



2018

ANNUAL REPORT

GRUPO security

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OUR COMPANY

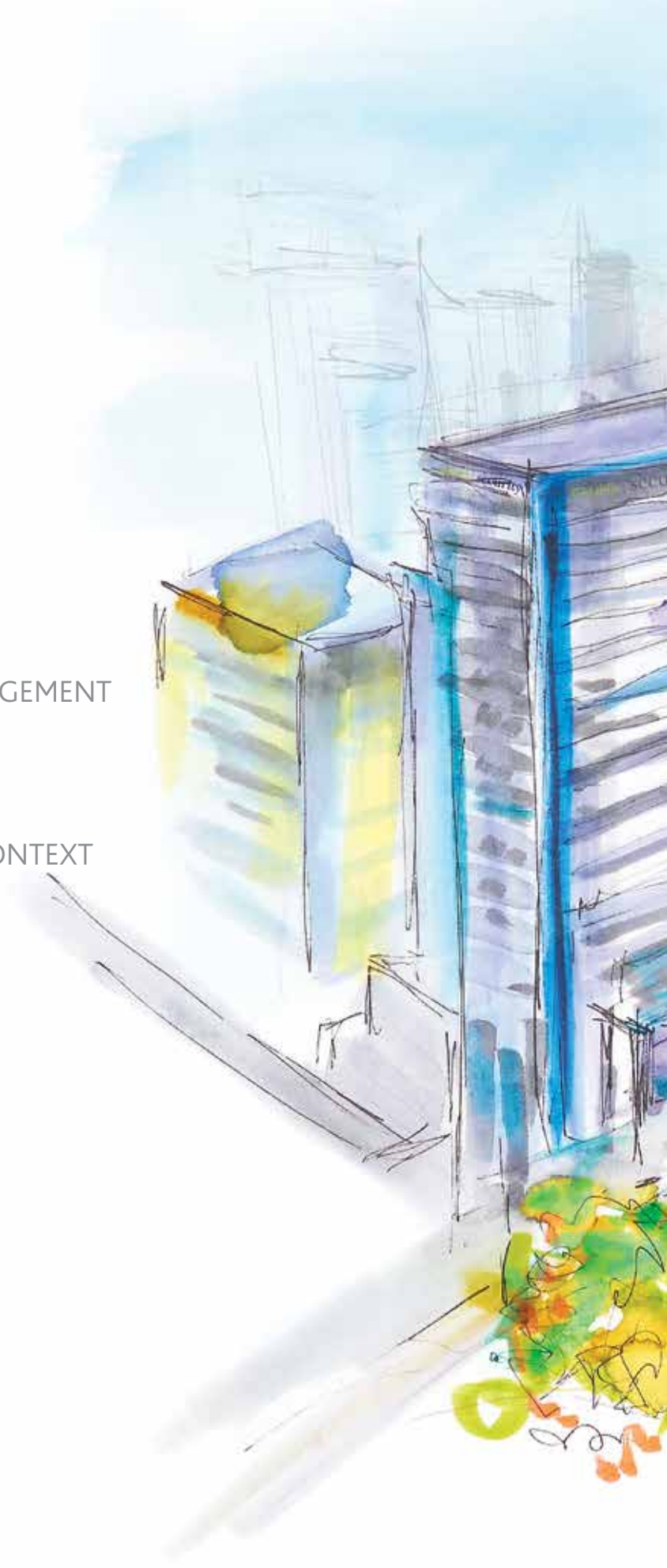
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01

OUR
COMPANY

Our primary competitive advantage stems from the synergy of conducts based on Grupo Security's values.







LETTER FROM THE CHAIRMAN

DEAR SHAREHOLDERS:

It is my pleasure to present Grupo Security's annual report for the year 2018.

The year was characterized by a profound political change in Chile, accompanied by a new impetus that put our economy back on its feet and overcame four years of low growth and falling investment. However, the external situation was severely affected by the trade war between the United States and China, with the consequent threats to global growth and harmony. All this brought instability and significant volatility to the markets.

Despite this, Chile's economic recovery has been even better than expected in late 2017, and culminated with annual GDP growth of 4%. Accordingly, Chile is leaving behind the strong stagnation of previous years, and has found a new opportunity to resume its development.

Everything suggests that economic recovery is underway, prospects are favorable and risks are balanced, as indicated by the International Monetary Fund at the end of the year.

At Grupo Security, we are excited about the opportunity to participate and play a leading role in the country's economic growth as a way to improve quality of life and wellbeing for all people. We are also keeping a close watch on new business opportunities that will help reposition Chile on the threshold of becoming a developed country.

We are also attentive to economic development in Peru, where we have insurance and travel businesses that we hope to continue to strengthening. In 2018 the Peruvian economy expanded almost 4%, which contributed to the rise in raw material prices and countercyclical fiscal and monetary policies implemented by authorities. The country also managed to overcome a political crisis triggered by the resignation of its president on March 21, 2018.

NEW MILESTONES FOR GRUPO SECURITY

For Grupo Security, last year brought notable accomplishments that demonstrated the progress our businesses have made and the development achieved by our diverse subsidiaries.

Some included celebrations to commemorate the 90th anniversary of Vida Security, founded in 1928 as Seguros La Previsión to serve

the family protection and annuity needs of Chileans. This company, a pioneer in its industry, joined our group in 1995 and it has honored its founders throughout its long history by continuing to be a leader in the insurance market.

As both people and a pleasant, safe working environment are very important to Grupo Security, we place our employees at the center of the business. This was reflected in our third place position in the Great Place to Work ranking for the eighteenth consecutive year for Grupo Security, making us one of the best companies to work for in Chile. This distinction has been achieved by all our employees, and demonstrates the sustained commitment to balancing work and family life over the years that we have participated in this study.

We are convinced that our teams are one of the strongest components of our identity. Therefore, their satisfaction is radiated in their behavior and customer approach, by transmitting the values that move us: familiarity, transparency and professionalism.

As a result of our efforts, we also received the IMPULSA Prize, a distinction awarded by the ChileMujeres Foundation, PwC Chile and La Tercera Pulso to companies who promote employing women in Chile. The award recognized us as the best company in the Banking and Financial Services sector, highlighting our workforce of 64% women.

We also made significant progress in digitalizing our business during the year, which will have a favorable impact on the growth and development of Grupo Security's businesses. This is an irreversible process, which challenges our growth.

In order to strengthen and incorporate new investor segments, especially foreign investors, into our shareholder base, in March we complete a successful placement of 71,769,048 shares (part of the remainder of the capital increase from August 2017), through an order book auction, raising more than US\$33 million. Demand was high, at US\$297 million, equivalent to 9 times the offering, with a cut-off price of CH\$290 per share. We were pleasantly surprised by the interest from investors, which confirms the market's trust in our business model and our companies' good growth prospects in a context of stronger economic and commercial activity.

Inversiones Security earned several asset management awards, including first place in Chile in the "Capital Markets Company of the Year" and "Investment Management Company of the Year"



→ PROFIT FOR 2018

MCH\$80,548

categories, presented by The European at the Global Business & Finance Awards 2018.

Last year in Peru we completed a corporate restructuring of Protecta Compañía de Seguros, which is now controlled by Security Internacional SpA. We also carried out two capital increases for a total of US\$ 21 million to strengthen the insurance company's business plan, which calls for strong growth in annuities.

As a result of these actions, we moved forward to consolidate Security Internacional, the holding under which we hope to group all life insurance and travel operations in Peru as well as new business lines added in the future.

2018 RESULTS

As of year end, our Group had 3,939 employees, more than US\$20 billion in assets under management and market capitalization of US\$1,545 million. In 2018, it reported profit for the year of CH\$80,548 million, exhibiting YoY growth of 7.8%. Therefore, the results obtained by our group were in line with our expectations and all Group companies performed well.

Generally speaking, the results were driven by Banco Security's earnings of CH\$72,656 million, including subsidiaries. Loans grew 10.4% for the year. The Bank also achieved efficiency of 47.76% as of the end of the year.

Similarly, Vida Security reported profit of CH\$30,159 million for the year 2018. This result includes a loss of -CH\$4,276 million for Protecta for the ten months ended in October and a gain of CH\$12,157 million from the transfer of Protecta to Security Internacional.

Factoring Security earned profit of CH\$8,155 million, 8.7% higher than the previous year, and had factored receivables of CH\$360,251 million, 18.4% higher than 2018.

The travel agency Travel Security recorded profit of CH\$3,752 million with sales of US\$268 million, up 1.1% from 2017. Corredora de Seguros Security earned profit of CH\$504 million, 4% higher than in 2018. Inmobiliaria Security posted a loss of CH\$232 million because the company was in an investment cycle. Profits from these investments will be seen in the next few years.

Inversiones Security reported profit of CH\$10,715 million, up 11.2% from last year. This growth is due mainly to Securitizadora Security, which achieved profit of CH\$2,004 million, far greater than last year's figure of CH\$872 million as a result of placing new securitized mortgage-backed bonds (residential), originated directly or indirectly by Inmobiliaria Casanuestra S.A., an entity that belongs to Grupo Security.

In 2018 the Group reported EBITDA of CH\$130,430 million, representing an increase of 7.0% over 2017. Return on average equity (ROAE) reached 11.2% as of year end.

In addition to these strong results, Security's stock was included on the MSCI Chile Small Cap index and relisted on the S&P/CLX IPSA index, which debuted last September on Santiago Exchange to replace the IPSA, bringing together the most representative stocks from the different sectors that trade on the Chilean stock exchange.

All this, without a doubt, is a result of our sustained effort to improve the stock's depth and liquidity, incorporating new local and foreign investors. It also reflects work done to provide quality information to the market and the close relationship we have with our investors.

We are convinced that we are in a good position to forecast sustained growth for Grupo Security over the long term. Our objectives have always been to provide an excellent service experience for each customer, to develop our employees in a working environment that values the capabilities and commitment of each individual and to build businesses that take advantage of every opportunity to add value for our shareholders.

I would like to thank our shareholders for their ongoing support for the projects we have undertaken.

We will continue contributing from our sector to help Chile to continue to progress and reinforce its needed growth.

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: FECU CMF



CONSOLIDATED FINANCIAL STATEMENTS GRUPO SECURITY SUMMARIZED

FIGURES IN MILLIONS OF CHILEAN PESOS

STATEMENT OF FINANCIAL POSITION	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	9,944,416
Total non-current assets	205,325	221,710	235,689	426,190	566,945	608,622	585,719	511,230	598,272
TOTAL ASSETS	4,173,242	4,974,611	5,417,186	6,796,228	7,668,844	8,608,450	9,327,945	9,796,599	10,542,688
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	9,118,439
Total non-current liabilities	284,440	274,901	318,914	405,500	533,833	516,021	686,737	636,144	675,208
TOTAL LIABILITIES	3,866,903	4,594,706	5,015,262	6,322,994	7,137,809	8,037,173	8,722,229	9,074,073	9,793,647
Equity attributable to owners of the parent	300,641	376,742	397,790	467,004	522,718	551,653	585,628	704,910	728,495
Non-controlling interests	5,699	3,163	4,134	6,230	8,317	19,624	20,087	17,616	20,545
Total equity	306,340	379,905	401,924	473,234	531,035	571,277	605,715	722,526	749,040
TOTAL LIABILITIES AND EQUITY	4,173,243	4,974,611	5,417,186	6,796,228	7,668,844	8,608,450	9,327,945	9,796,599	10,542,688

STATEMENT OF INCOME	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue	348,044	436,553	584,193	710,361	808,422	848,633	1,026,690	1,177,768	1,024,138
Cost of sales	-199,319	-274,766	-389,761	-511,620	-556,117	-585,492	-700,949	-839,571	-673,105
Gross profit	148,725	161,787	194,431	198,741	252,304	263,141	325,741	338,197	351,034
Other income	1,281	5,047	7,809	6,000	1,790	2,142	2,777	4,252	4,685
Administrative expenses	-86,934	-93,962	-127,412	-154,805	-153,775	-179,333	-219,682	-215,483	-216,962
Other expenses	-18,059	-16,701	-18,393	-11,211	-16,077	-15,337	-27,594	-8,561	-7,565
Other gains	2,366	4,385	1,760	2,655	5,576	10,005	3,014	5,457	1,742
Net operating income	47,378	60,556	58,195	41,380	89,817	80,617	84,255	123,863	132,934
Finance income	0	0	0	18	84	0	0	0	13
Finance costs	-4,122	-4,449	-4,950	-9,965	-12,729	-13,139	-13,473	-13,110	-14,837
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	-1,775
Exchange differences	4,583	-2,680	5,749	30,373	12,906	24,443	-9,110	-4,926	1,222
Gain (loss) on indexed assets and liabilities	-1,980	-6,462	-2,256	-80	-12,866	-13,811	5,695	-4,179	-10,399
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	734
Profit before tax	49,183	49,978	57,258	62,152	79,254	79,940	88,952	99,684	107,891
Income tax expense	-7,327	-7,662	-10,103	-11,181	-16,284	-13,338	-13,866	-25,971	-24,733
Profit from continuing operations	41,856	42,316	47,155	50,971	62,970	66,602	75,086	73,712	83,159
Profit from discontinued operations	0	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	83,159
Profit attributable to owners of the parent	40,852	41,883	46,561	49,843	61,010	65,022	74,522	74,708	80,548
Profit (loss) attributable to non-controlling interests	1,004	433	594	1,128	1,960	1,580	563	-996	2,610
Profit for the year	41,856	42,316	47,155	50,971	62,970	66,602	75,086	73,712	83,159

TOTAL STANDALONE DEBT / EQUITY (TIMES)	0.31	0.25	0.26	0.37	0.36	0.35	0.36	0.29	0.34
Number of shares (in millions)	2,550	2,882	2,882	3,184	3,232	3,258	3,258	3,683	3,695
Earnings per share	16.0	14.5	16.2	15.7	18.9	20.0	22.9	21.7	21.8
Return on average equity	13.9%	12.4%	12.0%	11.5%	12.3%	12.1%	13.1%	11.6%	11.2%

SOURCE: FINANCIAL STATEMENTS / CMF



HISTORY

1981

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

1987

Security Pacific Corporation, a subsidiary of Los Angeles, California-based Security Pacific National Bank, created Agencia de Valores Corredora de Bolsa, a third-party stock brokerage firm.

Security Pacific Corporation purchased 100% of Banco Urquijo de Chile's share capital, renaming the bank Banco Security Pacific.

1990

Leasing Security was created, and later joined Banco Security in April 2001.

1991

Security Pacific Overseas Corporation sold 60% of the Bank's share capital to Grupo Security's current shareholders, who changed the Bank's name to Banco Security.

Agencia de Valores Corredora de Bolsa became a Banco Security subsidiary, changing its name to Valores Security Corredora de Bolsa. Thus was born Grupo Security.

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 40% 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

The Group changed its corporate image and the company Securitizadora Security joined the Group.

1998

The Group sold its interest in AFP Protección.

Previsión Vida and Previsión Generales insurance companies were transferred to the parent company, Inversiones Seguros Security Limitada.



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 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

Through an alliance with American Express, Travel Security was awarded exclusive representation of the world's largest travel agency in Chile.

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.

2014 CONTINUED

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

Valores Security Corredores de Bolsa merged with Cruz del Sur Corredora de Bolsa.

The Group acquired 61% of Compañía de Seguros Protecta in Peru.

2016

Penta AGF and Penta Corredora de Bolsa merged with the Bank's fund management and brokerage subsidiaries.

Minority holding in Penta Security Seguros Generales sold 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.

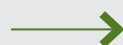
2017

Capital increase was completed, raising CH\$93,424 million or 97.3% of the offering.

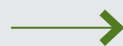


MILESTONES IN 2018

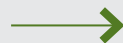
GRUPO security



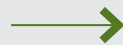
UF 1.5 million in bonds were successfully placed.



More than US\$33 million was raised through an order book auction. Foreign investors were awarded 20% of the offering.



Protecta Compañía de Seguros was restructured and is now controlled by Security Internacional SpA.



Grupo Security's stock was included on the MSCI Chile Small Cap Index, favoring the stock's liquidity and helping attract new local and foreign shareholders into the Group's shareholder base.



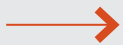
BANCO security



Banco Security participated in long-term financing of 11 photovoltaic power plants for CVE Chile and several small solar power projects for Total Solar, for a total of US\$37 million. This project helped establish the Bank as an industry model for financing non-conventional renewable energy projects.

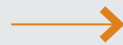
PROTECTA security

COMPAÑÍA DE SEGUROS

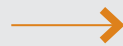


The Group carried out several capital increases for a total of 70 million soles to fortify Protecta's business plan, which calls for strong growth in annuities in the Peruvian market.

VIDA security



Vida Security celebrated its 90th anniversary in business and its 23rd year as part of Grupo Security.



Seguros Vida Security Previsión carried out a capital increase of CH\$172,456,826,729, by issuing 100,100,000 new shares, which must be issued, subscribed and paid within three years of the extraordinary shareholders' meeting on December 18, 2017.



GRUPO SECURITY - PROFILE

LENDING AREA



BANCO SECURITY



FACTORING SECURITY



CH\$72,122

MILLION

PROFIT FOR THE YEAR 2018



62%

OF PROFIT 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\$10,715

MILLION

PROFIT FOR THE YEAR 2018



9%

OF PROFIT FROM GRUPO SECURITY
RELATED COMPANIES



INSURANCE AREA



VIDA SECURITY



INSURANCE BROKERAGE



EUROP ASSISTANCE



HIPOTECARIA SECURITY
PRINCIPAL



CH\$30,440

MILLION

PROFIT FOR THE YEAR 2018



26%

OF PROFIT FROM GRUPO SECURITY
RELATED COMPANIES

SERVICES AREA



TRAVEL SECURITY



INMOBILIARIA SECURITY



CH\$2,457

MILLION

PROFIT FOR THE YEAR 2018



2%

OF PROFIT FROM GRUPO SECURITY
RELATED COMPANIES

INTERNATIONAL BUSINESS AREA



PROTECTA COMPAÑÍA DE
SEGUROS



TRAVEX



CH\$1,429

MILLION

PROFIT FOR THE YEAR 2018



1%

OF PROFIT FROM GRUPO SECURITY
RELATED COMPANIES



INTERNATIONAL CONSOLIDATION



PROGRESS IN PERU

In recent years, while continuing to grow in the Chilean financial market, Grupo Security set for itself the long-term challenge of expanding its business model to other parts of Latin America. Peru's proximity to Chile, similar regulations and its enormous growth potential were determining factors to begin to explore opportunities in the neighboring country. In 2012, Travex Security, a travel agency focused on corporate clients, was added to the Group. After that, in 2015, Grupo Security acquired the insurance company Protecta (today Protecta Security), marking Security's entrance into the Peruvian financial industry.

In 2018, Protecta Security reported 56.6% growth in annuity sales, with premiums of 279 million soles and 8.5% return on its investment portfolio. In line with the development expected for the pension business over the next few years, the company is projecting important growth in annuities and, therefore, has injected 70 million soles of capital into Protecta.

In November 2018, Vida Security's 61% interest in Protecta Security was transferred to the holding company, Security Internacional, which is owned by Grupo Security. The objective of this restructuring is to group all current and future operations in Peru under Security Internacional, replicating the structure used in Chile.



PRESENCE IN HONG KONG

In 2014 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 2018, the Group's presence in Hong Kong helped broaden the network of contacts in the private sector, in chambers of commerce and in government, thereby reinforcing the company's ability to support customers' international expansion, foreign trade and investment deals.

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 THE VALUES OF ITS CORPORATE CULTURE—TRANSPARENCY, FAMILIARITY, PROFESSIONALISM AND BALANCE BETWEEN WORK, FAMILY AND PERSONAL LIFE—AT ALL OPERATIONS.

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.



THE PATH TO BECOMING AN INTERNATIONAL COMPANY



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.



2018

PERU



BRAND LAUNCH—PROTECTA SECURITY



CAPITAL INCREASE IN PROTECTA SECURITY



ANNUITY SALES OF 279 MILLION SOLES, 20% OF MARKET

HONG KONG



CREATED LATLINKS



PARTICIPATED IN PROMOTIONAL INITIATIVES AND COMMERCIAL EXCHANGES AT FAIRS AND EVENTS: CHILEWEEK AND QUINGDAO.



CULTIVATED RELATIONSHIPS WITH ASSOCIATIONS AND GROUPS IN CHILE THAT REPRESENT AND LOCALLY PROMOTE INTERNATIONAL ORGANIZATIONS.



BOARD OF DIRECTORS



FRANCISCO SILVA SILVA
CHAIRMAN

Civil Engineering,
Pontificia Universidad Católica de Chile
Engineering, Stanford University
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

Business
Administration
Chilean National ID: 7.639.707-4



NAOSHI MATSUMOTO
TAKAHASHI

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Pontificia Universidad Católica de Chile
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HORACIO PAVEZ
GARCÍA

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Universidad Federico Santa María
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PAVEZ RECARTE

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Massachusetts Institute of Technology
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BRUNO PHILIPPI
IRRARRÁZABAL

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Stanford University
Ph.D. Engineering-Economic Systems,
Stanford University
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ANA SAÍNEZ DE VICUÑA
BEMBERG

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MARIO WEIFFENBACH
OYARZÚN

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MANAGEMENT AND SENIOR EXECUTIVES



CHIEF EXECUTIVE OFFICER

RENATO PEÑAFIEL MUÑOZ

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CORPORATE MARKETING AND QUALITY MANAGER

ALEJANDRA ZEGERS CORREA

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Pontificia Universidad Católica de Chile
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at Universidad de los Andes
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CONTROLLER AND BUSINESS RISK MANAGER

**ALFONSO VERDUGO RAMÍREZ
DE ARELLANO**

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ASSET MANAGEMENT AREA MANAGER

CARLOS BUDGE CARVALLO

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CORPORATE CHIEF ACCOUNTING MANAGER

RODRIGO CARVACHO CONTRERAS

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Universidad Adolfo Ibáñez
Masters in Tax Management,
Universidad Adolfo Ibáñez
Master in International Finance,
Spanish Institute of Financial Analysts
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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
Pontificia Universidad Católica de Chile
Chilean National ID: 5.360.901-5



PLANNING AND DEVELOPMENT MANAGER

FERNANDO SALINAS PINTO

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and Master of Business Administration,
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Stanford Executive Program,
Stanford University
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DIGITAL BUSINESS DEVELOPMENT MANAGER

EDUARDO OLIVARES VELOSO

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Universidad Adolfo Ibáñez
Master of Business Administration,
The Tuck School of Business at Dartmouth.
Chilean National ID: 9.017.530-0



CHIEF ECONOMIST

FELIPE HERNÁN JAQUE SARRO

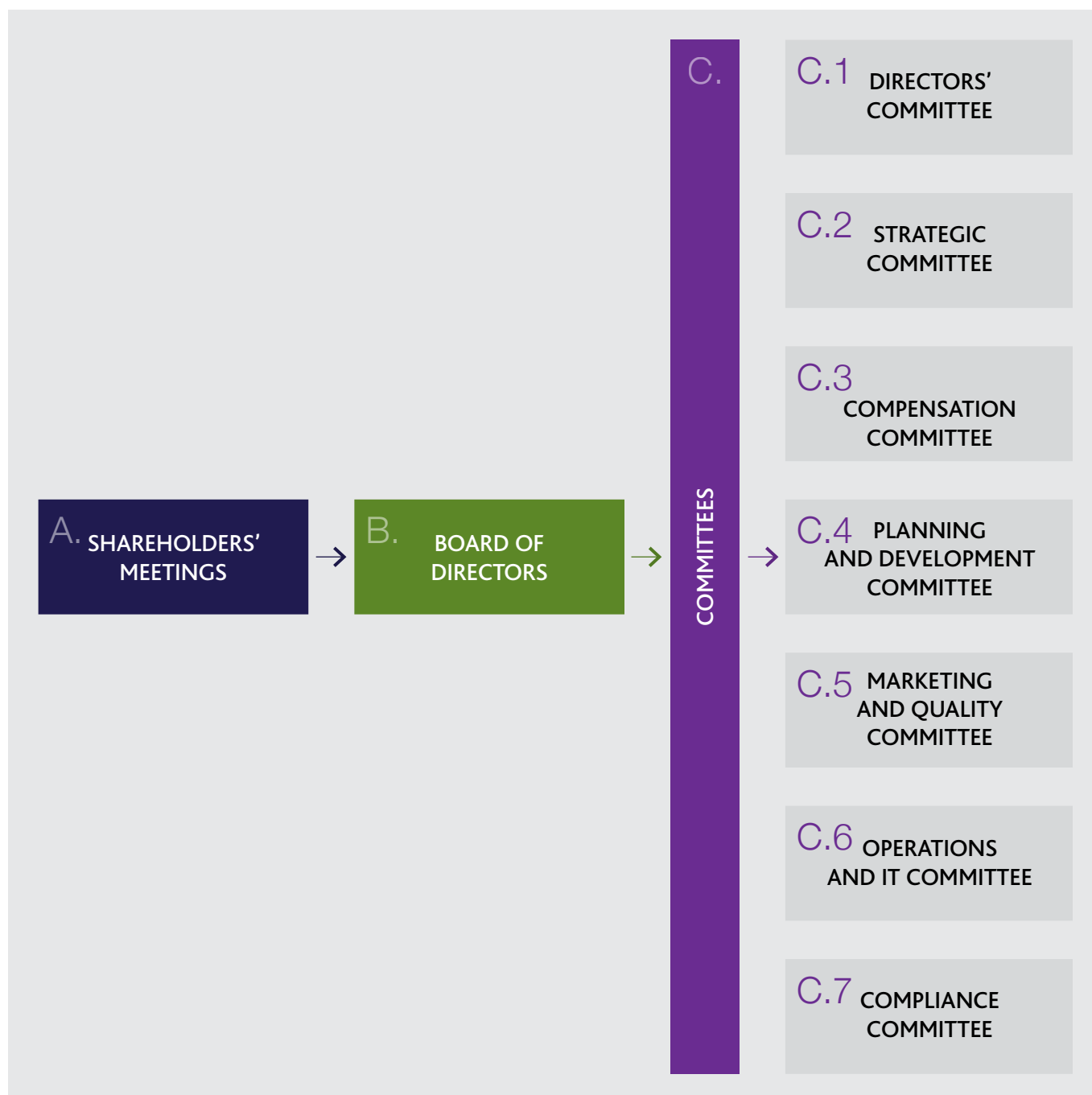
Business Administration,
Universidad de Chile
Master of Science, Economics and
Finance, Warwick University, U.K.
Chilean National ID: 10.577.183-5

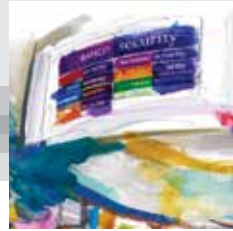


CORPORATE GOVERNANCE

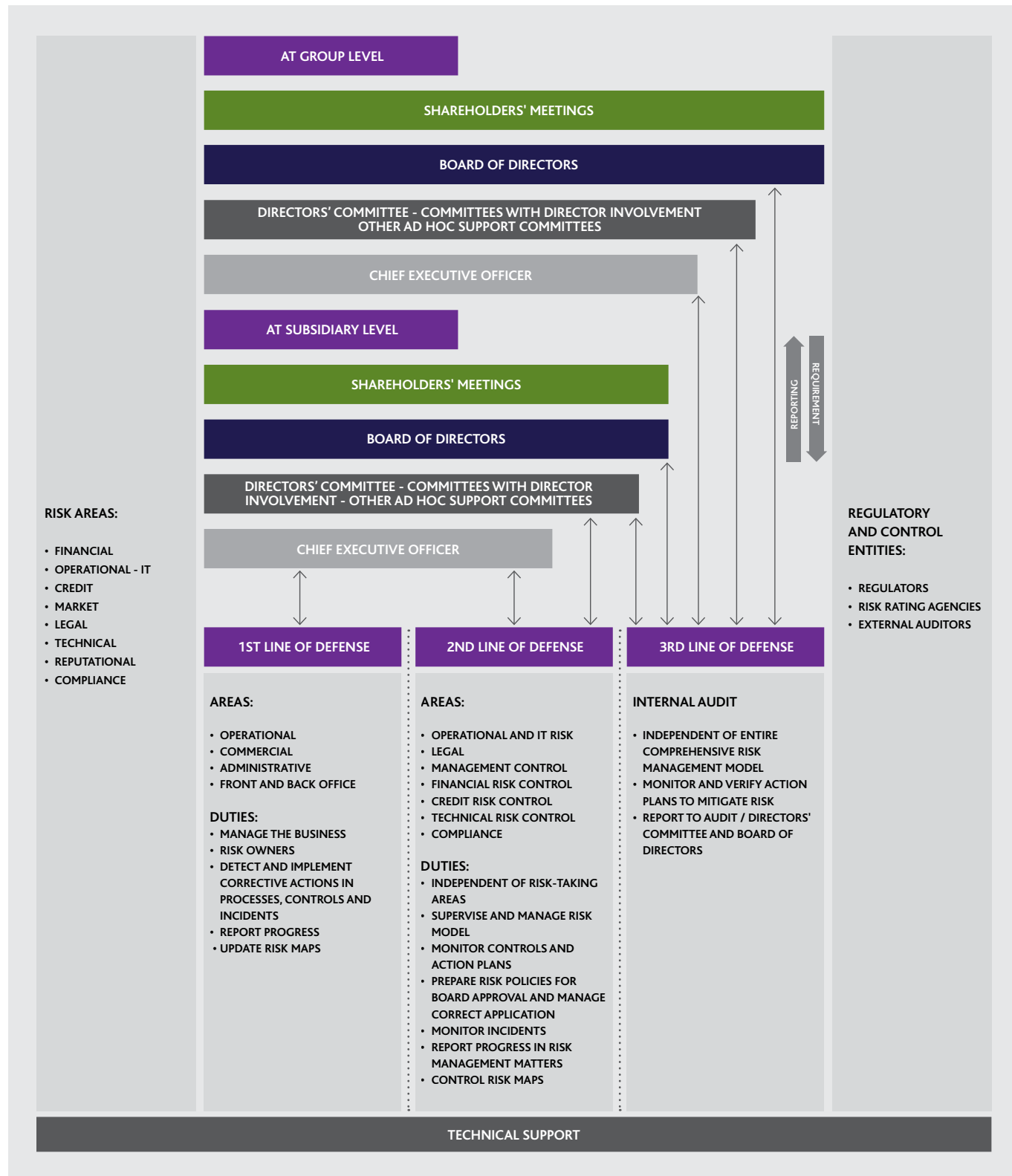
Corporate governance is designed to ensure that the activities undertaken by the Group's companies are consistent with its business strategy, institutional values and risk tolerance and aversion, and to add value to the Company through self-regulation and regulatory compliance.

CORPORATE GOVERNANCE





CORPORATE GOVERNANCE BASED ON COMPREHENSIVE RISK MANAGEMENT AT GRUPO SECURITY





A. SHAREHOLDERS' MEETINGS

In accordance with Chile's Corporations Law, shareholders' meetings provide the highest level of corporate governance. The last annual general shareholders' meeting took place on April 12, 2018.

MAIN AGREEMENTS

- Approved the annual report and financial statements for 2017, including the independent auditors' report for that year.
- Determined profit distribution and dividend payments.
- Approved dividend policies.
- Set Board compensation for 2018.
- Reviewed Directors' Committee activities, performance and expenses during 2017.
- Set Directors' Committee compensation and approved its 2018 budget.
- Reviewed Board expenses for 2017.
- 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..

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 14 regular meetings and four extraordinary meetings in 2018, where they discussed business performance issues.

MAIN ACTIVITIES IN 2018

- 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 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 2018 expense budget.
- 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.
- Reviewed the matters addressed by the Directors' Committee during 2018, as well as the Directors' Committee's Annual Management Report for 2017.
- Approved 2018 budget.
- Reviewed global and local macroeconomic reports.
- Approved the corporate governance self-assessment report, in accordance with General Standard 385 issued by the SVS (currently CMF).
- Reviewed correspondence received from SVS (currently CMF).
- Reviewed the status of compliance with the internal auditing plan for the year 2017 for the Group and its subsidiaries.
- Approved the annual auditing plan for 2018 for the Group and its subsidiaries.
- Reviewed the status of compliance with the internal auditing plan for the year 2018 for the Group and its subsidiaries.
- Approved capital increases by subsidiaries.
- 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 three years the following board members served on the Directors' Committee:

- Hernán de las Heras Marín,
independent director (appointed on 05/16/13)
- Jorge Eduardo Marín Correa (appointed on 05/16/2013)
- Horacio Pavez García (appointed on 04/28/2016)

MAIN 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, 2017. 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 2018 from the following audit firms: (a) Deloitte; (b) KPMG; (c) PwC and (d) EY. These firms are among the most important audit firms in both the international and local markets. After evaluating the proposals received from Deloitte, Price, KPMG and EY, the committee agreed to propose to the Board of Directors, for it to in turn propose to shareholders at the annual general shareholders' meeting, Deloitte as its first option as external auditors for Grupo Security and subsidiaries for 2018, and KPMG as its second option.

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 2017 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 2018 for the Group and its Subsidiaries.
 6. Reviewed and approved the Annual Internal Auditing Plan for the year 2018 for the Group and its Subsidiaries, its main scope and risk approaches.
 7. Reviewed the Annual External Auditing Plan for 2018 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, 2018, the Interim review report as of June 30, 2018, and other reports such as: the Provision Adequacy Report (methodology and calculations), the Report on Chapter 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 2018, all with a risk-based approach.



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. Regularly reviewed the most important operational, technological, compliance and credit risks as identified through comprehensive risk management and implemented at each subsidiary.
10. Periodically reviewed loss events and claims reported by the Group's various companies.
11. Regularly reviewed compliance with annual internal auditing plan for 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.
12. 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 2017" questionnaire referred to in General Standard 385 issued by the SVS (presently CMF).
13. Reviewed Operational and Cybersecurity Incidents that occurred at other local banks.
14. Reviewed the Consolidated Statements of Financial Position for Grupo Security S.A. and subsidiaries as of and for the period ended June 30, 2018, 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.
15. Reviewed the implementation and training schedule for the updated version of the Code of Conduct.

16. Reviewed compensation and incentive plans in place for Grupo Security managers, key executives and other employees.
17. Examined the Management Report issued by external auditors Deloitte on November 29, 2018, which includes observations on the Group and its subsidiaries arising as part of the financial statement audit as of December 31, 2018.
18. 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.
19. Other topics of interest to the committee and matters regarding internal auditing.
20. The committee did not make any recommendations to the shareholders.

COMPENSATION AND EXPENSES

COMPENSATION FOR ATTENDANCE

UF15, budgeting for 12 meetings per year. This per-meeting compensation has not changed over the last three years.

2018 BUDGET:

UF 1,100

NUMBER OF MEETINGS:

12

EXPENSES

This committee did not incur any administrative or consulting expenses in 2018.



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.

DUTIES

- 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 2018, 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

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

DUTIES

- Examine the compensation systems and plans for 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.

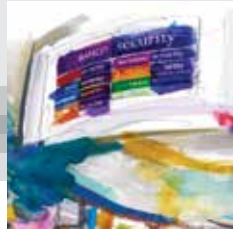


C.4 PLANNING AND DEVELOPMENT COMMITTEE

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

DUTIES

- 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 control and customer experience activities, based on metrics that are monitored through committees. It meets every three months.

DUTIES

- Define and monitor company plans, and verify their alignment with corporate objectives and strategy regarding marketing, quality and business intelligence.
- 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.
- Protect the Security brand in each subsidiary.



C.6 OPERATIONS AND IT COMMITTEE

This committee fulfills a key role in defining and implementing operational and IT processes.

DUTIES

- Plan and monitor operating and technological issues.
- Review operational and technological continuity.
- Analyze, plan and evaluate 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 Group companies and representatives from the Corporate Compliance Department.

DUTIES

- 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.

DUTIES

Ensure compliance with strategic growth and development objectives. He is directly involved in the financial and commercial management of the business areas and participates in meetings of 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, the Planning and Control Manager and representatives from the corporate services divisions. They meet on a quarterly basis, to monitor each unit's plans and ensure that services are provided efficiently.



PLANNING AND DEVELOPMENT DIVISION

DUTIES

- Establish guidelines for corporate commercial and financial management for Grupo Security companies as well as strategic business plan development.
- 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.
- Support and monitor Group companies to ensure they provide customers with comprehensive service that exceeds expectations and sets the Group apart for its quality, thereby generating loyalty and building a brand with recognized market value.



CORPORATE CULTURE DIVISION

DUTIES

- Maintain and foster an organizational culture that inspires employees to put the Group's values into practice on a daily basis and guarantees the availability of human capital to ensure compliance with the Group's corporate strategy.
- Contribute to the good labor practices that make Grupo Security a great place to work and earned it 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.



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.



DIGITAL BUSINESS DEVELOPMENT DIVISION

DUTIES

- Lead digital strategies on a corporate level and coordinate efforts by the Group and its subsidiaries to strengthen digital business in line with changes in the industry, the general economy and customer behavior.
- Drive implementation of work methodologies that use technology and information to relate more effectively to our customers in order to continue to improve their experience.



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 (Law 19,913, No. 2).



02 BRAND, CULTURE AND ENGAGEMENT

*Our focus on balancing work,
family and personal life has made us one
of the best companies to work for in Chile.*







BRAND, CULTURE AND ENGAGEMENT

At Grupo Security, the organization's brand, culture and stakeholder engagement efforts are key to successfully developing its strategy.

Brand is a type of capital focused on generating knowledge in business areas. Every team member plays an important role in building the brand by providing excellent service.




The corporate culture is a key component of building a strong identity, backed by clear and consistent values that transcend the market and society.

THE SECURITY CULTURE

People are the spirit behind Grupo Security's identity and service offering. The Company's values—familiarity, transparency and professionalism—are present at all levels throughout the organization through conduct and attitudes that demonstrate a sound, distinctive culture based on four pillars.

In harmony with the needs of the modern world, the Company has developed sustained practices to encourage balance between work, family and personal life. As a result of these efforts, it has been ranked among the best companies to work for in Chile for the past 18 years.

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 motivated 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 RELATIONSHIPS

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



3,939

PEOPLE WORK AT
THE GRUPO SECURITY COMPANIES
(INCLUDES COMPANIES IN PERU)



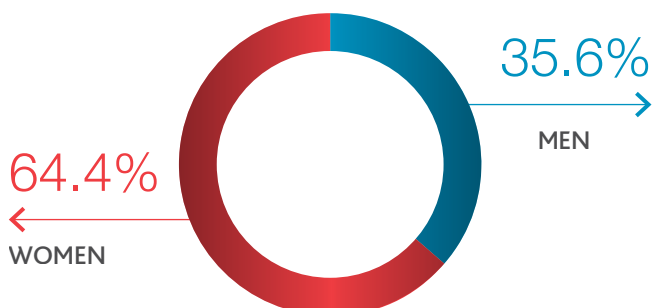
2,535

ARE WOMEN



1,404

ARE MEN



SKILL DEVELOPMENT



In its ongoing quest to improve processes and achieve its strategic objectives, Grupo Security considers people the cornerstone of its success.

Therefore, the Company has designed Excellence Programs for its employees that are designed to boost their professional and personal development and align them with the Company's strategic objectives, fortifying talent and guaranteeing the best growth opportunities.

Worth highlighting among the Excellence Programs is the "Security Leadership Program", which focuses on the attributes of a Security Leader. This program promotes and strengthens our corporate values—familiarity, transparency and professionalism—in the organization's daily practices. It consists of training for managers, deputy managers and supervisors divided into two phases. The first phase focuses on understanding and expanding the profile of the Security Leader and his or her role as an advocate of the Security Culture. The second phase prepares supervisors to lead by example, reinforcing the strategic objectives of their areas and the business with a focus on the role of the change leader and team developer, integrating tools that help them fulfill this role on a daily basis.

The "Commercial Excellence and Service Quality Program" is another unique excellence program that aims to provide in-depth knowledge and development of commercial management skills while maximizing a customer service focus among Group employees in direct contact with the market.

Innovation and collaboration are also considered catalysts that contribute to the organization and personal growth. Therefore, the Company fosters participation and innovative thinking, generating work spaces to share knowledge and ideas and resolve business challenges, always focused on customers and their experience with Grupo Security. To this end, it encourages different areas to work together, examining issues from diverse perspectives.



BENEFITS OF BALANCE



GRADUAL RETURN

During the first four weeks following their legal maternity leave, mothers can leave work at 4 p.m., regardless of the type of maternity leave they have chosen. Full salary is paid during leave.



CHILD CARE

Day care funding for all mothers or, alternatively, a bonus to hire a child care assistant to care for the child at home until two years of age.



BIRTH BONUS

The Company provides a birth bonus for every child born to an employee.



ADDITIONAL VACATION DAYS

Extra vacation days are given during high and low seasons to encourage employees to take more than 10 vacations days in a row given the proven health benefits of extended breaks.



"24 HOURS FOR YOU"

Employees can take 24 hours per year to do something that is important to them. This is in addition to vacation time.



DAY OFF FOR DEGREE EXAM

Anyone taking a licensing or degree exam or defending a thesis to earn an academic title or degree is given a day off.

PROMOTING GOOD BALANCE PRACTICES



The Center for Work and Family at the ESE Business School at Universidad de los Andes works to foster a business culture that favors the integration and harmonization of work and family life. It seeks to strengthen the family as an institution and enrich business activity in Chilean society as well as to become the main point of reference in Chile for Corporate Family Responsibility.

Grupo Security and its leaders sponsor the center and participate actively in its activities.



HEALTH AND SUSTAINABILITY

The program “Yo Elijo Salud y Sustentabilidad” (I Choose Health and Sustainability), encourages healthy living, building awareness of the importance of caring for the environment and supporting the community so that its employees are drivers and leaders of change among their family members and close friends. Some of the main initiatives include:

HEALTH FAIR	SECURITY SPORTS	FINANCIAL AND RETIREMENT EDUCATIONAL PROGRAM	
→ Medical testing and specialty consultations (dentistry, ophthalmology, physical therapy, nutrition, etc.).	→ A variety of tournaments and sporting events are organized throughout the year to encourage healthy lifestyles among employees.	→ Throughout the year, we organize talks and individual advising for employees.	
PARENTING SCHOOL	FUN FRIDAYS	EXERCISE BREAKS	SNACK FOR EXPECTANT MOTHERS
→ Talks that provide tools and advice to reinforce family values.	→ Healthy snack on the last Friday of the month and an activity to break up the routine.	→ Once a week employees can participate in exercise breaks at work.	→ Twice a month, all expectant mothers registered on the corporate Intranet receive a delicious, healthy snack.

THE ENVIRONMENT

Grupo Security helps care for the environment by saving and efficiently using energy.

For the sixth year in a row, Grupo Security measured the carbon footprint of its year-end celebration and neutralized the event by buying forest bonds.

It also used environmentally friendly technologies to construct the Vida Security building (12,544 m² 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 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

Grupo Security engages with the community through different volunteer opportunities in which employees can participate.

BUILDING PLAYGROUNDS



In 2018, 180 employees, their families and neighbors helped build a playground in the district of La Florida (Plaza 7 de Diciembre). The Company has taken part in this activity since 2013 in partnership with Fundación Mi Parque.



FUNDACIÓN LAS ROSAS



Grupo Security sponsors the foundation's home in Lampa, where a group of employees goes each month to visit elderly residents and do a recreational activity with them. There are also special winter and Christmas drives.



ASSISTANCE FOR FUNDACIÓN IGLESIA QUE SUFRE



Each year, Grupo Security donates Christmas gifts purchased by employees and their families to this foundation.



BRAND

Consistency between the Security culture and our brand is fundamental and aims to establish long-term relationships with employees and customers.

The slogan "Where there's a will; there's a way" empowers employees in their respective roles and motivates them towards excellence in everything they do. This is a key component of the "virtuous cycle of service quality," since people contribute this differentiating attribute of our brand.

The Group's role is to position the brand from an emotional perspective, while each individual company is tasked with conveying its respective value proposition. This strategy has built a brand around the concept of helping people accomplish their projects, transforming their "will" into a "way" throughout the different stages of life.

2018 CAMPAIGNS

The Group's TV campaign featured José Pedro "Chapa" Fuenzalida, captain of the Universidad Católica soccer team and a member of the Chilean National Team. With determination, this athlete has come to be well-liked and respected by many Chileans. The first commercial focused on his motivation, effort and discipline to achieve athletic goals. The second showed a more day-to-day side, as a professional and father, dealing with different issues. The common message in both ads was how Grupo Security companies offer solutions for peoples' different needs at certain times in their lives.



A second initiative targeted at a younger audience is being developed on digital media with the culinary blogger, Felipe Sánchez. Here the different Group companies and their products accompany him on a trip around the world to create a sandwich guidebook.





1,200

CUSTOMERS

ATTENDED GRUPO SECURITY EVENTS



95.2%

AVERAGE SCORE

EARNED BY GRUPO SECURITY EVENTS

EVENT

In keeping with tradition, in 2018 the Group invited customers to a variety of exclusive events to thank them for their loyalty and preference.

SECURITY ECONOMIC SEMINAR



An opportunity to analyze the domestic and international economies that aims to contribute to local debate from a propositive perspective. In 2018, speakers included renowned economist Ricardo Caballero and senator and economist Felipe Kast, who attracted a record crowd.



SECURITY MOVIE TOUR



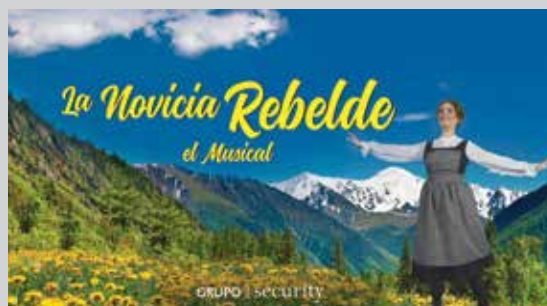
A new version of Security Movietour took place this summer, showing a variety of entertaining movies for the entire family on an outdoor screen at different vacation spots throughout Chile.



MUSICALS



During the year, different events were put on for customers, including the musicals "Mamma Mia" and "Sound of Music", a show by comedian Stefan Kramer and an unforgettable concert of Christmas carols.





EXCELLENCE FOR CUSTOMERS

Grupo Security applies an excellence management model based on the design of the Chilean National Excellence Management Award and the Quality Model from the Iberoamerican Quality Award (FUNDIBEQ). Through this model, it looks to maintain and cultivate long-term relationships with customers that are profitable and sustainable for shareholders.

PILLARS OF THE MODEL

LEADERSHIP →

ACTIONS BY SENIOR MANAGEMENT WITH A FOCUS ON CUSTOMERS.

STRATEGY →

DEFINITION OF PLANS TO IMPROVE THE SERVICE EXPERIENCE AND THE BUSINESS MODEL OF EACH COMPANY.

PROCESSES →

ALIGNMENT OF CUSTOMER-FOCUSED PROCESSES FOR BOTH CRITICAL AND SUPPORT PROCESSES.

CUSTOMERS →

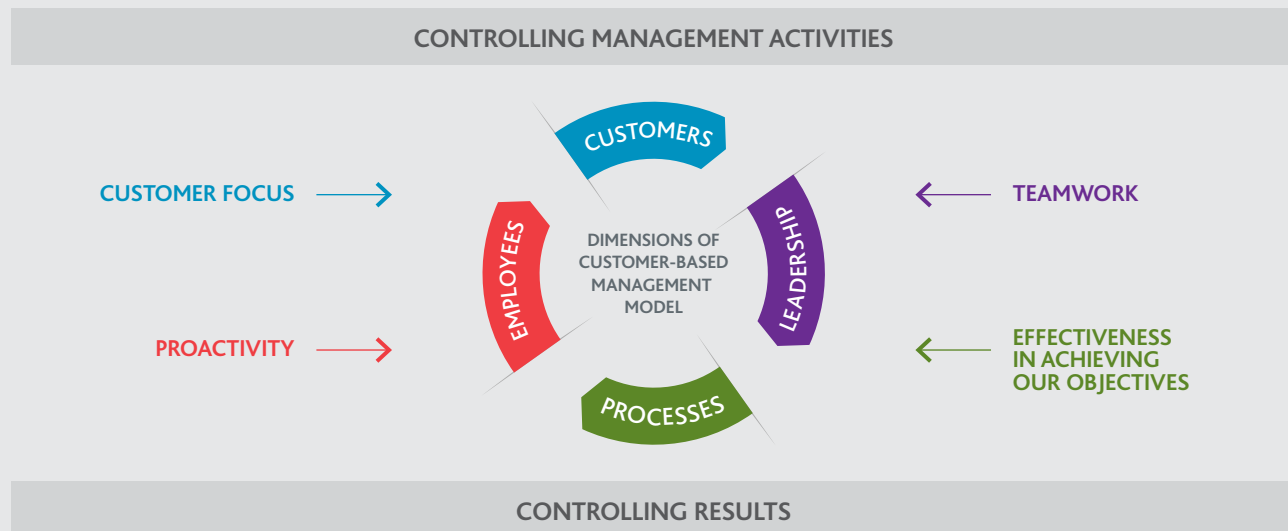
CUSTOMER KNOWLEDGE, MEASUREMENTS OF EXPERIENCE AND SATISFACTION WITH PRODUCTS, SERVICE AND COMPANIES. CREATION AND UPDATING OF VALUE PROPOSITION. COMPARISON WITH RELEVANT COMPETITION AND THE INDUSTRY, SEARCHING FOR BEST PRACTICES IN OTHER SECTORS THAT CAN BE APPLIED TO THE REALITY OF EACH GROUP COMPANY.



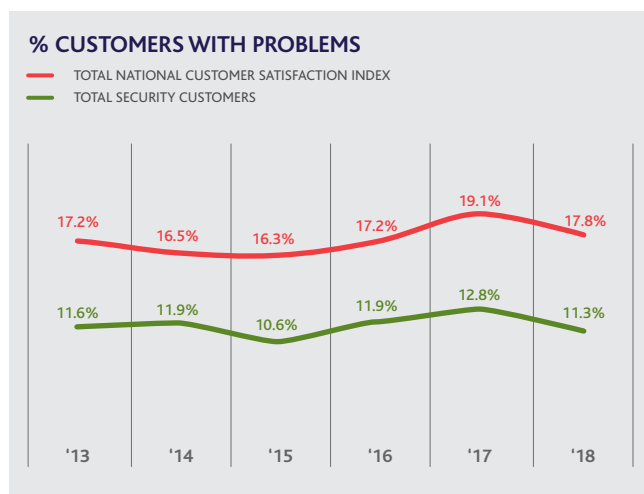
SATISFACTION RESULTS

The following results are attributed mainly to an increase in satisfaction with: the Bank (Commercial Division), the asset management subsidiary (Inversiones), the insurance brokerage subsidiary (Corredora de Seguros) and Travel Security.

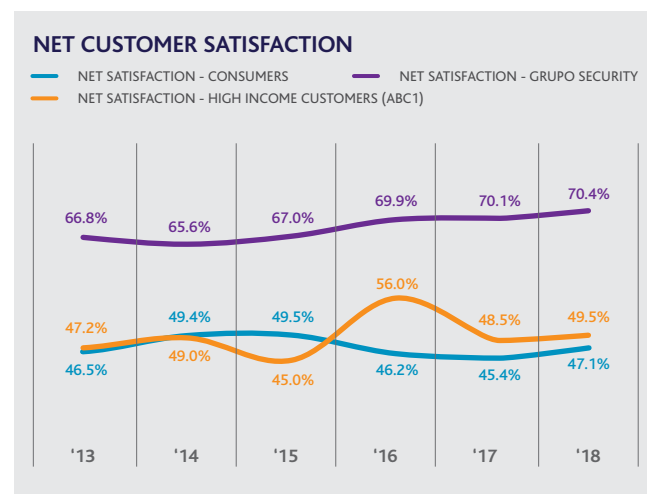
QUALITY MANAGEMENT MODEL



This management system aims to achieve service excellence. It is also a tool for evaluating the current level of quality management and determining how far it is from excellence, which areas should be strengthened and which should be improved.



SOURCE: RESULTS FROM PROCALIDAD, INSC 1H2018
GRUPO SECURITY SATISFACTION SURVEY, FOLLOW-UP 2018



SOURCE: RESULTS FROM PROCALIDAD, INSC 1H2018
GRUPO SECURITY SATISFACTION SURVEY, FOLLOW-UP 2018



RECOGNITION

THIRD BEST COMPANY TO WORK FOR IN CHILE



Once again, Grupo Security was included in the Great Place to Work ranking of the best companies to work for in Chile, moving up four positions since last year to third place.

This recognition is the result of a strategy and organizational culture that values the comprehensive development of people. This new award fills us with pride and motivates us to continue fostering the Security values.



IMPULSA AWARDS 2018



Grupo Security was distinguished as the best company in the Banking and Financial Services sector with the Impulsa Award 2018. This award is presented by Fundación Chile Mujeres, PwC Chile and Pulso. It is the very first prize in Chile that rewards businesses for promoting employment for women in Chile and recognizes the organization's ongoing concern for the Group's female employees.





AWARDS FOR INVERSIONES SECURITY



The year 2018 was a record year for Inversiones Security, which received several national and international awards. These included awards earned by our wealth management area, such as Best Wealth Management Company Chile 2018 and Best Private Bank in Chile.

Our fund management area was also recognized in The European Global Business & Finance Awards 2018 as Investment Management Company of the Year Chile 2018 and Capital Markets Company of the Year Chile 2018. It also received several national accolades this year such as: Salmon Award 2018; APV Salmon Award 2018, Morningstar Fund Awards 2018 and Fund Pro Platinum Performance Awards 2018.

THE
EUROPEAN

FUNDPRO
LATIN AMERICA

MORNINGSTAR
Awards
2018



PREMIO
SALMÓN
2018
EVAINDICES

PREMIO
SALMÓN
APV 2018
EVAINDICES

WORLD
FINANCE
BANKING
AWARDS
2018

BEST PLACE TO LIVE



Inmobiliaria Security was distinguished with the Best Place to Live certification given by TGA based on a customer satisfaction survey of over 60 real estate developers regarding the product and service customers received.

Earning this type of recognition acknowledges our effort to have happy customers that value our work and product, which translates into good experiences. In short, the company has managed to satisfy customer expectations.





03

ECONOMIC AND
FINANCIAL
CONTEXT

*We are inspired by the chance to participate in
and play a leading role in the economic growth
of our country.*







OVERVIEW

The year 2018 was characterized by considerable economic and financial uncertainty. This was due to a number of factors beginning to take shape that pushed volatility indicators upwards. Global growth was losing strength, although the U.S. had a relatively better performance, and in a context of excess demand the Federal Reserve continued to trigger increases in interest rates. This context of moderation in global growth expectations, and similarly in corporate profits, and an appreciating U.S. dollar that created a poor outlook for emerging economies, was exacerbated by the escalation of a trade war between the two global powers, the U.S. and China.

A variable that reflected this rise in uncertainty was the currency volatility index, which almost doubled from its position at the beginning of the year. The U.S. dollar closed the year 4.4% above developed currencies (measured by the DXY index) and 10.7% above a basket of emerging currencies (EMCI index). This drove down raw material prices. Copper fell by 10.4% during the course of the year, although the WTI crude oil price rose by 27% (albeit with higher volatility, as it started at US\$60, rose to US\$75 in the third quarter and then fell to US\$45 by the end of the year), which together generated a deterioration of 2.1% in terms of trade. Finally, global equities also performed poorly, with an 11% drop measured by the global MSCI index.

The Federal Reserve continued to slowly but steadily withdraw monetary stimulus, moving very gradually to a more restrictive policy in line with the upturn in the U.S. economy, leading to less favorable external financial conditions.

GLOBAL GROWTH

Global GDP grew by 3.6% in 2018, with a very similar context to the previous year when it expanded by 3.7%. Developed countries grew by 2.2% (2.3% in 2017), while emerging economies grew by 4.6% (4.7% in 2017).

DEVELOPED NATIONS

The United States grew by 2.2% in 2017 and by 2.9% in 2018, driven by strong private consumption (which was up 2.6%), which arose from a strong labor market and significant growth in non-residential industrial investment, which grew by 7%. This was largely due to tax cuts, which had greater effects than anticipated.

The Eurozone moderated its pace of growth with GDP growing by 1.8%, below the 2017 figure of 2.5%, which was even more pronounced than expected. This is partially explained by monetary policy becoming slightly less expansionary. However, it continued to grow above potential (1% - 1.5%). Confidence indicators that had reached very high levels at the beginning of 2018 then eased over subsequent months. Furthermore, the region is not oblivious to greater aversion to global risk, reflected in the 17% drop in stock markets, as measured by the MSCI Europe index.

EMERGING NATIONS

During 2018, China was more of a protagonist than usual, given its size in the world economy. Despite GDP growth in line with expectations at 6.6%, the signs of a deeper moderation in its



economy triggered a rise in global uncertainty, which increased during the year as the trade conflict with the U.S. escalated. This was reflected in its stock market, which declined 20% in the year.

GDP for Latin America grew at a similar rate to the previous year of 1% and 1.2%, respectively, but with differences in composition. Peru and Chile accelerated their pace of expansion, while Mexico and Brazil maintained an increase of 2% and 1.1%, respectively, while Argentina grew by 2.9% in 2017 then contracted by 2.6% in 2018.

EQUITY AND DEBT MARKETS

This backdrop of a stronger U.S. dollar and greater uncertainty resulted in widespread losses among risky assets. As already mentioned, the global stock market fell by 11% in U.S. dollar terms, measured by the MSCI index. Emerging nations reported an decrease of 17% while in developed nations the fall was 10%.

Within emerging nations, China reported a fall of 20% and Chile 21%, while Latin America recorded a fall of 9%, due to improved relative performance from Brazil with a fall of 4%, as a result of idiosyncratic factors such as improved expectations following the inauguration of a new government. Within developed nations, U.S. shares fell by 6%, although this was substantially less than falls registered in the Eurozone of 19% and Japan 15%.

This lower risk appetite was also reflected in the bond market where U.S. bonds with higher risk (high yield) fell 2.1% and the most secure (high grade) dropped 0.5%. Sovereign bonds from emerging countries (EMBI) fell by 4.6%, while corporate bonds (CEMBI) declined by 1.2%.

GLOBAL GDP (% CHANGE)

→ 2018 3.6%

→ 2017 3.7%

U.S. GDP (% CHANGE)

→ 2018 2.9%

→ 2017 2.2%

EUROZONE GDP (% CHANGE)

→ 2018 1.8%

→ 2017 2.5%

LATIN AMERICAN GDP (% CHANGE)

→ 2018 1.0%

→ 2017 1.2%



CHILE

This was a year of moderate optimism for Chile, since its economic recovery was even better than expected, but the deteriorating global outlook eroded expectations. In fact, GDP growth reached 4%, which was well above the 3% expected at the end of 2017. The indicators of economic expectations for consumers and business reached a peak during the first half of 2018 and then moderated over subsequent months, as the global outlook deteriorated.

This good performance was caused by accelerating investment, partially as a result of expectations from the new government, and continuing dynamism within private consumption. In the third quarter of 2018 there were specific factors that undermined economic performance, mainly in manufacturing and mining, but these partially reversed in the last quarter of the year.

SPENDING

Domestic demand grew by 4.7% during the year, which was driven by private consumption with a 4% increase, while investment reversed four consecutive years of contraction and expanded by 4.7%, also above expectations at the beginning of the year. There was also evidence of accumulating inventory, contributing almost 0.8 percentage points to growth.

GROWTH BY INDUSTRY

Every economic sector increased with respect to 2017. Industries with particularly strong performances include

agriculture with 5.8%, fisheries with 5.2%, mining with 5.2% and electric power with 5%. Despite this good economic performance, job creation rose slowly at 1.4%, which was less than the 2% achieved in the previous year, and resulted in a slight increase in the average unemployment rate from 6.7% to 7%. However, the composition of employment was better than 2017, as the creation of salaried jobs accelerated from 0.9% in 2017 to 2%, while self-employment moderated from 5.2% to 0.9% in the same period.

FOREIGN TRADE

Exports totaled US\$75.5 billion, an increase over the US\$68.9 billion exported in 2017. Practically half of these exports were copper shipments, totaling US\$36.4 billion. Export volumes increased by 5%, with similar behavior from copper at 5.2% compared to other products at 4.8%. Imports totaled US\$ 70.8 billion, driven by a 29% rise in fuel imports including oil, followed by capital assets at 12.5% and consumer goods at 8.9%. Total import volumes rose 7.6%. Therefore, the year-end balance of trade was US\$4.7 billion. After the negative GDP balance in 2017 of 2.8%, the fiscal result for the year closed with a deficit of 1.7% of GDP, as a result of greater economic dynamism and the rise in copper prices, which increased tax revenue and offset higher government spending.

PRICE INDEXES

Inflation remained stable throughout the year, fluctuating around the lower end of its target range of 2% to 4%, and



its acceleration from 2% to 3% over subsequent months was mainly due to an increase in the prices for volatile commodities such as food and energy, which tended to moderate towards the end of the year. Core inflation (IPCSAE), which excludes these components, increased very gradually from 1.6% at the beginning of 2018 to 2.3% in December. This was due to the gradual elimination of excess output in the economy. The CPI for tradables increased by 1.8% in the year, while the CPI for non-tradables reached 3.5%.

REFERENCE INTEREST RATES

As the economy was gradually recovering, the Chilean Central Bank maintained significant monetary stimulus for the majority of the year and, as the recovery became increasingly sustainable, it began to very cautiously withdraw its stimulus, with an increase of 25 basis points in October and a restrictive bias. Thus, the reference interest rate ended the year at 2.75%.

EXCHANGE RATES

Movements in exchange rates during 2018 flowed in two different directions. At first, global weakness in the U.S. dollar that began in 2017 continued, and the remaining currencies appreciated (the U.S. dollar/Chilean peso exchange rate reached \$585). But then increasing global uncertainty and Federal Reserve decisions reversed this trend and the U.S. dollar began to appreciate. The Chilean peso was no exception with its parity rising to about \$700 at year end, equivalent to depreciation of around 20%.

CHILEAN GDP (% CHANGE)

→ 2018 4.0%

→ 2017 1.3%

UNEMPLOYMENT RATE (%)

→ 2018 7.0%

→ 2017 6.7%

EXCHANGE RATE (Y/E CH\$/US\$)

→ 2018 696

→ 2017 615

ANNUAL INFLATION (%)

→ 2018 2.6%

→ 2017 2.3%



PERU

ACTIVITY

The economy grew by 4.4% during the first half of the year, and then moderated in the third quarter to 2.3%, due to tempering investment and falling commodity prices, coupled with greater uncertainty. However, it recovered in the fourth quarter, which led to GDP growth of 4% for the year as a whole. This good performance was due to recovering domestic demand, which grew at 4.4% in 2018 following only 1.4% in 2017, with its main components accelerating their pace of growth, specifically private consumption from 2.5% to 3.7%, private investment from 0.2% to 4.7% and public investment from -2.3% to 10%.

BALANCE OF TRADE

The trade balance reached a surplus of US\$7 billion in 2018. This was due to exports increasing by 8% to US\$48.9 billion, while imports increased by 8% to US\$41.9 billion. Terms of trade remained practically stable in 2018, as the rise in export prices of 6.3% was similar to that of imports at 6.5%. The current account deficit on the balance of payments was 2% of GDP in the year, in line with the average since 2006.

INFLATION

The inflation rate fell from 1.4% in December 2017 to 0.4% in the first quarter of 2018, and then began a gradual recovery to finish the year at 2.2%, which reversed the supply effects in the previous year. Inflation excluding food and energy remained at around 2% throughout the year. Both measures remained within their target range of 1% to 3%.

REFERENCE INTEREST RATES

The Peruvian Central Reserve Bank reduced the reference rate twice, in January and March 2018, to arrive at 2.75%, and it did not change for the remainder of the year. This delivered a stimulus to counteract moderation in the economy, while inflation remained under control at under 2% for most of the year, inflation expectations were stable and the output gap was negative.

EXCHANGE RATES

In line with trends in other Latin American currencies, the exchange rate depreciated 4% from 3.24 soles per dollar in late 2017 to 3.37 soles per dollar by the end of 2018. The Peruvian Central Reserve Bank used intervention instruments in the foreign exchange market, mainly in the second half of the year, to reduce volatility during this period.



MAIN ECONOMIC INDICATORS

MAIN ECONOMIC INDICATORS - CHILE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GDP (MUS\$)	173	219	252	267	278	261	244	250	278	298
GDP per Capita (US\$)	10,235	12,807	14,619	15,313	15,805	14,649	13,578	13,763	15,042	15,781
GDP (% change)	-1.6	5.8	6.1	5.3	4.0	1.8	2.3	1.7	1.3	4.0
Domestic Spending (% change)	-6.5	13.6	9.4	7.2	3.6	-0.5	2.5	1.8	2.9	4.7
Private Consumption	-0.9	10.7	8.2	6.1	4.6	2.7	2.1	2.6	3.0	4.0
Fixed Capital Investment	-13.3	13.1	16.1	11.3	3.3	-4.8	-0.3	-1.3	-2.7	4.7
Exports (% change, in real terms)	-4.2	2.3	5.5	0.4	3.3	0.3	-1.7	0.5	-1.1	5.0
Imports (% change, in real terms)	-16.6	-25.7	15.2	5.2	2.0	-6.5	-1.1	0.9	4.7	7.6
Global Growth PPP (%)	0.0	5.4	4.1	3.4	3.3	3.6	3.4	3.1	3.7	3.6
Copper Price (average US\$ /pound, in cents)	234	342	400	361	332	311	250	221	280	296
WTI Oil Price (average US\$/per barrel)	62	79	95	94	98	93	49	43	51	65
Federal Funds Rate (Y/E, %)	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.8	1.5	2.5
180-day LIBOR Rate (Y/E, %)	0.4	0.5	0.8	0.5	0.3	0.3	0.8	1.3	1.8	2.9
10-year U.S. Treasury Bonds (Y/E, %)	3.8	3.3	1.9	1.8	2.9	2.2	2.2	2.5	2.4	2.8
Euro (Y/E, US\$)	1.43	1.34	1.30	1.32	1.37	1.21	1.09	1.05	1.18	1.14
Yen (Y/E, ¥/US\$)	93	81	77	87	105	120	122	116	113	112
Balance of Trade (MUS\$)	15.3	15.9	10.8	2.6	2.0	6.5	3.4	4.9	7.4	4.7
Exports (MUS\$)	55.5	71.1	81.4	78.1	76.8	75.1	62.0	60.7	68.9	75.5
Imports (MUS\$)	40.1	55.2	70.7	75.5	74.8	68.6	58.6	55.9	61.5	70.8
Current Account (MUS\$)	3.2	3.1	-4.1	-10.5	-11.2	-4.3	-5.6	-4.0	-6.0	-9.2
Current Account (% of GDP)	1.9	1.4	-1.6	-3.9	-4.0	-1.6	-2.3	-1.6	-2.1	-3.1
Central Government Balance (% of GDP)	-4.3	-0.5	1.3	0.6	-0.6	-1.6	-2.1	-2.7	-2.8	-1.7
CPI Dec-Dec (%)	-1.4	3.0	4.4	1.5	3.0	4.6	4.4	2.7	2.3	2.6
Core CPI (CPIXfn) Dec-Dec (%)	-2.8	1.5	2.4	1.5	2.1	4.3	4.7	2.8	1.9	2.3
Chilean Central Bank International Inflation (% average)	-7.2	6.0	9.9	-0.2	0.4	-1.1	-9.8	-2.8	3.9	2.4
Monetary Policy Rate, TPM (Y/E, %, in CH\$)	0.5	3.3	5.3	5.0	4.5	3.0	3.5	3.5	2.5	2.8
BCP-10 365d Bonds (Y/E, % in CH\$)	6.4	6.1	5.3	5.6	5.2	4.4	4.7	4.4	4.7	4.4
BCU-10 365d Bonds (Y/E, % in UF)	3.3	2.9	2.7	2.6	2.2	1.5	1.6	1.5	1.9	1.6
Observed Exchange Rate (Y/E, Ch\$/US\$)	506	468	521	479	524	607	707	667	615	696
Observed Exchange Rate (average, Ch\$/US\$)	560	510	484	486	495	570	654	677	649	641
Job Growth (%)	0.1	7.4	5.0	1.9	2.1	1.5	1.6	1.1	2.0	1.4
Labor Force Growth (%)	1.9	4.2	3.8	1.1	1.6	2.0	1.4	1.4	2.2	1.7
Unemployment Rate (average %)	10.8	8.1	7.1	6.4	5.9	6.4	6.2	6.5	6.7	7.0
Salary Growth in Real Terms (average %)	3.8	2.2	2.6	3.3	3.9	2.2	1.9	1.5	2.5	2.0



04 OUR BUSINESS

Our professionalism is based on the fact that every person's work is key to providing excellent service.







GRUPO SECURITY RESULTS IN 2018

GRUPO SECURITY MAIN FIGURES

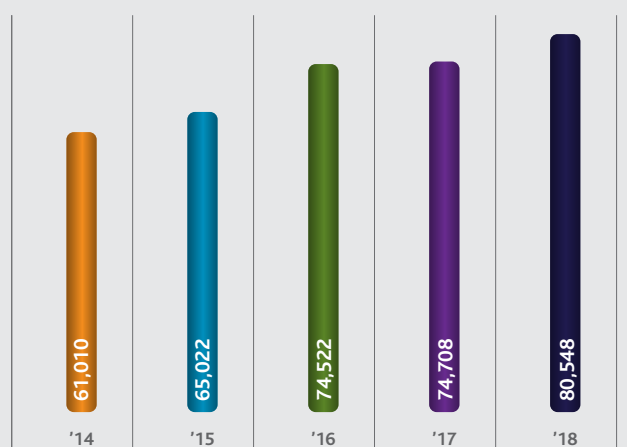
FIGURES IN MILLIONS OF NOMINAL CHILEAN PESOS

	2014	2015	2016	2017	2018
Equity attributable to owners of the parent	522,718	551,653	585,628	704,910	728,495
Return on average equity	12.3%	12.1%	13.1%	11.6%	11.2%

SOURCE: GRUPO SECURITY

PROFIT GRUPO SECURITY

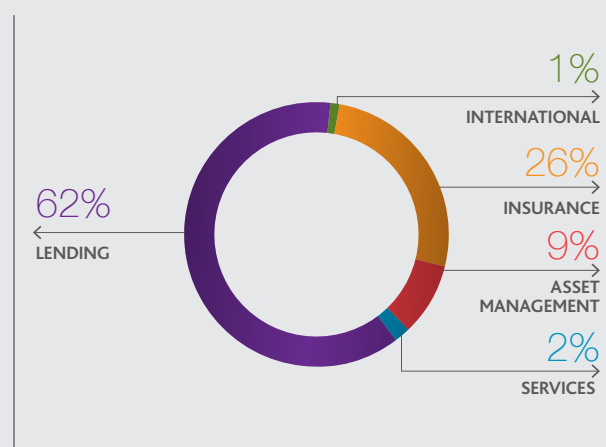
IN BILLIONS OF CH\$ (NOMINAL)



SOURCE: GRUPO SECURITY

PROFIT BY BUSINESS AREA

PERCENTAGE



SOURCE: GRUPO SECURITY

PROFIT BY BUSINESS AREA

IN MILLIONS OF CH\$ (NOMINAL)

	DEC-17	DEC-18	CHANGE % 18 / 17
Lending	61,390	72,122	17.5%
Asset Management	9,637	10,715	11.2%
Insurance	13,797	30,440	120.6%
Services	6,334	2,457	-61.2%
International	327	1,429	337.0%
TOTAL - BUSINESS AREAS	91,485	117,162	28.1%

→
CH\$117,162

RESULTS BY BUSINESS AREA
IN BILLIONS OF NOMINAL CHILEAN PESOS
TOTAL AS OF DECEMBER 2018

SOURCE: GRUPO SECURITY - EARNINGS REPORT, SEGMENT NOTE, FINANCIAL STATEMENTS THAT CONSIDER THE PERCENT OWNERSHIP OF EACH SUBSIDIARY AS WELL AS ADJUSTMENTS TO CONVERT PROTECTA'S ACCOUNTING FROM PERUVIAN GAAP TO IFRS FOR CONSOLIDATION BY GRUPO SECURITY.



PROFIT TRENDS BY BUSINESS AREA

IN MILLIONS OF CH\$ (NOMINAL)

	2014	2015	2016	2017	2018
Banco Security, Consolidated ¹	55,902	47,424	50,604	63,022	72,653
LENDING AREA					
Banco Security, Standalone	49,322	36,968	42,431	53,902	63,970
Factoring Security	7,444	7,002	7,303	7,502	8,155
ASSET MANAGEMENT AREA					
Valores Security	2,171	1,871	1,233	2,458	2,123
AGF Security	4,414	8,584	6,939	6,666	6,563
INSURANCE AREA					
Vida Security	26,793	27,659	21,911	13,258	30,159
Servicios Security ²	690	680	1,123	586	639
Penta-Security ³	1,165	632	18,979	0	0
SERVICES AREA					
Inmobiliaria Security	4,008	6,868	3,800	3,305	-232
Travel Security	3,671	4,002	4,220	4,050	3,752
INTERNATIONAL BUSINESS AREA					
Protecta Compañía de Seguros ⁴	128	2,411	998	1,069	580
Travex Security	527	835	283	593	626
GRUPO SECURITY	61,010	65,022	74,522	74,708	80,548

NOTE:

SUBSIDIARY EARNINGS CORRESPOND TO 100% OF THEIR PROFITS AND DIFFER FROM THOSE USED TO PREPARE THE SEGMENT NOTE, WHICH INCLUDES CONSOLIDATION ADJUSTMENTS TO ACCOUNT FOR GRUPO SECURITY'S PERCENT OWNERSHIP IN EACH OF ITS RESPECTIVE SUBSIDIARIES AND EXCLUDE ADJUSTMENTS TO CONVERT PROTECTA'S ACCOUNTING FROM PERUVIAN GAAP TO IFRS FOR CONSOLIDATION BY GRUPO SECURITY.

THE RESULTS OF PROTECTA COMPAÑÍA DE SEGUROS AND TRAVEX SECURITY WERE CONVERTED TO CHILEAN PESOS USING THE FOLLOWING EXCHANGE RATES: SOLES/US:3.373 CLP/US:695.69.

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

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

3.- THE FIGURE SHOWN HERE IS THE BEFORE-TAX GAIN ON THE SALE OF ITS MINORITY INTEREST IN THE COMPANY. THE AFTER-TAX GAIN WAS CH\$14,937 MILLION.

4.- GRUPO SECURITY ACQUIRED 61% OF COMPAÑÍA DE SEGUROS PROTECTA IN 2015.

RESULTS OF INTERNATIONAL BUSINESS AREA (THOUSANDS OF SOLES)					
Protecta Compañía de Seguros	620	11,691	4,839	5,182	2,810
Travex Security	2,553	4,047	1,370	2,877	3,034

SOURCE: GRUPO SECURITY



LENDING

BANKING INDUSTRY

LOANS

BANKING INDUSTRY LOANS

EXCLUDES LOANS AND ADVANCES TO BANKS



MCH\$177,028,608

AS OF DECEMBER 2018



MCH\$156,476,425

AS OF DECEMBER 2017

13.13% GROWTH

GROWTH COMPARED TO 2017

MORTGAGE LOANS	11.42%
CONSUMER LOANS	20.21%
COMMERCIAL LOANS	12.30%

BANKING INDUSTRY LOANS

EXCLUDES LOANS AND ADVANCES TO BANKS AND FOREIGN SUBSIDIARIES



MCH\$163,048,373

AS OF DECEMBER 2018



MCH\$145,656,345

AS OF DECEMBER 2017

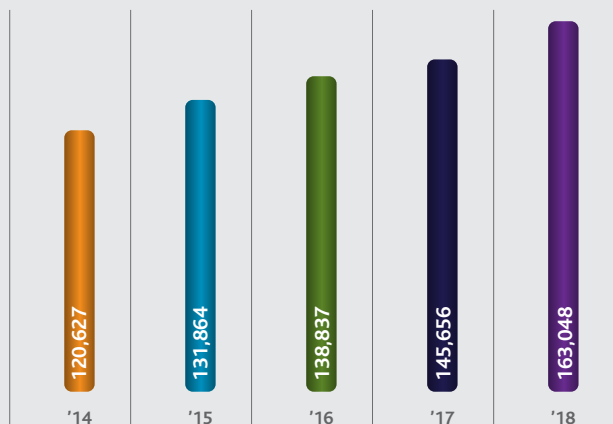
11.94% GROWTH

GROWTH COMPARED TO 2017

MORTGAGE LOANS	9.40%
CONSUMER LOANS	21.95%
COMMERCIAL LOANS	10.81%

LOAN GROWTH

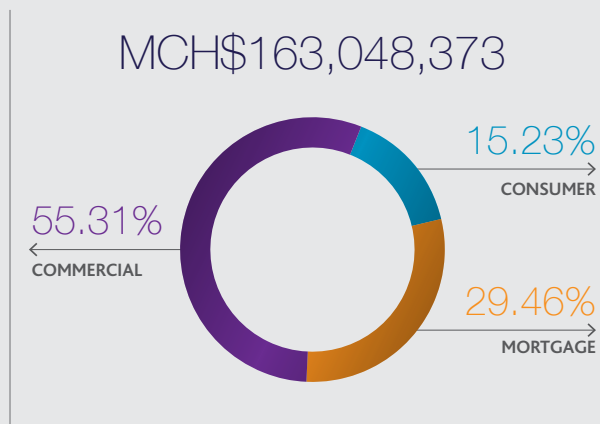
EXCLUDES LOANS AND ADVANCES TO BANKS AND FOREIGN SUBSIDIARIES
IN BILLIONS OF CH\$ (NOMINAL)



SOURCE: SUPERINTENDENCY OF BANKS AND FINANCIAL INSTITUTIONS (SBIF)

LOAN PORTFOLIO

EXCLUDES LOANS AND ADVANCES TO BANKS AND FOREIGN SUBSIDIARIES
TOTAL AS OF DECEMBER 2018



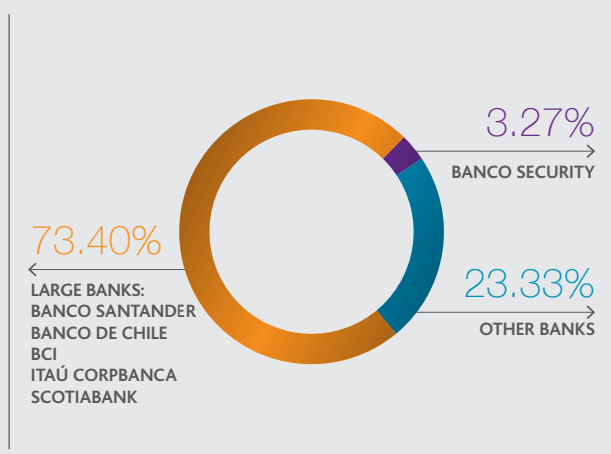
SOURCE: SUPERINTENDENCY OF BANKS AND FINANCIAL INSTITUTIONS (SBIF)



MARKET SHARE

MARKET SHARE 2018

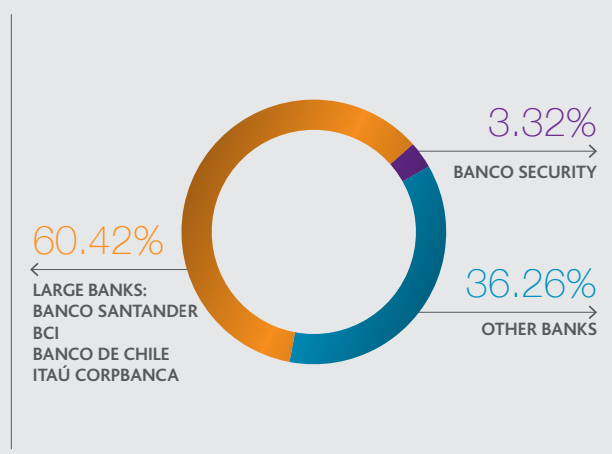
EXCLUDES LOANS AND ADVANCES TO BANKS AND FOREIGN SUBSIDIARIES



SOURCE: SUPERINTENDENCY OF BANKS AND FINANCIAL INSTITUTIONS (SBIF)

MARKET SHARE 2017

EXCLUDES LOANS AND ADVANCES TO BANKS AND FOREIGN SUBSIDIARIES



SOURCE: SUPERINTENDENCY OF BANKS AND FINANCIAL INSTITUTIONS (SBIF)

RESULTS

INDUSTRY PROFIT

→
MCH\$2,395,359

2018

→
MCH\$2,236,888

2017

7.08%
CHANGE

FACTORS BEHIND THE CHANGE

_ INCREASE IN NET FINANCIAL OPERATING INCOME OF 38.1%

_ INTEREST MARGIN EXPANDED BY 8.5%

_ RISE IN FEES OF 8.0%

GROWTH IN TOTAL EQUITY

→ 2018 MCH\$20,735,519

→ 2017 MCH\$18,605,738

11.45%
CHANGE

RETURN ON EQUITY

→ 2018 11.55%

→ 2017 12.02%

RETURN ON TOTAL ASSETS

→ 2018 0.97%

→ 2017 1.02%

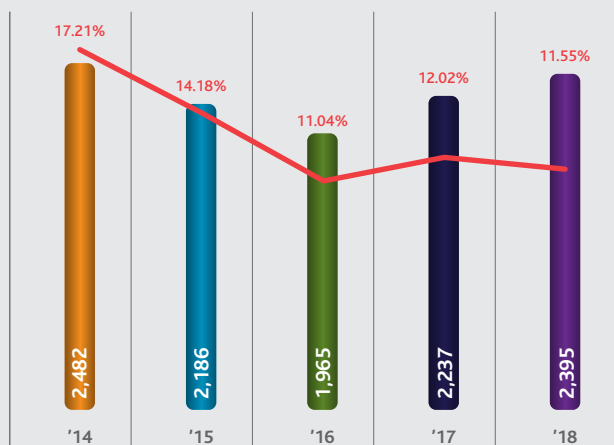


PROFIT AND RETURN ON EQUITY FOR THE CHILEAN BANKING INDUSTRY

PROFIT AND ROE - CHILEAN BANKING INDUSTRY

IN BILLIONS OF CH\$ (NOMINAL)

PROFIT
ROE



SOURCE: SUPERINTENDENCY OF BANKS AND FINANCIAL INSTITUTIONS (SBIF)

OPERATING EXPENSES

EXPENSES FOR 2018 INCREASED BY

→ 3.79%

WITH RESPECT TO 2017

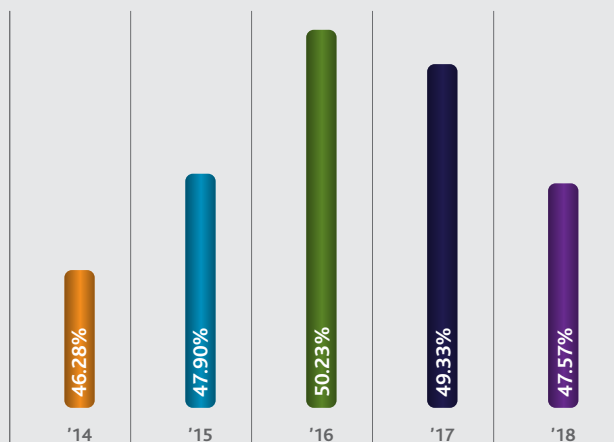
FACTORS BEHIND THE CHANGE

- _GROWTH IN ADMINISTRATIVE EXPENSES OF 1.1%
- _GROWTH IN PERSONNEL EXPENSES OF 5.1%
- _GROWTH IN DEPRECIATION AND AMORTIZATION EXPENSE OF 8.5%

EFFICIENCY RATIO

EFFICIENCY RATIO - CHILEAN BANKING INDUSTRY

PERCENTAGE



SOURCE: SUPERINTENDENCY OF BANKS AND FINANCIAL INSTITUTIONS (SBIF)

EFFICIENCY RATIO	DEC 2018	DEC 2017
BANCO SANTANDER-CHILE	38.15%	39.07%
BANCO DE CHILE	42.77%	43.82%
SCOTIABANK CHILE	47.95%	46.03%
BCI	51.55%	50.67%
ITAÚ CORPBANCA	55.30%	65.22%
LARGE BANKS	47.14%	48.96%
BANCO CONSORCIO	37.59%	31.28%
BANCO SECURITY	47.74%	49.63%
BANCO BICE	49.86%	49.64%
MEDIUM BANKS	45.06%	43.52%
BANKING INDUSTRY	47.57%	49.33%

SOURCE: SUPERINTENDENCY OF BANKS AND FINANCIAL INSTITUTIONS (SBIF)

→ 2018 47.57%

→ 2017 49.33%

FACTORS BEHIND THE CHANGE

- _GROWTH OF GROSS OPERATING INCOME 10.59%
- _INCREASE IN EXPENSES OF 3.79%



RISK

RISK RATIO FOR CHILEAN BANKING INDUSTRY

PERCENT OF LOANS

→ 2018 2.44%

→ 2017 2.49%

DISTRIBUTION OF RISK RATIO

_RISK RATIO FOR COMMERCIAL LOANS	2.28%
_RISK RATIO FOR MORTGAGE LOANS	0.76%
_RISK RATIO FOR CONSUMER LOANS	6.45%

NPL RATIO FOR CHILEAN BANKING INDUSTRY TOTAL PORTFOLIO

NONPERFORMING LOANS

→ 2018 1.90%

→ 2017 1.93%

NONPERFORMING LOANS BY NLP

	2018	2017
CONSUMER LOANS	2.08%	2.14%
MORTGAGE LOANS	2.36%	2.36%
COMMERCIAL LOANS	1.65%	1.70%

CREDIT RISK INDICES

CREDIT RISK INDICES	DEC-17	DEC-18
LOAN LOSS PROVISIONS / TOTAL LOANS	2.49%	2.44%
NONPERFORMING LOANS / TOTAL LOANS EXCL. LOANS AND ADVANCES TO BANKS	1.93%	1.90%
COMMERCIAL LLP / COMMERCIAL LOANS	2.41%	2.28%
RETAIL LLP / RETAIL LOANS	2.65%	2.69%
MORTGAGE LLP / MORTGAGE LOANS	0.86%	0.76%
CONSUMER LLP / CONSUMER LOANS	6.39%	6.45%

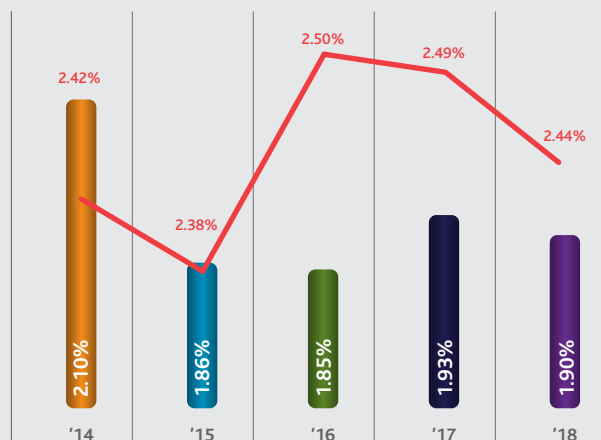
SOURCE: SUPERINTENDENCY OF BANKS AND FINANCIAL INSTITUTIONS (SBIF)

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

■ NPL PORTFOLIO (PREVIOUSLY PAST DUE PORTFOLIO)/LOANS
— PROVISIONS/LOANS



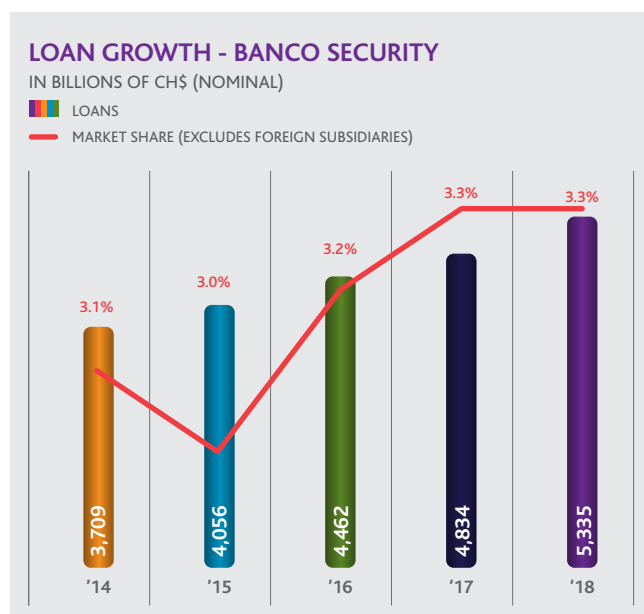
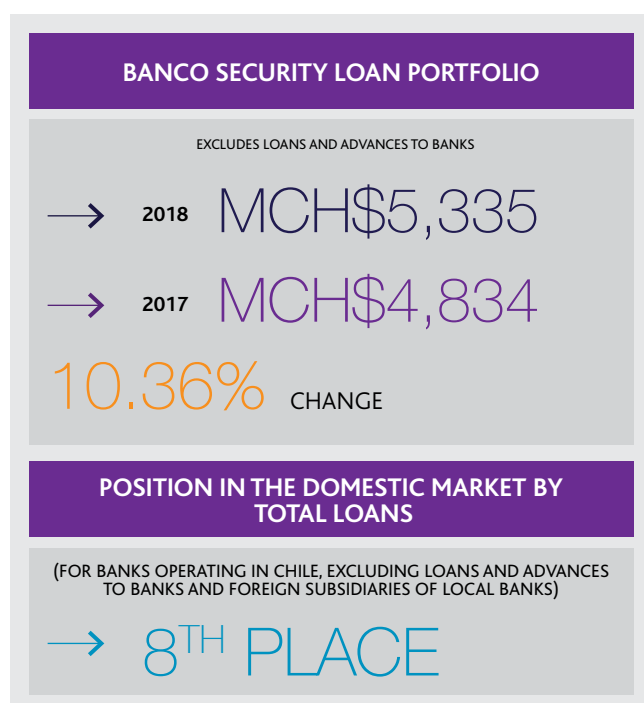
SOURCE: SUPERINTENDENCY OF BANKS AND FINANCIAL INSTITUTIONS (SBIF)



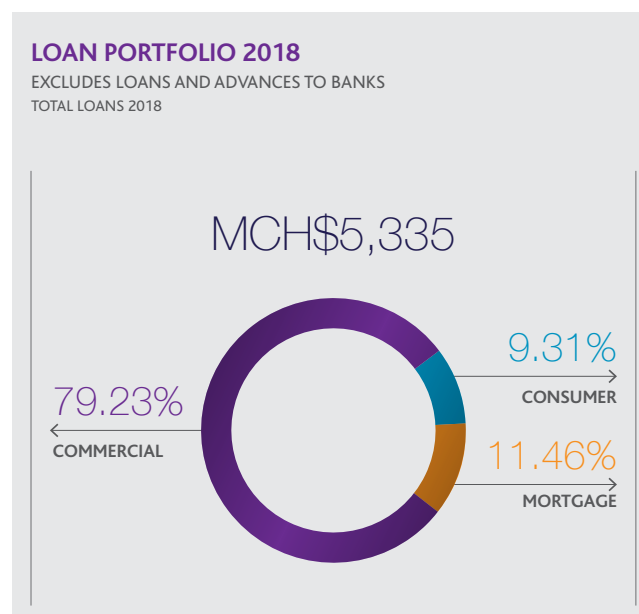
BANCO SECURITY

BANCO SECURITY RESULTS

LOANS



SOURCE: SUPERINTENDENCY OF BANKS AND FINANCIAL INSTITUTIONS (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.



SOURCE: SUPERINTENDENCY OF BANKS AND FINANCIAL INSTITUTIONS (SBIF)

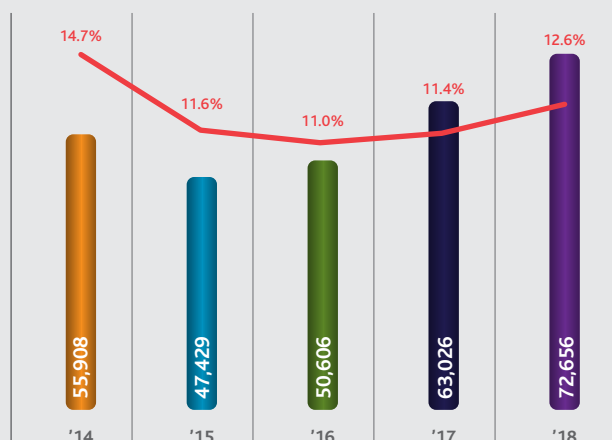


RESULTS

PROFIT TRENDS - BANCO SECURITY AND SUBSIDIARIES

IN MILLIONS OF CH\$ (NOMINAL)

■ PROFIT
— ROE



SOURCE: SUPERINTENDENCY OF BANKS AND FINANCIAL INSTITUTIONS (SBIF)

PROFIT FOR THE YEAR - BANCO SECURITY AND SUBSIDIARIES

→ 2018 MCH\$72,656

→ 2017 MCH\$63,026

15.28% CHANGE

REASONS FOR THE CHANGE

_ INCREASE OF 15.20% IN

OPERATING INCOME

_ RISE OF 3.8% IN OPERATING EXPENSES

GROWTH IN OPERATING EXPENSES

→ BANCO SECURITY 3.83%

→ BANKING INDUSTRY 3.79%

REASONS FOR THE CHANGE

_ REDUCTION IN ADMINISTRATIVE EXPENSES OF 5.5%

_ INCREASE IN PAYROLL AND PERSONNEL EXPENSES OF 18.3%

_ DROP IN DEPRECIATION AND AMORTIZATION EXPENSES OF 7.8%

EFFICIENCY RATIO

→ 2018 47.74%

→ 2017 49.63%

RETURN ON EQUITY - BANCO SECURITY

→ 2018 12.58%

→ 2017 11.39%

→ 4TH PLACE

IN THE INDUSTRY



RISK

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 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

→ 2018 1.69%

→ 2017 1.67%

AVERAGE RISK INDEX FOR THE INDUSTRY

→ 2018 2.44%

→ 2017 2.49%

NPL RATIO - BANCO SECURITY

>90 DAYS PAST DUE

→ 2018 1.50%

→ 2017 1.38%

AVERAGE NPL RATIO FOR THE INDUSTRY

>90 DAYS PAST DUE

→ 2018 1.90%

→ 2017 1.93%

IMPAIRED PORTFOLIO TO TOTAL LOANS BANCO SECURITY

→ 2018 4.59%

→ 2017 4.75%

IMPAIRED PORTFOLIO TO TOTAL LOANS AVERAGE FOR THE INDUSTRY

→ 2018 4.99%

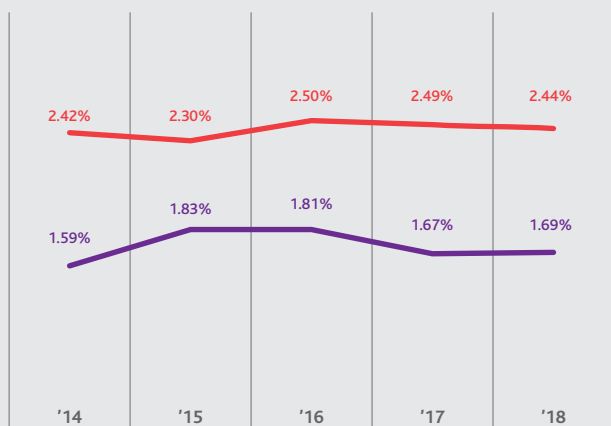
→ 2017 5.21%



RISK INDEX - BANCO SECURITY VS INDUSTRY

PROVISIONS/LOANS

— BANCO SECURITY
— CHILEAN BANKING INDUSTRY



SOURCE: SUPERINTENDENCY OF BANKS AND FINANCIAL INSTITUTIONS (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.

CAPITAL CONTRIBUTIONS 2011-2018

→ 2011 - 2014 MCH\$87,000

→ 2016 - 2018 MCH\$60,000

BASEL INDEX

→ BANCO SECURITY 13.22%

→ THE CHILEAN BANKING INDUSTRY 13.32%



SUBSIDIARIES

Banco Security consolidates the following subsidiaries:

- VALORES SECURITY S.A. CORREDORES DE BOLSA • 99.88%
- ADMINISTRADORA GENERAL DE FONDOS SECURITY S.A. • 99.99%

As of year-end 2018, these companies reported aggregate profit of CH\$8,682 million, which represents a decrease of 4.8% over 2017.

AGF SECURITY PROFIT

→ 2018 MCH\$6,563

→ 2017 MCH\$6,666

-1.54% CHANGE

AGF SECURITY MARKET SHARE

→ 2018 6.6%

→ 2017 7.3%

VALORES SECURITY PROFIT

→ 2018 MCH\$2,123

→ 2017 MCH\$2,458

-13.63% CHANGE

VALUE OF SHARES TRADED - VALORES SECURITY 2018

→ MCH\$2,707,465

→ 8TH PLACE

ON RANKING OF BROKERS BY VALUE OF SHARES TRADED



FACTORING SECURITY

YEAR JOINED GRUPO SECURITY

→ 1992

SERVICE PROPOSAL

In business for more than 25 years, Factoring Security specializes in factoring and confirming and has extensive knowledge of collections. It serves customers throughout Chile through an electronic factoring platform.

MILESTONES 2018

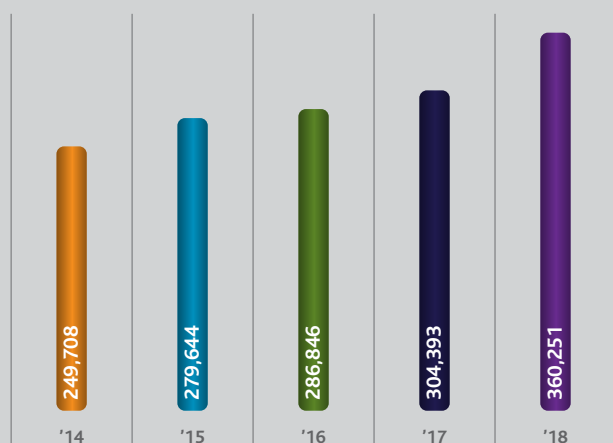
- In January, the subsidiary began applying the new IFRS9 provisioning model
- Fitch Ratings confirmed its rating for Factoring Security of 'A+(cl)' with a positive outlook.
- ICR confirmed the solvency and bond lines of Factoring Security as AA- with a "stable" outlook and its line of commercial paper as N1+.
- First place in GPTW among Grupo Security companies.

PROFIT FOR THE YEAR 2018

→ MCH\$8,155
8.71% GREATER THAN 2017

FACTORED RECEIVABLES

IN MILLIONS OF CH\$ (NOMINAL)



SOURCE: ACHEF

ASSET MANAGEMENT

The mission of Grupo Security's Asset Management Area is to support and guide its customers (individuals, companies and institutional customers) while identifying and implementing the best investment solutions for their asset management needs. Through these services, it looks to build long-term relationships with its customers based on the values of trust, transparency, accuracy and excellence.

OBJECTIVES IN 2018

- Consolidate its current businesses and focus on expanding segments of interest.
- Continuously innovate with its products, covering all classes of assets tailored to its diverse customer segments.
- Consolidate the digital service offering in elements such as the web page, market panel and functionalities of the private banking site to improve the service experience for our customers.

MAIN ACHIEVEMENTS IN 2018

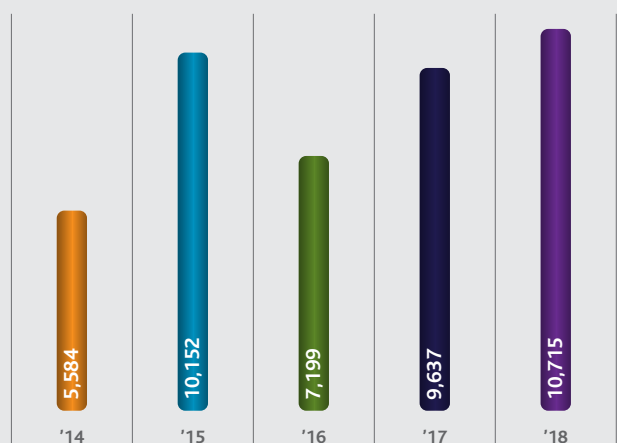
- The area reported a 11.2% increase in profit over 2017.
- During 2018, Inversiones Security had CH\$7,042 million in assets under management.

The companies that comprise the Asset Management Area are:

- Administradora General de Fondos Security
- Valores Security Corredores de Bolsa
- 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 has consolidated itself as one of the leading Chilean fund managers, managing mutual and investment funds targeted towards diverse customer segments, including medium-sized investors, high net worth customers, companies and institutional investors.

MILESTONES 2018

- Two new funds were created in 2018 to complement global investment alternatives for our customers: International Variable Income and International Debt.
- New alliances with international partners to distribute alternative funds targeted towards institutional clients.
- Market share: 6.6%
- Market position: 6th place in assets under management in mutual funds.
- In our commitment to continuous improvement, diverse adjustments were made to existing strategies and several new strategies were incorporated.

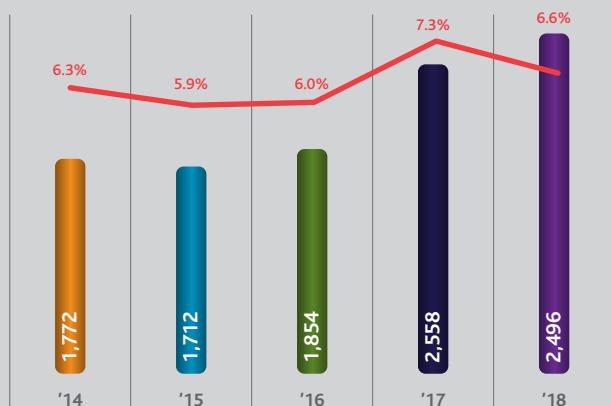
PROFIT FOR THE YEAR 2018

→ MCH\$6,563

AUM AND MARKET SHARE - AGF SECURITY

IN MILLIONS OF CH\$ (NOMINAL)

■ AUM SECURITY
— MARKET SHARE



SOURCE: CHILEAN MUTUAL FUND ASSOCIATION

VALORES SECURITY S.A. CORREDORES DE BOLSA

YEAR JOINED GRUPO SECURITY

→ 1991

SERVICE PROPOSAL

Valores Security S.A. Corredores de Bolsa and its highly trained investment and banking team work to understand its customers' needs and proactively assist investors in selecting from among the different investment alternatives available in the Chilean and international markets. We have a relationship with Pershing LLC-BNY Mellon and also provide our customers a straightforward, transparent platform for investing globally in different types of assets through a single account at Valores Security.

Lastly, Valores Security has recognized expertise in trading local debt instruments, which is of particular interest to institutional clients.

MILESTONES 2018

- Awards earned by our wealth management area: Best Wealth Management Company Chile 2018 and Best Private Bank in Chile.
- Market share: 4.6%
- Market position: 8th place in value of shares traded.

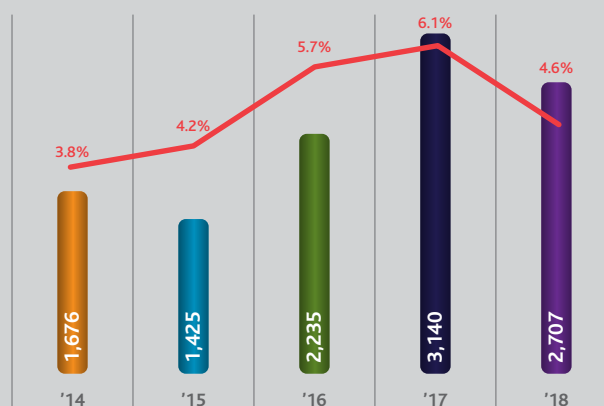
PROFIT FOR THE YEAR 2018

→ MCH\$2,123

SHARE TRADING VALUE AND MARKET SHARE

IN BILLIONS OF CH\$ (NOMINAL)

■ SHARE TRADING VALUE
— MARKET SHARE



SOURCE: SANTIAGO EXCHANGE AND CHILEAN ELECTRONIC EXCHANGE



SECURITIZADORA SECURITY

YEAR JOINED GRUPO SECURITY

→ 1997

DESCRIPTION

Pioneer in its industry and number one in issuances of securitized mortgage-backed bonds. Securitizadora Security S.A., also provides securitized asset management services for separate estates.

MILESTONES 2018

- Second securitization charged to a line inaugurated in 2017 for UF 3 million. At this time, the company sold UF 756,000 in preferential AAA-rated, 24-year bonds issued at an interest rate of UF + 3.30% per annum with a duration of nine years. The bond sales rate had a cut-off of UF +3.00%, the lowest rate in the history of securitizing this type of asset in Chile.
- Placement of subordinated bonds (AA-rated, issued at UF + 4.0%) for UF 119 thousand at par value with an auction price of 102.17% of par value.
- These bonds were backed by UF 737,759 in mortgage assets originated directly or indirectly by Inmobiliaria Casanueva, a fully-owned subsidiary of Grupo Security that has participated in this mortgage niche since 2015.

PROFIT FOR THE YEAR 2018

→ MCH\$2,004

MANAGED ESTATES

→ MCH\$104,089

GROWTH IN ASSETS UNDER MANAGEMENT

→ 17%

INMOBILIARIA CASANUESTRA S.A.

YEAR JOINED GRUPO SECURITY

→ 2015

DESCRIPTION

The objective of Inmobiliaria Casanueva is to contribute to the homeownership dreams of customers in the C2/C3 segment that are not served by traditional banking, advising them and facilitating the granting of mortgage financing with access to housing subsidies provided by the State (MINVU), at competitive interest rates with geographic coverage from the 4th to the 10th region. This is sustained on commercial, operational and financial bases that seek to comply with the business plan.

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.

MILESTONES 2018

- Helped more than 1,300 families purchase their own home.
- Originated more than UF 600,000 in mortgage assets during the year, of which over 80% received a housing subsidy.
- Contributed all mortgage assets originated by Casanueva to issue Securitized Bond BSECS14-2.
- Consolidated organizational structure, especially in support areas and systems that sustain the growth of the commercial area.
- Staffed commercial offices with operational and commercial personnel, providing excellent service near potential customers.
- Participated in the main real estate projects in each area, developing commercial relationships with real estate developers.

FINANCING ORIGINATED

→ UF 600,000



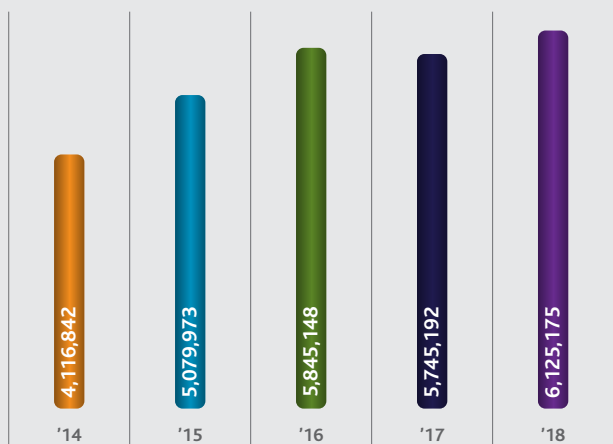
INSURANCE

INSURANCE INDUSTRY

As of December 2018, the top ten companies in the market accounted for 77.0% of the market's total written premiums, which was valued at CH\$4,719,121 million. As of December 2017, this figure was 78.7% of total written premiums, which is equivalent to CH\$4,514,609 million for the same companies. The industry in aggregate had total written premiums of CH\$6,125,175 million in 2017 versus CH\$5,745,192 million in 2017.

DIRECT WRITTEN PREMIUMS - CHILEAN LIFE INSURANCE MARKET

IN MILLIONS OF CH\$ (NOMINAL)



SOURCE: CHILEAN INSURERS ASSOCIATION (AACH)

VIDA SECURITY

YEAR JOINED GRUPO SECURITY

→ 1995

SERVICE PROPOSAL

With more than 800 thousand insured customers, Vida Security is a consolidated company with 90 years in business. It has a multichannel sales platform and trained professionals to provide comprehensive advisory services to individuals, companies, insurance brokers, retail and financial institutions, among others. Its product portfolio includes life insurance, insurance with savings, insurance with voluntary pension savings (APV), health insurance, group insurance for companies, family insurance, as well as pension and private annuities. It also participates in tenders to provide disability and survivor insurance.

MILESTONES 2018

- Launched the digital sales process (On Click), which already represents 80% of total individual insurance sales. As part of this project, new offices were opened for the sales force in the district of Las Condes.
- Completed the first phase of the Vida Innova project, developing three innovation projects. A feasibility study will be conducted in 2019 with the development of two Business Pilots.
- Began selling a new property/casualty insurance product: Life Max.
- Completed the second report to determine capital and solvency requirements based on the company's risks (ORSA).
- End of validity of DSI Contract 5.
- Sold interest in Protecta Compañía de Seguros to Security Internacional Spa for US\$30 million.
- Celebrated its 90th anniversary in November. It currently ranks 6th in the market with US\$3,485 million in reserves and US\$3,851 million in assets.



RESULTS

DIRECT WRITTEN PREMIUMS 2018

→ MCH\$336,094

DIRECT WRITTEN PREMIUMS 2017

→ MCH\$446,838

-24.78% CHANGE

PROFIT FOR 2018

→ MCH\$30,159

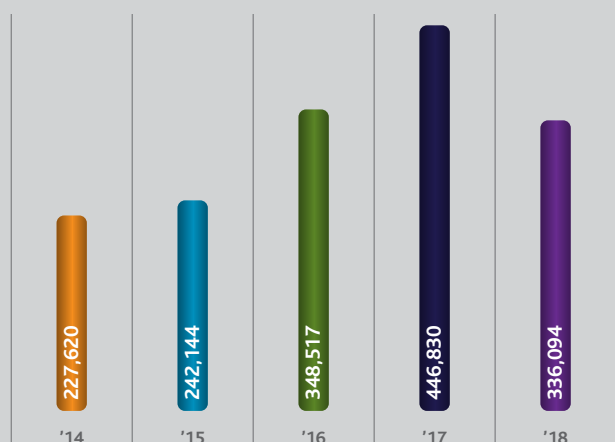
PROFIT FOR 2017

→ MCH\$13,258

127.48% CHANGE

DIRECT WRITTEN PREMIUMS - VIDA SECURITY

IN BILLIONS OF CH\$ (NOMINAL)



SOURCE: AACH REPORT DECEMBER 2018

CORREDORA DE SEGUROS

YEAR JOINED GRUPO SECURITY

→ 1999

SERVICE PROPOSAL

Corredora de Seguros Security advises customers on the process of identifying, evaluating and preventing risk, as well as planning, implementing and managing insurance programs. Thanks to the broad offering of property and casualty, life & health and credit life insurance that it brokers, managed by an exceptional team, the company has maintained sustained growth since its founding.

Its focus on companies is complemented by a web-based sales platform for mass products. It has implemented technological developments to serve end customers and sponsored agreements and alliances with insurance and reinsurance companies, which has made them one of the leading brokers in the market.

MILESTONES 2018

→ The main milestones in 2018 were focused on the technology area, incorporating the "Sales Management" and "Claims Management" platforms.

→ It also incorporated the "corredora security" app, which allows clients to see all their insurance products, download policies, file claims, make online purchases and access a help button.

RESULTS

PROFIT FOR 2018

→ MCH\$504

PROFIT FOR 2017

→ MCH\$487



EUROP ASSISTANCE S.A.

YEAR JOINED GRUPO SECURITY

→ 2004

SERVICE PROPOSAL

With 55 years' experience in Europe and 14 in Chile, Europ Assistance has positioned itself as a major player in the domestic market, offering personalized assistance services for travel, vehicles, health and home to both businesses and individuals. It also operates in Peru, where it sells 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.

MILESTONES 2018

- Introduced a new business line: tele-assistance for senior citizens, opening a new market where the Europ Assistance group has an important market share in France.
- Achieved EBITDA growth of 5%, surpassing expectations, as a result of improved management of external costs.
- Consolidated its share of the vehicle assistance market in Chile, with 23%.
- Won a contract for the Municipality of Ñuñoa, giving it 39% of the tele-assistance market in Chile.

RESULTS

PROFIT FOR 2018

→ MCH\$451

PROFIT FOR 2017

→ MCH\$426

HIPOTECARIA SECURITY PRINCIPAL

YEAR JOINED GRUPO SECURITY

→ 2013

SERVICE PROPOSAL

Hipotecaria Security Principal is one of the leading, non-bank mortgage lenders for new and used homes, land, offices and general purposes, as well as mortgage refinancing. Its corporate purpose is to be 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.

MILESTONES 2018

- Ranked first in the market among mortgage bond management companies in 2018, granting over UF 11,000,000 (11,393,375) and reaching total assets under management of UF 42,207,857, with market share of 36.9%.
- Introduced new life insurance companies, fortifying the multi-investor business model.
- Granted more than 1,400 mortgage bonds, for the first time ever.
- Reduced the NPL ratio by 9% over last year thanks to rigorous, strict management applied mainly to a group of portfolios transferred from other management companies.

RESULTS

PROFIT FOR 2018

→ MCH\$853

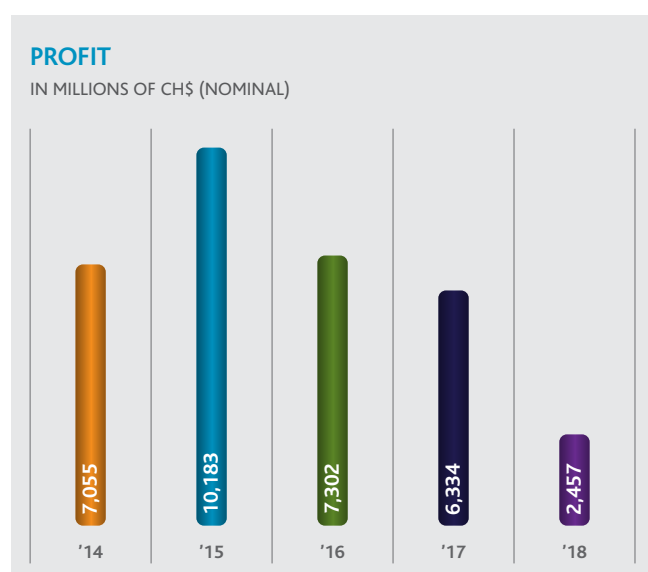
PROFIT FOR 2017

→ MCH\$607



SERVICES

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



SOURCE: GRUPO SECURITY

TRAVEL SECURITY

YEAR JOINED GRUPO SECURITY

→ 1999

SERVICE PROPOSAL

One of the three largest agencies in the market and leader in its segment, Travel is focused mainly on corporate customers and discerning travelers who require a high standard of service. The company has implemented substantial technology and employs highly qualified staff to meet customer expectations, which is the service that distinguishes it in the Chilean market.

MILESTONES 2018

- Updated platforms to integrate new contents (air and ground tickets and insurance), thus maintaining a broad, up-to-date commercial offering.
- Achieved greater productivity, measured by the number of transactions/employee (increase of 6% in number of transactions per employee).
- Contained fixed costs: up only 0.7% despite a drop of 4% in number of employees, which involved paying termination benefits.
- Changes in the industry due to the expansion of the low-cost model led to a rise in transactions (+6%) that was not reflected in sales in pesos (-2%) because of the drop in average ticket values (-8%).
- Awarded tender for participant lodging for APEC Summit 2019 and Amex HRG portfolio, both with important sales volumes in 2019.

RESULTS

PROFIT FOR 2018

→ MCH\$3,752

PROFIT FOR 2017

→ MCH\$4,051



INMOBILIARIA SECURITY

YEAR JOINED GRUPO SECURITY

→ 1996

SERVICE PROPOSAL

Inmobiliaria Security has a distinguished track record in the real estate market, where it has participated for over two decades as an investor and developer of both residential and office projects, mainly in northeastern Santiago. It provides a service that is based on customer satisfaction, leading edge technology and an appropriate capital structure.

MILESTONES 2018

- Reported losses of CH\$232 million.
- Ended the year with UF 3,104,137 in real estate assets under management, a 15% increase relative to the prior year figure of UF 2,681,006.
- Signed a total of 89 purchase commitments for house and apartment sales, totaling UF 1,476,889, less than the prior year's UF 642,844, which suggests a large number of property titles will be transferred in coming years.
- Transferred UF 705,362 in property titles.
- Received municipal authorization on the 12 exclusive apartments in the second phase of the Jardines de San Damián project, located in Las Condes.
- Obtained building permits in the Los Dominicos sector of Las Condes for 24 exclusive apartments to be developed in two phases.
- Awarded three building contracts for the equivalent of UF 785,000 for projects located in Colina, Las Condes and Ñuñoa.
- Certified in the Best Place To Live ranking of the best real estate developers based on home buyer satisfaction. The company ranked within the top four participating developers.

INTERNATIONAL BUSINESS

Grupo Security's international business area consists of Protecta (Peru) and Travex (Peru).

PROFIT

IN MILLIONS OF CH\$ (NOMINAL)



SOURCE: GRUPO SECURITY

PROFIT FOR 2018

→ MCH\$1,429

PROFIT FOR 2017

→ MCH\$327



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 its offering 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. Its mission is to protect what its customers value most and its vision is to become the leading insurance company in Peru.

MILESTONES 2018

- Reported growth in premiums of 55% over 2017 (PEN + 99 million).
- Achieved highest monthly sales in 11 years in operation in December 2018, with total premiums of PEN 31.7 million.
- Obtained second place in premiums, market share and number of policies sold (only 10 behind the market leader) in the 2018 annuity market.
- Returns on investment portfolio: first place among life insurance companies (8.5%).
- Relaunch of brand outside Lima, with events in Chiclayo, Trujillo and Arequipa.
- First full year of sales of private annuities. Achieved almost 46 million soles in premiums, more than 4% of the total market, competing with longstanding local brands.
- Completed capital increase in cash of 45 million soles in the last two months of the year.
- Consolidated the company as the sixth largest insurance group in Peru in terms of net premiums.

RESULTS

FIGURES IN MILLIONS OF PERUVIAN NUEVOS SOLES

PROFIT FOR 2018

→ MPEN 2.8

PROFIT FOR 2017

→ MPEN 5.1

TRAVEX SECURITY

YEAR JOINED GRUPO SECURITY

→ 2012

SERVICE PROPOSAL

Travex is a comprehensive travel company with more than 15 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.

Through a customer-focused value proposition, it provides strong operations management and quality service. 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. Also, 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.

MILESTONES 2018

- Established a new operating structure for Travex S.A., with the creation of three major divisions: Operations Division, Commercial - Corporate Division and Personal Travel and Ground Services Division, generating new strategies with improved management.
- Defined an objective to increase number of transactions through our self-management tool, SART, closing the year with almost 11,000 tickets issued using the tool, with 28 customers, and general usage of 72%.

RESULTS

PROFIT FOR 2018

→ US\$921,108

PROFIT FOR 2017

→ US\$883,118



05

COMPANY INFORMATION

We increased the company's value by constantly seeking business opportunities.







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 72.87% 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, 2018, the Group has 3,695,000,000 single-series shares and 417 registered shareholders.

As of December 31, 2018, Grupo Security's 12 largest shareholders were:

NAME	CHILEAN TAX ID	NO. OF SHARES	OWNERSHIP INTEREST %	CUMULATIVE OWNERSHIP INTEREST %
Inversiones Centinela Limitada	76.447.620-4	373,095,429	10.10%	10.10%
Sociedad de Ahorro Matyco Limitada	96.512.100-5	358,481,708	9.70%	19.80%
Inversiones Hemaco Limitada	96.647.170-0	288,664,066	7.81%	27.61%
Inversiones Hidroeléctricas Limitada	79.884.660-4	225,420,000	6.10%	33.71%
Arcoinvest Chile S.A.	76.057.087-7	222,729,075	6.03%	39.74%
Inversiones Llascahue Limitada	79.884.060-6	152,050,000	4.12%	43.85%
Valores Security S.A. Corredores de Bolsa	96.515.580-5	148,587,665	4.02%	47.88%
Sociedad Comercial de Servicios e Inversiones Limitada	79.553.600-0	137,463,405	3.72%	51.60%
Sociedad de Ahorro Alisios Dos Limitada	76.093.398-8	131,247,969	3.55%	55.15%
Sociedad de Ahorro Atacalco Dos Limitada	76.093.394-5	131,212,568	3.55%	58.70%
Sociedad de Ahorro Tenaya Dos Limitada	76.093.362-7	131,212,567	3.55%	62.25%
Inversiones Los Cactus Limitada	79.884.050-9	98,000,000	2.65%	64.90%

SOURCE: DCV

In accordance with CMF General Standard No. 346, 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, 2018: Mr. Juan Cristóbal Pavez Recart (Group director), Chilean National ID 9.901.478-4, in representation of himself, his father, his mother and his sisters, with 13.82% 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, in representation of himself and his sons and daughters with 10.65% 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, in representation of himself, his spouse, his sons and daughters, siblings, nieces and nephews and aunts and uncles with 10.05%, 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 2018 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	2014	2015	2016	2017	2018
Profit for the year	Ch \$61,010	Ch \$65,022	Ch \$74,522	Ch \$74,708	Ch \$80,548
Dividends paid during the year	Ch \$27,219	Ch \$34,922	Ch \$37,471	Ch \$41,273	Ch \$43,417

DIVIDENDS PAID

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

NUMBER	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
33	10/24/2007	1.10	2,201,000,000	2,421	Final

NUMBER	DATE	DIVIDEND PER SHARE IN CH\$	NO. OF SHARES	AMOUNT IN MCH\$	TYPE OF DIVIDEND
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
65	4/23/2018	7.25	3,695,000,000	26,789	Final
66	10/25/2018	1.90	3,695,000,000	7,021	Interim
67	10/25/2018	2.60	3,695,000,000	9,607	Final



STOCK PERFORMANCE

In 2018, Chile's main stock index (IPSA) fell by 8.3%, in comparison to 34.0% in 2017.

STOCK PERFORMANCE GRUPO SECURITY

PRICE CH\$
(NOT DIVIDEND ADJUSTED)

→ 2018 290.94

→ 2017 280.07

STOCK PERFORMANCE GRUPO SECURITY

GROWTH % OVER THE PREVIOUS YEAR
(NOT DIVIDEND ADJUSTED)

→ 2018 3.88%

→ 2017 23.9%

STOCK EXCHANGE PRESENCE GRUPO SECURITY

PRESENCE % (4Q)

→ 2018 97.22%

→ 2017 96.11%

PRICE/EARNINGS GRUPO SECURITY

PRICE/EARNINGS RATIO (TIMES)

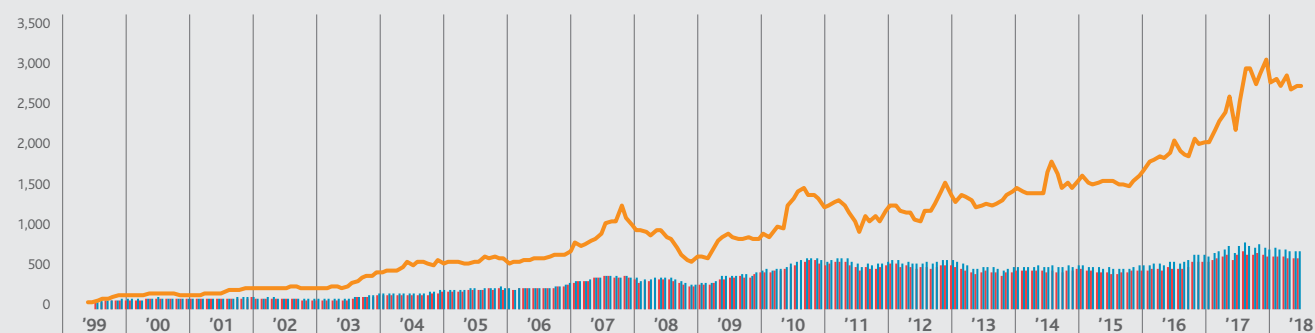
→ 2018 13.3

→ 2017 13.8

SECURITY STOCK PRICE, IPSA AND IGPA

BASE = 100 AS OF JANUARY 1, 1999

■ IPSA
■ IGPA
— SECURITY



ANNUAL VARIATION IN SECURITY STOCK AND IPSA

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
SECURITY	47.5%	61.4%	-18.1%	12.8%	0.1%	27.4%	-6.8%	25.2%	31.2%	7.5%
IPSA	50.7%	37.6%	-15.2%	3.0%	-14.0%	4.1%	-4.4%	12.8%	34.0%	-8.3%

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 2009 and 2018.

(IN HISTORIC CHILEAN PESOS)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Price in CH\$ (not dividend adjusted)	147.1	227.0	175.0	187.0	177.0	215.9	190.7	225.9	280.1	290.9
Earnings per Share CH\$	11.8	16.0	14.5	16.1	15.6	18.8	19.9	22.8	20.3	21.8
Price/Earnings	12.5	14.2	12.0	11.6	11.3	11.4	9.6	9.9	13.8	13.3
Price/Book Value	1.3	1.9	1.3	1.4	1.2	1.3	1.1	1.3	1.5	1.5
Stock Exchange Presence	77.2%	96.4%	94.0%	93.2%	96.8%	98.0%	67.8%	60.6%	96.1%	97.2%
Number of Shares (in millions)	2,550	2,550	2,882	2,882	3,184	3,232	3,258	3,258	3,683	3,695
Market Value (MUS\$)	740	1,236	967	1,126	1,076	1,149	878	1,104	1,677	1,545

SOURCE: ECONOMATICA

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\$)
1 st Quarter 2017	86,704	19,791,528	228
2 nd Quarter 2017	57,759	13,565,338	235
3 rd Quarter 2017	132,824	31,365,626	236
4 th Quarter 2017	184,122	50,164,320	272
2017	461,408	114,886,812	249
1 st Quarter 2018	206,728	61,504,387	298
2 nd Quarter 2018	88,311	28,153,972	319
3 rd Quarter 2018	118,860	35,604,895	300
4 th Quarter 2018	148,199	43,145,652	291
2018	562,098	168,408,906	300

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

DATE	1 ST QUARTER 2017	2 ND QUARTER 2017	3 RD QUARTER 2017	4 TH QUARTER 2017	1 ST QUARTER 2018	2 ND QUARTER 2018	3 RD QUARTER 2018	4 TH QUARTER 2018
Quarterly Market Presence	60.00%	78.89%	84.44%	96.11%	97.78%	96.11%	95.56%	97.22%

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 PREVISION SECURITY
FITCH RATINGS (LOCAL)	A+	AA-	AA-	A+	A+
ICR (LOCAL)	AA-	AA	AA	AA-	A+
STANDARD & POORS (INTERNATIONAL)		BBB/A-2			

GRUPO SECURITY

FITCH RATINGS

GRUPO SECURITY RATING

A+, long-term solvency, positive outlook.

RATING BASIS AND COMMENTS

- Grupo Security's rating from FitchRatings recognizes the high credit quality and low risk of its assets, as well as the strong performance from its subsidiaries, which operate in highly regulated industries.
- The report highlights its clear positioning in the lending, asset management and life insurance businesses, as well as an expanding customer base and growing recurring and organic income.
- It valued the improved competitiveness of its subsidiaries after implementing a plan to improve commercial integration among them, including deeper segmentation and implementation of business intelligence and management tools.
- The report also mentioned that the directors of Grupo Security have broad experience in the financial sector and the owners are strongly committed to management.

2019 RATING

- On March 18, 2019, FitchRatings upgraded its rating of Grupo Security to AA-, with a stable outlook, in line with the upgraded rating of Banco Security.

GRUPO SECURITY

ICR CHILE

GRUPO SECURITY RATING

AA- for solvency and bonds with a stable outlook

RATING BASIS AND COMMENTS

- In March 2018, 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. It also emphasized that the subsidiaries' financial situation and business model gave them a good rating in the local market.



BANCO SECURITY

FITCH RATINGS

BANCO SECURITY RATING

AA-, domestic, long-term rating, positive outlook.

RATING BASIS AND COMMENTS

- The rating emphasized the Bank's intrinsic solvency and its appropriate business strategy, which has secured its stable financial performance over time and high quality assets.
- The report valued the consolidation of the asset management area, which it continued to strengthen in 2018, ranking fifth in market share in the mutual fund industry.
- It also mentions the improvement in core capital levels after the capital increase of CH\$50,000 million in December 2017 to prepare for Basel III.
- FitchRatings highlights that its high-quality management and its banking vision that integrates synergies with subsidiaries have enabled Banco Security to carry out its strategic plans.

2019 RATING

- On March 18, 2019, FitchRatings upgraded its rating of Banco Security to AA with a stable outlook thanks to an improvement in its intrinsic financial profile, accompanied by continuous improvement in its profitability indicators and core capital levels.

BANCO SECURITY

ICR CHILE

BANCO SECURITY RATING

AA for long-term deposits, letters of credit and bank bonds with a stable outlook.

RATING BASIS AND COMMENTS

- This rating was based on its steady loan growth, low risk indices and good portfolio quality.
- This has led to an increase in the Bank's recurring revenue, giving it greater earnings stability.
- The report also acknowledged the controller's credibility and prestige and the significant involvement of senior management.
- ICR emphasized the capital increase of CH\$50,000 million in December 2017, which gives the Bank a more solid capital position to address its growth perspectives and future regulatory changes with higher capital requirements.

BANCO SECURITY

STANDARD & POOR'S

BANCO SECURITY RATING

BBB/A-2 stable.

RATING BASIS AND COMMENTS

- S&P highlighted the Bank's consistent financial results backed by solid asset quality indicators, improvements in operating efficiency and greater recurring income.
- The outlook improved from negative to stable due to improvements in Chile because of continued strong credit growth and a more subtle increase in the price of real estate assets.



VIDA SECURITY

FITCH RATINGS

VIDA SECURITY RATING

AA-, with a stable outlook.

RATING BASIS AND COMMENTS

- The report highlighted its position as a leading local insurance company, benefited by its diversified portfolio of life insurance products.
- It also emphasized the company's positive operating results, which are favorable in comparison to the average of its comparative peers.
- Fitch mentioned its favorable and stable expense efficiency indicators, benefited by a product distribution structure where expenses are adjusted to sales levels.

VIDA SECURITY

ICR CHILE

VIDA SECURITY RATING

AA, with a stable outlook.

RATING BASIS AND COMMENTS

- The report indicated that the company has a strong brand position and tradition in the industry and that its controller, Grupo Security, is solvent and diversified.
- It highlighted the know-how of Vida Security in diverse areas, maintaining high levels of corporate governance policies and procedures.
- ICR mentioned its good operating performance and a well-diversified investment portfolio with suitable risk policies.
- It also highlighted the portfolio of diversified products across the different life insurance lines.

INVERSIONES PREVISIÓN SECURITY

FITCH RATINGS

INVERSIONES PREVISIÓN SECURITY RATING

A+, with a stable outlook.

RATING BASIS AND COMMENTS

- The report valued the soundness of its main asset, Vida Security, which has suitable operating leverage based on its product mix and favorable operating income and profit.

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.



FACTORING SECURITY

FITCH RATINGS

FACTORING SECURITY RATING

A+, long-term solvency, positive outlook.

RATING BASIS AND COMMENTS

- The report 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.

2019 RATING

- On March 18, 2019, FitchRatings upgraded its rating of Factoring Security to AA-, in line with the upgraded rating of its parent, Grupo Security.

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 gives the company solid financial and credit backing and access to lower financing rates.



PERSONNEL AND COMPENSATION

As of December 31, 2018, Grupo Security S.A. and its subsidiaries had a total of 3,939 employees, or 1.34% more than December 2017. During 2018, Grupo Security's senior executives received total compensation of CH\$1,732,669,978 (CH\$1,449,791,369 in 2017). Benefits were calculated to be CH\$806,140,988 (CH\$755,337,757 in 2017).

The Company's team of associates, a key contributing factor to the organization's sustained growth, has a considerable percentage of female employees (64.4% 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	TOTAL
GRUPO SECURITY S.A.	15	25	1	41
BANCO SECURITY AND SUBSIDIARIES	63	839	366	1,268
FACTORING SECURITY S.A.	8	101	59	168
INMOBILIARIA SECURITY S.A. AND INMOBILIARIA SECURITY SIETE LTDA.	2	27	8	37
SECURITIZADORA SECURITY S.A.	1	2	1	4
CAPITAL S.A. ⁽¹⁾	25	757	335	1,117
INVERSIONES PREVISIÓN SECURITY AND SUBSIDIARIES	38	374	892	1,304
OVERALL TOTAL	152	2,125	1,662	3,939

(1) CAPITAL S.A. INCLUDES EMPLOYEES OF ASESORÍAS SECURITY S.A.
SOURCE: GRUPO SECURITY



ORGANIZATIONAL DIVERSITY

	TOTAL
TOTAL EMPLOYEES	
MALE EMPLOYEES	1,404
FEMALE EMPLOYEES	2,535
NUMBER OF INDIVIDUALS BY NATIONALITY	
TOTAL DOMESTIC (i.e. Chileans that work in Chile and Peruvians that work in Peru)	3,894
TOTAL FOREIGN	45
NUMBER OF INDIVIDUALS BY AGE GROUP	
UNDER 30	379
30 · 40	1,313
41 · 50	1,344
51 · 60	708
61 · 70	175
OVER 70	20
NUMBER OF INDIVIDUALS BY YEARS OF SERVICE	
LESS THAN 3 YEARS	1,578
3-6 YEARS	1,194
6-9 YEARS	673
9-12 YEARS	193
MORE THAN 12 YEARS	301

(*) FOR PROTECTA AND TRAVEX, PERUVIAN ASSOCIATES ARE CONSIDERED DOMESTIC EMPLOYEES

SOURCE: GRUPO SECURITY

SALARY GAP BY GENDER

POSITION TYPE	GAP (AVERAGE SALARY WOMAN/AVERAGE SALARY MAN)*
JUNIOR ADMINISTRATIVE STAFF	100%
MID-RANGE ADMINISTRATIVE STAFF	100%
SENIOR ADMINISTRATIVE STAFF	99%
JUNIOR PROFESSIONALS	91%
MID-RANGE PROFESSIONALS	103%
SENIOR PROFESSIONALS	97%
MID-RANGE SUPERVISOR	91%
SENIOR SUPERVISOR	95%
MID-RANGE DEPUTY MANAGER	97%
SENIOR DEPUTY MANAGER	96%
JUNIOR MANAGER	104%
MID-RANGE MANAGER	98%
SENIOR MANAGER	104%

* DOES NOT INCLUDE SALES FORCE

SOURCE: GRUPO SECURITY



COMPANY INFORMATION



BOARD DIVERSITY

NAME	CHILEAN ID NUMBER	POSITION	PROFESSION	GENDER	NATIONALITY	DATE OF BIRTH	YEAR OF APPOINTMENT
Francisco Silva Silva	4.103.061-5	CHAIRMAN	Civil Engineer	M	Chilean	11/26/1941	1991
Hernán de las Heras Marín	6.381.765-1	BOARD MEMBER	Business Administration	M	Chilean	03/20/1954	2013
Jorge Marín Correa	7.639.707-4	BOARD MEMBER	Entrepreneur	M	Chilean	05/21/1960	1994
Naoshi Matsumoto Takahashi	3.805.153-9	BOARD MEMBER	Business Administration	M	Chilean	01/18/1936	1991
Horacio Pavez García	3.899.021-7	BOARD MEMBER	Civil Construction	M	Chilean	02/11/1938	1991
Juan Cristóbal Pavez Recart	9.901.478-4	BOARD MEMBER	Business Administration	M	Chilean	4/7/1970	2002
Bruno Philippi Irrarrázabal	4.818.243-7	BOARD MEMBER	Civil Engineer	M	Chilean	2/22/1944	2013
Ana Saínz de Vicuña Bemberg	48.128.454-6	BOARD MEMBER	Agricultural Economics	F	Spanish	11/8/1962	2009
Mario Weiffenbach Oyarzún	4.868.153-0	BOARD MEMBER	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 ID NUMBER	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	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
Eduardo Olivares Veloso	9.017.530-0	Digital Business Development Manager	Business Administration	M	Chilean	11/16/1973	5/22/2018



BOARD ALLOWANCES AND FEES

At a shareholders' meeting held April 12, 2018, shareholders agreed to set board compensation at UF 35 per director and UF 50 for the Chairman. These figures are capped at 19 paid meetings, and limited to one paid meeting per month. Annual allowances paid to directors are capped at UF 6,270. In 2014, Grupo Security paid its Board of Directors total compensation of UF 5,000.

The Board of Directors did not incur any advisory expenses in 2018.

In 2018, 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 800 (UF 900 in 2015) in allowance for meeting attendance and UF 10,146 (UF 12,108 in 2017) in bonuses. Mr. Hernán de las Heras Marín received UF 595 (UF 630 in 2017) in allowance for meeting attendance, UF 180 (UF 135 in 2017) for Directors' Committee participation and UF 668 (UF 885 in 2017) in bonuses. Mr. Bruno Philippi Irrázabal received UF 595 (UF 595 in 2017) in allowance for meeting attendance and UF 668 (UF 885 in 2017) in bonuses. Ms. Ana Saíñz de Vicuña received UF 455 (UF 595 in 2017) in allowance for meeting attendance and UF 668 (UF 885 in 2017) in bonuses. Mr. Jorge Marín Correa received UF 420 (UF 630 in 2017) in allowance for meeting attendance and UF 120 (UF 120 in 2017) for Directors' Committee participation. Mr. Naoshi Matsumoto Takahashi received UF 595 (UF 595 in 2017) in allowance for meeting attendance and UF 668 (UF 885 in 2017) in bonuses. Mr. Juan Cristóbal Pavez Recart received UF 490 (UF 595 in 2017) in allowance for meeting attendance and UF 668 (UF 885 in 2017) in bonuses. Mr. Horacio Pavez García received UF 560 (UF 595 in 2017) in allowance for meeting attendance, UF 180 (UF 120 in 2017) for Directors' Committee participation and UF 668 (UF 885 in 2017) in bonuses. Mr. Mario Weiffenbach Oyarzún received UF 490 (UF 630 in 2017) in allowance for meeting attendance.

At Banco Security: Mr. Francisco Silva Silva received UF 600 (UF 501 in 2017) in allowance for meeting attendance and UF 11,982 (UF 11,981 in 2017) in bonuses. Mr. Jorge Marín Correa received UF 550 (UF 551 in 2017) in allowance for meeting attendance and UF 818 (UF 1,005 in 2017) in bonuses. Mr. Horacio Pavez García received UF 600 (UF 551 in 2017) in allowance for meeting attendance and UF 135 (UF 119 in 2017) in bonuses. Mr. Mario Weiffenbach Oyarzún received UF 200 (UF 351 in 2017) in allowance for meeting attendance and UF 4,669 (UF 4,669 in 2017) in bonuses.

At Seguros de Vida Security: Mr. Francisco Silva Silva received UF 341 (UF 341 in 2017) in allowance for meeting attendance. Mr. Juan Cristóbal Pavez received UF 341 (UF 341 in 2016) in allowance for meeting attendance.

At Factoring Security, Mr. Mario Weiffenbach Oyarzún received UF 668 (UF 665 in 2017) in bonuses.



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 Company's 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\$51,733 (0.5% of assets) as of December 31, 2018. All Group companies own their respective headquarters. Of the Group's total office space, 25% is owned (21 offices) while the remaining 75% are leased (63 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 2018, the services provided to the Group by Capital S.A. (formerly Inversiones Invest Security), Mandatos Security and Global Security accounted for over 11% of the services outsourced by the Group companies as a whole.

In 2018, 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

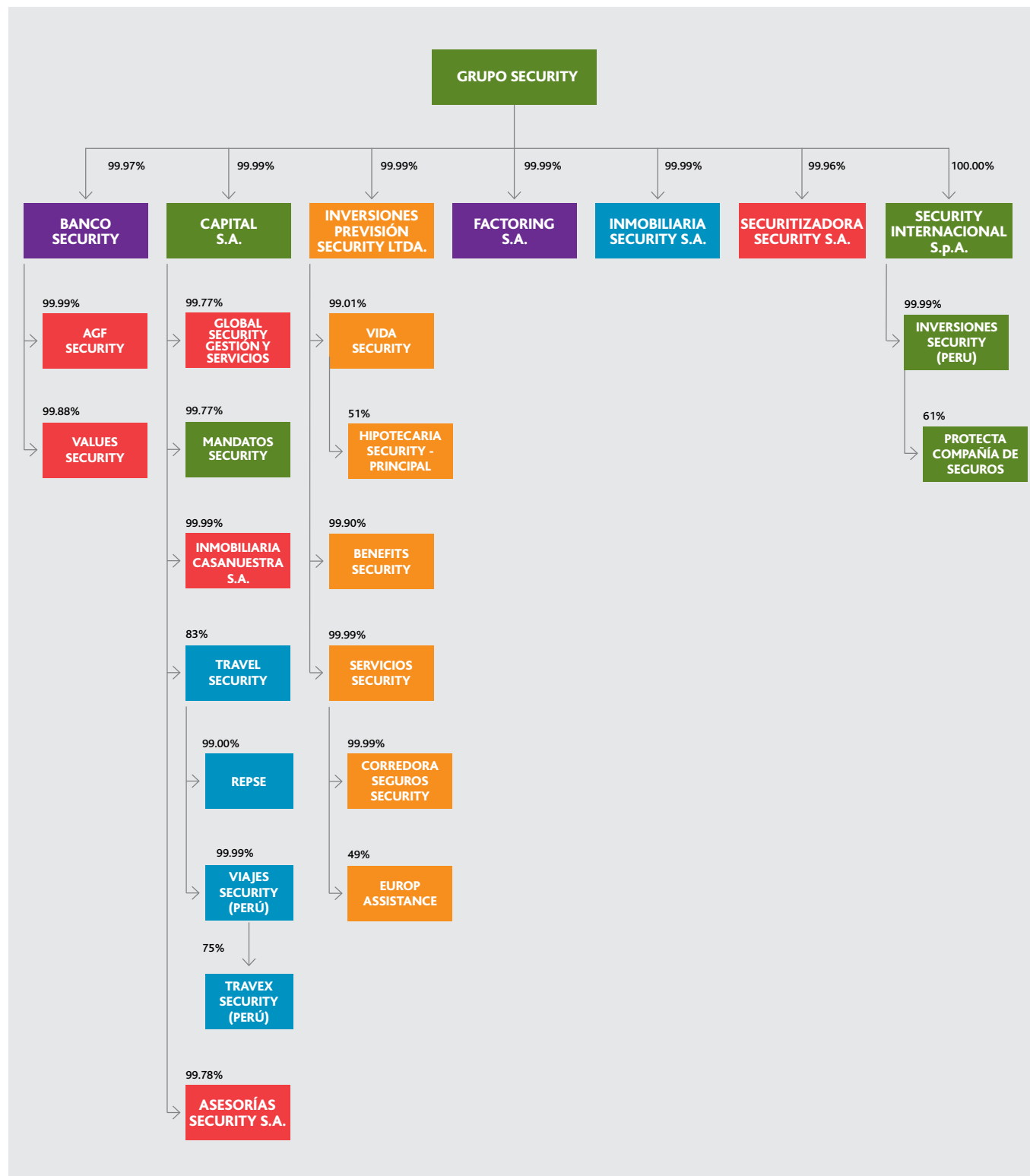
Some of the Group's directors and executives have ownership interests in the company, detailed as follows:

NAME	OWNERSHIP INTEREST (%)
Juan Cristóbal Pavez R.	13.82%
Horacio Pavez G.	10.65%
Jorge Marín C.	10.05%
Naoshi Matsumoto T.	9.70%
Francisco Silva S.	6.69%
Ana Sainz de Vicuña B.	6.03%
Renato Peñafiel M.	5.01%
Bruno Philippi I.	1.27%
Mario Weiffenbach O.	0.53%



ORGANIZATIONAL STRUCTURE

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





MATERIAL EVENTS

SANTIAGO, MARCH 22, 2018

On March 22, 2018, the Board of Directors of Grupo Security agreed to call an annual general shareholders' meeting for April 12, 2018, 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, 2017, including the report of independent auditors for that year.
2. Profit distribution and dividend payments.
3. Dividend policies.
4. Board compensation for 2018.
5. Information regarding Directors' Committee activities, performance and expenses during 2017.
6. Directors' Committee compensation and approval of the 2018 budget.
7. Board expenses in 2017.
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.

The Board also agreed to propose a final dividend of CH\$7.25 per share at the annual general shareholders' meeting. When

added to the interim dividend of CH\$1.75 per share and the additional dividend of CH\$2.60 per share already paid on November 3, 2017, this gives a total dividend of CH\$11.60 per share for 2017. The Board also agreed to propose a dividend payment date of April 23, 2014.

All shareholders registered in the Shareholder Registry as of April 6, 2018, shall be eligible to participate in the annual general shareholders' meeting. Similarly, any proxies will be verified immediately before the shareholders' meeting at the meeting venue.

SANTIAGO, APRIL 12, 2018

In accordance with Law 18,046 (the Corporations Law) and CMF Ruling 660, a dividend of CH\$7.25 per share will be paid in cash and charged to retained earnings from 2017.

SANTIAGO, OCTOBER 3, 2018

In accordance with the agreements made at the annual general shareholders' meeting held on April 12, 2018, the Company's board of directors agreed, at its October 3, 2014, meeting, to pay a total dividend of Ch\$4.50 per share, distributed as follows:

- i. An interim dividend of Ch\$1.90 per share to be paid in cash and charged to profit for the year.
- ii. An additional dividend of CH\$2.60 per share to be paid in cash and charged to retained earnings from prior years.



INVESTMENT AND FINANCING POLICIES

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").

SERIES F BOND

DATE: NOVEMBER 20, 2009

CONTINUED

Individual 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 encompass the Company's standalone debts, which are classified within the following FECU-IFRS accounting concepts: (i) 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 "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. Individual financial liabilities are the sum of financial obligations contracted by Grupo Security, excluding subsidiary financial obligations (Note 25), 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 amount of 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 K BOND

DATE: AUGUST 27, 2013

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.

SERIES L-3 BOND

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. Individual financial liabilities are the sum of financial obligations contracted by Grupo Security, excluding subsidiary financial obligations (Note 25), 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



SERIES L-3 BOND

DATE: DECEMBER 4, 2014

CONTINUED

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 amount of 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 BOND

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 presented in the financial statements to equity (hereinafter "Leverage", as). Therefore, the issuer should include a note of the issuer's standalone financial liabilities and the aforementioned ratio in the quarterly financial statement disclosures. Individual 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

SERIES M BOND

DATE: JANUARY 5, 2017

CONTINUED

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 N1 BOND

DATE: FEBRUARY 15, 2018

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



SERIES N1 BOND

DATE: FEBRUARY 15, 2018

CONTINUED

financial liabilities presented in the financial statements to equity (hereinafter "Leverage", as). 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 individually, 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 standalone Grupo Security payables to related parties that have been eliminated on consolidation, and are therefore excluded from the consolidated 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.

CREDITOR BANKS

As of December 31, 2018, Grupo Security does not have any debts 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 2018, Banco Security distributed Ch\$37,803 million in dividends to Grupo Security. Banco Security received solvency ratings of AA from International Credit Ratings (ICR) and AA- from Fitch Ratings, both with stable outlooks, while international rating agency Standard & Poor's gave it a long-term rating of BBB and a short-term rating of A-2. Factoring Security distributed CH\$3,751 million in dividends. International Credit Ratings gave it a solvency rating of AA-.

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

TIGHT 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 AREA

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 the structure of sales 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

We aspire to be a model for close, productive and transparent relationships with our stakeholders.







INDEPENDENT AUDITORS' REPORT

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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 its subsidiaries ("The Group"), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, 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 accordance 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.



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 its subsidiaries as of December 31, 2018 and 2017, 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.

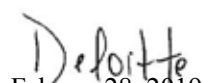
Other matters – Other comprehensive basis of preparation

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.VII C) 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 solely for the convenience of readers outside Chile.


February 28, 2019
Santiago, Chile



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2018 AND 2017

ASSETS	DECEMBER 31, 2018 THCH\$	DECEMBER 31, 2017 THCH\$
CURRENT ASSETS		
Cash and cash equivalents	472,889,690	599,767,478
Other financial assets, current	3,412,739,964	3,162,602,973
Other non-financial assets, current	50,224,120	27,137,580
Trade and other receivables, current	5,833,242,081	5,355,570,833
Accounts receivable from related parties, current	48,248,089	32,019,282
Inventories, current	86,580,672	72,113,146
Current tax assets	39,257,216	32,516,564
TOTAL CURRENT ASSETS OTHER THAN ASSETS OR DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE OR AS HELD FOR DISTRIBUTION TO OWNERS	9,943,181,832	9,281,727,856
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	1,233,954	3,641,275
TOTAL CURRENT ASSETS	9,944,415,786	9,285,369,131
NON-CURRENT ASSETS		
Other non-financial assets, non-current	119,878,149	74,083,873
Equity-accounted investments	3,875,455	3,076,558
Intangible assets other than goodwill	37,811,188	38,517,974
Goodwill	119,066,570	119,066,570
Property, plant and equipment	51,733,402	65,088,368
Investment property	214,169,545	159,663,191
Deferred tax assets	51,737,634	51,733,703
TOTAL NON-CURRENT ASSETS	598,271,943	511,230,237
TOTAL ASSETS	10,542,687,729	9,796,599,368



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2018 AND 2017

LIABILITIES AND EQUITY	DECEMBER 31, 2018 THCH\$	DECEMBER 31, 2017 THCH\$
LIABILITIES		
CURRENT LIABILITIES		
Other financial liabilities, current	6,217,422,354	5,591,019,577
Trade and other payables	2,597,213,493	2,504,746,138
Accounts payable to related parties, current	994,592	1,948,848
Other short-term provisions	124,324,835	117,699,427
Current tax liabilities	22,810,449	24,881,123
Employee benefit provisions, current	9,257,959	8,707,708
Other non-financial liabilities, current	146,415,379	188,926,351
TOTAL CURRENT LIABILITIES	9,118,439,061	8,437,929,172
NON-CURRENT LIABILITIES		
Other financial liabilities, non-current	578,311,298	540,755,666
Accounts payable, non-current	92,876,874	92,843,948
Accounts payable to related parties, non-current	3,322,762	1,948,272
Deferred tax liabilities	697,392	596,149
TOTAL NON-CURRENT LIABILITIES	675,208,326	636,144,035
TOTAL LIABILITIES	9,793,647,387	9,074,073,207
EQUITY		
Issued capital	431,676,083	429,040,360
Retained earnings	342,846,218	311,415,141
Share premium	718,834	-
Other reserves	(46,745,815)	(35,545,420)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	728,495,320	704,910,081
Non-controlling interests	20,545,022	17,616,080
Total equity	749,040,342	722,526,161
TOTAL LIABILITIES AND EQUITY	10,542,687,729	9,796,599,368



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

PROFIT FOR THE YEAR	DECEMBER 31, 2018 THCH\$	DECEMBER 31, 2017 THCH\$
Revenue	1,024,138,401	1,177,767,857
Cost of sales	(673,104,801)	(839,570,927)
GROSS PROFIT	351,033,600	338,196,930
Other income	4,684,748	4,252,262
Administrative expenses	(216,961,503)	(215,482,809)
Other expenses	(7,565,279)	(8,560,516)
Other gains	1,742,070	5,457,454
NET OPERATING INCOME	132,933,636	123,863,321
Finance income	12,974	-
Finance costs	(14,836,551)	(13,110,219)
Share of loss of associates and joint ventures, equity-accounted	(1,775,235)	(379,108)
Exchange differences	1,221,557	(4,925,725)
Loss on indexed assets and liabilities	(10,399,293)	(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	734,381	(1,585,682)
PROFIT BEFORE TAX	107,891,469	99,683,795
Income tax expense	(24,732,925)	(25,971,449)
PROFIT FROM CONTINUING OPERATIONS	83,158,544	73,712,346
Profit from discontinued operations	-	-
PROFIT FOR THE YEAR	83,158,544	73,712,346
PROFIT ATTRIBUTABLE TO		
Profit attributable to owners of the parent	80,548,352	74,707,915
Profit attributable to non-controlling interests	2,610,192	(995,569)
PROFIT FOR THE YEAR	83,158,544	73,712,346
EARNINGS PER SHARE		
BASIC EARNINGS PER SHARE	CH\$	CH\$
Basic earnings per share from continuing operations	21.8111	21.7471
Basic earnings per share from discontinued operations	0.0000	0.0000
BASIC EARNINGS PER SHARE	21.8111	21.7471



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

STATEMENTS OF OTHER COMPREHENSIVE INCOME	DECEMBER 31, 2018 THCH\$	DECEMBER 31, 2017 THCH\$
PROFIT FOR THE YEAR	83,158,544	73,712,346
OTHER INCOME AND EXPENSES CHARGED OR CREDITED TO NET EQUITY		
Insurance company reserves	(8,644,505)	(8,787,191)
Reserve for financial assets available for sale and other bank assets	(4,574,509)	2,225,055
Translation adjustment reserve	2,086,080	(243,494)
TOTAL OTHER INCOME AND EXPENSES CHARGED OR CREDITED TO NET EQUITY	(11,132,934)	(6,805,630)
TOTAL NET COMPREHENSIVE INCOME	72,025,610	66,906,716
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:	THCH\$	THCH\$
Owners of the parent	69,415,418	67,902,285
Non-controlling interests	2,610,192	(995,569)
TOTAL COMPREHENSIVE INCOME	72,025,610	66,906,716



CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	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 1/01/2018	429,040,360	-	(35,545,420)	311,415,141	704,910,081	17,616,080	722,526,161
Increase (decrease) due to changes in accounting policy				(11,101,431)	(11,101,431)		(11,101,431)
CHANGES IN EQUITY							
Profit for the year				80,548,352	80,548,352	2,610,192	83,158,544
Other comprehensive income (loss)			(11,132,934)		(11,132,934)		(11,132,934)
TOTAL COMPREHENSIVE INCOME (LOSS)	-	-	(11,132,934)	80,548,352	69,415,418	2,610,192	72,025,610
Equity issuance	2,635,723	718,834			3,354,557	9,000	3,363,557
Dividends (paid and interim)				(44,593,165)	(44,593,165)		(44,593,165)
Share issuance and placement costs			(67,461)		(67,461)		(67,461)
Increase (decrease) due to transfers and other changes				6,577,321	6,577,321	309,750	6,887,071
TOTAL CHANGES IN EQUITY	2,635,723	718,834	(67,461)	(38,015,844)	(34,728,748)	318,750	(34,409,998)
CLOSING BALANCE CURRENT PERIOD 12/31/2018	431,676,083	718,834	(46,745,815)	342,846,218	728,495,320	20,545,022	749,040,342



CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	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 1/01/2017	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 reclassifications at beginning of year ^(*)	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
Profit for the year	-	-	-	74,707,915	74,707,915	(995,569)	73,712,346
Other comprehensive income (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 and interim)	-	-	-	(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 PRIOR PERIOD 12/31/2017	429,040,360	-	(35,545,420)	311,415,141	704,910,081	17,616,080	722,526,161



CONSOLIDATED STATEMENTS OF CASH FLOWS (DIRECT METHOD)

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

STATEMENT OF CASH FLOWS	DECEMBER 31, 2018 THCH\$	DECEMBER 31, 2017 THCH\$
Cash flows provided by (used in) operating activities		
Classes of revenue from operating activities		
Proceeds from sales of goods and services	248,266,872,538	293,532,240,123
Proceeds from royalties, installments, commissions and other operating income	49,089,568,807	42,083,481,433
Proceeds from contracts held for brokering or trading	122,674,292,697	146,097,815,322
Proceeds from premiums and claims, annuities and other policy benefits	658,697,624	510,168,596
Proceeds from leases and subsequent sale of assets	8,161,783	13,803,119
Other income from operating activities	(127,582,484)	614,282,406
CLASSES OF PAYMENTS		
Payments to suppliers for supply of goods and services	(192,982,058,448)	(243,561,923,937)
Payments from contracts held for brokering or trading	(225,805,016,288)	(236,502,181,524)
Payments to and on behalf of employees	(104,197,983)	(104,074,601)
Payments for premiums and claims, annuities and other policy obligations	(533,644,244)	(461,185,228)
Payments for building or acquiring assets held to lease to others and subsequently sell	(35,353,854)	(5,084,122)
Other payments for operating activities	(1,467,491,227)	(2,088,826,926)
NET CASH FLOWS PROVIDED BY (USED IN) OPERATIONS	(357,751,079)	128,514,661
Interest paid	(156,368,398)	(149,220,267)
Interest received	308,581,320	335,477,815
Income taxes refunded	(7,115,211)	(36,696,193)
Other cash inflows	45,610,190	27,839,569
NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	(167,043,178)	305,915,585
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	7,618,271	22,049,053
Purchases of property, plant and equipment	(4,315,904)	(4,860,585)
Proceeds from the sale of intangible assets	733,663	327,190
Purchases of intangible assets	(2,696,280)	(2,211,777)
Purchase of other long-term assets	-	(262,979)
Dividends received	415	171
Interest received	11,267	8,196
Other cash inflows (outflows)	498,476	(16,567,918)
NET CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	1,849,908	(1,518,649)



CONSOLIDATED STATEMENTS OF CASH FLOWS (DIRECT METHOD)

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

STATEMENT OF CASH FLOWS	DECEMBER 31, 2018 THCH\$	DECEMBER 31, 2017 THCH\$
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Proceeds from share issuance	3,363,558	93,427,286
Payment to purchase or redeem treasury shares	(3,220)	(14,158)
PROCEEDS FROM LOANS	220,284,913	126,683,278
Proceeds from long-term loans	49,058,027	26,666,478
Proceeds from short-term loans	171,226,886	100,016,800
Loan repayments	(135,845,218)	(192,471,312)
Repayment of finance lease liabilities	(667,265)	(789,179)
Dividends paid	(43,938,957)	(42,502,142)
Interest received	-	1,050,109
Interest paid	(2,765,458)	(38,189,697)
Income taxes paid	30,876	-
Other cash outflows	(2,139,241)	(162,145,958)
NET CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES	38,319,988	(214,951,773)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(126,873,282)	89,445,163
Effect of exchange rate changes on cash and cash equivalents	(4,507)	(12,755)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(126,877,789)	89,432,408
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	599,767,479	510,335,070
CASH AND CASH EQUIVALENTS AT END OF PERIOD	472,889,690	599,767,478



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.

The following companies are included in Grupo Security's scope of consolidation as of December 31, 2018 and 2017:



COMPANY NAME	TAXPAYER ID NUMBER	2018			2017		
		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%
Inversión Previsión 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	99.01000%		99.01000%	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 12.31.2018	%	ACCUMULATED %
INVERSIONES CENTINELA LIMITADA	76.447.620-4	373,095,429	10.10%	10.10%
SOCIEDAD DE AHORRO MATYCO LIMITADA	96.512.100-5	358,481,708	9.70%	19.80%
INV HEMACO LTDA	96.647.170-0	288,664,066	7.81%	27.61%
INVERSIONES HIDROELECTRICAS LTDA	79.884.660-4	225,420,000	6.10%	33.71%
ARCOINVEST CHILE SA	76.057.087-7	222,729,075	6.03%	39.74%
INVERSIONES LLASCAHUE LTDA	79.884.060-6	152,050,000	4.12%	43.85%
VALORES SECURITY S A C DE B	96.515.580-5	148,587,665	4.02%	47.88%
SOC COMERCIAL DE SERVICIOS E INV LTDA	79.553.600-0	137,463,405	3.72%	51.60%
SOCIEDAD DE AHORRO ALISIOS DOS LTDA	76.093.398-8	131,247,969	3.55%	55.15%
SOCIEDAD DE AHORRO ATACALCO DOS LTDA	76.093.394-5	131,212,568	3.55%	58.70%
SOCIEDAD DE AHORRO TENAYA DOS LTDA	76.093.362-7	131,212,567	3.55%	62.25%
INVERSIONES LOS CACTUS LTDA	79.884.050-9	98,000,000	2.65%	64.90%
BICE INVERSIONES CORREDORES DE BOLSA S A	79.532.990-0	92,613,639	2.51%	67.41%
INMOBILIARIA CAB LIMITADA	96.941.680-8	86,040,495	2.33%	69.74%
BCI C DE B S A	96.519.800-8	76,886,479	2.08%	71.82%
COMPASS SMALL CAP CHILE FONDO DE INVERSION	96.804.330-7	74,102,075	2.01%	73.82%
BANCHILE C DE B S A	96.571.220-8	55,099,757	1.49%	75.32%
INVERSIONES LOS CHILCOS S A	79.884.030-4	49,330,000	1.34%	76.65%
LARRAIN VIAL S A CORREDORA DE BOLSA	80.537.000-9	48,854,412	1.32%	77.97%
HEIRS TO THE ESTATE OF MARIO ANDRES CONCHA RODRIGUEZ	53.322.732-5	46,880,493	1.27%	79.24%
KINTO INVERSIONES LTDA	76.503.271-7	46,880,493	1.27%	80.51%
SIGLO XXI FONDO DE INVERSION	76.100.825-0	44,939,399	1.22%	81.73%
POLO SUR SOCIEDAD DE RENTAS LTDA	79.685.260-7	39,459,521	1.07%	82.79%

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
INTERNATIONAL BUSINESS	
	Security Internacional Travel
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 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.
- **OTHER 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, 2018 and 2017:

AS OF DECEMBER 31, 2018

COMPANY	EXECUTIVES	PROFESSIONALS	WORKERS	TOTAL
Grupo Security S.A.	15	25	1	41
Bank and subsidiaries	63	839	366	1,268
Factoring Security S.A.	8	101	59	168
Inmobiliaria Security S.A. and Inmobiliaria Security Siete Ltda.	2	27	8	37
Asesorías Security S.A.	-	2	2	4
Securitizadora Security S.A.	1	2	1	4
Capital S.A. and subsidiaries	25	755	333	1,113
Inversión Previsión Security and subsidiaries	38	374	892	1,304
Security Internacional	-	-	-	-
TOTAL	152	2,125	1,662	3,939

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
Inversión Previsión Security and subsidiaries	34	417	798	1,249
TOTAL	135	2,159	1,593	3,887



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, 2018 and 2017.
- Statements of Changes in Equity for the years ended December 31, 2018 and 2017.
- Statements of Comprehensive Income (by Function) for the years ended December 31, 2018 and 2017.
- Statements of Cash Flows (Direct Method) for the years ended December 31, 2018 and 2017.

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, 2018 and 2017, 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. 2,022 dated May 27, 2011, and its amendments, in which the Financial Market Commission (CMF).
- 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 AMENDMENTS TO IFRS HAVE BEEN ADOPTED IN THESE FINANCIAL STATEMENTS:

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.
AMENDMENT TO IFRS	MANDATORY EFFECTIVE DATE
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.
NEW INTERPRETATIONS	MANDATORY EFFECTIVE DATE
IFRIC 22 Foreign Currency Transactions and Advance Considerations	Annual periods beginning on or after January 1, 2018.

IMPACT OF APPLYING 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 recognized 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.

The management of Grupo Security S.A., believes that this amendment will not have a relevant impact on the carrying amount of items in its financial statements or on the classification of financial assets and liabilities.

Regarding the other subsidiaries and the parent company, applying these amendments and new interpretations has not had a significant effect on the amounts reported in these consolidated financial statements. However, they may affect the accounting of future transactions or agreements. The Bank cannot apply this standard as mandated expressly by the SBIF in the Compendium of Accounting Standards, Chapter A-2, No. 12.

This mandate does not apply to the Bank's direct subsidiary, Factoring Security S.A. On January 1, 2018, this subsidiary's management began applying an expected credit loss model designed with the help of an external advisor. Applying the impairment requirements in IFRS 9 resulted in an increase of THCH\$1,770 with respect to impairment recognized under IAS 39, detailed as follows: gross amount of MCH\$2,240 with deferred taxes of MCH\$470.

The management of the subsidiary Seguros Vida Security Previsión S.A., evaluated the impact of applying the amendments to IFRS 9 and concluded the following:

The effects of first-time adoption of IFRS 9 for classification and measurement are: Financial instrument type: Financial instruments classified as Insurance with Savings Components (CUI) originally measured using IAS 39 Fair Value Financial Assets are now measured under IFRS 9 Financial Assets at Amortized Cost Original carrying amount under IAS 39 as of 01.01.2018 THCH\$195,482,169.- New carrying amount under IFRS 9 as of 01.01.2018 THCH\$190,363,052.- Effect under IFRS 9 as of 01.01.2018 THCH\$(5,119,117). The effects of first-time adoption of IFRS 9 for impairment are: Items existing as of 1/1/2018 tested for impairment under IFRS 9 Financial investments (local and foreign corporate bonds and syndicated loans) Attributes of credit risk as of 1/1/2018 Application of expected credit loss model Restatement of additional value for losses as of 1/1/2018 THCH\$1,676,101. In Official Ruling No. 15907 dated June 29, 2018, the Financial Market Commission mandated recognizing the effects in the financial statements as of December 31, 2018, which are summarized as follows: Financial Assets / Cumulative effects as of: 01-01-2018 Measurement and classification THCH\$5,119,117.- Impairment THCH\$1,676,101.- Deferred taxes THCH\$(452,621).- Full application of IFRS 9 THCH\$6,342,597.-

IMPACT OF APPLYING IFRS 15

REVENUE FROM CONTRACTS WITH CUSTOMERS

In the current year, the Company applied IFRS 15 Revenue from Contracts with Customers. IFRS 15 introduces a five-step approach for recognizing revenue. More prescriptive guidance has been added in IFRS 15 for treatment specific scenarios. The details of these new requirements as well as the impact on the Company's consolidated financial statements are described later in this document.



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. Adopting IFRS 15 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 does not have a relevant impact on the current operating models of Grupo Security S.A.

The subsidiary Banco Security S.A., has adopted IFRS 15 using the cumulative effect method without using the practical expedients available, recognizing the cumulative effect of initially applying this standard as an adjustment to opening retained earnings as of January 1, 2018. Therefore, the comparative information presented has not been restated.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what could commonly be known as 'accrued income' and 'deferred income', however, the standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Company has adopted the terminology used in IFRS 15 to describe those balances.

The Bank's management has evaluated the impact of applying this standard and concluded that first-time adoption of IFRS 15 has had an impact of MCH\$3,174, net of deferred taxes, on the financial statements. This amount was recognized against reserves.

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 clarify that a transfer to, or from, investment property requires an evaluation of whether a property meets or has ceased to meet the definition of investment property, when there is observable evidence of a change in use. The amendments clarify that situations other than those listed in IAS 40 can provide evidence of a change in use and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties).

Management has analyzed the potential impact of adopting this amendment and has concluded that Transfers of Investment Property (Amendments to IAS 40) does not have a relevant impact on the current operating models of Grupo Security S.A.

ANNUAL IMPROVEMENTS CYCLE 2014 - 2016

On December 8, 2016, the IASB issued Annual Improvements Cycle 2014-2016. These include amendments to IFRS 1 First-Time Adoption of International Financial Reporting Standards and IAS 28 Investments in Associates and Joint Ventures.

The amendments to IFRS 1 eliminated the exceptions included in paragraphs E3-E7.

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.

Applying these amendments has not had an impact on the consolidated financial statements of Grupo Security and subsidiaries since the Company is not a first-time adopter of IFRS.

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.

Prospective/retrospective application of this interpretation has not had an impact on the consolidated financial statements of Grupo Security and subsidiaries since the way the Company previously accounted for transactions involving advance payment or receipt of considerations in foreign currency was consistent with the interpretation.



B) THE FOLLOWING STANDARDS, AMENDMENTS AND INTERPRETATIONS HAVE BEEN ISSUED BUT APPLICATION IS NOT YET MANDATORY:

NEW IFRS	MANDATORY EFFECTIVE DATE
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.
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.
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	Annual periods beginning on or after January 1, 2019.
Definition of a Business (Amendments to IFRS 3)	Annual periods beginning on or after January 1, 2020.
Definition of Material (Amendments to IAS 1 and IAS 8)	Annual periods beginning on or after January 1, 2020.
Revised Conceptual Framework for Financial Reporting	Annual periods beginning on or after January 1, 2020
NEW INTERPRETATIONS	MANDATORY EFFECTIVE DATE
IFRIC 23 Uncertainty over Income Tax Treatments	Annual periods beginning on or after January 1, 2019.

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. Since the Company has chosen to apply the modified retrospective approach, it is not required to restate comparatives and the cumulative effect of initially applying IFRS 16 must be presented as an adjustment to opening retained earnings (or other component of equity, when appropriate).

During the second half of 2018, the management of Grupo Security S.A., conducted simulations to obtain a better understanding of the potential effect of this new accounting standard. The transition to IFRS 16, based on management's best estimate, would result in an increase in assets of between UF 295,000 and UF 310,000 against the related greater liability.

In contrast, for finance leases where the Company acts as lessee, since the Company has already recognized an asset and corresponding lease liability for the lease agreement, and in cases where the Company acts as lessor (for both operating and finance leases), the Company's management does not anticipate that the application of IFRS 16 will have a significant impact on the amounts recognized in the Company's consolidated financial statements.

IFRIC 23 UNCERTAINTY OVER INCOME TAX TREATMENTS

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

IFRIC 23 requires an entity to:

- (i) determine whether uncertain tax positions should be evaluated independently or together;
- (ii) evaluate whether the taxation authority will accept an uncertain tax treatment that an entity used or plans to use in its income tax filing:
 - a. 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.
 - b. 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.

Management does not expect future application of the conceptual framework to have a significant impact on the consolidated financial statements.

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, 2018 and 2017, are as follows:

COMPANY NAME	TAXPAYER ID NUMBER	DIRECT
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%
Inversión Previsión Security Limitada	78.769.870-0	99.9995%
Capital S.A.	96.905.260-1	99.9853%
Securitizadora Security S.A.	96.847.360-3	99.9600%
Security Internacional S.A.	96.847.360-3	100.0000%

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 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 maturity amount.

In the case of financial assets, amortized cost includes corrections for any impairment that may have occurred.

2.5 FAIR VALUE

A fair value measurement estimates the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

FAIR VALUE HIERARCHY

- **LEVEL 1:** Quoted (unadjusted) price in active 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.

When an instrument's market is not active, the Grupo determines fair value using techniques to approximate a fair price, such as interest rate curves based on market transactions or comparison with similar instruments.



2.6 ACQUISITION COST

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

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

- Derivative financial instruments measured at fair value.
- Financial instruments held for trading measured at fair value through profit or loss or equity.
- Financial assets available for sale measured at fair value, for the Bank.

For the Bank, certain real estate items within property, plant and equipment for which senior management decided to use its appraised value as deemed cost on first-time adoption in accordance 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 recognized 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 recognized 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 recognized 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 recognized with a charge to profit or loss in the year in which they are incurred. Amortization of intangible assets is recognized 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 recognized in profit or loss when 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 recognized 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 recognized 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 2018 and 2017 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 REPOSSESSED OR AWARDED ASSETS, BANK

Repossessed or awarded assets 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 recognized at a restated amount, in which case the impairment loss is recognized 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 recognized at a restated amount, in which case the reversal of the impairment loss is recognized 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 recognized 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 recognize 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

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 measured 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 recognized 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 recognized 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 recognized at cost plus accrued interest and indexation, less impairment provisions recognized when the amount recognized is greater than the estimated recoverable amount. As of December 31, 2018 and 2017, 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized in equity.

Any ineffective portion is directly recognized in profit or loss. The accumulated amounts recognized 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 recognized 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 measured 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 recognized with annual adjusted presence over 25% or with a market marker in conformity with Section II and III of General Standard No. 327 are measured 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 measured 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 measured 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 measured 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 recognized in the prior financial statements are recognized 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 recognized 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 recognized 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 recognized 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 recognize 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 measured 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 recognize 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 measured as follows:

I) LOCAL DEBT SECURITIES:

Local debt securities are measured 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.portalaach.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 measured 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



recognized in liabilities under "payables from repurchase agreements and securities lending". When financial instruments are purchased with a resale obligation, they are included in assets under "receivables from repurchase agreements and securities borrowing".

Repurchase and resale agreements are measured 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 measured at amortized cost. Other debt instruments issued are measured as of the placement date, including transaction costs, and subsequently measured 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 measured 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	More than 0% 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 recognized 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, 2018 and 2017, the Bank had not recognized 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 payments on written-off loans are recognized directly in profit or loss under "recovery of written-off loans" in "provisions for loan losses" in the Bank's financial statements.

2.22 INVENTORIES

Inventories are recognized 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 measured 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 measured 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 recognized 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

IFRS 15 establishes the principles that an entity must apply to account for revenue and proceeds from contracts for the sale of goods or services to customers.

According to this standard, Grupo Security S.A. recognizes revenue from contracts with customers when it has satisfied its obligations to transfer goods or perform services, as contractually agreed upon, and deems that a good or service has been transferred when the customer obtains control of the good or service (either over time or at a point in time).

The amount that must be recognized will reflect the consideration to which the Company expects to be entitled in exchange for the goods or services transferred.

IFRS 15 replaces IAS 18 Revenue; IAS 11 Construction Contracts; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue-Barter Transactions Involving Advertising Services.

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 recognized at the same time as the increase in the liability or the reduction in the asset is recognized.

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

As of December 31, 2018 and 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 recognized 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.

Both taxes have a rate of 27% for first-category (corporate) tax. 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.

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 measured 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.

The financial statements of its subsidiary Security Internacional Spa., are prepared in US dollars 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 recognized 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 denominated 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\$(47,718) and THCH\$(243,494) for the years ended December 31, 2018 and 2017, 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 manifests itself through 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.

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 general 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 Santiago 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 certain assets, liabilities, income, expenses and commitments recognized 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) Measurement of financial instruments and derivatives.
- B) Provisions for loan losses.
- C) Impairment losses on loans and receivables from customers and other assets.
- D) The useful life of tangible 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) CONSOLIDATED 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 recognized 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 recognized 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 recognized 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 recognized 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 recognizing a provision in profit and loss.

B) REAL ESTATE LEASE AGREEMENTS

Real estate lease agreements are recognized 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 recognized 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 recognizing 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 recognized 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 recognized 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 recognized 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 (DSI)

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 December 31, 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 December 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 recognized 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 PREVISIÓN.

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 recognized 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 recognized 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 December 31, 2017, and December 31, 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 December 31, 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 ACCOUNTING CHANGES

The effects of adopting IFRS 9 and IFRS 15 have been recognized in the financial statements as of December 31, 2018. Adopting these new standards does not have a significant impact on the consolidated financial statements of Grupo Security. The effects were recognized as a first-time adoption adjustment in retained earnings as of January 1, 2018. The effects of adopting these standards are detailed as follows:

EFFECTS	BALANCES
Adjustment for first-time adoption of IFRS - Vida	(6,292,688)
Adjustment for adopting IFRS 15 - Banco Security	(3,173,568)
Adjustment for adopting IFRS 9 - Factoring Security	(1,635,175)

During the period from January 1 to December 31, 2018, there are no other changes in accounting policies with respect to the prior period.

2.49 RECLASSIFICATIONS

Grupo Security and subsidiaries have made certain minor reclassifications to the financial statements as of December 31, 2018, to improve the presentation and comparability of the financial statements as of December 31, 2018.

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:

ITEM	BALANCE REPORTED IN 2017	RECLASSIFICATION	RECLASSIFIED BALANCE 2017
Other financial liabilities, current	1,527,371,128	5,079,154	1,532,450,282
Deferred tax asset	96,435,049	(44,701,346)	51,733,703
Deferred tax liability	45,297,494	(44,701,345)	596,149



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 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
Cash and cash equivalents	411,558,327	516,287,599
Time deposits	2,845,433	-
Fund units	39,137,410	54,393,733
Other cash and cash equivalents	19,348,520	29,086,146
TOTAL	472,889,690	599,767,478

B) THE DETAIL OF CASH AND CASH EQUIVALENTS BY TYPE OF CURRENCY IS AS FOLLOWS:

	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
USD	161,817,934	205,796,506
Euro	4,273,313	4,739,887
CH\$	301,075,379	384,785,708
Other	5,723,064	4,445,377
TOTAL	472,889,690	599,767,478



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) BALANCES OF DEFERRED TAX ASSETS AND LIABILITIES THROUGH PROFIT AND LOSS ARE RELATED TO THE FOLLOWING ITEMS:

DEFERRED TAX ASSETS THROUGH PROFIT AND LOSS	12.31.2018 THCH\$	12.31.2017 THCH\$
Deferred tax assets related to depreciation	107,605	248,748
Deferred tax assets related to amortization	385	1,556,836
Deferred tax assets related to provisions	32,462,339	28,209,681
Deferred tax assets related to lease agreements	573,974	3,406,182
Deferred tax assets related to tax losses	4,525,849	4,573,806
Deferred tax assets related to other items	3,221,819	3,109,463
DEFERRED TAX ASSETS	40,891,971	41,104,716

DEFERRED TAX LIABILITIES THROUGH PROFIT AND LOSS	12.31.2018 THCH\$	12.31.2017 THCH\$
Deferred tax liabilities related to depreciation	410,458	601,113
Deferred tax liabilities related to amortization	1,811,114	918,704
Deferred tax liabilities related to provisions	368,187	264,439
Deferred tax liabilities related to lease agreements	(326,788)	276,834
Deferred tax liabilities related to other items	4,663,104	3,020,484
DEFERRED TAX LIABILITIES	6,926,075	5,081,574
NET DEFERRED TAX ASSET THROUGH PROFIT OR LOSS	33,965,896	36,023,141



B) BALANCES OF DEFERRED TAX ASSETS AND LIABILITIES THROUGH EQUITY ARE RELATED TO THE FOLLOWING ITEMS:

DEFERRED TAX ASSETS THROUGH EQUITY	12.31.2018 THCH\$	12.31.2017 THCH\$
Tax goodwill	16,689,187	17,173,562
Investments available for sale	527,346	(1,650,000)
First-time adoption adjustment MC points	1,174,081	-
Deferred tax assets related to applying IFRS 9	(618,876)	-
Cash flow hedge	-	187,000
EFFECT ON EQUITY (DEBTOR BALANCE)	17,771,738	15,710,562
TOTAL DEFERRED TAX ASSET (NET)	51,737,634	51,733,703

DEFERRED TAX LIABILITIES THROUGH EQUITY	12.31.2018 THCH\$	12.31.2017 THCH\$
Increase in value, variable-income securities	697,392	596,149
EFFECT ON EQUITY (CREDITOR BALANCE)	697,392	596,149

C) INCOME TAX EXPENSE

INCOME TAX EXPENSE	12.31.2018 THCH\$	12.31.2017 THCH\$
Current tax expense	(21,652,455)	(21,723,652)
Adjustments to prior period current tax	(254,656)	(848,336)
Other current tax expenses	(1,797,633)	77,236
CURRENT TAX EXPENSE, NET, TOTAL	(23,704,745)	(22,494,752)
Deferred expense for taxes related to the creation and reversal of temporary differences	(1,721,923)	(3,391,616)
Other deferred tax benefits (expense)	693,742	(85,081)
DEFERRED TAX EXPENSE, NET, TOTAL	(1,028,181)	(3,476,697)
INCOME TAX EXPENSE	(24,732,925)	(25,971,449)

D) RECONCILIATION OF STATUTORY TAX RATE TO EFFECTIVE TAX RATE

	12.31.2018 %	12.31.2017 %
Statutory tax rate	27.00%	25.50%
Other increase (decrease) in statutory tax rate	(4.08%)	0.55%
TOTAL ADJUSTMENTS TO STATUTORY TAX RATE	(4.08%)	0.55%
EFFECTIVE TAX RATE	22.92%	26.05%



NOTE 5 - INVENTORIES

The detail of this account is as follows:

	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
Land	76,633,766	62,630,808
Houses	1,515,018	5,761,370
Apartments	6,268,530	3,000,822
Storage facilities	134,597	54,364
Parking spaces	651,267	398,999
Residential leases	590,017	198,203
Mortgage loans funded with own resources	787,477	68,580
TOTAL	86,580,672	72,113,146

	12.31.2018 THCH\$				
	OPENING BALANCE THCH\$	PURCHASES THCH\$	TRANSFERS THCH\$	SALES THCH\$	CLOSING BALANCE THCH\$
Land	62,630,808	30,272,762	(14,128,814)	(2,140,990)	76,633,766
Houses	5,761,370	-	-	(4,246,352)	1,515,018
Apartments	3,000,822	-	13,091,881	(9,824,173)	6,268,530
Storage facilities	54,364	-	200,254	(120,021)	134,597
Parking spaces	398,999	-	836,679	(584,411)	651,267
Residential leases	198,203	7,260,711	(6,868,897)	-	590,017
Mortgage loans funded with own resources	68,580	15,852,637	(15,133,740)	-	787,477
TOTAL	72,113,146	53,386,110	(22,002,637)	(16,915,947)	86,580,672

	12.31.2017 THCH\$				
	OPENING BALANCE THCH\$	PURCHASES THCH\$	TRANSFERS 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

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 NUMBER	COMPANY	COUNTRY	NATURE OF RELATIONSHIP	CURRENCY	TRANSACTION	EFFECT ON PROFIT (LOSS) 12.31.2018 THCH\$	RELATED PARTY BALANCES		
							RECEIVABLE (CURRENT) THCH\$	PAYABLE (CURRENT) THCH\$	GUARANTEES 12.31.2018 THCH\$
76.003.473-8	SKC INMOBILIARIA S A	Chile	Through ownership	CH\$	Loans	649,164	8,415,989	-	6,944,920
76.005.843-2	SOUTH PACIFIC MOTOR CHILE S.A.	Chile	Through ownership	CH\$	Loans	37,951	5,987,785	-	-
96.928.530-4	COMERCIAL AUTOMOTRIZ S A	Chile	Through ownership	CH\$	Loans	90,011	3,005,922	-	-
81.569.800-2	FRANCISCO REGULEZ Y CIA LTDA	Chile	Through ownership	CH\$	Loans	174,599	2,695,960	-	-
96.364.000-5	MMC CHILE S A	Chile	Through ownership	CH\$	Loans	17,115	2,505,460	-	-
76.832.940-0	NEWCO MOTOR CHILE S.A.	Chile	Through ownership	CH\$	Loans	2,586	1,810,635	-	-
76.034.817-1	SKBERGE INMOBILIARIA SPA	Chile	Through ownership	CH\$	Loans	39,771	1,763,516	-	-
76.621.380-4	FINAMERIS SERVICIOS FINANCIEROS S A	Chile	Through management	CH\$	Loans	86,287	1,560,016	-	-
96.777.170-8	SIGDOPACK S.A.	Chile	Through ownership	CH\$	Loans	104,731	1,471,914	-	-
2,005,020,096	SOUTH PACIFIC MOTOR PERU SAC	Peru	Through management	CH\$	Loans	906,827	933,082	-	-
76.017.514-5	SUDAMERICA COMERCIAL S A	Chile	Through ownership	CH\$	Loans	50,084	793,426	-	-
76.081.982-4	COMERCIAL NATUFEED LIMITADA	Chile	Through ownership	CH\$	Loans	41,016	713,683	-	-
83.568.200-5	SIMMA S A	Chile	Through management	CH\$	Loans	20,012	413,697	-	-
76.197.101-8	CBP FINANCA CAPITAL FACTORING S A	Chile	Through ownership	CH\$	Loans	18,332	401,408	-	-
96.571.220-8	BANCHILE CORREDORES DE BOLSA S A	Chile	Through ownership	CH\$	Loans	5,973	373,746	-	-
13.685.805-K	LOPEZ NAVAJAS PEDRO	Chile	Through management	CH\$	Loans	20,849	361,854	-	-
76.270.409-9	BARRIA Y MARDONES LIMITADA	Chile	Through management	CH\$	Loans	18,793	290,896	-	-
12.628.185-4	BEZANILLA GUARACHI JOSE	Chile	Through management	CH\$	Loans	14,070	283,208	-	-
13.882.407-1	VALENZUELA VALDES PATRICIO	Chile	Through management	CH\$	Loans	13,684	275,996	-	-
76.351.957-0	EASYSUPPLY COMERCIAL LIMITADA	Chile	Through ownership	CH\$	Loans	13,474	273,345	-	-
12.465.615-K	VIDAL WESTERMANN FRANCISCO	Chile	Through management	CH\$	Loans	15,389	260,178	-	-
77.755.590-1	CABO DE HORNOS S A	Chile	Through ownership	CH\$	Loans	27,600	259,762	-	-
8.772.384-4	SILVA DOMINGUEZ FRANCISCO	Chile	Through ownership	CH\$	Loans	13,419	254,485	-	-
12.716.689-7	BARRIA AGUERO VICTOR	Chile	Through management	CH\$	Loans	13,511	251,701	-	-
9.851.906-8	ECHEVERRIA PECAREVIC JAIME	Chile	Through management	CH\$	Loans	11,949	227,079	-	-
12.699.053-7	BEGO PINILLA LENKA	Chile	Through management	CH\$	Loans	13,457	210,190	-	-
11.493.920-K	DIEZ LASOTA ALVARO	Chile	Through management	CH\$	Loans	13,562	205,192	-	-
14.393.594-9	SILVA TORRES RODRIGO	Chile	Through management	CH\$	Loans	7,934	201,959	-	-
13.032.901-2	GARAY ORELLANA CRISTIAN	Chile	Through management	CH\$	Loans	12,142	193,369	-	-
8.708.453-1	COLLAO ADRIAZOLA PAULINA	Chile	Through management	CH\$	Loans	10,589	178,594	-	-
12.063.716-9	TISNE MARITANO JUAN	Chile	Through management	CH\$	Loans	10,121	169,846	-	-
13.521.686-0	MATZNER BUSTAMANTE RODRIGO	Chile	Through management	CH\$	Loans	7,396	168,683	-	-
13.686.434-3	CONCHA RIVERA CRISTOBAL	Chile	Through management	CH\$	Loans	9,214	161,163	-	-
E-0	OTHER COMPANIES	Chile	Through management	CH\$	Loans	-	10,756,270	-	-
96.588.080-1	Principal Cía. de Seguros de Vida Chile S.A.	Chile	Through management	CH\$	Loans	-	372,222	-	-
99.573.400-1	EUROP ASSISTANCE S.A	Chile	Through ownership	CH\$	Loans	2,629	45,855	-	-
TOTAL						2,494,241	48,248,089	-	6,944,920

- (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.



CURRENT BALANCES WITH RELATED PARTIES (CONTINUED)

TAXPAYER ID NUMBER	COMPANY	COUNTRY	RELATIONSHIP	CURRENCY	TRANSACTION	EFFECT ON PROFIT (LOSS) 12.31.2017 THCH\$	RELATED PARTY BALANCES		
							RECEIVABLE (CURRENT) THCH\$	PAYABLE (CURRENT) THCH\$	GUARANTEES 12.31.2017 THCH\$
76.003.473-8	SKC Inmobiliaria S.A.	Chile	Through ownership	CH\$	Loans	537,831	8,418,058	-	6,944,920
76.017.514-5	Sudamerica Comercial S.A.	Chile	Through ownership	CH\$	Loans	45,090	699,872	-	-
76.057.595-K	Comercializadora y Exportadora Sur Corp S.A.	Chile	Through ownership	CH\$	Loans	26,953	260,311	-	260,136
76.081.982-4	Comercial Natufeed Ltda.	Chile	Through ownership	CH\$	Loans	29,887	605,203	-	-
76.102.564-3	MORKEN CHILE S A	Chile	Through ownership	CH\$	Loans	1,173	3,915	-	62,224
76.107.528-4	SERVICIOS E INVERSIONES	Chile	Through management	CH\$	Loans	1,281	66,505	-	65,611
76.123.386-6	SOCIEDAD COMERCIALIZADORA TYM LIMITADA	Chile	Through management	CH\$	Loans	1,762	31,842	-	-
76.140.492-K	Silva y Pizarro Limitada	Chile	Through management	CH\$	Loans	416	2,749	-	-
76.176.602-3	SKC TRANSPORTE S A	Chile	Through ownership	CH\$	Loans	56,407	822,682	-	-
76.193.810-K	DIMERCO COMERCIAL LIMITADA	Chile	Through ownership	CH\$	Loans	56	3,936	-	-
76.197.101-8	C.B.P. Financia Capital Factoring S.A.	Chile	Through ownership	CH\$	Loans	6,147	346,567	-	-
76.262.259-9	Stick Mania Diseños e Impresiones Ltda	Chile	Through management	CH\$	Loans	-	2,419	-	-
76.270.409-9	Barria y Mardones Limitada	Chile	Through management	CH\$	Loans	6,232	285,118	-	-
76.351.957-0	EASYSUPPLY COMERCIAL LIMITADA	Chile	Through ownership	CH\$	Loans	9,060	180,412	-	-
76.399.170-9	SERVICIOS E INVERSIONES KOALA LTDA	Chile	Through management	CH\$	Loans	1,915	23,068	-	-
76.410.610-5	SKC Maquinarias S.A.	Chile	Through ownership	CH\$	Loans	614	51	-	-
76.425.518-6	INVERSIONES ALONSO S A	Chile	Through management	CH\$	Loans	6,630	109,794	-	109,130
76.435.928-3	CODIPROAL S.P.A.	Chile	Through management	CH\$	Loans	1	129	-	-
76.503.271-7	KINTO INVERSIONES LIMITADA	Chile	Through ownership	CH\$	Loans	13	472	-	-
76.621.380-4	Finameris Servicios Financieros S A	Chile	Through management	CH\$	Loans	87,175	1,554,472	-	-
76.692.840-4	Sigdotek S.A.	Chile	Through ownership	CH\$	Loans	2,877	75	-	-
76.832.940-0	Newco Motor Chile S.A.	Chile	Through ownership	CH\$	Loans	1,047	1,048,949	-	-
77.755.590-1	CABO DE HORNOS S A	Chile	Through ownership	CH\$	Loans	10,346	345,917	-	-
78.560.400-8	Inversiones Santa Paula Ltda.	Chile	Through management	CH\$	Loans	-	61,529	-	-
81.271.100-8	Detroit Diesel MTU Allison Chile S.A.	Chile	Through management	CH\$	Loans	22,465	732	-	-
83.568.200-5	SIMMA S A	Chile	Through management	CH\$	Loans	20,343	300,004	-	-
89.444.500-9	CIA AGRIC LECHERA QUILLA	Chile	Through management	CH\$	Loans	8,432	92,819	-	-
92.845.000-7	CARLOS CRAMER PRODUCTOS	Chile	Through ownership	CH\$	Loans	219	2,497	-	-
94.099.000-9	Microfilmacion y Sistemas Microsystem S	Chile	Through management	CH\$	Loans	10,609	78,298	-	164,501
96.588.080-1	Principal Cía. de Seguros de Vida Chile S.A.	Chile	Through management	CH\$	Loans	-	129,602	-	-
96.594.300-5	JUGUETES FESTIVAL KAYSER S A	Chile	Through management	CH\$	Loans	-	45,038	-	-
96.777.170-8	Sigdopack S.A.	Chile	Through ownership	CH\$	Loans	105,998	1,471,739	-	-
96.800.570-7	Chilectra S.A.	Chile	Through management	CH\$	Loans	-	3	-	-
96.937.550-8	SKC Servicios Automatrices S.A.	Chile	Through ownership	CH\$	Loans	-	1,225	-	-
99.516.640-2	TRENDS AMERICAS CHILE S A	Chile	Support company	CH\$	Loans	-	4	-	-
99.573.400-1	EUROP ASSISTANCE S.A	Chile	Through ownership	CH\$	Loans	2,167	37,804	-	-
2,000,147,683	KIA ARGENTINA S A	Chile	Through management	CH\$	Loans	34,242	4,794	-	-
E0	Other companies	Chile	Through management	CH\$	Loans	-	14,980,677	-	-
TOTAL						1,037,389	32,019,282	-	7,606,522

- (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:

DETAIL	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
Investments in associates	3,875,455	3,025,934
Investments in other companies	-	50,624
TOTAL	3,875,455	3,076,558

MOVEMENTS IN INVESTMENTS IN ASSOCIATES

TAXPAYER ID NUMBER	ASSOCIATE	COUNTRY	OWNERSHIP INTEREST	BALANCE 12.31.2017 THCH\$	ADDITIONS (SALES) THCH\$	SHARE OF PROFIT (LOSS) THCH\$	DIVIDENDS RECEIVED THCH\$	OTHER INCREASE/ DECREASE THCH\$	BALANCE 12.31.2018 THCH\$
99.573.400-1	Europ Assistance Chile S.A.	Chile	49%	824,559	-	-	-	227,767	1,052,326
76.507.823-7	Inmobiliaria Parque el Rodeo SPA	Chile	50%	2,201,375	-	-	-	621,754	2,823,129
	Other companies	Chile		50,624	-	-	-	(50,624)	-
TOTAL				3,076,558	-	-	-	798,897	3,875,455

SUMMARIZED FINANCIAL INFORMATION ABOUT THE MAIN EQUITY-ACCOUNTED ASSOCIATES:

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.

- LINE OF BUSINESS: Travel assistance insurance.
- OWNERSHIP INTEREST: 49%
- NUMBER OF SHARES: 179
- DATE PURCHASED: 12/31/2013
- SERVICES: It provides direct services for several companies in the market.

INMOBILIARIA PARQUE EL RODEO SPA

- LINE OF BUSINESS: The Company's line of business is to buy, sell, lease or exchange all types of real estate, whether urban, agricultural, industrial, residential or commercial.
- OWNERSHIP INTEREST: 50.00%
- NUMBER OF SHARES: 220,248 (subscribed and paid-in shares)
- DATE PURCHASED: 12/21/2015
- The ultimate controller of the company is Inversiones North Bay SpA, which has a 50.00% interest in the company.

**EUROP ASSISTANCE CHILE S.A.**

ASSETS	12.31.2018 THCH\$	12.31.2017 THCH\$
Current assets	4,288,610	4,138,229
Non-current assets	460,461	230,043
TOTAL ASSETS	4,749,071	4,368,272

LIABILITIES	12.31.2018 THCH\$	12.31.2017 THCH\$
Current liabilities	2,597,927	2,671,777
Non-current liabilities	-	-
Equity	2,151,144	1,696,495
TOTAL LIABILITIES AND EQUITY	4,749,071	4,368,272

STATEMENT OF INCOME	12.31.2018 THCH\$	12.31.2017 THCH\$
Gross profit	651,355	602,845
Non-operating loss	(23,066)	(44,762)
PROFIT BEFORE TAX	628,289	558,083
Income tax expense	(169,537)	(131,971)
PROFIT FOR THE YEAR	458,752	426,112
Profit attributable to owners of the parent	149,781	139,124
Profit attributable to non-controlling interests	143,908	133,669

INMOBILIARIA PARQUE EL RODEO SPA

ASSETS	12.31.2018 THCH\$	12.31.2017 THCH\$
Current assets	20,162,696	24,455,960
Non-current assets	373,787	592,695
TOTAL ASSETS	20,536,483	25,048,655

LIABILITIES	12.31.2018 THCH\$	12.31.2017 THCH\$
Current liabilities	14,888,968	20,648,198
Non-current liabilities	1,258	377
Equity	5,646,257	4,400,080
TOTAL LIABILITIES AND EQUITY	20,536,483	25,048,655

STATEMENT OF INCOME	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
Gross profit	2,387,338	(279,907)
Non-operating loss	(689,033)	(30,683)
PROFIT (LOSS) BEFORE TAX	1,698,305	(310,590)
Income tax benefit (expense)	(408,278)	106,548
PROFIT (LOSS) FOR THE YEAR	1,290,027	(204,042)
Profit (loss) attributable to owners of the parent	645,014	(102,021)
Profit (loss) attributable to non-controlling interests	645,014	(102,021)



NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

A) The balances of property, plant and equipment are as follows:

CLASSES OF PROPERTY, PLANT AND EQUIPMENT, NET	12.31.2018 THCH\$	12.31.2017 THCH\$
PROPERTY, PLANT AND EQUIPMENT, NET	51,733,402	65,088,368
Construction in progress, net	-	-
Land, net	5,914,817	13,870,668
Buildings, net	28,242,224	31,786,980
Plant and equipment, net	1,726,515	2,473,034
IT equipment, net	997,937	911,075
Fixtures and accessories, net	3,205,864	3,166,092
Motor vehicles, net	224,093	159,766
Leasehold improvements, net	-	-
Other property, plant and equipment, net	11,421,952	12,720,753

CLASSES OF PROPERTY, PLANT AND EQUIPMENT, GROSS	12.31.2018 THCH\$	12.31.2017 THCH\$
PROPERTY, PLANT AND EQUIPMENT, GROSS	88,822,082	100,642,532
Construction in progress, gross	-	-
Land, gross	5,914,817	13,870,668
Buildings, gross	33,446,842	36,706,003
Plant and equipment, gross	11,825,679	13,533,171
IT equipment, gross	4,514,878	4,241,140
Fixtures and accessories, gross	6,169,884	5,429,815
Motor vehicles, gross	421,019	381,027
Leasehold improvements, gross	-	-
Other property, plant and equipment, gross	26,528,963	26,480,709

CLASSES OF ACCUMULATED DEPRECIATION AND IMPAIRMENT, PROPERTY, PLANT AND EQUIPMENT	12.31.2018 THCH\$	12.31.2017 THCH\$
ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT, NET	37,088,680	35,554,164
Accumulated depreciation and impairment, buildings	5,204,618	4,919,023
Accumulated depreciation and impairment, plant and equipment	10,099,164	10,942,901
Accumulated depreciation and impairment, IT equipment	3,516,941	3,447,300
Accumulated depreciation and impairment, fixtures and accessories	2,964,020	2,263,723
Accumulated depreciation and impairment, motor vehicles	196,926	221,261
Leasehold improvements, net	-	-
Accumulated depreciation and impairment, other	15,107,011	13,759,956


B) Details of movements as of December 31, 2018

CURRENT PERIOD 12/31/2018	CONSTRUCTION IN PROGRESS	LAND	BUILDINGS	PLANT AND EQUIPMENT	COMPUTER EQUIPMENT	FACILITIES	MOTOR VEHICLES	LEASEHOLD IMPROVEMENTS	OTHER PROPERTY	TOTAL
Property, plant and equipment, opening balance	-	13,870,668	31,786,980	2,473,034	911,075	3,166,092	159,766	-	12,720,753	65,088,368
Additions to property, plant and equipment	-	764,403	966,998	254,368	377,398	176,496	170,178	-	315,735	3,025,576
Depreciation expense	-	-	(649,830)	(426,952)	(76,986)	(113,654)	(58,305)	-	(2,236,025)	(3,561,752)
Other increase (decrease)	-	(8,720,254)	(3,861,924)	(573,935)	(213,550)	(23,070)	(47,546)	-	621,489	(12,818,790)
Changes in property, plant and equipment, total	-	(7,955,851)	(3,544,756)	(746,519)	86,862	39,772	64,327	-	(1,298,801)	(13,354,966)
PROPERTY, PLANT AND EQUIPMENT	-	5,914,817	28,242,224	1,726,515	997,937	3,205,864	224,093	-	11,421,952	51,733,402

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.

C) Details of movements as of December 31, 2017

PRIOR PERIOD 12/31/2017	CONSTRUCTION IN PROGRESS	LAND	BUILDINGS	PLANT AND EQUIPMENT	COMPUTER EQUIPMENT	FACILITIES	MOTOR VEHICLES	LEASEHOLD IMPROVEMENTS	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



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 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
Land	78,392,929	53,373,031
Buildings	135,776,616	81,003,907
Other property	-	25,286,253
TOTAL	214,169,545	159,663,191

	MOVEMENTS IN INVESTMENT PROPERTY DECEMBER 2018					
	OPENING BALANCE THCH\$	INCREASES THCH\$	DISPOSALS THCH\$	DEPRECIATION THCH\$	REVALUATION THCH\$	CLOSING BALANCE THCH\$
Land	53,373,031	23,603,678			1,416,220	78,392,929
Buildings	81,003,907	60,472,440	(8,446,572)	(1,788,093)	4,534,934	135,776,616
Other property	25,286,253		(25,286,253)			-
TOTAL	159,663,191	84,076,118	(33,732,825)	(1,788,093)	5,951,154	214,169,545

	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



NOTE 10 - INTANGIBLE ASSETS OTHER THAN GOODWILL

A) The detail of intangible assets is as follows:

	12.31.2018 THCH\$			12.31.2017 THCH\$		
	GROSS VALUE	ACCUMULATED AMORTIZATION/ IMPAIRMENT	NET VALUE	GROSS VALUE	ACCUMULATED AMORTIZATION/ IMPAIRMENT	NET VALUE
Computer software	72,799,653	(37,803,185)	34,996,467	69,358,576	(32,408,729)	36,949,847
Projects under development	-	-	-	1,183,585	(881,193)	302,392
Computer licenses	5,460,243	(4,194,360)	1,265,883	3,922,650	(3,162,637)	760,013
Other	5,998,872	(4,450,034)	1,548,838	2,730,975	(2,225,253)	505,722
TOTAL	84,258,767	(46,447,579)	37,811,188	77,195,786	(38,677,812)	38,517,974

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:

	12.31.2018 THCH\$					12.31.2017 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 Travel	2,470,896	-	-	-	2,470,896	2,470,896	-	-	-	2,470,896
Goodwill Travex S.A. ⁽¹⁾	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 Penta AGF	205,188	-	-	-	205,188	205,188	-	-	-	205,188
Goodwill Penta C.B.	4,156,682	-	-	-	4,156,682	4,156,682	-	-	-	4,156,682
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	119,066,570	-	-	-	119,066,570

(1) 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, 2018, amount to THCH\$5,833,242,081 (THCH\$5,355,570,833 in 2017).

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, 2018 and 2017, this account is as follows:

	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
BANK		
Commercial loans	3,836,030,979	3,417,312,717
Lease agreements	329,345,735	303,865,410
Mortgage loans	603,029,760	609,146,681
Consumer loans	492,797,291	438,082,822
Brokerage receivables	57,901,216	64,754,349
Other customer receivables	20,940,634	7,301,345
INSURANCE SUBSIDIARY		
Leases receivable	81,007,707	83,455,204
Trade receivables	57,288,763	91,852,702
PARENT COMPANY AND OTHER SUBSIDIARIES		
Invoices receivable	21,298,423	21,452,869
Notes and accounts receivable	8,936,987	20,693,919
Leases receivable	6,904,496	10,565,369
Trade receivables	317,760,090	287,087,446
Leases receivable	6,904,496	10,565,369
Trade receivables	317,760,090	287,087,446
TOTAL	5,833,242,081	5,355,570,833

	12.31.2018			12.31.2017		
	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	5,908,463,470	95,338,109	5,813,125,361	5,445,132,486	89,637,391	5,355,495,095
Current loan receivables	5,000,432,279	90,151,577	4,910,280,702	4,723,176,327	88,985,706	4,634,190,621
Current factoring receivables	332,710,924	4,229,025	328,481,899	241,926,317	-	241,926,317
Current lease agreements (net)	421,326,266	166,535	421,159,731	430,279,858	-	430,279,858
Current miscellaneous receivables	153,994,001	790,972	153,203,029	49,749,984	651,685	49,098,299
Current prepaid expenses	-	-	-	-	-	-
OTHER CURRENT RECEIVABLES	24,272,672	4,155,952	20,116,720	75,738	-	75,738
Other current receivables	24,272,672	4,155,952	20,116,720	75,738	-	75,738
TRADE AND OTHER RECEIVABLES, CURRENT	5,932,736,142	99,494,061	5,833,242,081	5,445,208,224	89,637,391	5,355,570,833



	12.31.2018				
	NUMBER OF CUSTOMERS NON-RENEGOTIATED PORTFOLIO	NON-RENEGOTIATED PORTFOLIO THCH\$	NUMBER OF CUSTOMERS RENEGOTIATED PORTFOLIO	RENEGOTIATED PORTFOLIO THCH\$	TOTAL UNSECURED PORTFOLIO THCH\$
Unsecured portfolio, current	76,711	5,585,341,273	1,675	23,353,615	5,608,694,888
Unsecured portfolio, 1 to 30 days	177,683	104,939,750	649	307,868	105,247,618
Unsecured portfolio, 31 to 60 days	4,078	16,534,678	363	282,643	16,817,321
Unsecured portfolio, 61 to 90 days	1,779	10,829,897	242	1,175,893	12,005,790
Unsecured portfolio, 91 to 120 days	1,394	7,904,024	162	825,998	8,730,022
Unsecured portfolio, 121 to 150 days	254	181,019	-	-	181,019
Unsecured portfolio, 151 to 180 days	441	6,969,910	52	2,700,820	9,670,730
Unsecured portfolio, 181 to 210 days	1,772	1,396,615	-	-	1,396,615
Unsecured portfolio, 211 to 250 days	93	21,167	-	-	21,167
Unsecured portfolio, more than 250 days	1,416	67,916,460	97	2,560,451	70,476,911
TOTAL UNSECURED PORTFOLIO	265,622	5,802,034,793	3,240	31,207,288	5,833,242,081

	12.31.2017				
	NUMBER OF CUSTOMERS NON-RENEGOTIATED PORTFOLIO	NON-RENEGOTIATED PORTFOLIO THCH\$	NUMBER OF CUSTOMERS RENEGOTIATED PORTFOLIO	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

MOVEMENTS IN PROVISIONS

	12.31.2018 THCH\$	12.31.2017 THCH\$
Opening balance	89,637,391	87,906,947
Provisions recognized	143,889,518	130,068,483
Reversal of provisions	(96,065,322)	(83,924,222)
Recovered amounts	-	(86,513)
Write-offs	(37,967,526)	(44,327,304)
CLOSING BALANCE	99,494,061	89,637,391



NOTE 13 - OTHER CURRENT FINANCIAL ASSETS

As of December 31, 2018 and 2017, this account includes the following:

	BALANCE 12.31.2018					
	USD THCH\$	EURO THCH\$	UF THCH\$	PESOS THCH\$	NUEVO SOL AND OTHER THCH\$	TOTAL THCH\$
OTHER FINANCIAL ASSETS, BANK						
Investments available for sale	148,259,454	-	104,986,728	497,960,630	-	751,206,812
Financial instruments held for trading	-	-	17,613,202	87,285,013	1,197,446	106,095,661
Financial derivative instruments	-	-	-	150,243,752	20,811	150,264,563
Leased assets	-	-	-	13,090,149	-	13,090,149
INVESTMENTS FOR TECHNICAL RESERVES, INSURANCE SUBSIDIARY						
Fund units	150,197,547	15,476,583	16,528,962	265,940,611	1,934,824	450,078,527
Derivatives	-	-	-	-	-	-
Shares	-	-	-	13,109,774	-	13,109,774
Bonds	245,295,461	3,846,115	1,158,049,803	60,227,998	157,163,540	1,624,582,917
Mortgage bonds	-	-	31,123,799	-	-	31,123,799
Fixed and adjustable time deposits	-	-	10,538,776	-	-	10,538,776
Mortgage loans	-	-	209,130,249	-246,672	-	208,883,577
Third-party guarantees	-	-	41,349	-	-	41,349
PRC, CORA and other Central Bank instruments	-	-	48,303,704	1,191,508	-	49,495,212
Residential and real estate leases	-	-	-	-	-	-
Other investment securities	-	-	-	2,149,073	891,033	3,040,106
OTHER FINANCIAL ASSETS, PARENT COMPANY AND OTHER SUBSIDIARIES						
Bonds	-	-	296,158	-	-	296,158
Shares	-	-	-	1,952	-	1,952
Other investment securities	567,309	-	-	-	323,323	890,632
TOTAL	544,319,771	19,322,698	1,596,612,730	1,090,953,788	161,530,977	3,412,739,964

	BALANCE 12.31.2017					
	USD THCH\$	EURO THCH\$	UF THCH\$	PESOS THCH\$	NUEVO SOL AND OTHER THCH\$	TOTAL THCH\$
OTHER FINANCIAL ASSETS, BANK						
Investments available for sale	122,654,525	-	119,541,390	436,345,450	-	678,541,365
Financial instruments held for trading	-	-	18,538,453	75,899,109	-	94,437,562
Financial derivative instruments	-	-	-	132,731,732	17,786	132,749,518
Leased assets	-	-	-	4,397,197	-	4,397,197
INVESTMENTS FOR TECHNICAL RESERVES, INSURANCE SUBSIDIARY						
Fund units	97,559,938	-	14,800,671	260,917,612	10,212,917	383,491,138
Derivatives	173,430	-	9,534,215	-	-	9,707,645
Shares	2,733,827	-	-	11,677,261	624	14,411,712
Bonds	203,339,288	-	1,054,805,781	48,367,523	20,703,049	1,327,215,641
Mortgage bonds	-	-	35,360,192	-	-	35,360,192
Fixed and adjustable time deposits	-	-	9,874,242	10,476,929	-	20,351,171
Mortgage loans	-	-	184,827,426	-	-	184,827,426
Third-party guarantees	-	-	-	-	-	-
PRC, CORA and other Central Bank instruments	-	-	66,567,091	3,568,666	-	70,135,757
Residential and real estate leases	-	-	-	-	-	-
Other investment securities	-	-	95,305,483	-	-	95,305,483
OTHER FINANCIAL ASSETS, PARENT COMPANY AND OTHER SUBSIDIARIES						
Bonds	11,957,473	-	263,482	-	97,723,968	109,944,923
Shares	-	-	-	1,530	-	1,530
Other investment securities	1,684,515	-	40,198	-	-	1,724,713
TOTAL	440,102,996	-	1,609,458,624	984,383,009	128,658,344	3,162,602,973



NOTE 14 - OTHER CURRENT NON-FINANCIAL ASSETS

As of December 31, 2018 and 2017, this account includes the following:

	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
OTHER NON-FINANCIAL ASSETS, INSURANCE SUBSIDIARY		
Retiree loans	16,679,436	10,411,380
VAT tax credit	-	378,044
Advances to suppliers	57,833	146,904
Employee accounts and loans	187,304	-
Miscellaneous receivables	185,803	363,397
OTHER NON-FINANCIAL ASSETS, PARENT COMPANY AND OTHER SUBSIDIARIES		
Miscellaneous receivables	1,478,669	2,522,099
Advances to suppliers	2,040,306	964,574
Prepaid expenses	350,506	279,351
Guarantees	52,091	37,365
Employee accounts and loans	137,411	52,244
VAT tax credit	5,596,852	4,145,623
Other non-financial assets	23,457,909	7,836,599
TOTAL	50,224,120	27,137,580

NOTE 15 - CURRENT TAX ASSETS

As of December 31, 2018 and 2017, this account is as follows:

	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
Employee training credit (Sence)	328,891	316,692
Monthly provisional tax payments	27,407,553	24,528,366
VAT tax credit	27,355	-
Credit for PP&E	387	22,085
Recovery of tax loss	597,258	653,208
Other credits	10,895,772	6,996,213
TOTAL	39,257,216	32,516,564

NOTE 16 - OTHER NON-CURRENT NON-FINANCIAL ASSETS

	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
Prepaid expenses	2,341,476	1,824,738
Lease guarantees	95,801	523,822
Insurance receivable	9,534,212	6,101,194
Non-current notes and accounts receivable	50,118,444	18,637,989
VAT tax credit	2,873,792	-
Mortgage loans	51,226,309	37,908,390
Shares and rights	2,095,046	2,095,047
Other assets	1,593,069	6,992,693
TOTAL	119,878,149	74,083,873



NOTE 17 - TRADE AND OTHER PAYABLES

As of December 31, 2018 and 2017, this account includes the following:

	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
Suppliers	9,135,535	6,789,539
Fees payable	98,128	11,873
Payables to customers	12,529,298	14,156,787
Leases payable	1,181,757	539,320
Brokerage payables	1,517,750	1,041,529
Insurance payable	7,028,462	1,769,319
Expired checks	1,159,004	349,559
INSURANCE SUBSIDIARY		
Ceded premium	23,173,964	39,511,620
Mortgage loans	46,666,511	33,562,432
Reserves	2,466,794,731	2,376,397,901
Claims payable	24,957,863	25,464,265
Other accounts payable	2,970,490	5,151,994
TOTAL	2,597,213,493	2,504,746,138

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 4.2%.

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 3.8%.

On December 27, 2016, the CMF certified the Group's filing under number 842 in the Securities Registry of the issuance of M series 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.

On February 15, 2018, the CMF certified the Group's filing under number 885 in the Securities Registry of the issuance of N1 and N2 series bonds for UF 1,500,000, with annual interest of 2.85% and 2.7%, respectively.



As of December 31, 2018 and 2017, this account includes the following:

	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
Borrowings from financial institutions	532,975,100	456,308,574
Current accounts	544,900,274	519,141,056
Senior bonds	1,598,804,703	1,532,450,281
Discount on bond placement	-	(5,079,154)
Derivatives	132,476,478	99,692,356
Other obligations	4,064,862	7,429,278
Payables from repurchase agreements and securities lending	34,003,101	14,146,285
Savings accounts and time deposits	3,344,560,447	2,926,054,484
Mortgage finance bonds	13,674,325	17,909,272
Public-sector obligations	7,192,355	17,696,387
Payables to credit card operators	4,770,709	5,270,758
TOTAL	6,217,422,354	5,591,019,577

DETAIL OF BORROWINGS FROM FINANCIAL INSTITUTIONS AS OF DECEMBER 31, 2018

DESCRIPTION OF DEBT	DEBTOR TAXPAYER ID	DEBTOR NAME	DEBTOR COUNTRY	CREDITOR TAXPAYER ID	CREDITOR NAME	CREDITOR COUNTRY	CURRENCY	TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL RATE %	CARRYING AMOUNT		
											MATURITY		
											0-90 DAYS	91 DAYS TO 1 YEAR	TOTAL
Borrowings from financial institutions	85.633.900-9	Travel Security S.A.	Chile	97.004.000-5	BANCO CHILE	CHILE	CH\$	AT MATURITY	5.36%	5.36%	1,400,000	-	1,400,000
Borrowings from financial institutions	85.633.900-9	Travel Security S.A.	CHILE	97.004.000-5	BANCO CHILE	CHILE	CH\$	AT MATURITY	5.36%	5.36%	790	-	790
Borrowings from financial institutions	20548601372	Viajes Security S.A.	Peru	20,100,047,218	BANCO DE CRÉDITO DEL PERÚ	PERU	CH\$	AT MATURITY	5.92%	5.92%	-	3,107,150	3,107,150
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.004.000-5	BANCO DE CHILE	CHILE	CH\$	MONTHLY	0.25%	0.25%	40,017,883	-	40,017,883
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.023.000-9	INTERNATIONAL BUSINESS	CHILE	CH\$	MONTHLY	0.26%	0.26%	13,520,090	-	13,520,090
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.030.000-7	BANCO ESTADO	CHILE	CH\$	MONTHLY	0.26%	0.26%	31,648,891	-	31,648,891
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.006.000-6	BANCO DE CREDITO E INVERSIONES	CHILE	CH\$	MONTHLY	0.31%	0.31%	19,612,459	-	19,612,459
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.032.000-8	BANCO BBVA	CHILE	CH\$	MONTHLY	0.26%	0.26%	26,491,812	-	26,491,812
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.018.000-1	BANCO SCOTIABANK	CHILE	CH\$	MONTHLY	0.26%	0.26%	14,017,262	-	14,017,262
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.036.000-K	BANCO SANTANDER	CHILE	CH\$	MONTHLY	0.26%	0.26%	26,241,688	-	26,241,688
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.041.000-7	BANCO ITAU	CHILE	CH\$	MONTHLY	0.26%	0.26%	23,860,318	-	23,860,318
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.080.000-K	BANCO BICE	CHILE	CH\$	MONTHLY	0.26%	0.26%	24,999,919	-	24,999,919
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	99.500.410-0	BANCO CONSORCIO	CHILE	CH\$	MONTHLY	0.27%	0.27%	26,531,124	-	26,531,124
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	99.500.410-0	BANCO CONSORCIO	CHILE	USD	MONTHLY	2.76%	2.76%	417,954	-	417,954
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.030.000-7	BANCO DEL ESTADO	CHILE	USD	MONTHLY	3.35%	3.35%	3,576,482	-	3,576,482
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.951.000-4	BANCO HSBC	CHILE	USD	MONTHLY	2.09%	2.09%	3,560,397	-	3,560,397
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.951.000-4	BANCO HSBC	CHILE	CH\$	MONTHLY	0.28%	0.28%	5,011,792	-	5,011,792
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.036.000-K	BANCO SANTANDER	CHILE	CH\$	AT MATURITY	5.07%	5.07%	-	1,615,923	1,615,923
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.004.000-5	BANCO DE CHILE	CHILE	CH\$	AT MATURITY	4.09%	4.09%	1,816,695	632,482	2,449,177
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.006.000-6	BANCO BCI	CHILE	CH\$	AT MATURITY	5.00%	5.00%	-	948,733	948,733
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	99.500.410-0	BANCO CONSORCIO	CHILE	CH\$	AT MATURITY	3.90%	3.90%	1,078,097	-	1,078,097
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.080.000-K	BANCO BICE	CHILE	CH\$	AT MATURITY	4.00%	4.00%	1,392,072	-	1,392,072
Borrowings from financial institutions	76.249.637-1	Inmobiliaria Security Norte S.A.	Chile	97.006.000-6	BANCO BCI	CHILE	CH\$	AT MATURITY	4.40%	4.40%	1,936,639	2,065,270	4,001,909
Borrowings from financial institutions	76.360.997-8	Inmobiliaria Alto Chamisero	Chile	97.006.000-6	BANCO BCI	CHILE	CH\$	AT MATURITY	4.00%	4.00%	1,831,420	-	1,831,420



DETAIL OF BORROWINGS FROM FINANCIAL INSTITUTIONS AS OF DECEMBER 31, 2018 (CONTINUED)

DESCRIPTION OF DEBT	DEBTOR TAXPAYER ID	DEBTOR NAME	DEBTOR COUNTRY	CREDITOR TAXPAYER ID	CREDITOR NAME	CREDITOR COUNTRY	CURRENCY	TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL RATE %	CARRYING AMOUNT		
											MATURITY		
											0-90 DAYS	91 DAYS TO 1 YEAR	TOTAL
Borrowings from financial institutions	76.594.759-6	Inmobiliaria Security Los Dominicos	Chile	76.104.355-2	BANCO DE CHILE	CHILE	CH\$	AT MATURITY	4.08%	4.08%	4,533,477	-	4,533,477
Borrowings from financial institutions	76.505.706-K	Inmobiliaria Alto Vitacura S.A.	Chile	97.080.000-K	BANCO BICE	CHILE	CH\$	AT MATURITY	4.11%	4.11%	-	6,394,511	6,394,511
Borrowings from financial institutions	76.594.758-8	Inmobiliaria Ñuñoa V SPA	Chile	97.036.000-K	BANCO SANTANDER	CHILE	CH\$	AT MATURITY	3.91%	3.91%	2,650,460	-	2,650,460
Borrowings from financial institutions	76.477.415-9	Inmobiliaria El Tahuen S.A.	Chile	99.500.410-0	BANCO CONSORCIO	CHILE	CH\$	AT MATURITY	4.60%	4.60%	2,031,485	11,088,338	13,119,823
Borrowings from financial institutions	20517207331	Protecta Compañía Seguros S.A.	Peru	20,100,130,204	BANCO DE CRÉDITO	PERU	USD	MONTHLY	4.94%	4.94%	2,455,096	-	2,455,096
Borrowings from financial institutions	20517207331	Protecta Compañía Seguros S.A.	Peru	20,100,130,204	BANCO DE CRÉDITO	PERU	USD	MONTHLY	4.94%	4.94%	3,857,655	-	3,857,655
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	Chile	E-9	BANCO INTERAMERICANO DEL DESARROLLO	UNITED STATES	USD	MONTHLY	3.75%	3.75%	6,584	-	6,584
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	Chile	E-9	BANCO INTERAMERICANO DEL DESARROLLO	UNITED STATES	USD	MONTHLY	3.75%	3.75%	-	2,442,902	2,442,902
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	Chile	E-9	CORPORACIÓN INTERAMERICANA DE INVERSIONES	UNITED STATES	USD	MONTHLY	3.75%	3.75%	-	1,044,016	1,044,016
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	CHILE	97.006.000-6	BANCO CRÉDITO E INVERSIONES	CHILE	CH\$	MONTHLY	3.94%	3.94%	2,524,148	-	2,524,148
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	CHILE	97.006.000-6	BANCO CRÉDITO E INVERSIONES	CHILE	CH\$	MONTHLY	4.18%	4.18%	1,105,856	-	1,105,856
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	CHILE	97.006.000-6	BANCO CRÉDITO E INVERSIONES	CHILE	UF	MONTHLY	1.94%	1.94%	1,106,731	-	1,106,731
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	CHILE	97.006.000-6	BANCO CRÉDITO E INVERSIONES	CHILE	CH\$	MONTHLY	4.03%	4.03%	1,658,013	-	1,658,013
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	CHILE	97.006.000-6	BANCO CRÉDITO E INVERSIONES	CHILE	UF	MONTHLY	1.55%	1.55%	1,106,525	-	1,106,525
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	CHILE	97.006.000-6	BANCO CRÉDITO E INVERSIONES	CHILE	UF	MONTHLY	2.47%	2.47%	415,294	-	415,294
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	CHILE	97.006.000-6	BANCO CRÉDITO E INVERSIONES	CHILE	UF	MONTHLY	2.77%	2.77%	138,317	-	138,317
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	CHILE	97.006.000-6	BANCO CRÉDITO E INVERSIONES	CHILE	UF	MONTHLY	2.98%	2.98%	276,548	-	276,548
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	CHILE	99.500.410-0	BANCO CONSORCIO	CHILE	UF	MONTHLY	3.39%	3.39%	-	1,126,800	1,126,800
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	CHILE	99.500.410-0	BANCO CONSORCIO	CHILE	UF	MONTHLY	3.25%	3.25%	691,260	-	691,260
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	CHILE	99.500.410-0	BANCO CONSORCIO	CHILE	UF	MONTHLY	1.71%	1.71%	-	1,388,169	1,388,169
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	CHILE	99.500.410-0	BANCO CONSORCIO	CHILE	UF	MONTHLY	1.56%	1.56%	-	3,345,451	3,345,451
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	CHILE	99.500.410-0	BANCO CONSORCIO	CHILE	UF	MONTHLY	3.06%	3.06%	-	248,809	248,809
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	CHILE	99.500.410-0	BANCO CONSORCIO	CHILE	UF	MONTHLY	4.17%	4.17%	552,976	-	552,976
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	CHILE	99.500.410-0	BANCO CONSORCIO	CHILE	UF	MONTHLY	3.92%	3.92%	-	469,231	469,231
Borrowings from financial institutions	99.301.000-6	Seguros de Vida Security	CHILE	97.018.000-1	BANCO SCOTIABANK	CHILE	CHILEAN PESOS	MONTHLY	4.13%	4.13%	21,900	10,000,000	10,021,900
Borrowings from financial institutions	99.301.000-6	Seguros de Vida Security	CHILE	99.500.410-0	BANCO CONSORCIO	CHILE	CHILEAN PESOS	AT MATURITY	4.28%	4.28%	420,867	10,000,000	10,420,867
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%	218,255	-	218,255
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%	190,532	-	190,532
Borrowings from financial institutions	78.769.870-0	Inversiones Seguros Security	CHILE	99.500.410-0	BANCO CONSORCIO	CHILE	CHILEAN PESOS	AT MATURITY	4.44%	4.46%	268,259	-	268,259
Borrowings from financial institutions	97.053.005-3	Banco Security	CHILE	97.032.000-8	BANCO BILBAO VIZCAYA ARGENTARIA CHILE	CHILE	USD	MONTHLY	0.00%	0.00%	49,925	-	49,925
Borrowings from financial institutions	97.053.005-3	Banco Security	CHILE	404270240-K	BCO BILBAO VIZCAYA ARGENTARIA S.A. ESP	SPAIN	EURO	SEMI-ANNUAL	0.00%	0.00%	-	168,288	168,288
Borrowings from financial institutions	97.053.005-3	Banco Security	CHILE	404270240-K	BCO BILBAO VIZCAYA ARGENTARIA S.A. ESP	SPAIN	EURO	SEMI-ANNUAL	0.00%	0.00%	-	96,896	96,896
Borrowings from financial institutions	97.053.005-3	Banco Security	CHILE	404.590.548-4	BBVA BANCOMER S.A.	MEXICO	USD	QUARTERLY	0.00%	0.00%	10,001	-	10,001
Borrowings from financial institutions	97.053.005-3	Banco Security	CHILE	404.590.548-4	BBVA BANCOMER S.A.	MEXICO	USD	MONTHLY	0.00%	0.00%	18,153	-	18,153
Borrowings from financial institutions	97.053.005-3	Banco Security	CHILE	405.752.832-5	BCO BILBAO VIZCAYA ARGENTARIA URUGUAY	URUGUAY	USD	QUARTERLY	0.00%	0.00%	73,580	-	73,580
Borrowings from financial institutions	97.053.005-3	Banco Security	CHILE	405.752.832-5	BCO BILBAO VIZCAYA ARGENTARIA URUGUAY	URUGUAY	USD	QUARTERLY	0.00%	0.00%	78,685	-	78,685
Borrowings from financial institutions	97.053.005-3	Banco Security	CHILE	405.752.832-5	BCO BILBAO VIZCAYA ARGENTARIA URUGUAY	URUGUAY	USD	QUARTERLY	0.00%	0.00%	-	8,496	8,496
Borrowings from financial institutions	97.053.005-3	Banco Security	CHILE	406.575.240-4	BANKINTER S.A.	SPAIN	EURO	SEMI-ANNUAL	0.00%	0.00%	-	28,415	28,415
Borrowings from financial institutions	97.053.005-3	Banco Security	CHILE	406.595.168-7	BANK OF CHINA	CHINA	USD	QUARTERLY	0.00%	0.00%	27,993	-	27,993
Borrowings from financial institutions	97.053.005-3	Banco Security	CHILE	406.598.168-3	BANK OF CHINA	CHINA	USD	QUARTERLY	0.00%	0.00%	197,503	-	197,503
TOTAL											295,649,862	56,219,880	351,869,742



DETAIL OF BORROWINGS FROM FINANCIAL INSTITUTIONS AS OF DECEMBER 31, 2018 (CONTINUED)

DESCRIPTION OF DEBT	DEBTOR TAXPAYER ID	DEBTOR NAME	DEBTOR COUNTRY	CREDITOR TAXPAYER ID	CREDITOR NAME	CREDITOR COUNTRY	CURRENCY	TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL RATE %	CARRYING AMOUNT		
											MATURITY		
											0-90 DAYS	91 DAYS TO 1 YEAR	TOTAL
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	407.655.268-7	BNP PARIBAS S A FRANCIA	FRANCE	Euro	QUARTERLY	0.00%	0.00%	120,050	-	120,050
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	408.130.412-8	BANK OF TOKYO MITSUBISHI	JAPAN	USD	QUARTERLY	0.00%	0.00%	44,083	-	44,083
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%	7,312	-	7,312
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	411.885.828-5	CITIBANK ESTADOS UNIDOS	UNITED STATES	USD	SEMI-ANNUAL	1.36%	1.36%	-	18,216,550	18,216,550
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	411.885.828-5	CITIBANK ESTADOS UNIDOS	UNITED STATES	USD	SEMI-ANNUAL	1.85%	1.85%	-	15,166,553	15,166,553
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	411.885.828-5	CITIBANK N.A.	UNITED STATES	USD	ANNUAL	2.18%	2.18%	-	6,055,258	6,055,258
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	412.335.204-7	COMMERZBANK AG	GERMANY	USD	ANNUAL	1.60%	1.60%	-	6,110,841	6,110,841
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	412.335.204-7	COMMERZBANK AG	GERMANY	USD	QUARTERLY	1.96%	1.96%	-	15,170,761	15,170,761
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	412.335.204-7	COMMERZBANK AG	GERMANY	Euro	SEMI-ANNUAL	0.00%	0.00%	-	72,519	72,519
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	412.527.204-0	COMMERZBANK AG	GERMANY	Euro	SEMI-ANNUAL	0.00%	0.00%	-	388,757	388,757
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	412.527.204-0	COMMERZBANK AG	GERMANY	Euro	SEMI-ANNUAL	0.00%	0.00%	-	50,182	50,182
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	412.527.204-0	COMMERZBANK AG	GERMANY	Euro	QUARTERLY	0.00%	0.00%	-	17,018	17,018
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	414.741.808-1	CITIBANK N A	TAIWAN	USD	MONTHLY	0.00%	0.00%	8,209	-	8,209
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	414.741.808-1	CITIBANK N A	TAIWAN	USD	MONTHLY	0.00%	0.00%	6,524	-	6,524
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	414.741.808-1	CITIBANK N A	TAIWAN	USD	QUARTERLY	0.00%	0.00%	18,841	-	18,841
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	414.741.808-1	CITIBANK N A	TAIWAN	USD	MONTHLY	0.00%	0.00%	15,244	-	15,244
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	414.741.808-1	CITIBANK N A	TAIWAN	USD	QUARTERLY	0.00%	0.00%	19,381	-	19,381
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	448.660.440-4	KOREA EXCHANGE BANK	SOUTH KOREA	USD	QUARTERLY	0.00%	0.00%	11,641	-	11,641
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	448.660.440-4	KOREA EXCHANGE BANK	SOUTH KOREA	USD	QUARTERLY	0.00%	0.00%	11,641	-	11,641
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	448.660.440-4	KOREA EXCHANGE BANK	SOUTH KOREA	USD	QUARTERLY	0.00%	0.00%	11,641	-	11,641
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	448.660.440-4	KOREA EXCHANGE BANK	SOUTH KOREA	USD	QUARTERLY	0.00%	0.00%	11,218	-	11,218
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	448.660.440-4	KOREA EXCHANGE BANK	SOUTH KOREA	USD	QUARTERLY	0.00%	0.00%	11,218	-	11,218
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	452.827.340-3	INTESA SANPAOLO SPA HONG KONG	HONG KONG	USD	MONTHLY	0.00%	0.00%	23,960	-	23,960
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	452.827.340-3	INTESA SANPAOLO SPA HONG KONG	HONG KONG	USD	MONTHLY	0.00%	0.00%	12,063	-	12,063
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	452.827.340-3	INTESA SANPAOLO SPA HONG KONG	HONG KONG	USD	MONTHLY	0.00%	0.00%	8,356	-	8,356
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	452.827.340-3	INTESA SANPAOLO SPA HONG KONG	HONG KONG	USD	MONTHLY	0.00%	0.00%	41,063	-	41,063
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	454.231.616-6	BANK OF CHINA PANAMA BRANCH	PANAMA	USD	ANNUAL	1.89%	1.89%	-	15,172,004	15,172,004
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	454343636-K	BANK OF PUNJAB THE	PAKISTAN	USD	MONTHLY	0.00%	0.00%	11,811	-	11,811
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	458.340.168-2	CHINA CONSTRUCTION BANK	CHINA	USD	QUARTERLY	0.00%	0.00%	62,199	-	62,199
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	458.340.168-2	CHINA CONSTRUCTION BANK	CHINA	USD	QUARTERLY	0.00%	0.00%	31,100	-	31,100
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	458.340.168-2	CHINA CONSTRUCTION BANK	CHINA	USD	QUARTERLY	0.00%	0.00%	31,100	-	31,100
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	458.340.168-2	CHINA CONSTRUCTION BANK	CHINA	USD	QUARTERLY	0.00%	0.00%	31,100	-	31,100
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	458.340.168-2	CHINA CONSTRUCTION BANK	CHINA	USD	QUARTERLY	0.00%	0.00%	31,100	-	31,100
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	458.340.168-2	CHINA CONSTRUCTION BANK	CHINA	USD	QUARTERLY	0.00%	0.00%	45,424	-	45,424
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	458.915.828-3	WELLS FARGO BANK N A NY	UNITED STATES	USD	ANNUAL	2.89%	2.89%	-	15,126,250	15,126,250
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	458.915.828-3	WELLS FARGO BANK N A NY	UNITED STATES	USD	ANNUAL	2.85%	2.85%	-	12,180,620	12,180,620



DETAIL OF BORROWINGS FROM FINANCIAL INSTITUTIONS AS OF DECEMBER 31, 2018 (CONTINUED)

DESCRIPTION OF DEBT	DEBTOR TAXPAYER ID	DEBTOR NAME	DEBTOR COUNTRY	CREDITOR TAXPAYER ID	CREDITOR NAME	CREDITOR COUNTRY	CURRENCY	TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL RATE %	CARRYING AMOUNT		
											MATURITY		
											0-90 DAYS	91 DAYS TO 1 YEAR	TOTAL
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	458.915.828-3	WELLS FARGO BANK N A NY	UNITED STATES	USD	QUARTERLY	2.07%	2.07%	-	18,175,716	18,175,716
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	463.282.828-K	WOORI BANK NEW YORK	UNITED STATES	USD	QUARTERLY	0.00%	0.00%	104,625	-	104,625
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	464.843.168-1	CHINA DEVELOPMENT BANK	CHINA	USD	ANNUAL	2.62%	2.62%	-	12,199,665	12,199,665
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	467.788.340-0	WELLS FARGO BANK NA	HONG KONG	USD	MONTHLY	0.00%	0.00%	7,878	-	7,878
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	467.788.340-0	WELLS FARGO BANK NA	HONG KONG	USD	MONTHLY	0.00%	0.00%	12,014	-	12,014
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	467.788.340-0	WELLS FARGO BANK NA	HONG KONG	USD	MONTHLY	0.00%	0.00%	9,110	-	9,110
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	470.300.136-5	ROYAL BANK OF CANADA	CANADA	USD	MONTHLY	0.00%	0.00%	54,065	-	54,065
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.815.168-K	STANDARD CHARTERED BANK	CHINA	USD	QUARTERLY	0.00%	0.00%	17,189	-	17,189
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.815.168-K	STANDARD CHARTERED BANK	CHINA	USD	QUARTERLY	0.00%	0.00%	-	14,113	14,113
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.815.168-K	STANDARD CHARTERED BANK	CHINA	USD	MONTHLY	0.00%	0.00%	15,073	-	15,073
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.815.168-K	STANDARD CHARTERED BANK	CHINA	USD	MONTHLY	0.00%	0.00%	129,690	-	129,690
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.815.168-K	STANDARD CHARTERED BANK	CHINA	USD	QUARTERLY	0.00%	0.00%	66,313	-	66,313
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.815.168-K	STANDARD CHARTERED BANK	CHINA	USD	QUARTERLY	0.00%	0.00%	16,699	-	16,699
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	20,042	-	20,042
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	-	16,290	16,290
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	7,136	-	7,136
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	2,379	-	2,379
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	MONTHLY	0.00%	0.00%	13,892	-	13,892
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	MONTHLY	0.00%	0.00%	12,184	-	12,184
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	MONTHLY	0.00%	0.00%	30,950	-	30,950
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	473.450.828-K	SHINHAN BANK	UNITED STATES	USD	QUARTERLY	0.00%	0.00%	21,540	-	21,540
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	473.450.828-K	SHINHAN BANK	UNITED STATES	USD	QUARTERLY	0.00%	0.00%	21,540	-	21,540
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	473.450.828-K	SHINHAN BANK	UNITED STATES	USD	QUARTERLY	0.00%	0.00%	25,445	-	25,445
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	473.960.828-2	SUMITOMO MITSUI BANKING CORPORATION	UNITED STATES	USD	ANNUAL	1.91%	1.91%	20,528,948	-	20,528,948
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	473.960.828-2	SUMITOMO MITSUI BANKING CORPORATION	UNITED STATES	USD	ANNUAL	1.74%	1.74%	18,172,572	-	18,172,572
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	473.960.828-2	SUMITOMO MITSUI BANKING CORPORATION	UNITED STATES	USD	QUARTERLY	1.19%	1.19%	6,062,926	-	6,062,926
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%	-	61,621	61,621
Borrowings from financial institutions	97.053.005-3	Valores Security S.A.C.de B.	Chile	97.008.000-7	BANCO CITIBANK	CHILE	USD	MONTHLY	0.00%	0.00%	932,151	-	932,151
TOTAL											342,560,502	190,414,598	532,975,100



DETAIL OF BORROWINGS FROM FINANCIAL INSTITUTIONS AS OF DECEMBER 31, 2017

DESCRIPTION OF DEBT	DEBTOR TAXPAYER ID	DEBTOR NAME	DEBTOR COUNTRY	CREDITOR TAXPAYER ID	CREDITOR NAME	CREDITOR COUNTRY	CURRENCY	TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL RATE %	CARRYING AMOUNT		
											MATURITY		
											0-90 DAYS	91 DAYS TO 1 YEAR	TOTAL
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.004.000-5	BANCO DE CHILE	CHILE	CH\$	MONTHLY	0.25%	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	CH\$	MONTHLY	0.26%	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	CH\$	MONTHLY	0.26%	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 CREDITO E INVERSIONES	CHILE	CH\$	MONTHLY	0.31%	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	CH\$	MONTHLY	0.26%	0.26%	26,404,219	-	26,404,219
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.018.000-1	BANCO SCOTIABANK	CHILE	CH\$	MONTHLY	0.26%	0.26%	14,023,400	-	14,023,400
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.036600-K	BANCO SANTANDER	CHILE	CH\$	MONTHLY	0.26%	0.26%	12,292,294	-	12,292,294
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.041.000-7	BANCO ITAU	CHILE	CH\$	MONTHLY	0.26%	0.26%	13,015,944	-	13,015,944
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.080000-K	BANCO BICE	CHILE	CH\$	MONTHLY	0.26%	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	CH\$	MONTHLY	0.27%	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	USD	MONTHLY	2.76%	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	USD	MONTHLY	3.35%	3.35%	3,754,591	-	3,754,591
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.951.000-4	BANCO HSBC	CHILE	USD	MONTHLY	2.09%	2.09%	615,723	-	615,723
Borrowings from financial institutions	96.655.860-1	Factoring Security	Chile	97.951.000-4	BANCO HSBC	CHILE	CH\$	MONTHLY	0.28%	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	BANCO SCOTIABANK	CHILE	CH\$	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	CH\$	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	CH\$	AT MATURITY	4.46%	4.46%	149,508	-	149,508
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.036.000-K	BANCO SANTANDER	CHILE	CH\$	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	97.006.000-6	BANCO DE CHILE	CHILE	CH\$	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	76.249.637-2	BANCO BCI	CHILE	CH\$	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	CH\$	AT MATURITY	4.68%	4.68%	-	1,077,222	1,077,222
Borrowings from financial institutions	76.249.637-1	Inmobiliaria Security Norte S.A.	Chile	76.249.637-2	BANCO BCI	CHILE	CH\$	AT MATURITY	4.03%	4.03%	7,546,316	452,806	7,999,122
Borrowings from financial institutions	76.360.997-8	Inmobiliaria Alto Chamisero	Chile	76.249.637-2	BANCO BCI	CHILE	CH\$	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	CH\$	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	97.080000-K	BANCO BICE	CHILE	CH\$	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	CH\$	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	CH\$	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	CH\$	AT MATURITY	5.36%	5.36%	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	CH\$	AT MATURITY	5.36%	5.36%	232,653	-	232,653
Borrowings from financial institutions	85.633.900-9	Travel Security S.A.	Chile	76.249.637-2	BANCO BCI	CHILE	CH\$	AT MATURITY	5.36%	5.36%	365,706	-	365,706
Borrowings from financial institutions	205.48601372	Viajes Security S.A.	Peru	20.100.047,218	BANCO DE CRÉDITO DEL PERU	PERU	CH\$	AT MATURITY	5.92%	5.92%	-	2,511,278	2,511,278
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	406.595.168-7	BANK OF CHINA	CHINA	USD	QUARTERLY	0.00%	0.00%	23,563	-	23,563
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	406.595.168-7	BANK OF CHINA	CHINA	USD	QUARTERLY	0.00%	0.00%	13,908	-	13,908
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	406.598.168-3	BANK OF CHINA	CHINA	USD	QUARTERLY	0.00%	0.00%	49,324	-	49,324
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	407855136-K	BANK OF MONTREAL	CANADA	USD	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	USD	QUARTERLY	0.00%	0.00%	13,497	-	13,497
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	408.130.412-8	BANK OF TOKYO MITSUBISHI	JAPAN	USD	QUARTERLY	0.00%	0.00%	1,808	-	1,808
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	408.130.412-8	BANK OF TOKYO MITSUBISHI	JAPAN	USD	QUARTERLY	0.00%	0.00%	23,839	-	23,839
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	USD	SEMI-ANNUAL	1.36%	1.36%	-	18,517,739	18,517,739
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	411.885.828-5	CITIBANK N.A.	UNITED STATES	USD	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	USD	ANNUAL	1.94%	1.94%	-	6,157,585	6,157,585
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	412.335.204-7	COMMERZBANK AG	GERMANY	USD	SEMI-ANNUAL	1.70%	1.70%	18,557,767	-	18,557,767
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	412.335.204-7	COMMERZBANK AG	GERMANY	USD	ANNUAL	1.60%	1.60%	-	6,175,347	6,175,347
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	USD	QUARTERLY	0.00%	0.00%	43,148	-	43,148
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	413.765.828-9	JP MORGAN CHASE BANK	UNITED STATES	USD	QUARTERLY	0.00%	0.00%	12,247	-	12,247
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	413.765.828-9	JP MORGAN CHASE BANK	UNITED STATES	USD	QUARTERLY	0.00%	0.00%	6,980	-	6,980
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	414.741.808-1	CITIBANK N A	TAIWAN	USD	QUARTERLY	0.00%	0.00%	11,352	-	11,352
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	414.741.808-1	CITIBANK N A	TAIWAN	USD	QUARTERLY	0.00%	0.00%	11,352	-	11,352
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	444.047.440-9	WOORI BANK KOREA REPUBLIC	SOUTH KOREA	USD	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	USD	MONTHLY	0.00%	0.00%	8,013	-	8,013
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	446.410.828-4	THE BANK OF NEW YORK MELLON	UNITED STATES	USD	QUARTERLY	0.00%	0.00%	12,384	-	12,384
TOTAL											262,947,652	85,637,124	348,584,776



DETAIL OF BORROWINGS FROM FINANCIAL INSTITUTIONS AS OF DECEMBER 31, 2017 (CONTINUED)

DESCRIPTION OF DEBT	DEBTOR TAXPAYER ID	DEBTOR NAME	DEBTOR COUNTRY	CREDITOR TAXPAYER ID	CREDITOR NAME	CREDITOR COUNTRY	CURRENCY	TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL RATE %	CARRYING AMOUNT		
											MATURITY		
											0-90 DAYS	91 DAYS TO 1 YEAR	TOTAL
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	446.410.828-4	THE BANK OF NEW YORK MELLON	UNITED STATES	USD	QUARTERLY	0.00%	0.00%	32,371	-	32,371
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	448.660.440-4	KOREA EXCHANGE BANK	SOUTH KOREA	USD	QUARTERLY	0.00%	0.00%	12,750	-	12,750
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	448.660.440-4	KOREA EXCHANGE BANK	SOUTH KOREA	USD	QUARTERLY	0.00%	0.00%	12,751	-	12,751
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	448.660.440-4	KOREA EXCHANGE BANK	SOUTH KOREA	USD	QUARTERLY	0.00%	0.00%	12,751	-	12,751
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	448.660.440-4	KOREA EXCHANGE BANK	SOUTH KOREA	USD	QUARTERLY	0.00%	0.00%	12,751	-	12,751
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	448.660.440-4	KOREA EXCHANGE BANK	SOUTH KOREA	USD	QUARTERLY	0.00%	0.00%	12,067	-	12,067
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	448.660.440-4	KOREA EXCHANGE BANK	SOUTH KOREA	USD	QUARTERLY	0.00%	0.00%	12,068	-	12,068
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	USD	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	USD	MONTHLY	0.00%	0.00%	96,664	-	96,664
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	458.340.168-2	CHINA CONSTRUCTION BANK	CHINA	USD	MONTHLY	0.00%	0.00%	88,830	-	88,830
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	458.915.828-3	WELLS FARGO BANK N A NY	UNITED STATES	USD	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	USD	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 CHINA	CHINA	USD	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	USD	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 NA	HONG KONG	USD	MONTHLY	0.00%	0.00%	17,174	-	17,174
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	467.788.340-0	WELLS FARGO BANK NA	HONG KONG	USD	MONTHLY	0.00%	0.00%	31,282	-	31,282
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472815168-K	STANDARD CHARTERED BANK	CHINA	USD	QUARTERLY	0.00%	0.00%	62,442	-	62,442
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472815168-K	STANDARD CHARTERED BANK	CHINA	USD	QUARTERLY	0.00%	0.00%	30,612	-	30,612
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472815168-K	STANDARD CHARTERED BANK	CHINA	USD	QUARTERLY	0.00%	0.00%	57,515	-	57,515
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472815168-K	STANDARD CHARTERED BANK	CHINA	USD	MONTHLY	0.00%	0.00%	18,048	-	18,048
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472815168-K	STANDARD CHARTERED BANK	CHINA	USD	MONTHLY	0.00%	0.00%	21,121	-	21,121
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	44,780	-	44,780
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	26,922	-	26,922
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	11,218	-	11,218
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	30,578	-	30,578
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	15,289	-	15,289
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	9,056	-	9,056
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	40,509	-	40,509
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	16,602	-	16,602
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	44,780	-	44,780
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	39,878	-	39,878
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	4,143	-	4,143
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	25,956	-	25,956
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	18,462	-	18,462
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	28,555	-	28,555
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	9,677	-	9,677
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	472.928.340-7	STANDARD CHARTERED BANK HONG KONG LIM	HONG KONG	USD	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 LIM	HONG KONG	USD	QUARTERLY	0.00%	0.00%	8,862	-	8,862
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	473.960.828-2	SUMITOMO MITSUI BANKING CORPORATION	UNITED STATES	USD	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	USD	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	USD	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
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	500.000.256-0	BANCO CONTINENTAL LIMA	Peru	USD	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	USD	QUARTERLY	0.00%	0.00%	526,782	-	526,782
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	500.000.515-2	INDUSTRIAL AND COMMERCIAL BANK OF CHINA	CHINA	USD	QUARTERLY	0.00%	0.00%	522,167	-	522,167
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	500.000.602-7	WELLS FARGO BANK, N.A.	UNITED STATES	USD	MONTHLY	0.00%	0.00%	31,076	-	31,076
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	500.000.620-5	AGRICULTURAL BANK OF CHINA, THE	CHINA	USD	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	USD	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	USD	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%	157,992	-	157,992
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	500.000.691-3	CREDIT AGRICOLE	FRANCE	EURO	MONTHLY	0.00%	0.00%	96,351	-	96,351
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	500.000.696-5	BANK OF TOKYO-MITSUBISHI UFJ,LTD., THE	JAPAN	USD	QUARTERLY	0.00%	0.00%	66,978	-	66,978
Borrowings from financial institutions	97.053.005-3	Valores Security S.A C.de B.	Chile	97.008.000-7	BANCO CITIBANK	CHILE	USD	MONTHLY	0.00%	0.00%	115,455	-	115,455
TOTAL											272,056,069	184,252,505	456,308,574



DETAIL OF BONDS AS OF DECEMBER 31, 2018

SERIES	INDEXATION UNIT	NOMINAL AMOUNT PLACED	MATURITY DATE	PERIODICITY		PLACEMENT IN CHILE OR ABROAD	EFFECTIVE RATE	NOMINAL RATE	ISSUER NAME	ISSUER COUNTRY OF INCORPORATION	GUARANTEED YES/NO	CARRYING AMOUNT		
				INTEREST PAYMENTS	PRINCIPAL PAYMENTS							MATURITY		
												0-90 DAYS	91 DAYS TO 1 YEAR	TOTAL
BFSEC-A	UF	1,000,000	12/15/2022	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.50%	4.25%	FACTORIZING S.A.	CHILE	NO	-	208,682	208,682
BSECU-K	UF	3,000,000	9/15/1932	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.20%	4.20%	GRUPO SECURITY S.A.	CHILE	NO	-	8,999	8,999
BSECU-F	UF	1,250,000	6/15/1938	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.52%	4.50%	GRUPO SECURITY S.A.	CHILE	NO	-	124,450	124,450
BSECU-L3	UF	3,000,000	11/15/1935	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	3.80%	3.80%	GRUPO SECURITY S.A.	CHILE	NO	-	354,305	354,305
BSECU-M	UF	1,189,000	10/15/1941	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.20%	4.20%	GRUPO SECURITY	CHILE	NO	-	288,205	288,205
BSECU-N1	UF	1,500,000	12/10/1942	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	2.85%	2.85%	GRUPO SECURITY S.A.	CHILE	NO	-	67,507	67,507
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	312,254	-	312,254
B3	UF	5,000,000	6/1/2019	SEMI-ANNUAL	AT MATURITY	CHILE	1.25%	2.50%	BCO SECURITY	CHILE	NO	-	115,012,936	115,012,936
B4	UF	5,000,000	6/1/2020	SEMI-ANNUAL	AT MATURITY	CHILE	2.25%	2.25%	BCO SECURITY	CHILE	NO	-	136,604,967	136,604,967
B5	UF	5,000,000	8/1/2021	SEMI-ANNUAL	AT MATURITY	CHILE	2.40%	2.40%	BCO SECURITY	CHILE	NO	-	133,389,125	133,389,125
B6	UF	3,000,000	10/1/2022	SEMI-ANNUAL	AT MATURITY	CHILE	2.00%	2.00%	BCO SECURITY	CHILE	NO	-	77,394,924	77,394,924
H1	UF	3,000,000	12/1/2029	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.42%	3.00%	BCO SECURITY	CHILE	NO	3,428,883	45,233,945	48,662,828
K2	UF	4,000,000	11/1/2021	SEMI-ANNUAL	AT MATURITY	CHILE	3.74%	3.25%	BCO SECURITY	CHILE	NO	-	107,731,727	107,731,727
K3	UF	4,000,000	11/1/2022	SEMI-ANNUAL	AT MATURITY	CHILE	3.53%	3.50%	BCO SECURITY	CHILE	NO	-	108,125,035	108,125,035
K4	UF	5,000,000	10/1/2023	SEMI-ANNUAL	AT MATURITY	CHILE	3.60%	3.60%	BCO SECURITY	CHILE	NO	-	138,871,080	138,871,080
K5	UF	5,000,000	6/1/2024	SEMI-ANNUAL	AT MATURITY	CHILE	2.75%	2.80%	BCO SECURITY	CHILE	NO	-	134,004,512	134,004,512
K6	UF	5,000,000	3/1/2025	SEMI-ANNUAL	AT MATURITY	CHILE	2.75%	2.75%	BCO SECURITY	CHILE	NO	-	133,547,659	133,547,659
K7	UF	5,000,000	9/1/2025	SEMI-ANNUAL	AT MATURITY	CHILE	2.75%	2.75%	BCO SECURITY	CHILE	NO	-	139,272,172	139,272,172
K8	UF	5,000,000	10/1/2026	SEMI-ANNUAL	AT MATURITY	CHILE	2.80%	2.80%	BCO SECURITY	CHILE	NO	-	61,506,735	61,506,735
M1	UF	3,000,000	7/1/2019	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	3.24%	3.00%	BCO SECURITY	CHILE	NO	8,747,560	4,471,781	13,219,341
N1	UF	3,000,000	7/1/2019	SEMI-ANNUAL	AT MATURITY	CHILE	3.00%	3.00%	BCO SECURITY	CHILE	NO	-	81,000,865	81,000,865
R1	UF	3,000,000	6/1/2021	SEMI-ANNUAL	AT MATURITY	CHILE	3.00%	3.00%	BCO SECURITY	CHILE	NO	8,685,754	21,547,976	30,233,730
Z1	UF	19,000,000	7/1/2020	SEMI-ANNUAL	AT MATURITY	CHILE	5.25%	5.25%	BCO SECURITY	CHILE	NO	-	76,560,802	76,560,802
Z2	UF	7,200,000	2/1/2022	SEMI-ANNUAL	AT MATURITY	CHILE	5.30%	5.30%	BCO SECURITY	CHILE	NO	-	62,301,863	62,301,863
TOTAL												21,174,451	1,577,630,252	1,598,804,703

DETAIL OF BONDS AS OF DECEMBER 31, 2017

SERIES	INDEXATION UNIT	NOMINAL AMOUNT PLACED	MATURITY DATE	PERIODICITY		PLACEMENT IN CHILE OR ABROAD	EFFECTIVE RATE	NOMINAL RATE	ISSUER NAME	ISSUER COUNTRY OF INCORPORATION	GUARANTEED YES/NO	CARRYING AMOUNT		
				INTEREST PAYMENTS	PRINCIPAL PAYMENTS							MATURITY		
												0-90 DAYS	91 DAYS TO 1 YEAR	TOTAL
BFSEC-A	UF	1,000,000	12/15/2022	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.50%	4.25%	FACTORING S.A.	CHILE	NO	-	127,993	127,993
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	1,250,000	6/15/1938	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	CHILE	NO	-	280,178	280,178
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
B3	UF	5,000,000	6/1/2019	SEMI-ANNUAL	AT MATURITY	CHILE	1.25%	2.50%	BCO SECURITY	CHILE	NO	-	113,773,673	113,773,673
B4	UF	5,000,000	6/1/2020	SEMI-ANNUAL	AT MATURITY	CHILE	2.25%	2.25%	BCO SECURITY	CHILE	NO	-	135,099,474	135,099,474
B5	UF	5,000,000	8/1/2021	SEMI-ANNUAL	AT MATURITY	CHILE	2.40%	2.40%	BCO SECURITY	CHILE	NO	-	110,115,214	110,115,214
H1	UF	3,000,000	12/1/2029	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.42%	3.00%	BCO SECURITY	CHILE	NO	-	47,818,678	47,818,678
K1	UF	3,000,000	1/1/2018	SEMI-ANNUAL	AT MATURITY	CHILE	4.04%	3.00%	BCO SECURITY	CHILE	NO	81,602,849	-	81,602,849
K2	UF	4,000,000	11/1/2021	SEMI-ANNUAL	AT MATURITY	CHILE	3.74%	3.25%	BCO SECURITY	CHILE	NO	-	106,067,719	106,067,719
K3	UF	4,000,000	11/1/2022	SEMI-ANNUAL	AT MATURITY	CHILE	3.53%	3.50%	BCO SECURITY	CHILE	NO	-	106,994,830	106,994,830
K4	UF	5,000,000	10/1/2023	SEMI-ANNUAL	AT MATURITY	CHILE	3.60%	3.60%	BCO SECURITY	CHILE	NO	-	136,895,015	136,895,015
K5	UF	5,000,000	6/1/2024	SEMI-ANNUAL	AT MATURITY	CHILE	2.75%	2.80%	BCO SECURITY	CHILE	NO	-	132,157,397	132,157,397
K6	UF	5,000,000	3/1/2025	SEMI-ANNUAL	AT MATURITY	CHILE	2.75%	2.75%	BCO SECURITY	CHILE	NO	-	133,574,650	133,574,650
K7	UF	5,000,000	9/1/2025	SEMI-ANNUAL	AT MATURITY	CHILE	2.75%	2.75%	BCO SECURITY	CHILE	NO	-	139,505,852	139,505,852
K8	UF	5,000,000	10/1/2026	SEMI-ANNUAL	AT MATURITY	CHILE	2.80%	2.80%	BCO SECURITY	CHILE	NO	-	19,058,485	19,058,485
M1	UF	3,000,000	7/1/2019	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	3.24%	3.00%	BCO SECURITY	CHILE	NO	4,282,426	13,233,751	17,516,177
N1	UF	3,000,000	7/1/2019	SEMI-ANNUAL	AT MATURITY	CHILE	3.00%	3.00%	BCO SECURITY	CHILE	NO	-	80,994,885	80,994,885
R1	UF	3,000,000	6/1/2021	SEMI-ANNUAL	AT MATURITY	CHILE	3.00%	3.00%	BCO SECURITY	CHILE	NO	-	29,771,105	29,771,105
Z1	CH\$	75,000,000,000	7/1/2020	SEMI-ANNUAL	AT MATURITY	CHILE	5.25%	5.25%	BCO SECURITY	CHILE	NO	-	77,616,158	77,616,158
Z2	CH\$	75,000,000,000	2/1/2022	SEMI-ANNUAL	AT MATURITY	CHILE	5.30%	5.30%	BCO SECURITY	CHILE	NO	-	62,701,704	62,701,704
TOTAL												85,885,275	1,446,565,007	1,532,450,282



NOTE 19 - OTHER CURRENT NON-FINANCIAL LIABILITIES

As of December 31, 2018 and 2017, this account includes the following:

	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
BANK		
Letters of credit paid in cash	40	1,585,217
Demand deposits	2,494,375	2,194,947
Expired time deposits	2,847,253	4,336,187
Available funds mortgage loans	17,800,560	46,566,247
Current transactions pending payment	1,109,285	1,224,371
Pending payment orders	3,048,755	2,847,180
Collection on behalf of clients	6,237,710	2,627,785
Collections made but not yet received	8,325,616	9,318,023
Credit balances from exchange rate transactions	6	(1,085)
Credit card balances payable	932,107	13,221,893
Cashier's checks	51,887,271	55,271,909
Other non-financial liabilities, current	7,777,750	6,395,701
Performance bonds	7,455,987	7,194,731
PARENT COMPANY AND OTHER SUBSIDIARIES		
Dividends payable ^(*)	17,190,001	15,996,069
Taxes payable	1,416,386	2,525,466
Third-party obligations	6,161,003	10,393,745
Taxes payable	(109,470)	(11,553)
Second category tax	11,241	17,265
Single employee tax	299,412	464,930
VAT debit	923,941	1,129,397
Compensation payable	60,606	-
Monthly provisional tax prepayments payable	2,869	19,096
Other payables	1,741,678	4,572
Deferred income	8,800,997	5,604,258
TOTAL	146,415,379	188,926,351

*DIVIDENDS PAYABLE	12.31.2018 THCH\$	12.31.2017 THCH\$
Profit for the year	80,548,352	74,707,915
Minimum dividend provision 30%	24,164,506	22,412,375
Dividends paid during the year	(7,020,500)	(6,445,284)
Dividends pending DCV	45,995	28,978
TOTAL	17,190,001	15,996,069

NOTE 20 - CURRENT TAX LIABILITIES

As of December 31, 2018 and 2017, this account includes the following:

	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
Additional tax	80,054	76,603
Income tax provision	21,796,094	24,587,594
Article 21 provision	-	216,926
Stamp tax	81,811	-
Other tax liabilities	852,490	-
TOTAL	22,810,449	24,881,123



NOTE 21 - OTHER SHORT-TERM PROVISIONS

Short-term provisions include the following items:

	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
BANK		
Loans to foreign banks	36,814	-
Commercial loans	64,180,199	58,495,243
Lease agreements	4,647,797	3,128,978
Mortgage loans	1,063,912	1,265,128
Consumer loans	20,261,619	17,489,858
Contingent loan risk	7,344,583	7,856,191
Reposessed or awarded assets	5,200	1,636
Minimum dividends	5,493	4,763
Country risk	261,629	214,625
Other provisions	6,172,019	6,889,324
PARENT COMPANY AND OTHER SUBSIDIARIES		
Bonds	-	55,657
Portfolio fluctuations	682,122	770,256
Provisions for other expenses	19,663,448	21,527,768
TOTAL	124,324,835	117,699,427

NOTE 22 - EMPLOYEE BENEFIT PROVISIONS

	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
Vacation provision	7,912,561	7,078,840
Indemnity provision	1,109,564	1,106,696
Bonus provision	235,834	514,998
Taxes payable	-	7,174
TOTAL	9,257,959	8,707,708



NOTE 23 - OTHER NON-CURRENT FINANCIAL LIABILITIES

	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
Borrowings from financial institutions	32,258,233	42,277,499
SUBTOTAL, BORROWINGS FROM FINANCIAL INSTITUTIONS	32,258,233	42,277,499
Long-term outstanding bond obligations	309,799,854	266,156,683
Subordinated bonds	187,760,394	191,307,907
Indexation payable on subordinated bonds	46,468,513	43,614,105
Interest payable on subordinated bonds	2,212,124	2,293,812
Deferred price difference on subordinated bonds	580,896	220,765
Expenses for subordinated bonds	(30,531)	(35,951)
SUBTOTAL, BONDS PAYABLE	546,791,250	503,557,321
Discount on bond placement	(6,530,086)	(5,079,154)
Other obligations	5,791,901	
TOTAL	578,311,298	540,755,666

DETAIL OF BORROWINGS FROM FINANCIAL INSTITUTIONS AS OF DECEMBER 31, 2018

THCH\$														
	TAXPAYER ID DEBTOR	DEBTOR NAME	DEBTOR COUNTRY	TAXPAYER ID CREDITOR	CREDITOR NAME	CREDITOR COUNTRY	CURRENCY	TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL RATE %	CARRYING AMOUNT			
											MATURITY			
											1-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
Borrowings from financial institutions	78.769.870-0	Inversiones Previsión Security Ltda	Chile	97.006.000-6	Banco BCI	Chile	CH\$	Semi-annual	7.01%	7.01%	2,556,875	2,556,875	5,113,750	10,227,500
Borrowings from financial institutions	78.769.870-0	Inversiones Previsión Security Ltda	Chile	99.500.410-0	Banco de Chile	Chile	CH\$	Semi-annual	7.19%	7.19%	3,571,364	3,571,364	1,785,682	8,928,410
Borrowings from financial institutions	78.769.870-0	Inversiones Previsión Security Ltda	Chile	99.500.410-0	Banco Consorcio	Chile	CH\$	Semi-annual	4.44%	4.46%	3,142,688	3,142,687	6,285,375	12,570,750
Borrowings from financial institutions	20,517,207,331	Protecta Compañía Seguros SA	Peru	20100130204	Banco de Crédito	Peru	USD	Monthly	4.94%	4.94%		531,573		531,573
TOTAL											9,270,927	9,802,499	13,184,807	32,258,233

DETAIL OF BORROWINGS FROM FINANCIAL INSTITUTIONS AS OF DECEMBER 31, 2017

THCH\$														
	TAXPAYER ID DEBTOR	DEBTOR NAME	DEBTOR COUNTRY	TAXPAYER ID CREDITOR	CREDITOR NAME	CREDITOR COUNTRY	CURRENCY	TYPE OF AMORTIZATION	EFFECTIVE RATE %	NOMINAL RATE %	CARRYING AMOUNT			
											MATURITY			
											1-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
Long-term borrowings from financial institutions	78.769.870-0	Inv. Seguros Security Ltda.	Chile	97.004.000-5	BANCO CREDITO E INVERSIONES	Chile	CH\$	Monthly	6.78%	6.78%	10,550,837	-	-	10,550,837
Long-term borrowings from financial institutions	78.769.870-0	Inv. Seguros Security Ltda.	Chile	97.006.000-6	BANCO DE CHILE	Chile	CH\$	Monthly	6.75%	6.75%	1,278,438	2,556,875	6,392,188	10,227,501
Long-term borrowings from financial institutions	78.769.870-0	Inv. Seguros Security Ltda.	Chile	99.500.410-0	BANCO CONSORCIO	Chile	CH\$	Monthly	6.33%	6.33%	1,785,682	3,571,364	3,571,364	8,928,410
Long-term borrowings from financial institutions	78.769.870-0	Inv. Seguros Security Ltda.	Chile	99.500.410-0	BANCO CONSORCIO	Chile	CH\$	Monthly	5.56%	5.56%	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 BONDS AS OF DECEMBER 31, 2018

THCH\$															
SERIES	INDEXATION UNIT	NOMINAL AMOUNT PLACED	MATURITY DATE	PERIODICITY		PLACEMENT IN CHILE OR ABROAD	EFFECTIVE RATE	NOMINAL RATE	ISSUER NAME	ISSUER COUNTRY	GUARANTEED YES/NO	CARRYING AMOUNT			
				INTEREST PAYMENTS	AMORTIZATION PAYMENTS							MATURITY			
												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			82,697,370	82,697,370
BSECU-F	UF	1,250,000	6/15/1938	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.52%	4.50%	GRUPO SECURITY S.A.	CHILE	NO			1,366,229	1,366,229
BSECU-K	UF	3,000,000	9/15/1932	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.20%	4.20%	GRUPO SECURITY S.A.	CHILE	NO			82,697,371	82,697,371
BSECU-M	UF	1,189,000	10/15/1941	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.20%	4.20%	GRUPO SECURITY S.A.	CHILE	NO			32,775,724	32,775,724
BSECU-N1	UF	1,500,000	12/10/1942	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	2.85%	2.85%	GRUPO SECURITY S.A.	CHILE	NO			41,348,685	41,348,685
BFSEC-A	UF	1,000,000	12/15/2017	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.50%	2.47%	FACTORING SECURITY	CHILE	NO		41,348,685		41,348,685
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			27,565,790	27,565,790
USECC	UF	500,000	7/1/2018	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	7.16%	6.50%	BCO SECURITY	CHILE	NO	1,367,949	-	-	1,367,949
USECD	UF	750,000	9/1/2022	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	7.38%	6.00%	BCO SECURITY	CHILE	NO	5,830,294	3,164,293	-	8,994,588
USECE	UF	1,200,000	5/1/2028	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.47%	4.00%	BCO SECURITY	CHILE	NO	6,919,175	4,612,783	12,685,232	24,217,190
USECJ1	UF	2,000,000	12/1/1931	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	3.00%	3.00%	BCO SECURITY	CHILE	NO	8,875,826	6,369,881	33,819,407	49,065,114
USECJ2	UF	3,000,000	3/1/1937	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.05%	4.00%	BCO SECURITY	CHILE	NO	-	-	80,735,560	80,735,560
USECJ3	UF	2,500,000	10/1/1938	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.00%	4.00%	BCO SECURITY	CHILE	NO	-	-	72,610,995	72,610,995
TOTAL												22,993,244	55,495,643	468,302,363	546,791,250

DETAIL OF BONDS AS OF DECEMBER 31, 2017

BALANCE 12.31.2017 THCH\$															
SERIES	INDEXATION UNIT	NOMINAL AMOUNT PLACED	MATURITY DATE	PERIODICITY		PLACEMENT IN CHILE OR ABROAD	EFFECTIVE RATE	NOMINAL RATE	ISSUER NAME	ISSUER COUNTRY	GUARANTEED YES/NO	CARRYING AMOUNT			
				INTEREST PAYMENTS	AMORTIZATION PAYMENTS							MATURITY			
												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	1,250,000	6/15/1938	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	-	-	84,998,830	84,998,830
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%	2.47%	FACTORING SECURITY	CHILE	NO			40,223,501	40,223,501
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			27,246,593	27,246,593
USECC	UF	500,000	7/1/2018	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	7.16%	6.50%	BCO SECURITY	CHILE	NO	2,761,530	-	-	2,761,530
USECD	UF	750,000	9/1/2022	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	7.38%	6.00%	BCO SECURITY	CHILE	NO	5,710,673	4,243,649	-	9,954,322
USECE	UF	1,200,000	5/1/2028	SEMI-ANNUAL	SEMI-ANNUAL	CHILE	4.47%	4.00%	BCO SECURITY	CHILE	NO	6,800,706	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%	BCO SECURITY	CHILE	NO	8,734,589	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%	BCO SECURITY	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%	BCO SECURITY	CHILE	NO	-	-	71,572,898	71,572,898
TOTAL												24,007,498	15,045,973	464,503,850	503,557,321



NOTE 24 - NON-CURRENT PAYABLES

As of December 31, 2018 and 2017, this account includes the following:

	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
BANK		
Brokerage payables	34,474,738	42,347,556
Long-term accounts and notes payable	35,159,829	39,482,372
Unearned income	1,795,028	703,324
Other liabilities	16,994,848	4,237,760
PARENT COMPANY AND OTHER SUBSIDIARIES		
Long-term lease obligations	1,524,248	1,085,058
Long-term notes payable	2,928,182	4,987,878
TOTAL	92,876,874	92,843,948

NOTE 25 - CURRENT ACCOUNTS PAYABLE TO RELATED PARTIES

As of December 31, 2018 and 2017, this account includes the following:

TAXPAYER ID NUMBER	COMPANY	COUNTRY	RELATIONSHIP	CURRENCY	OWNERSHIP INTEREST	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
96.588.080-1	Principal Cía. de Seguros de Vida Chile S.A.	Chile	Through ownership	CH\$	49%	994,592	1,948,848
TOTAL						994,592	1,948,848

Principal Compañía de Seguros de Vida Chile S.A., an entity that does not belong to Grupo Security, has a relationship with the subsidiary Hipotecaria Security Principal S.A., because of transactions related to perceived dividends, which are paid the month after receipt.

This company is part of Principal Servicios de Administración S.A., which has a 48.997% interest in the subsidiary Hipotecaria Security Principal S.A., with 349,956 shares acquired in July 2012.



NOTE 26 - NON-CURRENT ACCOUNTS PAYABLE TO RELATED PARTIES

As of December 31, 2018 and 2017, this account includes the following:

TAXPAYER ID NUMBER	COMPANY	COUNTRY	RELATIONSHIP	CURRENCY	OWNERSHIP INTEREST	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
76.213.641-4	Inversiones CMC Ltda.	Chile	Through management	CH\$	0%	3,322,762	1,948,272
TOTAL						3,322,762	1,948,272

This is an endorsable promissory note with the following characteristics:

- AMOUNT: UF 35,160
- INTEREST: 5.75%
- MATURITY: December 2021

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, 2018 and 2017, this account includes the following:

	12.31.2018 THCH\$	12.31.2017 THCH\$
Factoring revenue	31,113,639	28,540,031
Securitization revenue	3,990,655	1,037,898
Gross written premiums Vida Security	333,710,202	482,042,999
Other interest income Vida Security	58,670,093	127,422,794
Insurance brokerage commissions	6,037,628	5,858,539
Real estate advisory and other services	1,097,661	5,344,329
Advisory and other services	13,551,896	374,497
Sales revenue	25,488,945	37,870,332
Investment income	50,512,766	2,393,001
Lease income	3,630	15,160,929
Fee and commission income	12,092,928	18,235,905
INTEREST		
Repurchase agreements	12,637	83,385
Loans and advances to banks	720,590	1,048,542
Commercial loans	200,795,057	194,100,577
Mortgage loans	21,207,132	21,170,341
Consumer loans	53,604,308	50,137,627
Investment securities	20,493,456	22,137,999
Financial instruments held for trading	3,652,904	3,728,983
Other interest income	6,525,205	4,834,629
INDEXATION		
Commercial loans	49,532,734	23,916,778
Mortgage loans	17,350,962	9,881,894
Consumer loans	(1,221)	186
Investment securities	2,681,372	1,612,553
Financial instruments held for trading	-	231,169
Other indexation earned	191,578	93,322
FEES AND COMMISSIONS		
Loans funded with mortgage bonds	26,726	32,464
Lines of credit and overdrafts	1,304,238	1,957,385
Guarantees and letters of credit	5,566,368	5,109,222
Credit card services	8,714,490	8,601,624
Account maintenance	4,196,353	3,253,753
Collections and payments	14,002,367	14,054,230
Securities brokerage and management	13,355,048	6,799,828
Mutual funds and other investments	24,853,101	23,015,349
Other fees and commissions earned	12,610,704	9,255,180
FINANCIAL OPERATING INCOME		
Net gain on instruments held for trading	2,928,382	5,825,926
Trading derivatives	11,764,053	22,103,511
Net gain on investments available for sale	1,951,961	3,469,993
Sale of loan portfolio	1,326,022	1,030,488
Other income	3,741,824	3,536,154
OTHER OPERATING INCOME		
Income from repossessed or awarded assets	468,855	476,112
Release of provisions for contingencies	136,037	109,805
Gain on sale of property, plant and equipment	486,656	997,816
Rental payments received	155,033	149,069
Recovery of expenses	1,785,311	603,284
Penalty interest	42,095	198,746
Other operating income from leases	587,207	376,292
Other income	1,098,813	9,552,387
TOTAL	1,024,138,401	1,177,767,857



B) COST OF SALES

The detail of cost of sales is as follows:

	12.31.2018 THCH\$	12.31.2017 THCH\$
Cost of sales, Factoring	8,702,850	8,093,134
Cost of sales, Inmobiliaria Security	15,014,160	22,867,295
Cost of sales, Vida Security	360,670,427	560,687,312
Cost of sales, other subsidiaries	20,991,202	10,573,950
Other fees and commissions	554,754	(82,448)
Other costs	476,873	195,265
INTEREST		
Demand deposits	159,261	74,224
Repurchase agreements	592,970	822,805
Savings accounts and time deposits	82,929,946	82,586,889
Borrowings from financial institutions	5,776,539	3,061,275
Debt issued	59,502,676	55,942,562
Other financial liabilities	480,815	427,258
Other interest or indexation expenses	23,685	38,561
INDEXATION		
Demand deposits	116,866	68,490
Savings accounts and time deposits	5,245,244	6,337,173
Debt issued	50,546,505	26,518,189
Other financial liabilities	234,498	194,995
Other interest or indexation expenses	1,411	-
FEES AND COMMISSIONS		
Securities transactions fees and commissions	2,987,606	2,686,525
Other fees and commissions	10,573,260	10,041,936
PROVISIONS		
Commercial loans	25,828,213	29,221,885
Mortgage loans	405,607	231,272
Consumer loans	21,354,952	12,598,937
Loans and advances to banks	36,812	(198)
Credit commitments	(511,608)	2,267,521
Recovery of written-off loans	(6,287,051)	(2,553,431)
OTHER OPERATING EXPENSES		
Other operating expenses	6,696,328	6,669,551
TOTAL	673,104,801	839,570,927



C) OTHER EXPENSES

The detail of other expenses by function is as follows:

	12.31.2018 THCH\$	12.31.2017 THCH\$
Administrative expenses, insurance area	310,804	262,667
Provisions for repossessed or awarded assets	1,659,600	1,269,797
Country risk provisions	183,041	231,746
Impairment	497,690	3,875,954
Miscellaneous expenses	3,904,493	2,103,353
Other expenses	1,009,651	816,999
TOTAL	7,565,279	8,560,516

D) OTHER INCOME

The detail of other income by function is as follows:

	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
Interest earned	927,204	106,718
Income from time deposits	108,328	-
Income from mutual funds	1,194,217	1,076,854
Income from repossessed or awarded assets	-	623,219
Other financial operating income	835,234	721,285
Proceeds from shares and rights in other companies	18,213	26,413
Other income	1,601,552	1,697,773
TOTAL	4,684,748	4,252,262



NOTE 28 - ADMINISTRATIVE EXPENSES

The detail of administrative expenses is as follows:

	12.31.2018 THCH\$	12.31.2017 THCH\$
Salaries and wages	114,901,110	111,320,440
Advisory services	6,489,719	3,853,689
Maintenance expenses	6,019,490	6,292,374
Office supplies	652,704	657,908
Depreciation and amortization	9,060,338	9,061,497
Leases	6,904,490	7,119,168
Insurance	902,346	419,009
IT and communications expenses	9,068,209	9,551,643
Outsourced services	9,744,884	12,654,084
Board expenses	1,604,588	1,503,039
Advertising	8,870,423	9,576,190
Taxes, property taxes and contributions to SBIF	3,692,496	4,015,563
Loan provision	1,602,515	2,500,000
Miscellaneous provisions	3,774,485	924,948
General expenses	33,673,706	36,033,257
TOTAL	216,961,503	215,482,809

NOTE 29 - PAYROLL AND PERSONNEL EXPENSES

Payroll and personnel expenses consist of expenses accrued during the year for employee remunerations and compensation.

The expense for the years ended December 31, 2018 and 2017, is as follows:

	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
Wages and salaries	86,701,439	91,794,818
Employee benefits	28,199,671	19,525,622
TOTAL	114,901,110	111,320,440

	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
Compensation paid to key management personnel	20,576,274	20,208,440



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 recognized 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, 2018 and 2017, by financial instrument category are as follows.

FINANCIAL ASSETS	12.31.2018		12.31.2017	
	THCH\$ CARRYING AMOUNT	THCH\$ FAIR VALUE	THCH\$ CARRYING AMOUNT	THCH\$ FAIR VALUE
CASH AND CASH EQUIVALENTS				
Cash	414,403,760	414,403,760	516,287,599	516,287,599
Cash equivalents	58,485,930	58,485,930	83,479,879	83,479,879
TOTAL	472,889,690	472,889,690	599,767,478	599,767,478
OTHER FINANCIAL ASSETS, CURRENT				
Investments available for sale	751,206,812	751,206,812	678,541,365	678,541,365
Financial instruments held for trading	106,095,661	106,095,661	94,437,562	94,437,562
Hedge assets	150,264,563	150,264,563	132,749,518	132,749,518
Other financial assets	2,405,172,928	2,405,172,928	2,256,874,528	2,256,874,528
TOTAL	3,412,739,964	3,412,739,964	3,162,602,973	3,162,602,973
RECEIVABLES				
Trade and other receivables, current	5,833,242,081	5,833,242,081	5,355,570,833	5,355,570,833
Accounts receivable from related parties, (Current)	48,248,089	48,248,089	32,019,282	32,019,282
TOTAL	5,881,490,170	5,881,490,170	5,387,590,115	5,387,590,115
INVESTMENT PROPERTY				
Investment property ^(*)	214,169,545	174,629,876	159,663,191	172,676,043
TOTAL	214,169,545	174,629,876	159,663,191	172,676,043

FINANCIAL LIABILITIES	12.31.2018		12.31.2017	
	THCH\$ CARRYING AMOUNT	THCH\$ FAIR VALUE	THCH\$ CARRYING AMOUNT	THCH\$ FAIR VALUE
OTHER FINANCIAL LIABILITIES				
Other financial liabilities, current	6,217,422,354	6,217,422,354	5,591,019,577	5,591,019,577
Other financial liabilities, non-current	578,311,298	578,311,298	540,755,666	540,755,666
TOTAL	6,795,733,652	6,795,733,652	6,131,775,243	6,131,775,243
ACCOUNTS PAYABLE				
Trade and other payables, current	2,597,213,493	2,597,213,493	2,504,746,138	2,504,746,138
Accounts payable to related parties, current	994,592	994,592	1,948,848	1,948,848
Accounts payable, non-current	92,876,874	92,876,874	92,843,948	92,843,948
Accounts payable to related parties, non-current	3,322,762	3,322,762	1,948,272	1,948,272
TOTAL	2,694,407,721	2,694,407,721	2,601,487,206	2,601,487,206

^(*) 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.



Under this model, these properties are recognized 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:

FINANCIAL ASSETS	12.31.2018			
	THCH\$ LEVEL 1	THCH\$ LEVEL 2	THCH\$ LEVEL 3	THCH\$ TOTAL
CASH AND CASH EQUIVALENTS				
Cash	414,403,760	-	-	414,403,760
Cash equivalents	58,485,930	-	-	58,485,930
TOTAL	472,889,690	-	-	472,889,690
OTHER FINANCIAL ASSETS, CURRENT				
Investments available for sale	-	751,206,812	-	751,206,812
Financial instruments held for trading	-	106,095,661	-	106,095,661
Hedge assets	-	150,264,563	-	150,264,563
Other financial assets	-	2,405,172,928	-	2,405,172,928
TOTAL	-	3,412,739,964	-	3,412,739,964
FINANCIAL LIABILITIES				
Other financial liabilities				
Other financial liabilities, current	-	6,217,422,354	-	6,217,422,354
Other financial liabilities, non-current	-	578,311,298	-	578,311,298
TOTAL	-	6,795,733,652	-	6,795,733,652

FINANCIAL ASSETS	12.31.2017			
	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	-	132,749,518	-	132,749,518
Other financial assets	-	2,256,874,528	-	2,256,874,528
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



NOTE 31 - FOREIGN CURRENCY

CURRENT ASSETS	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
CASH AND CASH EQUIVALENTS	472,889,690	599,767,478
USD	161,817,934	205,796,506
Euro	4,273,313	4,739,887
UF	-	-
CH\$	301,075,379	384,785,708
Other	5,723,064	4,445,377
OTHER FINANCIAL ASSETS, CURRENT	3,412,739,964	3,162,602,973
USD	499,184,080	439,539,685
Euro	19,322,698	-
UF	1,599,736,469	1,609,690,482
CH\$	1,119,949,995	984,714,463
Other	174,546,722	128,658,343
OTHER NON-FINANCIAL ASSETS, CURRENT	50,224,120	27,137,580
USD	(1,005)	-
Euro	-	-
UF	-	-
CH\$	48,612,682	26,206,796
Other	1,612,443	930,784
TRADE AND OTHER RECEIVABLES, CURRENT	5,833,242,081	5,355,570,833
USD	492,350,873	464,254,355
Euro	10,510,024	9,457,838
UF	2,547,282,753	2,385,685,639
CH\$	2,753,231,441	2,470,387,548
Other	29,866,990	25,785,454
ACCOUNTS RECEIVABLE FROM RELATED PARTIES, CURRENT	48,248,089	32,019,282
USD	-	922
Euro	-	-
UF	10,125,719	9,667,003
CH\$	38,122,370	22,351,357
Other	-	-
INVENTORIES	86,580,672	72,113,146
USD	-	-
Euro	-	-
UF	1,377,494	266,783
CH\$	85,203,178	71,846,363
Other	-	-
CURRENT TAX ASSETS	39,257,216	32,516,564
USD	-	-
Euro	-	-
UF	-	-
CH\$	39,203,585	32,481,229
Other	53,631	35,335
NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	1,233,954	3,641,275
USD	-	-
Euro	-	-
UF	-	-
CH\$	1,233,954	3,641,275
Other	-	-
TOTAL CURRENT ASSETS	9,944,415,786	9,285,369,131
USD	1,153,351,882	1,109,591,468
Euro	34,106,035	14,197,725
UF	4,158,522,435	4,005,309,907
CH\$	4,386,632,584	3,996,414,739
Other	211,802,850	159,855,293



NON-CURRENT ASSETS	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
OTHER NON-FINANCIAL ASSETS, NON-CURRENT	119,878,149	74,083,873
USD	12,526,619	2,230,687
Euro	11,785	953,862
UF	-	38,003,813
CH\$	55,508,895	32,100,707
Other	51,830,850	794,804
EQUITY-ACCOUNTED INVESTMENTS	3,875,455	3,076,558
USD	-	-
Euro	-	-
UF	-	-
CH\$	3,875,455	3,076,558
Other	-	-
INTANGIBLE ASSETS OTHER THAN GOODWILL	37,811,188	38,517,974
USD	-	-
Euro	-	-
UF	-	-
CH\$	36,906,892	38,252,825
Other	904,296	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	51,733,402	65,088,368
USD	-	-
Euro	-	-
UF	-	-
CH\$	37,996,271	48,050,592
Other	13,737,131	17,037,776
INVESTMENT PROPERTY	214,169,545	159,663,191
USD	-	-
Euro	-	-
UF	-	-
CH\$	136,169,267	134,376,938
Other	78,000,278	25,286,253
DEFERRED TAX ASSETS	51,737,634	51,733,703
USD	-	-
Euro	-	-
UF	-	-
CH\$	51,737,634	51,733,703
Other	-	-
TOTAL NON-CURRENT ASSETS	598,271,943	511,230,237
USD	12,526,619	2,230,687
Euro	11,785	953,862
UF	-	38,003,813
CH\$	440,079,544	425,476,453
Other	145,653,995	44,565,422



CURRENT LIABILITIES	UP TO 90 DAYS		91 DAYS TO 1 YEAR		ADJUSTMENTS		TOTAL	
	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
OTHER FINANCIAL LIABILITIES, CURRENT	2,713,197,234	2,407,813,190	3,526,776,282	3,218,255,317	(22,551,162)	(35,048,930)	6,217,422,354	5,591,019,577
USD	632,563,013	459,522,227	165,451,449	225,810,079			798,014,462	685,332,306
Euro	14,041,801	8,413,046	411,193	218,557			14,452,994	8,631,603
UF	149,190,555	276,039,155	265,994,057	1,436,127,105			415,184,612	1,712,166,260
CH\$	1,914,216,471	1,663,819,928	3,094,919,583	1,556,099,576	(22,551,162)	(35,048,930)	4,986,584,892	3,184,870,574
Other	3,185,394	18,834	-	-			3,185,394	18,834
TRADE AND OTHER PAYABLES	266,142,307	88,373,629	2,331,071,186	2,417,222,480	-	(849,971)	2,597,213,493	2,504,746,138
USD	-	-	31,615,991	32,783,390			31,615,991	32,783,390
Euro	23,297	-	1,032,997	1,071,140			1,056,294	1,071,140
UF	907,957	-	1,977,228,942	2,050,236,794			1,978,136,899	2,050,236,794
CH\$	65,123,591	85,294,720	197,254,866	204,616,424		(849,971)	262,378,457	289,061,173
Other	200,087,462	3,078,909	123,938,390	128,514,732			324,025,852	131,593,641
ACCOUNTS PAYABLE TO RELATED PARTIES, CURRENT	15,789,363	18,408,605	-	-	(14,794,771)	(16,459,757)	994,592	1,948,848
USD	-	-	-	-			-	-
Euro	-	-	-	-			-	-
UF	1,246,636	3,422,168	-	-	(14,794,771)	(16,459,757)	(13,548,135)	(13,037,589)
CH\$	14,542,727	14,986,437	-	-			14,542,727	14,986,437
Other	-	-	-	-			-	-
OTHER SHORT-TERM PROVISIONS	121,752,270	135,847,726	2,572,565	753,477	-	(18,901,776)	124,324,835	117,699,427
USD	-	-	-	-			-	-
Euro	-	-	-	-			-	-
UF	900,543	1,001,008	180,884	196,035			1,081,427	1,197,043
CH\$	116,558,945	132,884,110	1,709,559	557,442		(18,901,776)	118,268,504	114,539,776
Other	4,292,782	1,962,608	682,122	-			4,974,904	1,962,608
CURRENT TAX LIABILITIES	22,810,449	5,700,352	-	19,180,771	-	-	22,810,449	24,881,123
USD	-	-	-	-			-	-
Euro	-	-	-	-			-	-
UF	-	-	-	-			-	-
CH\$	22,467,918	5,474,837	-	19,124,183	-		22,467,918	24,599,020
Other	342,531	225,515	-	56,588			342,531	282,103
EMPLOYEE BENEFIT PROVISIONS, CURRENT	9,257,959	2,362,243	-	6,345,465	-	-	9,257,959	8,707,708
USD	-	-	-	-			-	-
Euro	-	-	-	-			-	-
UF	-	-	-	-			-	-
CH\$	8,844,093	2,270,698	-	6,140,826			8,844,093	8,411,524
Other	413,866	91,545	-	204,639			413,866	296,184
OTHER NON-FINANCIAL LIABILITIES, CURRENT	30,624,901	16,347,804	115,790,478	174,829,100	-	(2,250,553)	146,415,379	188,926,351
USD	-	-	-	5,351,401			-	5,351,401
Euro	-	-	-	643,887			-	643,887
UF	1,349,625	846,289	6,844,001	6,850,584			8,193,626	7,696,873
CH\$	29,042,164	15,239,591	108,946,477	161,975,275		(2,250,553)	137,988,641	174,964,313
Other	233,112	261,924	-	7,953			233,112	269,877
TOTAL CURRENT LIABILITIES	3,179,574,483	2,674,853,549	5,976,210,511	5,836,586,610	(37,345,933)	(73,510,987)	9,118,439,061	8,437,929,172
USD	632,563,013	459,522,227	197,067,440	263,944,870	-	-	829,630,453	723,467,097
Euro	14,065,098	8,413,046	1,444,190	1,933,584	-	-	15,509,288	10,346,630
UF	153,595,316	281,308,620	2,250,247,884	3,493,410,518	(14,794,771)	(16,459,757)	2,389,048,429	3,758,259,381
CH\$	2,170,795,909	1,919,970,321	3,402,830,485	1,948,513,726	(22,551,162)	(57,051,230)	5,551,075,232	3,811,432,817
Other	208,555,147	5,639,335	124,620,512	128,783,912	-	-	333,175,659	134,423,247



NON-CURRENT LIABILITIES	MORE THAN 1 YEAR UP TO 3 YEARS		3 TO 5 YEARS		MORE THAN 5 YEARS		ADJUSTMENTS		TOTAL	
	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$	BALANCE 12.31.2018 THCH\$	BALANCE 12.31.2017 THCH\$
OTHER FINANCIAL LIABILITIES, NON-CURRENT	24,730,418	24,834,419	23,763,772	23,630,307	529,817,108	492,290,940	-	-	578,311,298	540,755,666
USD	-	-	-	-	-	-	-	-	-	-
Euro	-	-	-	-	-	-	-	-	-	-
UF	15,270,436	9,648,118	13,536,272	14,359,380	282,378,300	474,470,669	-	-	311,185,008	498,478,167
CH\$	8,928,409	15,186,301	10,227,500	9,270,927	247,438,808	17,820,271	-	-	266,594,717	42,277,499
Other	531,573	-	-	-	-	-	-	-	531,573	-
ACCOUNTS PAYABLE, NON-CURRENT	92,876,874	96,885,860	-	1,147,828	-	-	-	(5,189,740)	92,876,874	92,843,948
USD	-	1,314,514	-	-	-	-	-	-	-	1,314,514
Euro	-	94,199	-	-	-	-	-	-	-	94,199
UF	41,262,993	4,615,254	-	-	-	-	-	(5,189,740)	41,262,993	(574,486)
CH\$	50,089,633	89,120,085	-	1,147,828	-	-	-	-	50,089,633	90,267,913
Other	1,524,248	1,741,808	-	-	-	-	-	-	1,524,248	1,741,808
ACCOUNTS PAYABLE TO RELATED PARTIES, NON-CURRENT	-	-	3,322,762	-	-	1,948,272	-	-	3,322,762	1,948,272
USD	-	-	-	-	-	-	-	-	-	-
Euro	-	-	-	-	-	-	-	-	-	-
UF	-	-	3,322,762	-	-	1,948,272	-	-	3,322,762	1,948,272
CH\$	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
DEFERRED TAX LIABILITIES	3,573,051	13,020,159	-	6,222,137	-	26,055,198	(2,875,659)	(44,701,345)	697,392	596,149
USD	-	-	-	-	-	-	-	-	-	-
Euro	-	-	-	-	-	-	-	-	-	-
UF	-	852,523	-	-	-	-	-	-	-	852,523
CH\$	3,256,917	11,890,802	-	6,222,137	-	26,055,198	(2,875,659)	(44,701,345)	381,258	(533,208)
Other	316,134	276,834	-	-	-	-	-	-	316,134	276,834
TOTAL NON-CURRENT LIABILITIES	121,180,343	134,740,438	27,086,534	31,000,272	529,817,108	520,294,410	(2,875,659)	(49,891,085)	675,208,326	636,144,035
USD	-	1,314,514	-	-	-	-	-	-	-	1,314,514
Euro	-	94,199	-	-	-	-	-	-	-	94,199
UF	56,533,429	15,115,895	16,859,034	14,359,380	282,378,300	476,418,941	-	(5,189,740)	355,770,763	500,704,476
CH\$	62,274,959	116,197,188	10,227,500	16,640,892	247,438,808	43,875,469	(2,875,659)	(44,701,345)	317,065,608	132,012,204
Other	2,371,955	2,018,642	-	-	-	-	-	-	2,371,955	2,018,642

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, 2018 CH\$	DECEMBER 31, 2017 CH\$
BASIC EARNINGS PER SHARE		
Basic earnings per share from continuing operations	21.8111	21.7471
Basic earnings per share from discontinued operations	0.0000	0.00000
BASIC EARNINGS PER SHARE	21.8111	21.7471



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, 2018

STATEMENT OF FINANCIAL POSITION	LENDING THCH\$	ASSET MANAGEMENT THCH\$	INSURANCE THCH\$	SERVICES THCH\$	BUSINESS INTERNATIONAL THCH\$	CORPORATE SUPPORT THCH\$	ADJUSTMENTS THCH\$	TOTAL THCH\$
ASSETS								
Total current assets	7,054,247,368	204,988,267	2,392,564,760	127,129,714	177,151,515	74,345,635	(86,011,473)	9,944,415,786
Total non-current assets	246,406,956	22,370,241	231,497,113	10,030,334	85,301,290	1,032,778,553	(1,030,112,546)	598,271,941
TOTAL ASSETS	7,300,654,324	227,358,508	2,624,061,872	137,160,048	262,452,805	1,107,124,188	(1,116,124,018)	10,542,687,727
LIABILITIES								
Total current liabilities	6,358,748,718	61,162,623	2,443,507,860	92,890,922	213,864,923	33,913,844	(85,649,830)	9,118,439,061
Total non-current liabilities	318,141,758	55,022,853	2,928,182	9,428,294	2,371,955	294,280,408	(6,965,125)	675,208,325
TOTAL LIABILITIES	6,676,890,476	116,185,476	2,446,436,042	102,319,215	216,236,878	328,194,252	(92,614,954)	9,793,647,386

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, 2018.

INCOME STATEMENT	LENDING THCH\$	ASSET MANAGEMENT THCH\$	INSURANCE THCH\$	SERVICES THCH\$	INTERNATIONAL BUSINESS THCH\$	CORPORATE SUPPORT THCH\$	ADJUSTMENTS THCH\$	TOTAL THCH\$
PROFIT FOR THE YEAR								
Revenue	469,579,402	60,346,703	437,039,009	37,150,316	23,364,880	21,500,793	(24,842,701)	1,024,138,403
Cost of sales	(261,715,469)	(13,681,915)	(365,320,252)	(17,345,215)	(13,621,299)	(1,420,650)		(673,104,801)
GROSS PROFIT	207,863,933	46,664,788	71,718,757	19,805,101	9,743,581	20,080,143	(24,842,701)	351,033,602
Other income	20,906	2,531,715	274,973	715,890	401,737	2,556,270	(1,816,743)	4,684,748
Distribution costs	-	-	-	-	-	-	-	-
Administrative expenses	(113,952,148)	(33,004,158)	(45,720,677)	(15,087,013)	(6,663,296)	(29,193,656)	26,659,444	(216,961,504)
Other expenses	(4,708,555)	(2,141,673)	(310,807)	(97,134)	(305,507)	(1,603)	-	(7,565,280)
Other gains (losses)	-	(32,679)	205,828	(180,267)	1,007,390	741,798	-	1,742,070
NET OPERATING INCOME (LOSS)	89,224,135	14,017,993	26,168,075	5,156,578	4,183,905	(5,817,048)	-	132,933,637
Finance income	-	-	12,974	-	-	-		12,974
Finance costs	-	(781,199)	(53,813)	(1,197,034)	(541,506)	(12,262,999)		(14,836,551)
Share of profit (loss) of associates, equity-accounted	117	-	10,274,133	342	-	(12,049,827)		(1,775,235)
Exchange differences	2,915,741	(141,549)	(990,617)	275,379	(606,021)	(231,376)		1,221,557
Gain (loss) on indexed assets and liabilities	25,444	141,150	(3,605,229)	(48,980)	-	(6,911,678)		(10,399,293)
Gain (loss) arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value	655,138	79,243	-	-	-	-		734,381
NET PROFIT (LOSS) BEFORE TAXES	92,820,575	13,315,637	31,805,523	4,186,285	3,036,378	(37,272,929)	-	107,891,470
Income tax expense from continuing operations	(20,695,566)	(2,601,002)	(649,401)	(1,139,675)	(306,738)	659,456		(24,732,925)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	72,125,009	10,714,636	31,156,122	3,046,610	2,729,640	(36,613,473)	-	83,158,544
PROFIT (LOSS) FOR THE YEAR	72,125,009	10,714,636	31,156,122	3,046,610	2,729,641	(36,613,473)	-	83,158,545
PROFIT ATTRIBUTABLE TO:								
Profit (loss) attributable to owners of the parent	72,121,805	10,714,636	30,439,642	2,456,794	1,428,948	(36,613,474)		80,548,351
Profit (loss) attributable to non-controlling interests	3,204	-	716,480	589,816	1,300,693	-		2,610,194
PROFIT (LOSS) FOR THE YEAR	72,125,009	10,714,636	31,156,122	3,046,610	2,729,641	(36,613,474)	-	83,158,544

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 OPERATING EXPENSES AND EXPENSES OF THE GROUP'S PARENT COMPANY.



**C) STATEMENT OF CASH FLOWS BY SEGMENT (DIRECT METHOD)
AS OF DECEMBER 31, 2018**

STATEMENT OF CASH FLOWS	LENDING THCH\$	ASSET MANAGEMENT THCH\$	INSURANCE THCH\$	SERVICES THCH\$	INTERNATIONAL BUSINESS THCH\$	CORPORATE SUPPORT THCH\$	ADJUSTMENTS THCH\$	TOTAL THCH\$
Net cash flows provided by (used in) operating activities	171,665,416	(19,707,424)	(32,463,619)	2,904,642	(18,019,674)	(2,903,215)	(268,519,304)	(167,043,178)
Net cash flows provided by (used in) investing activities	(250,468,066)	(5,864,812)	25,537,654	1,072,945	(30,268,960)	(9,049,925)	270,891,072	1,849,908
Net cash flows provided by (used in) financing activities	(26,497,618)	17,802,559	7,346,198	(3,663,798)	50,708,101	(2,226,264)	(5,149,190)	38,319,988
Net increase (decrease) in cash and cash equivalents	(105,300,268)	(7,769,677)	420,233	313,789	2,419,467	(14,179,404)	(2,777,422)	(126,873,282)
Effect of exchange rate changes on cash and cash equivalents	-	232,901	-	-	(237,408)	-	-	(4,507)
Increase (decrease) in cash and cash equivalents	(105,300,268)	(7,536,776)	420,233	313,789	2,182,059	(14,179,404)	(2,777,422)	(126,877,789)
Cash and cash equivalents at beginning of period	518,119,949	16,529,243	11,061,963	5,743,492	2,253,715	51,875,392	(5,816,275)	599,767,479
CASH AND CASH EQUIVALENTS AT END OF PERIOD	412,819,681	8,992,467	11,482,196	6,057,281	4,435,774	37,695,988	(8,593,697)	472,889,690

**D) 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	(1,005,969,291)	511,230,237
TOTAL ASSETS	6,732,993,338	217,662,198	2,759,846,698	136,550,280	1,034,583,587	(1,085,036,734)	9,796,599,368
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	(71,768,315)	636,144,035
TOTAL LIABILITIES	6,138,677,905	116,566,276	2,588,959,581	98,047,482	288,386,404	(156,564,441)	9,074,073,207



E) 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
Distribution costs	-	-	-	-	-	-	-
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 and joint ventures, 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 TAXES	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



F) STATEMENT OF CASH FLOWS BY SEGMENT (DIRECT METHOD) AS OF DECEMBER 31, 2017

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	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 provided by (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

NOTE 34 - ENVIRONMENT

As of the reporting date for the consolidated financial statements, given the nature of their businesses, Grupo Security S.A. and subsidiaries have not made any environmental disbursements.

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

RISK MANAGEMENT

- I. RISK MANAGEMENT OBJECTIVES
- II. RISK MANAGEMENT STRUCTURE
- III. CREDIT RISK
- IV. FINANCIAL RISK
- V. OPERATIONAL RISK
- VI. RISK COMMITTEE
- VII. CAPITAL REGULATORY REQUIREMENTS

1) RISK MANAGEMENT OBJECTIVES

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.



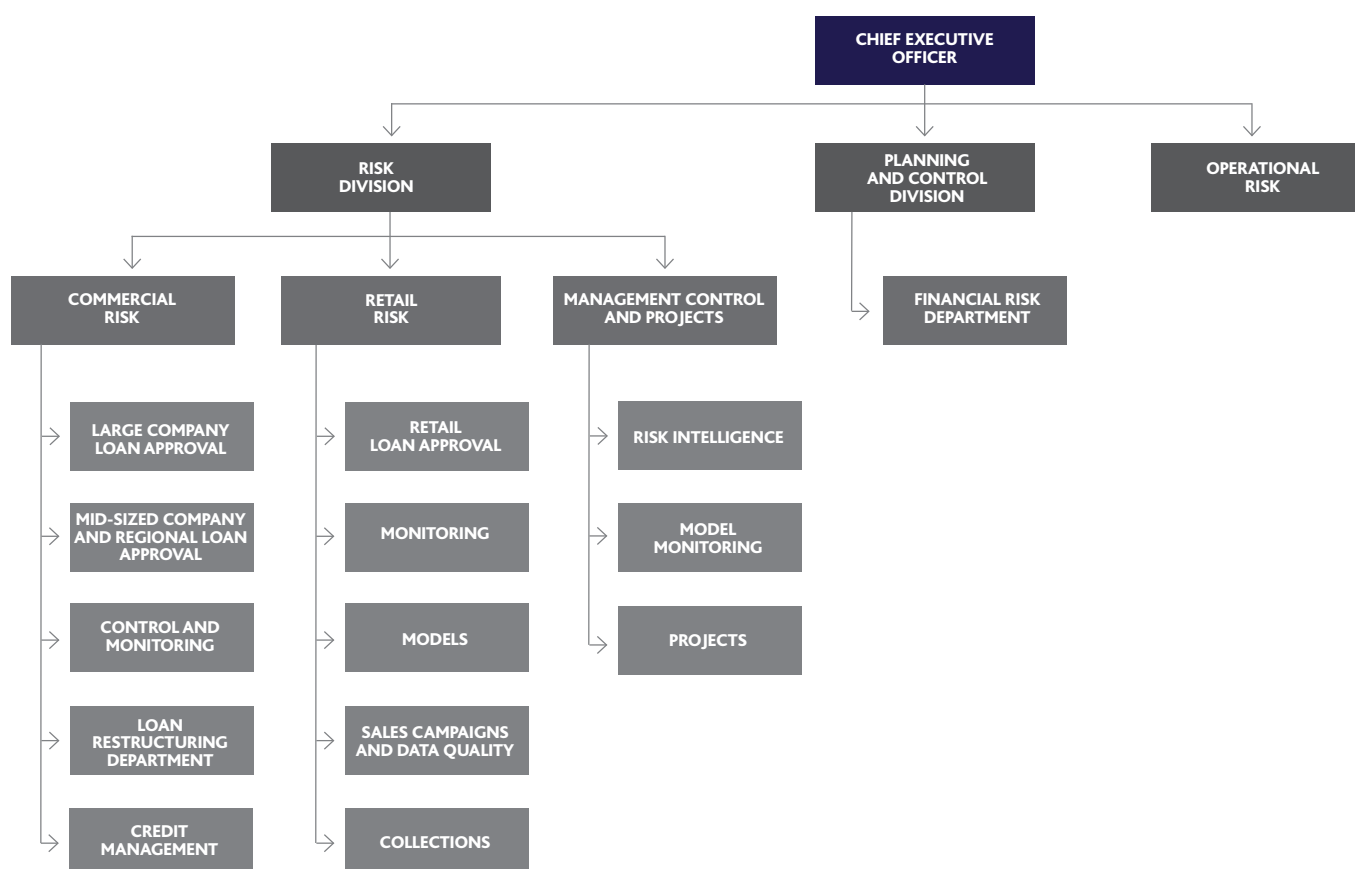
2) RISK MANAGEMENT STRUCTURE

Risk management is carried out through four divisions that report to the Chief Executive Officer: The Risk Division (credit risk); the Planning and Control Division (financial risk), the Operational and Cyber-security Risk Division and the Compliance Division, all of which operate independently from other business areas and serve as a counterbalance on the Bank's various committees.

The Risk Division is focused on credit risk management and 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.

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. LARGE COMPANY LOAN APPROVAL DEPARTMENT:

Area in charge of analyzing risk during customer assessment for the large companies and finance segments, as well as evaluating and controlling the Bank's exposure in foreign markets.

This department also participates in decision-making committees for its segment, such as the Circulating Folder Committee and the Managers Committee; and acts as secretary for the Board Credit Committee.

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. MID-SIZED COMPANY AND REGIONAL LOAN APPROVAL DEPARTMENT:

Department in charge of analyzing risk during customer assessment of mid-sized and regional companies. It is also responsible for standardizing and analyzing the financial statements for the entire portfolio,

This department also participates in decision-making committees, 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.

C. 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.

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.

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.

E. 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 repossessed or awarded assets 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

Department in charge of ensuring operational risk, business continuity, information security and suppliers are effectively managed. It serves as a second line of defense and is staffed by 11 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.

LOAN APPROVAL PROCESS	COMMERCIAL BANKING	MANAGEMENT
Target Market	Commercial Risk Management	Retail Risk Management
Credit Analysis and Assessment		
Loan Decision		
Credit Management		
Credit Monitoring and Control		
Collections		

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	Manual	Holding companies	Guidelines/Matrix
- Banks		Residential mortgage loans	Model
- Restructuring of retail and commercial loans		Consumer loans	Internal model
- Non-profit			
- 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:

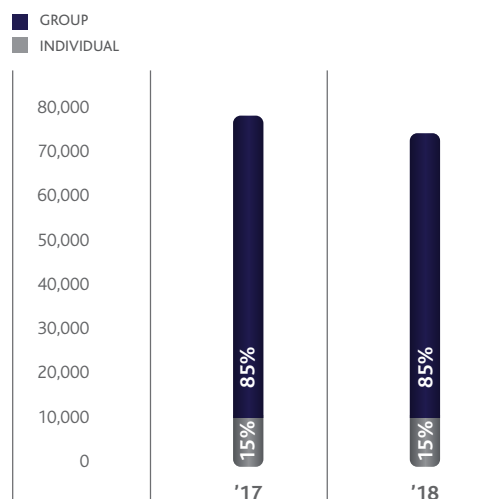
1. **COMMERCIAL PRODUCTS:**
 - a. Individuals
 - b. Restructuring of retail loans
 - c. Small businesses
 - d. Investment companies
2. **CONSUMER PRODUCTS:**
 - a. Individuals
3. **MORTGAGE PRODUCTS:**
 - a. Individuals

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



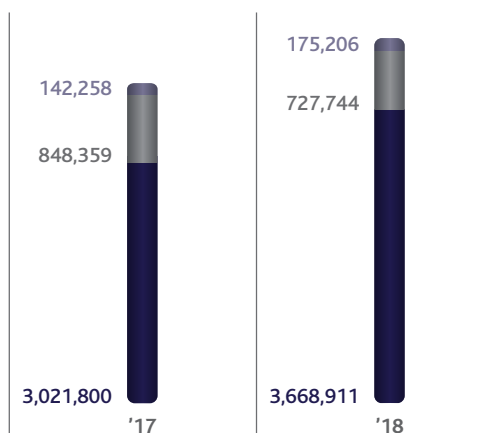


Individually assessed loans are distributed by category (normal, substandard and default) using the following criteria:

DISTRIBUTION OF INDIVIDUALLY ASSESSED LOANS

AMOUNT OF LOANS - MCH\$

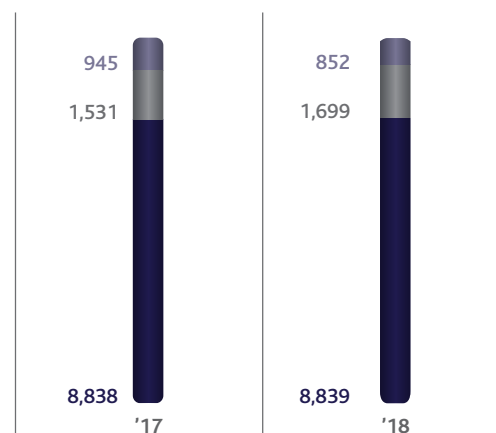
■ NORMAL ■ SUBSTANDARD ■ DEFAULT



DISTRIBUTION OF INDIVIDUALLY ASSESSED LOANS

NUMBER OF CUSTOMERS - DEC 2017-2018

■ NORMAL ■ SUBSTANDARD ■ DEFAULT



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 some market 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, 2018 MCH\$	DECEMBER 31, 2017 MCH\$
TRADING		
Fixed income	59	103
Derivatives (excl. options)	48	410
Embedded options	0	1
FX	41	26
Shares	22	58
Diversification effect	(63)	(342)
TOTAL PORTFOLIO	107	255
AVAILABLE FOR SALE		
Rate	349	232
TOTAL PORTFOLIO	349	232
Total diversification	(17)	(368)
TOTAL VAR	502	462

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.2.21 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, 2018 MCH\$	DECEMBER 31, 2017 MCH\$
Market risk		
Interest rate risk	9,307	9,227
Currency risk	1,162	1,163
Options risk	1	7
TOTAL RISK	10,470	10,397
Consolidated risk-weighted assets	5,862,058	5,360,108
Regulatory capital (RC)	774,770	751,267
BASEL LIMIT	8.00%	8.00%
BASEL WITH MARKET RISK	12.93%	13.69%
BASEL I	13.22%	14.02%

	MARKET RISK BANKING BOOK	
	DECEMBER 31, 2018 MCH\$	DECEMBER 31, 2017 MCH\$
Short-term		
Interest rate risk (short-term)	9,610	5,671
UF mismatch	813	1,313
Sensitive commissions	175	166
TOTAL RISK	10,598	7,150
Limit 35% margin (Board)	59,325	50,735
SURPLUS (BOARD)	48,727	43,585
Long-term		
Interest rate risk	19,984	16,975
LIMIT 25% RC (BOARD)	193,693	187,864
SURPLUS (BOARD)	173,709	170,890

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.
- **LIQUIDITY MARKET 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, 2018 and 2017, in all currencies presented in MCH\$, are as follows.

[illegible]



Regulatory liquidity gap as of December 31, 2018 and 2017, in foreign currency presented in MCH\$

	< 1 MONTH		1 - 3 MONTHS		3 MONTHS - 1 YEAR		1 - 3 YEARS		3 - 6 YEARS		> 6 YEARS		TOTAL	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Available funds	147,741	209,681	4,206	-	-	-	-	-	-	-	-	-	151,947	209,681
Financial investments	3,172	125,227	3,879	-	108	-	-	-	-	-	-	-	7,159	125,227
Commercial and consumer loans	70,126	51,322	89,613	75,409	135,637	129,504	102,741	91,019	93,814	83,110	126,123	111,733	618,054	542,097
Lines of credit and overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	28,576	-	-	-	-	-	-	-	-	-	-	-	28,576
Derivatives	43,215	48,060	49,736	7,079	58,218	39,238	86,528	57,912	79,009	52,880	106,220	71,092	422,926	276,261
	264,254	462,866	147,434	82,488	193,963	168,742	189,269	148,931	172,823	135,990	232,343	182,825	1,200,086	1,181,842
Current accounts and other demand deposits	-	133,932	-	-	-	-	-	-	-	-	-	-	-	133,932
Domestic interbank loans	-	6,563	-	-	-	-	-	-	-	-	-	-	-	6,563
Savings accounts and time deposits	23,424	125,143	25,042	158,007	118,388	67,279	19,489	-	19,515	-	24,182	-	230,040	350,429
External funding	104,285	2,262	-	41,784	-	84,846	-	19,929	-	19,955	-	24,727	104,285	193,503
Other liabilities	-	25,613	-	-	-	-	-	-	-	-	-	-	-	25,613
Derivative instruments	126,454	90,179	274,712	70,165	48,266	24,722	-	31,910	-	31,952	-	39,594	449,432	288,522
	254,163	383,692	299,754	269,956	166,654	176,847	19,489	51,839	19,515	51,907	24,182	64,321	783,757	998,562
Net cash flow	10,091	79,174	(152,320)	(187,468)	27,309	(8,105)	169,780	97,092	153,308	84,083	208,161	118,504	416,329	183,280
Accumulated net cash flow	10,091	79,174	(142,229)	(108,294)	(114,920)	(116,399)	54,860	(19,307)	208,168	64,776	416,329	183,280	832,658	83,230
Regulatory limit	10,091	79,174												
Limit exceeded by														

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, 2018, the bank has four hedge accounting strategies to cover the following risks:

- 1) Cash Flow Hedging Strategy, to hedge the future cash flow risk of UF liabilities arising from bonds placed in UF.
- 2) Cash Flow Hedging Strategy, to hedge the future cash flow risk of UF assets arising from mortgages in UF.
- 3) Cash Flow Hedging Strategy, to hedge the future cash flow risk of loans in US\$.
- 4) Fair Value Hedging Strategy, to hedge the risk of volatility in base interest rates on UF, arising from commercial loans placed in UF.

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 recognized 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, 2018 MCH\$	AS OF DECEMBER 31, 2017 MCH\$
Balance MUF mortgage portfolio	61	90
Rate ceiling (average)	7.0%	6.8%
Option value MCH\$	0.2	5



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 and reputational risks but excludes strategic 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, its risk appetite and providing a suitable level of exposure to and management of 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 and current regulations.
- 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 Division, 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 Division reports to the Chief Executive Officer.

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. Three lines of defense model.

E. OPERATIONAL RISK MANAGEMENT

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.

F. 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.
- **CULTURE:** Developing various initiatives that help the organization to understand every aspect of operational risk, in order to make the model sustainable and appropriately manage operational risk.

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

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)
- Commercial Risk Manager
- Retail Risk Manager
- Commercial Division Agents (depending on the case being assessed)
- Company Control and Monitoring Deputy Manager
- Retail Credit Risk Control and Monitoring Manager



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 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.

In addition, it 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 for its approval.

This committee meets monthly and its members are:

- One director
- Chief Executive Officer
- Division managers (Commercial, Risk, Finance, Operations and Planning)
- Commercial Risk Manager
- Retail Risk Manager
- Risk and Project Management Control Deputy Manager



F. FINANCE COMMITTEE

This committee's objective is to jointly evaluate positions in financial investments 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 Committee is also responsible for proposing risk management policies and methodologies for managing financial assets to the Board and ensuring compliance with market risk limits.

THIS COMMITTEE IS COMPRISED OF:

- Two Banco Security Directors
- Chief Executive Officer at Banco Security
- Finance Division Manager at Banco Security
- Planning and Control Division Manager at Banco Security
- Chief Financial Officer at Valores Security

G. OPERATIONAL RISK COMMITTEES

COMPOSITION OF OPERATIONAL RISK COMMITTEE

The members of the Operational Risk Committee are a Director (Chairman), Chief Executive Officer (Vice Chairman), Operational Risk Division Manager (Secretary), Operations and IT Division Manager. (Replacement for the Vice Chairman), Operational Risk Division Manager - Secretary, Commercial Banking Division Manager, Retail Banking Division Manager, Finance and Corporate Division Manager, Planning and Control Division Manager, Credit Risk Division Manager, Representative from the Legal Department, Information Security and BCP Officer, Internal Controller, Compliance and Control Deputy Manager - MF, Operational Risk Manager

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 regularly, ideally monthly 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). New product and service approval.

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 Control 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, 2018 and 2017, are as follows:

	CONSOLIDATED ASSETS		RISK-WEIGHTED ASSETS	
	2018 MCH\$	2017 MCH\$	2018 MCH\$	2017 MCH\$
BALANCE SHEET ASSETS (NET OF PROVISIONS)				
Cash and due from banks	394,332	497,423	-	-
Transactions pending settlement	35,628	76,271	5,102	50,064
Financial instruments held for trading	106,095	94,439	42,789	26,727
Receivables from resale agreements and securities borrowing	-	-	-	-
Financial derivative instruments	160,726	120,775	115,248	91,888
Loans and advances to banks	10,730	-	5,008	-
Loans to customers	5,245,152	4,753,782	5,000,949	4,506,816
Investments available for sale	751,206	678,542	218,786	269,726
Investments held to maturity	-	-	-	-
Investments in other companies	2,095	2,094	2,095	2,094
Intangible assets	46,624	47,589	33,585	34,550
Property, plant and equipment	22,656	24,084	22,656	24,084
Current tax assets	2,053	1,417	205	142
Deferred tax assets	23,248	20,694	2,325	2,069
Other assets	143,691	112,298	134,678	111,368
OFF-BALANCE-SHEET ASSETS	-			
Contingent loans	462,360	400,966	278,632	240,580
TOTAL RISK-WEIGHTED ASSETS	7,406,596	6,830,374	5,862,058	5,360,108

	AMOUNT 2018 MCH\$	AMOUNT 2017 MCH\$	RATIO 2018 %	RATIO 2017 %
Core capital	577,587	552,967	7.80%	8.10%
Regulatory capital	774,770	751,267	13.22%	14.02%



RISKS RELATED TO THE INSURANCE BUSINESS OF VIDA SECURITY

As a direct subsidiary of Grupo Security, Inversiones Previsión aligns its practices with the risk management definitions and policies defined by its parent company. 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 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

5) 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 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. All Grupo Security companies are involved in this process.

6) 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.



7) 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.

8) 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.

The risk management policies of our subsidiary Vida Security are published in its annual financial statements in accordance with CMF Standards, and, therefore, the interim financial statements contain the most recent annual disclosure published.

II 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 for managing 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. The Company evaluated its degree of compliance with this standard as of December 2017 using the self-assessment questionnaire on market conduct attached to that standard, which determined that Vida Security broadly complied with all principles. The results of the questionnaire were presented to and approved by the Board and then filed with the CMF on March 31, 2018.

As mandated by GCS 421, the Company filed information on its reinsurance programs with the CMF in July 2018. Similarly, the Company adjusts its Reinsurance Policy to align it with the reinsurance management principles set forth in that standard in order to strengthen risk management related to reinsurers.

As a publicly held corporation, Vida Security must complete the questionnaire on "Adoption of Corporate Governance Practices" as per CMF SVS 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 meets regularly 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 Internal Legal and Compliance Risk Committee that deals with matters related to legal and regulatory compliance, the Code of Ethics and the Code of Conduct, fraud, reported irregularities or criminal offenses, etc. There is also an online corporate reporting channel that ensures all claims remain confidential.
- 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.

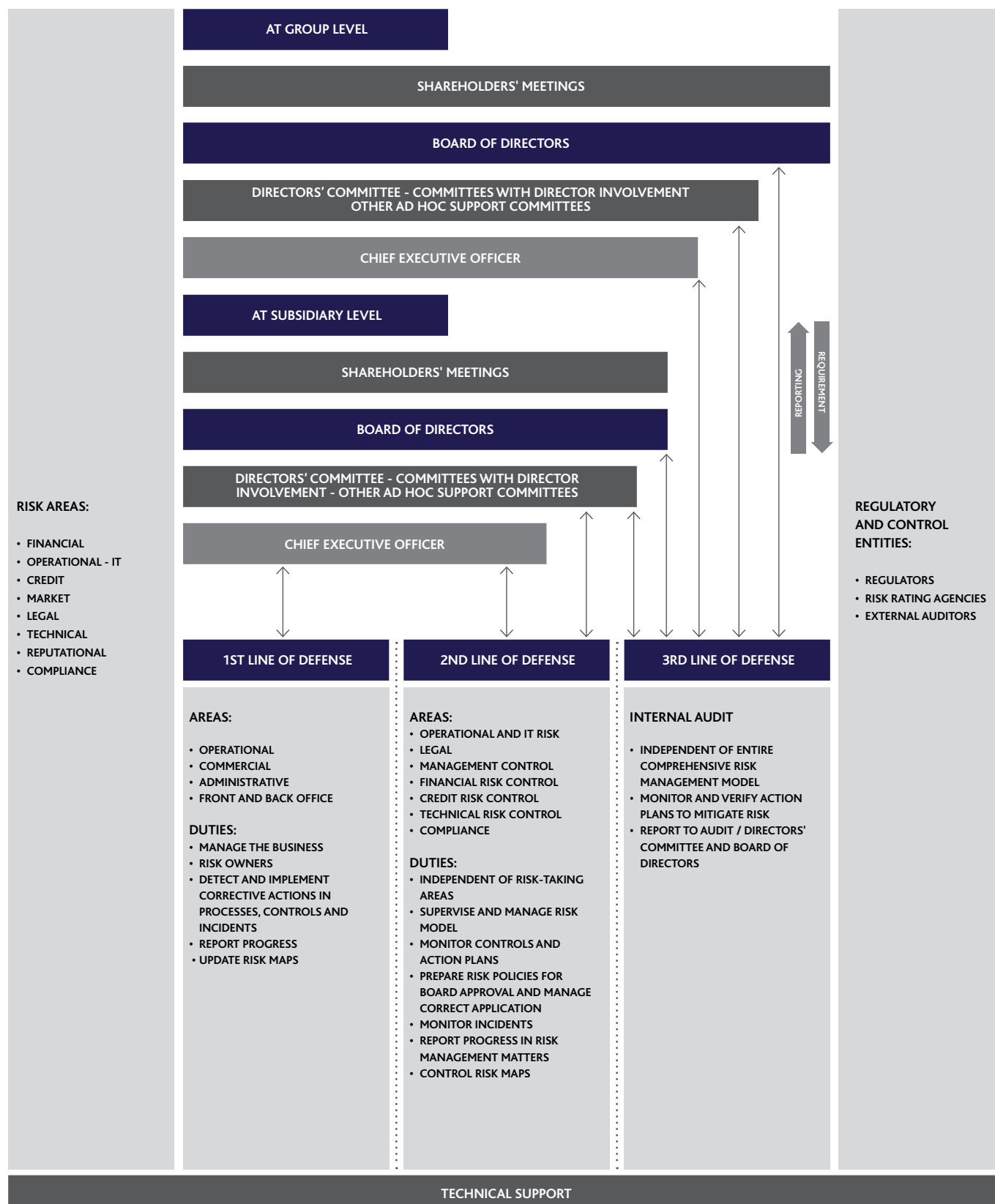
RISK MANAGEMENT STRATEGY

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





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:** 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:** 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 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, was filed in June 2018.



2. OWN RISK SOLVENCY ASSESSMENT (ORSA):

In June 2018, the Company submitted its second report as of December 2017 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. The Vida Security model considers the following aspects: 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-.

In addition, the impairment calculation is based on the guidelines in IFRS 9. We divided the investments subject to impairment testing into three buckets: Bucket 1 (assets without significant impairment in credit quality), Bucket 2 (assets with significant deterioration but no objective evidence of impairment) and Bucket 3 (assets with objective evidence of impairment). Based on this, a probability of default of 12 months is used for Bucket 1 and of the life of the loan is used for Buckets 2 and 3. A factor for probability of recovery is also used. All assets governed by some other local regulation are excluded from this analysis.

QUANTITATIVE INFORMATION

As of year-end 2018, our Impairment Policy has resulted in a balance of CH\$802 million, as shown in the table below:

	IMPAIRMENT MCH\$
State-issued local fixed income	0
Corporate local fixed income	238
Corporate international fixed income	149
Syndicated loan	397
RFC	17
TOTAL	802

The age by tranche of past due financial assets is as follows:

DELINQUENCY PER TRANCHE	MORTGAGE LOANS	COMPLEMENTARY LOANS	RETIREE LOANS
1 - 3 months	16	0.3	0.4
4 - 6 months	12	-	0.6
7 - 9 months	17	-	-
10 - 12 months	76	-	0.1
13 - 24 months	23	-	-
More than 24 months	385	-	2.0
TOTAL (MCH\$)	528	0.3	3.1
TOTAL (% OF NET EQUITY)	0.3%	0.0%	0.0%
PROVISION (MCH\$)	775	6	66

* DELINQUENCY WAS CALCULATED BY MULTIPLYING THE VALUE OF THE INSTALLMENT BY THE NUMBER OF UNPAID PERIODS.



As of December 2018, the Company had the following guarantees for the above amounts:

INSTRUMENT	GUARANTEE (MCH\$)	GUARANTEE TYPE
Mortgage loans	6,650	Shareholders
Complementary loans	367	Shareholders
Retiree loans	-	Unsecured
TOTAL	7,017	

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	S/C	
Domestic corporate bonds	114,244	590,331	350,157	120,192	18,483	-	1,310	108,969	1,303,687
Recognition bonds	24,202	-	-	-	-	-	-	-	24,202
Chilean Central Bank and treasury bonds	49,482	-	-	-	-	-	-	-	49,482
Foreign corporate bonds	-	3,050	3,866	49,140	82,421	8,816	-	-	147,292
Fixed income real estate	23,320	5,786	2,016	-	-	-	-	290,709	321,832
TOTAL (MCH\$)	211,248	599,167	356,039	169,332	100,904	8,816	1,310	399,678	1,846,495

* NOTE: FIXED INCOME REAL ESTATE WITH NO RATING CORRESPONDS TO MORTGAGE LOANS AND LEASES, WHICH HAVE NO SPECIFIC RISK RATING.

As of December 31, 2018, the Company had been awarded and held the following real estate properties:

ADDRESS	AMOUNTS IN MCH\$		STATUS
	NET VALUE	APPRAISAL	
Puerto Domingo 1172	24	24	In eviction process
Brisas del Maipo 446, Depto 111	53	63	For sale
TOTAL	77	86	

C) LIQUIDITY RISK

QUALITATIVE INFORMATION

Liquidity risk corresponds to the possible inability of the insurer to obtain the funds necessary to pay its obligations without incurring in significant losses.

In this context, the purpose of our policy is to ensure that the Company has liquid funds required to meet assumed commitments at all times. For this purpose, the policy identifies the main sources of internal and external liquidity risk faced by the Company. Based on that information, the Company develops and determines limits for each indicator to be monitored.

Particularly, the Company should maintain highly liquid investments equal to or greater than 20% of liabilities within regulatory tier 1, have readily realizable instruments for an amount equal to or greater than its financial debt, have lines of credit that allow it to cover the



payment of at least one month of pensions, have readily realizable tier 1 assets equal to or greater than tier 1 liabilities, among other requirements.

Other purposes include analyzing the concentration of insured capital and savings in a group of customers, potential reputational impairment, financial system crises and regulatory changes.

QUANTITATIVE INFORMATION

In general, all of the Company's investments are highly liquid, except for the following investments held at year end 2018:

TYPE OF INSTRUMENT	AMOUNT (MCH\$)
Shares	5,055
Alternative assets	76,490
Debt funds	16,201
Real estate funds	44,305
Infrastructure funds	23,611
Other funds	8,901
TOTAL	174,562

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	9,462	15,476	40,556	63,167	186,872	988,153	1,303,953
Recognition bonds	10,020	10,455	1,957	774	367	629	24,209
Chilean Central Bank and treasury bonds	114	135	1,132	81	160	47,860	49,495
Foreign corporate bonds	5,405	9,162	12,306	31,046	17,617	71,756	147,292
Fixed income real estate	3,606	5,709	6,918	12,068	12,540	280,991	321,832
TOTAL (MCH\$)	28,607	40,937	62,869	107,137	217,555	1,389,389	1,846,495

In regard to financial liabilities, the Company has short-term debt for CH\$20,663 million and has no long-term interest-bearing commitments, detailed below at year-end 2018:

BANK OR FINANCIAL INSTITUTION	GRANT DATE	OUTSTANDING BALANCE		SHORT-TERM		
		AMOUNT (MCH\$)	CURRENCY	INTEREST RATE	LAST MATURITY	AMOUNT (MCH\$)
Banco de Chile (overdraft)	12/31/2018	111	CH\$	0.0%	1/1/2019	111
Banco Consorcio (loan)	1/10/2018	10,420	CH\$	4.3%	1/3/2019	10,420
Banco Crédito (overdraft)	12/31/2018	107	CH\$	0.0%	1/1/2019	107
Banco Estado (overdraft)	12/31/2018	3	CH\$	0.0%	1/1/2019	3
Banco Santander (line of credit)	12/31/2018	-	CH\$	0.0%	1/1/2019	0
Banco Scotiabank (loan)	12/28/2018	10,022	CH\$	4.4%	12/13/2019	10,022
TOTAL		20,663				20,663



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 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 2018:

TYPE OF RISK	PRESENT VALUE (MCH\$)	SENSITIVITY FACTOR	VAR (MCH\$)	VAR (% EQUITY)
Stock risk	141,065	6.2%	8,700	5.1%
Fixed income risk	59,419	-2.6%	-1,546	-0.9%
Real estate risk	219,772	5.0%	10,989	6.5%
Currency risk	237,283	0.6%	1,438	0.9%
Diversification effect	0		605	0.4%
TOTAL	657,539		20,186	12.0%

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 2018 was 1.72% and, therefore, below the maximum of 3% set in our policies.

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 2018.

LIMIT	DERIVATIVES (MCH\$)	2% TECH RESERVES + EQUITY AT RISK	SURPLUS (MCH\$)
2% (TR + EaR)	-14,514	48,482	33,968

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 2018, the largest counterparty was Banco Scotiabank with close to 3% 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	0	0
Banco BCI	BTU0300339	335,000	15,907,913
JP Morgan	CENC USP2205JAH34	0	0
Banco Itaú Corpbanca	BTU0300339	0	0
Banco Scotiabank	BTU0300339	50,000	2,374,315
Deutsche London	Cenco y Bco. Int del Perú	3,500,000	3,591,091
Banco de Chile	BTP0600122 & BTU0300339	0	0
HSBC	BTU0190930	0	0
TOTAL			21,873,319

Finally, any derivative transaction that negatively affects equity by 5% or more shall be reported to the Investment and Financial Risk Committee.

B. 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.
- Company has defined the individuals responsible for implementing and controlling agreements with reinsurers regarding limits and risks that are being included in the policyholder portfolio in order to ensure that the reinsurance policy and the related benefits are implemented with no exceptions for all new policies. The responsible individuals are:
 - 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-18 (THCH\$)

BUSINESS LINE	REINSURANCE BROKERS							REINSURERS									
	AON CHILE		MDB			GUY CARPENTER		AXA FRANCE RÜCK SE	GENERAL REINSURANCE AG	HANNOVER RÜCK SE	MAPFRE RE, COMPAÑIA DE REASEGUROS, S.A.	MÜNCHENER RÜCKVERSICHERUNGS- GESELLSCHAFT ANTWERTUNGSGESELLSCHAFT IN MÜNCHEN (MUNICH REINSURANCE COMPANY)	PARTNER RE S.A.	SCOR GLOBAL LIFE SE	SWISS RE CORPORATE SOLUTIONS LTD	RGA REINSURANCE COMPANY	TOTAL
	HANNOVER RÜCK SE	XL RE LATIN AMERICA LTD.	AXA FRANCE	SWISS RE CORPORATE SOLUTIONS LTD	CAISSE CENTRALE DE REASSURANCE	SAGICOR	XL RE LATIN AMERICA LTD.										
RATING 1	AA-	A	AA-	AA-	A+	A-	A	AA-	AA+	AA-	A	AA-	A+	AA-	AA-	AA-	
RATING 2	A+	A+	AA-	AA-	AA	BB-	A+	AA-	AA1	A+	A	AA-	A	A+	A+	A1	
Individual life	-	-	-	-	-	-	-	-	-	-	-	-	-	19,136	20,670	-	39,806
Flexible (CUI)	-	-	-	-	-	-	-	-	-	-	-	-	-	13,767	29,870	-	43,637
Individual health	-	-	-	-	-	74,735	559	-	74,530	-	239,336	-	-	17,503	-	4,644	411,307
Group personal accident	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group life	7,567	3,175	1,279	3,952	581	-	-	-	23,507	-	51,330	31,368	-	78	155	-	122,991
Group health	-	-	-	-	-	-	-	-	245,911	-	404,973	-	-	89,134	-	14,261	754,278
Group personal accident	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group credit life	116	74	-	-	-	-	-	56	-	-	172,962	-	-	-	-	-	173,209
Disability and survivor insurance	-	-	-	-	-	-	-	-	-	15,193	-	-	-	21,689,578	-	-	21,704,771
Insurance with voluntary pension savings (APV)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	7,683	3,249	1,279	3,952	581	74,735	559	56	343,947	15,193	868,601	31,368	-	21,829,195	50,695	18,905	23,249,999

The reinsurance share of the different technical reserves is presented in Note 19.

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 includes the pension advisor channel and direct sales at the Company's branches. The pension advisor channel is 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- 2018 (THCH\$)			
REINSURER	RATING 1	RATING 2	TOTAL
GEN RE	AA+	Aa1	824,137
HANNOVER	AA-	A+	35,731
MAPFRE RE	A	A	1,651,585
MUNCHENER RE	AA-	AA-	420,693
SAGICOR	A-	BB-	90,501
SCOR RE	AA-	A+	19,922,791
SWISS RE	AA-	AA-	73,190
RGA	AA-	A1	53,384
			23,072,013

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.

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.

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\$337,181,605 in 2017. 96% of which was sold in central Chile, mainly in the Metropolitan Region (Santiago, Chile's capital and most important city). All pension policies are assigned to this region. Excluding this product, the total amount sold in this area is 40% of total gross written premiums.

Pension insurance policies (annuities and voluntary pension savings or APV) account for 55% of the Company's total gross written premiums.

These are followed by the individual products, which includes insurance with savings components (CUI), representing 23% of the total.

Group products (life + health + personal accident) account for 17% of gross written premiums.



The distribution of gross written premiums by geographical area and type of insurance is as follows:

PRODUCT	GROSS WRITTEN PREMIUMS 2018 BY GEOGRAPHIC AREA (THCH\$)				
	CENTRAL	NORTH CENTRAL	NORTH	SOUTH	TOTAL
Group	54,938,733	340,178	396,874	1,020,534	56,696,319
Disability and survivor insurance	0	0	0	0	0
Individual	64,074,552	1,543,965	6,175,860	5,403,878	77,198,255
Retirement	187,087,547	0	0	0	187,087,547
Mass	16,199,484	0	0	0	16,199,484
TOTAL	322,300,316	1,884,143	6,572,735	6,424,412	337,181,605

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 annuity brokers channel is the same as the pension advisor channel.

PRODUCT	GROSS WRITTEN PREMIUMS 2018 BY DISTRIBUTION CHANNEL (THCH\$)				
	AGENT	BROKERS	ALLIANCES	OTHER	TOTAL
Group	4,535,706	51,026,687	1,133,926	0	56,696,319
Disability and survivor insurance	0	0	0	0	0
Individual	71,560,602	5,637,653	0	0	77,198,255
Retirement	38,429,265	148,658,292	0	0	187,087,547
Mass	0	16,199,484	0	0	16,199,484
TOTAL	114,525,562	221,522,117	1,133,926	0	337,181,605

4. SENSITIVITY ANALYSIS

The following sensitivity analysis shows how profit or loss and equity in 2018 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 2018 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. 2018	EFFECT (%)	REAL AS OF DEC. 2017	EFFECT (%)
Death claims	66,922,746.48	-1.16%	119,474,737.74	-1.98%
Reserve adjustment	14,495,927.71	-0.03%	1,965,122.07	-0.04%
Pension payments	133,855,026.48	0.07%	124,716,622.50	0.19%
TOTAL	215,273,700.68	-1.44%	246,156,482.31	-1.67%

The effect is measured in this case as a percentage of the total 2018 profit or loss. This is summarized by business line in the table below:

(FIGURES IN THCH\$)	EFFECT (%) 2018	EFFECT (%) 2017
Annuities	0.04%	0.25%
Individual life	-0.08%	-0.29%
Group	-0.19%	-0.28%
Credit life	-0.31%	-0.05%
Disability and survivor insurance	-0.90%	-1.29%
Mass	0.00%	-0.01%
EFFECT ON PROFIT OR LOSS	-1.44%	-1.67%



II. MORBIDITY

For this variable, the Company reviewed the possible impact of a reasonable variation in morbidity on the Company's 2018 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. 2018	EFFECT (%)	REAL AS OF DEC. 2017	EFFECT (%)
Non-death claims	104,096,219,628	-22.55%	160,235,204,267	-21.44%

As previously indicated, the effect is measured as a percentage of the total 2018 profit or loss. This is summarized by business line in the table below:

(FIGURES IN THCH\$)	EFFECT (%) 2017	EFFECT (%) 2016
Annuities	0.00%	0.00%
Individual life	-0.80%	-0.79%
Group	-10.15%	-8.77%
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. LONGEVITY

For this variable the Company calculated the possible impact of a reasonable deviation on the Company's 2018 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 1.44% 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 measured 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 DSI 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. 2018	EFFECT (%)	REAL AS OF DEC. 2017	EFFECT (%)
Net premiums written	57,730,253	-0.04%	105,526,809	-0.10%

Once again, the effect is measured as a percentage of the total profit or loss for 2018.

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 2018 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. 2018	EFFECT	REAL AS OF DEC. 2017	EFFECT
Direct costs	28,528,156	-4.34%	27,331,893	-6.66%



Like before, the effect is measured as a percentage of the total 2018 profit or loss. This is summarized by business line in the table below:

(FIGURES IN THCH\$)	EFFECT (%) 2018	EFFECT (%) 2017
Annuities	-1.68%	-2.30%
Individual life	-1.54%	-2.60%
Group	-0.93%	-1.51%
Credit life	-0.12%	-0.15%
Disability and survivor insurance	-0.05%	-0.09%
Mass	-0.02%	-0.01%
EFFECT ON PROFIT OR LOSS	-4.34%	-6.66%

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 2018 YEAR END REGARDING SIGNIFICANT RISK FACTORS FOR THE COMPANY:

I. LONGEVITY

To evaluate the possible impact of a deviation in a variable on long-term reserves as of December 2018, 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 given the clearance observed in both tests.

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.



C. 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 Standard Nos. 309.

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 2018, 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.

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, 2018, is THCH\$431,676,083 (THCH\$429,040,360 in 2017), represented by 3,695,000,000 shares with no par value (3,683,019,437 in 2017).

SERIES	NUMBER OF SUBSCRIBED SHARES	NUMBER OF PAID-IN SHARES	NUMBER OF VOTING SHARES	SUBSCRIBED AND PAID-IN CAPITAL THCH\$
Single	3,695,000,000	3,695,000,000	3,695,000,000	431,676,083

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.

On March 29, 2018, Grupo Security placed the remaining 11,980,563 shares, thus completing the full capital increase agreed on April 27, 2017, raising MCH\$3,354,557 at a price of CH\$220 per share with a treasury share premium of MCH\$718,792.

B) SHARE PREMIUM

On April 27, 2017, at an extraordinary meeting of the shareholders of Grupo Security, the shareholders agreed to recognize 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:

	12.31.2018 THCH\$	12.31.2017 THCH\$
Treasury share premium	718,834	-
TOTAL	718,834	-

C) OTHER RESERVES

Other reserves are detailed as follows:

	12.31.2018 THCH\$	12.31.2017 THCH\$
Reserve insurance income and pensions	(37,977,932)	(29,333,427)
Reserve for financial assets available for sale and other bank assets	(928,185)	3,646,324
Translation adjustment reserve	2,190,654	104,574
IFRS 15 first-time adoption adjustments to equity (Bank)	(9,755,158)	(9,755,158)
Accounting hedges	(4,327)	(4,328)
Other reserves	(270,867)	(203,406)
	(46,745,815)	(35,545,420)



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 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.

On March 22, 2018, the Board agreed to distribute a final dividend of CH\$7.25 per share. When added to the interim dividend of CH\$1.75 per share and the additional dividend of CH\$2.60 per share already paid on November 3, 2017, this gives a total dividend of CH\$11.60 per share for 2017.

On October 3, 2018, the Company's Board agreed to pay a dividend of CH\$4.50 per share, distributed as follows:

- An interim dividend of CH\$1.90 per share to be paid in cash and charged to retained earnings for the year 2018; 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 October 25, 2018.

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).



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, 2018 and 2017, contingent liabilities are as follows:

	12.31.2018 THCH\$	12.31.2017 THCH\$
Commitments and responsibilities in memorandum accounts	9,090,740,191	7,764,075,572
Contingent loans and liabilities	1,210,809,688	1,061,114,000
Guarantees granted	86,552,743	73,265,707
TOTAL	10,388,102,622	8,898,455,279

NOTE 38 - BONDHOLDER PROTECTION COVENANT: LEVERAGE RATIO

As of December 31, 2018, 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	843,466	6,216,578,888	6,217,422,354
Trade and other payables	258,001	2,596,955,492	2,597,213,493
Accounts payable to related parties, current	-	994,592	994,592
Other short-term provisions	(7,784)	124,332,619	124,324,835
Current tax liabilities	-	22,810,449	22,810,449
Current employee benefit provisions	1,593,453	7,664,506	9,257,959
Other non-financial liabilities, current	20,561,011	125,854,368	146,415,379
TOTAL CURRENT LIABILITIES	23,248,147	9,095,190,914	9,118,439,061
NON-CURRENT LIABILITIES			
Other financial liabilities, non-current	234,868,057	343,443,241	578,311,298
Accounts payable, non-current	-	92,876,874	92,876,874
Accounts payable to related parties, non-current	-	3,322,762	3,322,762
Deferred tax liabilities	163,020	534,372	697,392
TOTAL NON-CURRENT LIABILITIES	235,031,077	440,177,249	675,208,326
TOTAL LIABILITIES	258,279,224	9,535,368,163	9,793,647,387
EQUITY			
Issued capital	431,784,190	-108,107	431,676,083
Retained earnings (accumulated losses)	353,947,649	-11,101,431	342,846,218
Share premium	610,727	108,107	718,834
Other reserves	-57,847,246	11,101,431	-46,745,815
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	728,495,320	-	728,495,320
Non-controlling interests	-	20,545,022	20,545,022
TOTAL EQUITY	728,495,320	20,545,022	749,040,342
TOTAL LIABILITIES AND EQUITY	986,774,544	9,555,913,185	10,542,687,729
TOTAL CURRENT LIABILITIES GRUPO SECURITY (STANDALONE)			258,279,224
TOTAL EQUITY (TOTAL NET EQUITY) GRUPO SECURITY			749,040,342
LEVERAGE AS OF DECEMBER 31, 2018 (TOTAL STANDALONE CURRENT LIABILITIES / TOTAL EQUITY)			34.48%

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 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.
- B)** 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.
- C)** 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 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) To adopt 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.

- D)** 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.

- E)** On April 28, 2017, the Company filed form No 1 from CMF Ruling 660 regarding dividend distributions.



- F)** 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.
- G)** 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.
- H)** On March 22, 2018, the Board of Directors of Grupo Security agreed to call an annual general shareholders' meeting for April 12, 2018, 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, 2017, including the report of independent auditors for that year;
 2. Profit distribution and dividend payments;
 3. Dividend policies;
 4. Board fees for 2018;
 5. Information regarding Directors' Committee activities, performance and expenses during 2017.
 6. Directors' Committee compensation and approval of the 2018 budget.
 7. Board expenses in 2017;
 8. Appointment of the Company's independent auditors;
 9. Appointment of risk rating agency;
 10. Information on related party transactions in accordance with Articles 146 *et seq.* of the Corporations Law;
 11. Designation of the newspaper for legal publications; and
 12. In general, all other matters that should be addressed at an annual shareholders' meeting according to law.

At that meeting, the Board also agreed to propose a final dividend of CH\$7.25 per share at the annual general shareholders' meeting. When added to the interim dividend of CH\$1.75 per share and the additional dividend of CH\$2.60 per share already paid on November 3, 2017, this gives a total dividend of CH\$11.60 per share for 2017. The Board also agreed to propose a dividend payment date of April 23, 2014.



- I)** On April 12, 2018, the Company filed form No 1 from CMF Ruling 660 regarding a dividend distribution of CH\$7.25 per share, which was paid on April 23, 2018.

On October 3, 2018, the CEO reported as an essential event that as authorized at the annual general shareholders' meeting held on April 12, 2018, the Company's Board of Directors agreed, at a meeting on October 3, 2018, to pay a total dividend of CH\$4.50 per share, distributed as follows: (i) an interim dividend of CH\$1.90 per share, to be paid in cash and charged to profit for the year; 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 total dividend was made available to shareholders beginning Thursday, October 25, 2018, at the Bank's office at Agustinas 621.

SEGUROS VIDA SECURITY PREVISIÓN S.A.

- A)** On November 26, 2018, the Company informed the Financial Market Commission that the conditions precedent have been met for the share purchase agreement for shares of Inversiones Security Perú S.A.C. dated July 27, 2018, which Security Internacional SpA offered to purchase for S/ 100,000,000. Therefore, the closing documents for this deal have been signed and the sales price for the shares held by the company has been paid, thus concluding the transaction. The conditions precedent in the contract have been met, including approval from the Superintendency of Banks, Insurance and AFPs, the National Superintendency of Customs and Tax Administration (SUNAT), both in Peru.
- B)** On July 30, 2018, in relation to the essential event filed on July 24, 2018, the company reports that a share purchase agreement was signed on July 27, 2018, which was subject to a series of conditions precedent customary for this type of transaction, including approval from the Superintendency of Banks, Insurance and AFPs, the National Superintendency of Customs and Tax Administration (SUNAT), both in Peru.
- C)** On July 24, 2018, at an extraordinary meeting of the Company's shareholders, they agreed to accept the offer to buy the Company's shares in Inversiones Security Perú (99.99999%), which in turn owns 61% of Protecta.. The offer was made by Security Internacional SpA and is subject to approval by Peruvian authorities.
- D)** At an annual general shareholders' meeting on April 24, 2018, the shareholders agreed to distributed a dividend of CH\$4,205,841,893.- equivalent to approximately 31.7225% of profit for the year 2017, consisting of a dividend of CH\$11.- per share for shareholders registered in the shareholders' registry five business days before the day set for the annual general shareholders' meeting and to be distributed on May 2, 2018, at the offices of the share management company, Depósito Central de Valores.
- E)** On March 2, 2018, the CMF is informed that at an extraordinary shareholders' meeting on December 18, 2017, the shareholders agreed to increase the company's capital by issuing 100,100,000 shares with no par value, which must be subscribed and paid within three years. In light of this issuance, on March 1, 2018, the Board agreed to place 30,000,000 shares as part of this capital increase at a value of UF0.01866583342 per share.



- F)** At a board meeting held on March 1, 2018, the directors in attendance unanimously agreed to issue 100,100,000 new registered, single-series, common shares with no par value as part of the capital increase agreed by shareholders at the extraordinary meeting on December 18, 2017. The Board also decided to place the first set of 30,000,000 shares at a subscription price of UF 0.01866583342 each, once the issuance was registered in the Securities Registry maintained by the Financial Market Commission (CMF):
- G)** 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 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) 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, 2016.



- 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.
- B)** 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.
- C)** 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.
- D)** On September 13, 2017, the CEO reported as an 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.- Making other agreements necessary to implement the bylaw reform as indicated in the preceding point.
- E)** 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.- 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 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) 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, 2016.
 - 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.

B) 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 measured and the rate provided by the pricing vendor, Risk América, which involved valuing that instrument at 0.19%.

C) 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.

D) The twenty-sixth annual general shareholders' meeting was held on March 21, 2018, at the Company's offices at Av. Apoquindo 3150, floor 7, Las Condes, Santiago. The following matters were addressed at the annual shareholders' meeting:

- Approval of the annual report and financial statements for the year-ended December 31, 2017, including the report of independent auditors for that year;
- Profit distribution and dividend payments;
- Board fees for 2018;
- Board expenses in 2017;
- Appointment of the Company's independent external auditors;
- Information on related party transactions in conformity with the Corporations Law.
- Designation of the newspaper for legal publications;
- In general, all other matters that should be addressed at an annual shareholders' meeting according to law.



As the Company's shareholders committed to attend the meeting, the Company did not publish a notice to call the meeting.

- E) On May 10, 2018, management reported the resignation of the Company's Investment Manager.
- F) On May 22, 2018, management reported that it had appointed a new Investment Manager, Felipe Marín Viñuela.

BANCO SECURITY S.A.

During the period from January 1 to December 31, 2018, Banco Security S.A. has not filed any material events that must be reported.

On December 28, 2017, the Bank increased capital by MCH\$50,000. All shares (100%) issued by Grupo Security at this time were acquired.

SECURITIZADORA SECURITY S.A.

- A) 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 for that period.
 - 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 on Corporations.
 - 6) Appointment of newspaper for legal publications
 - 7) All other matters that should be addressed at an annual general shareholders' meeting according to law.
- B) At an annual general shareholders' meeting held April 12, 2018, 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, 2017, and the independent auditors' report for that period.
 - 2) Profit distribution and dividend payments for the year
 - 3) Board fees for the year 2018
 - 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 on Corporations.



- 6) Appointment of newspaper for legal publications
- 7) All other matters that should be addressed at an annual general shareholders' meeting according to law.

HIPOTECARIA SECURITY PRINCIPAL S.A.

- A) On July 10, 2018, the Board appointed Mr. Ricardo Hederra González as CEO, effective August 1, 2018.
- B) On June 5, 2018, the following directors resigned from the Company's Board: Francisco Silva Silva, Renato Peñafiel Muñoz, Andrés Valenzuela Ugarte and Andrés Tagle Domínguez. The following individuals were appointed in their place: Rodrigo Guzmán Leyton as director and María Macarena Lagos Jiménez as his alternate; María Loreto Herrera Martínez as director and Andrés Valenzuela Ugarte as his alternate. Alejandro Javier Alzérreca Luna was appointed Chairman of the Board.
- C) On May 30, 2018, the Board received and accepted the resignation of the CEO, Máximo Silva Irrarázaval. He served as Chief Executive Officer since June 30, 2018.
- D) On April 27, 2018, the company informed that on April 25, 2018, at the sixteenth extraordinary shareholders' meeting of Hipotecaria Security Principal S.A., the shareholders agreed to increase the company's capital by CH\$3,128,359,078, divided into 452,694 shares with no par value for a total of CH\$4,935,365,538, divided into 714,200 shares with no par value.

INVERSIONES PREVISIÓN SECURITY LTDA.

As of the reporting date for these financial statements, this company has not reported any material events.

FACTORING SECURITY S.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.



On May 17, 2018, Factoring Security informed the CMF of the essential event that at a board meeting on that same date, the Board agreed to approve the issuance and registration in the CMF Securities Registry of a line of 10-year commercial paper for a maximum of UF 2,000,000. The commercial paper issued as part of this line will consist of dematerialized, bearer promissory notes. They may be placed in the general market and will have any special characteristics established when issued. At the same meeting, the Board also agreed to proceed with the first issuance and placement of commercial paper charged to the aforementioned 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 public declarations of specific placement characteristics.

SECURITY INTERNACIONAL SPA.

On July 27, 2018, the management of Security Internacional SpA signed a private share purchase agreement for the entire interest owned by Seguros Vida Security Previsión S.A. in Inversiones Security Perú S.A.C. for the sum of S/100,000,000, in Peruvian legal currency. The transaction is subject to compliance of a series of conditions precedent that are customary for this type of transaction, including:

- (I) approval of the transaction by both the Superintendency of Banks, Insurance and AFPs of the Republic of Peru and
- (II) the National Superintendency of Customs and Tax Administration of the Republic of Peru

NOTE 40 – SUBSEQUENT EVENTS

VALORES SECURITY CORREDORA DE BOLSA S.A.

To renew its guarantee, on January 4, 2019, Valores Security S.A. Corredores de Bolsa, contracted an insurance policy for UF10,000 expiring on 08.01.2020, through Cía. Seguros de Crédito Continental S.A., in favor of holders of voluntary retirement savings plans.

ADMINISTRADORA GENERAL DE FONDOS SECURITY S.A.

To renew its fund guarantee, on January 9, 2019, Administradora General de Fondos Security S.A., contracted the following insurance policies to guarantee faithful performance of its obligations as fund manager to manage third-party funds and cover compensation for damages that result from non-compliance in accordance with Article 226 of Law No. 18,045.



BANCO SECURITY

On January 11, 2019, Banco Security received Ruling 228 issued by the SBIF, which applied a fine of UF 696 due to events that the SBIF believes breaches Articles 6 and 6 ter of Law 18,010.

Between January 1, 2019, and the date these consolidated financial statements were issued, there have been no other subsequent events that significantly affect them.

NOTE 41 - APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors in an ordinary meeting on February 28, 2019.



ANNUAL EARNINGS REPORT FOR THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

GRUPO SECURITY RESULTS

GRUPO SECURITY REPORTS 2018 PROFIT OF CH\$80,548 MILLION, UP +7.8% YOY, WITH BANCO SECURITY UP 15.3% YOY.

- Starting November 30, 2018, Grupo Security's stock was included on the MSCI Chile Small Cap Index, favoring the stock's liquidity and helping attract new local and foreign shareholders into the Group's shareholder base.
- On November 26, 2018, Security Internacional completed its acquisition of Vida Security's entire interest in Inversiones Security Perú S.A.C, the parent of Protecta Security, for S./ 100 million. This transaction generated a one-time gain of CH\$12,157 million for Vida Security, which was fully reversed at group level.
- Banco Security reported profit of CH\$72,653 million (+15.3% YoY) in 2018, explained by a strong performance from the commercial banking (CH\$42,883 million, +13.8% YoY) and retail banking (CH\$8,253 million, +28.8% YoY) divisions, partially offset by weaker results from the treasury division and asset management subsidiaries.
- Banco Security had total loans of CH\$5,346,071 million (+10.6% YoY), with market share of 3.3%. The Bank reported particularly strong growth in commercial loans (+12% YoY), with market share in its target segment of medium and large companies of 6.5%¹ as of December 2018.
- The Bank's consolidated efficiency ratio was 47.7% in 2018, reflecting an improvement over prior years (49.7% in 2017 and 59.3% in 2016). In risk indicators, the Bank reported a ratio of provisions to loans of 1.69% as of December 2018, provision expenses to loans of 0.78% and an NPL coverage ratio of 112.5%. ROAE was 12.8% in 2018, up from 12.4% last year.
- Factoring Security had factored receivables of CH\$ 360,251 million as of December 2018, up 18.4% over last year, and profit of CH\$8,155 million, +8.7% YoY.
- Vida Security posted profit of CH\$30,159 million (+127.5% YoY), driven by the sale of Inversiones Security Perú--parent of Protecta Security--to Security Internacional, generating a one-time gain of CH\$12,157 million (fully reversed at group level). Vida Security reported good operating results across all business lines, with a stronger contribution margin than 2017, offset by weaker returns from equity investments.
- Inversiones Security reported improved results of CH\$10,715 million (+11.2% YoY), due to stronger earnings from Securitizadora Security from placing securitized bonds and their respective mezzanine series.
- Inmobiliaria Security had a loss of -CH\$232 million in 2018, in line with the company's business plan since 2018 was considered a development year. Travel Security reported profit of CH\$3,752 million (-7.4% YoY), because of lower airline commissions.

(1) THIS INCLUDES COMPANIES WITH ANNUAL SALES OVER CH\$800 MILLION, ONLY IN THE REGIONS OF CHILE WHERE BANCO SECURITY HAS OFFICES. SOURCE: CHILEAN INTERNAL REVENUE SERVICE (SII).



- Starting in 2018, we incorporated the International Business segment into the segment reporting note in the financial statements. This segment includes Protecta Security and Travex Security. Profit attributable to equity holders of the parent was CH\$1,429 million as of December 2018.
- Protecta Security reported profit of S./ 2.8 million as of December 2018, down from S./ 5.2 million last year, explained by greater sales of annuities and private annuities, giving 19% market share in annuities.

SANTIAGO, CHILE – FEBRUARY 28, 2019. GRUPO SECURITY S.A., (BCS: SECURITY; BBG: SECUR).

Renato Peñafiel, Grupo Security's CEO, commented, "Grupo Security reported profit of CH\$80,548 million for the year 2018, up +7.8% from 2017. These results were driven by the Bank's earnings, reporting profit of CH\$72,653 million (+15.3% YoY), thanks to strong performances from the commercial banking (CH\$42,883 million, +13.8%) and retail banking (CH\$8,253 million, +28.8%) divisions. Vida Security reported strong operating results across all business lines, despite the negative impact markets had on investment income. In Peru, Protecta Security reached market share of 19% in annuities, with profit of S./ 2.8 million. Our projections for 2019 call for continued returns for our shareholders, through sustained growth of our businesses in Chile and Peru, with conservative risk management and the seal of excellence that has characterized Grupo Security since its formation."

GRUPO SECURITY INDICATORS

IN MCH\$	4Q18	3Q18	4Q17	% CHG		4Q18	4Q17	% CHG
				QoQ	YoY			
Banco - Total Loans	5,346,071	5,182,434	4,834,290	3.2%	10.6%	5,346,071	4,834,290	10.6%
Industry - Total Loans ¹	163,068,919	156,592,324	146,250,331	4.1%	11.5%	163,068,919	146,250,331	11.5%
Asset Mgt - AUM Mutual Funds	2,496,079	2,699,356	2,558,301	-7.5%	-2.4%	2,496,079	2,558,301	-2.4%
Industry - AUM Mutual Funds	37,637,881	38,586,487	35,056,763	-2.5%	7.4%	37,637,881	35,056,763	7.4%
Vida - Investment Portfolio	2,479,478	2,468,419	2,402,514	0.4%	3.2%	2,479,478	2,402,514	3.2%
Industry (life insurance) - Investment Portfolio ²	-	40,754,441	38,236,277	-	-	0	38,236,277	-
Factoring - Total Factored Receivables	360,251	315,389	304,393	14.2%	18.4%	360,251	304,393	18.4%
OPERATIONS								
Employees	3,939	3,952	3,887	-0.3%	1.3%	3,939	3,887	1.3%

¹ EXCLUDING FOREIGN SUBSIDIARIES OF CHILEAN BANKS

² NOT AVAILABLE AS OF THE DATE OF PUBLICATION OF THE



INCOME STATEMENT

IN MCH\$	4Q18	3Q18	4Q17	% CHG		4Q18	4Q17	% CHG
				QoQ	YoY			
Banco - Net Interest Margin	35,981	41,753	40,335	-14.0%	-11.0%	35,891	40,335	-11.0%
Banco - Net Fees	5,316	5,638	17,680	-5.7%	-69.9%	5,316	17,680	-69.9%
Banco - Operating Expenses	-32,372	-33,157	-29,299	-2.4%	10.5%	-32,372	-29,299	10.5%
Banco - Net Provision Expenses	-13,981	-8,181	-11,217	70.9%	24.6%	-13,981	-11,217	24.6%
Vida - Gross Written Premiums	67,828	65,563	107,507	3.5%	-36.9%	67,828	107,507	-36.9%
Vida - Claims Paid	-11,979	-7,598	-73,357	57.7%	-83.7%	-11,979	-73,357	-83.7%
Vida - Pensions Paid	-51,495	-58,795	-19,199	-12.4%	168.2%	-51,495	-19,199	168.2%
Vida - Investment Income	23,851	32,069	23,229	-25.6%	2.7%	23,851	23,229	2.7%
Factoring - Revenue	7,881	7,235	7,212	8.9%	9.3%	7,881	7,212	9.3%

RATIOS

	DEC-18	SEP-18	DEC-17	% CHG	
				QoQ	YoY
Grupo - Share Price (CH\$)	290.9	308.1	280.1	-5.6%	3.9%
Grupo - Number of Shares (millions)	3,695	3,695	3,683	0.0%	0.3%
Grupo - ROE	11.2%	11.1%	11.6%	12 p	-34 p
Banco (Consolidated) - ROAE	12.8%	14.2%	12.4%	-137 p	43 p
Factoring - ROE	21.4%	22.2%	22.3%	-80 p	-90 p
Vida - ROAE	18.5%	7.2%	8.3%	1126 p	1012 p
Travel - ROE	49.9%	33.6%	32.6%	1630 p	1730 p
Grupo - Leverage	34.5%	35.5%	29.3%	-104 p	517 p
Banco - Efficiency	47.74%	47.72%	49.72%	2 p	-198 p
Factoring - Efficiency	42.3%	42.8%	43.8%	-53 p	-152 p
Banco - Nonperforming Loans	1.50%	1.42%	1.38%	8 p	12 p
Banco - Risk Index	1.69%	1.59%	1.67%	10 p	2 p
Factoring - Risk Index	2.2%	2.5%	2.5%	-36 p	-31 p
Banco - BIS Tier I Ratio	7.8%	7.9%	8.1%	-15 p	-30 p
Banco - BIS Tier II Ratio	13.2%	13.5%	14.0%	-32 p	-80 p

ROAE: PROFIT 12M OVER AVERAGE EQUITY ATTRIBUTABLE TO OWNERS



On March 1, 2018, at a meeting of the board of Vida Security, the directors agreed to issue 100,100,000 new nominative, single-series, common shares with no par value as part of the capital increase agreed by shareholders at the extraordinary meeting on December 18, 2017. The board also decided to place the first set of 30,000,000 shares at a subscription price of UF 0.01866583342 each, once the issuance was registered in the Securities Registry maintained by the Financial Market Commission (CMF), which occurred in June 2018 (CH\$15,151 million).

In March 2018, a capital increase of S./ 25 million was approved and carried out by Protecta in order to strengthen the company's solvency and sustain its path of commercial growth. Protecta's business plan for the next three years calls for strong growth in annuities, which will require future capital increases.

On March 15, 2018, Grupo Security issued the N1 series bond on the local market for UF 1.5 million, with total demand of UF 2.7 million, or 1.8 times the offering. This 25-year bond, with a 20-year grace period and a duration of 16.5 years, was placed at a rate of UF + 3.05%. The issuance is part of a liability restructuring plan that Grupo Security began in 2017 in order to lengthen the duration of its liabilities, which rose from 11.3 in late 2016 to the current figure of 12.78. This restructuring plan also included a bond exchange in January 2017, by which UF1,189,000 in F bonds (originally UF 1,250,000) were exchanged for M bonds leaving a balance of UF61,000 in F bonds; and an issuance of long-term debt in December 2017 to replace bank loans in its intermediate holding, Inversiones Previsión Security. These 21-year bonds have a grace period of 10 years and raised UF 1,000,000.

On March 28, 2018, we sold 71,769,048 shares through an order book auction, comprised of 11,980,563 shares not subscribed during the capital increase in August 2017 and a secondary offering of 59,788,485 shares, attracting demand of 9 times the offering, equivalent to more than US\$ 297 million. The cut-off price—the maximum with which the offering is completed—was CH\$290 per share. However, in order to attract new investors (particularly foreign) and expand the holdings of AFPs and local institutional investors, the Company decided to set a price of CH\$280 per share.

On April 12, 2018, Grupo Security shareholders approved a dividend payment of CH\$7.25 per share charged to profit for the year 2017. This dividend and the interim dividend distributed in November 2017 total CH\$11.6 per share, equivalent to CH\$42,810 million, or 57% of profit for the year 2017. The shareholders also approved the annual report and financial statements for the year 2017 at this meeting.

On July 24, 2018, at an extraordinary meeting of the shareholders of Seguros Security Previsión, they agreed to accept the offer made by Security Internacional to buy the company's shares in Inversiones Security Perú (99.99999%), which in turn owns 61% of Protecta Security. On July 27, 2018, the parties signed an agreement to purchase the shares of Inversiones Security Perú for S./100 million. The transaction is subject to a series of conditions that are customary for this type of transaction, including regulatory approvals. On November 16, 2018, these conditions were met and the closing documents for the deal were signed. The sales price for Inversiones Security Perú was paid. This transaction generated a one-time gain of CH\$12,157 million for Vida Security, which was fully reversed at group level. On November 19, 2018, shareholders agreed to a second capital increase for Protecta Security of S./ 45 million to be completed in 2018 in order to strengthen its capital base and sustain its growth plans. Inversiones Security Perú S.A.C paid its respective contribution of S./ 27.45 million on November 28, 2018.

On October 3, 2018, Grupo Security's board approved a dividend of CH\$4.5 per share. This consists of an additional dividend of CH\$2.6 per share charged to profit for 2017 and an interim dividend of CH\$1.9 per share charged to profit for the current year.



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GRUPO SECURITY EARNINGS REPORT FOR 4Q18 AND 2018

Grupo Security posted profit of CH\$80,548 million for the year ended December 2018 (+7.8% YoY and +9.6% QoQ). EBITDA for the same period totaled CH\$130,430 million, +7.0% YoY and +4.4% QoQ.

The Group posted an ROAE as of December 2018 of 11.2%, -34 b.p. YoY and +12 b.p. QoQ. Profit from the Group's business areas was CH\$117,162 million, +28.1% YoY and +52.2% QoQ.

EARNINGS CONTRIBUTION BY BUSINESS AREA

EARNINGS FROM RELATED COMPANIES

(MCH\$)	4Q18	3Q18	4Q17	% CHG		DEC-18	DEC-17	% CHG
				QoQ	YoY			
LENDING AREA								
Banco Security (standalone)	13,204	15,700	15,127	-15.9%	-12.7%	63,970	53,902	18.7%
Factoring Security	2,136	1,960	1,924	9.0%	11.0%	8,155	7,502	8.7%
ASSET MANAGEMENT AREA								
Valores Security	250	575	813	-56.6%	-69.3%	2,123	2,458	-13.6%
AGF Security	1,961	1,608	2,304	22.0%	-14.9%	6,563	6,666	-1.5%
INSURANCE AREA								
Vida Security	18,739	6,589	46	184.4%	-	30,159	13,258	127.5%
Servicios Security	188	147	270	27.9%	-30.3%	639	586	9.2%
OTHER SERVICES								
Inmobiliaria Security	2,242	(1,782)	7	-225.8%	-	(232)	3,305	-107.0%
Travel Security	990	1,243	1,084	-20.4%	-8.7%	3,752	4,050	-7.4%
Travex Security	153	167	119	-8.4%	28.3%	578	574	0.7%
GRUPO SECURITY PROFIT	22,725	20,728	21,047	9.6%	8.0%	80,548	74,708	7.8%

(1) SUBSIDIARY EARNINGS CORRESPOND TO 100% OF THEIR PROFITS AND DIFFER FROM THOSE USED TO PREPARE THE SEGMENT NOTE, WHICH INCLUDES CONSOLIDATION ADJUSTMENTS TO ACCOUNT FOR GRUPO SECURITY'S PERCENT OWNERSHIP IN EACH OF ITS RESPECTIVE SUBSIDIARIES.



REVIEW OF OPERATIONS BY BUSINESS AREA

LENDING BUSINESS AREA

(69.2% OF ASSETS; 61.6% OF PROFIT FROM BUSINESS AREAS AS OF DECEMBER 2018)

The lending business area comprises the operations of Banco Security (excluding its asset management subsidiaries, AGF Security and Valores Security Corredores de Bolsa), and Factoring Security.

BANCO SECURITY

As of December 2018, Banco Security reported consolidated profit attributable to its owners of CH\$72,653 million, +15.3% YoY. Banco Security's stand-alone profit (excluding asset management subsidiaries AGF Security and Valores Security Corredores de Bolsa) was CH\$63,970 million, +18.7% YoY.

Banco Security's ROAE (profit LTM over average equity) was 12.9%, +43 b.p. YoY.

BANCO SECURITY - OPERATING SEGMENTS

BANCO SECURITY SEGMENT NOTE (YOY)

IN MCH\$	COMMERCIAL BANKING		RETAIL BANKING		TREASURY		OTHER		TOTAL BANK		SUBSIDIARIES		TOTAL CONSOLIDATED	
	DEC-18	DEC-17	DEC-18	DEC-17	DEC-18	DEC-17	DEC-18	DEC-17	DEC-18	DEC-17	DEC-18	DEC-17	DEC-18	DEC-17
Net interest margin	84,864	78,206	64,743	62,636	20,365	19,106	-1,330	-4,786	168,642	155,162	-417	-475	168,225	154,687
Δ% 12M18	8.5%		3.4%		6.6%		-72.2%		8.7%		-12.3%		8.8%	
Net fees and commissions	18,648	15,349	22,627	22,513	-361	-472	-1,305	-620	39,609	36,770	29,145	28,065	68,754	64,835
Δ% 12M18	21.5%		0.5%		-23.5%		110.4%		7.7%		3.8%		6.0%	
Net FX transactions and other income	8,306	10,289	2,295	2,266	14,852	21,464	-6,599	-14,654	18,854	19,365	7,923	7,471	26,777	26,836
Δ% 12M18	-19.3%		1.3%		-30.8%		-55.0%		-2.6%		6.1%		-0.2%	
Loan losses and foreclosed assets	-19,711	-18,000	-22,401	-23,804	-46	-12	-631	-96	-42,789	-41,912	0	0	-42,789	-41,912
Δ% 12M18	9.5%		-5.9%		-		559.4%		2.1%		-		2.1%	
TOTAL OPERATING INCOME (LOSS), NET OF CREDIT RISK PROVISIONS	92,107	85,844	67,264	63,611	34,810	40,086	-9,865	-20,156	184,315	169,385	36,651	35,061	220,967	204,446
Δ% 12M18	7.3%		5.7%		-13.2%		-51.1%		8.8%		4.5%		8.1%	
Operating expenses	-37,075	-37,239	-56,673	-55,349	-12,145	-12,209	3,651	4,884	-102,242	-99,913	-26,081	-23,678	-128,323	-123,591
Δ% 12M18	-0.4%		2.4%		-0.5%		-25.2%		2.3%		10.1%		3.8%	
NET OPERATING INCOME (LOSS)	55,032	48,605	10,591	8,262	22,665	27,877	-6,214	-15,272	82,073	69,472	10,570	11,383	92,644	80,855
Δ% 12M18	13.2%		28.2%		-18.7%		-59.3%		18.1%		-7.1%		14.6%	
Income tax benefit (expense)	-12,149	-10,907	-2,338	-1,854	-5,003	-6,256	1,368	3,421	-18,122	-15,596	-1,884	-2,259	-20,006	-17,855
Δ% 12M18	11.4%		26.1%		-20.0%		-60.0%		16.2%		-16.6%		12.0%	
PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE BANK	42,883	37,698	8,253	6,408	17,662	21,621	-4,828	-11,825	63,970	53,902	8,683	9,120	72,653	63,022
Δ% 12M18	13.8%		28.8%		-18.3%		-59.2%		18.7%		-4.8%		15.3%	



BANCO SECURITY SEGMENT NOTE (QOQ)

IN MCH\$	COMMERCIAL BANKING		RETAIL BANKING		TREASURY		OTHER		TOTAL BANK		SUBSIDIARIES		TOTAL CONSOLIDATED	
	4Q-18	3Q-18	4Q-18	3Q-18	4Q-18	3Q-18	4Q-18	3Q-18	4Q-18	3Q-18	4Q-18	3Q-18	4Q-18	3Q-18
Net interest margin	22,430	21,796	16,489	16,136	4,038	4,278	-331	-292	42,626	41,919	-140	-166	42,486	41,753
Δ% 4Q18	2.9%		2.2%		-5.6%		13.6%		1.7%		-15.7%		1.8%	
Net fees and commissions	4,346	4,355	5,559	5,027	-81	-82	-223	-21	9,600	9,279	7,656	6,909	17,256	16,188
Δ% 4Q18	-0.2%		10.6%		-		-		3.5%		10.8%		6.6%	
Net FX transactions and other income	2,980	1,507	409	458	4,778	2,715	-2,729	-7,680	5,437	4,620	1,837	2,106	7,274	6,726
Δ% 4Q18	97.8%		-10.8%		76.0%		-64.5%		17.7%		-12.8%		8.1%	
Loan losses and foreclosed assets	-9,945	-3,189	-4,721	-5,265	-76	9	-117	-74	-14,859	-8,518	0	0	-14,859	-8,518
Δ% 4Q18	211.9%		-10.3%		-		-		74.4%		-		74.4%	
TOTAL OPERATING INCOME (LOSS), NET OF CREDIT RISK PROVISIONS	19,812	24,470	17,734	16,356	8,659	6,921	-3,401	-447	42,803	47,300	9,353	8,849	52,157	56,149
Δ% 4Q18	-19.0%		8.4%		25.1%		660.9%		-9.5%		5.7%		-7.1%	
Operating expenses	-9,401	-9,504	-14,784	-14,373	-3,068	-3,043	1,522	-89	-25,731	-27,009	-6,641	-6,148	-32,372	-33,157
Δ% 4Q18	-1.1%		2.9%		0.8%		-1816.2%		-4.7%		8.0%		-2.4%	
NET OPERATING INCOME (LOSS)	10,410	14,966	2,951	1,983	5,591	3,878	-1,879	-536	17,072	20,291	2,712	2,701	19,785	22,992
Δ% 4Q18	-30.4%		-		44.2%		250.7%		-15.9%		0.4%		-13.9%	
Income tax benefit (expense)	-2,368	-3,382	-663	-454	-1,261	-895	422	128	-3,871	-4,604	-499	-513	-4,370	-5,117
Δ% 4Q18	-30.0%		46.1%		40.8%		229.5%		-15.9%		-2.7%		-14.6%	
PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE BANK	8,042	11,583	2,287	1,529	4,331	2,982	-1,458	-399	13,202	15,696	2,213	2,187	15,415	17,884
Δ% 4Q18	-30.6%		49.6%		45.2%		265.2%		-15.9%		1.2%		-13.8%	

COMMERCIAL BANKING

Banco Security's commercial banking division targets companies with annual sales above US\$ 1.2 million. While Banco Security's core business targets large companies, efforts have been made in recent years to strengthen the medium-sized company segment by tailoring services to its needs. This strategy is designed to diversify our customer base and improve returns in each segment.

COMMERCIAL LOANS BY ECONOMIC SECTOR

IN MCH\$	4Q18	% OF TOTAL
Construction and real estate	890,805	21.1%
Financial services and insurance	846,285	20.0%
Real estate and corporate services	617,077	14.6%
Wholesale and retail trade	502,092	11.9%
Manufacturing	373,443	8.8%
Transport	261,174	6.2%
Social services	259,283	6.1%
Utilities	181,458	4.3%
Agriculture and livestock	127,141	3.0%
Fishing	70,275	1.7%
Mining	66,003	1.6%
Telecom	26,237	0.6%
Forestry	5,925	0.1%
TOTAL COMMERCIAL LOANS	4,227,198	100%



As of December 2018, commercial loans had expanded +12.0% YoY to CH\$4,227 billion. Industry wide, commercial loans grew +10.8% YoY. Including foreign subsidiaries, the industry's commercial loans grew +12.3% YoY. The Bank boasts market share of 6.5%² in its target segment of medium-sized and large companies as of December 2018. The commercial banking division had 9,040 customers as of December 2018 (+6.2% YoY).

The commercial banking division posted profit of CH\$42,883 million for 2018 (+CH\$5,185 million and +13.8% YoY). This is explained by a larger net interest margin of CH\$84,864 million in 2018 (+CH\$6,657 million and +8.5% YoY) due to increased commercial loans (+12.0% YoY) and a larger average spread YoY. The division also reported greater net fees of CH\$18,648 million in 2018 (+CH\$3,299 million and 21.5% YoY), due to increased commercial activity. Operating expenses reached CH\$37,075 million (-0.4% YoY) in 2018, as a result of reduced administrative expenses, which are distributed across all the standalone Bank's business segments, partially offset by higher personnel expenses because of increased commercial activity. These effects were only partially offset by the drop in net FX transactions and other income, which totaled CH\$8,306 million (-19.3% YoY). In addition, the division reported greater provision expenses of CH\$19,711 million for 2018 (+9.5% YoY), due to impairment of a few customers in the electric power sector towards the end of the year.

The division posted quarterly profit of CH\$8,042 million for 4Q18 (-30.6% QoQ), mainly because of increased provision expenses, which totaled CH\$9,945 million (+211.9% QoQ), due to the impairment of some customers in the electric power sector late in the year as mentioned above. This was only partially offset by greater net FX transactions and other income, which totaled CH\$2,980 million in 4Q18 (+CH\$1,473 million, +97.8% QoQ), due to increased income from distributing structured products. The division also reported a larger net interest margin of CH\$22,430 million (+CH\$634 million, +2.9% QoQ), explained by greater loans (+3.3% QoQ), while operating expenses totaled CH\$9,401 million (-1.1% QoQ).

RETAIL BANKING

Banco Security's retail banking division targets high-income individuals. In recent years, the retail division has focused on expanding consumer products while conservatively managing risk, resulting in average annual growth of 15% since 2013.

As of December 2018, the Bank had total retail loans (consumer + mortgage) of CH\$1,108 billion (+4.6% YoY), driven by consumer loans (+12.8% YoY and) and partially offset by mortgage loans (-1.1% YoY). For the industry, retail loans increased +13.4% YoY, driven by consumer loans (+21.9% YoY) and, to a lesser extent, mortgage loans (+9.4% YoY). Including foreign subsidiaries, the industry's retail loans grew +14.3% YoY. The Bank boasts market share of 6.0%³ in its target segment of high-income individuals as of December 2018. The retail banking division had 70,726 customers as of December 2018 (-0.2% YoY).

The retail banking division reported profit of CH\$8,253 million in 2018 (+CH\$1,845 million, +28.8% YoY), explained by a larger net interest margin of CH\$64,743 million (+CH\$2,107 million, +3.4% YoY), due to greater loans (+4.6% YoY). In addition, provision expenses fell to CH\$22,401 million (-5.9% YoY), due to fortified risk and collections processes and structures. The division had higher operating expenses of CH\$56,673 million (+2.4% YoY), because of increased personnel expenses explained by increased commercial activity, partially offset by reduced administrative expenses, which are distributed across all the standalone Bank's business segments.

For 4Q18, the division reported quarterly profit of CH\$2,287 million (+CH 759 million, +49.6% QoQ), explained by lower provision expenses of CH\$ 4,721 million (-10.3% QoQ), in line with a well-performing portfolio during the quarter. Net fees reached CH\$5,559 million (+CH\$531 million, +10.6% QoQ), due to a rise in credit card fees. The division also recorded a larger net interest margin, which reached CH\$16,489 million (+CH\$353 million, +2.2% QoQ), due to increased loans. These effects were partially offset by increased operating expenses of CH\$14,784 million (+2.9% QoQ).

² THIS INCLUDES COMPANIES WITH ANNUAL SALES OVER CH\$800 MILLION, ONLY IN THE REGIONS OF CHILE WHERE BANCO SECURITY HAS OFFICES. SOURCE: CHILEAN INTERNAL REVENUE SERVICE (SII).

³ THIS DIVISION INCLUDES INDIVIDUALS BETWEEN 24 AND 65 YEARS OF AGE IN THE MIDDLE AND HIGH-INCOME SEGMENTS (ABC1) WITH A RISK/RETURN PROFILE SIMILAR TO BANCO SECURITY'S CUSTOMERS, ONLY FOR REGIONS WHERE BANCO SECURITY HAS OFFICES. SOURCE: SUPERINTENDENCY OF BANKS AND FINANCIAL INSTITUTIONS (SBIF).



TREASURY

As of December 2018, this division posted profit of CH\$17,662 million (-18.3% YoY), due to a drop in financial income (net financial operating income (loss) + gain from FX transactions + other income), which amounted to CH\$14,852 million in 2018 (-30.8% YoY). Although 2018 saw increased income from distributing structured products, driven by greater commercial activity towards year end, it is important to remember that 2017 is a high basis of comparison due to strong performances from foreign currency derivatives.

These effects were only partially offset by a larger net interest margin of CH\$20,365 million for 2018 (+6.6% YoY), due to growth in the Bank's assets thanks to a favorable funding structure, the use of accounting hedges and liabilities that matured in late 2017 and early 2018 being renewed under better financial conditions.

For 4Q18, the treasury division reported profit of CH\$4,331 million (+45.2% QoQ), due to an increase in financial income (net financial operating income (loss) + gain from FX transactions + other income), which reached CH\$4,778 million (+76.0% QoQ), explained by greater income from structured products, driven by increased commercial activity towards the end of the year. These effects were only partially offset by a smaller net interest margin of CH\$4,038 million (-5.6% QoQ).

The treasury division consists of trading, investment, distribution and asset and liability management (ALM) operations. The ALM desk manages financial investments used to stabilize the net interest margin, manage interest rate risk in the balance sheet, manage liquidity and efficiently fund the bank's loan portfolio. For 2018, ALM represented 57.8% of treasury income. The investment and trading desks manage the Bank's own portfolio of primarily Chilean Central Bank notes and corporate bonds and represent 16.1% of treasury income. The remaining 26.1% of treasury income comes from the distribution desk, which brokers specialized products for commercial banking customers (currency, forwards and structured products).

BANCO SECURITY - CONSOLIDATED STATEMENT OF INCOME

	4Q18	3Q18	4Q17	% CHG		2018	2017	% CHG
				QoQ	YoY			
Net interest margin	42,486	41,753	40,335	1.8%	5.3%	168,225	154,687	8.8%
Net fees and commissions	17,256	16,188	17,680	6.6%	-2.4%	68,754	64,835	6.0%
Net financial operating income	9,025	6,039	7,163	49.4%	26.0%	23,736	34,226	-30.6%
Net foreign exchange transactions	-1,224	-205	-1,315	-	-	3,215	-4,073	-
Recovery of written-off loans	1,599	1,713	747	-6.7%	114.1%	6,287	2,553	146.3%
Other net operating income (loss)	-1,405	555	-23	-	-	-1,413	-3,203	-55.9%
TOTAL OPERATING INCOME	67,737	66,043	64,587	2.6%	4.9%	268,804	249,025	7.9%
Provisions for loan losses	-15,580	-9,894	-11,964	57.5%	30.2%	-47,837	-44,579	7.3%
Administrative expenses	-32,372	-33,157	-29,299	-2.4%	10.5%	-128,323	-123,591	3.8%
NET OPERATING INCOME	19,785	22,992	23,324	-13.9%	-15.2%	92,644	80,855	14.6%
Income attributable to investments in other companies	0	9	-306	-	-	18	26	-29.8%
PROFIT BEFORE TAX	19,785	23,001	23,018	-14.0%	-14.0%	92,662	80,881	14.6%
Income tax benefit (expense)	-4,370	-5,117	-4,768	-14.6%	-8.3%	-20,006	-17,855	12.0%
PROFIT FOR THE YEAR	15,415	17,884	18,250	-13.8%	-15.5%	72,656	63,026	15.3%



For 2018, the Bank reported a net interest margin of CH\$168,225 million (+8.8% YoY), explained mainly by greater total loans (+10.6% YoY). Interest and indexation income reached CH\$375,166 million (+13.2% YoY), due to a rise in total loans and higher inflation than last year. Interest and indexation expense totaled CH\$206,941 million in 2018 (+17.1% YoY), due to 23.4% YoY growth in debt issued by the Bank and higher inflation.

NET INTEREST MARGIN	4Q18	3Q18	4Q17	% CHG		2018	2017	% CHG
				QoQ	YoY			
Interest and indexation income	99,040	94,489	85,624	4.8%	15.7%	375,166	331,383	13.2%
Interest and indexation expenses	-56,554	-52,736	-45,289	7.2%	24.9%	-206,941	-176,696	17.1%
NET INTEREST MARGIN	42,486	41,753	40,335	1.8%	5.3%	168,225	154,687	8.8%
Interest margin net of provisions	26,906	31,859	28,371	-15.5%	-5.2%	120,388	110,108	9.3%
NET INTEREST MARGIN / TOTAL LOANS	3.18%	3.22%	3.34%	-4 P	-16 P	3.15%	3.20%	-5 P
NET INTEREST MARGIN NET OF PROVISIONS / TOTAL LOANS	2.01%	2.46%	2.35%	-45 P	-33 P	2.25%	2.28%	-3 P

Net fees totaled CH\$68,764 million in 2018 (+6.0% YoY), because of increased commercial activity in the commercial banking division and greater fund management income from the asset management subsidiaries.

Financial income, which is the sum of net financial operating income (loss) and the net gain from FX transactions, totaled CH\$26,951 million (-10.6% YoY). Although 2018 saw increased income from distributing structured products, driven by greater commercial activity towards year end, it is important to remember that 2017 is a high basis of comparison due to strong performances from foreign currency derivatives.

For 2018, recovery of written-off loans was up +CH\$3,734 million, reaching CH\$6,287 million, due to a stronger collections process in the retail banking division. Credit risk provision expenses for 2018 totaled CH\$47,837 million, (+7.3% YoY), due to impairment of some commercial banking division customers in the electric power sector late in the year, which was only partially offset by stronger risk processes and structures in the retail banking division.

Operating expenses totaled CH\$128,323 million (+3.8% YoY), due to higher personnel expenses because of increased commercial activity in the standalone bank and the asset management subsidiaries, partially offset by reduced administrative, depreciation and amortization expenses at the Bank.

The division reported other net operating losses of -CH\$1,413 million, down from a loss of -CH\$3,203 million last year, explained by a lower basis of comparison due to intangible assets impaired in 2017.

Income tax expense for 2018 totaled CH\$20,006 million (+12.0% YoY), due to a larger profit before tax (+14.6% YoY).

Banco Security reported consolidated profit of CH\$15,415 million for 4Q18, reflecting a decrease of 13.8% over 3Q18. The net interest margin totaled CH\$42,486 million for 4Q18 (+1.8% QoQ) due to greater loans (+2.8% QoQ). Net fees totaled CH\$17,256 million for 4Q18 (+6.6% QoQ), because of increased credit card fees in the retail banking division. Financial income (net financial operating income (loss) + net gain from FX transactions) totaled CH\$7,801 million (+33.7% QoQ), explained by greater income from structured products, driven by increased commercial activity late in the year. Provisions for loan losses for 4Q18 totaled CH\$15,580 million, (+57.5% QoQ), due to impairment of some commercial banking division customers in the electric power sector late in the year, which was only partially offset by a well-performing portfolio in the retail banking division during the quarter. The division reported operating expenses of CH\$32,372 million (-2.4% QoQ).



BANCO SECURITY - OPERATING EXPENSES AND EFFICIENCY

IN MCH\$	4Q18	3Q18	4Q17	% CHG		2018	2017	% CHG
				QoQ	YoY			
Personnel	-15,416	-14,133	-13,784	9.1%	11.8%	-58,089	-52,309	11.1%
Administrative expenses	-15,763	-17,549	-14,284	-10.2%	10.4%	-65,049	-65,661	-0.9%
Depreciation and amortization	-1,193	-1,475	-1,231	-19.1%	-3.1%	-5,185	-5,621	-7.8%
TOTAL OPERATING EXPENSES	-32,372	-33,157	-29,299	-2.4%	10.5%	-128,323	-123,591	3.8%
EFFICIENCY RATIO	47.8%	50.2%	45.7%	-241 P	209 p	47.7%	49.7%	-198 P

Banco Security's efficiency ratio, measured as operating expenses + other operating expenses over total operating income, totaled 47.7% as of December 2018 (-198 b.p. YoY). This ratio compares to 47.6% for the banking system and 45.6% for peer banks⁴ as of December 2018.

The Bank reported operating expenses of CH\$128,323 million (+3.8% YoY) for 2018. For 2018, personnel expenses amounted to CH\$58,089 million, +11.1% YoY, as a result of increased commercial activity, while administrative expenses reached CH\$ 65,049 million, -0.9% YoY. Depreciation and amortization expense reached CH\$5,185 million, -7.8% YoY, as several intangible assets reached the end of their useful lives in 2017.

Operating expenses in 4Q18 decreased 2.4% QoQ to CH\$32,372 million in comparison to 3Q18. For 4Q18, personnel expenses amounted to CH\$15,416 million, +9.1% QoQ, explained by increased commercial activity, and administrative expenses reached CH\$15,763 million (-10.2% QoQ). The third quarter of 2018 represents a high basis of comparison for administrative expenses due to contributions paid to regulators. This brings the efficiency ratio to 47.8% for 4Q18, below the figure of 50.2% for 3Q18.

BANCO SECURITY LOAN PORTFOLIO

Total loans reached CH\$5,346,071 million as of December 2018, +10.6% YoY. For the industry, loans increased +11.5 % YoY. Including foreign subsidiaries, this figure increased +13.3% YoY. Commercial loans grew +12.0% YoY, to CH\$4,227,198 million (79.1% of Banco Security's total loan portfolio), while retail loans (consumer + mortgage) reached CH\$1,108,106 million as of December 2018, +4.6% YoY. The 20 largest borrowers represent 10.5% of the Bank's total loan portfolio.

TOTAL LOANS IN MCH\$		4Q18	3Q18	4Q17	% CHG	
					QoQ	YoY
CONSUMER	Loans	496,523	482,790	440,241	2.8%	12.8%
MORTGAGE	Loans	611,583	608,165	618,630	0.6%	-1.1%
MORTGAGE + CONSUMER	Loans	1,108,106	1,090,955	1,058,871	1.6%	4.6%
	No. of customers	70,726	70,685	70,862	0.1%	-0.2%
COMMERCIAL	Loans	4,227,198	4,090,837	3,775,419	3.3%	12.0%
	No. of customers	9,040	8,869	8,513	1.9%	6.2%
TOTAL LOANS		5,346,071	5,182,434	4,834,290	3.2%	10.6%
MARKET SHARE		3.3%	3.3%	3.3%	-3 p	-3 P

4 PEER BANKS: AVERAGE FOR BICE, CONSORCIO AND SECURITY



INTEREST AND INDEXATION INCOME IN MCH\$	4Q18	3Q18	4Q17	% CHG		4Q18	4Q17	% CHG
				QoQ	YoY			
CONSUMER	14,006	13,300	12,626	5.3%	10.9%	14,006	12,626	5.3%
MORTGAGE	9,750	9,689	8,641	0.6%	12.8%	9,750	8,641	10.6%
MORTGAGE + CONSUMER	23,756	22,989	21,267	3.3%	11.7%	23,756	21,267	7.5%
COMMERCIAL	66,843	63,717	56,071	4.9%	19.2%	66,843	56,071	4.8%

ASSET QUALITY

Given Banco Security's exposure to corporate and high-income customers, its risk ratios are among the lowest in the industry.

IN MCH\$	4Q18	3Q18	4Q17	% CHG	
				QoQ	YoY
TOTAL LOANS	5,346,071	5,182,434	4,834,290	3.2%	10.6%
Nonperforming loans - consumer	6,256	6,455	5,457	-3.1%	14.6%
Nonperforming loans - mortgage	5,910	5,468	6,267	8.1%	-5.7%
Nonperforming loans - commercial	67,963	61,495	55,005	10.5%	23.6%
TOTAL NONPERFORMING PORTFOLIO (%)	80,129	73,418	66,729	9.1%	20.1%
Nonperforming portfolio - consumer	1.26%	1.34%	1.24%	-8 p	2 p
Nonperforming portfolio - mortgage	0.97%	0.90%	1.01%	7 p	-5 p
Nonperforming portfolio - commercial	1.61%	1.50%	1.46%	10 p	15 p
TOTAL NONPERFORMING PORTFOLIO (%)	1.50%	1.42%	1.38%	8 P	12 P
Gross provisions	127,529	111,518	122,134	14.4%	4.4%
Write-offs	(37,377)	(29,365)	(41,626)	27.3%	-10.2%
PROVISIONS FOR LOAN LOSSES	90,152	82,153	80,508	9.7%	12.0%
Provisions - consumer	20,264	19,333	17,490	4.8%	15.9%
Provisions - mortgage	1,075	1,093	1,265	-1.6%	-15.0%
Provisions - commercial	68,813	61,727	61,753	11.5%	11.4%
PROVISIONS FOR LOAN LOSSES	90,152	82,153	80,508	9.7%	12.0%
Coverage - consumer	323.9%	299.5%	320.5%	2441 p	341 p
Coverage - mortgage	18.2%	20.0%	20.2%	-180 p	-200 p
Coverage - commercial	101.3%	100.4%	112.3%	87 p	-1102 p
TOTAL NPL COVERAGE¹	112.5%	111.9%	120.6%	61 p	-814 P
Provisions / Loans	1.69%	1.59%	1.67%	10 p	2 p
Provision expenses ² / Loans	0.78%	0.71%	0.87%	7 p	-9 p

1 PROVISIONS FOR LOAN LOSSES / TOTAL NONPERFORMING LOANS

2 PROVISIONS NET OF RECOVERY

As of December 2018, Banco Security's risk index reached 1.69%, slightly above the 1.67% posted as of December 2017. The nonperforming loan portfolio reached 1.50%, which is above the 1.38% recorded as of December 2017. The resulting NPL coverage ratio was 112.5%.

The ratio of provisions net of recovery to total loans for 2018 was 0.78% (-9 b.p. YoY) because loan growth (+10.6% YoY) exceeded the rise in credit risk provision expenses (+7.4% YoY).

It is also important to mention that the risk expense for 1Q17 includes a one-time effect of CH\$1,969 million for an adjustment to the provisioning model for consumer loans implemented in January 2017, and, therefore, is a high basis of comparison.



	CREDIT RISK (%)								
	PROVISIONS / LOANS					NONPERFORMING LOANS			
	MORTGAGE LOANS	CONSUMER LOANS	TOTAL	COMMERCIAL LOANS	TOTAL	MORTGAGE LOANS	CONSUMER LOANS	COMMERCIAL LOANS	TOTAL
Banco Security	0.18	4.08	1.93	1.63	1.69	0.97	1.26	1.61	1.50
Peer banks*	0.29	3.91	1.44	1.71	1.69	0.94	1.16	0.94	1.01
Banking system	0.76	6.45	2.69	2.28	2.44	2.36	2.08	1.65	1.90

* AVERAGE FOR BBVA, SCOTIABANK, BICE, CONSORCIO AND SECURITY

BANCO SECURITY - FUNDING SOURCES

FUNDING SOURCES IN MCH\$	DEC-18		SEP-18		DEC-17		% CHG	
							QoQ	YoY
Demand deposits	654,815	9.4%	599,065	8.9%	673,475	10.5%	9.3%	-2.8%
Time deposits	2,965,403	42.8%	2,852,541	42.5%	2,927,755	45.5%	4.0%	1.3%
Total deposits	3,620,218	52.2%	3,451,606	51.4%	3,601,230	55.9%	4.9%	0.5%
Bonds	2,205,499	31.8%	2,078,394	31.0%	1,786,574	27.7%	6.1%	23.4%
Borrowings from financial institutions	223,071	3.2%	221,016	3.3%	188,346	2.9%	0.9%	18.4%
Other liabilities*	308,677	4.5%	390,755	5.8%	312,210	4.8%	-21.0%	-1.1%
TOTAL LIABILITIES	6,357,465	92%	6,141,771	92%	5,888,360	91%	3.5%	8.0%
Total Equity	577,647	8.3%	567,497	8.5%	553,023	8.6%	1.8%	4.5%
LIABILITIES + EQUITY	6,935,112	100%	6,709,268	100%	6,441,383	100%	3.4%	7.7%

* INCLUDES THE FOLLOWING ACCOUNTS: TRANSACTIONS PENDING SETTLEMENT, REPO AGREEMENTS, FINANCIAL DERIVATIVE INSTRUMENTS, OTHER FINANCIAL OBLIGATIONS, CURRENT TAXES, DEFERRED TAXES, PROVISIONS AND OTHER LIABILITIES.

DEMAND AND TIME DEPOSITS

As of December 2018, deposits totaled CH\$3,620,218 million, up +0.5% YoY. For the industry, loans fluctuated +6.0% YoY. Including foreign subsidiaries, this figure varied +7.1% YoY. Banco Security's time deposits consisted of 34.9% retail deposits and 65.1% institutional deposits. The 15 largest depositors⁵ represent 23.7% of the Bank's total deposits. The loan to deposit ratio was 148% as of December 2018, compared to 134% as of December 2017.

Banco Security has a strategy to diversify funding sources using sales incentives to increase its retail deposit base. Banco Security strictly controls and monitors liquidity risk⁶, striving to diversify funding sources while applying strict limits to asset/liability mismatches, maintaining liquid assets and lengthening liabilities to increase funding terms. It is important to note that the Bank's exposure from asset and liability mismatches is among the industry's lowest. As of December 2018, the ratio of long-term interest rate risk to regulatory capital was 2.58%⁷. As of December 31, 2018, liquid assets⁸ represented 48% of demand and other time deposits.

⁵ EXCLUDES STOCK BROKERAGE COMPANIES.

⁶ LIQUIDITY RISK REPRESENTS THE POSSIBILITY OF NOT FULFILLING OBLIGATIONS WHEN THEY MATURE AS A RESULT OF THE INABILITY TO LIQUIDATE ASSETS OR FUNDS, OR NOT BEING ABLE TO DISPOSE OF THEM EASILY OR OFFSET EXPOSURE WITHOUT SIGNIFICANTLY REDUCING PRICES DUE TO INSUFFICIENT MARKET GRUPO SECURITY ANNUAL REPORT, NOTE 35).

⁷ THIS MEASURES THE EXPOSURE TO CHANGES IN INTEREST RATES AS A PERCENTAGE OF EQUITY. EXPOSURE TO LONG-TERM INTEREST RATES IS CALCULATED AS THE SUM OF THE DIFFERENCES BY TIME BAND AND CURRENCY OF CASH FLOWS FROM BANKING BOOKS ASSETS AND LIABILITIES, INCLUDING AMORTIZATION AND INTEREST, ADJUSTED BY A SENSITIVITY FACTOR AS PER TABLE 2 OF APPENDIX 1 OF CHAPTER III.B.2.2 OF THE CHILEAN CENTRAL BANK'S COMPENDIUM OF FINANCIAL STANDARDS.

⁸ INCLUDES CASH AND CASH DEPOSITS, TRANSACTIONS PENDING SETTLEMENT AND THE PORTFOLIO OF FINANCIAL INSTRUMENTS.



DEBT ISSUED

SERIES	SBIF REGISTRATION NUMBER	SBIF REGISTRATION DATE	CURRENCY	AMOUNT REGISTERED	ANNUAL INTEREST RATE	DURATION (YEARS)	MATURITY
H1	3/2007	25-Jan-07	UF	3,000,000	3.00	23	01-Dec-29
M1	1/2009	19-May-09	UF	3,000,000	3.00	10.5	01-Jul-19
N1	1/2009	19-May-09	UF	3,000,000	3.00	105	01-Jul-19
R1	10/2011	06-Oct-11	UF	3,000,000	3.00	10	01-Jun-21
K2	1/2012	14-Mar-12	UF	4,000,000	3.25	10	01-Nov-21
K3	1/2013	26-Feb-13	UF	4,000,000	3.50	10	01-Nov-22
K4	10/2013	06-Nov-13	UF	5,000,000	3.60	10	01-Oct-23
B3	14/2014	09-Oct-14	UF	5,000,000	2.50	5	01-Jun-19
K5	14/2014	09-Oct-14	UF	5,000,000	2.75	10	01-Jun-24
B4	05/2015	01-Apr-15	UF	5,000,000	2.25	5	01-Jun-20
K6	05/2015	01-Apr-15	UF	5,000,000	2.75	10	01-Mar-25
K7	05/2015	01-Apr-15	UF	5,000,000	2.75	10	Sep-01-25
Z1	10/2015	Sep-01-15	CLP	75,000,000,000	5.25	5	01-Jul-20
B5	11/2016	Oct-03-16	UF	5,000,000	2.40	5	Aug-01-21
K8	12/2016	Oct-03-16	UF	5,000,000	2.80	10	Oct-01-26
Z2	13/2016	Oct-03-16	CLP	75,000,000,000	5.30	5.5	Feb-01-22
B6	6/2017	Jul-11-17	UF	5,000,000	2.25	5.5	Oct-01-22
X1	2/2018	02-Feb-18	USD	50,000,000	3.50	5	15-Jan-23
Z3	8/2018	09-May-18	CLP	75,000,000,000	4.80	5.5	01-Jun-23
K9	8/2018	09-May-18	UF	5,000,000	2.75	10.5	01-Jul-28
B7	8/2018	09-May-18	UF	4,000,000	2.20	5.5	Aug-01-23

BANCO SECURITY - CAPITALIZATION

As of December 2018, Banco Security's equity attributable to the equity holders of the parent totaled CH\$577,588 million (+4.5% YoY). For some years now, Banco Security has been preparing for the implementation of Basel III. In line with this objective, on December 21, 2017, Banco Security completed a capital increase of CH\$50,000 million, issuing 17,523,256 new shares at a value of approximately CH\$2,853 per share.

IN MCH\$	DEC-18	SEP-18	DEC-17	% CHG	
				QoQ	YoY
Capital	302,047	302,047	302,047	0.0%	0.0%
Reserves and valuation accounts	25,897	26,689	30,204	-3.0%	-14.3%
Retained earnings	249,643	238,703	220,716	4.6%	13.1%
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK	577,588	567,439	552,966	1.8%	4.5%
Tier 1 (core capital)	577,588	567,439	552,966	1.8%	4.5%
Regulatory capital	774,770	765,787	751,457	1.2%	3.1%
Minimum required capital	468,961	452,570	428,810	3.6%	9.4%
Risk-weighted assets	5,862,013	5,657,126	5,360,129	3.6%	9.4%
BIS ratio	13.22%	13.54%	14.02%	-32 p	-80 p
Core capital / Total assets	7.79%	7.95%	8.10%	-15 p	-30 p

The Bank's capital adequacy ratio as of December 2018, calculated as regulatory capital over risk-weighted assets, reached 13.22% (with a regulatory minimum of 8%), -80 b.p. YoY. The ratio of core capital to total assets reached 7.79%, -30 b.p. YoY. Both ratios fell from one year to the next as a result of growth in assets, driven by greater total loans (+10.6% YoY).



FACTORING SECURITY

For 2018, Factoring Security reported profit of CH\$8,155 million (+8.7% YoY), due to greater operating income of CH\$29,829 million, (+2.5% YoY), due to a larger volume of factored receivables (CH\$360,251 million as of December 2018, +18.4% YoY), partially offset by a smaller spread. The division reported operating expenses of CH\$8,677 million (+6.9% YoY).

For 4Q18, Factoring Security reported profit of CH\$2,136 million (+9.0% QoQ), due to greater operating income of CH\$7,881 million, (+8.9% QoQ), explained by a larger volume of factored receivables (+14.2% QoQ), partially offset by a smaller spread. Operating expenses reached CH\$2,636 million (+37.5% QoQ) due to increased banking costs as a result of a larger volume of factored receivables.

The efficiency ratio reached 42.3% as of December 2018, -152 b.p. YoY. The risk ratio, measured as provisions over total factored receivables, was 2.18% as of December 2018, -36 b.p. QoQ.

IN MCH\$	4Q18	3Q18	4Q17	% CHG		2018	2017	% CHG
				QoQ	YoY			
Loans	360,251	315,389	304,393	14.2%	18.4%	360,251	304,393	18.4%
Provisions recognized	7,844	8,002	7,574	-2.0%	3.6%	7,844	7,574	3.6%
Gross operating income	7,881	7,235	7,212	8.9%	9.3%	29,829	29,095	2.5%
Operating expenses	-2,636	-1,917	-1,891	37.5%	39.4%	-8,677	-8,118	6.9%
Administrative expenses	-2,972	-2,944	-2,947	0.9%	0.8%	-11,711	-11,681	0.3%
PROFIT	2,136	1,960	1,924	9.0%	11.0%	8,155	7,502	8.7%
Efficiency ratio	40.8%	43.0%	43.5%	-218 p	-267 p	42.3%	43.8%	-152 p
Risk ratio	2.18%	2.54%	2.49%	-36 p	-31 p	2.18%	2.49%	-31 p

INSURANCE BUSINESS AREA

(24.9% OF ASSETS; 26.0% OF PROFIT FROM BUSINESS AREAS AS OF DECEMBER 2018)

The insurance business area reported profit of CH\$30,440 million. This area includes the insurance company Vida Security and Servicios Security, the holding that groups the insurance brokerage (Corredora de Seguros Security) and assistance business (Europ Assistance).

VIDA SECURITY

For 2018 Vida Security reported profit attributable to the equity holders of the parent of CH\$30,159 million (+127.5% YoY). On November 26, 2018, Inversiones Security Perú, the parent of Protecta Security, was sold to Security Internacional for a total of S./ 100 million. This transaction generated a one-time gain of CH\$12,157 million for Vida Security, which was fully reversed at group level.

Gross written premiums totaled CH\$336,094 million (-24.8% YoY). This reduction with respect to last year can be explained by the expiration of contract No. 5 for disability and survivor insurance. The company was not awarded new fractions under contract No. 6⁹. Other contributing factors included reduced premiums from individual insurance with savings components and decreased annuity sales.

9 SEE PAGE 283, SECTION "DISABILITY AND SURVIVOR INSURANCE" FOR MORE DETAILS ON THIS PRODUCT LINE.



During 2018, the subsidiary recorded a smaller variation in technical reserves (-CH\$3,463 million versus -CH\$69,418 million for 2017), particularly in individual insurance, due to weaker results from investments related to the CUI and APV portfolios, increased claims paid (surrenders and transfers from CUI and APV accounts) and decreased gross written premiums. Claims and pensions paid totaled CH\$299,666 million (-17.9% YoY), due to the end of DSI contract No. 5. Finally, underwriting expenses totaled CH\$17,414 million (+10.3% YoY), reflecting increased commercial activity in the individual product line.

This all explains the greater contribution margin as of December 2018 (-CH\$25,486 million versus -CH\$73,258 million in 2017).

This was more than offset by reduced investment income of CH\$98,570 million (-22.2% YoY), attributable to weaker returns on equity investments due to greater volatility and market corrections. In addition, the year 2017 represents a high basis of comparison for investment income due to strong market performances during that period. The subsidiary reported administrative expenses of CH\$38,148 million (+2.1% YoY), reflecting increased commercial activity. Finally, exchange differences totaled -CH\$1,067 million (CH\$1,154 million in 2017), while the gain (loss) on indexed assets and liabilities was -CH\$3,608 million in 2018, up from -CH\$1,444 million in 2017, because the Bank had more indexed liabilities than indexed assets and inflation was higher in 2018.

IN MCH\$	4Q18	3Q18	4Q17	% CHG		2018	2017	% CHG
				QoQ	YoY			
Gross written premiums	67,828	65,563	107,507	3.5%	-36.9%	336,094	446,838	-24.8%
Net premiums written	66,116	64,880	89,286	1.9%	-26.0%	295,121	376,360	-21.6%
Variation in technical reserves	6,799	-7,424	-4,425	-191.6%	-253.7%	-3,463	-69,418	-95.0%
Claims paid	-11,979	-7,598	-73,357	57.7%	-83.7%	-97,007	-181,323	-46.5%
Pensions paid	-51,495	-58,795	-19,199	-12.4%	168.2%	-202,659	-183,666	10.3%
Underwriting expenses	-4,745	-4,712	-4,371	0.7%	8.6%	-17,414	-15,786	10.3%
Medical expenses	-23	-14	-12	70.0%	98.2%	-59	-49	20.3%
Insurance impairment	-47	5	34	-971.3%	-239.5%	-5	624	-100.8%
CONTRIBUTION MARGIN	4,626	-13,657	-12,042	-133.9%	-138.4%	-25,486	-73,258	-65.2%
Administrative expenses	-8,677	-9,910	-9,276	-12.4%	-6.5%	-38,148	-37,362	2.1%
Investment income	23,851	32,069	23,229	-25.6%	2.7%	98,570	126,738	-22.2%
Exchange differences	-1,514	637	-853	-337.7%	77.5%	-1,067	1,154	-192.5%
Gain (loss) on indexed assets and liabilities	-794	-1,152	-303	-31.1%	161.7%	-3,608	-1,444	149.9%
PROFIT FOR THE YEAR	18,739	6,589	46	184.4%	-	30,159	13,258	127.5%
ADMINISTRATIVE RATIOS								
(1)(Claims and Pensions Paid) / Net Premiums Written	-1.6%	-0.3%	2.1%	4 p	-2 p	101.5%	97.0%	0 p
(2) Administrative expenses / Net Premiums Written	0.1%	1.0%	0.1%	-1 p	-1 p	12.9%	9.9%	0 p
(3) Underwriting expenses / Net Premiums Written	0.4%	0.7%	0.2%	0 p	1 p	5.9%	4.2%	0 p
Combined ratio (1) + (2) + (3)	-1.2%	1.3%	2.4%	-2 p	-1 p	120.4%	111.1%	0 p
(4) Profit / Gross written premiums	5.2%	2.0%	-1.1%	2 p	-6 p	10.2%	3.5%	2 p

For 4Q18, Vida Security posted profit of CH\$18,739 million (+184.4% QoQ). Gross written premiums totaled CH\$67,828 million (+3.5% QoQ), explained by increased gross written premiums in group policies and annuities, which were partially offset by reduced gross written premiums in individual insurance with savings components (CUI and APV). The fourth quarter saw a smaller variation in technical reserves (+CH\$6,799 million versus -CH\$7,424 million in 3Q18) because of reduced investment income from the CUI and APV portfolios, reduced claims paid (surrenders and transfers from CUI and APV accounts) and reduced gross written premiums for CUI and APV policies.



In addition, in the fourth quarter this subsidiary reported a reduction in claims and pensions paid (-4.4% QoQ), explained by decreased surrenders and transfers from individual insurance with savings components (CUI and APV). Brokerage expenses totaled -CH\$4,745 million for 4Q18 (+0.7% QoQ). Investment income reached CH\$23,851 million (-25.6% QoQ), due to reduced income from equity investments, because of high volatility and market corrections, partially offset by the one-time gain of CH\$12,157 million from the sale of Inversiones Security Perú to Security Internacional. Finally, exchange differences totaled -CH\$1,514 million for 4Q18, up from +CH\$637 in 3Q18, while the gain (loss) on indexed assets and liabilities was -CH\$794 million for 4Q18, up from -CH\$1,152 million for 3Q18, because the Bank had more indexed liabilities than indexed assets.

RESULTS BY PRODUCT LINE

INDIVIDUAL INSURANCE

(32.2% OF GROSS WRITTEN PREMIUMS AS OF DECEMBER 2018)

Individual insurance policies are contracted by individuals to cover certain risks (life, health, credit life, etc.). Depending on the terms of the policy, policyholders may be able to allocate part of the gross written premiums to an individual investment account that invests in mutual funds or portfolios managed by the company. Based on figure 601 in the financial statements of Vida Security, it includes product lines 101-112 and 425 and excludes line 107.

The contribution margin totaled +CH\$9,543 million in 2018, an increase from the -CH\$22,735 million recorded in 2017. Gross written premiums reached CH\$108,372 million as of December 2018 (-22.0% YoY) due to lower gross written premiums from insurance with savings components as compared to 2017. The variation in technical reserves was -CH\$4,922 million versus -CH\$70,091 million in 2017, due to weaker returns on investments in the CUI and APV portfolios, increased claims paid (surrenders and transfers from CUI and APV accounts) and decreased gross written premiums. Claims paid totaled -CH\$79,826 million (+4.4% YoY), explained by increased surrenders and transfers from CUI and APV policies. Underwriting expenses totaled -CH\$10,974 million in 2018 (+22.4% YoY), explained by increased commercial activity.

As of December 2018, CUI and APV policies represent 89.6% of total individual insurance premiums.

INDIVIDUAL INSURANCE IN MCH\$	4Q18	3Q18	4Q17	% CHG		2018	2017	% CHG
				QoQ	YoY			
Gross written premiums	28,807	30,102	27,286	-4.3%	5.6%	108,372	138,918	-22.0%
NET PREMIUMS WRITTEN	28,507	29,683	26,683	-4.0%	6.8%	106,696	137,080	-22.2%
Variation in technical reserves	5,096	-9,286	-4,261	-154.9%	-219.6%	-4,922	-70,091	-93.0%
Claims paid	-17,703	-21,744	-20,844	-18.6%	-15.1%	-79,826	-76,458	4.4%
Pensions paid	-630	-233	-213	169.8%	195.6%	-1,399	-4,261	-67.2%
Underwriting expenses	-3,053	-3,081	-2,027	-0.9%	50.6%	-10,974	-8,963	22.4%
Medical expenses	-18	-11	-10	54.0%	84.4%	-48	-42	13.6%
Insurance impairment	0	0	0	-	-	0	0	-
CONTRIBUTION MARGIN	12,198	-4,672	-671	-361.1%	-1918.1%	9,528	-22,735	-141.9%
Claims rate ¹	64.3%	74.0%	78.9%	-973 p	-1460 p	76.1%	58.9%	1724 p
Underwriting expense rate ²	10.7%	10.4%	7.6%	33 p	311 p	10.3%	6.5%	375 p

¹ CLAIMS PAID / GROSS WRITTEN PREMIUMS

² UNDERWRITING EXPENSES / GROSS WRITTEN PREMIUMS



In 4Q18, the contribution margin from individual insurance was +CH\$12,214 million, up from -CH\$4,672 million for 3Q18. Gross written premiums fell 4.3% QoQ to CH\$28,807 million due to reduced gross written premiums from CUI and APV policies. The variation in technical reserves was +CH\$5,096 million for 4Q18 versus -CH\$9,286 million for 3Q18, due to weaker returns on investments in the CUI and APV portfolios and reduced gross written premiums from CUI and APV policies, partially offset by reduced claims paid (surrenders and transfers from CUI and APV accounts). This product line reported claims paid of CH\$17,703 million for 4Q18, -1.4% QoQ, explained by a drop in surrenders and transfers from CUI and APV funds. Brokerage expenses totaled -CH\$3,053 million for 4Q18, -0.9% QoQ.

FAMILY PROTECTION

(2.0% OF GROSS WRITTEN PREMIUMS AS OF DECEMBER 2018)

Family protection insurance covers the insured party's family group in the event of death or disability, depending on the terms of the policy. Based on figure 601 in the Vida Security financial statements, it includes product line 107.

FAMILY PROTECTION IN MCH\$	4Q18	3Q18	4Q17	% CHG		2018	2017	% CHG
				QoQ	YoY			
Gross written premiums	1,826	1,586	1,689	15.1%	8.1%	6,697	6,622	1.1%
NET PREMIUMS WRITTEN	1,826	1,586	1,745	15.1%	4.7%	6,697	6,622	1.1%
Variation in technical reserves	-31	34	10	-	-	5	-39	-
Claims paid	-569	-385	-529	47.7%	7.4%	-1,603	-1,806	-11.2%
Pensions paid	0	0	0	-	-	0	0	-
Underwriting expenses	-680	-607	-551	12.0%	23.4%	-2,351	-2,196	7.1%
Medical expenses	0	0	0	-	-	-1	0	-
Insurance impairment	0	0	0	-	-	0	0	-
CONTRIBUTION MARGIN	547	628	675	-13.0%	-19.0%	2,747	2,581	6.4%
Claims rate ¹	31.1%	24.3%	30.3%	687 p	81 p	23.9%	27.3%	-334 p
Underwriting expense rate ²	37.2%	38.3%	31.6%	-105 p	564 p	35.1%	33.2%	195 p

¹ CLAIMS PAID / GROSS WRITTEN PREMIUMS

² UNDERWRITING EXPENSES / GROSS WRITTEN PREMIUMS

The contribution margin was CH\$2,747 million in 2018 (+6.4% YoY), and CH\$547 million in 4Q18 (-13.0% QoQ). Gross written premiums totaled CH\$6,697 million in 2018 (+1.1% YoY), and CH\$1,826 million for 4Q18 (+15.1% QoQ). Claims paid reached -CH\$1,603 million in 2018 (-11.2% YoY), and -CH\$569 million for 4Q18 (+47.7% QoQ). Underwriting expenses totaled -CH\$2,351 million in 2018 (+7.1% YoY), and -CH\$680 million for 4Q18 (+12.0% QoQ).



GROUP INSURANCE

(21.4% OF GROSS WRITTEN PREMIUMS AS OF DECEMBER 2018)

GROUP IN MCH\$	4Q18	3Q18	4Q17	% CHG		2018	2017	% CHG
				QoQ	YoY			
Gross written premiums	19,627	17,278	18,090	13.6%	8.5%	71,808	67,871	5.8%
NET PREMIUMS WRITTEN	19,021	16,850	17,535	12.9%	8.5%	69,788	65,545	6.5%
Variation in technical reserves	71	161	1	-	-	358	-1,024	-
Claims paid	-9,401	-11,032	-10,873	-14.8%	-13.5%	-41,412	-44,281	-6.5%
Pensions paid	0	0	0	-	-	0	0	-
Underwriting expenses	-895	-868	-1,599	3.0%	-44.1%	-3,581	-3,895	-8.1%
Medical expenses	-3	-2	-2	33.0%	31.5%	-8	-7	9.2%
Insurance impairment	-42	5	34	-	-	0	624	-
CONTRIBUTION MARGIN	8,750	5,114	5,095	71.1%	71.7%	25,146	16,962	48.3%
Claims rate ¹	49.4%	65.5%	62.0%	-1604 p	-1258 p	59.3%	67.6%	-822 p
Underwriting expense rate ²	4.7%	5.2%	9.1%	-45 p	-442 p	5.1%	5.9%	-81 p

1 CLAIMS PAID / GROSS WRITTEN PREMIUMS

2 UNDERWRITING EXPENSES / GROSS WRITTEN PREMIUMS

Group insurance is contracted by a company for its employees and may include life, health or credit life coverage, depending on the terms of the policy. Based on figure 601 in the financial statements of Vida Security, it includes product lines 202-213 and 302-313.

The contribution margin for 2018 totaled CH\$25,146 million (+48.3% YoY), thanks to greater gross written premiums (CH\$71,808 million in 2018, +5.8% YoY), mainly from health policies and credit life coverage for consumer loans, and a drop in claims paid (-CH\$41,412 million for 2018, -6.5% YoY) on life and health policies. Brokerage expenses totaled -CH\$3,581 million for , -8.1% YoY.

For 4Q18, the contribution margin reached CH\$8,750 million (+71.1% QoQ), because of increased gross written premiums of CH\$19,627 million (+13.6% QoQ) from credit life coverage for consumer loans, and reduced claims paid (-CH\$9,401 million for 4Q18, -14.8% QoQ) from health and life policies.

ANNUITIES

(16.1% OF GROSS WRITTEN PREMIUMS AS OF DECEMBER 2018)

Workers that choose an annuity upon retirement turn over their retirement funds to an insurance company and receive in exchange a fixed, inflation-indexed monthly payment for the rest of their life and survivor pensions for their legal beneficiaries. Based on figure 601 in the financial statements of Vida Security, it includes product lines 421, 422 and 423¹⁰.

When an annuity is sold, a reserve must be recognized in the company's liabilities, equivalent to the present value of the obligations to the retiree, which is recognized within the line item pensions paid. This results in an accounting loss in the income statement.

¹⁰ THIS ALSO INCLUDES LINE 424 FROM THE SVS, WHICH CORRESPONDS TO THE OLD DISABILITY AND SURVIVOR'S SYSTEM DEFINED IN RULING 528 (C-528). AS OF DECEMBER 2018, THIS PRODUCT LINE ACCOUNTS FOR ONLY CH\$1,470 MILLION IN PENSIONS PAID BY VIDA SECURITY.



ANNUITIES IN MCH\$	4Q18	3Q18	4Q17	% CHG		2018	2017	% CHG
				QoQ	YoY			
Gross written premiums	17,022	15,734	16,643	8.2%	2.3%	54,209	61,586	-12.0%
NET PREMIUMS WRITTEN	17,022	15,734	16,643	8.2%	2.3%	54,209	61,586	-12.0%
Variation in technical reserves	0	0	0	-	-	0	0	-
Claims paid	0	0	0	-	-	0	0	-
Pensions paid	-33,433	-32,183	-31,771	3.9%	5.2%	-117,960	-122,752	-3.9%
Underwriting expenses	-118	-156	-194	-24.3%	-39.3%	-509	-732	-30.5%
Medical expenses	-2	0	0	-	-	-2	0	-
Insurance impairment	0	0	0	-	-	0	0	-
CONTRIBUTION MARGIN	-16,530	-16,604	-15,322	-0.4%	7.9%	-64,263	-61,897	3.8%
Underwriting expense rate ¹	0.7%	1.0%	1.2%	-30 p	-47 p	0.9%	1.2%	-25 p

1 UNDERWRITING EXPENSES / GROSS WRITTEN PREMIUMS

The contribution margin for annuities was -CH\$64,278 million in 2018 (+3.8% YoY) and -CH\$16,546 million for 4Q18 (-0.4% QoQ). Gross written premiums totaled CH\$54,209 million in 2018 (-12.0% YoY), and CH\$17,022 million for 4Q18 (+8.2% QoQ). Pensions paid totaled -CH\$117,960 million in 2018 (-3.9% YoY) and -CH\$33,433 million for 4Q18 (+3.9% QoQ), in line with annuity sales for each period.

DISABILITY AND SURVIVOR INSURANCE (DSI)

(28.3% OF GROSS WRITTEN PREMIUMS AS OF DECEMBER 2018)

DISABILITY AND SURVIVOR INSURANCE IN MCH\$	4Q18	3Q18	4Q17	% CHG		2018	2017	% CHG
				QoQ	YoY			
Gross written premiums	546	863	43,798	-36.8%	-98.8%	95,008	171,841	-44.7%
NET PREMIUMS WRITTEN	-259	1,026	26,681	-125.2%	-101.0%	57,730	105,527	-45.3%
Variation in technical reserves	1,663	1,666	-176	-0.2%	-	1,096	1,736	-36.8%
Claims paid	15,694	25,563	-41,111	-38.6%	-138.2%	25,835	-58,778	-
Pensions paid	-17,432	-26,378	12,785	-33.9%	-236.3%	-83,300	-56,653	47.0%
Underwriting expenses	0	0	0	-	-	0	0	-
Medical expenses	0	0	0	-	-	0	0	-
Insurance impairment	-5	0	0	-	-	-5	0	-
CONTRIBUTION MARGIN	-339	1,877	-1,820	-118.0%	-81.4%	1,356	-8,168	-
Claims rate ¹	-670.7%	79.4%	106.2%	-75014 p	-77687 p	99.5%	109.4%	-984 p

1 CLAIMS PAID / GROSS WRITTEN PREMIUMS

Disability and survivor insurance is mandatory for all individuals with pension accounts at Pension Fund Management Companies (AFPs) and is directly contracted collectively by the AFPs for these individuals through semi-annual public bidding processes. It is financed by employers throughout a member's active work life with a fraction of the additional amount charged by the AFP¹¹. It provides protection to the insured and his or her family group in the event of disability or death of the insured party. Based on figure 601 in the financial statements of Vida Security, it includes product line 420.

11 [HTTP://WWW.SPENSIONES.CL/PORTAL/ORIENTACION/580/W3-ARTICLE-3024.HTML](http://www.spensiones.cl/portal/orientacion/580/W3-ARTICLE-3024.HTML)



This table of pensions paid includes disability and survivor payments to insured retirees. Claims paid includes a reserve for the present value of the obligation with the insured parties. The variation in technical reserves corresponds to reserve adjustments required after applying regulatory tests.

In the fifth DSI bidding process organized by the AFPs, Vida Security was awarded two fractions for men and two for women for the period from July 2016 to June 2018. The sixth tender for DSI insurance for the next 24-month period (July 1, 2018 to June 30, 2020) was concluded on April 26, 2018, and Vida Security was not awarded any fractions.

The contribution margin for DSI totaled CH\$ 1,356 million in 2018 (versus -CH\$8,168 million in 2017). For 2018, net premiums written totaled CH\$57,730 million (-45.3% YoY), claims and pensions paid reached -CH\$57,465 million (-50.2% YoY), and the variation in technical reserves was -CH\$1,096 million (CH\$1,736 million in 2017), all attributable to the expiration of contract No. 5.

The contribution margin for DSI totaled -CH\$339 million for 4Q18 (versus CH\$ 1,877 million for 3Q18). For 4Q18, net premiums written totaled CH\$259 million (-125.2% QoQ), claims and pensions paid reached -CH\$1,738 million (+113.2% QoQ), and the variation in technical reserves was CH\$1,663 million (CH\$1,666 million for 3Q18), all attributable to the expiration of contract No. 5.

ADMINISTRATIVE EXPENSES - VIDA SECURITY

IN MCH\$	4Q18	3Q18	4Q17	% CHG		2018	2017	% CHG
				QoQ	YoY			
Salaries and wages	-3,852	-3,459	-3,492	11.4%	10.3%	-14,327	-13,407	6.9%
Distribution channel expenses	-518	-802	-862	-35.4%	-39.9%	-3,552	-4,015	-11.5%
Other	-4,307	-5,649	-4,922	-23.8%	-12.5%	-20,269	-19,940	1.6%
TOTAL ADMINISTRATIVE EXPENSES	-8,677	-9,910	-9,276	-12.4%	-6.5%	-38,148	-37,362	2.1%

For 2018, Vida Security reported administrative expenses of CH\$38,148 million (+2.1% YoY) because of an increase in payroll expenses, which totaled CH\$14,327 million in 2018 (+6.9% YoY), due to increased commercial activity. Distribution channel expenses totaled CH\$3,552 million (-11.5% YoY), while other administrative expenses reached CH\$20,269 million (+1.6% YoY).

For 4Q18, Vida Security reported administrative expenses of CH\$8,677 million (-12.4% QoQ), explained by lower administrative expenses of CH\$4,307 million for 4Q18 (-23.8% QoQ) and reduced distribution channel expenses of CH\$518 million (-35.4% QoQ), partially offset by an increase in personnel expenses, which totaled CH\$3,852 million (+11.4% QoQ).

INVESTMENT INCOME - VIDA SECURITY

Investment income for 2018 totaled CH\$98,570 million, down -CH\$28,168 million YoY, attributable to weaker returns on equity investments due to greater volatility and market corrections. In addition, the year 2017 represents a high basis of comparison for investment income due to strong market performances during that period.



Investment income from equities and indexes totaled CH\$1,004 million for the year ended December 2018, -CH\$35,508 million YoY, due to high volatility and market corrections. (MSCI as of Dec-18 in US\$: Developed Countries -17.3%, Emerging Countries -14.3%, Chile -18.6%).

In addition, in September 2018, an adjustment of CH\$3,254 million was made to the Single Investment Account (CUI) investment portfolio, charged to investment income for this type of insurance, because of changes in the asset valuation model as per IFRS9.

The investment portfolio for CUI and APV policies totaled CH\$499,398 million as of December 2018, +4.1% YoY. It is important to note that reduced investment income from this portfolio of individual insurance with savings components has a positive effect on technical reserves.

On November 26, 2018, Inversiones Security Perú, the parent of Protecta Security, was sold to Security Internacional for a total of S./ 100 million. This transaction generated a one-time gain of CH\$12,157 million for Vida Security, recognized in other investments, which was fully reversed at group level.

IN MCH\$	4Q18	3Q18	4Q17	% CHG		PORTFOLIO % 4Q18
				QoQ	YoY	
Fixed income	1,766,645	1,714,026	1,729,875	3.1%	2.1%	71.3%
Equities and indexes	458,426	482,917	397,996	-5.1%	15.2%	18.5%
Real estate	229,938	230,670	229,827	-0.3%	0.0%	9.3%
Other investments	24,469	40,806	44,815	-40.0%	-45.4%	1.0%
INVESTMENT PORTFOLIO	2,479,478	2,468,419	2,402,514	0.4%	3.2%	100.0%

IN MCH\$	4Q18	3Q18	4Q17	% CHG		2018	2017	% CHG
				QoQ	YoY			
Fixed income	18,250	14,299	16,141	27.6%	13.1%	75,699	74,102	2.2%
Equities and indexes	-10,644	16,586	2,153	-	-	-1,004	34,504	-102.9%
Real estate	3,328	3,675	3,200	-9.4%	4.0%	13,328	13,027	2.3%
Other investments	12,916	-2,491	1,734	-	-	10,547	5,105	106.6%
INVESTMENT INCOME	23,851	32,069	23,229	-25.6%	2.7%	98,570	126,738	-22.2%

EXCHANGE DIFFERENCES AND GAIN (LOSS) FROM INDEXATION ADJUSTMENTS

Exchange differences totaled -CH\$1,067 million in 2018 (CH\$1,154 million in 2017) and CH\$1,514 million for 4Q18 (+CH\$637 million for 3Q18). The subsidiary posted a loss from indexed assets and liabilities of -CH\$3,608 million in 2018 (-CH\$1,444 million in 2017) and -CH\$794 million for 4Q18 (-CH\$1,152 million for 3Q18), because the Bank had more indexed liabilities than indexed assets and inflation was higher in 2018.



ASSET MANAGEMENT AREA

(2.2% OF ASSETS; 9.1% OF PROFIT FROM BUSINESS AREAS AS OF DECEMBER 2018)

The asset management business area includes Administradora General de Fondos Security and Valores Security Corredores de Bolsa. It also includes Securitizadora Security, which manages securitized assets and their respective special purpose vehicles (SPVs). This business area complements the product range offered by the rest of the Group's companies, providing services tailored to the needs of each customer segment. The products and services offered by this business area include mutual funds, investment funds and voluntary pension savings (APV), foreign currency and forwards, stocks, portfolio management and international investments.

IN MCH\$	2018	9M18	2017	% CHG	
				QoQ	YoY
Assets under management (AUM)	4,383,489	4,728,741	4,506,967	-7.3%	-2.7%
Mutual funds under management	2,496,079	2,699,356	2,558,301	-7.5%	-2.4%
Market share - mutual funds	6.6%	7.0%	7.3%	-36 p	-67 p

IN MCH\$	4Q18	3Q18	4Q17	% CHG		2018	2017	% CHG
				QoQ	YoY			
Value of shares traded	505,313	622,389	849,594	-18.8%	-40.5%	2,707,465	3,139,690	-13.8%
Market share - stocks	3.7%	4.3%	5.3%	-60 p	-154 p	4.6%	6.9%	-231 p
Operating income	10,102	9,714	11,363	4.0%	-11.1%	40,819	40,336	1.2%
Non-operating income	1,439	1,309	907	10.0%	58.8%	4,786	3,551	34.8%
Total expenses	-8,883	-8,309	-8,260	6.9%	7.5%	-35,161	-32,544	8.0%
Efficiency	77.0%	75.4%	67.3%	158 p	964 p	77.1%	74.2%	294 p
Fund management	1,961	1,608	2,303	22.0%	-14.8%	6,563	6,663	-1.5%
Stock brokerage, portfolio management and international business*	209	566	876	-63.1%	-76.2%	1,985	2,458	-19.2%
Securitizadora + Inmobiliaria Casanuestra	2,110	15	346	-	-	2,166	516	319.8%
PROFIT - ASSET MANAGEMENT	4,280	2,189	3,526	95.5%	21.4%	10,715	9,637	11.2%

* INCLUDES RESULTS OF SUPPORT AREAS (ASESORÍAS AND GLOBAL SECURITY)

The subsidiary's AUM as of December 2018 totaled CH\$4,383,489 million, -2.7% YoY. Mutual funds under management totaled CH\$2,496,079 million, -2.4% YoY, with a market share of 6.6%. The area reported total value of shares traded of CH\$2,707,465 million, with market share of 4.6%.

The asset management area had profit of CH\$10,715 million in 2018 (+11.2% YoY), due to strong results from Securitizadora and Inmobiliaria CasaNuestra, (CH\$2,166 million in 2018, +CH\$516 million YoY, +319.8% YoY), because of the placement of preferential securitized bonds and their respective mezzanine series. The area also reported greater operating income of CH\$40,819 million (+CH\$483 million YoY, +1.2% YoY), due to a larger average volume of mutual funds during the year and greater income from the sale of foreign funds with alternative investment strategies, partially offset by reduced transactional income at Valores Security. This business area also had greater non-operating income of CH\$4,786 million (+34.8% YoY), due to improved returns on fixed-income instruments in Valores



Security's proprietary trading portfolio. In addition, this increased commercial activity was accompanied by higher total expenses of CH\$35,161 million (+8.0% YoY).

The asset management area had profit of CH\$4,280 million for 4Q18 (+95.5% QoQ), due to strong results from Securitizadora and Inmobiliaria CasaNuestra (CH\$2,280 million in 4Q18, +CH\$2,095 million QoQ), from placing preferential securitized bonds and their respective mezzanine series. The area also reported greater operating income of CH\$10,102 million (+CH\$389 million QoQ, +4.0% QoQ), due to greater income from the sale of foreign funds with alternative investment strategies, partially offset by reduced transactional income at Valores Security. It also had greater non-operating income of CH\$1,439 million (+CH\$131 million QoQ, +10.0% QoQ). In addition, this increased commercial activity was accompanied by higher total expenses of -CH\$8,883 million (+6.9% QoQ).

OTHER SERVICES AREA

(1.3% OF ASSETS; 2.1% OF PROFIT FROM BUSINESS AREAS AS OF DECEMBER 2018)

This business area includes the operations of Travel Security and Inmobiliaria Security, which offer non-financial products and services that complement Grupo Security's offering and are directed towards the same target markets.

INMOBILIARIA SECURITY

Inmobiliaria Security posted a loss of -CH\$232 million for the year ended December 2018. Ownership was transferred on 27 units as of December 2018 versus 55 units as of December 2017. For 4Q18, ownership was transferred on 8 units, two more than in 3Q18. These results are in line with the company's business plan since 2018 is considered a development year. Inmobiliaria Security signed apartment purchase promise agreements totaling UF 1,195,000 in 2018 (+85.9% YoY) and UF 282,000 in 4Q18 (-36.2% QoQ). It is important to note that there is a lag between a sale and revenue recognition. Under IFRS, revenue is recognized once legal title to the property has been transferred.

Real estate assets under management totaled CH\$85,202 million, +18.6% YoY and +2.8% QoQ, due to capitalization of projects under development.

IN MCH\$	4Q18	3Q18	4Q17	% CHG		2018	2017	% CHG
				QoQ	YoY			
Real estate assets under management	85,202	82,912	71,846	2.8%	18.6%	85,202	71,846	18.6%
Total income	1,439	150	2,443	857.4%	-41.1%	1,652	4,681	-64.7%
Total expenses	710	-1,999	-126	-135.5%	-	-2,088	-1,441	44.9%
Profit (loss) before tax	2,149	-1,849	2,318	-216.2%	-7.3%	-436	3,240	-
PROFIT (LOSS) FOR THE YEAR	2,242	-1,782	2,350	-225.8%	-4.6%	-232	3,305	-



TRAVEL AGENCY: TRAVEL SECURITY

Travel Security reported profit of CH\$3,752 million in 2018, -7.4% YoY and -20.4% QoQ, explained by the CH\$9 YoY drop in the average CH\$/US\$ exchange rate. It also recognized lower airline commissions due to changes in the industry and the composition of sales.

IN MCH\$	4Q18	3Q18	4Q17	% CHG		2018	2017	% CHG
				QoQ	YoY			
Total sales - Travel (MUSD)	68	63	65	8.0%	3.3%	268	265	1.1%
Net operating income - (MCH\$)	1,386	1,733	1,506	-20.0%	-8.0%	5,393	5,640	-4.4%
PROFIT FOR THE YEAR (MCH\$)	990	1,243	1,084	-20.4%	-8.7%	3,752	4,050	-7.4%

INTERNATIONAL BUSINESS AREA

(2.5% OF ASSETS; 1.2% OF PROFIT FROM BUSINESS AREAS AS OF DECEMBER 2018)

The international business area reported profit attributable to the equity holders of CH\$1,429 million. This area consolidates 61% of Protecta Security as of November 2018. Protecta Security is a Peruvian life insurance company focused on annuities that was acquired in September 2015, and marks Grupo Security's entrance into the Peruvian financial market. This area also consolidates 75% of Travex Security, the group's travel agency in Peru.

PROTECTA SECURITY

For 2018, Protecta Security posted profit of S./ 2.8 million, down from S./ 5.2 million for 2017. This YoY reduction in profit can be explained by a larger variation in technical reserves, in line with greater sales of annuities and private annuities and an adjustment to the valuation method for the portfolio of real estate investments. Claims paid and net fees increased in line with greater sales of annuities and private annuities.

Protecta Security reported annuity sales of S./ 166.1 million as of December 18 (+41.2% YoY). In the same period, the Peruvian life insurance industry reported annuity sales of S./ 875.6 million (-7.0% YoY), impacted by a law approved in early 2016 that allows individuals paying into the pension system to withdraw up to 95.5% of their savings when they retire. In this context, the increase in annuity sales by Protecta Security has resulted in a rise in its market share from 5.3% as of September 2015 to 19.0% as of December 2018. Investment income totaled S./ 92.2 million, (+10.1% YoY) and administrative expenses reached S./ 31.6 million (-4.3% YoY).

Protecta Security's business plan for the next three years calls for strong growth in annuities, which will require future capital increases. Therefore, in March 2018 a capital increase of S./ 25 million was approved and carried out. Then, on November 19, 2018, shareholders agreed to a second capital increase for Protecta Security of S./ 45 million to be completed in 2018 in order to strengthen its capital base and support its growth plans. Inversiones Security Perú S.A.C paid its respective contribution of S./ 27.45 million on November 28, 2018.



TRAVEX SECURITY

Travex Security, Travel Security's Peruvian travel agency subsidiary, reported sales of US \$70 million (+2.2% YoY and -12.9% QoQ) and profit of CH\$578 million for 2018 (+0.7% YoY and -8.4% QoQ).

RISK RATINGS

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

BONDS ISSUED BY GRUPO SECURITY

SERIES	REGISTRATION NO.	REGISTRATION DATE	CURRENCY	AMOUNT	ANNUAL INTEREST RATE	DURATION (YEARS)	MATURITY
F	620	9/15/2009	UF	53,375	4.50	23	9/15/1932
K	763	6/30/2013	UF	3,000,000	4.00	25	6/30/1938
L 3	795	10/9/2014	UF	3,000,000	3.40	21	11/15/1935
M	842	10/25/2016	UF	1,189,000	4.20	25	10/15/1941
N1	885	1/31/2018	UF	1,500,000	2.85	25	12/10/1942
TOTAL			UF	8,742,375			

For more information on debt issued by subsidiaries of Grupo Security, please see the financial liability notes in the financial statements.



RETURNS AND DIVIDENDS

On October 3, 2018, Grupo Security's board approved a dividend of CH\$4.5 per share. This consists of an additional dividend of CH\$2.6 per share charged to profit for 2017 and an interim dividend of CH\$1.9 per share charged to profit for the current year.

On April 12, 2018, Grupo Security shareholders approved a dividend payment of CH\$7.25 per share charged to profit for the year 2017. This dividend and the interim dividend distributed in November 2017 total CH\$11.6 per share, equivalent to CH\$42,810 million, or 57% of profit for the year 2017.

Grupo Security's dividend yield, calculated as dividends per share, divided by the average share price when each dividend was distributed for the corresponding year, amounted to 3.8% in 2017. For the year 2018, Grupo Security's stock reported a return of +8.0%, outperforming the S&P/CLX IPSA (-8.3%).

4Q18 EARNINGS CONFERENCE CALL

Grupo Security's fourth quarter earnings report will be explained in a conference call led by Mr. Renato Peñafiel, the company's CEO, on March 6, 2019. A transcript of the call will be available on our website. For more information, please contact the Investor Relations Team at relacioninversionistas@security.cl.

GRUPO SECURITY

Grupo Security S.A. is a niche Chilean-based diversified financial group offering banking, insurance, asset management and other services to large and medium-sized companies and high-income individuals. Through a differentiated and innovative offering of financial products and services tailored to its niche, the group leverages operational and financial synergies through organic growth and acquisitions.

SAFE HARBOR

This report contains results of the different business units, which are not guarantees of future results and are subject to significant risks and uncertainty. They may be affected by a number of unforeseen factors such as changes in global economic conditions, changes in market conditions, regulatory changes, actions by competitors and operational and financial risks inherent to the financial services business.



APPENDICES

1. FINANCIAL STATEMENTS AND INDICATORS - ASSETS

ASSETS IN MCH\$	DECEMBER 31, 2017	DECEMBER 31, 2018
CASH AND CASH EQUIVALENTS	599,767	472,890
Other financial assets, current	3,162,603	3,412,740
Other non-financial assets, current	27,138	50,224
Trade and other receivables, current	5,355,571	5,833,242
Accounts receivable from related parties, current	32,019	48,248
Inventories	72,113	86,581
Current tax assets	32,517	39,257
Total current assets other than assets or disposal groups classified as held for sale or held for distribution to owners	9,281,728	9,943,182
NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE OR HELD FOR DISTRIBUTION TO OWNERS	3,641	1,234
Total non-current assets classified as held for sale or held for distribution to owners	3,641	1,234
TOTAL CURRENT ASSETS	9,285,369	9,944,416
NON-CURRENT ASSETS		
OTHER NON-CURRENT NON-FINANCIAL ASSETS	74,084	119,878
Equity-accounted investments	3,077	3,875
Intangible assets other than goodwill	38,518	37,811
Goodwill	119,067	119,067
Property, plant and equipment	65,088	51,733
Investment property	159,663	214,170
Deferred tax assets	96,435	51,738
Total non-current assets	555,932	598,272
TOTAL ASSETS	9,841,301	10,542,688



2. FINANCIAL STATEMENTS AND INDICATORS - LIABILITIES AND EQUITY

LIABILITIES IN MCH\$	DECEMBER 31, 2017	DECEMBER 31, 2018
Other financial liabilities, current	5,591,020	6,217,422
Trade and other payables	2,504,746	2,597,213
Accounts payable to related parties, current	1,949	995
Other short-term provisions	117,699	124,325
Current tax liabilities	24,881	22,810
Current employee benefit provisions	8,708	9,258
Other non-financial liabilities, current	188,926	146,415
TOTAL CURRENT LIABILITIES	8,437,929	9,118,439
NON-CURRENT LIABILITIES		
Other financial liabilities, non-current	540,756	578,311
Accounts payable, non-current	92,844	92,877
Accounts payable to related companies, non-current	1,948	3,323
Deferred tax liabilities	45,297	697
TOTAL NON-CURRENT LIABILITIES	680,845	675,208
TOTAL LIABILITIES	9,118,775	9,793,647
EQUITY		
Issued capital	429,040	431,784
Retained earnings	311,415	353,948
Share premium	0	611
Other reserves	(35,545)	(57,847)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	704,910	728,495
Non-controlling interests	17,616	20,545
TOTAL EQUITY	722,526	749,040
TOTAL LIABILITIES AND EQUITY	9,841,301	10,542,688



3. FINANCIAL STATEMENTS AND INDICATORS - CONSOLIDATED STATEMENT OF INCOME

CONSOLIDATED STATEMENT OF INCOME (MCH\$)	DECEMBER 31, 2017	DECEMBER 31, 2018
Revenue	1,177,768	1,024,138
Cost of sales	(839,571)	(673,105)
GROSS PROFIT	338,197	351,034
Other income	4,252	4,685
Distribution costs	0	0
Administrative expenses	-215,483	-216,962
Other expenses	(8,561)	(7,565)
Other gains	5,457	1,742
Finance income	-	13
Finance costs	(13,110)	(14,837)
Share of loss of associates and joint ventures, equity-accounted	-379	-1,775
Exchange differences	-4,926	1,222
Gain (loss) on indexed assets and liabilities	-4,179	-10,399
Gain (loss) arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value	(1,586)	734
PROFIT BEFORE TAXES	99,684	107,891
Income tax expense	(25,971)	(24,733)
PROFIT FROM CONTINUING OPERATIONS	73,712	83,159
Profit from discontinued operations	0	0
PROFIT FOR THE YEAR	73,712	83,159
PROFIT ATTRIBUTABLE TO	0	
Owners of the parent	74,708	80,548
Non-controlling interest	-996	2,610
Profit for the year	73,712	83,159
Depreciation and amortization	9,061	9,060
EBITDA	121,856	131,788



4. SEGMENT NOTE - GRUPO SECURITY YoY

SEGMENT NOTE - GRUPO SECURITY IN MCH\$	LENDING		ASSET MANAGEMENT		INSURANCE		INTERNATIONAL BUSINESS		OTHER SERVICES		CONSOLIDATION ADJUSTMENTS, SUPPORT AREAS AND GROUP EXPENSES		TOTAL GRUPO SECURITY	
	DEC-17	DEC-18	DEC-17	DEC-18	DEC-17	DEC-18	DEC-17	DEC-18	DEC-17	DEC-18	DEC-17	DEC-18	DEC-17	DEC-18
Revenue	435,048	469,579	54,765	60,347	637,513	437,039	3,926	23,365	53,937	37,150	-7,422	-3,342	1,177,768	1,024,138
Cost of sales	-232,432	-261,715	-13,073	-13,682	-561,397	-365,320	-347	-13,621	-31,117	-17,345	-1,205	-1,421	-839,571	-673,105
GROSS PROFIT	202,616	207,864	41,692	46,665	76,116	71,719	3,579	9,744	22,820	19,805	-8,626	-4,763	338,197	351,034
Other income	-268	21	1,834	2,532	729	275	6	402	713	716	1,238	740	4,252	4,685
Administrative expenses	-111,589	-113,952	-29,852	-33,004	-58,652	-45,721	-2,972	-6,663	-14,384	-15,087	1,967	-2,534	-215,483	-216,962
Other expenses	-7,121	-4,709	-852	-2,142	-263	-311	-211	-306	-113	-97	0	-2	-8,561	-7,565
Other gains	0	0	450	-33	389	206	616	1,007	218	-180	3,785	742	5,457	1,742
Finance income	0	0	0	0	0	13	0	0	0	0	0	0	0	13
Finance costs	0	0	-400	-781	-682	-54	-260	-542	-920	-1,197	-10,848	-12,263	-13,110	-14,837
Share of loss of associates and joint ventures, equity-accounted	0	0	0	0	-364	10,274	0	0	-16	0	0	-12,050	-379	-1,775
Exchange differences	-3,507	2,916	-611	-142	-1,363	-991	-15	-606	759	275	-189	-231	-4,926	1,222
Gain (loss) on indexed assets and liabilities	21	25	38	141	-1,028	-3,605	0	0	69	-49	-3,279	-6,912	-4,179	-10,399
Gain (loss) arising from the difference between the prior carrying amount and the fair value of financial assets reclassified at fair value	-1,384	655	-202	79	0	0	0	0	0	0	0	0	-1,586	734
PROFIT (LOSS) BEFORE TAXES	78,769	92,821	12,097	13,316	14,881	31,806	743	3,036	9,147	4,186	-15,953	-37,273	99,684	107,891
Income tax expense	-17,366	-20,696	-2,453	-2,601	-2,901	-649	-275	-307	-2,145	-1,140	-831	659	-25,971	-24,733
Profit (loss) from continuing operations	61,404	72,125	9,643	10,715	11,980	31,156	468	2,730	7,002	3,047	-16,784	-36,613	73,712	83,159
Profit (loss) attributable to														
Owners of the parent	61,390	72,122	9,637	10,715	13,797	30,440	327	1,429	6,334	2,457	-16,784	-36,613	74,708	80,548
Non-controlling interest	14	3	6	0	-1,817	716	141	1,301	668	590	-7	0	-996	2,610
PROFIT (LOSS) FOR THE YEAR	61,404	72,125	9,643	10,715	11,980	31,156	468	2,730	7,002	3,047	-16,792	-36,613	73,712	83,159



5. GRUPO SECURITY CONSOLIDATED STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018	DEC-17 MCH\$	DEC-18 MCH\$
Net cash flows provided by (used in) operating activities	305,916	(92,082)
Net cash flows provided by (used in) investing activities	(1,519)	(83,074)
Net cash flows provided by (used in) financing activities	(214,952)	48,283
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES	89,445	(126,873)
Effect of exchange rate changes on cash and cash equivalents	(13)	(5)
Increase (decrease) in cash and cash equivalents	89,432	(126,878)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	510,335	599,767
CASH AND CASH EQUIVALENTS AT END OF PERIOD	599,767	472,890

6. QUARTERLY STATEMENT OF INCOME

QUARTERLY EARNINGS		4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17
Revenue	MCH\$	219,957	248,661	288,363	267,157	297,596	289,948	302,428
Cost of sales	MCH\$	(122,228)	(161,998)	(207,311)	(181,567)	(213,764)	(209,449)	(213,234)
Gross profit	MCH\$	97,729	86,663	81,052	85,590	83,832	80,499	89,193
Administrative expenses	MCH\$	(49,784)	(50,600)	(61,607)	(54,970)	(51,225)	(53,096)	(56,011)
Net operating income	MCH\$	45,384	37,058	19,784	30,708	33,469	29,934	32,343
Finance costs	MCH\$	(4,271)	(4,245)	(3,145)	(3,176)	(2,989)	(3,474)	(3,513)
Profit before tax	MCH\$	31,536	28,244	17,288	30,824	27,385	24,158	25,029
Profit attributable to owners of the parent	MCH\$	22,725	20,728	13,528	23,568	21,047	17,704	18,648
EBITDA ¹ (Ebitda)	MCH\$	37,849	34,956	22,783	36,201	32,512	29,922	30,830

¹ EBITDA= PROFIT BEFORE TAX - (FINANCE COSTS) + ADJUSTED FOR DEPRECIATION AND AMORTIZATION



7. CONSOLIDATED FINANCIAL AND BUSINESS INDICATORS

ACTIVITY RATIOS		30-SEPT-17	31-DEC-17	31-MAR-18	30-JUN-18	30-SEPT-18	31-DEC-18
Standalone cash	MCH\$	102,187	30,719	102,046	61,088	40,538	13,126
Total consolidated assets	MCH\$	9,678,785	9,841,301	9,931,584	10,156,853	10,158,868	10,542,688
Total consolidated liabilities	MCH\$	8,954,456	9,118,775	9,201,314	9,433,211	9,427,080	9,793,647
Total equity	MCH\$	724,329	722,526	730,270	723,642	731,787	749,040

LEVERAGE RATIO		30-SEPT-17	31-DEC-17	31-MAR-18	30-JUN-18	30-SEPT-18	31-DEC-18
Individual leverage ratio ¹	(times)	0.29	0.29	0.36	0.35	0.36	0.34
Consolidated financial expense coverage ²	(times)	8.14	8.60	10.71	8.61	8.23	8.27

PROFITABILITY		30-SEPT-17	31-DEC-17	31-MAR-18	30-JUN-18	30-SEPT-18	31-DEC-18
Revenue	million	880,172	1,177,768	267,157	555,520	804,181	1,024,138
Profit attributable to owners of the parent	million	53,661	74,708	23,568	37,095	57,823	80,548
EBITDA	million	89,344	121,856	36,201	58,984	93,940	131,788
Return on equity ³	%	10.63%	11.58%	12.38%	11.61%	11.11%	11.24%
Return on assets ⁴	%	0.74%	0.78%	0.84%	0.77%	0.80%	0.79%
Earnings per share ⁵	CH\$	20.7	21.7	22.9	20.8	21.4	21.8
Number of Shares	million	3,683	3,683	3,695	3,695	3,695	3,695

1. INDIVIDUAL LEVERAGE RATIO: DEFINED AS THE QUOTIENT BETWEEN THE SUM OF GRUPO SECURITY'S INDIVIDUALLY CONSIDERED LEVERAGE AND TOTAL CONSOLIDATED EQUITY, DEFINED IN NOTE 38 TO GRUPO SECURITY'S CONSOLIDATED FINANCIAL STATEMENT.

2. FINANCIAL EXPENSE COVERAGE: DEFINED AS THE SUM OF PROFIT BEFORE TAX AND FINANCE COSTS DIVIDED BY FINANCE COSTS.

3. RETURN ON EQUITY: DEFINED AS THE QUOTIENT BETWEEN PROFIT ATTRIBUTABLE TO CONTROLLED PROPERTIES LTM AND AVERAGE EQUITY ATTRIBUTABLE TO CONTROLLED PROPERTIES.

4. RETURN ON ASSETS: DEFINED AS THE QUOTIENT BETWEEN PROFIT ATTRIBUTABLE TO CONTROLLED COMPANIES LTM AND TOTAL AVERAGE ASSETS.

5. EARNINGS PER SHARE: DEFINED AS THE QUOTIENT BETWEEN PROFIT ATTRIBUTABLE TO CONTROLLED COMPANIES LTM AND THE WEIGHTED AVERAGE NUMBER OF SHARES LTM.



Grupo Security's total consolidated assets were CH\$10,539,505 million as of December 2018, +7.1% YoY. Of that total, 55.1% are trade and other receivables, primarily the Bank's loan portfolio. As of December 2018, this item reached CH\$5,804,886 million, +8.4% YoY, driven by 10.6% YoY growth in loans as explained on page 9.

Furthermore, 32.4% of total assets are other current financial assets. This line item primarily includes the investment portfolio for the insurance subsidiary's technical reserves and the Bank's portfolio of financial instruments. As of December 2018, other current financial assets totaled CH\$3,412,740 million (+7.9% YoY), as a result of the 11.68% YoY increase in the investment portfolio for the insurance subsidiary's technical reserves, which totaled CH\$2,390,894 million as of December 2018, in keeping with business growth and portfolio returns. The Bank had current financial assets of CH\$1,020,627 million, +12.1% YoY.

As of December 2018, total consolidated liabilities reached CH\$9,790,465 million, +7.9% YoY. Of those, 63.5% are other current financial liabilities, which include the Bank's time deposits and current accounts, as well as debt issued by the Bank or the Group. As of December 2018, other current financial liabilities totaled CH\$6,221,144 million, +11.3% YoY, because of the rise in savings accounts and time deposits at the Bank. Both effects are part of the Bank's funding strategy.

Of total liabilities, 26.5% were trade and other payables, which are primarily Vida Security's technical reserves. As of December 2018, trade payables reached CH\$2,590,310 million, +3.4% YoY, due to the +3.8% YoY increase in life insurance technical reserves, which totaled CH\$2,466,795 million, due to increased sales of annuities and private annuities at Protecta, partially offset by individual insurance policies at Vida Security, due to reduced returns on variable income investment in the CUI and APV portfolio, reduced claims paid (surrenders and transfers from CUI and APV accounts) and reduced gross written premiums, as explained on page 13, 14, 15 and 21 of this report.

Grupo Security's total equity amounted to CH\$749,040 million as of December 2018, +3.7% YoY, because profit for the year increased more than reserves.

The individual leverage ratio is defined in note 38 of Grupo Security's financial statements. Under the bondholder protection covenant, the individual leverage ratio may not exceed 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 disclosures, and total equity. As of December 2018, this indicator reached 0.34, +517 YTD, explained by the increase in non-current financial liabilities due to the recent placement of the N1 bond for UF 1,500,000, as explained on page 2.

Consolidated financial expense coverage is the sum of profit before tax and finance costs, divided by finance costs. The majority of finance costs for this indicator are interest and indexation expenses for Grupo Security bonds. As of December 2018, consolidated financial expense coverage was 8.30 times, +3.5% YoY, reflecting the 7.1% YoY increase in profit before tax.

As of December 2018, revenue was CH\$1,006,181 million, -14.6% YoY. Of this, 43.4% corresponds to gross written premiums from Vida Security, which decreased 24.8% due to the reduction in gross written premiums at Vida Security (standalone) and the expiration of contract No. 5 for Disability and Survivor Insurance, as explained on pages 278 to 285 of this report. In addition, 48.5% of revenue was from interest and indexation on Bank loans, which grew 12.0% YoY, as explained on page 275. On the other hand, 5.8% of consolidated revenue corresponds to other income from interest earned mainly on Vida Security's investment portfolio, which did not perform well as a result of high volatility and market corrections, as mentioned on page 284 and 285 of this report.



For 2018, profit attributable to the equity holders of the parent was CH\$80,548 million, 7.8% YoY, while EBIDTA was CH\$106,745 million, +7.1 YoY. As of December 2018, return on equity was 11.24% (+34 b.p. YoY) and return on assets was 0.78% (+3 b.p. YoY) with earnings per share of CH\$21.8 (+0.3% YoY). These results can be explained by the results of each subsidiary, which are presented in detail throughout this report.

MARKET INFORMATION

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

Grupo Security is the parent company of a conglomerate of diversified companies engaged in the main sectors of the Chilean financial industry. Its subsidiaries Banco Security and Factoring Security provide lending services to companies and individuals. The subsidiary Seguros de Vida Security Previsión, Corredora de Seguros Security and Europ Assistance operate respectively in the life insurance and life annuity, insurance brokerage and travel assistance industries. Valores Security Corredora de Bolsa, Administradora General de Fondos 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.

Grupo Security's other services business area includes two subsidiaries engaged in the real estate (Inmobiliaria Security) and travel and tourism (Travel Security) industries. In addition, since 2001 the subsidiary Invest Security provides all group companies with shared services such as accounting, business risk and control, corporate culture, research and corporate IT services to support their development and technological requirements. In December 2014, Invest Security merged with Capital S.A., a wholly-owned subsidiary of Grupo Security.

THE BANKING INDUSTRY

As of December 2018, the Chilean banking industry was made up of 19 financial institutions, including 1 state-owned bank (Banco Estado), 13 domestic banks and 5 branches of foreign banks. As of that date, industry loans totaled CH\$178,578,376 million (CH\$163,068,919 million excluding foreign subsidiaries). Equity totaled CH\$20,790,519 million while profit for the year 2018 was CH\$2,395,359 million, with return on average equity of 12.5%. The industry reported an efficiency ratio of 47.7%, measured as operating expenses over gross operating profit, and 1.9%, measured as operating expenses over total assets. The banking system posted a risk ratio of 2.44%, measured as loan loss provisions to total loans, and 1.90%, measured as 90-day nonperforming loans to total loans. As of December 2018, Banco Security had total loans of CH\$5,346,071 million, positioning it 8th in total loans with 3.0% of the Chilean market (3.3% excluding foreign subsidiaries).

FACTORING INDUSTRY

Factoring has become an important source of alternative financing to complement traditional bank lending for small- and medium-sized



companies. This service allows customers to receive advances on receivables via a discount on their invoices, checks, promissory notes or other similar documents. It provides them immediate liquidity and reduces costs and inefficiencies by handing the collections process over to the factoring service provider. Although the industry is still maturing, several situations and regulatory changes have boosted growth recently, making it one of the financial sector industries with the best domestic and international outlook.

MUTUAL FUND INDUSTRY

As of December 2018, the mutual fund industry reported average assets under management of CH\$37,637,881 million and 2,668,447 investors. Administradora General de Fondos Security boasted average assets under management of CH\$2,496,079 million as of December 2018, giving it a market share of 6.6% and a sixth-place industry ranking among the 21 fund managers operating in the market.

STOCK BROKERAGE INDUSTRY

During 2018, market activity measured as value of shares traded increased 14.6% in comparison to 2017, reaching CH\$59,159 billion. Value of shares traded for Valores Security Corredores de Bolsa for the same period totaled CH\$2,707 billion with market share of 4.6%. Market share is calculated based on transactions on the Santiago Stock Exchange and the Chilean Electronic Stock Exchange.

LIFE INSURANCE INDUSTRY

As of September 2018, there were 36 life insurance companies in Chile. Total gross written premiums for the industry were CH\$4,566,052 million for the period. The life insurance industry posted profit of CH\$324,503 million for the period ended September 2018. As of September 2018, Vida Security had market share of 5.9% based on gross written premiums.

DIFFERENCES BETWEEN BOOK VALUES AND ECONOMIC VALUES AND/OR MARKET VALUES OF PRINCIPAL ASSETS

Grupo Security participates in the insurance and services businesses through its investments in related companies, mainly Europ Assistance and in private investment funds through Inmobiliaria Security. As of December 2018, investments accounted for using the equity method in the Consolidated Statements of Financial Position represent approximately 0.04% of total assets.

Goodwill, which represents the difference between the acquisition cost and the fair value of assets and liabilities, totaled CH\$119,067 million as of December 2018, equivalent to 1.13% of total assets.

Given the varying natures of the companies considered investments in related companies, their market value is normally higher than their carrying amount, which depends on the industry and the economic conditions they face.



RISK FACTORS

DEPENDENCE ON SUBSIDIARY RESULTS

Grupo Security is the ultimate parent company of a conglomerate of companies and receives its income from subsidiary profits. As September 2018, Grupo Security had received the following dividends from subsidiaries: CH\$37,803 million (60% of 2017 profit) from Banco Security and CH\$3,751 million from Factoring Security (50% of 2017 profit).

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 each subsidiary's investment policies based on growth requirements. This situation enables Grupo Security to increase its economic value by reinvesting its subsidiaries' profits while maintaining a flow of dividends to Grupo Security, which enables it to meet its financial obligations and pay dividends to its shareholders. This is especially true because of the vast diversification of the Company's revenue sources, with subsidiaries in various sectors of the financial industry.

OTHER RISK FACTORS

RISKS ASSOCIATED WITH GENERAL ECONOMIC PERFORMANCE

The performance of the Grupo Security subsidiaries is correlated to economic and financial conditions that, in turn, are dependent on monetary policy, which results in reduced growth of income and profit under restrictive conditions and the opposite under expansionary conditions.

COMPETITION IN ALL GROUP BUSINESS AREAS

The industries in which the Group competes are known for being highly competitive, especially the banking and insurance industries, and trending toward decreased margins. The mergers and alliances that arise between competitors are proof of the competition that Group companies face. Despite the potential challenges to the companies, 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. This has allowed Grupo Security to earn a favorable market position with which to face future competition.

REGULATORY CHANGES

The banking and insurance industries in which the Group does business 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.



RISKS ASSOCIATED WITH THE FINANCIAL BUSINESS

CREDIT RISK

Credit risk is dependent on monetary policy, which ultimately determines a customers' payment capacity. In early 2008, a general deterioration was seen in the system's loan portfolio, which was reflected in higher risk and delinquency ratios. In the third quarter of 2011, trends in risk ratios began to shift, with an improvement in risk levels. Within this framework, Banco Security has consistently posted risk levels below industry averages.

MARKET RISK

The main market risks facing the Chilean banking industry are inflation and interest rate risk. As a result, Grupo Security has established market risk policies, procedures and limits to manage its maturity and exchange rate exposure in accordance with its own objectives and regulatory limits. In particular, the bank, its subsidiaries and the insurance companies have implemented a special system for controlling interest rate risk that also allows ongoing monitoring of their medium- and long-term investment portfolios.

RISKS ASSOCIATED WITH INTERNATIONAL FINANCIAL 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 and international assets and risk premiums demanded by investors.

INTEREST RATE RISK

As of December 31, 2018, the company has loans at reasonable rates based on current market conditions.

FOREIGN EXCHANGE RISK

Grupo Security has implemented the policy of matching foreign currency transactions with financial institutions to sales transactions in the same currency.

COMMODITY RISK

As of December 31, 2018, Grupo Security does not have any significant assets or liabilities in commodities.



RISKS ASSOCIATED WITH THE INSURANCE BUSINESS

LOCAL FINANCIAL RISKS

Decreases in medium- and long-term interest rates could affect the performance of life 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 affect the income expected from the annuities area.

INDUSTRY STRUCTURE

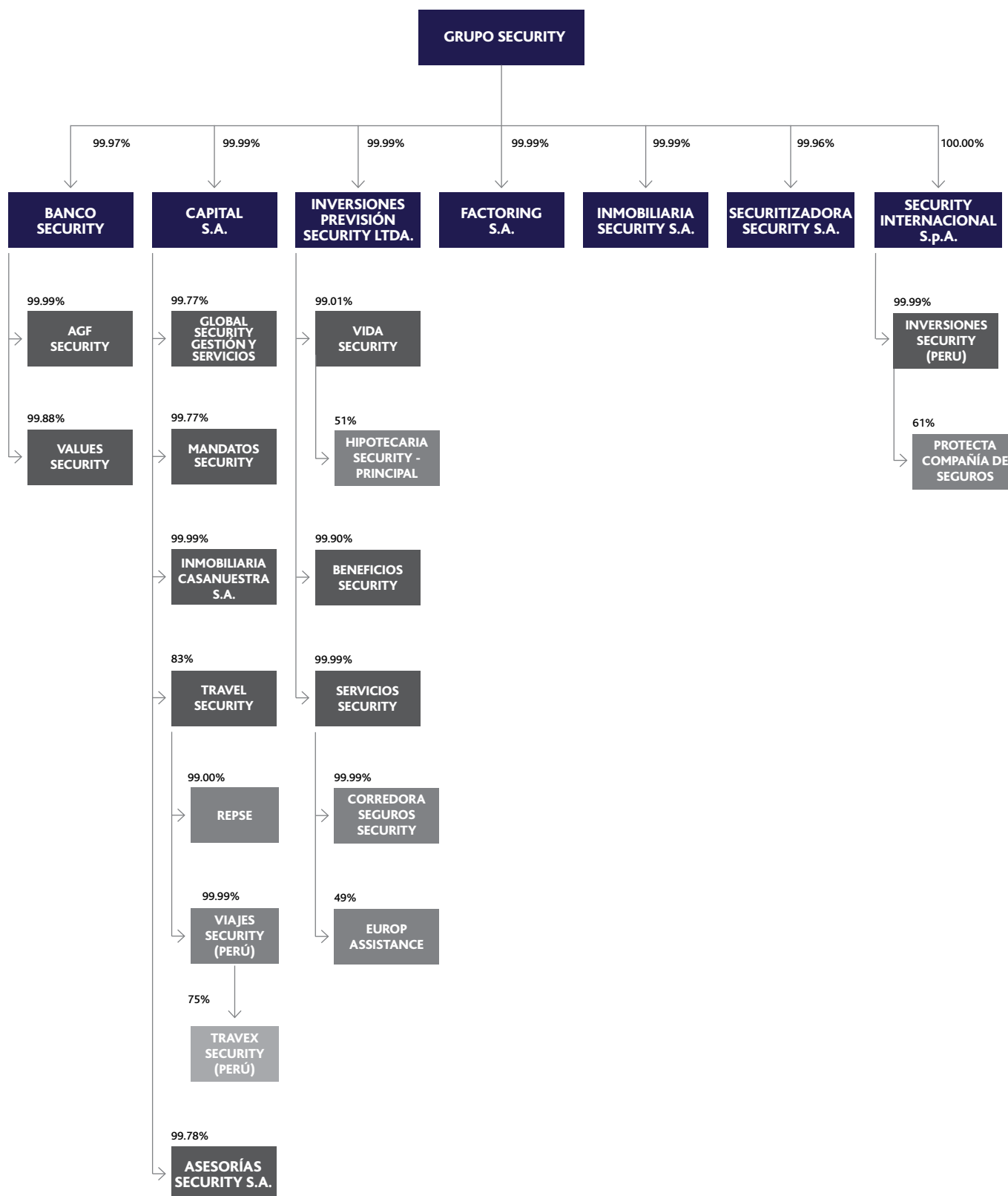
The large number industry players can lead to company closures and mergers. Consequently, the current industry structure may vary, triggering adjustments to the structure of sales and operating margins.

RE-INSURANCE INDUSTRY

The current trend toward concentration of re-insurance companies could affect the variety of coverage options and could prevent the reinsurance of risks that are currently backed thanks to the strong competition that until recently had existed in this market.



GRUPO SECURITY CORPORATE STRUCTURE





SUMMARY FINANCIAL STATEMENTS OF SUBSIDIARIES

BANCO SECURITY AND SUBSIDIARIES

TYPE OF COMPANY

Banking corporation.

TAXPAYER ID NUMBER

97.053.000-2

SECURITIES REGISTRY

Banco Security is not registered in the Securities Registry.

CORPORATE PURPOSE

To undertake the business, contracts, transactions and operations appropriate for a commercial bank, in accordance with current legislation.

GENERAL BACKGROUND

The company was formed by public instrument on August 26, 1981, signed before notary public Enrique Morgan Torres. The respective extract of the articles of incorporation was published in the Official Gazette on September 23, 1981.

IMPORTANT INFORMATION

On April 1, 2001, Leasing Security S.A. merged with Banco Security at its book value with no effect on profit or loss. On October 1, 2004, Banco Security merged with Dresdner Bank Lateinamerika, after which time Grupo Security took control of 99.67% of the company Dresdner Bank Lateinamerika AG and 100% of the company Dresdner Bank Lateinamerika Corredora de Bolsa. This transaction was financed mainly through a capital increase from the Group's shareholders.

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$302,047 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Banco Security and subsidiaries represent 58.52% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY^(*)

Banco Security provides banking services (mercantile current accounts, loans, lines of credit and overdraft, payment services, etc.) to the parent company, subsidiaries and associates of Grupo Security S.A. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

^(*) FIGURES FOR TRANSACTIONS BETWEEN THE PARENT COMPANY AND ITS SUBSIDIARIES AND ASSOCIATES CAN BE FOUND IN THE FINANCIAL STATEMENTS OF GRUPO SECURITY.

BOARD OF DIRECTORS

CHAIRMAN

Francisco Silva S.

Chilean National ID: 4.103.061-5

DIRECTORS

Hernán Felipe Errázuriz C.

Chilean National ID: 4.686.927-3

Jorge Marín C.

Chilean National ID: 7.639.707-4

Gustavo Pavez R.

Chilean National ID: 4.609.215-5

Renato Peñafiel M.

Chilean National ID: 6.350.390-8

Horacio Pavez G.

Chilean National ID: 3.899.021-7

Ramón Eluchans O.

Chilean National ID: 6.464.460-2

ALTERNATE DIRECTOR:

Mario Weiffenbach O.

Chilean National ID: 4.868.153-0

CHIEF EXECUTIVE OFFICER

Bonifacio Bilbao H.

Chilean National ID: 9.218.210-K



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEARS ENDED

	DECEMBER 31, 2018 MCH\$	DECEMBER 31, 2017 MCH\$
ASSETS		
Cash and due from banks	394,332	497,423
Transactions pending settlement	35,628	76,271
Financial instruments held for trading	106,095	94,439
Receivables from resale agreements and securities borrowing	-	-
Financial derivative instruments	150,265	132,750
Loans and advances to banks	10,730	-
Loans to customers	5,245,152	4,753,782
Investments available for sale	751,206	678,542
Investments held to maturity	-	-
Investments in other companies	2,095	2,094
Intangible assets	46,624	47,589
Property, plant and equipment	22,656	24,084
Current tax assets	2,053	1,417
Deferred tax assets	23,248	20,694
Other assets	143,691	112,298
TOTAL ASSETS	6,933,775	6,441,383
LIABILITIES		
Current accounts and other demand deposits	654,814	673,475
Transactions pending settlement	16,903	25,838
Payables from repurchase agreements and securities lending	34,003	14,147
Savings accounts and time deposits	2,964,066	2,927,755
Financial derivative instruments	117,962	101,554
Borrowings from financial institutions	223,071	188,346
Debt issued	2,205,499	1,786,574
Other financial liabilities	11,963	22,967
Current tax liabilities	358	2,403
Deferred tax liabilities	530	-
Provisions	38,532	36,745
Other liabilities	88,428	108,556
TOTAL LIABILITIES	6,356,129	5,888,360
EQUITY		
Attributable to owners of the bank:		
Capital	302,047	302,047
Reserves	25,654	26,246
Valuation accounts	243	3,958
Retained earnings		
Retained earnings from prior periods	198,786	176,601
Profit for the year	72,653	63,022
Less: Minimum dividend provision	(21,796)	(18,907)
	577,587	552,967
Non-controlling interests	59	56
TOTAL EQUITY	577,646	553,023
TOTAL LIABILITIES AND EQUITY	6,933,775	6,441,383

**CONSOLIDATED STATEMENT OF INCOME**

FOR THE YEARS ENDED

	DECEMBER 31, 2018 MCH\$	DECEMBER 31, 2017 MCH\$
Interest and indexation income	375,166	331,383
Interest and indexation expense	(206,941)	(176,696)
NET INTEREST AND INDEXATION INCOME	168,225	154,687
Fee and commission income	82,314	77,563
Fee and commission expense	(13,560)	(12,728)
NET FEE AND COMMISSION INCOME	68,754	64,835
Net financial operating income	23,736	34,226
Net foreign exchange transactions	3,215	(4,073)
Other operating income	4,634	4,271
TOTAL OPERATING INCOME	268,564	253,946
Provisions for loan losses	(41,550)	(42,026)
OPERATING INCOME, NET OF PROVISIONS FOR LOAN LOSSES	227,014	211,920
Payroll and personnel expenses	(58,089)	(52,309)
Administrative expenses	(65,049)	(65,661)
Depreciation and amortization	(5,185)	(5,621)
Impairment	(498)	(3,876)
Other operating expenses	(5,549)	(3,598)
TOTAL OPERATING EXPENSES	(134,370)	(131,065)
NET OPERATING INCOME	92,644	80,855
Income attributable to investments in other companies	18	26
PROFIT BEFORE TAX	92,662	80,881
Income tax expense	(20,006)	(17,855)
PROFIT FROM CONTINUING OPERATIONS	72,656	63,026
PROFIT FROM DISCONTINUED OPERATIONS	-	-
CONSOLIDATED PROFIT FOR THE YEAR	72,656	63,026
Attributable to:		
Owners of the Bank	72,653	63,022
Non-controlling interests	3	4
Earnings per share attributable to owners of the Bank:		
	CH\$	CH\$
Basic earnings per share	318	297
Diluted earnings per share	318	297



CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED

	DECEMBER 31, 2018 MCH\$	DECEMBER 31, 2017 MCH\$
CONSOLIDATED PROFIT FOR THE YEAR	72,656	63,026
OTHER COMPREHENSIVE INCOME		
Valuation of investments available for sale	(8,064)	1,813
Valuation of accounting hedges	2,976	(691)
Other comprehensive income	-	-
Other comprehensive income (loss) before tax	(5,088)	1,122
Income taxes related to other comprehensive income (loss)	1,373	(432)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	(3,715)	690
CONSOLIDATED OTHER COMPREHENSIVE INCOME FOR THE YEAR	68,941	63,716
Attributable to:		
Owners of the Bank	68,938	63,712
Non-controlling interests	3	4
Comprehensive earnings per share attributable to owners of the Bank:	CH\$	CH\$
BASIC EARNINGS PER SHARE	302	300
DILUTED EARNINGS PER SHARE	302	300



STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED

	ATTRIBUTABLE TO OWNERS OF THE BANK							NON-CONTROLLING INTERESTS MCH\$	TOTAL MCH\$
	PAID-IN CAPITAL MCH\$	RESERVES MCH\$	VALUATION ACCOUNTS MCH\$	RETAINED EARNINGS			TOTAL MCH\$		
				PRIOR YEARS MCH\$	PROFIT FOR THE YEAR MCH\$	MINIMUM DIVIDEND PROVISION MCH\$			
BALANCES AS OF JANUARY 1, 2017	252,047	24,710	3,268	146,239	50,604	(15,181)	461,687	50	461,737
Reclassification of profit for the year	-	-	-	50,604	(50,604)	-	-	-	-
Dividends paid	-	-	-	(20,242)	-	-	(20,242)	-	(20,242)
Minimum dividend provision	-	-	-	-	-	15,181	15,181	-	15,181
Other equity movements	-	1,536	-	-	-	-	1,536	2	1,538
Capital increase	50,000	-	-	-	-	-	50,000	-	50,000
Investments available for sale	-	-	1,194	-	-	-	1,194	-	1,194
Accounting hedges	-	-	(504)	-	-	-	(504)	-	(504)
Profit for the year	-	-	-	-	63,022	-	63,022	4	63,026
Minimum dividend provision	-	-	-	-	-	(18,907)	(18,907)	-	(18,907)
BALANCES AS OF DECEMBER 31, 2017	302,047	26,246	3,958	176,601	63,022	(18,907)	552,967	56	553,023
AS OF JANUARY 1, 2018	302,047	26,246	3,958	176,601	63,022	(18,907)	552,967	56	553,023
Reclassification of profit for the year	-	-	-	63,022	(63,022)	-	-	-	-
Dividends paid	-	-	-	(37,813)	-	-	(37,813)	-	(37,813)
Minimum dividend provision	-	-	-	-	-	18,907	18,907	-	18,907
Adjustment for IFRS adoption	-	-	-	(3,174)	-	-	(3,174)	-	(3,174)
Other equity movements	-	(592)	-	150	-	-	(442)	-	(442)
Capital increase	-	-	-	-	-	-	-	-	-
Investments available for sale	-	-	(5,887)	-	-	-	(5,887)	-	(5,887)
Accounting hedges	-	-	2,172	-	-	-	2,172	-	2,172
Profit for the year	-	-	-	-	72,653	-	72,653	3	72,656
Minimum dividend provision	-	-	-	-	-	(21,796)	(21,796)	-	(21,796)
AS OF DECEMBER 31, 2018	302,047	25,654	243	198,786	72,653	(21,796)	577,587	59	577,646



CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED

	DECEMBER 31, 2018 MCH\$	DECEMBER 31, 2017 MCH\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated profit before tax	92,662	80,881
Charges (credits) to profit that do not represent cash flows:		
Provisions for loan losses	41,550	42,026
Depreciation and amortization	5,185	5,621
Impairment	498	3,876
Other provisions	1,843	1,502
Operational write-offs	137	46
Changes in deferred tax assets and liabilities	(2,050)	(152)
Valuation of investments in trading book	15	1,458
Valuation of trading derivatives	(1,107)	(14,315)
Income attributable to investments in other companies	(18)	(26)
Gain on sales of repossessed or awarded assets	(269)	(30)
Net fee and commission income	(68,754)	(64,835)
Net interest and indexation income	(161,630)	(154,687)
Other credits that do not represent cash flows	(7,509)	(262)
Changes in operating assets and liabilities:		
(Increase) decrease in loans and advances to banks	(10,693)	238
Increase in loans to customers	(475,766)	(379,891)
(Increase) decrease in investments	(85,567)	105,376
(Increase) decrease in leased assets	(8,693)	14,935
Sale of repossessed or awarded assets	1,041	317
Increase (decrease) in current accounts and other demand deposits	(18,655)	103,439
Increase (decrease) in sales with repurchase agreements and securities lending	19,830	(12,861)
Increase (decrease) in savings accounts and time deposits	36,358	(114,976)
Net change in letters of credit	(3,055)	(5,073)
Net change in senior bonds	402,168	221,877
Increase in other assets and liabilities	(53,115)	(22,610)
Recovered taxes	543	24
Interest and indexation received	357,777	341,955
Interest and indexation paid	(242,916)	(184,235)
Fees and commissions received	82,314	69,709
Fees and commissions paid	(13,560)	(12,728)
NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	(111,436)	26,599
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(2,192)	(985)
Intangible assets acquired	(2,739)	(1,608)
Sale of property, plant and equipment	1,676	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(3,255)	(2,593)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (decrease) in borrowings from domestic financial institutions	(115)	110
Increase in foreign interbank loans	34,526	29,703
Variation in Central Bank obligations	-	-
Increase (decrease) in other financial liabilities	(10,914)	3,774
Net change in subordinated bonds	(5,789)	(6,868)
Capital increase	-	50,000
Dividends paid	(37,813)	(20,242)
NET CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES	(20,105)	56,477
TOTAL POSITIVE (NEGATIVE) NET CASH FLOWS	(134,796)	80,483
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	547,856	467,377
EFFECT OF NON-CONTROLLING INTERESTS	(3)	(4)
CASH AND CASH EQUIVALENTS AT END OF YEAR	413,057	547,856



VALORES SECURITY S.A. CORREDORES DE BOLSA

TYPE OF COMPANY

Corporation, subsidiary of Banco Security.

TAXPAYER ID NUMBER

96.515.580-5

SECURITIES REGISTRY

Valores Security is registered under number 0111 in the Securities Registry.

CORPORATE PURPOSE

To undertake various businesses, including trading equities (stockbroking), fixed income, foreign currency, portfolio management and financial advisory services.

GENERAL BACKGROUND

This subsidiary was incorporated by public instrument on April 10, 1987. In accordance with current laws and regulations on the securities market and corporations, the company is registered in the Santiago Commerce Registry under number 3,630 for the year 1987.

IMPORTANT INFORMATION

The subsidiary was also registered in the SVS Registry of Securities Brokers and Agents under No. 0111 on June 2, 1987. On October 16, 1997, at an extraordinary shareholders' meeting, the shareholders agreed to change the company's name to "Valores Security S.A. Corredores de Bolsa". On August 27, 2004, at an extraordinary shareholders' meeting, the shareholders approved the merger between the company and Dresdner Lateinamerika S.A. Corredores de Bolsa. Then, in Ordinary Ruling 10098 dated October 27, 2004, the Chilean Securities and Insurance Supervisor approved the merger by absorption of Dresdner Lateinamerika S.A. Corredores de Bolsa and Valores Security S.A. Corredores de Bolsa, whereby the latter would absorb all assets and liabilities of Dresdner Lateinamerika S.A. Corredores de Bolsa, and be the legal successor of its rights and obligations as of October 1, 2004.

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$36,394 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Valores Security S.A. Corredores de Bolsa represent 4.44% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Valores Security provides a variety of services to the subsidiaries and associates of Grupo Security S.A., as well as to the parent company. For Banco Security, it provides advisory services, fixed-income and currency trading services and forwards. For Administradora General de Fondos S.A. and Asesorías Security, it also provides services to buy and sell financial instruments, stocks and dollars, as well as other advisory services and forward contracts. For the Group's insurance area, Valores Security performs transactions related to insurance policies for Penta-Security Seguros Generales S.A. and Seguros Vida Security Previsión S.A., and insurance brokerage for Corredora de Seguros Security. For Travel Security S.A., it assists with ticket purchases and for Global Security it provides credit check processing services. It also provides data processing and phone services as well as auditing and accounting services for Inversiones Invest Security Ltda. It provides financial services for Inversiones Seguros Security Ltda. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

BOARD OF DIRECTORS

CHAIRMAN: Enrique Menchaca O.

Chilean National ID: 6.944.388-5

DIRECTORS: Fernando Salinas P.

Chilean National ID: 8.864.773-4

Hitoshi Kamada L.

Chilean National ID: 21.259.467-9

CHIEF EXECUTIVE OFFICER: Rodrigo Fuenzalida B.

Chilean National ID: 10.328.181-4



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	127,158.9	134,585.3
Non-current assets	1,939.1	1,787.7
TOTAL ASSETS	129,098.0	136,373.1
LIABILITIES		
Current liabilities	85,211.7	94,374.4
Non-current liabilities	0.0	0.0
Equity attributable to owners of the parent	43,886.3	41,998.7
Non-controlling interests	0.0	0.0
TOTAL LIABILITIES AND EQUITY	129,098.0	136,373.1

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	19,661.1	20,005.5
Non-operating loss	(17,312.7)	(17,054.3)
PROFIT BEFORE TAX	2,348.4	2,951.3
Income tax expense	(225.4)	(493.1)
PROFIT FOR THE YEAR	2,123.0	2,458.2
Loss attributable to owners of the parent	(225.4)	(493.1)
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	(8,601.1)	(5,230.0)
Net cash flows from investing activities	(115.5)	115.5
Net cash flows from financing activities	(538.1)	(658.6)
NET DECREASE IN CASH	(9,254.6)	(5,773.1)
Effect of exchange rate changes on cash	0.0	0.0
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,254.6)	(5,773.1)

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	36,393.6	36,393.6
Share premium	0.0	0.0
Other reserves	(2,399.4)	(2,014.0)
Retained earnings	9,892.2	7,619.1
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	43,886.3	41,998.7
Non-controlling interests	0.0	0.0
TOTAL EQUITY	43,886.3	41,998.7



ADMINISTRADORA GENERAL DE FONDOS SECURITY S.A.

TYPE OF COMPANY

Corporation, subsidiary of Banco Security.

SECURITIES REGISTRY

Administradora General de Fondos Security S.A. is registered under number 0112 in the Securities Registry.

TAXPAYER ID NUMBER

96.639.280-0

CORPORATE PURPOSE

General fund administrator (asset management).

GENERAL BACKGROUND

The company was incorporated by public instrument on May 26, 1992, and licensed to operate on June 2, 1992, by the Securities and Insurance Supervisor in Exempt Ruling 0112. The Company is regulated by the Securities and Insurance Supervisor and the provisions of DL 1,328 and its regulations. In ruling 288 dated September 17, 2003, the Securities and Insurance Supervisor approved amendments to the bylaws of Sociedad Administradora de Fondos Mutuos Security S.A., agreed upon in an extraordinary shareholders' meeting held on July 4, 2003. These amendments to the bylaws included changing the type of company to a general fund administrator in accordance with Section XX VII of Law No. 18,045. The funds managed by the company are subject to the special legal regulations contained in Decree Law No. 1,328 and its corresponding regulations, which are monitored by the Securities and Insurance Supervisor.

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$3,354 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Administradora General de Fondos Security S.A. represent 6.21% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Administradora General de Fondos Security S.A. provides investment services for purchasing fund units to all subsidiaries and associates of Grupo Security S.A., as well as to the parent company. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

BOARD OF DIRECTORS

CHAIRMAN:	Francisco Silva S.	Chilean National ID: 4.103.061-5
DIRECTORS:	Carlos Budge C.	Chilean National ID: 7.011.490-9
	Gonzalo Baraona B.	Chilean National ID: 7.054.341-9
	Renato Peñafiel M.	Chilean National ID: 6.350.390-8
	Bonifacio Bilbao H.	Chilean National ID: 9.218.210-K
CHIEF EXECUTIVE OFFICER:	Juan Pablo Lira T.	Chilean National ID: 7.367.430-1



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	52,737.4	46,008.0
Non-current assets	11,384.6	11,510.1
TOTAL ASSETS	64,122.0	57,518.1
LIABILITIES		
Current liabilities	2,849.3	2,602.2
Non-current liabilities	0.0	0.0
Equity attributable to owners of the parent	61,272.7	54,915.9
Non-controlling interests	0.0	0.0
TOTAL LIABILITIES AND EQUITY	64,122.0	57,518.1

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	18,579.1	16,706.6
Non-operating loss	(10,357.3)	(8,275.8)
PROFIT BEFORE TAX	8,221.8	8,430.9
Income tax expense	(1,659.0)	(1,765.3)
PROFIT FOR THE YEAR	6,562.8	6,665.6
Profit attributable to owners of the parent	6,562.8	6,665.6
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	(1,177.8)	3,463.2
Net cash flows from investing activities	11,917.4	9,974.7
Net cash flows from financing activities	(11,788.7)	(11,453.4)
NET INCREASE (DECREASE) IN CASH	(1,049.1)	1,984.5
Effect of exchange rate changes on cash	232.9	(12.8)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(816.2)	1,971.7

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	3,353.6	3,353.6
Share premium	0.0	0.0
Other reserves	708.2	914.1
Retained earnings	57,210.9	50,648.2
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	61,272.7	54,915.9
Non-controlling interests	0.0	0.0
TOTAL EQUITY	61,272.7	54,915.9



FACTORING SECURITY S.A.

TYPE OF COMPANY

Privately held corporation.

TAXPAYER ID NUMBER

96.655.860-1

SECURITIES REGISTRY

Factoring Security S.A. is registered under number 1003 in the Securities Registry.

CORPORATE PURPOSE

The company's corporate purpose includes buying, selling and investing in all kinds of intangible property such as stock, promissory shares, bonds, promissory notes, savings plans, units or rights in all kinds of companies, whether civil, commercial or mining in nature, bodies corporate or associations, and in all kinds of securities; engaging in "factoring" operations, including acquiring, from any company or individual, accounts receivable backed by invoices, letters of exchange, promissory notes or other documents, with or without recourse and with or without advance on the documents; granting financing secured by the referenced documents and managing accounts receivable; providing management, market study, research, customer rating and general advisory services; managing investments and receiving profits or income; and all other supplementary activities.

GENERAL BACKGROUND

The company was formed on November 26, 1992, before notary public Enrique Morgan Torres. A summary of this public instrument was published in the Official Gazette on December 12, 1992, and registered in the Santiago Commerce Registry. Through public instrument dated October 20, 1997, its name was changed to Factoring Security S.A.

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$15,218 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Factoring Security S.A. represent 4.68% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

BOARD OF DIRECTORS

CHAIRMAN:	Francisco Silva S.	Chilean National ID: 4.103.061-5
DIRECTORS:	Renato Peñafiel M.	Chilean National ID: 6.350.390-8
	Ramón Eluchans O.	Chilean National ID: 6.464.460-2
	Mario Weiffenbach O.	Chilean National ID: 4.868.153-0
	Gonzalo Pavez A.	Chilean National ID: 9.417.024-9
CHIEF EXECUTIVE OFFICER:	Ignacio Prado R.	Chilean National ID: 7.106.815-3



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	350,879.8	301,039.1
Non-current assets	3,761.0	3,534.4
TOTAL ASSETS	354,640.8	304,573.5
LIABILITIES		
Current liabilities	267,200.2	223,249.0
Non-current liabilities	41,263.0	40,166.4
Equity attributable to owners of the parent	46,177.6	41,158.1
Non-controlling interests	0.0	0.0
TOTAL LIABILITIES AND EQUITY	354,640.8	304,573.5

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	22,410.8	20,883.0
Non-operating loss	(11,682.7)	(11,610.7)
PROFIT BEFORE TAX	10,728.1	9,272.3
Income tax expense	(2,573.0)	(1,770.3)
PROFIT FOR THE YEAR	8,155.1	7,502.0
Profit attributable to owners of the parent	8,155.1	7,502.0
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	(46,746.3)	46,333.9
Net cash flows from investing activities	2,486.4	(4,947.2)
Net cash flows from financing activities	43,812.5	(41,984.4)
NET DECREASE IN CASH	(447.4)	(597.7)
Effect of exchange rate changes on cash	0.0	0.0
NET DECREASE IN CASH AND CASH EQUIVALENTS	(447.4)	(597.7)

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	15,217.7	15,217.7
Share premium	0.0	0.0
Other reserves	(1,635.2)	(2,250.6)
Retained earnings	32,595.1	28,191.0
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	46,177.6	41,158.1
Non-controlling interests	0.0	0.0
TOTAL EQUITY	46,177.6	41,158.1



ASESORIAS SECURITY S.A. AND SUBSIDIARIES

TYPE OF COMPANY

Privately held corporation.

TAXPAYER ID NUMBER

96.803.620-3

SECURITIES REGISTRY

Asesorías Security S.A. is not registered in the Securities Registry.

CORPORATE PURPOSE

The company's corporate purpose includes providing financial, economic, business, accounting, legal, debt restructuring and corporate advisory services, conducting studies of all types related to the aforementioned advisory services; making capital and other investments in all kinds of property, tangible or intangible; for these purposes, the company may acquire, conserve, sell, dispose of and negotiate in any way and at any title all kinds of stock, bonds, debentures, securities and receive their earnings and income, make investments in order to form, hold an interest in or represent all kinds of domestic or foreign companies or enterprises engaged in a similar line of business and that are of interest to the company.

GENERAL BACKGROUND

The company was formed as a privately held corporation by public instrument dated August 30, 1996. During 2002, the businesses of Merchant Security S.A. and its subsidiaries Securitizadora Security GMACRFC S.A. and Asesorías Security were restructured. Asesorías Security took over all international asset management advisory services and the decision was made to discontinue the financial advisory services provided by Merchant Security, which involved closing the business segment and complying with all obligations and mandates in force at that time. This process was completed in late 2002. Merchant Security S.A. also acquired all of the shares of its subsidiary Asesorías Security not owned at that time, coming to own 100% of the share capital of that subsidiary and resulting in a merger by absorption. Its name was then changed from Merchant Security S.A. to Asesorías Security S.A. In November 2005, Asesorías Security S.A. sold its interest in Securitizadora Security GMACRFC S.A., to Grupo Security S.A.

SUBSCRIBED AND PAID-IN CAPITAL

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Asesorías Security S.A. and subsidiaries represent 0.02% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Asesorías Security provides international asset management advisory services to Grupo Security, Administradora General de Fondos and Vida Security. It also became the placement agent for mutual fund units managed by Administradora General de Fondos Security and a distributor for the products offered by Valores Security. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

BOARD OF DIRECTORS

CHAIRMAN:

Francisco Silva S.

Chilean National ID: 4.103.061-5

DIRECTORS:

Renato Peñafiel M.

Chilean National ID: 6.350.390-8

Carlos Budge C.

Chilean National ID: 7.011.490-9

CHIEF EXECUTIVE OFFICER:

Carlos Budge C.

Chilean National ID: 7.011.490-9



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	173.9	163.2
Non-current assets	87.5	93.8
TOTAL ASSETS	261.4	257.0
LIABILITIES		
Current liabilities	60.3	48.0
Non-current liabilities	0.8	1.3
Equity attributable to owners of the parent	200.3	207.8
Non-controlling interests	0.0	0.0
TOTAL LIABILITIES AND EQUITY	261.4	257.0

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	40.3	0.0
Non-operating loss	(38.3)	(74.1)
PROFIT (LOSS) BEFORE TAX	2.0	(74.1)
Income tax benefit (expense)	(9.5)	4.5
LOSS FOR THE YEAR	(7.5)	(69.7)
Loss attributable to owners of the parent	(7.5)	(69.7)
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	(381.4)	3,673.0
Net cash flows from investing activities	(1.4)	(3.1)
Net cash flows from financing activities	405.2	(3,619.3)
NET INCREASE IN CASH	22.4	50.6
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	22.4	50.6

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	1,030.7	1,030.7
Share premium	0.0	0.0
Other reserves	0.0	0.0
Accumulated losses	(830.5)	(822.9)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	200.3	207.8
Non-controlling interests	0.0	0.0
TOTAL EQUITY	200.3	207.8



SECURITIZADORA SECURITY S.A.

TYPE OF COMPANY

Privately held corporation.

TAXPAYER ID NUMBER

96.847.360-3

SECURITIES REGISTRY

Securitizadora Security S.A. is registered under number 640 in the Securities Registry.

CORPORATE PURPOSE

The company's exclusive corporate purpose is to acquire the loans referred to in article 135 of Law No. 18,045 of the year 1981 and other supplementary regulations, and issue short- and long-term debt securities.

GENERAL BACKGROUND

The company was formed as a privately held corporation by public instrument dated October 21, 1997, signed before notary public Álvaro Bianchi Rosas. The company was licensed to operate by the Securities and Insurance Supervisor in exempt ruling 369 dated December 12, 1997, which also approved its bylaws. The certificate issued by this agency containing a summary of the corporate bylaws was recorded in the Commerce Registry of the Santiago Real Estate Registrar in 1997 on page 31,310, number 25,367 and published in the Official Gazette on December 23, 1997. In November 2005, Securitizadora Security S.A. was acquired by and became a direct subsidiary of Grupo Security S.A. At an extraordinary shareholders' meeting held on November 29, 2005, the shareholders agreed to change the company's name to Securitizadora Security GMAC-RFC S.A. In August 2008, Grupo Security S.A. acquired 2,065 shares of Securitizadora Security GMAC-RFC from GMAC-RFC Chile Inversiones Limitada. As a result, Grupo Security owns 99.98% of the company with the remaining 0.02% held by Asesorías Security S.A. At an extraordinary shareholders' meeting held on September 22, 2008, the shareholders agreed to change the company's name to "Securitizadora Security S.A." and processed the respective instrument on September 25, 2008, before the notary public Guillermo Le-Fort Campo. In an ordinary board meeting held on December 29, 2009, the Board accepted the resignation of the director Ramón Eluchans Olivares, which was reported to the Securities and Insurance Supervisor in a essential event filing. In an extraordinary board meeting held on December 30, 2009, the Board unanimously approved a General Transitory 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 letter b), paragraph 2 of article 147 of the Corporations Law (modified by No. 20,382 of October 2009), reported in a essential event filing to the Securities and Insurance Supervisor on January 4, 2010. At an annual general shareholders' meeting held on April 30, 2010, the shareholders agreed to appoint new external auditors, Deloitte Auditores y Consultores Limitada, for the year 2010, and also appointed a new director, Andrés Tagle Domínguez. The company's legal address and main office (headquarters) are located in the city of Santiago at Av. Apoquindo N°3.150 Piso 7, and its web page is www.securitizadorasecurity.cl.

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$3,468 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Securitizadora Security S.A. represent 0.45% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

The company's services may possibly be offered to customers of the group's subsidiaries and associates in the future.

BOARD OF DIRECTORS

CHAIRMAN:

Francisco Silva S.

Chilean National ID: 4.103.061-5

DIRECTORS:

Christian Sinclair M.

Chilean National ID: 6.379.747-2

Renato Peñafiel M.

Chilean National ID: 6.350.390-8

Carlos Budge C.

Chilean National ID: 7.011.490-9

Andrés Tagle D.

Chilean National ID: 5.895.255-9

CHIEF EXECUTIVE OFFICER:

Juan Enrique Montes M.

Chilean National ID: 9.253.937-7



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	25,208.3	9,015.1
Non-current assets	73.4	762.0
TOTAL ASSETS	25,281.7	9,777.0
LIABILITIES		
Current liabilities	20,812.6	6,902.8
Non-current liabilities	0.0	0.0
Equity attributable to owners of the parent	4,469.1	2,874.2
Non-controlling interests	0.0	0.0
TOTAL LIABILITIES AND EQUITY	25,281.7	9,777.0

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	3,990.6	1,003.8
Non-operating income (loss)	(1,307.1)	145.9
PROFIT BEFORE TAX	2,683.5	1,149.7
Income tax expense	(679.7)	(278.1)
PROFIT FOR THE YEAR	2,003.8	871.6
Profit attributable to owners of the parent	2,003.8	871.6
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	5,894.7	8,764.2
Net cash flows from investing activities	(17,166.9)	(1.5)
Net cash flows from financing activities	11,911.0	(8,693.6)
NET INCREASE IN CASH	638.8	69.0
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	638.8	69.0

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	3,468.2	3,468.2
Share premium	25.6	25.6
Other reserves	6.3	0.0
Retained earnings (accumulated losses)	969.0	(619.6)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	4,469.1	2,874.2
Non-controlling interests	0.0	0.0
TOTAL EQUITY	4,469.1	2,874.2



INVERSIONES PREVISIÓN SECURITY LTDA. AND SUBSIDIARIES

TYPE OF COMPANY

Limited liability company.

TAXPAYER ID NUMBER

78.769.870-0

SECURITIES REGISTRY

Inversiones Seguros Security Ltda. is not registered in the Securities Registry.

CORPORATE PURPOSE

The company's corporate purpose includes managing all kinds of businesses on its own or on behalf of third parties, providing corporate management services, acquiring and maintaining all kinds of tangible or intangible assets, real estate or personal property, securities, commercial paper or loan instruments; temporarily assigning the use or enjoyment of any of these assets under any title: disposing of these assets or their natural or civil profits under any title, whether accrued, pending or received at the time of disposal, and making use of the civil and natural profits of the assets acquired by the company.

GENERAL BACKGROUND

The company was formed by public instrument on November 28, 1995, signed before notary public Raúl Undurraga Laso. It was registered in the Santiago Commerce Registry on page 29,562, number 23,698 and a summary was published in the Official Gazette on December 5, 1995. Its name was changed to Inversiones Seguros Security and its capital was increased as recorded in public instrument dated December 29, 1998, a summary of which was published in the Official Gazette on January 4, 1999. On November 10, 2017, the company's name was changed to "Inversiones Previsión Security Ltda".

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$175,957 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Inversiones Previsión Security Limitada and subsidiaries represent 19.76% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

This is a holding company and, therefore, all business relationships are carried out through its subsidiaries.

AGENTS:

Renato Peñafiel M.

Chilean National ID: 6.350.390-8

Francisco Silva S.

Chilean National ID: 4.103.061-5



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	2,401,502.7	2,475,557.0
Non-current assets	297,523.2	359,524.5
TOTAL ASSETS	2,699,025.9	2,835,081.5
LIABILITIES		
Current liabilities	2,437,276.4	2,533,528.1
Non-current liabilities	61,793.6	112,951.9
Equity attributable to owners of the parent	195,020.6	173,737.2
Non-controlling interests	4,935.4	14,864.3
TOTAL LIABILITIES AND EQUITY	2,699,026.0	2,835,081.5

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	71,718.8	76,116.0
Non-operating loss	(42,864.9)	(64,505.3)
PROFIT BEFORE TAX	28,853.9	11,610.7
Income tax expense	(764.7)	(2,921.5)
PROFIT FOR THE YEAR	28,089.2	8,689.2
Profit attributable to owners of the parent	27,372.7	10,506.7
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	716.5	(1,817.5)

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	(40,174.2)	2,034.9
Net cash flows from investing activities	29,818.5	2,955.7
Net cash flows from financing activities	10,177.4	(17,647.7)
NET DECREASE IN CASH	(178.3)	(12,657.1)
Effect of exchange rate changes on cash	0.0	0.0
NET DECREASE IN CASH AND CASH EQUIVALENTS	(178.3)	(12,657.1)

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	175,956.8	162,456.8
Share premium	0.0	0.0
Other reserves	(59,797.1)	(49,494.0)
Retained earnings	78,860.8	60,774.3
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	195,020.6	173,737.2
Non-controlling interests	4,935.4	14,864.3
TOTAL EQUITY	199,956.0	188,601.5



SEGUROS VIDA SECURITY PREVISIÓN S.A.

TYPE OF COMPANY

Publicly traded corporation.

TAXPAYER ID NUMBER

99.301.000-6

SECURITIES REGISTRY

Seguros Vida Security Previsión S.A. is registered under number 22 in the Securities Registry.

CORPORATE PURPOSE

Life insurance.

GENERAL BACKGROUND

The company was incorporated by public instrument on August 24, 1981, signed before notary public Eduardo Avello Arellano, and licensed to operate on September 29, 1981, in ruling 561-S. It was registered in the Santiago Commerce Registry on page 18,847, number 10,385 on October 31, 1981, and published in the Official Gazette on October 10, 1981. On January 16, 1998, amendments to the bylaws were registered to change the company's name to "Seguros Previsión Vida S.A.", and a summary of the instrument was published in the Official Gazette on January 20, 1998. It is registered in the Securities Registry under number 022 and is subject to the oversight of the Securities and Insurance Supervisor. On March 11, 2002, at an extraordinary general shareholders' meeting, the shareholders agreed to change the company's name to Seguros Vida Security Previsión S.A. as of May 2002.

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$137,403 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Seguros Vida Security Previsión S.A. represent 17.11% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Vida Security provides life insurance policies for the employees of Banco Security, Factoring Security, Asesorías Security, Inmobiliaria Security, Administradora de Fondos Mutuos, Grupo Security, Valores Security, Securitizadora Security GMAC-RFC, Global Security and Inversiones Invest Security. Vida Security also sells travel assistance insurance to corporate and individual customers of Travel Security. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

BOARD OF DIRECTORS

CHAIRMAN:	Francisco Silva S.	Chilean National ID: 4.103.061-5
VICE CHAIRMAN:	Renato Peñafiel M.	Chilean National ID: 6.350.390-8
DIRECTORS:	Juan Cristóbal Pavez R.	Chilean National ID: 9.901.478-4
	Francisco Juanicotena S.	Chilean National ID: 5.201.352-6
	Andrés Tagle D.	Chilean National ID: 5.895.255-9
	Álvaro Vial G.	Chilean National ID: 5.759.348-2
	Gonzalo Pavez A.	Chilean National ID: 9.417.024-9
	Alejandro Alzérrec L.	Chilean National ID: 7.050.344-1
CHIEF EXECUTIVE OFFICER:		



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	2,386,718.4	2,460,784.0
Non-current assets	229,670.0	291,788.7
TOTAL ASSETS	2,616,388.4	2,752,572.7
LIABILITIES		
Current liabilities	2,439,648.4	2,537,164.6
Non-current liabilities	2,928.2	47,767.0
Equity attributable to owners of the parent	170,537.8	156,181.0
Non-controlling interests	3,274.0	11,460.1
TOTAL LIABILITIES AND EQUITY	2,616,388.4	2,752,572.7

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	65,677.7	69,876.3
Non-operating loss	(34,595.2)	(56,020.9)
PROFIT BEFORE TAX	31,082.5	13,855.5
Income tax expense	(505.6)	(2,703.8)
PROFIT FOR THE YEAR	30,576.9	11,151.7
Profit attributable to owners of the parent	30,158.9	13,258.2
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	418.0	(2,106.5)

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	(42,410.7)	9,822.7
Net cash flows from investing activities	29,893.9	(1,056.6)
Net cash flows from financing activities	11,611.1	(7,201.8)
NET INCREASE (DECREASE) IN CASH	(905.7)	1,564.4
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(905.7)	1,564.4

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	137,402.6	122,406.8
Share premium	0.0	0.0
Other reserves	(23,850.0)	(12,155.9)
Retained earnings	56,985.2	45,930.1
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	170,537.8	156,181.0
Non-controlling interests	3,274.0	11,460.1
TOTAL EQUITY	173,811.8	167,641.1



HIPOTECARIA CRUZ DEL SUR PRINCIPAL S.A.

TYPE OF COMPANY

Privately held corporation.

TAXPAYER ID NUMBER

96.538.310-2

CORPORATE PURPOSE

Mortgage loan managing agent

GENERAL BACKGROUND

The company was formed by public instrument dated August 9, 1988, granted before the Santiago notary public Jaime Morandé Orrego. A summary of the articles of incorporation were registered on page 18,818, number 10,020 of the Commerce Registry of the Santiago Real Estate Registrar for the year 1988 and was published in the Official Gazette on August 17, 1988.

PAID-IN CAPITAL AND EQUITY

As of December 31, 2018, subscribed and paid-in capital totaled CH\$4,935 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Hipotecaria Cruz del Sur Principal S.A. represent 0.34% of the total consolidated assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Hipotecaria Cruz del Sur Principal S.A. provides services as a mortgage loan managing agent to Cruz del Sur Vida. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

BOARD OF DIRECTORS

CHAIRMAN:	Alejandro Alzérreca Luna	Chilean National ID: 7.050.377-1
DIRECTORS:	Rodrigo Guzmán Leyton	Chilean National ID: 9.423.413-1
	M. Loreto Herrera Martínez	Chilean National ID: 9.979.883-1
	Diego Silva Roberts	Chilean National ID: 11.862.480-7
	María Eugenia Norambuena Bucher	Chilean National ID: 12.585.293-9
ALTERNATE DIRECTORS:	José Miguel Arteaga Infante	Chilean National ID: 8.864.815-3
	M. Macarena Lagos Jimenez	Chilean National ID: 15.565.151-2
	Pablo Cruzat Arteaga	Chilean National ID: 13.067.212-4
	Horacio Morandé Contardo	Chilean National ID: 13.241.237-5
	Andrés Valenzuela Ugarte	Chilean National ID: 9.601.417-1
LAWYER:	Renato De La Cerda	Chilean National ID: 5.492.890-4
CHIEF EXECUTIVE OFFICER:	Ricardo Hederra González	Chilean National ID: 10.695.464-K



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	6,097.8	43,026.8
Non-current assets	51,410.1	228.0
TOTAL ASSETS	57,507.8	43,254.8
LIABILITIES		
Current liabilities	50,492.1	39,233.2
Non-current liabilities	334.2	0.0
Equity attributable to owners of the parent	6,681.6	4,021.6
Non-controlling interests	0.0	0.0
TOTAL LIABILITIES AND EQUITY	57,507.8	43,254.8

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	1,137.7	2,821.2
Non-operating income (loss)	72.0	(2,039.6)
PROFIT BEFORE TAX	1,209.8	781.7
Income tax expense	(356.8)	(175.0)
PROFIT FOR THE YEAR	853.0	606.6
Profit attributable to owners of the parent	853.0	606.6
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	(2,089.8)	3,878.7
Net cash flows from investing activities	4.3	(4.3)
Net cash flows from financing activities	1,748.1	(1,842.8)
NET INCREASE (DECREASE) IN CASH	(337.4)	2,031.5
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(337.4)	2,031.5

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	4,935.4	3,128.4
Share premium	0.0	0.0
Other reserves	6.9	6.9
Retained earnings	1,739.4	886.4
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	6,681.6	4,021.6
Non-controlling interests	0.0	0.0
TOTAL EQUITY	6,681.6	4,021.6



SERVICIOS SECURITY S.A. AND SUBSIDIARIES

TYPE OF COMPANY

Privately held corporation.

TAXPAYER ID NUMBER

96.849.320-5

SECURITIES REGISTRY

Servicios Security is not registered in the Securities Registry.

CORPORATE PURPOSE

Investing in all kinds of businesses, enterprises or activities, whether in real estate or personal property, tangible or intangible; and providing financial, economic and commercial consulting and advisory services.

GENERAL BACKGROUND

Servicios Security S.A. was formed as recorded in public instrument dated January 17, 2000, signed before notary public Álvaro Bianchi Rosas, by which management was delegated to a seven-member Board of Directors elected by shareholders. In April 2006, Servicios Security S.A. took over its subsidiary Agencia Security S.A., and was the legal successor of its rights and obligations. The merger took effect on April 28, 2006. In the 81st board meeting held in December 2006, the Board approved the spin-off of Servicios Security S.A. by which the new company Nueva Servicios S.A. was formed. In the same meeting, they agreed to increase capital by CH\$1,200,000,123 for which they issued 19,047,621 shares payable over three years.

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$777 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Servicios Security S.A. and subsidiaries represent 0.26% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

This is a holding company and, therefore, all business relationships within the group are carried out through its subsidiaries.

BOARD OF DIRECTORS

CHAIRMAN:	Francisco Silva S.	Chilean National ID: 4.103.061-5
DIRECTORS:	Renato Peñafiel M.	Chilean National ID: 6.350.390-8
	Claudio Berndt C.	Chilean National ID: 4.775.620-0
	Andrés Tagle D.	Chilean National ID: 5.895.255-9
	Horacio Pavez A.	Chilean National ID: 9.737.844-4
	Cristián Solís de Ovando	Chilean National ID: 7.483.251-2
	Alejandro Mandiola P.	Chilean National ID: 8.684.673-K
CHIEF EXECUTIVE OFFICER:	Alejandro Mandiola P.	Chilean National ID: 8.684.673-K



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	3,132.7	2,433.9
Non-current assets	1,785.7	1,589.9
TOTAL ASSETS	4,918.4	4,023.8
LIABILITIES		
Current liabilities	2,342.8	2,093.4
Non-current liabilities	0.0	0.0
Equity attributable to owners of the parent	2,575.6	1,930.5
Non-controlling interests	0.0	0.0
TOTAL LIABILITIES AND EQUITY	4,918.4	4,023.8

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	5,529.0	5,262.5
Non-operating loss	(4,710.9)	(4,535.6)
PROFIT BEFORE TAX	818.1	726.8
Income tax expense	(178.8)	(141.2)
PROFIT FOR THE YEAR	639.3	585.6
Profit attributable to owners of the parent	639.3	585.6
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	796.3	29.3
Net cash flows from investing activities	(162.6)	1,007.9
Net cash flows from financing activities	0.0	(1,010.9)
NET INCREASE IN CASH	633.7	26.3
Effect of exchange rate changes on cash	0.1	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	633.8	26.3

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	776.7	776.7
Share premium	0.0	0.0
Other reserves	0.0	(577.6)
Retained earnings	1,798.8	1,731.3
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	2,575.5	1,930.5
Non-controlling interests	0.0	0.0
TOTAL EQUITY	2,575.6	1,930.5



CORREDORES DE SEGUROS SECURITY LTDA.

TYPE OF COMPANY

Limited liability company.

TAXPAYER ID NUMBER

77.371.990-K

SECURITIES REGISTRY

Corredores de Seguros Security Ltda. is not registered in the Securities Registry.

CORPORATE PURPOSE

Insurance Broker.

GENERAL BACKGROUND

Corredores de Seguros Security Limitada was formed as recorded in public instrument dated December 3, 1999, signed before notary public Enrique Morgan Torres, by which management, judicial and out-of-court representation and the use of its corporate name was granted to its partner Servicios Security S.A.

PAID-IN CAPITAL AND EQUITY

As of December 31, 2018, subscribed and paid-in capital totaled CH\$1,257 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Corredores de Seguros Security Limitada represent 0.19% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Corredora de Seguros Security provides insurance brokerage services to Grupo Security, Banco Security, Administradora General de Fondos, Valores Security, Factoring Security, Inmobiliaria Security, Asesorías Security, Securitizadora Security GMAC-RFC, Inversiones Seguros Security, Servicios Security, Invest Security, Travel and Global Security. It also brokers general insurance policies with Penta Security, and life and health policies with Vida Security. The company has also brokered insurance policies to customers of Banco Security. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

BOARD AND MANAGEMENT

AGENTS:

Francisco Silva S.
Renato Peñafiel M.

Chilean National ID: 4.103.061-5
Chilean National ID: 6.350.390-8

LEGAL REPRESENTATIVE:

Alejandro Mandiola P.

Chilean National ID: 8.684.673-K



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	3,400.1	2,576.9
Property, plant and equipment	389.8	473.6
Other assets	340.8	291.4
TOTAL ASSETS	4,130.7	3,341.8
LIABILITIES		
Current liabilities	2,261.2	1,975.3
Long-term liabilities	0.0	0.0
Total equity	1,869.5	1,366.5
TOTAL LIABILITIES AND EQUITY	4,130.7	3,341.8

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Operating income	5,677.2	5,262.5
Non-operating loss	(4,998.3)	(4,634.6)
PROFIT BEFORE TAX	678.9	627.9
Income tax expense	(175.0)	(141.2)
PROFIT FOR THE YEAR	503.9	486.7

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	790.7	399.8
Net cash flows from investing activities	(162.6)	(157.0)
Net cash flows from financing activities	0.0	(1,012.2)
NET INCREASE (DECREASE) IN CASH	628.1	(769.5)
Price-level restatement	0.1	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	628.2	(769.5)

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	1,256.9	1,256.9
Share premium	0.0	0.0
Other reserves	(1,082.8)	(1,082.8)
Retained earnings	1,695.4	1,192.4
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	1,869.5	1,366.5
Non-controlling interests	0.0	0.0
TOTAL EQUITY	1,869.5	1,366.5



EUROP ASSISTANCE CHILE S.A.

TYPE OF COMPANY

Privately held corporation.

TAXPAYER ID NUMBER

99.573.400-1

SECURITIES REGISTRY

Europ Assistance S.A. is not registered in the Securities Registry.

CORPORATE PURPOSE

Providing assistance services.

GENERAL BACKGROUND

Europ Assistance S.A. was formed as a privately held corporation on August 13, 2004, as recorded in a public instrument signed before the second notary public of Santiago. The company's corporate purpose includes providing for itself or on behalf of third parties, directly or indirectly, all kinds of medical, dental, plumbing and repair assistance services, etc., to all kinds of individuals or legal entities, whether travel, vehicle or residential assistance, etc., or any other related service.

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$728.2 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Europ Assistance S.A. represent 0.11% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Europ Assistance S.A. provides services to Seguros Vida Security Previsión S.A., Banco Security, Corredores de Seguros Security, Travel Security and Inversiones Invest Security. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

BOARD OF DIRECTORS

CHAIRMAN:	Francisco Silva S.	Chilean National ID: 4.103.061-5
DIRECTORS:	Renato Peñafiel M.	Chilean National ID: 6.350.390-8
	Juan Carlos G.	Foreign
	Paulo Martires	Foreign
	Ricardo Bahamondes L.	Chilean National ID: 9.910.788-K
CHIEF EXECUTIVE OFFICER:	Ricardo Bahamondes L.	Chilean National ID: 9.910.788-K



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	4,288.6	4,138.2
Non-current assets	460.5	230.0
TOTAL ASSETS	4,749.1	4,368.3
LIABILITIES		
Current liabilities	2,597.9	2,671.8
Non-current liabilities	0.0	0.0
Equity attributable to owners of the parent	2,151.1	1,696.5
Non-controlling interests	0.0	0.0
TOTAL LIABILITIES AND EQUITY	4,749.1	4,368.3

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	2,066.1	1,819.3
Non-operating loss	(1,437.8)	(1,261.2)
Profit before tax	628.3	558.1
Income tax expense	(169.5)	(132.0)
PROFIT FOR THE YEAR	458.8	426.1
Profit attributable to owners of the parent	458.8	426.1
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	405.4	371.9
Net cash flows from investing activities	(879.1)	(62.9)
Net cash flows from financing activities	0.0	0.0
NET INCREASE (DECREASE) IN CASH	(473.7)	309.0
Effect of exchange rate changes on cash	(2.4)	1.4
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(476.2)	310.4

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	728.2	728.2
Share premium	0.0	0.0
Other reserves	12.5	16.5
Retained earnings	1,410.5	951.8
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	2,151.1	1,696.5
Non-controlling interests	0.0	0.0
TOTAL EQUITY	2,151.1	1,696.5



ADMINISTRADORA DE SERVICIOS Y BENEFICIOS SECURITY LIMITADA

TYPE OF COMPANY

Limited liability company.

TAXPAYER ID NUMBER

77.431.040-1

SECURITIES REGISTRY

Not registered.

CORPORATE PURPOSE

Providing services.

GENERAL BACKGROUND

The company was formed on March 29, 2000, signed before notary public Antonieta Mendoza Escala. It was registered in the Santiago Commerce Registry on May 3, 2000, on page 10,755, No. 8,644. On May 15, 2008, amendments to the bylaws were registered to change the company's name to "Administradora de Servicios y Beneficios Security Limitada".

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$5 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Administradoras de Servicios y Beneficios Ltda. represent 0.13% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Administradora de Servicios y Beneficios Security Limitada provides administrative services to Vida Security.

BOARD OF DIRECTORS

Not registered.



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	2,713.6	3,244.4
Non-current assets	41.5	5.7
TOTAL ASSETS	2,755.1	3,250.2
LIABILITIES		
Current liabilities	1,516.7	1,934.6
Non-current liabilities	0.0	0.0
Equity attributable to owners of the parent	1,238.4	1,315.6
Non-controlling interests	0.0	0.0
TOTAL LIABILITIES AND EQUITY	2,755.1	3,250.2

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	512.0	977.2
Non-operating loss	(607.1)	(738.2)
PROFIT (LOSS) BEFORE TAX	(95.1)	239.0
Income tax benefit (expense)	35.0	(55.8)
PROFIT (LOSS) FOR THE YEAR	(60.1)	183.2
Profit (loss) attributable to owners of the parent	(60.1)	183.2
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	0.7	0.2
Net cash flows from investing activities	0.0	0.0
Net cash flows from financing activities	0.0	0.0
NET INCREASE IN CASH	0.7	0.2
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	0.7	0.2

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	5.0	5.0
Share premium	0.0	0.0
Other reserves	0.0	0.0
Retained earnings	1,233.4	1,310.6
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	1,238.4	1,315.6
Non-controlling interests	0.0	0.0
TOTAL EQUITY	1,238.4	1,315.6



INMOBILIARIA SECURITY S.A. AND SUBSIDIARIES

TYPE OF COMPANY

Privately held corporation.

TAXPAYER ID NUMBER

96.786.270-3

SECURITIES REGISTRY

Inmobiliaria Security is not registered in the Securities Registry.

CORPORATE PURPOSE

Real estate advisory and investment services, property brokerage and management of private investment funds.

GENERAL BACKGROUND

The company was formed as a privately held corporation originally named Inversiones y Rentas SH S.A., in order to make capital and other investments in all kinds of real estate or personal property, in accordance with the public instrument dated December 14, 1995, granted before notary public Enrique Morgan Torres. The company's corporate purpose was broadened at the first extraordinary shareholders' meeting held on April 19, 1996, and summarized in public instrument dated July 4, 1996, to make all kinds of investments and provide real estate advisory and property brokerage services. The company's name was changed from Inversiones y Rentas SH S.A. to Inmobiliaria Security S.A. on October 14, 1997, as detailed in the public instrument signed before notary public Enrique Morgan Torres. The company's corporate purpose was modified to include management of private investment funds at the fourth extraordinary shareholders' meeting held on January 22, 2004, and summarized in a public instrument dated January 27, 2004, in accordance with Law No. 18,815. At an extraordinary shareholders' meeting on November 4, 2011, the shareholders approved a capital increase of ten billion Chilean pesos to be paid within three years, of which eight billion, five hundred million Chilean pesos were subscribed and paid. This decision was summarized in a public instrument signed before notary public Andrés Rubio Flores on the same date.

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$11,012 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Inmobiliaria Security S.A. and subsidiaries represent 2.12% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Inmobiliaria Security has provided real estate advisory services to Banco Security and Seguros Vida Security Previsión S.A. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

BOARD OF DIRECTORS

CHAIRMAN:

Francisco Silva S.

Chilean National ID: 4.103.061-5

DIRECTORS:

Gustavo Pavez R.

Chilean National ID: 4.609.215-5

Renato Peñafiel M.

Chilean National ID: 6.350.390-8

Alejandro Alzérreca L.

Chilean National ID: 7.050.344-1

Jaime Correa H.

Chilean National ID: 5.892.161-0

CHIEF EXECUTIVE OFFICER:

Jaime Correa H.

Chilean National ID: 5.892.161-0



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	102,962.5	93,107.8
Non-current assets	3,922.2	2,454.5
TOTAL ASSETS	106,884.7	95,562.3
LIABILITIES		
Current liabilities	74,777.3	65,302.7
Non-current liabilities	5,480.3	3,355.0
Equity attributable to owners of the parent	26,605.8	26,838.1
Non-controlling interests	21.4	66.5
TOTAL LIABILITIES AND EQUITY	106,884.7	95,562.3

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	3,757.9	7,046.9
Non-operating loss	(4,102.6)	(2,720.5)
Profit (loss) before tax	(344.7)	4,326.4
Income tax benefit (expense)	61.4	(1,052.4)
PROFIT (LOSS) FOR THE YEAR	(283.3)	3,274.0
Profit (loss) attributable to owners of the parent	(232.3)	3,298.0
LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(51.0)	(24.0)

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	(201.6)	(1,549.4)
Net cash flows from investing activities	(11.3)	124.1
Net cash flows from financing activities	502.9	3,464.7
NET INCREASE IN CASH	289.9	2,039.4
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	289.9	2,039.4

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	11,012.1	11,012.1
Share premium	0.0	0.0
Other reserves	0.0	0.0
Retained earnings	9868.2	15826.0
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	20,880.3	26,838.1
Non-controlling interests	101.7	66.5
TOTAL EQUITY	20,981.9	26,904.6



CAPITAL S.A. AND SUBSIDIARIES

TYPE OF COMPANY

Privately held corporation.

TAXPAYER ID NUMBER

96.905.260-1

SECURITIES REGISTRY

Capital S.A. is not registered in the Securities Registry.

CORPORATE PURPOSE

The corporate purpose consists mainly of making all kinds of investments in tangible and intangible property, making use of, disposing of, receiving and investment profits from, acquiring and disposing of under any title, and making use of in any way real estate property; managing all kinds of real estate and tangible or intangible property on its own or on behalf of third parties; carrying out other business and ancillary financial intermediation activities; providing all kinds of advisory, consulting, financial, management, economic, marketing, accounting and administrative services. In this context, the company's economic purpose consists essentially of providing support services to companies within Grupo Security, as well as recording its share of profits from investments in other companies.

GENERAL BACKGROUND

The company was formed on December 26, 2014, as a privately held corporation named Capital S.A. signed before Maria Loreto Zaldivar Grass, the acting notary for Patricio Zaldivar Mackenna.

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$33,867 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Capital S.A. and subsidiaries represent 2.80% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Capital S.A. provides advisory services in the areas of accounting, business risk and control, economics, marketing and corporate culture, data processing and telephone services for all group subsidiaries and the parent company.

BOARD OF DIRECTORS:

Renato Peñafiel M.	Chilean National ID: 6.350.390-8
Francisco Silva S.	Chilean National ID: 4.103.061-5
Ramón Eluchans O.	Chilean National ID: 6.464.460-2



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	59,957.3	61,693.1
Non-current assets	19,066.2	19,805.6
TOTAL ASSETS	79,023.5	81,498.7
LIABILITIES		
Current liabilities	42,758.9	48,242.4
Non-current liabilities	5,923.0	6,884.0
Equity attributable to owners of the parent	27,645.3	23,817.7
Non-controlling interests	2,696.3	2,554.7
TOTAL LIABILITIES AND EQUITY	79,023.5	81,498.7

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	44,452.6	41,634.6
Non-operating loss	(38,029.0)	(33,951.8)
PROFIT BEFORE TAX	6,423.6	7,682.8
Income tax expense	(2,120.8)	(1,782.4)
PROFIT FOR THE YEAR	4,302.8	5,900.4
Profit attributable to owners of the parent	3,508.2	5,067.4
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	794.6	833.0

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	(9,893.5)	2,828.1
Net cash flows from investing activities	(1,349.3)	(1,183.5)
Net cash flows from financing activities	13,244.2	969.9
NET INCREASE IN CASH	2,001.4	2,614.4
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,001.4	2,614.4

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	33,866.7	32,663.0
Share premium	0.0	0.0
Other reserves	(1,900.6)	(1,018.3)
Accumulated losses	(4,320.8)	(7,827.0)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	27,645.3	23,817.7
Non-controlling interests	2,696.3	2,554.7
TOTAL EQUITY	30,341.6	26,372.4



TRAVEL SECURITY S.A. AND SUBSIDIARIES

TYPE OF COMPANY

Privately held corporation.

TAXPAYER ID NUMBER

85.633.900-9

SECURITIES REGISTRY

Travel Security Ltda. is not registered in the Securities Registry.

CORPORATE PURPOSE

Travel agency. Providing all kinds of tourism services and other services agreed-upon by the company's shareholders, whether or not related to tourism, including investing of corporate funds.

GENERAL BACKGROUND

The company was formed as a limited liability company by public instrument dated July 3, 1987, signed before notary public Víctor Manuel Correa Valenzuela. In 1989, its corporate purpose was broadened to include the sale of passenger air transport services and it obtained accreditation as an IATA agent. On September 16, 1993, the company is transformed from a limited liability company to a corporation and its capital is increased. In early 1995 the air cargo division is sold. In April 1997, new shareholders acquire interests in the company and its management is professionalized. In September 1999, Grupo Security purchases an interest through Inversiones Seguros Security Ltda., and comes to control 75% of the company's shares. Its name is changed to Travel Security S.A. In October 2000, Inversiones Seguros Security Ltda. sells its shares to Inversiones Invest Security Ltda. The merger of Travel Security and Turismo Tajamar S.A. is approved in December 2006 and completed on January 22, 2007. In January 2011, Inversiones Invest Security Ltda. acquires all of the shares held by SMYTSA, Servicios Marítimos y Transporte Limitada and comes to control 85% of the company's shares.

As of December 31, 2014, the company's capital totals CH\$5,262 million and is distributed as follows:

- Inversiones Invest Security Ltda.: 83%
- Carmen Mackenna y Cía. Ltda.: 10%
- Inversiones y Asesorías Ana María Limitada: 7%

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$5,262 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Travel Security S.A. and subsidiaries represent 0.95% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Travel Security provides travel arrangement services to all subsidiaries and associates of Grupo Security S.A., as well as to the parent company. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

BOARD OF DIRECTORS

CHAIRMAN:

Guillermo Correa S.

Chilean National ID: 7.741.851-2

DIRECTORS:

Adolfo Tocornal R.

Chilean National ID: 6.879.186-3

Naoshi Matsumoto C.

Chilean National ID: 9.496.299-9

Renato Peñafiel M.

Chilean National ID: 6.350.390-8

Francisco Silva S.

Chilean National ID: 4.103.061-5

CHIEF EXECUTIVE OFFICER:

Eduardo Correa S.

Chilean National ID: 8.628.777-3



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	30,530.1	29,338.7
Non-current assets	11,033.3	11,649.3
TOTAL ASSETS	41,563.4	40,988.0
LIABILITIES		
Current liabilities	24,011.9	23,032.9
Non-current liabilities	5,516.6	6,356.9
Equity attributable to owners of the parent	11,252.2	10,895.2
Non-controlling interests	782.7	703.0
TOTAL LIABILITIES AND EQUITY	41,563.4	40,988.0

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	19,601.9	19,352.2
Non-operating loss	(14,186.3)	(13,788.8)
PROFIT BEFORE TAX	5,415.6	5,563.5
Income tax expense	(1,507.8)	(1,368.1)
PROFIT FOR THE YEAR	3,907.8	4,195.4
Profit attributable to owners of the parent	3,751.8	4,050.6
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	156.0	144.8

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	3,026.2	5,008.8
Net cash flows from investing activities	1,164.3	2,213.0
Net cash flows from financing activities	(4,166.7)	(8,022.8)
NET INCREASE (DECREASE) IN CASH	23.8	(801.0)
Effect of exchange rate changes on cash	250.4	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	274.2	(801.0)

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	5,262.0	5,262.0
Share premium	0.0	0.0
Other reserves	1,005.1	899.8
Retained earnings	4,985.1	4,733.3
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	11,252.2	10,895.2
Non-controlling interests	782.7	703.0
TOTAL EQUITY	12,034.9	11,598.2



REPRESENTACIONES SECURITY LTDA.

TYPE OF COMPANY

Limited liability company.

TAXPAYER ID NUMBER

77.405.350-3

SECURITIES REGISTRY

Repse Ltda. is not registered in the Securities Registry.

CORPORATE PURPOSE

Agency and organizer of trips and tourism assistance activities. Providing all kinds of tourism operator services and other services agreed-upon by the company's shareholders, whether or not related to tourism.

GENERAL BACKGROUND

The company was formed as a limited liability company by public instrument dated January 18, 2000, signed before notary public Iván Torrealba Acevedo.

As of December 31, 2018, the company's capital totals CH\$1 million and is distributed as follows:

Travel Security Ltda.:	99%
Inversiones Previsión Security Ltda.:	1%

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$1 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Repse Ltda. represent 0.08% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Repse Ltda. provides ground operations services to Travel Security and its subsidiaries and associates of Grupo Security S.A.

BOARD OF DIRECTORS

LEGAL REPRESENTATIVE: Eduardo Correa S.

Chilean National ID: 8.628.777-3

LEGAL REPRESENTATIVE: Guillermo Correa S.

Chilean National ID: 7.741.851-2



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	1,752.9	1,463.4
Non-current assets	19.7	17.2
TOTAL ASSETS	1,772.5	1,480.6
LIABILITIES		
Current liabilities	762.7	684.6
Non-current liabilities	0.0	0.0
Equity attributable to owners of the parent	1,009.9	796.0
Non-controlling interests	0.0	0.0
TOTAL LIABILITIES AND EQUITY	1,772.5	1,480.6

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	1,324.5	1,278.7
Non-operating loss	(1,036.5)	(778.5)
PROFIT BEFORE TAX	287.9	500.1
Income tax expense	(74.1)	(141.7)
PROFIT FOR THE YEAR	213.8	358.5
Profit attributable to owners of the parent	213.8	358.5
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	(2,108.3)	(1,782.5)
Net cash flows from investing activities	2,094.3	1,796.8
Net cash flows from financing activities	0.0	0.0
NET INCREASE (DECREASE) IN CASH	(14.0)	14.2
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(14.0)	14.2

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	1.0	1.0
Share premium	0.0	0.0
Other reserves	0.4	0.4
Retained earnings	1,008.5	794.6
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	1,009.9	796.0
Non-controlling interests	0.0	0.0
TOTAL EQUITY	1,009.9	796.0



VIAJES SECURITY S.A. AND SUBSIDIARIES

TYPE OF COMPANY

Corporation.

TAXPAYER ID NUMBER

20548601372

SECURITIES REGISTRY

Viajes Security S.A. is not registered in the Securities Registry.

CORPORATE PURPOSE

Its main activity is to make all types of investments in shares in Peru as well as providing services in general.

GENERAL BACKGROUND

The company is a subsidiary of Travel Security S.A., formed in Chile, which owns 99.99% of its issued capital. The company was formed on June 12, 2012, in Lima, Peru.

As of December 31, 2017, the company's capital totals S/5,320 million (around US\$ 1,637 million) and is distributed as follows:

Travel Security S.A.:	99.99%
Grupo Security:	0.01%

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$987 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Viajes Security S.A. and subsidiaries represent 0.26% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Viajes Security S.A., through its subsidiary Travex S.A., provides travel organization services to Representaciones Security (REPSE) and its parent company. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

BOARD OF DIRECTORS

CHAIRMAN:	Francisco Silva S.	Chilean National ID: 4.103.061-5
DIRECTORS:	Renato Peñafiel M.	Chilean National ID: 6.350.390-8
	Guillermo Correa S.	Chilean National ID: 7.741.851-2
	Eduardo Correa S.	Chilean National ID: 8.628.777-3
CHIEF EXECUTIVE OFFICER:	Alejandro Barra L.	Chilean National ID: 8.540.923-9



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	6,362.9	5,349.7
Non-current assets	4,925.1	4,890.8
TOTAL ASSETS	11,288.1	10,240.5
LIABILITIES		
Current liabilities	5,898.3	5,284.5
Non-current liabilities	1,568.6	1,741.7
Equity attributable to owners of the parent	3,048.6	2,519.3
Non-controlling interests	772.6	695.0
TOTAL LIABILITIES AND EQUITY	11,288.1	10,240.5

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	3,554.8	3,578.8
Non-operating loss	(2,670.1)	(2,835.6)
PROFIT BEFORE TAX	884.6	743.2
Income tax expense	(306.7)	(275.4)
PROFIT FOR THE YEAR	577.9	467.8
Profit attributable to owners of the parent	424.1	326.6
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	153.8	141.2

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	56.1	51.2
Net cash flows from investing activities	0.0	0.0
Net cash flows from financing activities	0.0	0.0
NET INCREASE IN CASH	56.1	51.2
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	56.1	51.2

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	986.8	986.8
Share premium	0.0	0.0
Other reserves	210.2	105.0
Retained earnings	1,851.6	1,427.5
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	3,048.6	2,519.3
Non-controlling interests	772.6	695.0
TOTAL EQUITY	3,821.2	3,214.4



TRAVEX

TYPE OF COMPANY

Privately held corporation

CORPORATE PURPOSE

Travel agency providing individual and group ground and air tourism services, organizing tours and/or excursions, arranging lodging and in general any activity related to tourism.

GENERAL BACKGROUND

The company was formed as a corporation on September 23, 2002, in Lima, Peru. Its current legal address is Av. Santa Cruz 873 – 875 Pisos 6 - 7, Miraflores, Lima 18. On July 10, 2012, Grupo Security (Chile) acquires a 75% interest in the company through its subsidiary Viajes Security S.A.C. de Perú, which is consolidated by Travel Security S.A., the second largest travel agency in Chile.

As of December 31, 2014, the company's capital totals CH\$2,085 million and is distributed as follows:

Viajes Security S.A.C. de Perú	75%
Pedro Pazos Pastor	25%

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$417 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Travex Security and subsidiary represent 0.19% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Travex provides travel arrangement services mainly to corporate clients and companies. The company initially plans to offer its services to customers of Travel Security and later to customers of the group's subsidiaries and associates.

BOARD OF DIRECTORS

CHAIRMAN:	Francisco Silva	Chilean National ID: 4.103.061-5
DIRECTORS:	Renato Peñafiel	Chilean National ID: 6.350.390-8
	Guillermo Correa	Chilean National ID: 7.741.851-2
	Eduardo Correa	Chilean National ID: 8.628.777-3
	Pedro Pazos	Foreign
CHIEF EXECUTIVE OFFICER:	Pedro Pazos	Foreign



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	6,704.4	5,592.0
Non-current assets	3,743.6	3,709.5
TOTAL ASSETS	10,448.1	9,301.4
LIABILITIES		
Current liabilities	5,893.6	4,934.1
Non-current liabilities	1,568.6	1,741.7
Equity attributable to owners of the parent	2,985.9	2,192.4
Non-controlling interests	0.0	433.3
TOTAL LIABILITIES AND EQUITY	10,448.1	9,301.4

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	3,549.7	3,578.8
Non-operating loss	(2,627.9)	(2,738.5)
PROFIT BEFORE TAX	921.8	840.3
Income tax expense	(306.7)	(275.4)
PROFIT FOR THE YEAR	615.1	564.9
Profit attributable to owners of the parent	461.3	423.7
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	153.8	141.2

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	56.1	2.6
Net cash flows from investing activities	0.0	0.0
Net cash flows from financing activities	0.0	0.0
NET INCREASE IN CASH	56.1	2.6
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	56.1	2.6

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	416.6	416.6
Share premium	0.0	0.0
Other reserves	864.9	864.9
Retained earnings	1,704.4	910.8
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	2,985.9	2,192.4
Non-controlling interests	0.0	433.3
TOTAL EQUITY	2,985.9	2,625.6



INMOBILIARIA CASANUESTRA S.A. (FORMERLY INMOBILIARIA SUCASA S.A.)

TYPE OF COMPANY

Privately held corporation.

TAXPAYER ID NUMBER

76.459.878-4

REPORTING ENTITIES REGISTRY

Inmobiliaria Casanuestra S.A. (formerly Inmobiliaria Sucasa S.A.) is a privately held corporation formed by public instrument on April 2, 2015. This company was registered in the SVS Special Reporting Entities Registry under No. 939 on July 9, 2015.

CORPORATE PURPOSE

The company's corporate purpose is to acquire and build houses in order to lease them with purchase options and engage in all transactions permitted for real estate companies under Law No. 19,281 and its amendments.

GENERAL BACKGROUND

This recently formed company is designed to help thousands of families throughout Chile be able to purchase their own home. As mentioned, the company was formed on April 2, 2015, and to date has carried out start-up activities and its capital has been invested in the assets necessary to carry out its corporate purpose.

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$1,651 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Securitizadora Security S.A. represent 0.13% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

The company's services may possibly be offered to customers of the group's subsidiaries and associates in the future.

BOARD OF DIRECTORS

CHAIRMAN:	Francisco Silva S.	Chilean National ID: 4.103.061-5
DIRECTORS:	Christian Sinclair M.	Chilean National ID: 6.379.747-2
	Renato Peñafiel M.	Chilean National ID: 6.350.390-8
	Carlos Budge C.	Chilean National ID: 7.011.490-9
	Andrés Tagle D.	Chilean National ID: 5.895.255-9
CHIEF EXECUTIVE OFFICER:	Juan Enrique Montes M.	Chilean National ID: 9.253.937-7



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	5,121.8	9,672.1
Non-current assets	34.9	40.2
TOTAL ASSETS	5,156.7	9,712.3
LIABILITIES		
Current liabilities	3,922.8	8,646.2
Non-current liabilities	0.0	0.0
Total equity	1,233.9	1,066.1
TOTAL LIABILITIES AND EQUITY	5,156.7	9,712.3

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	125.5	339.4
Non-operating income (loss)	89.6	(836.2)
PROFIT (LOSS) BEFORE TAX	215.1	(496.8)
Income tax benefit (expense)	(52.6)	141.6
PROFIT (LOSS) FOR THE YEAR	162.5	(355.2)
Profit (loss) attributable to owners of the parent	162.5	(355.2)
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	(12,586.3)	(4,799.3)
Net cash flows from investing activities	(8.5)	(12.3)
Net cash flows from financing activities	12,505.0	4,921.8
NET INCREASE (DECREASE) IN CASH	(89.8)	110.2
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(89.8)	110.2

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	1,651.3	1,651.3
Share premium	0.0	0.0
Other reserves	(1.0)	(6.3)
Accumulated losses	(416.4)	(578.9)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	1,233.9	1,066.1
Non-controlling interests	0.0	0.0
TOTAL EQUITY	1,233.9	1,066.1



MANDATOS SECURITY LTDA.

TYPE OF COMPANY

Limited liability company.

TAXPAYER ID NUMBER

77.512.350-8

SECURITIES REGISTRY

Mandatos Security Ltda. is not registered in the Securities Registry.

CORPORATE PURPOSE

Carrying out civil mandates related to obtaining background information on third parties.

GENERAL BACKGROUND

Mandatos Security Limitada was formed as recorded in public instrument dated October 5, 2000, signed before notary public Enrique Morgan Torres, by which management and the use of its corporate name was granted to its partner Inversiones Invest Security Ltda. On September 1, 2004, before notary public Linda Scarlett Boschi Jiménez, under notary archive number 4711/2004, the company Global Security Mandatos Limitada was modified and split into Mandatos Security Ltda. and Gestión y Servicios Security Ltda., respectively.

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$617 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Mandatos Security Limitada represent 0.03% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Mandatos Security provides processing services to perform background checks for financial products for Banco Security and Factoring Security.

BOARD AND MANAGEMENT

AGENT:

Renato Peñafiel M.
Ramón Eluchans O.

Chilean National ID: 6.350.390-8
Chilean National ID: 6.464.460-2

LEGAL REPRESENTATIVE:

Luis Gil V.

Chilean National ID: 10.077.185-3



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	692.0	347.7
Non-current assets	221.0	87.2
TOTAL ASSETS	913.0	434.9
LIABILITIES		
Current liabilities	654.0	679.8
Non-current liabilities	0.0	0.0
Total equity	258.9	(245.0)
TOTAL LIABILITIES AND EQUITY	654.0	434.9

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	401.8	2,665.0
Non-operating loss	(29.9)	(2,936.6)
PROFIT (LOSS) BEFORE TAX	371.9	(271.5)
Income tax benefit	131.9	9.2
PROFIT (LOSS) FOR THE YEAR	503.8	(262.3)
Profit (loss) attributable to owners of the parent	503.8	(262.3)
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	345.7	(163.0)
Net cash flows from investing activities	0.0	(5.3)
Net cash flows from financing activities	(13.4)	565.9
NET INCREASE IN CASH	332.3	397.6
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	332.3	397.6

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	617.2	617.2
Share premium	0.0	0.0
Other reserves	6.9	6.9
Accumulated losses	(365.2)	(869.1)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	258.9	(245.0)
Non-controlling interests	0.0	0.0
TOTAL EQUITY	258.9	(245.0)



GLOBAL SECURITY GESTIÓN Y SERVICIOS LTDA.

TYPE OF COMPANY

Limited liability company.

TAXPAYER ID NUMBER

76.181.170-3

SECURITIES REGISTRY

Global Security Gestión y Servicios Ltda. is not registered in the Securities Registry.

CORPORATE PURPOSE

Carrying out civil mandates related to obtaining third-party background information and administratively processing requests for preevaluations of background information, which enables principals to enter into acts and contracts directly with third parties without subsequent involvement from the company; and in general enter into all acts and businesses that are directly or indirectly related to the corporate purpose or as agreed by the partners.

GENERAL BACKGROUND

Global Security Mandatos Limitada was formed as recorded in public instrument dated October 5, 2000, signed before notary public Enrique Morgan Torres, by which management and the use of its corporate name was granted to its partner Inversiones Invest Security Ltda. On September 1, 2004, before notary public Linda Scarlett Boschi Jiménez, under notary archive number 4711/2004, the company Global Security Mandatos Limitada was modified and split into Mandatos Security Ltda. and Gestión y Servicios Security Ltda., respectively.

PAID-IN CAPITAL AND EQUITY

As of December 31, 2018, subscribed and paid-in capital totaled CH\$83 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Global Security Gestión y Servicios Limitada and subsidiary represent 0% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Gestión y Servicios Security provides advisory, marketing and sales services for financial products to Valores Security, Administradora General de Fondos Security and Vida Security. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

BOARD AND MANAGEMENT

MANAGEMENT REPRESENTATIVES:

Francisco Silva S.
Renato Peñafiel M.
Ramón Eluchans O.

Chilean National ID: 4.103.061-5
Chilean National ID: 6.350.390-8
Chilean National ID: 6.464.460-2



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	411.5	485.1
Non-current assets	291.1	221.0
TOTAL ASSETS	702.6	706.1
LIABILITIES		
Current liabilities	784.6	647.3
Non-current liabilities	22.5	25.6
Total equity	(104.5)	33.2
TOTAL LIABILITIES AND EQUITY	702.6	706.1

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	4,937.8	4,421.8
Non-operating loss	(5,091.2)	(4,286.1)
PROFIT (LOSS) BEFORE TAX	(153.4)	135.6
Income tax benefit (expense)	15.7	(62.8)
PROFIT (LOSS) FOR THE YEAR	(137.7)	72.9
Profit (loss) attributable to owners of the parent	(137.7)	72.9
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	(4,566.4)	(2,391.5)
Net cash flows from investing activities	(67.6)	(38.8)
Net cash flows from financing activities	4,880.4	2,355.7
NET INCREASE (DECREASE) IN CASH	246.4	(74.6)
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	246.4	(74.6)

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	83.0	83.0
Share premium	0.0	0.0
Other reserves	0.0	0.0
Accumulated losses	(187.5)	(49.8)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	(104.5)	33.2
Non-controlling interests	0.0	0.0
TOTAL EQUITY	(104.5)	33.2



SECURITY INTERNACIONAL SpA.

TYPE OF COMPANY

Simplified corporation

TAXPAYER ID NUMBER

76.452.179-K

SECURITIES REGISTRY

Security International SpA is not registered in the Securities Registry.

CORPORATE PURPOSE

The company's corporate purpose includes mainly managing for rental purposes all types of assets, whether tangible or intangible, real estate or personal property, on its own or on behalf of third parties, both in Chile and abroad; making permanent or rental investments in all types of companies, whether by forming them or purchasing an interest in already formed companies, and even managing them, in both Chile and abroad; providing corporate management services; disposing of at any title the indicated assets or their natural proceeds or revenue from those assets, whether accrued, pending or having been received at the time of disposal, and exploiting the natural proceeds or revenue from assets acquired by the company.

GENERAL BACKGROUND

The company was incorporated on November 21, 2016, as a simplified corporation named Security Internacional SPA signed before notary public Patricio Zaldívar Mackenna.

SUBSCRIBED BUT UNPAID CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$27,603 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Security Internacional SPA represent 3.00% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Security Internacional SPA does not have any business relationships with subsidiaries, associates or the parent company Grupo Security S.A.

AGENTS:

Renato Peñafiel M.

Chilean National ID: 6.350.390-8

Francisco Silva S.

Chilean National ID: 4.103.061-5



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	170,788.6	0.0
Non-current assets	80,376.2	0.0
TOTAL ASSETS	251,164.7	0.0
LIABILITIES		
Current liabilities	207,966.7	0.0
Non-current liabilities	803.3	0.0
Equity attributable to owners of the parent	29,598.3	0.0
Non-controlling interests	12,796.5	0.0
TOTAL LIABILITIES AND EQUITY	251,164.7	0.0

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	6,188.8	0.0
Non-operating income (loss)	(4,037.1)	0.0
PROFIT BEFORE TAX	2,151.7	0.0
Income tax benefit (expense)	0.0	0.0
PROFIT FOR THE YEAR	2,151.7	0.0
Profit attributable to owners of the parent	1,004.9	0.0
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1,146.9	0.0

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	(18,019.7)	0.0
Net cash flows from investing activities	(30,269.0)	0.0
Net cash flows from financing activities	50,708.1	0.0
NET INCREASE IN CASH	2,419.5	0.0
Effect of exchange rate changes on cash	(237.4)	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,182.1	0.0

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	27,603.1	0.0
Share premium	0.0	0.0
Other reserves	(8,432.7)	0.0
Retained earnings	10,427.9	0.0
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	29,598.3	0.0
Non-controlling interests	12,796.5	0.0
TOTAL EQUITY	42,394.7	0.0

DURING 2018 SECURITY INTERNACIONAL TOOK CONTROL OF INVERSIONES SECURITY PERÚ (PARENT OF PROTECTA SEGUROS), CONSOLIDATING ITS FINANCIAL STATEMENTS BEGINNING IN NOVEMBER OF THAT YEAR.



INVERSIONES SECURITY PERÚ S.A. C.

TYPE OF COMPANY

Privately held corporation

CORPORATE PURPOSE

The company's corporate purpose is to make capital investments in other companies that have been formed or will be formed in the future, either in Peru or abroad, receiving in exchange for those investments a share of the capital, in the form of shares or interests, as appropriate. It also acquires shares or interests issued by existing companies, incorporated in Peru or abroad, either directly or through a stock exchange.

GENERAL BACKGROUND

The company was formed as a corporation on May 11, 2015, in Lima, Peru. Its current legal address is Av. Santa Cruz 875, Miraflores, Lima.

As of December 31, 2018, the company's capital totals CH\$23,098 million and is distributed as follows:

Security Internacional S.A.	99.999%
Inversiones Previsión Security Ltda.	00.001%

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$23,098 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Inversiones Security Perú represent 2.57% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

As of December 31, 2018, Inversiones Security Perú does not have any business relationships with subsidiaries, associates or the parent company.

BOARD OF DIRECTORS

AGENTS:

Francisco Silva	Chilean National ID: 4.103.061-5
Renato Peñafiel	Chilean National ID: 6.350.390-8
Carlos Andrés Tagle Domínguez	Chilean National ID: 5.895.255-9
Alejandro Alzérreca Luna	Chilean National ID: 7.050.344-1
Alfredo Jochamowitz Stafford	Foreign

CHIEF EXECUTIVE OFFICER:

Pedro Pazos	Foreign
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SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	170,329.7	115,226.9
Non-current assets	80,376.2	39,819.9
TOTAL ASSETS	250,705.8	155,046.8
LIABILITIES		
Current liabilities	211,311.3	131,688.7
Non-current liabilities	803.3	274.9
Equity attributable to owners of the parent	25,361.7	13,593.9
Non-controlling interests	13,229.5	9,489.3
TOTAL LIABILITIES AND EQUITY	250,705.8	155,046.8

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	6,188.8	5,056.7
Non-operating loss	(4,037.1)	(11,220.1)
PROFIT (LOSS) BEFORE TAX	2,151.7	(6,163.5)
Income tax benefit (expense)	0.0	0.0
PROFIT (LOSS) FOR THE YEAR	2,151.7	(6,163.5)
Profit (loss) attributable to owners of the parent	1,004.9	(3,759.7)
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1,146.9	(2,403.7)

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	12,815.3	5,303.8
Net cash flows from investing activities	(31,830.1)	(6,025.3)
Net cash flows from financing activities	20,738.6	1,005.0
NET INCREASE IN CASH	1,723.8	283.5
Effect of exchange rate changes on cash	0.6	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,724.4	283.5

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	23,098.0	17,588.8
Share premium	0.0	0.0
Other reserves	1,328.3	6.8
Retained earnings (accumulated losses)	935.4	(4,001.7)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	25,361.7	13,593.9
Non-controlling interests	13,229.5	9,489.3
TOTAL EQUITY	38,591.2	23,083.2



PROTECTA

TYPE OF COMPANY

Corporation

CORPORATE PURPOSE

The company is engaged in contracting and managing life and personal accident insurance and annuities, as well as making financial and real estate investments and other related activities within the scope of Law No. 26,702 – The General Law on the Financial System, the Insurance System and the SBS in accordance with provisions issued by the SBS. The company operates in the city of Lima and other provinces in Peru.

In June 2012, according to Resolution No. 3915-2012 issued by the SBS, the company was licensed to function as an insurance company that operates with insurance contracts for life and general risks as well as to engage in reinsurance transactions. As of the date of the financial statements, the company has only engaged in life insurance transactions.

GENERAL BACKGROUND

Protecta S.A. Compañía de Seguros, is a Peruvian corporation that is a subsidiary of Inversiones Security Perú S.A.C., which holds a 61% interest in its share capital. The company was formed on September 14, 2007, and began operating on December 12, 2007.

The company's legal domicile is Avenida Domingo Orué N°165, Piso 8, Surquillo, Lima, Peru.

SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2018, subscribed and paid-in capital totaled CH\$28,902 million.

PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Protecta represent 5.58% of the total individual assets of Grupo Security.

BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANY

Protecta sells life and accident insurance through distribution channels and insurance brokers and annuities through its own sales force.

BOARD OF DIRECTORS

CHAIRMAN:	Alfredo Jochamowitz S.	Foreign
DIRECTORS:	Marino Costa B.	Foreign
	Miguel Pinasco Limas	Foreign
	José Luis Manuel Pantoja E.	Foreign
	Francisco Javier Urzua Edwards	Chilean National ID: 13.882.991-K
	Alejandro Alzérreca L.	Chilean National ID: 7.050.344-1
	Renato Peñafiel M.	Chilean National ID: 6.350.390-8
	Carlos Tagle D.	Chilean National ID: 5.895.255-9
	Francisco Silva S.	Chilean National ID: 4.103.061-5
CHIEF EXECUTIVE OFFICER:	Mario Ventura Verme	Foreign



SUMMARIZED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2018 (MCH\$)	2017 MCH\$
ASSETS		
Current assets	170,019.6	121,160.2
Non-current assets	81,111.2	36,340.4
TOTAL ASSETS	251,130.8	157,500.7
LIABILITIES		
Current liabilities	216,679.3	148,226.1
Non-current liabilities	271.7	274.9
Equity attributable to owners of the parent	34,179.7	8,999.6
Non-controlling interests	0.0	0.0
TOTAL LIABILITIES AND EQUITY	251,130.8	157,500.7

STATEMENT OF INCOME	2018 (MCH\$)	2017 MCH\$
Gross profit	6,002.0	5,056.7
Non-operating loss	(3,509.0)	(11,220.1)
PROFIT (LOSS) BEFORE TAX	2,493.0	(6,163.5)
Income tax benefit (expense)	0.0	0.0
PROFIT (LOSS) FOR THE YEAR	2,493.0	(6,163.5)
Profit (loss) attributable to owners of the parent	2,493.0	(6,163.5)
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2018 (MCH\$)	2017 MCH\$
Net cash flows from operating activities	13,134.9	5,303.8
Net cash flows from investing activities	(31,830.1)	(6,025.3)
Net cash flows from financing activities	20,916.1	1,005.0
NET INCREASE IN CASH	2,221.0	283.5
Effect of exchange rate changes on cash	0.6	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,221.5	283.5

STATEMENT OF CHANGES IN EQUITY	2018 (MCH\$)	2017 MCH\$
Issued capital	28,902.0	17,912.0
Share premium	0.0	0.0
Other reserves	11,098.7	947.0
Accumulated losses	(5,820.9)	(9,859.4)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	34,179.7	8,999.6
Non-controlling interests	0.0	0.0
TOTAL EQUITY	34,179.7	8,999.6



STATEMENT OF RESPONSIBILITY

ANNUAL REPORT 2018

The undersigned, in their roles as Directors and Chief Executive Officer of Grupo Security, domiciled at Av. 3150, piso 15, Las Condes, Santiago, Chile, declare under oath that the information contained in this annual report is a faithful representation of the truth and, therefore, we assume the corresponding legal liability.

FRANCISCO SILVA SILVA

CHILEAN NATIONAL ID: 4.103.061-5

CHAIRMAN

HERNÁN DE LAS HERAS MARÍN

CHILEAN NATIONAL ID: 6.381.765-1

DIRECTOR

JUAN CRISTÓBAL PAVEZ RECARTE

CHILEAN NATIONAL ID: 9.901.478-4

DIRECTOR

BRUNO PHILIPPI IRARRÁZABAL

CHILEAN NATIONAL ID: 4.818.243-7

DIRECTOR



JORGE MARÍN CORREA
CHILEAN NATIONAL ID: 7.639.707-4
DIRECTOR

NAOSHI MATSUMOTO TAKAHASHI
CHILEAN NATIONAL ID: 3.805.153-9
DIRECTOR

HORACIO PÁVEZ GARCÍA
CHILEAN NATIONAL ID: 3.899.021-7
DIRECTOR

ANA SAÍÑZ DE VICUÑA
CHILEAN NATIONAL ID: 48.128.454-6
DIRECTOR

MARIO WEIFFENBACH OYARZUN
CHILEAN NATIONAL ID: 4.868.153-0
DIRECTOR

RENATO PEÑAFIEL MUÑOZ
CHILEAN NATIONAL ID: 6.350.390-8
CHIEF EXECUTIVE OFFICER



ADDRESSES

BANCO SECURITY AND SUBSIDIARIES

MAIN TELEPHONE NUMBER:

(56-2) 2584 4000

SECURITY CUSTOMER SERVICE:

(56-2) 2584 4060

SECURITY PHONE:

(600) 2584 4040

Monday to Sunday, 24 hours a day

WEB: www.security.cl

E-MAIL: banco@security.cl

BANKING EMERGENCIES:

800 200717

FROM CELLULAR PHONES:

(56-2) 2462 2117

Monday to Sunday, 24 hours a day

TO REPORT A LOST OR STOLEN MASTERCARD

IN CHILE:

Call Banking Emergencies line: 800 200717

To call from cellular phones: (56-2) 2462 2117,
or Transbank at (56-2) 2782 1386

FROM OUTSIDE CHILE:

In the US and Canada 1 800 307 7309,

In other countries 1 636 722 7111

REPRESENTATION OFFICE IN HONG KONG

Suite 2407 - 9 Queen's Road, Central Hong Kong

Phone: (852) 2155 3027

BRANCHES IN CHILE

HEADQUARTERS (EL GOLF)

Apoquindo 3150 – Las Condes

Business hours: 9:00 a.m. - 2:00 p.m.

Phone: (56-2) 2584 4000

AGUSTINAS BRANCH

Agustinas 621 – Santiago

Business hours: 9:00 a.m. - 2:00 p.m.

Phone: (56-2) 2584 4321

CHICUREO BRANCH

Camino Chicureo Km 1.7 – Colina

Business hours: 8:00 a.m. - 2:00 p.m.

Phone: (56-2) 2581 5003

CIUDAD EMPRESARIAL BRANCH

Av. del Parque 4023 – Huechuraba

Business hours: 9:00 a.m. - 2:00 p.m.

Phone: (56-2) 2584 5354

EL CORTIJO BRANCH

Av. Américo Vespucio 2760 C – Conchalí

Business hours: 9:00 a.m. - 2:00 p.m.

Phone: (56-2) 2581 4831

**ESTORIL BRANCH**

Av. Estoril 50 – Las Condes

Business hours: 8:00 a.m. - 2:00 p.m.

Phone: (56-2) 2584 7694

LA DEHESA BRANCH

Av. La Dehesa 1744

Lo Barnechea

Business hours: 8:00 a.m. - 2:00 p.m.

Phone: (56-2) 2584 4673

LA REINA BRANCH

Av. Carlos Ossandón 1231 – La Reina

Business hours: 8:00 a.m. - 2:00 p.m.

Phone: (56-2) 2584 3252

LOS COBRES BRANCH

Av. Vitacura 6577 – Vitacura

Business hours: 9:00 a.m. - 2:00 p.m.

Phone: (56-2) 2581 5516

LOS TRAPENSES BRANCH

José Alcalde Délano 10.398,

local 3 – Lo Barnechea

Business hours: 8:00 a.m. - 2:00 p.m.

Phone: (56-2) 2581 5568

PROVIDENCIA BRANCH

Av. Nueva Providencia 2289 – Providencia

Business hours: 9:00 a.m. - 2:00 p.m.

Phone: (56-2) 2584 4688

SANTA MARÍA DE MANQUEHUE BRANCH

Santa María 6904 local 15 – Vitacura

Business hours: 8:00 a.m. - 2:00 p.m.

Phone: (56-2) 2581 3234

VITACURA BRANCH

Av. Vitacura 3706 – Vitacura

Business hours: 9:00 a.m. - 2:00 p.m.

Phone: (56-2) 2584 4735

PRESIDENTE RIESCO BRANCH

Presidente Riesco 5335,

Local 101 – Las Condes

Business hours: 8:00 a.m. - 2:00 p.m.

Phone: (56-2) 2584 5072

ANTOFAGASTA BRANCH

Av. San Martín 2511 – Antofagasta

Business hours: 9:00 a.m. - 2:00 p.m.

Phone: (55) 253 6500

COPIAPÓ BRANCH

Atacama 686 – Copiapó

Business hours: 8:00 a.m. - 2:00 p.m.

Phone: (52) 235 7210

VIÑA DEL MAR BRANCH

Av. Libertad 1097 – Viña del Mar

Business hours: 8:00 a.m. - 2:00 p.m.

Phone: Retail Banking: (32) 251 5100

Phone: Commercial Banking: (32) 251 5128

**LA SERENA BRANCH**

Calle Huanhualí 85, local 6 – La Serena

Business hours: 8:00 a.m. - 2:00 p.m.

Phone: (51) 247 7400

RANCAGUA BRANCH

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Local B-2 - Talca

Business hours: 8:00 a.m. - 2:00 p.m.

Phone: (71) 234 4600

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Business hours: 9:00 a.m. - 2:00 p.m.

Phone: Retail Banking: (41) 290 8003

Phone: Commercial Banking: (41) 290 8096

TEMUCO BRANCH

Manuel Bulnes 701 – Temuco

Business hours: 9:00 a.m. - 2:00 p.m.

Phone: Retail Banking: (45) 294 8423

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Business hours: 9:00 a.m. - 2:00 p.m.

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