23.1% YoY and +19.2% QoQ).

For the same period, its ROAE (profit LTM over average equity) was 11.3% (+192 bps YoY).

Banco Security - Consolidated Statement of Income

Banco Security posted consolidated profit of MCH\$77,127 for 12M21 (+28.2% YoY) and MCH\$25,830 for 4Q21 (+25.4% QoQ).

In Ch\$ Million	4Q21	3Q21	4Q20	% Chg		2021	2020	% Chg YoY
				QoQ	YoY			
Net interest margin	66,026	50,364	50,226	31.1%	31.5%	213,195	196,519	8.5%
Net Fees	14,822	15,662	13,763	-5.4%	7.7%	59,430	57,854	2.7%
Net financial Operating Income	1,002	9,547	6,505	-89.5%	-84.6%	22,091	26,118	-15.4%
Net foreign exchange transactions	2,049	-1,604	5,146	-	-60.2%	2,840	5,801	-51.0%
Recovery of charged-off loans	1,957	1,786	1,126	9.6%	73.8%	6,416	4,101	56.4%
Other net operating income	-1,295	-579	-1,462	-	-	-835	-6,558	-
Gross operating income	84,561	75,176	75,304	12.5%	12.3%	303,137	283,835	6.8%
Loan loss provision expenses	-22,360	-19,780	-23,624	13.0%	-5.4%	-85,375	-74,389	14.8%
Administrative expenses	-35,972	-30,793	-32,732	16.8%	9.9%	-133,562	-134,127	-0.4%
Net operating income	26,229	24,603	18,948	6.6%	38.4%	84,200	75,319	11.8%
Income attributable to investments in other companies	0	0	10	-	-	17	12	-
Profit before tax	26,229	24,603	18,958	6.6%	38.4%	84,217	75,331	11.8%
Income tax expense	-397	-3,998	-3,028	-90.1%	-86.9%	-7,086	-15,179	-53.3%
Profit for the period	25,832	20,605	15,930	25.4%	62.2%	77,131	60,152	28.2%
Profit attributable to owners of the parent	25,830	20,605	15,929	25.4%	62.2%	77,127	60,150	28.2%

The net interest margin was MCH\$213,195 for 12M21 (+8.5% YoY). Interest and indexation income totaled MCH\$506,975 (+29.3% YoY), due to increased indexation because of higher inflation (7.2% in 2021 vs 3.0% in 2020, UF variation 6.6% in 2021 vs. 2.7% in 2020), partly offset by lower interest income on commercial and consumer loans due to more competitive consumer interest rates because of greater market liquidity. Interest and indexation expense, meanwhile, totaled MCH\$293,780 (+50.2% YoY), principally due to increased indexation expense on debt instruments issued due to higher inflation as compared to last year, partially offset by lower volumes of time deposits (-1.3% YoY) and the use of financing mechanisms provided by the Central Bank.

In comparison to 3Q21, the net interest margin climbed 31.4% to MCH\$66,026. Interest and indexation income reached MCH\$187,059 (+66.8% QoQ) due to increased indexation because of higher inflation (2.6% in 4Q21 vs 2.4% in 3Q21), the UF variation (3.0% vs 1.3%) and larger total loan volumes (+2.9% QoQ). Interest and indexation expenses reached MCH\$121,033 (+96.0% QoQ) as a result of higher inflation during the quarter and higher volumes of time deposits (+8.8% QoQ).

Net Interest Margin In Ch\$ Million	4Q21	3Q21	4Q20	% Chg		2021	2020	% Chg
				QoQ	YoY			
Interest and indexation income	187,059	112,130	111,915	66.8%	67.1%	506,975	392,053	29.3%
Interest and indexation expenses	-121,033	-61,766	-61,689	96.0%	96.2%	-293,780	-195,534	50.2%
Net interest margin	66,026	50,364	50,226	31.1%	31.5%	213,195	196,519	8.5%
Interest margin net of provisions	43,666	30,584	26,602	42.8%	64.1%	127,820	122,130	4.7%
Net interest margin / total loans	3.92%	3.08%	3.23%	84 p	70 p	3.17%	3.16%	1 p
Net interest margin net of provisions / Total loans	2.59%	1.87%	1.71%	72 p	89 p	1.90%	1.96%	-6 p

Interest and indexation income <i>In Ch\$ Millions</i>		4Q21	3Q21	4Q20	%Chg		Dec-21	Dec-20	% Chg YoY
					QoQ	YoY			
	Consumer	10,459	9,889	11,337	5.8%	-7.7%	41,322	50,695	-18.5%
	Mortgage	27,681	14,355	13,713	92.8%	101.9%	67,428	38,477	75.2%
	Mortgage + Consumer	38,140	24,244	25,050	57.3%	52.3%	108,750	89,172	22.0%
	Commercial	134,032	81,533	80,287	64.4%	66.9%	363,585	270,181	34.6%
	Investment instruments	15,229	7,098	6,189	114.5%	146.1%	32,505	24,204	34.3%

Interest and indexation income/Loans <i>In Ch\$ Millions</i>		4Q21	3Q21	4Q20	%Chg		Dec-21	Dec-20	% Chg YoY
					QoQ	YoY			
	Consumer	9.87%	9.52%	9.91%	35 p	-4 p	19.50%	22.15%	-265 p
	Mortgage	13.42%	7.31%	7.70%	612 p	572 p	16.35%	10.81%	554 p
	Mortgage + Consumer	12.22%	8.07%	8.57%	415 p	365 p	17.42%	15.25%	217 p
	Commercial	9.78%	6.11%	6.35%	367 p	343 p	13.27%	10.68%	259 p
	Total	10.23%	6.47%	6.77%	376 p	347 p	14.03%	11.54%	249 p

Net fee and commission income totaled MCH\$59,430 for 12M21 (+2.7% YoY), stable year-over-year. For the quarter, net fee and commission income reached MCH\$14,822 (-5.4% QoQ), because of decreased income from supplementary loan insurance products in the Retail Banking Division, which was partly offset by an improvement in credit and debit cards.

Finance income, which is the sum of net financial operating income (loss) and the net gain from FX transactions, climbed to MCH\$24,931 (-21.9% YoY), due to lower income from brokering fixed-income instruments, lower volumes of structured deals and a drop in sales of mortgage bonds. For the quarter, finance income reached MCH\$3,051, down 61.6%, explained by weaker returns on fixed-income instruments and a high basis of comparison for mortgage bond sales in 3Q21.

Other net operating income reached -MCH\$835 for 12M21 (versus -MCH\$6,558 for 12M20), with a low basis of comparison because of repossessed or awarded assets written off in 2020 and greater gains on the sale of leased assets in 12M21. For the quarter this figure was -MCH\$1,295 (versus -MCH\$579 in 3Q21).

Banco Security focuses on corporate customers and high-income individuals, which is reflected in its risk ratios. For example, in the past three years, the ratio of loan loss provisions to loans has averaged 1.86% for Banco Security, versus 2.53% for the banking industry as a whole. The Bank's strategy for the commercial portfolio has centered around supporting customers in long-term businesses with adequate collateral coverage. Bear in mind that loan loss provisions for the commercial portfolio are calculated based on the unsecured portion of the loan, so greater collateral 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	0.18	4.34	1.59	2.53	2.36	0.76	1.25	1.47	1.37
Medium Banks*	0.15	3.65	0.85	2.45	2.10	0.83	0.85	1.44	1.29
Banking system	0.57	5.95	2.03	2.66	2.37	1.08	1.13	1.37	1.24

*Average for BICE, Security, Internacional, Consorcio

Institution	Loans MCH\$ (1)	Collaterals MCH\$ (2)	Provisions MCH\$	Collateral / Loans	Provisions / Loans	(Collateral + Provisions) / Loans
System	100,052,092	53,661,376	2,197,370	53.60%	2.20%	55.80%
Peer Banks (3)	15,429,650	10,699,849	378,593	69.30%	2.50%	71.80%
Large Banks (4)	82,494,067	42,999,171	1,757,554	52.10%	2.10%	54.30%
Banco Security	5,121,873	3,712,734	125,828	72.50%	2.50%	74.90%

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

LLP expenses for 12M21 totaled MCH\$78,959 (+12.3% YoY), equivalent to 1.17% of total loans (+4 bps YoY). The increase is explained by a rise in LLP expenses for commercial loans of MCH\$68,050 for 12M21 (+69.6% YoY), due to impairment of some customers where we had significant credit exposure. This effect was partly offset by reduced retail LLP expenses of MCH\$10,043 for 12M21 (-60.5%), because of a decline in consumer LLP expenses (-69.6% YoY), explained by greater liquidity and a smaller consumer portfolio (-7.4% YoY). During the year, the Bank recorded MCH\$4,500 (+12.5% YoY) in additional voluntary provisions.

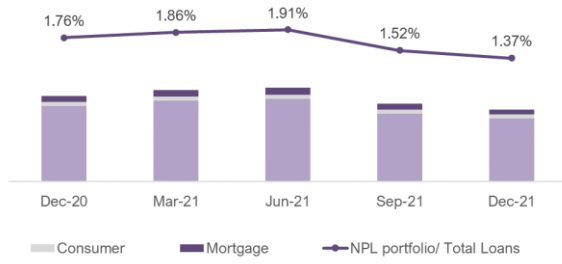
In the fourth quarter, LLP expenses net of recovery totaled MCH\$20,403 (+13.4% QoQ). Commercial LLP expenses reached MCH\$16,379 (+8.7% QoQ), related largely to the additional provisions recorded (MCH\$1,200 in 4Q21 versus MCH\$300 in 3Q21). This larger expense can also be explained by customer impairment and a drop in the value of some collateral. Similarly, it incurred greater LLP expenses for mortgage loans of MCH\$1,356 for the quarter (+123.4% QoQ), also related mostly to additional provisions recorded during the quarter (MCH\$500 in 4Q21, MCH\$0 in 3Q21). The consumer portfolio saw a decrease in LLP expenses to MCH\$2,263 (-3.9% YoY), due to a high basis of comparison because of additional provisions recorded in 3Q21 (MCH\$100 in 4Q21, MCH\$900 in 3Q21).

In Ch\$ Million	4Q21	3Q21	4Q20	% Chg YoY	2021	2020	%Chg YoY
Consumer LLP expenses ²	-2,263	-2,354	-4,271	-47.0%	-7,460	-24,572	-69.6%
Mortgage LLP expenses ²	-1,356	-607	-267	407.9%	-2,583	-831	210.8%
Commercial LLP expenses ²	-16,379	-15,064	-17,295	-5.3%	-68,050	-43,357	57.0%
Others ³	-405	31	-665	-39.1%	-866	-1,528	-43.3%
Expense in total provisions²	-20,403	-17,994	-22,498	-9.3%	-78,959	-70,288	12.3%
Consumer LLP / Loans	2.14%	2.27%	3.73%	-160 p	1.76%	5.37%	-361 p
Mortgage LLP / Loans	0.66%	0.31%	0.15%	51 p	0.31%	0.12%	20 p
Commercial LLP / Loans	1.20%	1.13%	1.37%	-17 p	1.24%	0.86%	38 p
LLP expenses² / Loans	1.21%	1.10%	1.44%	-23 p	1.17%	1.13%	4 p

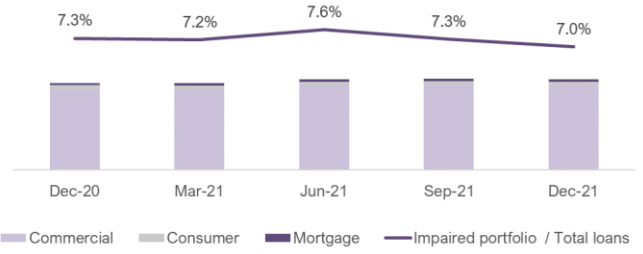
² Expense in provisions net of recovery

The NPL portfolio reached MCH\$92,198 as of December 2021, down 15.8% during the year. As of December 2021, the NPL portfolio represents 1.37% of loans (-39 bps YoY, -15 bps QoQ). Since 4Q20 the ratio has stayed under 2%, the target established for fiscal year 2021. As a result, the NPL coverage ratio has improved, reaching 1.72 as of December 2021 (1.50 as of September 2021, 1.12 as of December 2020). Including the additional provisions, the ratio is 1.81 as of December 2021 (1.57 as of September 2021, 1.16 as of December 2020). Meanwhile, the impaired portfolio represents 7.02% of the portfolio as of December 2021 (-28 bps YoY, -26 bps QoQ).

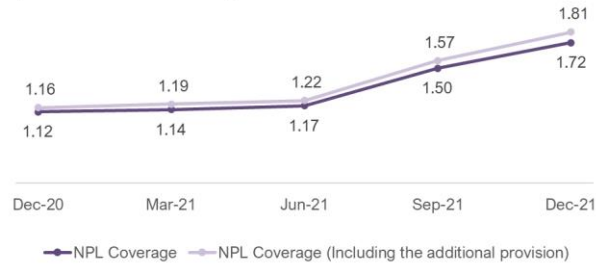
NPL Portfolio M MM\$



Impaired portfolio BCH\$



NPL Coverage
(Provisions / NPL Portfolio)



In Ch\$ Million	4Q21	3Q21	4Q20	% Chg	
				QoQ	YoY
Consumer loans	423,790	415,531	457,704	2.0%	-7.4%
Mortgage loans	824,967	786,018	712,074	5.0%	15.9%
Commercial loans	5,479,946	5,338,376	5,057,580	2.7%	8.4%
Total Loans	6,731,538	6,542,131	6,228,083	2.9%	8.1%
Nonperforming loans - consumer	5,277	5,072	5,670	4.0%	-6.9%
Nonperforming loans - mortgage	6,268	7,223	7,447	-13.2%	-15.8%
Nonperforming loans - commercial	80,652	86,967	96,431	-7.3%	-16.4%
Total nonperforming loans	92,198	99,263	109,548	-7.1%	-15.8%
Non-performing loans - consumer	1.25%	1.22%	1.24%	2 p	1 p
Non-performing loans - mortgage	0.76%	0.92%	1.05%	-16 p	-29 p
Non-performing loans - commercial	1.47%	1.63%	1.91%	-16 p	-43 p
Total nonperforming loans	1.37%	1.52%	1.76%	-15 p	-39 p
Gross provisions	199,951	179,794	170,438	11.2%	17.3%
Write-offs	(41,271)	(30,972)	(47,695)	33.3%	-13.5%
Credit risk provisions	158,680	148,822	122,743	6.6%	29.3%
Provisions - consumer (% total)	18,375	19,370	24,721	-5.1%	-25.7%
Provisions - mortgage (% total)	1,496	1,478	1,136	1.2%	31.7%
Provisions - commercial (% total)	138,809	127,974	96,886	8.5%	43.3%
Credit risk provisions	158,680	148,822	122,743	6.6%	29.3%
Coverage - consumer	348.2%	381.9%	436.0%	-3368 p	-8779 p
Coverage - mortgage	23.9%	20.5%	15.3%	340 p	861 p
Coverage - commercial	172.1%	147.2%	100.5%	2496 p	7164 p
Coverage - total nonperforming loans¹	172.1%	149.9%	112.0%	2218 p	6006 p
Provisions / loans	2.36%	2.27%	1.97%	8 p	39 p
Total impaired loans	7.02%	7.28%	7.30%	-26 p	-28 p
Impaired loans - consumer	3.57%	4.19%	5.28%	-61 p	-170 p
Impaired loans - mortgage	1.47%	1.58%	1.60%	-11 p	-13 p
Impaired loans - commercial	8.13%	8.36%	8.29%	-23 p	-16 p

¹ Credit risk provisions / Total nonperforming loans

For 12M20, the Bank reported support expenses of MCH\$133,562 (-0.4% YoY), stable year over year. It had lower payroll expenses of MCH\$55,749 (-14.8% YoY) following structural adjustments in late 2020 as part of the savings plan rolled out across all Group companies. For 12M21, employee termination expenses totaled MCH\$5,451 (MCH\$5,080 for 12M20). Similarly, bonus expenses were also lower than in 2020. Employee performance bonuses paid in 1Q20 were for the year 2019, while bonuses paid in 1Q21 were for the year 2020. Finally, depreciation and amortization expense totaled MCH\$7,491 (-4.4% YoY). These effects were partially offset by increased administrative expenses of MCH\$70,322 (+15.5% YoY) due to a rise in consulting expenses.

During the quarter, support expenses reached MCH\$35,972 (+16.8% QoQ) explained by higher personnel expenses of MCH\$14,574 (+48.2% QoQ), because of bonus payments made in 4Q21. It posted administrative expenses of MCH\$19,541 (+2.2% QoQ), while depreciation and amortization expense held steady (+1.4% QoQ).

<i>In Ch\$ Millions</i>	4Q21	3Q21	4Q20	% Chg		2021	2020	% Chg
				QoQ	YoY			
Personnel	-14,574	-9,836	-16,019	48.2%	-9.0%	-55,749	-65,424	-14.8%
Administrative expenses	-19,541	-19,126	-14,720	2.2%	32.8%	-70,322	-60,867	15.5%
Depreciation and amortization	-1,857	-1,831	-1,994	1.4%	-6.9%	-7,491	-7,836	-4.4%
Total operating expenses	-35,972	-30,793	-32,733	16.8%	9.9%	-133,562	-134,127	-0.4%
Gross operating income	84,561	75,176	75,304	12.5%	12.3%	303,137	283,835	6.8%
Operating expenses / Gross operating income	42.5%	41.0%	43.3%	158 p	-74 p	44.1%	47.2%	-314 p

Banco Security's efficiency ratio, measured as operating expenses + other operating expenses over total operating income, was 44.1% for 12M21 (-314 bps YoY), due to stable expenses (-0.4% YoY) and improved gross operating income (+6.8% YoY). Quarter-on-quarter, efficiency reached 42.5% (+158 bps QoQ), with greater support expenses (+16.8% QoQ) and higher gross operating income (+12.5% QoQ).

For 12M21, it recognized a lower income tax expense (MCH\$7,086; -53.3% YoY), due to price-level restatement of tax-basis equity stemming from higher inflation during the period (7.2% for 2021 vs 3.0% for 2020, UF variation 6.6% for 2021 vs 2.7% for 2020) and MCH\$1,141 in deferred tax income recorded by the brokerage subsidiary in 1Q21.

Banco Security - Operating Segments

Banco Security Segment Note	Commercial Banking		Retail Banking		Treasury		Other		Total Bank		Subsidiaries		Total Consolidated	
	Dec-21	Dec-20	Dec-21	Dec-20	Dec-21	Dec-20	Dec-21	Dec-20	Dec-21	Dec-20	Dec-21	Dec-20	Dec-21	Dec-20
<i>In Ch\$ Million</i>														
Net interest margin	101,935	102,250	49,524	59,841	61,356	45,255	0	0	212,814	207,346	1,811	30	214,625	207,376
Δ% 12M21	-0.3%		-17.2%		35.6%		-		2.6%		5920.6%		3.5%	
Net Fees	20,934	18,567	13,050	14,919	-158	-195	0	0	33,826	33,291	27,113	23,633	60,939	56,924
Δ% 12M21	12.7%		-12.5%		-19.2%		-		1.6%		14.7%		7.1%	
Net FX transactions and other income	8,426	8,957	1,237	2,161	10,757	19,048	-9,369	-15,700	11,052	14,466	7,196	8,399	18,248	22,865
Δ% 12M21	-5.9%		-42.8%		-43.5%		-40.3%		-23.6%		-14.3%		-20.2%	
Loan losses and foreclosed assets	-60,754	-47,706	-15,031	-29,939	-1	-74	0	0	-75,787	-77,718	0	0	-75,787	-77,718
Δ% 12M21	27.4%		-49.8%		-99.0%		-		-2.5%		-		-2.5%	
Total operating income, net of credit risk prov.	70,540	82,068	48,779	46,982	71,955	64,033	-9,369	-15,700	181,905	177,384	36,120	32,062	218,025	209,446
Δ% 12M21	-14.0%		3.8%		12.4%		-40.3%		2.5%		12.7%		4.1%	
Operating expenses	-40,567	-42,999	-52,812	-55,043	-13,124	-14,296	735	4,374	-105,768	-107,964	-28,058	-26,163	-133,826	-134,127
Δ% 12M21	-5.7%		-4.1%		-8.2%		-83.2%		-2.0%		7.2%		-0.2%	
Net operating income	29,974	39,069	-4,033	-8,060	58,830	49,737	-8,634	-11,326	76,137	69,420	8,062	5,899	84,199	75,319
Δ% 12M21	-23.3%		-50.0%		18.3%		-23.8%		9.7%		36.7%		11.8%	
Income tax expense	-3,324	-8,127	447	1,677	-6,523	-10,346	954	2,353	-8,446	-14,443	1,360	-736	-7,086	-15,179
Δ% 12M21	-59.1%		-73.3%		-36.9%		-59.5%		-41.5%		-		-53.3%	
Profit attributable to equity holders of the bank	26,650	30,942	-3,586	-6,383	52,307	39,391	-7,664	-8,960	67,707	54,989	9,419	5,161	77,127	60,150
Δ% 12M21	-13.9%		-43.8%		32.8%		-14.5%		23.1%		82.5%		28.2%	

Banco Security Segment Note	Commercial Banking		Retail Banking		Treasury		Other		Total Bank		Subsidiaries		Total Consolidated	
	4Q-21	3Q-21	4Q-21	3Q-21	4Q-21	3Q-21	4Q-21	3Q-21	4Q-21	3Q-21	4Q-21	3Q-21	4Q-21	3Q-21
<i>In Ch\$ Million</i>														
Net interest margin	27,965	25,316	12,774	12,084	23,069	10,768	0	0	63,807	48,168	1,426	257	65,233	48,425
Δ% 4Q21	10.5%		5.7%		114.2%		-		32.5%		454.9%		34.7%	
Net Fees	4,698	5,696	3,822	3,523	-50	-36	0	0	8,470	9,183	7,949	6,584	16,419	15,767
Δ% 4Q21	-17.5%		8.5%		38.1%		-		-7.8%		20.7%		4.1%	
Net FX transactions and other income	1,979	2,144	250	712	-781	2,760	-3,491	178	-2,042	5,795	2,706	1,107	664	6,902
Δ% 4Q21	-7.7%		-64.9%		-		-		-		144.4%		-90.4%	
Loan losses and foreclosed assets	-16,554	-11,878	-3,487	-3,755	0	0	0	0	-20,041	-15,633	0	0	-20,041	-15,633
Δ% 4Q21	39.4%		-7.1%		-0.3%		-		28.2%		-		28.2%	
Total operating income, net of credit risk prov.	18,088	21,279	13,359	12,564	22,238	13,492	-3,491	178	50,194	47,513	12,081	7,948	62,275	55,461
Δ% 4Q21	-15.0%		6.3%		64.8%		-		5.6%		52.0%		12.3%	
Operating expenses	-11,380	-10,077	-14,382	-12,429	-3,338	-3,170	1,330	732	-27,770	-24,944	-8,276	-5,916	-36,046	-30,860
Δ% 4Q21	12.9%		15.7%		5.3%		81.7%		11.3%		39.9%		16.8%	
Net operating income	6,708	11,202	-1,023	135	18,900	10,323	-2,160	910	22,424	22,569	3,805	2,032	26,229	24,601
Δ% 4Q21	-40.1%		-		83.1%		-		-0.6%		87.3%		6.6%	
Income tax expense	175	-1,945	-5	48	-519	-2,193	-18	23	-367	-4,067	-30	69	-397	-3,998
Δ% 4Q21	-		-		-76.3%		-		-91.0%		-		-90.1%	
Profit attributable to equity holders of the bank	6,883	9,256	-1,029	183	18,381	8,130	-2,179	933	22,056	18,502	3,777	2,098	25,831	20,603
Δ% 4Q21	-25.6%		-		126.1%		-		19.2%		80.0%		25.4%	

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 December 2021, commercial loans had grown 8.4% YoY to BCH\$5,480, while industry-wide commercial loans were up 9.3% YoY. Including foreign subsidiaries, the industry's commercial loans grew 10.1% YoY. Banco Security's market share in commercial loans was 4.8% as of December 2021, while its market share in its target segment of medium and large companies was 5.96%³. The Commercial Banking Division had 8,006 customers as of December 2021 (-0.2% YoY).

The Commercial Banking Division posted profit of MCH\$26,650 for 12M21 (-13.9% YoY). This weaker result is explained mainly

Commercial Loans by Economic Sector	% Total
Real estate investors and corporate services	18.5%
Construction and real estate	17.0%
Financial services and insurance	17.8%
Social services	11.8%
Wholesale and retail trade	10.5%
Transportation	6.4%
Manufacturing	5.7%
Utilities	4.3%
Agriculture and livestock	3.9%
Fishing	1.5%
Mining	1.8%
Telecom	0.5%
Forestry	0.1%
Total commercial loans	100%

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).

by increased LLP expenses, totaling MCH\$60,754 for 12M21, above MCH\$47,706 for 12M20 (see pages 8 to 10 for more information). The net interest margin was MCH\$101,935 (-0.3% YoY) due to lower income from liabilities because of falling interest rates during the first three quarters of the year, offset by growth in commercial loans (+8.4% YoY) and a higher average portfolio spread. Financial operating income, net FX transactions and other income totaled MCH\$8,426 (-5.9% YoY), due to a smaller volume of structured deals. These effects were partially offset by lower support expenses of MCH\$40,567 for 12M21 (-5.7% YoY) because of structural adjustments and the cost-cutting plan implemented in 2020. The division also recognized higher net commission and fee income of MCH\$20,934 (+12.7% YoY) due to increased business.

For the quarter, profit was MCH\$6,883 (-25.6% QoQ), explained by greater loan losses during the period of MCH\$16,554 (+39.4% QoQ), due to a drop in the value of some customers' collateral. Administrative expenses climbed to MCH\$11,380 for 4Q21 (+12.9% QoQ) mainly because of structural adjustments in support areas, among other factors. In contrast, net fee and commission income fell to MCH\$4,698 (-17.5% QoQ) and net financial operating income, net FX transactions and other income decreased to MCH\$1,979 (-7.7% QoQ), because of a drop in structured deals and fewer prepayments. These effects were partially offset by a net interest margin of MCH\$27,965 (+10.5% QoQ) explained by a rise in income from liabilities because of rate hikes (average MPR in 4Q21 of 2.83% vs 0.96% for 3Q21), growth in commercial loans (+2.7% YoY) and a larger spread.

Retail Banking

Banco Security's Retail Banking Division targets high-income individuals. The Retail Banking Division focused on consumer products until 2019 but shifted to mortgage products two years ago.

As of December 2021, the Bank had total retail loans (consumer + mortgage) of BCH\$1,249 (+6.8% YoY), explained by lower consumer loan volumes (-7.4% YoY), partly counteracted by greater mortgage loan volumes (+15.9% YoY), representing 6.3% and 12.3% of the Bank's total loans, respectively. For the industry, retail loans increased +11.6% YoY, driven by growth in mortgage (+13.5% YoY) and consumer (+6.7% YoY) loans. Including foreign subsidiaries, the industry's retail loans were up +12.2% YoY. Banco Security achieved a market share of 4.8%⁴ in its target segment of high-income individuals as of December 31, 2021. The Retail Banking Division had 65,085 customers as of December 2021 (-3.6% YoY).

The Retail Banking Division posted a loss of -MCH\$3,586 for 12M21 (-MCH\$6,383 in 12M20). The net interest margin reached MCH\$49,524 (-17.2% YoY) because of lower income from liabilities and a drop in consumer loans (-7.4% YoY), partly offset by a larger spread. Moreover, net fee and commission income fell to MCH\$13,050 (-12.5% YoY), due to a decline in supplementary loan insurance products and debit and credit cards. Financial operating income, net FX transactions and other income totaled MCH\$1,237 for 12M21 (-42.8% YoY), due to decreased sales of mortgage bonds. These effects were partly offset by reduced LLP expenses of MCH\$15,031 for 12M21 (-49.8% YoY) due to a decline in consumer loans and shrinking consumer and mortgage NPL portfolios (-6.9% YoY and -15.8% YoY, respectively), in light of the government's relief plans and pension fund withdrawals. In addition, support expenses totaled MCH\$52,812 (-4.1% YoY) explained by cost-cutting efforts and structural adjustments carried out in 2020, as well as reduced business.

Compared to the previous quarter, the Retail Banking Division reported a loss of -MCH\$1,029 for 4Q21 (versus profit of MCH\$183 for 3Q21) due to greater support expenses of MCH\$14,382 (+15.7% QoQ) because of consulting expenses and structural adjustments in support areas, and a decrease in financial operating income, net FX transactions and other income, which totaled

⁴ This 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: Chilean Internal Revenue Service (CMF).

MCH\$250 (-64.9% QoQ) due to lower sales of mortgage bonds during the quarter. These effects were partially offset by a greater net interest margin of MCH\$12,774 for the quarter (+5.7% QoQ), mainly because of greater income from liabilities stemming from the rate hike during the quarter, and greater net fee and commission income of MCH\$3,822 (+8.5% QoQ) due to an increase in credit and debit cards. LLP expenses fell to MCH\$3,487 (-7.1% QoQ), due to a high basis of comparison because of additional provisions recorded in 3Q21 (MCH\$100 in 4Q21, MCH\$900 in 3Q21).

Treasury

For 12M21, the Treasury reported profit of MCH\$52,307 (+32.8% YoY), explained by increased net operating income of MCH\$71,955 (+12.4% YoY), increased income from indexed assets and liabilities because of higher inflation (7.2% in 2021 vs 3.0% in 2020, UF variation 6.6% in 2020 vs 2.7% in 2020) and a larger mismatch in the last quarter of the year. Additionally, it had lower cost of funds during the year. These effects were partly offset by lower income from brokering fixed-income instruments with a high basis of comparison, especially during the second quarter of 2020. Support expenses fell to MCH\$13,124 (-8.2% YoY) due to lower commercial bonuses expenses. Employee performance bonuses paid in 1Q20 were for the year 2019, while bonuses paid in 1Q21 were for the year 2020.

For the quarter, the division reported profit of MCH\$18,381 (+126.1% QoQ), with net operating income of MCH\$22,238 (+64.8% QoQ), because of a larger mismatch and indexation due to higher inflation during the quarter (2.6% in 4Q21 vs 2.4% in 3Q21, UF variation 3.0% vs 1.3%) and a greater margin due to the lower cost of funds and effects related to rate hikes (average MPR for 4Q21 of 2.83% vs 0.96% for 3Q21). These effects were partially offset by lower income from brokering fixed-income instruments in 4Q21. Support expenses rose to MCH\$3,338 (+5.3% QoQ) due to increased expenses for structural adjustments to support areas.

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. ALM represented 60.8% of treasury income in 2021. The investment and trading desks manage the Bank's own portfolio of primarily Chilean Central Bank notes and corporate bonds and represent 23.4% of treasury income. The remaining 15.7% 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

Total loans reached MCH\$7,731,538 as of December 2021, +8.1% YoY, while industry loans were up 10.4% YoY. Including foreign investments, industry loans grew 11% YoY. Commercial loans grew 8.4% YoY to MCH\$5,479,946 (81.4% of Banco Security's total loan portfolio), while retail loans (consumer + mortgage) reached MCH\$1,248,757 as of December 2021, +6.8% YoY. The 20 largest borrowers represent 14.45% of the Bank's total loan portfolio.

Total Loans In Ch\$ Millions		Dec-21	Sep-21	Dec-20	%Chg	
					QoQ	YoY
	Consumer	423,790	415,531	457,704	2.0%	-7.4%
	Mortgage	824,967	786,018	712,074	5.0%	15.9%
	Mortgage + Consumer	1,248,757	1,201,549	1,169,778	3.9%	6.8%
	No. Customers	65,085	65,362	67,496	-0.4%	-3.6%
	Commercial	5,479,946	5,338,376	5,057,580	2.7%	8.4%
	No. Customers	8,006	7,998	8,023	0.1%	-0.2%
Total Loans		6,731,538	6,542,131	6,228,083	2.9%	8.1%
Market Share		3.3%	3.3%	3.4%	-2 p	-7 p

Interest and indexation income In Ch\$ Millions		4Q21	3Q21	4Q20	%Chg		Dec-21	Dec-20	% Chg YoY
					QoQ	YoY			
	Consumer	10,459	9,889	11,337	5.8%	-7.7%	41,322	50,695	-18.5%
	Mortgage	27,681	14,355	13,713	92.8%	101.9%	67,428	38,477	75.2%
	Mortgage + Consumer	38,140	24,244	25,050	57.3%	52.3%	108,750	89,172	22.0%
	Commercial	134,032	81,533	80,287	64.4%	66.9%	363,585	270,181	34.6%
	Investment instruments	15,229	7,098	6,189	114.5%	146.1%	32,505	24,204	34.3%

Interest and indexation income/Loans In Ch\$ Millions		4Q21	3Q21	4Q20	%Chg		Dec-21	Dec-20	% Chg YoY
					QoQ	YoY			
	Consumer	9.87%	9.52%	9.91%	35 p	-4 p	19.50%	22.15%	-265 p
	Mortgage	13.42%	7.31%	7.70%	612 p	572 p	16.35%	10.81%	554 p
	Mortgage + Consumer	12.22%	8.07%	8.57%	415 p	365 p	17.42%	15.25%	217 p
	Commercial	9.78%	6.11%	6.35%	367 p	343 p	13.27%	10.68%	259 p
	Total	10.23%	6.47%	6.77%	376 p	347 p	14.03%	11.54%	249 p

Banco Security – Funding Sources

Funding Sources In MCH\$	Dec-21		Sep-21		Dec-20		% Chg	
							QoQ	YoY
Demand deposits	1,717,574	18.3%	1,436,590	16.3%	1,175,141	14.5%	19.6%	46.2%
Time deposits	1,865,280	19.9%	1,715,144	19.4%	1,890,734	23.4%	8.8%	-1.3%
Total deposits	3,582,854	38.3%	3,151,734	35.7%	3,065,875	37.9%	13.7%	16.9%
Bonds	3,147,284	33.6%	3,107,830	35.2%	2,930,589	36.3%	1.3%	7.4%
Interbank loans	1,473,907	15.7%	1,377,814	15.6%	1,052,094	13.0%	7.0%	40.1%
Other liabilities*	461,117	4.9%	508,930	5.8%	369,219	4.6%	-9.4%	24.9%
Total Liabilities	8,665,162	92.5%	8,146,308	92.3%	7,417,778	91.8%	6.4%	16.8%
Equity	700,616	7.5%	682,160	7.7%	661,938	8.2%	2.7%	5.8%
Liabilities + Equity	9,365,778	100%	8,828,468	100%	8,079,716	100%	6.1%	15.9%

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

Demand and Time Deposits

As of December 2021, deposits totaled MCH\$3,582,854 (+16.9% YoY), while the industry figure was up +8.4% YoY and +10.3% YoY (including foreign subsidiaries). As of December 2021, time deposits totaled MCH\$1,865,280 (-1.3% YoY), down 27.2% during the first half of the year due to lower rates and a larger appetite for liquidity, as well as the financing alternative of the third phase of the Chilean Central Bank's Conditional Credit Facility (FCIC) program. This trend was reversed during the second half of the year, growing 35.5% between June 2021 and December 2021, because of rate hikes during the period (MPR 0.50% average December 2020-June 2021, 1.88% average June 2021-December 2021).

Banco Security's time deposits consisted of 37% retail deposits and 63% institutional deposits. The 15 largest depositors represent 10.6% of the Bank's total deposits. The loan to deposit ratio was 187.9% as of December 2021, compared to 203.1%

as of December 2020. Banco Security has a strategy 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 December 2021, the ratio of long-term interest rate risk to regulatory capital was 3.96%⁶.

As of December 31, 2021, liquid assets⁷ represented 135.0% of demand and other time deposits. The liquidity coverage ratio⁸ as December 2021 was 344.16%, above the regulatory minimum of 70%.

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
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
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
C1	11/2019	11-Nov-19	U.F.	5,000,000	0.80	6	1-Mar-26
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
Z7	04/2020	12-Mar-20	CLP	100,000,000,000	2.75	6	1-Nov-25
D4	04/2020	12-Mar-20	U.F.	5,000,000	0.50	10.5	1-Jul-30

As of December 2021, Banco Security had issued MCH\$2,786,341 in senior bonds, as detailed in Note 21 of Banco Security's financial statements.

⁵ Liquidity 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).

⁶ This 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.

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

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

Banco Security – Capitalization

As of December 2021, Banco Security's equity attributable to the owners of the parent totaled MCH\$700,559 (+5.8% YoY).

<i>In Ch\$ Million</i>	Dec-21	Sep-21	Dec-20	% Chg	
				QoQ	YoY
Capital	325,041	325,041	302,047	0.00%	7.61%
Reserves and valuation accounts	9,733	9,362	36,010	3.96%	-72.97%
Retained earnings	365,785	347,704	323,828	5.20%	12.96%
Equity attributable to equity holders of bank	700,559	682,107	661,885	2.71%	5.84%
Tier I (core capital)	700,559	682,107	661,885	2.71%	5.84%
Regulatory capital	982,029	956,376	926,896	2.68%	5.95%
Minimum required capital	563,495	552,148	527,721	2.05%	6.78%
Risk-weighted assets	7,043,682	6,901,854	6,596,514	2.05%	6.78%
BIS ratio	13.94%	13.86%	14.05%	9 p	-11 p
Core capital / total assets	7.14%	7.37%	7.85%	-23 p	-71 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, which takes effect in Chile in 2022. It currently meets internal and regulatory requirements for capital ratios and received a positive score from regulators on the Capital Self-Assessment Report (IAPE) 2021.

The Bank's capital adequacy ratio as of December 2021, calculated as regulatory capital over risk-weighted assets, reached 13.94% (with a regulatory minimum of 8%), -11 bps YoY. The decrease is in response to a 6.8% rise in risk-weighted assets, in line with the 8.1% growth in total loans, while regulatory capital increased proportionally less (+5.9% YoY). The ratio of core capital to total assets reached 7.14%, -71 bps YoY. For the same period, its ROAE (profit LTM over average equity) was 11.32% (+192 bps YoY).

FACTORING SECURITY

For 12M21, Factoring Security reported profit of MCH\$10,192 (+7.6% YoY). Net operating income was MCH\$25,641 (-2.3% YoY), because of the portfolio's smaller spread. This was partly offset by a larger loan volume of MCH\$440,264 (+22.3% YoY) and increased indexation income (+447.7% YoY), stemming from higher inflation during the period (7.2% for 2021 vs 2.7% for 2020, UF variation of 6.6% for 2021 vs 2.7% for 2020). Operating expenses fell to MCH\$10,637 (-7.4% YoY) mainly due to lower payroll expenses following structural adjustments. Meanwhile, LLP expenses reached MCH\$2,744 (+10.6% YoY), with a ratio of LLP expenses to loans of 0.62% as of December (-7 bps YoY).

During 4Q21, the subsidiary reported profit of MCH\$3,005 (+25.1% QoQ), with net operating income of MCH\$6,923 (+10.3% QoQ), related to the portfolio's improved spread, larger loan volumes (+9.7% QoQ) and a rise in indexation income (+116.1% QoQ) because of higher inflation during the quarter (2.6% in 4Q21 vs 2.4% in 3Q21, UF variation 3.0% vs 1.3%). Support expenses totaled MCH\$2,812 (+8.2% QoQ) due to bonuses, structural adjustments and seasonal expenses.

These effects resulted in an efficiency ratio of 41.5% as of December 2021 (-228 bps YoY and -1,165 bps QoQ). As of December 2021, the risk ratio measured as provisions to total loans was 2.00%, +32 bps YoY and +1 bps QoQ.

In Ch\$ Million	4Q21	3Q21	4Q20	% Chg		2021	2020	% Chg YoY
				QoQ	YoY			
Factored receivables	440,264	401,159	360,084	9.7%	22.3%	440,264	360,084	22.3%
Provisions	8,784	7,953	6,040	10.4%	45.4%	8,784	6,040	45.4%
Net Operational Income	6,923	6,276	6,290	10.3%	10.1%	25,641	26,240	-2.3%
Loan loss provision expenses	-831	-618	-634	34.4%	31.0%	-2,744	-2,481	10.6%
Support expenses	-2,812	-2,598	-3,062	8.2%	-8.2%	-10,637	-11,482	-7.4%
Profit for the period	3,005	2,403	2,071	25.1%	45.1%	10,192	9,471	7.6%
Efficiency ratio ¹	-40.6%	-41.4%	-48.7%	78 p	806 p	-41.5%	-43.8%	228 p
LLP / Factored receivables	0.75%	0.62%	0.70%	14 p	5 p	0.62%	0.69%	-7 p
Risk ratio ²	2.00%	1.98%	1.68%	1 p	32 p	2.00%	1.68%	32 p

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

ASSET MANAGEMENT BUSINESS AREA (2.2% of assets; 7.7% of profit from business areas for 12M21)

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.

The area had AUM of MCH\$4,001,004 as of December 2021 (-5.8% YoY) due to a drop in AUM in mutual funds (-12.9% YoY), mostly domestic short- and long-term fixed-income instruments, and a decline in AUM in investment funds, which totaled MCH\$200,187 as of December 2021 (-32.5% YoY). This was offset partly by an increase in international (+25.4% YoY) and domestic (+6.6% YoY) custody. Compared to the immediately preceding quarter, Inversiones Security's AUM dropped -3.4% QoQ, mainly because of a decrease in mutual funds (-7.7% QoQ), in particular in short-term domestic fixed-income funds. AGF Security has market share of 4.8% of the mutual fund industry. The total value of shares traded was MCH\$995,249 for 12M21 (-13.8% YoY and -74.3% QoQ) with market share of 1.6%.

In Ch\$ Million	2021	9M21	2020	% Chg	
				QoQ	YoY
Assets under management (AUM)	4,001,004	4,146,547	4,247,639	-3.5%	-5.8%
Mutual funds under management	2,464,190	2,610,737	2,789,219	-5.6%	-11.7%
Market share - mutual funds	4.8%	5.0%	5.4%	-15 p	-60 p

In Ch\$ Million	4Q21	3Q21	4Q20	% Chg		2021	2020	% Chg
				QoQ	YoY			
Value of shares traded	68,320	266,152	195,276	-74.3%	-65.0%	995,249	1,154,903	-13.8%
Market share - equities brokerage	0.9%	1.9%	1.8%	-102 p	-95 p	1.6%	2.0%	-33 p
Operating income	9,958	9,069	9,226	9.8%	7.9%	37,365	36,133	3.4%
Non-operating income	3,302	333	2,252	892.2%	46.7%	4,943	4,999	-1.1%
Total expenses	-9,501	-4,338	-9,423	119.0%	0.8%	-30,926	-35,080	-11.8%
Efficiency ratio	71.7%	46.1%	82.1%	2551 p	-1045 p	73.1%	85.3%	-1219 p
AGF Security	2,981	1,866	1,124	59.7%	165.3%	7,066	3,838	84.1%
Valores Security	911	106	346	763.2%	163.8%	2,343	1,326	76.8%
Securitizadora & CasaNuestra	390	672	1,450	-41.9%	-73.1%	1,271	903	40.7%
Profit - Asset Management	4,115	2,639	3,219	55.9%	27.8%	10,680	6,174	73.0%

The asset management area reported profit of MCH\$10,680 for 12M21 (+73.0% YoY), with improved results from all subsidiaries. In particular, AGF Security had profit of MCH\$7,066 for 12M21 due to increased operating income related to a larger ROA (0.70% as of December 2021), while Valores Security reported profit of MCH\$2,343 (+76.8% YoY) because of MCH\$1,141 in deferred taxes recognized in 1Q21. In addition, Securitizadora and CasaNuestra reported profit of MCH\$1,271 for 12M21 (+40.7% YoY), explained by a better net interest margin and greater income from portfolio sales by CasaNuestra.

Operating income reached MCH\$37,365 for 12M21 (+4.9% YoY), as a result of a larger ROA due to greater income from fixed-income funds because of the rate hike in the second half of the year. In addition, it enjoyed greater transactional income (11.4% YoY), particularly from international deals. In contrast, non-operating income fell to MCH\$4,943 (-1.2% YoY), while total expenses reached MCH\$34,424 (-0.9% YoY), both stable year over year.

For 4Q21 it reported quarterly profit of MCH\$4,115 (+55.9% QoQ). Operating income reached MCH\$9,958 (+8.7% QoQ), with greater income from funds (+7.5% QoQ), due to increased income from fixed-income funds and a rise in transactional income (+14.3% QoQ), mostly from international deals. Non-operating income totaled MCH\$3,302 (+707.6% QoQ), due to improved returns on the AGF and Valores proprietary trading portfolios. Meanwhile, it reported total expenses of MCH\$9,501 for the quarter (+23.9% QoQ), with increased consulting and seasonal expenses and a low basis of comparison.

INSURANCE BUSINESS AREA (22.1% of assets; 32.8% of profit from business areas for 12M21)

The insurance business area reported profit of MCH\$45,744 for 12M21. 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

Vida Security reported profit of MCH\$45,496 (+93.4% YoY), due to improved returns on the proprietary trading portfolio (+42.9% YoY). The company had premiums of MCH\$329,921 as of December 2021 (+43.8% YoY) with market share of 7.3% in annuities.

Results by Product Line

In MCH\$	Individual		Family Protection		Group Insurance		Annuities		DSI		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Gross written premiums	170,446	141,284	6,751	6,907	61,079	66,557	91,356	14,318	289	326	329,921	229,392
Net premiums written	168,187	139,009	6,751	6,907	59,049	64,958	91,356	14,318	120	63	325,463	225,255
Variation in technical reserves	-66,205	-41,963	32	-43	2,344	-362	0	0	1,273	-3,432	-62,557	-45,801
Claims paid	-113,367	-98,166	-1,766	-1,537	-48,288	-34,015	0	-41	46,840	28,726	-116,581	-105,034
Pensions paid	-1,776	-2,297	0	0	0	0	-153,093	-72,630	-45,958	-29,563	-200,828	-104,490
Underwriting expenses	-8,780	-9,422	-2,166	-2,040	-3,445	-4,020	-770	-177	0	0	-15,162	-15,659
Medical expenses	-12	-14	0	-1	-5	-4	0	0	0	0	-17	-19
Insurance impairment	0	0	0	0	-167	32	0	0	0	0	-167	32
Contribution Margin	-21,953	-12,853	2,851	3,286	9,488	26,589	-62,508	-58,448	2,275	-4,206	-69,849	-45,633
CUI portfolio	32,863	25,146									32,863	25,146
Proprietary portfolio	0	0									118,316	82,783
Investment income											151,180	107,929
Administrative expenses											-33,683	-32,880
Exchange differences											-590	-903
Gain (loss) on indexed assets and liabilities											-9,113	-4,165
Other income and expenses											-72	-522
Income tax expense											7,622	-297
Profit for the period											45,496	23,529

In MCH\$	Individual		Family Protection		Group Insurance		Annuities		DSI		Total	
	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21
Gross written premiums	60,213	41,425	1,686	1,686	13,600	16,776	18,791	23,843	93	73	94,384	83,803
Net premiums written	59,210	41,354	1,686	1,686	13,360	15,644	18,791	23,843	57	34	93,105	82,562
Variation in technical reserves	-24,275	-19,061	21	-16	715	570	0	0	610	998	-22,929	-17,508
Claims paid	-41,216	-22,359	-367	-461	-11,675	-14,828	0	0	9,476	7,984	-43,782	-29,664
Pensions paid	-781	-422	0	0	0	0	-35,254	-38,924	-8,829	-10,761	-44,863	-50,106
Underwriting expenses	-2,492	-2,238	-656	-545	-808	-877	-120	-161	0	0	-4,076	-3,821
Medical expenses	-4	-4	0	0	-1	-1	0	0	0	0	-5	-5
Insurance impairment	0	0	0	0	-115	-36	0	0	0	0	-115	-36
Contribution Margin	-9,557	-2,728	684	663	1,477	472	-16,582	-15,242	1,314	-1,744	-22,665	-18,578
CUI portfolio	12,027	4,742									12,027	4,742
Proprietary portfolio	0	0									23,398	37,854
Investment income											35,425	42,597
Administrative expenses											-8,967	-9,080
Exchange differences											-102	-643
Gain (loss) on indexed assets and liabilities											-3,673	-2,497
Other income and expenses											25	-72
Income tax expense											7,331	2,788
Profit for the period											7,373	14,514

Individual Insurance (51.7% of gross written premiums as of December 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\$21,953 for 12M21, versus a loss of -MCH\$12,853 for 12M20, due to a negative variation in technical reserves because of improved investment income and higher premium volumes. Gross written premiums were MCH\$170,446 for 12M21 (+20.6% YoY), due to greater gross written premiums from insurance with savings components (CUI) and voluntary retirement savings (APV) as a result of greater market liquidity. The variation in technical reserves was -MCH\$66,205, versus -MCH\$41,963 for 12M20, due to improved investment income on the CUI and APV portfolios of MCH\$32,863 (+30.7% YoY), and increased premiums (+20.6% YoY). Underwriting expenses reached -MCH\$8,780 (-6.8% YoY) due to additional sporadic contributions to savings products (CUI and APV) generating a lower underwriting expense ratio (-156 bps YoY). Meanwhile, claims paid totaled MCH\$113,367 (+15.5% YoY) due to increased surrenders and transfers from CUI policies.

Improved returns on the CUI and APV investment portfolio are counterbalanced by greater variations in technical reserves.

As of December 2021, CUI and APV policies represent 92% of total individual insurance premiums.

Individual Insurance In MCH \$	4Q21	3Q21	4Q20	% Chg.		2021	2020	% Chg.
				QoQ	YoY			
Gross written premiums	60,213	41,425	41,133	45.4%	46.4%	170,446	141,284	20.6%
Net premiums written	59,210	41,354	40,599	43.2%	45.8%	168,187	139,009	21.0%
Variation in technical reserves	-24,275	-19,061	-22,166	27.4%	9.5%	-66,205	-41,963	57.8%
Claims paid	-41,216	-22,359	-26,988	84.3%	52.7%	-113,367	-98,166	15.5%
Pensions paid	-781	-422	-442	85.2%	76.6%	-1,776	-2,297	-22.7%
Underwriting expenses	-2,492	-2,238	-2,002	11.4%	24.5%	-8,780	-9,422	-6.8%
Medical expenses	-4	-4	-4	-0.9%	0.1%	-12	-14	-15.6%
Insurance impairment	0	0	0	-	-	0	0	-
Contribution Margin	-9,557	-2,728	-11,003	250.3%	-13.1%	-21,953	-12,853	70.8%
Claims rate (1)	70.9%	55.1%	67.6%	1584 p	337 p	68.5%	72.3%	-381 p
Underwriting expense rate (2)	4.2%	5.4%	4.9%	-120 p	-72 p	5.2%	6.8%	-156 p

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

For 4Q21, the contribution margin was a loss of -MCH\$9,557, versus -MCH\$2,727 for 3Q21. Gross written premiums reached MCH\$60,213 (+45.4% QoQ) due to greater gross written premiums from CUI and APV insurance as a result of greater market liquidity. The total variation in technical reserves was -MCH\$24,275 (versus -MCH\$19,061 for 3Q21) due to higher premium volumes (+45.4% QoQ) and improved returns on the CUI and APV portfolios of MCH\$12,027 (+153.6% QoQ). In addition, claims paid were up to MCH\$41,216 (+84.3% QoQ) due to increased surrenders and transfers from CUI policies.

Family Protection (2.0% of gross written premiums as of December 2021)

Family Protection In MCH\$	4Q21	3Q21	4Q20	% Chg.		2021	2020	% Chg.
				QoQ	YoY			
Gross written premiums	1,686	1,686	1,744	0.0%	-3.3%	6,751	6,907	-2.3%
Net premiums written	1,686	1,686	1,744	0.0%	-3.3%	6,751	6,907	-2.3%
Variation in technical reserves	21	-16	5	-	298.3%	32	-43	-
Claims paid	-367	-461	-742	-20.4%	-50.5%	-1,766	-1,537	14.9%
Pensions paid	0	0	0	-	-	0	0	-
Underwriting expenses	-656	-545	-524	20.3%	25.2%	-2,166	-2,040	6.2%
Medical expenses	0	0	0	7.9%	-38.7%	0	-1	-75.7%
Insurance impairment	0	0	0	-	-	0	0	-
Contribution Margin	684	663	483	3.1%	41.6%	2,851	3,286	-13.2%
Claims rate (1)	21.8%	27.4%	42.5%	-559 p	-2077 p	26.2%	22.3%	391 p
Underwriting expense rate (2)	38.9%	32.4%	30.1%	655 p	886 p	32.1%	29.5%	254 p

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

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 9M21, the contribution margin totaled MCH\$2,851 (-13.2% YoY) due to higher underwriting expenses of MCH\$1,766 (+14.9% YoY) and a drop in gross written premiums (-2.3% YoY). In addition, underwriting expenses for 12M21 totaled -MCH\$2,166 (+6.2% YoY).

Compared to the preceding quarter, the contribution margin was MCH\$684 (+3.1% QoQ), due to a drop in claims paid to MCH\$367 (-20.4% QoQ), partially offset by higher underwriting expenses (+20.3% QoQ).

Group Insurance (18.5% of gross written premiums as of December 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\$	4Q21	3Q21	4Q20	% Chg.		2021	2020	% Chg.
				QoQ	YoY			
Gross written premiums	13,600	16,776	13,640	-18.9%	-0.3%	61,079	66,557	-8.2%
Net premiums written	13,360	15,644	13,230	-14.6%	1.0%	59,049	64,958	-9.1%
Variation in technical reserves	715	570	-125	25.4%	-	2,344	-362	-
Claims paid	-11,675	-14,828	-12,693	-21.3%	-8.0%	-48,288	-34,015	42.0%
Pensions paid	0	0	0	-	-	0	0	-
Underwriting expenses	-808	-877	-897	-7.8%	-10.0%	-3,445	-4,020	-14.3%
Medical expenses	-1	-1	-3	-5.5%	-52.8%	-5	-4	14.8%
Insurance impairment	-115	-36	36	215.1%	-	-167	32	-
Contribution Margin	1,477	472	-452	212.7%	-	9,488	26,589	-64.3%
Claims rate (1)	87.4%	94.8%	95.9%	-740 p	-856 p	81.8%	52.4%	2941 p
Underwriting expense rate (2)	6.0%	5.6%	6.8%	44 p	-73 p	5.8%	6.2%	-35 p

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

As of December 2021, the contribution margin reached MCH\$9,488 (-64.3% YoY), explained by a rise in claims paid of MCH\$48,288 for 12M21 (+42.0% YoY), with a low basis of comparison from a lower loss ratio in group health insurance, related to stricter health restrictions in 2020. On the other hand, it reported lower gross written premiums of MCH\$61,079 (-8.2% YoY) because commercial efforts were limited by the pandemic-related restrictions during the first half of the year, which were lifted in the second half of 2021, and a lower volume of credit life policies due to a drop in consumer loans.

For the quarter, this product line reported profit of MCH\$1,472 (+212.7% QoQ) due to decreased claims paid of MCH\$11,675 (+19.6% QoQ) explained by a high basis of comparison in health insurance once the economy began to reopen in 3Q21 and people resumed treatments delayed during the first half of the year. In addition, gross written premiums fell to MCH\$13,600 (-18.9% QoQ).

Annuities (27.7% of gross written premiums as of December 2021)

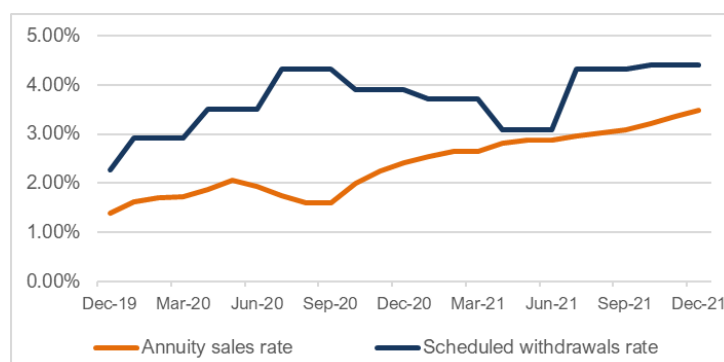
Workers that choose an annuity upon retirement turn over their retirement funds to an insurance company and receive in exchange a fixed, inflation-indexed monthly payment for the rest of their life and survivor pensions for their legal beneficiaries. Based on figure 601 in the financial statements of 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 December 2021, annuity sales rates in the industry averaged 2.87% during the year (versus 1.88% as of December 2020). In contrast, the rate for calculating scheduled withdrawals has averaged 3.88% for the year (versus 3.66% as of December 2020), which has driven retirees to prefer scheduled withdrawals over annuities, thus sharply reducing sales industry-wide. As of

⁹This also includes line 424 from the SVS, which corresponds to the old Disability and Survivor's system defined in Circular 528 (C-528). As of September 2021, this line accounts for only MCH\$598 in pensions paid by Vida Security.

December 2021, total annuity premiums reached MUF 42.13, up 5.1% from December 2020.



Annuities In MCH\$	4Q21	3Q21	4Q20	% Chg.		2021	2020	% Chg.
				QoQ	YoY			
Gross written premiums	18,791	23,843	5,767	-21.2%	225.9%	91,356	14,318	538.0%
Net premiums written	18,791	23,843	5,767	-21.2%	225.9%	91,356	14,318	538.0%
Variation in technical reserves	0	0	0	-	-	0	0	-
Claims paid	0	0	-41	-	-	0	-41	-
Pensions paid	-35,254	-38,924	-19,875	-9.4%	77.4%	-153,093	-72,630	110.8%
Underwriting expenses	-120	-161	-60	-25.5%	100.3%	-770	-177	335.2%
Medical expenses	0	0	0	-30.0%	-	0	0	-
Insurance impairment	0	0	0	-	-	0	0	-
Contribution Margin	-16,582	-15,242	-14,127	8.8%	17.4%	-62,508	-58,448	6.9%
Underwriting expense rate (1)	0.6%	0.7%	1.0%	-4 p	-40 p	0.8%	1.2%	-39 p

(1) Claims paid/ Net written premiums

In late 2020, Vida Security adjusted the technical parameters for the annuity business in order to boost sales, thus maintaining expected returns. The contribution margin for annuities was a loss of -MCH\$62,508 for 12M21 (vs -MCH\$58,448 for 12M20), with a rise of 538.0% in gross written premiums, totaling MCH\$91,356 for 12M21, making it the insurance company with the most growth in this product line with 7.3% of the market as of December 2021. The larger premium volume was offset by an increase in pensions paid, reaching MCH\$153,093 for 12M21 (+110.8% YoY) and by higher underwriting expenses (+335.27% YoY), explained by larger sales volumes. When an annuity is sold with 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 mortality rates. This reserve is backed primarily by term financial investments.

In the context of the third pension fund withdrawal, in April 2021 legislators approved a voluntary advance on annuities that could be requested one time by retirees and beneficiaries, choosing an advance of between 1% and 10% of their technical reserve, with a cap of UF 150. As of December 31, 2021, Vida Security has paid 14,485 advances for a total of MCH\$45,701. The advance is recorded as pensions paid and counterbalanced by reversing technical reserves for a similar amount. In the financial statements, the two effects are both recognized on the line "Pensions paid", presented net. In order to finance the annuity advances, insurance companies were forced to sell assets and/or take on additional debt, thus reducing the size of their investment portfolios and making adjustments to their portfolios' maturity structures.

For the quarter, the contribution margin was -MCH\$16,582 (vs -MCH\$15,242 in 3Q21) due to a lower volume of gross written premiums of MCH\$18,791 (-21.2% QoQ) and a drop in pensions paid of MCH\$35,254 (-9.4% QoQ).

Disability and Survivor Insurance (DSI) (0.1% of gross written premiums as of December 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\$	4Q21	3Q21	4Q20	% Chg.		2021	2020	% Chg.
				QoQ	YoY			
Gross written premiums	93	73	100	27.5%	-7.5%	289	326	-11.2%
Net premiums written	57	34	27	64.6%	113.0%	120	63	91.2%
Variation in technical reserves	610	998	-3,432	-38.9%	-	1,273	-3,432	-
Claims paid	9,476	7,984	5,792	18.7%	63.6%	46,840	28,726	63.1%
Pensions paid	-8,829	-10,761	-3,229	-18.0%	173.4%	-45,958	-29,563	55.5%
Underwriting expenses	0	0	0	-	-	0	0	-
Medical expenses	0	0	0	-	-	0	0	-
Insurance impairment	0	0	0	-	-	0	0	-
Contribution Margin	1,314	-1,744	-842	-	-	2,275	-4,206	-

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\$289 for 12M21 since the subsidiary was not awarded any fractions from the current tender. Claims and pensions paid totaled MCH\$882 (-MCH\$837 for 12M20), while the variation in technical reserves was +MCH\$1,273 (-MCH\$3,432 for 12M20). These effects stemmed from the higher interest rates used to calculate technical reserves, which resulted in the reversal of reserves since the present value of the obligation with insured parties decreased.

This explains the contribution margin of MCH\$2,275 for 12M21, compared to -MCH\$4,206 last year.

Vida Security - Consolidated Results

For 12M21 Vida Security reported profit of MCH\$45,496 (93.4% YoY) explained by improved returns from the proprietary trading portfolio of MCH\$118,316 (+42.9% YoY), giving an ROI of 5.5% (4.0% for 12M20) and growth in premium levels (+43.8% YoY). These effects were partially offset by a rise in claims and pensions paid (+51.6% YoY) and a larger variation in technical reserves (+36.6% YoY).

For the quarter, the subsidiary reported profit of MCH\$7,373 (-49.2% QoQ), explained by weaker investment returns on the proprietary trading portfolio (-38.2% QoQ), giving an ROI of 4.33% vs 7.1% in 3Q21, and higher claims and pensions paid (+11.1% QoQ), partially offset by a larger volume of premiums (+12.6% QoQ).

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

In MCH\$	4Q21	3Q21	4Q20	% Chg.		2021	2020	% Chg.
				QoQ	YoY			
Gross written premiums	94,384	83,803	62,383	12.6%	51.3%	329,921	229,392	43.8%
Net premiums written	93,105	82,562	61,367	12.8%	51.7%	325,463	225,255	44.5%
Variation in technical reserves	-22,929	-17,508	-25,718	31.0%	-10.8%	-62,557	-45,801	36.6%
Claims paid	-43,782	-29,664	-34,590	47.6%	26.6%	-116,581	-104,951	11.1%
Pensions paid	-44,863	-50,106	-23,546	-10.5%	90.5%	-200,828	-104,490	92.2%
Underwriting expenses	-4,076	-3,821	-3,483	6.7%	17.0%	-15,162	-15,659	-3.2%
Medical expenses	-5	-5	-6	-2.1%	-22.2%	-17	-19	-10.5%
Insurance impairment	-115	-36	36	215.1%	-	-167	32	-
Contribution Margin	-22,665	-18,578	-25,942	22.0%	-12.6%	-69,849	-45,633	53.1%
Administrative expenses	-8,967	-9,080	-7,191	-1.2%	24.7%	-33,683	-32,880	2.4%
CUI Portfolio	12,027	4,742	11,342	153.6%	6.0%	32,863	25,146	30.7%
Proprietary portfolio	23,398	37,854	33,296	-38.2%	-29.7%	118,316	82,783	42.9%
Investment income	35,425	42,597	44,637	-16.8%	-20.6%	151,180	107,929	40.1%
Exchange differences	-102	-643	-191	-84.1%	-46.3%	-590	-903	-34.7%
Gain (loss) on indexed assets and liabilities	-3,673	-2,497	-2,645	47.1%	38.9%	-9,113	-4,165	118.8%
Other income and expenses	25	-72	-390	-	-	-72	-522	-86.2%
Income tax expense	7,331	2,788	-1,225	163.0%	-	7,622	-297	-
Profit for the period	7,373	14,514	7,054	-49.2%	4.5%	45,496	23,529	93.4%

Administrative ratios

(1) (Claims paid + pension paid)/ Net written premiur	95.2%	96.6%	94.7%	-141 p	47 p	97.5%	93.0%	455 p
(2) Administrative expenses/ Net written premiums	9.6%	11.0%	11.7%	-137 p	-209 p	10.3%	14.6%	-425 p
(3) Underwriting expenses/ Net written premiums	4.4%	4.6%	5.7%	-25 p	-130 p	4.7%	7.0%	-229 p
Combined Ratio (1) + (2) + (3)	109.2%	112.2%	112.1%	-302 p	-291 p	112.5%	114.5%	-199 p
(4) Profit / Net written premiums	7.9%	17.6%	11.5%	-966 p	-358 p	14.0%	10.4%	353 p

In aggregate, gross written premiums reached MCH\$329,921 for 12M21 (+43.8% YoY) explained by higher annuity sales (+538.0% YoY) and increased premiums on individual insurance policies (+20.6% YoY), offset by reduced premiums on group policies (-8.2% YoY).

For 12M21, the subsidiary recognized a variation in technical reserves of -MCH\$62,557 (+36.6% YoY) for individual insurance, due to better returns on investments in the CUI and APV portfolios (+30.7% YoY). Claims and pensions paid totaled MCH\$317,409 (+51.6% YoY), because of an increase in claims and pensions paid on annuities resulting from higher sales, a higher loss ratio for group policies and an increase in surrenders and transfers in CUI and APV policies. These effects were partially counteracted by lower claims and pensions paid on DSI due to higher rates for calculating technical reserves during the year.

This explains the contribution margin of -MCH\$69,849 for 12M21, compared to -MCH\$45,633 for 2020.

The area reported investment income of MCH\$151,180 (+40.1% YoY), attributable to stronger returns from equity investments and indexes in the CUI, APV and proprietary trading portfolios, with an ROI of 5.3% (4.1% for 12M20). More robust returns on the CUI and APV investment portfolio are counterbalanced by variations in technical reserves. Meanwhile, administrative expenses totaled MCH\$33,683 (+2.4% YoY), signifying that the company maintained the efficiencies it attained in 2020 despite increased activity levels.

Furthermore, for 12M21 the subsidiary reported an income tax benefit of +MCH\$7,622 (expense of -MCH\$297 for 12M20). This positive amount can be explained largely by permanent differences that involve smaller tax payments as well as price-level restatement of equity because of higher inflation (7.2% in 2021 vs 3.0% in 2020, UF variation 6.6% in 2021 vs 2.7% in 2020) and dividends on the investment portfolio received by the company.

For 4Q21, Vida Security reported profit of MCH\$7,373 (-49.2% QoQ). The larger gross premiums written (+12.6% QoQ) are explained by a rise in volumes of individual insurance policies (+45.4% QoQ) due to higher premiums from CUI and APV policies. For the quarter, investment income totaled MCH\$35,425 (-16.8% QoQ), due to weaker returns on indexes, equities and fixed-

income instruments in the proprietary trading portfolio, offset by improved results from the CUI portfolio (+153.6% QoQ). The variation in technical reserves was a loss of -MCH\$22,929 (+31.0% QoQ), explained by increased premium volumes in individual policies. The subsidiary reported an income tax benefit of MCH\$7,331 (benefit of MCH\$2,788 in 3Q21), due to price-level restatement of tax-basis equity as a result of higher inflation during the quarter (2.6% in 4Q21 vs 2.4% in 3Q21, UF variation 3.0% vs 1.3%) and dividends received from the investment portfolio.

Administrative Expenses - Vida Security

In MCH\$	4Q21	3Q21	4Q20	% Chg		2021	2020	%Chg.
				QoQ	YoY			
Payroll	-4,395	-3,759	-3,672	16.9%	19.7%	-15,104	-15,523	-2.7%
Distribution channel expenses	-690	-730	-862	-5.6%	-20.0%	-2,813	-2,633	6.8%
Other	-3,883	-4,591	-2,658	-15.4%	46.1%	-15,766	-14,724	7.1%
Total administrative expenses	-8,967	-9,080	-7,191	-1.2%	24.7%	-33,683	-32,880	2.4%

For 12M21, Vida Security reported administrative expenses of MCH\$33,683 (+2.4% YoY). In 2020 all Group companies implemented a savings plan and carried out structural adjustments. Consequently, it had lower payroll expenses (-2.7% YoY), offset by a rise in the line “other expenses” (+7.1% YoY), due to greater expenses for technology services, infrastructure maintenance and consulting.

For the quarter, expenses remained stable at MCH\$8,967 (-1.2% QoQ). In particular, payroll expenses climbed 16.9% QoQ due to structural adjustments and bonuses, offset by a drop of 15.4% QoQ in the line “other expenses” because of decreased business in group policies and seasonal expenses recognized in 3Q21.

Investment Income - Vida Security

The subsidiary's investment income for 12M21 totaled MCH\$151,180 (+40.1% YoY), giving an ROI of 5.3% (+120 bps YoY). The proprietary trading portfolio had returns of MCH\$118,316 (+42.9% YoY), giving an ROI of 5.5% (+144 bps YoY) due to greater returns from equities, indexes and real estate funds, which more than offset the decreased returns on local fixed-income instruments. Meanwhile, the CUI and APV portfolios had income of MCH\$32,863 for 12M21 (+30.7% YoY; ROI 4.7% , +44 bps YoY), also associated with weaker returns on equities and indexes. More robust returns on the CUI and APV investment portfolio are counterbalanced by recording technical reserves.

In quarterly terms, investment income reached MCH\$35,425 (16.8% QoQ), with an ROI of 5.0% (-113 bps QoQ). The proprietary trading portfolio reported income of MCH\$23,398 for 4Q21 (-38.2% QoQ; ROI 4.3%, -273 bps QoQ), with a high basis of comparison because of a strong performance from equities and indexes in 2Q21, along with a weaker performance from local fixed-income investments. The CUI and APV portfolios posted income of MCH\$12,027 for the quarter (+153.6% QoQ; ROI 6.9%, +401 bps QoQ) due to improved returns from equities and indexes, in line with the strong performance from international equities markets.

Investment Stock in Ch\$ Million	4Q21	3Q21	4Q20	% Chg		Stock % 4Q21
				QoQ	YoY	
Fixed Income	1,774,409	1,798,593	1,727,716	-1.3%	2.7%	62.1%
Equities and indexes	761,989	693,716	608,022	9.8%	25.3%	26.7%
Real estate	301,473	286,069	272,602	5.4%	10.6%	10.5%
Other investments	21,354	19,350	34,850	10.4%	-38.7%	0.7%
Investments Stock	2,859,226	2,797,727	2,643,190	2.2%	8.2%	-
CUI Portfolio	695,371	652,999	586,888	6.5%	18.5%	24.3%
Proprietary portfolio	2,163,855	2,144,728	2,056,302	0.9%	5.2%	75.7%
Investments Stock	2,859,226	2,797,727	2,643,190	2.2%	8.2%	-

Investment Income in Ch\$ Million	4Q21	3Q21	4Q20	% Chg		2021	2020	% Chg.
				QoQ	YoY			
Fixed Income	8,685	12,559	15,872	-30.8%	-45.3%	45,786	73,233	-37.5%
Equities and indexes	24,860	28,522	25,697	-12.8%	-3.3%	95,907	25,591	274.8%
Real estate	2,899	3,057	3,426	-5.2%	-15.4%	12,793	13,062	-2.1%
Other investments	-1,020	-1,542	-357	-	-	-3,307	-3,957	-
Investments Income	35,425	42,597	44,637	-16.8%	-20.6%	151,180	107,929	40.1%
CUI Portfolio	12,027	4,742	11,342	153.6%	6.0%	32,863	25,146	30.7%
Proprietary portfolio	23,398	37,854	33,296	-38.2%	-29.7%	118,316	82,783	42.9%
Investments Income	35,425	42,597	44,637	-16.8%	-20.6%	151,180	107,929	40.1%

ROI	4Q21	3Q21	4Q20	% Chg		2021	2020	% Chg.
				QoQ	YoY			
Fixed Income	2.0%	2.8%	3.7%	-84 p	-88 p	2.58%	4.24%	-166 p
Equities and indexes	13.1%	16.4%	16.9%	-340 p	-46 p	12.59%	4.21%	838 p
Real estate	3.8%	4.3%	5.0%	-43 p	-75 p	4.24%	4.79%	-55 p
Other investments	-19.1%	-31.9%	-4.1%	1277 p	-2777 p	-15.49%	-11.36%	-413 p
CUI Portfolio	6.9%	2.9%	7.7%	401 p	-483 p	4.73%	4.28%	44 p
Proprietary portfolio	4.3%	7.1%	6.5%	-273 p	58 p	5.47%	4.03%	144 p
ROI	5.0%	6.1%	6.8%	-113 p	-66 p	5.3%	4.1%	120 p

Exchange Differences and Gain (Loss) from Indexation Adjustments

Exchange differences totaled -MCH\$590 in 12M21 (-MCH\$903 in 12M20) and -MCH\$102 for 4Q21 (-MCH\$643 for 3Q21). The subsidiary also posted a loss from indexed assets and liabilities for 12M21 of -MCH\$9,113 (-MCH\$4,165 for 12M20), due to higher inflation during the period (7.2% in 2021 versus 2.7% in 2020, UF variation 6.6% in 2021 vs 2.7% in 2020). For the quarter, this line item was -MCH\$3,673 (-MCH\$2,497 for 3Q21), due to higher inflation during the quarter of 2.6% in 4Q21 (2.4% in 3Q21, UF variation 3.0% vs 1.3%).

OTHER SERVICES BUSINESS AREA (0.9% of assets; 2.1% of profit from business areas for 12M21)

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\$2,039 for 12M21 (-66.0% YoY) due to legal title transferred on fewer units. Ownership was transferred on 76 units as of December 2021 versus 186 units as of December 2020. For 4Q21, it reported a loss of -MCH\$238 (vs -MCH\$32 in 3Q21) because of extraordinary expenses during the quarter, and transferred ownership on 11 units (10 units in 3Q21).

Inmobiliaria Security signed purchase promise agreements totaling THUF906 during 12M21 (-24.8% YoY) because of a lower volume sold, offset by a higher average price per unit sold. It signed purchase promise agreements totaling THUF199 during 4Q21 (+27.5% QoQ) because of larger volumes and a higher average price per unit sold. Meanwhile, real estate assets under

management totaled MCH\$80,206, (-17.7% YoY and -1.6% QoQ), explained by the rise in the number of units on which ownership was transferred. There is a lag between a sale and revenue recognition. Under IFRS, revenue is recognized once legal title to the property has been transferred.

<i>In Ch\$ Million</i>	4Q21	3Q21	4Q20	% Chg		2021	2020	% Chg
				QoQ	YoY			
Real estate assets under management	80,206	81,487	97,487	-1.6%	-17.7%	80,206	97,487	-17.7%
Purchase promise agreements (UF)	199,989	156,814	692,930	27.5%	-71.1%	905,736	1,204,884	-24.8%
Ownership transfers (Units)	11	10	72	10.0%	-84.7%	76	186	-59.1%
Profit for the period	-238	-32	2,800	634.1%	-	2,039	6,038	-66%

TRAVEL AGENCY: TRAVEL SECURITY

Travel Security (including results of Travel Perú) reported profit of MCH\$832 for 12M21 (versus a loss of -MCH\$4,742 for 12M20) thanks to having shifted to a digital business model. Interestingly, in 4Q21 the companies (Chile and Peru) reported consolidated profit of MCH\$793, giving it positive results for the third quarter in a row.

	4Q21	3Q21	4Q20	% Chg		2021	2020	% Chg
				QoQ	YoY			
Total sales - Travel (MUSD)	20	16	12	22.7%	64.6%	64	66	-2.5%
Net operating income (MCH\$)	1,277	698	614	82.8%	-	1,979	4,276	-
Profit for the period - Travel (MCH\$)	793	318	467	149.8%	-	832	4,742	-

Travel Perú, Travel Security's subsidiary, reported sales of MUS\$14 for 12M21 (-6.8% YoY) and a net loss of -MUS\$0.3 (-MUS\$1.7 for 12M20) as a result of having changed to a digital business model.

INTERNATIONAL BUSINESS AREA (4.2% of assets; 1.7% of profit from business areas for 12M21)

The international business area reported profit attributable to the owners of the parent of MCH\$2,348. 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./37.6 (+62.5% YoY) for 12M21 with total premiums written of MS./675 (+65.1% YoY), a record high for the company, and greater investment income (+43.8% YoY). This was partially offset by an increase in claims paid (+37.6% YoY), because of a larger volume of premiums.

Protecta reported annuity sales of MS./384.1 (+104.2% YoY) and market share of 22.0%. In addition, the subsidiary boasted sales of private annuities of MS./206.3 (+28.9% YoY) and market share of 16.2%.

It reported profit of MS./26.0 for 4Q21 (MS./2.1 for 3Q21) due to higher investment income of MS./68.3 (+49.3% QoQ). Total premiums fell to MS./177.7 (-7.1% QoQ), explained largely by lower volumes of private annuities (-34.4% QoQ).

<i>In S./ Thousands</i>	4Q21	3Q21	4Q20	% Chg		2021	2020	% Chg
				QoQ	YoY			
Annuities - Premiums written	115,214	111,642	56,250	3.2%	104.8%	384,087	188,121	104.2%
Annuities - Market share	19.9%	24.3%	22.5%	-442 p	-263 p	22.0%	23.6%	-155 p
Private annuities - Premiums written	38,174	58,185	47,565	-34.4%	-19.7%	206,287	160,090	28.9%
Private annuities - Market share	12.9%	16.0%	15.5%	-310 p	-265 p	16.2%	17.0%	-84 p
Premiums written	177,686	191,280	124,498	-7.1%	42.7%	674,660	408,647	65.1%
Investment income	68,277	45,719	39,726	49.3%	71.9%	181,602	126,281	43.8%
Annualised return (LTM)	7.8%	7.1%	7.2%	75 p	64 p	7.8%	7.2%	64 p
Profit for the period	25,963	2,129	13,206	1119.5%	96.6%	37,611	23,143	62.5%

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	41,938	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	9,730,938			

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 6, 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.

On October 7, 2021, the Board of Grupo Security agreed to pay a total dividend of CH\$5.5 per share, charged to profit for the year.

The Group's dividend yield, calculated as dividends per share over the last 12 months divided by the stock price was 9.0% as of December 31st and 8.4% as of February 24th. Grupo Security's stock reported a return of -2.2% for 2021, underperforming the S&P/CLX IPSA (+3.1%).

4Q21 EARNINGS CONFERENCE CALL

Grupo Security's fourth quarter earnings report will be explained to the market in a conference call on Tuesday, March 1, 2022. 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	December, 31 2021
Current assets		
Cash and cash equivalents	597,497	934,936
Other financial assets, current	3,878,087	4,594,041
Other non-financial assets, current	13,344	10,480
Trade and other receivables, current	6,616,654	7,160,820
Accounts receivable from related parties, current	53,343	72,313
Inventories	100,559	109,167
Current tax assets	41,281	45,341
Total current assets other than assets or disposal groups classified as held for sale or held for distribution to owners	11,300,766	12,927,099
Non-current assets or disposal groups classified as held for sale or held for distribution to owners	2,874	12,681
Total non-current assets classified as held for sale or held for distribution to owners	2,874	12,681
Total current assets	11,303,640	12,939,780
Non-current assets		
Other non-financial assets, non-current	52,966	83,335
Equity-accounted investments	1,950	2,511
Intangible assets other than goodwill	36,248	38,112
Goodwill	119,067	119,067
Property, plant and equipment	50,610	47,072
Investment property	291,070	356,232
Assets for right of use	9,143	8,637
Deferred tax assets	56,888	97,138
Total non-current assets	617,942	752,104
Total assets	11,921,582	13,691,885

2. Financial Statements and Indicators - Liabilities and Equity

Liabilities and Equity In Ch\$ Millions	December, 31 2020	December, 31 2021
Other financial liabilities, current	7,087,157	8,391,043
Liabilities for leases, current	2,120	2,073
Trade and other payables	2,863,722	3,253,131
Accounts payable to related parties, current	4,813	1,410
Other short-term provisions	35,831	42,153
Current tax liabilities	31,893	35,813
Employee benefit provisions, current	12,369	16,855
Other non-financial liabilities, current	133,674	208,984
Total current liabilities other than liabilities or disposal groups classified as held for sale or held for distribution to owners	10,171,578	11,951,463
Liabilities held for sale	0	690
Total non-current liabilities classified as held for sale or held for distribution to owners	0	690
Total current liabilities	10,171,578	11,952,154
Non-current liabilities		
Other financial liabilities, non-current	869,368	853,005
Liabilities for leases, non-current	7,355	6,968
Accounts payable, non-current	10,733	7,932
Accounts payable to related parties, non-current	0	3,736
Deferred tax liabilities	803	1,011
Total non-current liabilities	888,259	872,652
Total liabilities	11,059,838	12,824,806
Equity		
Issued Capital	487,691	487,698
Retained earnings	399,605	446,731
	0	(4,637)
Other reserves	(51,776)	(91,993)
Equity attributable to equity holders of parent	835,520	837,799
Non-controlling interests	26,225	29,280
Total equity	861,744	867,079
Total liabilities and equity	11,921,582	13,691,885

3. Financial Statements and Indicators - Consolidated Statement of Income

Consolidated statement of income (MCh\$)	December, 31 2020	December, 31 2021
Revenue	1,090,773	1,389,083
Cost of sales	-738,041	-1,016,240
Gross profit	352,732	372,843
Other income	1,166	1,987
Administrative expenses	-243,362	-234,496
Other expenses	-11,849	-8,417
Other gains	1,040	1,727
Finance income	531	584
Finance costs	-14,465	-14,548
Share of profit (loss) of associates and joint ventures, equity-accounted	-89	781
Exchange differences	2,979	1,039
Gain (loss) on indexed assets and liabilities	-11,611	-30,661
Gains arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value	0	0
Profit before tax	77,072	90,839
Income tax benefit (expense)	-12,774	-155
Profit (loss) from continuing operations	64,298	90,684
Profit (loss) from discontinued operations	0	0
Profit (loss) for the period	64,298	90,684
Profit (loss) attributable to		
Profit (loss) attributable to equity holders of the parent	65,146	88,603
Profit (loss) attributable to non-controlling interests	-849	2,081
Profit (loss) for the period	64,298	90,684
Depreciation and amortization	13,147	12,689
Ebitda	104,685	118,076

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	
	Dec-20	Dec-21	Dec-20	Dec-21	Dec-20	Dec-21	Dec-20	Dec-21	Dec-20	Dec-21	Dec-20	Dec-21	Dec-20	Dec-21
<i>In MCH\$</i>														
Revenue	489,360	607,059	62,247	65,399	353,950	496,235	124,639	173,799	60,169	46,209	-312	381	1,090,053	1,389,083
Cost of sales	-277,318	-392,163	-28,807	-31,390	-282,119	-405,999	-107,693	-154,651	-43,044	-30,518	940	-1,517	-738,041	-1,016,240
Gross profit	212,042	214,896	33,440	34,009	71,831	90,236	16,945	19,148	17,126	15,691	628	-1,137	352,012	372,843
Other income	21	23	57	502	247	136	27	0	706	840	311	486	1,368	1,987
Administrative expenses	-122,078	-118,953	-30,455	-28,600	-42,723	-42,760	-16,316	-13,387	-14,645	-12,708	-17,144	-18,088	-243,362	-234,496
Other expenses	-9,521	-5,948	-1,728	-1,726	-282	-297	-417	-457	-31	-16	130	28	-11,849	-8,417
Other gains (losses)	0	-4	339	0	202	171	733	735	537	361	-771	463	1,040	1,727
Finance income	0	0	319	244	10	19	0	0	0	8	0	313	329	584
Finance costs	0	0	-6	-6	-35	-131	-117	-76	-976	-1,181	-13,331	-13,154	-14,465	-14,548
Share of profit (loss) of associates and joint ventures, equity-accounted	0	0	0	0	-250	623	0	0	-358	-3	520	162	-89	781
Exchange differences	1,154	-1,509	4,648	4,349	220	382	-2,729	-2,211	10	99	-324	-70	2,979	1,039
Gain (loss) from indexed assets and liabilities	-25	124	-203	653	-4,273	-9,052	0	0	781	377	-7,890	-22,763	-11,611	-30,661
Profit (loss) before tax	81,569	88,629	7,154	9,425	24,947	39,325	-1,874	3,752	3,150	3,469	-37,873	-53,760	77,072	90,839
Income tax benefit (expense)	-17,109	-10,715	-979	1,256	-552	7,259	381	103	-842	-312	6,328	2,254	-12,774	-155
Profit (loss) from continuing operations	64,460	77,914	6,175	10,680	24,394	46,584	-1,494	3,855	2,308	3,157	-31,545	-51,506	64,298	90,684
Profit (loss) attributable to														
Profit (loss) attributable to equity holders of the parent	64,446	77,897	6,174	10,680	23,949	45,744	-929	2,348	3,001	2,889	-31,494	-50,955	65,146	88,603
Profit (loss) attributable to non-controlling interest	14	17	1	0	445	840	-565	1,508	-693	268	-51	-552	-849	2,081
Profit (loss) for the period	64,460	77,914	6,175	10,680	24,394	46,584	-1,494	3,855	2,308	3,157	-31,545	-51,506	64,298	90,684

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 Group Expenses		Total Grupo Security	
	3Q-21	4Q-21	3Q-21	4Q-21	3Q-21	4Q-21	3Q-21	4Q-21	3Q-21	4Q-21	3Q-21	4Q-21	3Q-21	4Q-21
Revenue	142,764	207,054	17,518	18,658	130,888	132,512	49,144	49,618	6,976	9,476	517	118	347,807	417,436
Cost of sales	-84,922	-148,925	-11,635	-6,557	-104,098	-118,589	-43,456	-43,348	-3,640	-5,110	-384	-886	-248,135	-323,415
Gross profit	57,843	58,129	5,882	12,101	26,790	13,923	5,688	6,270	3,337	4,365	133	-769	99,673	94,020
Other income	0	7	-10	47	18	47	1	17	185	216	47	346	241	680
Administrative expenses	-28,169	-31,273	-4,464	-8,663	-11,542	-11,180	-3,401	-4,021	-2,844	-4,418	-4,360	-4,978	-54,779	-64,532
Other expenses	-1,290	-1,934	-259	-612	-78	-73	-85	-215	-33	26	4	10	-1,739	-2,798
Other gains (losses)	-2	-2	22	-22	45	81	166	276	56	200	267	1	554	535
Finance income	0	0	5	-21	1	17	0	0	-1	6	21	292	26	295
Finance costs	0	0	-22	20	-22	-60	-20	-19	-239	-401	-3,686	-3,129	-3,989	-3,589
Share of profit (loss) of associates and joint ventures, equity-accounted	0	0	167	-167	-119	895	0	0	-1	-1	-171	348	-124	1,074
Exchange differences	-2,772	849	1,167	1,199	-345	232	-2,164	1,473	-13	175	-125	304	-4,253	4,233
Gain (loss) from indexed assets and liabilities	9	86	101	228	-2,483	-3,630	0	0	36	-54	-4,384	-10,769	-6,721	-14,139
Gains (losses) arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit (loss) before tax	25,619	25,863	2,589	4,110	12,264	253	185	3,783	484	114	-12,253	-18,344	28,888	15,779
Income tax benefit (expense)	-4,714	-787	50	6	2,632	7,279	14	25	-282	445	360	142	-1,939	7,110
Profit (loss) from continuing operations	20,905	25,076	2,639	4,115	14,897	7,532	199	3,808	203	559	-11,893	-18,202	26,949	22,889
Profit (loss) attributable to														
Profit (loss) attributable to equity holders of the parent	20,900	25,070	2,639	4,115	14,649	7,256	121	2,322	242	416	-11,592	-18,078	26,959	21,101
Profit (loss) attributable to non-controlling interest	5	6	0	0	248	276	78	1,486	-39	143	-302	-124	-11	1,787
Profit (loss) for the period	20,905	25,076	2,639	4,115	14,897	7,532	199	3,808	203	559	-11,893	-18,202	26,949	22,889

6. Grupo Security Consolidated Statement of Cash Flows

Statement of Cash Flows	Dec-20	Dec-21
For the periods ended December 31st, 2021 and 2020	MCh\$	MCh\$
Net cash flows provided by (used in) operating activities	-1,136,530	-936,553
Net cash flows used in investing activities	-8,212	-11,861
Net cash flows used in financing activities	930,181	1,189,433
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	-214,561	241,019
Effect of changes in exchange rates on cash and cash equivalents	-18,916	96,420
Net increase (decrease) in cash and cash equivalents	-233,477	337,439
Cash and cash equivalents at beginning of period	830,974	597,497
Cash and cash equivalents at end of period	597,497	934,936

Operating Cash Flows

For the year ended December 2021, the company reported net operating cash flows of -MCH\$936,553 (-MCH\$1,136,529 for 12M20) due largely to the rise in demand deposits at Banco Security during the year (+46.2% YoY).

Investing Cash Flows

For the year ended December 2021, the company reported net investing cash flows of -MCH\$11,860 (-MCH\$8,212 for 12M20). This variation can be explained mostly by the purchase of a minority stake in Monument Bank.

Financing Cash Flows

For 12M21, it had net financing cash flows of MCH\$1,189,433 (+28% YoY), due mainly to greater proceeds from long-term loans at Banco Security and short-term loans at Factoring Security. This effect was partially offset by MCH\$55,567 from the Group's capital increase in 2020.

7. Quarterly Statement of Income

Quarterly Earnings (M Ch\$)	4Q20	1Q21	2Q21	3Q21	4Q21
Revenue	316,062	307,261	316,578	347,807	765,243
Cost of sales	-231,634	-213,534	-231,156	-248,135	-323,415
Gross profit	84,429	93,728	85,422	99,673	94,020
Administrative expenses	-54,143	-55,803	-59,383	-54,779	-64,532
Operating income	27,592	36,452	25,337	43,950	27,906
Finance costs	-3,652	-3,196	-3,773	-3,989	-3,589
Profit before tax	22,569	29,423	16,749	28,888	15,779
Profit attributable to equity holders of parent	17,374	24,352	16,191	26,959	21,101
EBITDA ¹	29,509	36,002	23,805	36,035	22,235

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

8. Financial and Business Indicators

Activity Levels (M Ch\$)	31-Dec-20	31-Mar-21	30-Jun-21	30-Sep-21	31-Dec-21
Cash (Grupo Security Standalone)	60,294	58,164	45,094	54,516	21,277
Total Assets	11,921,582	11,845,166	12,259,432	12,927,444	13,691,885
Total Liabilities	11,059,838	10,972,279	11,392,330	12,059,547	12,824,806
Total Equity	861,744	872,887	867,101	867,898	867,079

Leverage Ratios	31-Dec-20	31-Mar-21	30-Jun-21	30-Sep-21	31-Dec-21
Individual leverage ratio ¹	35.64%	36.74%	36.37%	36.78%	36.99%
Consolidated financial expenses ²	6.33	10.21	7.63	7.85	7.24

Profitability (M Ch\$)	31-Dec-20	31-Mar-21	30-Jun-21	30-Sep-21	31-Dec-21
Revenue	1,090,773	307,261	623,840	971,647	1,389,083
Profit attributable to equity holders of the company	65,146	24,352	40,542	67,502	88,603
EBITDA	104,685	36,002	59,807	95,842	118,076
Return of equity ³	8.12%	11.58%	9.67%	10.74%	10.59%
Return on assets ⁴	0.544%	0.820%	0.671%	0.724%	0.692%
Earnings per share ⁵ (\$)	16.84	20.98	21.89	21.00	21.92
Number of shares (m)	4,042	4,042	4,042	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\$13,691,885 as of December 2021 (+14.8% YoY). Of these assets, 52.3% are trade and other receivables, primarily the Bank's loan portfolio. As of December 2021, this item reached MCH\$7,160,820 (+8.2% YoY), driven by +8.1%

YoY growth in loans as explained on pages 14 and 15.

Furthermore, 33.6% 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 December 2021, other current financial assets reached MCH\$4,594,041 (+18.5% YoY), due to a 14.2% YoY rise in the insurance subsidiary's investment portfolio for technical reserves, which reached MCH\$ 2,940,478 for 12M21 and, to a lesser extent, a rise in the Bank's current financial assets, explained by the available-for-sale portfolio of MCH\$1,334,855 as of December 2021 (+43.2% YoY). This effect was partially offset by a drop in the volume of investments held for trading, which totaled MCH\$57,371 as of December 2021 (-48.2% YoY).

As of December 2021, total consolidated liabilities were MCH\$12,824,806 (+15.96% YoY). Of those, 65.4% 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 December 2021, other current financial liabilities reached MCH\$8,391,043 (+18.4% YoY) explained by a larger volume of borrowings from financial institutions (+44.07% YoY), mainly due to use of Central Bank lines and financing and an increase in senior bonds (+8.69% YoY), partially offset by a smaller volume of time deposits at the Bank, which totaled MCH\$1,867,279 as of December 2021 (-1.35% YoY).

Of total liabilities, 25.4% were trade and other payables, which are primarily the technical reserves of Vida Security and Protecta Security. As of December 2021, trade payables totaled MCH\$3,253,792 (+13.60% YTD), as a result of the 13.46% YoY increase in life insurance technical reserves, which totaled MCH\$3,040,874, in keeping with activity levels at Vida Security, as explained on pages 20 to 27. There were also greater reserves at Protecta Security, in line with greater sales of annuities and private annuities, as discussed on pages 28 to 29 of this report.

Grupo Security's total equity amounted to MCH\$867,079 as of December 2021 (+0.62% YTD) because of retained earnings for the year, partially offset by greater reserves.

The individual leverage ratio is defined in note 38 of Grupo Security's consolidated 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 December 2021, this ratio was 0.3699 (+134 bps YoY).

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 December 2021, the consolidated financial expense coverage ratio was 7.24 (+14.48% YoY) due to a +17.9% YoY variation in profit before tax.

For 12M21, Grupo Security's revenue reached MCH\$1,389,083 (+27.3% YoY), primarily because of increased revenue from gross written premiums at Vida Security and Protecta of MCH\$463,687 (+48.7% YoY), due to higher sales of annuities and individual insurance policies. Furthermore, Vida Security and Protecta reported greater investment income of MCH\$171,035 (+41.5% YoY), as explained on pages 20 to 28 of this report. On the flip side, the Bank reported increased revenue of MCH\$607,220 (+22.9% YoY), explained mainly by a rise in indexation income because of higher inflation during the period (7.2% in 2021 vs 3.0% in 2020, UF variation of 6.6% in 2021 vs 2.7% in 2020) as indicated on pages 6 to 17.

For 12M21, profit attributable to owners of the parent was MCH\$88,603 (+36.01% YoY), while EBITDA reached MCH\$118,076 (+12.79% YoY). As of December 2021, annualized return on equity was 10.6% (+250 bps YoY) and return on assets was 0.69% (+10 bps YoY) with earnings per share of CH\$21.9 (+30.16% 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.

BANKING INDUSTRY

As of December 2021, the Chilean banking industry was made up of 17 financial institutions, including 1 state-owned bank (Banco Estado), 14 domestic banks and 2 branches of foreign banks. As of that date, industry loans totaled MCH\$223,079,736 (MCH\$222,877,069 excluding foreign subsidiaries). Equity totaled MCH\$24,786,934 while profit for the year was MCH\$3,826,709, with return on average equity¹¹ of 16.62%. The industry reported an efficiency ratio of 41.60%, measured as operating expenses over gross operating profit, and 1.54% measured as operating expenses over total assets. The banking system posted a risk ratio of 2.37%, measured as loan loss provisions to total loans, and 1.24%, measured as 90-day nonperforming loans to total loans. As December 2021, Banco Security had total loans of MCH\$6,731,538, positioning it 8th in total loans with 3.0% 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 December 2021, the mutual fund industry reported average assets under management of MCH\$50,987,024 and 2,926,549 investors. Administradora General de Fondos Security boasted average assets under management of MCH\$2,464,190 as of December 2021, giving it a market share of 4.83% and an eighth place industry ranking among the 20 fund managers operating in the market.

STOCK BROKERAGE INDUSTRY

During the first nine months of 2021, market activity measured as value of shares traded increased 3.5% in comparison to 9M20, reaching BCH\$61,206. Value of shares traded for Valores Security Corredores de Bolsa for the same period totaled BCH\$995 with market share of 1.6%.

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

Market share is calculated based on transactions on Santiago Exchange and the Chilean Electronic Stock Exchange.

LIFE INSURANCE INDUSTRY

As of September 2021, there were 34 life insurance companies in Chile. Total gross written premiums for the industry were MCH\$3,699,697. The life insurance industry posted profit of MCH\$815,895 for the period ended September 2021. For the same period, Vida Security had market share of 6.4% 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 December 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 December 2021, equivalent to 0.87% 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 December 2021, Grupo Security had received the following dividends from subsidiaries: MCH\$30,067 (50% of 2020 profit) from Banco Security and MCH\$9,471 from Factoring Security (60% of 2020 profit). Meanwhile, Inmobiliaria Security distributed MCH\$1,000 in dividends (17% of profit for 2020). In addition, Inversiones Previsión Security, the parent company of Vida Security, distributed dividends of MCH\$8,144, while Securitizadora Security distributed dividends of MCH\$2,900.

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 and 2021, 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 December 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 December 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.

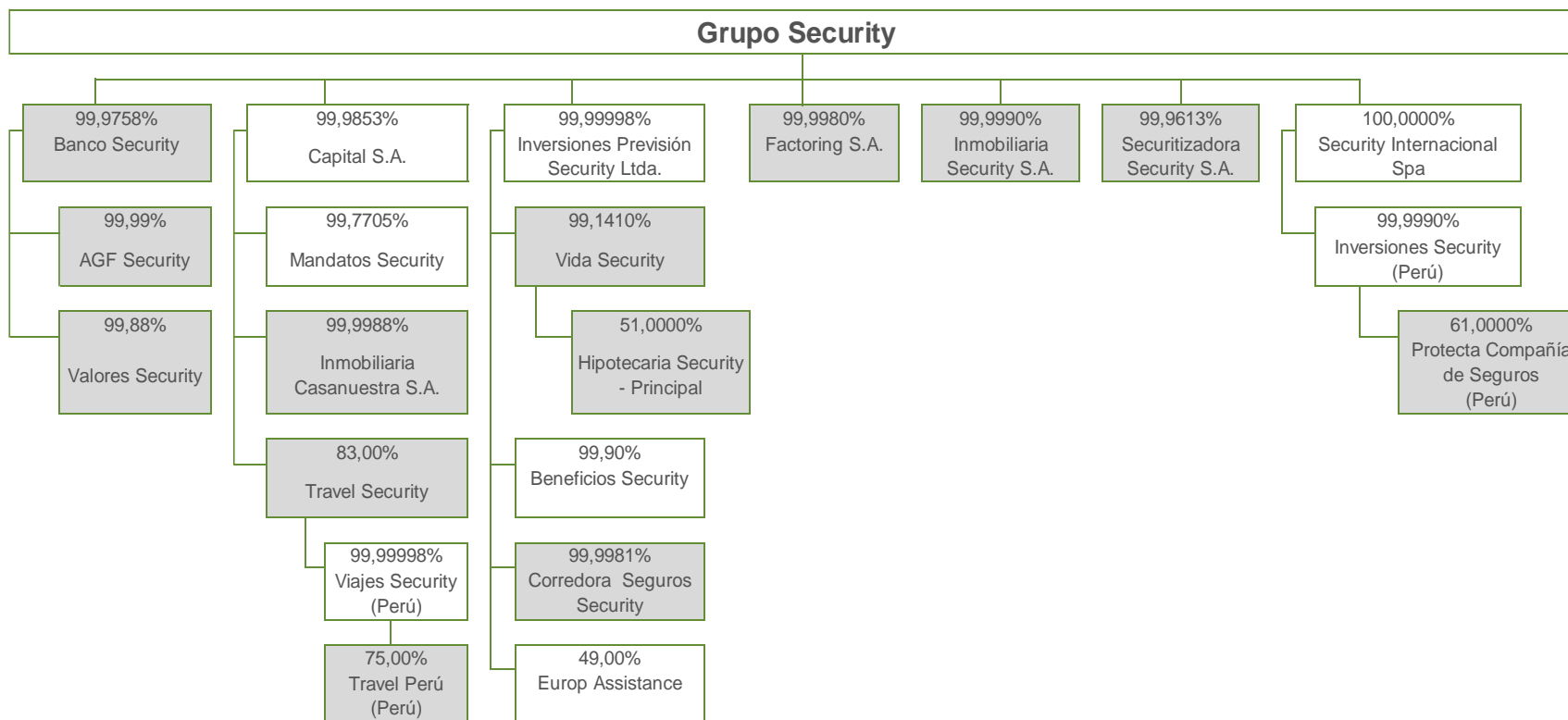
Industry Structure

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 as of December 31, 2021



As of July 1, 2021, the following change was made to the corporate organizational structure:

- Global Security Gestión y Servicios Ltda. was absorbed by Capital S.A.

As of January 1, 2022, the following change was made to the corporate organizational structure:

- Mandatos Security was absorbed by Capital S.A.