

In 2015, Grupo Security Will Look to Consolidate its Banking and Insurance Businesses and Diversify its Regional Revenue

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In March, Grupo Security reported that it had signed a deal to enter the Peruvian insurance market by partnering with Grupo ACP and purchasing a stake in Protecta Compañía de Seguros through its subsidiary Vida Security.

Throughout 2015, Grupo Security will work to consolidate its banking and insurance businesses and further diversify its regional revenue, as emphasized today at an Ordinary Shareholders' Meeting.

At the meeting, the Chairman of the Board of Directors of Grupo Security, Francisco Silva, remarked that 2014 had been a good year for the company with profit of Ch\$62,970 million. He also commented that the Group completed a deal in early 2015 to enter the Peruvian life insurance market. With this acquisition, and its already consolidated interest in the Peruvian travel market, the Group has two companies in Peru with more than 295 employees and annual sales of US\$115 million in 2014.

Silva also observed, "In contrast to Grupo Security's noteworthy performance, the country's overall situation weakened sharply. In 2014 and early 2015, technically flawed tax, education and labor reforms have been or are being pushed through congress, which will lead to outcomes contrary to the initial objectives and will directly damage those groups the reforms intended to help."

Silva added, "These reforms are in addition to incidents that erode and make the public question the legitimacy of the world of politics as well as some unfortunate business practices, which have produced a crisis of confidence across all segments of the population. This situation can only be resolved by facing the country with clear leadership and urgently adopting corrective measures. If this does not occur, Chile will go down the path of so many other countries that have betrayed their own aspirations and development."

The CEO of Grupo Security, Renato Peñafiel, expressed, "We are very concerned about the weakened domestic political landscape that we observe. Public-private collaboration has been seriously impaired and it will take clear signs to restore it, both from the government and from congress, aimed at rebuilding the climate of confidence that has characterized our country for so long. A common agenda must be designed that seeks to strengthen investment, employment, salaries and growth of domestic income."

Peñafiel voiced his concern about some of the reforms underway. "The labor reform being debated has not included the valuable opinion of the companies that create jobs regarding the creation of a union monopoly and job flexibility," he remarked. "In that sense, we believe in competition, in the development of local markets and the ability to compete internationally. However, union entitlement will create a monopoly within the company and affect our competitive flexibility. We believe that giving employees the freedom to choose whether or not to join a union is more advisable." He also cautioned that "an antiquated, ideologized view of business owners must not lead us to overlook the role they have played in the development of the Chilean economy, risking their capital and generating quality jobs." He then added, "We cannot squander the opportunity to become a developed nation."

From a business perspective, the main challenges facing Grupo Security this year lie in strengthening Banco Security by improving its efficiency ratio and expanding loans in line with the banking industry. The group also seeks to strengthen the insurance and asset management areas, which have posted favorable growth figures. In 2014, Grupo Security successfully completed the merger with the Cruz del Sur companies.

Another objective for 2015 is to further diversify regional revenue. In this spirit, Grupo Security signed a deal in March to enter the Peruvian insurance market by partnering with Grupo ACP and purchasing a stake in Protecta Compañía de Seguros through its subsidiary Vida Security. On this matter Peñafiel remarked, "We see development opportunities in the Peruvian insurance market because of its low insurance penetration rates in comparison to regional and international benchmarks."

Results 2014

The Grupo Security companies posted favorable results for the year. Banco Security reported consolidated profit of Ch\$55,902 million as of December 2014, up 70.4% from the prior year, in response to strong performances from its treasury, retail and commercial banking divisions.

Vida Security and Factoring Security reported profit of Ch\$26,793 million and Ch\$7,444 million in 2014. The latter represents an increase of 14.1% over the prior year, explained mainly by a rise of 9.1% in factored receivables, which totaled Ch\$ 249,708 million.

Grupo Security is engaged in the lending, asset management, insurance, travel and real estate businesses. It has been recognized for its high quality customer service, good workplace environment and successful implementation of policies that encourage work-life balance.