

Grupo Security Reports Net Profit Of Ch\$17,310 Million During First Quarter Of 2017

May 25, 2017

CEO Renato Peñafiel highlighted the solid performance of the Group's businesses during the period and the capital increase of CH\$100,000 million approved in April in order to strengthen growth and capital in its main assets, Bank and Life Insurance.

Grupo Security posted net profit of CH\$17,310 million during the first quarter of 2017 according to the results reported today to the Securities and Insurance Commission (SVS). CEO Renato Peñafiel explained that, "Unlike last year, this result does not include the extraordinary profit of CH\$14,937 million obtained from the sale of the Group's interest in Penta-Security. When we exclude that effect, our profit has grown 8.5% over last year."

"Our businesses continue to present solid performance despite a weakened context that includes a sustained decrease in investment and lower overall confidence levels. Specifically, over the past year, our loans have increased 10.8%, compared to an industry rate of 5.5%, and Vida Security direct premium has increased by 54.5% over the system's 3.1%," Peñafiel added.

Along those lines, Grupo Security's CEO noted the capital increase of CH\$100,000 million approved in an extraordinary shareholders meeting held in April of this year. The move is designed to strengthen commercial growth and the capital base of the main Grupo Security businesses, Bank and Life Insurance, and to maintain the solid results that the company has reported over the past few years.

In regard to the results of Grupo subsidiaries, at the close of the first quarter Banco Security reported loans totaling CH\$4,533,229 million, which represented a 10.8% increase over the same period of 2016. Commercial loans increased by 12.7% over that date, while retail credit totaled CH\$960,440 million, a 4.2% increase over the first quarter of 2016.

In the Insurance Area, Vida Security stood out, posting profits of CH\$7,579 million, which represented an increase of 75.4% over the first quarter of 2016. This result was generated by the solid results of its investment portfolio.

Investments Area profits totaled CH\$1,534 million, which is lower than last year due to higher spending as a result of increased commercial activity, which was not offset by a higher level of income. During the first quarter of 2017, the assets managed by Inversiones Security reached CH\$3,856 billion, up 2.9% over last year. Meanwhile, Factoring Security profits totaled CH\$1,855 million, up 9.1% over last year due to an increase in income thanks to a larger stock of loans.

Grupo Security is structured into four main business areas, each of which includes subsidiaries and divisions with shared business objectives. These areas are finance, insurance, investment and asset management, and complementary services.

[1] Translator's note: The FECU is a report based on financial statements in a standardized format required of all public companies in Chile.