20 ANNUAL REPORT 17

GRUPO security

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GRUPO security

01

OUR COMPANY

WE WANT TO HELP MAKE PEOPLES'

projects and dreams attainable



LETTER FROM THE CHAIRMAN

MCH$ 74,708

PROFIT 2017

DEAR SHAREHOLDERS:

It is my pleasure to present Grupo Security's annual report for the year 2017.

Despite last year's uneasiness arising from national elections in Chile, the market seemed more optimistic about the domestic economy in late 2017 and some indicators even reflected this emerging trend. This shift led to improved macroeconomic projections for 2018, particularly as political uncertainty dissipated.

As the country begins an investment-inclined cycle, the economy is starting to leave behind the stagnation that prevailed during the last four years and is once again showing positive signs of growth. Renewed confidence is already evident in the market and opinion polls.

Official estimates predict that the country could grow between 2.5% and 3.5% in 2018. This represents a significant recovery from GDP growth of 1.5% (p) last year and the 1.7% (p) average during the last presidential administration. Although this figure still falls below Chile's growth levels of around 5% between 2010 and 2012, it is a sure sign that we can expect an upturn over the next few years,

which is reinforced by the increased growth seen around the world and a favorable environment for the Chilean economy.

The goal of enabling our country's economy to take flight and resume sustained growth presents a tremendous challenge. Beyond expectations, we trust that the new authorities will implement all measures needed to create conditions for social and economic progress in order to guarantee welfare for all.

The political and economic decisions made in the next few years will be key in helping our country recover growth levels from decades past, once again positioning us on the threshold of becoming a developed country.

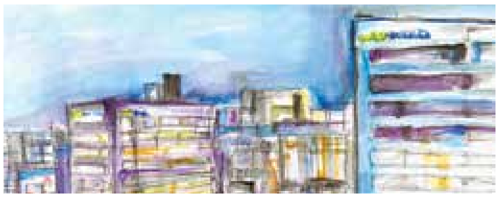
DEVELOPMENTS AT GRUPO SECURITY

The year 2017 was marked by several important milestones for Grupo Security, which once again enabled us to make strides toward achieving new objectives and goals.

In order to sustain above-industry growth rates and strengthen the capital base of the Bank and insurance subsidiaries (including Vida Security and Protecta in Peru), we raised CH$93,424 million through a successful capital increase completed in August. The unconditional support and trust shown by our shareholders during the capital increase process are a source of pride for us and a sign of their commitment to our business strategy, which aims to meet our customers' comprehensive needs, deliver value to our shareholders and always show concern for people.

Given the key role that people play within Grupo Security, we celebrate being recognized once again as one of the best companies to work for in Chile, placing seventh in the Great Place to Work ranking. Our performance has consistently improved over the seventeen years we have participated in this ranking, thanks to our ongoing efforts to create a caring and engaging environment for our employees that enables them to perform their duties and promotes career development and growth.

Since our beginnings, we have fostered a pleasant and safe work place and have been market pioneers in flexibility and family-work balance, a constant goal for our management and a core value of the Security culture. We attribute much of our success to the fact that Grupo Security puts people at the center of our strategic objectives. After all, an employee that is content



MUS$ 1,678

MARKET CAPITALIZATION

7th PLACE

IN THE GREAT PLACE TO WORK RANKING

at work, feels appreciated and has the peace-of-mind that his or her family is protected will convey warmth, closeness, commitment and courtesy to our customers, a hallmark that is highly appreciated by those that prefer our services.

Another relevant event during the year was S&P's upgrading of Banco Security's risk rating to BBB/A-2. This is especially noteworthy given the downgrading of the country's sovereign rating, which also impacted several financial institutions. Another important achievement was the shift from "Stable" to "Positive" in Fitch Rating's outlook for the Group, the Bank and the factoring subsidiary.

RESULTS 2017

As of year end, our Group had 3,887 employees, more than US$21 billion in assets under management, market capitalization of US$1,678 million and profit of US$121 million.

These positive results surpassed the industry as a whole on many fronts: the Bank's loans grew by 8.3% versus 4.3% for the industry; gross written premiums at Vida Security increased by 28.2%, well above the industry's -1.8% decline; and mutual funds expanded by 38.0%, against 12.4% for the industry.

This, along with the capital increase, led to returns of 31% for Grupo Security's stock, in line with the IPSA at 34%, and outperforming the banking sector index.

INTERNATIONAL CONTEXT

Our efforts in Peru deserve special mention. In 2017, we focused on consolidating our position in this market, reporting net profit from the insurance business (through Protecta) of 5.2 million Peruvian soles according to the local books, up 7.1% from 2016. This performance was the result of a brand reinforcement strategy, premium diversification and a healthy capital structure that has increased the company's value. Emphasis was also placed on implementing technological improvements to make our operations more efficient. We have take on this challenge in both Chile and Peru as the financial industry must be prepared to move forward in this area.

Our operations in Hong Kong, through Banco Security's representative office, enabled us to strengthen bonds and commercial relationships with that market in order to plan and close business deals to further our project in China.

These elements lay the foundation for a new period and allow us to look optimistically toward the future. In 2018, we will continue to strengthen our business model in order to consolidate the growth of our companies in the countries where we operate.

We are clear about our path, our business strategy and our focus on people and our customers. As we have done throughout our history, we will take advantage of all opportunities that arise to add value for our shareholders, provide excellent service for our customers and ensure Grupo Security's future sustainability. We also trust that Chile will finally leave behind this period of low growth and will resume its leadership in Latin America.

FRANCISCO SILVA S.
Chairman, Grupo Security



FINANCIAL SUMMARY

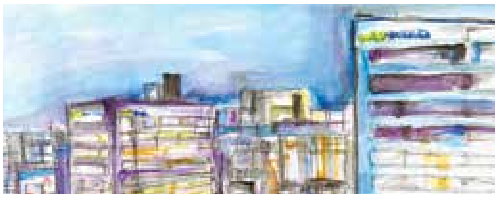
GRUPO SECURITY SUMMARIZED STANDALONE FINANCIAL STATEMENTS

FIGURES IN MILLIONS OF CHILEAN PESOS

BALANCE SHEET	2002	2003	2004	2005	2006	2007	2008	2009
Total current assets	8,172	9,988	12,256	7,194	7,455	13,529	13,550	30,835
Total property, plant and equipment	88	56	43	1,087	1,482	1,347	1,778	1,611
Total other assets	115,676	129,157	190,842	208,709	276,907	313,949	323,034	356,577
TOTAL ASSETS	123,935	139,201	203,142	216,990	285,844	328,825	338,363	389,023
Total current liabilities	6,542	5,173	3,221	8,041	7,672	7,229	6,706	6,609
Total long-term liabilities	21,449	28,805	39,150	34,675	68,522	81,641	84,864	91,190
Total equity	95,944	105,223	160,771	174,274	209,649	239,955	246,793	291,224
TOTAL LIABILITIES AND EQUITY	123,935	139,201	203,142	216,990	285,844	328,825	338,363	389,023

INCOME STATEMENT	2002	2003	2004	2005	2006	2007	2008	2009
OPERATING LOSS	-1,740	-1,325	-1,485	-2,508	-3,435	-4,421	-3,404	-4,290
Sales and administrative expenses	-1,740	-1,325	-1,485	-2,508	-3,435	-4,421	-3,404	-4,290
NON-OPERATING INCOME	9,018	15,368	17,010	22,465	30,092	36,123	20,282	34,346
Finance income	327	188	267	348	459	623	671	388
Profits from investments in related companies	9,940	16,356	19,797	24,343	35,110	42,974	25,774	38,842
Amortization of goodwill	-43	-43	-916	-1,330	-1,835	-2,290	-2,493	-2,436
Finance costs	-1,600	-1,496	-1,642	-1,759	-3,029	-4,200	-3,787	-3,655
Other non-operating income (loss)	204	208	28	1,335	-67	-139	1,893	233
Price-level restatement	-41	71	-514	-468	-551	-845	-1,776	973
Exchange differences	232	85	-11	-3	5	-1	0	0
PROFIT BEFORE TAX	7,278	14,043	15,525	19,956	26,657	31,702	16,878	30,056
Income tax benefit (expense)	66	66	-19	254	90	316	782	21
Amortization of negative goodwill	0	0	0	0	0	0	124	0
PROFIT FOR THE YEAR	7,344	14,110	15,506	20,210	26,746	32,018	17,785	30,076
TOTAL DEBT / EQUITY (TIMES)	0.29	0.32	0.26	0.25	0.36	0.37	0.37	0.34
Number of shares (in millions)	1,655	1,655	2,040	2,040	2,201	2,201	2,201	2,550
Earnings per share	4.4	8.5	7.6	9.9	12.2	14.5	8.1	11.8
Return on average equity	7.9%	14.0%	11.7%	12.1%	13.9%	14.2%	7.3%	11.2%

SOURCE: FINANCIAL STATEMENTS / CMF



GRUPO SECURITY SUMMARIZED CONSOLIDATED FINANCIAL STATEMENTS

FIGURES IN MILLIONS OF CHILEAN PESOS

STATEMENT OF FINANCIAL POSITION	2010	2011	2012	2013	2014	2015	2016	2017
Total current assets	3,967,917	4,752,901	5,181,497	6,370,038	7,101,898	7,999,828	8,742,226	9,285,369
Total non-current assets	205,325	221,710	235,689	426,190	566,945	608,622	570,573	555,932
TOTAL ASSETS	4,173,242	4,974,611	5,417,186	6,796,228	7,668,844	8,608,450	9,312,799	9,841,301
Total current liabilities	3,582,463	4,319,805	4,696,348	5,917,494	6,603,976	7,521,151	8,035,493	8,437,929
Total non-current liabilities	284,440	274,901	318,914	405,500	533,833	516,021	671,591	680,845
TOTAL LIABILITIES	3,866,903	4,594,706	5,015,262	6,322,994	7,137,809	8,037,173	8,707,084	9,118,775
Equity attributable to owners of the parent	300,641	376,742	397,790	467,004	522,718	551,653	585,628	704,910
Non-controlling interests	5,699	3,163	4,134	6,230	8,317	19,624	20,087	17,616
Total equity	306,340	379,905	401,924	473,234	531,035	571,277	605,715	722,526
TOTAL LIABILITIES AND EQUITY	4,173,243	4,974,611	5,417,186	6,796,228	7,668,844	8,608,450	9,312,799	9,841,301

STATEMENT OF INCOME	2010	2011	2012	2013	2014	2015	2016	2017
Revenue	348,044	436,553	584,193	710,361	808,422	848,633	1,026,690	1,177,768
Cost of sales	-199,319	-274,766	-389,761	-511,620	-556,117	-585,492	-700,949	-839,571
Gross profit	148,725	161,787	194,431	198,741	252,304	263,141	325,741	338,197
Other income	1,281	5,047	7,809	6,000	1,790	2,142	2,777	4,252
Administrative expenses	-86,934	-93,962	-127,412	-154,805	-153,775	-179,333	-219,682	-215,483
Other expenses	-18,059	-16,701	-18,393	-11,211	-16,077	-15,337	-27,594	-8,561
Other gains	2,366	4,385	1,760	2,655	5,576	10,005	3,014	5,457
Net operating income	47,378	60,556	58,195	41,380	89,817	80,617	84,255	123,863
Finance income	0	0	0	18	84	0	0	0
Finance costs	-4,122	-4,449	-4,950	-9,965	-12,729	-13,139	-13,473	-13,110
Share of profit (loss) of associates and joint ventures, equity-accounted	2,758	2,710	1,094	1,387	3,116	692	18,835	-379
Exchange differences	4,583	-2,680	5,749	30,373	12,906	24,443	-9,110	-4,926
Gain (loss) on indexed assets and liabilities	-1,980	-6,462	-2,256	-80	-12,866	-13,811	5,695	-4,179
Gain (loss) from difference between the prior carrying value and the fair value of reclassified financial assets measured at fair value	566	304	-574	-960	-1,074	1,136	2,750	-1,586
Profit before tax	49,183	49,978	57,258	62,152	79,254	79,940	88,952	99,684
Income tax expense	-7,327	-7,662	-10,103	-11,181	-16,284	-13,338	-13,866	-25,971
Profit from continuing operations	41,856	42,316	47,155	50,971	62,970	66,602	75,086	73,712
Profit from discontinued operations	0	0	0	0	0	0	0	0
Profit for the year	41,856	42,316	47,155	50,971	62,970	66,602	75,086	73,712
Profit attributable to owners of the parent	40,852	41,883	46,561	49,843	61,010	65,022	74,522	74,708
Profit (loss) attributable to non-controlling interests	1,004	433	594	1,128	1,960	1,580	563	-996
Profit for the year	41,856	42,316	47,155	50,971	62,970	66,602	75,086	73,712

TOTAL STANDALONE DEBT / EQUITY (TIMES)	0.31	0.25	0.26	0.37	0.36	0.35	0.36	0.29
Number of shares (in millions)	2,550	2,882	2,882	3,184	3,232	3,258	3,258	3,683
Earnings per share	16.0	14.5	16.2	15.7	18.9	20.0	22.9	20.3
Return on average equity	13.9%	12.4%	12.0%	11.5%	12.3%	12.1%	13.1%	11.6%

SOURCE: FINANCIAL STATEMENTS / CMF

COMPANY

1981
Banco Urquijo de Chile, a subsidiary of Spain's Banco Urquijo, was created.

1987
Security Pacific Corporation acquired all the shares of Banco Urquijo de Chile.

1990
Leasing Security was created in 1990 and later joined Banco Security in 2001.

1991
Security Pacific Overseas Corporation sold 60% of Banco Urquijo and renamed it Banco Security.

Grupo Security was created when Agencia de Valores Corredora de Bolsa became a Banco Security subsidiary and changed its name to Valores Security Corredores de Bolsa. Since then, the Group's corporate purpose has been to invest in all kinds of real estate and tangible and intangible personal property.

1992
Administradora de Fondos Mutuos Security S.A. and Factoring Security S.A. were created.

1993
Asesorías Security was created, in order to represent the US company Dean Witter Reynolds & Co. in Chile.

1994
Bank of America was the legal successor of Security Pacific National Bank and sold its interest in the Bank to Grupo Security, which thereby gained 100% ownership.

1995
Grupo Security placed its shares on the stock market.

It acquired a majority interest in AFP Protección as well as the insurance companies Previsión Vida and Previsión Generales.

1996
Grupo Security acquired 62.69% of Previsión Vida and Previsión Generales.

Merchant Security and Inmobiliaria Security joined the Group.

1997
Securitizadora Security joined the Group.

The Group sold its interest in AFP Protección.

A new corporate image was unveiled.

1999
Travel Security joined the Group and Corredora de Seguros Security was formed.

2001
Servicios Security S.A., Corredora de Reaseguros Security and Agencia Security were formed.

2002
Asesorías Security S.A. was created to operate Asesorías Security's international asset management business and Banco Security's international private banking business.

The names of the insurance companies were changed to Seguros Vida Security Previsión S.A. and Seguros Security Previsión.

2004
Banco Security acquired 99.67% of Dresdner Bank Lateinamerika A.G. and 100% of Dresdner Lateinamerika S.A. Corredora de Bolsa. Banco Dresdner then merged with Banco Security.

Seguros Generales Las Américas merged with Seguros Security Previsión Generales.

An alliance with Europ Assistance was formed, creating Europ Assistance Chile.

Grupo Security partnered with English reinsurance brokerage firm, Cooper Gay, and Cooper Gay Chile was born.

2006
Interamericana Rentas Seguros de Vida was acquired, which changed its name to Rentas Security.

2007
Grupo Security and Grupo Ultramar merged their travel agencies, Travel Security and Turismo Tajamar, under the name Travel Security S.A.

The subsidiaries Vida Security and Rentas Security were merged.

Grupo Security acquired Cigna Compañía de Seguros de Vida and Cigna Asistencia Administrativa Ltda. Vida Security then merged with Cigna Seguros de Vida.

2009
An alliance was signed with American Express, making Travel Security the exclusive representative of the world's largest travel agency in Chile.

Corredora de Seguros Security purchased the life and health insurance portfolio from Andueza.

2010
The Group adopted International Financial Reporting Standards (IFRS).

2012
Travel Security acquired a 75% interest in Travex, Peru's third largest travel agency.

2013
Grupo Security acquired the Cruz del Sur group and sold its stake in Cooper Gay Chile.

2014
Vida Security merged with Compañía de Seguros de Vida Cruz del Sur S.A.,

and Cruz del Sur Capital S.A. merged with Invest Security. The name of the merged company was changed to Capital S.A.

Administradora General de Fondos Security merged with Cruz del Sur Administradora General de Fondos.

Banco Security opened a representative office in Hong Kong.

2015
Corredora de Bolsa Security merged with Cruz del Sur Corredora de Bolsa.

Grupo Security celebrated twenty years since its IPO on the local stock market.

The Group acquired 61% of Protecta in Peru.

2016
Grupo Security celebrated 25 years in business.

Banco Penta's fund manager, brokerage subsidiary and private banking division were merged with the respective Group companies and the Group sold its interest in Penta Security to Liberty International Holdings.

Banco Security signed a financial cooperation agreement and a five-year loan of US$20 million with the China Development Bank.

The Group placed its Series M bonds and offered bondholders the chance to exchange their Series F bonds for Series M bonds.

2017
The capital increase is completed, raising CH$93,424 million or 97.3% of the offering.

GRUPO SECURITY - PROFILE

LENDING AREA

BANCO SECURITY

FACTORING SECURITY

CH$61,390
MILLION
PROFIT FOR THE YEAR 2017

→67.1%
OF PROFITS FROM
GRUPO SECURITY RELATED COMPANIES

ASSET MANAGEMENT AREA

VALORES SECURITY S.A.
CORREDORES DE BOLSA

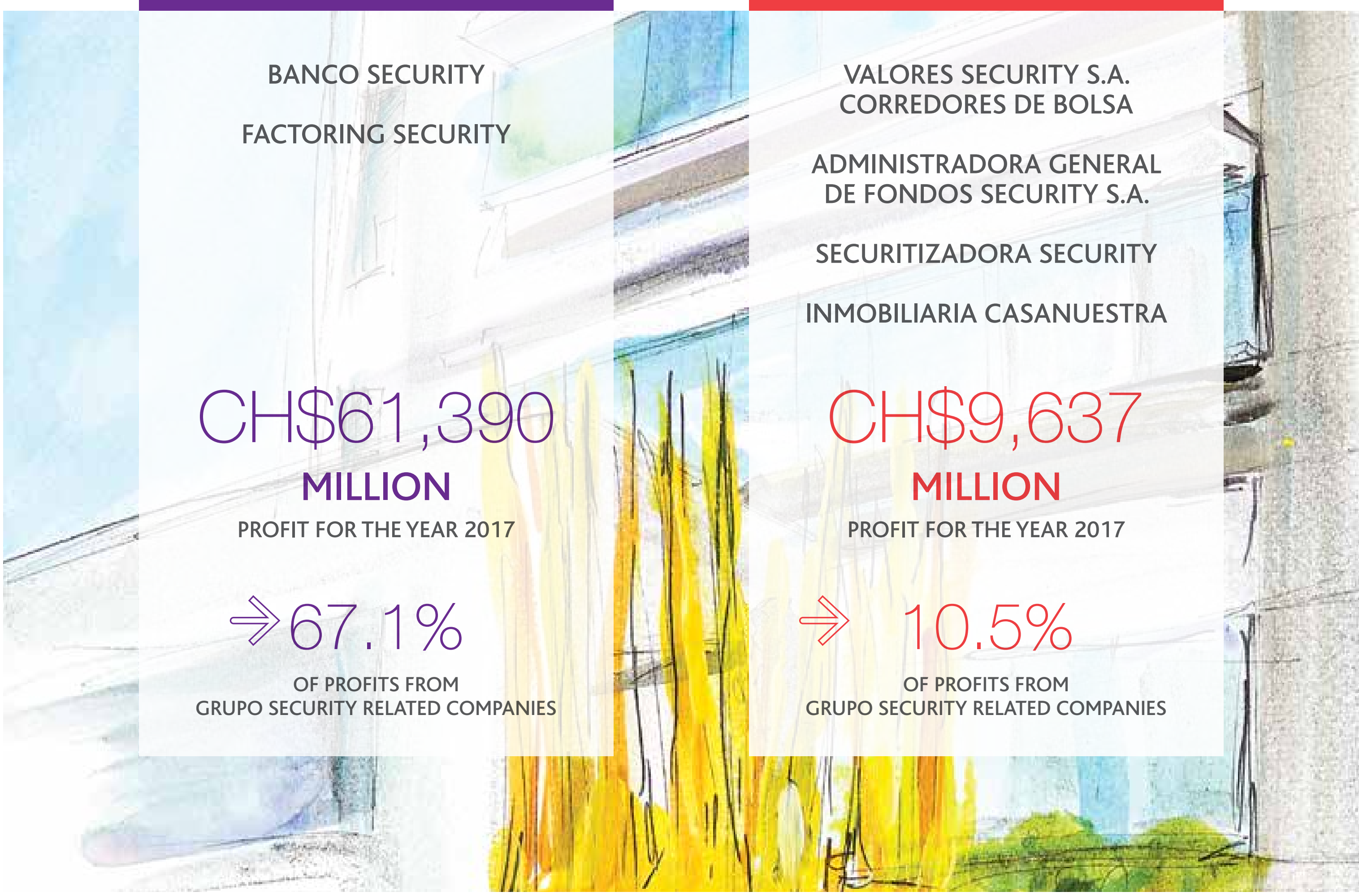
ADMINISTRADORA GENERAL
DE FONDOS SECURITY S.A.

SECURITIZADORA SECURITY

INMOBILIARIA CASANUESTRA

CH$9,637
MILLION
PROFIT FOR THE YEAR 2017

→ 10.5%
OF PROFITS FROM
GRUPO SECURITY RELATED COMPANIES



INSURANCE AREA

VIDA SECURITY

PROTECTA COMPAÑÍA DE SEGUROS

CORREDORA DE SEGUROS

EUROP ASSISTANCE

HIPOTECARIA SECURITY PRINCIPAL

CH$13,797
MILLION
PROFIT FOR THE YEAR 2017

15.1%
OF PROFITS FROM
GRUPO SECURITY RELATED COMPANIES

SERVICES AREA

TRAVEL SECURITY

TRAVEX

INMOBILIARIA SECURITY

CH$6,660
MILLION
PROFIT FOR THE YEAR 2017

7.3%
OF PROFITS FROM
GRUPO SECURITY RELATED COMPANIES



INTERNATIONAL CONSOLIDATION

In recent years, Grupo Security has set for itself the strategic objectives of furthering local growth, continuing to expand its business model in the region and making firm strides to help its customers explore China.

In order to sustain its growth abroad, each development has required Grupo Security to not only manage the commercial aspects of the business but also to integrate its corporate culture. In this spirit, it has adopted the values of transparency, closeness, professionalism and balance between work, family and personal life at all its businesses outside Chile.

Grupo Security will continue to penetrate international markets and strengthen its position in current markets, by opening and then consolidating new product lines and providing the human capital and technical support necessary for its expansion.

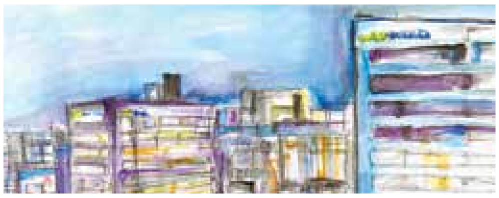
STRIDES IN CHINA

The Group achieved a major milestone in 2014 when Banco Security opened a representative office in Hong Kong in order to support existing and potential customers that are launching or doing business with China, currently Chile's most important trade partner.

In 2017, the Bank implemented the "China Desk" in Chile. This group is responsible for strengthening business and investments to and from China, leveraging the sound networks Banco Security has developed to pave the way for its customers' businesses and investments, including companies engaged in foreign trade and/or e-commerce, chambers of commerce, governmental trade promotion agencies and Asian correspondent banks.

PAVING THE WAY IN PERU

The Group incorporated Travex Security in Peru in 2012 and later, in 2015, it entered the Peruvian insurance market by acquiring Protecta.



THE PATH TO BECOMING AN INTERNATIONAL BUSINESS

2012

The first international destination was Peru, through the acquisition of 75% of Travex, the third largest travel agency in Peru, founded in 2002.

2014

Seeing the need to focus on its customers that were beginning to trade with China, Banco Security reached out to this important economy in order to promote trade between Asia and Chile. As a result, it decided to open a representative office in Hong Kong.

2015

Following a positive experience at Travex, Grupo Security began to expand in the Peruvian insurance market, using its Chilean business knowledge and forming a strategic partnership with a company with vast experience, which led to the acquisition of 61% of Protecta, an insurance company focused on annuities.

In 2004 Grupo Security formed an alliance with Europ Assistance in Chile, and it began to explore the assistance insurance market in Peru using this platform, with an ambitious business plan to become market leaders in this sector.

2016

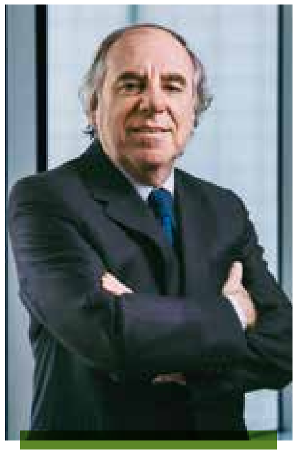
Protecta increased its market share by almost two points from 5.5% to 7.8%, in spite of the regulatory changes in Peru that caused sales in the general market to fall by 38%. Its growth resulted from an innovative business strategy and the incorporation of new mass products, such as mandatory transit insurance.

Banco Security secured very good news for the Group and the country. After months of negotiations, it signed a financial cooperation agreement and a five-year loan of US$20 million with the China Development Bank. This is the first step in strengthening international trade relations with Asia, an important milestone not only for the Bank, but also for the country in general. Given its significance, this agreement was signed at the Chilean Presidential Palace during an official visit to Chile by the President of China, Xi Jinping.



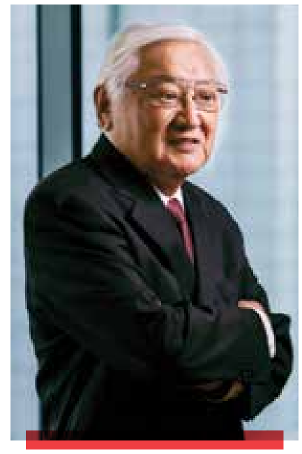
BOARD OF DIRECTORS

FRANCISCO SILVA SILVA
CHAIRMAN
Civil Engineering,
Universidad Católica de Chile
and Master of Science,
Stanford University
Chilean National ID:
4.103.061-5



HERNÁN DE LAS HERAS MARÍN
Business Administration,
Universidad de Chile
Chilean National ID:
6.381.765-1

JORGE MARÍN CORREA
Entrepreneur
Chilean National ID:
7.639.707-4



NAOSHI MATSUMOTO TAKAHASHI
Business Administration,
Universidad Católica
de Chile
Chilean National ID:
3.805.153-9

MANAGEMENT AND CHIEF EXECUTIVES

CHIEF EXECUTIVE OFFICER

RENATO PEÑAFIEL MUÑOZ

Business Administration, Pontificia Universidad Católica de Chile
Master of Arts in Economics, University of Chicago
Chilean National ID: 6.350.390-8

PLANNING AND DEVELOPMENT MANAGER

FERNANDO SALINAS PINTO

Industrial Engineering and MBA,
Pontificia Universidad Católica de Chile
Stanford Executive Program, Stanford University
Chilean National ID: 8.864.773-4

ASSET MANAGEMENT AREA MANAGER

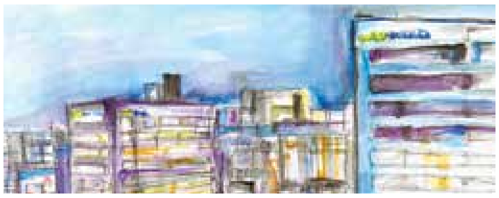
CARLOS BUDGE CARVALLO

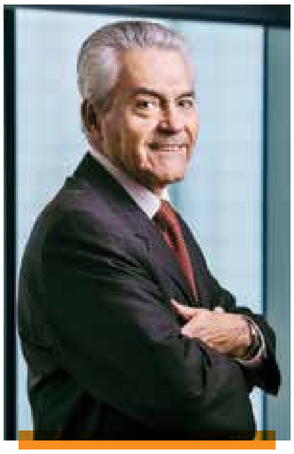
Agronomy and Masters in Agrarian Economics,
Pontificia Universidad Católica de Chile
Master of Arts and Ph.D. in Applied Economics, Stanford University
Chilean National ID: 7.011.490-9

CORPORATE MARKETING AND QUALITY MANAGER

ALEJANDRA ZEGERS CORREA

Business Administration, Pontificia Universidad Católica de Chile
MBA, ESE Business School at Universidad de los Andes
Chilean National ID: 10.201.117-1





HORACIO PAVEZ GARCÍA

Civil Construction, Universidad Federico Santa María
Chilean National ID: 3.899.021-7

JUAN CRISTÓBAL PAVEZ RECART

Business Administration, Universidad Católica de Chile
Master of Business Administration, Massachusetts Institute of Technology
Chilean National ID: 9.901.478-4

BRUNO PHILIPPI IRARRÁZABAL

Civil Engineering, Universidad Católica de Chile
Master of Science Operation Research, Stanford University
Ph.D. Engineering-Economic Systems, Stanford University
Chilean National ID: 4.818.243-7

ANA SAÍNZ DE VICUÑA

BSc Honours Degree Agricultural Economics, Reading University U.K.
Chilean National ID: 48.128.454-6

MARIO WEIFFENBACH OYARZÚN

Business Administration and Public Accounting, Universidad de Chile
Chilean National ID: 4.868.153-0

CORPORATE CHIEF ACCOUNTING MANAGER

RODRIGO CARVACHO CONTRERAS

Business Administration, Pontificia Universidad Católica de Chile
Master in Business Law, Universidad Adolfo Ibáñez
Master in International Finance, Spanish Institute of Financial Analysts
Chilean National ID: 13.434.182-3

CORPORATE CULTURE MANAGER

KARIN BECKER SCHMIDT

Education (Spanish Language), Pontificia Universidad Católica de Chile
Bachelor of Arts in Communications, Seton Hall University, South Orange
Master in Strategic Human Resource Leadership and Organizational Behavior, Universidad Católica de Chile
Chilean National ID: 5.360.901-5

CONTROLLER AND BUSINESS RISK MANAGER

ALFONSO VERDUGO RAMÍREZ DE ARELLANO

Business Administration, Pontificia Universidad Católica de Valparaiso
MBA Loyola University in Maryland, USA
Chilean National ID: 7.097.708-7

CHIEF ECONOMIST

FELIPE HERNÁN JAQUE SARRO

Business Administration, Universidad de Chile
Master of Science, Economics and Finance, Warwick University, UK
Chilean National ID: 10.577.183-5



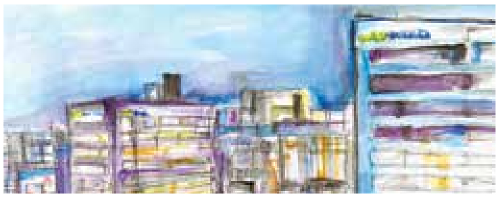
CORPORATE GOVERNANCE

Corporate governance is designed to ensure that the activities undertaken by the Group's companies are consistent with its business strategy, institutional values and risk tolerance and aversion, and to add value to the Company through self-regulation and regulatory compliance.

CORPORATE GOVERNANCE

A. SHAREHOLDERS' MEETINGS → B. BOARD OF DIRECTORS → C. COMMITTEES →

- C.1 DIRECTORS' COMMITTEE
- C.2 STRATEGIC COMMITTEE
- C.3 COMPENSATION COMMITTEE
- C.4 PLANNING AND DEVELOPMENT COMMITTEE
- C.5 MARKETING AND QUALITY COMMITTEE
- C.6 OPERATIONS AND IT COMMITTEE
- C.7 COMPLIANCE COMMITTEE



CORPORATE GOVERNANCE BASED ON COMPREHENSIVE RISK MANAGEMENT AT GRUPO SECURITY

RISK AREAS:

- FINANCIAL
- OPERATIONAL - IT
- CREDIT
- MARKET
- LEGAL
- TECHNICAL
- REPUTATIONAL
- COMPLIANCE

AT GROUP LEVEL

SHAREHOLDERS' MEETINGS

BOARD OF DIRECTORS

DIRECTORS' COMMITTEE - COMMITTEES WITH DIRECTOR INVOLVEMENT
OTHER AD HOC SUPPORT COMMITTEES

CHIEF EXECUTIVE OFFICER

AT SUBSIDIARY LEVEL

SHAREHOLDERS' MEETINGS

BOARD OF DIRECTORS

DIRECTORS' COMMITTEE - COMMITTEES WITH DIRECTOR INVOLVEMENT - OTHER AD HOC SUPPORT COMMITTEES

CHIEF EXECUTIVE OFFICER

REPORTING

REQUIREMENT

1ST LINE OF DEFENSE

AREAS:

- OPERATIONAL
- COMMERCIAL
- ADMINISTRATIVE
- FRONT AND BACK OFFICE

DUTIES:

- MANAGE THE BUSINESS
- RISK OWNERS
- DETECT AND IMPLEMENT CORRECTIVE ACTIONS IN PROCESSES, CONTROLS AND INCIDENTS
- REPORT PROGRESS
- UPDATE RISK MAPS

2ND LINE OF DEFENSE

AREAS:

- OPERATIONAL AND IT RISK
- LEGAL
- MANAGEMENT CONTROL
- FINANCIAL RISK CONTROL
- CREDIT RISK CONTROL
- TECHNICAL RISK CONTROL
- COMPLIANCE

DUTIES:

- INDEPENDENT OF RISK-TAKING AREAS
- SUPERVISE AND MANAGE RISK MODEL
- MONITOR CONTROLS AND ACTION PLANS
- PREPARE RISK POLICIES FOR BOARD APPROVAL AND MANAGE CORRECT APPLICATION
- MONITOR INCIDENTS
- REPORT PROGRESS IN RISK MANAGEMENT MATTERS
- CONTROL RISK MAPS

3RD LINE OF DEFENSE

INTERNAL AUDIT

- INDEPENDENT OF ENTIRE COMPREHENSIVE RISK MANAGEMENT MODEL
- MONITOR AND VERIFY ACTION PLANS TO MITIGATE RISK
- REPORT TO AUDIT / DIRECTORS' COMMITTEE AND BOARD OF DIRECTORS

REGULATORY AND CONTROL ENTITIES:

- REGULATORS
- RISK RATING AGENCIES
- EXTERNAL AUDITORS

TECHNICAL SUPPORT



A. SHAREHOLDERS' MEETINGS

In accordance with Chile's Corporations Law, shareholders' meetings provide the highest level of corporate governance. The annual general shareholders' meeting was held on April 27, 2017. An extraordinary shareholders' meeting was also held on that day.

PRIMARY ACTIVITIES

- Approved the annual report and financial statements for 2016, including the independent auditors' report for that year. Approved profit distribution and dividend payments.
- Approved dividend policies.
- Set Board compensation for 2017.
- Reviewed Directors' Committee activities, performance and expenses during 2016.
- Set Directors' Committee compensation and approved its 2017 budget.
- Reviewed Board expenses for 2016.
- Appointed the Company's independent auditors.
- Appointed risk rating agencies.
- Reviewed information on related party transactions in conformity with Corporations Law.
- Designated the newspaper for legal publications.
- Agreed to increase capital by issuing 436,636,408 new nominative, common shares with no par value of the same existing series, which shall be issued, subscribed and paid within a period of three years from the date of the shareholders' meeting.
- Delegated to the Board the authority to set the final placement price for the shares that are issued as part of the capital increase and authorized the Board to adopt the agreements necessary to, among other things, issue in one or more stages and on the date or dates determined by the Board itself, the 436,636,408 new shares as part of this capital increase.

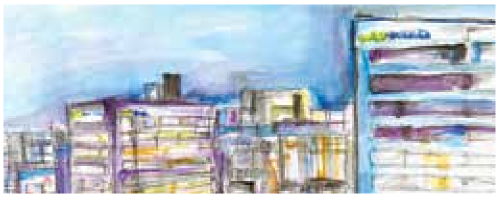
B. BOARD OF DIRECTORS

The Board of Directors is elected by shareholders, and is the Company's main corporate governance authority. It is composed of nine members and has no alternate directors. The entire Board is elected every three years, with the most recent elections held on April 28, 2016, and the next elections in April 2019.

The Board held 12 regular meetings and six extraordinary meetings in 2017, where they discussed business performance issues.

PRIMARY BOARD ACTIVITIES IN 2017

- Received monthly reports on the financial performance of each business unit.
- Reviewed transactions between the Company and its directors or related parties.
- Received interim and audited annual consolidated financial statements for Grupo Security and its subsidiaries.
- Received the independent auditors' opinion on the financial statements at a Board meeting attended by the Deloitte audit partner.
- Received the independent auditors' report on SVS (currently CMF) Ruling 979.
- Called the annual general and extraordinary shareholders' meeting.
- Proposed dividend distributions.
- Proposed risk rating agencies and independent auditors.
- Proposed Board compensation and the budget for accounting, financial, legal and other advisory services.
- Proposed Directors' Committee compensation and its 2017 expense budget.
- Set the number of shares and final price for the share placement charged to the capital increase approved at the extraordinary shareholders' meeting.
- Heard presentation on the independent auditors' annual work plan by the Deloitte audit partner.



- Received the Internal Control Report at a Board meeting attended by the Deloitte audit partner.
- Received the Directors' Committee's annual performance report for the year 2016.
- Approved the 2017 budget.
- Updated the list of relevant competitors.
- Approved the corporate governance self-assessment report, in accordance with General Standard 385 issued by the SVS (currently CMF).
- Approved the registration of Inversiones Seguros Security Ltda. in the SVS Securities Registry.
- Approved the bond issuance and placement by Inversiones Seguros Security Ltda.
- Approved the issuance and registration in the SVS Securities Registry of a new line of bearer bonds for the general market.
- Reviewed correspondence received from SVS (currently CMF).
- Reviewed the matters addressed by the Directors' Committee.
- Reviewed the status of compliance with the internal auditing plan for the year 2016 for the Group and its subsidiaries.
- Approved the annual auditing plan for 2017 for the Group and its subsidiaries.
- Reviewed the status of compliance with the internal auditing plan for the year 2017 for the Group and its subsidiaries.
- Approved updates to the Crime Prevention Policy (Law 20,393).
- Analyzed and approved updates to the Code of Ethics and Code of Conduct for Grupo Security and subsidiaries.
- Received a biannual report from the Crime Prevention Officer on the criminal liability of companies for the crimes of money laundering and stolen goods, terrorism financing and bribery, according to Law 20,393.
- Reviewed regulatory changes for the period.
- The members of the Board of Directors participate actively in the main management committees for the Group and its subsidiaries.

C. COMMITTEES

The Board delegates certain functions and activities to executives or committees, some of which involve directors.

C.1
DIRECTORS' COMMITTEE

C.2
STRATEGIC COMMITTEE

C.3
COMPENSATION COMMITTEE

C.4
PLANNING AND DEVELOPMENT COMMITTEE

C.5
MARKETING AND QUALITY COMMITTEE

C.6
OPERATIONS AND IT COMMITTEE

C.7
COMPLIANCE COMMITTEE



C.1
DIRECTORS' COMMITTEE

The Directors' Committee is responsible for upholding Art. 50 bis of Law 18,046.

For the last two years the following board members served on the Directors' Committee:

- Hernán de las Heras Marín (appointed on 05/16/2013)
- Jorge Eduardo Marín Correa (appointed on 05/16/2013)
- Horacio Pavez García (appointed on 04/28/2016)

PRIMARY ACTIVITIES

1. Examined, and voiced no observations about, the independent auditors' report, balance sheet and other financial statements addressed to shareholders of Grupo Security and its subsidiaries, as of December 31, 2016. The audit partner from Deloitte and the Corporate Chief Accounting Manager from Grupo Security also participated in this meeting.

2. Requested bids for external auditing services for 2017 from the following audit firms: (a) Deloitte; (b) KPMG,c) PwC and (d) EY. EY decided not to present a bid for independence reasons (Article 242 of Law 18,045). The committee evaluated the proposals received from Deloitte, PwC and KPMG, and agreed to propose Deloitte to the Board of Directors to recommend to shareholders at the annual shareholders' meeting as the preferred choice for external auditor for Grupo Security and subsidiaries for 2017. It proposed EY as an alternative.

Among the factors taken into account in proposing external auditors, the committee considered:

a) Experience and knowledge of the Group's business areas, especially in auditing banks, insurance companies and other financial companies in Chile.
b) Presence and participation as independent auditors in the financial and insurance markets
c) Audit and partner independence (Art. 242 to 245 of Law 18,045)
d) Suitable technical skills and partner experience with risks addressed by IFRS.
e) Value, coverage and scope of service.

3. Recommended that the Board of Directors of Grupo Security S.A. propose that the shareholders reappoint Fitch Ratings and ICR as risk raters.

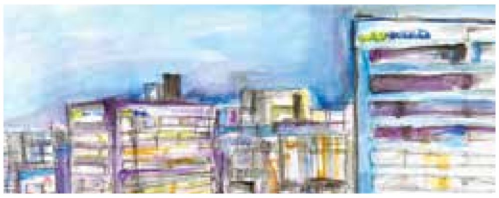
4. Approved the committee's annual performance report for 2016 to be presented to the Board of Directors and included as a note in the Company's annual report in accordance with Art. 50 Bis of Law 18,046.

5. Was briefed on the Annual Internal Auditing Plan for the year 2016 for the Group and its Subsidiaries.

6. Reviewed and approved the Annual Internal Auditing Plan for the year 2017 for the Group and its Subsidiaries, its main scope and risk approaches.

7. Reviewed the Annual External Auditing Plan for 2017 prepared by Deloitte for Grupo Security and subsidiaries, which includes the Management Report (internal control evaluation), the Auditor's Report on the Financial Statements as of December 31, 2017, and other reports such as: the Provision Adequacy Report (methodology and calculations), the Report on Ruling 979, the Report on Chapter XX and XXI, the Report on Internal Control Law 20,712 (Single Funds Law) and Ruling 1441 on insurance, the Report on Ruling 1962, as well as the schedule, the assigned team and principal audit focuses for 2017, all with a risk-based approach. Reviewed the planning for quarterly income tax reviews, and instructions to the auditors in Peru, in order to consolidate the financial statements of its life insurance subsidiary into the Group.

8. Reviewed and monitored efforts to prevent money laundering, fraud and bribery of public officials and was



briefed on reports received through the reporting hotline and progress in training on Laws 20,393 and 19,913. It also monitored the biannual process to renew certification under Law 20,393 for Group subsidiaries.

9. Reviewed an analysis of relevant competitors to be presented at the next meeting of the Board of Grupo Security for its approval and subsequent updating of the list of relevant competitors.

10. Regularly reviewed the most important operational, technological, compliance and credit risks as identified through comprehensive risk management and implemented at each subsidiary.

11. Periodically reviewed loss events and claims reported by the Group's various companies.

12. Regularly reviewed the main audit findings from Grupo Security's businesses and companies, as well as ensured that commitments arising from the audit are resolved, with special emphasis on enforcing action plans, especially those that are behind schedule.

13. Reviewed regulatory changes made by regulatory bodies during the period. The committee dedicated particular time to the proposed response to the "Corporate Governance Self-Assessment as of December 2016" questionnaire referred to in General Standard 385 issued by the SVS (presently CMF).

14. Reviewed the main lawsuits affecting the subsidiaries of Grupo Security.

15. Reviewed the Consolidated Statements of Financial Position for Grupo Security S.A. and subsidiaries as of and for the period ended June 30, 2017, and the independent auditors' report on the Interim Consolidated Financial Statements. The audit partner from Deloitte and the Corporate Chief Accounting Manager from Grupo Security also participated in this meeting.

16. Reviewed the implementation and training schedule for the updated version of the Code of Conduct.

17. Reviewed compensation and incentive plans in place for Grupo Security managers, key executives and other employees.

18. Examined the Management Report issued by external auditors Deloitte on November 30, 2017, which includes observations on the Group and its subsidiaries arising as part of the financial statement audit as of December 31, 2017.

19. Reviewed transactions between related parties, subsidiaries and associates of Grupo Security, as reported by them. In particular, the Directors' Committee verified compliance with the General Transitory Policy on Ordinary Customary Transactions with Related Parties, approved at Board meeting 211 on April 29, 2010, and the subsequent amendments made by its subsidiaries. The committee verified that the policy has been fully upheld.

20. Other topics of interest to the committee and matters regarding internal auditing.

21. The committee did not make any recommendations to the shareholders.

COMPENSATION AND EXPENSES

COMPENSATION FOR ATTENDANCE:
UF15, budgeting for 12 meetings per year.
2017 BUDGET:
UF 1,100 Unidades de Fomento.
ADDITIONAL INFORMATION:

- This per-meeting compensation has not changed over the last three years.
- This committee did not incur any administrative or consulting expenses in 2017.
- The committee met nine times during the year.



C.2
STRATEGIC COMMITTEE

The objective of this committee is to regularly review the implementation of strategic plans for each Group company and the corporate services division, and report to the Board of Directors.

OBJECTIVES

- Analyze company results, opportunities and challenges arising from technological, commercial and financial issues.
- Increase the visibility of strategic plans that impact the Group's medium and long-term results. In 2017, the committee analyzed the Risk Management Model implemented at Grupo Security and subsidiaries, and the potential capital requirements for the Bank as a result of implementing Basel III standards.

C.3
COMPENSATION COMMITTEE

This committee, together with the Directors' Committee, is responsible for informing the Board about compensation issues.

OBJECTIVES

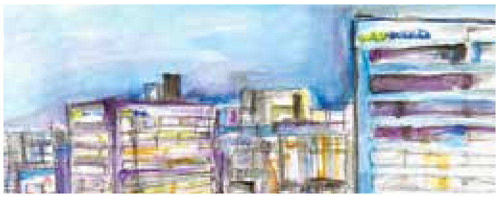
- Examine the compensation systems and plans for Company executives, managers and employees.
- Encourage a conservative approach to risk within the organization, which is in the best interest of the shareholders and the general public.

C.4
PLANNING AND DEVELOPMENT COMMITTEE

This committee focuses on the planning and control of financial and commercial management across all Group companies, and monitors corporate strategic initiatives.

OBJECTIVES

- Define and supervise implementation of the corporate expense control policy and budget scheduling. Manage the corporate governance model.



C.5
MARKETING AND QUALITY COMMITTEE

This committee is focused on brand management and control and the customer experience, based on metrics that are monitored through committees. It meets quarterly.

OBJECTIVES

- Define and monitor company plans, and verify their alignment with corporate objectives and strategy regarding marketing, quality and BI.
- Define and control the quality models implemented in all companies, and verify their alignment with the Security Customer Experience Model.
- Structure and monitor a common model for processing requests, complaints and claims.
- Define, monitor and control implementation of the Comprehensive Customer Value Proposition Model. Protecting the Security brand in each subsidiary.

C.6
OPERATIONS AND IT COMMITTEE

This committee is key in defining and implementing operational and IT processes.

OBJECTIVES

- Plan and monitor operational and technological issues.
- Review operational and technological continuity.
- Analyze, evaluate and plan IT projects.

C.7
COMPLIANCE COMMITTEE

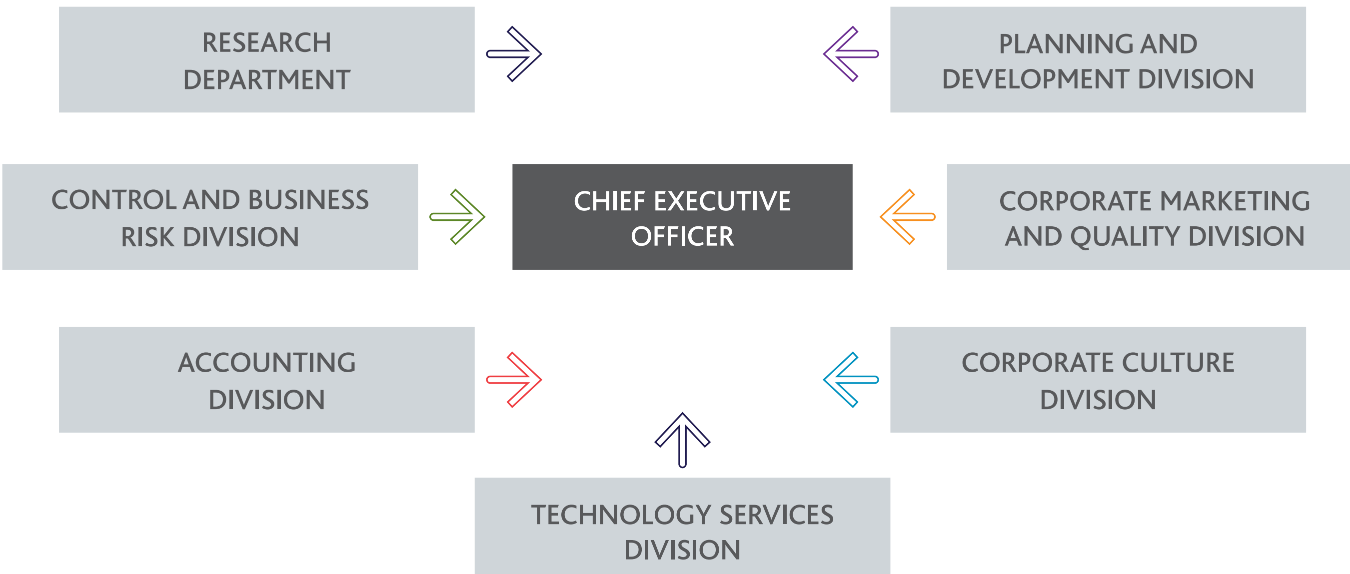
This committee is led by the Controller, whom the Board has appointed as responsible for crime prevention. The remaining committee members are the compliance officers at all companies and the Corporate Compliance Department.

OBJECTIVES

- Plan, coordinate, set and monitor guidelines to ensure that the policies and procedures established in the Group's Crime Prevention Model are fully implemented and operative, in accordance with Law 20,393 and its amendments on the Criminal Liability of Legal Entities.



CORPORATE MANAGEMENT



CHIEF EXECUTIVE OFFICER

Grupo Security is managed at an operating and strategic level by the Chief Executive Officer, who is responsible for defining and planning objectives in conjunction with Group companies and reports to the Board of Directors.

OBJECTIVES

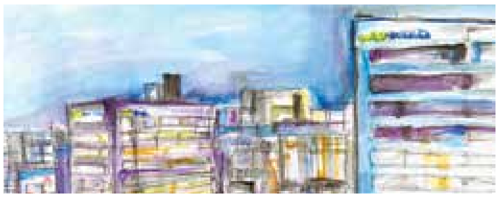
- Ensure compliance with strategic growth and development objectives. The CEO is directly involved in the financial and commercial management of the business areas and participates on the Boards of each company as well as the Expense, Corporate Services and Commercial Committees, all of which provide opportunities for coordination among the Group companies.

- EXPENSE COMMITTEES:
  Members include corporate management and executives from each Group company. It meets bimonthly to control budget execution and review spending policies, critical variables and the cost centers defined in the annual budget.

- COMMERCIAL COMMITTEES:
  These committees include the Group's CEO, the Chairman of the Board and managers from each company. They meet monthly to review business plans in detail, detect deviations, implement action plans and monitor the status of strategic initiatives.

- CORPORATE SERVICES COMMITTEES:
  Members include the Group CEO and representatives from the planning and management control division and the corporate services divisions. They meet on a quarterly basis, to monitor each unit's plans and ensure that services are provided efficiently.

Grupo Security's corporate operating structure is comprised of five corporate divisions and a research department.



PLANNING AND DEVELOPMENT DIVISION

DUTIES

- Establish corporate guidelines for commercial and financial management and develop strategic business plans. This is its main responsibility.
- Report commercial and financial performance on a monthly basis to the Group CEO.
- Prepare investor information with respect to the Group's businesses.

CORPORATE MARKETING AND QUALITY DIVISION

DUTIES

- Define the guidelines, strategic focus, and policies for each company with respect to brand strategy, service quality, commercial integration and customer loyalty.
- Ensure that the companies provide customers with comprehensive services that exceed expectations and set the Group apart for its quality, thereby generating loyalty and building a brand with recognized market value.

CORPORATE CULTURE DIVISION

DUTIES

- Contribute to the good labor practices that have earned the Group its marketplace standing as a great place to work, its accreditation as a family-responsible company and recognition as a company that promotes work-family balance as well as professional and personal growth for all employees.
- Its duties also include preserving organizational culture over time, inspiring employees to put the Group's values into practice on a daily basis, and guaranteeing the availability of human capital to ensure compliance with the Group's corporate strategy.

ACCOUNTING DIVISION

DUTIES

- Provide high-quality, accurate and timely corporate accounting services, and produce financial statements that reflect the consolidated financial situation of Grupo Security.

TECHNOLOGY SERVICES DIVISION

DUTIES

- Provide efficient and high quality technological services to all companies, covering IT management, computer security, technology and architecture, and to develop and maintain corporate applications.

CONTROL AND BUSINESS RISK DIVISION

This division reports to the Group's Board and the Boards of its subsidiaries.

DUTIES

- Verify and regularly report to senior management on the effectiveness of corporate governance, risk management and internal control, framed within the Group's Comprehensive Risk Management Policy.
- Support and coordinate the organization as it implements and operates the Integrated Risk Management process.
- Support Compliance Officers with prevention of money laundering, financing terrorism, bribery, fraud and receiving stolen property issues, in order to comply with the Board of Director's instructions in the Crime Prevention Model and the corresponding regulations (Laws 19,913; 20,119 and amendments).

02

BRAND CULTURE ENGAGEMENT

WE ASPIRE TO BE
a model
FOR
engagement
WITH OUR CUSTOMERS,
EMPLOYEES AND THE COMMUNITY



THE SECURITY CULTURE: PEOPLE AT THE CORE OF OUR BUSINESS

Since Grupo Security's formation, we have placed people at the core of our business and focused on work-family balance, enabling all employees to successfully combine personal and professional aspects of their lives. The year 2017 marks our 17th year on the Great Place to Work ranking. We are convinced that being a great place to work is a major achievement that makes us a model for not only human resource management but also business in general, where we meet the needs of our customers, shareholders, employees and the community in which we do business.

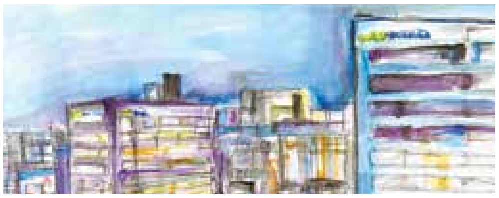
Concern for people is one of our strategic priorities, along with diversification, defined segmentation, brand, growth and a comprehensive approach to risk. These components come together to form our corporate culture, which is at the core of our company's management. All this is framed by our corporate values of closeness, transparency and professionalism, and the foundations of our corporate culture: Individual Dignity, Work-Family-Life Balance, The Importance of How and Long-term Relationships.

STRATEGIC PRIORITIES

PEOPLE	DIVERSIFICATION	COMPREHENSIVE OFFERING OF FINANCIAL PRODUCTS WITH COMMERCIAL SYNERGIES
	DEFINED SEGMENTATION	RELEVANT SHARE OF SPECIFIC SEGMENTS
	BRAND	CAPITAL FOCUSED ON GENERATING KNOWLEDGE OF GROUP'S BUSINESS AREAS AND THEIR ASSOCIATION WITH SERVICE EXCELLENCE
	GROWTH	AN ONGOING STRATEGY IN ALL BUSINESS UNITS
	COMPREHENSIVE APPROACH TO RISK	SOUND, CONSERVATIVE BALANCE SHEET
	CORPORATE CULTURE	THAT TRANSCENDS THE MARKET

CORPORATE VALUES

CLOSENESS	TRANSPARENCY	PROFESSIONALISM
INSPIRED BY A STRONG VOCATION FOR SERVICE AND CONCERN FOR OTHERS, LISTENING TO OTHERS AND MEETING THEIR NEEDS.	LOVE OF TRUTH, TRANSPARENCY IN RELATIONSHIPS AND HONORABLE CONDUCT.	LOYALTY AND COMMITMENT TO OUR COMPANY'S OBJECTIVES AND MOTIVATION TO DO A "GOOD JOB" THE FIRST TIME.



FOUNDATIONS OF THE SECURITY CULTURE

01

INDIVIDUAL DIGNITY

We are inspired to respect the dignity of individuals, respect others and ourselves, and every day we are committed to ensuring that our employees enjoy coming to work. We want them to see their job as a way to enrich their lives and grow professionally and personally, and as a path to becoming better people every day, in order to give back to their family and society.

02

WORK-FAMILY-LIFE BALANCE

We believe in the value of people and are concerned for their wellbeing. We strive each day so that all employees can successfully combine personal and professional aspects of their lives. We respect working hours and are flexible to adapt the Company's needs to the particular reality of each team member, paying particular concern to the specific needs of each different stage of life.

03

THE IMPORTANCE OF "HOW"

Grupo Security's organizational culture is reflected in our actions and particularly in how we conduct ourselves because the values that inspire us are present in everything we do. For everyone at Grupo Security, we are not only concerned with meeting the targets that we have set for ourselves but also with how we achieve these goals because the "how" demonstrates our organizational culture, our strength, our hallmark and our main competitive advantage.

04

LONG-TERM RELATIONSHIP

We want to build a long-term relationship with our employees that harmonizes their personal objectives and our Company's goals. We aim to be a role model for corporate relations and set ourselves apart by always providing exceptional, transparent, personalized and professional service, which enables us to maintain and cultivate long-term, profitable and sustainable relationships with our customers in benefit of our shareholders.

OUR EMPLOYEES

3,887

PEOPLE WORK AT
THE GRUPO SECURITY COMPANIES
INCLUDES COMPANIES IN PERU

2,416 → 62%

ARE WOMEN

1,471 → 38%

ARE MEN

2.5%

ANNUAL ABSENTEEISM
GRUPO SECURITY
AVERAGE NON-MATERNITY MEDICAL LEAVE · CHILE

4.9%

VOLUNTARY TURNOVER
GRUPO SECURITY · CHILE

BENEFITS

Each of the companies within Grupo Security has a broad and varied benefit structure based on their particular business. However, they are all based on the foundations of our culture and are mainly focused on balancing work, family and personal life, where we have been pioneers in the industry and in Chile in general.

GRADUAL RETURN:
During the first four weeks following their legal maternity leave, women can take advantage of flexible scheduling and/or shortened workdays.

BONUS TO HIRE A CHILD CARE ASSISTANT:
This is offered as an alternative to daycare and is provided until the child turns two years old.

FLEXIBLE SCHEDULING FOR FATHERS:
This is offered during the child's first month of life and also includes a bonus to hire a child care assistant for one month.

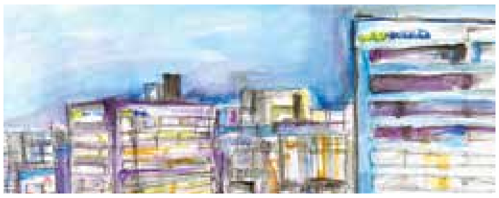
FAMILY OUTING:
Every year, we invite employees and their families to enjoy an afternoon at Fantasilandia, a local amusement park. Single employees may invite one guest. In 2017, 5,518 people attended the event.

"24 HOURS FOR YOU":
Employees can take 24 hours per year to do something that is important to them.

"TAKE THE AFTERNOON OFF":
All Security employees get the afternoon off on their birthday.

PARENTING SCHOOL:
Each year, we organize different talks to give employees tools and advice to reinforce the value of family. In 2017, 454 employees of Group companies participated in three talks.

- Talk **"The Importance of Parents in a Child's Schooling"**, by pediatric psychologist Neva Milicic.
- Talk **"Conflict Resolution and Courtesy"**, by pediatric neuro-psychiatrist Amanda Céspedes.
- Talk **"Parenting Your Adolescent Today"**, by Fundación Cuida Futuro.



PROMOTING HEALTHY LIVING

Grupo Security is recognized as a family responsible company, which has included developing initiatives to promote healthy living over the past 10 years. Through the program "Yo Elijo Salud y Sustentabilidad" (I Choose Health and Sustainability), we look to build awareness of the importance of caring for the environment and supporting the community so that our employees are drivers and leaders of such change among their family members and close friends.

In the beginning, the program had three core values: health, sports and motivation. The fourth element, sustainability, was added later.

Several activities are organized as part of this program:

CARING FOR YOUR HEALTH

Every year, we offer different medical screenings at our offices to promote prevention among employees. In 2017, 800 medical exams were conducted.

SECURITY SPORTS

We organized two half-court soccer tournaments (east and west) to encourage employees to play sports. Information regarding the tournament and registration forms were easily accessible on our corporate sports website.

WALK AROUND THE BLOCK

We invite all employees to take a walk around the block to encourage them to engage in physical activity and help break up the day. All participants are given an apple.

FUN FRIDAYS

On the last Friday of each month, we surprise our employees with a fun activity and something healthy and delicious to eat. In 2017 we distributed 42,000 healthy snacks.

CHALLENGE ON WHEELS

In November, we invited our employees to participate in this competition to encourage bicycle use. Two hundred seventy-four (274) employees took part in the activity. They rode a total of 40,645 kilometers, which is equivalent to 9.3 tons of CO_2 not emitted, 3,444 liters of fuel not consumed, 621 trees planted and one trip around the world.

"SER +" NEWSLETTER

This newsletter is used to inform employees and their families about different sporting or outdoor activities and ideas for healthy recipes. It also features an interview with an employee that plays a sport or practices some physical activity outside of work.

EXPECTANT MOTHER SNACK

Twice a month, we send a delicious, healthy snack to all expecting mothers registered on the corporate Intranet. In 2017, 800 snacks were distributed.

PAINT THE WORLD OF YOUR DREAMS

We invite all children of employees to participate in a painting contest where they are asked to depict the world they imagine.



BRAND

As the Group has expanded over the years, we have maintained the high standards associated with our brand and strengthened the values reflected by it, all aimed at establishing long-term relationships with our customers, doing excellent work and always listening to their needs.

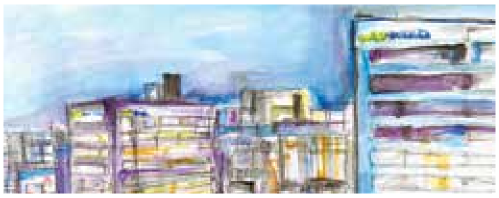
BRAND VALUES

01 EXCELLENCE	02 HONESTY	03 MODERN	04 EMPATHY
DEMANDING	TRUST	ENERGY	LISTENS TO ME
DEDICATION	TRANSPARENCY	FLEXIBILITY	KNOWS MY NEEDS
QUALITY	SIMPLICITY	BEING ONE STEP AHEAD	
PROFESSIONALISM			

This year's "Key Words" campaign is designed to communicate important concepts that impact a person's wellbeing and improve their quality of life.

Grupo Security proposes some type of solution for each facet of life. We convey this concept through communication pieces for each Group company that highlight each business.

This pallet of audiovisual pieces was broadcast on open television, cable and digital platforms, reaching 70% of our target market. This campaign helped us reach our objective of disseminating and strengthening the image of the Group and our seven individual companies.



OUR BRAND EVENTS

As we have done every year, in 2017 we organized several events to recognize our customers' loyalty and preference, treating them to performances such as:

1,268

CUSTOMERS ATTENDED THE EVENTS

SALOON BY CIRCO ELOIZE

The well-known Canadian circus group, Eloize, brought its show "Saloon" to Chile. This performance combines pirouettes, music, humor and acrobatics inspired by and set in the Wild West. This event was held at Teatro Las Condes and some of our customers had the chance to enjoy it as our guests.

LIPIZZANER EQUESTRIAN SQUADRON

In its first show in Chile, the Lipizzaner Equestrian Squadron closed its season accompanied by the classical orchestra from Universidad de Santiago at the Santiago Paperchase Club, in a world-class show that was a unique experience for our customers.

JOSÉ CARRERAS FINAL WORLD TOUR

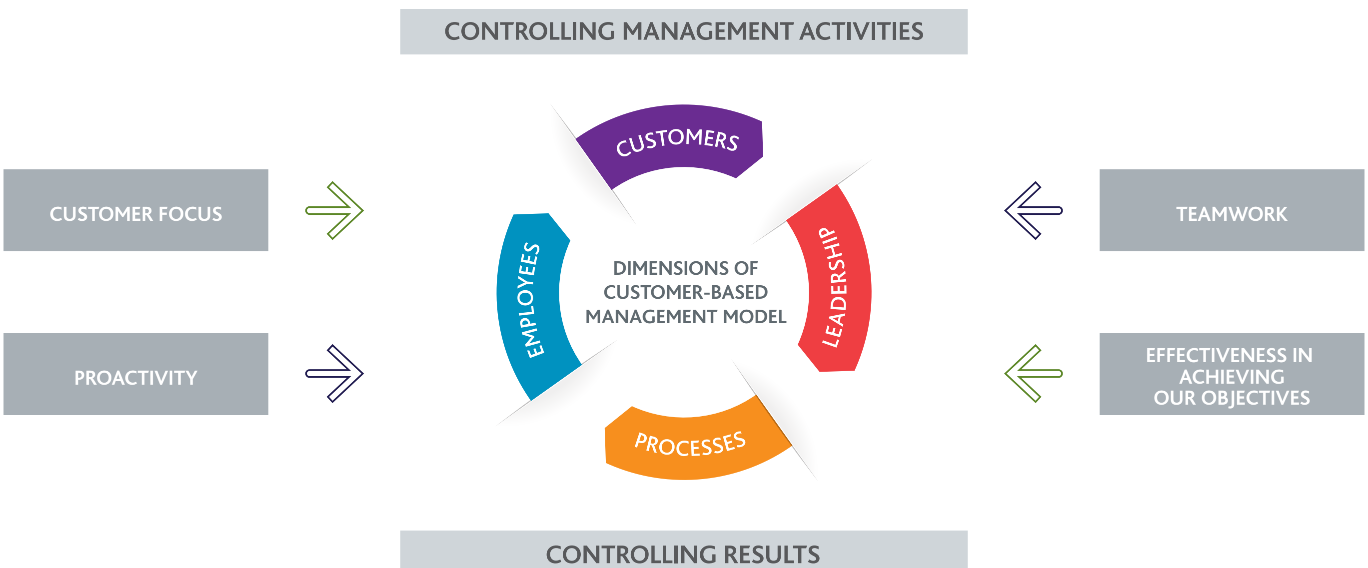
The tenor José Carreras bid farewell to the stage with a world tour entitled "A Life in Music, Final World Tour". After a six-year absence from the stage, Grupo Security customers had the opportunity to hear this exceptional, world-renowned artist live for the last time at Movistar Arena.



GROWING WITH OUR CUSTOMERS

We aim to be a role model for corporate relations and set ourselves apart by always providing exceptional, transparent, personalized and professional service, which enables us to maintain and cultivate long-term, profitable and sustainable relationships with our customers in benefit of our shareholders.

QUALITY MANAGEMENT MODEL

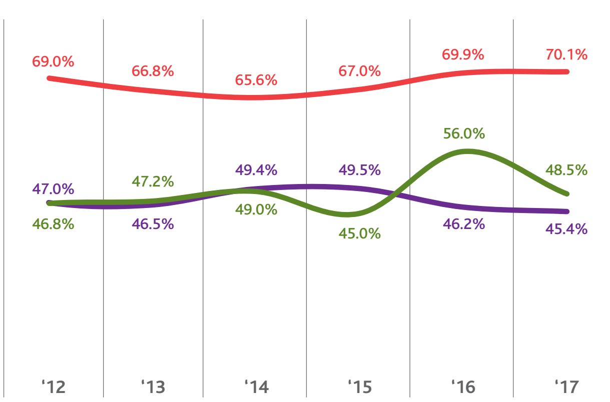


Implementing our customer-based management model has enabled us to achieve very high levels of customer satisfaction and fewer problems compared to the industry. This has been verified in satisfaction surveys carried out across the country.

SATISFACTION RATES

% NET CUSTOMER SATISFACTION

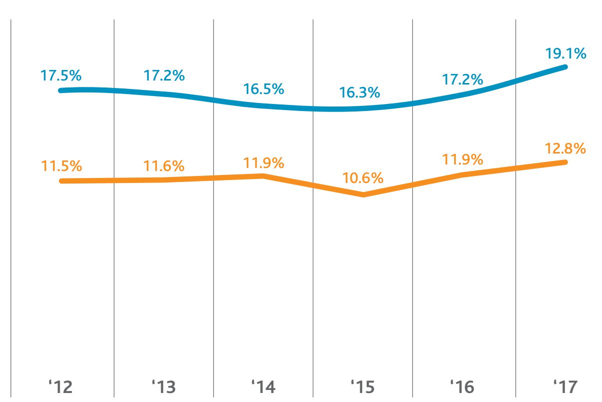
NET SATISFACTION - CONSUMERS
NET SATISFACTION - HIGH INCOME CUSTOMERS (ABC1)
NET SATISFACTION - GRUPO SECURITY



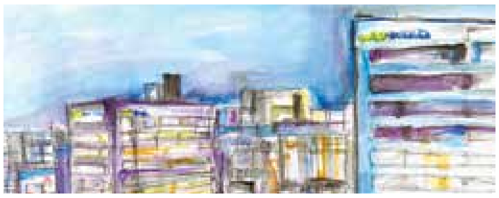
SOURCE:
RESULTS FROM PROCALIDAD, NATIONAL CUSTOMER SATISFACTION INDEX 2H2017
GRUPO SECURITY SATISFACTION SURVEY, FOLLOW-UP 2017

% CUSTOMERS WITH PROBLEMS

TOTAL NATIONAL CUSTOMER SATISFACTION INDEX
TOTAL SECURITY CUSTOMERS



SOURCE:
RESULTS FROM PROCALIDAD, NATIONAL CUSTOMER SATISFACTION INDEX 2H2017.
GRUPO SECURITY SATISFACTION SURVEY, FOLLOW-UP 2017



OUR CONTRIBUTION TO THE COMMUNITY

Generating long-term relationships with our customers and our employees is part of our DNA. In the same spirit, we focus considerable effort on building networks of trust and lasting bonds with the communities around us. We do this mainly by promoting cultural activities, making the arts accessible to all and encouraging employee involvement in community initiatives in order to pass our values on to society.

Some of our activities with and for the community include:

CULTURAL EVENTS

We have implemented several marketing initiatives to build strong bonds with the community through what we call "urban interventions", which are designed to bring the community closer to our brand and generate value for society. As part of these initiatives, we create free exhibition space for different artistic and cultural expressions.

In response, people express their appreciation in person and also on our digital platforms (social media and YouTube).

We would especially like to highlight the unique Christmas concert that attracted more than 1,000 people. Held on the grounds of CasaPiedra, the Mapocho Orchestra, conducted by Andrés Pérez, was accompanied by the voices of well-known singers Andrea Tessa and Nicole. The event was opened by Max Zeger and enjoyed extensive media coverage.

SIGNATURE MUGS

Right on the sidewalk, white mugs awaited passersby with eight illustrators to teach them how to design their own mug. The activity, which was held around noon, attracted 1,200 budding painters and received significantly more attention on social media sites than in previous years.

LOS FI

This urban percussion group, which makes music using recycled objects and body percussion, delighted and captivated neighbors from the El Golf area that came to see this innovative way to make music on April 6th. The activity attracted a large crowd.

CHRISTMAS JAZZ CONCERT

This concert of Christmas carols was held on the grounds of CasaPiedra. More than 1,000 people attended this exclusive, unprecedented musical presentation offered by Grupo Security in person while another 20,000 streamed the concert live.

ECONOMIC SEMINAR

In a new version of the Security Economic Seminar, we attempted to take charge of the debate on the political and economic context our country was experiencing with the question: "Can we do better?" Ricardo Caballero and Max Colodro kicked off the conversation, which was well received by listeners streaming the event live on Facebook.
After the seminar, a private lunch was organized by Inversiones Security for the speakers and more than 150 prominent business owners, government authorities and customers.

SECURITY MOVIE TOUR

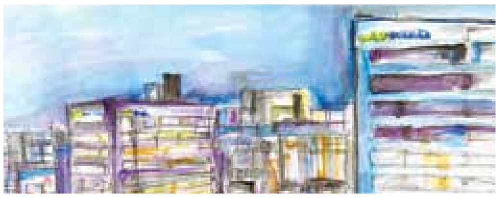
Over 10,000 people attended the 11th version of the "Security Movietour", an outdoor film festival held each year in different summer vacation spots throughout Chile in January and February. This year, we also held an event in Chamisero as a way to promote the projects being developed by Inmobiliaria Security in that area.
Advertising for the event was specially designed by artist Payo Söchting, who illustrated the route for our Movietour on a mural. This mural took center stage on our social media sites, where participants could tag themselves using the hashtag #SecurityMovietour.

THE ENVIRONMENT

Grupo Security contributes to environmental care by saving and efficiently using energy. In this spirit, it used environmentally friendly technologies to construct the Vida Security building (12,544 m^2 of useful space), which currently houses offices for 600 people. The building received LEED Gold certification, a globally recognized standard for measuring the sustainability of buildings.

BENEFITS OF THE VIDA SECURITY CORPORATE BUILDING

- ANNUAL SAVINGS IN ENERGY OPERATING COSTS.
- CLASS B ENERGY EFFICIENCY RATING.
- INCREASED COMFORT FOR BUILDING OCCUPANTS BY ELIMINATING NOISE FROM AIR FLOWS.
- NO AIR CURRENTS.
- IMPROVED INDOOR AIR QUALITY AND SANITARY CONDITIONS FOR OCCUPANTS.
- LEED GOLD CERTIFICATION.



COMMUNITY VOLUNTEERS

In addition, we encourage our employees to engage in volunteer activities that support different groups in the community.

FUNDACIÓN LAS ROSAS

Once a month, groups of 15 to 20 employees from different areas visit a nursing home to spend some time with elderly residents. Because the activities take place during the week, employees are allowed to go during work hours. These visits are fully financed by the Company.

Twice a year, we organize winter and Christmas drives for the foundation, where we invite employees to donate blankets and Christmas dinner for the residents. Employee contributions are deducted from their paychecks in three installments. In 2017, a total of CH$20,228,000 was collected.

BUILDING PLAYGROUNDS

Since 2013 we have worked together with Fundación Mi Parque to build public green space. We have already constructed five plazas (2013: Plaza Verdi; 2014: Plaza San Juan; 2015: Plaza Michimalonco; 2016: Plaza Los Quillayes; 2017: Plaza El Renacer de los Niños) with a large group of Grupo Security volunteers, who gave up a Saturday morning to work alongside their families to provide a true gathering place for local families.

RECOGNITION

ONCE AGAIN AMONG THE BEST PLACES TO WORK

Grupo Security has been recognized for the last seventeen years as one of the best companies to work for in Chile by the Great Place to Work Institute. In 2017, we placed 7th on the ranking, moving up one spot from last year.
This recognition, which we have sustained over time with better results each year, is a source of pride and motivates us to continue strengthening the Security Culture, the Company's unique hallmark.

7th PLACE

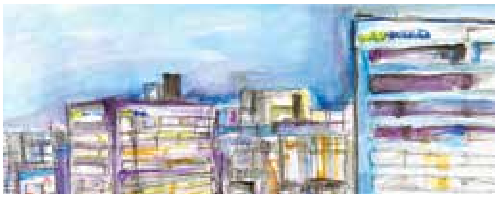
IN THE RANKING BY THE GREAT PLACE TO WORK INSTITUTE

BEST CUSTOMER SERVICE EXPERIENCE

Banco Security placed third on the ranking of the best Customer Service Experiences by PXI (Praxis Xperience Index) in 2017, prepared by Praxis, and first place on the banking sector ranking for the second straight year.
Close to 100 brands from all service industries in Chile were evaluated between July 2016 and June 2017, including banks, private hospitals, educational establishments, gas utilities, mobile telephony and Internet service providers, etc.

3rd PLACE

BANCO SECURITY · ON THE RANKING OF THE BEST CUSTOMER SERVICE EXPERIENCES, PXI



SALMON AWARDS 2017

In April, Administradora General de Fondos Security earned two Salmon Awards given by Diario Financiero and LVA Índices.

The fund "Security Index Fund US" was recognized in the US Equities category, while the fund "Security Deuda Corporativa Latinoamericana" won in the International Debt, Emerging Markets (<365 days) category.

Two funds managed by AGF Security received Salmon APV awards in November.

The fund "Security Index Fund US" earned an award in the US Equities category, while the fund "Security Equilibrio Estratégico" was recognized in the Moderate Balanced Fund category.

4 FUNDS

HONORED WITH AWARDS

GRUPO SECURITY ON THE DOW JONES SUSTAINABILITY CHILE INDEX

In 2017, Grupo Security was included for the second straight year on the Dow Jones Sustainability Index (DSJI Chile), the first Chilean sustainability index comprised of 26 market leaders in sustainability. The application process required an evaluation of long-term environmental, social and corporate governance factors.

2nd YEAR

IN A ROW ON THE DOW JONES SUSTAINABILITY INDEX

03

ECONOMIC AND FINANCIAL CONTEXT

WE STRIVE TO UPHOLD
HIGH QUALITY STANDARDS AND ARE
committed to
THE INTERESTS OF
our
customers
AS IF THEY WERE OUR OWN

GRUPO security

INTERNATIONAL CONTEXT

The year 2017 can be defined as one of moderate optimism. It was a promising period, driven by continued cyclical recovery around the world that first began in 2016. This improvement continued in 2017 with global growth somewhat more robust but, more importantly, seen across the board throughout the world.

We saw lower-then-expected deceleration in China and a considerable upturn in the eurozone, while the United States reported growth rates on par with its potential. These gains demonstrate that the backbone of the global economy—responsible for 45% of global GDP—is healthy, which is good news for the emerging world, the most favored segment in 2017.

The main factor behind these conditions was a weakening US dollar, which began in 2016 and intensified in 2017, albeit with some volatility. Finally, it closed the year 10% below developed currencies (measured by the DXY index) and 5.4% below a basket of emerging currencies (EMCI index).

The depreciation of the dollar drove the recovery of raw material prices. Copper surged 27% during the year, while the WTI oil price climbed 18%.

However, this favorable context, especially for risk taking in financial assets, occurred amidst heightened political volatility, beginning with Donald Trump's inauguration as U.S. president on January 20th. Although markets were initially cautious when he took office, global equities markets performed well with returns rising 22%.

The second major force behind the cyclical recovery of the economy was support from the main central banks, largely the Federal Reserve and the European Central Bank. These institutions chose to carefully and gradually remove support, slowly shifting away from more restrictive policy as the economy recovered and paving the way for favorable external financial conditions.

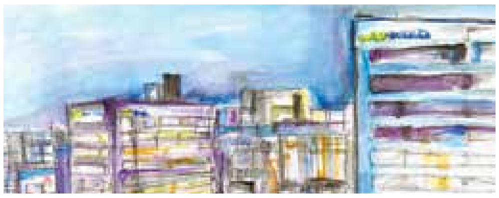
GLOBAL GROWTH

In this setting, global GDB expanded 3.6% in 2017, marking the first year since 2014 that the world economy had grown with respect to the prior year. Developed countries in aggregate grew 2.3%, surpassing expectations of around 1.7% in late 2016, while emerging economies also performed better than expected with growth of 4.6% versus the predicted 4.3%.

DEVELOPED NATIONS

The United States improved from 1.6% in 2016 to 2.3% in 2017, driven by strong private consumption (up 2.4%), as well as a sharp recovery in industrial investment (non-residential), with a year-on-year variation of 4.7%, backed by stabilizing industrial production, recovering energy prices and accelerating global growth. Analyst expectations were largely conditional upon what the new Trump administration would do. Although the new reforms promised by the president were not passed during the year as quickly as the market expected, his administration managed to pass the tax reform in December. Effects of this new legislation will be seen in 2018.

Against several predictions, the eurozone showed solid recovery with GDP growth of 2.3%. Although economic fundamentals suggested that the region would accelerate growth above the 1.7% seen in 2016, the year was marked by a series of political events that emerged as risks that required close monitoring. Despite these events, Austria, Holland, France and Germany ultimately supported candidates in favor of regional integration. As a result, in these countries economic recovery was reflected in



asset prices, confidence indexes rose to 10-year highs and local stock markets boasted some of the world's best performances in 2017.

EMERGING

Events in China in 2017 were on par with expectations. In fact, the economic surprises were positive, particularly greater GDP growth, an upturn in demand for raw materials over prior years and a strong stock market performance, also seen in the rest of the emerging countries. The economy achieved GDP growth of 6.9%, surpassing the proposed target of 6.5% and last year's figure of 6.7%, which had not occurred since 2010. This was largely due to measures taken by authorities and their success in managing expectations. Their main instruments included greater monetary and fiscal stimulus, which stabilized growth projections, as well as measures to solve the country's main problem: debt. In practical terms, the government has stopped injecting liquidity into the economy, which in turn has translated into a rise in its stock of debt.

Latin America also performed well, improving from GDP contraction of -1% in 2016, to a rise of 1.1% in 2017. This occurred largely thanks to Brazil's recovery (-3.6% in 2016 versus 1% in 2017), albeit not as quickly as expected because of the major political crisis involving the government.

EQUITY AND DEBT MARKETS

A weaker dollar for most of the year led investors to take more risks and, consequently, global stock markets rose 22% in dollars (measured by the MSCI index). Emerging countries reported an increase of 34% and developed economies a rise of 20%.

Worth highlighting among emerging nations are China with 51% and India with 37%. Latin America markets climbed 21% driven by Argentina (72%), Chile (40%) and Brazil (21%). In the second group, U.S. equity markets grew 20%, while their eurozone and Japanese counterparts expanded 22%.

This heightened risk appetite was also seen in fixed-income markets. The highest risk U.S. bonds (high yield) grew nearly 7.6% while the safest (high grade) rose 6.4%. Sovereign bonds from emerging countries (EMBI) expanded 9.3%, while corporate bonds (CEMBI) climbed 8%.

GROWTH OF MSCI INDEX

GLOBAL MARKET 22%

DEVELOPED ECONOMIES 20%

EMERGING ECONOMIES 34%



CHILE · DOMESTIC CONTEXT

This year was a period of prolonged domestic weakness for Chile. Market expectations hinting at moderate recovery (close to 2.5%) early in the year were pushed backed month after month, following evidence that the mining sector was contracting and added pressure from the Escondida strike that began in February and lasted 44 days. However, as the months passed, the rest of the sectors also showed signs of weakness (mining GDP grew barely 1.3% in the first half of the year). The reasons behind this meager performance were decelerated investment, produced in part by a mature mining investment cycle and exacerbated by heightened uncertainty from numerous reforms proposed by authorities, and moderate consumption. However, economic performance improved during the second half of 2017, thanks to very favorable external conditions (weak global dollar, high commodities prices, low interest rates) and improved consumer and business confidence indexes.

INTERNAL DEMAND

Private consumption rose 2.4% in 2017 and drove internal demand upwards by 2.8% during the year. Investment, in turn, contracted 1.1%. There was also evidence of accumulating inventory, contributing almost one percentage point to growth.

GROWTH BY INDUSTRY

Broken down by industry, the greatest growth was seen in fishing (20%), wholesale and retail trade (4%) and telecom (3.7%). In contrast, the construction sector showed the greatest contraction with respect to the prior year (-4%). The labor market withstood economic deceleration better, despite expectations early in the year anticipating sharper deterioration, a moderation in job creation and a rise in the unemployment rate. In fact, employment expanded 2%, which explains how the unemployment rate remained stable at 6.7% on average. Momentum came in part from self-employment (5%), while salaried positions expanded only 1% thanks to public-sector hirings.

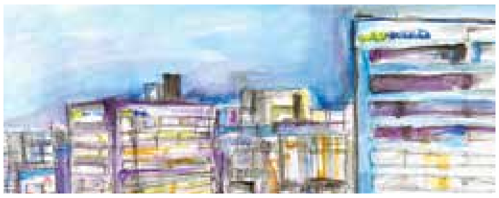
FOREIGN TRADE

Exports totaled US$69.2 billion, an increase from US$60.6 billion in 2016. Practically half of these exports were copper shipments (US$34 billion). Export volumes increased slightly by 0.9%, with contrasting performances from copper (-4.9%) versus the rest of the products (5.2%). Imports, in turn, totaled US$ 61.3 billion, driven by the 25% rise in fuel imports (including oil), followed by consumer goods (18%) and capital assets (3.4%). Total import volumes rose 5.6%. With that, the year-end balance of trade was US$7.9 billion.

After the slightly negative GDP balance in 2016 of 2.7%, the fiscal result ended 2017 with a deficit of 2.8% of GDP, as a result of economic slowdown, which reduced tax revenue despite the rise in copper prices.

INFLATION

In terms of prices, as in recent years, inflation mirrored the exchange rate. Therefore, the end of the global cycle of appreciation for the US dollar led the rest of the currencies to appreciate, including the Chilean peso. This, in turn, quickly tempered annual inflation to 2.3%, versus market expectations in late 2016 predicting 3% for 2017. The tradable component reported a rise of 1.7% for the year, while the non-tradable segment increased 3%. The underlying indicators CPIX (standard CPI excluding fuel, fresh fruits and vegetables), CPIX-1 (CPIX excluding other volatile prices), and IPCSAE (CPI excluding food and energy) posted growth of 1.9%.



MONETARY POLICY

In this context of prolonged economic weakness, the Chilean Central Bank began the year by increasing monetary stimulus with 25-basis point cuts in January, March, April and May, leaving the reference interest rate at 2.5% until year end.

EXCHANGE RATES

During 2017 the Chilean peso exchange rate—with some ups and downs—followed the downward trend exhibited by the US dollar at the global level. In early 2017 the Chilean peso exchange rate was around CH$670 to USD, and it finished the year around CH$615, thus appreciating 8%.

EXCHANGE RATE APPRECIATION

8%

JOB GROWTH

2.0%

GDP GROWTH · GLOBAL	
2017	3.60%
2016	3.10%

GDP GROWTH · UNITED STATES	
2017	2.30%
2016	1.60%

GDP GROWTH · EUROZONE	
2017	2.30%
2016	1.70%

GDP GROWTH · LATIN AMERICA	
2017	1.10%
2016	-0.10%



PERU · INTERNAL CONTEXT

In 2017, the economy was hit hard by two factors: the meteorological effects of the Coastal El Niño phenomenon and the political crisis unleashed by accusations against high-ranking officials as part of the Odebrecht case.

The first element impacted the economy most negatively in February, March and April, with growth rates below 1%, extending to 11 regions of the country. In response, the government announced an emergency economic stimulus plan in March to revive the economy and reach its target of 15% growth in public investment, as well as GDP growth above 4% for 2017. Although the plan included measures such as new fiscal stimulus, revitalization of formal employment, a public housing boom, loans for micro and small enterprises, accelerated tax-funded works and a stimulus package for mining investment, the economy closed the year with growth of 2.6% (versus expectations of around 3.6% in late 2016). Private sector investment grew 0.6% in 2017, after falling for three straight years.

FOREIGN TRADE

The balance of trade was a positive US$5,749 million in 2017. This positive result—for the third straight year—is attributable to an 18.8% rise in exports, which exceeded the 10% increase in imports. Recovering commodities prices, particularly metals, improved Peru's terms of trade by 8.2% in 2017.

INFLATION

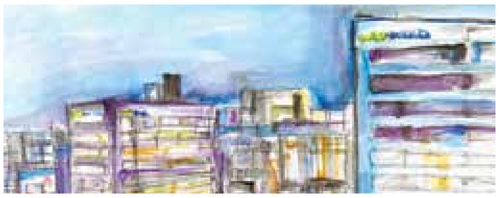
Annual inflation fell from 3.2% in December 2016 to 1.4% in December 2017. This was mainly due to the swift reversal of supply shocks that affected agricultural products, as well as a rainfall deficit in late 2016 and the Coastal El Niño phenomenon in the first quarter of 2017. Inflation excluding food and energy continued to trend downward, falling from 2.9% in December 2016 to 2.2% in December 2017.

MONETARY POLICY

The Peruvian Central Bank (BCPR) cut the reference rate four times in 2017 (May, July, September and November), finally closing the year at 3.25%, consistent with inflation converging toward the bank's target range.

EXCHANGE RATES

In line with the appreciation of other Latin American currencies, the exchange rate appreciated 3.5% from 3.4 soles per dollar in late 2016 to 3.24 soles per dollar by year-end 2017. In order to reduce exchange rate volatility during the period, the BCPR made a net purchase of US$ 5.246 billion, in addition to using other exchange intervention instruments.



MAIN ECONOMIC INDICATORS

MAIN ECONOMIC INDICATORS	2010	2011	2012	2013	2014	2015	2016	2017 (p)
GDP (MUS$)	219	252	267	278	261	243	250	277
GDP per Capita (US$)	12,784	14,624	15,349	15,855	14,712	13,659	13,871	15,233
GDP (% change)	5.8	6.1	5.3	4.0	1.8	2.3	1.3	1.5
Domestic Spending (% change)	13.6	9.4	7.2	3.6	-0.5	2.5	1.4	3.1
Private Consumption	10.7	8.2	6.1	4.6	2.7	2.1	2.2	2.4
Fixed Capital Investment	13.1	16.1	11.3	3.3	-4.8	-0.3	-0.7	-1.1
Exports (% change, in real terms)	2.3	5.5	0.4	3.3	0.3	-1.7	-0.1	-0.9
Imports (% change, in real terms)	25.7	15.2	5.2	2.0	-6.5	-1.1	-3.3	-3.3
Global Growth PPP (%)	5.4	4.1	3.4	3.3	3.5	3.2	3.0	3.6
Terms of Trade (2013 = 100)	108.5	107.8	103.0	100.0	97.6	93.5	95.3	107.6
Copper Price (average US$ /pound, in cents)	342	400	361	332	311	250	221	280
WTI Oil Price (average US$/per barrel)	79	95	94	98	93	49	43	51
Federal Funds Rate (Y/E, %)	0.3	0.3	0.3	0.3	0.3	0.4	0.8	1.5
180-day LIBOR Rate (Y/E, %)	0.5	0.8	0.5	0.3	0.3	0.8	1.3	1.8
10-year U.S. Treasury Bonds (Y/E, %)	3.3	1.9	1.8	2.9	2.2	2.2	2.5	2.4
Euro (Y/E, US$)	1.34	1.30	1.32	1.37	1.21	1.09	1.05	1.18
Yen (Y/E, ¥/US$)	81.1	76.9	86.8	105.3	119.8	121.7	116.0	112.9
Balance of Trade (MUS$)	15.9	10.8	2.6	2.0	6.5	3.4	5.4	7.9
Exports (MUS$)	71.1	81.4	78.1	76.8	75.1	62.0	60.7	69.2
Imports (MUS$)	55.2	70.7	75.5	74.8	68.6	58.6	55.3	61.3
Current Account (MUS$)	3.0	-4.3	-10.7	-11.5	-4.3	-5.5	-3.5	-4.1
Current Account (% of GDP)	1.4	-1.7	-4.0	-4.1	-1.6	-2.3	-1.4	-1.5
Central Government Balance (% of GDP)	-0.4	1.3	0.6	-0.6	-1.6	-2.2	-2.7	-2.8
CPI Dec-Dec (%)	3.0	4.4	1.5	3.0	4.6	4.4	2.7	2.3
Underlying CPI (CPIXfn) Dec-Dec (%)	2.5	3.3	1.3	2.4	5.1	4.7	2.9	1.9
Inflationary Trend (CPIX1fn) Dec-Dec (%)	0.0	2.5	1.8	2.5	4.6	4.7	2.5	1.9
Chilean Central Bank International Inflation (% average)	6.0	9.9	-0.2	0.4	-1.1	-9.8	-2.7	3.9
Monetary Policy Rate, TPM (Y/E, %, in CH$)	3.3	5.3	5.0	4.5	3.0	3.5	3.5	2.5
BCU-10 365d Bonds (Y/E, % in CH$)	6.1	5.3	5.6	5.2	4.4	4.7	4.4	4.7
BCU-10 365d Bonds (Y/E, % in UF)	2.9	2.7	2.6	2.2	1.5	1.6	1.5	1.9
Official Exchange Rate (Y/E CH$/US$)	468	521	479	524	607	707	667	615
Official Exchange Rate (average CH$/US$)	510	484	486	495	570	654	677	649
Job Growth (%)	7.4	5.0	1.9	2.1	1.5	1.6	1.1	2.0
Labor Force Growth (%)	4.2	3.8	1.1	1.6	2.0	1.4	1.4	2.2
Unemployment Rate (average %)	8.1	7.1	6.4	5.9	6.4	6.2	6.5	6.7
Salary Growth in Real Terms (average %)	2.2	2.6	3.4	3.9	2.2	1.8	1.6	3.1
External Debt (% of GDP)	14.3	13.8	15.2	13.4	13.9	18.4	22.1	22.7
Total Net External Debt (MUS$)	29.6	31.7	43.9	39.2	38.4	43.9	47.4	51.6
Total Net External Debt (% of GDP)	13.6	12.6	16.4	14.1	14.7	18.0	19.0	18.6
Net International Reserves (MUS$)	27.9	42.0	41.6	41.1	40.4	38.6	40.5	39.0

04

OUR BUSINESS

WE ARE A GROUP OF COMPANIES

united by the same objective:

TO GENERATE VALUE AND SATISFY THE COMPREHENSIVE NEEDS OUR CUSTOMERS

GRUPO security

GRUPO SECURITY RESULTS IN 2017

GRUPO SECURITY MAIN FIGURES

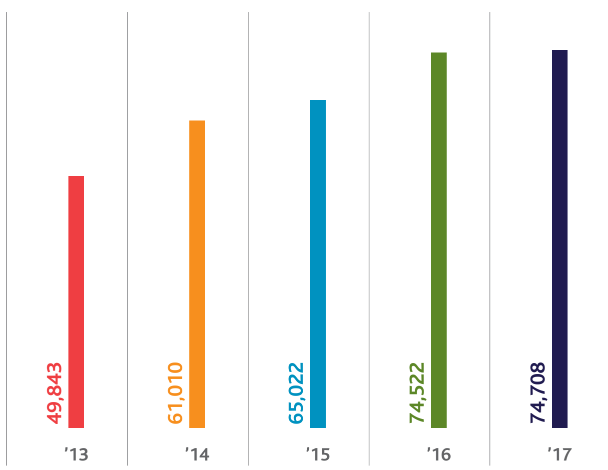
FIGURES IN MILLIONS OF NOMINAL CHILEAN PESOS

	2013	2014	2015	2016	2017
Equity attributable to owners of the parent	467,004	522,718	551,653	585,628	704,910
Return on average equity	11.5%	12.3%	12.1%	13.1%	11.6%

SOURCE: GRUPO SECURITY

PROFIT GRUPO SECURITY

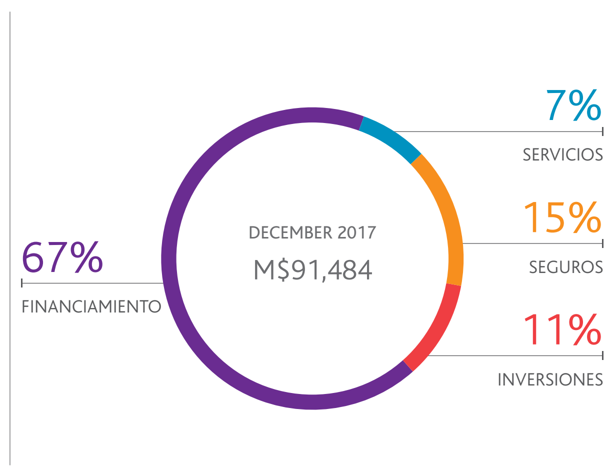
IN BILLIONS OF CH$ (NOMINAL)



SOURCE: GRUPO SECURITY

PROFIT BY BUSINESS AREA

IN BILLIONS OF CH$ (NOMINAL)



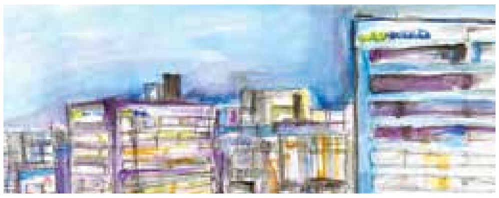
SOURCE: GRUPO SECURITY

PROFIT BY BUSINESS AREA

FIGURES IN MILLIONS OF NOMINAL CHILEAN PESOS

	DEC-16	DEC-17	% CHANGE 2017 / 2016
Lending	49,715	61,390	23.5%
Asset Management	7,197	9,637	33.9%
Insurance	37,886	13,797	-63.6%
Services	7,302	6,660	-8.8%
TOTAL - BUSINESS AREAS	**102,100**	**91,484**	**-10.4%**

SOURCE: GRUPO SECURITY



PROFIT TRENDS BY BUSINESS AREA

FIGURES IN MILLIONS OF NOMINAL CHILEAN PESOS

	2013	2014	2015	2016	2017
Banco Security, Consolidated [1]	32,798	55,902	47,424	50,604	63,022
LENDING AREA					
Banco Security, Standalone	27,465	49,322	36,968	42,431	53,902
Factoring Security	6,527	7,444	7,002	7,303	7,502
ASSET MANAGEMENT AREA					
Valores Security [2]	875	2,171	1,871	1,233	2,458
AGF Security [2]	4,470	4,414	8,584	6,939	6,666
INSURANCE AREA					
Vida Security [3]	22,437	26,793	27,659	21,911	13,258
Servicios Security [4]	1,690	690	680	1,123	586
Penta - Security [5]	741	1,165	632	18,979	0
SERVICES AREA					
Inmobiliaria Security	549	4,008	6,868	3,800	3,298
Travel Security	3,022	3,671	4,002	4,220	4,050
GRUPO SECURITY	**49,843**	**61,010**	**65,022**	**74,522**	**74,708**

SOURCE: GRUPO SECURITY

1.- THE CONSOLIDATED BANCO SECURITY RESULTS INCLUDE ITS SUBSIDIARIES VALORES SECURITY AND AGF SECURITY.

2.- EXCLUDES FIGURES FOR CORREDORA DE BOLSA CRUZ DEL SUR AND AGF CRUZ DEL SUR. CORREDORA DE BOLSA CRUZ DEL SUR REPORTED A LOSS OF -MCH$258 IN 2013 AND -MCH$745 IN 2014. AGF CRUZ DEL SUR POSTED PROFIT OF MCH$257 IN 2013 AND MCH$14 IN 2014.

3.- THE RESULTS FOR VIDA SECURITY IN 2013 INCLUDE CRUZ DEL SUR SEGUROS DE VIDA.

4.- THE RESULTS FOR SERVICIOS SECURITY INCLUDE CORREDORA DE SEGUROS SECURITY AND EUROP ASSISTANCE, WHERE GRUPO SECURITY HAS A 49% INTEREST.

5.- THE FIGURE SHOWN HERE IS THE BEFORE-TAX GAIN ON THE SALE OF THE MINORITY INTEREST IN PENTA-SECURITY. THE AFTER-TAX GAIN WAS CH$ 14,937 MILLION.



LENDING

BANKING INDUSTRY

LOANS

BANKING INDUSTRY LOANS

MCH$ 157,919,200
AS OF DECEMBER 2017

MCH$ 151,426,794
AS OF DECEMBER 2016

4.29% GROWTH

GROWTH COMPARED TO 2016

MORTGAGE LOANS	9.72%
CONSUMER LOANS	6.01%
COMMERCIAL LOANS	1.94%

BANKING INDUSTRY LOANS

EXCLUDING FOREIGN SUBSIDIARIES AND BRANCHES

MCH$ 146,250,331
AS OF DECEMBER 2017

MCH$ 140,258,239
AS OF DECEMBER 2016

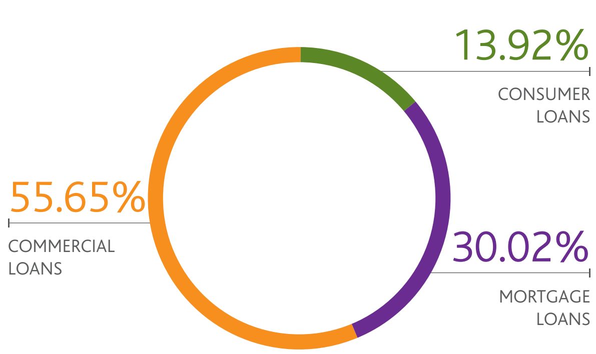
4.27% GROWTH

GROWTH COMPARED TO 2016

MORTGAGE LOANS	10.08%
CONSUMER LOANS	7.15%
COMMERCIAL LOANS	1.80%

LOAN PORTFOLIO

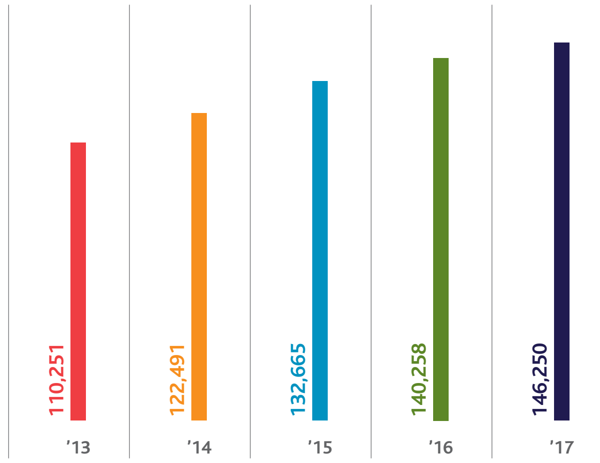
EXCLUDING FOREIGN SUBSIDIARIES AND BRANCHES



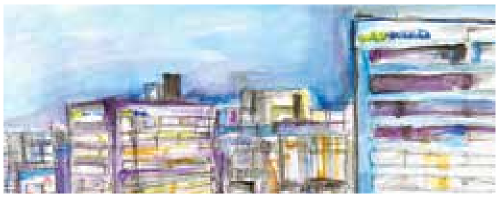
SOURCE: SBIF

LOAN GROWTH

IN BILLIONS OF CH$ (NOMINAL)
EXCLUDING FOREIGN SUBSIDIARIES AND BRANCHES



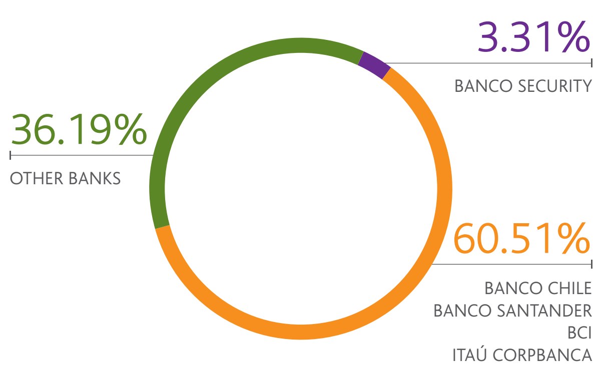
SOURCE: SBIF



MARKET SHARE

MARKET SHARE 2017

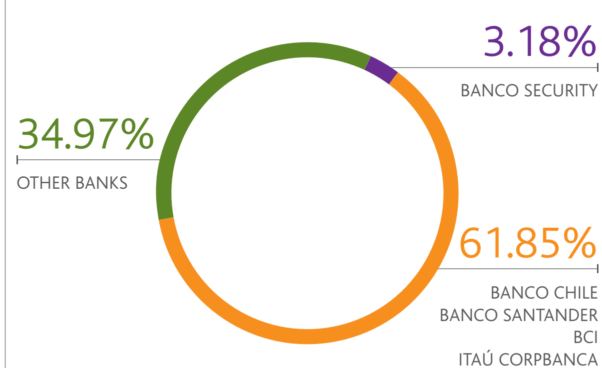
EXCLUDING FOREIGN SUBSIDIARIES AND BRANCHES



SOURCE: SBIF

MARKET SHARE 2016

EXCLUDING FOREIGN SUBSIDIARIES AND BRANCHES



SOURCE: SBIF

RESULTS

INDUSTRY PROFIT

MCH$ 2,236,888
2017

MCH$ 1,964,924
2016

13.84% CHANGE

FACTORS BEHIND THE CHANGE

- SUPPORT EXPENSES GREW BY 5.24%
- NET INTEREST MARGIN EXPANDED BY 6.8%
- GROSS OPERATING MARGIN INCREASED BY 7%
- NET FINANCIAL OPERATING INCOME FELL BY 18.63%

TOTAL EQUITY

2017 MCH$ 18,605,929

2016 MCH$ 17,803,551

4.51% CHANGE

RETURN ON EQUITY

2017 12.02%

2016 11.04%

RETURN ON TOTAL ASSETS

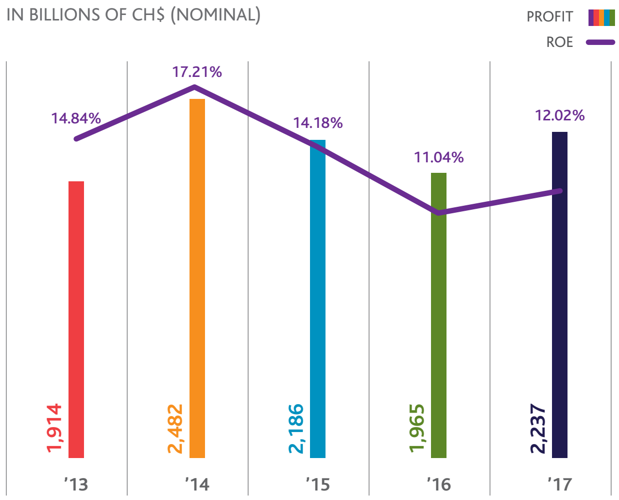
2017 1.01%

2016 0.93%

PROFIT AND RETURN ON EQUITY FOR THE CHILEAN BANKING INDUSTRY

PROFIT AND ROE - CHILEAN BANKING INDUSTRY

IN BILLIONS OF CH$ (NOMINAL)



SOURCE: SBIF

OPERATING EXPENSES

EXPENSES INCREASED BY:

5.24%

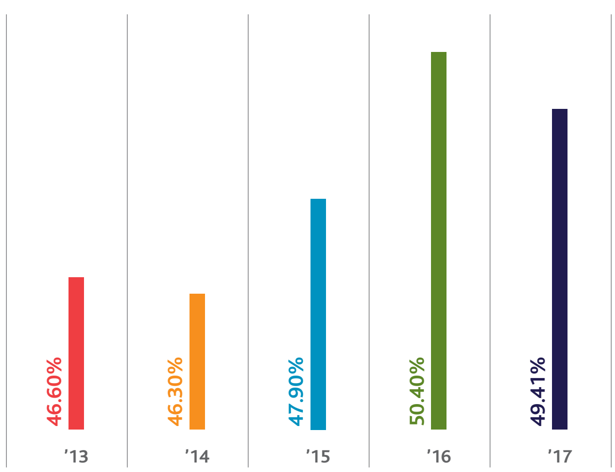
IN 2017

FACTORS BEHIND THE CHANGE

- GROWTH IN DEPRECIATION AND AMORTIZATION EXPENSE OF 8.19%
- GROWTH IN ADMINISTRATIVE EXPENSES OF 7.92%
- GROWTH IN PAYROLL AND PERSONNEL EXPENSES OF 2.82%

EFFICIENCY

EFFICIENCY RATIO



SOURCE: SBIF

EFFICIENCY RANKING

	2017 RATIO	2016 RATIO
MORE EFFICIENT BANKS		
BANCO SANTANDER	39.07%	40.71%
BANCO DE CHILE	43.82%	43.27%
MEDIUM BANKS		
BICE	49.00%	48.37%
SCOTIABANK	47.18%	50.50%
BBVA	50.40%	56.45%
BANCO SECURITY	49.72%	59.38%

SOURCE: SBIF

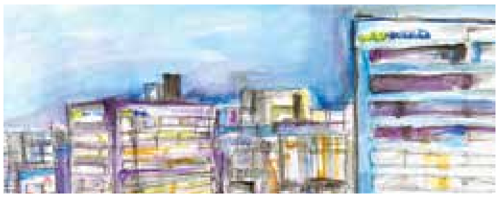
2017 49.41%

2016 50.39%

-1.95% CHANGE

FACTORS BEHIND THE CHANGE

- INCREASE OF 6.9% IN GROSS OPERATING MARGIN
- REDUCED EXPENSES WITH RESPECT TO 2016



RISK

PROVISION INDICATOR FOR CHILEAN BANKING INDUSTRY

PERCENT OF LOANS

2017 2.49

2016 2.50

-0.16% CHANGE

PROVISION INDICATOR BY LOAN TYPE

PROVISIONS AS A PERCENTAGE OF COMMERCIAL LOANS	2.41%
PROVISIONS AS A PERCENTAGE OF MORTGAGE LOANS	0.86%
PROVISIONS AS A PERCENTAGE OF CONSUMER LOANS	6.39%

NPL RATIO FOR CHILEAN BANKING INDUSTRY TOTAL PORTFOLIO

NONPERFORMING LOANS

2017 1.93%

2016 1.85%

4.41% CHANGE

NONPERFORMING LOANS BY TYPE OF LOAN

	2017
CONSUMER LOANS	2.14%
MORTGAGE LOANS	2.36%
COMMERCIAL LOANS	1.70%

CREDIT RISK INDICES

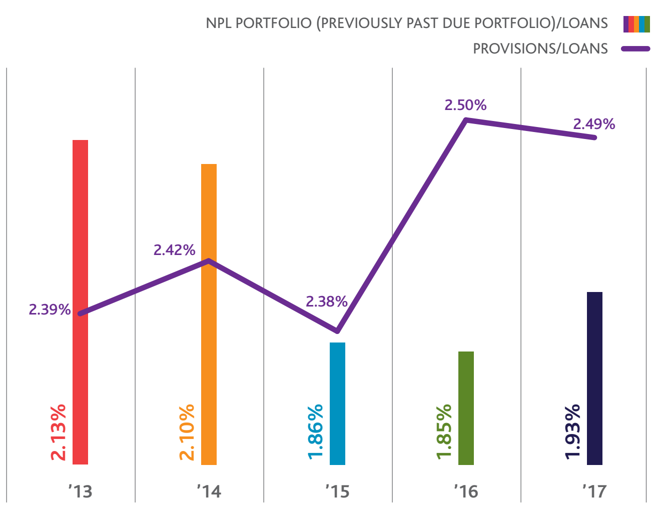
CREDIT RISK INDICES	DEC-15	DEC-16	DEC-17
Loan loss provisions / Total loans	2.38%	2.50%	2.49%
Nonperforming loans / Loans excluding loans and advances to banks	1.86%	1.85%	1.93%
Commercial LLP / Total commercial loans	2.38%	2.42%	2.41%
Retail LLP / Total retail loans	2.44%	2.67%	2.65%
Mortgage LLP / Total mortgage loans	0.70%	0.94%	0.86%
Consumer LLP / Total consumer loans	5.84%	6.19%	6.39%

SOURCE: SBIF

NONPERFORMING LOANS ARE A STRESSED MEASUREMENT OF THE FORMER PAST DUE PORTFOLIO INDICATOR. INCLUDES THE TOTAL AMOUNT OF THE NONPERFORMING LOAN (> 90 DAYS PAST DUE) EVEN WHEN ONLY ONE OR SOME LOAN INSTALLMENTS (PRINCIPAL AND/OR INTEREST) ARE DELINQUENT. IT ALSO FORMS PART OF THE IMPAIRED PORTFOLIO AND IS PUBLISHED FROM JANUARY 2009 ONWARDS.

RISK INDEX

RISK INDEX - CHILEAN BANKING INDUSTRY



SOURCE: SBIF

BANCO SECURITY

BANCO SECURITY RESULTS

LOANS

BANCO SECURITY LOAN PORTFOLIO

2017 MCH$ 4,834

2016 MCH$ 4,462

8.34% CHANGE

POSITION IN THE DOMESTIC MARKET BY TOTAL LOANS

8th PLACE

LOAN GROWTH IN 2017

BANCO SECURITY

8.34%

BANKING INDUSTRY

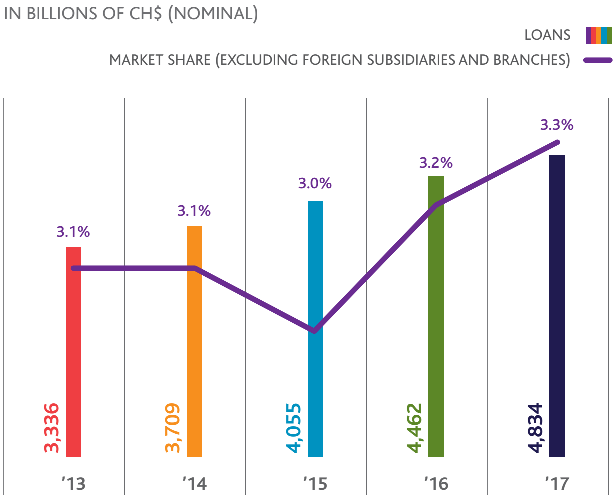
4.29%

LOAN GROWTH FOR BANCO SECURITY BY SEGMENT

MORTGAGE LOANS	8.3%
CONSUMER LOANS	14.5%
COMMERCIAL LOANS	7.7%

LOAN GROWTH - BANCO SECURITY

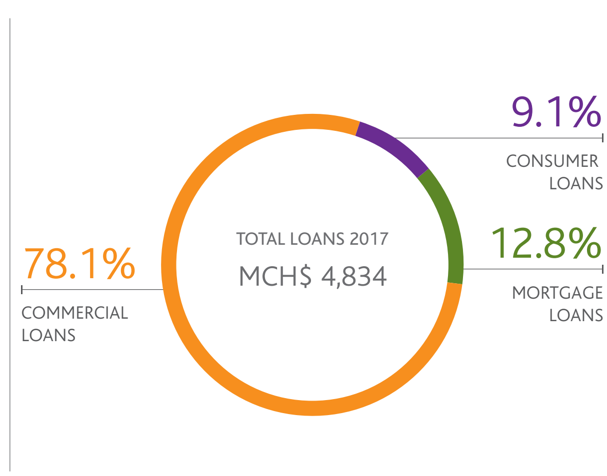
IN BILLIONS OF CH$ (NOMINAL)



SOURCE: SBIF

CONTINGENT LOANS WERE EXCLUDED FROM HISTORICAL LOANS, AS THESE MUST BE EXCLUDED FROM THE BALANCE SHEET WITH EFFECT FROM JANUARY 2008, IN ACCORDANCE WITH NEW STANDARDS.

LOAN PORTFOLIO 2017



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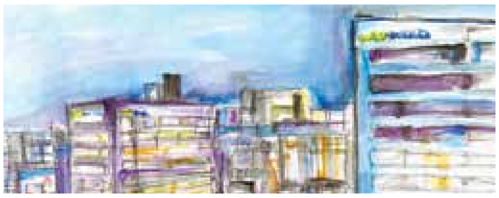
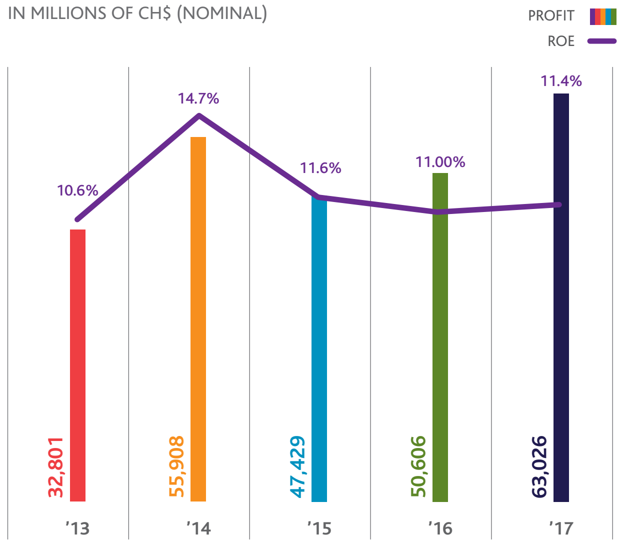


RESULTS

PROFIT TRENDS FOR BANCO SECURITY AND SUBSIDIARIES

IN MILLIONS OF CH$ (NOMINAL)



SOURCE: SBIF

PROFIT FOR THE YEAR - BANCO SECURITY AND SUBSIDIARIES

2017 MCH$ 63,026

2016 MCH$ 50,606

24.54% CHANGE

REASONS FOR THE CHANGE

- INCREASE IN OPERATING INCOME OF 10.3% NET OF CREDIT RISK PROVISIONS
- INCREASE IN NET OPERATING INCOME OF 42.7%
- DECREASE IN SUPPORT EXPENSES OF 4.0%

GROWTH IN OPERATING EXPENSES

BANCO SECURITY -4.10%

BANKING INDUSTRY 5.25%

REASONS FOR THE CHANGE

- INCREASE IN ADMINISTRATIVE EXPENSES AND FINANCE COSTS OF 11.3%
- FALL IN PAYROLL AND PERSONNEL EXPENSES OF 4.4%
- DROP IN DEPRECIATION AND AMORTIZATION EXPENSES OF 63.0%

EFFICIENCY RATIO

2017 49.72%

2016 59.40%

RETURN ON EQUITY - BANCO SECURITY

2017 11.39%

2016 11.0%

12th PLACE

IN THE INDUSTRY

RISK

RISK INDEX - BANCO SECURITY

2017 1.67%

2016 1.81%

AVERAGE RISK INDEX FOR THE INDUSTRY

2017 2.49%

2016 2.50%

NPL RATIO

BANCO SECURITY

2017 1.38%

2016 1.43%

NPL RATIO

AVERAGE FOR THE INDUSTRY

2017 1.93%

2016 1.85%

IMPAIRED PORTFOLIO TO TOTAL LOANS

BANCO SECURITY

2017 4.75%

2016 4.35%

IMPAIRED PORTFOLIO TO TOTAL LOANS

AVERAGE FOR THE INDUSTRY

2017 5.21%

2016 5.10%

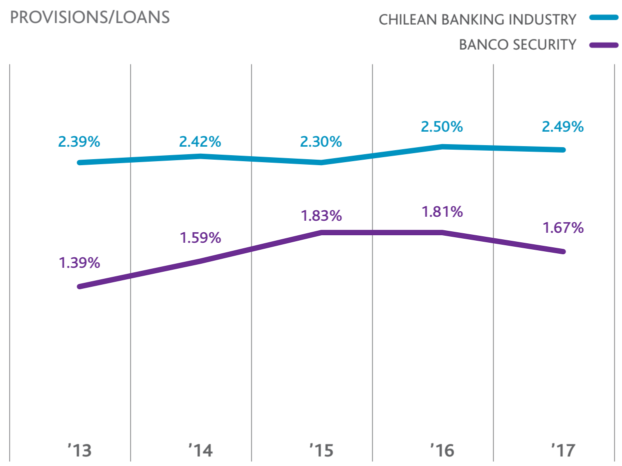
In order to optimize the risk-return ratio, Banco Security's management is charged with properly managing the different types of risks inherent to its business:

- Credit Risk
- Market Risk
- Liquidity Risk
- Operational Risk

To do so, it uses clear policies and a defined structure. The risk control areas are independent of those areas that manage risk. Over the past few years, the Bank has been developing new risk models to accurately calculate and manage credit, market and operational risks, and it has designed and implemented various mechanisms to promptly manage them.

Therefore, these models, together with a conservative risk management policy and coordination with sales departments, have enabled the Bank to manage the loan origination process, for both the commercial and retail loan portfolios. This has resulted in credit risk indicators that continue to compare favorably with the industry.

RISK INDEX - BANCO SECURITY VS INDUSTRY

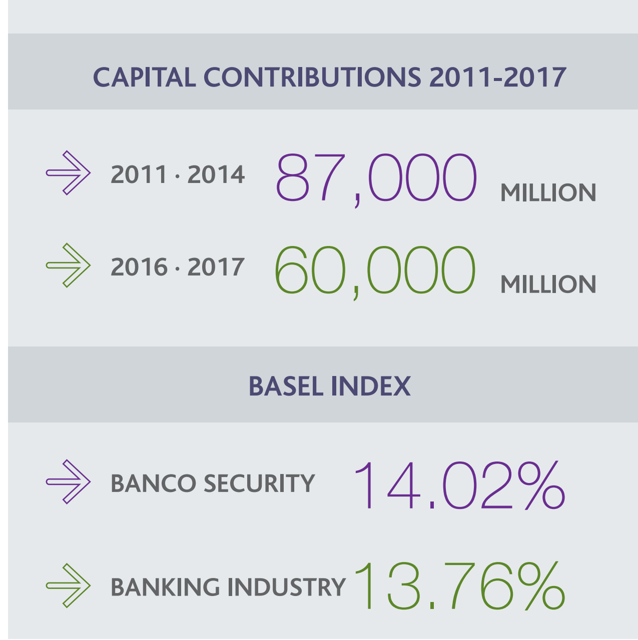


SOURCE: SBIF

CAPITALIZATION

The Bank aims to continually achieve a ratio of regulatory capital to risk-weighted assets higher than 10%, and to remain at or above 12% most of the time.

Capital contributions plus retained earnings reflect the ongoing commitment and support of our shareholders to the process of strengthening the Bank's capital base. These efforts are designed to position the Bank on strong footing to best address the challenges of loan and asset growth and to gradually meet the stricter requirements for core capital once Basel III is applied.



SUBSIDIARIES

Banco Security consolidates the following subsidiaries:

- VALORES SECURITY S.A CORREDORES DE BOLSA → OWNERSHIP INTEREST 99.88%
- ADMINISTRADORA GENERAL DE FONDOS SECURITY S.A. → OWNERSHIP INTEREST 99.99%

As of year-end 2017, these companies reported aggregate profit of CH$9,124 million, which represents an increase 4.5% over 2016.

AGF SECURITY PROFIT

- 2017 MCH$ 6,666
- 2016 MCH$ 6,939

-3.9% CHANGE

AGF SECURITY MARKET SHARE

- 2017 7.3%
- 2016 5.9%

VALORES SECURITY PROFIT

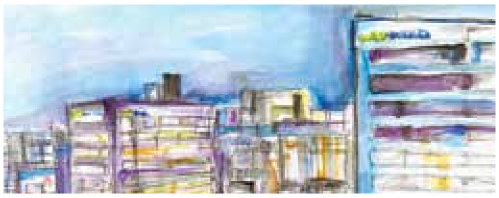
- 2017 MCH$ 2,458
- 2016 MCH$ 1,233

99.3% CHANGE

VALUE OF SHARES TRADED - VALORES SECURITY 2017

- MCH$ 3,139,690
- 6th PLACE

ON RANKING OF BROKERS BY VALUE OF SHARES TRADED



FACTORING SECURITY

YEAR JOINED GRUPO SECURITY

- 1992

SERVICE PROPOSAL

Factoring Security has almost 25 years' experience meeting the financing needs (through traditional factoring and confirming) of companies of all sizes and providing its customers with excellent service.

With the development of its electronic factoring platform, implemented in 2016, the subsidiary has expanded coverage to areas not located near a branch office.

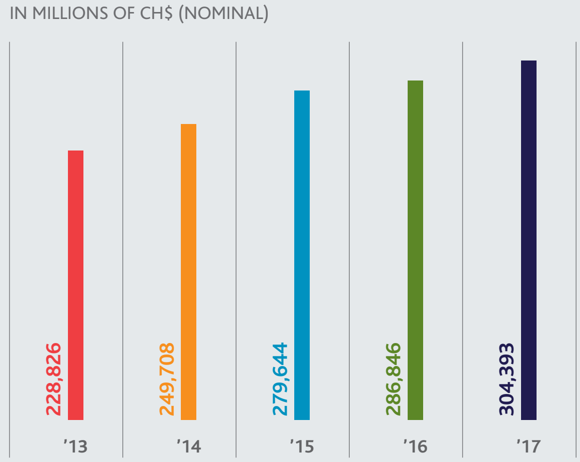
2017 HIGHLIGHTS

- As of December 2017, the subsidiary had a stock of 304,393 factored receivables, up 6.1% from 2016.
- Documents valued at US$2,093 million were acquired, 3.5% above 2016.
- The subsidiary placed bonds on the local market for UF 1.5 million. These four-year, 11-month bullet bonds had a real interest rate of 2.47%, equivalent to a spread of 1.09 basis points.
- Service Quality Award 2017 for Security companies.
- First Place on GPTW Ranking among Grupo Security companies with 91%.
- FitchRatings gave Factoring Security an A+ rating with a positive outlook.

PROFIT

2017 MCH$ 7,502

FACTORED RECEIVABLES FACTORING SECURITY
IN MILLIONS OF CH$ (NOMINAL)



SOURCE: ACHEF

ASSET MANAGEMENT

Grupo Security's Asset Management Area is responsible for providing excellent, personalized asset management and brokerage advisory services for individuals, companies and institutional investors. Through these services, it looks to build long-term relationships with its customers based on the values of trust, transparency, accuracy and excellence.

GOALS FOR 2017

- One of the area's goals in 2017 was to consolidate its current businesses and focus on expanding segments of interest.
- Another was to continuously innovate with its products, covering all classes of assets tailored to its diverse customer segments.

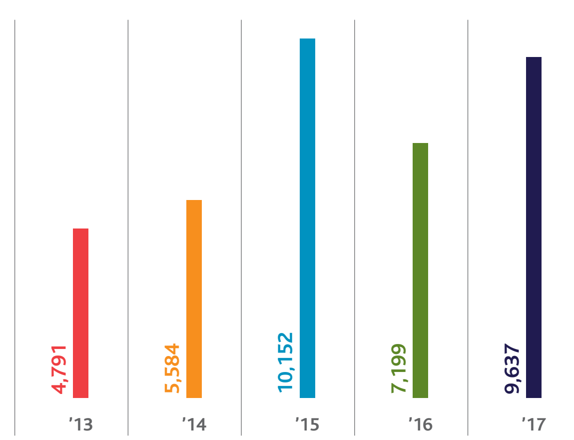
MAIN ACHIEVEMENTS IN 2017

- The area's commercial revenue increased by 15%, while profit rose by 20% over 2016.
- Assets under management reached US$8.0 billion.

The companies within this business area are:

- Administradora General de Fondos
- Valores Security S.A.
- Securitizadora Security
- Inmobiliaria Casanuestra

PROFIT - ASSET MANAGEMENT AREA
IN MILLIONS OF CH$ (NOMINAL)



SOURCE: GRUPO SECURITY



ADMINISTRADORA GENERAL DE FONDOS

YEAR JOINED GRUPO SECURITY

- 1992

SERVICE PROPOSAL

Administradora General de Fondos Security is well regarded in the local financial market. It provides quality service to diverse customer segments, including mid-sized investors, high-net-worth individuals, companies and institutional investors in need of specialized, professional asset management services.

2017 HIGHLIGHTS

- 38% growth in assets under management in mutual funds
- Mutual funds in local equities had total assets under management of CH$141,600 million, a threefold increase over the beginning of the year, which positions it as the largest in that category.
- Assets were migrated to the UCITS Latin American corporate debt fund, which enabled us to offer a strong product with more than US$ 280 million for international investors.

MAIN FIGURES FOR 2017

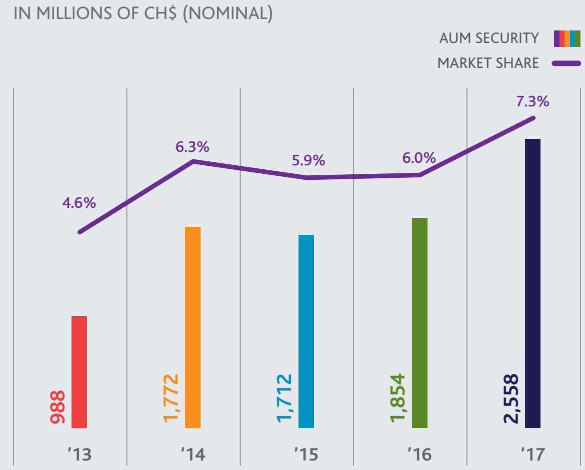
- MARKET SHARE: 7.3%
- MARKET POSITION: 5th place in assets under management in mutual funds.

PROFIT FOR THE YEAR

2017 MCH$ 6,666

AUM AND MARKET SHARE - AGF SECURITY

IN MILLIONS OF CH$ (NOMINAL)



SOURCE:

VALORES SECURITY S.A. CORREDORES DE BOLSA

YEAR JOINED GRUPO SECURITY

- 1991

SERVICE PROPOSAL

Valores Security S.A. Corredores de Bolsa works to understand its customers' needs and proactively assist them in selecting from among the different investment alternatives available in the market. It accomplishes this through its international business platform and a team of highly trained professionals, which make global investing in a variety of assets straightforward and transparent.

Valores Security is also a major player in domestic debt trading for the institutional market.

2017 HIGHLIGHTS

- The subsidiary doubled its earnings from 2016, reporting profit of CH$2,458 million.
- The total value of shares traded on Santiago Exchange and the Electronic Stock Exchange in 2017 increased by 31.6% compared to 2016. However, the value of shares traded by Security increased by 40.5% to CH$3,139,690 million.

MAIN FIGURES FOR 2017

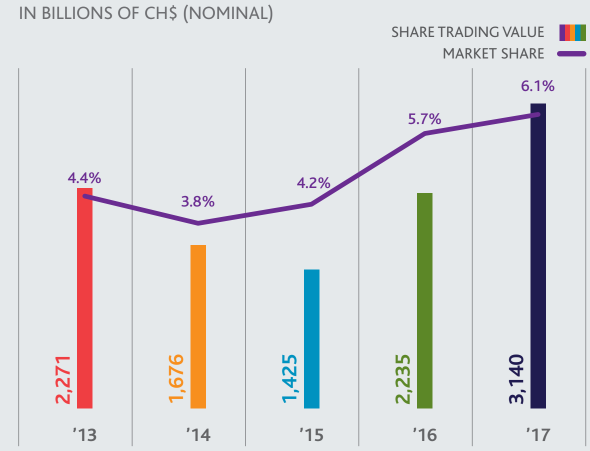
- MARKET SHARE: 6.1%
- MARKET POSITION: 6th place in value of shares traded.

PROFIT

2017 MCH$ 2,458

SHARE TRADING VALUE ON SANTIAGO EXCHANGE AND CHILEAN ELECTRONIC EXCHANGE AND MARKET SHARE

IN BILLIONS OF CH$ (NOMINAL)



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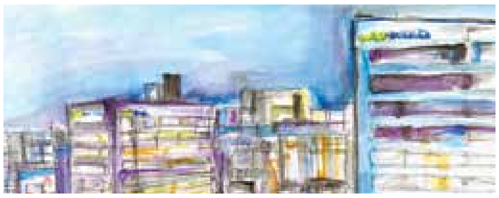


SECURITIZADORA SECURITY

YEAR JOINED GRUPO SECURITY

1997

SERVICE PROPOSAL

Securitizadora Security is ranked first place in securitized bond issuances backed by residential mortgages. It also provides securitized asset and separate estate management services. It is one of the few companies in the industry that is still operating in the market as an issuer of securitized bonds.

2017 HIGHLIGHTS

- In 2017, it completed an issuance of mortgage-backed securitized bonds, which marked a milestone as the first of its kind in the last nine years.
- The preferential bonds, rated AAA, were well placed in the institutional market. In addition, its mezzanine series was placed on the formal market and attracted high demand.

MAIN FIGURES FOR 2017

PROFIT

- 2017 MCH$ 871.6
- 2016 MCH$ -197.8

MANAGED ESTATES

- 2017 MCH$ 89,125
- 2016 MCH$ 75,641

INMOBILIARIA CASANUESTRA

YEAR JOINED GRUPO SECURITY

2015

SERVICE PROPOSAL

The corporate purpose of Inmobiliaria Casanuestra S.A. is to contribute to the homeownership dreams of the lower-middle and middle-income segments (known in Chile as C2/C3), which are not served by the traditional banking sector. It provides them mortgage financing through residential leases and housing subsidies provided by the Chilean government (MINVU). Our products offer the most convenient rates in the market and in-person geographic coverage from the 4th to the 10th regions.

These leases are grouped together to create managed estates in order to issue and place securitized bonds on the securities market, which are in high demand by institutional and qualified investors.

2017 HIGHLIGHTS

- More than 700 families achieved their dream of owning their own home thanks to our support.
- UF 348,000 in mortgage assets, originated by Casanuestra, were used to issue the securitized bond BSECS14.
- The company's organizational structure was consolidated, especially in support areas and systems, which helped sustain the growth of the commercial area.
- The subsidiary opened its main office and trained a group of agents from the 4th to the 10th regions.

MAIN FIGURES FOR 2017

- ORIGINATION OF MORTGAGE ASSETS IN 2017: UF 600,000
- More than 80% represents a housing subsidiary for customers.



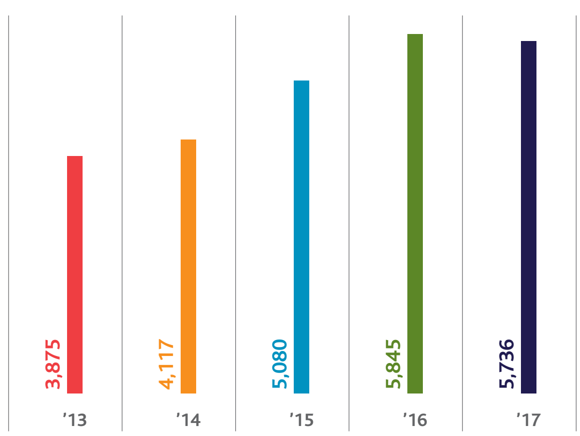
INSURANCE

INSURANCE INDUSTRY

As of December 2017, the top ten companies in the market accounted for 78.70% of the market's total written premiums, which was valued at CH$4,514,609 million. As of December 2016, this figure was 75.4% of total written premiums, which is equivalent to CH$4,407,459 million for the same companies. The industry in aggregate had total written premiums of CH$5,736,140 million in 2017 versus CH$5,845,147 million in 2016.

TOTAL WRITTEN PREMIUMS - CHILEAN LIFE INSURANCE MARKET

IN BILLIONS OF CH$ (NOMINAL)



SOURCE: GRUPO SECURITY

VIDA SECURITY

YEAR JOINED GRUPO SECURITY

- 1995

SERVICE PROPOSAL

Vida Security has 89 years' experience in the insurance market. It has a customer-focused commercial structure based on a multichannel sales platform and trained professionals to provide comprehensive advisory services to individuals, companies, insurance brokers, retail and financial institutions, among others.

The products provided by the company are: life insurance, insurance with savings, insurance with voluntary pension savings (APV), health insurance, group insurance, insurance for families, as well as pension and private income. It also participates in tenders to provide disability and survivor insurance.

2017 HIGHLIGHTS

- Investment income on the company's own portfolio (i.e. excluding investments for insurance with savings components (CUI), increased by 16% over the prior year.
- It implemented an innovation program, which will help the company build a common language around innovation concepts and stress its importance for business development.
- Vida Security launched a digital sales project, which places it on the cutting edge for this type of service.
- The subsidiary implemented a digital desktop for customer service executives in the annuities area. This will help resolve customer questions at customer service stations, while reducing paper consumption and optimizing productivity.
- General Standard 387 became effective, requiring an additional reserve for detected but not reported claims.
- It implemented the Own Risk Solvency Assessment (ORSA), which enables it to forecast the company's needs and available capital.

MAIN FIGURES FOR 2017

DIRECT WRITTEN PREMIUMS

2017 MCH$ 446,830

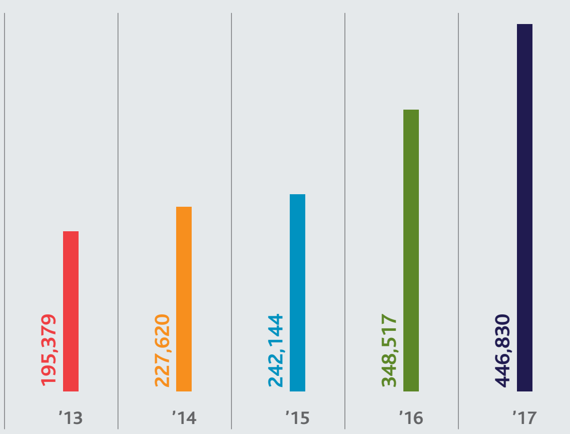
2016 MCH$ 348,517

PROFIT

2017 MCH$ 13,258

2016 MCH$ 21,911

TOTAL WRITTEN PREMIUMS - VIDA SECURITY
IN BILLIONS OF CH$ (NOMINAL)



SOURCE: GRUPO SECURITY

CORREDORA DE SEGUROS

YEAR JOINED GRUPO SECURITY

1999

SERVICE PROPOSAL

Since its creation, Corredora de Seguros Security has reported solid growth, thanks to a strong, excellent team of professionals and a broad offering of property and casualty, health, life and credit life policies that it brokers. Focused on corporations and companies and a web-based sales platform for mass products, the company has implemented important technological developments to serve customers and has formed solid partnerships with insurance and reinsurance companies, becoming one of the main brokers in the market.

2017 HIGHLIGHTS

- During the year, a new banking-insurance technological platform was launched, which consists of a comprehensive self-management model designed to provide support for sales of voluntary products and facilitate operations for credit-related products.
- It focused on offering mass health and wealth protection policies to expand its customer base and strengthen this service area.
- With these new developments and products, it reported an increase of 3.23% in brokered premiums.

MAIN FIGURES FOR 2017

PROFIT

2017 MCH$ 487

2016 MCH$ 1,031

PROTECTA COMPAÑÍA DE SEGUROS

YEAR JOINED GRUPO SECURITY

→ 2015

SERVICE PROPOSAL

Protecta (Peru) is a life insurance and reinsurance company, which is also licensed to sell property and casualty insurance, although it is focused on life products. Its service goal is to be an approachable, flexible, easy to use and transparent insurer as well as a proactive commercial partner for medium-sized brokers to help them find the support, flexibility and competitiveness they need to serve their customer portfolio.

2017 HIGHLIGHTS

- In 2017, Protecta celebrated 10 years in the Peruvian insurance market.
- It exceeded the milestone of 5,000 annuities sold.
- In the last quarter of 2017, it entered the private annuity business.

MAIN FIGURES FOR 2017

PROFIT

(THOUSANDS OF PERUVIAN SOLES)

→ 2017 5,182 PEN

→ 2016 4,839 PEN

EUROP ASSISTANCE S.A

YEAR JOINED GRUPO SECURITY

→ 2004

SERVICE PROPOSAL

Europ Assistance has 53 years' experience in Europe and 12 years in Chile, where it has positioned itself as a major player in the national market, offering personalized assistance services for travel, vehicles, health and home to both businesses and individuals. It is also now operating in Peru, selling travel assistance services.

This company's value offering is characterized by solid local and international backing; excellent service; experience and support to provide competitive products tailored to its customers' needs and continual sales support and technological developments for online product sales.

2017 HIGHLIGHTS

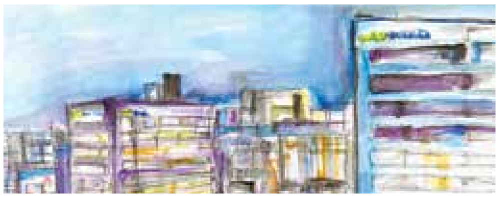
- Without a doubt, the important growth in sales was one of the main achievements in 2017, rising 17% from 2016. EBITDA increased by 15%.
- These increases positively impacted its market share, especially in automotive assistance services, which rose from 12% to 23%. During the period, it also managed to reduce the ratio of internal expenses from 21% to 18%.

MAIN FIGURES FOR 2017

PROFIT

→ 2017 MCH$ 412

→ 2016 MCH$ 411



HIPOTECARIA SECURITY PRINCIPAL S.A.

YEAR JOINED GRUPO SECURITY

→ 2013

SERVICE PROPOSAL

The corporate purpose of Hipotecaria Security Principal S.A. is to be the main non-banking mortgage lender in Chile and a leading provider of advisory, origination and management services through a specialized offering for its target market of individuals and legal entities. In addition, it is constantly working to lay the foundations to be the leading provider of quality endorsable mortgage loans for institutional investors.

2017 HIGHLIGHTS

- Regulatory changes affecting VAT on leases and matching for annuities favored the creation of a specialized training and origination area for non-residential mortgage loans.
- The incorporation of new institutional investors (i.e. insurance companies and investment funds) helped diversify the company's investor pool, in line with its multi-investor strategic model.
- For the first time, the company surpassed the mark of MUF 9.5 in loans originated with good risk levels.
- It boasts a market share of over 40% among companies that manage endorsable mortgage loans.

MAIN FIGURES FOR 2017

PROFIT

→ 2017 MCH$ 607

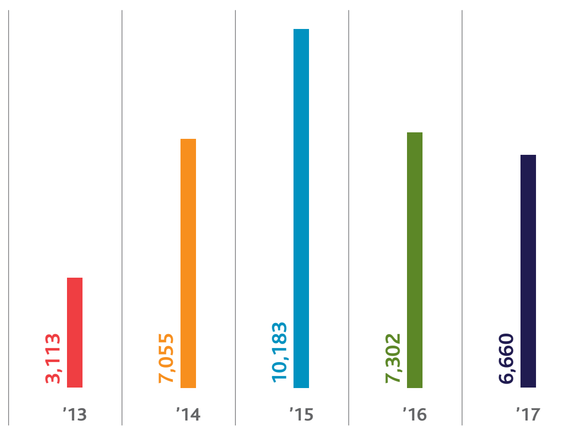
→ 2016 MCH$ 138

SERVICES

This area is composed of Travel Security, Travex Security (Peru) and Inmobiliaria Security, which complement Grupo Security's non-financial product offerings.

PROFIT

IN MILLIONS OF CH$ (NOMINAL)



SOURCE: GRUPO SECURITY

TRAVEL SECURITY

YEAR JOINED GRUPO SECURITY

→ 1999

SERVICE PROPOSAL

Travel is a travel agency focused on corporate customers and discerning travelers who require a high standard of service. The company is one of the three largest travel agencies in the market and has a leading share of the corporate segment. The company has implemented substantial technology and employed highly qualified staff, to meet customer expectations, which is the service differentiator in the Chilean market.

2017 HIGHLIGHTS

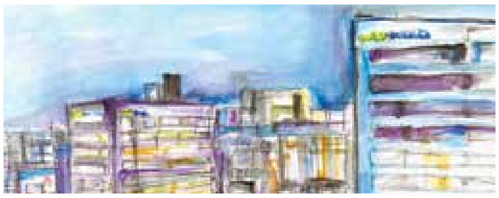
- The company reported growth of 9% in total sales in US dollars.
- During 2017, it recorded sustained growth in hotel sales, especially in the corporate segment.
- This year marked a period of significant changes in the industry partially due to implementation of low-cost models by airlines, which affected processes and operations. This was accompanied by more complex bidding processes for large corporate accounts.
- The company also made strides to further automate processes, which positively impacted productivity.
- Passengers transported as of November 2017 had expanded 6% on domestic routes and 16% on international routes.

MAIN FIGURES FOR 2017

PROFIT

→ 2017 MCH$ 4,050

→ 2016 MCH$ 4,217



TRAVEX SECURITY

YEAR JOINED GRUPO SECURITY

2012

SERVICE PROPOSAL

Travex is a comprehensive travel company with a customer-focused value proposition, strong operations management and quality service. With 25 years in the Peruvian market, today it is on the cutting edge with technological tools that simplify travel management processes, generating greater savings for customers.

It is the third largest travel agency in Peru by number of tickets issued and the largest in the corporate segment, with branches in Lima, Arequipa and Cusco. Its corporate portfolio covers a significant percentage of the market, complemented by other related operations such as inbound tourism, groups and incentive packages and event organization.

2017 HIGHLIGHTS

- Travex reported an increase of 22% in total sales over the prior year and a rise of 119% in profit for the year.
- The company also worked to consolidate itself as a leading provider of ground services (hotels), closing 2017 with over 75,000 nights sold.
- It created and implemented an Online Booking Tool known as SART. Four customers currently use this system with 12 more in the implementation process.
- In 2017, the MICE (Meetings, Incentives, Conventions and Exhibitions) and Events areas expanded 42%, which helped consolidate operations with very important customers.

MAIN FIGURES FOR 2017

PROFIT

2017 US$ 883,718

2016 US$ 403,716

INMOBILIARIA SECURITY

YEAR JOINED GRUPO SECURITY

1996

SERVICE PROPOSAL

Inmobiliaria Security has consolidated its growth through residential real estate development, mainly houses and apartments in northeastern Santiago.

It provides a service that is based on customer satisfaction, leading edge technology and an appropriate capital structure.

2017 HIGHLIGHTS

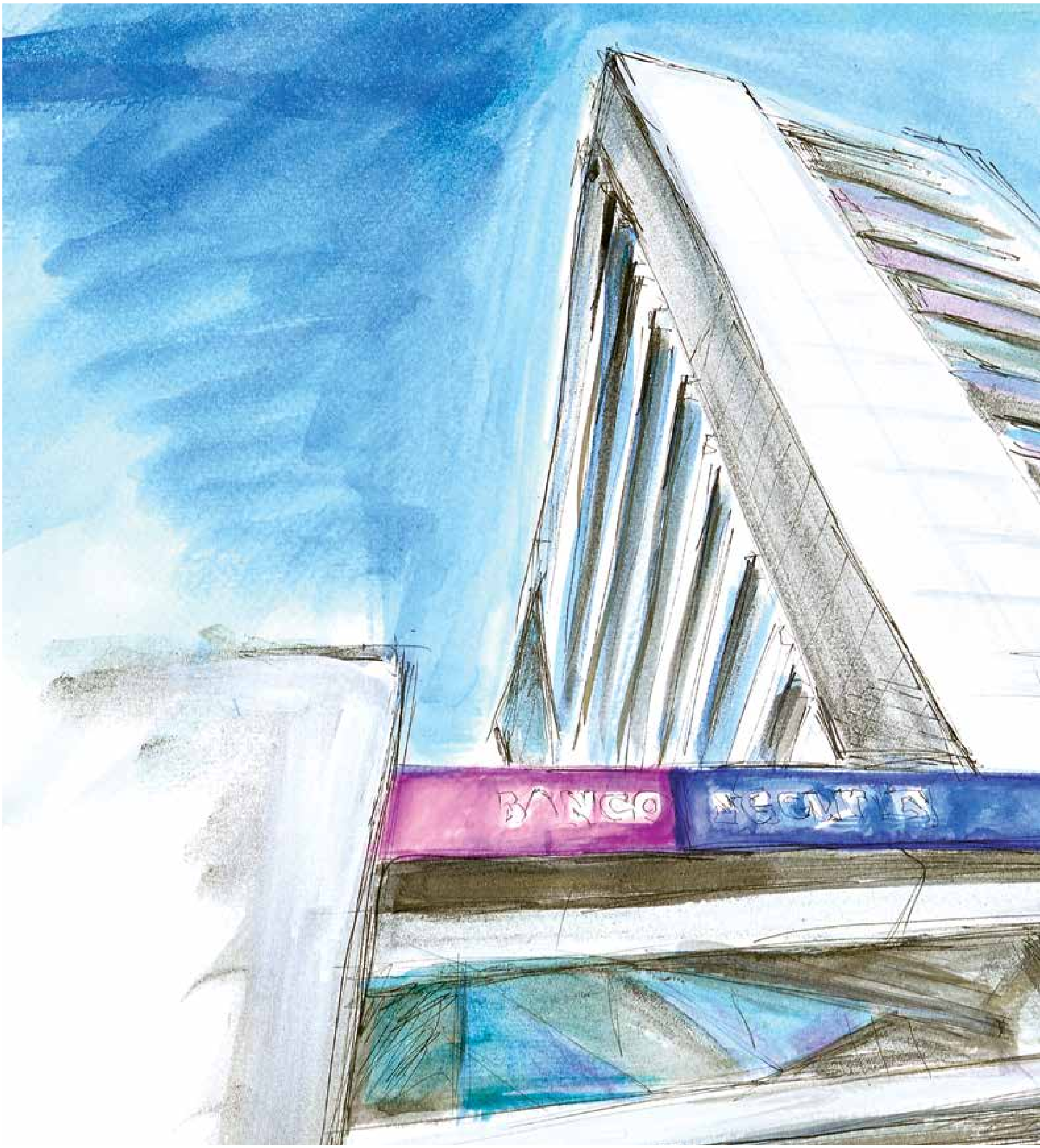
- The market for new houses in Santiago was fairly stable during the year, with a slight increase in sales over 2016, as a result of low long-term interest rates in a context of weak consumer expectations.
- The year ended with a balance of real estate assets under management of UF 2,681 million, down 10% from the prior year, due to an increase in title transfers on projects and a delayed start on new works that were postponed until 2018.
- A total of 42 purchase commitments were signed for house and apartment sales, totaling UF 642,844, less than the prior year, as a result of a delay in obtaining building permits.
- Title was transferred on units totaling UF 1,087,824, up 24% from the previous year.
- A total of UF 1,700 million in construction contracts was awarded.
- Building permits were obtained for 408 apartments in four projects.

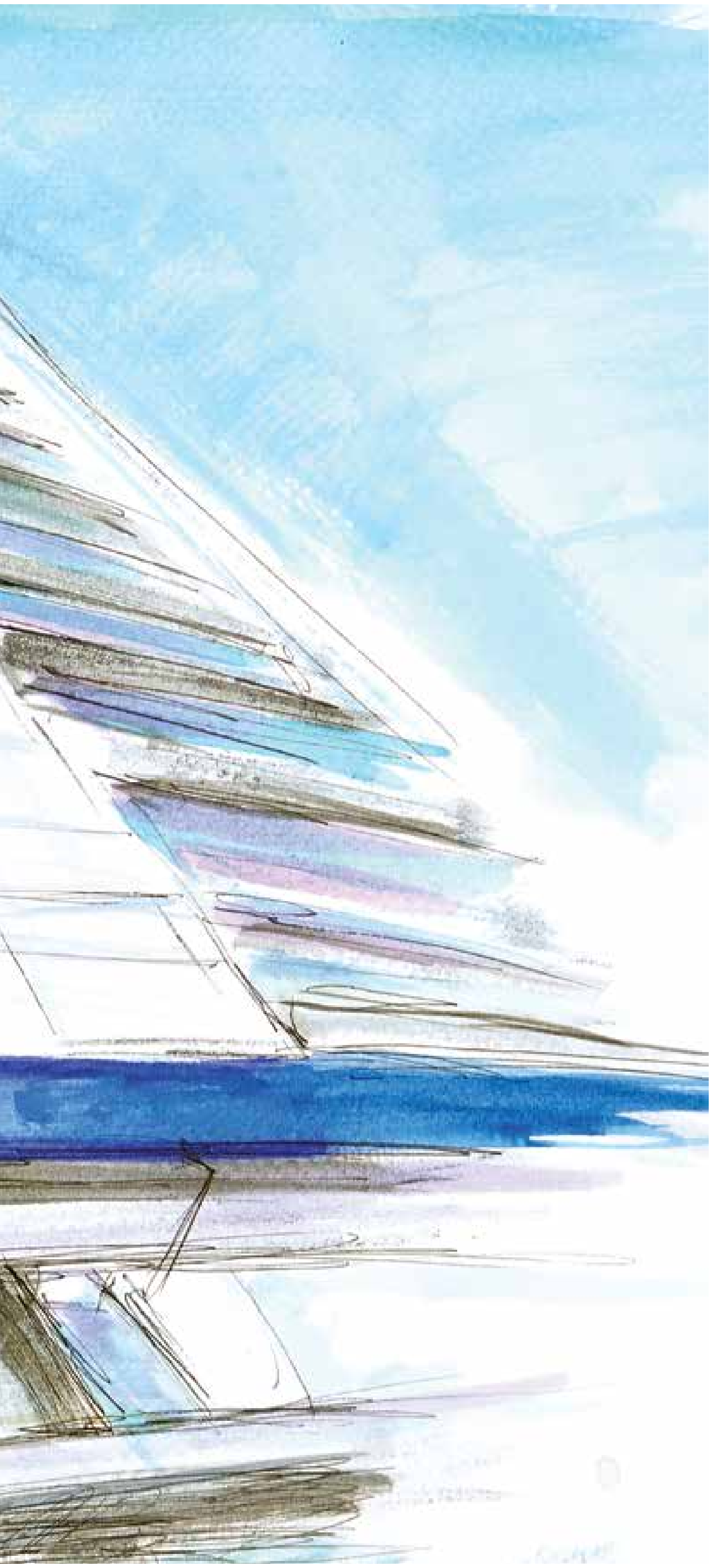
MAIN FIGURES FOR 2017

PROFIT

2017 MCH$ 3,298

2016 MCH$ 3,800





05

COMPANY INFORMATION

WE WANT TO BE

pioneers in quality of life

SO THAT EVERYONE CAN ATTAIN WORK-FAMILY BALANCE

GRUPO security



OWNERSHIP STRUCTURE

Grupo Security does not have a controller, as defined in Article 97 of Section XV of the Securities Market Law. A group of shareholders representing around 74.7% ownership in the Group has a share transfer agreement and has actively participated in the Group's management since its founding in 1991. Since that date, Grupo Security has created and incorporated new subsidiaries and development areas, expanding its business base in the financial sector and positioning itself as a first-rate provider of comprehensive financial services.

As of December 31, 2017, the Group has 3,683,019,437 single-series shares and 427 registered shareholders.

As of December 31, 2017, Grupo Security's 12 largest shareholders were:

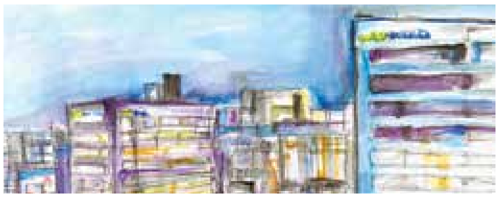
NAME	CHILEAN TAXPAYER ID	NO. OF SHARES	OWNERSHIP INTEREST %	OWNERSHIP INTEREST % CUMULATIVE
Inversiones Centinela Ltda.	76.447.620-4	375,312,957	10.19%	10.19%
Sociedad de Ahorro Matyco Ltda.	96.512.100-5	358,481,708	9.73%	19.92%
Inversiones Hemaco Ltda.	96.647.170-0	288,664,066	7.84%	27.76%
Inversiones Hidroeléctricas Ltda.	79.884.660-4	268,022,045	7.28%	35.04%
Arcoinvest Chile S.A.	76.057.087-7	222,729,075	6.05%	41.09%
Company Comercial de Servicios e Inversiones Ltda.	79.553.600-0	155,884,163	4.23%	45.32%
Inversiones Llascahue S.A.	79.884.060-6	135,056,919	3.67%	48.99%
Sociedad de Ahorro Alisios Dos Ltda.	76.093.398-8	131,247,969	3.56%	52.55%
Sociedad de Ahorro Atacalco Dos Ltda.	76.093.394-5	131,212,568	3.56%	56.11%
Sociedad de Ahorro Tenaya Dos Ltda.	76.093.362-7	131,212,567	3.56%	59.67%
Valores Security S.A. Corredores de Bolsa	96.515.580-5	106,176,827	2.88%	62.55%
Inversiones Los Cactus S.A.	79.884.050-9	102,343,934	2.78%	65.33%

SOURCE: DCV

In accordance with SVS General Standard No. 283, the following individuals directly or indirectly, as individuals or through legal entities, own 10% or more of Grupo Security S.A. as of December 31, 2017: Mr. Gustavo Pavez Rodríguez (Bank director) CHILEAN NATIONAL ID 4.609.215-5, and Mr. Juan Cristóbal Pavez Recart (Group director) CHILEAN NATIONAL ID 9.901.478-4, with 14.42% through the companies Inversiones Centinela Ltda. and Sociedad Comercial de Servicios e Inversiones Ltda.; Mr. Horacio Pavez García (Group director) CHILEAN NATIONAL ID 3.899.021-7, through Sociedad de Ahorro Tenaya Dos Ltda., Sociedad de Ahorro Atacalco Dos Ltda. and Sociedad de Ahorro Alisios Dos Ltda., and Mr. Jorge Marín Correa, CHILEAN NATIONAL ID 7.639.707-4, through Inversiones Hemaco Ltda., Polo Sur Soc. de Rentas Ltda., Rentas e Inv. San Antonio Ltda., Sociedad de Rentas Don Ernesto Ltda. and Don Guillermo S.A.

DIVIDEND POLICY

The current dividend policy, approved at the 2017 ordinary shareholders' meeting, authorizes the Board to distribute at least 30% of Grupo Security's annual profits, provided that distribution does not impede or hinder compliance with the Company's current or future financial obligations. The distribution can be charged to profit for the year or retained earnings from prior years. The policy also stipulates that payment is divided into two dividends: one interim and one final.



Thus, the Board proposes that interim dividends, which do not represent more than 20% of the Company's earnings accrued between January and June, be paid between October and November of each year. The Board was also authorized to distribute an additional dividend of up to CH$4.50 per share, charged to retained earnings.

Likewise, a final dividend is expected to be distributed between April and May of the following year up to a minimum of 30% of Grupo Security's profit for the year.

MILLIONS OF CHILEAN PESOS	2013	2014	2015	2016	2017
Profit for the year	49,843	61,010	65,022	74,522	74,708
Dividends paid during the year	28,135	27,219	34,922	37,471	41,273

DIVIDENDS PAID

The following table lists the dividends paid to Grupo Security shareholders since the Company's IPO in 1995.

NO.	DATE	DIVIDEND PER SHARE IN CH$	NO. OF SHARES	AMOUNT IN MCH$	TYPE OF DIVIDEND
1	2/25/1995	12.36	170,827,056	2,111	Interim
2	5/3/1996	11.00	236,388,722	2,600	Final
3	5/2/1997	14.00	236,388,722	3,309	Final
4	11/14/1997	1.00	1,654,721,054	1,655	Interim
5	5/5/1998	1.50	1,654,721,054	2,482	Final
6	10/7/1998	1.00	1,654,721,054	1,655	Interim
7	10/7/1998	4.50	1,654,721,054	7,446	Final
8	4/6/1999	2.00	1,654,721,054	3,309	Final
9	10/14/1999	1.00	1,654,721,054	1,655	Final
10	10/14/1999	0.50	1,654,721,054	827	Interim
11	4/11/2000	2.75	1,654,721,054	4,550	Final
12	10/21/2000	1.00	1,654,721,054	1,655	Final
13	10/21/2000	0.25	1,654,721,054	414	Interim
14	4/24/2001	2.00	1,654,721,054	3,309	Final
15	10/17/2001	0.40	1,654,721,054	662	Final
16	10/17/2001	0.60	1,654,721,054	993	Final
17	4/30/2002	2.20	1,654,721,054	3,640	Final
18	10/10/2002	0.27	1,654,721,054	448	Interim
19	10/10/2002	0.33	1,654,721,054	546	Final
20	5/2/2003	2.60	1,654,721,000	4,302	Final
21	10/14/2003	0.74	1,654,721,054	1,228	Final
22	10/14/2003	0.76	1,654,721,054	1,254	Interim
23	4/30/2004	3.15	1,654,721,054	5,212	Final
24	10/1/2004	0.50	1,751,470,139	876	Interim
25	10/1/2004	1.00	1,751,470,139	1,751	Final
26	4/19/2005	3.30	2,040,264,415	6,733	Final
27	10/11/2005	0.75	2,040,264,415	1,530	Interim
28	10/11/2005	1.00	2,040,264,415	2,040	Final
29	4/13/2006	3.75	2,201,000,000	8,254	Final
30	10/10/2006	1.15	2,201,000,000	2,531	Final
31	10/10/2006	1.00	2,201,000,000	2,201	Interim
32	4/17/2007	4.15	2,201,000,000	9,134	Final

NO.	DATE	DIVIDEND PER SHARE IN CH$	NO. OF SHARES	AMOUNT IN MCH$	TYPE OF DIVIDEND
33	10/24/2007	1.10	2,201,000,000	2,421	Final
34	10/24/2007	1.70	2,201,000,000	3,742	Interim
35	4/11/2008	4.80	2,201,000,000	10,565	Final
36	10/9/2008	0.50	2,201,000,000	1,101	Interim
37	10/9/2008	1.50	2,201,000,000	3,302	Final
38	4/9/2009	4.25	2,201,000,000	9,354	Final
39	10/9/2009	1.50	2,550,000,000	3,825	Final
40	10/9/2009	1.00	2,550,000,000	2,550	Interim
41	4/30/2010	5.00	2,550,000,000	12,750	Final
42	10/15/2010	1.00	2,550,000,000	2,550	Interim
43	10/15/2010	2.00	2,550,000,000	5,100	Final
44	3/29/2011	6.50	2,550,000,000	16,575	Final
45	10/14/2011	2.25	2,882,258,605	6,485	Final
46	10/14/2011	1.00	2,882,258,605	2,882	Interim
47	3/31/2012	6.75	2,882,258,605	19,455	Final
48	10/19/2012	2.25	2,882,258,605	6,485	Final
49	10/19/2012	1.00	2,882,258,605	2,882	Interim
50	5/24/2013	7.00	2,882,258,605	20,176	Final
51	11/14/2013	1.50	3,183,674,667	4,776	Final
52	11/14/2013	1.00	3,183,674,667	3,184	Interim
53	4/22/2014	5.00	3,183,676,610	15,918	Final
54	10/18/2014	1.50	3,228,757,947	4,843	Interim
55	10/18/2014	2.00	3,228,757,947	6,458	Final
56	4/23/2015	6.75	3,242,722,621	21,888	Final
57	10/30/2015	2.00	3,258,363,592	6,517	Interim
58	10/30/2015	2.00	3,258,363,592	6,517	Final
59	5/9/2016	7.25	3,258,363,592	23,623	Final
60	11/7/2016	2.00	3,258,363,592	6,517	Interim
61	11/7/2016	2.25	3,258,363,592	7,331	Final
62	5/8/2017	7.75	3,258,363,592	25,252	Final
63	11/3/2017	1.75	3,683,019,437	6,445	Interim
64	11/3/2017	2.60	3,683,019,437	9,576	Final

STOCK PERFORMANCE

In 2017, Chile's main stock index (IPSA) rose by 34.0%, in comparison to 12.8% in 2016.

STOCK PERFORMANCE GRUPO SECURITY

PRICE IN CH$ (NOT DIVIDEND ADJUSTED)

- 2017 CH $280.07
- 2016 CH $190.70

STOCK PERFORMANCE GRUPO SECURITY

GROWTH % OVER THE PREVIOUS YEAR (NOT DIVIDEND ADJUSTED)

- 2017 23.9%
- 2016 18.5%

STOCK MARKET PRESENCE - GRUPO SECURITY

PRESENCE % (4Q)

- 2017 96.11%
- 2016 67.80%

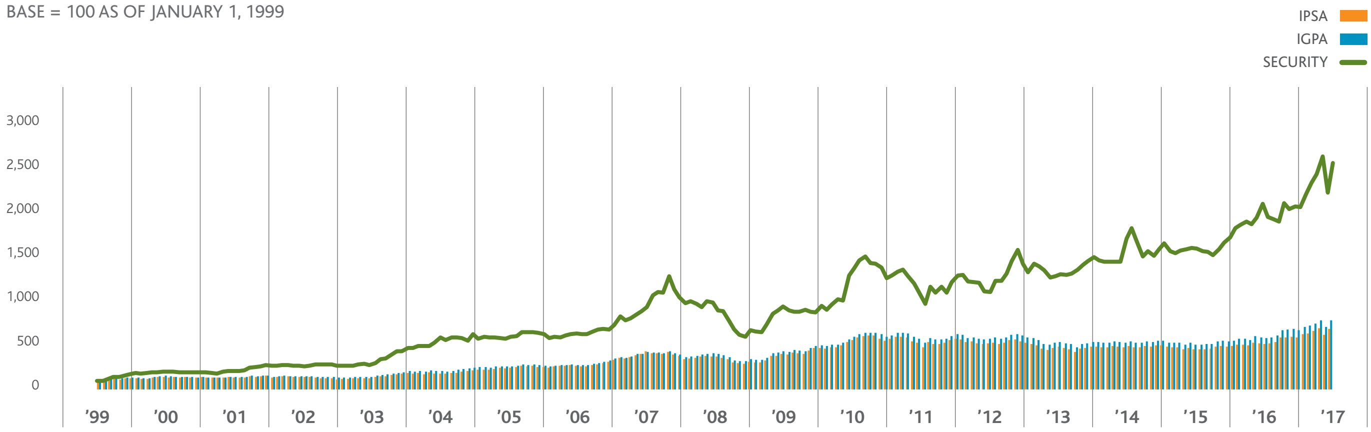
PRICE/EARNINGS RATIO - GRUPO SECURITY

PRICE/EARNINGS RATIO (TIMES)

- 2017 13.8
- 2016 9.9

SECURITY STOCK PRICE, IPSA AND IGPA

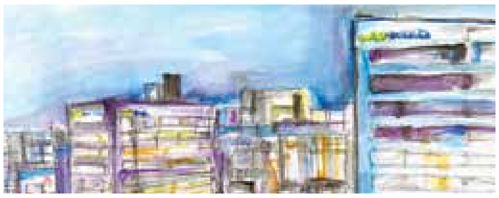
BASE = 100 AS OF JANUARY 1, 1999



ANNUAL VARIATION IN SECURITY STOCK AND IPSA

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Security	-43%	48%	61%	-18%	13%	0%	27%	-6.8%	25.2%	31%
IPSA	-22%	51%	38%	-15%	3%	-14%	4.10%	-4.4%	12.8%	34%

SOURCE: ECONOMATICA
NOTE: RETURN CALCULATED BASED ON DIVIDEND-ADJUSTED CLOSING PRICE.



STOCK MARKET INDICATORS AND TRANSACTIONS

The following table shows Grupo Security's year-end stock market indicators between 2008 and 2017.

(IN HISTORIC CHILEAN PESOS)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Price in CH$ (not dividend adjusted)	106.0	147.1	227.0	175.0	187.0	177.0	215.9	190.7	225.9	280.1
Earnings per Share CH$	8.1	11.8	16.0	14.5	16.1	15.6	18.8	19.9	22.8	20.3
Price/Earnings	13.1	12.5	14.2	12.0	11.6	11.3	11.4	9.6	9.9	13.8
Price/Book Value	0.9	1.3	1.9	1.3	1.4	1.2	1.3	1.1	1.3	1.5
Stock Exchange Presence	81.6%	77.2%	96.4%	94.0%	93.2%	96.8%	98.0%	67.8%	60.6%	96.1%
Number of Shares (in millions)	2,201	2,550	2,550	2,882	2,882	3,184	3,232	3,258	3,258	3,683
Market Value (MUS$)	371	740	1,236	967	1,126	1,076	1,149	878	1,104	1,677

SOURCE: ECONOMATICA

NUMBER OF SHARES TRADED

The following table shows the number of Grupo Security shares traded, trading value in Chilean pesos and the average price in recent years:

QUARTER	NO. OF SHARES (IN THOUSANDS)	TRADING VALUE (IN THCH$)	AVERAGE PRICE (CH$)
1st Quarter 2016	29,839	CH$5,643,021	189
2nd Quarter 2016	148,070	CH$31,206,190	211
3rd Quarter 2016	55,752	CH$12,719,960	228
4th Quarter 2016	36,038	CH$8,506,691	236
2016	**269,698**	**58,075,862**	**215**
1st Quarter 2017	86,704	19,791,528	228
2nd Quarter 2017	57,759	13,565,338	235
3rd Quarter 2017	132,824	31,365,626	236
4th Quarter 2017	184,122	50,164,320	272
2017	**461,408**	**114,886,812**	**249**

SOURCE: FIGURES FOR TRADING VOLUME AND TRADING VALUE COME FROM SANTIAGO EXCHANGE, THE CHILEAN ELECTRONIC STOCK EXCHANGE AND THE VALPARAÍSO STOCK EXCHANGE.

DATE	1ST QUARTER 2016	2ND QUARTER 2016	3RD QUARTER 2016	4TH QUARTER 2016	1ST QUARTER 2017	2ND QUARTER 2017	3RD QUARTER 2017	4TH QUARTER 2017
Quarterly Market Presence	65.00%	66.11%	55.00%	60.56%	60.00%	78.89%	84.44%	96.11%

SOURCE: DCV

NOTE: MARKET PRESENCE CALCULATED IN ACCORDANCE WITH SVS GENERAL STANDARD 327 OF 01/17/2012. IT INCLUDES TRANSACTIONS ON SANTIAGO EXCHANGE, THE CHILEAN ELECTRONIC STOCK EXCHANGE AND THE VALPARAÍSO STOCK EXCHANGE UNTIL THE DAY BEFORE THE DATE INDICATED.

RISK RATING

	GRUPO SECURITY	BANCO SECURITY	VIDA SECURITY	FACTORING SECURITY	INVERSIONES PREVISIÓN SECURITY
Fitch Ratings (local)	A+	AA-	AA-	A+	A+
ICR (local)	AA-	AA	AA	AA-	A+
Standard & Poor's (international)		BBB-/A-2			

GRUPO SECURITY

FITCH RATINGS

GRUPO SECURITY RATING

A+ Grupo Security's long-term issuer rating with a stable outlook.

RATING BASIS AND COMMENTS

- According to Fitch Ratings, Grupo Security has clear positioning in its lending, asset management and life insurance businesses.
- It highlighted its customer base and clearly expanding organic revenue, together with the Company's inorganic growth through recent acquisitions.
- It valued the improved competitiveness of its subsidiaries after implementing a plan to improve commercial integration among them, including deeper segmentation and business intelligence and management tools.
- The report also mentioned that the directors of Grupo Security have extensive experience in the financial sector, and the owners are strongly committed to management.

GRUPO SECURITY

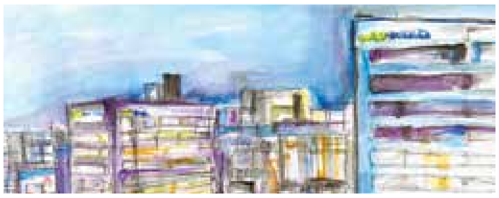
ICR CHILE

GRUPO SECURITY RATING

AA- for solvency and bonds with a stable outlook

RATING BASIS AND COMMENTS

- In March 2017, ICR Chile confirmed its rating, based mainly on the financial strength of Grupo Security's subsidiaries.
- Its report highlighted the holding's strong liquidity levels.
- The rating agency valued the stability of the cash flows received by Grupo Security from its subsidiaries.



BANCO SECURITY

FITCH RATINGS

BANCO SECURITY RATING

AA-, with a positive outlook.

RATING BASIS AND COMMENTS

- The rating emphasized the Bank's intrinsic solvency, good asset quality and an appropriate business strategy, which has secured its stable financial performance over time.
- It valued the acquisition of the asset management businesses from Banco Penta because it strengthens the market position of the Bank's asset management subsidiaries.
- While the report considered there is room for improvement in its core capital levels in the context of Basel III, it highlighted how capital ratios stabilized after the capital increase of CH$50,000 million in December 2017 and the recovery in capital levels mentioned in prior reports.

BANCO SECURITY

ICR CHILE

BANCO SECURITY RATING

- AA for long-term deposits, letters of credit and performance bonds.
- AA- for subordinated bonds.
- N-1+ for short-term deposits.

RATING BASIS AND COMMENTS

- This rating was based on its steady loan growth, its low risk indices and its good portfolio quality.
- This has led to an increase in the Bank's recurring revenue, giving it greater profit stability.
- The report also acknowledged the controller's credibility and prestige and the Bank's improvements in its Basel indicators.

BANCO SECURITY

STANDARD & POOR'S

BANCO SECURITY RATING

BBB/A-2, upgraded from BBB-/A-3, but still with a negative outlook due to the country's current economic conditions.

RATING BASIS AND COMMENTS

- The upgraded rating reflects a stronger capital base resulting from last year's write-off of intangible assets.
- Another influential factor was the capital increase of CH $50,000 million completed in December 2017

VIDA SECURITY

FITCH RATINGS

VIDA SECURITY RATING

AA-, with a stable outlook.

RATING BASIS AND COMMENTS

- The report highlighted its growth in direct written premiums during the last year and the diversification of its products.
- It mentioned the Company's suitable leverage ratio and the performance of its investments.
- According to Fitch Ratings, Grupo Security's backing gives Vida Security operational and commercial benefits.

VIDA SECURITY

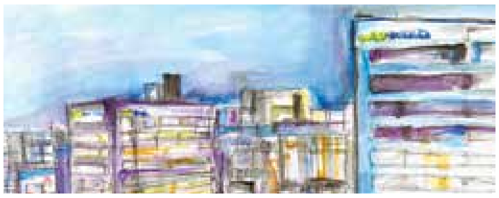
ICR CHILE

VIDA SECURITY RATING

AA, with a stable outlook.

RATING BASIS AND COMMENTS

- The report remarked that the company's size in the individual, group and retirement insurance industries is relevant.
- It highlighted the company's strategy to grow by acquiring annuity portfolios,
- and also valued its control and management policies for its investment portfolio in order to implement its strategy and properly manage risk.



FACTORING SECURITY

FITCH RATINGS

FACTORING SECURITY RATING

A+, long-term solvency, with a positive outlook.

RATING BASIS AND COMMENTS

- It strongly valued the backing from Grupo Security, which has the ability and willingness to provide support to the entity if required.
- It believed this support to be justified in order to align the commercial image of Factoring Security with Grupo Security and given its consistent track record of contributing to the Group's results.
- The report also emphasized that Factoring Security is autonomous in terms of funding, personnel and operations, and provides services not only to Group’s target markets, but has expanded to include small and medium-sized businesses.

FACTORING SECURITY

ICR CHILE

FACTORING SECURITY RATING

AA -, with a stable outlook.

RATING BASIS AND COMMENTS

- The report highlighted the increase in the strength of the company’s factored receivables, which have grown significantly and are highly diversified by debtor and economic sector.
- It mentioned the support of Grupo Security, which gives it access to a broad network of customers, and supports the company in areas such as accounting, marketing, IT, and human resources, among others.
- The relationship with Grupo Security provides sufficient financial guarantees to bring down its borrowing costs.

INVERSIONES PREVISIÓN SECURITY

FITCH RATINGS

INVERSIONES PREVISIÓN SECURITY RATING

A+, with a stable outlook.

RATING BASIS AND COMMENTS

- The report valued the soundness of the main asset, Vida Security, which it considers a well-positioned company in a mature, regulated industry with a stable operating environment.
- It highlighted the company's strategy to acquire companies aligned with the Group's business profile in order to complement the retirement and savings insurance segments.

INVERSIONES PREVISIÓN SECURITY

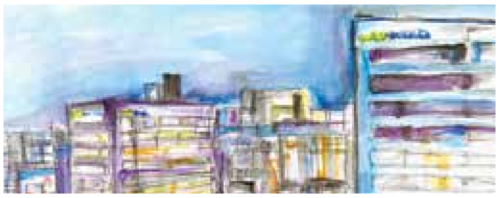
ICR CHILE

INVERSIONES PREVISIÓN SECURITY RATING

A+ for solvency and bonds, with a stable outlook.

RATING BASIS AND COMMENTS

- The rating was based mainly on the financial strength of its subsidiaries.
- The rating agency valued the good risk rating and stability of dividend flows received from its subsidiaries.



PERSONNEL AND COMPENSATION

As of December 31, 2017, Grupo Security S.A. and its subsidiaries had a total of 3,887 employees, or 3.26% more than December 2016. During 2017, Grupo Security's senior executives received total compensation of CH$1,449,791,369 (CH$1,262,368,109 in 2016). Benefits totaled CH$755,337,757 (CH$712,347,276 in 2016) of which 92% were variable benefits (93.14% in 2016).

The Company's team of associates, a key contributing factor to the organization's sustained growth, has a considerable percentage of female employees (62% of the total workforce).

Moreover, both Grupo Security and its subsidiaries have target-based incentive plans in place. The targets involve profits, efficiency, return on equity and reserves as well as annual budget compliance. Each company directly incurs the expenses associated with its incentive plan.

The Company does not have any share-based plans or benefits.

COMPANY	EXECUTIVES	PROFESSIONALS	EMPLOYEES	OVERALL TOTAL
Grupo Security S.A.	11	20	1	32
Bank and subsidiaries	62	820	370	1,252
Factoring Security S.A.	6	99	64	169
Inmobiliaria Security S.A. and Inmobiliaria Security Siete Ltda.	2	23	6	31
Asesorías Security S.A.	-	3	2	5
Securitizadora Security S.A.	1	2	-	3
Capital S.A.	19	775	352	1,146
Inversiones Previsión Security and subsidiaries	34	417	798	1,249
OVERALL TOTAL	**135**	**2,159**	**1,593**	**3,887**

SOURCE: GRUPO SECURITY

TOTAL EMPLOYEES BY GENDER

	NO. OF WORKERS
Male	1,471
Female	2,416
TOTAL	**3,887**

TOTAL EMPLOYEES BY NATIONALITY

	NO. OF WORKERS
Total domestic (*)	3,850
Total foreign	37
TOTAL	**3,887**

TOTAL EMPLOYEES BY AGE GROUP

	NO. OF WORKERS
Under 30 years	462
30-40 years	1,330
41-50 years	1,298
51-60 years	639
61-70 years	141
Over 70 years	17
TOTAL	**3,887**

TOTAL EMPLOYEES BY YEARS OF SERVICE

	NO. OF WORKERS
Less than 3 years	1,250
3-6 years	921
6-9 years	551
9-12 years	445
More than 12 years	720
TOTAL	**3,887**

SOURCE: GRUPO SECURITY
(*) PERUVIAN EMPLOYEES AT PROTECTA AND TRAVEX ARE CONSIDERED DOMESTIC EMPLOYEES.



SALARY GAP BY GENDER

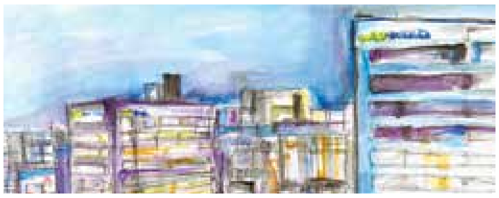
POSITION / RESPONSIBILITY / ROLE	RATIO OF AVERAGE FEMALE SALARY / AVERAGE MALE SALARY
Junior administrative staff	96%
Administrative staff	95%
Senior administrative staff	97%
Junior professionals	91%
Professionals	95%
Senior professionals	92%
Department heads	89%
Senior department heads	100%
Deputy managers	98%
Senior deputy managers	95%
Managers	103%
Senior executives	97%

BOARD DIVERSITY

NAME	CHILEAN NATIONAL ID	POSITION	PROFESSION	GENDER	NATIONALITY	DATE OF BIRTH	YEAR OF APPOINTMENT
Francisco Silva Silva	4.103.061-5	Chairman	Civil Engineering	M	Chilean	11/26/1941	1991
Hernán de las Heras Marín	6.381.765-1	Director	Business Administration	M	Chilean	3/20/1954	2013
Jorge Marín Correa	7.639.707-4	Director	Business Administration	M	Chilean	5/21/1960	1994
Naoshi Matsumoto Takahashi	3.805.153-9	Director	Business Administration	M	Chilean	1/18/1936	1991
Horacio Pavez García	3.899.021-7	Director	Civil Construction	M	Chilean	2/11/1938	1991
Juan Cristóbal Pavez Recart	9.901.478-4	Director	Business Administration	M	Chilean	4/7/1970	2002
Bruno Philippi Irarrázabal	4.818.243-7	Director	Civil Engineering	M	Chilean	2/22/1944	2013
Ana Saínz de Vicuña	48.128.454-6	Director	Agricultural Economics	F	Spanish	11/8/1962	2009
Mario Weiffenbach Oyarzún	4.868.153-0	Director	Business Administration	M	Chilean	5/31/1944	2016

DIVERSITY AMONG CHIEF EXECUTIVE AND OTHER DIVISIONS THAT REPORT TO THE CEO OR THE BOARD OF DIRECTORS

NAME	CHILEAN NATIONAL ID	POSITION	PROFESSION	GENDER	NATIONALITY	DATE OF BIRTH	DATE APPOINTED
Renato Peñafiel Muñoz	6.350.390-8	Chief Executive Officer	Business Administration	M	Chilean	4/15/1952	2/1/1996
Rodrigo Antonio Carvacho Contreras	13.434.182-3	Corporate Chief Accounting Manager	Business Administration	M	Chilean	5/31/1978	6/1/2014
Carlos Budge Carvallo	7.011.490-9	Asset Management Area Manager	Agronomy	M	Chilean	3/8/1957	1/1/2008
Fernando Salinas Pinto	8.864.773-4	Planning and Development Manager	Business Administration	M	Chilean	6/4/1970	11/1/2005
Alejandra Zegers Correa	10.201.117-1	Corporate Marketing Manager	Business Administration	F	Chilean	12/12/1969	6/6/2005
Karin Becker Schmidt	5.360.901-5	Corporate Culture Manager	Education (Spanish language)	F	Chilean	7/21/1950	1/1/2002
Alfonso Verdugo Ramírez de Arellano	7.097.708-7	Controller and Corporate Business Risk Manager	Business Administration	M	Chilean	1/7/1961	5/2/2006
Felipe Hernán Jaque Serrano	10.577.183-5	Chief Economist	Business Administration	M	Chilean	7/1/1973	3/1/2017



BOARD ALLOWANCES AND FEES

At a shareholders' meeting held April 27, 2017, the shareholders agreed to set board compensation at UF 35 per director and UF 50 for the Chairman. These figures are per meeting and capped at 19 meetings per year. Annual allowances paid to directors are capped at UF 6,270. In 2014, Grupo Security paid its Board of Directors total compensation of UF 5,765.

The Board of Directors did not incur any advisory expenses in 2017.

In 2017, directors of the parent company received gross compensation for their services as directors of subsidiaries as follows:

At Grupo Security: Mr. Francisco Silva Silva received UF 900 (UF 600 in 2015) in allowance for meeting attendance and UF 12,108 (UF 3,480 in 2016) in bonuses. Mr. Hernán de las Heras Marín received UF 630 (UF 420 in 2016) in allowance for meeting attendance, UF 135 (UF 194 in 2016) for Directors' Committee participation and UF 885 (UF 816 in 2016) in bonuses. Mr. Bruno Philippi Irarrázabal received UF 595 (UF 420 in 2016) in allowance for meeting attendance and UF 885 (UF 816 in 2016) in bonuses. Ms. Ana Saínz de Vicuña received UF 595 (UF 315 in 2016) in allowance for meeting attendance and UF 885 (UF 816 in 2016) in bonuses. Mr. Jorge Marín Correa received UF 630 (UF 315 in 2016) in allowance for meeting attendance and UF 120 (UF 164 in 2016) for Directors' Committee participation. Mr. Naoshi Matsumoto Takahashi received UF 595 (UF 385 in 2016) in allowance for meeting attendance and UF 885 (UF 816 in 2016) in bonuses. Mr. Juan Cristóbal Pavez Recart received UF 595 (UF 420 in 2016) in allowance for meeting attendance and UF 885 (UF 816 in 2016) in bonuses. Mr. Horacio Pavez García received UF 595 (UF 385 in 2016) in allowance for meeting attendance, UF 120 (UF 120 in 2016) for Directors' Committee participation and UF 885 (UF 816 in 2016) in bonuses. Mr. Mario Weiffenbach Oyarzún received UF 630 (UF 210 in 2016) in allowance for meeting attendance.

At Banco Security: Mr. Francisco Silva Silva received UF 501 (UF 502 in 2016) in allowance for meeting attendance and UF11,981 (UF 19,461 in 2016) in bonuses. Mr. Jorge Marín Correa received UF 551 (UF 552 in 2016) in allowance for meeting attendance and UF 1,005 (UF 937 in 2016) in bonuses. Mr. Horacio Pavez García received UF 551 (UF 502 in 2016) in allowance for meeting attendance and UF 119 (UF 119 in 2016) in bonuses. Mr. Mario Weiffenbach Oyarzún received UF 351 (UF 501 in 2016) in allowance for meeting attendance and UF 4,669 (UF 1,945 in 2016) in bonuses.

At Seguros de Vida Security: Mr. Francisco Silva Silva received UF 341 (UF 368 in 2016) in allowance for meeting attendance. Mr. Juan Cristóbal Pavez received UF 341 (UF 337 in 2016) in allowance for meeting attendance. Mr. Horacio Pavez Garcia received UF 62 (UF 368 in 2016) in allowance for meeting attendance.

ARTICLES OF INCORPORATION

Sociedad de Inversiones Grupo Security S.A. was incorporated by public instrument on February 8, 1991, before notary public Mr. Enrique Morgan Torres. The respective extract of the articles of incorporation was published in the Official Gazette on February 22, 1991. It was registered on February 19, 1991, in the Santiago Commerce Registry on page 5,720, number 2,820. Grupo Security is a publicly traded corporation that was registered in the Securities Registry under number 0499 on January 30, 1995, and, therefore, is supervised by the SVS. At a shareholders' meeting held on October 20, 1997, shareholders approved a legal name change from Security Holdings S.A. to the current name Grupo Security S.A.



PROPERTY, PLANT AND EQUIPMENT

The Group's property, plant and equipment are detailed in Note 8 to the financial statements. The Group's consolidated property, plant and equipment was valued at MCH$65,088 (0.7% of assets) as of December 31, 2017. All Group companies own their respective headquarters. Of the Group's total office space, 26% is owned (22 offices) while the remaining 74% are leased (64 offices).

TRADEMARKS AND PATENTS

Grupo Security owns the "Security" trademark for the categories related to the business activities of the parent company, subsidiaries and affiliates.

SUPPLIERS AND CUSTOMERS

Grupo Security centralizes its corporate support areas in Capital S.A., which provides IT, accounting, marketing, human resources, purchasing and research services for all Security companies. The sales force for Banco Security and Factoring Security is employed by Mandatos Security, while the sales force for the asset management companies are employed by Global Security. During 2017, the services provided to the Group by Capital S.A. (formerly Inversiones Invest Security), Mandatos Security and Global Security accounted for over 10.9% of the services outsourced by the Group companies as a whole.

In 2017, no other customers represented 10% or more of sales for any of the Security companies.

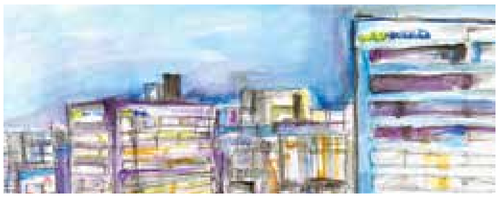
REGULATORY FRAMEWORK

Grupo Security and its subsidiaries fully comply with the current regulatory framework that applies to its businesses, which is set forth in: the General Banking Law, the Insurance Law, the Capital Markets Law, the Corporations Law, and all laws and regulations that apply to Grupo Security's activities.

PERCENT INTEREST HELD BY DIRECTORS AND SENIOR EXECUTIVES

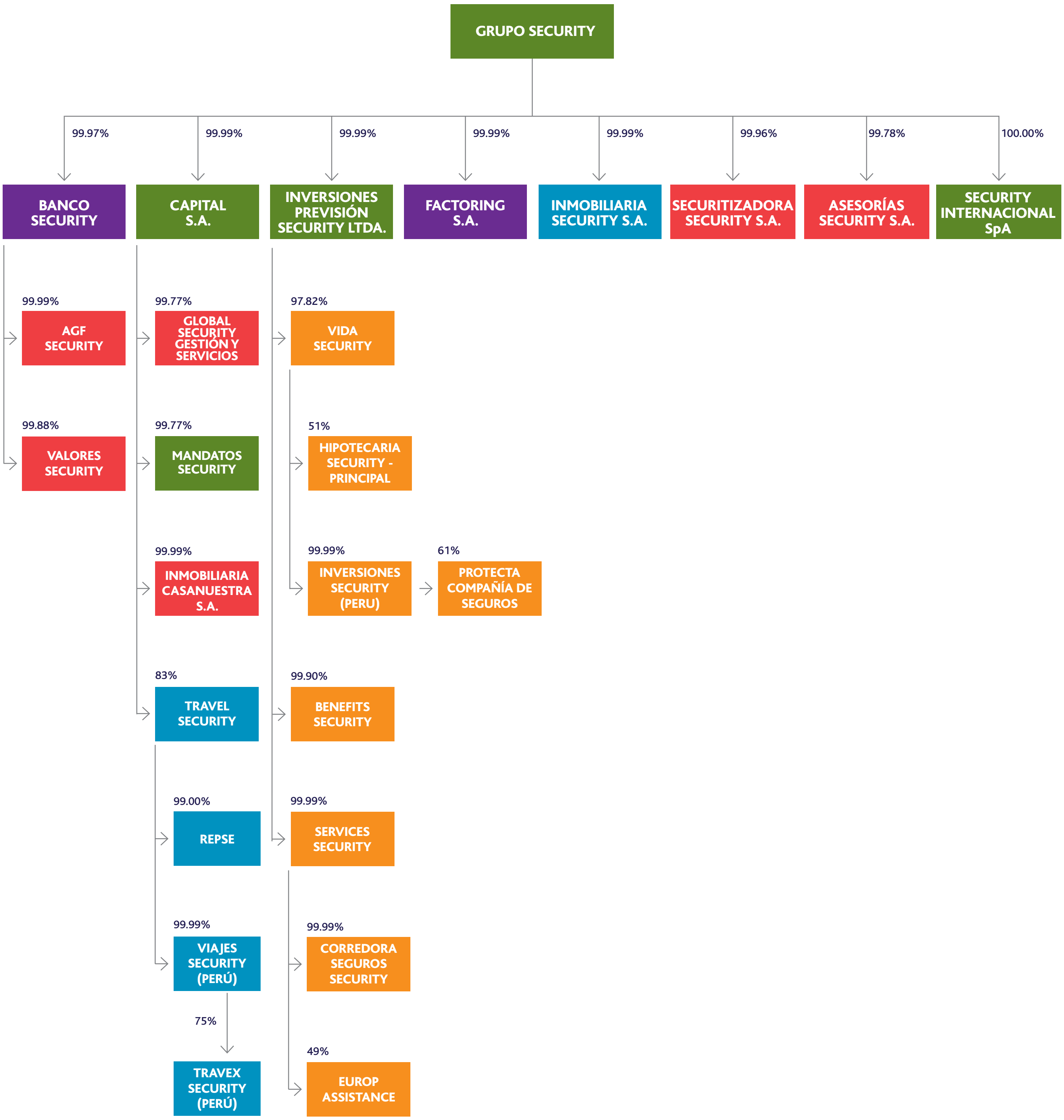
Some of the Group's directors and executives have ownership interests in the company, detailed as follows:

NAME	OWNERSHIP INTEREST (%)
Juan Cristóbal Pavez (Group director) - Gustavo Pavez (Bank director)	14.42%
Horacio Pavez (Group director)	10.69%
Jorge Marín (Group director)	10.08%
Naoshi Matsumoto (Group director)	9.73%
Francisco Silva (Group director)	6.80%
Ana Saínz (Group director)	6.05%
Renato Peñafiel (Group CEO)	5.66%
Bruno Philippi (Group director)	1.27%
Mario Weiffenbach (Group director)	0.54%



ORGANIZATIONAL STRUCTURE

The following chart shows the corporate structure and ownership interests between Grupo Security and its subsidiaries:



MATERIAL EVENTS

SANTIAGO, APRIL 10, 2017

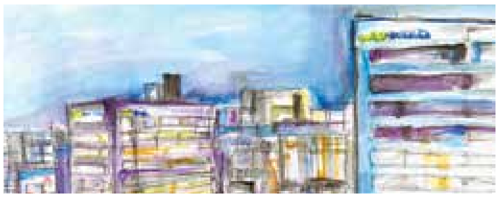
On April 10, 2017, the Board of Directors agreed to call an ordinary shareholders' meeting for April 27, 2017, at 9 a.m. in the Company's offices located at Augusto Leguía Sur 70, underground floor, Las Condes, Santiago. The following matters were to be addressed at the annual shareholders' meeting:

1. Approval of the annual report and financial statements for the year-ended December 31, 2016, including the report of independent auditors for that year.
2. Profit distribution and dividend payments.
3. Dividend policies.
4. Board fees for 2017.
5. Information regarding Directors' Committee activities, performance and expenses during 2016.
6. Directors' Committee compensation and approval of the 2017 budget.
7. Board expenses in 2016.
8. Appointment of the Company's independent auditors.
9. Appointment of risk rating agencies.
10. Information on related party transactions in accordance with Articles 146 *et seq.* of the Corporations Law.
11. Designation of newspaper for legal publications.
12. All other matters that should be addressed at an annual shareholders' meeting according to law.

Similarly, the Board agreed at that meeting to call an extraordinary shareholders' meeting for April 27, 2017, immediately following the annual general shareholders' meeting at the Company's offices located at Augusto Leguía Sur 70, underground floor, Las Condes, Santiago. The following matters will be addressed at the extraordinary shareholders' meeting:

1. Updating and amending the Company's statutory capital in order to recognize the expiration of the placement term for the unsubscribed balance of the capital increase agreed upon at the extraordinary shareholders' meeting on April 8, 2013, consisting of 123,895,103 shares.
2. Increasing the Company's capital by a total of CH$100,000,000,000, or another amount agreed by shareholders. The increase will take place by issuing new shares through a rights issuance. The exact number will be determined by shareholders for this purpose. The new shares to be issued will be of the same series already existing and have no par value, and shall be offered in one or more stages, based on the conditions and other matters determined by shareholders within a term of three years from the date of .
3. Should this capital increase be approved, the shareholders shall agree on the placement price of the shares to be issued as part of this capital increase, or shall authorize the board of directors to do so.
4. Agreeing to offer to third parties any new shares to be issued as part of the aforementioned capital increase that are not subscribed by the Company's shareholders, or at least part of them, as determined by the shareholders.
5. Authorizing the Board to:

   a) proceed in issuing and placing these shares, in one or more stages, and to determine the use of the funds obtained from the placement.
   b) request registration of the issuance in the SVS Securities Registry.
   c) comply with the regulations on preferential options for share placements.
   d) place and offer to third parties, in one or more stages, the shares that are not subscribed by the shareholders and/or their assignees within the preferential option period.



e) adopt all agreements required or that it deems necessary to carry out the capital increase under the terms proposed above.

6. Approving any amendments to the Company's by-laws that are necessary to implement these modifications and adjusting all permanent and temporary provisions necessary. and
7. Adopting all other agreements necessary to implement the decisions made with respect to this process.

The Board also agreed to propose a final dividend of CH$7.75 per share at the annual general shareholders' meeting. When added to the interim dividend of CH$2.0 per share and the additional dividend of CH$2.25 per share already paid on November 7, 2016, this gives a total dividend of CH$12.0 per share for 2016. The Board also agreed to propose at the annual shareholders' meeting a dividend payment date of May 9, 2016.

SANTIAGO, APRIL 28, 2017

In accordance with Law 18,046 (the Corporations Law) and SVS Ruling 660, a dividend of CH$7.75 per share will be paid in cash and charged to retained earnings from 2016.

SANTIAGO, APRIL 28, 2017

On April 27, 2017, at an extraordinary meeting of the shareholders of Grupo Security, the shareholders agreed, among other matters, to increase the Company's capital from CH$335,616,073,956 divided into 3,258,363,592 shares to CH$435,616,073,956 divided into a total of 3,695,000,000 registered, single-series, common shares with no par value by issuing 436,636,408 new registered, common shares with no par value of the same existing series, which shall be issued, subscribed and paid within a period of three years from the date of the shareholders' meeting. At this meeting, the shareholders agreed the following:

a) To delegate to the Company's Board, in conformity with Article 23 of the Corporations Regulations, the authority to set the final placement price of the shares to be issued as part of this capital increase

b) To authorize the Board to adopt the agreements necessary to, among other things, issue in one or more stages and on the date or dates determined by the Board itself, the 436,636,408 new shares as part of this capital increase.

In a board meeting held on that same date, the directors in attendance unanimously agreed to issue a total of 436,636,408 new registered, single-series, common shares with no par value as part of the capital increase agreed by shareholders at the aforementioned extraordinary meeting.

SANTIAGO, JULY 4, 2017

At an extraordinary meeting of the Board of Grupo Security held July 3, 2017, the directors in attendance unanimously agreed to set the share placement price at CH$220 for the 436,636,408 new shares as part of the capital increase agreed by shareholders at the extraordinary meeting on April 27, 2017.

SANTIAGO, OCTOBER 11, 2017

In accordance with the policy approved at the annual shareholders' meeting held on April 27, 2017, the Board of Directors agreed at a meeting held on October 11, 2016 to pay a dividend of CH$4.35 per share, distributed as follows:

i. An interim dividend of CH$1.75 per share to be paid in cash and charged to retained earnings for the year 2017.
ii. An additional dividend of CH$2.60 per share to be paid in cash and charged to retained earnings for the year 2017.

INVESTMENT POLICY

Grupo Security has not established a particular investment policy or plan. Even so, the Group's strategy has focused primarily on investment in the financial services sector or complementary industries, in an attempt to support the Group's business areas and underscore the company's commitment to providing excellent, comprehensive service.

FINANCING POLICY

Likewise, Grupo Security does not have an established financing policy. The Company obtains financial capital through its own resources, contributions, bond issuances and other traditional debt sources, such as bank loans.

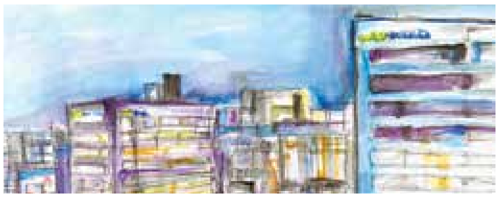
RESTRICTIONS ASSOCIATED WITH GRUPO SECURITY CREDITORS

SERIES F BOND
DATE: NOVEMBER 20, 2009

LEVERAGE

As of January 1, 2010, an agreement established that leverage should not exceed 0.4 times, measured quarterly using the statement of financial position issued in accordance with IFRS. Leverage is defined as the ratio of standalone financial liabilities, as presented in the FECU-IFRS disclosures, to equity (hereinafter "IFRS Leverage").

Standalone financial liabilities are the sum of financial obligations contracted by Grupo Security individually, excluding subsidiary financial obligations, regardless of whether those subsidiaries are consolidated by Grupo Security. Thus, standalone financial liabilities encompass the Company's standalone debts, which are classified within the following FECU-IFRS accounting concepts: (i)



SERIES F BOND
DATE: NOVEMBER 20, 2009

CONTINUED

borrowings from banks and financial institutions, current and non-current (as included in those concepts in the FECU-IFRS statements), (ii) financial obligations with the public (promissory notes and bonds), current and non-current (as included in those concepts in the FECU-IFRS statements), (iii) accounts payable to related parties, current and non-current (as included in those concepts in the FECU-IFRS statements). Point (iii) above shall include those standalone Grupo Security payables to related parties that have been eliminated on consolidation, and are therefore excluded from the consolidated financial statements.

In both cases, such liabilities shall include guarantees, joint and several guarantees, joint assumption of debt and other personal or real guarantees that the issuer has granted to guarantee third-party obligations, including subsidiary obligations.

BANCO SECURITY OWNERSHIP

The Company must hold, directly or indirectly through one or more subsidiaries, at least 51% of Banco Security's issued shares with voting rights.

SERIES K BOND
DATE: AUGUST 27, 2013

LEVERAGE

Leverage may not exceed 0.4 times, measured quarterly using the statement of financial position issued in accordance with IFRS. Leverage is defined as the ratio of individual financial liabilities, as presented in the financial statement disclosures (23), to equity (24) (hereinafter

SERIES K BOND
DATE: AUGUST 27, 2013

CONTINUED

"Leverage”). Therefore, the issuer should include a note of the issuer's standalone financial liabilities and the aforementioned ratio in the quarterly financial statement disclosures. Standalone financial liabilities are the sum of financial obligations contracted by Grupo Security, excluding subsidiary financial obligations, regardless of whether those subsidiaries are consolidated by Grupo Security. Thus, standalone financial liabilities include the sum of the Company's standalone debts, which are classified within the following accounting concepts: (I) borrowings from banks and financial institutions, current and non-current (as included in those concepts in the financial statements) financial obligations with the public (promissory notes and bonds), current and non-current (as included in those concepts in the financial statements), (iii) other liabilities, trade payables, miscellaneous payables and provisions, all current and non-current (as included in those concepts in the financial statements), (iv) accounts payable to related parties, current and non-current (as included in those concepts in the financial statements). Point (iv) above shall include those individually considered Group accounts payable that have been contracted with related parties, which have been eliminated during the consolidation process and therefore are not present in the issuer's financial statements. Liabilities shall include the guarantees, joint and several guarantees, joint assumption of debt and other personal or real guarantees that the issuer has granted to guarantee third-party obligations, including subsidiary obligations.

BANCO SECURITY OWNERSHIP

The Company must hold, directly or indirectly through one or more subsidiaries, at least 51% of Banco Security's issued shares with voting rights.

SERIES L-3 BONDS
DATE: DECEMBER 4, 2014

LEVERAGE

Leverage may not exceed 0.4 times, measured quarterly using the statement of financial position issued in accordance with IFRS. Leverage is defined as the ratio of standalone financial liabilities, as presented in the financial statements to equity (hereinafter "Leverage"). Therefore, the issuer should include a note of the issuer's standalone financial liabilities and the aforementioned ratio in the quarterly financial statement disclosures. Standalone financial liabilities are the sum of financial obligations contracted by Grupo Security, excluding subsidiary financial obligations, regardless of whether those subsidiaries are consolidated by Grupo Security. Thus, standalone financial liabilities include the sum of the Company's standalone debts, which are classified within the following accounting concepts: (I) borrowings from banks and financial institutions, current and non-current (as included in those concepts in the financial statements) financial obligations with the public (promissory notes and bonds), current and non-current (as included in those concepts in the financial statements), (iii) other liabilities, trade payables, miscellaneous payables and provisions, all current and non-current (as included in those concepts in the financial statements), (iv) accounts payable to related parties, current and non-current (as included in those concepts in the financial statements). Point (iv) above shall include those individually considered Group accounts payable that have been contracted with related parties, which have been eliminated during the consolidation process and therefore are not present in the issuer's financial statements. Liabilities shall include the guarantees, joint and several guarantees, joint assumption of debt and other personal or real guarantees that the issuer has granted to guarantee third-party obligations, including subsidiary obligations.

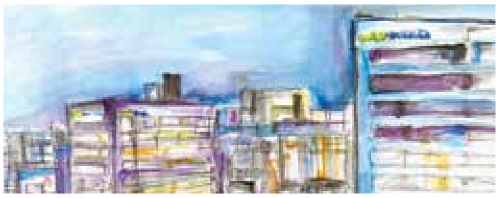
BANCO SECURITY OWNERSHIP

The Company must hold, directly or indirectly through one or more subsidiaries, at least 51% of Banco Security's issued shares with voting rights.

SERIES M BONDS
DATE: JANUARY 5, 2017

LEVERAGE

Leverage should not exceed 0.4 times, measured quarterly using the statement of financial position issued in accordance with IFRS. Leverage is defined as the ratio of standalone financial liabilities, as presented in the financial statements to equity (hereinafter "Leverage"). Therefore, the issuer should include a note of the issuer's standalone financial liabilities and the aforementioned ratio in the quarterly financial statement disclosures. Standalone financial liabilities are the sum of financial obligations contracted by Grupo Security, excluding subsidiary financial obligations, regardless of whether those subsidiaries are consolidated by Grupo Security. Thus, standalone financial liabilities include the sum of the Company's standalone debts, which are classified within the following accounting concepts: (I) borrowings from banks and financial institutions, current and non-current (as included in those concepts in the financial statements) financial obligations with the public (promissory notes and bonds), current and non-current (as included in those concepts in the financial statements), (iii) other liabilities, trade payables, miscellaneous payables and provisions, all current and non-current (as included in those concepts in the financial statements), (iv) accounts payable to related parties, current and non-current (as included in those concepts in the financial statements). Point (iv) above shall include those individually considered Grupo Security accounts payable that have been contracted with related parties, which have been eliminated during the consolidation process and therefore are not present in the issuer's financial statements. Liabilities shall include the guarantees, joint and several guarantees, joint assumption of debt and other personal or real guarantees that the issuer has granted to guarantee third-party obligations, including subsidiary obligations.



SERIES M BONDS
DATE: JANUARY 5, 2017

CONTINUED

BANCO SECURITY OWNERSHIP

The Company must hold, directly or indirectly through one or more subsidiaries, at least 51% of Banco Security's issued shares with voting rights.

CREDITOR BANKS

As of December 31, 2017, Grupo Security (standalone) does not have any debt with banks or financial institutions.

DEPENDENCE ON SUBSIDIARY DIVIDENDS

Grupo Security is the ultimate parent company of a conglomerate of companies; as such, it receives its income from subsidiary dividends. As a result, the Company's earnings are considerably dependent on the performance of its subsidiaries.

In 2017, Banco Security distributed CH$20,236 million in dividends to Grupo Security. International Credit Ratings (ICR) and Fitch Ratings both gave Banco Security solvency ratings of AA with a stable outlook, while Standard & Poor's gave it an international long-term rating of BBB- and a short-term rating of A-2. Factoring Security distributed CH$5,112 million in dividends. International Credit Ratings gave it a solvency rating of AA-.

Inversiones Previsión Security distributed CH$9,611 million in dividends to Grupo Security. Vida Security was rated AA- by Fitch Ratings and AA by International Credit Ratings.

Lastly, it is important to point out that Grupo Security controls its main subsidiaries with an ownership interest of more than 90% in each subsidiary, which gives it flexibility in setting their dividend policies based on its requirements. This is especially true because of the vast diversification of the Company's revenue sources, with subsidiaries in various sectors of the financial industry.

RISK FACTORS

STIFF COMPETITION IN ALL GROUP BUSINESS AREAS:

The industries in which the Group competes are known for being highly competitive and trending toward decreased margins. Continual mergers and competitor alliances are proof of the competition Group companies face. Despite the potential challenges to income generation, 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.

These qualities allow the Company to offer personalized, specialized products and services, which is very difficult in large organizations targeting more large-scale segments of the population. The Company's offering has earned it a favorable market position with which to face future competition.

REGULATORY CHANGES IN GROUP INDUSTRIES:

The industries in which the Group does business, particularly the banking and insurance industries, are government-regulated and are consequently subject to potential regulatory changes over time. However, this risk is estimated to be low due to market transparency, the industries' considerable development and its excellent local reputation.

RISKS ASSOCIATED WITH THE FINANCIAL BUSINESS

CREDIT RISK:

As a result of the international financial crises in 2008 and 2012, credit quality has deteriorated in some segments of the Chilean banking industry. However, the increase in our risk index has been minimal.

Within this framework, Banco Security has consistently posted risk levels below industry averages.

MARKET RISK:

The Chilean banking industry faces two main risks: inflation and interest rate risk. Consequently, Banco Security's Finance Committee has established market risk policies, procedures and limits to manage the Bank's maturity and exchange rate exposure in accordance with Bank objectives and regulatory limits. The Bank and its subsidiaries have also implemented a special system for controlling interest rate risk. Along with ongoing monitoring of medium- and long-term investments, the system provides continuous portfolio monitoring.

RISKS ASSOCIATED WITH INTERNATIONAL MARKET VOLATILITY:

The Chilean economy and its markets operate within the wider international financial context, leaving them exposed to external crises. The volatility of world financial markets and changes in global economic conditions can negatively affect the performance of local assets and risk premiums demanded by investors.

RISKS ASSOCIATED WITH THE INSURANCE BUSINESS:

LOCAL FINANCIAL RISKS:

Decreases in medium and long-term interest rates could affect the performance of 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 impact 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 sales systems and operating margins.

REINSURANCE INDUSTRY:

The trend toward concentration of reinsurance companies could affect the variety of coverage options. Strong market competition could result in elimination of reinsurance options for risks that are currently insurable.

INTERNAL COMPETITION:

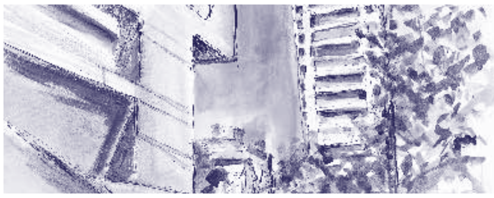
Due to the price competition affecting the market, the technical margins of high-retention general insurance areas could continue to fall.

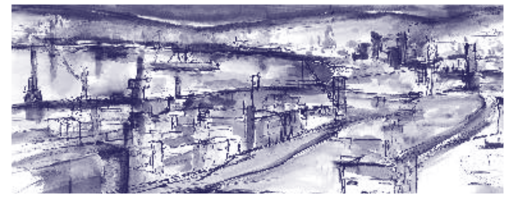
06

FINANCIAL STATEMENTS

OUR GOAL IS
to add value
FOR OUR SHAREHOLDERS AND THE COUNTRY, TO BE A MODEL OF
service, quality, transparency and honesty

GRUPO security





INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF GRUPO SECURITY S.A.

We have audited the accompanying consolidated financial statements of Grupo Security S.A. and Subsidiaries ("The Group"), which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and the related notes to the consolidated financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

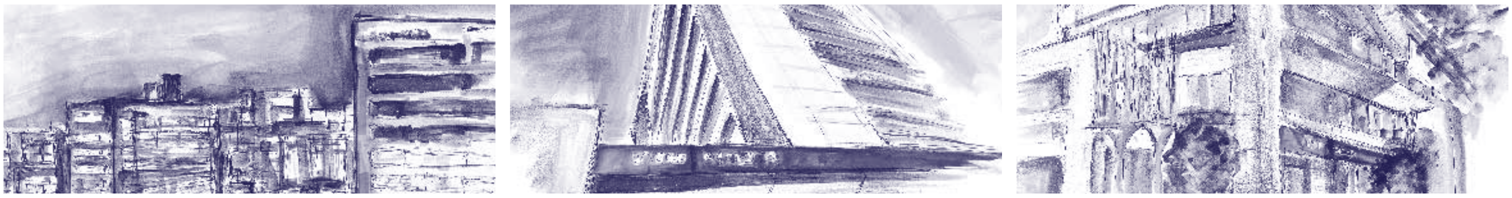
Management is responsible for the reasonable preparation and presentation of these consolidated financial statements in according with the instructions and accounting standards for the preparation and presentation of financial information issued by the Financial Market Commission (CMF), formerly Superintendency of Securities and Insurances, detailed in Note 2 to the consolidated financial statements. This responsibility includes the design, implementation, and maintenance of its relevant internal controls for the reasonable preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Deloitte.

OPINION

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Grupo Security S.A. and Subsidiaries as of December 31, 2017 and 2016, and the results of their operations and their cash flows for the years then ended, in accordance with accounting standards and instructions issued by the Financial Market Commission, formerly Superintendency of Securities and Insurances, detailed in Note 2 to the consolidated financial statements.

OTHER MATTERS – OTHER COMPREHENSIVE BASIS OF PREPARATION

As explained in Note 2 to the consolidated financial statements and in accordance with instructions and accounting standards for the preparation and presentation of financial reporting issued by the Financial Market Commission, formerly Superintendency of Securities and Insurance, the consolidated financial statements of Grupo Security S.A. and subsidiaries include the financial statements of its subsidiaries Banco Security and Seguros Vida Security Previsión S.A., which have been prepared on a comprehensive basis that includes accounting basis different to those applied by its Parent Company; this due to the fact that the preparation of the financial statements of Banco Security is regulated by the Superintendency of Banks and Financial Institutions, through its Compendium of Accounting Standards for the banking business, and Seguros Vida Security Previsión S.A. prepares its financial statements under specific accounting principles of the Financial Market Commission, which include standards for the recognition and measurement of assets and liabilities and also financial reporting presentation and disclosure requirements for the insurance business.

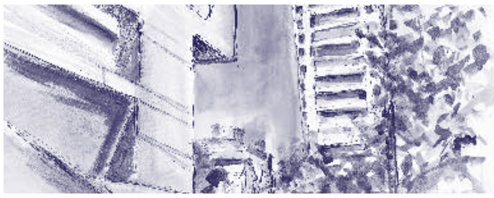
OTHER MATTERS

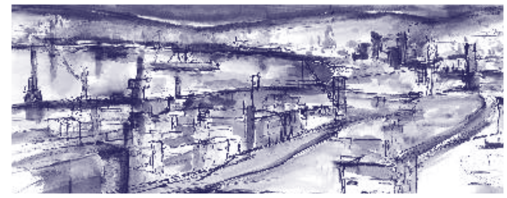
Note 35.III F) to the consolidated financial statements has not been audited by us and, therefore, this report does not include it.

The accompanying consolidated financial statements have been translated into English for the convenience of readers outside Chile.

Deloitte

March 1, 2018
Santiago, Chile



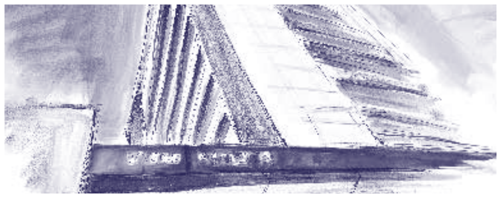
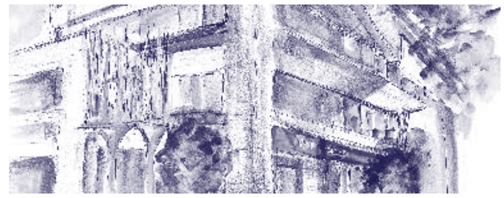


CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2017 AND 2016

ASSETS	NOTE	DECEMBER 31, 2017 THCH$	DECEMBER 31, 2016 THCH$
CURRENT ASSETS			
Cash and cash equivalents	3	599,767,478	510,335,070
Other financial assets, current	13	3,162,602,973	3,110,270,150
Other non-financial assets, current	14	27,137,580	20,374,687
Trade and other receivables, current	12	5,355,570,833	4,969,605,345
Accounts receivable from related parties, current	6	32,019,282	29,782,539
Inventories, current	5	72,113,146	71,986,155
Current tax assets	15	32,516,564	27,416,191
TOTAL CURRENT ASSETS OTHER THAN ASSETS OR DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE OR AS HELD FOR DISTRIBUTION TO OWNERS		9,281,727,856	8,739,770,137
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners		3,641,275	2,455,850
TOTAL CURRENT ASSETS		9,285,369,131	8,742,225,987
NON-CURRENT ASSETS			
Other non-financial assets, non-current	16	74,083,872	74,736,083
Equity-accounted investments	7	3,076,558	794,531
Intangible assets other than goodwill	10	38,517,974	43,624,472
Goodwill	11	119,066,570	119,066,570
Property, plant and equipment	8	65,088,368	74,845,991
Investment property	9	159,663,191	144,615,193
Deferred tax assets	4	96,435,049	112,889,984
TOTAL NON-CURRENT ASSETS		555,931,582	570,572,824
TOTAL ASSETS		9,841,300,713	9,312,798,811

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

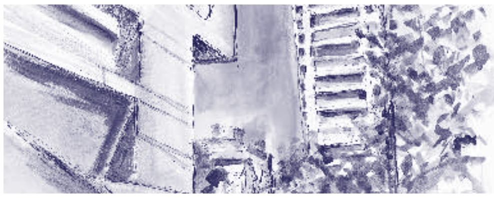




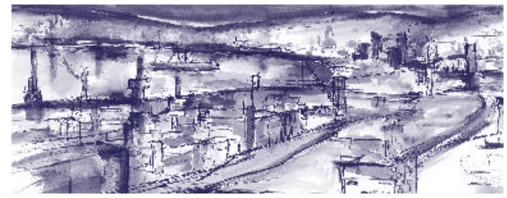
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2017 AND 2016

LIABILITIES AND EQUITY	NOTE	DECEMBER 31, 2017 THCH$	DECEMBER 31, 2016 THCH$
LIABILITIES			
CURRENT LIABILITIES			
Other financial liabilities, current	18	5,591,019,577	5,423,193,027
Trade and other payables	17	2,504,746,138	2,322,865,875
Accounts payable to related parties, current	25	1,948,848	2,586,947
Other short-term provisions	21	117,699,427	115,158,098
Current tax liabilities	20	24,881,123	26,896,701
Employee benefit provisions, current	22	8,707,708	8,296,617
Other non-financial liabilities, current	19	188,926,351	136,495,242
TOTAL CURRENT LIABILITIES		8,437,929,172	8,035,492,507
NON-CURRENT LIABILITIES			
Other financial liabilities, non-current	23	540,755,666	518,401,996
Accounts payable, non-current	24	92,843,948	97,425,804
Accounts payable to related parties, non-current	26	1,948,272	1,299,151
Deferred tax liabilities	4	45,297,494	54,464,150
TOTAL NON-CURRENT LIABILITIES		680,845,380	671,591,101
TOTAL LIABILITIES		9,118,774,552	8,707,083,608
EQUITY			
Issued capital	36 a	429,040,360	302,406,331
Retained earnings		311,415,141	278,548,183
Share premium	36 b	-	33,209,745
Other reserves	36 c	(35,545,420)	(28,536,384)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		704,910,081	585,627,875
Non-controlling interests		17,616,080	20,087,328
TOTAL EQUITY		722,526,161	605,715,203
TOTAL LIABILITIES AND EQUITY		9,841,300,713	9,312,798,811

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.



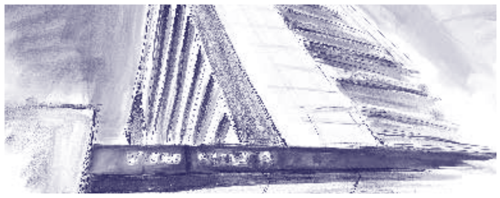
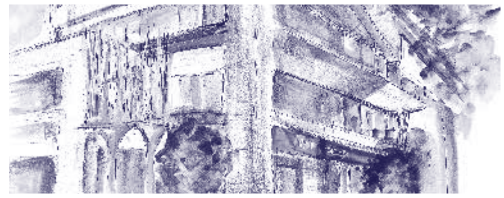


CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

PROFIT FOR THE YEAR		DECEMBER 31, 2017 THCH$	DECEMBER 31, 2016 THCH$
Revenue	27 a	1,177,767,857	1,026,689,822
Cost of sales	27 b	(839,570,927)	(700,948,979)
GROSS PROFIT		338,196,930	325,740,843
Other income	27 d	4,252,262	2,776,785
Administrative expenses	28	(215,482,809)	(219,682,460)
Other expenses	27 c	(8,560,516)	(27,593,645)
Other gains		5,457,454	3,013,648
NET OPERATING INCOME		123,863,321	84,255,171
Finance costs		(13,110,219)	(13,473,438)
Share of profit (loss) of associates and joint ventures, equity-accounted		(379,108)	18,834,645
Exchange differences		(4,925,725)	(9,110,225)
Gain (loss) on indexed assets and liabilities		(4,178,792)	5,695,032
Gain (loss) arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value		(1,585,682)	2,750,436
PROFIT BEFORE TAX		99,683,795	88,951,621
Income tax expense	4	(25,971,449)	(13,865,870)
PROFIT FROM CONTINUING OPERATIONS		73,712,346	75,085,751
PROFIT FOR THE YEAR		73,712,346	75,085,751
PROFIT ATTRIBUTABLE TO			
Profit attributable to owners of the parent		74,707,915	74,522,486
Profit attributable to non-controlling interest		(995,569)	563,265
PROFIT FOR THE YEAR		73,712,346	75,085,751
EARNINGS PER SHARE			
BASIC EARNINGS PER SHARE		CH$	CH$
Basic earnings per share from continuing operations		21.7471	22.8711
Basic earnings per share from discontinued operations		0.0000	0.0000
BASIC EARNINGS PER SHARE		21.7471	22.8711

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

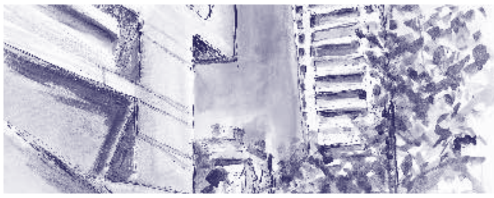




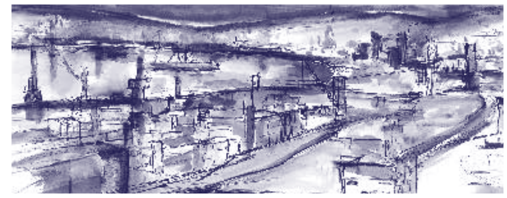
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

STATEMENTS OF OTHER COMPREHENSIVE INCOME	DECEMBER 31, 2017 THCH$	DECEMBER 31, 2016 THCH$
PROFIT FOR THE YEAR	73,712,346	75,085,751
OTHER INCOME AND EXPENSES CHARGED OR CREDITED TO NET EQUITY		
Insurance company reserves	(8,787,191)	(6,157,518)
Reserve for financial assets available for sale and other bank assets	2,225,055	8,011,690
Translation adjustment reserve	(243,494)	935,132
Accounting hedges	-	(14)
TOTAL OTHER INCOME AND EXPENSES CHARGED OR CREDITED TO NET EQUITY	(6,805,630)	2,789,290
TOTAL NET COMPREHENSIVE INCOME	66,906,716	77,875,041
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:	**2017 THCH$**	**2016 THCH$**
Owners of the parent company	67,902,285	77,311,776
Non-controlling interests	(995,569)	563,265
TOTAL COMPREHENSIVE INCOME	66,906,716	77,875,041

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.



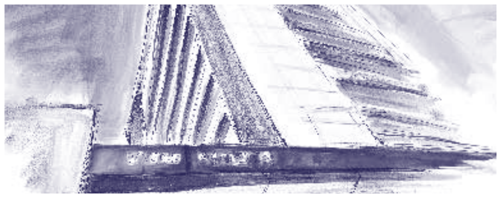
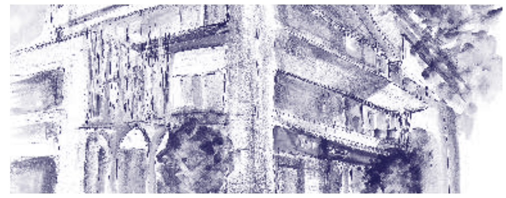


CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	ISSUED CAPITAL THCH$	SHARE PREMIUM THCH$	OTHER RESERVES THCH$	RETAINED EARNINGS THCH$	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT THCH$	NON-CONTROLLING INTERESTS THCH$	TOTAL EQUITY THCH$
OPENING BALANCE CURRENT PERIOD 1/01/2017	302,406,331	33,209,745	(28,536,384)	278,548,183	585,627,875	20,087,328	605,715,203
Increase (decrease) due to changes in accounting policy	-	-	-	-	-	-	-
Increase (decrease) due to error correction	295,848	(295,848)	-	-	-	-	-
RESTATED BEGINNING BALANCE	302,702,179	32,913,897	(28,536,384)	278,548,183	585,627,875	20,087,328	605,715,203
Changes in equity							
Total comprehensive income (loss)							
Profit for the year	-	-	-	74,707,915	74,707,915	(995,569)	73,712,346
Other comprehensive loss	-	-	(6,805,630)	-	(6,805,630)	-	(6,805,630)
TOTAL COMPREHENSIVE INCOME (LOSS)	-	-	(6,805,630)	74,707,915	67,902,285	(995,569)	66,906,716
Equity issuance	126,338,181	(32,913,897)	-	-	93,424,284	-	93,424,284
Dividends paid	-	-	-	(41,279,452)	(41,279,452)	-	(41,279,452)
Share issuance and placement costs	-	-	(203,406)	-	(203,406)	-	(203,406)
Increase (decrease) due to transfers and other changes	-	-	-	(561,505)	(561,505)	(1,475,679)	(2,037,184)
TOTAL CHANGES IN EQUITY	126,338,181	(32,913,897)	(203,406)	(41,840,957)	51,379,921	(1,475,679)	49,904,242
CLOSING BALANCE CURRENT PERIOD 12/31/2017	429,040,360	-	(35,545,420)	311,415,141	704,910,081	17,616,080	722,526,161

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

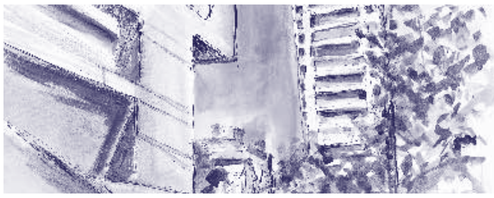




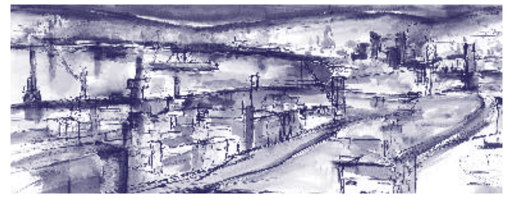
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	ISSUED CAPITAL THCH$	SHARE PREMIUM THCH$	OTHER RESERVES THCH$	RETAINED EARNINGS THCH$	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT THCH$	NON-CONTROLLING INTERESTS THCH$	TOTAL EQUITY THCH$
OPENING BALANCE PRIOR PERIOD 1/01/2016 1/01/2016	302,406,331	33,209,745	(31,325,674)	247,362,583	551,652,985	19,624,261	571,277,246
Increase (decrease) due to changes in accounting policy	-	-	-	-	-	-	-
Increase (decrease) due to error correction	-	-	-	-	-	-	-
RESTATED BEGINNING BALANCE	302,406,331	33,209,745	(31,325,674)	247,362,583	551,652,985	19,624,261	571,277,246
Changes in equity							
Comprehensive income							
Profit for the year	-	-	-	74,522,486	74,522,486	563,265	75,085,751
Other comprehensive income (loss)	-	-	2,789,290	-	2,789,290		2,789,290
TOTAL COMPREHENSIVE INCOME	-	-	2,789,290	74,522,486	77,311,776	563,265	77,875,041
Equity issuance	-	-	-	-	-	-	-
Dividends paid	-	-	-	(40,321,342)	(40,321,342)	-	(40,321,342)
Increase (decrease) due to transfers and other changes	-	-	-	(3,015,544)	(3,015,544)	(100,198)	(3,115,742)
TOTAL CHANGES IN EQUITY	-	-	-	(43,336,886)	(43,336,886)	(100,198)	(43,437,084)
CLOSING BALANCE PRIOR PERIOD 12/31/2016	302,406,331	33,209,745	(28,536,384)	278,548,183	585,627,875	20,087,328	605,715,203

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.



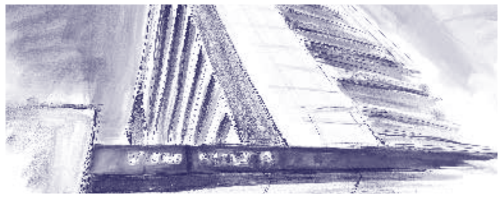
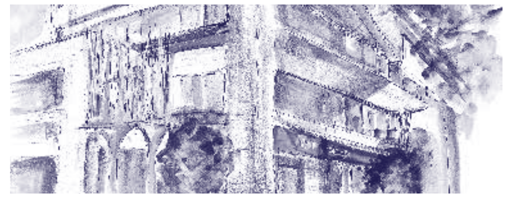


CONSOLIDATED STATEMENTS OF CASH FLOWS (DIRECT METHOD)

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

STATEMENT OF CASH FLOWS	DECEMBER 31, 2017 THCH$	DECEMBER 31, 2016 THCH$
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
CLASSES OF REVENUE FROM OPERATING ACTIVITIES		
Proceeds from sales of goods and services	293,532,240,123	204,368,071,762
Proceeds from royalties, installments, commissions and other operating income	42,083,481,433	47,465,663,878
Proceeds from contracts held for brokering or trading	146,097,815,322	242,062,096,062
Proceeds from premiums and claims, annuities and other policy benefits	510,168,596	360,700,705
Proceeds from leases and subsequent sale of assets	13,803,119	31,028,621
Other income from operating activities	614,282,406	406,008,894
CLASSES OF PAYMENTS		
Payments to suppliers for supply of goods and services	(243,561,923,937)	(159,574,296,642)
Payments from contracts held for brokering or trading	(236,502,181,524)	(324,604,788,690)
Payments to and on behalf of employees	(104,074,601)	(114,665,249)
Payments for premiums and claims, annuities and other policy obligations	(461,185,228)	(289,827,546)
Payments for building or acquiring assets held to lease to others and subsequently sell	(5,084,122)	(16,715,384)
Other payments for operating activities	(2,088,826,926)	(10,332,980,279)
NET CASH FLOWS PROVIDED BY (USED IN) OPERATIONS	**128,514,661**	**(239,703,868)**
Interest paid	(149,220,267)	(127,751,837)
Interest received	335,477,815	224,210,486
Income taxes refunded	(36,696,193)	(32,454,442)
Other cash inflows	27,839,569	94,588,477
NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	**305,915,585**	**(81,111,184)**
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Cash flows arising from the loss of control of subsidiaries or other businesses	-	31,655,973
Cash flows used to obtain control of subsidiaries or other businesses	-	(36,036,489)
Proceeds from sale of property, plant and equipment	22,049,053	26,787,597
Purchases of property, plant and equipment	(4,860,585)	(14,273,982)
Proceeds from the sale of intangible assets	327,190	86,129
Purchases of intangible assets	(2,211,777)	(10,830,065)
Proceeds from other long-term assets	-	(10,936)
Purchase of other long-term assets	(262,979)	(18,817)
Dividends received	171	146,199
Interest received	8,196	778,457
Other cash inflows (outflows)	(16,567,918)	27,687,701
NET CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	(1,518,649)	25,971,767

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

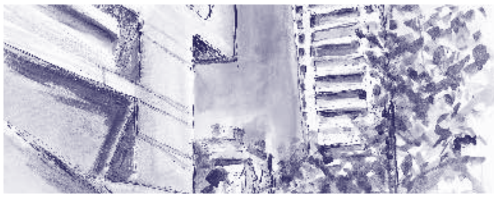




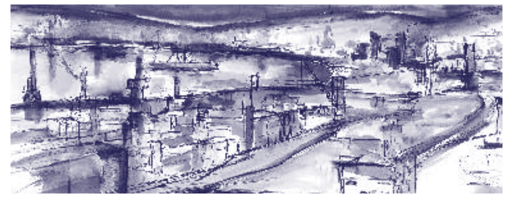
CONSOLIDATED STATEMENTS OF CASH FLOWS (DIRECT METHOD)

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

STATEMENT OF CASH FLOWS	DECEMBER 31, 2017 THCH$	DECEMBER 31, 2016 THCH$
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Payments for changes in ownership in a subsidiary that do not result in loss of control	-	(185,324)
Proceeds from share issuance	93,427,286	-
Payment to purchase or redeem treasury shares	(14,158)	-
PROCEEDS FROM LOANS	126,683,278	186,343,576
Proceeds from long-term loans	26,666,478	62,335,682
Proceeds from short-term loans	100,016,800	124,007,894
Loan repayments	(192,471,312)	(137,773,766)
Repayment of finance lease liabilities	(789,179)	(755,873)
Dividends paid	(42,502,142)	(38,233,571)
Interest received	1,050,109	-
Interest paid	(38,189,697)	(10,889,850)
Other cash outflows	(162,145,958)	(59,666,331)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(214,951,773)	(61,161,139)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	89,445,163	(116,300,556)
Effect of exchange rate changes on cash and cash equivalents		
Effect of exchange rate changes on cash and cash equivalents	(12,755)	(121,910)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	89,432,408	(116,422,466)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	510,335,070	626,757,536
CASH AND CASH EQUIVALENTS AT END OF PERIOD	599,767,478	510,335,070

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - CORPORATE INFORMATION

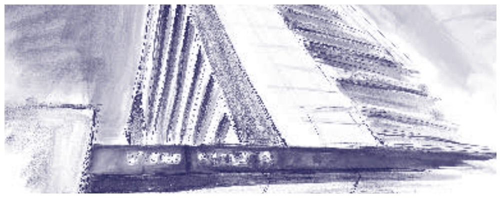
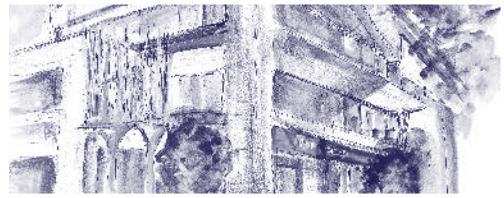
A) COMPANY INFORMATION

Grupo Security S.A. (hereinafter "Grupo Security", the "Company", or the "Group") is a company incorporated in Chile in conformity with the Corporations Law and its corporate purpose is investing and providing advisory services of any kind in Chile. Its corporate domicile is Av. Apoquindo 3150, Piso 14, Las Condes, Santiago, Chile.

The nature of Grupo Security's operations and its main activities are described in letter b) of this note.

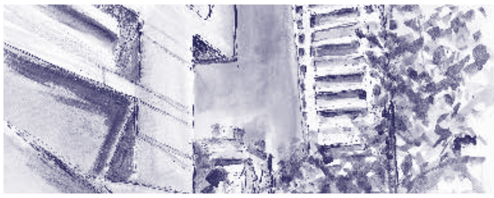
The consolidated financial statements of Grupo Security have been prepared in accordance with International Financial Reporting Standards (IFRS), except for the financial statements of Seguros Vida Security Previsión S.A. and subsidiaries (Vida Security), which have been prepared in accordance with the standards and instructions issued by the Financial Market Commission (CMF), and the financial statements of Banco Security and subsidiaries (the Bank), which have been prepared in accordance with the Compendium of Accounting Standards issued by the Superintendency of Banks and Financial Institutions (SBIF) for the banking business. Therefore, certain accounting policies of the financial statements of Banco Security and subsidiaries and Vida Security are presented separately for better understanding in accordance with CMF Official Ruling No. 506.

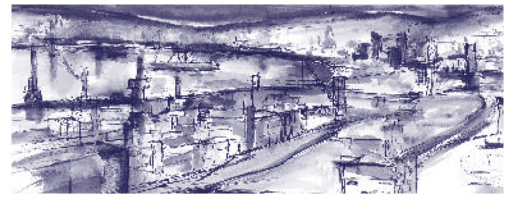
On February 15, 2016, the purchase of Penta Corredores de Bolsa S.A. and Penta Administradora General de Fondos S.A., was completed after obtaining authorization from the SBIF. The Company purchased 99.999992% of Penta Corredores de Bolsa S.A. for MCH$34,208 and 99.99980% of Penta Administradora General de Fondos S.A. for MCH$1,828. After the transaction, these companies were contributed to their respective subsidiaries, Administradora General de Fondos Security S.A. and Valores Security S.A. Corredores de Bolsa, as part of the capital increase of both companies, thus resulting in the merger of each respective company.

The following companies are included in Grupo Security's scope of consolidation as of December 31, 2017 and 2016:

COMPANY NAME	TAXPAYER ID NUMBER	2017			2016		
		DIRECT INTEREST	INDIRECT INTEREST	TOTAL INTEREST	DIRECT INTEREST	INDIRECT INTEREST	TOTAL INTEREST
Factoring Security S.A.	96.655.860-1	99.99800%	0.00200%	100.00000%	99.99800%	0.00200%	100.00000%
Banco Security S.A.	97.053.000-2	99.97481%		99.97481%	99.97272%		99.97272%
Administradora General de Fondos Security S.A.	96.639.280-0	99.99042%	0.00958%	100.00000%	99.99042%	0.00958%	100.00000%
Valores Security S.A. Corredores de Bolsa	96.515.580-5	99.87580%	0.12420%	100.00000%	99.87580%	0.12420%	100.00000%
Inversiones Seguros Security Ltda.	78.769.870-0	99.99950%	0.00050%	100.00000%	99.99950%	0.00050%	100.00000%
Asesorías Security S.A.	96.803.620-3	99.78180%	0.21820%	100.00000%	99.78180%	0.21820%	100.00000%
Security Internacional SPA	76.452.179-K	100.00000%		100.00000%	100.00000%		100.00000%
Seguros Vida Security Previsión S.A.	99.301.000-6	97.82117%		97.82117%	97.82117%		97.82117%
Global Assets Advisor	E-0				99.00000%	1.00000%	100.00000%
Servicios y Beneficios Security Ltda.	77.431.040-1	99.90000%	0.10000%	100.00000%	99.90000%	0.10000%	100.00000%
Servicios Security S.A.	96.849.320-5	99.99998%	0.00002%	100.00000%	99.99998%	0.00002%	100.00000%
Corredora de Seguros Security Ltda.	77.371.990-K	99.99800%	0.00200%	100.00000%	99.99800%	0.00200%	100.00000%
Mandatos Security Ltda.	77.512.350-8	99.77000%	0.23000%	100.00000%	99.77000%	0.23000%	100.00000%
Global Gestión y Servicios Security Ltda.	76.181.170-3	99.77000%	0.23000%	100.00000%	99.77000%	0.23000%	100.00000%
Travel Security S.A.	85.633.900-9	83.00000%		83.00000%	83.00000%		83.00000%
Viajes Security S.A.C.	20548601372	99.99998%	0.00002%	100.00000%	99.99998%	0.00002%	100.00000%
Travex S.A.	20505238703	75.00000%		75.00000%	75.00000%		75.00000%
Securitizadora Security S.A.	96.847.360-3	99.96000%	0.04000%	100.00000%	99.96000%	0.04000%	100.00000%
Representaciones Security Ltda.	77.405.150-3	99.00000%	1.00000%	100.00000%	99.00000%	1.00000%	100.00000%
Capital S.A.	96.905.260-1	99.98530%	0.01470%	100.00000%	99.98530%	0.01470%	100.00000%
Inmobiliaria Casanuestra S.A.	76.459.878-4	99.99867%	0.00133%	100.00000%	99.99867%	0.00133%	100.00000%
Inmobiliaria Security S.A.	96.786.270-3	99.99900%	0.00100%	100.00000%	99.99900%	0.00100%	100.00000%
Inmobiliaria SH Uno Ltda.	77.173.860-5		99.99000%	99.99000%		99.99000%	99.99000%
Inmobiliaria Security Siete Ltda.	78.972.520-9		100.00000%	100.00000%		100.00000%	100.00000%
Inmobiliaria Security Nueve Ltda.	77.441.660-9		100.00000%	100.00000%		100.00000%	100.00000%
Inmobiliaria Security Diez Ltda.	77.464.540-3		100.00000%	100.00000%		100.00000%	100.00000%
Inmobiliaria Security Once Ltda.	77.611.170-8		100.00000%	100.00000%		100.00000%	100.00000%
Inmobiliaria Alto Vitacura S.A.	76.505.706-K		100.00000%	100.00000%		100.00000%	100.00000%
Inmobiliaria El Taihuen S.A.	76.477.415-9		100.00000%	100.00000%		100.00000%	100.00000%
Inmobiliaria Vista La Dehesa S.A.	76.524.227-4		70.00000%	70.00000%		70.00000%	70.00000%
Inmobiliaria Security Doce S.A.	76.207.657-8		100.00000%	100.00000%		100.00000%	100.00000%
Inmobiliaria El Peumo S.A.	99.584.690-K		100.00000%	100.00000%		100.00000%	100.00000%
General Flores Fondo de Inversión Privado	76.036.147-K		66.45000%	66.45000%		66.45000%	66.45000%
Quirihue Fondo de Inversión Privado	76.036.113-5		60.00000%	60.00000%		60.00000%	60.00000%
Silvina Hurtado Fondo de Inversión Privado	76.036.115-1		66.92307%	66.92307%		66.92307%	66.92307%
Inmobiliaria Los Espinos S.A.	76.167.559-1		70.00000%	70.00000%		70.00000%	70.00000%
Inmobiliaria Ñuñoa IV SA	76.200.933-1		100.00000%	100.00000%		100.00000%	100.00000%
Inmobiliaria Cordillera S.A.	76.229.736-1		100.00000%	100.00000%		100.00000%	100.00000%
Alonso Sotomayor Fondo de Inversión Privado	76.036.118-6		88.44827%	88.44827%		88.44827%	88.44827%
Inmobiliaria Security Norte SA	76.249.637-2		100.00000%	100.00000%		100.00000%	100.00000%
Vitacura IV Fondo De Inversión Privado	76.036.137-2		80.00000%	80.00000%		80.00000%	80.00000%
Inmobiliaria Security San Damián S.A.	76.307.757-8		100.00000%	100.00000%		100.00000%	100.00000%
Inmobiliaria Alto San Rafael S.A.	76.307.766-7		100.00000%	100.00000%		100.00000%	100.00000%
Inmobiliaria Alto Chamisero S.A.	76.360.997-9		100.00000%	100.00000%		100.00000%	100.00000%
Inmobiliaria Ñuñoa V SPA	76.594.758-8		100.00000%	100.00000%		100.00000%	100.00000%
Inm.Security Los Dominicos SPA	76.594.759-6		100.00000%	100.00000%		100.00000%	100.00000%
Hipotecaria Security Principal S.A.	96.538.310-7	51.00000%		51.00000%	51.00000%		51.00000%
Inversiones Security Perú S.A.C.	20600419430	99.99900%		99.99900%	99.99900%		99.99900%
Cía. de Seguros Protecta S.A.	20517207331	61.00000%		61.00000%	61.00000%		61.00000%





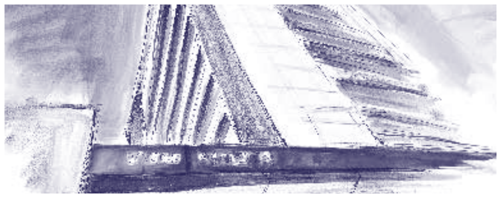
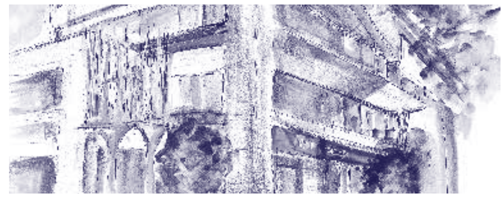
Main shareholders of Grupo Security S.A.

	TAXPAYER ID NUMBER	SHARES AS OF 12.31.2017	%	ACCUMULATED %
Inversiones Centinela Ltda.	76.447.620-4	375,312,957	10.19%	10.19%
Sociedad de Ahorro Matyco Ltda.	96.512.100-5	358,481,708	9.73%	19.92%
Inversiones Hemaco Ltda.	96.647.170-0	288,664,066	7.84%	27.76%
Inversiones Hidroeléctricas Ltda.	79.884.660-4	268,022,045	7.28%	35.04%
Arcoinvest Chile S.A.	76.057.087-7	222,729,075	6.05%	41.09%
Sociedad Comercial de Servicios e Inv. Ltda.	79.553.600-0	155,884,163	4.23%	45.32%
Inversiones Llascahue S.A.	79.884.060-6	135,056,919	3.67%	48.99%
Sociedad de Ahorro Alisios Dos Ltda.	76.093.398-8	131,247,969	3.56%	52.55%
Sociedad de Ahorro Atacalco Dos Ltda.	76.093.394-5	131,212,568	3.56%	56.11%
Sociedad de Ahorro Tenaya Dos Ltda.	76.093.362-7	131,212,567	3.56%	59.67%
Valores Security S.A. Corredora de Bolsa	96.515.580-5	106,176,827	2.88%	62.56%
Inversiones Los Cactus S.A.	79.884.050-9	102,343,934	2.78%	65.34%
Inmobiliaria Cab Ltda.	96.941.680-8	86,040,495	2.34%	67.67%
BCI Corredores de Bolsa S.A.	96.519.800-8	85,369,983	2.32%	69.99%
Bice Inversiones Corredores de Bolsa	79.532.990-0	69,876,555	1.90%	71.89%
Compass Small CAP Chile Fondo de Inversión	96.804.330-7	68,125,597	1.85%	73.74%
Inversiones Los Chilcos S.A.	79.884.030-4	49,329,209	1.34%	75.08%
Kinto Inversiones Ltda	76.503.271-7	46,880,493	1.27%	76.35%
Heirs to the estate of Mario Andrés Concha Rodriguez	53.322.732-5	46,880,493	1.27%	77.62%
Bolsa de Comercio de Santiago (Santiago Exchange)	90.249.000-0	45,939,749	1.25%	78.87%

B) DESCRIPTION OF OPERATIONS AND MAIN ACTIVITIES

The structure of the operations and main activities of Grupo Security is summarized as follows:

LENDING	
	Bank
	Commercial Banking
	Retail Banking
	Factoring
ASSET MANAGEMENT	
	General Fund Management
	Securities Brokerage
	Asset Management
	Securitization
INSURANCE	
	Life Insurance
	General Insurance
	Travel Assistance
	Insurance Brokerage
OTHER SERVICES	
	Travel Agency
	Real Estate
CORPORATE SUPPORT AREA	
	Technological Development and Business Support Services

- **LENDING:**
  Through Banco Security and Factoring Security, Grupo Security offers a broad range of products to meet the lending needs of high-income individuals and medium-sized and large companies.

- **ASSET MANAGEMENT:**
  Grupo Security provides investment and third-party asset management services through Administradora General de Fondos Security; stock brokerage and securities intermediation services through Valores Security Corredores de Bolsa; and advisory services, asset management and securitized equities through Securitizadora Security and Asesorías Security.

- **INSURANCE:**
  Grupo Security participates in the insurance industry through Seguros de Vida Security Previsión S.A. and Corredora de Seguros Security Limitada. Likewise, the Group has an alliance with Europ Assistance Chile. Europ Assistance is the world's second largest travel, vehicle and home assistance company.

- **SERVICES:**
  This area includes the Group's companies engaged in real estate development and travel and tourism.

- **CORPORATE SUPPORT AREA:**
  This area comprises the subsidiaries Capital S.A., Mandatos Security, Global Gestión y Servicios Security and the standalone entity Grupo Security, all geared towards providing the group with supplementary support services.

C) EMPLOYEES

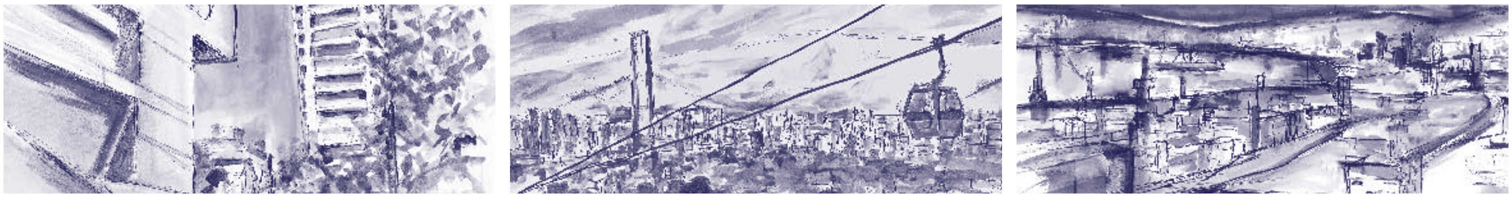
The following chart shows the number of individuals employed by Grupo Security as of December 31, 2017 and 2016:

AS OF DECEMBER 31, 2017

COMPANY	EXECUTIVES	PROFESSIONALS	WORKERS	TOTAL
Grupo Security S.A.	11	20	1	32
Bank and subsidiaries	62	820	370	1,252
Factoring Security S.A.	6	99	64	169
Inmobiliaria Security S.A. and Inmobiliaria Security Siete Ltda.	2	23	6	31
Asesorías Security S.A.	-	3	2	5
Securitizadora Security S.A.	1	2	-	3
Capital S.A. and subsidiaries	19	775	352	1,146
Inversiones Seguros Security and subsidiaries	34	417	798	1,249
TOTAL	135	2,159	1,593	3,887

AS OF DECEMBER 31, 2016

COMPANY	EXECUTIVES	PROFESSIONALS	WORKERS	TOTAL
Grupo Security S.A.	12	15	4	31
Bank and subsidiaries	44	862	324	1,230
Factoring Security S.A.	6	116	47	169
Inmobiliaria Security S.A. and Inmobiliaria Security Siete Ltda.	2	25	4	31
Asesorías Security S.A.	3	24	3	30
Securitizadora Security S.A.	1	2	-	3
Capital S.A. and subsidiaries	22	722	368	1,112
Inversiones Seguros Security and subsidiaries	33	402	721	1,156
TOTAL	123	2,168	1,471	3,762



NOTE 2 - BASES OF PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

2.1 ACCOUNTING PERIOD

The accompanying consolidated financial statements cover the following periods:

- Statements of Financial Position as of December 31, 2017 and 2016.
- Statements of Changes in Equity for the years ended December 31, 2017 and 2016.
- Statements of Comprehensive Income (by Function) for the years ended December 31, 2017 and 2016.
- Statements of Cash Flows (Direct Method) for the years ended December 31, 2017 and 2016.

2.2 BASIS OF PREPARATION

A) The consolidated financial statements of Grupo Security and subsidiaries (Grupo Security or the Group) as of and for the years ended December 31, 2017 and 2016, have been prepared in accordance with standards issued by the Financial Market Commission (CMF).

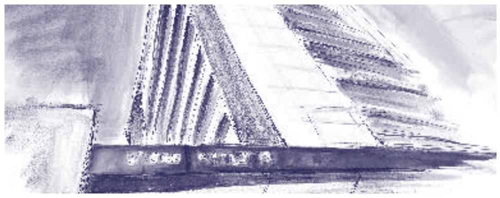
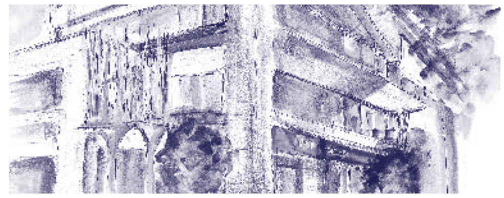
B) The financial statements of Banco Security and subsidiaries have been prepared in accordance with SBIF regulations contained in the Compendium of Accounting Standards and specific instructions issued by that entity. In all matters not addressed in the compendium, the Bank applies the technical standards issued by the Chilean Institute of Accountants, which are consistent with International Financial Reporting Standards (IFRS). Should any discrepancies arise between these accounting principles and the accounting criteria issued by the SBIF (Compendium of Accounting Standards), the latter shall take precedence.

C) Vida Security and subsidiaries are subject to the standards established for the adoption of IFRS contained in IFRS 1 First-time Adoption of International Financial Reporting Standards and Ruling No. 2022 dated May 27, 2011, and its amendments, in which the Financial Market Commission (CMF), formerly the Superintendency of Securities and Insurance (SVS), establishes criteria for adopting IFRS.

D) New Accounting Pronouncements
As of the date of issuance of these consolidated financial statements, the following accounting pronouncements had been issued by the International Accounting Standards Board (IASB).

a) The following new standards and interpretations have been adopted in these financial statements:

AMENDMENT TO IFRS	MANDATORY EFFECTIVE DATE
Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)	Annual periods beginning on or after January 1, 2017
Disclosure Initiative (Amendments to IAS 7)	Annual periods beginning on or after January 1, 2017
Annual Improvements Cycle 2014-2016 (amendments to IFRS 12)	Annual periods beginning on or after January 1, 2017

RECOGNITION OF DEFERRED TAX ASSETS FOR UNREALIZED LOSSES (AMENDMENTS TO IAS 12)

On January 19, 2016, the IASB published final amendments to IAS 12 Income Taxes.

The amendments clarify the following aspects:

Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.

The carrying amount of an asset does not limit the estimation of probable future taxable profits.

Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.

An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the use of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

The amendments are effective for annual periods beginning on or after January 1, 2017.

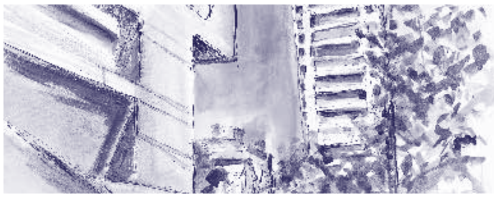
Management believes that adopting these amendments has not impacted the Group's consolidated financial statements since the Company's previous evaluations of the sufficiency of future tax earnings were consistent with these amendments.

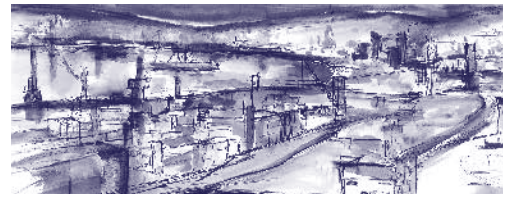
DISCLOSURE INITIATIVE (AMENDMENTS TO IAS 7)

The amendments are part of the IASB's disclosure initiative project and introduce additional requirements intended to address investors' concerns that financial statements currently do not provide an understanding of an entity's cash flows; particularly regarding the management of financing activities. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. Although no specific format is required to comply with the new requirements, the amendments include illustrative examples to show how an entity can fulfill the objective of these amendments.

The amendments are effective for annual periods beginning on or after January 1, 2017.

Liabilities arising from the Company's financing activities consists of loans, senior bonds and subordinated bonds (Note 18). Adopting these amendments has not had a significant effect on the Group's consolidated financial statements.





ANNUAL IMPROVEMENTS CYCLE 2014-2016 (AMENDMENTS TO IFRS 12)

On December 8, 2016, the IASB issued Annual Improvements Cycle 2014-2016. The pronouncement contains amendments to three IFRS as a result of the IASB's annual improvements project. The amendments to IFRS 12 are effective for annual periods beginning on or after January 1, 2017.

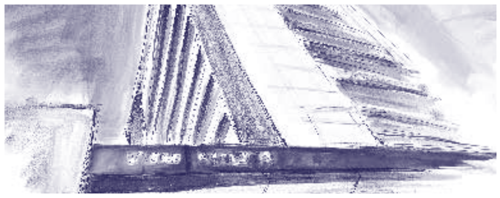
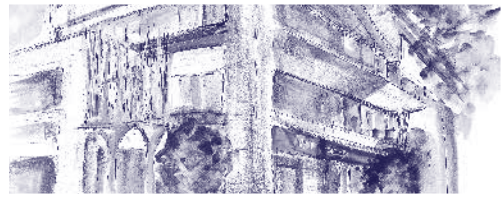
The amendments to IFRS 12 clarify the standard's scope, establishing that an entity does not need to provide summarized financial information for interests in subsidiaries, associates or joint ventures that are classified as held for sale (or included in a disposal group held for sale), held for distribution or discontinued operations in accordance with IFRS 5.

The amendments to IFRS 12 apply retrospectively.

Management believes that adopting these amendments has not had a significant effect on the Group's consolidated financial statements since none of its interests in these entities are classified as, or included in a disposal group that is classified as, held for sale, held for distribution or discontinued operations.

b) The following standards, amendments and interpretations have been issued but application is not yet mandatory:

NEW IFRS	MANDATORY EFFECTIVE DATE
IFRS 9 Financial Instruments	Annual periods beginning on or after January 1, 2018
IFRS 15 Revenue from Contracts with Customers	Annual periods beginning on or after January 1, 2018
IFRS 16 Leases	Annual periods beginning on or after January 1, 2019
IFRS 17 Insurance Contracts	Annual periods beginning on or after January 1, 2021
AMENDMENT TO IFRS	**MANDATORY EFFECTIVE DATE**
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely.
Clarifications to IFRS 15 Revenue from Contracts with Customers	Annual periods beginning on or after January 1, 2018.
Classification and Measurement of Share-Based Payment Transactions (amendments to IFRS 2)	Annual periods beginning on or after January 1, 2018
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (amendments to IFRS 4)	Overlay approach when applying IFRS 9 for the first time. Temporary exemption to delay application for annual periods beginning on or after January 1, 2018, and only available for three years after that date.
Transfers of Investment Property (amendments to IAS 40)	Annual periods beginning on or after January 1, 2018
Annual Improvements Cycle 2014-2016 (amendments to IFRS 1 and IAS 28)	Annual periods beginning on or after January 1, 2018.
Prepayment Features with Negative Compensation (amendments to IFRS 9)	Annual periods beginning on or after January 1, 2019.
Long-term Interests in Associates and Joint Ventures (amendments to IAS 28)	Annual periods beginning on or after January 1, 2019.
Annual Improvements Cycle 2015-2017 (amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)	Annual periods beginning on or after January 1, 2019.
NEW INTERPRETATIONS	**MANDATORY EFFECTIVE DATE**
IFRIC 22 Foreign Currency Transactions and Advance Considerations	Annual periods beginning on or after January 1, 2018
IFRIC 23 Uncertainty over Income Tax Treatments	Annual periods beginning on or after January 1, 2019

IFRS 9 FINANCIAL INSTRUMENTS

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for classifying and measuring financial liabilities and for de-recognition, and in November 2013 to include new requirements for general hedge accounting. Another version of IFRS 9 was issued in July 2014, mainly to include a) impairment requirements for financial assets and b) limited amendments to classification and measurement requirements by introducing a "fair value through other comprehensive income" measurement category for certain uncomplicated debt instruments.

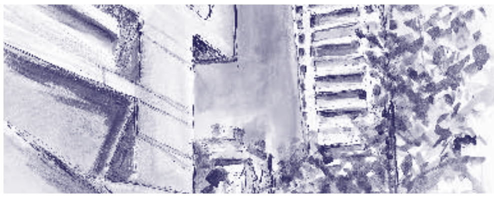
The key requirements of IFRS 9 are:

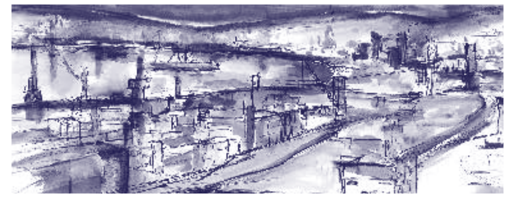
Classification and Measurement: All financial assets within the scope of IFRS 9 must be subsequently measured at amortized cost or fair value. Specifically, debt instruments that are held within a business model, the objective of which is to collect contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at amortized cost as of the close of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other debt and equity instruments are measured at fair value as of the close of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity instrument (that is not held for trading nor is a contingent consideration recognized by an acquirer in a business combination) in other comprehensive income, where income from dividends will generally be recorded in profit or loss.

Regarding the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that any change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless recognizing such changes in other comprehensive income would create or enlarge a measurement mismatch. Changes in fair value attributable to the credit risk of a financial liability are not subsequently classified in profit or loss. Under IAS 39, the total amount of the change in fair value of the financial liability designated as at fair value through profit or loss is presented in profit or loss.

Impairment: Regarding impairment of financial assets, IFRS 9 requires the use of a model of expected credit losses versus the model of incurred credit losses under IAS 39. The model of expected credit losses requires an entity to account for expected credit losses and changes in these expected credit losses as of each reporting date to reflect changes in credit risk since initial recognition. In other words, a credit event does not have to occur in order for credit losses to be recognized.

Hedge Accounting: The new general requirements for hedge accounting maintain intact the three types of hedge accounting mechanisms currently available in IAS 39. IFRS 9 introduces greater flexibility to the types of transactions eligible for hedge accounting. Specifically, it broadens the types of instruments that qualify as hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, effectiveness testing has been reviewed and replaced by the 'economic relationship' principle. A retrospective evaluation of the effectiveness of a hedge is no longer required. It also introduced improved disclosure requirements for an entity's risk management activities.





IFRS 9 is effective for all annual periods beginning on or after January 1, 2018. Early adoption is permitted.

The management of Grupo Security S.A. and subsidiaries believes that this amendment will not have a relevant impact on their consolidated financial statements, except for the direct subsidiary Factoring Security S.A., where impairment losses are likely to increase and become more volatile for assets within the scope of the impairment model in IFRS 9. Using this impairment methodology, the company estimates that applying the impairment requirements in IFRS 9 as of January 1, 2018, will result in additional impairment losses. Applying the impairment requirements in IFRS 9 as of January 1, 2018, would result in an increase of between MCH$1,900 and MCH$2,400 from impairment recognized under IAS 39. However, as of the date of publication of these financial statements, the company was in the process of testing its models, which could lead to slight variations in that range.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

On May 28, 2014, the IASB published IFRS 15 Revenue from Contracts with Customers. IFRS 15 establishes a sole comprehensive model for entities to use to account for revenue from contracts with customers. When adoption of IFRS 15 becomes effective, it will replace the current revenue recognition guidance in IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations.

The core principle of IFRS 15 is that an entity must recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a five-step approach for recognizing revenue:

Step 1: Identify the contract with a customer;
Step 2: Identify the performance obligations in the contract;
Step 3: Determine the transaction price;
Step 4: Allocate the transaction price to the performance obligations in the contract;
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

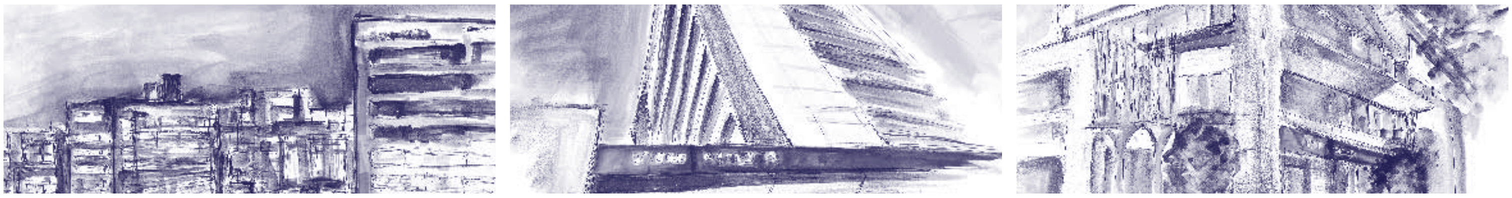
Under IFRS 15, an entity recognizes revenue when (or as) it satisfies a performance obligation (i.e. when 'control' of the goods or services underlying the particular performance obligation is passed to the customer).

More prescriptive guidance has been added in IFRS 15 for treatment specific scenarios. More extensive disclosures are also required.

In April 2016, the IASB published Clarifications to IFRS 15 related to the identification of performance obligations, principal versus agent considerations and application guidance for licensing.

IFRS 15, including the clarifications issued in April 2016, is effective for annual periods beginning on or after January 1, 2018. Early adoption is allowed. Entities can choose to apply IFRS 15 retrospectively or to use a modified transition approach, which consists of applying IFRS 15 retrospectively only to contracts that were complete as of the date of initial application.

Management has analyzed the potential impact of adopting this standard and has concluded that IFRS 15 Revenue from Contracts with Customers will not have a relevant impact on the current operating models of Grupo Security S.A. and subsidiaries.



IFRS 16 LEASES

On January 13, 2016, the IASB published IFRS 16 Leases. IFRS 16 sets out a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. When adoption of IFRS 16 becomes mandatory, it will replace the current guidelines for leases, including IAS 17 Leases and related interpretations.

IFRS 16 makes a distinction between leases and service contracts on the basis of whether an identified asset is controlled by a customer. The distinction between operating lease (off-balance-sheet) and finance lease is removed for lessees and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognized by lessees for all leases, except for short-term leases and leases of low-value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid as of that date. Subsequently, the lease liability is adjusted to account for interest and lease payments as well as modifications to the lease, among others. In addition, the classification of cash flows will also be affected since under IAS 17 operating lease payments are presented as operating cash flows, while under the model in IFRS 16, lease payments will be divided between principal payments and interest, which will be presented as financing and operating cash flows, respectively.

In contrast with accounting for lessees, the accounting requirements for lessors in IAS 17 remain virtually intact in IFRS 16, which continues to require lessors to classify leases as either operating or financial leases.

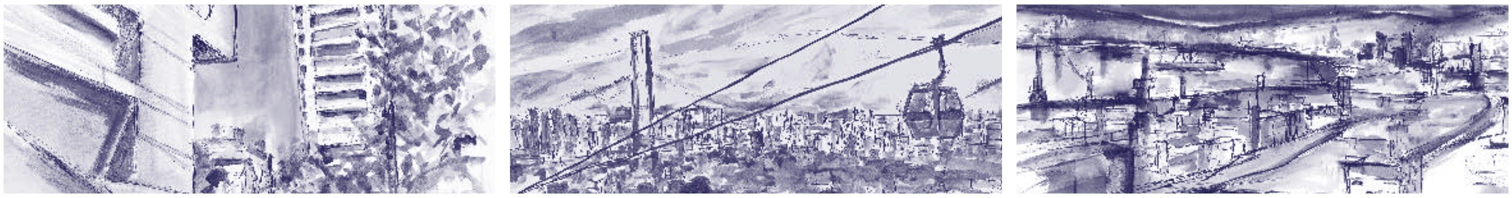
In addition, IFRS 16 requires more extensive disclosures.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Early adoption is allowed for entities that apply IFRS 15 on or before the initial application date of IFRS 16. Entities can apply IFRS 16 using either a full retrospective approach or a modified retrospective approach. If the latter is chosen, an entity is not obliged to restate comparatives and the cumulative effect of initially applying IFRS 16 must be presented as an adjustment to the initial balance of retained earnings (or other component of equity, when appropriate).

The management of Grupo Security S.A. is evaluating the impact of applying IFRS 16. However, the effects of this standard cannot be reasonably estimated until a detailed review has been performed. Banco Security has already completed preliminary evaluations and has decided to apply the modified retrospective approach, which, based on preliminary analyses, will mean an increase of between MCH$8,900 and MCH$9,800 in assets and the related greater liability.

IFRS 17 INSURANCE CONTRACTS

On May 18, 2017, the IASB published IFRS 17 Insurance Contracts. The new standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and replaces IFRS 4 Insurance Contracts. The objective of the new standard is to ensure that an entity provides relevant information that faithfully represents rights and obligations arising from insurance contracts it issues.



IFRS 17 establishes a General Model, which is modified for insurance contracts with discretionary participation features, described as the "Variable Fee Approach". The General Model is simplified if certain criteria are met by measuring the liability for the remaining coverage using the "Premium Allocation Approach".

The General Model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and will explicitly measure the cost of that uncertainty; they take into account market interest rates and the impact of options and guarantees of policyholders.

Profit from sales of insurance policies is deferred in a separate liability component on day 1 and aggregated in groups of insurance contracts; it is later systematically allocated to profit or loss over the period during which the insurer provides coverage, adjusted for changes in the assumptions related to the future coverage.

IFRS 17 is effective for annual periods beginning on or after January 1, 2021, with earlier adoption allowed. It should be applied retrospectively unless impracticable, in which case entities have the option of using either the modified retrospective approach or the fair value approach.

The management of Grupo Security S.A. and subsidiaries has not had the opportunity to evaluate the potential impact of adopting this new standard.

SALE OR CONTRIBUTION OF ASSETS BETWEEN AN INVESTOR AND ITS ASSOCIATE OR JOINT VENTURE (AMENDMENTS TO IFRS 10 AND IAS 28)

On September 11, 2014, the IASB published Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28). The amendments address the conflict between the requirements of IAS 28 Investments in Associates and Joint Ventures and IFRS 10 Consolidated Financial Statements and clarify the accounting for the sale or contribution of assets by an investor to its associate or joint venture, as follows:

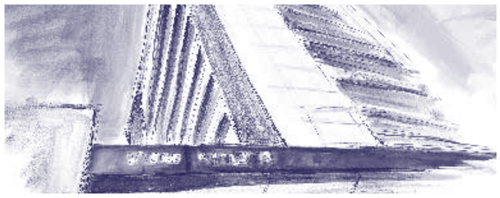
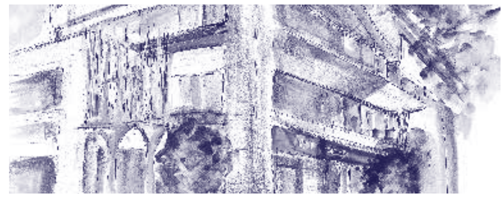
- They require full recognition in the investor's financial statements of gains and losses arising from the sale or contribution of assets that constitute a business (based on the definition in IFRS 3 Business Combinations),
- They require the partial recognition of gains and losses when the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture.

On December 17, 2015, the IASB published the final amendments to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The amendments defer the effective date until the research project on equity accounting has concluded.

Management does not expect future application of this amendment to have a significant impact on the consolidated financial statements of Grupo Security S.A. and subsidiaries.

CLASSIFICATION AND MEASUREMENT OF SHARE-BASED PAYMENT TRANSACTIONS (AMENDMENTS TO IFRS 2)

On June 20, 2016, the IASB published final amendments to IFRS 2 Share-Based Payment that clarifies the classification and measurement

of share-based payment transactions. The amendments address several requests that the IASB and the IFRS Interpretations Committee received and that the IASB decided to deal with in one, combined, narrow-scope project.

The amendments are effective for annual periods beginning on or after January 1, 2018. Early adoption is allowed. The amendments are to be applied prospectively. However, retrospective application is allowed if this is possible without the use of hindsight. If an entity applies the amendments retrospectively, it must do so for all of the amendments described above.

Management does not expect future application of this amendment to have a significant impact on the consolidated financial statements of Grupo Security S.A. and subsidiaries.

APPLYING IFRS 9 FINANCIAL INSTRUMENTS WITH IFRS 4 INSURANCE CONTRACTS (AMENDMENTS TO IFRS 4)

On September 12, 2016, the IASB published Applying IFRS 9, Financial Instruments with IFRS 4, Insurance Contracts. The amendments are intended to address concerns about the different effective dates of IFRS 9 and the new insurance contracts standard.

As it has become obvious that the effective date of IFRS 17 can no longer be aligned with the effective date of IFRS 9 *Financial Instruments*, there have been calls for the IASB to delay application of IFRS 9 for insurance activities and align the effective date of IFRS 9 for those activities with the effective date of the new insurance contracts standard.

The amendments provide two options for entities that issue insurance contracts within the scope of IFRS 4: An option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach, and an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.

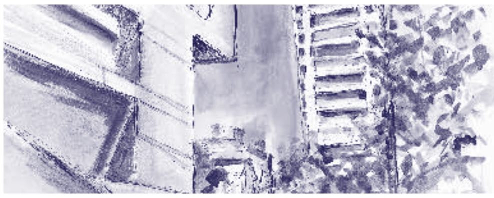
An entity applies the overlay approach retrospectively to qualifying financial assets when it first applies IFRS 9. Application of the overlay approach requires disclosure of sufficient information to enable users of financial statements to understand how the amount reclassified in the reporting period is calculated and the effect of that reclassification on the financial statements.

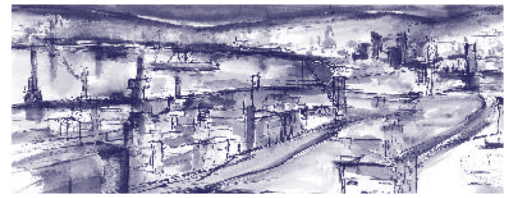
An entity applies the deferral approach for annual periods beginning on or after January 1, 2018. Application of the deferral approach needs to be disclosed together with information that enables users of financial statements to understand how the insurer qualified for the temporary exemption and to compare insurers applying the temporary exemption with entities applying IFRS 9. The deferral can only be made use of for the three years following January 1, 2018.

The management of Grupo Security S.A. and subsidiaries has not had the opportunity to evaluate the potential impact of adopting this new standard.

TRANSFERS OF INVESTMENT PROPERTY (AMENDMENTS TO IAS 40)

On December 8, 2016, the IASB issued Transfers of Investment Property (Amendments to IAS 40) to clarify transfers of property to, or from, investment property.





The amendments to IAS 40 Investment Property are:

Paragraph 57 has been amended to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.

The list of evidence in paragraph 57(a) – (d) was designated as a non-exhaustive list of examples instead of the previous exhaustive list.

The amendments are effective for annual periods beginning on or after January 1, 2018. Early adoption is allowed.

Management does not expect future application of this amendment to have a significant impact on the consolidated financial statements of Grupo Security S.A. and subsidiaries.

ANNUAL IMPROVEMENTS CYCLE 2014 - 2016

On December 8, 2016, the IASB issued Annual Improvements Cycle 2014-2016. The annual cycles include amendments to IFRS 1 and IAS 28, for which application is not yet mandatory. The annual improvements also include amendments to IFRS 12, which is mandatory for the Company in the current year. See Note Z.a) for details on application.

The amendments to IAS 28 clarify that the option for a venture capital organization or other qualifying entity of measuring investments in associates and joint ventures at fair value through profit and loss is available on an investment-by-investment basis for each associate or joint venture and the choice must be made upon initial recognition of the associate or joint venture. An entity which is not itself an investment entity, but has an interest in a joint venture or associate that is an investment entity, has the option of keeping the fair value measurement applied by its associate. The amendments make a similar clarification that this election is available for each associate and joint venture that is an investment entity. The amendments apply retrospectively and early adoption is allowed.

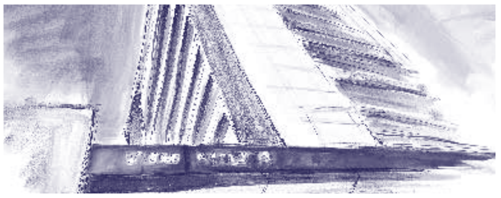
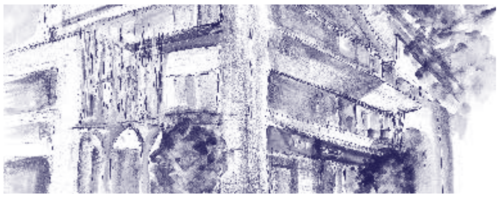
The amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after January 1, 2018.

Management does not expect future application of this amendment to have a significant impact on the consolidated financial statements of Grupo Security S.A. and subsidiaries.

PREPAYMENT FEATURES WITH NEGATIVE COMPENSATION (AMENDMENTS TO IFRS 9)

On October 12, 2017, the IASB published Prepayment Features with Negative Compensation (amendments to IFRS 9) to address certain topics related to the classification of certain specific prepayable financial assets under IFRS 9, amending the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

The amendments to IFRS 1 are effective for annual periods beginning on or after January 1, 2019. Early application is allowed so entities can apply the amendments together with IFRS 9 if they wish so.

Management does not expect future application of this amendment to have a significant impact on the consolidated financial statements of Grupo Security S.A. and subsidiaries.

LONG-TERM INTERESTS IN ASSOCIATES AND JOINT VENTURES (AMENDMENTS TO IAS 28)

On October 12, 2017, the IASB published Long-term Interests in Associates and Joint Ventures (amendments to IAS 28) to clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

Management does not expect future application of this amendment to have a significant impact on the consolidated financial statements of Grupo Security S.A. and subsidiaries.

On December 12, 2017, the IASB issued Annual Improvements Cycle 2015-2017. The annual improvements include amendments to the following standards:

IFRS 3 and IFRS 11 Amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it must remeasure previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, it does not remeasure previously held interests in that business.

IAS 12 The amendments clarify that all income tax consequences of dividends (i.e. distribution of profits) should be recognized in profit or loss, regardless of how the tax arises.

IAS 23 The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

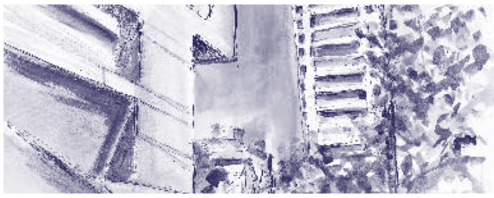
The amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 are effective for annual periods beginning on or after January 1, 2019.

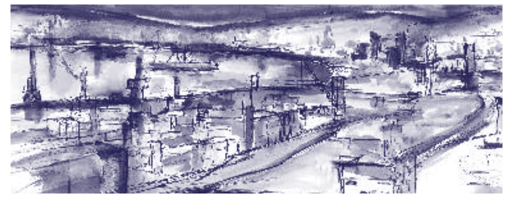
The management of Grupo Security S.A. and subsidiaries has not had the opportunity to evaluate the potential impact of adopting this new standard.

IFRIC 22 FOREIGN CURRENCY TRANSACTIONS AND ADVANCE CONSIDERATIONS

On December 8, 2016, the IASB issued IFRIC 22 "Foreign Currency Transactions and Advance Considerations". IFRIC 22 establishes how to determine the 'date of the transaction' for the purpose of determining the exchange rate to use in the initial recognition of an asset, expense or income when the consideration for that item has been paid or received in advance in foreign currency, which results in recognition of a non-monetary asset or non-monetary liability (e.g. a non-reimbursable deposit or deferred income).

The interpretation specifies that the date of the transaction is the date on which the entity initially recognizes the non-monetary asset or non-monetary liability that arises from the advanced payment or receipt of the consideration. If there are multiple payments or receipts in advance, the interpretation requires the entity to determine a date of transaction for each payment or receipt.





IFRIC 22 is effective for annual periods beginning on or after January 1, 2018. Early adoption is allowed. Entities can apply the interpretation either prospectively or retrospectively. Specific transitional considerations are established for prospective application.

Management does not expect future application of this new interpretation to have a significant impact on the consolidated financial statements of Grupo Security S.A. and subsidiaries.

IFRIC 23 UNCERTAINTY OVER INCOME TAX TREATMENTS

On June 7, 2017, the IASB issued IFRIC 23 "Uncertainty over Income Tax Treatments". The interpretation establishes how to determine a tax position when there is uncertainty over income tax treatments.

IFRIC 23 requires an entity to:

determine whether whether uncertain tax positions should be evaluated independently or together;

evaluate whether whether the taxation authority will accept an uncertain tax treatment that an entity used or plans to use in its income tax filing:

If accepted, the entity must determine its book-basis tax position consistently with the tax treatment it used or plans to use in its income tax filing. If not accepted, the entity must reflect the effect of the uncertainty in the determination of its book-basis tax position.

IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. Entities may apply IFRIC 23 using a full retrospective approach, or a modified retrospective approach without restating comparatives.

The management of Grupo Security S.A. and subsidiaries has not had the opportunity to evaluate the potential impact of adopting this new standard.

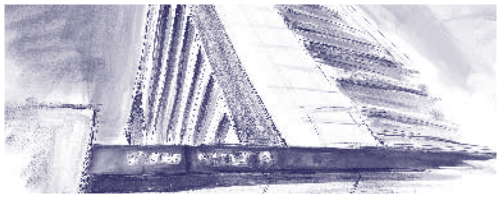
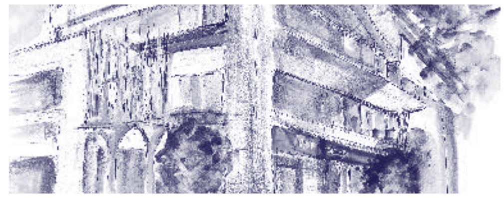
2.3 BASIS OF CONSOLIDATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In the preparation of the consolidated financial statements, Grupo Security considers all those entities in which it holds a direct or indirect interest of 50% or more. Grupo Security also considers those entities in which the Company has the ability to exercise effective control, without considering the ownership percentages in the consolidated companies. According to IFRS 10, control is understood as the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Grupo Security consolidates these entities on a line-by-line basis. Consequently, all balances and effects of significant transactions between the consolidated companies are eliminated.

In addition, the participation of third parties in the equity of the consolidated companies is presented in the item "non-controlling interest" in equity in the consolidated statement of financial position; and profit or loss is presented as "profit (loss) attributable to non-controlling interest" in the statement of comprehensive income and the statement of changes in equity.

In consolidating foreign subsidiaries, IAS 21 is used to translate the financial statements of Peruvian entities.

The companies included in the scope of consolidation as of December 31, 2017 and 2016, are as follows:

COMPANY NAME	TAXPAYER ID NUMBER	DIRECT INTEREST
Factoring Security S.A.	96.655.860-1	99.9980%
Banco Security S.A.	97.053.000-2	99.9748%
Inmobiliaria Security S.A.	96.786.270-3	99.9990%
Inversiones Seguros Security Limitada	78.769.870-0	99.9995%
Asesorías Security S.A.	96.803.620-3	99.7818%
Capital S.A.	96.905.260-1	99.9853%
Securitizadora Security S.A.	96.847.360-3	99.9600%

For the consolidation of the subsidiaries Banco Security and Vida Security, the Group has used the financial statements prepared based on the specific applicable accounting criteria in conformity with the option established by the Financial Market Commission (CMF).

2.4 VALUATION AT AMORTIZED COST

Amortized cost is the amount at which an asset or liability is measured at initial recognition, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the amount at maturity.

For financial assets, amortized cost includes corrections for any impairment that may have occurred.

2.5 FAIR VALUE

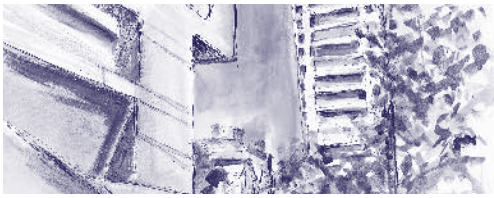
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. When an instrument does not trade on an active market, the Company determines the fair value using techniques to estimate a fair price, such as interest rate curves based on market transactions or comparison with similar instruments.

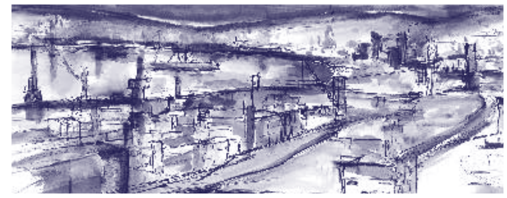
FAIR VALUE HIERARCHY

LEVEL 1: Quoted (unadjusted) price in markets for identical assets and liabilities;
LEVEL 2: Inputs that are not quoted prices included in Level 1 that are observable for the asset or liability;
LEVEL 3: Inputs that are not based on observable markets.

2.6 VALUATION AT ACQUISITION COST

Acquisition cost is defined as the cost of the transaction to acquire the asset, less any impairment losses that may exist.





The accompanying consolidated financial statements have been prepared using amortized cost criteria except for:

- Derivative financial instruments measured at fair value.
- Instruments held for trading measured at fair value.
- Investments available for sale measured at fair value.
- For the Bank, some real estate within property, plant and equipment for which senior management has decided to use its appraised value as the attributed cost for first-time adoption in conformity with the SBIF Compendium of Accounting Standards.

2.7 GOODWILL

Goodwill generated upon consolidation represents the difference between the acquisition cost and Grupo Security's share of the fair value of the identifiable assets and liabilities of a subsidiary or jointly controlled entity as of the acquisition date.

Goodwill generated prior to the date of transition from Chilean GAAP to IFRS was maintained at its net value recorded at the transition date. Goodwill generated after the transition date was measured at its purchase cost.

At each year end, it is tested for any impairment that reduces its recoverable amount to below its carrying amount. If appropriate, this difference is recorded in the consolidated statement of income under "administrative expenses" in accordance with IFRS 3.

2.8 INTANGIBLE ASSETS OTHER THAN GOODWILL

Expenses for in-house developed software are recognized as an asset when the Group is able to demonstrate its intent and ability to complete development and use it within the organization to generate future economic benefits and it can reliably measure the costs of completing this development.

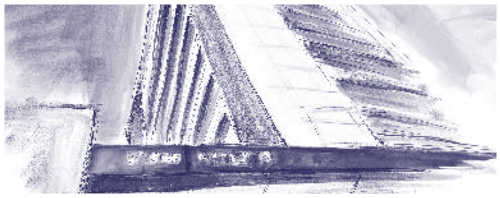
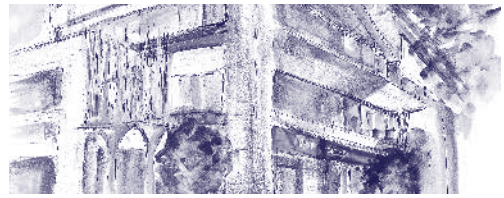
Capitalized costs of in-house developed software include all costs directly attributable to developing the software and they are amortized over their estimated useful lives.

Computer software purchased by the Group is recorded at cost less accumulated amortization and accumulated impairment losses.

Useful life has been determined based on the period of time over which economic benefits are expected. The amortization period and method are reviewed annually, and any change is treated as a change in an estimate.

Maintenance costs for an intangible asset are recorded with a charge to profit or loss in the year in which they are incurred. Amortization of intangible assets is recorded on a straight-line basis as of the date when the asset is available for use.

Any subsequent expenses in software assets are capitalized only when they increase the future economic benefit for the specific asset. All other expenses are recorded in profit or loss as incurred.

The Company performs impairment tests if there are signs that the carrying value exceeds the recoverable value of the intangible asset.

2.9 PROPERTY, PLANT AND EQUIPMENT

Grupo Security accounts for property, plant and equipment using the cost model. The cost model is an accounting method in which property, plant and equipment is recorded at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is determined using the straight-line method over the cost of the assets less their residual value. The land on which buildings and other facilities are built is considered to have an infinite useful life and, therefore, is not depreciated.

Depreciation for the year is recorded in profit or loss for the year and calculated based on the estimated useful lives of the respective assets.

Any gain or loss from the disposal or retirement of an asset is calculated as the difference between the sales price and the asset’s carrying amount and is recognized in profit or loss.

The estimated useful life of each of the items of property, plant and equipment for 2017 and 2016 is as follows:

	UNIT	MINIMUM LIFE OR RATE (YEARS)
Buildings	years	60 to 80
Plant and equipment	years	3 to 5
Motor vehicles	years	3
Other property, plant and equipment	years	2 to 5

2.10 LEASES, BANK

Lease receivables, included in "loans to customers", are periodic payments from lease agreements that meet certain requirements to qualify as finance leases and they are presented at nominal value net of unaccrued interest at year end.

2.11 ASSETS RECEIVED IN LIEU OF PAYMENT, BANK

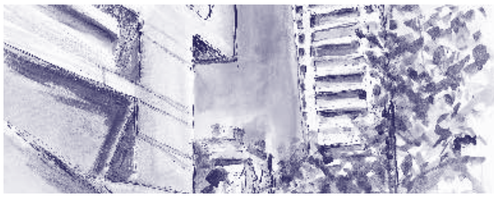
Assets received in lieu of payment are classified within "other assets" at the lesser of their foreclosure cost and their fair value less required regulatory write-offs and are presented net of provisions.

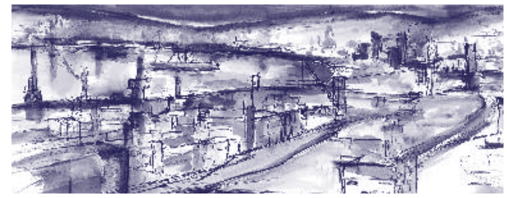
The SBIF requires regulatory write-offs if the asset is not sold within one year of foreclosure.

2.12 IMPAIRMENT OF FINANCIAL AND NON-FINANCIAL ASSETS

At each closing date of the consolidated statement of financial position, Grupo Security reviews the carrying amount of its assets subject to impairment to determine whether there are indicators that such assets may be impaired. If any indicators are detected, the recoverable amount of the asset is estimated in order to calculate the amount of the impairment loss (if any). If the assets do not generate cash flows on their own that are independent from other assets,

Grupo Security calculates the recoverable amount of the cash generating unit to which the asset belongs.





For banking assets, assets that are individually significant are assessed individually to determine whether objective evidence of impairment exists. Financial assets that are not individually significant and have characteristics similar to other assets are assessed as a group.

The recoverable amount is the higher of the asset's fair value less cost to sell and the asset's future cash flows. When assessing the estimated future cash flows, the Company discounts them to present value using a discount rate that shows the current market valuations regarding the time value of money and the specific risks of the asset for which the estimated future cash flows have not been adjusted.

If the Company estimates that the recoverable value of an asset (or a cash generating unit) is below its carrying amount, then the carrying amount of the asset (or cash generating unit) is reduced to its recoverable value. The Company, therefore, immediately recognizes an impairment loss in profit or loss, except when the relevant asset is recorded at a restated amount, in which case the impairment loss is recorded as a decrease to the revaluation reserve.

When an impairment loss is reversed in subsequent periods, the carrying amount of the asset (or cash generating unit) is increased to the estimated recoverable value. The impairment loss previously recognized is reversed with a credit to profit or loss, except when the relevant asset is recorded at a restated amount, in which case the reversal of the impairment loss is recorded as an increase in the value of the revaluation reserve.

An intangible asset with an indefinite useful life is reviewed annually to determine whether any indicators of impairment exist, or more often if events or changes in circumstances indicate that the book value may be impaired.

For the Bank, the impairment of financial assets available for sale is determined in relation to their fair value.

All impairment losses are recognized in profit or loss. An impairment loss can only be reversed if it can be related objectively to an event occurring after the impairment loss was recognized.

For our insurance subsidiary, impairment of assets is as follows:

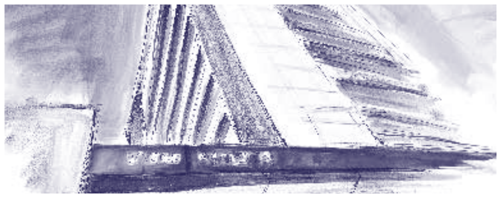
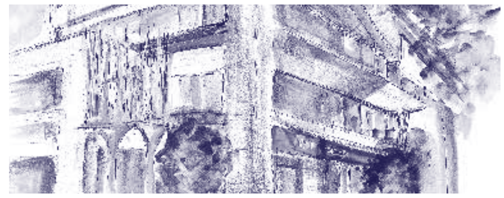
The Financial Risk Area, in coordination with Investment Management, has defined a series of key indicators to discern whether the value of an asset may be impaired at a certain level. The Financial Risk Area continuously monitors these indicators in order to duly alert any probable impairment of an asset. When the alert is given, all additional information available will be gathered in order to confirm and explain this impairment.

This must include an explanation of the models used for all investments subject to impairment as well as insurance accounts such as other premiums receivable, claims receivable, participation of reinsurance in technical reserves, coinsurance assets, etc.

A) FINANCIAL INVESTMENTS AND INVESTMENT PROPERTY

The Financial Risk Area will report to the committee the following assets indicated as possibly impaired as a consequence of alerts reported by key indicators:

i) Those that have changed their risk rating during the period, especially those that have lowered their rating from BBB.
ii) Those presenting the lowest market values with respect to their par value.
iii) Those presenting the lowest market values with respect to their IRR. The indicator in terms of loss amount (unrealized loss) will also be submitted.
iv) Those presenting the largest decreases in market prices during the year or another relevant period.
v) Those presenting the largest credit risk spread.

vi) Assets with past due payments.

vii) Those presenting lower appraisal values with respect to the value of the asset or agreement (real estate investments).

In addition, the committee will consider the following aspects:

i) The provision chart based on risk ratings included in CMF General Standards Nos. 311 and 316, which establishes provisions for assets with a rating under BBB.

ii) Whether there is a reliable market value for the asset itself or another directly related asset (e.g. the issuer's stock). In other words, when the number of market transactions and amounts correspond to customary transactions and amounts for the asset unless there is a sufficient number of transactions to expect that the price reasonably represents the value of the asset.

iii) The existence of changes in the market or economic sector that may objectively alter the future cash flows from the assets. These changes may be of a legal or commercial nature or related to natural phenomena, fraud, etc.

iv) News published in the media and essential events published by the CMF.

v) Issues discussed and approved in bondholders' meetings, monitoring committees, etc. in which the Company participates.

For real estate investments, the following will be considered:

i) The existence of current insurance and recent appraisals.

ii) Restoration plan for asset in case of loss due to natural causes (fire, earthquake, flood, terrorism, etc.).

iii) The actual bids for the asset in particular or commercial transactions of a similar nature.

iv) Changes in the zoning plan for the sector and authorized adjacent projects.

v) Changes in the capacity of alternative uses for the asset and in the generation of long-term cash flows compared to those included in the project.

vi) Sufficiency of the contractual insurance margin measured between the percentage of the asset not funded by the Company and the decrease in the market value of the asset based on a recent appraisal.

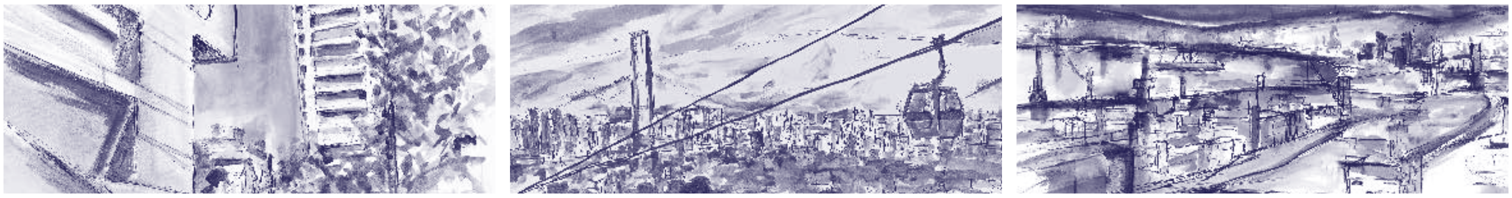
For purposes of estimating the impairment of endorsable mortgage loans, the subsidiary Vida Security has decided to use the model defined by the CMF in General Standard No. 311 dated June 28, 2011. In addition, for retiree loans, Vida Security has decided to maintain the standard defined in General Standard No. 208 dated October 12, 2007 and amendments.

B) INTANGIBLE ASSETS, FURNISHINGS AND EQUIPMENT

In conformity with IAS 36, Vida Security reviews the carrying amount of assets subject to impairment in order to determine whether there are any indicators that such assets could be impaired. If any indicators are detected, the recoverable amount of the asset is estimated in order to calculate the amount of the impairment loss (if any). If the assets do not generate cash flows on their own that are independent from other assets, Vida Security calculates the recoverable amount of the cash generating unit to which the asset belongs.

If the Company estimates that the recoverable amount of an asset is below its carrying amount, then the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is immediately recognized as an expense. When an impairment loss is reversed in subsequent periods, the carrying amount of the asset is increased to the estimated recoverable value. The impairment loss is immediately reversed as income.

An intangible asset with an indefinite useful life is reviewed annually to determine whether any indicators of impairment exist, or more often if events or changes in circumstances indicate that the book value may be impaired.



C) INSURANCE PREMIUMS

For Vida Security, impairment related to insurance premiums is estimated in conformity with CMF Ruling No. 1,499. Under this ruling, the provision for estimated loss is recorded in profit or loss depending on whether the premium is secured by notes, whether it has payment specification and based on the aging of the debt.

D) REINSURANCE CLAIMS RECEIVABLE

Considering that the Company's current reinsurers have historically incurred no significant delays, caused by contractual non-compliance, in payments for ceded claims, the Company has decided to record impairment of the reinsurance liability in accordance with General Standard No. 848 on provisions for reinsurance claims receivable.

This means that reinsurance assets will be impaired in proportion to the claims provisioned for in relation to total reinsurance claims receivable (for insurance reinsured with the reinsurer for which the provision has been established).

In regard to the impairment of the reinsurance share of technical reserves, to date there is no objective evidence of impairment of any reinsurers with which Vida Security operates. All reinsurers meet the minimum selection requirements in the Company's reinsurance policy, duly approved by the Board of Directors, which calls for a risk rating of A or higher and no payment contingencies involving the Company. Thus, the subsidiary has no impairment provision in the reinsurance share of technical reserves.

E) LOANS

For the subsidiary Vida Security, the impairment of retiree loans is estimated under CMF General Standard No. 208 and amendments.

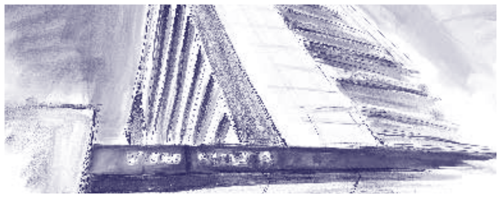
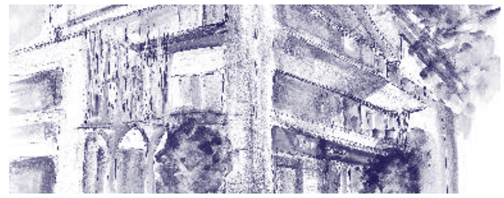
2.13 VALUATION OF FINANCIAL INSTRUMENTS

The financial investments held by Grupo Security through the Bank are classified and valued as follows:

Financial instruments held for trading are securities, which are either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or securities included in a portfolio in which there is a pattern of short-term profit-making.

Financial instruments held for trading are recorded at fair value based on year-end market prices. Gains or losses from fair value adjustments, as well as gains or losses from trading activities and accrued interest and indexation, are included in "financial instruments held for trading" within "net financial operating income (loss)" in the statement of income, as specified in detail in Note 27 to the Bank's consolidated financial statements.

All purchases or sales of financial instruments held for trading that must be delivered within a period of time established by market regulations or conventions are recognized on the trading date, which is the date on which the purchase or sale of the asset is agreed upon. Any other purchase or sale is treated as a derivative (forward) until settlement occurs.

A) INVESTMENT SECURITIES

Investment securities are classified into two categories: Held to maturity and available for sale. Investments held to maturity are those instruments that the Bank has the ability and intent to hold to maturity. All other investment securities are considered available for sale. As of the date of issuance of these financial statements, the Bank does not have any financial assets held to maturity.

Investment securities are initially measured at cost, including transaction costs.

Investments available for sale are subsequently recorded at fair value based on market prices or valuations obtained from models. Unrealized gains or losses arising from changes in their fair value are recognized with a charge or credit to equity accounts. When these investments are disposed of or impaired, the amount of the fair value adjustments accumulated in equity is transferred to profit or loss and reported in "sale of financial assets available for sale" in "net financial operating income (loss)" in the statement of income, as specified in detail in Note 27 to the Bank's financial statements.

Investments held to maturity are recorded at cost plus accrued interest and indexation, less impairment provisions recorded when the amount recorded is greater than the estimated recoverable amount. As of December 31, 2017 and 2016, the Bank did not have any investments held to maturity.

Interest and indexation on held-to-maturity and available-for-sale instruments are included in "interest and indexation income", specified in detail in Note 25 to the Bank's financial statements.

Investment securities used as accounting hedges are adjusted under hedge accounting rules.

All purchases or sales of investment securities that must be delivered within a period of time established by regulations or market conventions are recognized on the trading date, which is the date on which the purchase or sale of the asset is agreed upon. Any other purchase or sale is treated as a derivative (forward) until settlement occurs.

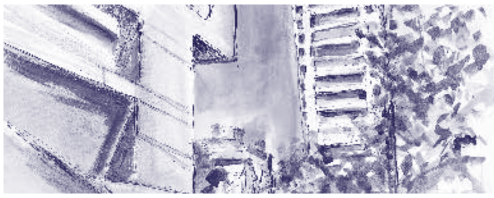
B) BORROWINGS, LOANS AND RECEIVABLES GENERATED BY THE COMPANY

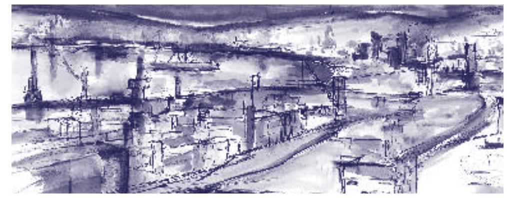
These correspond to financial assets originated by the companies in order to provide cash financing or services directly to a debtor.

Loans and receivables originated by Grupo Security are accounted for at amortized cost recognizing accrued interest in profit or loss in accordance the effective interest method. Amortized cost is understood as the initial cost less principal repayments received.

The effective interest rate is the rate that sets the value of a financial instrument equal to the sum of its cash flows estimated for all concepts over its remaining useful life.

The fair value of a financial instrument is defined as the amount at a given date for which it could be bought or sold on that date between two knowledgeable, willing parties in an arm's length transaction. The most objective and typical reference of fair value of a financial





instrument is the price that is paid in an organized, transparent and deep market. If this market price cannot be estimated objectively and reliably for a certain financial instrument, the Company will estimate its fair value in reference to the most recent transactions of similar instruments or at the present value of all future cash flows (receipts or disbursements), discounted using a market interest rate for similar financial instruments (same term, currency, interest rate and equivalent risk rating).

2.14 FINANCIAL DERIVATIVE CONTRACTS

GRUPO SECURITY EXCEPT FOR THE BANK

Due to the types of transactions performed by Grupo Security, except for the Bank, the Company is exposed to financial risks related to foreign exchange and interest rate fluctuations. To mitigate the aforementioned currency and interest rate risks, Grupo Security, except for the Bank, uses currency forwards, primarily US dollar, and interest rate forwards.

These contracts are classified as derivative instruments. Such instruments are initially recognized at fair value on the date on which the derivative contract is signed and subsequently remeasured at fair value. Derivatives are recorded as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gain or loss arising from changes in the fair value of derivative instruments during the year is recorded in profit or loss.

The subsidiary Vida Security enters into forwards during the period in order to cover changes in the exchange rate that may adversely affect its assets in foreign currency (US dollars), which are at fair value at year end in accordance with CMF General Standard No. 311. Changes in value during the year are recorded in profit or loss.

All derivatives carried at fair value may be quoted in the market and the fair value is calculated based on standard financial formulas by using market parameters such as exchange rate, volatilities or discount rates.

A) BANK

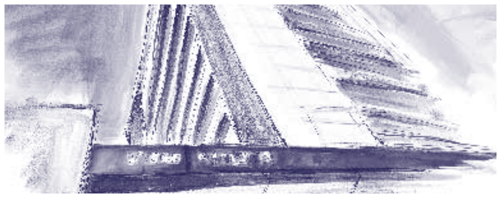
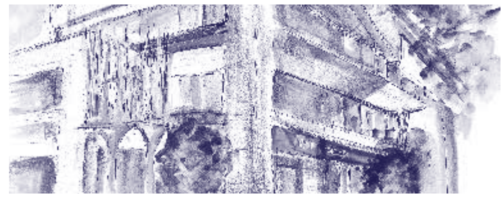
Derivative instruments, which include foreign currency and UF forwards, interest rate futures, currency and interest rate swaps and options, and other financial derivative instruments, are recorded initially in the statement of financial position at cost (including transaction costs) and subsequently measured at fair value. Fair value is obtained from market quotes, discounted cash flow models and option valuation models, as appropriate. Derivative instruments are reported as an asset when their fair value is positive and as a liability when negative, under “financial derivative instruments”.

Certain embedded derivatives in other financial instruments are treated as separate derivatives when their risk and characteristics are not closely related to those of the main contract and the latter is not recorded at fair value with its unrealized gains and losses included in profit or loss.

At inception, a derivative contract must be designated by the Bank as a derivative instrument for trading or hedging purposes.

Changes in fair value of derivative instruments held for trading purposes are included under “trading derivatives” in “net financial operating income (loss)”, in the consolidated statement of income.

If a derivative instrument is classified as a hedging instrument, it can be: (1) a hedge of the fair value of existing assets or liabilities or firm commitments, or (2) a hedge of cash flows related to existing assets or liabilities or forecasted transactions. A hedge relationship for

hedge accounting purposes must meet all of the following requirements: (a) at its inception, the hedge relationship has been formally documented; (b) it is expected that the hedge will be highly effective; (c) the effectiveness of the hedge can be measured reasonably; and (d) the hedge is highly effective with respect to the hedged risk, continuously throughout the entire hedge relationship.

Certain derivative transactions that do not qualify for hedge accounting are treated and reported as derivatives for trading purposes, even though they provide an effective hedge for managing risk positions.

When a derivative instrument hedges the risk of changes in the fair value of an existing asset or liability, the asset or liability is recorded at its fair value with respect to the specific hedged risk. Gains or losses from fair value adjustments, of both the hedged item and the derivative instrument, are recognized in profit or loss for the year.

Should the hedged item in a fair value hedge be a firm commitment, changes in the fair value of the commitment with respect to the hedged risk are recorded as an asset or liability against profit for the year. Gains or losses from fair value adjustments of the derivative instrument are recognized in profit or loss. When an asset or liability is acquired as a result of the commitment, the initial recognition of the asset or liability acquired is adjusted to incorporate the accumulated effect of the valuation at fair value of the firm commitment, which was previously recorded in the statement of financial position.

When a derivative hedges the risk of changes in the cash flows of existing assets or liabilities or forecasted transactions, the effective portion of changes in the fair value related to the hedged risk is recorded in equity.

Any ineffective portion is directly recorded in profit or loss. The accumulated amounts recorded in equity are transferred to profit or loss when the hedged item affects profit or loss.

When an interest rate fair value hedge is performed on a portfolio basis and the hedged item is an amount instead of individualized assets or liabilities, gains or losses from fair value adjustments, for both the hedged portfolio and the derivative instrument, are recorded in profit or loss for the year, but the fair value adjustment of the hedged portfolio is reported in "financial derivative instruments", either in assets or liabilities, according to the position of the hedged portfolio at that moment in time.

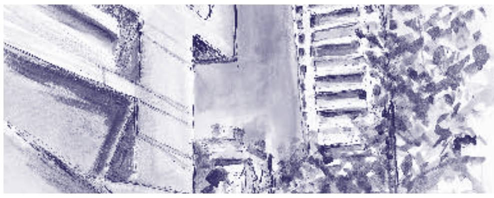
When a cash flow hedge is used to hedge exposure to changes in cash flows that are attributed to a particular risk related to an asset or liability involved in a transaction that is predicted to be highly likely, the effective portion of changes in the fair value with respect to the hedged risk is recognized in equity, while the ineffective portion is recognized in profit or loss for the year.

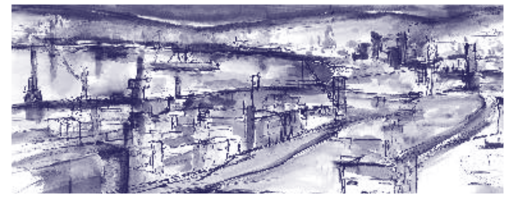
2.15 FINANCIAL INVESTMENTS - VIDA SECURITY

The Company's financial investments are valued in conformity with CMF General Standard No. 311 and based on the principles and criteria included in IFRS 9 and IAS 39, as applicable, for the valuation of investments and their recognition in profit or loss or equity.

In December 1998, the IASB issued IAS 39 Financial Instruments: Recognition and Measurement, which establishes the accounting principles for the recognition and measurement of financial assets and liabilities, and some purchase-sale contracts for non-financial elements.

On November 12, 2009, the IASB issued IFRS 9 Financial Instruments, which introduces new requirements and specifies how an entity should classify and measure financial assets. This standard requires that all financial assets be classified on the basis of an entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are measured at amortized cost or fair value and only those financial assets measured at amortized cost are tested for impairment.





The IASB has not established a mandatory effective date for IFRS 9; however, CMF General Standard No. 311 established early mandatory application for life and general insurance companies from January 1, 2012, and provided instructions regarding the valuation of financial investments that insurance and reinsurance companies may make. In accordance with that standard, the Company has classified its investments as follows:

A) FINANCIAL ASSETS AT FAIR VALUE

The fair value of a financial instrument is defined as the amount for which it could be bought or sold on a given date between two knowledgeable, willing parties in an arm's length transaction.

All of the Company's financial assets other than those detailed in section b) below are measured at fair value.

The Company does not have any in-house developed valuation models for determining the fair value of its financial investments and, therefore, in conformity with CMF General Standard No. 311, it uses the following fair value valuation standards:

I) LISTED SHARES WITH ADJUSTED PRESENCE:

Shares recorded with annual adjusted presence over 25% or with a market marker in conformity with Section II and III of General Standard No. 327 are valued in accordance with the following calculation. Within the last 180 trading days before the day of the calculation, the number of days in which total daily exchange transactions have reached a minimum amount equivalent to UF 1,000, in conformity with the value of that unit each of those days, will be calculated. That number will be divided by 180 and the resulting quotient will be multiplied by 100 to get a percentage.

II) OTHER SHARES:

Shares not listed or traded on stock markets are measured at their carrying amount at the reporting date.

III) INVESTMENT FUND UNITS:

Investment fund units with annual adjusted presence of 20% or more are valued at the weighted average of the transactions of the last trading day, corresponding to the year end, considering the transactions in which an amount equal to or greater than UF 150 has been traded.

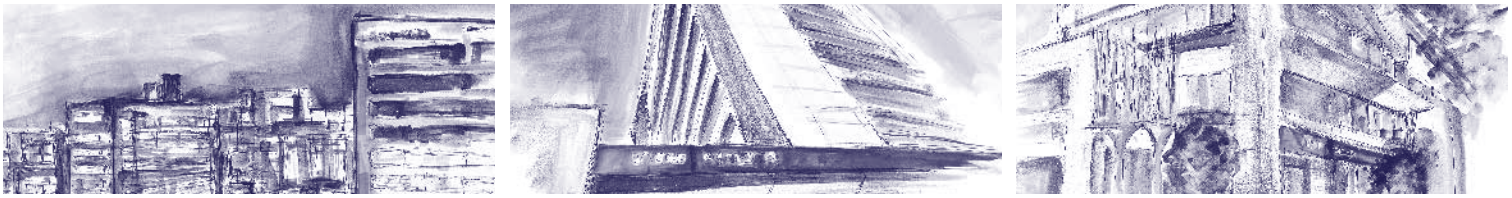
Investment fund units without presence or with low presence are valued at the unit value, which is reported monthly by the fund as equity divided into the number of units, regardless of whether this is the carrying amount or a financial value. It is assumed that if the fund reports its financial statements under IFRS, then its assets and liabilities will be valued at fair value as appropriate. Therefore, the reported unit value will be an appropriate estimate of the fair value of the unit.

IV) MUTUAL FUND UNITS:

Mutual fund units are measured at the redemption value of the units at the reporting date; differences between this value and the closing amount recorded in the prior financial statements are recorded in profit or loss.

V) FOREIGN INVESTMENT FUND AND MUTUAL FUND UNITS:

Investments in these funds are measured at the value of the unit on the last working day of the month of the financial statement close.



VI) DERIVATIVES:

The Company enters into forwards during the period in order to cover changes in the exchange rate that may adversely affect its assets in foreign currency (US dollars), which are at fair value at year end in accordance with CMF General Standard No. 311. Changes in value during the year are recorded in profit or loss.

All derivatives carried at fair value may be quoted in the market and the fair value is calculated based on standard financial formulas by using market parameters such as exchange rate, volatilities or discount rates.

B) FINANCIAL ASSETS AT AMORTIZED COST

The Company's policy is to maintain a portfolio of long-term fixed income financial and real estate securities sufficient to back total annuity reserves and intended to provide a legal reserve for cash flows as tight as possible in the tranches where feasible (tranches 1 to 7). In accordance with General Standard No. 311, these investments are recorded at amortized cost. Life annuity reserves represent approximately 67% of the Company's total liabilities.

For purposes of classifying financial assets at amortized cost, the Company verifies that the securities have the features of a loan and confirms that the business model considers the recovery of the portfolio by means of contractual cash flows.

I) FIXED INCOME SECURITIES:

These are measured at their present value estimated based on the same discount rate used to determine the price of the instrument at the time of acquisition (IRR). This rate is obtained by setting the acquisition costs for the instrument, plus initial transaction costs, equal to its future cash flows.

The difference between the par value and the present value is amortized over the life of the instrument.

II) LOANS:

These are loans granted to individuals in accordance with the provisions of CMF General Standard No. 208 and amendments. Loans are recorded at the amount of outstanding payments plus accrued but unpaid interest.

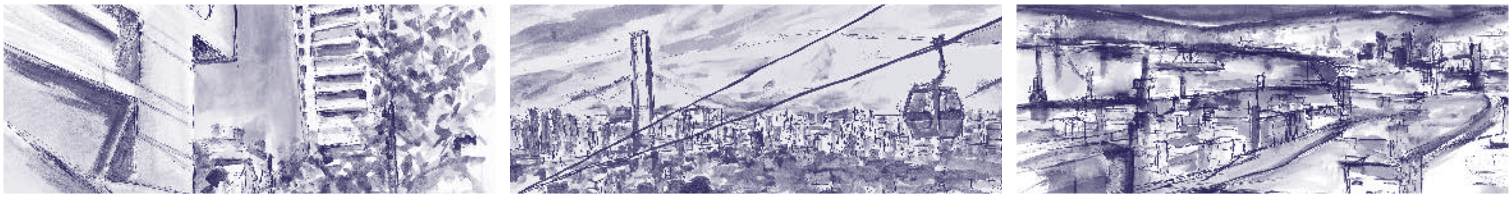
III) FIXED INCOME STRUCTURED NOTES:

The subsidiary Vida Security maintains fixed income investments abroad (structured notes) which are measured using the same discount rate used to determine the price of the instrument at the time of the purchase.

C) HEDGING TRANSACTIONS

Hedging transactions correspond to the acquisition or sale of a financial asset that is related to the hedged instrument.

Vida Security has a general policy to record derivatives at fair value with the exception of cross currency swaps, which are measured at amortized cost in conformity with CMF General Standard No. 200 and amendments, as they perfectly cover the future cash flows from long-term fixed income securities that back annuity reserves.



D) INVESTMENTS FOR INSURANCE WITH SAVINGS COMPONENTS (CUI)

Investments backing reserves for insurance with savings components (CUI in Spanish) are classified as instruments at fair value for funds in which the return on the policy is related to the performance of a certain investment portfolio managed by the Company or subject to a financial indicator without a minimum return guarantee.

Fixed income investments backing reserves for CUI insurance, in which the funds are guaranteed by the Company, are valued at amortized cost, as the investments were purchased and are held in order for their accrued cash flows to cover the guaranteed rate for these funds. In compliance with the IFRS conditions to record an asset at amortized cost:

Equity instruments used to back this reserve include stocks, investment fund units and mutual fund units.

Debt securities at fair value are valued as follows:

I) LOCAL DEBT SECURITIES:

Local debt securities are valued at their present value resulting from deducting future cash flows of the instruments from the market IRR of the instruments at that date. That rate is the rate reported in the price vector provided by the Risk América Consultores, on the web page www.portal.aach.cl/Home.aspx, corresponding to the first working day after the year end.

If an instrument is not shown in the price vector, the underlying rate of the exchange transaction of the instrument within the six months before the year end is used; or if there are no transactions in that period, the real annual average internal rate of return (AIRR) of the month of the year end reported by Santiago Stock Exchange is used.

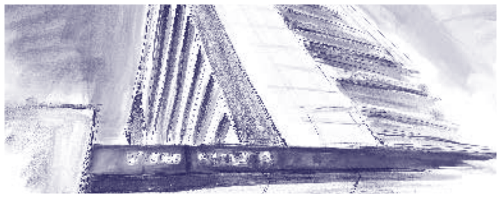
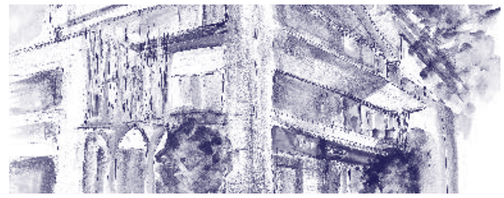
II) FOREIGN DEBT SECURITIES:

Foreign debt securities are valued in accordance with the quoted value of the security in international markets on the instrument's last day of trading before year end; or if there are no transactions, the Company uses the present value of the instrument deducted at the IRR of another instrument with similar characteristics that is representative of the market rate of the instrument held.

2.16 REPURCHASE AGREEMENTS AND SECURITIES LENDING

The Bank engages in repurchase and resale agreements for funding purposes. The Bank's investments that are sold with a repurchase obligation and that serve as a guarantee for the loan are included in "financial instruments held for trading" and the obligation is recorded in liabilities under "payables from repurchase agreements and securities lending". When financial instruments are purchased with a resale obligation, they are included within assets under "receivables from repurchase agreements and securities borrowing".

Repurchase and resale agreements are valued at amortized cost based on the transaction's IRR.

2.17 TIME DEPOSITS, DEBT INSTRUMENTS ISSUED, BANK

Deposits used as funding by the Bank, whatever the instrument or term, are valued at amortized cost. Other debt instruments issued are valued as of the placement date, including transaction costs, and subsequently valued at amortized cost using the effective interest method.

2.18 EQUITY AND FINANCIAL LIABILITIES

Financial liabilities and equity instruments are classified according to the respective contractual agreements and considering the economic environment.

An equity instrument is a contract representing a residual interest in the equity of Grupo Security S.A. after deducting all of the Group's liabilities.

Equity instruments and other instruments issued by Grupo Security S.A. are recorded at the amount received in equity, net of direct issuance costs.

The Group's main financial liabilities are classified as follows:

i) Financial liabilities held to maturity are recorded at amortized cost using the effective interest method.

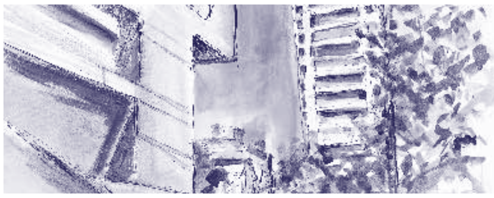
ii) Financial liabilities held for trading are stated at fair value, following the same criteria as financial assets held for trading. Gains and losses from fluctuations in fair value are included in profit or loss for the year.

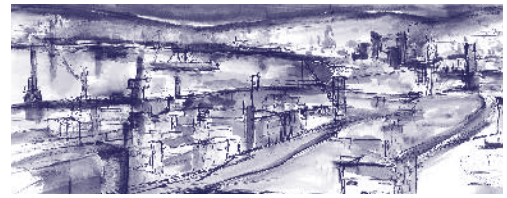
Bank loans accruing interest are recorded at the amount received, net of direct issuance costs. Finance costs, including commissions to be paid upon settlement or reimbursement and direct issuance costs, are recorded in profit or loss using the accrual method and the effective interest method.

2.19 DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

Grupo Security derecognizes a financial asset only when the contractual rights to the cash flows of the financial asset have expired or when the contractual rights to receive the cash flows of the financial asset are transferred during a transaction in which all risks and rewards are transferred.

Grupo Security derecognizes a financial liability only when the obligation specified in the corresponding contract has been extinguished (i.e. paid or settled).





2.20 GENERAL PROVISIONS

A) GENERAL

Provisions are recognized when:

i) Grupo Security has a present obligation as a result of a past event,

ii) It is probable that an outflow of resources including economic benefits will be required to settle the obligation,

iii) A reliable estimate can be made of the amount of the obligation.

B) OTHER PROVISIONS

These correspond to creditor balances covering present obligations at the date of the statement of financial position arising from past events from which actual explicit or constructive obligations can be derived in relation to their nature and for which the amount can be estimated.

The financial statements of Grupo Security include all material provisions for which the probability of paying the obligation is considered more than likely.

C) PROVISIONS FOR ASSETS AT RISK, BANK

Provisions required to cover risk of loan losses have been recorded in accordance with guidance and specific instructions from the SBIF. Effective loans are presented net of such provisions, while contingent loan provisions are presented in liabilities.

The Bank uses models or methods based on individual and group analyses of debtors to establish provisions for loan losses. These models and methods are in accordance with SBIF guidance and instructions.

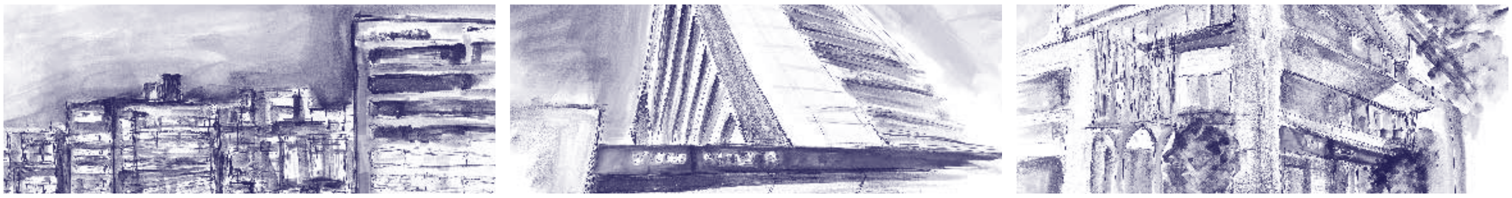
2.21 LOANS TO CUSTOMERS, PROVISIONS AND WRITE-OFFS, BANK

Loans to customers, both originally granted by the Bank and acquired, are non-derivative financial assets with fixed or defined charges that are not quoted on an active market and that the Bank has no intention of selling immediately or in the short term. They are valued initially at fair value plus incremental transaction costs and subsequently measured at amortized cost using the effective interest method.

A) IMPAIRED PORTFOLIO

The impaired portfolio includes loans for which concrete evidence exists that the borrowers will not meet some of their obligations in the agreed upon payment terms, regardless of the possibility of recovering amounts owed from collateral, through court collections or by negotiating different terms.

Within this context, the Bank will keep these loans in the impaired portfolio until the payment capacity or behavior has returned to normal. However, the Bank may continue to write off any individual loans.



B) PROVISIONS ON LOANS ASSESSED INDIVIDUALLY, BANK

An individual debtor assessment is used when the Bank needs to understand and analyze a customer, whether an individual or legal entity, in detail because of its size, complexity or exposure level. It requires a risk rating for each debtor.

For provisioning purposes, the Bank categorizes debtors and their loans and contingent loans into the appropriate category after assigning them to either the normal, substandard or default portfolio, which are defined as follows:

NORMAL AND SUBSTANDARD PORTFOLIO

PORTFOLIO TYPE	DEBTOR CATEGORY	PROBABILITY OF DEFAULT (%)	LOSS GIVEN DEFAULT (%)	EXPECTED LOSS (%)
Normal Portfolio	A1	0.04	90.00	0.03600
	A2	0.10	82.50	0.08250
	A3	0.25	87.50	0.21875
	A4	2.00	87.50	1.75000
	A5	4.75	90.00	4.27500
	A6	10.00	90.00	9.00000
Substandard Portfolio	B1	15.00	92.50	13.87500
	B2	22.00	92.50	20.35000
	B3	33.00	97.50	32.17500
	B4	45.00	97.50	43.87500

Nevertheless, the Bank must maintain a minimum provision of 0.50% on loans and contingent loans in the normal portfolio.

DEFAULT PORTFOLIO

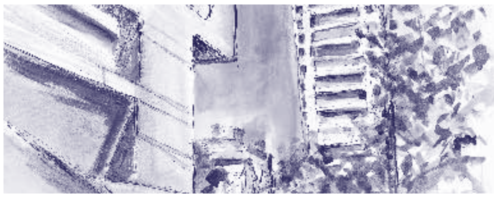
PORTFOLIO TYPE	SCALE OF RISK	RANGE OF EXPECTED LOSS	PROVISION (%)
Default Portfolio	C1	Up to 3%	2
	C2	More than 3% up to 20%	10
	C3	More than 20% up to 30%	25
	C4	More than 30 % up to 50%	40
	C5	More than 50% up to 80%	65
	C6	More than 80%	90

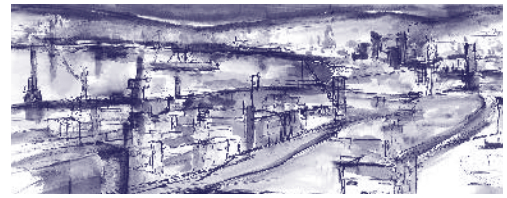
C) PROVISIONS ON LOANS ASSESSED IN A GROUP

Group assessments are used to analyze a large number of transactions with small individual amounts. For these purposes, the Bank uses models based on the characteristics of debtors and their loans, as well as models based on the behavior of a group of loans. In group assessments, provisions for the consumer portfolio will always be recorded according to expected loss based on the models used by the Bank. Provisions are made for the commercial and mortgage portfolios using incurred loss methodologies.

D) ADDITIONAL LOAN PROVISIONS

According to SBIF instructions, the Bank may establish additional provisions on its individually assessed loan portfolio based on the expected impairment of that portfolio. This provision is calculated based on the Bank's past experience and potential adverse macroeconomic scenarios or circumstances that may affect a particular sector, industry, debtor group or project.





As of December 31, 2017 and 2016, the Bank had not recorded any additional provisions.

E) LOAN WRITE-OFFS

Loans are written off when recovery efforts have been exhausted in accordance with timetables issued by the SBIF, as follows:

TYPE OF LOAN	TERM
Consumer loans with or without collateral	6 months
Other operations without collateral	24 months
Commercial loans with collateral	36 months
Residential mortgage loans	48 months
Consumer leases	6 months
Other non-real estate leases	12 months
Real estate leases (commercial and residential)	36 months

RECOVERY OF WRITTEN-OFF LOANS:
Subsequent repayments on written-off loans are recorded directly in profit or loss under "recovery of written-off loans" in "credit risk provisions" in the Bank's financial statements.

As of December 31, 2017 and 2016, recoveries of charged-off loans amounted to THCH$2,554,000 and THCH$3,981,000, respectively, and they are presented in provisions recorded during the period under "credit risk provisions" in the Bank's consolidated statement of income.

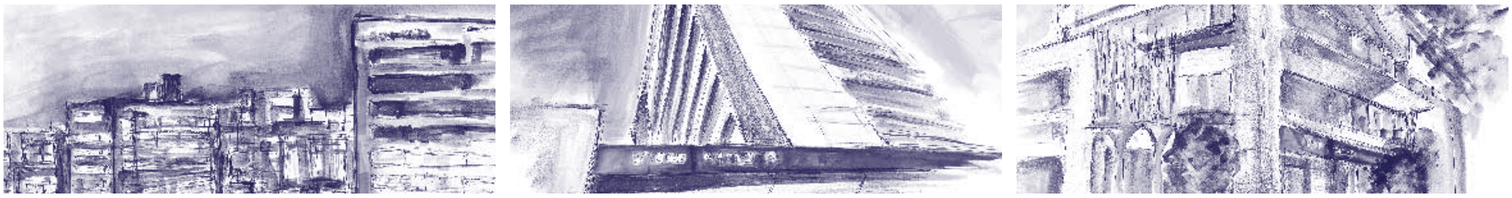
2.22 INVENTORIES

Inventories are recorded at the lower of cost and net realizable value. Costs, which include an appropriate portion of fixed and variable costs, are allocated to inventories by the most appropriate method according to the type of inventory, based mainly on the distribution per built square meter and the area of the land, accordingly. Net realizable value corresponds to the estimated sales price for inventories less all necessary costs to sell.

The Group's inventories come from the subsidiary Inmobiliaria Security S.A. and correspond mainly to the following items:

A) LAND FOR CONSTRUCTION

This land was acquired with the intention to use it in a construction plan. The Group values this land using the cost method.



B) WORK IN PROGRESS

Corresponds to disbursements made to develop real estate projects, which are valued at cost.

C) HOUSES AND APARTMENTS IN STOCK

Corresponds to homes that have been approved by municipal authorities and are available for sale, which are valued at cost.

Inmobiliaria Security S.A. measures its inventories at the lower of cost and net realizable value. At year end, the Company performs an evaluation of the net realizable value of inventories. When inventories are considered to be overstated, it records any adjustments to inventory with a charge to profit or loss. As of year end, the Group has not recorded an obsolescence provision on our inventories.

The main components of the cost of a house or apartment correspond to the land, lump sum construction contract, architect and engineers' fees, permits and municipal taxes, operating expenses, financing costs and other disbursements related directly to the construction of the home that are necessary for its completion.

2.23 RECOGNITION OF REVENUE AND EXPENSES

A) REVENUE

Revenue is calculated at the fair value of the consideration received or to be received and represents the amounts receivable for the assets delivered and the services rendered in the ordinary course of business of Grupo Security.

Sales of assets are recognized when substantially all of the risks and advantages that Grupo Security has over the assets have been transferred.

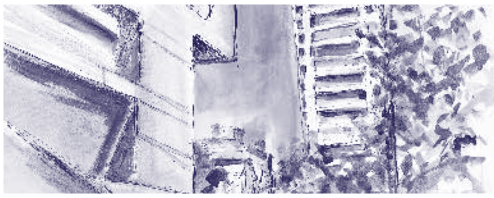
In a brokerage relationship when acting as a financial broker, the Company receives funds that belong to its clients. Such flows do not represent increases in the Group's net equity as they are not considered revenue. Instead, the Group recognizes commissions received for brokerage services as revenue.

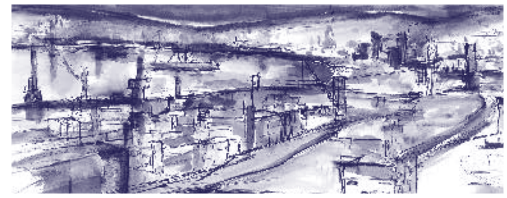
Service revenue is also recognized considering the stage of completion of the services provided as of the reporting date, provided that the outcome of the transaction can be reliably estimated. In other words, the amount of the revenue can be reliably measured, it is probable that the economic benefits associated with the transaction will flow to the Company, the stage of completion of the transaction at the end of the reporting period can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued according to a financial criterion, as established under IFRS, and in relation to the balance of unpaid capital that is expected to be recovered, net of allowances for doubtful accounts and the applicable effective interest rate.

B) EXPENSES

Expenses are recognized in the statement of income when there is a decrease in the future economic benefits related to a reduction in an asset, or an increase in a liability, that can be measured reliably. This implies that an expense would be recorded at the same time as the increase in the liability or the reduction in the asset is recorded.





An expense is recognized immediately when a disbursement does not generate future economic benefits or when it does not meet the necessary requirements to be recognized as an asset.

Interest and indexation income and expenses are presented on an accrual basis until year end, using the effective interest method, which is a discount rate that exactly matches the estimated cash flows to be received or paid over the expected life of the transaction.

However, for impaired loans, accrual is suspended as defined by the SBIF in Chapter B-2 of the Compendium of Accounting Standards, using the following criteria:

LOANS SUBJECT TO SUSPENSION:	SUSPENDED:
Individual evaluation: Loans classified in C5 and C6	For being in the impaired portfolio.
Individual evaluation: Loans classified in C3 and C4	For having been in the impaired portfolio for three months.
Group evaluation: Loans with less than 80% collateral	When the loan or one of its installments is six months past due.

2.24 FEE AND COMMISSION INCOME AND EXPENSES, BANK

Fee and commission income and expenses that are part of the effective interest rate of a financial asset or liability are recognized in profit or loss over the life of the transactions from which they arise.

Fee and commission income and expenses generated by providing a given service are recognized in profit or loss as the services are provided. Those involving financial assets and liabilities are recognized when collected.

2.25 OFFSETTING OF BALANCES

Balances will only be offset when the debtor and creditor balances generated in transactions, either contractually or legally, establish the possibility of offsetting and the Group has the intent to liquidate them for their net or realizable amount and to simultaneously pay the liability.

2.26 CURRENT AND DEFERRED INCOME TAXES

2016

As of December 31, 2016, current income taxes are calculated based on the tax laws in force as of the reporting date.

Deferred taxes arising from temporary differences and other events that generate differences between the carrying amount for financial reporting purposes and tax bases of assets and liabilities are recorded in accordance with IAS 12. They are calculated using tax rates in force as of the date on which the corresponding deferred tax assets or liabilities are expected to be reversed.

Law No. 20,780, entitled "Tax Reform Modifying the Income Tax System and Several Adjustments to the Tax System" was published in the Official Gazette on September 29, 2014. Law No. 20,899 entitled "Tax Reform Simplifying the Income Tax System and Enhancing Other Tax Provisions" was later published on February 8, 2016.

One of the main changes was the introduction of two new tax systems. By default, the company must use the "Semi-integrated System", in accordance with letter B) of article 14 of the Income Tax Law, in force as of January 1, 2017.

The corporate tax rates (referred to as "first category") for this new system will gradually increase from 24% for fiscal year 2016, to 25.5% for fiscal year 2017 and 27% for fiscal year 2018 and beyond.

2017

As of December 31, 2017, current income taxes are calculated based on the tax laws in force as of the reporting date.

Deferred taxes arising from temporary differences and other events that generate differences between the carrying amount for financial reporting purposes and tax bases of assets and liabilities are recorded in accordance with IAS 12. They are calculated using tax rates in force as of the date on which the corresponding deferred tax assets or liabilities are expected to be reversed.

Law No. 20,780, entitled "Tax Reform Modifying the Income Tax System and Several Adjustments to the Tax System" was published in the Official Gazette on September 29, 2014. Law No. 20,899 entitled "Tax Reform Simplifying the Income Tax System and Enhancing Other Tax Provisions" was later published on February 8, 2016.

One of the main changes was the introduction of two new tax systems. By default, the company must use the "Semi-integrated System", in accordance with letter B) of article 14 of the Income Tax Law, in force as of January 1, 2017.

The corporate (first category) tax rates for this new system are 25.5% for fiscal year 2017 and 27% for fiscal year 2018 and beyond.

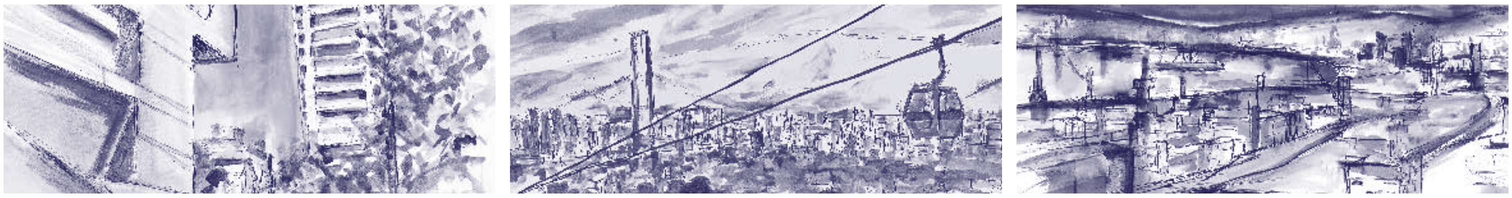
2.27 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit or loss for the year attributable to Grupo Security S.A. by the weighted average shares outstanding during such period, without including the average number of shares of Grupo Security S.A. owned by the other subsidiaries.

The Company has not engaged in any type of transaction with a potential dilutive effect that assumes diluted earnings per share that differ from basic earnings per share.

2.28 FUNCTIONAL CURRENCY

The items included in the financial statements of each of the entities of Grupo Security are valued using the currency of the primary economic environment in which the entity operates (functional currency).



Grupo Security's management has concluded that the currency of the main economic environment in which the Company operates is the Chilean peso. This conclusion is based on the following:

A) It is the currency of the country (Chile) whose competitive forces and regulations mainly determine the prices of the services that Grupo Security provides.

B) It is the currency that mainly influences the Group's cost structure as it relates to the services Grupo Security provides to its customers.

As a result, we can conclude that the Chilean peso reflects the transactions, events and conditions that underlie and are relevant to Grupo Security.

The financial statements of its subsidiaries in Peru are prepared in Peruvian nuevo soles and converted to Chilean pesos under IAS 21 for translation and presentation purposes.

2.29 VARIATIONS IN FOREIGN CURRENCY AND INDEXED UNITS

The management of Grupo Security has defined the Company's functional currency as the Chilean peso.

Consequently, transactions in currencies other than the Chilean peso and those carried out in indexed units such as the UF, UTM, IVP, etc., are considered foreign currency and/or indexed units, respectively, and are recorded at the exchange rates and/or closing values in force as of the respective transaction date.

In preparing Grupo Security's financial statements, monetary assets and liabilities denominated in foreign currency and/or indexed units are converted at the exchange rates and/or closing values in force as of the reporting date. The resulting exchange differences are recognized in profit or loss.

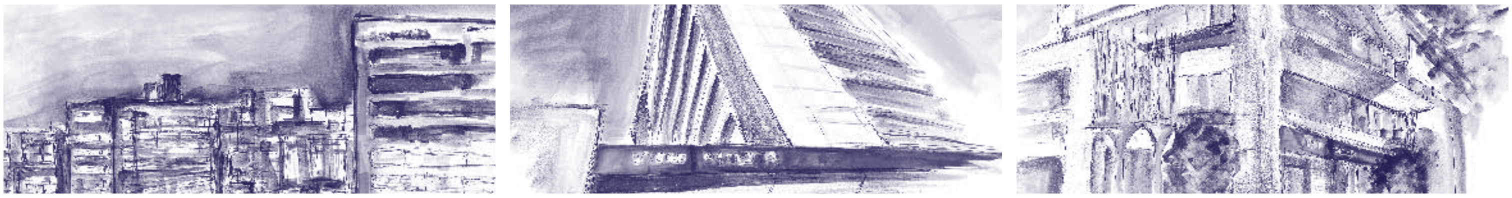
Transactions in foreign currency carried out by the Bank are translated to Chilean pesos at the exchange rate in force on the transaction date. Note that monetary items in foreign currency are translated using the closing exchange rate at each year end, and non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

The net foreign exchange gains shown in the consolidated statement of income, include both the result of foreign exchange transactions and the effects of exchange rate variations on foreign-currency-denominated assets and liabilities.

2.30 TRANSLATION

Assets and liabilities expressed in unidades de fomento (UF, an inflation-linked unit of account used in Chile) are presented using the rates in effect at each year end. Cash equivalents correspond to short-term investments that are highly liquid, easily convertible into known amounts of cash and have insignificant risk of changes in value. Their maturity does not exceed three months.

Cash and cash equivalents consist of balances of cash, bank deposits, net transactions pending settlement and operations with repurchase agreements, as stipulated in the SBIF Compendium of Accounting Standards. These items are subject to an insignificant risk of changes in their fair value.



The financial statements of its subsidiaries in Peru are prepared in Peruvian nuevo soles. The effect of translating them to Chilean pesos, reflected in other comprehensive income, amounted to THCH$(243,494) and THCH$935,132 for the years ended December 31, 2017 and 2016, respectively.

2.31 STATEMENT OF CASH FLOWS

Grupo Security prepares its statement of cash flows using the direct method in accordance with CMF Ruling No. 2,058, which states that the Company must present the statement of cash flows on a comparative basis beginning in March 2013 and leaves the indirect method as an option left to management's discretion.

In preparing the statement of cash flows of Grupo Security, the following definitions are used:

- **CASH FLOW:**
  Inflows and outflows of cash or cash equivalents, which are short-term, highly-liquid investments with a low risk of changes in value.

- **CASH FLOWS FROM OPERATING ACTIVITIES:**
  Cash flows from Grupo Security's normal activities as well as other activities that cannot be classified as from investing or financing.

- **CASH FLOWS FROM INVESTING ACTIVITIES:**
  Cash flows resulting from acquiring, selling or otherwise disposing of long-term assets and other investments not included in cash and cash equivalents.

- **CASH FLOWS FROM FINANCING ACTIVITIES:**
  Cash flows resulting from activities that bring about changes in the size and composition of net equity and financial liabilities that are not part of cash flows from operating activities.

2.32 RELATED PARTY DISCLOSURES

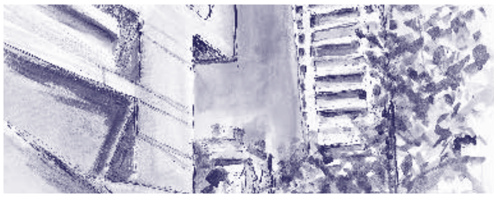
Associates are entities over which Grupo Security has the ability to exercise significant influence, although not control. Usually, this ability consists in an ownership interest of 20% or more of the entity's voting rights and it is accounted for using the equity method, with profit or loss being recognized on an accrual basis.

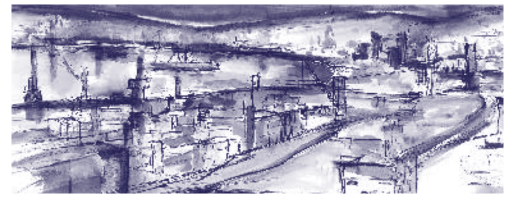
The notes to the consolidated financial statements detail the transactions with the most important related parties, indicating the nature of the relationship with each party, as well as information regarding the transactions and the corresponding balances.

This information is disclosed to adequately understand the possible effects that the related party has on the financial statements.

INVESTMENTS IN RELATED PARTIES OF THE INSURANCE SUBSIDIARIES

Normal operations of Seguros Vida Security Previsión S.A. and subsidiaries are those transactions performed on a routine basis with related parties within its line of business that are necessary for the normal development of the Company’s activities regardless of whether such activities are performed for monthly, annual or longer periods. For purposes of determining the frequency of a transaction, the Company can compare the transaction to other transactions performed by the Company on an ordinary and/or recurring basis.





Nevertheless, transactions with related parties that are to be performed only with prior authorization of the Board of Directors shall be intended to contribute to equity and their price, terms and conditions shall conform to those in force in the market at the time of approval, due to the fact that they are considered to be ordinary and are subject to this policy.   .

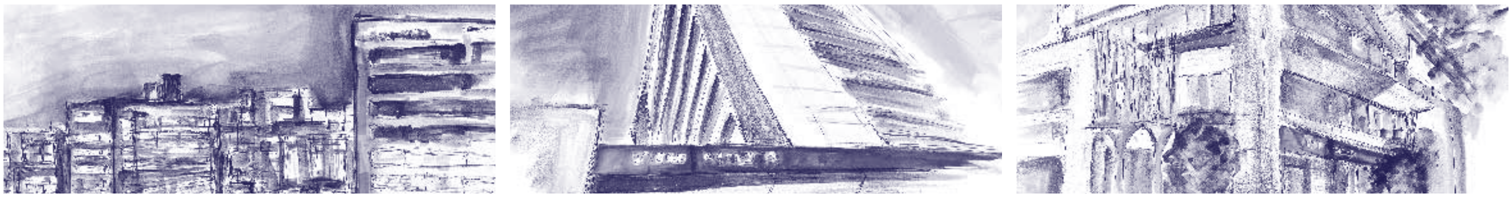
In order to apply this policy, customary transactions will be considered to be those performed regularly by the Company and without which it could not carry out its line of business normally, adequately and efficiently; therefore, it depends on them to sustain its operations and properly grow its business.

In a board meeting held on June 28, 2016, the Board unanimously approved a new General Policy for Ordinary Customary Transactions with Related Parties, which are within its line of business and are intended to contribute to the corporate interest and comply with arm's length principles regarding price, terms and conditions. In accordance with this policy, the following are defined as transactions with related parties by Vida Security that are ordinary and customary, or necessary to carry out its line of business and complementary activities:

The following, among others, are defined as customary, ordinary transactions for the life insurance subsidiary, Vida Security:

A) Issuing life and health insurance policies for Security employees.
B) Issuing credit life policies and other credit-related insurance for Security customers.
C) Contracting premium collections services.
D) Contracting all types of general insurance for real estate, facilities, equipment and vehicles.
E) Contracting insurance brokerage services.
F) Company insurance and other products contracted by related parties.
G) Contracting advisory or financial, economic, risk, auditing, marketing, real estate, operational, administrative, legal, IT, systems, accounting and tax services, among others.
H) Opening current accounts and lines of credit.
I) Contracting travel, ticket purchasing and hotel services.
J) Contracting management services for mortgage loans.
K) Contracting forwards and swaps for matching or investment purposes.
L) Buying or selling mutual and investment fund units.
M) Currency buying services (USD or other currencies).
N) Contracting intermediation services for buying/selling fixed income instruments and stocks.
O) Investing in time deposits.
P) Buying/selling mortgage loans, real estate leases issued by the company or third parties.
Q) Buying/selling all types of real estate and personal property and fitting out real estate and facilities. Leasing all types of real estate.
R) Lending operations including buying financial instruments with reverse repurchase agreements and selling instruments with repurchase agreements.
S) Contracting direct operator services from the Santiago Stock Exchange and using workstations supplied by Reuters or other electronic data or financial transaction services.
T) Issuing performance and bid bonds.
U) Partnering with Group companies to develop real estate projects. This can be through formal partnerships or other alternatives.

Notwithstanding the above, Vida Security will only be able to carry out transactions with related parties when these transactions conform to price, terms and conditions prevailing in the market. Finally, the Company's Board of Directors should be aware of and approve or reject all transactions with related parties every three months for transactions carried out the prior quarter at the closing of the quarterly regulatory financial statements (FECU). Shareholders should also be aware of and approve or reject all transactions with related parties carried out in the prior year at the annual shareholders' meeting.



2.33 INVESTMENTS IN OTHER COMPANIES

Investments in other companies are those in which Grupo Security does not have significant influence. They are presented at acquisition cost, except for the share in the Santiago Stock Exchange, which is presented at fair value. Revenue is recognized in profit or loss as received.

2.34 OPERATING SEGMENTS

The Group's operating segments are defined as components of Grupo Security, about which separate financial reporting is available that is evaluated regularly by the chief decision maker in making decisions about allocating resources and assessing performance. Grupo Security operates in four business segments: Lending, Asset Management, Insurance and Services.

Grupo Security provides financial information by segment in order to identify and disclose in the notes to the consolidated financial statements the results obtained by its distinct business areas in conformity with IFRS 8.

2.35 USE OF ESTIMATES

In preparing the consolidated financial statements, certain estimates made by the respective companies' management teams have been used in order to quantify some assets, liabilities, income, expenses and commitments recorded in such statements. These estimates basically refer to:

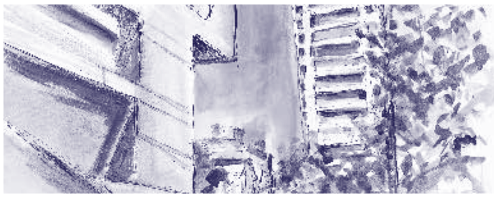
A) The valuation of assets and goodwill to determine the existence of impairment losses.
B) The assumptions used to calculate the fair value of financial instruments.
C) The assumptions used to calculate estimates of allowances for doubtful accounts.
D) The assumptions used to calculate inventory obsolescence estimates.

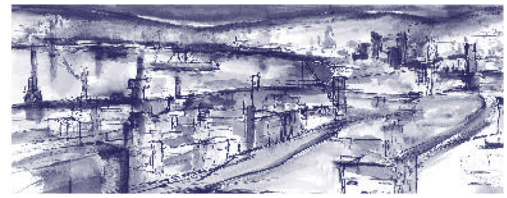
Although these estimates have been based on the best information available at the date of issuance of these Consolidated Financial Statements, it is possible that events may occur in the future that will require a change (increase or decrease) in future periods, which would occur prospectively, recognizing the effects of such change in estimate in the corresponding future Consolidated Financial Statements.

In preparing the financial statements in accordance with the SBIF Compendium of Accounting Standards, the Bank requires management to make some estimates, judgments and assumptions that impact the reported statements. Actual results in subsequent periods may differ from the estimates used.

1) These relevant estimates and assumptions are reviewed regularly by the Bank's senior management in order to quantify the effects on the statements of financial position and income, as well as uncertainties.

2) Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future period that is affected.





The most significant areas of estimates of uncertainties and judgments in applying accounting criteria or policies are:

A) Valuation of financial instruments and derivatives.
B) Credit risk provisions.
C) Impairment losses on loans to customers and other assets
D) The useful life of material and intangible assets
E) Contingencies and commitments

2.36 PRESENTATION OF THE FINANCIAL STATEMENTS

A) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Grupo Security has decided to present its consolidated statement of financial position under a presentation format based on the classified current value.

B) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Grupo Security has decided to present its consolidated statement of comprehensive income by function.

C) STATEMENT OF CASH FLOWS

Grupo Security has decided to present its consolidated statement of cash flows under the direct method starting from March 2013 in conformity with CMF Ruling No. 2,058.

2.37 INVESTMENT PROPERTY

Grupo Security's investment property includes land, building and other construction held to earn rentals or for capital appreciation upon sale as a result of possible future increases in their respective market prices.

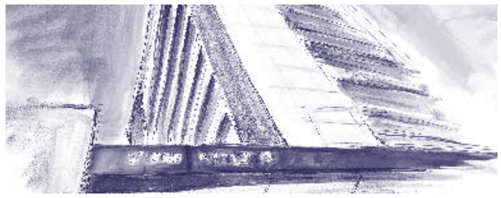
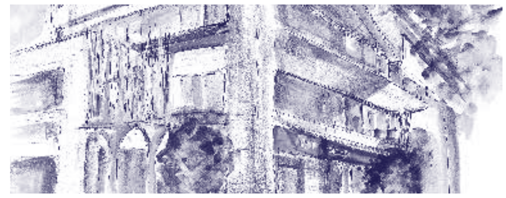
Investment property is presented in the financial statements using the cost or fair value models. Using the cost model, these properties are recorded at cost less accumulated depreciation and any accumulated impairment losses. Under the fair value model, properties are remeasured at least on an annual basis to determine their fair value. Increases or decreases in fair value at the time of the remeasurement are immediately recorded in profit or loss for the year.

Depreciation is determined using the straight-line method over the cost of the investment property less its residual value. The land on which buildings and other facilities are built is considered to have an infinite useful life and, therefore, is not depreciated.

Depreciation for each year is recorded in profit or loss and calculated based on the estimated useful lives of the respective investment property.

Any gain or loss from the disposal of a real estate investment is calculated as the difference between the sales price and its carrying amount and will be recognized in profit or loss.

The fair value of investment property must be disclosed in the notes to the consolidated financial statements.

For our insurance subsidiary, the detail is as follows:

A) INVESTMENT PROPERTY

Real estate and investment properties are recorded at their original cost plus legal revaluations, net of accumulated depreciation as of year end, and the appraisal value of these assets in accordance with CMF General Standard No. 316 from August 12, 2011.

The cost includes the acquisition price and all costs directly related to bringing the asset to the location and condition necessary for its operation.

Depreciation is calculated on a straight-line basis over the useful life of the respective asset and recognized in the statement of income.

When the appraisal value is less than the corrected cost, an adjustment is made for the difference by recording a provision in profit and loss.

B) REAL ESTATE LEASE AGREEMENTS

Real estate lease agreements are recorded in conformity with CMF General Standard No. 316 at the lower of the agreement's residual value determined in accordance with the standards of the Chilean Institute of Accountants, the price-level adjusted cost less accumulated depreciation or market value, which is represented by the last two available commercial appraisals.

C) PROPERTIES FOR OWN USE

Real estate and investment properties are recorded at their original cost plus legal revaluations, net of accumulated depreciation as of year end, and the appraisal value of these assets in accordance with CMF General Standard No. 316 from August 12, 2011.

The cost includes the acquisition price and all costs directly related to bringing the asset to the location and condition necessary for its operation.

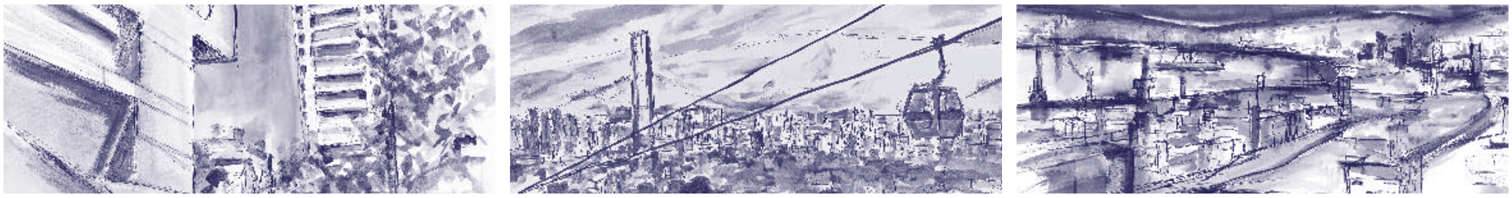
Depreciation is calculated on a straight-line basis over the useful life of the respective asset and recognized in the statement of income.

When the appraisal value is less than the corrected cost, an adjustment is made for the difference by recording a provision in profit and loss.

D) FURNISHINGS AND EQUIPMENT FOR OWN USE

Furnishings and equipment are stated at cost net of accumulated depreciation at year end.

Depreciation is calculated on a straight-line basis over the useful life of the respective asset and recognized in the statement of income.



2.38 CLASSIFICATION OF CURRENT AND NON-CURRENT ASSETS

Assets classified as current include those maturing within 12 months or those intended to be sold or realized during the normal course of business of Grupo Security.

Non-current assets include all assets that are not classified as current assets.

2.39 TREASURY SHARES

Equity is presented net of all Grupo Security S.A. shares that are owned by its consolidated subsidiaries.

2.40 CLASSIFICATION OF CURRENT AND NON-CURRENT LIABILITIES

Liabilities classified as current include those maturing within 12 months or those intended to be settled during the normal course of business of Grupo Security.

Non-current liabilities include all liabilities that are not classified as current liabilities.

2.41 PRICE-LEVEL RESTATEMENT IN HYPERINFLATIONARY ECONOMIES

As Chile is not classified as a hyperinflationary economy in accordance with IAS 29, the financial statements of Grupo Security are not be adjusted for variations in the Consumer Price Index (CPI).

2.42 CONTINGENT ASSETS AND LIABILITIES

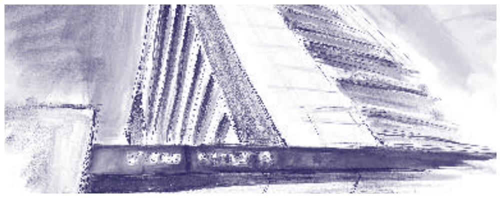
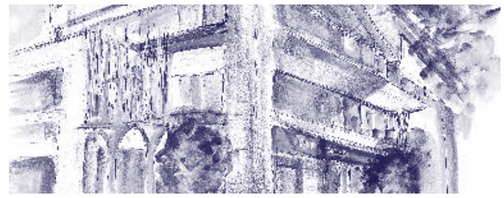
A contingent asset or liability is any right or obligation arisen from past events whose existence will be confirmed only if one or more uncertain future events not under the control of Grupo Security occurs.

Contingent assets and liabilities are not to be recognized in the consolidated financial statements. Nevertheless, when the realization of the income or expense, associated with this contingent liability is more than probable, it is recognized in the financial statements.

Contingent assets and liabilities are disclosed in a note to the consolidated financial statements as required by IAS 37.

2.43 MINIMUM DIVIDENDS

The dividend policy agreed by the shareholders is to distribute at least 30% of the profits of Grupo Security S.A. received from its direct subsidiaries during the year and divide the payment in two dividends, an interim dividend and a final dividend. Additionally, the Board of Directors has been authorized to approve additional dividend distributions with a charge to retained earnings if, in the opinion of the Board, Grupo Security S.A.'s financial condition allows it.

2.44 EMPLOYEE BENEFITS

A) EMPLOYEE VACATION

The annual cost of employee vacation is recorded on an accrual basis.

B) SHORT-TERM BENEFITS

Grupo Security has a yearly bonus plan for its employees that may be given based on their performance and ability to meet targets. Provisions are made for them based on the estimated amount to be distributed.

C) SEVERANCE INDEMNITIES

Grupo Security has not agreed to any severance indemnities that will be payable no matter the reason for terminating the employment and, as a result, has not made any such provisions. Any such expenses are recorded in profit or loss as incurred.

2.45 LEASES

The lease agreements of the subsidiaries of Grupo Security are not recognized in the statement of financial position, and the total payments are charged to profit or loss, as these leases are classified as operating leases.

Grupo Security assumes substantially all risks and rewards of ownership of leased property classified as finance leases.

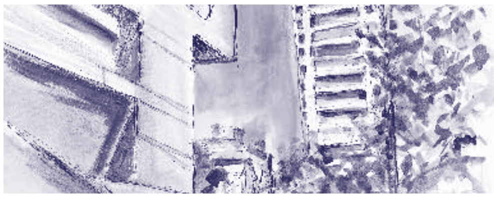
2.46 TECHNICAL RESERVES, VIDA SECURITY

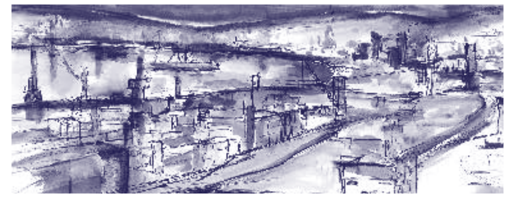
Technical reserves represent a monetary measure of the net obligations maintained by insurance companies with policy holders. The estimate of this reserve is based on actuarial estimates of the mentioned obligations, which are made using mortality and morbidity tables created based on statistical information and, when dealing with long-term insurance, based on present value.

In Chile, actuarial formulas, mortality and morbidity tables and discount rates used to estimate present value included in long-term reserves are determined by the CMF and their application is mandatory. Reserves estimated in this way represent minimum reserves. However, Chilean standards establish that when there is evidence obtained through studies or analyses that the reserves are insufficient, additional amounts shall be included to eliminate such insufficiency. These analyses are performed through Premium Sufficiency Tests and Liability Adequacy Tests established by the CMF.

Minimum reserves, as well as those determined by the Premium Sufficiency Tests and Liability Adequacy Tests, must be estimated in conformity with the actuarial basis generally accepted in international practice adjusted to Chilean standards.

CMF General Standard No. 318 issued on September 1, 2011, provides "Instructions regarding the application of IFRS to the determination of technical reserves for annuities and disability and survivor insurance under DL No. 3,500 of 1980".





CMF General Standard No. 306 issued on April 4, 2011, and amended by SVS General Standard No. 320 issued on September 1, 2011, provides instructions on the determination of technical reserves for insurance other than retirement insurance under DL No. 3,500 of 1980".

CMF General Standard No. 243 issued on February 3, 2009, provides "Instructions regarding the determination of technical reserves for disability and survivor insurance under DL No. 3,500 of 1980.

A) UNEXPIRED RISK RESERVE

This reserve is recorded for insurance contracted for a period under or equal to four years and it corresponds to unearned net premium in conformity with the instructions provided by the CMF in General Standard No. 306.

In general, the Company's short-term policies and additional clauses relate to annual insurance with coverage and premium recognition on a monthly basis. The grace period of the related coverage is one (1) month. Accordingly, the unexpired risk reserve considered by the Company is equivalent to one (1) month of premium not discounted for acquisition costs.

For short-term policies and additional clauses with coverage and premium recognition in periods over one month, the unexpired risk reserve is estimated starting from the recognized unearned premium based on daily figures and without recognizing acquisition costs, in conformity with the provisions of section 1.1 of clause II of General Standard No. 306.

There is no long-term insurance for which the unexpired risk reserve has been considered.

B) PRIVATE INCOME RESERVE

For technical reserve purposes, these policies are treated like annuities.

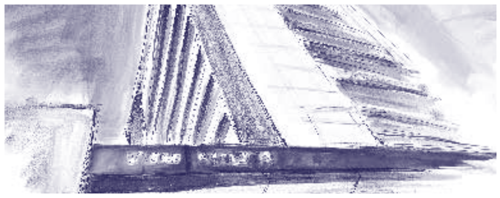
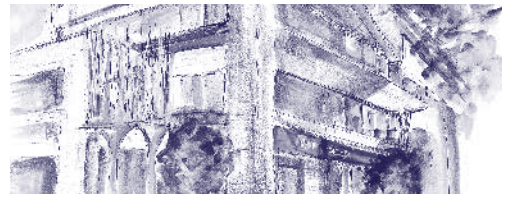
C) MATHEMATICAL RESERVE

The mathematical reserve has been estimated in accordance with the methods determined by the CMF in General Standard No. 306 dated April 14, 2011, which corresponds to the present value of future payments for claims generated by policies less the current value of future premiums as per mortality tables M-95 H and M-95 M and the annual technical interest rate of 3%.

The Company's long-term policies relate to the main coverage for individual traditional insurance and level premiums as well as individual and group single premium insurance that are completely paid.

- **LEVEL PREMIUM INDIVIDUAL INSURANCE**
  This is related to the main insurance coverage under sections 101, 102, 104 and 112. For these insurance policies, the Company has used the reserve methodology established in Appendix 4 of General Standard No. 306 or the Fackler method, using mortality table M95 defined in Appendix 5 to the same standard and an annual real discount of 3%.

- **SETTLED INDIVIDUAL AND GROUP SINGLE PREMIUM INSURANCE**
  This is related to the main insurance coverage under sections 101, 104, 107, 202, 209 and 212. For these insurance policies, the Company has used the mathematical reserve methodology established in Appendix 4 of General Standard No. 306 or the Fackler method, using mortality table M95 defined in Appendix 5 to the same standard and an annual real discount of 3% and an annual real discount of 3% considering that the premiums are completely paid for which the reserve corresponds to the cost of expected claims.

D) RESERVE FOR DISABILITY AND SURVIVOR INSURANCE (SIS)

For disability and survivor insurance in force from August 1, 1990, reserves have been calculated in conformity with CMF General Standard No. 243.

The reserves for claims related to disability and survivor insurance which are in force from July 1, 2010, have been estimated in conformity with the instructions included in CMF General Standard No. 243 from February 2009 and its amendments, as well as CMF General Standard No. 318 from September 1, 2011.

E) ANNUITIES RESERVE

This reserve has been set up in accordance with the calculation methods determined by the CMF and is the current value of future payments to the insured parties or beneficiaries, calculated based on the life tables and the maximum interest rate stated in Ruling No. 422 and its amendments. From January 2001, the Company has applied Ruling No. 1,512 of 2001 for insurance governed by Ruling No. 528 of 1985. From January 2012, the Company has applied CMF General Standard No. 318.

For life annuity policies in effect until December 31, 2011, the Company has set up a financial technical reserve in accordance with CMF Ruling No. 1,512 dated January 2, 2001, and CMF General Standard No. 318 dated September 1, 2011, on the valuation of assets and liabilities, at the present value of future discounted payments at a weighted rate that is calculated based on a 3% rate and the underlying internal rate of return in transactions on formal markets of long-term state-owned instruments at the starting date of the life of policies, weighted by liability hedge rates at year end.

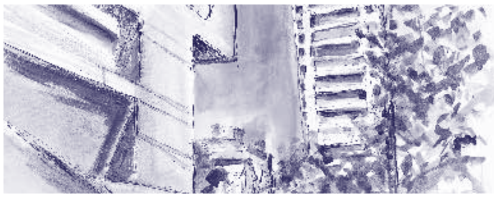
For policies initially in effect since January 1, 2012, the discount rate used in the calculation of present value is the lesser of the underlying internal rate of return (IRR) in the transactions of formal markets of long-term, state-issued instruments, at the starting date of the life of the policies and the sale rate (SR), as defined in Section III of CMF Ruling No. 1512.

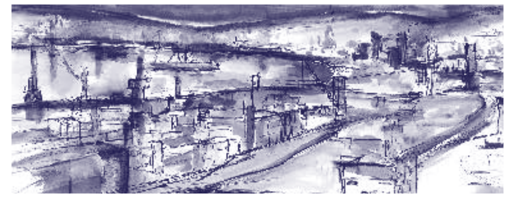
Beginning March 2015, the discount rate used to calculate present value is the lesser of the sale rate (SR) as defined in Section III of CMF Ruling No. 1512 and the Equivalent Cost Rate (CR) calculated in accordance with General Standard No. 374 from January 2015, using the Discount Rate Vector (DRV) published monthly by the CMF.

By means of General Standard No. 172, the CMF provided life table RV-2004. General Standard No. 178 governed the gradual application of this table to the calculation of the financial technical reserve of policies in effect before March 9, 2005. Subsequently, by means of General Standard No. 207, the CMF provided life tables MI-2006 and B-2006. Rulings Nos. 1,857, 1,872 and 1,874, governed the gradual application of these tables to the calculation of the financial technical reserve of policies in effect before February 1, 2008. For the application of life tables MI-2006 and B-2006, the Board of Directors of Seguros Vida Security Previsión S.A. has decided to gradually recognize the higher financial reserve of the new life tables.

CMF General Standard No. 274 defined table RV-2009. CMF Ruling No. 1,986 details how it should be applied to calculate reserves. The effects on reserves of the latter regulation were fully recognized in the financial statements as of December 31, 2011, and the monthly effects are recognized each time reserves are estimated.

Lastly, CMF General Standard No. 398 from November 20, 2015, defined tables RV-2014, CB-2014, B-2014 and MI-2014. CMF Ruling No. 2197 details how they should be applied to calculate reserves. The effects on reserves of the latter regulation will be fully recognized over a period of six years from September 30, 2016.





F) CLAIMS RESERVE

This reserve has been set up in accordance with CMF regulations and includes claims that have not been settled and/or paid, claims incurred but not reported and claims detected but not reported as of year end.

In regard to all kinds of reported claims: settled and unpaid claims; claims settled and questioned by the insured; and claims being settled, the reserve is calculated as follows:

- When the benefit is the payment of a single fixed amount, the reserve is the insured amount of the claim coverage.
- When the benefit determined in the policy stipulates the payment of the insured amount in a predefined number of installments or annuities, the reserve is the present value of annuities or installments that have not been paid yet, considering a real annual discount rate of 3%.
- When the coverage is a reimbursement or the amount of the benefit depends on the occurrence of certain conditions as in most insurance policies or additional health coverages, the reserve is an estimate of the whole amount of the benefit to be paid.

All the above includes, as appropriate, the settlement costs of the related claims.

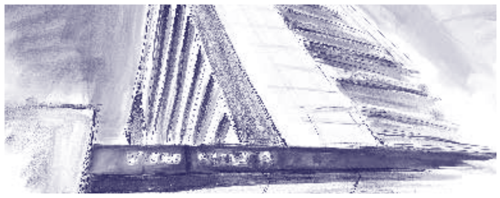
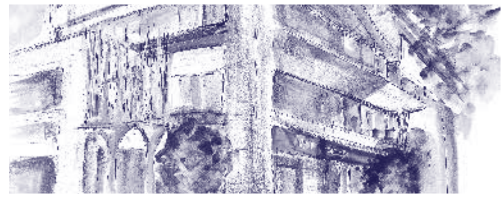
The reserve of incurred but not reported claims is an estimate of claims that have been incurred and for which the Company is obliged, as they involve covered benefits, but that have not been reported to the Company yet. The calculation of this reserve is made based on CMF General Standard No. 306, considering the standard general application method (Bornhuetter-Ferguson method) stated in Appendix 2 and based on the Company's own historical experience by grouping information on claims based on portfolios or portions of homogeneous claims. The calculation excludes exceptional claims with a lag between the payment date and the claim date, since they are not very frequent and do not reflect the behavior observed in most cases.

A separate analysis was made for the following groups of policies of the Company's insurance portfolio: i) individual insurance, except insurance from annuity product line 105, ii) group insurance, except insurance from health product line 209, and iii) group health insurance (line 209). The above groups are based on the fact that policies included in each group have similar and homogeneous expected risks and conduct in regard to claims and are materially different from other groups. Another factor considered was the need to have an appropriate number of claims to have significant results from the methodology applied.

For both individual insurance in i) and group insurance in ii) and iii), information on paid claims and claims undergoing settlement for the last five (5) years of the Company's experience was considered.

The methodology for the liability adequacy test for incurred but not reported claims is described in Note 25.2.8 to the financial statements of subsidiary Vida Security.

Regarding claims detected but not reported, starting March 31, 2017, in accordance with CMF General Standard No. 413, which modified CMF General Standard No. 306, we have established a claims reserve for all policies for which the company has learned by any means of the death of the insured party without having received a formal claim. This reserve is equivalent to the insured amount of the death benefit. This technical reserve will be maintained until the claim is formally filed, with a statute of limitations of four years from the date on which the beneficiary or beneficiaries are notified. If notification cannot be accredited, the statute of limitations will be 10 years from the date the claim occurred.

G) PREMIUM DEFICIENCY RESERVE

In conformity with current regulations, this reserve includes the amount that must be recorded after applying the Premium Insufficiency Test (PIT).

PREMIUM DEFICIENCY RESERVE IN INSURANCE WITH UNEXPIRED RISK RESERVE AND DISABILITY AND SURVIVOR INSURANCE

This is the reserve that recognizes the effect of premiums which are insufficient to cover claims and expenses. This type of reserve is associated with insurance with unexpired risk reserve regulated by CMF General Standard No. 306 and disability and survivor insurance of D.L. No. 3,500 of 1980 regulated by CMF General Standard No. 243.

H) ADDITIONAL RESERVE FOR LIABILITY ADEQUACY TEST

This reserve includes the amount obtained by the Company after applying the liability adequacy test (LAT).

The objective is to assess the sufficiency of reserves based on analyses or studies that prove that minimum reserves established by the CMF are clearly insufficient for the portfolio subject to analysis.

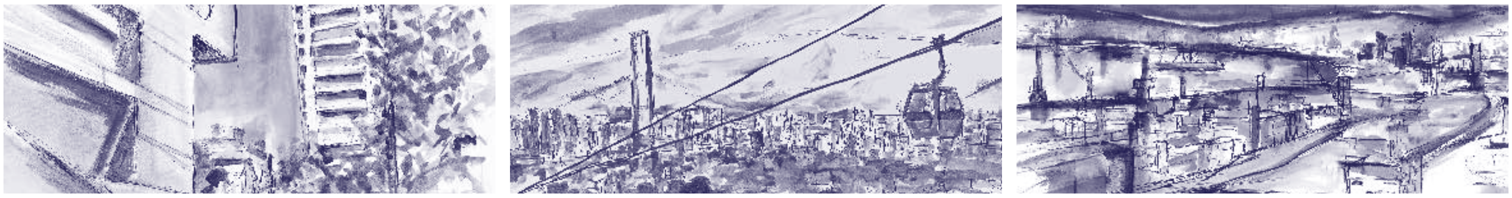
The liability adequacy test applied to insurance, hedges and long-term risks, which includes retirement insurance listed in General Standard No. 318, is described in Note 25.2.8 of the financial statements of Vida Security.

In regard to short-term insurance policies with unexpired risk reserves, the Company has determined that the premium insufficiency test (PIT) defined in appendix 1 of General Standard No. 306 is or replaces the liability adequacy test. This is considering that the Company's short-term insurance policies with current risk reserve are annual additional policies or clauses, for which the PST appropriately considers all the variables that allow the sufficiency of reserves to be determined when they are calculated from the premium. In fact, claims, acquisition costs, operating expenses and investment profit or loss are all the components that are considered in pricing these products and comprehensively include income, expenses and obligations arising from these insurance policies.

ADJUSTMENTS TO CHILEAN RESERVE STANDARDS IN THE FINANCIAL STATEMENTS OF PROTECTA, THE PERUVIAN SUBSIDIARY OF SEGUROS VIDA SECURITY

ADJUSTMENTS TO TECHNICAL RESERVES:
Like Chilean standards, Peruvian reserve standards are designed to ensure that insurers are able to meet their obligations with policyholders. Therefore, they take into account Peruvian conditions regarding products, trade laws and practices and mortality and morbidity assumptions. As a result, technical reserves are not adjusted to the extent that differences between Peruvian and Chilean methodologies are not based on accounting criteria but rather assumptions.

ADJUSTMENTS FOR LIABILITY ADEQUACY TEST:
Criteria in Peruvian laws and standards regarding the sufficiency of reserves must be used for the purpose of consolidating that subsidiary's financial statements. Peruvian laws and standards, like Chilean regulations, are intended to ensure that companies established in Peru have sufficient reserves. As a result, any potential insufficiency in reserves with respect to liabilities are recorded directly in the Peruvian financial statements and have not been adjusted upon consolidation with the Chilean entity.



I) OTHER TECHNICAL RESERVES

This item includes the reserve for debts with the insured and other reserves set up by the insurance company in accordance with current regulations.

J) REINSURANCE SHARE IN TECHNICAL RESERVES

For insurance included in reinsurance contracts, an asset is recorded under Reinsurance share for the portion of the risks ceded to the reinsurers.

An exception relates to the mathematical reserves of level premium individual insurance and settled individual insurance and group single premium insurance for which no reinsurance asset is considered as the related coverage includes premium and risk transfers on a monthly basis.

Technical provisions for transfers to reinsurers are shown in assets in the statement of financial position and are calculated based on signed reinsurance contracts and under the same criteria used to calculate total gross reserve, but based on reinsured capital.

The subsidiary Vida Security does not receive unearned commissions or discounts of transfer from reinsurers on account of reinsurance transfers made.

K) RESERVES FOR LIFE INSURANCE WITH SAVINGS COMPONENT

In conformity with the instructions provided in CMF General Standard No. 306 and related amendments, the Company records a fund value reserve, a risk hedging cost reserve and a mismatch reserve.

The fund value reserve reflects the Company's obligation related to the policyholder's investment account. It is the policy value or balance in the related savings account and is determined based on the conditions stipulated in the policy.

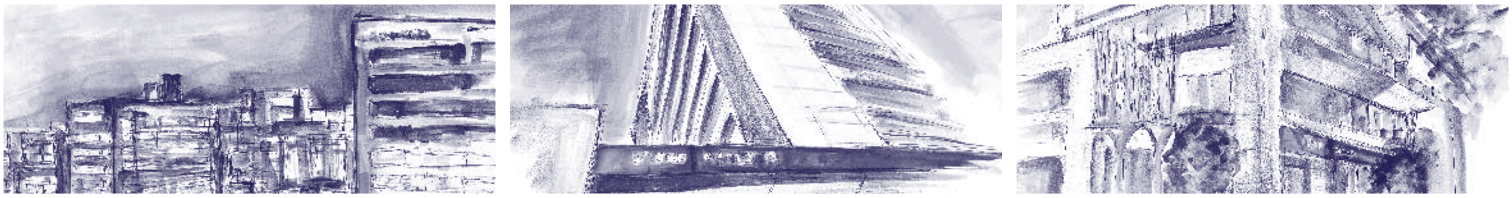
In regard to the analysis of compliance with the condition of transfer of significant insurable risk (SIR) between the insured and the insurer, the Company's insurance policies with CUI show that the minimum compensation percentage is 10% of the insured capital.

Insurance policies with CUI have hedges for insurance risk and recognize the cost of those hedges on a monthly basis. Thus, for all insurance policies with CUI and all hedges involved, the current risk reserve is one (1) month of premium without acquisition cost recognition.

It also records a mismatch reserve for the risk the company assumes arising from the mismatch in the term, interest rate, currency and types of securities between the fund value reserve and the investments backing this reserve. The mismatch reserve is based on the risk profile and the returns on the investments backing the corresponding present value.

2.47 MATCHING

For policies in effect before January 1, 2012, Vida Security analyzes asset and liability matching over time calculated using the methodology described in Ruling No. 1,512. This gives the financial technical reserve, which it then adds to the base technical reserve to form the mismatching reserve.



METHODOLOGY OF GRADUAL RECOGNITION OF THE UNIFIED PORTFOLIO

Following the merger of Cruz del Sur Vida and Vida Security, each entity's portfolio of insurance policies existing before January 1, 2011, must be unified for asset and liability matching calculations.

Thus, the Company cannot continue to apply the gradual recognition methodology chosen by Cruz del Sur Vida (i.e. the fixed installment method) independently to its portion of the unified portfolio and the gradual recognition methodology chosen by Vida Security (i.e. the variable installment method) to its portion of the unified portfolio.

Thus, one of the two methodologies had to be adopted to continue to gradually recognize the Company's unified portfolio resulting from the merger of both companies.

The sum of what each company has recognized independently until now seems like a reasonable basis from which to adopt one gradual recognition method for the unified portfolio. Thus, the unrecognized portion and the methodology adopted should give an explanation of current differences or remainders to be recognized, and the remaining period of time to cover the period stated in the regulation.

Finally, it is important to consider that both companies, Cruz del Sur Vida and Vida Security, have already completely recognized the application of life table RV04. Therefore, there is no gradual recognition to be considered in regard to the related effect of these tables.

The methodology adopted after the merger of Cruz del Sur Vida and Vida Security is based on the recognition of a fixed installment to be accumulated in time, as follows:

i. A new fixed installment for the current insurance portfolio of the merged companies Cruz del Sur Vida and Vida Security in accordance with a) - c) third paragraph of number 2 in CMF Ruling No. 1,857 of 2007 was determined based on the following considerations:

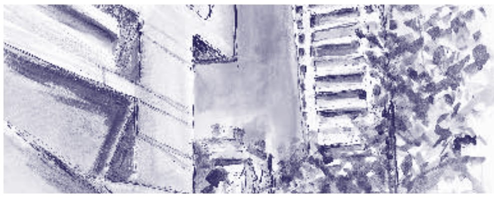
- **a)** The projected annual flows of additional reserve were calculated as of March 31, 2014, after applying tables B06 and MI06, considering the gradual recognition procedure that is currently performed in this portfolio.

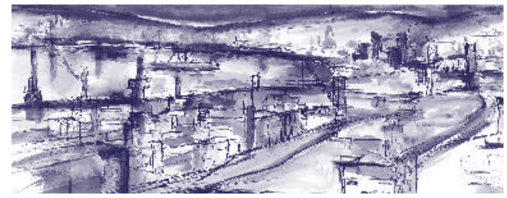
- **b)** The present value of flows as stated in a) above by using the equivalent average cost rate underlying in the calculation of the base technical reserve as of March 31, 2014, out of the total portfolio of life annuity policies of both companies subject to the gradual recognition of life tables B06 and MI06, was calculated.

- **c)** The installment discounted at the rate stated in b) above for the remaining gradual adjustment period (i.e. the remaining time to complete the gradual recognition) that is equal to the present value stated in b) above, was calculated. The installment will be recalculated as stated in the regulation for remaining periods at year end of financial statements as of June 30, 2017, and June 30, 2022.

ii. The technical reserve will be calculated by adding the technical reserve calculated considering tables B85 and MI85 to the total recognized as of September 30, 2014, by each of the companies, in addition to the accumulation from the adoption of this fixed installment methodology.

iii. The calculation in ii) above will be maintained during the entire remaining adjustment period. The last installment will be adjusted to the difference at that date between the reserve that Vida Security has and the reserve that is calculated by fully applying tables B06 and MI06.





2.48 BUSINESS COMBINATION, VIDA SECURITY

Seguros Vida Security Previsión S.A., purchased an interest in a company that qualifies as a business combination and, therefore, must apply standards for business combinations.

				PRELIMINARY PPA 12/31/2015 THCH$	ADJUSTMENT THCH$	FINAL PPA 12/31/2016 THCH$
	Amount paid for shares of Protecta Compañía de Seguros S.A.			15,486,720	-	15,486,720
	Non-controlling interest			11,932,309	-	11,932,309
	TOTAL TO DISTRIBUTE			27,419,029		27,419,029
	Net assets as of 08/31/2015			**17,328,066**	**-**	**17,328,066**
	+ Fair value adjustments to assets			**7,202,743**	**(10,215,704)**	**(3,012,961)**
	INTANGIBLE ASSETS		3,479,441			
1)	Property, plant and equipment	7,705			-	7,705
2)	Investment property	3,471,736			-	3,471,736
	INTANGIBLE ASSETS		3,723,302			
3)	Investments held to maturity	(6,492,402)			-	(6,492,402)
4)	Brand	1,346,753			(1,346,753)	-
5)	Customer relationships - annuities	8,868,951			(8,868,951)	-
	+ FAIR VALUE ADJUSTMENTS TO ASSETS			6,064,865	10,513,709	16,578,574
6)	Reserves	6,064,865			10,513,709	
	TOTAL NET ASSETS AT FAIR VALUE			30,595,674		30,893,679
7)	NEGATIVE GOODWILL			3,176,645	298,005	3,474,650

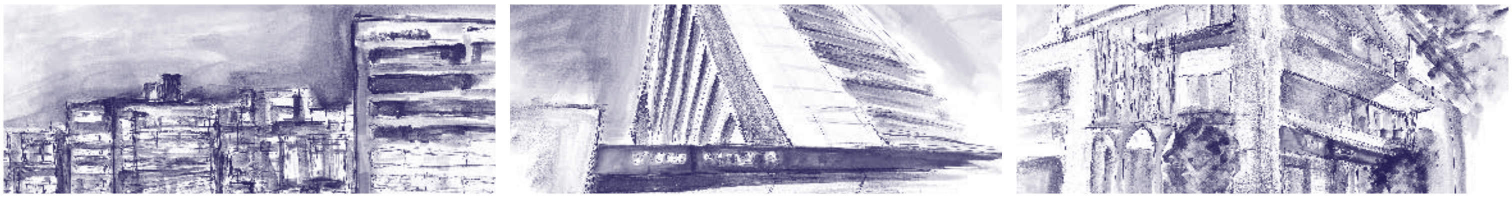
As of July 31, 2016, the PPA valuation was completed by the deadline set forth in IFRS 3, excluding certain assets acquired and reevaluating the liabilities assumed as of the date of the business combination.

"Brand" is not considered in this new version. We were initially told that Brand should be included and, therefore, should be valued as an intangible asset. The Company has decided that the brand will not continue to be used, the model is consistent and the value of the brand should not be included as determined previously.

"Customer relationships" are not included in this new version. Even though a contractual right with customers exists, initially it was assumed that the asset could be transferred, but it will remain with Protecta. Because the Company does not consider these assets to be transferable, the model should not logically take into account the value of this intangible asset.

This new version increases the value of "reserves" because it uses country risk in addition to the market rate, giving a total rate of 7%. We find it reasonable to use a country risk adjustment in US dollars since the valuation itself is in US dollars, which generates a difference in the value of the reserves.

1) Market value adjustment (appraisal value) of buildings and land owned by Protecta as of the acquisition date
2) Market value adjustment
3) Market value adjustment
4) This is the fair value of the Protecta brand. The Company has decided to continue using that name based on a study of the brand's market value for customers. Its estimated useful life is five years.
5) This is the valuation of all current customers as of the acquisition date, based on returns and growth
6) Market value adjustment
7) In accordance with IFRS 3, negative goodwill was recorded in profit or loss for the year



This standard is intended to improve the relevance, reliability and comparability of information regarding business combinations that the reporting entity provides in its consolidated financial statements. It establishes principles and requirements regarding the way in which an acquirer:

(A) shall recognize and measure in its consolidated financial statements the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree.

(B) shall recognize and measure goodwill in a business combination or a gain from a bargain purchase.

The negative goodwill arising from the transaction is recognized in accordance with IFRS 3.

2.49 BUSINESS COMBINATION, BANCO SECURITY

Banco Security has purchased interests in companies that qualify as a business combination and, therefore, must apply standards for business combinations.

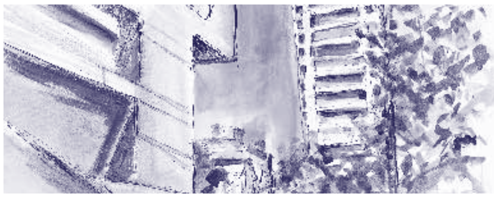
On February 15, 2016, Banco Security acquired a total of 24,478,816 shares of Penta Corredores de Bolsa S.A., equivalent to 99.999992% of its share capital for a total of THCH$34,208,152 and 999,998 shares of Penta Administradora General de Fondos S.A., equivalent to 99.99980% of its share capital, for a total of THCH$1,828,330. On the same date, Valores Security S.A. Corredores de Bolsa acquired a total of 2 shares of Penta Corredores de Bolsa S.A., equivalent to 0.000008% of its share capital and Administradora General de Fondos Security S.A. purchased 2 shares of Penta Administradora General de Fondos S.A., equivalent to 0.0002% of its share capital.

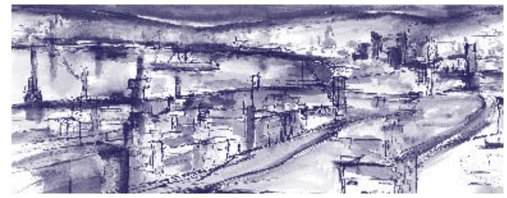
On the same date, Valores Security S.A. Corredores de Bolsa and Administradora General de Fondos Security S.A. carried out capital increases, and Banco Security subscribed and paid these increases by contributing its respective shares of Penta Corredores de Bolsa S.A. and Penta Administradora General de Fondos S.A.

At this point, the subsidiaries of Banco Security, Valores Security S.A. Corredores de Bolsa and Administradora General de Fondos Security S.A., possessed 100% of the shares of Penta Corredores de Bolsa S.A. and Penta Administradora General de Fondos S.A., respectively, and, therefore, these companies merged.

	THCH$
Amount paid for shares of Empresas Penta	36,036,485
Fair value of purchased assets	31,674,615
Goodwill calculated	4,361,870

The PPA valuation was completed on February 13, 2017, within the term stipulated in IFRS 3, and the fair values of the identified assets and liabilities were recorded as the final values. As of December 31, 2017, the Company's accounting reflects the final values of these items in Note 14b) of the consolidated financial statements of Banco Security and subsidiaries as of December 31, 2017.





2.50 RECLASSIFICATIONS

For comparison purposes, Grupo Security and subsidiaries have made certain minor reclassifications to the financial statements as of December 31, 2016, to improve the presentation and comparability of the financial statements as of December 31, 2017.

These reclassifications do not have a significant impact on these financial statements as they do not affect profit for the year.

The following items were reclassified:

NOTE 4 DEFERRED TAX LIABILITIES, BANCO SECURITY

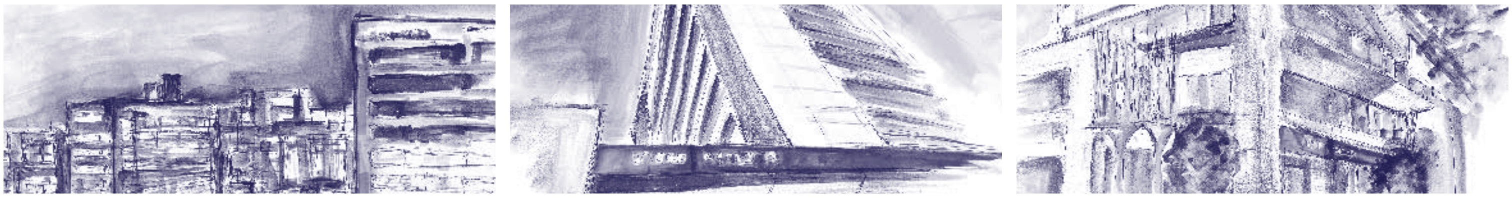
	BALANCE REPORTED IN 2016 THCH$	RECLASSIFICATION	RECLASSIFIED BALANCE 2016 THCH$
Deferred tax assets related to depreciation*	2,141,102	(6,385,000)	(4,243,898)
Deferred tax assets related to amortization	27,882,206		27,882,206
Deferred tax assets related to provisions	29,376,951		29,376,951
Deferred tax assets related to revaluations of financial instruments	41,697,432		41,697,432
Deferred tax assets related to tax losses	6,785,392		6,785,392
Deferred tax assets related to other items*	20,152,645	(8,760,744)	11,391,901
SUBTOTAL	**128,035,728**	**(15,145,744)**	**112,889,984**
Deferred tax liabilities related to depreciation*	7,075,823	(6,385,000)	690,823
Deferred tax liabilities related to provisions	13,188,190		13,188,190
Deferred tax liabilities related to lease agreements*	37,701,768	662,000	38,363,768
Deferred tax liabilities related to other items*	11,644,113	(9,422,744)	2,221,369
SUBTOTAL	**69,609,894**	**(15,145,744)**	**54,464,150**
NET BALANCE	**58,425,834**	**-**	**58,425,834**

* ON JANUARY 8, 2018, THE SBIF ISSUED MANAGEMENT LETTER 21 TO COMPLEMENT INSTRUCTIONS ON CURRENT AND DEFERRED TAXES IN ACCORDANCE WITH IAS 12, INDICATING THAT ASSETS AND LIABILITIES RESULTING FROM THESE TAXES MUST BE PRESENTED NET IN THE CONSOLIDATED FINANCIAL STATEMENTS. AS A RESULT, BANCO SECURITY MADE THE FOLLOWING RECLASSIFICATIONS:

NOTE 31 CURRENT ASSETS IN FOREIGN CURRENCY

Reclassification of Other Current Financial Assets in Foreign Currency

	BALANCE REPORTED IN 2016 THCH$	RECLASSIFICATION	RECLASSIFIED BALANCE 2016 THCH$
Other financial assets, current			
USD	553,437,952	(870,181)	552,567,771
UF	1,651,811,224	1	1,651,811,225
Chilean peso	808,246,517	870,180	809,116,697
Other	96,774,457	-	96,774,457
	3,110,270,150	-	3,110,270,150



Reclassification of Investment Properties, Cía de Seguros Protecta S.A.

	BALANCE REPORTED IN 2016 THCH$	RECLASSIFICATION	RECLASSIFIED BALANCE 2016 THCH$
Land	-	47,350,932	47,350,932
Buildings	124,635,750	(47,350,932)	77,284,818
Other property	19,979,443		19,979,443
TOTAL	144,615,193	-	144,615,193

NOTE 10 INTANGIBLE ASSETS OTHER THAN GOODWILL, BANCO SECURITY

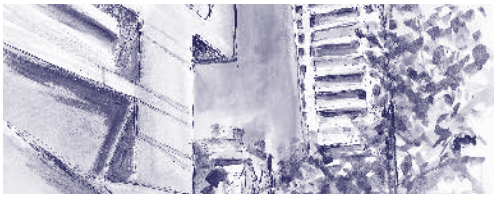
Reclassification by Banco Security of Project under Development to Other Intangible Assets

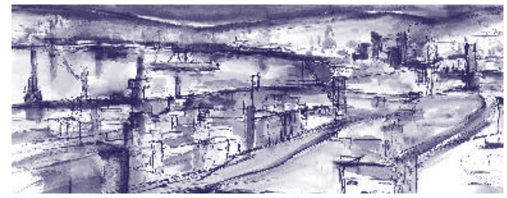
	BALANCE REPORTED IN 12/31/2017 THCH$			RECLASSIFICATION THCH$			RECLASSIFIED BALANCE 12/31/2016 THCH$		
	GROSS VALUE	ACCUMULATED AMORTIZATION/ IMPAIRMENT	NET VALUE	GROSS VALUE	ACCUMULATED AMORTIZATION/ IMPAIRMENT	NET VALUE	GROSS VALUE	ACCUMULATED AMORTIZATION/ IMPAIRMENT	NET VALUE
Computer software	70,972,202	(29,213,722)	41,758,480	-	-	-	70,972,202	(29,213,722)	41,758,480
Projects under development	4,110,727	(2,899,118)	1,211,609	(492,856)	19,146	(473,710)	3,617,871	(2,879,972)	737,899
Computer licenses	3,426,439	(2,772,056)	654,383	-	-	-	3,426,439	(2,772,056)	654,383
Other	-	-	-	492,856	(19,146)	473,710	492,856	(19,146)	473,710
	78,509,368	(34,884,896)	43,624,472	-	-	-	78,509,368	(34,884,896)	43,624,472

NOTE 18 OTHER CURRENT FINANCIAL LIABILITIES, FACTORING SECURITY

Reclassification of Bond Placement and Discount on Bond Placement, Factoring Security

	BALANCE REPORTED IN 2016 THCH$	RECLASSIFICATION	RECLASSIFIED BALANCE 2016 THCH$
Borrowings from financial institutions	444,443,389		444,443,389
Current accounts	451,190,189	21,191	451,211,380
Senior bonds	1,304,370,233	49,446	1,304,419,679
Discount on bond placement	(4,471,216)	(70,637)	(4,541,853)
Derivatives	96,542,610		96,542,610
Other obligations	7,527,384		7,527,384
Payables from repurchase agreements and securities lending	27,007,993		27,007,993
Savings accounts and time deposits	3,051,820,037		3,051,820,037
Letters of credit	24,621,330		24,621,330
Public-sector obligations	13,656,152		13,656,152
Payables to credit card operators	6,484,926		6,484,926
TOTAL	5,423,193,027	-	5,423,193,027





RECLASSIFICATION OF OPENING EQUITY BALANCE

Reclassification of the effect of issuance premiums on 29,584,845 shares, related to part of the capital increase approved at the extraordinary shareholders' meeting on April 8, 2013, which ended July 24, 2015.

	BALANCE REPORTED IN 2016 THCH$	RECLASSIFICATION	RECLASSIFIED BALANCE 2016 THCH$
Issued capital	302,406,331	295,848	302,702,179
Share premium	33,209,745	(295,848)	32,913,897

NOTE 3 - CASH AND CASH EQUIVALENTS

The consolidated statement of cash flows presents the bank subsidiaries separately in the same statement. Accordingly, the following detail corresponds only to the cash and cash equivalents of non-banking services:

A) THE DETAIL OF THIS ACCOUNT IS AS FOLLOWS:

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
Cash	516,287,599	457,964,262
Mutual fund units	54,393,733	25,968,095
Other cash and cash equivalents	29,086,146	26,402,713
TOTAL	**599,767,478**	**510,335,070**

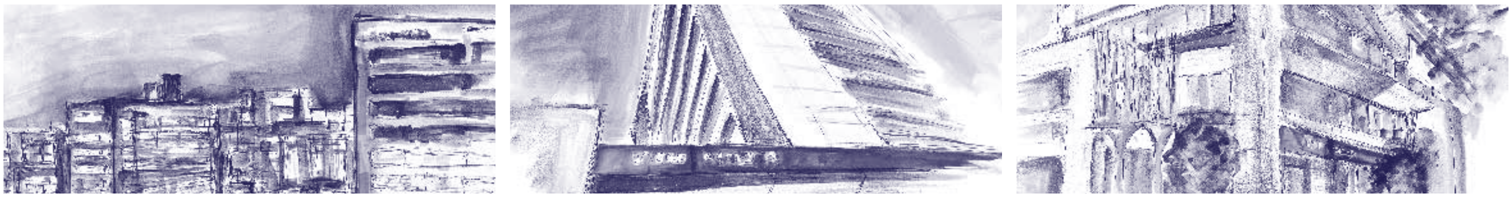
B) THE DETAIL OF CASH AND CASH EQUIVALENTS BY TYPE OF CURRENCY IS AS FOLLOWS:

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
USD	205,779,146	198,598,753
Euro	4,739,887	809,541
Chilean peso	384,803,068	305,991,340
Other	4,445,377	4,935,436
TOTAL	**599,767,478**	**510,335,070**

NOTE 4 - INCOME TAXES

Deferred tax assets include temporary differences that are estimated to be paid or recovered by Grupo Security for the differences between the carrying and tax bases of assets, as well as current tax losses and other tax credits.

Deferred tax assets identified for temporary differences are only recognized when it is considered probable that Grupo Security will have sufficient taxable income in the future to realize the benefits from deferred tax assets.



A) DEFERRED TAX ASSET BALANCES ARE RELATED TO THE FOLLOWING ITEMS:

DEFERRED TAX ASSETS	12/31/2017 THCH$	12/31/2016 THCH$
Deferred tax assets related to depreciation	(3,222,259)	(4,243,898)
Deferred tax assets related to amortization	17,293,473	27,882,206
Deferred tax assets related to provisions	28,788,768	29,376,951
Deferred tax assets related to revaluations of financial instruments	42,711,561	41,697,432
Deferred tax assets related to tax losses	4,573,806	6,785,392
Deferred tax assets related to other items	6,289,700	11,391,901
TOTAL	96,435,049	112,889,984

B) DEFERRED TAX LIABILITY BALANCES ARE RELATED TO THE FOLLOWING ITEMS:

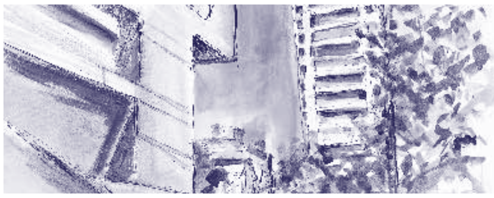
DEFERRED TAX LIABILITIES	12/31/2017 THCH$	12/31/2016 THCH$
Deferred tax liabilities related to depreciation	601,113	690,823
Deferred tax liabilities related to provisions	486,598	13,188,190
Deferred tax liabilities related to lease agreements	41,713,058	38,363,768
Deferred tax liabilities related to other items	2,496,725	2,221,369
TOTAL	45,297,494	54,464,150

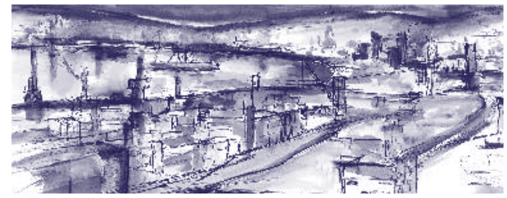
C) INCOME TAX EXPENSES

	12/31/2017 THCH$	12/31/2016 THCH$
Current tax expense	(21,723,652)	(24,437,981)
Adjustments to prior period current tax	(848,336)	(315,002)
Other current tax expenses	77,236	460,689
CURRENT TAX EXPENSE, NET, TOTAL	(22,494,752)	(24,292,294)
Deferred expense for taxes related to the creation and reversal of temporary differences	(3,391,616)	8,075,818
Other deferred tax benefits	(85,081)	2,350,606
DEFERRED TAX BENEFIT (EXPENSE), NET, TOTAL	(3,476,697)	10,426,424
INCOME TAX EXPENSE	(25,971,449)	(13,865,870)

D) RECONCILIATION OF STATUTORY TAX RATE TO EFFECTIVE TAX RATE

	12/31/2017 %	12/31/2016 %
Statutory tax rate	25.50%	24.00%
Other decrease in statutory tax rate	0.55%	(8.41%)
TOTAL ADJUSTMENTS TO STATUTORY TAX RATE	0.55%	(8.41%)
EFFECTIVE TAX RATE	26.05%	15.59%





NOTE 5 - INVENTORIES

The detail of this account is as follows:

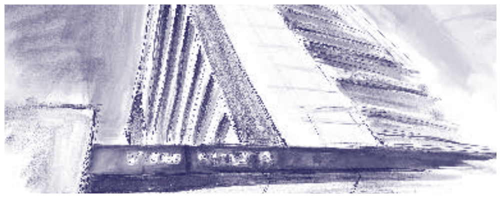
	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
Land	62,630,808	63,598,700
Houses	5,761,370	2,702,388
Apartments	3,000,822	4,750,023
Storage facilities	54,364	45,398
Parking spaces	398,999	889,646
Residential leases	198,203	-
Mortgage loans funded with own resources	68,580	-
TOTAL	72,113,146	71,986,155

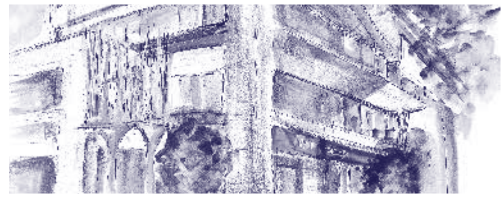
	12/31/2017 THCH$				
	OPENING BALANCE THCH$	PURCHASES THCH$	TRANSFER OF INVENTORIES THCH$	SALES THCH$	CLOSING BALANCE THCH$
Land	63,598,700	21,888,204	(22,285,125)	(570,971)	62,630,808
Houses	2,702,388		8,135,539	(5,076,557)	5,761,370
Apartments	4,750,023	269,518	13,189,941	(15,208,660)	3,000,822
Storage facilities	45,398		133,284	(124,318)	54,364
Parking spaces	889,646	19,025	826,361	(1,336,033)	398,999
Residential leases	-	198,203			198,203
Mortgage loans funded with own resources	-	68,580			68,580
TOTAL	71,986,155	22,443,530	-	(22,316,539)	72,113,146

	12/31/2016 THCH$				
	OPENING BALANCE THCH$	PURCHASES THCH$	TRANSFER OF INVENTORIES THCH$	SALES THCH$	CLOSING BALANCE THCH$
Land	52,246,475	33,458,110	(20,478,960)	(1,626,925)	63,598,700
Houses	538,461	-	9,357,249	(7,193,322)	2,702,388
Apartments	1,924,042	-	9,497,327	(6,671,346)	4,750,023
Storage facilities	40,941	-	60,347	(55,890)	45,398
Parking spaces	287,185	-	1,564,037	(961,576)	889,646
TOTAL	55,037,104	33,458,110	-	(16,509,059)	71,986,155

NOTE 6 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Transactions between the Group and its subsidiaries consist of customary transactions in terms of their objective and conditions. These intercompany transactions have been eliminated upon consolidation and are not disclosed in this note.



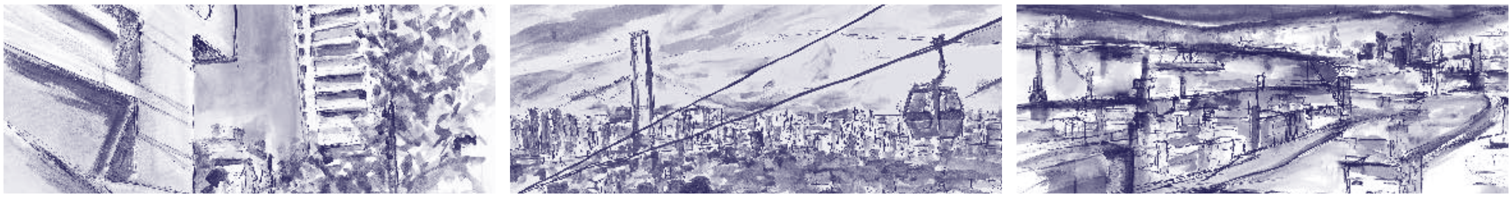


The balances of accounts receivable between unconsolidated related parties are as follows:

TAXPAYER ID	COMPANY	RELATIONSHIP	TRANSACTION	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
76.003.473-8	SKC Inmobiliaria S.A.	Related to Bank (2)	Commercial loans	8,418,058	8,247,389
76.017.514-5	Sudamerica Comercial S.A.	Related to Bank (2)	Commercial loans	699,872	1,232,946
76.057.595-K	Comercializadora y Exportadora Sur Corp S.A.	Related to Bank (2)	Commercial loans	260,311	333,827
76.081.982-4	Comercial Natufeed Ltda.	Related to Bank (2)	Commercial loans	605,203	420,196
76.102.564-3	Morken Chile S.A.	Related to Bank (2)	Commercial loans	3,915	
76.123.386-6	Sociedad Comercializadora TYM Ltda.	Related to Bank (2)	Commercial loans	66,505	
76.140.492-K	Silva y Pizarro Limitada	Related to Bank (2)	Commercial loans	31,842	
76.140.492-K	Silva y Pizarro Ltda.	Related to Bank (2)	Commercial loans	2,749	3,591
76.176.602-3	SKC Transporte S.A.	Related to Bank (2)	Commercial loans	822,682	2,235,272
76.193.810-K	Dimerco Comercial Ltda.	Related to Bank (2)	Commercial loans	3,936	
76.197.101-8	C.B.P. Financia Capital Factoring S.A.	Related to Bank (2)	Commercial loans	346,567	201,031
76.262.259-9	Stick Mania Diseños e Impresiones Ltda	Related to Bank (2)	Commercial loans	2,419	-
76.270.409-9	Barria y Mardones Limitada	Related to Bank (2)	Commercial loans	285,118	-
76.351.957-0	Easy Supply Comercial Ltda.	Related to Bank (2)	Commercial loans	180,412	217,760
76.399.170-9	Servicios e Inversiones Koala Ltda.	Related to Bank (2)	Commercial loans	23,068	-
76.410.610-5	SKC Maquinarias S.A.	Related to Bank (2)	Commercial loans	51	-
76.425.518-6	Inversiones Alonso S.A.	Related to Bank (2)	Commercial loans	109,794	-
76.435.928-3	Codiproal S.P.A.	Related to Bank (2)	Commercial loans	129	
76.503.271-7	Kinto Inversiones Ltda	Related to Bank (2)	Commercial loans	472	
76.621.380-4	Finameris Servicios Financieros S.A.	Related to Bank (2)	Commercial loans	1,554,472	1,558,392
76.692.840-4	Sigdotek S.A.	Related to Bank (2)	Commercial loans	75	-
76.832.940-0	Newco Motor Chile S.A.	Related to Bank (2)	Commercial loans	1,048,949	-
77.755.590-1	Cabo de Hornos S.A.	Related to Bank (2)	Commercial loans	345,917	56,218
78.560.400-1	Inversiones Santa Paula Ltda.	Related to Bank (2)	Commercial loans	61,529	70,131
81.271.100-8	Detroit Diesel MTU Allison Chile S.A.	Related to Bank (2)	Commercial loans	732	625,814
83.568.200-5	Simma S.A.	Related to Bank (2)	Commercial loans	300,004	468,236
86.727.800-1	Sociedad Agricola y Comercial Ltda.	Related to Bank (1)	Commercial loans	92,819	-
92.845.000-7	Carlos Cramer Productos	Related to Bank (1)	Commercial loans	2,497	
94.099.000-9	Microfilmación y Sistemas Microsystem S.A.	Related to Bank (2)	Commercial loans	78,298	99,656
96.555.640-0	Comercial Itala S.A.	Related to Bank (2)	Commercial loans	-	1,088,385
96.588.080-1	Principal Cía. de Seguros de Vida Chile S.A.	Related to Asset Mgt (1)	Insurance	129,602	-
96.594.300-5	Juguetes Festival Kayser S.A.	Related to Bank (2)	Commercial loans	45,038	
96.777.170-8	Sigdopack S.A.	Related to Bank (2)	Commercial loans	1,471,739	1,471,530
96.937.550-8	SKC Servicios Automotrices S.A.	Related to Bank (2)	Commercial loans	1,225	-
99.573.400-1	Europ Assistance S.A.	Related to Bank (2)	Commercial loans	-	49,686
200.014.768-6	KIA Argentina S.A.	Related to Bank (2)	Commercial loans	4,794	-
200.502.009-9	South Pacific Motor Peru Sac	Related to Bank (2)	Commercial loans	-	210,108
E-0	Other minor receivables - Banco Security	Related to Bank (2)	Commercial and consumer loans	15,018,489	11,192,371
	TOTAL			32,019,282	29,782,539

(1) UNDER PARAGRAPH 9 OF IAS 24, LETTER A), GRUPO SECURITY S.A. HOLDS AN OWNERSHIP INTEREST IN THIS ENTITY THROUGH ITS SUBSIDIARIES THAT GIVES IT SIGNIFICANT INFLUENCE OVER THIS COMPANY.

(2) UNDER PARAGRAPH 9 OF IAS 24, LETTER F), THIS IS AN ENTITY OVER WHICH SOME KEY MEMBERS OF OUR MANAGEMENT EXERCISE CONTROL OR HAVE DIRECT OR INDIRECT VOTING POWER.



NOTE 7 - INVESTMENTS IN EQUITY-ACCOUNTED ASSOCIATES

The detail of investments in associates is as follows:

TAXPAYER ID	COMPANY NAME	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
76.507.823-7	Inmobiliaria Parque el Rodeo SPA	2,201,375	-
99.573.400-1	Europ Assistance Chile S.A.	824,559	660,603
	Other companies	50,624	133,928
TOTAL		3,076,558	794,531

Summarized financial information about the main investments accounted for using the equity method:

The following financial statements are prepared in conformity with the accounting standards issued by the CMF and, in matters that are not regulated by the CMF, in accordance with IFRS.

EUROP ASSISTANCE CHILE S.A.

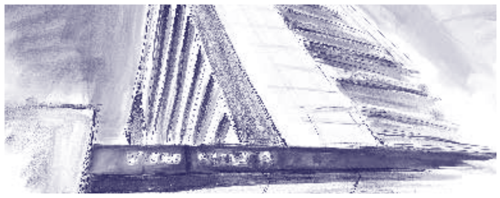
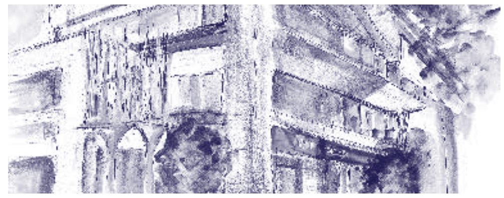
CLASSIFIED STATEMENT OF FINANCIAL POSITION

ASSETS	12/31/2017 THCH$	12/31/2016 THCH$
Current assets	3,885,680	3,576,937
Non-current assets	274,749	510,740
TOTAL ASSETS	4,160,429	4,087,677

LIABILITIES	12/31/2017 THCH$	12/31/2016 THCH$
Current liabilities	2,477,656	2,742,525
Non-current liabilities	-	-
Equity attributable to owners of the parent	858,214	684,549
Non-controlling interests	824,559	660,603
TOTAL LIABILITIES AND EQUITY	4,160,429	4,087,677

STATEMENT OF INCOME

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
Gross profit	553,326	339,518
Non-operating income		
PROFIT BEFORE TAX	553,326	339,518
Income tax expense	(140,936)	(78,558)
PROFIT FOR THE YEAR	412,390	260,960
Profit attributable to owners of the parent	210,319	133,090
Profit attributable to non-controlling interests	202,071	127,870

INMOBILIARIA PARQUE EL RODEO SPA

ASSETS	12/31/2017 THCH$	12/31/2016 THCH$
Current assets	199,748	-
Non-current assets	24,805,725	-
TOTAL ASSETS	25,005,473	-

LIABILITIES	12/31/2017 THCH$	12/31/2016 THCH$
Current liabilities	20,602,724	-
Non-current liabilities	-	-
Equity attributable to owners of the parent	2,201,375	-
Non-controlling interests	2,201,375	-
TOTAL LIABILITIES AND EQUITY	25,005,473	-

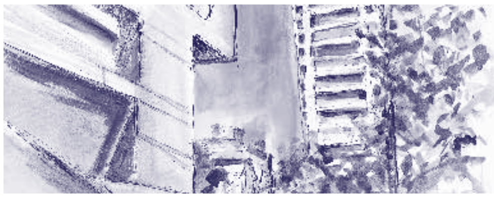
STATEMENT OF INCOME

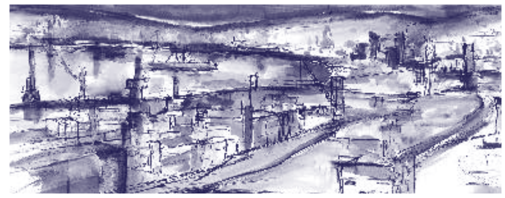
	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
Gross profit	13,124	-
Non-operating loss	(759,563)	-
LOSS BEFORE TAX	(746,439)	-
Income tax benefit	109,217	
LOSS FOR THE YEAR	(637,222)	-
Loss attributable to owners of the parent	(318,611)	-
Loss attributable to non-controlling interests	(318,611)	-

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

A) The balances of property, plant and equipment are as follows:

CLASSES OF PROPERTY, PLANT AND EQUIPMENT, NET	12/31/2017 THCH$	12/31/2016 THCH$
PROPERTY, PLANT AND EQUIPMENT, NET	65,088,368	74,845,991
Construction in progress, net	-	9,747,216
Land, net	13,870,668	14,014,715
Buildings, net	31,786,980	30,668,551
Plant and equipment, net	2,473,033	2,164,088
IT equipment, net	911,076	912,704
Fixtures and accessories, net	3,166,092	3,165,533
Motor vehicles, net	159,766	151,918
Other property, plant and equipment, net	12,720,753	14,021,266





CLASSES OF PROPERTY, PLANT AND EQUIPMENT, GROSS	12/31/2017 THCH$	12/31/2016 THCH$
PROPERTY, PLANT AND EQUIPMENT, GROSS	**100,642,532**	**106,772,684**
Construction in progress, gross	-	9,747,216
Land, gross	13,870,668	14,014,715
Buildings, gross	36,706,003	34,980,727
Plant and equipment, gross	13,533,170	12,338,768
IT equipment, gross	4,241,140	4,028,229
Fixtures and accessories, gross	5,429,815	4,941,919
Motor vehicles, gross	381,027	358,345
Other property, plant and equipment, gross	26,480,709	26,362,765

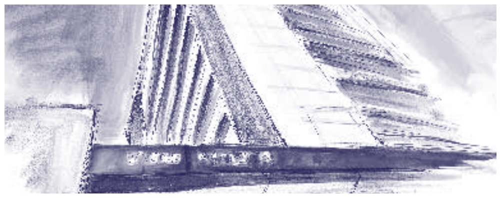
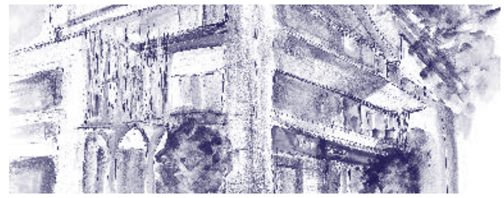
CLASSES OF ACCUMULATED DEPRECIATION AND IMPAIRMENT, PROPERTY, PLANT AND EQUIPMENT	12/31/2017 THCH$	12/31/2016 THCH$
ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT, NET	**35,554,164**	**31,926,693**
Accumulated depreciation and impairment, buildings	4,919,023	4,312,176
Accumulated depreciation and impairment, plant and equipment	11,060,137	10,174,680
Accumulated depreciation and impairment, IT equipment	3,330,064	3,115,525
Accumulated depreciation and impairment, fixtures and accessories	2,263,723	1,776,386
Accumulated depreciation and impairment, motor vehicles	221,261	206,427
Accumulated depreciation and impairment, other	13,759,956	12,341,499

B) Details of movements as of December 31, 2017

CURRENT PERIOD	CONSTRUCTION IN PROGRESS	LAND	BUILDINGS	PLANT AND EQUIPMENT	COMPUTER EQUIPMENT	FACILITIES	MOTOR VEHICLES	OTHER PROPERTY	TOTAL
Property, plant and equipment, opening balance	9,747,216	14,014,715	30,668,551	2,164,088	912,704	3,165,533	151,918	14,021,266	74,845,991
Additions to property, plant and equipment	432,285	-	1,899,138	1,042,053	266,443	333,528	49,646	355,901	4,378,994
Depreciation expense	-	-	(636,303)	(765,676)	(214,597)	(468,601)	(41,782)	(3,055,568)	(5,182,527)
Other increase (decrease)	(10,179,501)	(144,047)	(144,406)	32,568	(53,474)	135,632	(16)	1,399,154	(8,954,090)
Changes in property, plant and equipment, total	(9,747,216)	(144,047)	1,118,429	308,945	(1,628)	559	7,848	(1,300,513)	(9,757,623)
PROPERTY, PLANT AND EQUIPMENT	-	13,870,668	31,786,980	2,473,033	911,076	3,166,092	159,766	12,720,753	65,088,368

The Company does not have any fixed assets that serve as guarantees for fulfilling existing obligations or are considered construction in progress and there are no commitments to purchase fixed assets.

Furthermore, the Company does not have fixed assets that are currently out of service; assets that are fully amortized, but still in use; or assets pending retirement not classified as held for sale.

B) Details of movements as of December 31, 2016

PRIOR PERIOD	CONSTRUCTION IN PROGRESS	LAND	BUILDINGS	PLANT AND EQUIPMENT	COMPUTER EQUIPMENT	FACILITIES	MOTOR VEHICLES	OTHER PROPERTY	TOTAL
Property, plant and equipment, opening balance	12,944,392	8,985,775	25,813,956	2,407,604	900,203	2,716,020	179,570	14,270,484	68,218,004
Additions to property, plant and equipment	-	5,028,940	5,901,630	927,891	150,090	959,797	29,714	1,127,893	14,125,955
Depreciation expense	-	-	(881,370)	(1,021,640)	(137,470)	(498,354)	(57,110)	(2,031,980)	(4,627,924)
Other increase (decrease)	(3,197,176)	-	(165,665)	(149,767)	(119)	(11,930)	(256)	654,869	(2,870,044)
Changes in property, plant and equipment, total	(3,197,176)	5,028,940	4,854,595	(243,516)	12,501	449,513	(27,652)	(249,218)	6,627,987
PROPERTY, PLANT AND EQUIPMENT	9,747,216	14,014,715	30,668,551	2,164,088	912,704	3,165,533	151,918	14,021,266	74,845,991

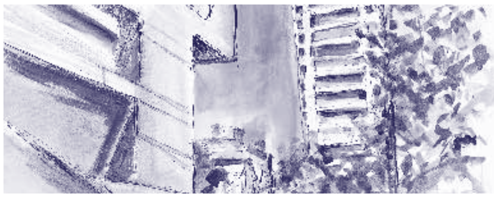
NOTE 9 - INVESTMENT PROPERTY

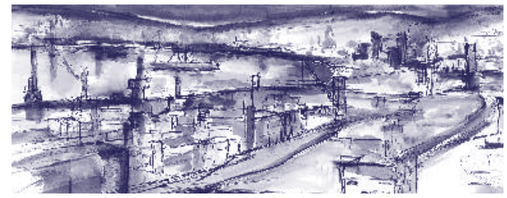
Investment property is property (land or buildings) held to earn rentals or for capital appreciation or both, rather than for use in production or for administrative purposes, or sale in the ordinary course of business.

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
Land	53,373,031	47,350,932
Buildings	81,003,907	77,284,818
Other property	25,286,253	19,979,443
TOTAL	159,663,191	144,615,193

	MOVEMENTS IN INVESTMENT PROPERTY DECEMBER 2017					
	OPENING BALANCE THCH$	INCREASES THCH$	DISPOSALS THCH$	DEPRECIATION THCH$	REVALUATION THCH$	CLOSING BALANCE THCH$
Land	47,350,932	4,759,911			1,262,188	53,373,031
Buildings	77,284,818	4,680,911	(1,247,781)	(1,764,613)	2,050,572	81,003,907
Other property	19,979,443	5,265,299		(365,923)	407,434	25,286,253
TOTAL	144,615,193	14,706,121	(1,247,781)	(2,130,536)	3,720,194	159,663,191

	MOVEMENTS IN INVESTMENT PROPERTY DECEMBER 2016					
	OPENING BALANCE THCH$	INCREASES THCH$	DISPOSALS THCH$	DEPRECIATION THCH$	REVALUATION THCH$	CLOSING BALANCE THCH$
Land	2,300,604	47,350,932	(2,355,818)	-	55,214	47,350,932
Buildings	122,203,578	15,412,053	(62,565,307)	(1,488,445)	3,722,939	77,284,818
Other property	14,882,190	5,951,288	(1,771,000)	(160,753)	1,077,718	19,979,443
TOTAL	139,386,372	68,714,273	(66,692,125)	(1,649,198)	4,855,871	144,615,193





NOTE 10 - INTANGIBLE ASSETS OTHER THAN GOODWILL

A) The detail of intangible assets is as follows:

	12/31/2017 THCH$			12/31/2016 THCH$		
	GROSS VALUE	ACCUMULATED AMORTIZATION/ IMPAIRMENT	NET VALUE	GROSS VALUE	ACCUMULATED AMORTIZATION/ IMPAIRMENT	NET VALUE
Computer software	69,339,430	(32,389,583)	36,949,847	70,972,202	(29,213,722)	41,758,480
Projects under development	1,183,585	(881,193)	302,392	3,617,871	(2,879,972)	737,899
Computer licenses	3,922,650	(3,162,637)	760,013	3,426,439	(2,772,056)	654,383
Other	2,750,121	(2,244,399)	505,722	492,856	(19,146)	473,710
TOTAL	77,195,786	(38,677,812)	38,517,974	78,509,368	(34,884,896)	43,624,472

B) The amortization of intangible assets is calculated using the straight-line method over the estimated useful life of the asset.

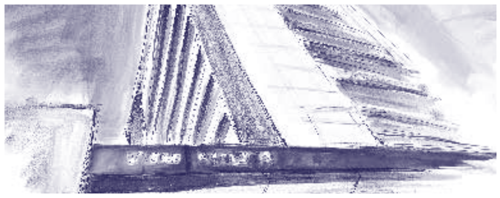
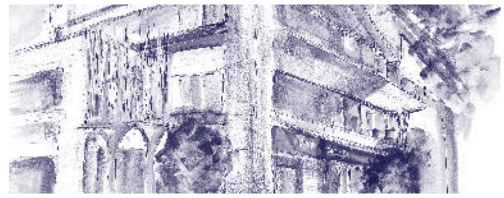
NOTE 11 - GOODWILL

A) The detail of this account is as follows:

	12/31/2017 THCH$					12/31/2016 THCH$				
	OPENING BALANCE, NET	ACQUISITIONS	IMPAIRMENT LOSSES RECOGNIZED IN EQUITY	IMPAIRMENT LOSSES RECOGNIZED IN PROFIT (LOSS)	CLOSING BALANCE, NET	OPENING BALANCE, NET	ACQUISITIONS	IMPAIRMENT LOSSES RECOGNIZED IN EQUITY	IMPAIRMENT LOSSES RECOGNIZED IN PROFIT (LOSS)	CLOSING BALANCE, NET
Goodwill Interrentas	20,834,249				20,834,249	20,834,249	-	-	-	20,834,249
Goodwill Banco Dresdner	2,224,741				2,224,741	2,224,741	-	-	-	2,224,741
Goodwill Cooper	13,112,972				13,112,972	13,112,972	-	-	-	13,112,972
Goodwill Penta AGF [1] [2]	205,188				205,188	-	531,769	-	(326,581)	205,188
Goodwill Penta C.B. [1]	4,156,682				4,156,682	-	4,156,682	-	-	4,156,682
Goodwill Travel	2,470,896				2,470,896	2,470,896	-	-	-	2,470,896
Goodwill Travex S.A.	1,181,440				1,181,440	1,181,440	-	-	-	1,181,440
Goodwill AGF CDS	8,677,240				8,677,240	8,677,240	-	-	-	8,677,240
Goodwill Vida Cruz del Sur	65,475,856				65,475,856	65,475,856	-	-	-	65,475,856
Goodwill Capital CDS	727,306				727,306	727,306	-	-	-	727,306
TOTAL	119,066,570	-	-	-	119,066,570	114,704,700	4,688,451	-	(326,581)	119,066,570

(1) ON FEBRUARY 15, 2016, GRUPO SECURITY, THROUGH ITS SUBSIDIARY BANCO SECURITY S.A., TOOK CONTROL OF TWO COMPANIES FROM THE PENTA GROUP, PENTA ADMINISTRADORA GENERAL DE FONDOS S.A. AND PENTA CORREDORES DE BOLSA S.A.

(2) AS OF DECEMBER 31, 2017, THE FAIR VALUE OF THE IDENTIFIABLE ASSETS AND LIABILITIES CONSOLIDATED IN THESE FINANCIAL STATEMENTS ARE NO LONGER PROVISIONAL, IN ACCORDANCE WITH IFRS 3, WHICH ALLOWS ADJUSTMENTS TO THE PROVISIONAL AMOUNTS WITHIN A PERIOD OF ONE YEAR. THE BANK'S ACCOUNTING NOW REFLECTS THE FINAL AMOUNTS.

NOTE 12 - TRADE AND OTHER RECEIVABLES

Trade and other receivables (net of provisions) of Grupo Security as of December 31, 2017, amount to THCH$5,355,570,833 (THCH$4,969,605,345 in 2016).

Grupo Security has a policy regarding the allowance for bad debt which is determined based on a classification system for its risk portfolio using components related to customer and debtor behavior, allowing such provisions to be associated with industry trends.

Before a new customer is accepted, Grupo Security uses an external credit scoring system to assess the customer's potential credit quality and define the customer's credit limits. Customer limits and scores are reviewed regularly.

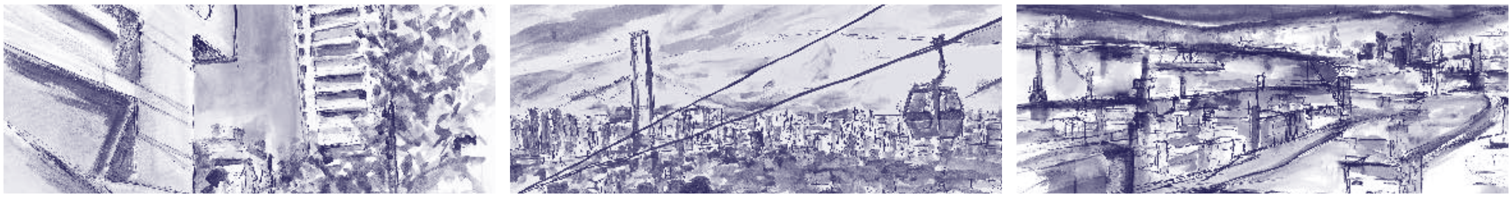
Grupo Security does not maintain any guarantee over such balances.

As of December 31, 2017 and 2016, this account is as follows:

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
BANK		
Loans and advances to banks	-	237,994
Commercial loans	3,417,312,716	3,160,294,853
Lease agreements	303,865,410	302,213,150
Mortgage loans	609,146,681	563,783,024
Consumer loans	438,082,822	382,587,562
Brokerage receivables	64,754,349	69,642,490
Other customer receivables	7,301,345	11,461,081
INSURANCE SUBSIDIARY		
Leases receivable	83,455,204	87,323,858
Trade receivables	91,852,702	85,103,109
OTHER SUBSIDIARIES		
Invoices receivable	21,452,869	20,481,729
Notes and accounts receivable	20,693,919	13,174,508
Leases receivable	10,565,369	7,227,856
Trade receivables	287,087,447	266,074,131
TOTAL	5,355,570,833	4,969,605,345

	12/31/2017			12/31/2016		
	ASSETS BEFORE ALLOWANCES THCH$	ALLOWANCES ON TRADE RECEIVABLES THCH$	NET TRADE RECEIVABLES THCH$	ASSETS BEFORE ALLOWANCES THCH$	ALLOWANCES ON TRADE RECEIVABLES THCH$	NET TRADE RECEIVABLES THCH$
Current trade receivables	5,350,606,063	1,711,039	5,348,895,024	4,963,892,571	2,537,505	4,961,355,066
Current loan receivables	4,628,649,904	1,059,354	4,627,590,550	4,269,397,090	1,742,902	4,267,654,188
Current factoring receivables	241,926,316		241,926,316	228,633,186	327,900	228,305,286
Current lease agreements (net)	430,279,859	651,685	429,628,174	426,706,923	462,423	426,244,500
Current miscellaneous receivables	49,749,984		49,749,984	39,155,372	4,280	39,151,092
Current prepaid expenses	-	-	-	-	-	-
Other current receivables	14,094,075	7,418,266	6,675,809	14,921,137	6,670,858	8,250,279
TRADE AND OTHER RECEIVABLES, CURRENT	5,364,700,138	9,129,305	5,355,570,833	4,978,813,708	9,208,363	4,969,605,345

NOTE: PROVISIONS FOR LOANS GRANTED BY BANCO SECURITY ARE DETAILED IN NOTE 21 OTHER SHORT-TERM PROVISIONS.



	12/31/2017				
	NUMBER OF CUSTOMERS NON-RENEGOTIATED PORTFOLIO	GROSS NON-RENEGOTIATED PORTFOLIO THCH$	NUMBER OF CUSTOMERS RENEGOTIATED PORTFOLIO	GROSS RENEGOTIATED PORTFOLIO THCH$	TOTAL UNSECURED PORTFOLIO THCH$
Unsecured portfolio, current	274,101	5,130,323,588	1,226	33,985,529	5,164,309,117
Unsecured portfolio, 1 to 30 days	16,318	58,327,723	471	424,964	58,752,687
Unsecured portfolio, 31 to 60 days	8,675	11,223,086	288	159,763	11,382,849
Unsecured portfolio, 61 to 90 days	5,238	3,877,448	321	1,545,698	5,423,146
Unsecured portfolio, 91 to 120 days	4,944	853,531	36	1,212,460	2,065,991
Unsecured portfolio, 121 to 150 days	3,232	505,422	-	-	505,422
Unsecured portfolio, 151 to 180 days	3,174	8,993,505	156	4,044,419	13,037,924
Unsecured portfolio, 181 to 210 days	51	14,362	-	-	14,362
Unsecured portfolio, 211 to 250 days	16	3,577	50	1,491,240	1,494,817
Unsecured portfolio, more than 250 days	1,270	93,512,469	148	5,072,049	98,584,518
TOTAL UNSECURED PORTFOLIO	317,019	5,307,634,711	2,696	47,936,122	5,355,570,833

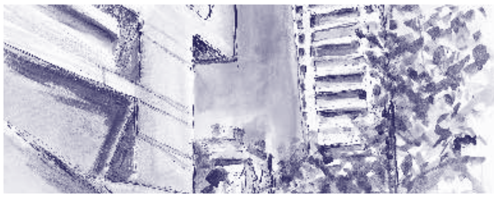
	12/31/2016				
	NUMBER OF CUSTOMERS NON-RENEGOTIATED PORTFOLIO	GROSS NON-RENEGOTIATED PORTFOLIO THCH$	NUMBER OF CUSTOMERS RENEGOTIATED PORTFOLIO	GROSS RENEGOTIATED PORTFOLIO THCH$	TOTAL UNSECURED PORTFOLIO THCH$
Unsecured portfolio, current	1,591,409	4,557,360,534	1,415	185,962,288	4,743,322,822
Unsecured portfolio, 1 to 30 days	22,022	45,400,392	556	1,173,315	46,573,707
Unsecured portfolio, 31 to 60 days	14,027	12,261,104	374	3,326,664	15,587,768
Unsecured portfolio, 61 to 90 days	971	2,249,800	262	3,454,526	5,704,326
Unsecured portfolio, 91 to 120 days	23	80,224	26	1,833,466	1,913,690
Unsecured portfolio, 121 to 150 days	5	40,026	-	-	40,026
Unsecured portfolio, 151 to 180 days	1,051	8,382,783	109	1,489,792	9,872,575
Unsecured portfolio, 181 to 210 days	1	20,000	-	-	20,000
Unsecured portfolio, 211 to 250 days	2	20,144	1	5,349	25,493
Unsecured portfolio, more than 250 days	1,147	141,502,157	108	5,042,781	146,544,938
TOTAL UNSECURED PORTFOLIO	1,630,658	4,767,317,164	2,851	202,288,181	4,969,605,345

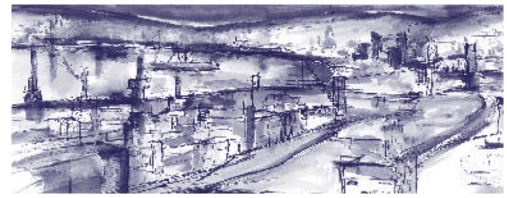
	12/31/2017		12/31/2016	
	PROTESTED NOTES RECEIVABLE, UNSECURED PORTFOLIO	NOTES RECEIVABLE UNDER COURT COLLECTION, UNSECURED PORTFOLIO	PROTESTED NOTES RECEIVABLE, UNSECURED PORTFOLIO	NOTES RECEIVABLE UNDER COURT COLLECTION, UNSECURED PORTFOLIO
Protested or court collection (number of customers)	93	665	123	582
Protested or court collection (value of portfolio)	450,360	57,699,929	259,376	53,292,070

NOTE 13 - OTHER CURRENT FINANCIAL ASSETS

As of December 31, 2017 and 2016, this account includes the following:

	BALANCE 12/31/2017						BALANCE 12/31/2016					
	USD THCH$	EURO THCH$	UF THCH$	PESOS THCH$	NUEVO SOL AND OTHERS THCH$	TOTAL THCH$	USD THCH$	EURO THCH$	UF THCH$	PESOS THCH$	NUEVO SOL AND OTHERS THCH$	TOTAL THCH$
OTHER FINANCIAL ASSETS, BANK												
Investments available for sale	122,654,525	-	119,541,390	436,345,450	-	678,541,365	162,842,902	-	99,244,290	348,607,107	-	610,694,299
Financial instruments held for trading	-	-	18,538,453	75,899,109	-	94,437,562	-	-	143,583,381	123,488,816	-	267,072,197
Derivative instruments	-	-	-	132,731,732	17,785	132,749,517	-	-	-	99,002,993	-	99,002,993
Leased assets	-	-	-	4,397,197	-	4,397,197	-	-	-	19,331,878	-	19,331,878
INVESTMENTS FOR TECHNICAL RESERVES, INSURANCE SUBSIDIARY												
Mutual fund units	97,559,938	-	14,800,671	260,917,612	10,212,917	383,491,138	152,019,341	-	12,233,309	138,395,375	6,196,347	308,844,372
Derivatives	173,430	-	9,534,215	-	-	9,707,645	-	-	-	-	-	-
Shares	2,733,827	-	-	11,677,261	624	14,411,712	141,097	-	-	9,148,027	1,281	9,290,405
Bonds	203,339,288	-	1,216,589,172	51,936,189	20,703,049	1,492,567,698	200,241,697	-	1,088,002,264	56,373,746	8,910,364	1,353,528,071
Mortgage bonds	-	-	35,360,192	-	-	35,360,192	-	-	40,290,083	-	-	40,290,083
Fixed and adjustable time deposits	-	-	9,874,242	10,476,929	-	20,351,171	-	-	10,368,233	11,963,275	-	22,331,508
Mortgage loans	-	-	184,827,426	-	-	184,827,426	-	-	170,322,799	-	-	170,322,799
Third-party guarantees	-	-	-	-	-	-	-	-	-	-	-	-
PRC, CORA and other Central Bank instruments	-	-	89,183	-	-	89,183	-	-	38,052,199	-	-	38,052,199
Residential and real estate leases						-	-				-	-
Other investment securities						-	18,270,798	-	49,054,594	2,764,903	-	70,090,295
OTHER FINANCIAL ASSETS, OTHER SUBSIDIARIES												
Bonds	11,957,473	-	263,482	-	97,723,968	109,944,923	9,691,782	-	660,073	-	20,868,141	31,219,996
Shares	-	-	-	1,530	-	1,530	-	-	-	1,055	-	1,055
Derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Other investment securities	1,684,515	-	40,199	-	-	1,724,714	9,360,154	-	-	39,522	60,798,324	70,198,000
TOTAL	440,102,996	-	1,609,458,625	984,383,009	128,658,343	3,162,602,973	552,567,771	-	1,651,811,225	809,116,697	96,774,457	3,110,270,150





NOTE 14 - OTHER CURRENT NON-FINANCIAL ASSETS

As of December 31, 2017 and 2016, this account includes the following:

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
OTHER NON-FINANCIAL ASSETS, INSURANCE SUBSIDIARY		
Retiree loans	10,411,381	9,305,099
VAT tax credit	378,044	147,053
Advances to suppliers	146,904	97,770
Miscellaneous receivables	363,397	-
OTHER NON-FINANCIAL ASSETS, OTHER SUBSIDIARIES		
Miscellaneous receivables	2,522,099	1,487,763
Advances to suppliers	964,574	2,802,747
Prepaid expenses	279,351	654,891
Guarantees	37,365	50,307
Employee accounts and loans	52,244	42,259
VAT tax credit	4,145,623	5,054,439
Other non-financial assets	7,836,598	732,359
TOTAL	27,137,580	20,374,687

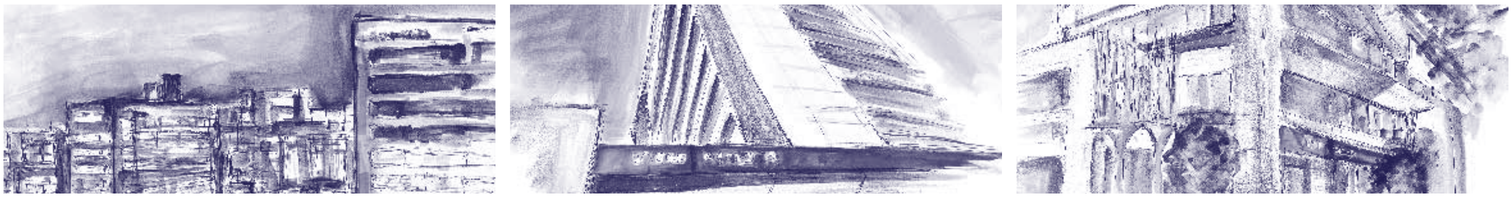
NOTE 15 - CURRENT TAX ASSETS

As of December 31, 2017 and 2016, this account is as follows:

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
Employee training credit (Sence)	316,692	285,734
Monthly provisional tax payments	24,528,366	22,048,739
Credit for PP&E	22,085	2,799
Recovery of tax loss	653,208	36,154
Other credits	6,996,213	5,042,765
TOTAL	32,516,564	27,416,191

NOTE 16 - OTHER NON-CURRENT NON-FINANCIAL ASSETS

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
Prepaid expenses	1,824,738	1,609,130
Lease guarantees	523,822	763,130
Insurance receivable	6,101,194	5,522,761
Non-current notes and accounts receivable	56,546,378	57,363,142
Shares and rights	2,095,047	4,151,647
Other assets	6,992,693	5,326,273
TOTAL	74,083,872	74,736,083



NOTE 17 - TRADE AND OTHER PAYABLES

As of December 31, 2017 and 2016, this account includes the following:

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
Suppliers	6,789,540	7,048,361
Fees payable	11,873	2,793
Payables to customers	14,156,787	12,013,520
Leases payable	539,319	292,885
Brokerage payables	1,041,529	736,059
Insurance payable	1,769,319	1,714,034
Expired checks	349,559	126
INSURANCE SUBSIDIARY		
Technical reserves	2,376,397,901	2,212,662,274
Claims payable	25,464,265	20,684,663
Suppliers	-	861,769
Other accounts payable	78,226,046	66,849,391
TOTAL	2,504,746,138	2,322,865,875

NOTE 18 - OTHER CURRENT FINANCIAL LIABILITIES

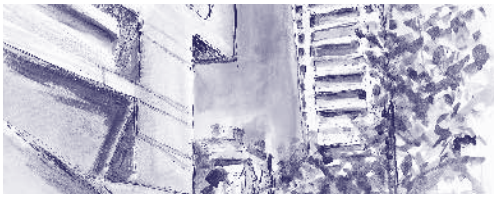
On November 20, 2009, the CMF certified the Group's filing under number 620 in the Securities Registry of the issuance of dematerialized F series bonds for UF 1,250,000, with annual interest of 4.5%.

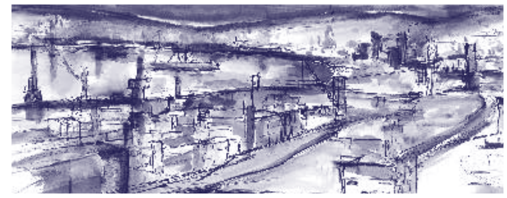
On August 27, 2013, the CMF certified the Group's filing under number 763 in the Securities Registry of the issuance of K series bonds for UF 3,000,000, with annual interest of 4.0%.

On December 4, 2014, the CMF certified the Group's filing under number 795 in the Securities Registry of the issuance of L3 series bonds for UF 3,000,000, with annual interest of 3.4%.

On December 27, 2016, the CMF certified the Group's filing under number 842 in the Securities Registry of the issuance of M series dematerialized bonds for UF 1,189,000, with annual interest of 4.2%.

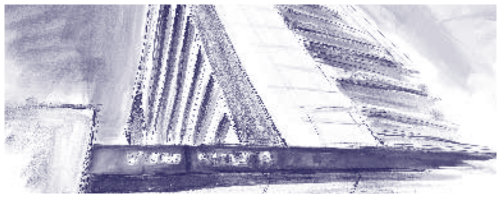
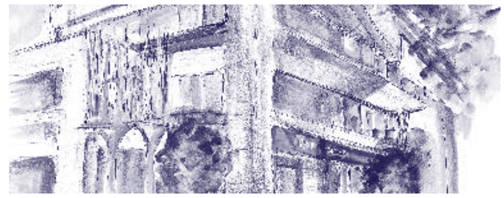
On January 6, 2017, the Company finalized the process by which bondholders could voluntarily exchange series F bonds for new series M bonds under identical conditions for all bondholders in accordance with article 130 of Law No. 18,045 on Securities Markets and the terms and conditions in the Exchange Notice published. Bonds were exchanged for 95% of the original issuance, equivalent to a nominal amount of UF1,189,000.





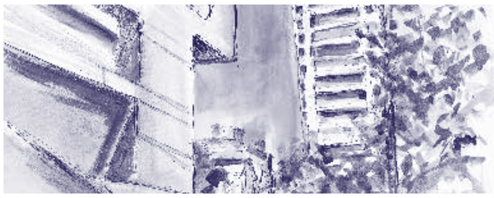
As of December 31, 2017 and 2016, this account includes the following:

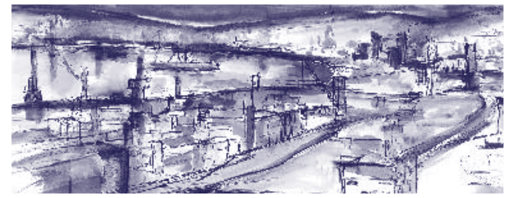
	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
Borrowings from financial institutions	456,308,574	444,443,389
Current accounts	519,141,056	451,211,380
Senior bonds	1,532,450,282	1,304,419,679
Discount on bond placement	(5,079,154)	(4,541,853)
Derivatives	99,692,356	96,542,610
Other obligations	7,429,278	7,527,384
Receivables from repurchase agreements and securities borrowing	14,146,285	27,007,993
Savings accounts and time deposits	2,926,054,484	3,051,820,037
Letters of credit	17,909,272	24,621,330
Public-sector obligations	17,696,387	13,656,152
Payables to credit card operators	5,270,757	6,484,926
TOTAL	5,591,019,577	5,423,193,027

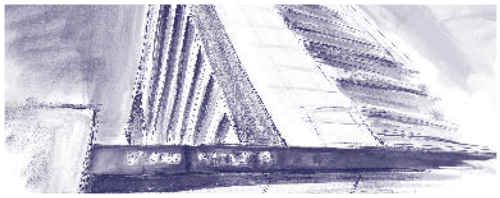
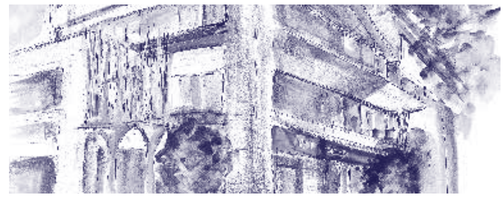
DETAIL OF BANK OBLIGATIONS AS OF DECEMBER 31, 2017

BALANCE 12/31/2017														
											CARRYING AMOUNT			
											MATURITY			
BANK	DEBTOR TAXPAYER ID	DEBTOR NAME	DEBTOR COUNTRY	CREDITOR TAXPAYER ID	CREDITOR NAME	CREDITOR COUNTRY	CURRENCY	TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL RATE %	0-90 DAYS	91 DAYS TO 1 YEAR	1 YEAR OR MORE	TOTAL
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	406.595.168-7	Bank of China	China	US dollars	Quarterly	0.00%	0.00%	37,471	-	-	37,471
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	406.598.168-3	Bank of China	China	US dollars	Quarterly	0.00%	0.00%	49,324	-	-	49,324
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	407.855.136-K	Bank of Montreal	Canada	US dollars	Semi-annual	1.73%	1.73%	15,487,028	-	-	15,487,028
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	408.130.412-8	Bank of Tokyo Mitsubishi	Japan	US dollars	Quarterly	0.00%	0.00%	39,144	-	-	39,144
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	409.047.240-8	Banco Santander Madrid	Spain	Euro	Semi-annual	0.00%	0.00%	-	7,279	-	7,279
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	411.885.828-5	Citibank N.A.	United States	US dollars	Annual	1.94%	1.94%	-	6,157,585	-	6,157,585
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	411.885.828-5	Citibank N.A.	United States	US dollars	Semi-annual	1.30%	1.30%	-	15,419,383	-	15,419,383
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	411.885.828-5	Citibank N.A.	United States	US dollars	Semi-annual	1.36%	1.36%	-	18,517,739	-	18,517,739
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	412.335.204-7	Commerzbank AG	Germany	US dollars	Annual	1.60%	1.60%	-	-	6,175,347	6,175,347
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	412.335.204-7	Commerzbank AG	Germany	US dollars	Semi-annual	1.70%	1.70%	18,557,767	-	-	18,557,767
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	412.527.204-0	Commerzbank AG	Germany	Euro	Quarterly	0.00%	0.00%	31,036	-	-	31,036
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	413.765.828-9	JP Morgan Chase Bank	United States	US dollars	Quarterly	0.00%	0.00%	62,375	-	-	62,375
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	414.741.808-1	Citibank N A	Taiwan	US dollars	Quarterly	0.00%	0.00%	22,704	-	-	22,704
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	444.047.440-9	Woori Bank Korea Republic	South Korea	US dollars	Monthly	0.00%	0.00%	38,586	-	-	38,586
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	445.331.808-2	Mega Intern Commercial Bank co Ltda	Taiwan	US dollars	Monthly	0.00%	0.00%	8,013	-	-	8,013
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	446.410.828-4	Korea Exchange Bank	South Korea	US dollars	Quarterly	0.00%	0.00%	75,138	-	-	75,138
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	446.410.828-4	The Bank of New York Mellon	United States	US dollars	Quarterly	0.00%	0.00%	44,755	-	-	44,755
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	453.467.396-0	Commerzbank AG	Italy	Euro	Quarterly	0.00%	0.00%	17,257	-	-	17,257
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	454.231.616-6	Bank of China Panama Branch	Panama	US dollars	Annual	1.95%	1.95%	-	-	15,423,835	15,423,835
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	458.340.168-2	China Construction Bank	China	US dollars	Monthly	0.00%	0.00%	185,494	-	-	185,494
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	458.915.828-3	Wells Fargo Bank N.A. NY	United States	US dollars	Annual	2.33%	2.33%	-	-	15,385,000	15,385,000
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	458.915.828-3	Wells Fargo Bank N.A. NY	United States	US dollars	Annual	2.45%	2.45%	-	-	12,377,608	12,377,608
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	464.826.168-9	Wells Fargo Bank N.A. NY	China	US dollars	Quarterly	0.00%	0.00%	16,607	-	-	16,607
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	464.843.168-1	China Development Bank	China	US dollars	Annual	2.62%	2.62%	-	-	12,323,944	12,323,944
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	467.788.340-0	Wells Fargo Bank N.A.	Hong Kong	US dollars	Monthly	0.00%	0.00%	48,456	-	-	48,456
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.815.168-K	Standard Chartered Bank	China	US dollars	Monthly	0.00%	0.00%	39,169	-	-	39,169
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.815.168-K	Standard Chartered Bank	China	US dollars	Quarterly	0.00%	0.00%	150,569	-	-	150,569
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	Standard Chartered Bank Hong Kong Limited	Hong Kong	US dollars	Monthly	0.00%	0.00%	44,770	-	-	44,770
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	Standard Chartered Bank Hong Kong Limited	Hong Kong	US dollars	Quarterly	0.00%	0.00%	375,267	-	-	375,267
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	473.960.828-2	Sumitomo Mitsui Banking Corporation	United States	US dollars	Annual	1.34%	1.34%	-	18,481,190	-	18,481,190
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	473.960.828-2	Sumitomo Mitsui Banking Corporation	United States	US dollars	Annual	1.39%	1.39%	-	24,623,804	-	24,623,804
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	473.960.828-2	Sumitomo Mitsui Banking Corporation	United States	US dollars	Quarterly	1.64%	1.64%	6,157,222	-	-	6,157,222
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	480.612.396-5	Unicredit Banca Spa Cred ITL	Italy	Euro	Quarterly	0.00%	0.00%	58,262	-	-	58,262
							SUBTOTAL				41,546,414	83,206,980	61,685,734	186,439,128



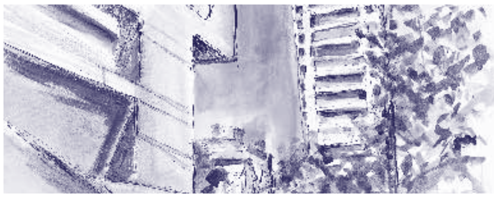


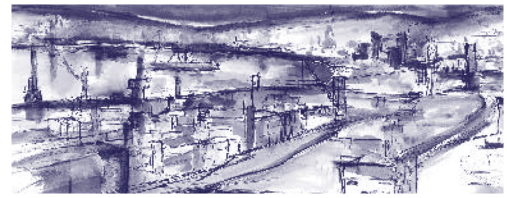
BANK	DEBTOR TAXPAYER ID	DEBTOR NAME	DEBTOR COUNTRY	CREDITOR TAXPAYER ID	CREDITOR NAME	CREDITOR COUNTRY	CURRENCY	TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL RATE %	BALANCE 12/31/2017 CARRYING AMOUNT MATURITY 0-90 DAYS	91 DAYS TO 1 YEAR	1 YEAR OR MORE	TOTAL
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	500.000.256-0	Banco Continental Lima	Peru	US dollars	Monthly	0.00%	0.00%	34,923	-	-	34,923
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	500.000.515-2	Industrial and Commercial Bank of China	China	US dollars	Quarterly	0.00%	0.00%	1,048,949	-	-	1,048,949
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	500.000.602-7	Wells Fargo Bank N.A.	United States	US dollars	Monthly	0.00%	0.00%	31,076	-	-	31,076
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	500.000.620-5	The Agricultural Bank of China	China	US dollars	Monthly	0.00%	0.00%	236,180	-	-	236,180
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	500.000.681-1	Wells Fargo Bank N.A.	Singapore	US dollars	Quarterly	0.00%	0.00%	56,735	-	-	56,735
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	500.000.689-7	Bank of China	China	US dollars	Monthly	0.00%	0.00%	63,196	-	-	63,196
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	500.000.691-3	Credit Agricole	France	Euro	Monthly	0.00%	0.00%	254,343	-	-	254,343
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	500.000.696-5	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Japan	US dollars	Quarterly	0.00%	0.00%	66,978	-	-	66,978
Borrowings from financial institutions	96.515.580-5	Valores Security S.A.	Chile	97.008.000-7	Banco Citibank	Chile	US dollars	Monthly	0.00%	0.00%	115,455	-	-	115,455
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.004.000-5	Banco de Chile	Chile	Chilean Pesos	Monthly	0.00%	0.25%	31,963,393			31,963,393
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.023.000-9	Corp Banca	Chile	Chilean Pesos	Monthly	0.00%	0.26%	9,008,432			9,008,432
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.030.000-7	Banco Estado	Chile	Chilean Pesos	Monthly	0.00%	0.26%	25,613,421			25,613,421
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.006.000-6	Banco de Creditos e Invesiones	Chile	Chilean Pesos	Monthly	0.00%	0.31%	26,319,210			26,319,210
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.032.000-8	Banco BBVA	Chile	Chilean Pesos	Monthly	0.00%	0.26%	26,404,219			26,404,219
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.018.000-1	Scotiabank	Chile	Chilean Pesos	Monthly	0.00%	0.26%	14,023,400			14,023,400
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.036.600-K	Banco Santander	Chile	Chilean Pesos	Monthly	0.00%	0.26%	12,292,294			12,292,294
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.041.000-7	Banco Itaú	Chile	Chilean Pesos	Monthly	0.00%	0.26%	13,015,944			13,015,944
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.080.000-K	Banco Bice	Chile	Chilean Pesos	Monthly	0.00%	0.26%	18,477,647			18,477,647
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	99.500.410-0	Banco Consorcio	Chile	Chilean Pesos	Monthly	0.00%	0.27%	18,017,440			18,017,440
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	99.500.410-0	Banco Consorcio	Chile	US dollars	Monthly	0.00%	2.76%	3,078,811			3,078,811
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.030.000-7	Banco del Estado	Chile	US dollars	Monthly	0.00%	3.35%	3,754,591			3,754,591
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.951.000-4	HSBC	Chile	US dollars	Monthly	0.00%	2.09%	615,723			615,723
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.951.000-4	HSBC	Chile	Chilean Pesos	Monthly	0.00%	0.28%	5,605,158			5,605,158
Borrowings from financial institutions	78.769.870-0	Seguros de Vida Security	Chile	97.018.000-1	Scotiabank	Chile	Chilean Pesos	Monthly	4.13%	4.13%	9,173	20,000,000		20,009,173
Borrowings from financial institutions	78.769.870-0	Inversiones Seguros Security	Chile	97.004.000-5	Banco BCI	Chile	UF	At maturity	7.01%	7.01%	171,198			171,198
Borrowings from financial institutions	78.769.870-0	Inversiones Seguros Security	Chile	97.006.000-6	Banco de Chile	Chile	Chilean Pesos	At maturity	7.19%	7.19%	160,444			160,444
Borrowings from financial institutions	78.769.870-0	Inversiones Seguros Security	Chile	99.500.410-0	Banco Consorcio	Chile	Chilean Pesos	At maturity	4.46%	4.46%	149,508			149,508
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.023.000-9	Banco CorpBanca	Chile	Chilean Pesos	At maturity	5.76%	5.76%				-
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.036.000-K	Banco Santander	Chile	Chilean Pesos	At maturity	4.26%	4.26%	-	1,034,634		1,034,634
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	76.104.355-2	Banco de Chile	Chile	Chilean Pesos	At maturity	4.26%	4.26%	749,188	367,075		1,116,263
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.041.000-7	Banco Itaú	Chile	Chilean Pesos	At maturity	0.00%	0.00%	-	-		-
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	76.249.637-2	Banco BCI	Chile	Chilean Pesos	At maturity	5.08%	5.08%	-	951,013		951,013
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	99.500.410-0	Banco Consorcio	Chile	Chilean Pesos	At maturity	4.68%	4.68%	-	1,077,222		1,077,222
Borrowings from financial institutions	77.441.660-9	Inmobiliaria Security Doce Limitada	Chile	76.207.657-8	Banco Santander	Chile	Chilean Pesos	At maturity	0.00%	0.00%	-	-		-
Borrowings from financial institutions	76.167.559-1	Inmobiliaria Los Espinos S.A.	Chile	76.104.355-2	Banco de Chile	Chile	Chilean Pesos	At maturity	0.00%	0.00%	-	-		-
Borrowings from financial institutions	76.594.758-8	Inmobiliaria Ñuñoa IV S.A.	Chile	76.104.355-2	Banco de Chile	Chile	Chilean Pesos	At maturity	0.00%	0.00%	-	-		-
Borrowings from financial institutions	76.249.637-1	Inmobiliaria Security Norte S.A.	Chile	76.249.637-2	Banco BCI	Chile	Chilean Pesos	At maturity	4.03%	4.03%	7,546,316	452,806		7,999,122
Borrowings from financial institutions	76.229.736-1	Inmobiliaria Cordillera S.A.	Chile	76.249.637-2	Banco BCI	Chile	Chilean Pesos	At maturity	0.00%	0.00%	-	-		-
Borrowings from financial institutions	76.307.766-7	Inmobiliaria Alto San Rafael	Chile	76.249.637-2	Banco BCI	Chile	Chilean Pesos	At maturity	0.00%	0.00%	-	-		-
Borrowings from financial institutions	76.360.997-8	Inmobiliaria Alto Chamisero	Chile	76.249.637-2	Banco BCI	Chile	Chilean Pesos	At maturity	5.18%	5.18%	-	2,381,372		2,381,372
Borrowings from financial institutions	76.594.759-6	Inmobiliaria Security Los Dominicos	Chile	76.104.355-2	Banco de Chile	Chile	Chilean Pesos	At maturity	4.92%	4.92%	3,368,532	1,954,084		5,322,616
Borrowings from financial institutions	76.505.706-K	Inmobiliaria Alto Vitacura S.A.	Chile	97.080.000-K	Banco Bice	Chile	Chilean Pesos	At maturity	5.08%	5.08%	6,257,244	-		6,257,244
Borrowings from financial institutions	76.594.758-8	Inmobiliaria Ñuñoa V SPA	Chile	97.036.000-K	Banco Santander	Chile	Chilean Pesos	At maturity	5.24%	5.24%	-	2,650,747		2,650,747
Borrowings from financial institutions	76.477.415-9	Inmobiliaria El Taihuen S.A.	Chile	99.500.410-0	Banco Consorcio	Chile	Chilean Pesos	At maturity	5.36%	5.36%	-	5,979,560		5,979,560
Borrowings from financial institutions	85.633.900-9	Travel Security S.A.	Chile	76.104.355-2	Banco de Chile	Chile	Chilean Pesos	At maturity	0.00%	0.00%	1,402,175			1,402,175
Borrowings from financial institutions	85.633.900-9	Travel Security S.A.	Chile	76.104.355-2	Banco de Chile	Chile	Chilean Pesos	At maturity	0.00%	0.00%	232,653			232,653
Borrowings from financial institutions	85.633.900-9	Travel Security S.A.	Chile	76.249.637-2	Banco BCI	Chile	Chilean Pesos	At maturity	0.00%	0.00%	365,706			365,706
Borrowings from financial institutions	20,548,601,372	Viajes Security S.A.	Peru	20100047218	BCP	Peru	Other	Monthly	5.92%	5.92%			2,511,278	2,511,278
							TOTAL				272,056,069	120,055,493	64,197,012	456,308,574

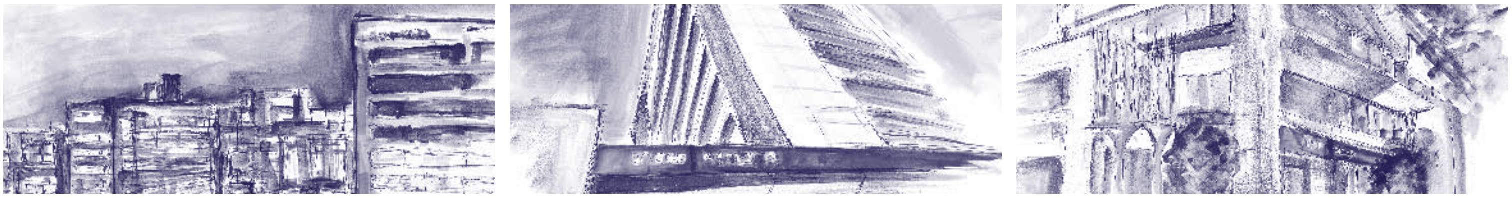
DETAIL OF BANK OBLIGATIONS AS OF DECEMBER 31, 2016

BALANCE 12/31/2016														
											CARRYING AMOUNT			
											MATURITY			
BANK	DEBTOR TAXPAYER ID	DEBTOR NAME	DEBTOR COUNTRY	CREDITOR TAXPAYER ID	CREDITOR NAME	CREDITOR COUNTRY	CURRENCY	TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL RATE %	0-90 DAYS	91 DAYS TO 1 YEAR	1 YEAR OR MORE	TOTAL
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	400.599.168-K	The Agricultural Bank of China	China	US dollars	Monthly	0.00%	0.00%	104,842	-	-	104,842
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	404.270.240-K	Bco Bilbao Vizcaya Argentaria S.A.	Spain	Euro	Quarterly	0.00%	0.00%	16,441	-	-	16,441
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	405.005.104-3	Banco Santander Brasil	Brazil	US dollars	Monthly	0.00%	0.00%	31,963	-	-	31,963
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	406.595.168-7	Bank of China	China	US dollars	Monthly	0.00%	0.00%	23,938	-	-	23,938
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	407.840.828-1	Bank of America NT&SA New York	United States	US dollars	Monthly	0.00%	0.00%	21,099	-	-	21,099
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	407.855.136-K	Bank of Montreal	Canada	US dollars	Semi-annual	1.52%	1.52%	13,465,538	-	-	13,465,538
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	407.855.136-K	Bank of Montreal	Canada	US dollars	Semi-annual	1.52%	1.52%	-	20,107,448	-	20,107,448
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	408.130.412-8	Bank of Tokyo Mitsubishi	Japan	US dollars	Quarterly	0.00%	0.00%	16,058	-	-	16,058
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	409.690.664-7	Sudameris Bank Saeca	Paraguay	US dollars	Monthly	0.00%	0.00%	86,002	-	-	86,002
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	411.025.136-5	Caisse CentraleDesjardins	Canada	US dollars	Monthly	0.00%	0.00%	10,456	-	-	10,456
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	411.885.828-5	Citibank N.A.	United States	US dollars	Quarterly	1.21%	1.21%	-	13,400,415	-	13,400,415
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	412.527.204-0	Commerzbank AG	Germany	Euro	Monthly	0.00%	0.00%	10,282	15,073	-	25,355
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	413.765.828-9	JP Morgan Chase Bank	United States	US dollars	Quarterly	0.00%	0.00%	440,188	-	-	440,188
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	414.741.808-1	Citibank NA	Taiwan	US dollars	Monthly	0.00%	0.00%	8,658	-	-	8,658
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	446.005.584-4	Ing Bank n v	Netherlands	Euro	Monthly	0.00%	0.00%	17,801	-	-	17,801
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	446.410.828-4	The Bank of New York Mellon	United States	US dollars	Monthly	0.00%	0.00%	7,456	-	-	7,456
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	448.660.440-4	Korea Exchange Bank	South Korea	US dollars	Monthly	0.00%	0.00%	53,902	-	-	53,902
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	448.660.440-4	Korea Exchange Bank	Hong Kong	US dollars	Quarterly	0.00%	0.00%	31,226	-	-	31,226
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	450.917.168-3	Bank of Ningbo China	China	US dollars	Monthly	0.00%	0.00%	3,898	-	-	3,898
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	454.231.616-6	Bank of China Panama Branch	Panama	US dollars	Quarterly	1.81%	1.81%	-	-	16,779,416	16,779,416
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	458.915.828-3	Wells Fargo Bank N.A. NY	United States	US dollars	Annual	1.79%	1.79%	-	-	16,744,875	16,744,875
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	458.915.828-3	Wells Fargo Bank N.A. NY	United States	US dollars	Monthly	1.20%	1.20%	-	20,126,055	-	20,126,055
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	458.915.828-3	Wells Fargo Bank N.A. NY	United States	US dollars	Quarterly	1.26%	1.26%	13,411,339	-	-	13,411,339
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	464.843.168-1	China Development Bank	China	US dollars	Monthly	2.62%	2.62%	-	-	13,412,462	13,412,462
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	467.788.340-0	Wells Fargo Bank N.A.	Hong Kong	US dollars	Monthly	0.00%	0.00%	388,829	-	-	388,829
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	469.606.636-7	Standard Chartered Bank Pakistan Limited	Pakistan	US dollars	Quarterly	0.00%	0.00%	126,779	-	-	126,779
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	472.655.276-8	Standard Chartered Bank United Kingdom	United Kingdom	OTHER	Monthly	0.00%	0.00%	74,376	-	-	74,376
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	472.655.276-8	Standard Chartered Bank United Kingdom	United Kingdom	OTHER	Quarterly	0.00%	0.00%	77,941	-	-	77,941
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	472.655.828-6	Standard Chartered Bank NY	United States	US dollars	Quarterly	1.26%	1.26%	20,159,291	-	-	20,159,291
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	473.960.828-2	Sumitomo Mitsui Banking Corporation	United States	US dollars	Quarterly	1.29%	1.29%	6,705,601	-	-	6,705,601
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	480.612.396-5	Unicredit Banca Spa Cred Itl	Italy	Euro	Monthly	0.00%	0.00%	38,974	30,481	-	69,455
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	480.612.396-5	Unicredit Banca Spa Cred Itl	Italy	Euro	Quarterly	0.00%	0.00%	113,502	-	-	113,502
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	500.000.186-6	Bank Hapoalin	Israel	US dollars	Monthly	0.00%	0.00%	17,644	-	-	17,644
							SUBTOTAL				55,464,024	53,679,472	46,936,753	156,080,249



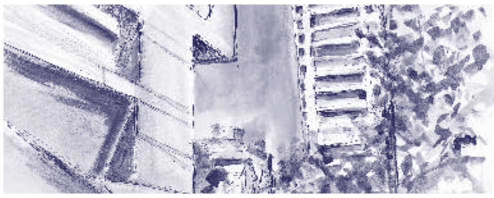


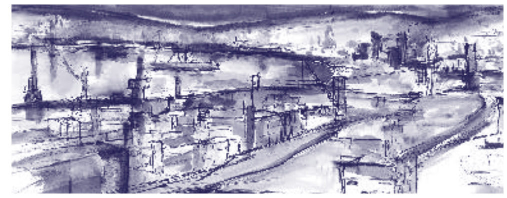
BALANCE 12/31/2016											CARRYING AMOUNT MATURITY			
BANK	DEBTOR TAXPAYER ID	DEBTOR NAME	DEBTOR COUNTRY	CREDITOR TAXPAYER ID	CREDITOR NAME	CREDITOR COUNTRY	CURRENCY	TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL RATE %	0-90 DAYS	91 DAYS TO 1 YEAR	1 YEAR OR MORE	TOTAL
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	500.000.341-9	BBVA	Chile	Euro	Monthly	0.00%	0.00%	-	1,640,211	-	1,640,211
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	500.000.584-5	Wachovia Bank N.A.	China	US dollars	Monthly	0.00%	0.00%	13,455	-	-	13,455
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	500.000.632-9	China Construction Bank Corp	China	US dollars	Quarterly	0.00%	0.00%	67,515	-	-	67,515
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	500.000.647-7	Wachovia Bank N.A.	China	US dollars	Monthly	0.00%	0.00%	12,819	-	-	12,819
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	500.000.658-2	China Construction Bank Corp	China	US dollars	Monthly	0.00%	0.00%	314,170	-	-	314,170
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	500.000.668-K	Bank of Communications	China	US dollars	Monthly	0.00%	0.00%	-	21,287	-	21,287
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	500.000.668-K	Bank of Communications	China	US dollars	Quarterly	0.00%	0.00%	17,713	-	-	17,713
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	500.000.673-6	Wachovia Bank N.A.	China	US dollars	Monthly	0.00%	0.00%	11,361	-	-	11,361
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	500.000.675-2	Mega International Commercial Bank	Taiwan	US dollars	Monthly	0.00%	0.00%	-	34,377	-	34,377
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	500.000.675-2	Mega International Commercial Bank	Taiwan	US dollars	Quarterly	0.00%	0.00%	64,276	-	-	64,276
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	500.000.676-0	Citibank N.A.	Turkey	US dollars	Monthly	0.00%	0.00%	8,439	-	-	8,439
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	500.000.678-7	Banque Populaire Aquitaine Centre	France	Euro	Monthly	0.00%	0.00%	34,689	-	-	34,689
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	404.270.240-K	BBVA España	Spain	Euro	Monthly	0.00%	0.00%	157,503	-	-	157,503
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	415.767.204-0	Deutsche Bank, ag Frankfurt	Germany	Euro	Monthly	0.00%	0.00%	51,815	-	-	51,815
Borrowings from financial institutions	97.053.005-3	Banco Security S.A.	Chile	480.620.396-9	Unicredito Milano	Italy	Euro	Monthly	0.00%	0.00%	221,416	-	-	221,416
Borrowings from financial institutions	96.639.280-0	A.G.F. Security S.A.	Chile	E-1	Other banks	Chile	Chilean Pesos	Monthly	0.00%	0.00%	5,412	-	-	5,412
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.004.000-5	Banco de Chile	Chile	Chilean Pesos	Monthly	0.36%	0.36%	31,756,942	-	-	31,756,942
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.023.000-9	CorpBanca	Chile	Chilean Pesos	Monthly	0.38%	0.38%	9,006,010	-	-	9,006,010
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.030.000-7	Banco Estado	Chile	Chilean Pesos	Monthly	0.36%	0.36%	33,615,389	-	-	33,615,389
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.006.000-6	Banco BCI	Chile	Chilean Pesos	Monthly	0.38%	0.38%	30,802,039	-	-	30,802,039
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.032.000-8	Banco BBVA	Chile	Chilean Pesos	Monthly	0.37%	0.37%	20,012,298	-	-	20,012,298
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.018.000-1	Scotiabank	Chile	Chilean Pesos	Monthly	0.37%	0.37%	14,025,289	-	-	14,025,289
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.036.600-K	Banco Santander	Chile	Chilean Pesos	Monthly	0.37%	0.37%	24,909,442	-	-	24,909,442
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.041.000-7	Banco Itaú	Chile	Chilean Pesos	Monthly	0.38%	0.38%	11,009,860	-	-	11,009,860
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.080.000-K	Banco BICE	Chile	Chilean Pesos	Monthly	0.36%	0.36%	14,018,648	-	-	14,018,648
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.951.000-4	HSBC	Chile	Chilean Pesos	Monthly	0.37%	0.37%	5,005,116	-	-	5,005,116
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	99.500.410-0	Banco Consorcio	Chile	Chilean Pesos	Monthly	0.38%	0.38%	14,512,625	-	-	14,512,625
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	99.500.410-0	Banco Consorcio	Chile	US dollars	Monthly	1.11%	1.11%	2,336,098	-	-	2,336,098
Borrowings from financial institutions	20,548,601,372	Viajes Security S.A.	Peru	20100047218	BCP	Peru	Other	Monthly	5.92%	5.92%	1,813,843	-	-	1,813,843
Borrowings from financial institutions	78.769.870-0	Inversiones Seguros Security Ltda.	Chile	97.004.000-5	Banco BCI	Chile	UF	At maturity	6.78%	6.78%	-	2,827,720	-	2,827,720
Borrowings from financial institutions	78.769.870-0	Inversiones Seguros Security Ltda.	Chile	97.006.000-6	Banco de Chile	Chile	Chilean Pesos	At maturity	6.75%	6.75%	-	1,305,883	-	1,305,883
Borrowings from financial institutions	78.769.870-0	Inversiones Seguros Security Ltda.	Chile	99.500.410-0	Banco Consorcio	Chile	Chilean Pesos	At maturity	6.33%	6.33%	-	1,573,508	-	1,573,508
Borrowings from financial institutions	78.769.870-0	Inversiones Seguros Security Ltda.	Chile	99.500.410-0	Banco Consorcio	Chile	Chilean Pesos	At maturity	5.56%	5.56%	-	282,507	-	282,507
Borrowings from financial institutions	78.769.870-0	Seguros de Vida Security S.A.	Chile	97.018.000-1	Scotiabank	Chile	Chilean Pesos	At maturity	0.45%	0.45%	-	30,028,252	-	30,028,252
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.023.000-9	Banco CorpBanca	Chile	Chilean Pesos	At maturity	5.76%	5.76%	-	731,610	-	731,610
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.036.000-K	Banco Santander	Chile	Chilean Pesos	At maturity	5.10%	5.10%	1,034,756	-	-	1,034,756
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	76.104.355-2	Banco de Chile	Chile	Chilean Pesos	At maturity	5.46%	5.46%	754,366	368,486	-	1,122,852
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.006.000-6	Banco BCI	Chile	Chilean Pesos	At maturity	5.1%	5.1%	-	954,747	-	954,747
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	99.500.410-0	Banco Consorcio	Chile	Chilean Pesos	At maturity	4.9%	4.9%	1,059,584	-	-	1,059,584
Borrowings from financial institutions	76.249.637-1	Inmobiliaria Security Norte S.A.	Chile	76.249.637-2	Banco BCI	Chile	Chilean Pesos	At maturity	5.1%	5.1%	142,608	5,563,906	-	5,706,514
Borrowings from financial institutions	76.229.736-1	Inmobiliaria Cordillera S.A.	Chile	97.006.000-6	Banco BCI	Chile	Chilean Pesos	At maturity	5.0%	5.0%	456,334	2,873,120	-	3,329,454
Borrowings from financial institutions	76.307.766-7	Inmobiliaria Alto San Rafael	Chile	97.006.000-6	Banco BCI	Chile	Chilean Pesos	At maturity	4.7%	4.7%	2,133,078	-	-	2,133,078
Borrowings from financial institutions	76.360.997-8	Inmobiliaria Alto Chamisero	Chile	97.006.000-6	Banco BCI	Chile	Chilean Pesos	At maturity	5.2%	5.2%	-	2,489,596	-	2,489,596
Borrowings from financial institutions	76.594.759-6	Inmobiliaria Security Los Dominicos	Chile	76.104.355-2	Banco de Chile	Chile	Chilean Pesos	At maturity	4.9%	4.9%	-	3,373,735	-	3,373,735
Borrowings from financial institutions	76.505.706-K	Inmobiliaria Alto Vitacura S.A.	Chile	97.080.000-K	Banco Bice	Chile	Chilean Pesos	At maturity	5.1%	5.1%	-	6,279,032	-	6,279,032
Borrowings from financial institutions	76.594.758-8	Inmobiliaria Ñuñoa V SPA	Chile	97.036.000-K	Banco Santander	Chile	Chilean Pesos	At maturity	5.2%	5.2%	-	2,651,583	-	2,651,583
Borrowings from financial institutions	76.477.415-9	Inmobiliaria El Taihuen S.A.	Chile	99.500.410-0	Banco Consorcio	Chile	Chilean Pesos	At maturity	5.4%	5.4%	-	5,978,672	-	5,978,672
								TOTAL			274,848,932	122,657,704	46,936,753	444,443,389



DETAIL OF BONDS AS OF DECEMBER 31, 2017

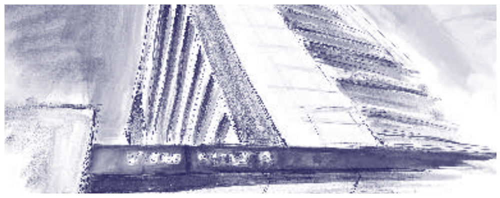
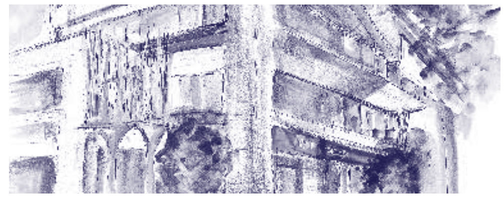
12/31/2017															
				PERIODICITY								CARRYING AMOUNT			
												MATURITY			
SERIES	INDEXATION UNIT	NOMINAL AMOUNT PLACED	MATURITY DATE	INTEREST PAYMENTS	PRINCIPAL PAYMENTS	PLACEMENT IN CHILE OR ABROAD	EFFECTIVE RATE	NOMINAL RATE	ISSUER NAME	ISSUER COUNTRY OF INCORPORATION	GUARANTEED YES/NO	0-90 DAYS	91 DAYS TO 1 YEAR	1 YEAR OR MORE	TOTAL
BSECU-K	UF	3,000,000	9/15/1932	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.20%	4.20%	GRUPO SECURITY S.A.	CHILE	NO		8,748		8,748
BSECU-F	UF	61,000	9/15/1932	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.52%	4.50%	GRUPO SECURITY S.A.	CHILE	NO		122,327		122,327
BSECU-L3	UF	3,000,000	11/15/1935	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	3.80%	3.80%	GRUPO SECURITY S.A.	CHILE	NO		344,438		344,438
BSECU-M	UF	1,189,000	10/15/1941	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.20%	4.20%	GRUPO SECURITY S.A.	CHILE	NO		280,179		280,179
Bond discount	UF			SEMI-ANNUAL	SEMI-ANNUAL	CHILE			GRUPO SECURITY S.A.	CHILE	NO		(4,604,410)		(4,604,410)
BFSEC-A	UF	1,000,000	12/15/2017	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.50%	4.25%	FACTORING S.A.	CHILE	NO		127,993		127,993
Bond discount	UF			SEMI-ANNUAL	SEMI-ANNUAL	CHILE			FACTORING S.A.	CHILE	NO		(26,291)		(26,291)
Series A	UF	1,000,000	8/31/1938	SEMI-ANNUAL	Beginning the 10th year	CHILE	3.60%	3.38%	INV. PREVISION SECURITY LTDA.	CHILE	NO		302,733		302,733
Bond discount	UF			SEMI-ANNUAL	Beginning the 10th year	CHILE			INV. PREVISION SECURITY LTDA.	CHILE	NO		(448,453)		(448,453)
H1	UF	3,000,000	12/1/2029	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.42%	3.00%	BANCO SECURITY S.A.	CHILE	NO	-	-	113,773,673	113,773,673
K1	UF	3,000,000	1/1/2018	SEMI-ANNUAL	AT MATURITY	CHILE	4.04%	3.00%	BANCO SECURITY S.A.	CHILE	NO	-	-	135,099,474	135,099,474
K2	UF	4,000,000	11/1/2021	SEMI-ANNUAL	AT MATURITY	CHILE	3.74%	3.25%	BANCO SECURITY S.A.	CHILE	NO	-	-	110,115,214	110,115,214
K3	UF	4,000,000	11/1/2022	SEMI-ANNUAL	AT MATURITY	CHILE	3.53%	3.50%	BANCO SECURITY S.A.	CHILE	NO	-	3,369,402	44,449,276	47,818,678
K4	UF	5,000,000	10/1/2023	SEMI-ANNUAL	AT MATURITY	CHILE	3.60%	3.60%	BANCO SECURITY S.A.	CHILE	NO	81,602,849	-	-	81,602,849
K5	UF	5,000,000	6/1/2024	SEMI-ANNUAL	AT MATURITY	CHILE	2.75%	2.80%	BANCO SECURITY S.A.	CHILE	NO	-	-	106,067,719	106,067,719
K6	UF	5,000,000	3/1/2025	SEMI-ANNUAL	AT MATURITY	CHILE	2.75%	2.75%	BANCO SECURITY S.A.	CHILE	NO	-	-	106,994,830	106,994,830
K7	UF	5,000,000	12/4/2018	SEMI-ANNUAL	AT MATURITY	CHILE	2.75%	2.75%	BANCO SECURITY S.A.	CHILE	NO	-	-	136,895,015	136,895,015
M1	UF	3,000,000	7/1/2019	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	3.24%	3.00%	BANCO SECURITY S.A.	CHILE	NO	-	-	132,157,397	132,157,397
N1	UF	3,000,000	7/1/2019	SEMI-ANNUAL	AT MATURITY	CHILE	3.00%	3.00%	BANCO SECURITY S.A.	CHILE	NO	-	-	133,574,650	133,574,650
R1	UF	3,000,000	6/1/2021	SEMI-ANNUAL	AT MATURITY	CHILE	3.00%	3.00%	BANCO SECURITY S.A.	CHILE	NO	-	-	139,505,852	139,505,852
B2	UF	4,000,000	11/1/2017	SEMI-ANNUAL	AT MATURITY	CHILE	3.25%	3.25%	BANCO SECURITY S.A.	CHILE	NO	-	-	19,058,485	19,058,485
B3	UF	4,201,000	6/1/2019	SEMI-ANNUAL	AT MATURITY	CHILE	1.25%	2.50%	BANCO SECURITY S.A.	CHILE	NO	4,282,426	4,346,192	8,887,559	17,516,177
B4	UF	5,000,000	12/4/2018	SEMI-ANNUAL	AT MATURITY	CHILE	2.25%	2.25%	BANCO SECURITY S.A.	CHILE	NO	-	-	80,994,885	80,994,885
B5	UF	5,000,000	8/3/2020	SEMI-ANNUAL	AT MATURITY	CHILE	2.40%	2.40%	BANCO SECURITY S.A.	CHILE	NO	-	8,552,848	21,218,257	29,771,105
Z1	UF	19,000,000	7/1/2020	SEMI-ANNUAL	AT MATURITY	CHILE	0.05%	0.05%	BANCO SECURITY S.A.	CHILE	NO	-	-	77,616,157	77,616,157
Z2	UF	7,200,000	2/1/2022	SEMI-ANNUAL	AT MATURITY	CHILE	5.30%	0.05%	BANCO SECURITY S.A.	CHILE	NO	-	-	62,701,704	62,701,704
									TOTAL			85,885,275	12,375,706	1,429,110,147	1,527,371,128





DETAIL OF BONDS AS OF DECEMBER 31, 2016

12/31/2016															
				PERIODICITY								CARRYING AMOUNT MATURITY			
SERIES	INDEXATION UNIT	NOMINAL AMOUNT PLACED	MATURITY DATE	INTEREST PAYMENTS	PRINCIPAL PAYMENTS	PLACEMENT IN CHILE OR ABROAD	EFFECTIVE RATE	NOMINAL RATE	ISSUER NAME	ISSUER COUNTRY OF INCORPORATION	GUARANTEED YES/NO	0-90 DAYS	91 DAYS TO 1 YEAR	1 YEAR OR MORE	TOTAL
BSECU-K	UF	3,000,000	9/15/1932	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.20%	4.20%	GRUPO SECURITY S.A.	CHILE	NO	-	8,601	-	8,601
BSECU-F	UF	1,250,000	6/15/1938	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.52%	4.50%	GRUPO SECURITY S.A.	CHILE	NO	-	2,491,679	-	2,491,679
BSECU-L3	UF	3,000,000	11/15/1935	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	3.80%	3.80%	GRUPO SECURITY S.A.	CHILE	NO	-	338,652	-	338,652
Bond discount	UF			SEMI-ANNUAL	SEMI-ANNUAL	CHILE			GRUPO SECURITY S.A.	CHILE	NO	-	(4,471,216)	-	(4,471,216)
BFSEC-A	UF	1,000,000	12/15/2017	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.50%	4.25%	FACTORING S.A.	CHILE	NO	-	49,446	-	49,446
Bond discount	UF			SEMI-ANNUAL	SEMI-ANNUAL	CHILE			FACTORING S.A.	CHILE	NO	-	(70,637)	-	(70,637)
H1	UF	3,000,000	12/1/2029	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.42%	3.00%	BANCO SECURITY S.A.	CHILE	NO	-	3,190,376	46,636,200	49,826,576
K1	UF	3,000,000	1/1/2018	SEMI-ANNUAL	AT MATURITY	CHILE	4.04%	3.00%	BANCO SECURITY S.A.	CHILE	NO	-	-	79,470,201	79,470,201
K2	UF	4,000,000	11/1/2021	SEMI-ANNUAL	AT MATURITY	CHILE	3.74%	3.25%	BANCO SECURITY S.A.	CHILE	NO	-	-	103,806,472	103,806,472
K3	UF	4,000,000	11/1/2022	SEMI-ANNUAL	AT MATURITY	CHILE	3.53%	3.50%	BANCO SECURITY S.A.	CHILE	NO	-	-	105,011,727	105,011,727
K4	UF	5,000,000	10/1/2023	SEMI-ANNUAL	AT MATURITY	CHILE	3.60%	3.60%	BANCO SECURITY S.A.	CHILE	NO	-	-	134,923,968	134,923,968
K5	UF	5,000,000	6/1/2024	SEMI-ANNUAL	AT MATURITY	CHILE	2.75%	2.80%	BANCO SECURITY S.A.	CHILE	NO	-	-	129,562,941	129,562,941
K6	UF	5,000,000	3/1/2025	SEMI-ANNUAL	AT MATURITY	CHILE	2.75%	2.75%	BANCO SECURITY S.A.	CHILE	NO	-	-	131,070,155	131,070,155
K7	UF	5,000,000	12/4/2018	SEMI-ANNUAL	AT MATURITY	CHILE	2.75%	2.75%	BANCO SECURITY S.A.	CHILE	NO	-	-	37,626,482	37,626,482
M1	UF	3,000,000	7/1/2019	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	3.24%	3.00%	BANCO SECURITY S.A.	CHILE	NO	4,081,636	4,142,413	17,195,745	25,419,794
N1	UF	3,000,000	7/1/2019	SEMI-ANNUAL	AT MATURITY	CHILE	3.00%	3.00%	BANCO SECURITY S.A.	CHILE	NO	-	-	79,215,897	79,215,897
R1	UF	3,000,000	6/1/2021	SEMI-ANNUAL	AT MATURITY	CHILE	3.00%	3.00%	BANCO SECURITY S.A.	CHILE	NO	-	8,133,113	29,159,349	37,292,462
S2	UF	200,000	3/1/2017	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	6.53%	5.50%	BANCO SECURITY S.A.	CHILE	NO	538,253	-	-	538,253
B2	UF	4,000,000	11/1/2017	SEMI-ANNUAL	AT MATURITY	CHILE	3.25%	3.25%	BANCO SECURITY S.A.	CHILE	NO	-	106,073,020	-	106,073,020
B3	UF	4,201,000	6/1/2019	SEMI-ANNUAL	AT MATURITY	CHILE	1.25%	2.50%	BANCO SECURITY S.A.	CHILE	NO	-	-	112,550,898	112,550,898
B4	UF	5,000,000	12/4/2018	SEMI-ANNUAL	AT MATURITY	CHILE	2.25%	2.25%	BANCO SECURITY S.A.	CHILE	NO	-	-	94,897,736	94,897,736
Z1	UF	19,000,000	7/1/2020	SEMI-ANNUAL	AT MATURITY	CHILE	0.05%	0.05%	BANCO SECURITY S.A.	CHILE	NO	-	-	66,662,841	66,662,841
Z2	UF	7,200,000	2/1/2022	SEMI-ANNUAL	AT MATURITY	CHILE	5.30%	0.05%	BANCO SECURITY S.A.	CHILE	NO	-	-	7,581,878	7,581,878
									TOTAL			4,619,889	119,885,447	1,175,372,490	1,299,877,826

NOTE 19 - OTHER CURRENT NON-FINANCIAL LIABILITIES

As of December 31, 2017 and 2016, this account includes the following:

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
BANK		
Letters of credit paid in cash	1,585,217	11,741
Demand deposits	2,194,947	2,180,125
Lapsed time deposits	4,336,187	2,353,519
Available funds mortgage loans	46,566,247	20,514,008
Current transactions pending payment	1,224,371	447,059
Pending payment orders	2,847,180	3,215,750
Collection on behalf of clients	2,627,785	2,012,266
Collections made but not yet received	9,318,023	8,316,062
Credit balances from exchange rate transactions	(1,085)	(113,463)
Credit card balances payable	13,221,893	10,865,606
Cashier's checks	55,271,909	35,736,025
Other non-financial liabilities, current	6,395,701	9,136,678
Performance and bid bonds	7,194,731	7,355,352
OTHER SUBSIDIARIES		
Dividends payable*	15,996,069	15,883,153
Taxes payable	2,525,465	2,418,662
Third-party obligations	10,393,745	12,268,949
Taxes payable	(11,553)	107,535
Second category tax	17,265	24,716
Single employee tax	464,930	486,735
VAT debit	1,129,398	2,123,148
Monthly provisional tax prepayments payable	19,096	11,099
Other payables	4,572	110,548
Deferred income	5,604,258	1,029,969
TOTAL	188,926,351	136,495,242

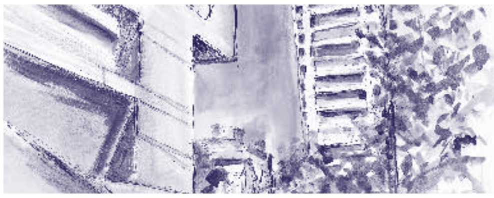
*DIVIDENDS PAYABLE

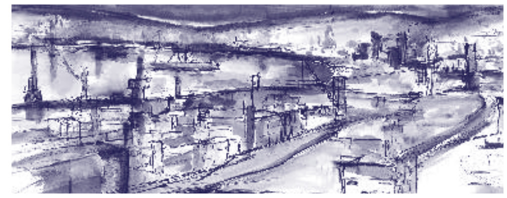
	12/31/2017 THCH$	12/31/2016 THCH$
Profit for the year	74,707,915	74,522,486
Minimum dividend provision 30%	22,412,375	22,356,746
Dividends paid for the year	(6,445,284)	(6,516,727)
Dividends pending DCV	28,978	43,134
TOTAL	15,996,069	15,883,153

NOTE 20 - CURRENT TAX LIABILITIES

As of December 31, 2017 and 2016, this account includes the following:

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
Additional tax	76,603	32,441
Income tax provision	24,587,594	26,859,195
Other	216,926	5,065
TOTAL	24,881,123	26,896,701





NOTE 21 - OTHER SHORT-TERM PROVISIONS

Short-term provisions include the following items:

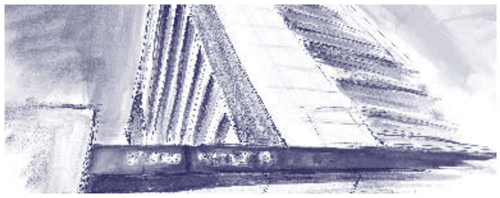
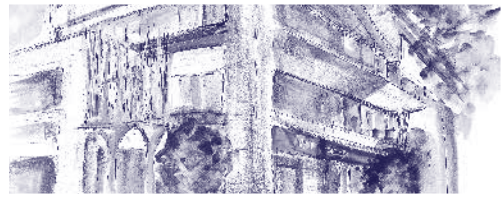
	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
BANK		
Loans to domestic banks	-	197
Commercial loans	58,495,239	64,002,931
Lease agreements	3,128,978	2,014,296
Mortgage loans	1,265,128	1,380,004
Consumer loans	17,489,858	13,254,605
Contingent loan risk	7,856,191	5,588,670
Assets received in lieu of payment	1,636	219,606
Minimum dividends	4,763	4,142
Country risk	214,625	-
Other provisions	6,889,324	8,211,675
OTHER SUBSIDIARIES		
Bonds	55,657	166,024
Portfolio fluctuations	770,256	798,640
Provisions for other expenses	21,527,772	19,517,308
TOTAL	117,699,427	115,158,098

NOTE 22 - EMPLOYEE BENEFIT PROVISIONS

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
Vacation provision	7,086,014	6,756,084
Indemnity provision	1,106,696	1,105,632
Bonus provision	514,998	434,901
TOTAL	8,707,708	8,296,617

NOTE 23 - OTHER NON-CURRENT FINANCIAL LIABILITIES

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
Borrowings from financial institutions	42,277,499	57,969,500
SUBTOTAL, BORROWINGS FROM FINANCIAL INSTITUTIONS	42,277,499	57,969,500
Long-term outstanding bond obligations	261,077,529	215,312,399
Subordinated bonds	191,307,907	198,598,786
Indexation payable on subordinated bonds	43,614,105	44,310,947
Interest payable on subordinated bonds	2,293,812	2,448,146
Deferred price difference on subordinated bonds	220,765	(195,895)
Expenses for subordinated bonds	(35,951)	(41,887)
SUBTOTAL, BONDS PAYABLE	498,478,167	460,432,496
TOTAL	540,755,666	518,401,996

DETAIL OF BANK OBLIGATIONS AS OF DECEMBER 31, 2017

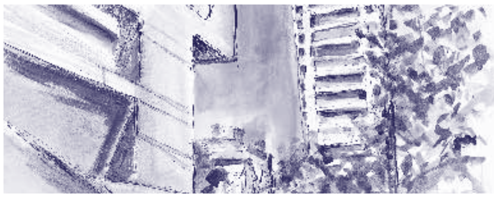
BALANCE 12.31.2017 THCH$														
											CARRYING AMOUNT			
											MATURITY			
	TAXPAYER ID DEBTOR	NAME ENTITY DEBTOR	DEBTOR COUNTRY	TAXPAYER ID CREDITOR	NAME ENTITY CREDITOR	CREDITOR COUNTRY	CURRENCY	TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL RATE %	1-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
Long-term bank obligations	78.769.870-0	Inv. Seguros Security Ltda.	Chile	97.004.000-5	BANCO CREDITO E INVERSIONES	Chile	Chilean Pesos	Monthly	6.78%	6.78%	1,278,438	2,556,875	6,392,188	10,227,501
Long-term bank obligations	78.769.870-0	Inv. Seguros Security Ltda.	Chile	97.006.000-6	BANCO DE CHILE	Chile	Chilean Pesos	Monthly	6.75%	6.75%	1,785,682	3,571,364	3,571,364	8,928,410
Long-term bank obligations	78.769.870-0	Inv. Seguros Security Ltda.	Chile	99.500.410-0	BANCO CONSORCIO	Chile	Chilean Pesos	Monthly	5.56%	5.56%	10,550,837			10,550,837
Long-term bank obligations	78.769.870-0	Inv. Seguros Security Ltda.	Chile	99.500.410-0	BANCO CONSORCIO	Chile	Chilean Pesos	Monthly	4.46%	4.46%	1,571,344	3,142,688	7,856,719	12,570,751
TOTAL											15,186,301	9,270,927	17,820,271	42,277,499

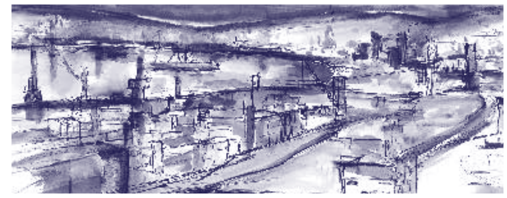
DETAIL OF BANK OBLIGATIONS AS OF DECEMBER 31, 2016

BALANCE 12.31.2016 THCH$														
											CARRYING AMOUNT			
											MATURITY			
	TAXPAYER ID DEBTOR	NAME ENTITY DEBTOR	DEBTOR COUNTRY	TAXPAYER ID CREDITOR	NAME ENTITY CREDITOR	CREDITOR COUNTRY	CURRENCY	TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL RATE %	1-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
Long-term bank obligations	78.769.870-0	Inv. Seguros Security Ltda.	Chile	97.004.000-5	BANCO CREDITO E INVERSIONES	Chile	Chilean Pesos	Monthly	6.78%	6.78%	4,200,000	14,700,000	-	18,900,000
Long-term bank obligations	78.769.870-0	Inv. Seguros Security Ltda.	Chile	97.006.000-6	BANCO DE CHILE	Chile	Chilean Pesos	Monthly	6.75%	6.75%	6,512,727	9,986,182	-	16,498,909
Long-term bank obligations	78.769.870-0	Inv. Seguros Security Ltda.	Chile	99.500.410-0	BANCO CONSORCIO	Chile	Chilean Pesos	Monthly	5.56%	5.56%	7,856,619	4,713,972	-	12,570,591
Long-term bank obligations	78.769.870-0	Inv. Seguros Security Ltda.	Chile	99.500.410-0	BANCO CONSORCIO	Chile	Chilean Pesos	Monthly	5.56%	5.56%	2,000,000	6,000,000	2,000,000	10,000,000
TOTAL											20,569,346	35,400,154	2,000,000	57,969,500

DETAIL OF BONDS AS OF DECEMBER 31, 2017

BALANCE 12.31.2017 THCH$																
												CARRYING AMOUNT				
				PERIODICITY								MATURITY				
SERIES	INDEXATION UNIT	NOMINAL AMOUNT PLACED	MATURITY DATE	INTEREST PAYMENTS	AMORTIZATION PAYMENTS	PLACEMENT IN CHILE OR ABROAD	EFFECTIVE RATE	NOMINAL RATE	ISSUER NAME	ISSUER COUNTRY	GUARANTEED YES/NO	LESS THAN ONE YEAR	1-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
BSECU-L3	UF	3,000,000	11/15/1935	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	3.80%	3.80%	GRUPO SECURITY S.A.	CHILE	NO				80,394,420	80,394,420
BSECU-F	UF	61,000	9/15/1932	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.52%	4.50%	GRUPO SECURITY S.A.	CHILE	NO				1,430,351	1,430,351
BSECU-K	UF	3,000,000	9/15/1932	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.20%	4.20%	GRUPO SECURITY S.A.	CHILE	NO				80,394,420	80,394,420
BSECU-M	UF	1,189,000	10/15/1941	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.20%	4.20%	GRUPO SECURITY S.A.	CHILE	NO				31,862,988	31,862,988
BFSEC-A	UF	1,000,000	12/15/2017	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.50%	4.25%	FACTORING SECURITY	CHILE	NO				40,197,210	40,197,210
BFSEC-A	UF	1,000,000	12/15/2017	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.50%	4.25%	INV. PREVISION SECURITY LTDA.	CHILE	NO				26,798,140	26,798,140
USECC	UF	500,000	7/1/2018	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	7.16%	6.50%	BANCO SECURITY S.A.	CHILE	NO	2,761,530	-	-	-	2,761,530
USECD	UF	750,000	9/1/2022	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	7.38%	6.00%	BANCO SECURITY S.A.	CHILE	NO	1,793,778	3,916,895	4,243,649	-	9,954,322
USECE	UF	1,200,000	5/1/2028	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.47%	4.00%	BANCO SECURITY S.A.	CHILE	NO	2,266,902	4,533,804	4,533,804	12,468,038	23,802,548
USECJ1	UF	2,000,000	12/1/1931	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	3.00%	3.00%	BANCO SECURITY S.A.	CHILE	NO	2,825,908	5,908,681	6,268,520	33,281,253	48,284,362
USECJ2	UF	3,000,000	3/1/1937	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.05%	4.00%	BANCO SECURITY S.A.	CHILE	NO	-	-	-	81,024,978	81,024,978
USECJ3	**UF**	**2,500,000**	**10/1/1938**	**SEMI-ANNUAL**	**SEMI-ANNUAL**	**CHILE**	**4.00%**	**4.00%**	**BANCO SECURITY S.A.**	**CHILE**	**NO**	-	-	-	**71,572,898**	**71,572,898**
										TOTAL		9,648,118	14,359,380	15,045,973	459,424,696	498,478,167





DETAIL OF BONDS AS OF DECEMBER 31, 2016

BALANCE 12.31.2016 THCH$

SERIES	INDEXATION UNIT	NOMINAL AMOUNT PLACED	MATURITY DATE	PERIODICITY: INTEREST PAYMENTS	PERIODICITY: AMORTIZATION PAYMENTS	PLACEMENT IN CHILE OR ABROAD	EFFECTIVE RATE	NOMINAL RATE	ISSUER NAME	ISSUER COUNTRY	GUARANTEED YES/NO	CARRYING AMOUNT – MATURITY: LESS THAN ONE YEAR	1-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
BSECU-L3	UF	3,000,000	11/15/1935	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	3.80%	3.80%	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	79,043,940	79,043,940
BSECU-F	UF	1,250,000	6/15/1938	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.52%	4.50%	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	30,876,539	30,876,539
BSECU-K	UF	3,000,000	9/15/1932	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.20%	4.20%	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	79,043,940	79,043,940
BFSEC-A	UF	1,000,000	12/15/2017	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.50%	4.25%	FACTORING SECURITY	CHILE	NO	-	-	-	26,347,980	26,347,980
USECB	UF	1,000,000	9/1/2017	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	6.85%	6.50%	BANCO SECURITY S.A.	CHILE	NO	2,583,731	-	-	-	2,583,731
USECC	UF	500,000	7/1/2018	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	7.16%	6.50%	BANCO SECURITY S.A.	CHILE	NO	2,707,253	2,707,253	-	-	5,414,506
USECD	UF	750,000	9/1/2022	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	7.38%	6.00%	BANCO SECURITY S.A.	CHILE	NO	1,652,926	3,609,329	4,055,442	2,058,270	11,375,967
USECE	UF	1,200,000	5/1/2028	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.47%	4.00%	BANCO SECURITY S.A.	CHILE	NO	2,223,710	4,447,420	4,447,420	14,454,191	25,572,741
USECJ1	UF	2,000,000	12/1/1931	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	3.00%	3.00%	BANCO SECURITY S.A.	CHILE	NO	2,683,935	5,611,831	5,953,592	35,668,906	49,918,264
USECJ2	UF	3,000,000	3/1/1937	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.05%	4.00%	BANCO SECURITY S.A.	CHILE	NO	-	-	-	79,626,952	79,626,952
USECJ3	UF	1,410,000	10/1/1938	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.00%	4.00%	BANCO SECURITY S.A.	CHILE	NO	-	-	-	70,627,936	70,627,936
										TOTAL		11,851,555	16,375,833	14,456,454	417,748,654	460,432,496

NOTE 24 - NON-CURRENT PAYABLES

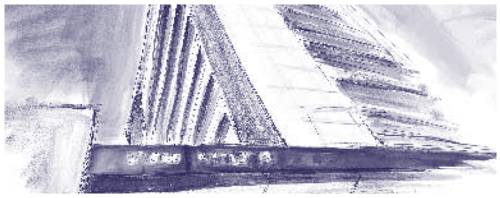
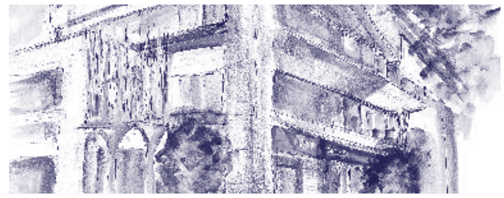
As of December 31, 2017 and 2016, this account includes the following:

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
BANK		
Brokerage payables	42,347,556	44,204,070
Long-term accounts and notes payable	39,482,372	44,782,908
Unearned revenue	703,324	511,451
Non-current transactions pending payment	4,237,760	3,445,079
OTHER SUBSIDIARIES		
Non-current transactions pending payment	4,987,878	3,245,554
Long-term lease obligations	1,085,058	1,236,742
TOTAL	92,843,948	97,425,804

NOTE 25 - CURRENT ACCOUNTS PAYABLE TO RELATED PARTIES

As of December 31, 2017 and 2016, this account includes the following:

TAXPAYER ID	COMPANY	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
96.588.080-1	Principal Cía. de Seguros de Vida Chile S.A.	1,948,848	2,586,947
	TOTAL	1,948,848	2,586,947

NOTE 26 - NON-CURRENT ACCOUNTS PAYABLE TO RELATED PARTIES

As of December 31, 2017 and 2016, this account includes the following:

TAXPAYER ID	COMPANY	RELATIONSHIP	TRANSACTION	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
76.213.641-4	Inversiones CMC Ltda.	Promissory note	Shareholder of 30% of Inmobiliaria Vista La Dehesa S.A.	1,948,272	1,299,151
	TOTAL			1,948,272	1,299,151

NOTE 27 - REVENUE AND EXPENSES

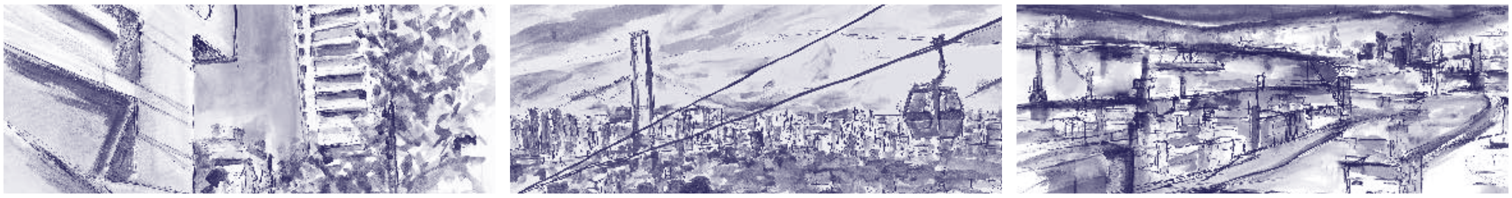
A) REVENUE AND OTHER OPERATING INCOME

Revenue is calculated at the fair value of the consideration received or to be received and represents the amounts receivable for the assets delivered and the services rendered in the ordinary course of business of Grupo Security.

Sales of assets are recognized when substantially all of the risks and advantages that Grupo Security has over the assets have been transferred.

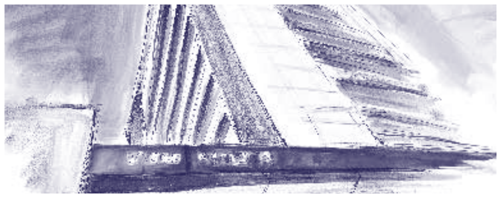
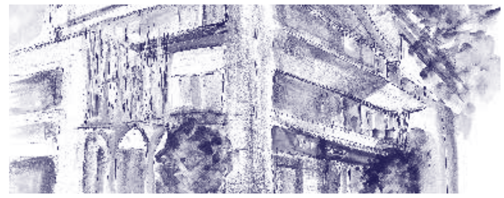
Service revenue is also recognized considering the stage of completion of the services provided as of the reporting date, provided that the outcome of the transaction can be reliably estimated. In other words, the amount of the revenue can be reliably measured, it is probable that the economic benefits associated with the transaction will flow to the Company, the stage of completion of the transaction at the end of the reporting period can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued according to a financial criterion, as established under IFRS, and in relation to the balance of unpaid principal that is expected to be recovered, net of allowances for doubtful accounts and the applicable effective interest rate.



For the years ended December 31, 2017 and 2016, this account includes the following:

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
FACTORING REVENUE	**28,540,031**	**29,226,196**
Securitization revenue	1,037,898	203,924
Gross written premiums Vida Security	482,042,999	375,536,949
Other interest income Vida Security	127,422,794	120,405,248
Insurance brokerage commissions	5,858,539	5,729,255
Real estate advisory and other services	4,261,344	1,834,039
Advisory and other services	1,457,482	1,652,291
Sales revenue	37,870,332	30,120,351
Investment income	2,393,001	1,127,127
Lease income	15,160,929	3,630
Fee and commission income	18,235,905	18,793,174
INTEREST		
Repurchase agreements	83,385	63,068
Loans and advances to banks	1,048,542	1,010,375
Commercial loans	194,100,577	183,072,736
Mortgage loans	21,170,341	21,367,306
Consumer loans	50,137,627	44,374,285
Investment securities	22,137,999	21,582,756
Financial instruments held for trading	3,728,983	5,598,442
Other interest income	4,834,629	4,644,775
INDEXATION		
Commercial loans	23,916,778	33,965,157
Mortgage loans	9,881,894	15,545,858
Consumer loans	186	79
Investment securities	1,612,553	1,948,519
Financial instruments held for trading	231,169	1,935,542
Other indexation earned	93,322	211,354
FEES AND COMMISSIONS		
Loans funded with mortgage bonds	32,464	40,179
Lines of credit and overdrafts	1,957,385	2,008,156
Guarantees and letters of credit	5,109,222	4,936,109
Credit card services	8,601,624	7,378,579
Account maintenance	3,253,753	3,496,004
Collections and payments	14,054,230	13,109,088
Securities brokerage and management	6,799,828	4,811,644
Mutual funds and other investments	23,015,349	20,409,235
Other fees and commissions earned	9,255,180	9,828,473
FINANCIAL OPERATING INCOME		
Net gain on instruments held for trading	5,825,926	5,900,571
Trading derivatives	22,103,511	17,930,743
Net gain on investments available for sale	3,469,993	2,348,498
Sale of loan portfolio	1,030,488	450,687
Other income	3,536,154	4,483,249
OTHER OPERATING INCOME		
Income from assets received in lieu of payment	476,112	128,581
Release of provisions for contingencies	109,805	345,045
Gain on sale of property, plant and equipment	997,816	665,793
Rental payments received	149,069	393,199
Recovery of expenses	603,284	183,037
Penalty interest	198,746	175,782
Other operating income from leases	376,292	109,970
Other income	9,552,387	7,604,764
TOTAL	1,177,767,857	1,026,689,822

B) COST OF SALES

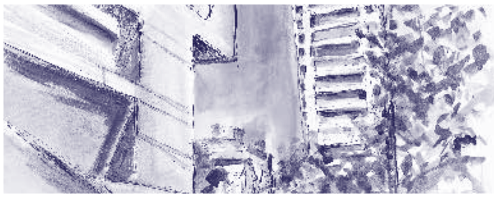
The detail of cost of sales is as follows:

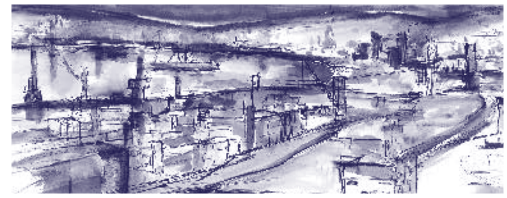
	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
Cost of sales, Factoring	8,093,134	9,674,775
Cost of sales, Inmobiliaria Security	22,867,295	15,699,898
Cost of sales, Vida Security	560,687,312	430,170,711
Cost of sales, other subsidiaries	10,573,950	9,808,001
Other fees and commissions	(82,448)	310,910
Other costs	195,265	1,340
INTEREST		
Demand deposits	74,224	395,813
Repurchase agreements	822,805	1,225,382
Savings accounts and time deposits	82,586,889	90,316,337
Borrowings from financial institutions	3,061,275	1,741,771
Debt instruments issued	55,942,562	50,558,033
Other financial liabilities	427,258	403,350
Other interest or indexation expenses	38,561	102,258
INDEXATION		
Demand deposits	68,490	145,374
Savings accounts and time deposits	6,337,173	8,495,982
Debt instruments issued	26,518,189	38,825,940
Other financial liabilities	194,995	410,960
Other interest or indexation expenses	-	1,104
FEES AND COMMISSIONS		
Securities transactions fees and commissions	2,686,525	1,110,993
Other fees and commissions	10,041,936	9,425,901
PROVISIONS		
Commercial loans	29,221,885	21,774,428
Mortgage loans	231,272	572,372
Consumer loans	12,598,937	10,140,194
Loans and advances to banks	(198)	(521)
Contingent loans	2,267,521	(713,715)
Recovery of written-off loans	(2,553,431)	(3,978,095)
OTHER OPERATING EXPENSES		
Other operating expenses	6,669,551	4,329,483
TOTAL	839,570,927	700,948,979

C) OTHER EXPENSES

The detail of other expenses by function is as follows:

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
Miscellaneous expenses	2,103,353	5,432,559
Administrative expenses, insurance area	262,667	-
Provisions for assets received in lieu of payment	1,269,797	391,356
Country risk provisions	231,746	248,404
Impairment	3,875,954	21,099,804
Other expenses	816,999	421,522
TOTAL	8,560,516	27,593,645





D) OTHER INCOME

The detail of other income by function is as follows:

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
Interest earned	106,718	862,372
Income from mutual funds	1,076,854	172,475
Income from assets received in lieu of payment	623,219	-
Other financial operating income	721,285	512,061
Proceeds from shares and rights in other companies	26,413	318,607
Other income	1,697,773	911,270
TOTAL	4,252,262	2,776,785

NOTE 28 - ADMINISTRATIVE EXPENSES

The detail of administrative expenses is as follows:

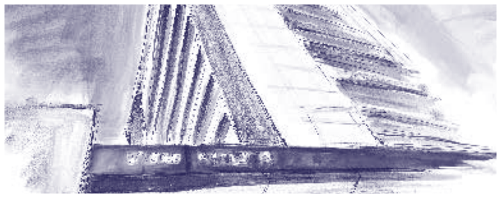
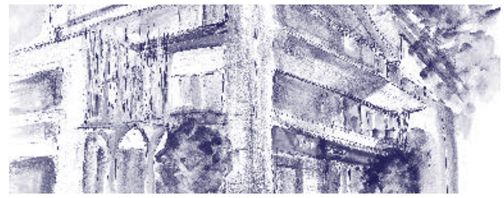
	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
Salaries and wages	111,320,440	115,320,634
Advisory services	3,853,689	2,229,302
Maintenance expenses	6,292,374	5,632,026
Office supplies	657,908	711,398
Depreciation and amortization	9,061,497	18,389,335
Leases	7,119,168	6,635,726
Insurance	419,009	524,007
IT and communications expenses	9,551,643	14,826,984
Outsourced services	12,654,084	2,819,356
Board expenses	1,503,039	1,427,541
Advertising	9,576,190	11,310,443
Taxes, property taxes and contributions to SBIF	4,015,563	3,123,004
Loan provision	2,500,000	2,291,000
Miscellaneous provisions	924,948	1,303,286
General expenses	36,033,257	33,138,418
TOTAL	215,482,809	219,682,460

NOTE 29 - PAYROLL AND PERSONNEL EXPENSES

Payroll and personnel expenses consist of expenses accrued during the year for employee remunerations and compensation.

Expenses for the years ended December 31, 2017 and 2016, are as follows:

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
Wages and salaries	91,794,818	92,017,119
Employee benefits	19,525,622	23,303,515
TOTAL	111,320,440	115,320,634

	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
Compensation paid to key management personnel	20,208,440	18,797,407

NOTE 30 - FINANCIAL INSTRUMENTS

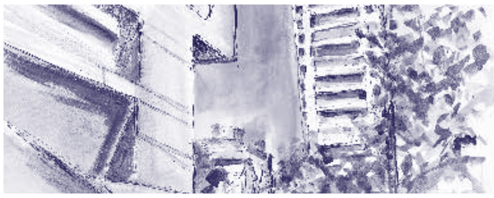
In accordance with 2.5 Fair Value Measurement and 2.13 Valuation of Financial Instruments in Note 2 Bases of Preparation and Presentation of the Consolidated Financial Statements and Significant Accounting Policies, financial assets are recorded in the consolidated financial statements when acquired and are initially measured at fair value including costs related to their acquisition.

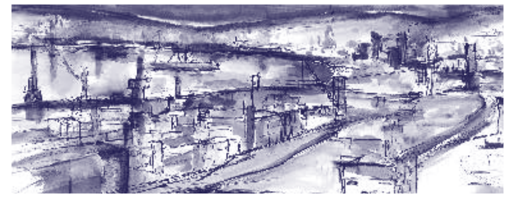
Details of their carrying amounts versus their market values as of December 31, 2017 and 2016, by financial instrument category are as follows.

	12/31/2017		12/31/2016	
FINANCIAL ASSETS	THCH$ CARRYING AMOUNT	THCH$ FAIR VALUE	THCH$ CARRYING AMOUNT	THCH$ FAIR VALUE
CASH AND CASH EQUIVALENTS				
Cash	516,287,599	516,287,599	457,964,262	457,964,262
Cash equivalents	83,479,879	83,479,879	52,370,808	52,370,808
TOTAL	599,767,478	599,767,478	510,335,070	510,335,070
OTHER FINANCIAL ASSETS, CURRENT				
Investments available for sale	678,541,365	678,541,365	610,694,299	610,694,299
Financial instruments held for trading	94,437,562	94,437,562	267,072,197	267,072,197
Hedge assets	142,457,162	142,457,162	99,002,993	99,002,993
Other financial assets	2,247,166,884	2,247,166,884	2,133,500,661	2,133,500,661
TOTAL	3,162,602,973	3,162,602,973	3,110,270,150	3,110,270,150
RECEIVABLES				
Trade and other receivables, current	5,355,570,833	5,355,570,833	4,969,605,345	4,969,605,345
Accounts receivable from related parties, current	32,019,282	32,019,282	29,782,539	29,782,539
TOTAL	5,387,590,115	5,387,590,115	4,999,387,884	4,999,387,884
INVESTMENT PROPERTY				
Investment property (*)	159,663,191	172,676,043	144,615,193	166,376,216
TOTAL	159,663,191	172,676,043	144,615,193	166,376,216

(*) INVESTMENT PROPERTY IS PRESENTED USING THE PRICE-RESTATED COST MODEL IN ACCORDANCE WITH CMF GENERAL STANDARD NO. 316 VALUATION OF REAL ESTATE INVESTMENTS, WHICH IS APPLICABLE TO THE INSURANCE BUSINESS. THIS CRITERION IS DIFFERENT FROM THE COST APPLIED BY IFRS BASICALLY DUE TO PRICE-LEVEL RESTATEMENT ALLOWED BY THE GENERAL STANDARD.

	12/31/2017		12/31/2016	
FINANCIAL LIABILITIES	THCH$ CARRYING AMOUNT	THCH$ FAIR VALUE	THCH$ CARRYING AMOUNT	THCH$ FAIR VALUE
OTHER FINANCIAL LIABILITIES				
Other financial liabilities, current	5,591,019,577	5,591,019,577	5,423,193,027	5,423,193,027
Other financial liabilities, non-current	540,755,666	540,755,666	518,401,996	518,401,996
TOTAL	6,131,775,243	6,131,775,243	5,941,595,023	5,941,595,023
ACCOUNTS PAYABLE				
Trade and other payables, current	2,504,746,138	2,504,746,138	2,322,865,875	2,322,865,875
Accounts payable, non-current	92,843,948	92,843,948	97,425,804	97,425,804
Accounts payable to related parties, non-current	1,948,272	1,948,272	1,299,151	1,299,151
TOTAL	2,599,538,358	2,599,538,358	2,421,590,830	2,421,590,830





Under this model, these properties are recorded at restated cost less accumulated depreciation and any accumulated impairment losses.

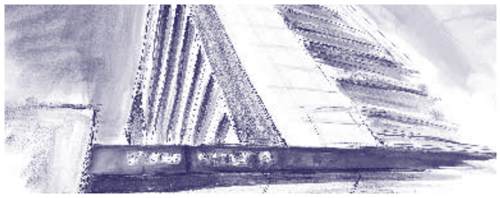
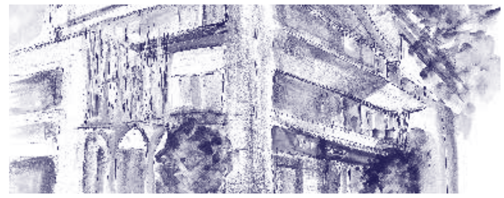
Depreciation is determined using the straight-line method over the cost of the investment property less its residual value. The land on which buildings and other facilities are built is considered to have an infinite useful life and, therefore, is not depreciated.

The reference market value is calculated based on appraisals made by expert appraisers (level 2).

The fair value levels are described in 2.5 in Note 2 Bases of Preparation and Presentation of the Consolidated Financial Statements and Significant Accounting Policies and are as follows by type of financial asset and liability:

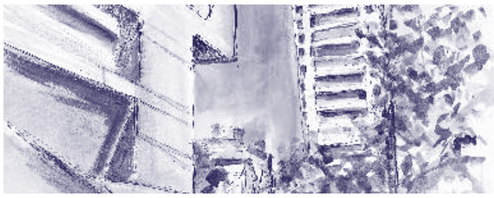
	12/31/2017			
FINANCIAL ASSETS	THCH$ LEVEL 1	THCH$ LEVEL 2	THCH$ LEVEL 3	THCH$ TOTAL
CASH AND CASH EQUIVALENTS				
Cash	516,287,599	-	-	516,287,599
Cash equivalents	83,479,879	-	-	83,479,879
TOTAL	599,767,478	-	-	599,767,478
OTHER FINANCIAL ASSETS, CURRENT				
Investments available for sale	-	678,541,365	-	678,541,365
Financial instruments held for trading	-	94,437,562	-	94,437,562
Hedge assets	-	142,457,162	-	142,457,162
Other financial assets	-	2,247,166,884	-	2,247,166,884
TOTAL	-	3,162,602,973	-	3,162,602,973
FINANCIAL LIABILITIES				
Other financial liabilities				
Other financial liabilities, current	-	5,591,019,577	-	5,591,019,577
Other financial liabilities, non-current	-	540,755,666	-	540,755,666
TOTAL	-	6,131,775,243	-	6,131,775,243

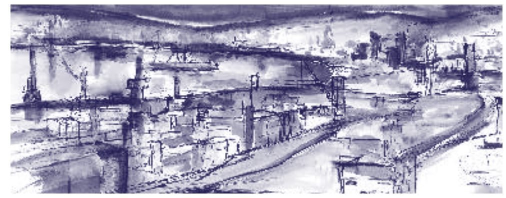
	12/31/2016			
FINANCIAL ASSETS	THCH$ LEVEL 1	THCH$ LEVEL 2	THCH$ LEVEL 3	THCH$ TOTAL
CASH AND CASH EQUIVALENTS				
Cash	457,964,262	-	-	457,964,262
Cash equivalents	52,370,808	-	-	52,370,808
TOTAL	510,335,070	-	-	510,335,070
OTHER FINANCIAL ASSETS, CURRENT				
Investments available for sale	-	610,694,299	-	610,694,299
Financial instruments held for trading	-	267,072,197	-	267,072,197
Hedge assets	-	99,002,993	-	99,002,993
Other financial assets	-	2,133,500,661	-	2,133,500,661
TOTAL	-	3,110,270,150	-	3,110,270,150
FINANCIAL LIABILITIES				
Other Financial Liabilities				
Other financial liabilities, current	-	5,423,193,027	-	5,423,193,027
Other financial liabilities, non-current	-	518,401,996	-	518,401,996
TOTAL	-	5,941,595,023	-	5,941,595,023

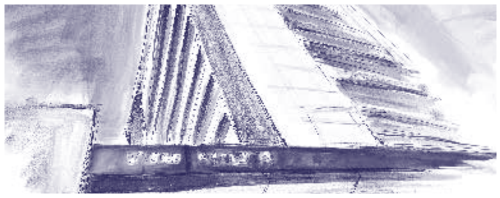
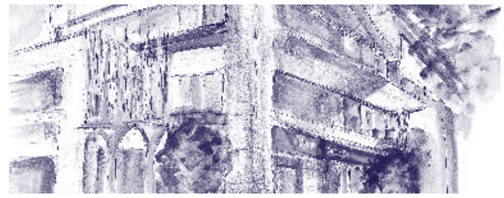
NOTE 31 - FOREIGN CURRENCY

CURRENT ASSETS	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
CASH AND CASH EQUIVALENTS	**599,767,478**	**510,335,070**
USD	205,779,146	198,598,753
Euro	4,739,887	809,541
UF	-	-
CH$	384,803,068	305,991,340
Other	4,445,377	4,935,436
OTHER FINANCIAL ASSETS, CURRENT	**3,162,602,973**	**3,110,270,150**
USD	439,539,685	552,567,771
Euro	-	-
UF	1,609,690,482	1,651,811,225
CH$	984,714,463	809,116,697
Other	128,658,343	96,774,457
OTHER NON-FINANCIAL ASSETS, CURRENT	**27,137,580**	**20,374,687**
USD	-	-
Euro	-	-
UF	-	-
CH$	26,206,796	19,993,715
Other	930,784	380,972
TRADE AND OTHER RECEIVABLES, CURRENT	**5,355,570,833**	**4,969,605,345**
USD	464,254,354	491,701,571
Euro	9,457,838	6,760,750
UF	2,385,685,639	2,141,593,702
CH$	2,470,387,548	2,307,448,987
Other	25,785,454	22,100,335
ACCOUNTS RECEIVABLE FROM RELATED PARTIES, CURRENT	**32,019,282**	**29,782,539**
USD	922	-
Euro	-	-
UF	9,667,003	2,550,450
CH$	22,351,357	27,232,089
Other	-	-
INVENTORY	**72,113,146**	**71,986,155**
USD	-	-
Euro	-	-
UF	266,783	-
CH$	71,846,363	71,986,155
Other	-	-
CURRENT TAX ASSETS	**32,516,564**	**27,416,191**
USD	-	-
Euro	-	-
UF	-	-
CH$	32,481,229	27,193,156
Other	35,335	223,035
NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	**3,641,275**	**2,455,850**
USD	-	-
Euro	-	-
UF	-	-
CH$	3,641,275	2,455,850
Other	-	-
TOTAL CURRENT ASSETS	**9,285,369,131**	**8,742,225,987**
USD	1,109,574,107	1,242,868,095
Euro	14,197,725	7,570,291
UF	4,005,309,907	3,795,955,377
CH$	3,996,432,099	3,571,417,989
Other	159,855,293	124,414,235

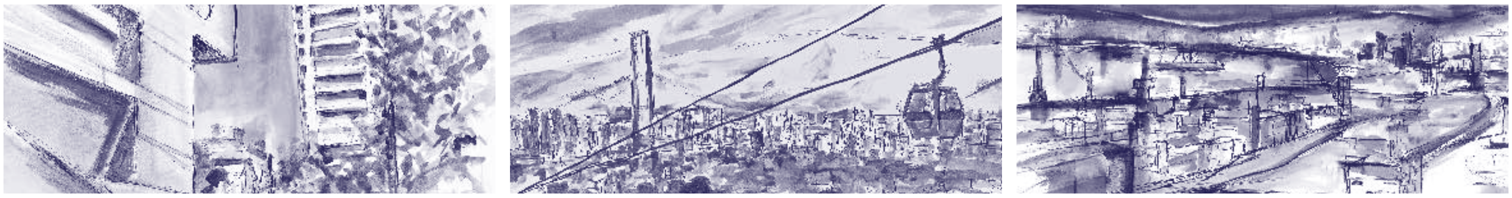




NON-CURRENT ASSETS	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
OTHER NON-FINANCIAL ASSETS, NON-CURRENT	74,083,872	74,736,083
USD	2,230,686	3,750,391
Euro	953,862	-
UF	38,003,813	-
CH$	32,100,707	70,068,918
Other	794,804	916,774
EQUITY-ACCOUNTED INVESTMENTS	3,076,558	794,531
USD	-	-
Euro	-	-
UF	-	-
CH$	3,076,558	794,531
Other	-	-
INTANGIBLE ASSETS OTHER THAN GOODWILL	38,517,974	43,624,472
USD	-	-
Euro	-	-
UF	-	-
CH$	38,252,825	43,624,472
Other	265,149	-
GOODWILL	119,066,570	119,066,570
USD	-	-
Euro	-	-
UF	-	-
CH$	117,885,130	117,885,130
Other	1,181,440	1,181,440
PROPERTY, PLANT AND EQUIPMENT	65,088,368	74,845,991
USD	-	-
Euro	-	-
UF	-	-
CH$	48,050,592	70,640,994
Other	17,037,776	4,204,997
INVESTMENT PROPERTY	159,663,191	144,615,193
USD	-	-
Euro	-	-
UF	-	-
CH$	134,376,938	144,615,193
Other	25,286,253	-
DEFERRED TAX ASSETS	96,435,049	112,889,984
USD	-	-
Euro	-	-
UF	-	-
CH$	96,435,049	112,889,984
Other	-	-
TOTAL NON-CURRENT ASSETS	555,931,582	570,572,824
USD	2,230,686	3,750,391
Euro	953,862	-
UF	38,003,813	-
CH$	470,177,799	560,519,222
Other	44,565,422	6,303,211

CURRENT LIABILITIES	UP TO 90 DAYS		91 DAYS TO 1 YEAR		1 YEAR OR MORE		ADJUSTMENTS		TOTAL	
	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
OTHER FINANCIAL LIABILITIES, CURRENT	**2,407,813,190**	**2,615,563,276**	**1,514,283,249**	**1,452,556,013**	**1,703,972,068**	**1,395,186,342**	**(35,048,930)**	**(40,112,604)**	**5,591,019,577**	**5,423,193,027**
USD	459,522,227	523,854,844	152,519,456	112,953,105	73,290,623	69,240,002	-	-	685,332,306	706,047,951
Euro	8,413,046	10,336,897	100,989	1,944,826	117,568	-	-	-	8,631,603	12,281,723
UF	276,039,155	135,454,005	112,941,757	340,139,982	1,323,185,348	1,146,240,797	-	-	1,712,166,260	1,621,834,784
CH$	1,663,819,928	1,943,907,274	1,248,721,047	997,518,100	307,378,529	179,705,543	(35,048,930)	(40,112,604)	3,184,870,574	3,081,018,313
Other	18,834	2,010,256	-	-	-	-	-	-	18,834	2,010,256
TRADE AND OTHER PAYABLES	**88,373,629**	**74,454,585**	**2,417,222,480**	**2,249,032,828**	**-**	**-**	**(849,971)**	**(621,538)**	**2,504,746,138**	**2,322,865,875**
USD	-	-	32,783,390	77,017,650	-	-	-	-	32,783,390	77,017,650
Euro	-	-	1,071,140	1,616,004	-	-	-	-	1,071,140	1,616,004
UF	-	-	2,050,236,794	2,084,070,957	-	-		-	2,050,236,794	2,084,070,957
CH$	85,294,720	72,670,784	204,616,424	86,328,217	-	-	(849,971)	(621,538)	289,061,173	158,377,463
Other	3,078,909	1,783,801	128,514,732	-	-	-	-	-	131,593,641	1,783,801
PAYABLES TO RELATED PARTIES	**18,408,605**	**4,085,415**	**-**	**13,762,361**	**-**	**-**	**(16,459,757)**	**(15,260,829)**	**1,948,848**	**2,586,947**
USD	-	-	-	-	-	-	-	-	-	-
Euro	-	-	-	-	-	-	-	-	-	-
UF	3,422,168	-	-	13,762,361	-	-	-	-	3,422,168	13,762,361
CH$	14,986,437	4,085,415	-	-	-	-	(16,459,757)	(15,260,829)	(1,473,3209	(11,175,414)
Other	-	-	-	-	-	-	-	-	-	-
OTHER SHORT-TERM PROVISIONS	**135,847,726**	**129,258,891**	**753,477**	**1,076,295**	**-**	**-**	**(18,901,776)**	**(15,177,088)**	**117,699,427**	**115,158,098**
USD	-	-	-	-	-	-	-	-	-	-
Euro	-	-	-	-	-	-	-	-	-	-
UF	1,001,008	684,725	196,035	180,431	-	-	-	-	1,197,043	865,156
CH$	132,884,110	128,451,504	557,442	895,864	-	-	(18,901,776)	(15,177,088)	114,539,776	114,170,280
Other	1,962,608	122,662	-	-	-	-	-	-	1,962,608	122,662
CURRENT TAX LIABILITIES	**5,700,352**	**11,273,302**	**19,180,771**	**15,623,399**	**-**	**-**	**-**	**-**	**24,881,123**	**26,896,701**
USD	-	-	-	-	-	-	-	-	-	-
Euro	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	-	-	-	-	-	-	-
CH$	5,474,837	11,166,240	19,124,183	15,623,399	-	-	-	-	24,599,020	26,789,639
Other	225,515	107,062	56,588	-	-	-	-	-	282,103	107,062
EMPLOYEE BENEFIT PROVISIONS, CURRENT	**2,362,243**	**4,041,951**	**6,345,465**	**4,254,666**	**-**	**-**	**-**	**-**	**8,707,708**	**8,296,617**
USD	-	-	-	-	-	-	-	-	-	-
Euro	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	-	-	-	-	-	-	-
CH$	2,270,698	3,944,315	6,140,826	4,254,666	-	-	-	-	8,411,524	8,198,981
Other	91,545	97,636	204,639	-	-	-	-	-	296,184	97,636
OTHER NON-FINANCIAL LIABILITIES, CURRENT	**16,347,804**	**13,429,274**	**174,829,100**	**127,916,732**	**-**	**-**	**(2,250,553)**	**(4,850,764)**	**188,926,351**	**136,495,242**
USD	-	-	5,351,401	5,617,149	-	-	-	-	5,351,401	5,617,149
Euro	-	-	643,887	334,201	-	-	-	-	643,887	334,201
UF	846,289	1,166,659	6,850,584	7,258,815	-	-	-	-	7,696,873	8,425,474
CH$	15,239,591	12,001,973	161,975,275	114,665,175	-	-	(2,250,553)	(4,850,764)	174,964,313	121,816,384
Other	261,924	260,642	7,953	41,392	-	-	-	-	269,877	302,034
TOTAL CURRENT LIABILITIES	2,674,853,549	2,852,106,694	4,132,614,542	3,864,222,294	1,703,972,068	1,395,186,342	(73,510,987)	(76,022,823)	8,437,929,172	8,035,492,507
USD	459,522,227	523,854,844	190,654,247	195,587,904	73,290,623	69,240,002	-	-	723,467,097	788,682,750
Euro	8,413,046	10,336,897	1,816,016	3,895,031	117,568	-	-	-	10,346,630	14,231,928
UF	281,308,620	137,305,389	2,170,225,170	2,445,412,546	1,323,185,348	1,146,240,797	-	-	3,774,719,138	3,728,958,732
CH$	1,919,970,321	2,176,227,505	1,641,135,197	1,219,285,421	307,378,529	179,705,543	(73,510,987)	(76,022,823)	3,794,973,060	3,499,195,646
Other	5,639,335	4,382,059	128,783,912	41,392	-	-	-	-	134,423,247	4,423,451



NON-CURRENT LIABILITIES	UP TO 1 YEAR		MORE THAN 1 YEAR UP TO 3 YEARS		3 TO 5 YEARS		MORE THAN 5 YEARS		ADJUSTMENTS		TOTAL	
	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$	BALANCE 12/31/2017 THCH$	BALANCE 12/31/2016 THCH$
OTHER FINANCIAL LIABILITIES, NON-CURRENT	**2,264,589**	**3,439,585**	**22,569,830**	**61,848,559**	**23,630,307**	**45,256,725**	**492,290,940**	**407,857,127**	**-**	**-**	**540,755,666**	**518,401,996**
USD		-		-		-		-		-	-	-
Euro		-		-		-		-		-	-	-
UF	2,264,589	3,439,585	7,383,529	8,411,971	14,359,380	16,375,833	474,470,669	405,857,127		-	498,478,167	434,084,516
CH$		-	15,186,301	52,199,846	9,270,927	28,880,892	17,820,271	2,000,000		-	42,277,499	83,080,738
Other		-		1,236,742		-		-		-	-	1,236,742
ACCOUNTS PAYABLE, NON-CURRENT	**86,223,084**	**93,441,465**	**10,662,776**	**9,764,816**	**1,147,828**	**670,623**	**-**	**-**	**(5,189,740)**	**(6,451,100)**	**92,843,948**	**97,425,804**
USD	1,314,514	1,388		-		-		-		-	1,314,514	1,388
Euro	94,199	3,016,938		-		-		-		-	94,199	3,016,938
UF	-	-	4,615,254	9,764,816		-		-	(5,189,740)	(6,451,100)	(574,486)	3,313,716
CH$	84,812,338	90,423,139	4,307,746	-	1,147,828	670,623		-		-	90,267,912	91,093,762
Other	2,033	-	1,739,776	-		-		-		-	1,741,809	-
ACCOUNTS PAYABLE TO RELATED PARTIES, NON-CURRENT	**-**	**-**	**-**	**-**	**-**	**-**	**1,948,272**	**1,299,151**	**-**	**-**	**1,948,272**	**1,299,151**
USD		-		-		-		-		-	-	-
Euro		-		-		-		-		-	-	-
UF		-		-		-		-		-	-	-
CH$		-		-		-	1,948,272	1,299,151		-	1,948,272	1,299,151
Other		-		-		-		-		-	-	-
DEFERRED TAX LIABILITIES	**-**	**-**	**13,020,159**	**54,464,150**	**6,222,137**	**-**	**26,055,198**	**-**	**-**	**-**	**45,297,494**	**54,464,150**
USD		-		-		-		-		-	-	-
Euro		-		-		-		-		-	-	-
UF		-	852,523	-		-		-		-	852,523	-
CH$	-	-	11,890,802	54,173,253	6,222,137	-	26,055,198	-		-	44,168,137	54,173,253
Other		-	276,834	290,897		-		-		-	276,834	290,897
TOTAL NON-CURRENT LIABILITIES	88,487,673	96,881,050	46,252,765	126,077,525	31,000,272	45,927,348	520,294,410	409,156,278	(5,189,740)	(6,451,100)	680,845,380	671,591,101
USD	1,314,514	1,388	-	-	-	-	-	-	-	-	1,314,514	1,388
Euro	94,199	3,016,938	-	-	-	-	-	-	-	-	94,199	3,016,938
UF	2,264,589	3,439,585	12,851,306	18,176,787	14,359,380	16,375,833	474,470,669	405,857,127	(5,189,740)	(6,451,100)	498,756,204	437,398,232
CH$	84,812,338	90,423,139	31,384,849	106,373,099	16,640,892	29,551,515	45,823,741	3,299,151	-	-	178,661,820	229,646,904
Other	2,033	-	2,016,610	1,527,639	-	-	-	-	-	-	2,018,643	1,527,639

NOTE 32 - EARNINGS PER SHARE

The following chart details the earnings or loss per share generated during the reporting periods:

EARNINGS PER SHARE	DECEMBER 31, 2017 CH$	DECEMBER 31, 2016 CH$
BASIC EARNINGS PER SHARE		
Basic earnings per share from continuing operations	21.7471	22.8711
Basic earnings per share from discontinued operations	0.0000	0.00000
BASIC EARNINGS PER SHARE	21.7471	22.8711

NOTE 33 - OPERATING SEGMENTS

Grupo Security is the parent company of a diversified conglomerate of companies engaged in the major sectors of the domestic financial services industry.

The conglomerate is structured into four main business areas. Each area has subsidiaries and divisions that share common business objectives. These four areas are: lending, insurance, asset management and other services.

The lending area includes Banco Security and Factoring Security, which provide lending services to companies and individuals.

The subsidiaries Vida Security, Corredora de Seguros Security and Europ Assistance operate in the life insurance, insurance brokerage and assistance industries, respectively.

In the asset management area, Valores Security Corredores de Bolsa, Administradora General de Fondos Security, Asesorías 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.

The services area comprises the real estate business with the subsidiary Inmobiliaria Security and the travel and tourism industry with Travel Security.

The corporate support area comprises the subsidiaries Mandatos Security, Global Gestión and Servicios Security, which provide the sales force for the lending area, and Capital S.A., which provides a variety of services such as accounting, business risk and control, corporate culture, corporate research and technology services that meet the technological development and support needs of all Group companies. The standalone entity Grupo Security is also included in this area.

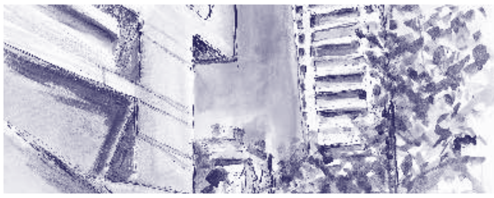
Grupo Security discloses segment information in accordance with IFRS 8 *Operating Segments*, which sets forth the rules for operating segment reporting and related disclosures for financial and other services.

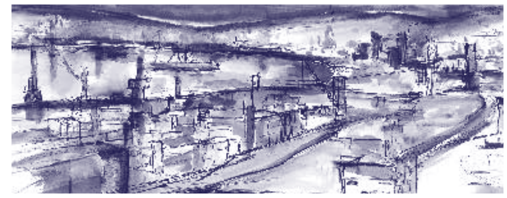
The management of Grupo Security S.A. prepares statements of financial position and of income by segment to analyze and make operating decisions. Note that those statements are only prepared for the purposes of analyzing such segments. The statements are detailed below:

A) CLASSIFIED STATEMENT OF FINANCIAL POSITION BY SEGMENT AS OF DECEMBER 31, 2017

STATEMENT OF FINANCIAL POSITION	LENDING THCH$	ASSET MANAGEMENT THCH$	INSURANCE THCH$	SERVICES THCH$	CORPORATE SUPPORT THCH$	ADJUSTMENTS THCH$	TOTAL THCH$
ASSETS							
Total current assets	6,493,055,414	194,203,575	2,466,462,363	122,446,462	88,268,760	(79,067,443)	9,285,369,131
Total non-current assets	239,937,924	23,458,623	293,384,335	14,103,818	946,314,827	(961,267,945)	555,931,582
TOTAL ASSETS	6,732,993,338	217,662,198	2,759,846,698	136,550,280	1,034,583,587	(1,040,335,388)	9,841,300,713
LIABILITIES							
Total current liabilities	5,822,176,451	42,600,844	2,541,192,532	88,335,563	28,419,908	(84,796,126)	8,437,929,172
Total non-current liabilities	316,501,454	73,965,432	47,767,049	9,711,919	259,966,496	(27,066,970)	680,845,380
TOTAL LIABILITIES	6,138,677,905	116,566,276	2,588,959,581	98,047,482	288,386,404	(111,863,096)	9,118,774,552

NOTE: THE INFORMATION IN THE STATEMENT OF FINANCIAL POSITION PER SEGMENT PRESENTED HERE DIFFERS FROM THE FINANCIAL STATEMENTS OF EACH SUBSIDIARY, AS IT INCLUDES CONSOLIDATION AND PRESENTATION ADJUSTMENTS.



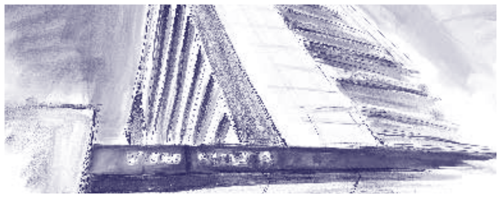
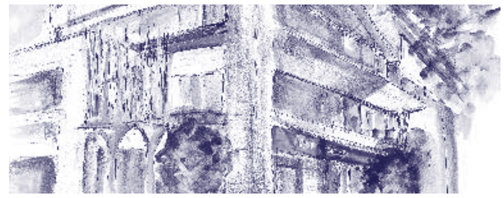


B) STATEMENT OF INCOME BY SEGMENT FOR THE YEAR ENDED DECEMBER 31, 2017.

INCOME STATEMENT	LENDING THCH$	ASSET MANAGEMENT THCH$	INSURANCE THCH$	SERVICES THCH$	CORPORATE SUPPORT THCH$	ADJUSTMENTS THCH$	TOTAL THCH$
PROFIT FOR THE YEAR							
Revenue	435,047,646	54,765,219	637,513,275	57,863,450	20,004,794	(27,426,527)	1,177,767,857
Cost of sales	(232,431,549)	(13,073,223)	(561,397,296)	(31,464,300)	(1,379,778)	175,219	(839,570,927)
GROSS PROFIT	202,616,097	41,691,996	76,115,979	26,399,150	18,625,016	(27,251,308)	338,196,930
Other income	(267,699)	1,834,203	729,155	719,066	1,894,269	(656,732)	4,252,262
Administrative expenses	(111,588,871)	(29,852,494)	(58,651,994)	(17,356,160)	(24,978,303)	26,945,013	(215,482,809)
Other expenses	(7,120,881)	(852,171)	(263,422)	(324,042)	-	-	(8,560,516)
Other gains	-	449,539	388,806	833,720	3,785,389	-	5,457,454
NET OPERATING INCOME (LOSS)	83,638,646	13,271,073	18,318,524	10,271,734	(673,629)	(963,027)	123,863,321
Finance costs	-	(400,238)	(682,157)	(1,179,385)	(11,811,465)	963,026	(13,110,219)
Share of profit (loss) of associates, equity-accounted	(1)	-	(363,852)	(15,613)	60,022	(59,664)	(379,108)
Exchange differences	(3,506,794)	(610,611)	(1,363,383)	744,300	(189,237)	-	(4,925,725)
Gain (loss) on indexed assets and liabilities	21,428	38,145	(1,028,172)	68,863	(3,279,056)	-	(4,178,792)
Gain (loss) arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value	(1,383,839)	(201,843)	-	-	-	-	(1,585,682)
PROFIT (LOSS) BEFORE TAX	78,769,440	12,096,526	14,880,960	9,889,899	(15,893,365)	(59,665)	99,683,795
Income tax expense from continuing operations	(17,365,776)	(2,453,108)	(2,900,811)	(2,420,537)	(831,217)	-	(25,971,449)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	61,403,664	9,643,418	11,980,149	7,469,362	(16,724,582)	(59,665)	73,712,346
PROFIT (LOSS) FOR THE YEAR	61,403,664	9,643,418	11,980,149	7,469,362	(16,724,582)	(59,665)	73,712,346
PROFIT ATTRIBUTABLE TO:							
Profit (loss) attributable to owners of the parent	61,389,890	9,637,246	13,797,437	6,659,506	(16,724,582)	(59,664)	74,707,915
Profit (loss) attributable to non-controlling interests	13,774	6,172	(1,817,288)	809,856	-	(8,083)	(995,569)
PROFIT (LOSS) FOR THE YEAR	61,403,664	9,643,418	11,980,149	7,469,362	(16,724,582)	(67,747)	73,712,346

NOTE: THE INFORMATION IN THE CONSOLIDATED STATEMENT OF INCOME PER SEGMENT PRESENTED HERE DIFFERS FROM THE FINANCIAL STATEMENTS OF EACH SUBSIDIARY, AS IT INCLUDES CONSOLIDATION AND PRESENTATION ADJUSTMENTS. ADDITIONALLY, THE RESULTS OF BANCO SECURITY INCLUDED IN THE LENDING AREA DO NOT CONSIDER THE ACCRUED INCOME OF ITS SUBSIDIARIES VALORES SECURITY AND ADMINISTRADORA GENERAL DE FONDOS SECURITY, WHICH ARE PRESENTED IN THE ASSET MANAGEMENT AREA.

THE COLUMN “CORPORATE SUPPORT” DOES NOT CORRESPOND TO A BUSINESS SEGMENT, BUT INSTEAD TO THE SUPPORT EXPENSES AND EXPENSES OF THE GROUP’S PARENT COMPANY.

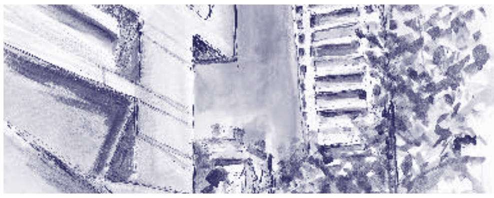




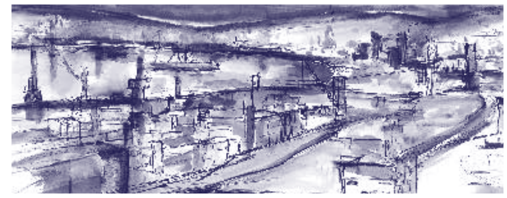
C) STATEMENT OF CASH FLOWS BY SEGMENT (DIRECT METHOD) FOR THE YEAR ENDED DECEMBER 31, 2017

STATEMENT OF FINANCIAL POSITION	LENDING THCH$	ASSET MANAGEMENT THCH$	INSURANCE THCH$	SERVICES THCH$	CORPORATE SUPPORT THCH$	ADJUSTMENTS THCH$	TOTAL THCH$
Net cash flows provided by (used in) operating activities	289,421,541	(1,918,384)	6,240,668	6,384,930	(6,786,259)	12,573,089	305,915,585
Net cash flows provided by (used in) investing activities	(5,973,054)	9,250,930	3,964,923	(652,210)	(6,597,355)	(1,511,883)	(1,518,649)
Net cash flows used in financing activities	(226,006,373)	(12,754,095)	(8,448,828)	(4,494,333)	27,264,168	9,487,688	(214,951,773)
Net increase (decrease) in cash and cash equivalents	57,442,114	(5,421,549)	1,756,763	1,238,387	13,880,554	20,548,894	89,445,163
Effect of exchange rate changes on cash and cash equivalents	-	(12,755)	-	-	-	-	(12,755)
Increase (decrease) in cash and cash equivalents	57,442,114	(5,434,304)	1,756,763	1,238,387	13,880,554	20,548,894	89,432,408
Cash and cash equivalents at beginning of period	460,314,093	21,963,543	11,027,322	4,505,104	37,994,838	(25,469,830)	510,335,070
CASH AND CASH EQUIVALENTS AT END OF PERIOD	517,756,207	16,529,239	12,784,085	5,743,491	51,875,392	(4,920,936)	599,767,478

D) CLASSIFIED STATEMENT OF FINANCIAL POSITION BY SEGMENT AS OF DECEMBER 31, 2016

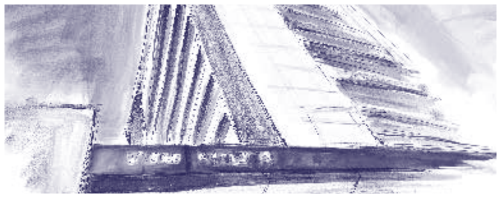
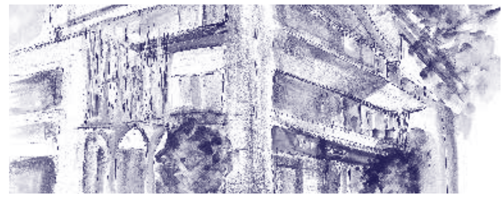
STATEMENT OF FINANCIAL POSITION	LENDING THCH$	ASSET MANAGEMENT THCH$	INSURANCE THCH$	SERVICES THCH$	CORPORATE SUPPORT THCH$	ADJUSTMENTS THCH$	TOTAL THCH$
ASSETS							
Total current assets	6,142,722,774	184,912,240	2,317,301,083	116,180,691	72,481,161	(91,371,962)	8,742,225,987
Total non-current assets	211,888,896	22,138,522	292,844,563	14,593,710	855,813,791	(826,706,658)	570,572,824
TOTAL ASSETS	6,354,611,670	207,050,762	2,610,145,646	130,774,401	928,294,952	(918,078,620)	9,312,798,811
LIABILITIES							
Total current liabilities	5,566,792,202	35,609,694	2,378,928,737	85,954,762	56,426,489	(88,219,377)	8,035,492,507
Total non-current liabilities	287,304,556	81,429,037	52,699,286	9,290,447	247,601,652	(6,733,877)	671,591,101
TOTAL LIABILITIES	5,854,096,758	117,038,731	2,431,628,023	95,245,209	304,028,141	(94,953,254)	8,707,083,608





E) STATEMENT OF INCOME BY SEGMENT FOR THE YEAR ENDED DECEMBER 31, 2016.

INCOME STATEMENT	LENDING THCH$	ASSET MANAGEMENT THCH$	INSURANCE THCH$	SERVICES THCH$	CORPORATE SUPPORT THCH$	ADJUSTMENTS THCH$	TOTAL THCH$
PROFIT (LOSS) FOR THE YEAR							
Revenue	430,225,035	50,458,925	504,575,704	49,634,420	25,516,240	(33,720,502)	1,026,689,822
Cost of sales	(234,586,256)	(11,844,344)	(430,721,991)	(23,033,405)	(1,406,555)	643,572	(700,948,979)
GROSS PROFIT	195,638,779	38,614,581	73,853,713	26,601,015	24,109,685	(33,076,930)	325,740,843
Other income	26,851	472,445	894,138	839,786	1,689,860	(1,146,295)	2,776,785
Administrative expenses	(119,898,769)	(29,618,206)	(49,011,539)	(16,853,704)	(37,888,730)	33,588,488	(219,682,460)
Other expenses	(24,544,286)	(1,083,314)	(241,951)	(381,811)	(1,342,283)	-	(27,593,645)
Other gains	-	408,978	478,703	791,716	1,334,251	-	3,013,648
NET OPERATING INCOME (LOSS)	51,222,575	8,794,484	25,973,064	10,997,002	(12,097,217)	(634,737)	84,255,171
Finance costs	-	(44,788)	(422,486)	(1,169,201)	(12,471,699)	634,736	(13,473,438)
Share of profit (loss) of associates and joint ventures, equity-accounted	(1,206)	18,544	18,932,343	(61,056)	265,859	(319,839)	18,834,645
Exchange differences	2,083,843	(496,716)	(11,018,789)	636,634	(315,197)	-	(9,110,225)
Gain (loss) on indexed assets and liabilities	30,216	12,407	10,443,899	38,717	(4,830,207)	-	5,695,032
Gain (loss) arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value	2,328,615	421,821	-	-	-	-	2,750,436
PROFIT (LOSS) BEFORE TAX	55,664,043	8,705,752	43,908,031	10,442,096	(29,448,461)	(319,840)	88,951,621
INCOME TAX BENEFIT (EXPENSE) FROM CONTINUING OPERATIONS	(5,929,710)	(1,485,381)	(6,271,152)	(2,320,545)	2,140,918	-	(13,865,870)
Profit (loss) from continuing operations	49,734,333	7,220,371	37,636,879	8,121,551	(27,307,543)	(319,840)	75,085,751
PROFIT (LOSS) FOR THE YEAR	49,734,333	7,220,371	37,636,879	8,121,551	(27,307,543)	(319,840)	75,085,751
PROFIT (LOSS) ATTRIBUTABLE TO							
Profit (loss) attributable to owners of the parent	49,714,576	7,196,726	37,885,875	7,302,210	(27,307,543)	(319,839)	74,522,486
Profit (loss) attributable to non-controlling interests	19,757	23,645	(248,996)	819,341	-	(50,481)	563,265
PROFIT (LOSS) FOR THE YEAR	49,734,333	7,220,371	37,636,879	8,121,551	(27,307,543)	(370,320)	75,085,751

F) STATEMENT OF CASH FLOWS BY SEGMENT (DIRECT METHOD) FOR THE YEAR ENDED DECEMBER 31, 2016

STATEMENT OF CASH FLOWS	LENDING THCH$	ASSET MANAGEMENT THCH$	INSURANCE THCH$	SERVICES THCH$	CORPORATE SUPPORT THCH$	ADJUSTMENTS THCH$	TOTAL THCH$
Net cash flows provided by (used in) operating activities	74,439,583	16,961,448	21,978,943	11,245,090	(7,730,895)	(198,005,353)	(81,111,184)
Net cash flows provided by (used in) investing activities	(33,270,223)	449,931	9,687,252	(176,782)	104,950,340	(55,668,751)	25,971,767
Net cash flows provided by (used in) financing activities	(175,174,805)	(8,889,829)	(28,866,098)	(16,213,659)	(80,312,540)	248,295,792	(61,161,139)
Net increase (decrease) in cash and cash equivalents	(134,005,445)	8,521,550	2,800,097	(5,145,351)	16,906,905	(5,378,312)	(116,300,556)
Effect of exchange rate changes on cash and cash equivalents	-	(121,910)	-	-	-	-	(121,910)
Increase (decrease) in cash and cash equivalents	(134,005,445)	8,399,640	2,800,097	(5,145,351)	16,906,905	(5,378,312)	(116,422,466)
Cash and cash equivalents at beginning of period	594,319,538	13,563,905	8,757,587	9,650,456	21,087,932	(20,621,882)	626,757,536
CASH AND CASH EQUIVALENTS AT END OF PERIOD	460,314,093	21,963,545	11,557,684	4,505,105	37,994,837	(26,000,194)	510,335,070

NOTE 34 - ENVIRONMENT

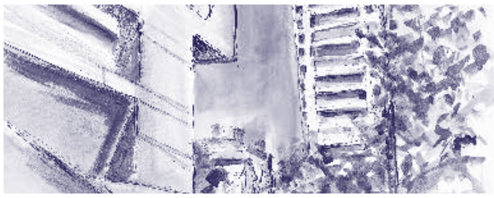
Grupo Security is not affected by this item as it is an investment holding company.

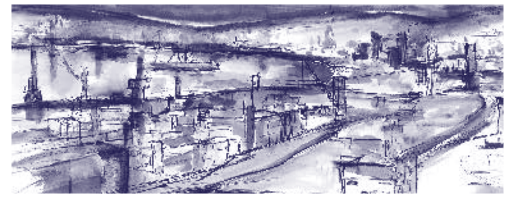
NOTE 35 - RISK MANAGEMENT

Grupo Security considers risk management to be critical to achieving the target returns defined by its shareholders and guaranteeing business continuity. Risk management at Grupo Security is supervised centrally by the Business Risk Management Area and Controller's Office, which consolidates and reports to Grupo Security's Board of Directors on a regular basis.

As Grupo Security S.A. is the parent of a conglomerate of companies that are diversified across different sectors of the local financial services industry, its subsidiaries face a number of risk factors that are unique to the particular sector in which they do business. These specific risks are controlled by specialized units in each of the companies.

In each of its related companies, Grupo Security has overseen the development of structures and processes required to properly identify, measure and value all kinds of risks, as well as follow-up on those risks in accordance with policies defined by the Board of Directors of each company and regulations defined by authorities.





I RISK FACTORS

1) OPERATIONAL RISK

In an effort to continuously improve its corporate governance and particularly its internal controls, Grupo Security has used an audit approach to develop control tools for the most significant processes in each of its companies. This involved mapping those processes, developing flowcharts and separate and consolidated risk maps, and documenting all information collected, which is used in operations. This has allowed the Group to identify risks and develop mitigating action plans. On a monthly basis, the Group monitors its mitigating action plans and risk determination, with its respective risk matrix, using a computer program that helps it obtain the status of those plans from the respective process owner for all companies within Grupo Security.

2) HIGHLY COMPETITIVE BUSINESSES LINES

The industries in which the Group competes are known for being highly competitive, especially the banking and insurance industries. Continual mergers and competitor alliances are proof of the competition Group companies face. Despite the potential challenges to income generation, 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, the niche strategy that drives the Group's development and its excellent service quality.

These qualities allow the Group to offer its customers personalized, specialized products and services, which is very difficult in large organizations targeting more large-scale segments of the population. The Group's offering has earned it a favorable market position with which to face future competition.

3) REGULATORY CHANGES IN GROUP INDUSTRIES

The industries in which the Group does business, particularly the banking and insurance industries, 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.

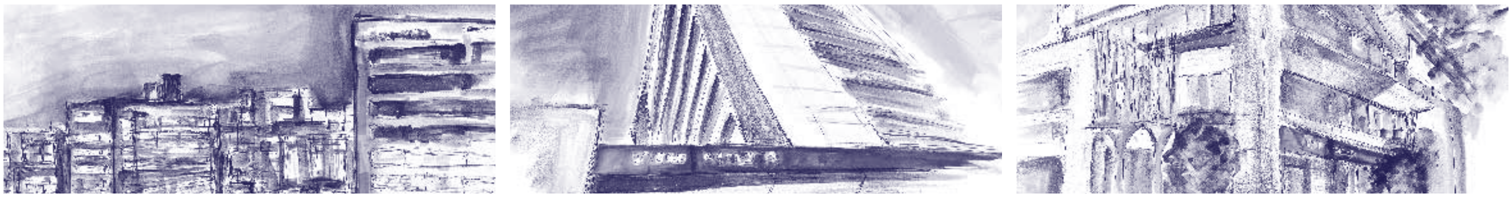
4) FINANCIAL RISK

For Grupo Security, financial risk management and oversight are critical to guaranteeing liquidity and solvency in each of its subsidiaries. This allows its businesses to operate and grow in the long term.

Financial risk management and oversight in Grupo Security's companies are based on the implementation of policies, procedures, methodologies and limits defined by their respective Boards of Directors, in order to strengthen the companies' financial position and also improve and ensure their long-term profitability and reduce funding and liquidity costs.

4.1) RISKS ASSOCIATED WITH INTERNATIONAL 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 assets and risk premiums demanded by investors.



4.2) CREDIT RISK

The companies in the lending area (Banco Security S.A. and Factoring Security S.A.) have skilled employees and an appropriate structure for analyzing and measuring credit risk. Through this structure, these employees participate in all credit-related processes and support sales areas as an independent counterpart in the loan origination process.

The risk management policies of our subsidiaries Banco Security and Vida Security are published in their annual financial statements in accordance with the SBIF Compendium of Standards and the CMF Standards, respectively, and, therefore, the interim financial statements contain the most recent annual disclosure published.

II RISKS ASSOCIATED WITH THE BANKING BUSINESS

1) RISK MANAGEMENT OBJECTIVES

The subsidiary Banco Security considers risk management to be a critical component in guaranteeing business continuity, achieving necessary solvency and ensuring sustainable results. Risk management is intended to minimize losses from risk and optimize the risk-return ratio and growth (risk appetite) defined by senior management.

In order to achieve this, the Bank has made a considerable effort to optimize risk management. Therefore, risk management is separated into three specific divisions by type of risk: Credit Risk, Financial Risk and Operational Risk.

Through this structure, the Bank can properly and timely identify, measure, value and monitor all kinds of risk that Banco Security may face.

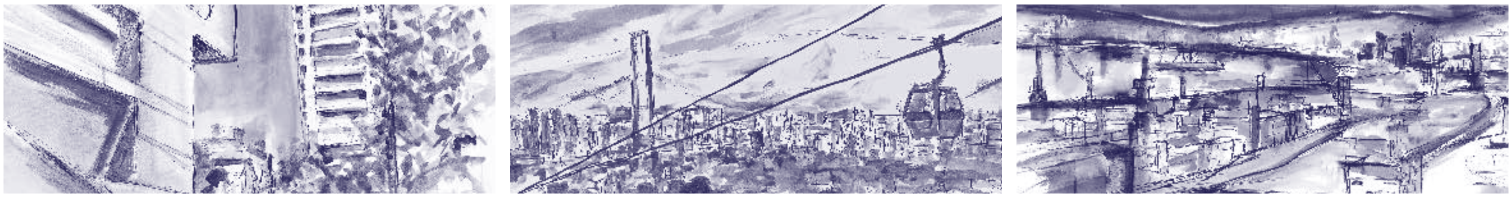
2) RISK MANAGEMENT STRUCTURE

Risk management is carried out through three divisions that report to the Chief Executive Officer: The Risk Division (credit risk); the Planning and Control Division (financial risk) and the Compliance Division (operational risk), all of which operate independently from other business areas and serve as a counterbalance on the Bank's various committees.

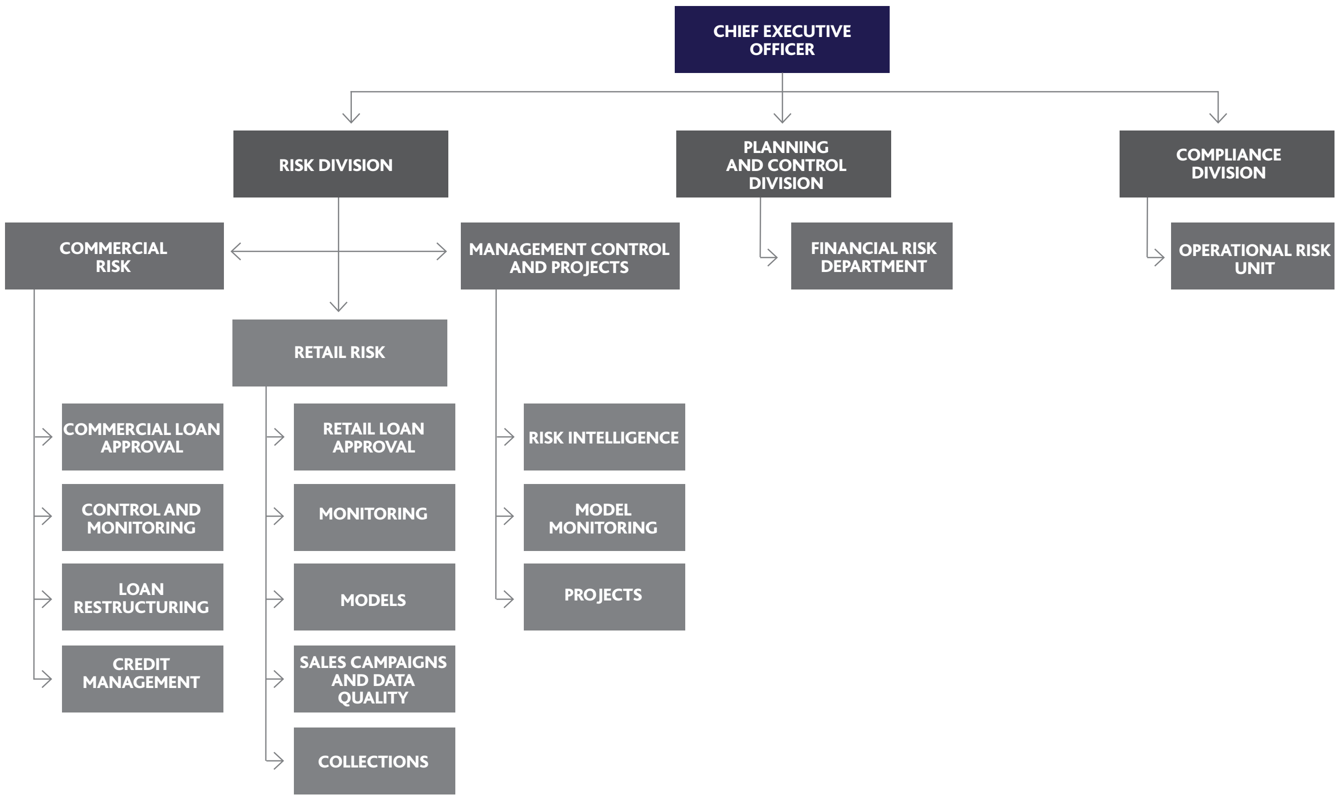
The Risk Division is divided into three areas: Commercial Risk, Retail Risk and Management Control and Projects.

The Financial Risk Department now reports to the Planning and Control Division. Financial risk was transferred to this division, which is also in charge of financial control and capital management, to take advantage of synergies that can be generated.

Finally, the Operational Risk Unit is part of the Compliance Division. This structure helps create complete independence from possible sources of operational risk.



The Bank's risk division is structured as follows:



Another important component of this structure is the Office of the Controller, which is responsible for regularly and independently evaluating whether the defined risk policies enable effective management and meet regulatory requirements. It is also responsible for conducting audits to verify compliance. The conclusions of these audits are analyzed by the Audit Committee and included in a written report submitted to the Bank's CEO and the area managers involved in the review. The reports provide conclusions from the evaluation and a work plan for resolving the observations made.

AREA DESCRIPTIONS

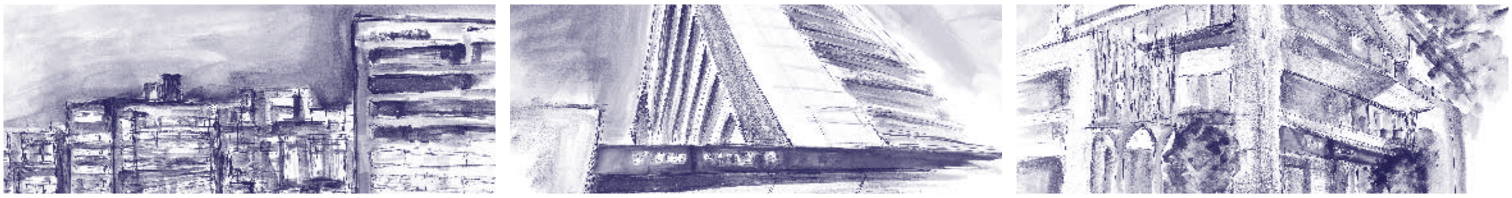
1) CREDIT RISK

COMMERCIAL RISK

This department is in charge of risk for entire credit process for customers in the Commercial Banking and Finance divisions. In this role, the department is responsible for defining the policies and procedures for this process and ensuring compliance, all in line with defined risk appetite. It is also responsible for monitoring operations, ensuring risk is correctly classified and maximizing recovery through the collections area. To accomplish this, the department is structured as follows:

A) COMMERCIAL LOAN APPROVAL:

Area in charge of analyzing risk during customer assessment for the large companies, medium companies and finance segments. It is



also responsible for standardizing and analyzing the financial statements for the entire portfolio, as well as evaluating and controlling the Bank's exposure in foreign markets.

This area also participates on different decision-making committees for the Commercial Banking Division, such as the Circulating Folder Committee and the Managers Committee; and acts as secretary for the Board Credit Committee. It manages all record keeping and procedures related to loan decision making for Commercial Banking.

Within the area is the Real Estate Analysis Area, which is responsible for analyzing this portfolio and generating warning reports used by the monitoring area to control real estate customers.

B) CREDIT MANAGEMENT:

The Credit Management Area is responsible for credit management, particularly changes in portfolio classification and the provisioning process (at month end). It also oversees credit management tasks such as supervising appraisers.

C) CONTROL AND MONITORING:

The Monitoring Area is responsible for three functions: Early detection, which helps the Bank more efficiently recover amounts owed by customers.

Consolidating customer and loan information, which provides data for the ongoing reclassification process to ensure that customer classifications faithfully reflect potential losses.

It is also responsible for controlling compliance with credit risk policies, and managing the pre-court collections process for Commercial Banking.

It also controls and monitors progress on real estate projects using reports prepared by the Real Estate Analysis Area.

D) LOAN RESTRUCTURING:

This department is responsible for the collections process and for efficiently recovering amounts owed by customers with payment problems. It also manages collections once a loan enters the past-due portfolio, including court and out-of-court collections (defined as sale of the written-off portfolio once all collections alternatives have been exhausted).

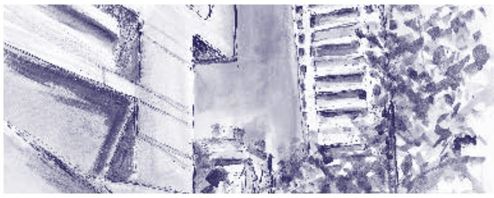
In addition, this department manages assets received in lieu of payment for the entire division.

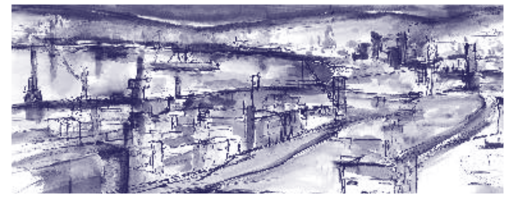
RETAIL RISK

This department is in charge of risk for entire credit process with customers in the Retail Banking Divisions. In this role, the department is responsible for defining the policies and procedures for this process and ensuring compliance, all in line with defined risk appetite. It is also responsible for monitoring operations, ensuring risk is correctly classified and maximizing recovery through the collections area. To accomplish this, the department is structured as follows:

A) RETAIL LOAN APPROVAL:

Department in charge of risk for loan approval process (initiation, assessment and decision) with customers in the Retail Banking Division. In this role, it is responsible for defining the policies and procedures for this process and ensuring compliance, all in line with the defined risk appetite.





B) SALES CAMPAIGNS AND DATA QUALITY:

Area in charge of generating sales campaigns and monitoring outcomes. It is also responsible for the process of validating and maintaining data for the entire Risk Division,

as well as validating regulatory reports for which the Risk Division is responsible.

C) MODELS:

Area in charge of generating and maintaining models in accordance with the Bank's requirements and guidelines from the Model Monitoring Area.

D) MONITORING:

The Monitoring Area is responsible for three functions:
Early detection, which helps the Bank more efficiently recover amounts owed by customers.

Consolidating customer and loan information, which provides data for the ongoing reclassification process to ensure that customer classifications faithfully reflect potential losses.

E) COLLECTIONS:

This department is responsible for the collections process and for efficiently recovering amounts owed by customers with payment problems. It also manages pre-court, court and out-of-court collections (defined as sale of the written-off portfolio once all collections alternatives have been exhausted).

MANAGEMENT CONTROL AND PROJECTS:

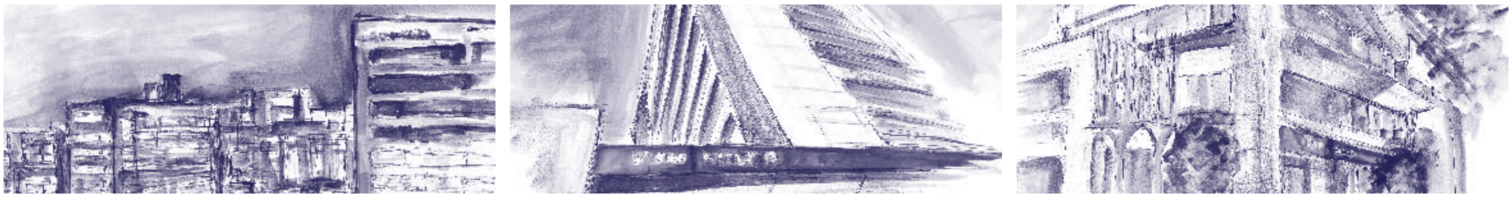
This area is in charge of three functions: Risk intelligence, model monitoring and global credit risk management processes:

It is responsible for the following central processes:

- Interpreting and implementing regulatory modifications.
- Updating, coordinating and communicating credit risk policies and their related procedures.
- Managing the Risk Committee.

It also provides internal support such as:

- Managing projects for the division and others related to credit risk management.
- Conducting training.
- Controlling internal targets.
- Managing the division's budget and director plan.



A) **RISK INTELLIGENCE AREA:**

This area is in charge of continuously monitoring risk indicators, generating risk management and analysis reports and monitoring limits and concentration in order to more efficiently manage risk in accordance with the Bank's defined risk appetite.

It is also responsible for monitoring new market trends in credit risk management in search of new tools and processes to attain its objectives.

B) **MODEL MONITORING AREA:**

This area is in charge of continuously monitoring all of the Bank's models and making recommendations regarding any deviations detected.

It must also monitor the adequacy of provisions on the Bank's portfolios.

2) FINANCIAL RISK

FINANCIAL RISK DEPARTMENT

Department in charge of ensuring financial risk is effectively managed, which is staffed by nine employees. Further information on its functions is available in section IV.

3) OPERATIONAL RISK

OPERATIONAL RISK UNIT

Unit in charge of ensuring operational risk, business continuity and information security are effectively managed, which is staffed by nine employees. Further information on its functions is available in section V.

III. CREDIT RISK

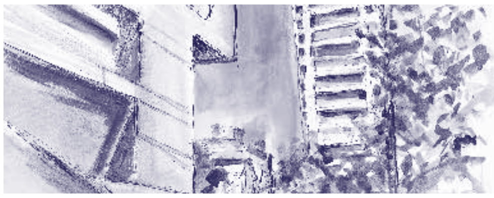
A. CREDIT RISK MANAGEMENT OBJECTIVES

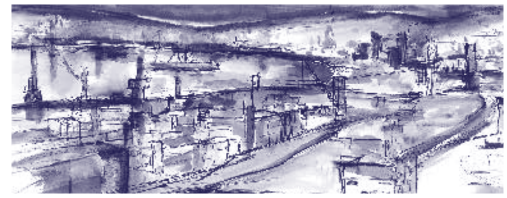
The Risk Division is responsible for managing credit risk through the Credit Risk Area. The objective of this area is to complete the six-stage loan approval process: Target market; analysis and assessment; decision; management; monitoring and control; and collections.

The above must be carried out in accordance with the risk tolerance (appetite) defined by senior management.

B. CREDIT RISK STRUCTURE

The Credit Risk Area has numerous departments that participate throughout the entire loan approval process, supporting the Bank's sales areas at all times and acting as an independent counterweight during the loan decision-making process.





This area is made up of:

- Commercial Risk.
- Retail Risk.
- Management Control and Projects.

C. CREDIT RISK PROCESS:

The following chart details the six stages of the loan approval process and the departments that participate in each stage.

<table>
<tr><th>LOAN APPROVAL PROCESS</th><th>COMMERCIAL BANKING</th><th>RETAIL BANKING</th></tr>
<tr><td>Target Market</td><td rowspan="6">Commercial
Risk Management</td><td rowspan="6">Retail
Risk Management</td></tr>
<tr><td>Credit Analysis and Assessment</td></tr>
<tr><td>Loan Decision</td></tr>
<tr><td>Credit Management</td></tr>
<tr><td>Credit Monitoring and Control</td></tr>
<tr><td>Collections</td></tr>
</table>

C.1 CREDIT RISK STAGES

1. TARGET MARKET:

Although the Bank's senior management is responsible for defining the target market, this decision is based on a proposal prepared jointly by the sales and risk areas after having analyzed the opportunities available in the market and the risks of the different segments. This proposal is contained in the Bank's Credit Risk Policy Manual.

2. CREDIT ANALYSIS AND ASSESSMENT:

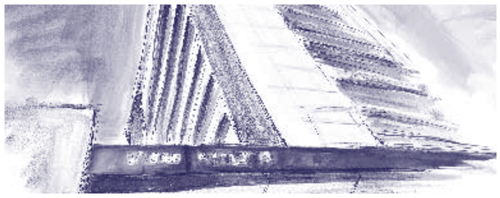
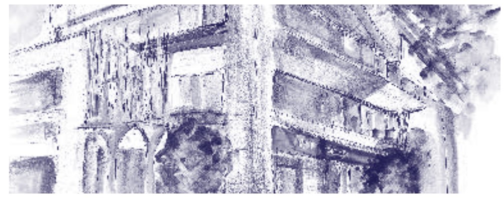
The tools used to analyze and assess a customer depend on the customer's market. For example, a scoring system is used in retail banking (individuals and companies), while a case-by-case analysis prepared by a credit risk expert is utilized in commercial banking.

3. LOAN DECISION:

The credit risk area acts as a counterweight in the loan decision process in all committees on which it sits. It also defines the approval limits for commercial areas and may intervene if risk standards are surpassed at any time.

There are mainly two types of committees, separated by the way they operate: circulating folder or meeting. In the first case, which involves smaller amounts, a folder is passed from one level to the next until it reaches the required level. In the second case, for larger amounts, a meeting is held where an account executive presents the loan to members of the committee for their approval. Meeting committees are also divided by amount.

Of these loan committees, the most important is the Board Credit Committee, which includes two directors, two advisors to the Board, the Bank's CEO, the Risk Division Manager and the Commercial Loan Approval Manager. This committee analyzes the most important loans, assessing close to 70% of loans in terms of amount and 5% in terms of number of customers.

4. CREDIT MANAGEMENT:

This area works to ensure proper customer classification, which begins with executives, followed by reclassifications made mainly by the Monitoring and Control Department, committees and the Loan Restructuring Department, and ends with the Reclassification Committee. The latter body executes and carries out the classification and provisioning process in order to ensure the Bank is operating correctly and to reflect the reality of its portfolio.

It also works with sales areas to keep the number of expired and/or overdrawn lines of credit within expected parameters, and it maintains strict control of appraisals of assets provided to guarantee loans.

5. COLLECTIONS:

In this stage, the specialized Collections (Retail Risk) and Loan Restructuring (Commercial Risk) departments perform a variety of activities to collect on loans, including out-of-court and court collections.

6. MONITORING AND CONTROL:

This stage aims to maintain an overall vision of how the above-mentioned loan processes are functioning. Its involvement includes reviewing and auditing current credit policies, monitoring the performance of the analysis areas and committees, and properly managing credit.

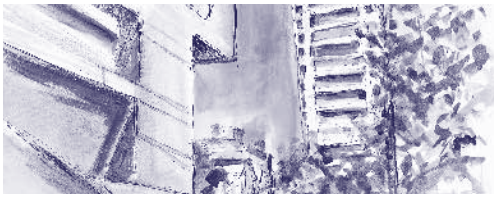
It relies on various sources of information to fulfill its duties, including reports provided by the Credit Risk Intelligence Area and information on portfolio behavior. It uses this information to strictly monitor and control the Bank's portfolio and, as a result, it is the area that proposes most of the potential customer reclassifications.

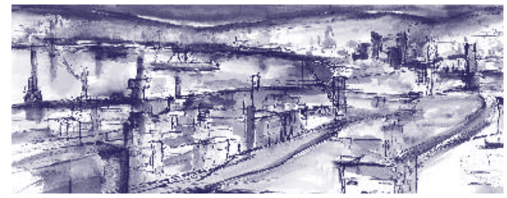
This function is separated into two areas that serve the Commercial and Retail Banking divisions.

D. RISK RATING AND PROVISIONS

Risk rating and assessments for provisioning purposes depend on customer and product type. Customers can be rated individually or as a group, as detailed below:

INDIVIDUAL RATING		GROUP RATING	
CUSTOMER TYPE	METHODOLOGY	CUSTOMER TYPE	METHODOLOGY
Companies (includes individuals with business accounts)	Commercial matrix and business rules	Individuals with commercial loans	Guidelines
Real estate	Manual	Small businesses	Guidelines/Matrix
Other			
- Banks		Holding companies	Guidelines/Matrix
- Restructuring of retail and commercial loans	Manual	Residential mortgage loans	Model
- Non-profit		Consumer loans	Internal model
- Special group leasing			





D.1 RATING INDIVIDUAL CUSTOMERS

This group includes all customers (individuals or legal entities) that the Bank needs to understand and analyze in detail because of their size, complexity or exposure level.

As a result, Banco Security individually rates all entities with annual sales over MCH$1,000 and debt over MCH$200, as well as real estate projects, institutional companies, non-profit organizations and bankrupt entities, among others.

D.2 RATING GROUP LOANS

Group assessments are used for customers that tend to behave similarly. Thus, they are assessed using methodologies and models to analyze operations related to the same product, based on customer type, as indicated below:

1. **COMMERCIAL PRODUCTS:**
   a. Individuals
   b. Restructuring of retail loans
   c. Small businesses
   d. Investment companies

2. **CONSUMER PRODUCTS:**
   a. Individuals

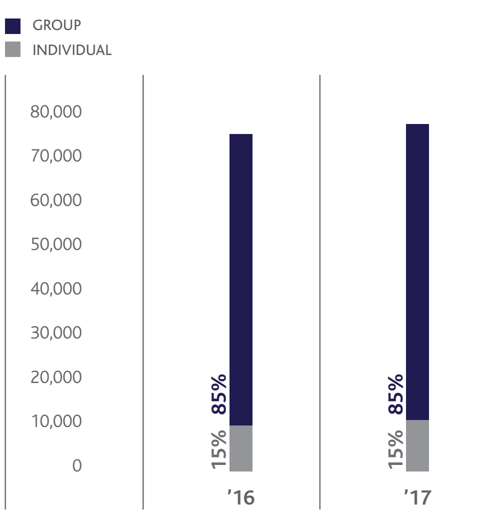
3. **MORTGAGE PRODUCTS:**
   a. Individuals

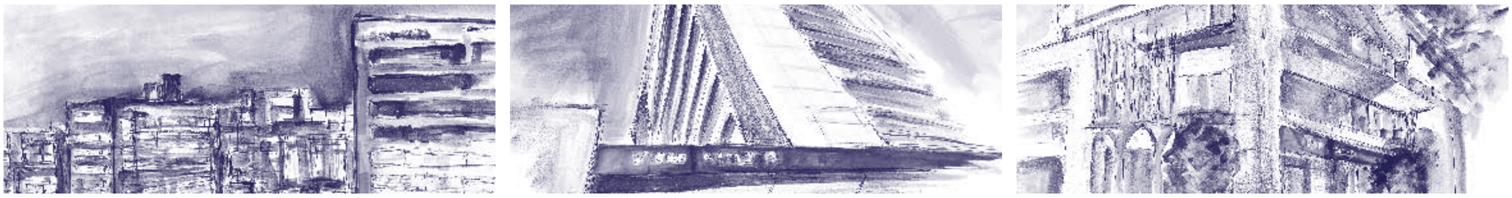
D.3 DISTRIBUTION OF LOAN PORTFOLIO

The Bank's portfolio is distributed as follows, based on the type of risk assessment used (i.e. group or individual):

ASSESSMENT BY CUSTOMER TYPE

NUMBER OF CUSTOMERS

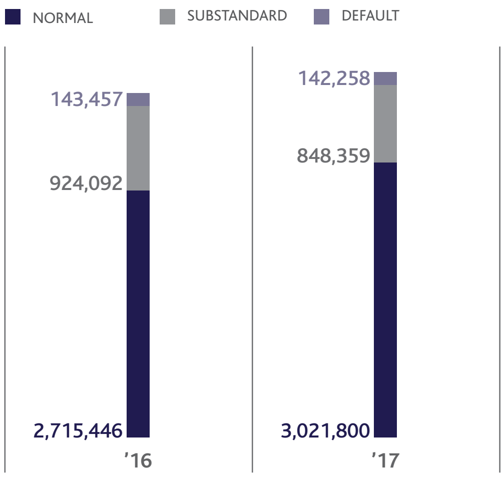




Individually rated loans are distributed by category (normal, substandard and default) using the following criteria:

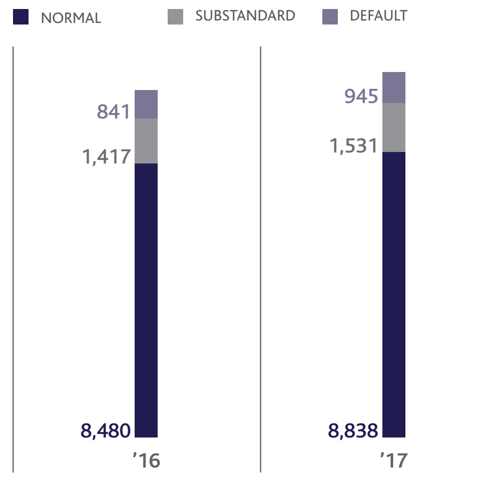
DISTRIBUTION OF INDIVIDUALLY ASSESSED LOANS

AMOUNT OF LOANS - MCH$



DISTRIBUTION OF INDIVIDUALLY ASSESSED LOANS

NUMBER OF CUSTOMERS - DEC 2016-2017



IV. FINANCIAL RISK

A. FINANCIAL RISK MANAGEMENT OBJECTIVES

For the organization, financial activities are defined as all transactions that are closed by the Bank and its subsidiaries Valores Security and Administradora General de Fondos, either on their own account or on behalf of third parties.

In general, financial transactions include operations involving foreign currency, loans, financing instruments, fixed-income instruments, derivatives and stocks.

The strategic objectives of financial activities include:

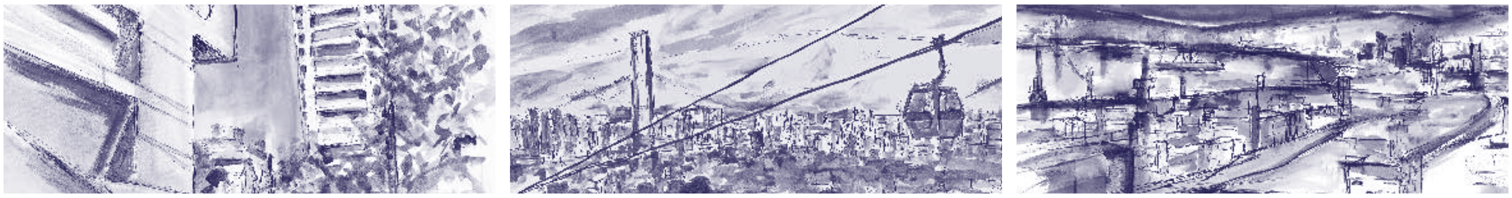
- Strengthening and expanding the Bank's position, consolidating and developing long-term relationships with customers and different market players, and providing a full range of investment banking products.

- Improving and ensuring the stability of long-term returns and effectively managing the different potential risks.

Financial activities are limited to previously-approved strategic product areas and will only be carried out within the overall risk guidelines defined by the Bank's Board of Directors.

In managing the portfolio of financial investments, the organization will actively manage positions based on an ongoing analysis of economic and financial conditions. Therefore, positions in financial instruments will be in line with the consensus for the macroeconomic outlook. However, short-term trading positions can also be taken to capitalize on a one-time misalignment of a market variable.

In order to achieve the objectives established in the Bank's investment strategies, a broad range of currencies and products can be traded, always in accordance with current applicable regulations.



The Bank is primarily engaged in trading non-derivative fixed-income financial instruments, interbank funding, transactions with repo agreements, foreign currency spot sales and purchases, currency and interest rate derivatives (forwards and swaps), stocks and simultaneous operations.

Treasury products can be geared towards different objectives, such as profiting from short or medium-term variations in market factors, making returns by generating spreads with respect to the financing rate of positions, leveraging maturity mismatches and slopes of interest rate structures or exchange rate differentials, engaging in economic and/or accounting hedges and distributing treasury products through the Bank's sales network.

Derivatives are particularly used to hedge risks, for market arbitrage or to take certain proprietary positions.
Hedge management using derivatives can use economic or accounting hedges, depending on the defined strategy.

Strategies with derivatives with accounting hedges can be used to hedge cash flows or the fair value of any item in the statement of financial position or expected transaction that generates risk or volatility in profit or loss, in compliance with international accounting standards. These strategies must meet all requirements included in current regulations and their effectiveness is reviewed at least monthly for each hedge.

Risk management and control take place through policies, procedures, methodologies and limits, which create value for shareholders and the market in general, guaranteeing adequate solvency levels.

These internal limits, defined by portfolio type, maturity mismatches, currency and instrument type based on the Bank's risk appetite, allow the Bank to control risk levels and diversify investment portfolios.

The Bank's policies also allow it to require guarantees under certain circumstances, mainly for derivative transactions, in order to mitigate credit risk.

B. FINANCIAL RISK STRUCTURE

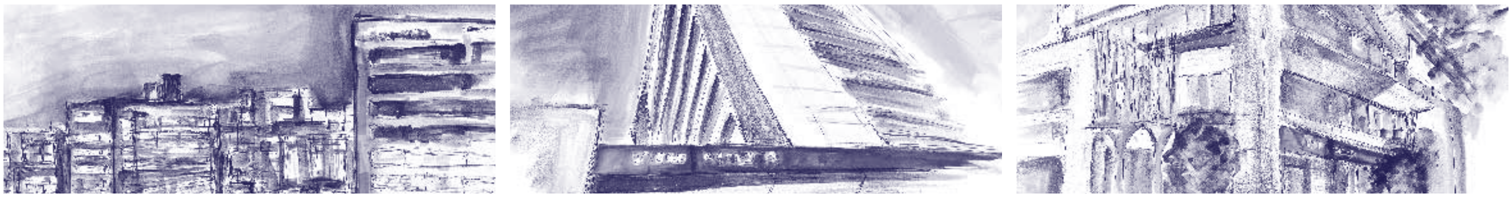
The Board of Directors is responsible for approving risk management policies, limits and structures for the Bank and its subsidiaries. To accomplish this, it has set up several committees to monitor compliance with defined policies and limits. These committees are made up of directors and executives and provide the Board with regular reports on risk exposure.

The following committees currently analyze matters related to financial risk:

- Finance Committee: Controls and manages financial investments from a short and medium-term trading perspective and the risks associated with these portfolios.

- Asset and Liability Committee: controls and manages the risk of mismatches in assets and liabilities in order to stabilize and protect and control the Bank's financial margin and economic value. It also monitors liquidity gaps, diversification of funding sources, highly-liquid assets and risk-adjusted capital limits (solvency).

The objective of the Bank's financial risk management policies is to identify and analyze the risks faced by the Group, set concentration limits and put ongoing controls in place to monitor compliance.



The committees regularly revise these policies in order to incorporate changes in market conditions and the Bank's activities. Once revised, the changes are submitted to the Board for its approval.

The Financial Risk Department, which reports to the Planning and Control Division, is charged with monitoring and controlling risks and is independent from the business areas that take and manage the risks.

This department is specifically responsible for:

- Centralizing efforts to control and measure the different risks affecting the Bank and its subsidiaries by applying uniform policies and controls.

- Ensuring that risk managers, senior management and the Board of Directors are kept informed of key matters regarding market and liquidity risk.

- Ensuring that recommendations from regulators and internal auditors are followed and appropriately implemented.

- Reporting and monitoring market risk and liquidity and limit compliance on a daily basis for the Bank and its subsidiaries.

- Developing and reviewing the effectiveness of methods and procedures for measuring risk.

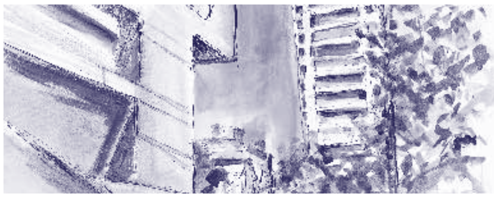
Risk is measured and controlled on a daily basis using risk reports used by senior management to make decisions. These reports include VaR measurements and rate sensitivity for both the investment portfolio and the banking book as a whole, risk exposure by portfolio, instrument, risk factors and concentration and compliance with internal limits.

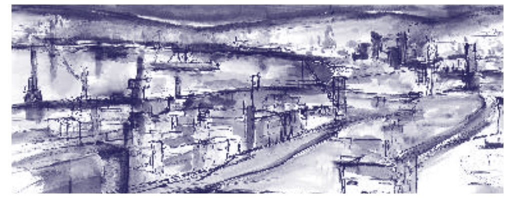
C. FINANCIAL RISK PROCESS

Risk measurements are based on automated systems used to monitor and control the risk to which the Bank and its subsidiaries are exposed on a daily basis, thus allowing for proper decision-making.

The Treasury is in charge of taking positions and risks within the limits defined by senior management. It is responsible for managing financial risks arising from positions in investment books, from structural asset/liability mismatches and from managing liquidity gaps and also for adequately funding operations.

The Internal Audit Department regularly assesses risk processes. The general risk structure is continuously being evaluated by the SBIF, the Bank's independent auditors, and other external entities.





D. DEFINITION OF FINANCIAL RISKS

A) MARKET RISK

Market risk represents the potential loss that can result from changes in market prices over a certain period of time as a result of variations in interest rates, foreign currencies, indexation and stock prices. These losses affect the value of financial instruments held for trading and available for sale, both for the Bank and its subsidiaries.

MARKET RISK METHODOLOGY

Market risk is measured using the Value at Risk (VaR) methodology, which allows the different risks and types of operations to be standardized, modeling the collective relationship of these factors in a single risk measurement.

VaR provides an estimate of the maximum potential loss from treasury positions of financial assets or liabilities in the event of an adverse, yet normal, scenario.

The methodology used to calculate VaR is a parametric technique that assumes that the price returns on investments follow a normal distribution using a threshold of 95% confidence, a maintenance horizon of 1 day and a historical data sample of 250 days adjusted using statistical techniques to assign greater weight to more recent developments, in order to quickly capture increases in market volatilities.

The assumptions on which the model is based have some limitations, including:

- A maintenance period of one day assumes that the positions can be covered or disposed of within that period. However, investment portfolios held for trading are comprised of highly-liquid instruments.

- A confidence level of 95% does not reflect the losses that could occur in the remaining 5% of the distribution.

- Value at risk is calculated with positions at the end of the day and does not reflect the exposure that could arise during the trading day.

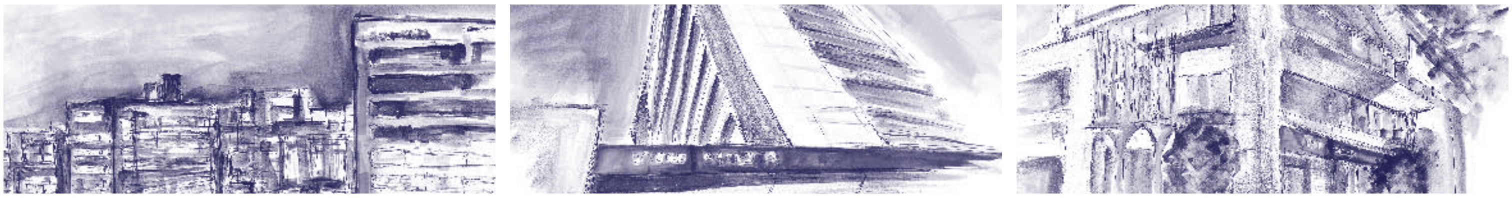
- The use of historical information to determine possible ranges of future outcomes may not cover all possible scenarios, especially exceptional circumstances.

- Market price returns of financial instruments can present abnormal probability distributions.

The limitations of the assumptions used by the VaR model are minimized using nominal limits for investment concentration and sensitivity to specific risk factors.

The reliability of the VaR methodology used is verified using backtesting, which is contrasted with the actual results obtained to determine whether they are consistent with the methodological assumptions within the given confidence levels. Ongoing monitoring of these tests allows the Bank to confirm the validity of the assumptions and hypothesis used in the model.

Control of financial risk is complemented with specific simulation exercises and stress testing to analyze different financial crises that have occurred in the past and the effect they may have on current investment portfolios.



These risks are monitored on a daily basis. Risk levels incurred and compliance with limits established for each unit are reported to risk managers and senior management.

Banco Security and its subsidiaries measure and limit Value at Risk in their investment portfolios (trading and available for sale) by risk factor, interest rates, currencies, instrument type and portfolio type.

Details of the market risks of the different investment portfolios by type of risk are as follows:

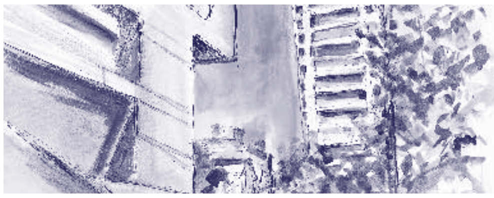
	VAR BY TYPE OF RISK	
	DECEMBER 31, 2017 MCH$	DECEMBER 31, 2016 MCH$
Trading:		
Fixed income	103	308
Derivatives (excl. options)	410	141
Embedded options	1	1
FX	26	49
Shares	58	21
DIVERSIFICATION EFFECT	(342)	(216)
TOTAL PORTFOLIO	255	305
Available for sale:		
Rate	232	556
TOTAL PORTFOLIO	232	556
Total diversification	(368)	(360)
TOTAL VAR	462	716

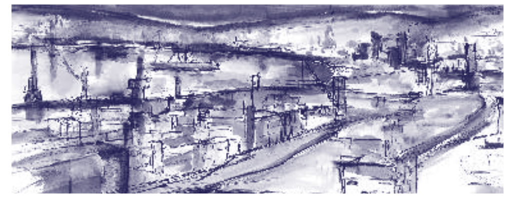
B) STRUCTURAL INTEREST RATE RISK

This risk stems mainly from commercial activity (commercial loans v/s deposits), caused by the effects of variations in interest rates and/or the slopes of interest rate curves to which assets and liabilities are indexed. When these show temporary repricing or maturity gaps, they can impact the stability of results (financial margin) and solvency levels (economic value of equity).

To do this, the Bank establishes internal limits using sensitivity techniques for interest rate structures. The Bank also uses stress testing to evaluate the sensitivity of interest rates, currency repricing, changes in stock prices, changes in underlying assets for options and changes in commissions that may be sensitive to interest rates. This stress testing enables the Bank to measure and control the impact of sudden movements in the different risk factors that affect its solvency ratio, the financial margin and the economic value of equity.

Compliance with limits established by the Bank, in accordance with the definitions established by the Chilean Central Bank in Chapter III.B.2.1 of the Compendium of Financial Standards and by the Superintendency of Banks and Financial Institutions in Chapter 12-21 of the Updated Standards, is also monitored on a daily basis. The Bank also files a weekly report with the SBIF on the risk positions of the investment portfolio within the trading book and limit compliance. It also files a monthly report with the SBIF on the consolidated positions at risk (including subsidiaries) for the trading book and individually for the banking book, which includes sensitivity to market risk in the available-for-sale portfolio and the commercial book.





In accordance with the methodology defined in Chapter III.B.2.2 of the Compendium of Financial Standards of the Chilean Central Bank, market risk is as follows:

	MARKET RISK TRADING BOOK	
	DECEMBER 31, 2017 MCH$	DECEMBER 31, 2016 MCH$
Market Risk		
Interest rate risk	9,227	12,019
Currency risk	1,163	1,603
Options risk	7	11
TOTAL RISK	**10,397**	**13,633**
Consolidated risk-weighted assets	5,360,108	5,020,480
Regulatory capital (RC)	751,267	663,763
BASEL LIMIT	**8.00%**	**8.00%**
BASEL WITH MARKET RISK	**13.69%**	**12.70%**
BASEL I	**14.02%**	**13.22%**

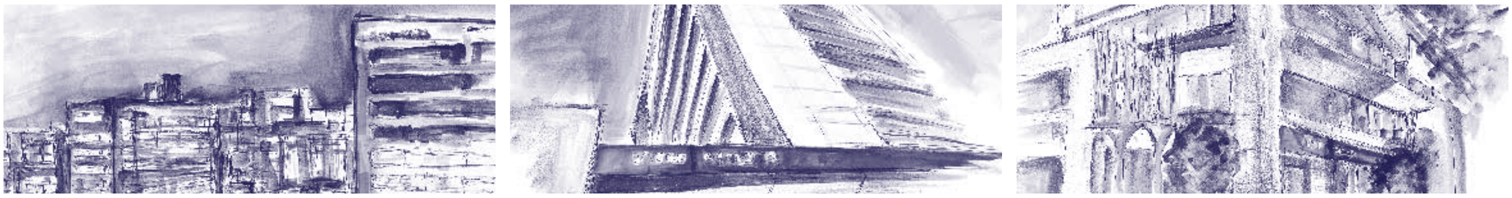
	MARKET RISK BANKING BOOK	
	DECEMBER 31, 2017 MCH$	DECEMBER 31, 2016 MCH$
Short-term		
Interest rate risk (short-term)	5,671	11,435
UF mismatch	1,313	4,694
Sensitive commissions	166	61
TOTAL RISK	**7,150**	**16,190**
Limit 35% margin (Board)	50,735	51,500
SURPLUS (BOARD)	**43,585**	**35,310**
Long-term		
Interest rate risk	16,975	49,180
LIMIT 25% RC (BOARD)	**187,864**	**165,138**
SURPLUS (BOARD)	**170,890**	**115,958**

C) LIQUIDITY RISK

Liquidity risk represents the possibility of not fulfilling obligations when they mature as a result of the inability to liquidate assets or obtain funds, or not being able to dispose of them easily or offset exposure without significantly reducing prices due to insufficient market depth (market liquidity).

The following concepts are involved with liquidity risk:

- **MATURITY RISK:** The risk arising from having cash inflows and outflows with different maturity dates.



- **COLLECTION RISK:** The risk of being unable to collect any cash inflow as a result of stoppage of payment, default or delay.

- **FUNDING RISK:** the risk of being unable to raise market funds, either in the form of debt or capital, or only being able to do so by substantially increasing the cost of funds, thus affecting the financial margin.

- **CONCENTRATION RISK:** the risk from concentrating funding or revenue sources in a few counterparties that may bring about an abrupt change in the matching structure.

- **MARKET LIQUIDITY RISK:** This risk is linked to certain products or markets and arises from not being able to close or sell a particular position at the last quoted market price (or a similar price) due to low liquidity.

LIQUIDITY RISK METHODOLOGY

The methodologies used to control liquidity are the liquidity gap, which considers probable behavior scenarios for assets and liabilities, stress testing, liability concentration limits and early warning indicators.

The liquidity gap provides information regarding contractual cash inflows and outflows (i.e. those that will occur at a given future time according to asset and liability contracts). For items without contractual maturities, simulations are created based on statistical studies to infer maturity behavior.

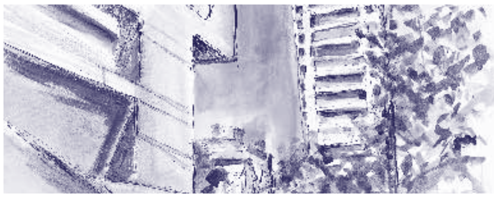
Based on these scenarios, assumptions for normal operating conditions are established. These omit items (mainly assets) that create a set of conservative liquidity management conditions from daily management. They are limited through minimum mismatching margins per control segment defined on a weekly and monthly basis over a horizon of one year.

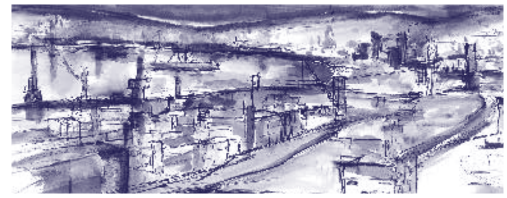
This is supplemented by special procedures to face a liquidity crisis and early warning indicators that can identify any potential risk.

A series of ratios and funding concentration limits by creditor and maturity are also controlled. This enables the Bank to keep its funding sources organized and diversified.

The Bank uses the contractual maturity methodology to comply with the regulatory liquidity limits established in Chapter III.B.2.1 of the Chilean Central Bank's Compendium of Financial Standards and Chapter 12-20 of the SBIF's Updated Compilation of Standards.

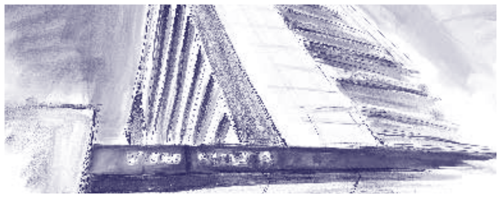
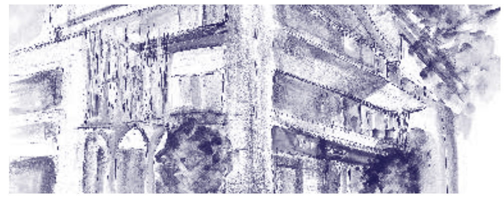
Mismatches and compliance with consolidated regulatory limits by the Bank and its subsidiaries are reported to the SBIF every three days.





Details of regulatory liquidity gaps as of December 31, 2017 and 2016, in all currencies presented in MCH$, are as follows.

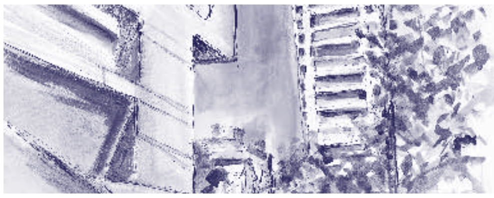
	< 1 MONTH		1 - 3 MONTHS		3 MONTHS - 1 YEAR		1 - 3 YEARS		3 - 6 YEARS		> 6 YEARS		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Available funds	575,762	470,748	-	-	-	-	-	-	-	-	-	-	575,762	470,748
Financial investments	719,336	873,081	40,236	24	10,257	1,491	623	4,991	568	-	764	-	771,784	879,587
Loans to other domestic banks	-	-	-	238	-	-	-	-	-	-	-	-	-	238
Commercial and consumer loans	292,130	371,567	493,942	420,753	1,206,076	1,143,185	834,367	892,705	761,863	726,125	1,024,251	755,029	4,612,629	4,309,364
Lines of credit and overdrafts	317,120	213,315	619,568	409,447	603,689	569,301	-	-	-	-	-	-	1,540,377	1,192,063
Residential mortgage loans	4,695	4,360	8,491	7,892	38,679	35,767	250,773	94,462	228,982	136,887	307,843	515,854	839,463	795,222
Other assets	104,682	102,192	-	2	-	-	-	-	-	-	-	-	104,682	102,194
Derivatives	155,253	103,593	97,832	50,809	94,799	93,081	93,638	72,616	85,501	109,237	114,948	36,211	641,971	465,547
	2,168,978	2,138,856	1,260,069	889,165	1,953,500	1,842,825	1,179,401	1,064,774	1,076,914	972,249	1,447,806	1,307,094	9,086,668	8,214,963
Current accounts and other demand deposits	671,042	575,597	-	-	-	-	-	-	-	-	-	-	671,042	575,597
Domestic interbank loans	8,145	5	-	-	-	-	-	-	-	-	-	-	8,145	5
Savings accounts and time deposits	555,904	638,197	837,844	1,134,088	1,393,502	1,209,718	53,997	111,851	54,068	208	66,999	-	2,962,314	3,094,062
External funding	2,262	22,315	41,784	34,480	84,846	56,459	19,929	35,069	19,955	14,126	24,727	-	193,503	162,449
Letters of credit	587	804	191	319	1,910	2,921	5,974	6,635	5,982	8,110	7,413	11,374	22,057	30,163
Bonds	90,681	9,956	9,323	7,108	65,376	170,256	589,581	411,076	590,348	512,699	731,535	750,269	2,076,844	1,861,364
Lines of credit and overdrafts	319,782	216,316	621,782	416,171	607,866	567,067	-	-	-	-	-	-	1,549,430	1,199,554
Other liabilities	169,705	144,661	12,144	4,239	5,846	5,122	5,416	7,080	5,424	3,853	6,721	1,535	205,256	166,490
Derivative instruments	144,565	106,974	94,882	52,813	95,932	94,475	89,824	65,901	89,940	99,446	111,450	27,953	626,593	447,562
	1,962,673	1,714,825	1,617,950	1,649,218	2,255,278	2,106,018	764,721	637,612	765,717	638,442	948,845	791,131	8,315,184	7,537,246
Net cash flow	206,305	424,031	(357,881)	(760,053)	(301,778)	(263,193)	414,680	427,162	311,197	333,807	498,961	515,963	771,484	677,717
Accumulated net cash flow	206,305	424,031	(151,576)	(336,022)	(453,354)	(599,215)	(38,674)	(172,053)	272,523	161,754	771,484	677,717	1,542,968	1,355,434
Regulatory limit	- (553,157)	(461,686)	- (1,106,313)	(923,372)										
Limit exceeded by	- (759,462)	(885,717)	- (954,737)	(587,350)										

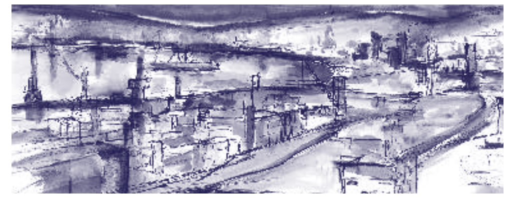




Regulatory liquidity gap as of December 31, 2017 and 2016, in foreign currency presented in MCH$

	< 1 MONTH		1 - 3 MONTHS		3 MONTHS - 1 YEAR		1 - 3 YEARS		3 - 6 YEARS		> 6 YEARS		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Available funds	236,876	211,395	-	-	-	-	-	-	-	-	-	-	236,876	211,395
Financial investments	125,227	164,570	-	-	-	-	-	-	-	-	-	-	125,227	164,570
Commercial and consumer loans	51,322	54,761	75,409	77,268	129,504	125,380	91,019	96,416	83,110	78,472	111,733	127,903	542,097	560,200
Lines of credit and overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	1,381	15,878	-	-	-	-	-	-	-	-	-	-	1,381	15,878
Derivatives	48,060	60,989	7,079	25,794	39,238	57,442	57,912	37,167	52,880	54,250	71,092	22,590	276,261	258,232
	462,866	507,593	82,488	103,062	168,742	182,822	148,931	133,583	135,990	132,722	182,825	150,493	1,181,842	1,210,275
Current accounts and other demand deposits	133,932	103,828	-	-	-	-	-	-	-	-	-	-	133,932	103,828
Domestic interbank loans	6,563	-	-	-	-	-	-	-	-	-	-	-	6,563	-
Savings accounts and time deposits	125,143	124,906	158,007	228,433	67,279	52,662	-	7	-	-	-	-	350,429	406,008
External funding	2,262	22,315	41,784	34,480	84,846	56,459	19,929	35,069	19,955	14,126	24,727	-	193,503	162,449
Other liabilities	25,613	18,598	-	-	-	-	-	-	-	-	-	-	25,613	18,598
Derivative instruments	90,179	93,809	70,165	36,643	24,722	36,302	31,910	25,112	31,952	44,119	39,594	20,176	288,522	256,161
	383,692	363,456	269,956	299,556	176,847	145,423	51,839	60,188	51,907	58,245	64,321	20,176	998,562	947,044
Net cash flow	79,174	144,137	(187,468)	(196,494)	(8,105)	37,399	97,092	73,395	84,083	74,477	118,504	130,317	183,280	263,231
Accumulated net cash flow	79,174	144,137	(108,294)	(52,357)	(116,399)	(14,958)	(19,307)	58,437	64,776	132,914	183,280	263,231	83,230	526,462
Regulatory limit	79,174	144,137												

To supplement these gap analyses, several ratios are monitored to control the amount of liquid assets that back net cash outflows over a 30-day horizon under stress scenarios, as well as ratios that allow the Bank to ensure an adequate relationship between stable or long-term funding and long-term funding needs.





HEDGE ACCOUNTING

The Bank hedges assets or liabilities in the statement of financial position using derivatives in order to minimize the effects on profit or loss of possible variations in their market value or estimated cash flows.

At the inception of the hedge relationship, the Bank formally documents the relationship between hedging instruments and the hedged item, as well as the hedge's strategies and objectives and the methodologies for testing its effectiveness.

The effectiveness of the hedge relationship is tested using prospective and retrospective evaluations. The hedge is deemed highly effective if the results of the tests are between 80% and 125%.

As of December 31, 2016, the Bank has five accounting hedges under the same strategy of hedging the volatility of the fair value of commercial loans as a result of variations in the base interest rate in UF. What is hedged is an interest rate swap for which the liability is a fixed rate in UF and the asset is a daily variable rate in UF (TRA).

HEDGES	
Hedge type	Fair value
Hedged object	Assets at fixed rate in UF
Derivative	Interest rate swaps in UF
Purpose	Reduce fair value risk
Maturity	6/25/2028
Retrospective effectiveness	100.0%

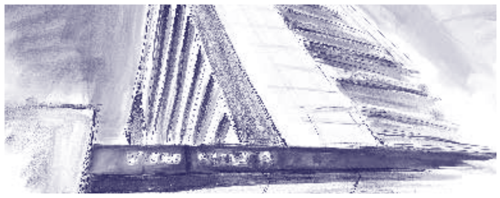
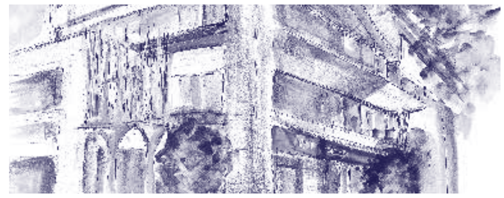
EMBEDDED DERIVATIVES

These derivatives can be embedded in another contractual agreement (or host contract) and, therefore, are accounted for at market price separately from the host contract when it is not recorded at fair value since the characteristics and economic risks of the embedded derivative are not related to the characteristics and economic risks of the host contract.

Currently, the Bank carries at fair value through profit and loss embedded derivatives arising from variable rate mortgage loans that incorporate a fixed rate after a certain amount of time or a rate ceiling used by customers to obtain an option in their favor. These will generate negative effects for the Bank when market rates are above the rate ceiling on these loans. This effect is determined on a daily basis using sophisticated methodologies to evaluate options, and the change in fair value is treated as profit or loss for the year (increases in the theoretical value of that derivative are a loss for the Bank).

Relevant data on these embedded derivatives are as follows:

	AS OF DECEMBER 31, 2017 MCH$	AS OF DECEMBER 31, 2016 MCH$
Balance MUF mortgage portfolio	90	115
Rate ceiling (average)	6.8%	6.9%
Option value MCH$	5	9

V. OPERATIONAL RISK

A. DEFINITION

The Bank and its subsidiaries define operational risk as the risk of losses resulting from inadequate or faulty processes, staff and internal systems, or due to external incidents. This definition includes legal risks but excludes strategic and reputation risks.

Furthermore, loss (write-off) is defined as negative financial effects on the physical, financial or intangible assets of the Bank and its subsidiaries caused by events related to an operational risk. If this event does not generate negative financial effects, it will not be considered "an incident ".

B. MAIN OBJECTIVES AND PRINCIPLES

The objective of operational risk management is to define a framework for managing operational risk in Banco Security and its subsidiaries. This includes establishing principles for identifying, assessing, controlling and mitigating such risk in order to reduce losses from operational risk, thus complying with corporate objectives and providing a suitable level of exposure to operational risk.

The following principles govern the operational risk management efforts of Banco Security and its subsidiaries:

- Operational risk is defined as a category apart from traditional banking risks and requires proactive management to identify, assess, control and mitigate such risk.

- A clear definition of operational risk must exist and it must be classified based on the guidelines established in the Basel capital agreements.

- The Board of Directors and senior management play an important role in approving and supervising compliance with the operational risk management policy and strategy.

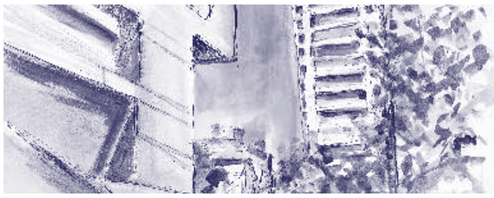
- Specific definitions must exist for operational loss and tolerance levels set by the Bank and its subsidiaries.

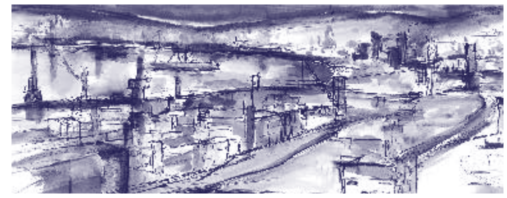
- An individual with an independent, specific position should be in charge of the operational risk function.

- Consistency with current regulations and best practices in its regard.

C. OPERATIONAL RISK MANAGEMENT STRATEGY

The operational risk management strategy, carried out by the Operational Risk Unit, must be consistent with the volume and complexity of the activities of the Bank and its subsidiaries. To accomplish this, it defines lines of action for operational risk management in the following areas: Products or processes, suppliers, business continuity and information security. These lines are implemented throughout the Bank and its subsidiaries.





The strategy must set a tolerance level for operational risk assumed by the Bank and its subsidiaries that enables it to manage mitigation efforts and monitor risks with exposure greater than or equal to this set tolerance. The strategy must be implemented throughout the entire Bank and its subsidiaries, which means that all levels of personnel must understand and accept their responsibilities regarding the management of this risk.

At a minimum, the strategy should address the following areas: Yearly planning, operational risk models and methodologies and a tool for consolidating all operational risks for the Bank and its subsidiaries.

D. OPERATIONAL RISK STRUCTURE

The Operational Risk Control Unit reports directly to the Bank's Compliance Manager.

In accordance with the operational risk policy approved by the Board of Directors, risk management is carried out by the individuals responsible for processes and those who execute them, who are the main risk managers; by the operational risk area, which is in charge of managing and monitoring operational risk; by the Board of Directors and the Operational Risk Committee, which is responsible for ensuring that the Bank's operational risk management framework is in line with defined objectives and best practices, and that the necessary conditions exist (trained personnel, organizational structure, budget) to implement this framework.

OPERATIONAL RISK

In order to properly manage risk and comply with the objectives defined by the Bank in its Operational Risk Policy, a series of activities have been developed and are described below:

The Operational Risk Management Framework is based on three basic pillars:

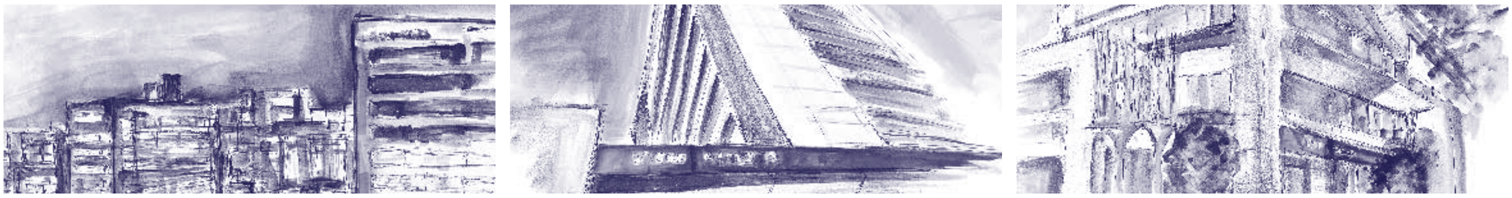
- **CULTURE:** Raising awareness of the importance of operational risk management across the entire organization at all levels.

- **QUALITATIVE MANAGEMENT:** Managing by detecting present and potential risks in order to manage them effectively (i.e. avoiding, transferring, mitigating or accepting these risks). Qualitative management is based on the following activities:

    - Database of losses and incidents
    - Identification and self-assessment of operational risks
    - Key risk indicators
    - Critical supplier reviews
    - Project reviews
    - Process reviews
    - Reviews of procedures and operating manuals
    - Others

- **QUANTITATIVE MANAGEMENT:** Managing by creating awareness in the organization of the level and nature of operational loss events. This enables the Bank to allocate funds through provisions for expected losses and to efficiently allocate capital for unexpected losses. Quantitative management is based on the following activities:

    - Gathering and managing data.
    - Integrating qualitative and quantitative management.



E. OPERATIONAL RISK MANAGEMENT FRAMEWORK

The Operational Risk Management Framework is applied in the following stages:

- **ESTABLISHING THE CONTEXT:** Setting the strategic, organizational and risk management context within which the process will take place. The Bank must stipulate the criteria for assessing risks and define the analysis structure.

- **IDENTIFYING RISKS:** Associating risks with the numerous processes and/or procedures executed as part of the various activities carried out by the Bank.

- **ANALYZING RISKS:** Specifically analyzing each of the risks detected based on the context set to determine whether that risk has an associated control or requires an action or mitigation plan. This situation will be established in accordance with the Bank's priorities.

- **ASSESSING RISKS:** Assessing each of the risks based on the probability of occurrence and the level of impact.

- **MITIGATING RISKS:** Once risks have been detected and assessed, an analysis will be performed. To accomplish this, the Bank will define an action plan, assign an individual in charge of executing it and set a date for its resolution.

- **MONITORING AND REVIEWING:** Monitoring, reviewing and updating the risk survey and resolution commitments from the person in charge.

- **COMMUNICATING AND CONSULTING:** Communicating and consulting with internal and external stakeholders, as appropriate, in each stage of the risk management process, considering the process as a whole.

VI. RISK COMMITTEES

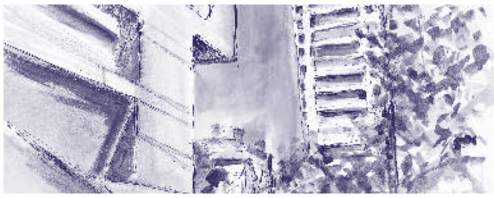
In order to correctly manage risks, Banco Security has set up several risk committees, as described briefly below:

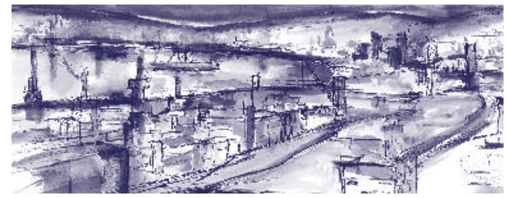
A. CREDIT RISK COMMITTEES

There are three credit risk committees: The Board Credit Committee, the Executive Credit Committee and the Circulating Folder Credit Committee. The Bank's retail banking and commercial banking credit risk policies clearly specify the criteria used to identify which committee should analyze each transaction. The sales areas have almost no lending authority on their own and must almost always obtain approval from the credit risk areas or the respective committees in order to approve loans.

COMPOSITION OF CREDIT RISK COMMITTEE

The Board Credit Committee is made up of three directors, one advisor to the Board, the Bank's CEO, the Risk Division Manager and the Commercial Loan Approval Manager. The Circulating Folder Credit Committee consists of various sales managers and the deputy manager from the appropriate division (Retail or Commercial Banking).





MATTERS ADDRESSED

These committees are responsible for approving or rejecting the loan applications submitted to the appropriate committee based on the loan amount and conditions.

PERIODICITY

The Board Credit Risk Committee meets every Tuesday and Thursday (except the second Thursday of each month) while the Executive Credit Risk Committee meets every Wednesday. The Circulating Folder Credit Risk Committee operates mainly on Monday and Thursday mornings.

BOARD INVOLVEMENT

The Board is highly involved in the credit risk process through the Board Credit Risk Committee. Two directors and the Chairman of the Board sit on this committee, which is the Bank's main credit risk body and is responsible for approving the most important transactions.

B. CREDIT RISK RECLASSIFICATION COMMITTEE

This committee's objective is to review customer risk classifications in light of new developments that may downgrade or upgrade their risk rating provided by the rating system.

This committee meets monthly and is comprised of:

- Chief Executive Officer
- Risk Division Manager
- Commercial Division Manager (depending on the case being assessed)
- Retail Division Manager (depending on the case being assessed)
- Risk Management Manager
- Commercial Division Agents (depending on the case being assessed)
- Head of Credit Risk Control and Monitoring

C. WATCH COMMITTEE

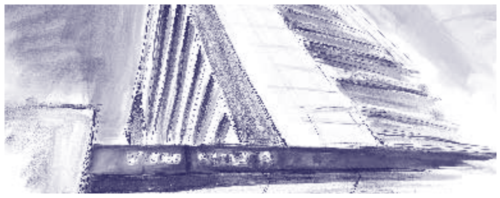
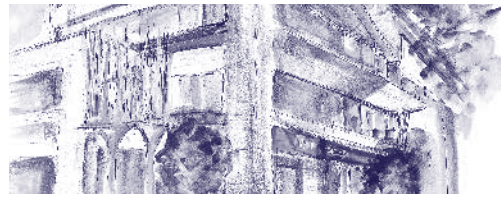
This committee is responsible for monitoring and controlling operations and customers by reviewing information on potential future problems (asymptomatic), non-evident variables and evident variables. It also monitors any previously given instructions.

There are three types of committees:

- The BOARD WATCH COMMITTEE for customers with overall BS credit line over MCH$500 (Approx. UF 20,000). Meets quarterly.

- The MONITORING or MANAGER WATCH COMMITTEE for customers with overall BS credit line under MCH$500 (Approx. UF 20,000). Meets every two months.

- The RETAIL WATCH COMMITTEE for retail customers with overall BS credit line over MCH$20 (Approx. UF800). Meets monthly.

D. MODELING COMMITTEE

This committee meets each month to review and monitor all models used for credit risk management. It is also charged with approving new models and monitoring progress. It also reviews the different credit risk methodologies that the Bank uses or is considering using.

E. RISK COMMITTEE

This committee's objective is to thoroughly review all the risks faced by the Bank and those that may impact it in the future. Based on this review, it generates guidelines and approves action plans in order to meet the objectives outlined in the budget based on the defined risk appetite.

This committee also reviews credit risk policies and processes and lending authority and any proposed amendments.

It also analyzes the matters and resolutions discussed by the remaining credit risk committees. Lastly, this committee is in charge of presenting topics, committee resolutions and policies to the Board.

This committee meets monthly and its members are:

- One director
- Chief Executive Officer
- Division managers (Commercial, Risk, Finance, Operations and Planning)
- Credit Risk Management Manager
- Financial Risk Manager
- Operational Risk Deputy Manager
- Risk and Project Management Control Deputy Manager

F. FINANCIAL RISK COMMITTEES

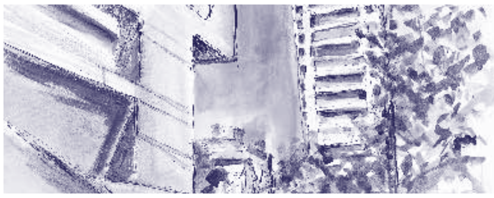
This committee's objective is to evaluate positions and risks taken by the Bank and its subsidiaries, defining strategies to be adopted and validating compliance.

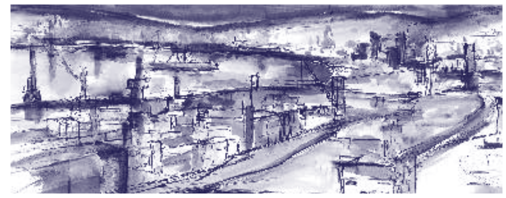
Its main duties include reporting on each unit's performance regarding profits and margins versus budget, aligning strategies and escalating investment and divestiture decisions.

The Financial Risk Committee is also charged with proposing policies and methodologies for managing financial assets to the Board and ensuring compliance with market and liquidity risk limits set by the Board and regulators.

THIS COMMITTEE IS COMPRISED OF:

- Committee chairs:
    - Bank's Chief Executive Officer
    - Bank's Chairman
    - Group's Chief Executive Officer





- Planning and Management Manager
- Group's Chief Economist
- Risk Division Manager
- Financial Risk Manager
- Finance and Corporate Division Manager
- Trading and Investment Manager
- Chief Executive Officer, Valores Security
- Investment Manager, Valores Security
- Investment Manager, AGF

G. OPERATIONAL RISK COMMITTEES

COMPOSITION OF OPERATIONAL RISK COMMITTEE

The Operational Risk Committee is comprised of one Director, the Chief Executive Officer (Committee Chairman), the Compliance Manager (Vice-Chairman), the Operational Risk Deputy Manager (Secretary), the Operations and IT Division Manager, a representative from the Legal Division (Chief Counsel), the Information Security and BCP Officer, the Controller, the Compliance and Control Deputy Manager – FM and the Head of Operational Risk

The Controller for Grupo Security must attend committee meetings but does not have any responsibility for risk management. His or her purpose is to ensure that any potential corrective measures in response to observations on audited areas are properly implemented.

MATTERS ADDRESSED

The committee is also in charge of disseminating the operational risk policy, evaluating identified risks and defining action plans based the Bank's risk profile.

PERIODICITY

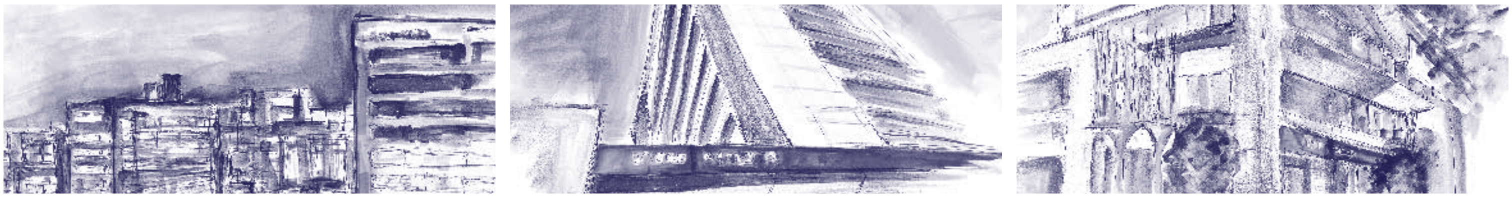
The Operational Risk Committee meets periodically, ideally quarterly or as otherwise needed.

BOARD INVOLVEMENT

The Board is informed about the implementation of the Operational Risk Policy, as well as the detection of incidents, potential risks and measurements of operational risks (i.e. severity and frequency of loss).

H. ASSET AND LIABILITY COMMITTEE

This committee is responsible for managing and controlling (1) structural maturity and currency mismatches in the statement of financial position, (2) liquidity and (3) the Bank's financial margin and stability, as well as for (4) defining and controlling capital management policies.



The standing members of this committee are:

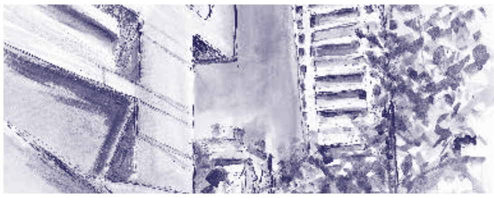
- Two directors.
- Chief Executive Officer
- Finance and Corporate Division Manager
- Risk Division Manager
- Financial Risk Manager
- Planning and Management Manager
- Trading Desk and Investment Manager
- Distribution Desk Manager
- Asset and Liability Management Desk Manager
- Commercial Banking Division Manager
- Retail Banking Division Manager
- Foreign Trade and International Services Manager

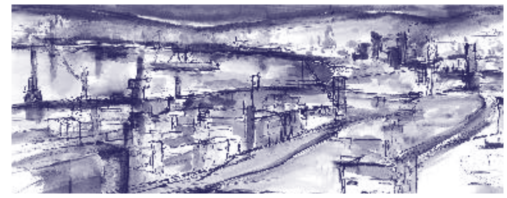
VII. CAPITAL REGULATORY REQUIREMENTS

In accordance with the General Banking Law, the Bank must maintain a minimum ratio of Regulatory Capital to Consolidated Risk-Weighted Assets of 8%, net of required provisions, and a minimum ratio of Basic Capital to Total Consolidated Assets of 3%, net of required provisions. To accomplish this, Regulatory Capital is determined based on Capital and Reserves and Basic Capital with the following adjustments: a) Adding subordinate bonds limited to 50% of Basic Capital and b) subtracting the asset balance of goodwill or premiums paid and unconsolidated investments in companies.

Assets are weighted using risk categories, which are assigned a risk percentage based on the capital needed to back up each asset. There are 5 risk categories (0%, 10%, 20%, 60% and 100%). For example, cash, due from banks and financial instruments issued by the Chilean Central Bank have 0% risk, which means that, in accordance with current standards, no capital is required to back up assets. Property, plant and equipment have 100% risk, which means that a minimum capital equivalent to 8% of the value of these assets is needed.

All derivative instruments traded off-market are taken into account to determine risk assets using conversion factors over notional values, thus calculating the value of the credit risk exposure (or "credit equivalent"). For weighting purposes, "credit equivalent" also considers off-balance sheet contingent loans.





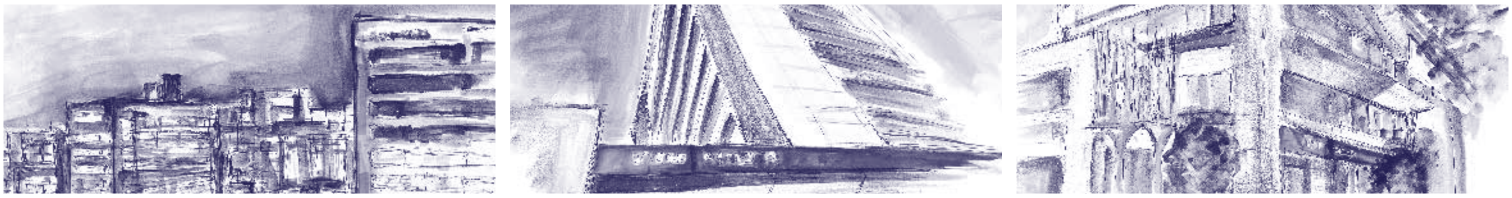
Levels of Basic and Regulatory Capital as of December 31, 2017 and 2016, are as follows:

	CONSOLIDATED ASSETS		RISK-WEIGHTED ASSETS	
	2017 MCH$	2016 MCH$	2017 MCH$	2016 MCH$
BALANCE SHEET ASSETS (NET OF PROVISIONS)				
Cash and due from banks	497,423	441,177	-	-
Transactions pending settlement	76,271	32,185	50,064	9,566
Financial instruments held for trading	94,439	267,099	26,727	41,812
Receivables from repurchase agreements and securities borrowing	-	-	-	-
Derivative instruments	120,775	105,111	91,888	78,332
Loans and advances to banks	-	238	-	48
Loans to customers	4,753,782	4,381,443	4,506,816	4,153,569
Financial assets available for sale	678,542	610,695	269,726	285,760
Financial assets held to maturity	-	-	-	-
Investments in other companies	2,094	4,152	2,094	4,152
Intangible assets	47,589	53,285	34,550	40,247
Property, plant and equipment	24,084	25,059	24,084	25,059
Current taxes	1,417	1,086	142	109
Deferred taxes	20,694	35,992	2,069	3,599
Other assets	112,298	138,552	111,368	136,618
OFF-BALANCE-SHEET ASSETS				
Contingent loans	400,966	402,681	240,580	241,609
TOTAL RISK-WEIGHTED ASSETS	6,830,374	6,498,855	5,360,108	5,020,480

	AMOUNT 2017 MCH$	AMOUNT 2016 MCH$	RATIO 2017 %	RATIO 2016 %
Core capital	552,967	461,687	8.10%	7.10%
Regulatory capital	751,267	663,763	14.02%	13.22%

Regulatory capital is calculated as follows:

	AS OF DECEMBER 31, 2017 MCH$	AS OF DECEMBER 31, 2016 MCH$
CORE CAPITAL	552,967	461,687
Subordinated bonds	211,283	215,065
Additional provisions		
Tax guarantees	-	-
Equity attributable to non-controlling interests	56	50
Goodwill subsidiaries	(13,039)	(13,039)
REGULATORY CAPITAL	751,267	663,763



III RISKS RELATED TO THE INSURANCE BUSINESS OF VIDA SECURITY

CORPORATE GOVERNANCE

Corporate governance refers to the set of practices and policies set forth by Grupo Security's Board of Directors. These corporate governance principles aim to ensure that the Group's objectives are met and its values are upheld. They add value to the Company by encouraging self-regulation and regulatory compliance, and establishing common guidelines for the Group companies. Thus, corporate governance facilitates decision making in Group companies, within a framework of transparency and responsibility, involving all those who participate in the organization: shareholders, employees or other stakeholders. At the same time, corporate governance principles ensure that the activities undertaken by the Group's companies are consistent with its business strategy, institutional values and risk tolerance and appetite. Grupo Security's Board of Directors is responsible for ensuring that corporate policies are applied at company level. Compliance is monitored by the Corporate CEO and the Directors' Committee, as well as various corporate- and subsidiary-level committees.

Vida Security (the "Company") has a board-approved corporate governance policy that encompasses the following matters.

A description of the corporate governance structure at Vida Security and the corporate governance best practices adopted by the Company.

The structure and operation of the Board of Directors and Directors' Committees, including the treatment of reports presented, minutes, creation record of each committee and the procedure to update the Directors' Xtranet, which houses all past presentations given to the Board of Directors and Directors' Committees.

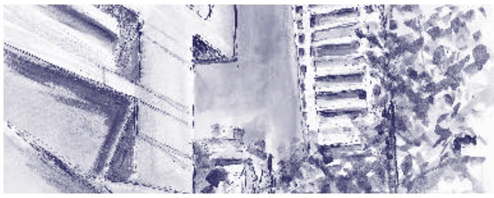
THE COMPANY'S CORPORATE GOVERNANCE STRUCTURE INCLUDES THE FOLLOWING LEVELS:

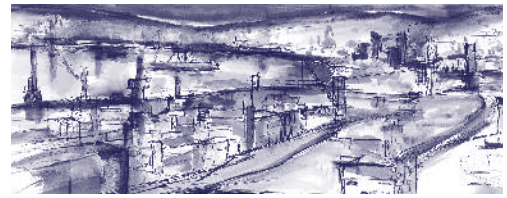
- **ANNUAL SHAREHOLDERS' MEETINGS AND THE BOARD OF DIRECTORS.**
  The role of the Board is to oversee control and strategic monitoring for the Company in both the short- and long-term. Its seven members have broad professional experience and the necessary moral standing to hold the office of director.

- **DIRECTORS' COMMITTEE.**
  The Board of Directors delegates to these committees powers and responsibilities related to the implementation, control and monitoring of the strategic guidelines provided by the Board, as well as compliance with policies. The following committees, on which at least 3 directors sit, meet regularly: Businesses, Financial Risk, Compliance and Operational Risk, Technical Actuarial, Audit, Operations and IT.

- **SENIOR MANAGEMENT.**
  The Company's organizational structure allows it to assign and control compliance with strategic objectives by establishing functions or business and support areas with clearly defined objectives and adequate resources for reaching their goals, with properly segregated duties and an appropriate internal control environment. There are corporate support areas that provide services to all Group companies, including Culture, Marketing, Technology Services Unit, Accounting, Controller's Office and Business Risk.

- **RISK MANAGEMENT DIVISION.**
  This division is aligned with the Group's Comprehensive Risk Management Model and is in charge of maintaining the Company's process maps and risk matrices. This division is responsible for managing operational and compliance risk. The Insurance Technical





Risk Division is responsible formanaging insurance technical risks and the Financial Risk Unit is responsible for financial risk management.

- **GRUPO SECURITY CORPORATE CONTROLLER.**
  This division has a team dedicated exclusively to auditing Vida Security based on planning approved by the Audit Committee and Board of Directors using a risk approach consistent with the Group's comprehensive risk management model.

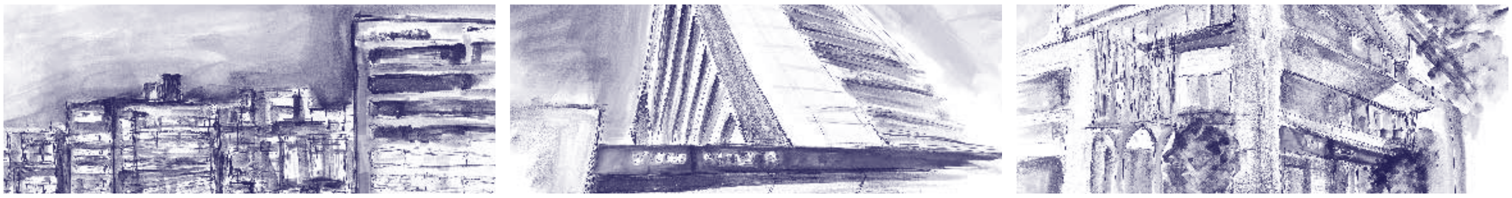
To ensure quick and timely responses to inquiries from shareholders and investors, Grupo Security provides support to the Company in the form of presentations to analysts and investors given on a quarterly basis or as required, which also involve Vida Security's Chief Executive Office. The Company also has a Corporate Investor Relations Area that is responsible for managing investor relations and preparing periodical market information, which is available on Grupo Security's website. Finally, due to the Company's share structure, any inquiry from a shareholder is personally responded to by the Chief Executive Officer or the person appointed by him for this purpose.

In October 2017, the CMF published General Standard No. 420, which establishes principles of market conduct for the insurance industry. The Company applies these principles using different internal policies and procedures such as its quality and transparency policies, which aim to provide customers fair and transparent treatment in accordance with the values and principles that Vida Security promotes. Similarly, the Company is in the process of evaluating its degree of compliance with this standard as of December 2017 using the self-assessment survey on market conduct attached to that standard. This survey must be approved by the Board and then filed with the CMF before March 31, 2018. If necessary, the Company must also commit to action and improvement plans.

The Company has adopted the following corporate governance best practices: As a publicly held corporation, Vida Security must complete the questionnaire on "Adoption of Corporate Governance Practices" as per CMF General Standard No. 385, where the Company states whether or not it has adopted a number of practices.

The Company has corporate policies and manuals to which it adheres, and internal policies in accordance with its reality. These corporate policies include the Comprehensive Risk Management Policy; the Information Security Policy; the Crime Prevention Policy; the Code of Ethics and Code of Conduct, and the Significant Market Information Management Policy, among others. The insurance area policies include the Investment and Financial (Credit, Market and Liquidity) Risk Management Policy, the Technical Risk Management Policy (Reinsurance, Pricing and Subscription, Reserve and Claim Management), the Good Corporate Governance Policy, the Legal and Regulatory Risk Management Policy, the Quality and Transparency Policy, the Related Party Customary Transactions Policy, the IT Corporate Governance Policy, the Supplier Management Policy and the Crime Prevention Manual, among others. All these policies provide general and specific guidelines on the Company's daily operations and are the cornerstone of a suitable internal control environment.

This policy and the entire content of a Good Corporate Governance Handbook are the main tools used for the induction of new directors, managers and senior executives. Additionally, directors may hold meetings with other directors, the Chief Executive Officer or managers to learn about the Company, its businesses, risks, policies, procedures, significant accounting policies and the most significant current legal framework applicable to the Company and the Board of Directors. Also, the Board of Directors has access to the online Directors' Xtranet, which contains minutes and presentations made to the Board and Directors' Committees.



- From 2014 the Board of Directors has an annual budget of UF 10,000 approved by shareholders to hire consultants specialized in accounting, financial, legal and other matters any time the Board sees fit.

- The Board of Directors holds meetings twice a year with the external auditing company that is responsible for auditing the financial statements to review the management letter, the audited financial statements, the annual audit plan, the limited review report on the June financial statements and other matters of interest. When appropriate, these meetings will be conducted without the presence of the senior executives.

- External audit and risk rating services are provided by internationally reputable firms registered with the CMF.

- The Company has a Code of Ethics and a Code of Conduct, which are prepared by Grupo Security for all Group companies and then adapted to each individual company and approved by its Board of Directors. Both documents are also applicable to directors.

- The Company has a Senior Management Recruitment and Compensation Policy approved by the Board of Directors. There is also an Incentive Policy and a Compensation Committee in place for Grupo Security and subsidiaries, which regularly reviews and applies the Incentive Program.

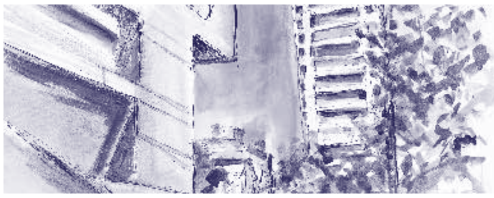
- The Company has a senior management performance evaluation process to verify compliance with objectives set by the Board of Directors.

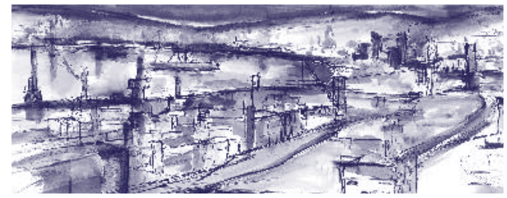
- The Company has an Intercompany Customary Transactions Policy that determines and approves customary transactions with related parties in accordance with the Company’s corporate purpose (Article No. 147 of Law No. 18,046). This policy is reviewed on an annual basis and Note 49 of the financial statements, which discloses all of the related party transactions carried out in the year to date, is presented to the Board of Directors on a quarterly basis.

RISK MANAGEMENT STRATEGY

In order to comply with the provisions of CMF General Standard No. 325, the Company has formalized a Risk Management Strategy (RMS), which is intended to adopt best practices in risk management, thus allowing for adequate identification, analysis, evaluation, treatment and monitoring of risks in conformity with the guidelines established by the Group for such purposes, current industry regulations and the individual needs of the business.

The Company adopts Grupo Security's Comprehensive Risk Management Policy, which has been part of the Company's culture since 2007, and assigns roles and responsibilities based on the Company's organizational structure and its three lines of defense: operating areas, support areas and internal auditing. The following figure shows the governance system established to correctly manage the risks of Grupo Security, which is followed by the Company:





CORPORATE GOVERNANCE BASED ON COMPREHENSIVE RISK MANAGEMENT AT GRUPO SECURITY

RISK AREAS:

- FINANCIAL
- OPERATIONAL - IT
- CREDIT
- MARKET
- LEGAL
- TECHNICAL
- REPUTATIONAL
- COMPLIANCE

AT GROUP LEVEL

SHAREHOLDERS' MEETINGS

BOARD OF DIRECTORS

DIRECTORS' COMMITTEE - COMMITTEES WITH DIRECTOR INVOLVEMENT
OTHER AD HOC SUPPORT COMMITTEES

CHIEF EXECUTIVE OFFICER

AT SUBSIDIARY LEVEL

SHAREHOLDERS' MEETINGS

BOARD OF DIRECTORS

DIRECTORS' COMMITTEE - COMMITTEES WITH DIRECTOR INVOLVEMENT - OTHER AD HOC SUPPORT COMMITTEES

CHIEF EXECUTIVE OFFICER

REPORTING

REQUIREMENT

1ST LINE OF DEFENSE

AREAS:

- OPERATIONAL
- COMMERCIAL
- ADMINISTRATIVE
- FRONT AND BACK OFFICE

DUTIES:

- MANAGE THE BUSINESS
- RISK OWNERS
- DETECT AND IMPLEMENT CORRECTIVE ACTIONS IN PROCESSES, CONTROLS AND INCIDENTS
- REPORT PROGRESS
- UPDATE RISK MAPS

2ND LINE OF DEFENSE

AREAS:

- OPERATIONAL AND IT RISK
- LEGAL
- MANAGEMENT CONTROL
- FINANCIAL RISK CONTROL
- CREDIT RISK CONTROL
- TECHNICAL RISK CONTROL
- COMPLIANCE

DUTIES:

- INDEPENDENT OF RISK-TAKING AREAS
- SUPERVISE AND MANAGE RISK MODEL
- MONITOR CONTROLS AND ACTION PLANS
- PREPARE RISK POLICIES FOR BOARD APPROVAL AND MANAGE CORRECT APPLICATION
- MONITOR INCIDENTS
- REPORT PROGRESS IN RISK MANAGEMENT MATTERS
- CONTROL RISK MAPS

3RD LINE OF DEFENSE

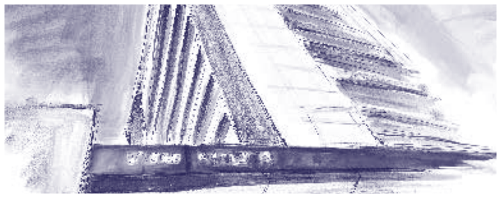
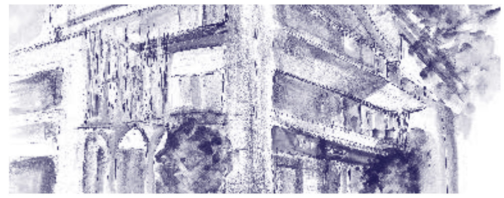
INTERNAL AUDIT

- INDEPENDENT OF ENTIRE COMPREHENSIVE RISK MANAGEMENT MODEL
- MONITOR AND VERIFY ACTION PLANS TO MITIGATE RISK
- REPORT TO AUDIT / DIRECTORS' COMMITTEE AND BOARD OF DIRECTORS

REGULATORY AND CONTROL ENTITIES:

- REGULATORS
- RISK RATING AGENCIES
- EXTERNAL AUDITORS

TECHNICAL SUPPORT

Through its RMS, the Company establishes the objective of managing the main risks to which the entity is comprehensively exposed. These risks include Financial Risks, Insurance Technical Risks, Operational and Compliance Risks, and are defined as follows:

FINANCIAL RISKS

- **CREDIT:** Exposure to economic losses as a result of a counterparty's failure to comply with the terms and conditions stipulated in a contract or agreement.

- **MARKET:** Possible loss caused by changes in market prices of stocks, inflation, interest rates or exchange rates. It also includes mismatch and reinvestment risks.

- **LIQUIDITY:** Insurer's failure to obtain the funds necessary to pay obligations without incurring significant losses.

INSURANCE TECHNICAL RISKS

- **PREMIUM RATING:** Significant departures from estimates of variables used in the determination of rates for products. This includes longevity risks in annuities and lapse of policy.

- **SUBSCRIPTION:** Possible losses related to significant weaknesses in the risk subscription process or an incorrect assessment of the premiums to be charged for acceptance.

- **PRODUCT DESIGN:** This relates to the Company's incursion in new unknown lines of business or the introduction of or significant modification to existing products.

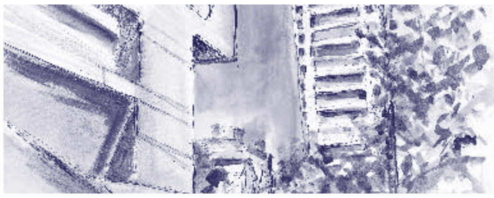
- **CLAIMS MANAGEMENT:** Significant increase in losses associated with claims due to weaknesses in the controls over processes for evaluating and managing such claims.

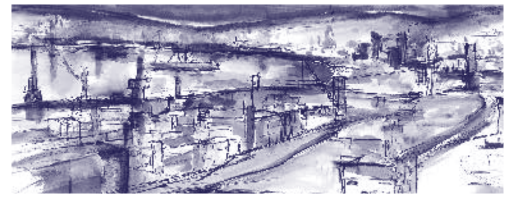
- **INSUFFICIENCY IN TECHNICAL RESERVES:** Possible losses and weakening of creditworthiness due to an insufficient determination of future obligations assumed by the Company with policyholders and costs to be incurred by management to fulfill them.

- **REINSURANCE:** Risk related to the transfer of the insurance risks accepted by the Company and transferred to a reinsurer. This risk includes the credit risk related to reinsurers as well as the proper determination of reinsurance hedging, contract management and application of guidelines for the subscription of risks and claims agreed with them.

OPERATIONAL AND COMPLIANCE RISKS

- **OPERATIONAL RISK:** Risk of losses resulting from the lack of adaptation or a failure involving processes, personnel and internal systems or due to external events. It includes Technological Risk.





- **REGULATORY / LEGAL RISK:** The risk of receiving legal or regulatory sanctions, material financial losses or reputational losses that may affect the Company as a result of non-compliance with laws, regulations, self-regulation standards and codes of conduct applicable to its activities.

- **REPUTATIONAL RISK:** This is the possibility of losses incurred by an entity due to discredit, corporate image problems, negative advertising, whether true or not, regarding the institution and its business practices that causes losses to its clients, decreases in revenue or legal actions.

- **GROUP RISK:** Group risk derives from belonging to a foreign or domestic economic or financial group and is related to the losses to which the Company is exposed due to investments, transactions or operations with related companies and risk of contagion or reputational risk in the event of any problems of the Company's controlling group.

The RMS states that the risk monitoring process is consistent with the roles and responsibilities of the different levels defined in the RMS and is inherent to the Company. It also establishes a number of mechanisms that allow the Company to effectively monitor all types of risks. These include:

- Monitoring responsibilities assigned at the executive (first and second lines of defense), Board, Board committee and other levels in order to ensure consistent and effective monitoring of risks and their exposure in accordance with defined corporate governance practices.

- Establishing a role in the Company (risk function) in charge of ensuring that monitoring mechanisms are being carried out.

- Considering the monitoring activities in the Company's and Group's risk management policies and procedures.

- Defining tolerance limits and levels to preventively identify the existence of potential business risks.

- Support tools to generate risk reports, monitoring of action plans, indicators and limits.

The Chief Executive Officer reports to the Board of Directors, which validates strategies and provides guidelines on the matter. There is also a Corporate Risk Division, which provides support and monitors on an aggregate basis the risk of each of the companies and reports to the Group's Board of Directors. The Internal Audit Department, which is part of this corporate division, is the third line of defense.

The RMS also defines that the Company's risk management be carried out by the aforementioned Board committees and the different functions involved in managing and controlling risks.

In March 2016, the CMF (former SVS) published General Standard No. 408, which supplements two key aspects of General Standard No. 309 regarding corporate governance principles and risk management and internal control systems:

1. Corporate Governance Self-Assessment: This self-assessment consisted of reporting on the degree of compliance with the principles in General Standard No. 309, through a questionnaire regarding all of the topics covered by the standard. The self-assessment revealed that the Company thoroughly complies with all of the principles in the standard with only a few immaterial exceptions. The first self-assessment as of year-end 2015 was filed in September 2016, and the next self-assessment as of year-end 2017, which did not report any significant variations from the prior self-assessment, will be filed in June 2018.

2. Own Risk Solvency Assessment (ORSA): As of September 30, 2017, the Company submitted its first report containing the results of applying the Own Risk Solvency Assessment (ORSA) methodology to the CMF. This methodology, based on the European solvency model of the same name, was introduced into the Chilean insurance industry by the aforementioned General Standard. With the help of an external consultant, Vida Security developed a model that included i) defining the Company's appetite and risk tolerance for its most strategic risk factors; ii) preparing a three-year forecast for its financial statements based on exercise V of the Risk-Based Capital (RBC) methodology; iii) defining and applying stress scenarios to the model for the most strategic risk factors; iv) preparing a model for qualitatively measuring the degree of maturity of its risk management and v) drafting the ORSA Report filed with the CMF. The exercise fulfilled the objective of assessing solvency requirements in the given horizon based on the Company's risk appetite and strategic business plan. It will now work to introduce improvements each year to make the assessment a valid instrument for decision making by senior management and the Board, just like RBC has after its first few years in use.

The following section describes the different types of risk to which the Company is exposed:

A) FINANCIAL RISK

QUALITATIVE INFORMATION

Vida Security has a specialized, independent area for controlling financial risks related to the Company's investments. Its main duties include identifying credit, liquidity and market risks; measuring their impact in terms of potential related losses; and recommending actions for the Company to take in light of different risk scenarios.

To comply with these duties, our policies are regularly updated in order to incorporate changes in financial markets and Vida Security's consolidated portfolio.

Thus, our policy becomes a key tool in controlling risks, defining the qualitative and quantitative indicators to monitor, allowed limits and reporting procedures. In this context, reports are prepared for management and directors, which are regularly submitted to the Board Financial Risk Committee.

Finally, one of the main challenges for the following years is to continue improving risk management models and incorporating new regulatory requirements.

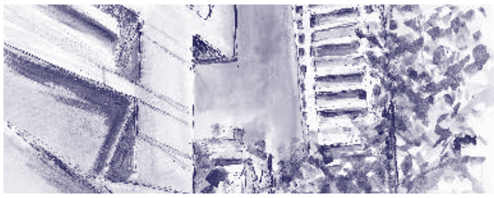
B) CREDIT RISK

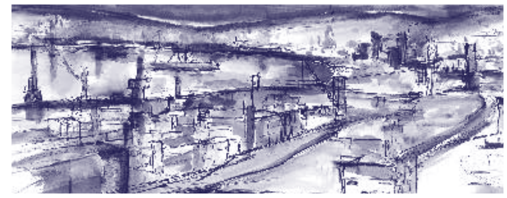
QUALITATIVE INFORMATION

Credit risk refers to the possible exposure to losses due to a counterparty's breach of conditions stipulated in a contract or agreement. Due to the fact that a significant percentage of our investments are intended to meet medium and long-term obligations, efficient management of this risk is crucial in order to minimize possible related losses.

As a result, our policy contains the principles, the risk map, the indicators to be monitored, the main roles and responsibilities of the agents involved and the limits the investments will be subject to, diversified by type of security and issuer.

One of the tools we use is our scoring model. This model, combined with qualitative and quantitative analysis and regular monitoring, allows us to set investment lines by issuer in order to properly diversify and, thus, mitigate credit risk.





The above is supplemented by limits based on the rating of debt securities, where at least 70% must have a rating equal to or greater than A- and 5% lower than B-.

Also, as part of its impairment policy, the Company conducts ongoing monitoring over early warning indicators to identify possible losses. The variables analyzed include changes in the risk rating and/or outlook in the market valuation (appraisals for real estate), unpaid maturities and unusual events such as essential events with extraordinary communications and high impact news, among others.

QUANTITATIVE INFORMATION

As of year-end 2017, our Impairment Policy for corporate debt securities has resulted in a balance of CH$2,318 million, as shown in the table below:

INSTRUMENT	IMPAIRMENT MCH$
Instruments issued by Chilean companies	603
Instruments issued by foreign companies	1,715
TOTAL	2,318

The age by tranche of past due financial assets is as follows:

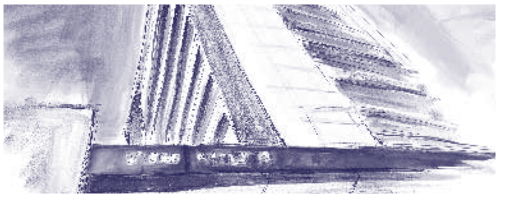
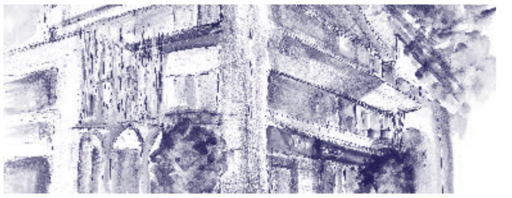
DELINQUENCY PER TRANCHE	MORTGAGE LOANS	LEASES	COMPLEMENTARY LOANS	RETIREE LOANS	FOREIGN BONDS
1 - 3 months	146	1	0.5	0.3	115
4 - 6 months	9	106	-	0.8	-
7 - 9 months	4	-	-	-	-
10 - 12 months	16	-	-	-	-
13 - 24 months	72	-	-	-	-
More than 24 months	516	-	-	1.5	-
TOTAL (MCH$)	763	107	0.5	2.6	115
TOTAL (% OF NET EQUITY)	0.5%	0.1%	0.0%	0.0%	0.1%
PROVISION (MCH$)	611		11	60	2,957

* DELINQUENCY WAS CALCULATED BY MULTIPLYING THE VALUE OF THE INSTALLMENT BY THE NUMBER OF UNPAID PERIODS.

As of December 2017, the Company had the following guarantees for the above amounts:

INSTRUMENT	GUARANTEE (MCH$)	GUARANTEE TYPE
Mortgage loans	28,978	Shareholders
Non-residential leases	2,785	Shareholders
Complementary loans	463	Shareholders
Retiree loans		Unsecured
Foreign bonds		Unsecured
TOTAL	32,235	

Of rated debt securities, over 80% have a rating equal to or greater than A-, while less than 1% of them has a rating equal to or lower than B-. Details of investments by risk rating and type of instrument (debt securities portfolio includes CUI) are as follows:

TYPE OF INSTRUMENT	RISK RATING								TOTAL
	AAA	AA	A	BBB	BB	B	C	D	S/C	
Domestic corporate bonds	132,983	588,189	329,378	98,533	32,544	1,378	1,617	-	92,637	1,277,259
Recognition bonds	30,876	-	-	-	-	-	-	-	-	30,876
Chilean Central Bank and treasury bonds	70,079	-	-	-	-	-	-	-	-	70,079
Foreign corporate bonds	-	2,977	3,442	29,509	91,194	932	1,952	928	-	130,934
Fixed income real estate	26,065	6,409	2,859	-	-	-	-	-	265,510	300,843
TOTAL (MCH$)	260,003	597,575	335,679	128,042	123,738	2,310	3,569	928	358,147	1,809,991

* NOTE: FIXED INCOME REAL ESTATE WITH NO RATING CORRESPONDS TO MORTGAGE LOANS AND LEASES, WHICH HAVE NO SPECIFIC RISK RATING.

As of December 31, 2017, the Company had been awarded and held the following real estate properties:

ADDRESS	AMOUNTS IN MCH$		STATUS
	NET VALUE	APPRAISAL	
Pje Nuevo 1151 Pto Montt	8	18	Sold
Puerto Domingo 1172	23	19	
Santo Domingo 2068 A DP 401 BD 9	55	53	Sold
Av. Las Naciones 206 7476 22	49	62	
Galvarino 786 Vilcun	11	-	
TOTAL	146	152	

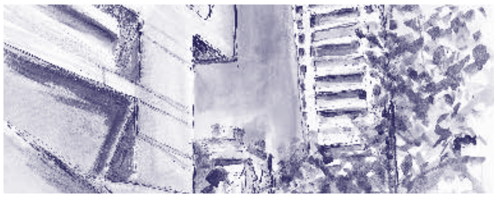
C) LIQUIDITY RISK

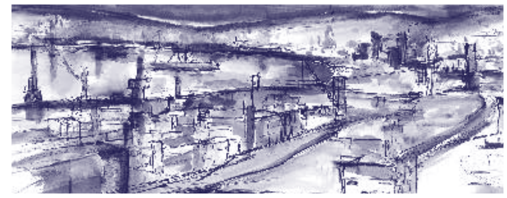
In general, all of the Company's investments are highly liquid, except for the following investments held at year end 2017:

TYPE OF INSTRUMENT	AMOUNT (MCH$)
Shares	2,845
Alternative assets	49,186
Debt funds	18,972
Real estate funds	37,541
Infrastructure funds	11,930
Other funds	9,234
TOTAL	129,708

The table below details investments in fixed income instruments (including CUI) by maturity:

TYPE OF INSTRUMENT	DURATION (YEARS)						TOTAL
	1	2	3	4	5	OVER 6	
Domestic corporate bonds	38,343	18,703	27,196	78,197	106,531	1,008,288	1,277,258
Recognition bonds	13,475	8,894	5,145	1,798	648	916	30,876
Chilean Central Bank and treasury bonds	20,893	365	105	1,178	67	47,471	70,079
Foreign corporate bonds	934	9,551	12,391	18,570	18,875	70,614	130,935
Fixed income real estate	1,922	6,778	10,145	11,766	12,771	257,461	300,843
TOTAL (MCH$)	75,567	44,291	54,982	111,509	138,892	1,384,750	1,809,991





In regard to financial liabilities, the Company has short-term debt for CH$35,438 million and has no long-term interest-bearing commitments, detailed below at year-end 2017:

BANK OR FINANCIAL INSTITUTION	GRANT DATE	OUTSTANDING BALANCE		SHORT-TERM		
		AMOUNT (MCH$)	CURRENCY	INTEREST RATE	LAST MATURITY	AMOUNT (MCH$)
Banco de Chile (overdraft)	12/31/2017	4,852	CH$	0.0%	7/1/2017	4,852
Banco Santander (overdraft)	12/31/2017	0	CH$	0.0%	7/1/2017	0
Banco Crédito (overdraft)	12/31/2017	5	CH$	0.0%	7/1/2017	5
Banco Corpbanca (overdraft)	12/31/2017	0	CH$	0.0%	7/1/2017	0
Banco Estado (overdraft)	12/31/2017	1	CH$	0.0%	7/1/2017	1
Banco BICE (overdraft)	12/31/2017	20	CH$	0.0%	7/1/2017	20
Banco Security (overdraft)	12/31/2017	0	CH$	0.0%	7/1/2017	0
Banco Desarrollo (overdraft)	12/31/2017	0	CH$	0.4%	7/1/2017	0
Banco Pershing (overdraft)	12/31/2017	0	CH$	0.0%	7/1/2017	0
Banco BBH (overdraft)	12/31/2017	0	CH$	0.0%	7/1/2017	0
Banco Santander (line of credit)	12/31/2017	0	CH$	0.0%	7/1/2017	0
Banco de Chile (line of credit)	12/31/2017	0	CH$	0.0%	7/1/2017	0
Banco de Chile (performance bond line)	12/31/2017	0	CH$	0.0%	7/1/2017	0
Banco Security (performance bond line)	12/31/2017	0	CH$	0.0%	7/1/2017	0
Banco BICE (performance bond line)	12/31/2017	0	CH$	0.0%	7/1/2017	0
Banco Scotiabank (loan)	12/31/2017	20,009	CH$	4.1%	12/12/2018	20,009
Banco Consorcio (loan)	12/19/2016	10,551	CH$	5.3%	1/8/2018	10,551
Banco de Chile (loan)	12/19/2016	0	CH$	0.0%	7/1/2017	0
TOTAL		35,438				35,438

D) MARKET RISK

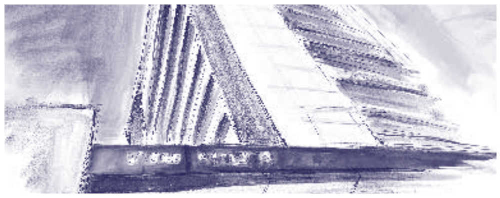
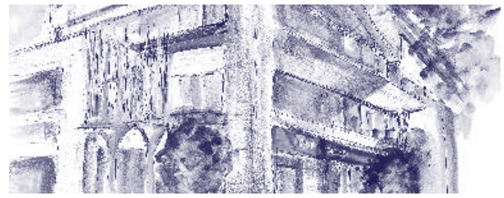
QUALITATIVE INFORMATION

Market risk is the possible loss caused by changes in market prices of variables such as stock prices, inflationary factors, interest or exchange rates that have an impact on profit or loss and/or equity. The policy establishes the main types of risk; their sources and the map of indicators required for monitoring and controlling limits. This category also includes mismatch risks (maturity and currency) and reinvestment risk.

QUANTITATIVE INFORMATION

In order to manage these risks, one of the processes that we regularly perform is the calculation of value at risk (VaR) on the relevant portfolio. For this purpose, we use the methodology described in CMF General Standard No. 148 to estimate the maximum probable loss that investments could have in one month with a confidence level of 95%.

For real estate VaR, two sources of risk were identified: the value of leased real estate property and changes in the unit value of investment funds with real estate investments for rent and/or development purposes. As not enough historical price data is available, an arbitrary value was selected (5% is used in General Standard No. 148) to calculate the VaR of real estate and real estate investment funds.

Thus, the sensitivity exercise performed by the Company to measure the impact of significant market risks is as follows as of December 2017:

TYPE OF RISK	PRESENT VALUE (MCH$)	SENSITIVITY FACTOR	VAR (MCH$)	VAR (% EQUITY)
Stock risk	78,250	6.1%	4,757	3.4%
Fixed income risk	48,687	0.3%	163	0.1%
Real estate risk	200,434	5.0%	10,022	7.1%
Currency risk	170,439	0.9%	1,607	1.1%
Diversification effect			-1,707	-1.2%
TOTAL	497,810		14,842	10.6%

In regard to assets in foreign currency, Vida Security's policy allows it to maintain an asset-liability mismatch, which may not exceed 20% of assets. This position is monitored in nominal terms using a historical VaR.

The Company monitors and controls reinvestment risk using the Asset Sufficiency Test (AST), which as of December 2017 was 1.88% and, therefore, below the maximum of 3% set in our policies.

Finally, interest rate risk does not affect investment income from the Company's proprietary trading portfolio directly, but rather through i) impairment in the market valuation of fixed income investments (in regard to credit risk control); ii) sensitivity scenarios used by the AST; and iii) the pricing process performed by the Technical Area. The effects of this risk can also be seen in instruments backing insurance with savings components (CUIs), which are mostly accounted for at market value.

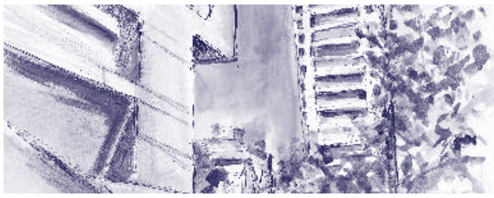
USE OF DERIVATIVE PRODUCTS

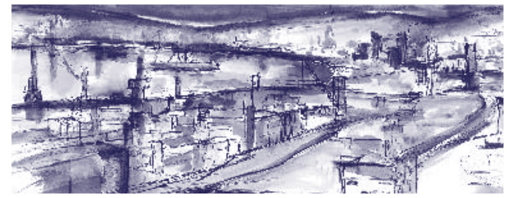
In order to minimize risks that may affect Vida Security's equity, our policy allows the Company to use hedging derivatives for asset-liability mismatches. The policy authorizes the Company to enter into trading derivatives under certain limits and controls. The total number of this type of transaction in net terms should not exceed the lesser of 20% of equity (measured based on the value of the hedged asset) and 1% of technical reserves plus equity at risk (measured based on the carrying amount of the transactions).

In regard to limits for these transactions, the Company has defined that total hedging and investment derivatives may not exceed 2% of technical reserves plus equity at risk, detailed below as of year end 2017.

LIMIT	DERIVATIVES (MCH$)	2% TECH RESERVES + EQUITY AT RISK	SURPLUS (MCH$)
2% TR + EaR	9,708	48,450	38,742

Our policy includes a list of authorized counterparties. Any changes to this list must be approved by the Board Financial Risk Committee. Additionally, the Company may not carry out hedging and trading derivative transactions with the same counterparty (other than clearing houses) for more than 4% of technical reserves and equity at risk (measured based on the value of the hedged asset). As of December 2017, the largest counterparty was Banco Santander with close to 2% of technical reserves plus equity at risk.





The Company has pledged the following instruments as guarantees with counterparties of derivative transactions:

COUNTERPARTY	INSTRUMENT	NOMINAL	GUARANTEE USD
Banco Santander	BTU0300339	150,000	7,474,625
Banco BCI	BTU0300339	335,000	16,693,330
JP Morgan	CENC USP2205JAH34	8,500,000	9,100,476
Banco CorpBanca	BTU0300339	170,000	8,471,242
Banco BBVA	BTU0300339	50,000	2,491,542
Deutsche London	Cenco y Bco. Int del Perú	3,500,000	3,780,556
Banco de Chile	BTP0600122 & BTU0300339	1,000,080,000	5,790,000
TOTAL			53,801,771

Finally, any derivative transaction that negatively affects equity by 5% or more shall be reported to the Investment and Financial Risk Committee.

E) INSURANCE RISK

1. INSURANCE RISK MANAGEMENT

A) REINSURANCE

This involves managing insurance risks related to deviations, due to mortality or morbidity, in the expected results typical of insurance activity and by means of the proper transfer of part of these risks to reinsurers. It also includes the risk of properly selecting and managing reinsurance, including credit risk and the risk of improperly measuring the Company's transfers to such reinsurers.

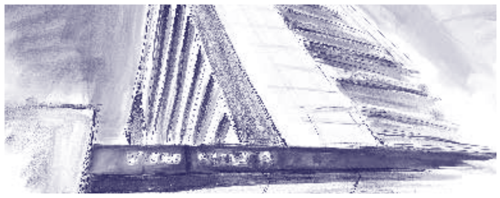
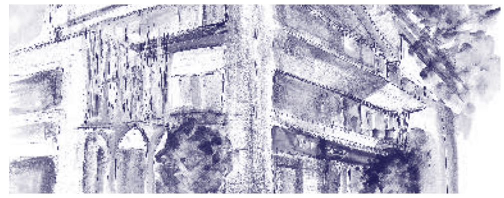
The above is performed based on the reinsurance policies that have been defined by the Company and approved by the Board of Directors. These policies are updated in accordance with the evolution of businesses, the volume of insured portfolios and the type of risks taken.

Insurance risk management related to the mitigation of mortality and morbidity risks through reinsurance considers the following aspects:

- The portfolios or lines of business that will be considered in reinsurance, the coverage included in such reinsurance, and the retention limits defined by the Company to establish the risks it will take on its own (retained risks) are defined.
    - The subscribers of the different business lines and those subject to the Company's Rating and Subscription Policies.
    - The authorized assessors of medical and financial risk for policyholders must also follow the Company's Pricing and Subscription Policies.

In regard to the proper selection of reinsurance including credit risk, the Reinsurance Policy establishes:

- The set of conditions that must be met by all reinsurers.
- The set of contents and requirements that should be contained in every formal transfer of risks to a reinsurer by means of reinsurance contracts and notes of coverage.

In regard to reinsurance management, the Reinsurance Policy requires that the Company establish:

- The method and the individual responsible for the safeguarding of and access to the reinsurance contract.

- The area responsible for defining the set of standards, processes and procedures for managing and controlling transfers of reinsurance. The Technical Division has been assigned the latter role and, therefore:

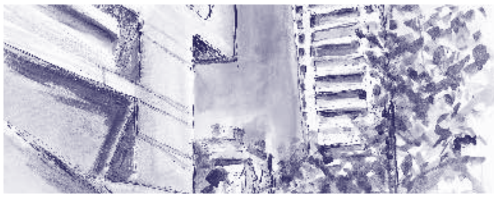
    - It has been provided the required human and material resources to assume its role
    - It has implemented procedure manuals and appropriate controls, which are subject to ongoing audits to verify compliance.
    - It is authorized to request that other areas in the Company that are directly and indirectly involved in calculating or generating information for reinsurance, modify, reinforce or establish controls to prevent errors or a lack of coordination.

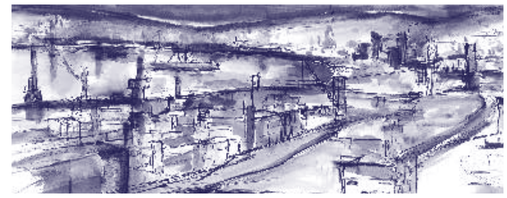
Credit risk in reinsurance is controlled by following the Reinsurance Policy, including requirements that should be met by a reinsurer to operate with the Company.

The Company's exposure to reinsurance is due to the balance of reinsurance claims receivable. This balance is shown in the table below by business line: Note 17.3 provides additional information by month of maturity.

REINSURANCE CLAIMS RECEIVABLE DEC-17 (THCH$)

	REINSURANCE BROKERS		REINSURERS										
	AON CHILE	GUY CARPENTER											
BUSINESS LINE	HANNOVER RUCKVERSICHERUNG AG	SAGICOR	AXA	GE FRANKONA	GENERAL REINSURANSE AG	HANNOVER RUCKVERSICHERUNG AG	MAPFRE RE	XL RE LATIN	MUNCHENER	PARTNER RE	SCOR RE	SWISS RE	TOTAL
RATING 1	AA-	A-	AA-	A+	AA+	AA-	A	A	AA	AA-	A+		
RATING 2	A+	BB-	AA-	A+	AA+	A+	A+	A+	A+	A+	A+		
Individual life											1,451	1,451	
Flexible (CUI)											78,526	78,526	
Individual health		72,654			39,296		228,809	543		120	50,310	391,732	
Group personal accident					14,051		14,051		18,734			46,836	
Group life	813				120,341		114,753		85,653			321,560	
Group health					120,638		282,096			512	141,330	544,576	
Group personal accident					47,580		47,580		63,440			158,600	
Group credit life			55				284,957		79,010			364,022	
Disability and survivor insurance						37,910					31,289,504	31,327,414	
Insurance with voluntary pension savings (APV)											62,804	62,804	
	813	72,654	55	-	341,906	37,910	972,246	543	246,837	632	31,623,925	33,297,521	





The reinsurance share of the different technical reserves is presented in Note 19 to the consolidated financial statements of Inversiones Previsión Security.

B) COLLECTIONS

The purpose of collection efforts is to manage the portfolio receivable, ensure premiums are properly collected and keep uncollectability levels equal to or lower than 5%.

Premium collections are performed centrally by a specialized department that reports to the Operations Division. The Collections Unit is responsible for monitoring implementation of collection and default control policies to ensure that policies are followed, amounts due are collected and collection levels are controlled.

The model is intensive in terms of use of resources depending on the product to be managed. Disability and survivor insurance and annuities have a pre-set model and there is ongoing communication between the different parties and the pension fund administrators. This method is 100% effective in collecting the amounts owed.

For individual policies, the Company promotes automatic payments, whether through automatic checking account deductions or automatic credit card payments. If debits are rejected by the participating institutions (bank or Transbank), sales agents are an effective channel for collections.

Finally, for group policies collection is managed in several ways, including direct communication with debtors by phone or e-mail. The issue with this product is not the effectiveness of collection, which is very high (99%), but the time lag between coverage months and collection of those months. The Company has implemented different policies with its clients to correct these time-lags. One of the most effective policies is to block benefits.

C) DISTRIBUTION

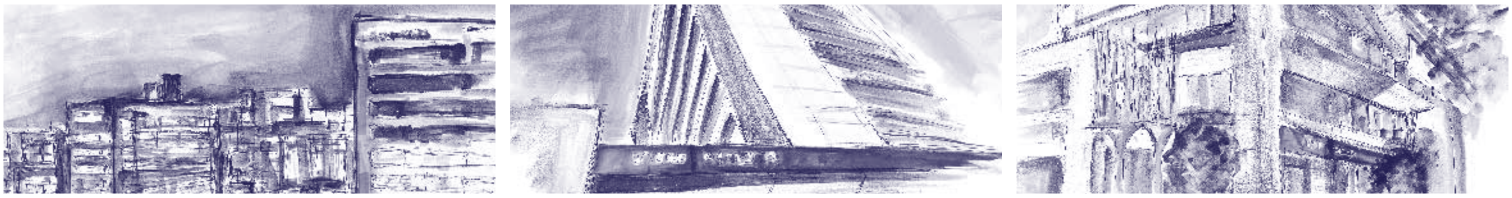
The main distribution channel for each line of business is determined using factors such as customer purchasing methods and preferences, the specialization required, the efficiency of the channel, product features and the line's relative importance to the Company's business plan, among others.

Thus, for mass products related to banks or retailers, the distribution channels of the sponsoring bank or retailer are used.

For consumer loans, which are offered exclusively to the life annuity portfolio, internal channels such as the Company's call center and branch executives are used. These are non-exclusive channels since the product does not require a specialized channel.

Group life and health insurance policies are sold through insurance brokers specialized in this type of product. Assistance for this channel is provided by account executives, which guarantees high-quality service.

For individual insurance policies, although they are sold through external and internal channels, the Company prefers to sell them using its own sales force, which provides expert advice to the insured party, properly identifying their needs to offer the most adequate product for their situation. The Company also began selling uncomplicated, pre-approved personal accident products by phone in 2013.



Finally, the sales strategy for annuities relies exclusively on the pension advisor channel, staffed by life annuity sales executives, which guarantees high-quality service for both the channel and the client.

D) TARGET MARKET

Vida Security's target market can be defined by line of business as follows:

- **INDIVIDUAL INSURANCE:**High-income men and women (socio-economic groups B, C1, C2, C3) interested in obtaining insurance to protect their family's quality of life in case of unexpected events or their net worth or income in case of health complications, or as a savings objective for personal projects. This target group is comprised of individuals over 25 and less than 60 years old with stable employment who are generally married with dependents.

- **GROUP INSURANCE:** Companies and industries throughout Chile with 50 employees or more interested in protecting their employees, generating new benefits for them and securing their productivity.

- **ANNUITIES:** Vida Security's target market for annuities is retirement-aged men and women from middle and middle-low socio-economic groups mainly located in the cities with the largest workforces: Santiago, Antofagasta, Valparaíso/Viña del Mar, Rancagua, Talca, Concepción, Temuco and Puerto Montt.

2. FINANCIAL RISK MANAGEMENT IN INSURANCE CONTRACTS

Management of financial risks related to insurance contracts, as well as typical insurance risks in insurance contracts, are disclosed below

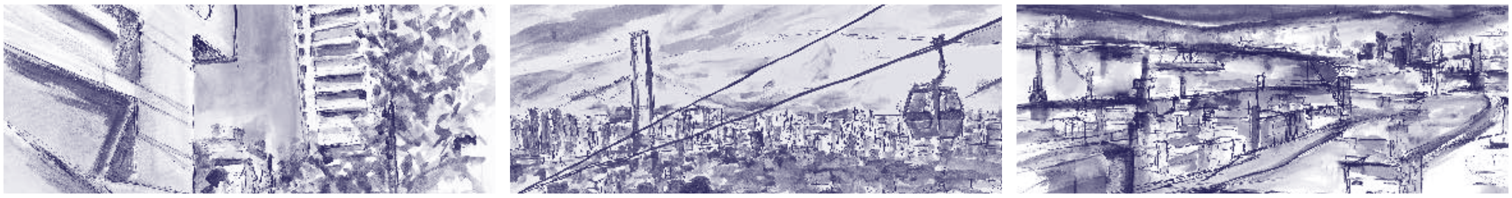
A) CREDIT RISK IN INSURANCE CONTRACTS

The credit risk related to insurance contracts is based on reinsurance credit risk analyzed in 1a) in section II.

B) LIQUIDITY RISK IN INSURANCE CONTRACTS

Liquidity needs related to insurance contracts are mainly based on the liability flows of annuities, private income and reinsurance debt. Liability flows are reported in Note 25.3. Short-term debt with reinsurers is included in Note 26.2.

REINSURANCE DEBT AS OF DEC-17 (THCH$)			
REINSURER	RATING 1	RATING 2	TOTAL
GEN RE	AA+	AA+	1,022,209
HANNOVER	AA-	A+	5,185
MAPFRE RE	A	A+	2,168,629
MUNCHENER RE	AA	A+	502,429
SAGICOR	A-	BB-	87,981
SCOR RE	A+	A+	34,764,765
SWISS RE	AA-	A+	888,846
RGA	AA-	A+	36,914
			39,476,958



Additionally, the Company must consider the possibility of mass withdrawals from insurance with savings components (CUI); the concentration of significant saving amounts in individual clients especially in regard to policies with guarantees in savings return rates that may be redeemed unexpectedly and the possibility of catastrophic or significant claims in group insurance contracts. In the latter case, the Company has entered into a number of reinsurance contracts that minimize this risk for the entire portfolio, which include clauses related to the prompt payment of significant claims or the significant accumulation of minor claims that affect the Company's retention. Also, the Company periodically monitors concentration indicators over the highest capital insured in individual and group insurance policies. In regard to the possibility of massive withdrawals, the Company's Liquidity Policy calls for monitoring of the highest policy values in CUIs. For this situation, the Investment Policy for assets backing guaranteed and non-guaranteed CUI reserves calls for the Company to maintain suitable liquidity in order to deal with significant volumes of withdrawals.

The investment portfolio that backs guaranteed and non-guaranteed CUI reserves is reported in Note 11 to the financial statements of Inversiones Previsión Security.

C) MARKET RISK IN INSURANCE CONTRACTS

Market risk in insurance contracts is mainly based on interest rate and reinvestment risk related to the flows of annuities. In this regard, the Company believes that the AST is an adequate measure to control reinvestment risk.

Market risk is also observed in CUI investments if Vida Security does not accurately match client investments to the investments it actually makes, or if the guarantee has an adverse impact on the Company in specific market situations. Therefore, the Company monitors matches by fund on a daily basis since its Investment Policy allows a mismatch only in a limited number of assets.

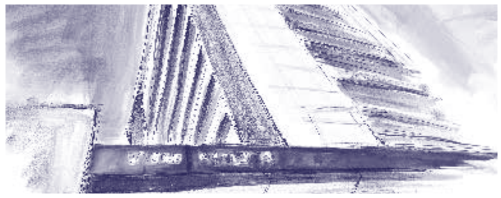
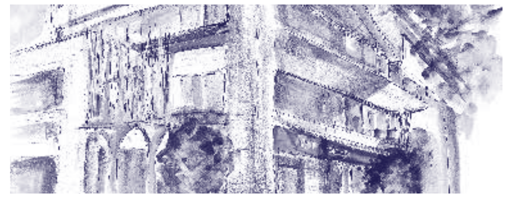
Section I above provides an explanation for financial risks related to investments backing reserves in the different lines of business. It is important to clarify that the credit and market risks corresponding to the investment portfolios that are carried at amortized cost to back annuities are managed under the Company's Impairment Policy. Most investments backing CUI reserves are accounted for at market value and related credit risk is also managed using the Impairment Policy.

No currency risk is associated with insurance contracts as the Company grants insurance contracts only in the local market and they are denominated in UF (inflation index-linked units of account). The policy does not allow a mismatch for savings denominated in foreign currency, basically in U.S. dollars. Finally, as stated above, the currency risk related to non-CUI investments in foreign currency is mitigated through swap contracts and conventional exchange rate insurance policies, thus allowing a maximum mismatch of 20% of assets.

3. CONCENTRATION OF INSURANCE POLICIES

The Company's gross written premiums amounted to THCH$446,838,106 in 2017, 95% of which was sold in central Chile, mainly in the Metropolitan Region (Santiago, Chile's capital and most important city). This total includes disability and survivor insurance policies and annuities. Excluding these products, the total amount sold in this area is 89% of total gross written premiums.

Pension insurance policies, disability and survivors insurance policies and life annuities account for 60%, 38% and 22% of the Company's total gross written premiums, respectively.

These are followed by the individual products including flexible, CUI and voluntary pension savings, representing 25% of the total.

Group products (life + health + credit life) account for 12% of gross written premiums.

The distribution of gross written premiums by geographical area and type of insurance is as follows:

PRODUCT	GROSS WRITTEN PREMIUMS 2017 BY GEOGRAPHIC AREA (THCH$)				
	CENTRAL	NORTH CENTRAL	NORTH	SOUTH	TOTAL
Group	52,730,675	326,506	380,923	979,517	54,417,621
Disability and survivor insurance	171,841,186				171,841,186
Individual	91,713,517	2,209,964	8,839,857	7,734,875	110,498,213
Retirement	96,627,467				96,627,467
Mass	13,453,619				13,453,619
TOTAL	426,366,464	2,536,470	9,220,780	8,714,392	446,838,106

Geographical area is not a relevant analysis factor for the Company given the high concentration in central Chile. Therefore, it does not analyze the number of claims based on this factor. Factors such as industry and currency are not relevant for the Company either.

The distribution of gross written premiums by distribution channel and type of insurance are as follows. The table also illustrates the importance of sales agents for individual insurance and brokers for group insurance. The life annuity brokers channel corresponds to pension advisors.

Disability and survivor insurance is not sold but rather awarded through a bidding process, but it is included in the table for the purposes of totaling the gross written premiums.

PRODUCT	GROSS WRITTEN PREMIUMS 2017 BY DISTRIBUTION CHANNEL (THCH$)				
	AGENT	BROKERS	ALLIANCES	OTHER	TOTAL
Group	4,353,410	48,975,859	1,088,352		54,417,621
Disability and survivor insurance				171,841,186	171,841,186
Individual	102,428,722	8,069,491			110,498,213
Retirement	19,848,042	76,779,425			96,627,467
Mass		13,453,619			13,453,619
TOTAL	126,630,174	147,278,394	1,088,352	171,841,186	446,838,106

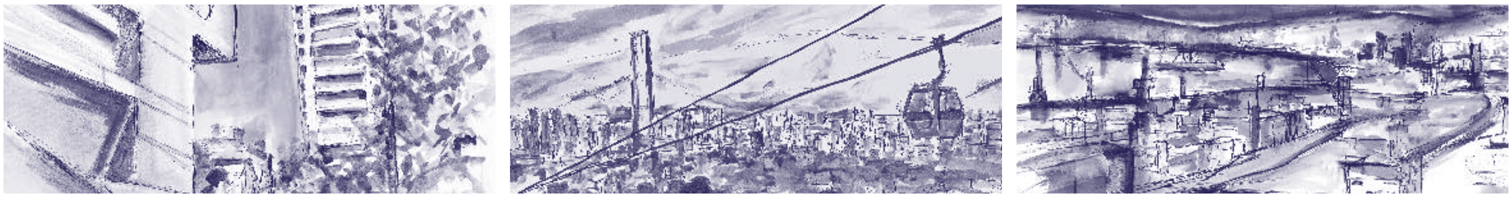
4. SENSITIVITY ANALYSIS

The following sensitivity analysis shows how profit or loss and equity in 2017 would have been affected by reasonable deviations in some risk variables.

A) METHODS AND ASSUMPTIONS USED TO PERFORM THE SENSITIVITY ANALYSIS

Given the lack of historical information available, the Company decided to use international benchmarks for this calculation. It relied particularly on recommendations from the Canadian Institute of Actuaries. Both qualitative and quantitative methods and assumptions were used based on the variable addressed.

The Company performed a short-term analysis that determined the impact that a percentage variation of the insurance risk variables would have on profit and loss.



Similarly, it performed a long-term analysis that reviewed the corresponding impact on reserves. In this case, as the Company's reserve is a combination of the regulatory reserve established by the CMF and the related liability adequacy test (LAT), some lines have a clear surplus of regulatory reserves based on the LAT, while others present deficiencies. These analyses were performed considering this fact, so that the effect will be null when the sensitivity variable still results in a reserve surplus in the corresponding LAT in regard to the regulatory reserves.

Finally, the impacts of each risk variable are not cumulative and are not linearly related. Therefore, the impacts should be analyzed separately and may not be added a priori.

B) CHANGES IN METHODS AND ASSUMPTIONS FROM THE PRIOR PERIOD AND REASONS FOR SUCH CHANGES

Due to an absence of sufficient historical data for the local insurance industry, the Company continued using the methodology based on the recommendations of the Canadian Institute of Actuaries. Accordingly, there are no changes in the methods or assumptions used in this analysis.

C) SIGNIFICANT RISK FACTORS FOR THE COMPANY

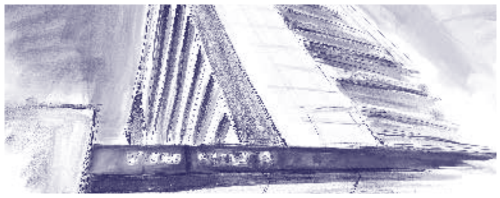
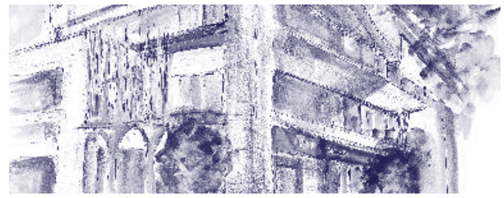
I. MORTALITY

For this variable, the Company evaluated the possible impact of a deviation in the number of deceased individuals on the Company's 2017 profit or loss. Based on the recommendations from the Canadian Institute of Actuaries, the Company considered a 2% increase in mortality observed in the year. The effects are summarized in the following table:

(FIGURES IN THCH$)	REAL AS OF DEC. 2017	EFFECT (%)	REAL AS OF DEC. 2016	EFFECT (%)
Death claims	119,474,737.74	-1.98%	99,417,602.10	-1.14%
Reserve adjustment	1,965,122.07	-0.04%	-14,636,303.68	0.04%
Pension payments	124,716,622.50	0.19%	126,230,427.56	0.15%
TOTAL	**246,156,482.31**	**-1.67%**	**211,011,725.98**	**-0.96%**

The effect is measured in this case as a percentage of the total 2017 profit or loss. This is summarized by business line in the table below:

(FIGURES IN THCH$)	EFFECT (%) 2017	EFFECT (%) 2016
Annuities	0.25%	0.19%
Individual life	-0.29%	-0.18%
Group	-0.28%	-0.28%
Group credit life	-0.05%	-0.04%
Disability and survivor insurance	-1.29%	-0.64%
Mass	-0.01%	0.00%
EFFECT ON PROFIT OR LOSS	**-1.67%**	**-0.96%**

II. **MORBIDITY**

For this variable, the Company reviewed the possible impact of a reasonable variation in morbidity on the Company's 2017 profit or loss. Based on the recommendations of the Canadian Institute of Actuaries, the Company considered a 5% deviation in morbidity noted during the year. The effects are summarized in the following table:

(FIGURES IN THCH$)	REAL AS OF DEC. 2017	EFFECT (%)	REAL AS OF DEC. 2016	EFFECT (%)
Non-death claims	160,235,204,267	-21.44%	142,701,985	-11.32%

As previously indicated, the effect is measured as a percentage of the total 2017 profit or loss. This is summarized by business line in the table below:

	EFFECT (%) 2017	EFFECT (%) 2016
Annuities	0.00%	0.00%
Individual life	-0.80%	-0.79%
Group	-10.15%	-8.77%
Group credit life	-0.01%	-0.01%
Disability and survivor insurance	-10.48%	-3.39%
Mass	0.00%	1.64%
EFFECT ON PROFIT OR LOSS	-21.44%	-11.32%

III. **LIFE SPAN**

For this variable the Company calculated the possible impact of a reasonable deviation on the Company's 2017 profit or loss, considering the recommendations made by the Canadian Institute of Actuaries. The Company considered a 2% increase in life span observed at year end for each business line.

Since the Company used the same percentage deviation for mortality and the effect of this variable has the same magnitude but the opposite sign, a 2% increase in life span would result in a 1.67% effect on profit or loss.

IV. **INTEREST RATES**

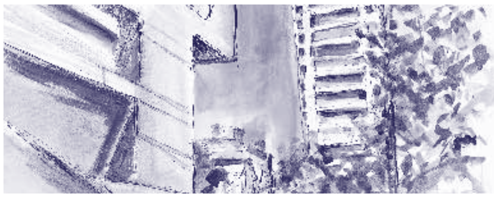
For the Company's portfolio of products, this variable is not significant when analyzing risks with an impact on profit or loss. This is due to the fact that products with guarantees in long-term interest rates are related to investments that are valued at purchase price. For short-term products, there is no guarantee or the reserve involved is very small compared to the Company's total reserve.

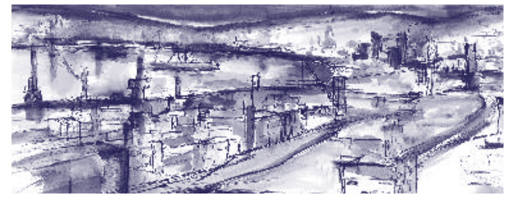
V. **EXCHANGE RATES**

As the Company's insurance portfolio has mainly policies in local currency indexed to inflation, this variable is not considered a significant risk for profit or loss.

VI. **INFLATION**

As above, because the Company's insurance portfolio has been traded mainly in local currency indexed to inflation, this is not recognized as a significant risk to be analyzed with respect to profit or loss.





VII. UNEMPLOYMENT RATE

This risk has a significant impact mainly on coverage for disability and survivor insurance. Given the lack of experience with which to generate a correlation coefficient linking the unemployment rate and the results of the SIS business, this risk is evaluated based on the following assumptions:

- Even when the unemployment rate shows little change, there are important variations in the composition of employment as a result of the creation/elimination of salaried jobs, which directly affects the business. Therefore, the impact will be measured based on the variation in the number of salaried positions, not the unemployment rate.
- If the number of salaried positions falls, in the short term the number of policyholders with insurance coverage remains steady. However, the number of contributing policyholders decreases and, therefore, premiums paid are negatively affected.
- The impact of the decrease in the number of salaried positions is not reflected in the same number of contributors, since, in the short term, a person that no longer holds a salaried position does not necessary stop contributing. For example, if the number of salaried positions drops by 5%, that does not imply that the number of contributors falls by the same 5%.
- We have not found evidence that the number of claims is affected by deviations in unemployment. Therefore, the Company will not measure the sensitivity of the unemployment rate with respect to people that file for disability after becoming unemployed.

- Although the number of salaried positions tends to increase, shocks have occasionally produced decreases from one year to the next. The most relevant drops include: June 1999 with a drop of 5.36%; March 2001 with a fall of 1.76%; and July 2009 with a drop of 1.85%, all over the same respective month in the prior year.

Thus, the maximum historical variation is approximately 5.36%, which translates into an impact of 0.03% on premiums:

(FIGURES IN THCH$)	REAL AS OF DEC. 2017	EFFECT
Net premiums written	105,526,809	-0.10%

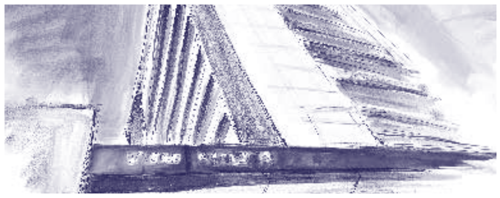
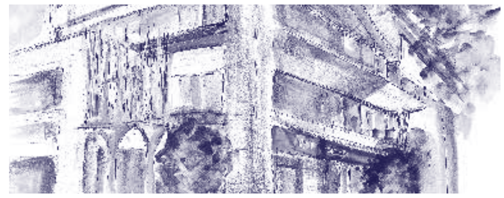
Once again, the effect is measured as a percentage of the total profit or loss for 2017.

VIII. LOANS

Insignificant risk for the Company.

IX. COVERAGE FROM INSURANCE CONTRACTS

The Company has no insurance contracts with extraordinary coverage that have no reinsurance coverage to strongly limit this risk and, therefore this is not a significant risk.

X. EXPENSES

To evaluate the possible impact of a deviation in this variable on 2017 profit or loss, based on the recommendations made by the Canadian Institute of Actuaries, the Company has considered a 5% increase in direct administrative costs compared to year end by business line. The effects are summarized in the following table:

(FIGURES IN THCH$)	REAL AS OF DEC. 2017	EFFECT	REAL AS OF DEC. 2016	EFFECT
Direct costs	27,331,893	-7.53%	25,238,449	-4.50%

Like before, the effect is measured as a percentage of the total 2017 profit or loss. This is summarized by business line in the table below:

(FIGURES IN THCH$)	EFFECT (%) 2017	EFFECT (%) 2016
Annuities	-2.43%	-1.46%
Individual life	-3.07%	-2.26%
Group	-1.74%	-0.51%
Group credit life	-0.18%	-0.15%
Disability and survivor insurance	-0.10%	-0.10%
Mass	-0.01%	-0.03%
EFFECT ON PROFIT OR LOSS	**-7.53%**	**-4.50%**

XI. VARIATION IN AVERAGE CLAIM

This risk has only a significant impact on business where the claim amount is unknown a priori. These businesses are mainly concentrated on health care coverage. The claim amounts of the Company's health care insurance portfolio are limited by coverage caps and reinsurance contracts in force that make this variable insignificant for the sensitivity analysis.

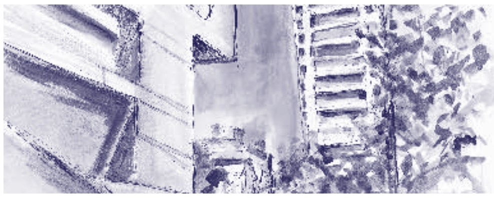
XII. OCCURRENCE OF DISASTERS

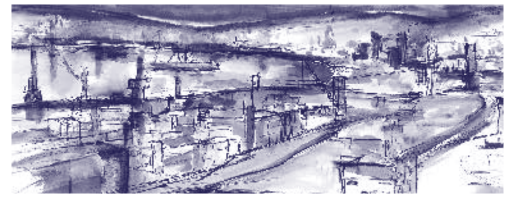
The Company has a disaster reinsurance contract in effect, which makes the related risk to which the Company is exposed insignificant for the sensitivity analysis.

D) LONG-TERM IMPACT ON RESERVES AS OF 2017 YEAR END REGARDING SIGNIFICANT RISK FACTORS FOR THE COMPANY:

I. LIFE SPAN

To evaluate the possible impact of a deviation in a variable on long-term reserves as of December 2017, the Company analyzed the effect on the LAT of a 2% decrease of qx in mortality tables in the Company's portfolio for annuities and individual life policies, specifically for products with mathematical reserves. As life span adversely affects the annuity portfolio and positively affects individual life policies, the Company considered a joint impact, where the greater reserve surplus in LAT for individual life is offset by the decrease of the original surplus in life annuities. This has an immaterial effect on the Company's equity.





II. **MORTALITY**

As for life span, the Company considered 2% growth of qx of life tables in its portfolio for annuities and individual life policies (mathematical reserve). The above would result in a greater surplus for annuities and smaller surplus for individual life. Thus, the effect would be null, since there would be an even larger surplus.

III. **EXPENSES**

Finally, in terms of expenses considered in the LAT analyses, the Company considered a 5% increase in expenses. For annuities and individual life policies, the effect is a decrease in the surplus over regulatory reserves, so that the effect is null.

F) INTERNAL CONTROL

The Company performs a risk control and monitoring procedure consisting of updating process maps and risk matrices, identifying control weaknesses, establishing mitigating action plans and monitoring developments on a monthly basis, which is consistent with CMF General Standards Nos. 309 and 408.

Observations from external auditors from auditing operational cycles as stated in CMF Ruling No. 1441 (production, subscription of risks, valuation of reserves, reinsurance, claims, commissions and collections, systems and investments) and their amendments are added to this control process, as well as observations from internal audit and the CMF.

During 2017, the Company strictly complied with the monthly risk control procedure described above and, at the same time, its external auditors reported no significant observations. Action plans behind schedule are analyzed in order to request background information to explain the delay and, thus, set new deadlines for action plans. None of the residual risks threaten the Company's equity or solvency at a residual level.

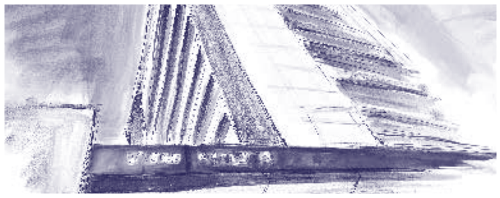
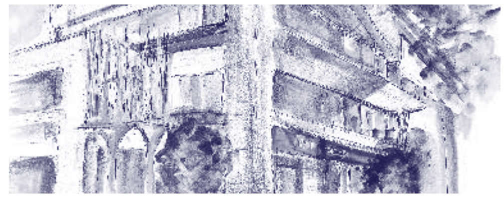
In 2015 the Company began using Business Process Management (BPM), a well-known methodology for surveying and improving processes. It also added a business line perspective in addition to the existing operational or by-process perspective. It also continued building a database of loss events and operational risk incidents and improving the existing procedure for detecting and preventing fraud, which occurs occasionally with health insurance policies.

NOTE 36 - EQUITY

A) ISSUED, SUBSCRIBED AND PAID-IN CAPITAL

Subscribed and paid-in capital as of December 31, 2017, is THCH$429,040,360 (THCH$302,406,331 in 2016), represented by 3,683,019,437 shares with no par value (3,258,363,592 in 2016).

SERIES	NUMBER OF SUBSCRIBED SHARES	NUMBER OF PAID-IN SHARES	NUMBER OF VOTING SHARES	SUBSCRIBED AND PAID-IN CAPITAL THCH$
Single	3,683,019,437	3,683,019,437	3,683,019,437	429,040,360

CAPITAL INCREASE

On April 27, 2017, at an extraordinary meeting of the shareholders of Grupo Security, shareholders agreed, among other matters, to increase the Company's capital from CH$335,616,076, divided into 3,382,363,592 shares to CH$435,616,076, divided into a total of 3,695,000,000 registered, single-series, common shares with no par value by issuing 436,636,408 new registered, common shares with no par value of the same existing series, which shall be issued, subscribed and paid in within a period of three years from the date of the shareholders' meeting.

At this meeting, shareholders also agreed to delegate to the Company's Board of Directors, in accordance with article 23 of the Regulations of the Corporations Law, the authority to set the final placement price for the shares that are issued as part of the capital increase and authorize the Board of Directors to adopt the agreements necessary to, among other things, issue in one or more stages and on the date or dates determined by the Board itself, the 436,636,408 new shares as part of this capital increase.

On August 24, 2017, the preferential subscription period for the shares in Grupo Security's capital increase ended. During this period, 424,655,845 of a total of 436,636,408 shares were subscribed and paid in, equivalent to 97.26% of the capital increase, raising a total of CH$93,424 million. The 11,980,563 shares left unsubscribed were made available to the Board as defined by shareholders at the extraordinary shareholders' meeting on April 27, 2017.

B) SHARE PREMIUM

On April 8, 2016, the period for issuing, subscribing and paying in options issued as part of the 2013 capital increase ended. On April 27, 2017, at an extraordinary meeting of the shareholders of Grupo Security, the shareholders agreed to record in equity the historical account "share premium", which reflects the net balance of the goodwill or negative goodwill obtained from placing new shares for the numerous capital increases agreed over time.

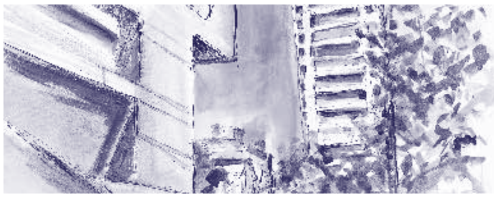
As a result, and in accordance with Article 26 of the Corporations Law, it must now recognize an increase in issued capital of THCH$33,209,745, in order to reflect the amounts effectively received by the Company as capital.

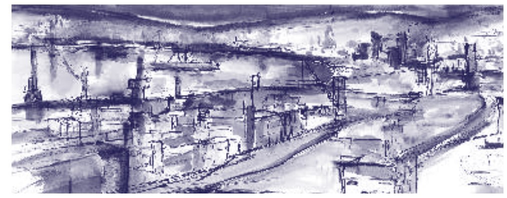
The detail of share premiums forming part of equity are as follows:

	12/31/2017 THCH$	12/31/2016 THCH$
Treasury share premium	-	33,209,745
TOTAL	-	33,209,745

C) OTHER RESERVES

	12/31/2017 THCH$	12/31/2016 THCH$
Reserve insurance income and pensions	(29,333,427)	(22,789,593)
Reserve for financial assets available for sale and other bank assets	3,646,324	2,860,821
Translation adjustment reserve	104,574	1,151,658
IFRS first-time adoption adjustments to equity	(9,755,158)	(9,754,977)
Accounting hedges (Bank)	(4,327)	(4,294)
Other reserves	(203,406)	-
TOTAL	(35,545,420)	(28,536,384)





D) DIVIDENDS

The dividend policy agreed by the shareholders is to distribute at least 30% of the profits of Grupo Security S.A. received from its direct subsidiaries during the year and divide the payment in two dividends, an interim dividend and a final dividend. Additionally, the Board of Directors has been authorized to approve additional dividend distributions with a charge to retained earnings if, in the opinion of the Board, Grupo Security S.A.'s financial condition allows it.

On October 14, 2016, the Company's Board agreed to pay a dividend of CH$4.25 per share, distributed as follows:

- An interim dividend of CH$2 per share to be paid in cash and charged to retained earnings for the year 2016; and
- An additional dividend of CH$2.25 per share to be paid in cash and charged to retained earnings from prior years.

The total dividend will be made available to shareholders beginning November 7, 2016.

On April 27, 2017, the Company's Board agreed to pay a dividend of CH$7.75 per share charged to earnings for the year 2016 and scheduled payment for May 8, 2017.

On October 11, 2017, the Company's Board agreed to pay a dividend of CH$4.35 per share, distributed as follows:

- An interim dividend of CH$1.75 per share to be paid in cash and charged to retained earnings for the year 2017; and
- An additional dividend of CH$2.60 per share to be paid in cash and charged to retained earnings from prior years.

The dividend was paid on November 3, 2017.

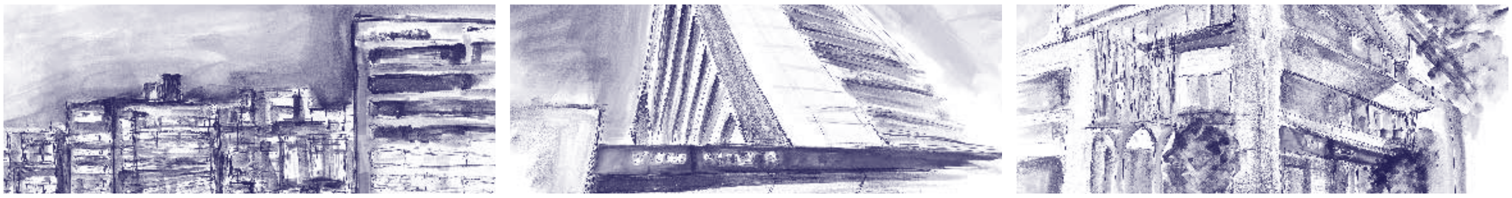
E) CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that its subsidiaries will be able to continue as a going concern, while maximizing shareholder value by optimizing debt and equity balances.

The Group's capital structure includes its net debt (bonds and loans as summarized in Notes 18 and 23) and equity (including issued capital, reserves and retained earnings).

F) RECONCILIATION OF MOVEMENTS

	12/31/2017
Dividends paid, prior periods	(34,834,168)
Dividends paid during the year	(6,445,284)
TOTAL	(41,279,452)



NOTE 37 - COMMITMENTS AND CONTINGENCIES

A) LAWSUITS AND LEGAL PROCEEDINGS

BANCO SECURITY

As of the date of issuance of these consolidated financial statements, some legal actions have been filed against the Bank and its subsidiaries involving its normal operations. Management and its legal counsel do not believe that the Bank and its subsidiaries are exposed to any potential significant losses not disclosed in these financial statements.

B) CONTINGENT LIABILITIES

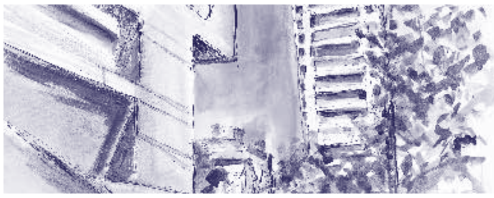
As of December 31, 2017 and 2016, contingent liabilities are as follows:

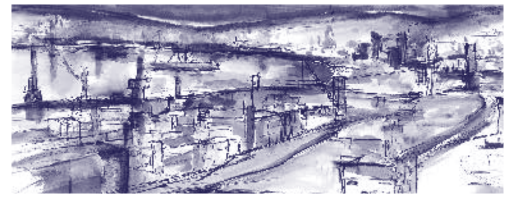
	12/31/2017 THCH$	12/31/2016 THCH$
Commitments and responsibilities in memorandum accounts	7,764,075,572	6,635,902,602
Contingent loans and liabilities	1,061,114,000	1,064,322,000
Guarantees furnished	73,265,707	73,347,785
TOTAL	8,898,455,279	7,773,572,387

NOTE 38 - BONDHOLDER PROTECTION COVENANT: LEVERAGE RATIO

As of December 31, 2017, Grupo Security S.A. must comply with the following ratios and restrictions as a result of bond issuances:

Leverage: Grupo Security S.A. must maintain a leverage ratio below 0.4, measured on its quarterly standalone statement of financial position. Leverage is defined as the ratio of standalone financial liabilities, as presented in the FECU-IFRS financial statement disclosures, and equity (hereinafter "IFRS Leverage"). Standalone financial liabilities are the sum of financial obligations contracted by Grupo Security, excluding subsidiary financial obligations, regardless of whether those subsidiaries are consolidated by Grupo Security S.A. Thus, standalone financial liabilities include the sum of the company's individually considered debts, which are classified within the following FECU-IFRS accounting concepts: (i) obligations with banks and financial institutions, current and non-current (as included in those concepts in the FECU-IFRS statements), (ii) financial obligations with the public (promissory notes and bonds), current and non-current (as included in those concepts in the FECU-IFRS statements), (iii) other liabilities, trade payables, notes payable, miscellaneous payables and provisions, all current and non-current (as included in those concepts in the FECU-IFRS statements), (iv) accounts payable to related parties, current and non-current (as included in those concepts in the FECU-IFRS statements). Point (iv) above shall include those individually considered accounts payable to Grupo Security S.A. that have been contracted with related parties, which have been eliminated during the consolidation process and therefore are not present in the issuer's financial statements.





Details of financial and accounting information in accordance with the previous paragraph are as follows.

	GROUP (STANDALONE)	OTHER GROUP COMPANIES / CONSOLIDATION ADJUSTMENTS	CONSOLIDATED
CURRENT LIABILITIES			
Other financial liabilities, current	(3,848,718)	5,594,868,295	5,591,019,577
Trade and other payables	78,054	2,504,668,084	2,504,746,138
Accounts payable to related parties, current	-	1,948,848	1,948,848
Other short-term provisions	-	117,699,427	117,699,427
Current tax liabilities	-	24,881,123	24,881,123
Employee benefit provisions, current	1,500,403	7,207,305	8,707,708
Other non-financial liabilities, current	19,756,138	169,170,213	188,926,351
TOTAL CURRENT LIABILITIES OTHER THAN LIABILITIES INCLUDED IN DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE	17,485,877	8,420,443,295	8,437,929,172
TOTAL CURRENT LIABILITIES	17,485,877	8,420,443,295	8,437,929,172
NON-CURRENT LIABILITIES			
Other financial liabilities, non-current	194,082,179	346,673,487	540,755,666
Accounts payable, non-current	-	92,843,948	92,843,948
Accounts payable to related parties, non-current	-	1,948,272	1,948,272
Deferred tax liabilities	198,075	45,099,419	45,297,494
TOTAL NON-CURRENT LIABILITIES	194,280,254	486,565,126	680,845,380
TOTAL LIABILITIES	211,766,131	8,907,008,421	9,118,774,552
EQUITY			
Issued capital	429,040,360		429,040,360
Retained earnings	311,415,141		311,415,141
Other reserves	(35,545,420)		(35,545,420)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	704,910,081		704,910,081
Non-controlling interests		17,616,080	17,616,080
TOTAL EQUITY	704,910,081	17,616,080	722,526,161
TOTAL LIABILITIES AND EQUITY	916,676,212	8,924,624,501	9,841,300,713
TOTAL CURRENT LIABILITIES GRUPO SECURITY (STANDALONE)			211,766,131
TOTAL EQUITY (TOTAL NET EQUITY) GRUPO SECURITY			722,526,161
LEVERAGE AS OF DECEMBER 31, 2017 (TOTAL STANDALONE CURRENT LIABILITIES / TOTAL EQUITY)			29.31%

Ownership: To maintain a 51% ownership interest in Banco Security.

As of year end, the Group has not exceeded the required leverage ratio and maintains the required ownership percentages.

NOTE 39 - MATERIAL EVENTS

GRUPO SECURITY S.A.

A) On January 15, 2016, the Group reported the following regarding the shares its subsidiary Inversiones Seguros Security Ltda. holds in Compañía de Seguros Generales Penta Security S.A. (“ Penta Security”):

The acquisition and take over of Compañía de Seguros Generales Penta Security S.A. by Liberty International Chile S.A. and LMG Chile SPA, of which Inversiones Seguros Security Ltda owned approximately 29.5%, was completed on January 14, 2016.

Furthermore, it was communicated as an essential event that on January 14, 2016, the following directors of Penta Security resigned effective as of that date: Alfredo Moreno Charme, Carlos Délano Méndez, Francisco Lavín Chadwick, Juan Carlos Délano Ortózar, Francisco Silva Silva, Renato Peñafiel Muñoz and Alejandro Alzérreca Luna. The latter three were related parties of Grupo Security. The following individuals were appointed in their place: Juan Pablo Barahona Flores, Russell Carlson, James Czapla, Thomas Walker, José Luis Honorato San Ramón, Gonzalo Delaveau Swett and Javier Barrioihet Díez.

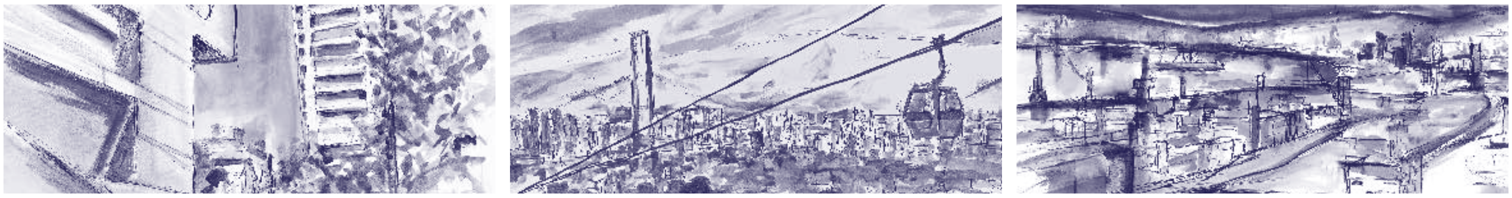
B) On April 7, 2016, the Company reported that in a meeting of the Board of Directors on the same date, the Board agreed to call an annual general shareholders' meeting for April 28, 2016, at 9 a.m. at the Company's offices. The following matters were to be addressed at the meeting:

1) Approval of the annual report, balance sheet and financial statements for the year 2015.
2) Profit distribution and dividend payments.
3) Dividend policies.
4) Election of the Board of Directors.
5) Board fees for the year 2016.
6) Information regarding Directors' Committee activities.
7) Directors' Committee compensation.
8) Board expenses.
9) Appointment of independent auditors.
10) Appointment of risk rating agency.
11) Transactions with related parties.
12) Designation of newspaper for legal publications.
13) Other matters to be addressed at the annual meeting.

At this meeting, the Board also agreed to propose a dividend of CH$7.25 per share at the annual meeting. The proposed date of payment would be May 9, 2016.

C) On April 28, 2016, the following matters were agreed at the shareholders' meeting on that date:

1) To approve the annual report, balance sheet and financial statements for the year 2015.
2) To elect the following directors: Francisco Silva, Hernán de las Heras, Juan Cristóbal Pavez, Jorge Marín, Naoshi Matsumoto, Horacio Pavez, Ana Sainz, Bruno Philippi and Mario Weiffenbach. Hernán de las Heras was elected as a independent director.



3) To appoint Deloitte as the Company's independent auditors.
4) It was reported at a board meeting on that date that Francisco Silva Silva was elected chairman. Hernán de las Heras Marín was elected chairman of the Directors' Committee. The other members of this committee are Jorge Marín Correa and Horacio Pavez García.

D) On April 29, 2016, the Company filed form No 1 from CMF Ruling 660 regarding dividend distributions.

E) On October 14, 2016, the CMF was informed of the dividend distributions agreed at the annual general shareholders' meeting held on April 28, 2016. The dividend shall be distributed as follows:

- An interim dividend of CH$2.0 per share charged to earnings for the year 2016.
- An additional dividend of CH$2.5 per share charged to retained earnings from prior years.

Form No. 1 on dividend distributions was attached.

F) On December 27, 2016, the CMF was informed that as a result of the new issuance of series M bonds, the Company chose to give all series F bondholders the option to voluntarily exchange their instruments for series M bonds, all under the terms and conditions communicated to the public the following day in the newspaper El Mercurio.

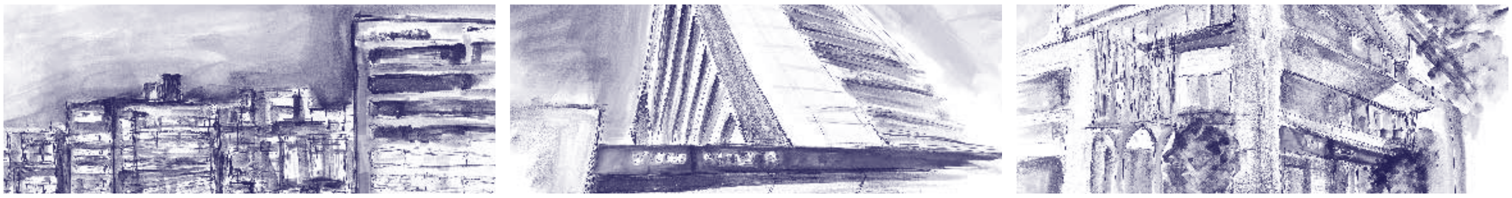
Through this voluntary redemption, Grupo Security gave all series F bondholders the option of exchanging their bonds for series M bonds, with an exchange ratio of 1 (one) series M bond for each series F bond and under identical conditions for all bondholders in accordance with Article No. 130 of Law No. 18,045 on Securities Markets and the terms and conditions in the Exchange Notice filed with this Material Event.

G) On January 6, 2017, the Company finalized the process by which bondholders could voluntarily exchange series F bonds for new series M bonds under identical conditions for all bondholders in accordance with article 130 of Law No. 18,045 on Securities Markets and the terms and conditions in the Exchange Notice published. Bonds were exchanged for 95% of the original issuance, equivalent to a nominal amount of UF1,189,000.

H) On March 28, 2017, Fitch Ratings confirmed its domestic ratings for Banco Security, its holding company Grupo Security S.A. and Factoring Security S.A., as part of its review of mid-sized Chilean banks. It also revised the outlook for its long-term rating from stable to positive due to progress Banco Security has made in implementing its strategy, which has allowed it to diversify its revenue sources, strengthen its balance sheet and liquidity and improve its capital ratios.

I) On April 10, 2017, the Company reported that in a meeting of the Board of Directors on the same date, the Board agreed to call an annual general shareholders' meeting for April 27, 2017, at 9 a.m. in the Company's offices. The following matters were to be addressed at the meeting:

1) Approval of the annual report, balance sheet and financial statements for the year 2016.
2) Profit distribution and dividend payments.
3) Dividend policies.
4) Board fees for the year 2017.
5) Information regarding Directors' Committee activities.
6) Directors' Committee compensation.



7) Board expenses.
8) Appointment of independent auditors.
9) Appointment of risk rating agency.
10) Transactions with related parties.
11) Designation of newspaper for legal publications.
12) Other matters to be addressed at the annual meeting.

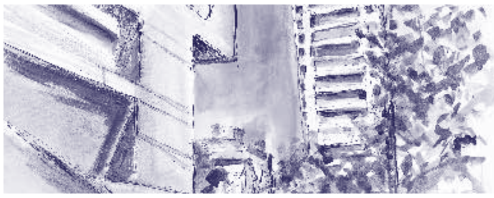
Likewise, the Board of Grupo Security agreed in the same meeting to call an extraordinary shareholders' meeting for the same day (April 27, 2017) immediately after the annual general meeting. The following matters were to be addressed at the meeting:

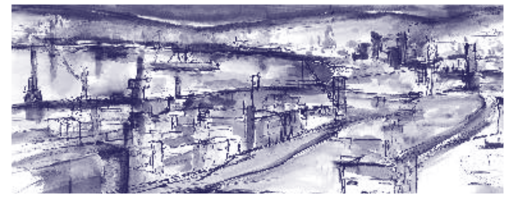
1) Updating and amending the Company's statutory capital in order to recognize the expiration of the placement term for the unsubscribed balance of the capital increase agreed upon on April 8, 2013, consisting of 123,895,103 shares.
2) Increasing the Company's capital by CH$100,000,000,000, or another amount agreed by shareholders. The increase will take place by issuing new shares through a rights issuance. The exact number will be determined by shareholders for this purpose.
3) Should this capital increase be approved, the shareholders will agree on the placement price of the shares.
4) Agreeing to offer to third parties any new shares to be issued as part of the aforementioned capital increase that are not subscribed by the shareholders, or at least part of them, as determined by the shareholders.
5) Authorizing the Board to
   a. Proceed with the issuance and placement of these shares
   b. Register the issuance in the Securities Registry
   c. Comply with regulations on preferential offerings of shares
   d. Place and offer to third parties the shares that are not subscribed by the shareholders and/or their assignees within the preferential option period
   e. Adopt all agreements required to carry out the capital increase under the terms proposed above.
6) Approving any amendments to the Company's bylaws that are necessary to implement the above amendments.
7) Adopting all other agreements necessary to implement the decisions made with respect to this process.

At this meeting, the Board agreed to propose a final dividend of CH$7.75 per share at the annual general shareholders' meeting. When added to the interim dividend of CH$2.00 per share and the additional dividend of CH$2.25 per share already paid on November 7, 2016, this gives a total dividend of CH$12 per share for 2016. The Board also agreed to propose a dividend payment date of May 8, 2017.

J) On April 28, 2017, the Company reported that the following agreements were made at the extraordinary shareholders' meeting on April 27, 2017:

1) To increase the Company's capital from CH$335,616,073,956, divided into 3,258,363,592 shares, to CH$435,616,073,956, divided into a total of 3,695,000,000 nominative, single-series, common shares with no par value by issuing 436,636,408 new nominative, common shares with no par value of the same existing series, which shall be issued, subscribed and paid within a period of three years from the date of the shareholders' meeting.
2) To delegate to the Company's Board the authority to set the final placement price of the shares to be issued as part of this capital increase.
3) To authorize the Board to adopt the agreements necessary to, among other things, issue in one or more stages and on the date or dates determined by the Board itself, the 436,636,408 new shares as part of this capital increase.





Immediately after, at the same board meeting, the directors agreed to issue 436,636,408 new nominative, single-series, common shares with no par value as part of the capital increase agreed by shareholders at the aforementioned extraordinary meeting.

K) On April 28, 2017, the Company filed form No 1 from CMF Ruling 660 regarding dividend distributions.

L) At an extraordinary meeting of the Board of Grupo Security held July 4, 2017, the directors in attendance unanimously agreed to set the share placement price at Ch$220 for the 436,636,408 new shares as part of the capital increase agreed by shareholders on April 27, 2017.

M) On October 11, 2017, the CEO reported as an essential event that as authorized at the annual general shareholders' meeting held on April 27, 2017, the Company's Board of Directors agreed, at a meeting on October 11, 2017, to pay a total dividend of CH$4.35 per share, distributed as follows: (i) an interim dividend of Ch$1.75 per share, to be paid in cash and charged to 2017 retained earnings; and (ii) an additional dividend of Ch$2.60 per share, to be paid in cash and charged to retained earnings from prior years. The aforementioned total dividend will be available to shareholders as of November 3, 2017, in the Banco Security Office located at Agustinas 621, 1st floor, Santiago, from 9:00 to 14:00, or another payment method chosen by the shareholders before the date of payment.

BANCO SECURITY S.A.

A) On February 15, 2016, the purchase of Penta Corredores de Bolsa S.A. and Penta Administradora General de Fondos S.A., was completed after having obtained authorization from the Superintendency of Banks and Financial Institutions. The Company purchased 99.999992% of Penta Corredores de Bolsa S.A. for MCH$34,208 and 99.99980% of Penta Administradora General de Fondos S.A. for MCH$1,828. After the transaction, these companies were contributed to their respective subsidiaries, Administradora General de Fondos Security S.A. and Valores Security S.A. Corredores de Bolsa, as part of the capital increase of both companies, thus resulting in the merger of each respective company.

B) On March 3, 2017, the Company informed the Superintendency of Banks and Financial Institutions that its Board had agreed to convene the annual general shareholders' meeting for March 21, 2017, at 9:00 a.m. at the Bank's offices located at Avenida Apoquindo No. 3150, underground floor, Las Condes, in order to conduct routine business.

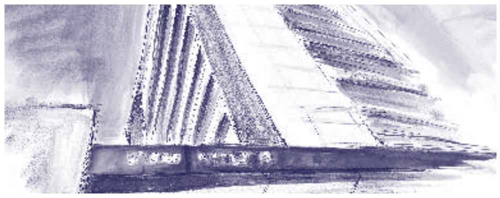
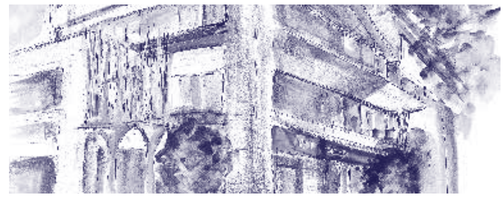
C) On December 28, 2017, the Bank carried out a capital increase of MCH$50,000, where 100% of the shares issued were acquired by Grupo Security.

SEGUROS VIDA SECURITY PREVISIÓN S.A.

A) On April 26, 2016, the Company reported that on April 25, 2016, the annual general shareholders' meeting was held and the following was agreed:

- To distribute a dividend of CH$19,117,463,150, equivalent to 69.12% of profit for the year 2015, resulting in a dividend of CH$50 per share.

B) To maintain the policy for future dividends of distributing a minimum of 30% of net profit for the year, conditional upon the profits actually obtained and the Company's economic and financial situation, and to authorize the Board to pay interim dividends charged to profit for the year and to distribute up to 100% of retained earnings. This distribution may be agreed upon and made at any time during the current year and extraordinary dividends may be set based on the Company's economic and financial situation.

C) To appoint Deloitte as the Company's independent auditors.

D) To appoint Fitch Chile Clasificadora de Riesgo Ltda. and ICR Compañía Clasificadora de Riesgo Ltda as the Company's risk rating agencies.

E) To file form No 1 from CMF Ruling 660 regarding dividend distributions.

F) On June 29, 2016, the Company reported that at a board meeting held on June 28, 2016, the Board of Seguros Vida Security Previsión S.A. unanimously approved a new general policy for ordinary customary transactions with related parties, which are within its line of business and are intended to contribute to the corporate interest and comply with arm's length principles regarding price, terms and conditions.

G) On November 23, 2016, the Company informed that in a board meeting on November 22, 2016, the Board agreed to distribute an interim dividend charged to earnings from the current year, totaling CH$9,941,080,838, equivalent to CH$26 per share.

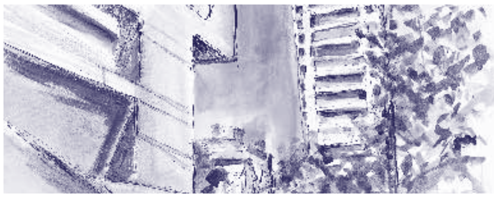
H) On April 18, 2017, the Company reported that the annual general shareholders' meeting was held on that date and the following was agreed:

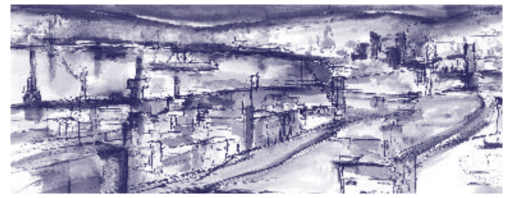
1) To distribute a final dividend of CH$15,293,970,520, equivalent to 69.8% of profit for the year 2016, resulting in a dividend of CH$40 per share.
2) To maintain the policy for future dividends of distributing a minimum of 30% of net profit for the year, conditional upon the profits actually obtained and the Company's economic and financial situation, and to authorize the Board to pay interim dividends charged to profit for the year and to distribute up to 100% of retained earnings. This distribution may be agreed upon and made at any time during the current year and extraordinary dividends may be set based on the Company's economic and financial situation.
3) To appoint Deloitte as the Company's independent auditors.
4) To appoint Fitch Chile Clasificadora de Riesgo Ltda. and ICR Compañía Clasificadora de Riesgo Ltda as the Company's risk rating agencies.
5) To elect the following directors to the Company's Board of Directors for a three-year term: Francisco Silva Silva, Renato Peñafiel Muñoz, Andrés Tagle Domínguez, Juan Cristóbal Pavez Recart, Alvaro Vial Gaete, Gonzalo Pavez Aro and Francisco Juanicotena Sanzberro.
6) To file form No 1 from CMF Ruling 660 regarding dividend distributions.

VALORES SECURITY CORREDORA DE BOLSA S.A.

A) On January 5, 2016, the Company reported that an extraordinary shareholders' meeting had been called for January 20, 2016, to address the following matters:

1) Updating and amending the Company's statutory capital in order to recognize the reserves from profits and price-level restatement of capital existing as of the most recent reporting date, in accordance with article 10 of Law No. 18,046 and article 19 of its Regulations.





2) Increasing the Company's capital to up to CH$18,000,000,000, or another amount decided by the shareholders, by issuing 129,868 new shares, or another number decided by the shareholders, all common, of the same existing series and with no par value.

3) Approving any amendments to the Company's bylaws that are necessary to implement these amendments in numbers 1 and 2 above.

B) On January 21, 2016, the Company reported that the following agreements were made at the extraordinary shareholders' meeting held on January 20, 2016:

1) To update and amend the Company's statutory capital without issuing new shares, in order to capitalize and recognize the price-level restatement of paid-in capital as of December 31, 2010, all based on the Company's statement of financial position as of that date, which was approved at the annual general shareholders' meeting on April 6, 2011. As a result, the Company's capital as of that date totaled CH$2,185,414,259, divided into 258,942 registered common shares with no par value, all fully subscribed and paid in.

2) To not capitalize the Company's retained earnings,

3) To increase the Company's capital by CH$20,185,414,259, divided into 388,810 registered, single-series, common shares with no par value by issuing 129,868 new registered, common shares with no par value of the same existing series through a rights issue, which shall be issued, subscribed and paid within a period of three years from that date, either in cash or in kind.

4) By virtue of these agreements, to substitute permanent article five and the transitory article in the corporate bylaws.

C) On January 27, 2016, the Board agreed to call an extraordinary shareholders' meeting for February 12, 2016, to address the following matters:

1) To approve, in conformity with article 15 of Law No. 18,046 on Corporations the contribution from the shareholder Banco Security, of the value of the shares subscribed as part of the capital increase agreed at the extraordinary shareholders' meeting held on January 20, 2016, in the form of 24,478,816 shares of Penta Corredores de Bolsa S.A.

2) To value the contribution of shares made by Banco Security so as to eliminate the need for an expert appraisal.

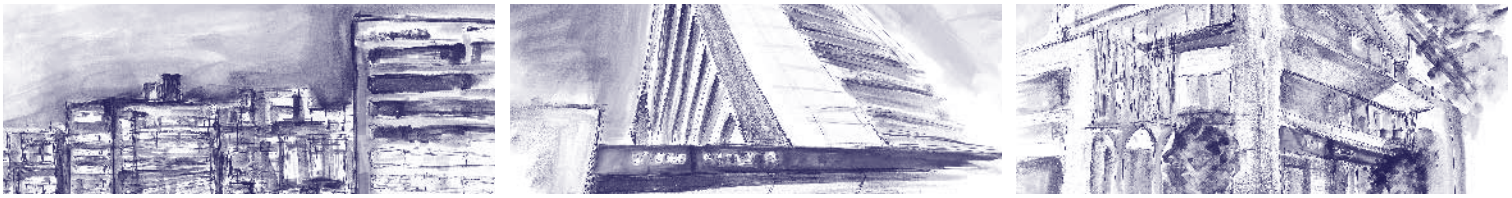
3) To waive the ten-day period set forth in article 103 No. 2 of Law No. 18,046 on corporations for dissolving Penta Corredores de Bolsa S.A. because all shares are held by the same person; and adopt all other agreements necessary to implement the decisions made with respect to this process.

D) On February 15, 2016, the Company completed the merger and take over by Valores Security of Penta Corredores de Bolsa S.A., as follows:

1) Banco Security purchased and acquired 24,478,816 shares of Penta Corredores de Bolsa S.A. from Banco Penta, equivalent to a 99.999992% interest in that company for CH$34,208,152,255;

2) Valores Security purchased and acquired 2 shares of Penta Corredores de Bolsa S.A. from Messrs. Carlos Alberto Délano Abbott and Carlos Eugenio Lavín García Huidobro, equivalent to the remaining 0.000008% interest in that company for CH$2,794.

As a result, Banco Security and Valores Security together purchased 100% of the shares of Penta Corredores de Bolsa S.A. for CH$34,208,155,049 equivalent to equity of CH$29,503,032,616, which was backed by highly-liquid instruments valued at market value and negative goodwill of CH$4,705,122,433.



3) Immediately following the aforementioned acquisitions and on the same date, an extraordinary meeting of the Company’s shareholders was held, called for such purposes, at which time shareholders unanimously agreed, among other matters, to:

- **a.** Increase the Company's capital to CH$36,393,566,514 divided in a total of 505,750 registered common single-series shares with no par value by issuing 116,940 new shares through a rights issue;
- **b.** Approve the subscription of all new shares by Banco Security and the payment in kind for those shares and those issued as part of the capital increase that was agreed at the extraordinary shareholders' meeting on January 20, 2016, by contributing all 24,478,816 shares of Penta Corredores de Bolsa S.A. held by Banco Security;
- **c.** Value the shares contributed at CH$34,208,152,255, in accordance with article 15 of Law No. 18,046; and
- **d.** By virtue of these agreements, to substitute permanent article five and the transitory article in the corporate bylaws.

By virtue of the above and having expressly waived the term indicated in article 103, number 2 of Law No. 18,046, on that same date the Company proceeded to register 100% of the shares of Penta Corredores de Bolsa S.A. in the shareholders register of Valores Security S.A. and, therefore, Penta Corredores de Bolsa S.A. was automatically and legally dissolved under the terms of article 103 of Law 18,046, and Valores Security S.A. became its legal successor for all intents and purposes, assuming all of its rights and obligations and acquiring all of its assets and liabilities.

E) On February 29, 2016, the Board of Valores Security called an annual general shareholders' meeting for March 15, 2016, to address the following matters:

- **a)** Approval of the annual report, statement of financial position and statement of income as of and for the year ended December 31, 2015, including the independent auditors' report for that year.
- **b)** Profit distribution and dividend payments.
- **c)** Board fees for 2016.
- **d)** Board expenses in 2015.
- **e)** Appointment of the Company’s independent auditors.
- **f)** Information on related party transactions in conformity with the Corporations Law.
- **g)** Designation of newspaper for legal publications.

The Board of Valores Security called an extraordinary shareholders' meeting for March 15, 2016, in order to address the following matters:

- **a)** To approve the distribution of dividends for a total of CH$54,635.988949 per share charged to the future dividend reserve.
- **b)** To approve any amendments to the Company's bylaws that are necessary to implement these amendments agreed in conformity with the preceding point.

It was recorded that at the aforementioned board meeting the Board agreed to propose to shareholders at the annual meeting a dividend of CH$3,699.221364 per share charged to profit for the year 2015.

F) On March 21, 2016, the Company reported that an annual general shareholders' meeting had been held on March 16, 2016, at which the following agreements were made:

- **a)** To approve the annual report, statement of financial position and statement of income and independent auditors' report as of and for the year ended December 31, 2015.
- **b)** To allocate all of profit for the year ended December 31, 2015, to pay dividends.
- **c)** To appoint Deloitte as independent auditor for 2016.
- **d)** To reelect the directors Ramón Eluchans Olivares, Nicolás Ugarte Bustamante, Enrique Menchaca Olivares, Fernando Salinas Pinto and Máximo Hitoshi Kamada.

G) On March 22, 2017, the Board of Valores Security agreed to call an annual general shareholders' meeting for April 7, 2017, to address the following matters:

- **a)** Approval of the annual report, statement of financial position and statement of income as of and for the year ended December 31, 2016, including the independent auditors' report for that year.
- **b)** Profit distribution and dividend payments.
- **c)** Board fees for 2017.
- **d)** Board expenses in 2016.
- **e)** Appointment of the Company's independent auditors.
- **f)** Information on related party transactions in conformity with the Corporations Law.
- **g)** Designation of newspaper for legal publications.
- **h)** All other matters that should be addressed at an annual general shareholders' meeting according to law.

H) On June 22, 2017, the CEO reported that at an ordinary board meeting held on June 20, 2017, the Board received a letter of resignation from Chairman Ramón Eluchans Olivares, which took effect immediately.

I) On July 14, 2017, the CEO reported that at an ordinary board meeting held on the same date, the Board agreed to appoint Enrique Menchaca Olivares as Chairman of the Board.

J) On September 13, 2017, the CEO reported as a essential event that, at a board meeting on September 12, 2017, the Board agreed to call an extraordinary shareholders' meeting for September 29, 2017, at 9:00 a.m. at the Company's offices in order for the shareholders to vote on the following matters:

- **1)** Modifying the corporate bylaws to amend the current number of Board members from five to three, and all other matters that also need to be changed as a result of this amendment;
- **2)** Adopting other agreements necessary to implement the bylaw reform as indicated in the preceding point.

K) On September 29, 2017, the CEO reported as an essential event that on this same date an extraordinary shareholders' meeting was held and the following agreements were made:

- **1)** To approve the amendments to the corporate bylaws, reducing the number of directors from five to three;
- **2)** As indicated in the preceding number, the following directors were elected to the Board: Máximo Hitoshi Kamada, Enrique Menchaca Olivares and Fernando Salinas Pinto.

ADMINISTRADORA GENERAL DE FONDOS SECURITY S.A.

A) On January 5, 2016, the Company reported that at an extraordinary shareholders' meeting held on that day, which was convened in accordance with article 60 of Law 18,046 on Corporations, the following was agreed:

1) To update and amend the Company's statutory capital without issuing new shares, in order to capitalize and recognize the price-level restatement of paid-in capital as of December 31, 2010, all based on the Company's statement of financial position as of that date, which was approved at the annual general shareholders' meeting on April 5, 2011. As a result, the Company's capital as of that date totaled CH$1,525,292,745, divided into 10,000 registered common shares with no par value, all fully subscribed and paid in.

2) To increase the Company's capital from CH$1,525,292,745 divided into 10,000 registered, single-series, common shares with no par value to CH$3,825,292,745 divided into 10,560 registered, single-series, common shares with no par value by issuing 560 new registered, common shares with no par value of the same existing series through a rights issue, which shall be issued, subscribed and paid within a period of three years from that date, either in cash or in kind.

3) In order to execute, implement and comply with the agreements made at the extraordinary shareholders' meeting, the shareholders agreed to specifically authorize the Board to carry out each and every one of the formalities, procedures and acts necessary to formalize the capital increase and other agreements adopted at the meeting. The Board was specifically authorized to adopt agreements, once the amended bylaws had been approved by the CMF, in order to:

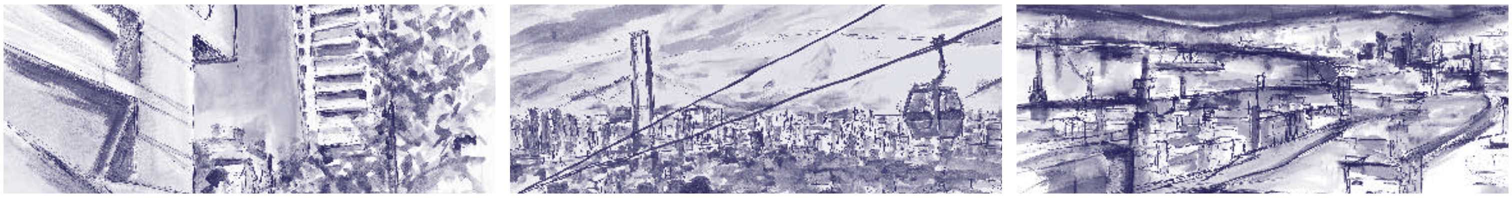
- Proceed with the issuance and placement of 560 new registered, single-series, common shares with no par value through a rights issue, all charged to the agreed-upon capital increase;
- Comply with the legal preferential subscription right for the Company's shares.
- Offer the Company's shareholders or, in the event of total or partial waiver of these preferential subscription rights, offer third parties, the new shares at a price of CH$4,107,142.857142860 per share, which may be paid in cash or in kind; and
- Adopt all agreements required or deemed necessary to carry out and complete the capital increase under the terms proposed above and proceed with the issuance, placement, subscription and payment of the shares issued as part of the capital increase agreed by shareholders.

4) At the meeting, shareholders agreed to grant the following powers and authority:

a. To authorize the CEO, Mr. Juan Pablo Lira Tocornal, and the director Carlos Budge Carvallo, to act individually and indistinctly to request CMF approval of the amended bylaws as agreed at the shareholders' meeting and to agree upon, subscribe, implement and execute, on behalf of the Company and the shareholders, all amendments, rectifications or supplements that may be relevant or necessary in response to any comment or observation made by the CMF, and all public or private instruments in which the respective amendments are made are extended for such purpose; and

b. To authorize the bearer of the certificate issued by the CMF with the respective abstract to request any publications, registrations, subregistrations and annotations necessary.

5) By virtue of these agreements, to substitute permanent article three and the transitory article in the corporate bylaws.



B) On January 15, 2016, the Company reported that the director Felipe Larraín Melo had resigned and Gonzalo Baraona Bezanilla had been appointed to replace him.

C) On February 15, 2016, the Company completed the merger and take over by Administradora General de Fondos Security S.A. of Penta Administradora General de Fondos S.A., as follows:

1) Banco Security purchased and acquired 999,998 shares of Penta Administradora General de Fondos S.A. from Banco Penta, equivalent to a 99.99980% interest in that company for CH$1,828,330,276;

2) Administradora General de Fondos Security in turn purchased and acquired 2 shares of Penta Administradora General de Fondos S.A. from Messrs. Carlos Alberto Délano Abbott and Carlos Eugenio Lavín García Huidobro, equivalent to the remaining 0.0002% interest in that company for CH$3,656.

As a result, Banco Security and AGF Security together purchased and acquired 100% of the shares of Penta Administradora General de Fondo S.A. for CH$1,828,333,932, equivalent to equity of CH$1,305,542,551, which was backed by highly-liquid instruments valued at market value and negative goodwill of CH$522,791,381.

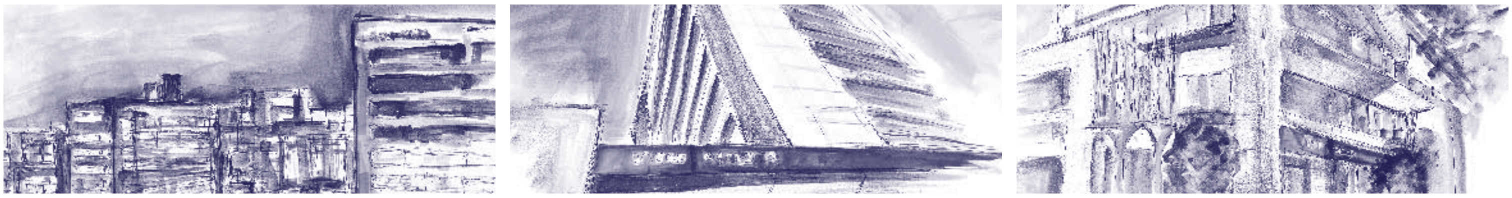
3) Immediately after completing the aforementioned acquisitions and in the same act, Banco Security proceeded to contribute to AGF Security all 999,998 shares of Penta Administradora General de Fondos S.A. as payment towards the capital increase of Administradora General de Fondos Security S.A. that was agreed at the extraordinary shareholders' meeting on January 5, 2016, and approved via CMF Exempt Resolution No. 251 dated February 5, 2016; and

4) Both the contribution and the valuation of the contributed shares as stipulated in the preceding number were duly and unanimously approved by all issued shares of AGF Security at the extraordinary shareholders' meeting held on February 15, 2016.

By virtue of the above, and having obtained the relevant authorization from the CMF on February 15, 2016, in accordance with article 107 of Law No. 18,046, and with Administradora General de Fondos Security S.A. having expressly waived the term indicated in article 103, number 2 of Law No. 18,046, on that same date the Company proceeded to register 100% of the shares of Penta Administradora General de Fondos S.A. in the shareholders register of Administradora General de Fondos Security S.A. and, therefore, Penta Administradora General de Fondos S.A. was automatically and legally dissolved under the terms of article 103 of Law 18,046, and Administradora General de Fondos Security S.A. became the legal successor of the dissolved company for all intents and purposes, assuming all of its rights and obligations and acquiring all of its assets and liabilities.

D) On March 2, 2016, the Company reported that at a board meeting on February 29, 2016, the Board of AGF Security agreed to call an annual general shareholders' meeting for March 18, 2016, to address the following matters.

a) Approval of the annual report, statement of financial position and statement of income as of and for the year ended December 31, 2015, including the independent auditors' report for that year.
b) Profit distribution and dividend payments.
c) Board fees for 2016.
d) Board expenses in 2015.
e) Appointment of the Company's independent auditors.



f) Information on related party transactions in conformity with the Corporations Law.
g) Designation of newspaper for legal publications.
h) All other matters that should be addressed at an annual general shareholders' meeting according to law.
It was recorded that, at the aforementioned board meeting, the Board agreed to propose to shareholders at the annual general meeting a dividend of CH$124,992.1064 per share charged to profit for the year 2015.

E) On March 22, 2017, the Board of AGF Security agreed to call an annual general shareholders' meeting for April 7, 2017, to address the following matters:

a) Approval of the annual report, statement of financial position and statement of income as of and for the year ended December 31, 2016, including the independent auditors' report for that year.
b) Profit distribution and dividend payments.
c) Board fees for 2017.
d) Board expenses in 2016.
e) Appointment of the Company's independent auditors.
f) Information on related party transactions in conformity with the Corporations Law.
g) Designation of newspaper for legal publications.
h) All other matters that should be addressed at an annual general shareholders' meeting according to law.

F) On April 10, 2017, the CEO of AGF Security reported as an essential event the market price adjustment of the Security Check Mutual Fund as a result of the impact of the Chilean Central Bank's cuts in the monetary policy rate. On Friday, April 7, 2017, the valuation of the UF-denominated time deposit issued by Itaú-Corpbanca (FUCOR-010917) was adjusted due to a difference in the buyer's IRR at which instruments from this type of fund are valued and the rate provided by the pricing vendor, Risk América, which involved valuing that instrument at 0.19%.

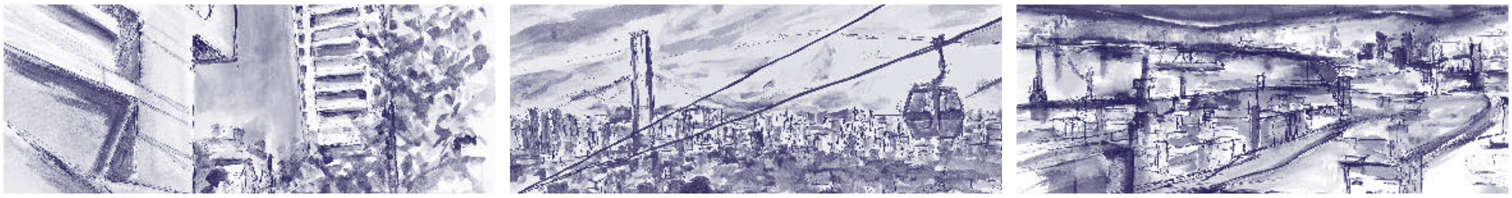
G) On May 3, 2017, the CEO of AGF Security reported as an essential event that the investors of the investment funds Security Capital Preferente, Security Capital Preferente II, Security Inmobiliario II and Security Inmobiliario III had been called to ordinary meetings to be held May 16, 17 and 18, 2017, in order to vote on the following matters:

a) Approving the fund's annual report.
b) Agreeing to distribute dividends from the net profits received during 2016.
c) Appointing the fund's external auditing firm from a shortlist proposed by the Oversight Committee of firms registered for that purpose with the CMF.
d) Electing the members of the Oversight Committee and approving its income and expense budget.
e) Agreeing in general on any matter of common interest to the investors that does not require an extraordinary meeting.

H) On May 9, 2017, the CEO of AGF Security reported as an essential event that the investors of the investment funds Security Oaktree Opportunities-Debt II, Oaktree Opportunities-Debt, Debt Opportunities, Security Princial, Opportunities Fund VII and Ifund Msci Brazil Small Cap Index held ordinary and extraordinary meetings on May 24, 2017, in order to vote on the following matters:

1) Ordinary Meeting:

a) Approving the fund's annual report as presented by the Fund Manager regarding the fund's management and administration and to approve the corresponding financial statements.



b) Electing the members of the Oversight Committee and set its compensation.
c) Approving the expense budget for the Oversight Committee.
d) Appointing the fund's external auditing firm from among those registered for that purpose with the CMF.
e) Voting on the appointment of independent consultants to appraise the fund's investments.
f) Any matter of common interest to the investors that does not require an extraordinary meeting.

2) Extraordinary Meeting:

a) Approving amendments to the current wording of the fund's charter regarding Section VII. "Corporate Governance Standard"
b) Voting on a reduction of the fund's capital in conformity with Section X, number II., point 2.2. of its internal regulations.
c) Adopting any other agreements necessary to implement the decisions made at the meeting.

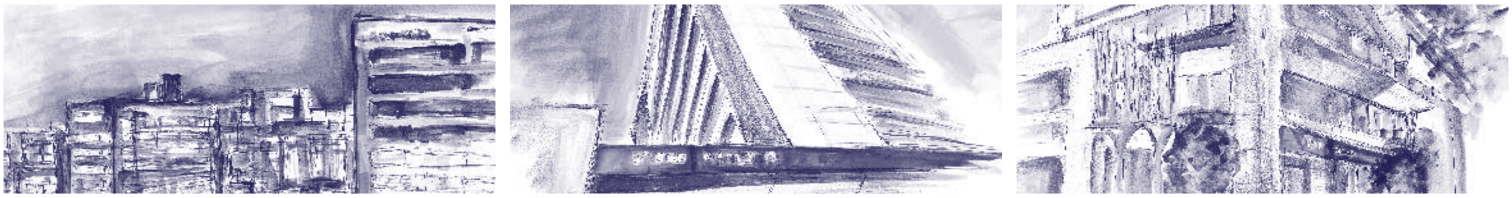
I) On May 17, 2017, the CEO of AGF Security reported as an essential event that the investors of the investment funds Security III, Security Capital Preferente, Security Capital Preferente II, Security Oaktree Opportunities-Debt, Security Oaktree Real Estate Opportunities Fund VII, Security Principal, Oaktree Opportunities-Debt II, Security Oaktree Debt Opportunities and iFund MSCI Brazil Small Cap Index held ordinary meetings on May 16, 2017, and made the following agreements:

a) To approve the fund's financial statements and annual report for the year ended December 31, 2016.
b) To elect the members of the Oversight Committee.
c) To approve the income and expense budget for the Oversight Committee.
d) To designate Deloitte Auditores y Consultores Limitada as the fund's external auditor for the year ended December 31, 2017.
e) To designate companies as independent consultants to appraise the fund's investments.

J) On June 1, 2017, the CEO of AGF Security communicated a dividend payment for the investment fund Security Renta Fija Nacional for a total of CH$387,149,229 charged to net profits received for the year 2016, distributed proportionally to the investors in conformity with Law 20,712, article 18 and Law 18,045, articles 9 and 10. The amount represents 30% of net profits.

K) On June 21, 2017, the CEO of AGF Security communicated a dividend payment for the investment fund Security Principal for a total of US$405,223.97 charged to net profits received for the year 2016, distributed proportionally to the investors in conformity with Law 20,712, article 18 and Law 18,045, articles 9 and 10. The amount represents 30% of net profits.

L) On June 22, 2017, the CEO of AGF Security communicated a dividend payment for the investment fund Security Fixed Income Latam for a total of US$204,275.49 charged to net profits received for the year 2016, distributed proportionally to the investors in conformity with Law 20,712, article 18 and Law 18,045, articles 9 and 10. The amount represents 30% of net profits.



SECURITIZADORA SECURITY S.A.

A) On March 8, 2016, the Company reported that at an extraordinary shareholders' meeting on that same date convened as established in article 60 of Law No. 18,046 on Corporations, the shareholders unanimously agreed, among other matters, and subject to CMF approval, to increase the Company's capital from CH$2,438,070,951 divided into 5,498 registered, single-series, common shares with no par value to CH$3,468,182,754, divided into a total of 10,337 registered, single-series, common shares with no par value by issuing, through a rights issue of 4,839 new registered, common shares with no par value of the same existing series, which shall be issued, subscribed and paid in within a period of three years from the date of the shareholders' meeting.

B) On April 14, 2016, the Board agreed to call an annual shareholders' meeting for April 29, 2016, to address the following matters:

1) Approval of the annual report, statement of financial position and financial statements as of and for the year ended December 31, 2015, and the independent auditors' report
2) Profit distribution and dividend payments for the year
3) Reelection of the Company's Board
4) Board fees for the year 2016
5) Appointment of the Company's external auditors
6) Information on related party transactions in conformity with art. 44 and 93y and section XVI of Law No. 18,046 of the Corporations Law
7) Appointment of newspaper for legal publications.
8) All other matters that should be addressed at an annual general shareholders' meeting according to law.

C) At a board meeting on May 27, 2016, Francisco Silva Silva was elected chairman.

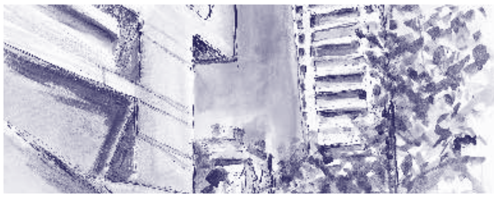
D) At an annual general shareholders' meeting held April 28, 2017, the shareholders agreed the following:

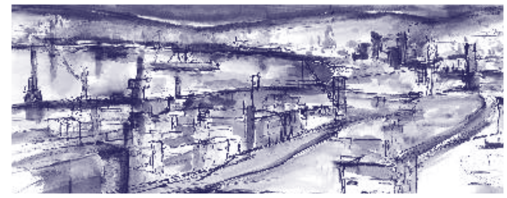
1) To approve the annual report, statement of financial position and financial statements as of and for the year ended December 31, 2015, and the independent auditors' report
2) Profit distribution and dividend payments for the year
3) Board fees for the year 2017
4) To appoint Deloitte as the Company's external auditors
5) To approve information on related party transactions in conformity with articles 44 and 93 and section XVI of Law No. 18,046 of the Corporations Law
6) Appointment of newspaper for legal publications
7) All other matters that should be addressed at an annual general shareholders' meeting according to law.

INMOBILIARIA CASANUESTRA S.A.

A) In an extraordinary shareholders' meeting on March 8, 2016, the shareholders unanimously agreed the following:

a) To expand the company's corporate purpose, incorporating primary or master management services for portfolios of loans, real estate or other types of assets; advisory services for granting, operating and managing loans and financial structuring,





including the design and execution of operational and commercial processes for loans and financing transactions; advisory services and technical, administrative, accounting, financial and technological support, and in general all other services commonly known as back office; and

b) To increase the company's capital from CH$750,000,000 to CH$1,651,341,786 by issuing 95,694 new registered, single-series, common shares with no par value through a rights issue, fully subscribed by both shareholders prorated based on their shareholdings, which must be paid in within three years of the date of the meeting.

B) On April 14, 2016, it was agreed to call an annual shareholders' meeting for April 29, 2016, to address the following matters:

1) Approval of the annual report, statement of financial position and financial statements as of and for the year ended December 31, 2015, and the independent auditors' report.
2) Profit distribution and dividend payments for the year.
3) Reelection of the Company's Board.
4) Board fees for the year 2016.
5) Appointment of the Company's external auditors.
6) Information on related party transactions in conformity with art. 44 of Law No. 18,046 of the Corporations Law.
7) Appointment of newspaper for legal publications.
8) All other matters that should be addressed at an annual general shareholders' meeting according to law.

C) At an extraordinary shareholders' meeting on June 16, 2016, the shareholders unanimously agreed to amend the corporate bylaws in order to set forth that the company's Board must meet on a quarterly basis.

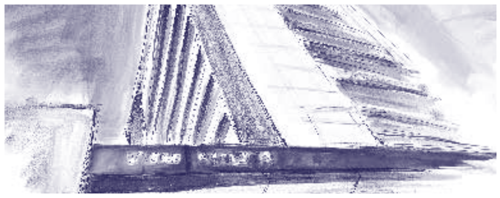
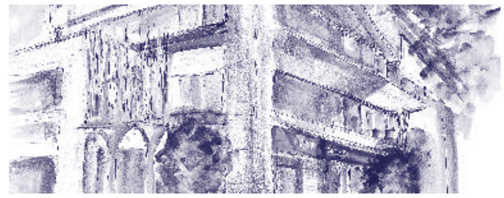
HIPOTECARIA SECURITY PRINCIPAL S.A.

A) On August 1, 2017, the CEO reported as an essential event that on July 26, 2017, the Board received a letter of resignation from the director Martín Mujica Ossandon and appointed the alternate director Maria Eugenia Norambuena Bucher to replace him.

FACTORING SECURITY S.A.

A) On August 24, 2017, the CEO reported as an essential event that at a board meeting on that same date, the directors in attendance unanimously agreed to approve the issuance and registration in the CMF Securities Registry of a line of 10-year bearer bonds for a maximum of UF 3,000,000. The bonds issued as part of this line may be placed in the general market and will be dematerialized, bearer bonds. Other characteristics can be agreed upon with the future bondholders' representative in the respective issuance contract for the line and its complementary instruments.

At the same meeting, the Board also agreed to proceed with the first issuance charged to the bond line as soon as it was registered in the CMF Securities Registry and that the characteristics, terms and conditions will be defined in the respective complementary instruments.

NOTE 40 - SUBSEQUENT EVENTS

Between January 1, 2018, and the date of issuance of these financial statements (March 1, 2018), there have been no subsequent events that significantly affect the presentation and/or results of the financial statements.

NOTE 41 - APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors in an ordinary meeting on Thursday, March 1, 2018.

COMPANY IDENTIFICATION

GRUPO SECURITY
Publicly traded corporation.
Taxpayer ID: 96.604.380-6
Avda. Apoquindo 3150, Piso 15,
Las Condes, Santiago
TELEPHONE: (56-2) 2 584 4000
FAX: (56-2) 2 584 4035
MAIL: grupo@security.cl

CONTACT FOR INVESTORS
Marcela Villafaña, Head of Investor Relations
Telephone: (56-2) 2 584 4540
E-mail: relacioninversionistas@security.cl

Grupo Security is a holding company
that offers a broad range of financial services in
Chile and abroad.

GRUPO security