

Grupo Security Profit Up 68.6% in First Quarter of 2016

May 26, 2016

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Grupo Security posted net profit of CH\$30,889 million for the first quarter of this year, up 68.6% compared to the same period for the previous year. This increase is explained by the extraordinary gain on the sale of its minority stake in the general insurance company Penta-Security to Liberty International Holdings. Grupo Security's EBITDA rose 46% over the same period compared to the first three months of 2015, and totaled CH\$45,048 million. Therefore, Grupo Security's return on equity was 14.0%.

The sale of Penta Security was completed last January and generated a gain after tax for Grupo Security of CH\$14,937 million, which was reflected in the results as of March 2016.

Grupo Security's CEO, Renato Peñafiel, specified that "our other businesses have posted results in line with expectations in the midst of a slowdown in the Chilean economy." He added that "during the remainder of 2016, the group will concentrate on managing risk in an adverse macroeconomic cycle. We will also strengthen our presence in Peru and integrate the investment management area's recent acquisition of Banco Penta's asset management business."

Grupo Security successfully completed the acquisition of Penta Administradora General de Fondos S.A. and Penta Corredores de Bolsa S.A. in February. These companies were subsequently merged with Banco Security's respective asset management subsidiaries, AGF Security and Valores Security. The deal involved almost CH\$800 billion in assets, positioning Inversiones Security among industry leaders in the third-party asset management business.

Banco Security posted profit of CH\$15,439 million as of March 2016, representing an increase of 25.4% compared to the same period for the previous year. Banco Security had total loans of CH\$4,093,302 million as of March 2016, giving it an industry ranking of ninth by total loans, and a Chilean market share of 3.0%.

Highlights

The results of the fifth bidding process for Disability and Survivor Insurance (SIS), organized by the pension fund management companies to provide coverage for their members, were announced in May 2016. Vida Security was awarded two fractions for men and two for women for the period from July 2016 to June 2018.

Moreover, on April 28, 2016, Grupo Security shareholders approved a dividend payment of CH\$7.25 per share paid from profit for the year 2015. This dividend and the interim dividend distributed in October 2015 total CH\$11.25 per share, equivalent to CH\$36,657 million, or 56% of profit for 2015.

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