

Grupo Security Focuses on Making Acquisitions Profitable and Sees Opportunities in the Peruvian Market

April 28, 2016

During 2015, Grupo Security completed projects that resulted in significant progress for the company. These included acquiring 61% of the Peruvian insurance company Protecta, and acquiring the asset management subsidiaries of Banco Penta.

During the current year, Grupo Security will focus on strengthening its 2015 acquisitions and making them more profitable, in the context of regulatory changes and an uncertain economic environment in Chile, as reported today at the ordinary shareholders' meeting.

The Chairman of the Board of Grupo Security, Mr. Francisco Silva, took this opportunity to mention that "the course of political events is largely responsible for Chile's very slow growth over the last two years." He added that "ideological forces are impeding growth, which is necessary to remove the most destitute from poverty and to reduce the inequality prevalent in Chile."

The Chairman informed shareholders that "the main reforms defined two years ago have now been processed, and these tax, educational and employment reform bills have already passed into law. Unfortunately, the resulting changes fall far short of fulfilling the population's desires of more and better job opportunities, increased investments to fuel the country's growth, quality education for all and favorable conditions for labor relations."

"Meanwhile, we condemn any type of illegal financing of political parties and business practices aimed at limiting competition. By the same token, we advocate transparency and free competition, we condemn the indiscriminate discrediting of businessmen and politicians, and reject the monopolistic abuses carried out by corporations and trade unions. We demand respect for public services and private initiatives. However, the solution to these serious problems does not lie in formulating a new constitution, as the legislative machinery and parliamentary majorities enact good laws that help to resolve these problems. The best approach to resolving the problems that beset us is to follow the path of greater freedom instead of one involving further restrictions."

Mr. Silva confirmed that "the figures do not deceive us and unfortunately speak relentlessly about the fall in growth and investment, while unemployment increases, thus punishing the neglected as usual."

Mr. Silva said that Grupo Security undertook important projects last year, "and that in spite of everything the company continued to develop." Grupo Security reported profit of CH\$65,022 million for 2015, which represents an increase of 6.6% over the previous year. Meanwhile, return on equity for Grupo Security reached 12.1% as of December 2015.

Milestones included acquiring 61% of the insurance company Protecta, ranked the ninth largest insurance company in Peru. This deal is the culmination of a search and negotiating process to identify an investment in the Peruvian financial sector with significant growth projections.

Around the middle of last year, Grupo Security also reached an agreement to buy Banco Penta's asset management subsidiaries: Penta Administradora General de Fondos S.A. and Penta Corredores de Bolsa S.A. This deal will add approximately US\$1,151 million in assets under management, and a portfolio of over 5,000 customers. This merger was completed in February 2016, and Inversiones Security now has assets under management of about US\$5,600 million, generating higher income and making Inversiones Security a leading asset manager in Chile.

Grupo Security's CEO, Renato Peñafiel, remarked on the challenges for the current year when he said that "as a group we will focus on managing risks in 2016 in an adverse macroeconomic cycle. We will also strengthen our presence in Peru and integrate the recent acquisition of Banco Penta's asset management business."

Furthermore, he commented, "I envisage 2016 to be a disappointing year, because of low growth, rising unemployment and stagnating investment. The economy is facing a complex macro scenario. Therefore, the banking industry as a whole is more conservative when granting loans and managing risk. Remember that increasing unemployment increases the levels of risk for individuals and companies. Consequently, we expect that risk indicators will begin to deteriorate during the second half of the year."

The shareholders also approved the annual report and financial statements for 2015 at this meeting. Furthermore, they approved a dividend of CH\$7.25 per share paid from profit for the year 2015. This dividend and the interim dividend paid in October 2015 produce a final dividend of CH\$11.25 per share for 2015.

Shareholders also elected a new Board of Directors for Grupo Security, which is now comprised of Francisco Silva, Juan Cristóbal Pavez, Ana Sainz de Vicuña, Horacio Pavez, Jorge Marín, Hernán De Las Heras, Bruno Philippi, Naoshi Matsumoto and Mario Weiffenbach.

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, for its good workplace environment enabling it to become one of the best employers in Chile over the last 15 years and occupy important rankings in the Great Place to Work survey, and for successfully implementing policies to balance work, family and personal life.