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A N U A L R E P O R T 2 0 0 9

100%

80%

60%

40%

20%

0%



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F I N A N C I N G
I N V E S T M E N T S
I N S U R A N C E
S E R V I C E

UNCONSOLIDATED FINANCIAL SUMMARY

Millions of pesos of December 2009

BALANCE SHEET	2002	2003	2004	2005	2006	2007	2008	2009
ASSETS								
Current assets	10.231	12.386	14.830	8.402	8.521	14.395	13.239	30.835
Fixed assets	110	70	52	1.270	1.694	1.434	1.737	1.611
Other assets	144.826	160.154	230.919	243.772	316.504	334.041	315.604	356.577
Investment in related companies	143.606	158.694	209.461	223.578	270.065	289.449	273.573	316.820
Goodwill	620	566	20.203	18.650	43.606	41.160	38.722	36.286
Negative goodwill	0	0	0	0	0	0	-131	-134
Other assets	600	894	1.255	1.544	2.833	3.432	3.440	3.605
TOTAL ASSETS	155.167	172.610	245.802	253.445	326.719	349.870	330.581	389.023
LIABILITIES								
Current liabilities	8.190	6.415	3.898	9.392	8.769	7.692	6.552	6.609
Long-term liabilities	26.854	35.718	47.372	40.500	78.321	86.866	82.912	91.190
Equity	120.122	130.477	194.533	203.552	239.629	255.312	241.117	291.224
TOTAL LIABILITIES	155.167	172.610	245.802	253.445	326.719	349.870	330.581	389.023

RESULTS	2002	2003	2004	2005	2006	2007	2008	2009
OPERATING RESULT								
Gross margin	0	0	0	0	0	0	0	0
Admin. & selling expenses	-2.179	-1.643	-1.797	-2.930	-3.927	-4.704	-3.326	-4.290
OPERATING RESULT	-2.179	-1.643	-1.797	-2.930	-3.927	-4.704	-3.326	-4.290
NON-OPERATING RESULT								
Financial income	409	233	323	406	525	662	656	388
Income investments in related companies (net)	12.445	20.281	23.955	28.432	40.131	45.724	25.182	38.842
Other net non-operating income (net)	256	258	34	1.559	-77	-148	1.849	233
Amortization goodwill	-54	-54	-1.108	-1.554	-2.098	-2.436	-2.436	-2.436
Financial expenses	-2.003	-1.855	-1.987	-2.055	-3.462	-4.469	-3.700	-3.655
Monetary correction and exchange differences	238	193	-635	-550	-624	-899	-1.735	973
TOTAL NON-OPERATING RESULT	11.291	19.057	20.582	26.239	34.395	38.435	19.816	34.346
INCOME BEFORE INCOME TAX	9.112	17.414	18.786	23.309	30.469	33.731	16.490	30.056
Income tax	83	82	-23	296	103	336	764	21
Net income for the year	0	0	0	0	0	0	121	0
UTILIDAD DEL EJERCICIO	9.195	17.496	18.763	23.605	30.571	34.067	17.376	30.076

FINANCIAL INDICATORS	2002	2003	2004	2005	2006	2007	2008	2009
Financial Expenses Coverage	5,5	10,4	10,5	12,3	9,8	8,5	5,5	9,2
Total liabilities / Equity	77,4%	75,6%	79,1%	80,3%	73,3%	73,0%	72,9%	74,9%
Total debt / Equity	29,2%	32,3%	26,4%	24,5%	36,3%	37,0%	37,1%	33,6%
Net income / Equity ¹	8,5%	15,6%	13,0%	13,3%	15,7%	15,8%	7,8%	12,4%

1.-Annual net average equity of earnings for the year





CHAPTER

02

L E T T E R F R O M T H E C H A I R M A N

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L E T T E R F R O M T H E C H A I R M A N

Dear Shareholders,

I have please in presenting you with the Annual Report of Grupo Security for the year 2009.

The instability in the global and domestic markets as a result of the financial crisis unleashed in mid 2008, forced the Group to face a complex scenario during the year. However, the financial strength, value and prestige of the Security brand, the support of its shareholders and great work by the company's team of professionals enabled the difficulties to become opportunities and thus terminate the year with very positive results.

The earnings of Grupo Security for 2009 amounted to Ch\$30,076 million, a figure representing a 73% real increase over the year before. The return on average capital and reserves reached 12.4%, compared to 7.5% in 2008. At the same time, the level of debt reduced to 0.34 times equity.

This positive trend was noted in all the Group's companies, which not only recovered the growth rates of the years prior to the crisis but also increased revenues compared to previous years.

For example, Banco Security, and its subsidiaries Valores Security Corredores de Bolsa and Administradora General de Fondos Security, reported earnings of Ch\$23,040 million, a real increase of 65% over the year before. This is partly explained by higher operating revenues, a good performance in financial income and a rigorous monitoring of risk and costs.

In the insurance business, Vida Security produced earnings of Ch\$10,602 million, comparing favorably with the Ch\$77 million reported for 2008. This reflects the recovery of financial markets and the solvency of the insurance company's investments.

For its part, Corredora de Seguros Security successfully completed the purchase of the life and health portfolio of Andueza y Compañía Corredores de Seguros, which reinforced its consolidation in the local market and made it the second company in Chile in life-insurance broking.

These results show a Grupo Security that is advancing firmly toward the future. Notable in this sense was the capital increase of Ch\$40,000 million in July. This incorporated the Spanish family Sainz de Vicuña Bemberg into the ownership of Grupo Security with the subscription of 127.5 million shares, equivalent to a 5% shareholding. Ana Sainz de Vicuña thus joined the board of the Group in replacement of Jaime Correa Hogg.

It is also important to mention that in December, an issue of bonds was placed for UF 750,000, corresponding to the F Series, which generated an over-subscription equivalent to 1.75 times the amount offered.

As in previous years, these solid results were supported by various awards to our team and for our brand.



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Inversiones Security received two important distinctions. The first was in the Salmón prizes, awarded annually by the Diario Financiero and the Chilean Mutual Fund Managers Association, where it received three awards for the best performance in funds management. The second was the report "Stars of Adjusted Risk Return", prepared by Larrain Vial and in which 10 Security funds were distinguished with the maximum five stars.

In the publicity area, the project "72 Horas Inmobiliarias" of Inmobiliaria Security received an Effie prize, one of the most important advertising awards in Chile, decided by a jury of leading figures from the business and marketing worlds. The campaign was thought of as a way to face the crisis in the sector and resulted incredibly in competitor companies uniting to offer benefits to their customers.

Finally, for the ninth consecutive year, Grupo Security was placed among the "10 Best Companies to Work in Chile" according to a survey conducted by the Great Place to Work Institute. This is a concrete recognition of the Group's work in its interest in reconciling work and the family. It also recognized its policy of promoting a pleasant working environment, with highly-motivated and fully-committed staff in the achievement of the company's objectives.

All these advances make us feel very proud. I therefore wish to thank especially every member of the staff of Grupo Security who, from their places of work, have contributed significantly to achieving the objectives and targets set.

In addition, the support and confidence of our shareholders was fundamental in making 2009 a successful year and a learning period from which we can take valuable lessons.

Our sights are now fixed on the future. A future that we expect to be different, as crisis situations like that experienced globally change the vision and environment of the financial markets. The present challenge is to grow, but with sense. We should advance with the objective of adding value to our customers, giving priority always to a service of excellence and increasing the equity of our institution.

We have all the skills, experience, human team and support of a prestigious brand that is valued in the market in order to continue developing and achieving new targets. I invite you to work united in 2010 in facing the new challenges with all our energy and commitment that has characterized us, and with the ambition of continuing to be the best.


Francisco Silva S.
Chairman





CHAPTER

03

B O A R D A N D M A N A G E M E N T

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B O A R D

CHAIRMAN

Francisco Silva Silva

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Business Manager • Tax No.: 7.639.707-4

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M A N A G E M E N T

CHIEF EXECUTIVE OFFICER

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CHIEF CORPORATE SERVICES OFFICER

Gonzalo Ferrer Aladro

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CHIEF PLANNING AND DEVELOPMENT OFFICER

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CHIEF INSURANCE OFFICER

Andrés Tagle Domínguez

Commercial Engineer, Universidad Católica de Chile • Tax ID: 5.895.255-9

CHIEF MARKETING OFFICER

Alejandra Zegers Correa

Commercial Engineer, Universidad Católica de Chile • Tax ID: 10.201.117-1



SALMÓN AND LVA PRIZES

Diario Financiero newspaper, together with the Chilean Mutual Fund Managers Association, presented for the tenth consecutive year its Salmón Prizes 2009, where Inversiones Security received three awards for its Security Check, Security Gold and Security Plus funds. LVA Indices distinguished the management company in its report "Risk-Weighted Return Stars", where 10 Security funds were awarded the maximum of 5 stars.

WOMEN LEADERS

Karin Becker, manager of corporate culture, and Alejandra Zegers, manager of corporate marketing and quality of Grupo Security, were distinguished by El Mercurio newspaper as among the top 100 women leaders 2009. More than 16 thousand people took part in this eighth version of the ranking and women were chosen who throughout the year were outstanding as business women, professionals or executives or in the country's social and public world.

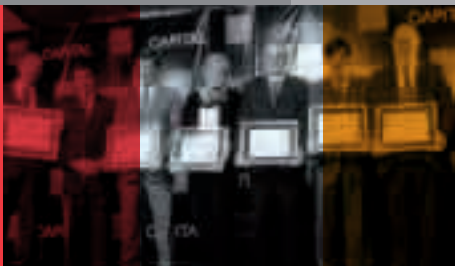


NATIONAL QUALITY PRIZE

Factoring Security won the first prize for Quality 2009 in the intermediate category. This distinction, awarded every year by the National Center of Productivity and Quality (ChileCalidad), rewards organizations that reach high management standards and become examples or benchmarks to follow by other companies.

THE BEST PLACE TO WORK

For the ninth consecutive year, Grupo Security was chosen as among the 10 Best Companies to Work in Chile, an assessment made by the Great Place To Work Institute. This important award is a firm recognition of the work of the bank, factoring, investments, life and insurance broking companies, in their concern for conciliating work and family. The award also permits the Group to continue pursuing its policy of promoting a pleasant working atmosphere with highly-motivated staff committed to the Company.



72 HORAS INMOBILIARIAS

Due to its commercial and communicational success, the project developed by Inmobiliaria Security, "72 Horas Inmobiliarias", was distinguished with an Effie Award. The campaign, which was designed as a way to face the crisis in the sector, amazingly managed to unite various companies in offering joint advantages to customers.

SECURITY MOVIE TOUR

As is now a tradition, the beaches of Chile's 4th and 5th Regions were the scenario for the 2009 version of the Security MovieTour, arranged during January and February in Cachagua, Zapallar, Las Tacas and Santo Domingo. For the fourth consecutive year, more than 6 thousand people enjoyed as a family the best premieres of the year in the open air, on South America's largest cinema screen.

ECONÓMICO SECURITY SEMINAR

Grupo Security again brought to Chile the distinguished economist and director of the economics department of MIT, Ricardo Caballero, to take part in the 2009 version of the Económico Security seminar held at the Hotel W. Under the title "Are we progressing, regressing or taking a pause?", Mr Caballero analyzed the national and global economic scenario in the presence of a select group of customers chosen by each Group company.

SEMINARS THROUGHOUT CHILE

Inversiones Security organized a series of talks in Antofagasta, Viña del Mar, Concepción and Temuco during 2009. At these, the chief economist of Grupo Security, Aldo Lema, together with the senior management of the investments area, gave their views on the economy and market to customers in the regions, to guide them in their financial and investment decisions.



FUNDACIÓN NOCEDAL RUN

More than 1,800 people took part in the second Family Run organized by Fundación Necedal and sponsored by Grupo Security. The event was held during November in the district of Lo Barnechea in support of this institution that provides access to quality education for all children, especially those with few opportunities to achieve their full potential.

FUNDACIÓN CASA BÁSICA

Various employees of Banco Security took part in 2009 in the Casa Básica initiative organized by the foundation of that name and which is dedicated to the construction of social housing. The tasks were performed throughout the year in three stages: training, construction and post-construction, where the families benefiting and those building the new homes stay in contact and thus provide a human element to the activity.

FUNDACIÓN SIMÓN DE CIRENE

For more than five years now, Grupo Security professionals have collaborated with the Corporación Simón de Cirene which provides personalized advice to a micro-business through voluntary professional help, with the support of a group of students from the Pontificia Universidad Católica de Chile. More than 50 Grupo Security staff have advised Chilean micro-business people and have described the experience as successful.

CORPORACIÓN LA ESPERANZA BINGO

Close to 1,200 people attended the traditional bingo organized by the Corporación La Esperanza, held on May 11 at Casa Piedra. The event, whose purpose is to contribute to the rehabilitation of poor young people addicted to drugs and alcohol, was again sponsored by Grupo Security.

CORPORACIÓN MATER

The bingo organized by the Corporación Renal Infantil Mater in the Espacio Kennedy on July 3 was a complete success. This event was supported by Grupo Security and its purpose was to collect funds for helping in the attention and treatment of poor children with kidney problems.

FAMILIA UNIDA TALKS

Throughout 2009, the Club Manquehue was the scenario for a series of talks organized annually by the foundation Familia Unida and sponsored by Grupo Security. These conferences provide tools for parents to help them in the education of their children and their formative role, and to support them in their relations as a couple.



DONANTES DE TODO CORAZÓN

During November 2009, the exhibition Donantes de Todo Corazón was held in the new civic center of Las Condes, a showing to collect funds for promoting the donation of organs in Chile. Grupo Security was present with a heart painted by the well-known artist Gonzalo Cienfuegos.

FUNDACIÓN MI CASA

Through the compilation of textbooks and meals, Grupo Security helped two important campaigns of Fundación Mi Casa. This institution anticipates, protects and provides help to more than 2,500 children at social risk throughout the whole of Chile who are victims of intra-family violence.

FUNDACIÓN LAS ROSAS

Throughout the year, a group of between 10 and 15 staff of Grupo Security visited the Fundación Las Rosas home in the district of Lampa in order to accompany and entertain senior citizens there. Group employees organized a special campaign for Christmas to make a donation equivalent to a Christmas Eve dinner, in which 947 dinners were collected. Fundación Las Rosas offers the old people complete attention, providing them with the things they need and attentive care so that the homes provide the possibility of a dignified life.

1981

Banco Urquijo de Chile is formed, a subsidiary of Banco Urquijo, Spain.

1987

Security Pacific Corporation, a subsidiary of Security Pacific National Bank, Los Angeles, California, buys 100% of the shares of Banco Urquijo de Chile, which takes the name of Banco Security Pacific. Security Pacific National Bank creates a stockbroking firm which, four years later, is sold to Banco Security and becomes Valores Security, Corredores de Bolsa.

1990

Leasing Security is formed and is incorporated into Banco Security in April 2001.

1991

Security Pacific Overseas Corporation sells 60% of the Bank to the present shareholders of Grupo Security, which becomes known as Banco Security. Grupo Security is thus born.

1992

Administradora de Fondos Mutuos Security S.A. is formed as a subsidiary of Banco Security and Factoring Security as a subsidiary of Grupo Security.

1998

In March, Grupo Security sells its shareholding in AFP Protección. In December, the insurance companies Previsión Vida and Previsión Generales are transferred to the parent, Inversiones Seguros Security Limitada.

1999

Grupo Security acquires a majority interest in the travel agency Travel Security and form Corredora de Seguros Security. Global Security is created.

2001

Two subsidiaries are formed of Servicios Security S.A. (a subsidiary in turn of Inversiones Seguros Security Limitada): Corredora de Reaseguros Security and Agencia Security. Virtual Security starts the provision of technological services for Group companies. The subsidiary Invest Security centralizes the corporate accounting, control and corporate cultural development services of the subsidiaries of the Group.

2002

Merchant Security absorbs the international asset management business of Asesorías Security and the international private banking business of Banco Security, and adopts the name of Asesorías Security S.A. Inversiones Seguros Security Limitada achieves a 73.69% holding in Servicios Security, the parent of companies dedicated to insurance broking. The insurance companies change their names to Seguros Vida Security Previsión S.A. and Seguros Security Previsión.

2003

Inversiones Seguros Security increases to 92% its holding in Seguros Vida Security Previsión S.A., and Grupo Security successfully places a bond issue for UF 1 million. The Superintendency of Securities and Insurance approves the amendment of the bylaws of Administradora General de Fondos Security S.A which becomes a general fund management company. An extraordinary shareholders meeting approves a capital increase of Ch\$30,000 million, which is completed in 2004.

2004

Grupo Security acquires 99.67% of Dresdner Bank Lateinamerika AG and 100% of Dresdner Lateinamerika S.A. Corredora de Bolsa. On October 1, Banco Dresdner is merged with Banco Security. The merger is completed of Seguros Generales Las Américas and Seguros Security Previsión Generales under the name of Penta Security. Grupo Security makes a capital increase of close to US\$58.5 million, open to individual and institutional investors. An alliance is signed with Europ Assistance to form Europ Assistance Chile. Grupo Security becomes associated with the English reinsurance broker Cooper Gay and the firm Cooper Gay Chile is formed.

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1993

The subsidiary Asesorías Security is formed to represent Dean Witter Reynolds & Co., USA, in Chile.

1994

Bank of America, the successor of Security Pacific National Bank, sells to Grupo Security the remaining 40% of Banco Security.

1995

Grupo Security begins the market trading of its shares and acquires a majority shareholding in AFP Protección (a pension fund management company) and the insurance companies Previsión Vida and Previsión Generales.

1996

Grupo Security buys 29.35% of the insurance company Previsión Generales from Inversiones, Seguros y Pensiones Limitada and becomes the controller of 62.69% of that company. Merchant Security and Inmobiliaria Security are added to the Group.

1997

Grupo Security makes a share exchange. A corporate image change is made in October and the company Securitizadora Security, a subsidiary of Merchant Security, is incorporated into the Group.

2005

Feller Rate confirms its A credit rating for Grupo Security and AA for its subsidiary Banco Security. The rating outlook for the holding company was changed from stable to positive. GMAC-RFC Chile Limitada acquires 49% of the share capital of Securitizadora Security S.A.

2006

Grupo Security takes over Interamericana Rentas Seguros de Vida S.A. Securitizadora Security GMAC-RFC is formed. Grupo Security announces the placement of 161,205,724 shares at Ch\$120 each, for a total amount of close to Ch\$19,345 million. Servicios Security S.A. absorbs its subsidiary Agencia Security S.A. The Feller-Rate credit-rating agency raises its rating of solvency and bonds from A to A+, and of the shares of Grupo Security from 1st Class Level 3 to 1st Class Level 2.

2007

Grupo Security and Grupo Ultramar merge their travel agency companies, Travel Security and Turismo Tajamar, under the name of Travel Security S.A. The subsidiaries Vida Security and Rentas Security are merged. Inversiones Seguros Security Ltda., a subsidiary of Grupo Security, acquires Inversiones Cigna Ltda. Vida Security is merged with Cigna Seguros de Vida. Grupo Security places bonds for a total of UF1,500,000.

2008

Grupo Security acquires from GMAC RFC Chile its participation in its subsidiary Securitizadora Security GMAC-RFC, with which it becomes the direct controller of 99% of the shares of Securitizadora. The extraordinary shareholders meeting of Grupo Security approves a capital increase of Ch\$66,000 million through the issue of 600 million new shares, to be subscribed and paid within three years.

2009

A capital increase of Ch\$40,000 million is made in July. With this, the Spanish family Sainz de Vicuña Bemberg becomes a shareholder in Grupo Security through the subscription of 127.5 million shares, equivalent to a 5% shareholding. Thanks to an alliance with American Express, TravelSecurity becomes the exclusive representative in Chile of the largest travel agency in the world. Corredora de Seguros Security completes the purchase of the life and health insurance business of Andueza y Compañía. Grupo Security successfully places a bond issue for UF750,000.

CHAPTER

06

HISTORICAL SUMMARY



CHAPTER

07

E C O N O M I C A N D
F I N A N C I A L C O N T E X T

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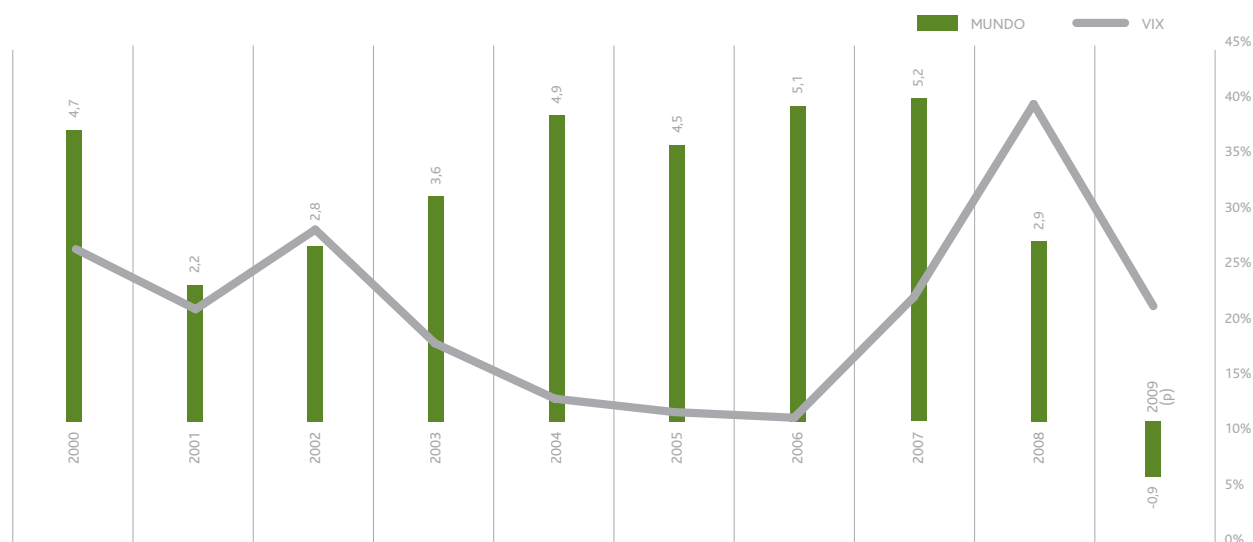
E C O N O M I C A N D F I N A N C I A L C O N T E X T

EXTERNAL ENVIRONMENT: STABILITY AND RECOVERY

The economic scenario faced by Chile in 2009 evolved favorably as the months passed. The year began with the negative effects of the global economic crisis in full swing: highly-volatile stock market, raw material prices depressed, global recession, tight financial conditions and much uncertainty.

However, the implementation of unprecedented measures by the principal monetary and fiscal authorities, oriented to re-establish the correct functioning of the financial system and a return to a sustainable growth pattern, improved economic prospects which supported commodity (including copper) and stock market prices, thus reducing risk premiums.

WORLD GROWTH (%) AND VOLATILITY INDEX IMPLICIT IN THE S & P 500 (POINTS)

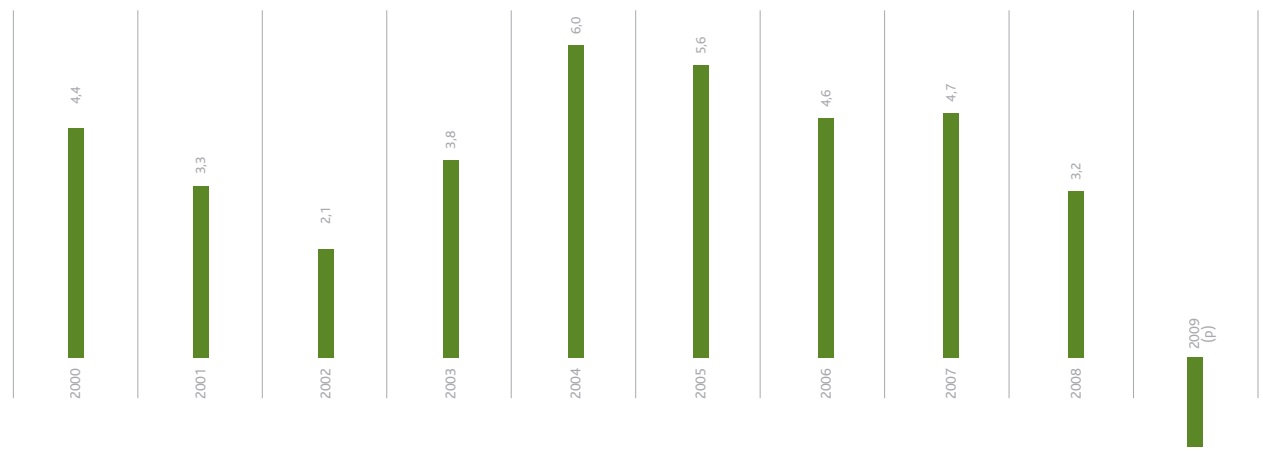


Thus, already in the second half of the year the world as a whole began to come out of recession, following the sharp falls in the first half. Although by the end of 2009, the global economy has suffered three consecutive quarters of expansion, this was insufficient to avoid the year finishing with a 0.9% fall in growth.

CHILE: RECESSION AND REACTIVATION

According to preliminary figures, Chile's GDP contracted by around 1.7% in 2009, the first fall in activity in a decade, as a result of the severe impact of the global economic crisis which hit the expectations of consumers and companies, mainly in the first part of the year, in a context of more restrictive financial conditions and reduced global demand. In any event, the Chilean economy began to show signs of an incipient recovery in the middle of the year, which was consolidated in the fourth quarter with inter-annual growth of close to 2%.

CHILE: GDP GROWTH (%)



Domestic demand contracted by around 7% in 2009, affected mainly by the fall in incomes and more restrictive financial conditions, in a scenario of a sharp deterioration in the labor market and in expectations, both by consumers and companies.

The split of domestic spending shows that private consumption continued downward, beginning at the end of 2008 and lasting until the second quarter of 2009. Since then, it has begun to show rises, in line with the recovery in expectations following the improvement in the external scenario, and lower interest rates. According to preliminary data, private consumption in 2009 as a whole grew by 0.5% over the previous year.



Investment in fixed capital showed inter-annual falls in all the four quarters of 2009, with the worst figure in the second quarter (of almost 20%). Since then, the decreases have been attenuating and began to show growth in the margin. Overall, investment fell by around 15% in 2009.

The deteriorated external environment caused an inter-annual fall of 4.5% in the volumes exported and 20% in value (US\$ 53,024 million), while imports decreased by 15.4% in volume and 31% in value (US\$ 39,708 million), in line with the weakness in internal demand. With this, the trade balance ended the year with a surplus of US\$ 13,316 million and the current account produced a positive balance of around US\$ 3,500 million, equivalent to 2.2% of GDP.

The fiscal situation in 2009 was in sharp contrast with previous years as, for the first time since 2003, the central government closed the year with a negative balance (close to 4% of GDP) as a result of larger public spending to reactivate the economy. The fiscal rule was therefore modified temporarily, passing from a structural surplus of 0.5% of GDP to a deficit of 0.4%, according to the latest estimates of the Ministry of Finance.

Regarding prices, the CPI produced negative changes during a large part of 2009, triggered by the fall in the value of imported products, less demand pressures, a deceleration in labor unit costs and reduced margins. Inflation for rolling 12-month periods saw a transition from close to 6% at the beginning of the year to -1.4% in December, a level that contrasts with the rise of 7.1% in 2008 and very much below the target range of the Banco Central de Chile.

Underlying inflation indicators like the IPCX, which excludes fuels, fruit and fresh vegetables, fell by 1.8% in 2009, while the IPCX1, which also excludes regulated public-utility tariffs and other volatile prices, declined by 1.1%.

In this context of reduced inflationary pressures, given the economic deceleration that increased spare capacity to levels unseen since the 1980s, tight credit and some liquidity problems in the financial system, the Central Bank sharply reduced interest rates from 8.25% at the start of the year to 0.5% in July, where they remained until the end of the year. Despite this fast drop, the Central Bank thought that the economy would require an additional stimulus and so adopted unheard-of complementary measures to support it.

In line with the global weakness of the dollar, prospects and the positive evolution of the world economy, expansive financial conditions and the recovery in raw material prices, with the consequent improvement in the terms of trade, the Chilean peso continued its appreciating tendency during 2009, following the sharp depreciation it suffered in the second half of 2008 (due to the deterioration in the external environment and reduced terms of trade). The peso-dollar exchange rate moved from Ch\$ 641 at the start of 2009 to Ch\$ 507 at the end of the year, equivalent to an appreciation of close to 21%.

CHILE: ECONOMIC INDICATORS

	2005	2006	2007	2008	2009 (p)
GDP (US\$ millions)	118,25	146,77	163,88	169,46	160,82
GDP per Capita (US\$)	7.269,20	8.931,41	9.873,34	10.108,77	9.499,50
GDP (change %)	5,60	4,60	4,70	3,20	-1,70
Domestic spending (Change %)	10,39	6,78	7,77	7,42	-6,98
Private Consumption	7,40	7,10	6,90	4,30	0,50
Investment in Fixed Capital	23,87	2,35	12,01	19,48	-14,80
Exports (real change %)	4,30	5,10	7,60	3,10	-4,50
Imports (real change %)	17,20	10,60	14,90	12,90	-15,40
Global Growth PPP (%)	4,45	5,10	5,15	2,93	-0,92
Terms of Trade (2003=100)	131,21	163,40	165,80	140,93	141,91
Copper price (avrg US\$ cents/pound)	166,87	304,91	322,90	315,51	233,60
Oil Price WTI (US\$ p/b, avrg)	56,44	66,04	72,29	99,58	61,69
Federal Funds Rate (y/e, %)	4,25	5,25	4,25	0,13	0,13
Libor 180d (y/e, %)	4,70	5,37	4,60	1,80	0,43
US 10-year Treasury Bond (y/e, %)	4,39	4,70	4,02	2,21	3,84
Euro (y/e, US\$)	1,18	1,32	1,46	1,40	1,43
Yen (y/e, ¥/US\$)	117,75	119,07	111,71	90,64	93,00
Trade Balance (US\$ millions)	10,77	22,78	23,64	8,85	13,32
Exports (US\$ millions)	41,27	58,68	67,67	66,46	53,02
Imports (US\$ millions)	30,49	35,90	44,03	57,61	39,71
Current Account (US\$ millions)	1,45	7,15	7,19	-3,44	3,53
Current Account (% of GDP)	1,23	4,87	4,39	-2,03	2,20
Total Savings (national + external), % of GDP	22,20	20,06	20,63	24,66	16,21
Gross National Savings	23,40	24,93	25,09	22,22	18,39
Central Government	5,78	8,92	9,95	6,82	-1,30
Private Sector	17,62	16,01	15,14	15,40	19,69
External Savings (Current account deficit)	-1,20	-4,87	-4,46	2,44	-2,18
Balance Central Government (% of GDP)	4,51	7,69	8,82	5,29	-3,70
CPI Dec-Dec (%)	3,66	2,57	7,82	7,09	-1,38
Underlying CPI (IPCX) Dec-Dec (%)	3,03	2,64	6,48	8,62	-1,83
Inflation Trend (IPCX1) Dec-Dec (%)	2,63	2,12	6,27	7,76	-1,06
BCCh Relevant External Inflation (avrg, %)	7,50	5,25	8,55	12,15	-6,07
Monetary Policy Rate (y/e, %, in Ch\$)	4,50	5,25	6,00	8,25	0,50
BCU-10 base 365d (y/e, % in UF)	3,15	2,73	2,96	3,34	3,32
BCP-10 base 365d (y/e, % in Ch\$)	6,35	5,66	6,36	6,17	6,40
Exchange Rate (avrg, Ch\$/US\$)	559,77	530,30	522,47	522,46	559,61
Exchange Rate (y/e, Ch\$/US\$)	514,21	534,43	495,82	629,11	506,43
Employment Growth (%)	3,77	1,65	2,82	2,99	-0,66
Growth of workforce (%)	2,89	0,06	2,08	3,73	1,34
Unemployment Rate (avrg %)	9,20	7,80	7,10	7,80	9,60
Real Wages (avrg %)	1,92	2,02	2,93	-0,24	4,90
Foreign Debt (US\$ millions)	46,21	49,23	55,82	67,15	66,62
Net Total Foreign Liabilities (US\$ millions)	32,66	15,16	-0,70	33,43	18,43
Net Total Foreign Liabilities (% GDP)	27,62	10,33	-0,43	19,72	11,46
Net Total Foreign Liabilities (% exports)	67,49	22,79	-0,91	43,29	29,91
Net International Reserves (US\$ millions)	16,96	19,43	16,91	23,16	25,37



CHAPTER

08

S T R A T E G I C P I L L A R S O F
G R U P O S E C U R I T Y

GRUPO | security



STRATEGIC PILLARS OF GRUPO SECURITY

Grupo Security has throughout its life been able to position itself as a diversified group of companies that have important participations in the different sectors of the Chilean financial industry.

Through its different brands, the Group is present in such varied areas as Financing, Investments, Insurance, Travel and Real-Estate Projects, which enable its customers to find in Grupo Security all the financial services they require throughout their lives.

The key to this successful development is what the company has called its "Strategic Pillars", these being 6 key points on which the company and its employees set their growth targets each year and which sustain the Group's identity.

We will review below the principal advances in 2009 in each of the pillars.

THE VALUE OF THE SECURITY BRAND

One of the principal assets of the Group is its brand, a close, modern and prestigious brand that is recognized in the industry and by its customers. This is the result of constant effort led by the marketing team, which has placed special emphasis on building a unique identity that represents the values of Grupo Security.

It is on this basis that work is carried out each year in communicating the different new things that the group offers to its customers. It worked hard in 2009 with the slogan "We are a Bank and Many More Companies" through which we sought to strengthen the brand and publicize the companies that make up the group.

Each firm launched their own campaigns focused on its customers, seeking to transmit efficiently and creatively the different products developed during the year.

Notable during the year was the "72 Horas Inmobiliarias" campaign of Inmobiliaria Security that was distinguished with an Effie Prize, one of the most important publicity awards in the country. The campaign was designed as a manner for facing the crisis in the sector and achieved, amazingly, that competitors united to offer benefits to their customers.

OUR PEOPLE

In its 18 years of history, Grupo Security has placed special emphasis on the development of its human capital, which it considers as fundamental to its performance. It has designed a policy that is concerned to provide a pleasant working environment, with a highly-motivated staff committed to the maximum with achieving the company's objectives.

The total staff of Grupo Security was 2,242 in December 2009, of which 61% were women. An important incentives plan has been developed for all of them, based on compliance with targets of return on capital and reserves, and with the budget set for each year. For these and many other reasons, the Group and its subsidiaries have been distinguished from among their peers as one of the best companies to work in Chile, mainly for the emphasis given to the quality of life, wellbeing and the personal and professional growth of its people.

Based on principles like trust, loyalty, respectful treatment and frankness, Grupo Security in 2009 was distinguished for the ninth time by the Great Place to Work Institute which recognized the following companies in its study of companies: Inversiones Security, Banco Security, Factoring Security, Corredora de Seguros Security and Vida Security.

GRUPO SECURITY AND THE COMMUNITY

Following the line of work developed in previous years, Grupo Security in 2009 carried out a series of activities oriented to improving relations with customers and the community. These included the Corporación Mater bingo for benefiting children with kidney problems, which was sponsored by the Group. Similarly, the company took part in the Corporación La Esperanza bingo to raise funds for its rehabilitation centers for poor people with drug-addiction problems.

The company also collaborated again with the Fundación Chile Unido through the sponsorship of the "Familia Unida" cycle of talks organized by that institution given throughout the year. In the area of culture and entertainment, the fourth version was organized of the successful "Security Movietour", in which over 6,000 spectators enjoyed the best cinema projected on to giant screens installed on the country's principal beaches. Finally, under the heading "Are we advancing, regressing or taking a pause?", the Económico Security 2009 seminar was held which, as in previous years, had the participation of the distinguished Chilean economist, Ricardo Caballero.



GRUPO SECURITY, A WIDE RANGE OF PRODUCTS AND SERVICES

Since its foundation in 1991, Grupo Security has gradually expanded its financial sector business base, implementing a strategy with a clear segmentation in each of its businesses. This has enabled it to diversify its revenue sources and widen its offer of services with excellent results.

In recent years, Grupo Security has organized its business structure in order to face new competitive scenarios. This has required investments in technology and restructuring, specifically with reference to the formation of service companies dedicated to areas such as human resources, information technologies, communications, accounting and auditing, in a centralized way for Grupo Security. All this is in order to optimize the production function and increase management control capacity, capitalize on economies of scale associated with the Group's larger size and take advantage more efficiently of the synergies between the different business areas. Its present organization therefore enables it to use all the benefits associated with the combination of a broad range of financial products and services.

COMMERCIAL INTEGRATION

The Group is constantly introducing plans for expanding its objective-market customer base, comprising large and medium-sized companies and high-income individuals. An important part of this strategy includes the commercial integration between the various subsidiaries of Grupo Security through an increase in cross-selling. The Company currently has a broad customer base of approximately 91 thousand individuals and companies. This has enabled it to expand cross-selling between the different areas year by year, thus also achieving the loyalty of customers toward the various Group companies.

Internal campaigns, a correct brand positioning and the efforts of Grupo Security have resulted in having customers who on average have business relations with 1.2 Group companies

RISK MANAGEMENT

In the financial business, the proper management of risks is vital for minimizing potential losses and obtaining attractive returns that are permanent over time. Grupo Security and its subsidiaries have therefore implemented since 2007 an integral risk management model that was implemented by the Business Risk and Corporate Control Management, which manages, coordinates, consolidates and reports periodically to the board of Grupo Security on its findings. By 2009, the Group already had a full integral risk management



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operation in force. Through an audit focus, the processes and most important risks of each company are now known, in the form of process maps, flow charts, and individual and consolidate risk maps for the Group, documenting all the information gathered which serves as an operating basis. This has enabled us to identify the risks and to ensure that the different process areas define mitigating action plans agreed with those responsible. Grupo Security thus has a management coherent with the regulatory requirements , with an integral, consistent and synergic governance model, taking into account the objectives of a strategic, operational, financial and compliance kind, offering customers and staff top-class products and services while obtaining a sustained improvement on corporate governance.



CHAPTER

09

B U S I N E S S A R E A S

GRUPO | security



F I N A N C I N G
I N V E S T M E N T S
I N S U R A N C E
S E R V I C E

The following is a detail of the business structure of Grupo Security, identifying the subsidiaries and divisions comprising each area:

FINANCING	
	• Bank
	Corporate Banking
	Retail Banking
	• Factoring
INVESTMENTS	
	• General funds management
	• Stockbroker
	• Asset management
	• Securitization
INSURANCE	
	• Life insurance
	• General insurance
	• Annuities
	• Insurance brokerage
	• Reinsurance brokerage
OTHER SERVICES	
	• Travel agency
	• Real estate
	• Business support and technological development services

The earnings of Grupo Security in 2009 were Ch\$30,076 million and the dividends paid to its shareholders during the year amounted to Ch\$15,729 million. As of December 31, 2009 the financial expense coverage was 9.2 times. According to the unconsolidated balance sheet of Grupo Security as of December 31, 2009, its equity was Ch\$291,224 million, its financial debt Ch\$97,790 million and total assets Ch\$389,023 million, showing a debt ratio of 33.4%.

The growth of Grupo Security in the last few years has been the result of a commercial strategy focused on increasing its present customer base. As of December 2009, it had over 81,000 corporate customers and 11,000 personal customers.



GRUPO | security



CHAPTER 09

B U S I N E S S A R E A S

F I N A N C I N G

B U S I N E S S A R E A S

FINANCING

BANKING INDUSTRY

In accordance with the instructions of the Superintendency of Banks and Financial Institutions (SBIF), the last stage was begun in January 2009 of the adoption of international accounting standards by banks supervised by the SBIF. These criteria, known as IFRS (International Financial Reporting Standards) began to be applied in June 2006, to be completed by the end of 2009 with the publication of the notes to the financial statements. Our country is therefore aligned with international practices, contributing to a greater disclosure of information through bank financial statements.

The new statements include more complete risk indicators. These include the addition of the concept of loans overdue 90 days or more, which constitutes a stressed measure of the old indicator of Past-due loans because it considers the complete acceleration of the overdue loan and does not include in its calculation the security that may cover the corresponding operation.

This measure permits a better assimilation of one of the local risk measurements with those used in international markets. At December 2009, the Chilean banking industry comprises 25 financial institutions: a state-owned bank, 19 banks established in Chile and 5 branches of foreign banks.

RESULTS

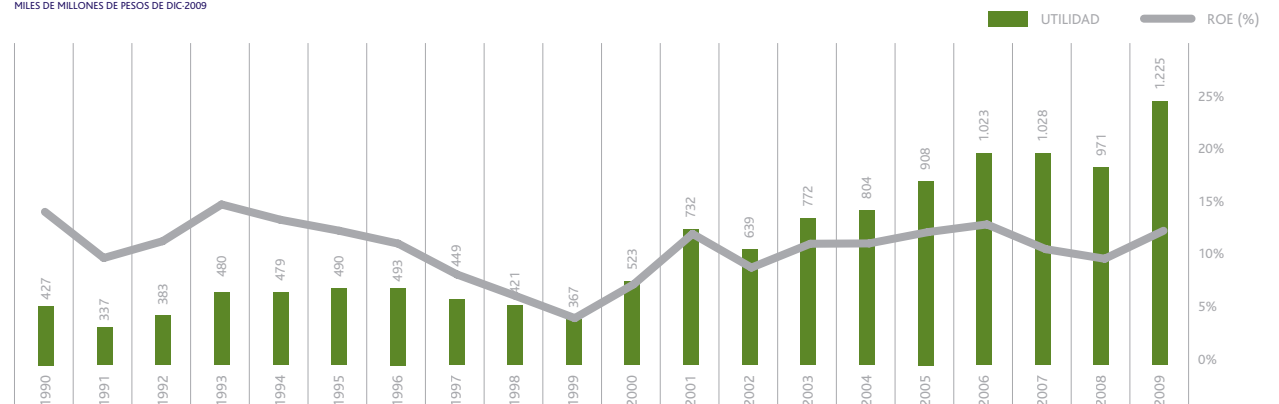
The economic crisis that affected the economy during 2009 is a factor that is inevitably present in the analysis of the results and the activities carried out during the year. At the level of the Chilean financial system, these effects were reflected in negative loan growth and an increase in risk, with the consequent deterioration in the results and profitability.

According to information provided by the SBIF, the earnings of the banking system amounted to Ch\$1,225,187 million (close to US\$ 2,415 million) for the year 2009, providing a 26.2% real increase in distributable profit. However, on a pro forma basis that excludes monetary correction in 2008, the result obtained equates to a fall of 9.4% real compared to the year before. The return on capital and reserves was 18.0% (15.2% in 2008) and the return on total assets 1.2%.

The following table shows the evolution of earnings and profitability compared to capital and reserves.

EARNINGS AND PROFITABILITY OF THE FINANCIAL SYSTEM

MILES DE MILLONES DE PESOS DE DIC-2009



FUENTE: SBIF

Operating costs have shown a substantial increase in recent years, largely explained by the growth in the commercial and support platforms that have been needed to cover the growth in retail banking and the strengthening of internal control areas. Despite this, the level of efficiency attained by banks (operating costs to gross margin) has improved from 56.2% in December 2001 to 49.9% in 2008 and 44.6% in 2009. This, which makes the Chilean financial system one of the most efficient in the world, is basically explained by the economies of scale achieved by the larger banks.

EFFICIENCY RATIO

PORCENTAJES



FUENTE: SBIF

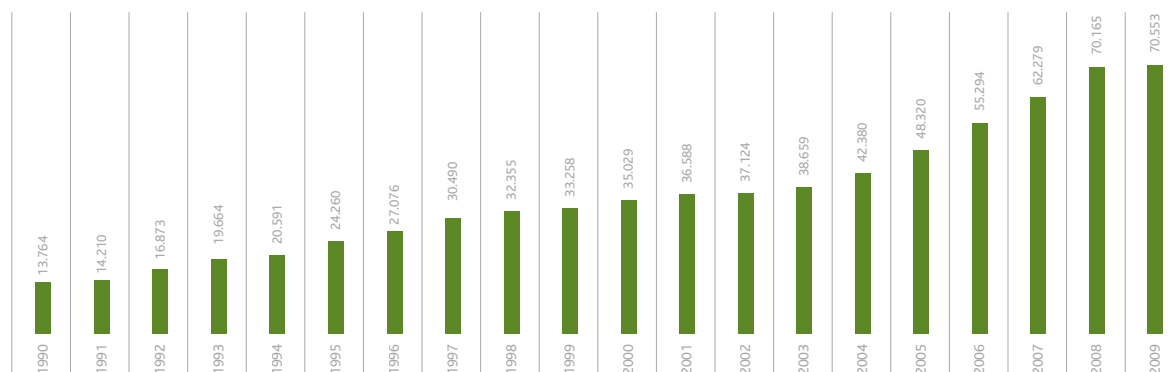
LOANS

The impact of the crisis was reflected in the banking system in the reduction of total loans, from October 2008 to their lowest level in June 2009, to a figure of Ch\$ 67,735,235 million. But by December 2009, volumes had recovered to a total of Ch\$70,553,247 million. The impact was also reflected in an increase in credit risk, which rose from 1.87% in January 2009 to 2.39% in December.

The distribution of loans at the end of 2009 was as follows: 60.5% commercial loans, 24.8% housing loans, 12.3% consumer loans and 2.3% loans to banks. In terms of changes in volumes of the different kinds of loans, housing rose by 9.8% real and consumer by 3.8% real, while commercial loans declined by 3.5% in real terms

TOTAL SYSTEM LOANS

MILES DE MILLONES DE PESOS DE DIC-2009

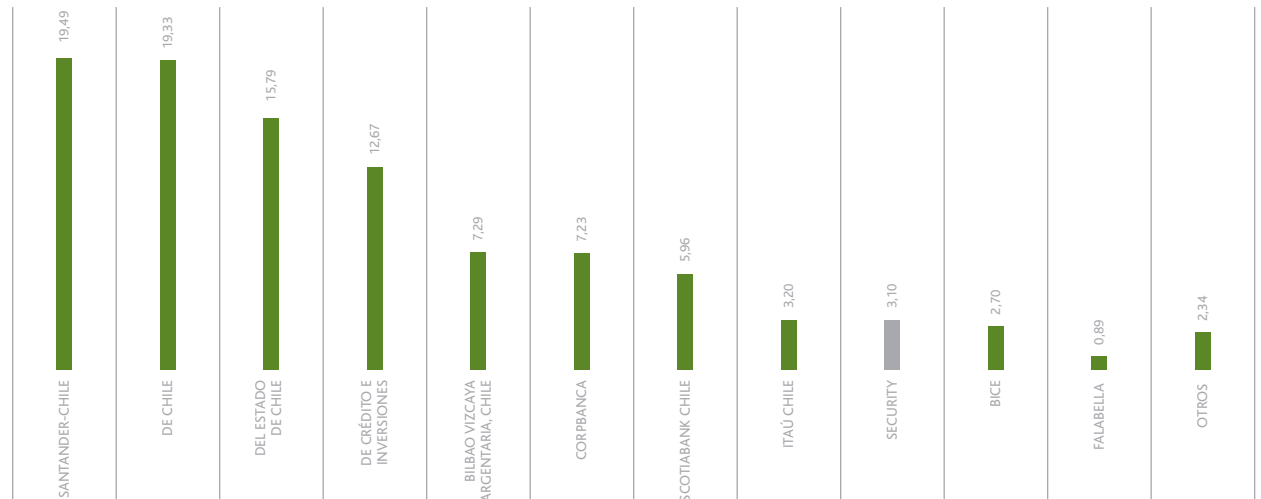


FUENTE: SBIF

NOTA: EN LAS COLOCACIONES HISTÓRICAS SE HA RESTADO LAS COLOCACIONES CONTINGENTES QUE DE ACUERDO A LA NUEVA NORMATIVA SE INFORMAN FUERA DE BALANCE DESDE ENERO DE 2008.

MARKET SHARES / DECEMBER 2009

PORCENTAJES



FUENTE: SBIF

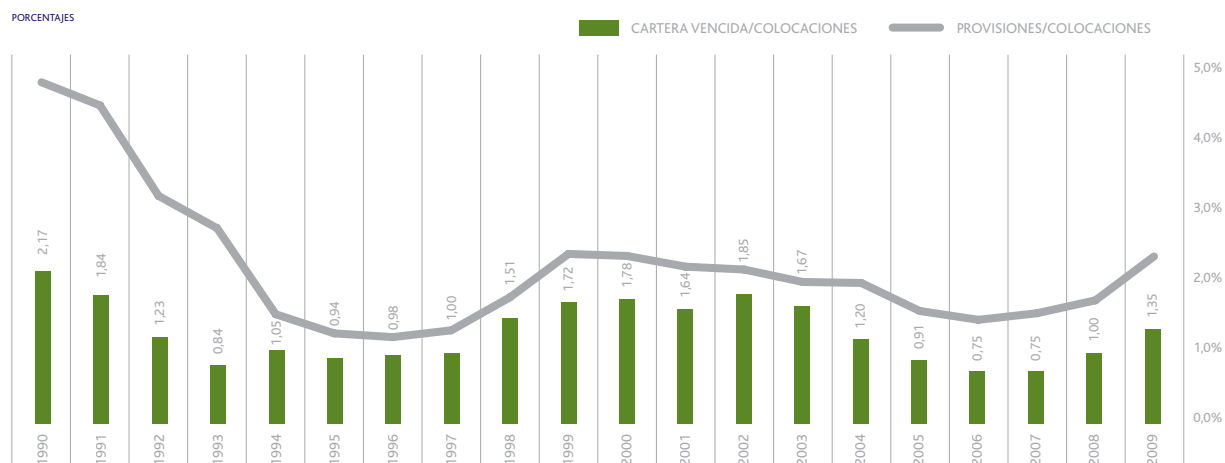
RISK

Credit risk showed a growing trend in 2009. Allowances for total loans were 2.39%, compared to 1.76% at December 2008.

The ratio of loans overdue 90 days or more to total loans showed a rising trend to June, with a peak of 3.08%, but declined again in the last months to 2.94% in December, on the basis of unconsolidated information, i.e. not the consolidated financial position. The concept of loans overdue 90 days or more is a stressed measurement of the old Past-due loans indicator because it now considers the complete acceleration of the overdue loan and does not incorporate in its calculation the security held to cover the corresponding operations.

The allowances of the financial system show a real increase of (in UF terms) of 28.8% during 2009, while loans remained unchanged in that period. Analyzing the allowances made by type of loan, it can be seen that consumer and housing loans have begun to stabilize, reaching levels of 6.3% and 1.1% respectively at December 2009. The credit risk of companies however continues to grow, reaching its maximum in December 2009, of 2.2%.

RISK INDICATORS OF THE FINANCIAL SYSTEM



FUENTE: SBIF

RESULTS OF BANCO SECURITY

In an ever-more competitive and demanding industry, Banco Security has had to face new and varied challenges, strengthening the Security brand in the search for increasing the number of customers within its objective market and continue advancing in the diversification of its sources of revenues.

In the finance area, it is expected to continue strengthening exchange business with commercial area customers, and achieve a greater diversification of distribution businesses (swaps, inflation insurance, other derivatives, etc.). In the last quarter of 2009, the money desk began to operate under the new systems platform with a redesigned organization and controls which led to a deep transformation of the money desk, strengthening its administrative structure and reorienting its focus on the generation of more stable and recurring revenues through a greater range of products offered to its customers, which enable it to be more competitive in this segment.

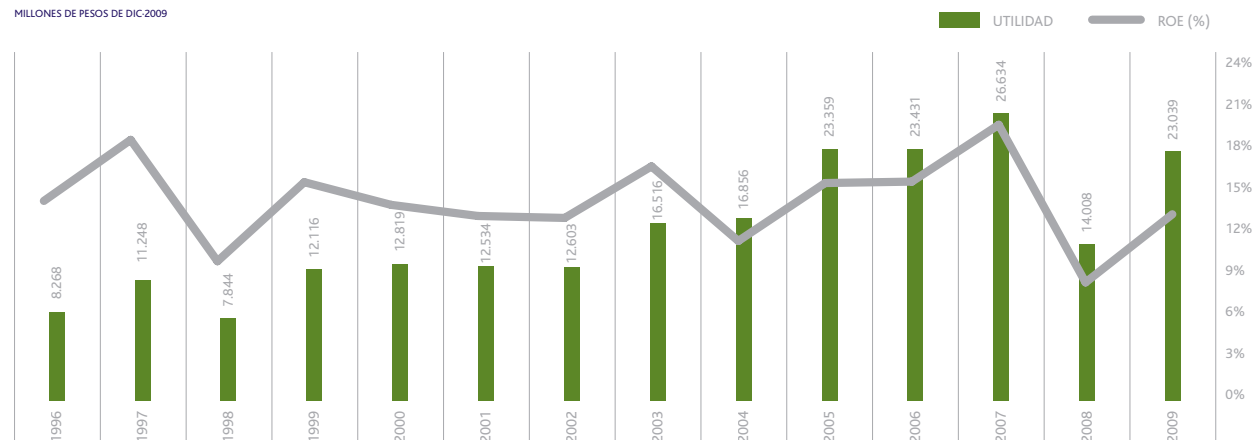
BANCO SECURITY RESULTS

Despite the complex economic situation in 2009, it is important to note that the results of Banco Security were satisfactory, reflecting the strength and maturity of the bank in recent years. The consolidated earnings of Banco Security and its subsidiaries were Ch\$23,039 million in 2009, representing a return on capital and reserves of 13.2%.

The strengthening of corporate and retail banking and the restructuring of the finance area initially produced higher costs, but the gains in efficiency generated, plus a better performance and assignment of costs, have translated into improvement in its efficiency ratio, from 62.05% in December 2008 to 51.98% in December 2009.

RESULTS OF BANCO SECURITY AND SUBSIDIARIES

MILLONES DE PESOS DE DIC-2009



FUENTE: SBIF

SUBSIDIARIES

The subsidiaries of Banco Security are Valores Security S.A. Corredores de Bolsa (99.76%) and Administradora General Fondos Security S.A. (99.90%).

The results of the subsidiaries of Banco Security for 2009 represent 8.36% of the consolidated revenues for the year, thus reversing the important fall in these in 2008 as a result of the decrease in revenue from own financial investments (Valores) and the impact



suffered by the mutual funds industry when the international financial crisis broke in September 2008, which led to a large reduction in assets managed.

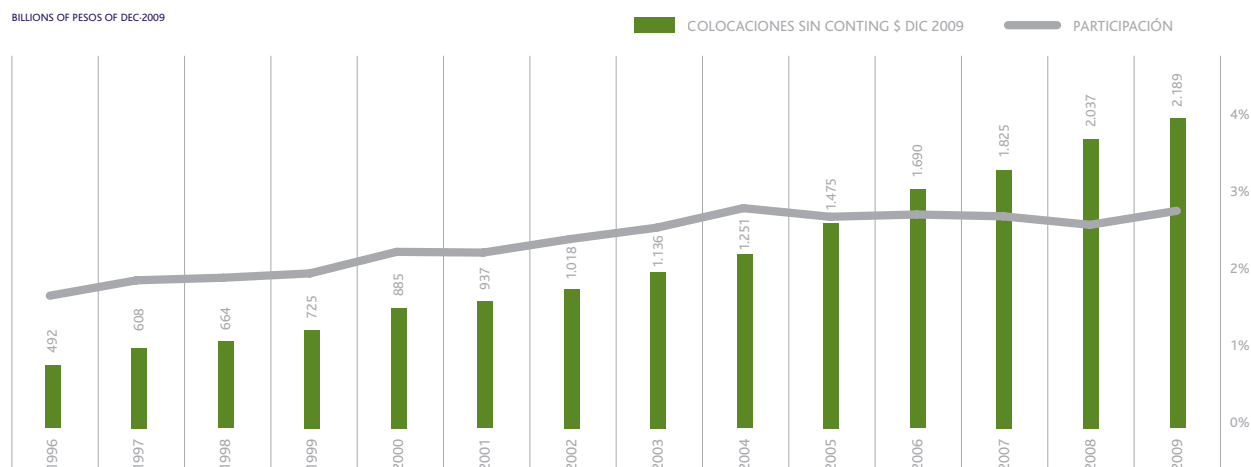
LOANS

Consistent with the slower growth in activity in the system, the total loans of Banco Security at December 2009 were Ch\$2,189 billion, with a real increase of 7.4% in 12 months, which compares well with real growth of 0.7% in the financial system. Its market share of loans reached 3.1% in December 2009, giving it 9th place.

Regarding the loan portfolio of Banco Security, there was a significant drop in foreign trade financing (-45.8%). The growth in total loans was mainly based on the increase in loans to persons (15.9%), representing 17.7% of total loans, notable being the growth in housing loans (17.4%).

BANCO SECURITY LOANS

BILLIONS OF PESOS OF DEC-2009

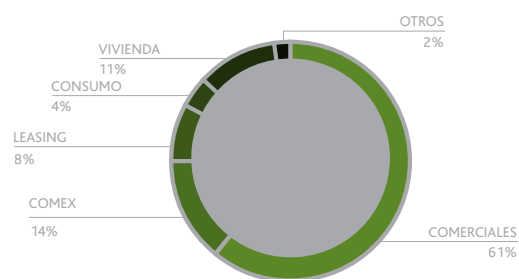


FUENTE: SBIF

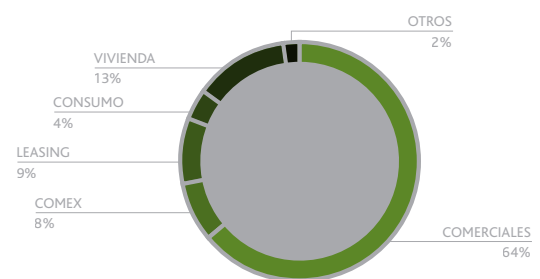
NOTA: EN LAS COLOCACIONES HISTÓRICAS SE HA RESTADO LAS COLOCACIONES CONTINGENTES QUE DE ACUERDO A LA NUEVA NORMATIVA SE INFORMAN FUERA DE BALANCE DESDE ENERO DE 2008.

Maintaining their strategic orientation, Banco Security's commercial loans amount to 64% of the total portfolio and are mainly concentrated on company financing. As of December 31, 2008 and 2009, the distribution of loans is as follows:

PORTFOLIO COMPOSITION 2008



PORTFOLIO COMPOSITION 2009



MILES DE PESOS DE DIC-2009

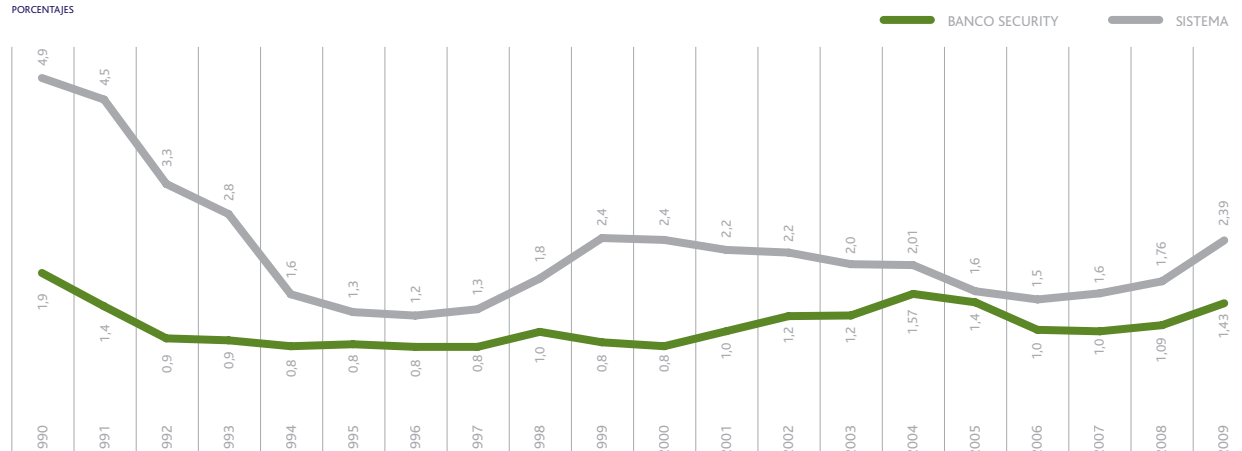
RISK

Banco Security has maintained the quality of its portfolio with a suitable risk management policy, which partly compensates its lower margins as a result of a market orientation toward a low-spread niche. However, the economic environment and the probable deterioration in some more sensitive sectors covered by the bank within its strategy, have resulted in higher allowances (with a 47% increase in the charge between 2008 and 2009).

The ratio of overdue loans to total loans was 1.28% at December 2009 and allowances to loans reached 1.43%. Both ratios compare favorably with respect to the industry averages of 2.94% and 2.39% respectively. The bank therefore maintained its position as one of the banks with least risk in the banking industry. It should be noted that the concept of loans overdue 90 days or more is a stressed measurement of the old Past-due loans indicator because it now considers the complete acceleration of the overdue loan and does not incorporate in its calculation the security held to cover the corresponding operations.

RISK ALLOWANCES / LOANS

PORCENTAJES



FUENTE: SBIF

In order to strengthen the bank's equity base, the shareholders approved a capital increase of Ch\$40,000 million of which Ch\$ 20,000 million was already paid up in late 2008. The rest will be paid in the next few years. This reflects the commitment and support of its owners, which have permitted it to increase its capital base and sustain its asset growth. The bank's policy is to maintain an effective equity / risk-weighted asset ratio of over 10.0%; at December 2009, its Basel ratio was 12.6%.

In August 2009, Gonzalo Ruiz Undurruga presented his resignation to the board and credit committee of Banco Security in order to retire. Mr Ruiz was a founding partner of Grupo Security and he has worked efficiently and professionally in his position for 22 years.

FACTORING SECURITY

The factoring industry had a very difficult year due to the reduced activity, which was reflected in reduced invoicing. This led the industry to see its stock fall by 27.8%. Factoring Security was not immune to this but its fall was less pronounced, declining by a real 19.6%. This enabled it to rise from 7th to 6th place in the market, with total advances of Ch\$ 108,614 million at December 2009.



The earnings of Factoring Security were Ch\$ 2,816 million, to record a return on capital and reserves of 14.8%. Its allowances amounted to Ch\$6,080 million, representing 5.6% of the company's total advances. Based on a diversified loan portfolio, the economic sectors of most relevance to Factoring Security were advances to wholesale and retail trade, while half of the documents acquired were invoices.

FACTORING SECURITY ADVANCES

MILLONES DE PESOS DE DIC-2009



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CHAPTER 09

B U S I N E S S A R E A S

I N V E S T M E N T S



BUSINESS AREAS

INVESTMENTS

One of the priorities of Inversiones Security is to provide every customer with integral advice in the management of their assets. It therefore has a group of companies, led by professional teams of excellence to achieve the best management of each investment portfolio, whether of private or corporate clients. Inversiones Security thus provides different services, participating in the business of third-party investments and management through Administradora General de Fondos Security S.A.. It also offers securities trading and stockbroking through Valores Security Corredores de Bolsa. There is also Asesorías Security for advising on the structuring of international investment portfolios and for the management of local portfolios for high-income clients, investment companies, companies, and institutional investors. While the management of securitized assets and equity is handled by Securitizadora Security. All these areas receive the constant and solid support of the Research Department, which shares the same philosophy of excellence of Inversiones Security for asset management.

ADMINISTRADORA GENERAL DE FONDOS SECURITY

Following a complex year 2008, in which financial activity was affected by an unstable international environment, the local mutual funds industry managed to end the year with a solid recovery. The total volume of assets managed amounted to Ch\$17,641 billion, representing growth equivalent to 55.2% in real terms with respect to December 2008. Investors in the system numbered 1,339,691, an increase of 22.5% when compared to the end of 2008.

In this context, Administradora General de Fondos Security S.A. ended the year 2009 with average managed assets of Ch\$578,705 million, distributed among 20 mutual funds and one investment fund. The volume managed grew by the equivalent of a real 30.9% compared to December 2008, while the total number of investors reached 32,925, showing a rise of 20.5% during the year.

Among the highlights of 2009 is the large expansion, in terms of assets managed, of funds directed to Qualified Investors managed by Administradora General de Fondos Security (AGF). AGF achieved a market share of 37.26% in this type of instrument, partly thanks to the launch of two new funds: the Chile Long-Short and the Fixed Income BRL mutual funds. The latter, which invests in the Brazilian debt market, enabled local institutional investors to invest for the first time in mutual funds different to money-market funds.

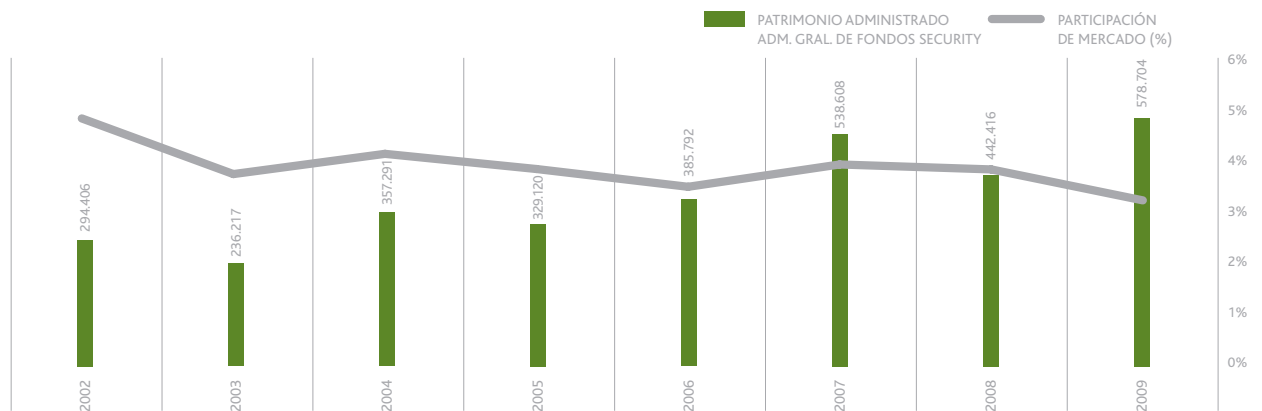
The contribution of the AGF to the industry was recognized by different entities during 2009. The Diario Financiero newspaper and the Chilean Mutual Fund Managers Association distinguished Administradora General de Fondos Security with three Salmón prizes, granted to those mutual funds with the best annual returns in each category. AGF this year became one of the most prize-winning companies among local managers, as the Security Check Series I mutual fund received first place in its class, while the Security Gold Series I mutual fund was second in its category.

Other awards came from LVA Índices, an institution that praised the excellence of the AGF by naming it as one of most prize-winning managers in the industry, with recognitions for 10 series of its fund quotas.

AGF ended 2009 with a 7% improvement in its earnings to a total of Ch\$2,616 million and placed among the nine leading companies in the industry.

MUTUAL FUND ASSETS AND MARKET SHARE

MILES DE MILLONES DE PESOS DE DIC-2009



FUENTE: GRUPO SECURITY Y AAFM

VALORES SECURITY S.A. CORREDORES DE BOLSA

Following the sharp fall in activity on the stock market in 2008, the local market showed signs of recovery in 2009. The IPSA closed the year with an annual return of 50.71% and growth of 7.3% in trading volume. In line with this trend, Valores Security recorded a 43.9% real increase in share volumes traded and was placed 6th in the rankings of the Santiago Stock Exchange and Electronic Exchange. The market share of Valores Security in share trading rose from 3.75% in 2008 to 4.94% by the end of 2009, an increase

of 32%. The company reported earnings of Ch\$23.5 million.

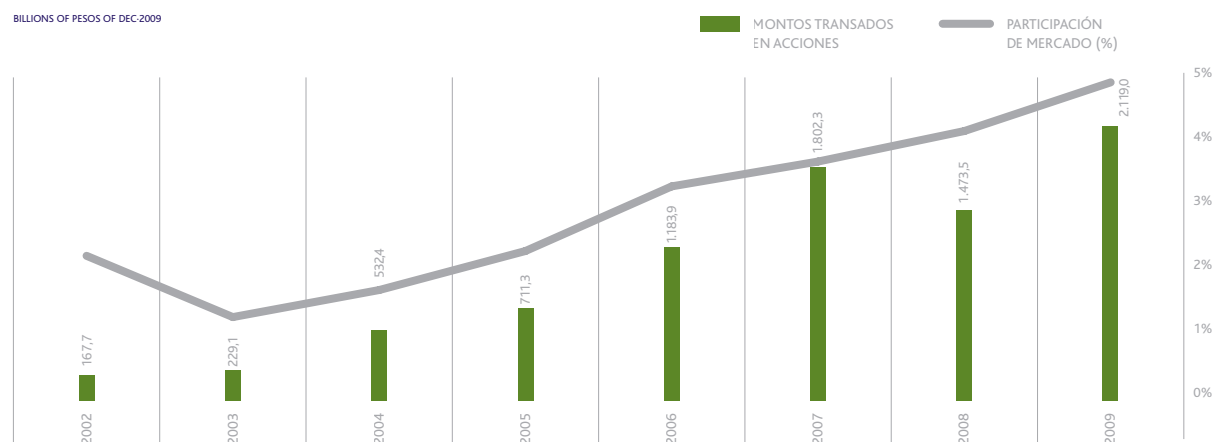
Among the most important achievements of 2009 was the solid growth of the assets managed by the Portfolio Management area. These rose by 108.16% during the year due to a strong increase in the number of clients which rose by 69% between December 2008 and December 2009.

With the idea of getting closer to its clients and giving them integral advice for their investments, a series of breakfast meetings were organized during the year in Santiago and above all in the regions. Some of the most senior executives presented directly to clients their economic forecasts in cities like Antofagasta, Viña del Mar, Concepción and Temuco.

Undoubtedly the principal event was the Económico seminar, jointly with Inversiones Security, held on August 6, 2009. As usual, the meeting was addressed by the MIT economist and researcher, Ricardo Caballero.

VOLUMES TRADED AND MARKET SHARE

BILLIONS OF PESOS OF DEC 2009



FUENTE: GRUPO SECURITY

NOTA: MONTO TRANSADO EN ACCIONES EN BOLSA DE COMERCIO DE SANTIAGO Y BOLSA ELECTRÓNICA

SECURITIZADORA SECURITY S.A.

Securitizadora Security S.A. produced earnings of Ch\$ 8.4 million in 2009. In June, the company placed all the bonds corresponding to the issue BSECS12, which included preferential bonds for UF 402,000, mezzanine bonds for UF 65,200 and subordinated bonds for UF 27,400. In July, the BSECS1 issue was completed successfully, paying all the preferential series for UF 304,596. UF 750,000 was placed in August corresponding to the preferential series of issue BSECS13. In October, UF 33,000 was placed in the market corresponding to part of the series BSECS-11B2. Lastly, the placement of this series was completed in November with an additional UF 10,200 that the company had held in portfolio.

For 2010, Securitizadora Security is directing its efforts to the development of securitizations, both mortgage and non-mortgage. It is also investing in the development of systems for exercising a management that meets the standards that the market in general requires for this kind of asset.

GRUPO | security



CHAPTER 09

B U S I N E S S A R E A S

I N S U R A N C E



BUSINESS AREAS

INSURANCE

INSURANCE INDUSTRY

The Chilean insurance industry closed the year with positive results, in both the life and general insurance segments. Life insurance companies produced earnings of Ch\$372,966 million, an increase over the loss of Ch\$ 137,973 million in 2008. The general insurance companies generated earnings of Ch\$24,068 million, an increase of 85.6% over the previous year. The insurance industry consists of 30 life companies and 20 general companies. The ten principal life and general insurance companies controlled 67.5% and 89.2% respectively of total direct premium.

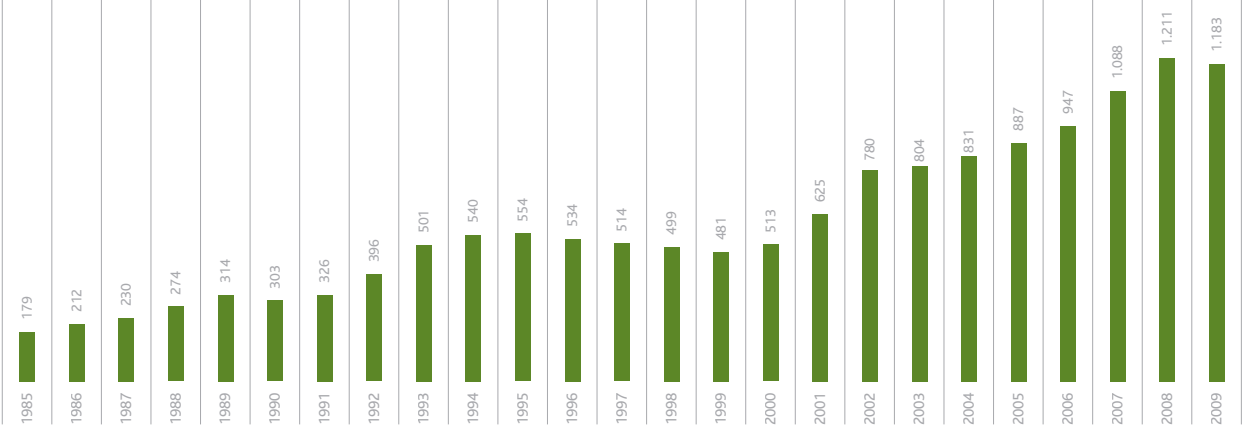
With respect to life insurance, direct premiums declined slightly by 1.4% in real terms compared to 2008, amounting to Ch\$2,278 billion. The most important business was pension insurance, which represented 49.8% of the total. This was despite annuities suffering a sharp fall in their share since the 1990s. Individual and group life insurance maintained its growth trend, representing 50.2% of the total life insurance industry premiums. General insurance companies declined slightly to Ch\$1,183 billion in December 2009. Business lines remained concentrated, two of them, vehicles and fire, representing 58.7% of the market. The return on life insurance companies' investments in 2009 averaged 7.0%.

The return on equity reached 19.6%, largely explained by the good results in 2009 of the stock markets which increased income on investments by life companies with respect to 2008. The return of general insurance companies, which is directly related to the cost of reinsurance and the characteristics of an operation with more standardized products, was 7.5%, or 4.1% measured as the return on the investment portfolio. This was thanks to operating cost efficiency and a satisfactory handling of claims.



GENERAL INSURANCE DIRECT PREMIUMS

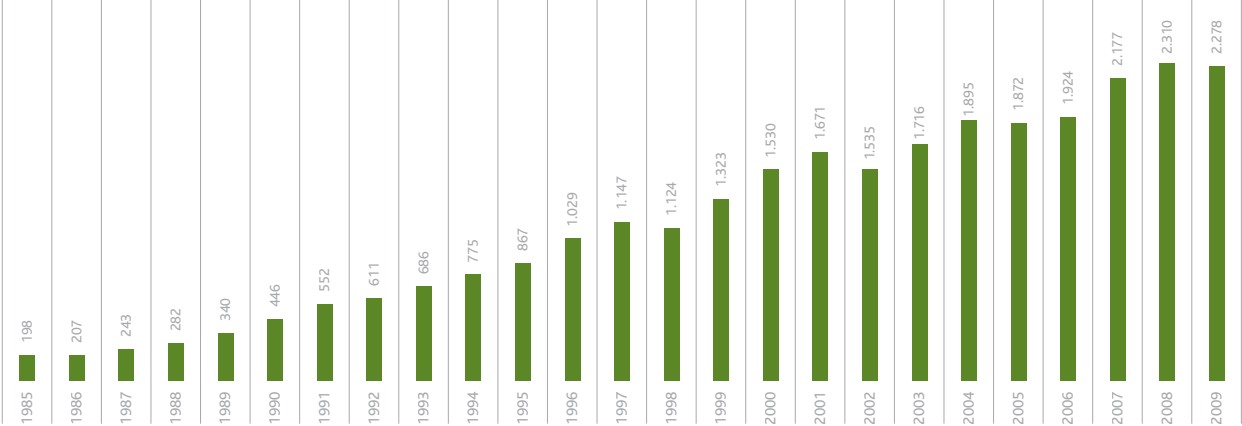
BILLIONS OF PESOS OF DEC-2009



FUENTE: GRUPO SECURITY

LIFE INSURANCE DIRECT PREMIUMS

BILLIONS OF PESOS OF DEC-2009



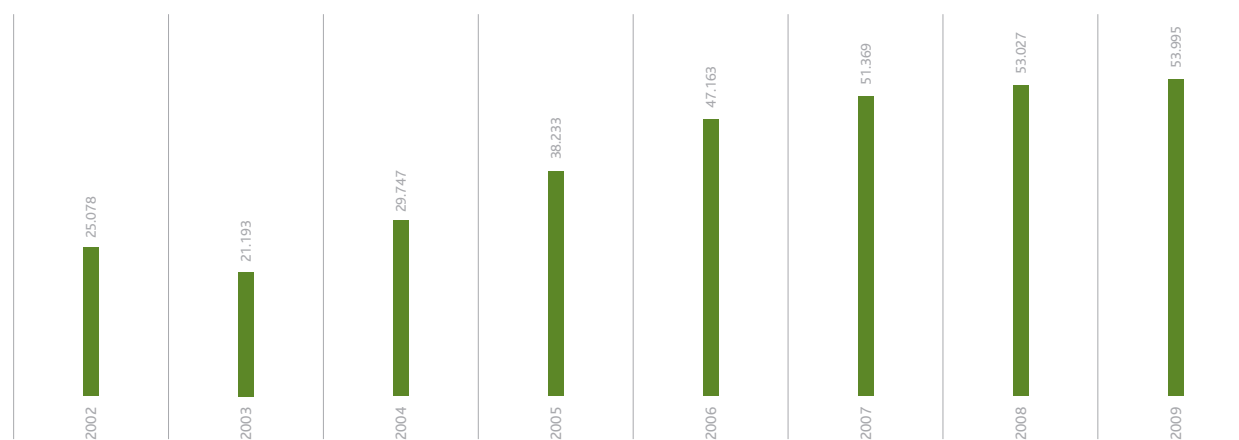
FUENTE: GRUPO SECURITY



VIDA SECURITY

Vida Security maintained a portfolio of over 290,000 insured parties in 2009 for its individual life insurance, Voluntary Pension Savings (APV), group insurance and family protection insurance, with 17,500 pensioners with annuities. The company has a market share of 5% in traditional life insurance and an investment portfolio of Ch\$750,164 million, equivalent to 4.3% of total investments of the insurance industry. In APV, it has a market share of 11%, being in fourth place in the sector. Vida Security has offered consumer loans since 2006 to its pensioned customers, making loans of Ch\$ 5,307 million in 2009, with a total of 7,831 loans outstanding. The business of Vida Security in 2009 generated earnings of Ch\$10,602 million and income on investments amounted to Ch\$56,031 million.

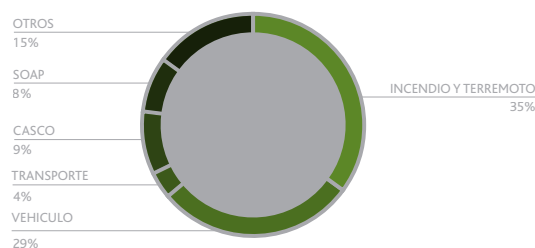
VIDA SECURITY DIRECT PREMIUM



COMPAÑÍA DE SEGUROS GENERALES PENTA SECURITY S.A.

Compañía de Seguros Generales Penta Security S.A. closed 2009 with earnings of Ch\$3,018 million. The company was second in the market in terms of direct premiums, with a share of 12.0% (without considering credit companies). The direct premium of Penta Security in 2009 amounted to UF 6,787,756, a reduction of 6.5% compared to the year before, of UF 7,258,455. Motor vehicle insurance, fire and obligatory personal accident insurance (SOAP) were the business lines with the largest premiums and which explain the final positive figures of Penta Security.

PORTFOLIO COMPOSITION



CORREDORA DE SEGUROS SECURITY LIMITADA

Since its creation in 1999, Corredora de Seguros Security Limitada has maintained strong growth thanks to the platform generated through commercial alliances arranged by the Group, becoming an efficient commercial channel.

One of the most important highlights of 2009 was the successful purchase of Andueza y Compañía Corredores de Seguros, which enabled the company to consolidate its position in the industry, occupying second place in the local life insurance broking business. The company obtained earnings of Ch\$270 million in 2009, slightly below the Ch\$291 million earned the previous year.

Grupo Security has alliances with Cooper Gay and Europ Assistance Chile. Cooper Gay is one of the ten most important reinsurance companies in the world, which reported earnings of Ch\$447 million in 2009. Europ Assistance, for its part, is the second company in travel, vehicle and home assistance worldwide, recording earnings of Ch\$70 million in 2009.



GRUPO | security



CHAPTER 09

B U S I N E S S A R E A S

S E R V I C E S



BUSINESS AREAS

SERVICES

The service of excellence that characterizes Grupo Security is largely due to the dedicated work carried out in providing staff with the tools necessary for complying with their tasks and objectives. In the services business area, Grupo Security gathers together activities dedicated to the real estate business, travel and tourist agency and other services oriented to giving complementary support to Group companies.

INMOBILIARIA SECURITY S.A. .

Inmobiliaria Security has 14 years' experience in the Chilean real-estate market, with a successful growth strategy based on the development, investment and management of housing and office projects in which it participates directly through private real-estate investment funds as well as jointly with important institutional and individual investors, with assets managed at December 2009 of UF 554 thousand.

The projects managed by the company are mainly located in the districts of Vitacura, Las Condes, Ñuñoa, Providencia, Lo Barnechea and Huechuraba. All stand out for their excellent location, design and infrastructure, as well as their high-quality terminations.

The serious international financial crisis reverberated strongly on the country's real-estate sector in 2009. The strategy followed by this company and its investors in facing the crisis was to reduce housing stocks in order to reduce debt and to face an uncertain future with greater freedom and greater capital strength in its projects.

The company therefore successfully took part in three mass sales campaigns, ending the year with the completion of sales of four important projects and the commercialization of nine property developments for UF 740,000, three of them terminated during the year and two new projects of recently-begun houses, one in the district of Huechuraba and the other in the city of Rancagua.

TRAVEL SECURITY S.A.

The travel agency Travel Security was incorporated into Grupo Security in the middle of 1999. The company specializes on attending corporate clients and people requiring a standard of excellence in service, and has a wide range of services and products related to travel.

During 2008, Travel Security joined the travel services network of American Express, the largest combination of travel service offices in the world, with 2,200 offices and a presence in over 140 countries.

As a result of the increase in its number of clients and as the only travel services representative of American Express in Chile, Travel Security reached a position of leadership in 2009 in attending corporate, multinational and institutional clients.

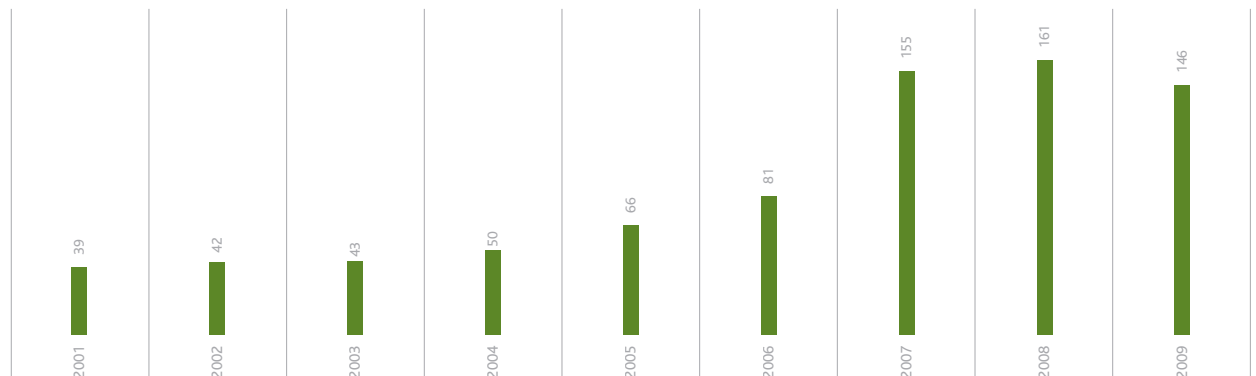
Travel Security last year generated sales of Ch\$ 82,122 million (equivalent to US\$146 million), achieving a market share of over 16% and earnings of Ch\$ 906.6 million.

The travel business in Chile suffered a contraction in sales of around 20% as a result of the global financial crisis of 2009. This translated into a sharp reduction in business and vacations air fares and travel expenses.

A reactivation of the industry is expected for 2010 which will permit the return to pre-crisis levels of activity.

SALES REVENUES • TRAVEL SECURITY

MILLIONS OF US\$ OF DEC-2009



INVEST SECURITY

Grupo Security provides support services to all its business areas and companies through Invest Security in fields like accounting, business risk and control, economic advice, marketing, corporate and information technology.

Invest Security in 2008 managed to raise the standards of efficiency in the subsidiaries and to generate economies of scale in their operation. In 2009, Invest Security Ltda. and its subsidiaries Travel Security, Global Security and Mandatos Security produced earnings of Ch\$441 million.





CHAPTER

10

I N V E S T M E N T A N D
F I N A N C I N G P O L I C I E S

GRUPO | security



INVESTMENT AND FINANCING POLICIES

POLÍTICA DE INVERSIÓN

The bylaws of Grupo Security have not yet defined any kind of investment policy, but its strategy has been mainly focused on making investments in the financial sector or in areas complementing this, in order to strengthen the Group's business areas and continue strengthening the Company's commitment of providing the market with an integral service of excellence.

FINANCING POLICY

Grupo Security does not currently define any kind of financing policy in its bylaws. Its funds come mainly from own resources, capital contributions, bond issues and traditional borrowing sources like bank loans.

GRUPO SECURITY COVENANTS WITH CREDITORS

Bonds Series C

DATE: July 16, 2004

- **Debt Ratio:** Defined as the ratio of liabilities to equity in the unconsolidated balance sheet, which should not exceed 0.40:1, effective from the financial statements at September 30, 2003. For determining the level of debt in the unconsolidated financial statements, liabilities include all guarantees or collateral granted to cover the obligations of third parties, even if these are subsidiaries.
- **Ownership of Banco Security:** The company should be the holder, directly or indirectly through one or more subsidiaries, of at least 51% of the issued shares with voting rights of Banco Security.

Bonds Series C-2

DATE: March 17, 2006

- **Debt Ratio:** Defined as the ratio of liabilities to equity in the unconsolidated balance sheet, which should not exceed 0.40:1, effective from the financial statements at September 30, 2004. For determining the level of debt in the unconsolidated financial statements, liabilities include all guarantees or collateral granted to cover the obligations of third parties, even if these are subsidiaries.
- **Ownership of Banco Security:** The company should be the holder, directly or indirectly through one or more subsidiaries, of at least 51% of the issued shares with voting rights of Banco Security.

Bonds Series D

DATE: March 17, 2006

- **Debt Ratio:** Defined as the ratio of liabilities to equity in the unconsolidated balance sheet, which should not exceed 0.40:1, effective from the financial statements at December 31, 2005. For determining the level of debt in the unconsolidated financial statements, liabilities include all guarantees or collateral granted to cover the obligations of third parties, even if these are subsidiaries.
- **Ownership of Banco Security:** The company should be the holder, directly or indirectly through one or more subsidiaries, of at least 51% of the issued shares with voting rights of Banco Security.

Bonds Series B-2

DATE: July 9, 2007

- **Debt Ratio:** Defined as the ratio of liabilities to equity in the unconsolidated balance sheet, which should not exceed 0.40:1, effective from the financial statements at September 30, 2003. For determining the level of debt in the unconsolidated financial statements, liabilities include all guarantees or collateral granted to cover the obligations of third parties, even if these are subsidiaries.
- **Ownership of Banco Security:** The company should be the holder, directly or indirectly through one or more subsidiaries, of at least 51% of the issued shares with voting rights of Banco Security.

Bonds Series E

DATE: July 30, 2007

- **Debt Ratio:** Defined as the ratio of liabilities to equity in the unconsolidated balance sheet, which should not exceed 0.40:1, effective from the financial statements at June 30, 2007. For determining the level of debt in the unconsolidated financial statements, liabilities include all guarantees or collateral granted to cover the obligations of third parties, even if these are subsidiaries.
- **Ownership of Banco Security:** The company should be the holder, directly or indirectly through one or more subsidiaries, of at least 51% of the issued shares with voting rights of Banco Security.

Bonds Series F

DATE: November 20, 2009

- **Debt level:** Effective January 2010, a debt ratio should be maintained at no higher than 0.4 times, measured quarterly on the figures in the statement of financial position issued under International Financial Reporting Standards (IFRS), this being the ratio between unconsolidated financial liabilities as shown in the disclosures of the IFRS and equity ("Level of Debt IFRS"). Unconsolidated financial liabilities are the sum of the financial obligations contracted by Grupo Security, excluding the financial obligations of its subsidiaries, regardless of whether these are consolidated or not with Grupo Security. Unconsolidated financial liabilities therefore comprise the sum of the individual debts of the company that qualify within the following IFRS accounting concepts: (i) obligations with banks and financial institutions, current and non-current (as these concepts are included in IFRS), (ii) financial obligations with the public (notes and bonds), current and non-currents (as these concepts are included in IFRS), and (iii) accounts payable to related companies, current and non-current (as these concepts are included in IFRS). Within the concept defined in point (iii) above, the accounts payable of Grupo Security will be considered individually, contracted with related entities which, having been included in the consolidation process have been eliminated during that process and are therefore not shown in the financial statements of the issuer.

In the period from October 5, 2009 and December 31, 2009, during which the financial statements of the issuer are issued under generally accepted accounting principles (GAAP), the issuer commits to maintain in its quarterly financial statements a debt level no higher than 0.4 times, measured on the figures in its unconsolidated balance sheet, that debt being defined as the ratio between total liabilities and shareholders' equity (the GAAP debt level). In both cases, the total liabilities of the issuer shall be considered to include

all guarantees and collateral that has been granted to guarantee the obligations of third parties, even if these were its subsidiaries.

• **Ownership of Banco Security:** The company should be the holder, directly or indirectly through one or more subsidiaries, of at least 51% of the issued shares with voting rights of Banco Security.

BANK CREDITORS

As of December 31, 2009 Grupo Security has no debt with banks and financial institutions.

DEPENDENCE ON DIVIDENDS FROM SUBSIDIARIES

Grupo Security is the parent company of a group of companies that receives its revenues in the form of dividends distributed by its subsidiaries. Its results therefore depend fundamentally on their performance. Grupo Security controls its principal subsidiaries through large holdings in each of them. This provides it with the flexibility to set their dividend policies according to its needs. This point has been strengthened by the diversification of revenues developed by the company, by having subsidiaries doing business in different sectors of the financial industry.

The most important asset is Banco Security which provided it with 60.3% of the dividends received in 2009. The solvency rating of Banco Security is AA-, granted by both Feller-Rate and Fitch Ratings, with stable outlook. The second largest dividend flow for Grupo Security in 2009 came from Factoring Security. The solvency rating of Factoring Security is A+, granted by both Feller-Rate and International Credit Ratings, with stable outlook. With respect to the Group's insurance companies, Vida Security is rated as AA- by Fitch Ratings and International Credit Ratings, while Penta Security is rated as A+ by Fitch Ratings and AA- by International Credit Ratings.

RISK FACTORS

- Tough competition in all the group's businesses

The businesses in which Grupo Security participates are characterized for being highly competitive (banking and insurance principally)



and with reducing margins. Mergers between companies and the continuous alliances between competitors are evidence of this. While this presents potential difficulties for companies in producing profits, it is believed that in the case of Grupo Security, the potential negative effects are offset by its strong brand image in its objective market, its high degree of customer loyalty and the niche strategy followed.

This makes it possible to provide personalized and specialized products and services to its customers, a difficult task for larger entities which also focus on the more mass segments of the population. This also generates a favorable position for facing future competition.

-Regulatory changes in the industries in which the Group participates

The industries where the Company operates are regulated by state entities (specifically the banking and insurance industries) and are therefore subject to eventual regulatory changes over time. However, in view of the level of transparency, advanced level of development and the excellent reputation of these industries at the global level, it is believed that this risk should be low.

RISKS RELATED TO THE FINANCIAL BUSINESS

Credit Risk

During the second half of the 1990s, the banking system experienced a decline in credit quality in some segments, with the consequent generalized impact on the loan portfolios. However, there has been a recovery in recent years, reflected in better risk and overdue loans ratios.

Banco Security has been characterized for consistently maintaining risk levels below those of the system.

Market Risk

The effects of inflation and fluctuations in interest rates are the principal market risks faced by the domestic banking system. Banco Security's Finance Committee has therefore developed policies, procedures and market-risk limits for managing its exposures to maturities and currencies according to its own objectives and the regulatory limits. The bank and its subsidiaries also have a special system for controlling interest-rate risks which permanently monitors its medium and long-term investments and provides an active follow-up of its portfolio.

Risks Associated with Volatility in International Markets

The Chilean economy and its markets in general are part of the international market and can be affected by external shocks. The



volatility of world financial markets and changes in global economic conditions can adversely affect the performance of local assets and the risk premium demanded by investors.

RISKS ASSOCIATED WITH INSURANCE BUSINESS

Local Financial Risks

The fall in long and medium-term interest rates could affect the return on the assets backing annuities and guaranteed-rate investment accounts when having to make investments in shorter-term maturities, generating a medium-term operating deficit.

Mortality and Sickness Rates

The increase in sickness rates can generate a rise in claims under serious-illness policies in the medium term and increases in claims under policies covering reimbursements of medical costs in the short term. The reduction in adult mortality rates can reduce the expected results in the annuities area, to the degree that companies do not adjust to the new mortality curve structure.

Industry Structure

The large number of participants in the industry can lead to company closures and mergers, thus changing the present industry structure and producing adjustments to sales and operating margin structures.

Reinsurance Industry

The tendency for reinsurance companies to concentrate could affect the variety of coverage offered, ceasing to provide reinsurance cover for risks that are presently reinsured thanks to the strong competition existing in this market not long ago.

Domestic Competition

The technical margins of branches of high retention in general insurance could continue to fall due to the keen pricing competition which is occurring in the market.





CHAPTER

11

I N F O R M A T I O N O N T H E
C O M P A N Y

GRUPO | security



IDENTIFICATION

NAME:	Grupo Security S.A.
TYPE OF ENTITY:	Open corporation.
OBJECTS:	Financial group whose object is to offer the broadest range of financial services in both Chile and abroad.
Tax No.:	96.604.380-6
ADDRESS:	Avda. Apoquindo 3150, Piso 15, Las Condes, Santiago.
TELEPHONE:	(56-2) 584 4000
FAX:	(56-2) 584 4001
MAIL:	grupo@security.cl
WEB:	www.security.cl

CONSTITUTION DOCUMENTS

The investment company Grupo Security S.A. was formed under public deed dated February 8, 1991 before the notary Enrique Morgan Torres. Its extract was published in the Official Gazette on February 22, 1991 and was registered in the Santiago Trade Register for 1991 (folio 5720, No.2820) on February 19, 1991. Grupo Security S.A. is an open corporation. On January 30, 1995, the company was registered in the Securities Register (No.0499) and is therefore subject to the regulatory authority of the Superintendency of Securities and Insurance. The shareholders' meeting held on October 20, 1997 agreed to change the company's name from Security Holdings S.A. to the present Grupo Security S.A..

OWNERSHIP

Grupo Security lacks a controller or controlling group in the terms of clause 97 of the Securities Market Law.

A group of shareholders together representing 76.33% of the share capital, are parties to an agreement regarding the assignment of shares and have taken an active part in its management since its foundation in 1991. Since then, Grupo Security has formed and incorporated new subsidiaries and areas of development, broadening its business base in the financial sector and positioning itself as top-level group in the provision of integrated financial services to its customers.

The 12 largest shareholders in Grupo Security S.A. are:

December 31, 2009

NAME	TAX NO.	NUMBER OF SHARES	HOLDING	ACCUMULATED HOLDING
Soc. Comercial de Servicios e Inv. Ltda.	79.553.600-0	364.311.010	14,29%	14,3%
Inmobiliaria Villuco Ltda.	79.652.720-K	248.503.740	9,75%	24,0%
Inversiones Matyco Ltda.	96.512.100-5	246.175.000	9,65%	33,7%
Inversiones Hidroeléctricas Ltda.	79.884.660-4	186.870.000	7,33%	41,0%
Inversiones Hemaco Ltda.	96.647.170-0	158.379.647	6,21%	47,2%
Arcoinvest Chile S.A.	76.057.087-7	127.500.000	5,00%	52,2%
Valores Security S.A. Corredores de Bolsa	96.515.580-5	121.253.666	4,76%	57,0%
Inversiones Llascahue S.A.	79.884.060-6	102.000.000	4,00%	61,0%
Inmobiliaria Cab Ltda.	96.941.680-8	96.037.000	3,77%	64,7%
Inversiones Los Cactus S.A.	79.884.050-9	82.000.000	3,22%	68,0%
Compañía de Inversiones Rio Bueno S.A.	96.519.130-5	66.088.609	2,59%	70,6%
Inversiones San Ignacio Ltda.	78.063.360-3	46.411.979	1,82%	72,4%

Fuente: DCV

In accordance with General Rule No.30 of the Superintendency of Securities and Insurance, the following is a detail of individuals who directly or indirectly through other individual or entities hold 10% or more of the share capital of Grupo Security S.A., indicating the percentage they hold directly and indirectly in Grupo Security S.A. as of December 31, 2009: this is the situation of Gustavo Pavez Rodríguez, tax No.4.609.215-5, with 14.3% shareholding.

PERSONNEL AND REMUNERATION

Grupo Security S.A. and its subsidiaries as of December 31, 2009 employed 2,242 people, a decline of 2.1% from 2008. Total remunerations paid to executives of Grupo Security S.A. during the year amounted to Ch\$9,953,044,624.

During the year, Grupo Security S.A. paid Ch\$663,960,488 in severance payments to its executives. The human team making up Grupo Security includes a high proportion of women who represent 61% of the total staff.



Grupo Security and its subsidiaries have an important incentives plan based on compliance with return on capital and reserves targets and with the budget set for the year. Each company directly incurs the expenses related to this plan.

The following shows the distribution of staff by company:

COMPANY	CLASSIFICATION			
	Executive	Professional	Staff	Total
GRUPO SECURITY S.A.	7	3	2	12
BANCO Y FILIALES	70	419	311	800
FACTORING SECURITY S.A.	10	68	68	146
INMOBILIARIA SECURITY S.A.	4	8	6	18
ASESORIAS SECURITY S.A.	1	9	2	12
SECURITIZADORA SECURITY GMAC-RFC S.A.	2	2	1	5
INVERSIONES INVEST SECURITY LTDA.	30	210	380	620
INVERSIONES SEGUROS SECURITY Y FILIALES	38	150	441	629
TOTAL GENERAL	162	869	1211	2242

DIRECTORS' COMMITTEE

The Directors' Committee is formed by the following directors of Grupo Security:

COMITÉ	NAME	STUDIES	TAX NO.
Directors	Andrés Concha Rodríguez	Commercial Engineer, Universidad de Chile	4.773.967-5
	Jorge Marín Correa	Business manager	7.639.707-4
	Álvaro Vial Gaete	Commercial Engineer, Universidad de Chile Master of Arts in Economics, University of Chicago	5.759.348-2
Secretary	Renato Peñafiel Muñoz	Commercial Engineer, Universidad Católica de Chile Master of Arts in Economics, University of Chicago	6.350.390-8

The remuneration was set at the equivalent of UF 15 per meeting for each director, with a limit of six meetings in the year. No administration expenses or advisory fees were incurred by the Directors' Committee during 2009. The committee, whose functions are those set out in article 50 bis of Law 18,046, met on five occasions during 2009 and revised the following matters:

- Revision of the report of the independent accountants addressed to the shareholders of Grupo Security and its subsidiaries as of December 31, 2008.
- Revision of the unconsolidated and consolidated financial statements of Grupo Security and its subsidiaries as of June 30, 2009, which were presented together with the report of revision of interim financial information as of June 30, 2009 made by Ernst & Young, the company's external auditors.
- Proposal of the external auditors and credit-rating agencies to the board.
- Revision and approval of the Group's annual internal audit plan and its principal scope and focus.
- Revision and follow-up of the IFRS implementation plan in Grupo Security.
- Periodic revision of operating, technological, compliance and credit risks arising from the integral risk management implemented by Grupo Security for each of its companies.
- Revision of the principal audit findings in the different areas of business and companies of Grupo Security, and follow-up of compliance with the commitments assumed for the resolution of auditing comments.
- Take note of regulatory changes made by regulatory authorities during the year.
- Take note if the internal control report of Grupo Security issued by Ernst & Young on November 30, 2009, which incorporates the comments of the Group and its subsidiaries.
- Revision of compensation and incentive systems for the managers and senior executives of Grupo Security.
- Revision of transactions between related and associate companies of Grupo Security.

Regarding this last point, the Directors' Committee has revised the principal transactions with persons and companies during 2009, taking into account that these are mainly advisory services and trading accounts with related companies. The Committee took due note of these transactions and that the related contracts have been agreed at market prices and that they are generally related to the normal course of business, agreed services and trading accounts. The Committee has also checked that the transactions were not related by ownership to any director or authorized signatory, all the above in strict compliance with current legislation.

For further information, please see Note 6 to the consolidated financial statements.

PROPERTIES AND ASSETS

Grupo Security, as the parent company of subsidiary and associate companies, does not own properties, equipment or other assets of a similar nature that are important for carrying out its activities and business. Its fixed assets as of December 31, 2009 amounted to Ch\$4,432 million.

TRADEMARKS AND PATENTS

Grupo Security is the owner of the “Security” trademark in the class corresponding to the activities of the parent, subsidiaries and associates.

DIRECTORS’ ALLOWANCES AND FEES

Regarding the allowances and fees received by each director during the year, the ordinary shareholders meeting of April 7, 2009 proposed setting remuneration for attending board meetings of UF 35 per meeting for each director and UF 50 for the chairman, with a maximum of one remunerated meeting per month. The board would also be paid an annual bonus not exceeding UF 11,000. The total remuneration paid to directors of Grupo Security during the year thus amounted to UF 3,928.

No advisory fees were paid by the board.

The directors of the parent company indicated received the following gross remuneration for their work as directors of the subsidiaries mentioned: in Grupo Security UF 603 (UF 608 in 2008) per diem Francisco Silva Silva; UF 385 (UF 350 in 2008) per diem and nil (UF 908 in 2008) in fees Claudio Berndt Cramer; UF 420 (UF 354 in 2007) per diem, UF 60 (UF 90 in 2008) per diem Directors’ Committee and nil (UF 907 in 2008) for fees Andrés Concha Rodríguez; UF 315 (UF 385 in 2008) per diem Jaime Correa Hogg; UF 385 (UF 315 on 2008) per diem and UF 75 (UF 60 in 2008) per diem of Directors’ Committee Jorge Marín Correa; UF 420 (UF 385 in 2008) per diem and nil (UF 907 in 2008) for fees Naoshi Matsumoto Takahashi; UF 385 (UF 420 in 2008) per diem Juan Cristóbal Pavez Recart; UF 420 (UF 420 in 2008) per diem and nil (UF 35 in 2008) for fees Horacio Pavez García; and UF 420 (UF 420 in 2008) per diem, UF 75 (UF 90 in 2008) per diem Directors’ Committee Álvaro Vial Gaete.

In Banco Security, UF 504 (UF 507 in 2008) per diem and UF 11,525 (UF 17,905 in 2008) for fees Francisco Silva Silva; UF 175 (UF 350 in 2008) for fees Claudio Berndt Cramer; UF 554 (UF 455 in 2008) per diem and UF 90 (UF 997 in 2008) for fees Jorge Marín Correa; UF 245 (UF 350 in 2008) for fees Naoshi Matsumoto Takahashi; UF 201 (nil in 2008) per diem and UF 245 (UF 350 in 2008) for fees Horacio Pavez García.

In Seguros de Vida Security, UF 248 (UF 341 in 2008) per diem Francisco Silva Silva; UF 310 (UF 279 in 2008) per diem and nil (UF 907 in 2008) for fees Juan Cristóbal Pavez; UF 279 (UF 248 in 2008) per diem and nil (UF 907 in 2008) for fees Horacio Pavez García; UF 279 (UF 403 in 2008) per diem and nil (UF 907 in 2008) for fees Álvaro Vial Gaete. In Inmobiliaria Security, UF 8,420 (UF 9,795 in 2008) for salary Jaime Correa Hogg.

CREDIT RATING

The shares of Grupo Security S.A. as of December 31, 2009 have been rated as First Class Level 2 and 3 and the bonds as A+ by the private credit-rating agencies Feller-Rate and Fitch Chile respectively. The detail of these ratings is as follows:

CREDIT RATING	COMMON SHARES	BONDS N° 340 SERIES B-2 BONDS N° 376 SERIES C BONDS N° 376 SERIES C-2 BONDS N° 454 SERIES D BONDS N° 507 SERIES E BONDS N° 620 SERIES F	OUTLOOK
Fitch Chile Clasificadora de Riesgo Limitada	First Class Level 3	A+	Stable
Feller & Rate Clasificadora de Riesgo	First Class Level 2	A+	Stable
Chilean Credit Rating Commission	Approved	A+	

DIVIDEND POLICY

It is the board's intention to propose to shareholders to maintain the current dividend policy, approved at the ordinary shareholders' meeting in 2009. This consists of distributing about 30% of the earnings of Grupo Security for the year, provided that this does not impede or make difficult compliance with the company's present or future financial obligations. This distribution may be made against the income for 2009 or retained earnings from previous years. The payment will be split into two dividends, an interim and a final one.

It is therefore proposed to distribute an interim dividend between October and November each year representing no more than 20% of the income accrued to the company between January and June that year.

A second, final dividend is then contemplated for April or May of the following year in order to reach around 30% of the earnings of Grupo Security for the respective year, always provided that this does not impede or make difficult compliance with the company's present or future financial obligations



MILLIONS OF CH\$ OF DECEMBER 2009

	2002	2003	2004	2005	2006	2007	2008	2009
Retained earnings	29.137	30.496	37.640	44.370	53.409	68.388	83.048	85.376
Earnings for year	9.195	17.496	18.763	23.605	30.571	34.067	17.376	30.076
Dividends paid during the year	5.801	8.411	9.486	12.034	14.843	16.276	14.623	15.729

DIVIDENDS PAID

The following table shows the history of dividends paid by Grupo Security to its shareholders since the company first quoted its shares on the stock market in 1995.

HISTORIC PESOS

DIV.Nº	DATE	CH\$ PER SHARE	AMOUNT (MILL. \$)	DIV.Nº	DATE	CH\$ PER SHARE	AMOUNT (MILL. \$)
1	Marzo 3, 1995	1,766	2.922	21	Octubre 16, 2003	0,742	1.228
2	Mayo 9, 1996	1,571	2.600	22	Octubre 16, 2003	0,758	1.254
3	Mayo 8, 1997	2,000	3.309	23	Mayo 7, 2004	3,150	5.212
4	Noviembre 20, 1997	1,000	1.655	24	Octubre 7, 2004	0,500	876
5	Mayo 11, 1998	1,500	2.482	25	Octubre 7, 2004	1,000	1.751
6	Octubre 14, 1998	4,500	7.446	26	Abril, 2005	3,300	6.733
7	Octubre 14, 1998	1,000	1.655	27	Octubre, 2005	1,000	2.040
8	Abril 12, 1999	2,000	3.309	28	Octubre, 2005	0,750	1.530
9	Octubre 20, 1999	1,000	1.655	29	Abril 17, 2006	3,750	8.254
10	Octubre 20, 1999	0,500	827	30	Octubre, 2006	1,000	2.201
11	Abril 17, 2000	2,750	4.550	31	Octubre, 2006	1,150	2.531
12	Octubre 27, 2000	0,250	414	32	Abril, 2007	4,150	9.134
13	Octubre 27, 2000	1,000	1.655	33	Octubre, 2007	1,700	3.742
14	Abril 30, 2001	2,000	3.309	34	Octubre, 2007	1,100	2.421
15	Octubre 23, 2001	0,400	662	35	Abril, 2008	4,800	10.565
16	Octubre 23, 2001	0,600	993	36	Octubre, 2008	0,500	1.101
17	Mayo 7, 2002	2,200	3.640	37	Octubre, 2008	1,500	3.302
18	Octubre 17, 2002	0,330	546	38	Abril, 2009	4,250	9.354
19	Octubre 17, 2002	0,270	447	39	Octubre, 2009	1,000	2.550
20	Mayo 5, 2003	2,600	4.302	40	Octubre, 2009	1,500	3.825

SOURCE: GRUPO SECURITY

STOCK MARKET PERFORMANCE

The local stock market in 2009 produced an annual return of 51%. This result was significantly higher than the return shown by the IPSA (selective price index) in 2008 when it showed a return of -22%.

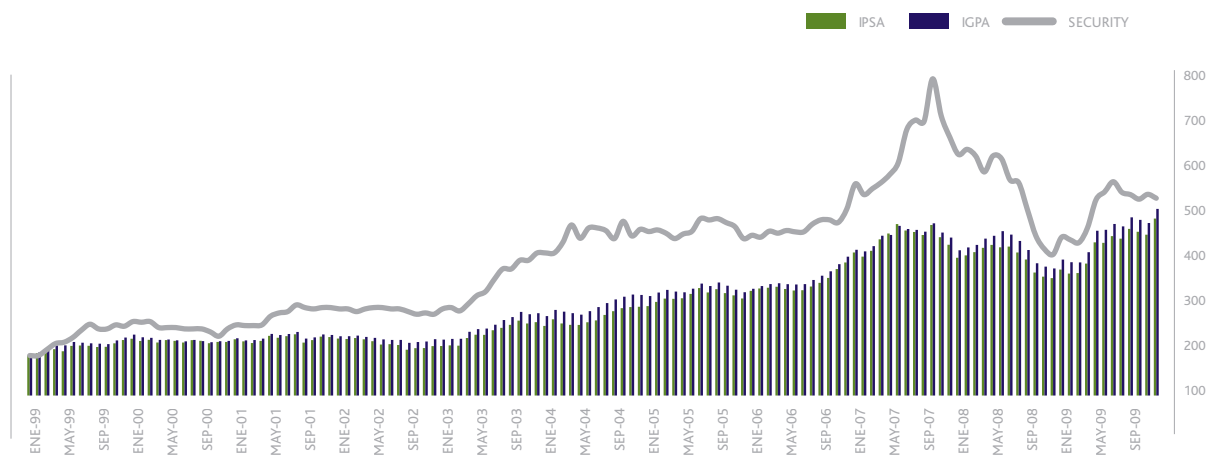
Economic conditions in 2009 improved as the months passed. The year began with the negative effects of the global economic crisis but the implementation of monetary and fiscal measures by the principal authorities, oriented to re-establishing the correct functioning of the financial system and to resuming sustainable growth, improved economic prospects, driving the stock markets and reducing risk premiums.

In this context, the Grupo Security share closed at Ch\$147.1 per share at December 31, 2009, representing a 39% rise over December 31, 2008, and showed a trading presence of 77.2% during the year.

The price/earnings ratio of the Security share reached 11.8 times, compared to 13.1 times in 2008.

The following graph shows the fluctuations in the share price of Grupo Security, compared to the IPSA and IGPA (general stock price index).

MOVEMENT IN SECURITY SHARE, IPSA AND IGPA



FUENTE: GRUPO SECURITY

NOTA: VALORES IPSA, IGPA Y ACCIÓN SECURITY EN BASE 100 A ENERO 1999



STOCK MARKET INDICATORS AND TRADING

The following table shows the market indicators of Grupo Security at the close of each from 2002 to 2009.

(HISTORIC PESOS)

	2002	2003	2004	2005	2006	2007	2008	2009
Price	61	107	125	118	139,96	194	106	147,1
Earnings per Share	4,4	8,5	7,6	9,9	12,2	14,5	8,1	11,8
Price/Earnings	13,7	12,5	16,4	11,9	11,5	13,3	13,1	12,5
Price/Book Value	1,1	1,7	1,6	1,4	1,5	1,8	0,9	1,3
Market Presence	35,3%	43,6%	49,0%	99,6%	99,6%	100,0%	81,6%	77,2%
Number of Shares	1.655	1.655	2.040	2.040	2.201	2.201	2.201	2.550
Market Value (\$USD millions)	142	295	456	468	576	861	371	741

The following shows the number of Grupo Security shares traded, the total amount and the average price during recent years:

Volumes Traded Security Share

(HISTORIC PESOS)

Period	NO. OF SHARES (THOUSANDS)	VOLUME TRADED (THOUSANDS OF HISTORIC CH\$)	AVERAGE PRICE PER SHARE (HISTORIC CH\$)
I Quarter 07	49.291	\$ 7.563.005	\$ 153
II Quarter 07	46.147	\$ 7.620.456	\$ 165
III Quarter 07	43.773	\$ 8.736.571	\$ 200
IV Quarter 07	38.731	\$ 8.444.376	\$ 219
2007	177.941	\$ 32.364.408	\$ 186
I Quarter 08	18.055	\$ 3.251.214	\$ 182
II Quarter 08	31.116	\$ 5.410.401	\$ 174
III Quarter 08	46.765	\$ 7.290.704	\$ 157
IV Quarter 08	56.889	\$ 6.499.341	\$ 113
2008	152.825	\$ 22.451.660	\$ 152
I Quarter 09	26.122	\$ 2.854.089	\$ 108
II Quarter 09	109.920	\$ 14.255.941	\$ 131
III Quarter 09	23.227	\$ 3.589.219	\$ 155
IV Quarter 09	26.973	\$ 3.984.831	\$ 148
2009	186.241	\$ 24.684.080	\$ 134

SOURCE: SANTIAGO STOCK EXCHANGE, VALPARAISO STOCK EXCHANGE & CHILEAN ELECTRONIC EXCHANGE

TRADING IN GRUPO SECURITY SHARES

The following shows the detail of share transactions of the majority shareholders, directors and senior management of Grupo Security:

Sociedad Comercial de Servicios e Inversiones Ltda. **Related to Gustavo Pavez, Majority Shareholder of Grupo Security**

DATE OF PURCHASE	DATE OF SALE	NO. OF SHARES	PRICE PER SHARE	TOTAL VALUE
20-may-09		33.077.908	\$ 115	\$ 3.803.959.420
26-nov-09		108.000	\$ 148	\$ 15.984.000

Inmobiliaria Villuco Ltda. **Related to Horacio Pavez García, Director of Grupo Security**

DATE OF PURCHASE	DATE OF SALE	NO. OF SHARES	PRICE PER SHARE	TOTAL VALUE
29-abr-09		22.497.889	\$ 115	\$ 2.587.257.235
30-jun-09		77.966	\$ 145	\$ 11.305.070
02-sep-09		637.149	\$ 160	\$ 101.943.840
26-nov-09		76.500	\$ 148	\$ 11.322.000

Inversiones Matyco Ltda. **Related to Naoshi Matsumoto Takahashi, Director of Grupo Security**

DATE OF PURCHASE	DATE OF SALE	NO. OF SHARES	PRICE PER SHARE	TOTAL VALUE
11-mar-09		3.300.000	\$ 120	\$ 396.000.000
26-may-09		22.263.854	\$ 115	\$ 2.560.343.210
30-jun-09		77.156	\$ 145	\$ 11.187.620
02-sep-09		887.548	\$ 160	\$ 142.007.680
24-nov-09		75.000	\$ 148	\$ 11.100.000

Inversiones Hidroeléctricas Ltda. **Related to Francisco Silva, Chairman of Grupo Security, Renato Peñafiel, Chief Executive of Grupo Security and Ramón Eluchans, Chief Executive Banco Security**

DATE OF PURCHASE	DATE OF SALE	NO. OF SHARES	PRICE PER SHARE	TOTAL VALUE
27-may-09		31.942	\$ 115	\$ 3.673.330
02-sep-09		750.000	\$ 160	\$ 120.000.000
02-dic-09		120.000	\$ 148	\$ 17.760.000



Inversiones Hemaco Ltda.**Related to Jorge Marín Correa, Director of Grupo Security**

DATE OF PURCHASE	DATE OF SALE	NO. OF SHARES	PRICE PER SHARE	TOTAL VALUE
19-may-09		14.384.470	\$ 115	\$ 1.654.214.050

Polo Sur Sociedad de Rentas Ltda.**Related to Jorge Marín Correa, Director of Grupo Security**

DATE OF PURCHASE	DATE OF SALE	NO. OF SHARES	PRICE PER SHARE	TOTAL VALUE
19-may-09		2.434.886	\$ 115	\$ 280.011.890

Arcoinvest Chile S.A.**Related to Ana Sainz de Vicuña Bemberg, Director of Grupo Security**

DATE OF PURCHASE	DATE OF SALE	NO. OF SHARES	PRICE PER SHARE	TOTAL VALUE
13-jul-09		127.337.489	\$ 115	\$ 14.643.811.235
13-jul-09		162.511	\$ 154	\$ 25.025.069

Inversiones Llascahue S.A.**Related to Francisco Silva Silva, Chairman of Grupo Security**

DATE OF PURCHASE	DATE OF SALE	NO. OF SHARES	PRICE PER SHARE	TOTAL VALUE
20-may-09		11.511.654	\$ 115	\$ 1.323.840.210

Inmobiliaria CAB Ltda.**Related to Claudio Berndt Cramer, Director of Grupo Security**

DATE OF PURCHASE	DATE OF SALE	NO. OF SHARES	PRICE PER SHARE	TOTAL VALUE
20-may-09		5.303.658	\$ 115	\$ 609.920.670
24-jul-09		6.342	\$ 115	\$ 729.330
02-sep-09		327.000	\$ 160	\$ 52.320.000

Inversiones Los Cactus S. A.**Related to Renato Peñafiel, Chief Executive of Grupo Security**

DATE OF PURCHASE	DATE OF SALE	NO. OF SHARES	PRICE PER SHARE	TOTAL VALUE
20-may-09		7.199.654	\$ 115	\$ 827.960.210

Compañía de Inversiones Rio Bueno S.A.
Related to Andrés Concha Rodríguez, Director of Grupo Security

DATE OF PURCHASE	DATE OF SALE	NO. OF SHARES	PRICE PER SHARE	TOTAL VALUE
13-may-09		6.002.347	\$ 115	\$ 690.269.905

José Álvaro Vial Gaete
Director Grupo Security

DATE OF PURCHASE	DATE OF SALE	NO. OF SHARES	PRICE PER SHARE	TOTAL VALUE
24-nov-09		200	\$ 148	\$ 29.600

San León Inversiones y Servicios Ltda.
Related to José Alvaro Vial Gaete, Director of Grupo Security

DATE OF PURCHASE	DATE OF SALE	NO. OF SHARES	PRICE PER SHARE	TOTAL VALUE
20-may-09		2.162.754	\$ 115	\$ 248.716.710
30-jun-09		7.497	\$ 145	\$ 1.087.065
24-sep-09		67.000	\$ 150	\$ 10.050.000
24-nov-09		6.900	\$ 148	\$ 1.021.200

Inversiones Los Chilcos S.A.
Related to Ramón Eluchans Olivares, Chief Excecutive of Banco Security

DATE OF PURCHASE	DATE OF SALE	NO. OF SHARES	PRICE PER SHARE	TOTAL VALUE
19-may-09		3.487.348	\$ 115	\$ 401.045.020

Círculo Financiero S.A.
Related to Jaime Correa Hogg, Director of Grupo Security

DATE OF PURCHASE	DATE OF SALE	NO. OF SHARES	PRICE PER SHARE	TOTAL VALUE
	04-feb-09	41.099.456	\$ 0	\$ 0

Inversiones Círculo Financiero Ltda.
Related to Jaime Correa Hogg, Director of Grupo Security

DATE OF PURCHASE	DATE OF SALE	NO. OF SHARES	PRICE PER SHARE	TOTAL VALUE
04-feb-09		41.099.456	\$ 0	\$ 0
28-may-09		758.758	\$ 115	\$ 87.257.170
	11-mar-09	33.503.930	\$ 120	\$ 4.020.471.600
	12-nov-09	758.758	\$ 152	\$ 114.951.837



MATERIAL INFORMATION**Santiago, February 9, 2009**

The company's board on February 6 unanimously agreed to issue 349,000 nominative, ordinary shares of the one series and of no par value, against the capital increase agreed by the extraordinary shareholders meeting of December 29, 2008.

Santiago, March 16, 2009

The board of Grupo Security on March 16 called the ordinary shareholders meeting for April 7, 2009 to make the proposal to distribute a dividend of Ch\$4.25 per share which, including the provisional dividend of Ch\$0.50 and additional dividend of Ch\$1.50 already paid on October 4, 2008, makes a total final dividend of Ch\$6.25 for 2008.

Santiago, April 9, 2009

The company's board on April 9 unanimously agreed to set a price of Ch\$115 per share for the placement of the 349,000,000 shares for payment issued against the capital increase agreed by the extraordinary shareholders meeting of December 29, 2008.

Santiago, August 27, 2009

The company's board on August 27 accepted the resignation of Jaime Correa Hogg as a director of Grupo Security S.A., appointing Ana Sainz de Vicuña as his replacement.

Jaime Correa Hogg was a director of the Group for over 18 years, and also director of the companies Factoring Security, Securitizadora Security and Seguros Generales Security, and alternate director of AFP Protección. Since 1996, he has also worked as the general manager of Inmobiliaria Security. His professionalism and commitment with the development of the organization was notable as a director of Grupo Security.

Santiago, August 28, 2009

The board meeting of Grupo Security held on August 27, 2009 unanimously agreed to register with the Superintendency of Securities and Insurance a new issue and placement of bonds for a total amount of up to UF 1,250,000. The proceeds would be used to repay or prepay financial debt and finance the company's investments.

Santiago, October 5, 2009

The board of Grupo Security on October 5 agreed to pay a total dividend of Ch\$2.5 per share, corresponding to a provisional dividend of Ch\$1.0 and additional dividend of Ch\$1.5 against the company's retained earnings.

Santiago, November 4, 2009

The board of Inversiones Security on November 4, 2009, agreed to accept the resignation as general manager of Cristián Pinto Marinovic in order for him to take up an appointment in the company's parent. He was replaced as general manager by Rodrigo Fuenzalida Besa.

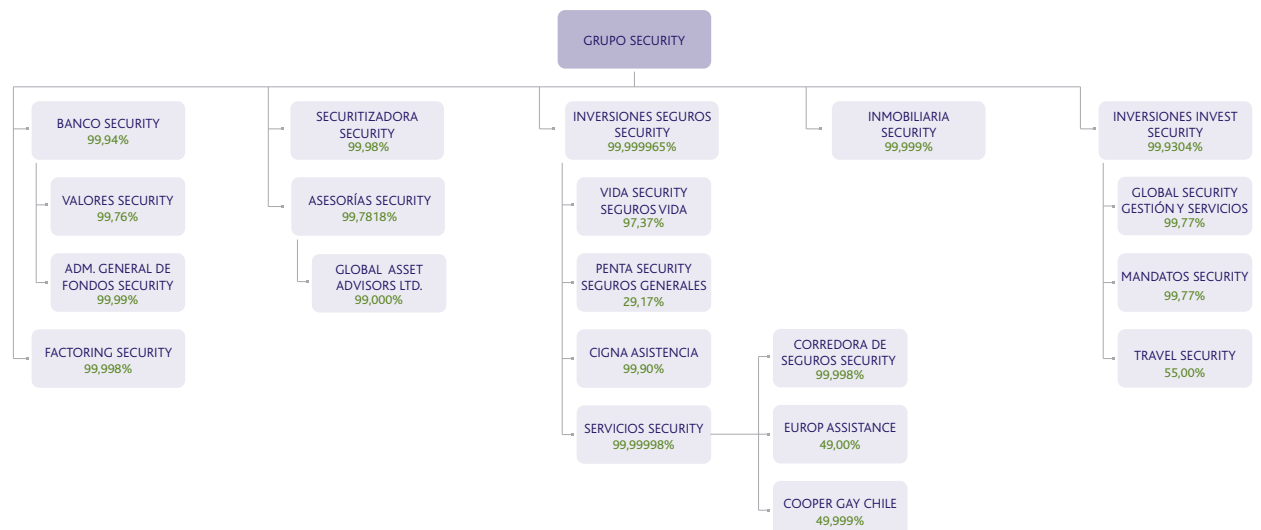
Santiago, November 27, 2009

As established in the bond indenture signed between Grupo Security and Banco Bice, the latter as representative of the bond-holders, Grupo Security would prepay the whole amount outstanding of the Series C bonds on February 15, 2010.

Santiago, December 24, 2009

The board of Grupo Security on December 23 unanimously agreed to approve a transitory general policy relating to the company's habitual transactions with related parties that are related to its usual business and are in the corporate interest, whose price, terms and conditions are in line with those prevailing in the market.

ORGANIZATION STRUCTURE



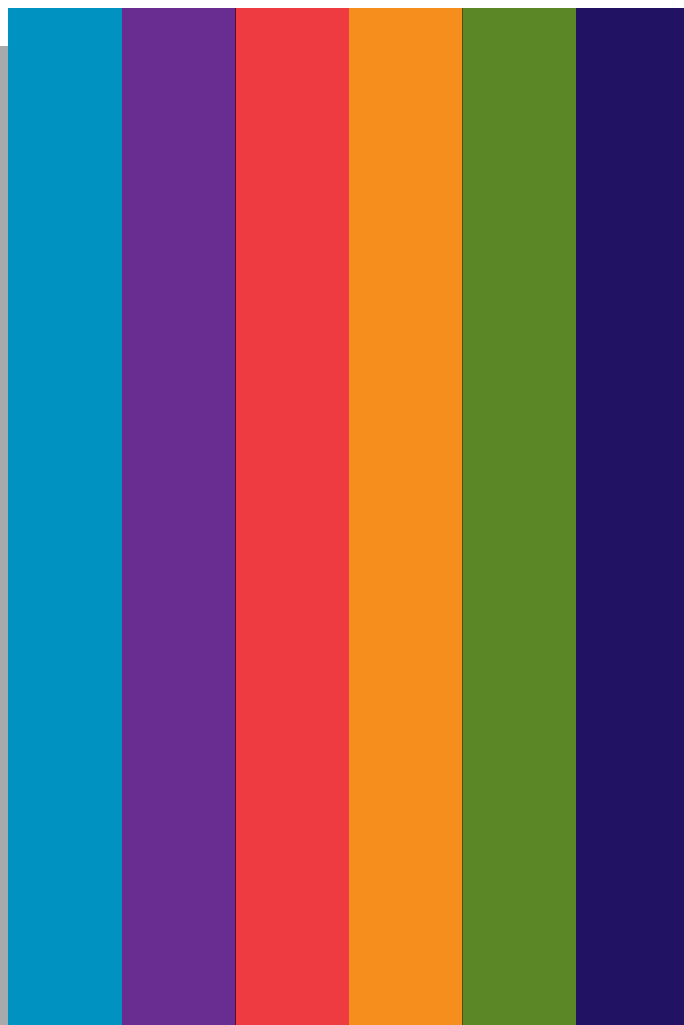


CHAPTER

12

F I N A N C I A L S T A T E M E N T S

GRUPO | security



I N D I V I D U A L
C O N S O L I D A T E D
S U B S I D I A R I E S

GRUPO | security

\$= Chilean pesos

MM\$= Millions of Chilean pesos

US\$= United States dollar

U.F.= Unidades de Fomento (an official inflation-indexed monetary unit)



CAPÍTULO

12

F I N A N C I A L S T A T E M E N T S

I N D I V I D U A L F I N A N C I A L
S T A T E M E N T S



REPORT OF INDEPENDENT AUDITORS



To the Shareholders and Directors of
Grupo Security S.A.

1. We have audited the balance sheets of Grupo Security S.A. ("the Company") as of December 31, 2009 and 2008 and the related statements of income and cash flows for the years then ended. These financial statements (which include their related notes) are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.
2. We conducted our audits in accordance with generally accepted auditing standards in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. These financial statements have been prepared to reflect the individual financial position of Grupo Security S.A., based on the criteria described in Note 2b), before the line by line consolidation of the financial statements of the subsidiaries detailed in Note 10. Consequently, for adequate interpretation, the individual financial statements should be read and analyzed in conjunction with the consolidated financial statements of Grupo Security S.A., which are required by generally accepted accounting principles in Chile. This report is presented solely for the information and use of the Board of Directors and Management of Grupo Security S.A. and the Chilean Superintendency of Securities and Insurance.
4. As explained in Note 10 to the financial statements, Grupo Security accounted for the Company's investment in Banco Security as of December 31, 2009, using the equity method, on the basis of the financial statements prepared by the Bank in accordance with the new accounting standards set forth by the Superintendency of Banks and Financial Institutions, in the framework of the process of convergence to International Financial Reporting Standards ("IFRS") carried out by that regulating organization. Considering what is described in paragraph 6 below, the above resulted in Grupo Security recognizing in advance an equity decrease of ThCh\$8,636,284 as of January 1, 2009, corresponding to the accumulated effect of the first-time adoption of the new accounting standards by the Bank.
5. In our opinion, except for what is stated in the previous paragraph, the individual financial statements referred to above present fairly, in all material respects, the individual financial position of Grupo Security S.A. as of December 31, 2009 and 2008 and the results of its operations and cash flows for the years then ended, in conformity with the accounting criteria described in Note 2b).
6. As explained in Note 3, as of January 1, 2010 Grupo Security S.A. will adopt International Financial Reporting Standards ("IFRS") as generally accepted accounting principles, in accordance with the instructions of the Superintendency of Securities and Insurance.



Juan Francisco Martínez A.
ERNST & YOUNG LTDA.
Santiago, Chile
February 22, 2010

BALANCE SHEETS

As of December 31,

ASSETS	NOTE	2009 THCH\$	2008 THCH\$
Current Assets			
Cash		222.698	59.250
Time deposits		-	59.525
Marketable securities	(4)	10.618.746	-
Notes receivable	(5)	186.161	130.556
Miscellaneous receivables	(5)	6.913.824	4.334.583
Notes and accounts receivable from related companies	(6)	351.101	612.615
Recoverable taxes	(7)	943.501	1.453.199
Prepaid expenses		9.687	2.437
Deferred taxes	(7)	396.178	285.817
Other current assets	(8-9)	11.192.797	6.300.854
Total current assets		30.834.693	13.238.836
Fixed Assets			
Buildings and infrastructure		1.665.633	1.665.633
Machinery and equipment		740.205	733.544
Other fixed assets		364.865	359.397
Accumulated depreciation		(1.159.394)	(1.021.096)
Total fixed assets, net		1.611.309	1.737.478
Other Assets			
Investments in related companies	(10)	316.819.783	273.572.665
Goodwill	(11)	36.286.377	38.722.322
Negative goodwill	(11)	(133.899)	(130.819)
Intangibles		285.336	236.461
Amortization		(136.419)	(47.093)
Other	(12)	3.455.675	3.250.805
Total other assets		356.576.853	315.604.341
Total assets		389.022.855	330.580.655

BALANCE SHEETS

As of December 31,

LIABILITIES AND SHAREHOLDERS' EQUITY	NOTE	2009 M\$	2008 M\$
Current Liabilities			
Short-term obligations with banks and financial institutions	(13)	-	629.048
Short-term portion of obligations with the public	(15)	4.171.867	3.994.918
Dividends payable		71.124	204.572
Accounts payable		2.088	140.951
Miscellaneous payables		1.210.591	822.044
Provisions	(16)	1.119.865	720.322
Withholdings		33.392	40.389
Total current liabilities		6.608.927	6.552.244
Long-term Liabilities			
Long-term portion obligations with banks	(14)	-	3.697.196
Long-term obligations with the public	(15)	91.189.709	79.214.597
Total long-term liabilities		91.189.709	82.911.793
Shareholders' Equity			
Paid-in capital	(17)	159.414.682	121.139.852
Share premium	(17)	37.978.708	36.237.809
Other reserves	(17)	(19.083.846)	(15.602.241)
Retained earnings	(17)	85.375.564	83.048.352
Net income	(17)	30.076.361	17.375.561
Interim dividends	(17)	(2.537.250)	(1.082.715)
Total shareholders' equity, net	(17)	291.224.219	241.116.618
Total liabilities and shareholders' equity		389.022.855	330.580.655

STATEMENTS OF INCOME

For the years ended December 31,

	NOTA	2009 THCH\$	2008 THCH\$
Operating Income			
Administrative and selling expenses		(4,289.939)	(3,325.778)
Operating income		(4,289.939)	(3,325.778)
Non-operating Income			
Interest income		388.271	655.994
Net income from investments in related companies	(10)	39,026.813	25,463.072
Other non-operating income	(18)	925.837	1,849.017
Loss on investment in related companies	(10)	(184.571)	(281.408)
Amortization of goodwill	(11)	(2,435.945)	(2,435.945)
Interest expenses		(3,654.525)	(3,699.943)
Other non-operating expenses		(693.000)	-
Price-level restatement	(19)	965.284	(1,734.990)
Foreign currency translation, net	(20)	7.518	-
Non-operating income		34,345.682	19,815.797
Income before income taxes		30,055.743	16,490.019
Income taxes	(7)	20.618	764.345
Net income before minority interest		30,076.361	17,254.364
Net income		30,076.361	17,254.364
Amortization of negative goodwill	(11)	-	121.197
Net income		30,076.361	17,375.561

STATEMENTS OF CASH FLOWS

For the years ended December 31,

	NOTE	2009 THCH\$	2008 THCH\$
Cash Flows from Operating Activities			
Net income		30.076.361	17.375.561
Charges (credits) to net income which do not represent cash flows			
Depreciation for the year		128.996	312.065
Amortization of intangibles		264.182	177.950
Write-offs and provisions		378.186	334.397
Net income accrued on investments in related companies	(10)	(39.026.813)	(25.463.072)
Loss accrued on investments in related companies	(10)	184.571	281.408
Amortization of goodwill	(11)	2.435.945	2.435.945
Amortization of negative goodwill		-	(121.197)
Price-level restatement	(19)	(965.284)	1.734.990
Foreign currency translation, net	(20)	(7.518)	-
Other charges to income which do not represent cash flows		346.320	366.976
Changes in assets that affect cash flows (Increase) decrease			
Other assets		1.120.192	(231.963)
Changes in liabilities that affect cash flows Increase (decrease)			
Other accounts payable related to operating income		2.735.203	-
Other accounts payable related to non-operating income		-	3.460.155
Net cash flows provided by (used in) operating activities		(2.329.659)	663.215
Net Cash Flows from Financing Activities			
Proceeds from loans		40.135.583	-
Obligations with the public		15.918.164	-
Payment of dividends		(15.729.250)	(13.547.375)
Loan payments		(4.428.089)	(788.758)
Payment of obligations with the public		(7.004.926)	(6.875.686)
Net cash flows provided by (used in) financing activities		28.891.482	(21.211.819)
Net Cash Flows from Investment Activities			
Other investment revenue		13.842.958	41.238.653
Additions to fixed assets		(11.042)	(579.294)
Investments in related companies		(24.626.015)	(21.337.055)
Net cash flows provided by (used in) investment activities		(10.794.099)	19.322.304
Total Net (Negative) Positive Cash Flows for the Year		15.767.724	(1.226.300)
Effect of Price - Level Restatement on Cash and Cash Equivalents		(151.555)	(27.913)
(Decrease) Increase in Cash and Cash Equivalents During the Year		15.616.169	(1.254.213)
Cash and Cash Equivalents at Beginning of Year		6.417.662	7.671.875
Cash and Cash Equivalents at End of Year	(21)	22.033.831	6.417.662

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009 and 2008

NOTE 1 - REGISTRATION IN THE SECURITIES REGISTRY

This investment company was created by public deed on February 8, 1991, under the name of Security Holdings S.A. in order to make investments and provide advisories of any kind in the country.

On January 31, 1995, the Company was registered in the Securities Registry under No. 0499 and therefore is not subject to the supervision of the Superintendency of Securities and Insurance ("SVS").

NOTE 2 - SIGNIFICANT ACCOUNTING PRINCIPLES**a) Periods covered**

These financial statements cover the years ended December 31, 2009 and 2008..

b) Basis of preparation

These individual financial statements of Grupo Security S.A. have been prepared in accordance with generally accepted accounting principles in Chile ("Chilean GAAP") and with the instructions set forth by the SVS, which shall prevail in case of discrepancy, except for investments in subsidiaries, which are recorded in a single line of the balance sheet at their proportional equity value or equity value, as applicable, and therefore have not been consolidated line by line. This treatment does not modify net income or shareholders' equity. Certain accounting practices applied by the Company that conform to Chilean GAAP may not conform to generally accepted accounting principles in the United States ("US GAAP") or IFRS. For the convenience of the reader, these financial statements have been translated from Spanish to English.

The financial statements of subsidiary Banco Security S.A. as of December 31, 2009, have been prepared in accordance with the new accounting standards set forth by the Superintendency of Banks and Financial Institutions ("SBIF"), in the framework of the process of convergence to IFRS. The Company opted for the criteria of recognizing this investment on the basis of the financial statements prepared in accordance with these new accounting standards, also including recognition of the effect of price-level restatement of non-monetary assets and liabilities of its Banking subsidiary.

These financial statements have been issued solely for the purpose of making an individual analysis of the Company and therefore should be read in conjunction with the consolidated financial statements that are required by Chilean GAAP.

c) Basis of presentation

Prior year balances, which are presented for comparison purposes, have been restated off-balance sheet by the variation in the Consumer Price Index ("CPI") which is -2.3%.

d) Price-level restatement

In order to present the effect of the variation in the purchasing power of the currency experienced during the year, non-monetary assets and liabilities, shareholders' equity and income statement accounts have been price-level restated based on the variation in the Consumer Price Index, which was -2.3% in 2009 (8.9% in 2008).

e) Basis of conversion

Assets and liabilities in foreign currency have been converted at the observed exchange rate as of December 31, 2009 which was Ch\$507.1 per US\$1 (Ch\$636.45 per US\$1 in 2008).

Balances expressed in UF as of December 31, 2009 have been converted to Chilean pesos at Ch\$20,942.88 per UF (Ch\$21,452.57 per UF in 2008).

f) Time deposits

Investments in time deposits are presented at the value of the investment plus interest and readjustments accrued as of each year-end.

g) Marketable securities

Marketable securities are investments in mutual fund installments (fixed income) which have been valued at the value of the installment as of each year-end and investments in shares valued at the trading value as of each year-end.

h) Investments with sellback agreements

Purchases of financial instruments with sellback agreements are valued at the purchase value plus interest accrued, according to the implicit interest rate determined between the purchase value and the committed sales value as of the commitment date, and are presented in Other Current Assets.

i) Recoverable taxes

Monthly prepaid tax installments are recorded net of income tax provisioned and refunds requested from the Chilean Internal Revenue Service for absorption of net income.

j) Fixed assets

Fixed assets items are presented at their price-level restated acquisition value net of depreciation.

k) Depreciation of fixed assets

Depreciation for the year has been calculated using the straight-line method based on the estimated useful lives of the assets.

l) Investments in related companies

Investments in related companies made before January 1, 2004 are valued using proportional equity method. That method includes recognition of the participation in income on an accrual basis.

Investments in related companies made as of January 1, 2004 are valued using the equity method, in accordance with Technical Bulletin No. 72 issued by the Chilean Association of Accountants and Circular No. 1,697 issued by the SVS, recognizing income on an accrual basis.

m) Goodwill and negative goodwill

Balances presented in Goodwill represent the excess paid over the proportional equity value of investments made before January 1, 2004 and the excess paid over the equity value originated in the acquisition of shares of related companies made as of January 1, 2004, in accordance with the standard set forth by the SVS and in Technical Bulletin No. 72 issued by the Chilean Association of Accountants. Goodwill is being amortized over the expected periods of return of the investment, which does not exceed 240 months.

The balance in negative goodwill for 2008 corresponds to the difference that exists between the value paid and the equity value of the purchase of participation in Securitizadora Security S.A. The equity value used for this calculation is the value determined by external advisors, and in accordance with Technical Bulletin No. 72, it was adjusted by the determination of the fair values assigned to assets and liabilities.

n) Obligations with the public

This heading is composed of the obligation for bonds issued by the Company which are presented in liabilities at their par value. The difference between the par and placement value represents deferred interest which is amortized in accordance with the maturity of the instrument. This lower bond placement value is included in other under total assets.

o) Income taxes and deferred taxes

The Company has recognized its tax obligations on the basis of current legal provisions.

The Company and its subsidiaries determine income taxes on the basis of net taxable income determined for tax purposes. Deferred taxes, assignable to items that have a different treatment for tax and accounting purposes, have been recorded as established in

Technical Bulletin No. 60 and complementary bulletins issued by the Chilean Association of Accountants.

p) Vacation provision

The cost of vacations and other employee benefits is recognized on an accrual basis.

q) Net income from investments in related companies

The Company's income primarily corresponds to the income generated by its subsidiaries, which has been recorded on an accrual basis as established in Technical Bulletin No. 72 issued by the Chilean Association of Accountants.

r) Other revenues

Other revenues are recognized in accordance with Technical Bulletin No. 70 issued by the Chilean Association of Accountants.

s) Computer software

Computer software has been valued as established in Circular No. 1,819 issued by the SVS and is amortized over a 4-year term.

t) Use of estimates in the preparation of financial statements

The preparation of financial statements in accordance with Chilean GAAP requires that management make certain estimates and assumptions that affect the balances of assets and liabilities reported and disclosure of contingencies regarding assets and liabilities as of the date of the financial statements, as well as income and expenses during the year. Real results could differ from these estimations.

u) Reclassifications

Certain minor reclassifications have been made to the 2008 financial statements for comparison purposes.

v) Cash and cash equivalents

The Parent Company and its subsidiaries have considered all investments in fixed income mutual fund units, time deposits and sellback agreements entered into as part of the regular management of cash surplus, maturing in less than 90 days and with low risk of recoverability as cash and cash equivalents in accordance with Technical Bulletin No. 50 issued by the Chilean Association of Accountants. (Note 21).

NOTE 3 - ACCOUNTING CHANGES**a) Accounting changes applied during 2009**

The SBIF, through its Circular No. 3,410 dated November 9, 2007, subsequently supplemented by Circular No. 3,443 dated August 21, 2008, introduced the new Compendium of Accounting Standards that banks must apply as result of the IFRS convergence project developed by this Superintendency.

This Compendium of Accounting Standards of the SBIF establishes that as of January 1, 2009 banks must begin application of the new accounting criteria established by the SBIF, and in those matters not addressed by the compendium they must apply IFRS. Changes in the accounting criteria of Banco Security, a subsidiary of the Group, are related among other things to the following items: a) suspension of the price-level restatement mechanism; b) changes in certain criteria for determination of credit risk provisions; c) option to revalue property, plant and equipment as of the date of first-time adoption of the standard; d) accrual of loan interest at the effective rate; e) impairment of deferred assets; f) changes and the incorporation of additional disclosures in the notes to the financial statements; etc.

As a product of the adoption of these new accounting criteria, adjustments were made to balances of the shareholders' equity accounts of Banco Security as of January 1, 2009. As of January 1, 2009, Grupo Security opted for the criteria of recognizing the investment in Banco Security on the basis of the financial statements prepared under these new accounting criteria, recognizing the accumulated effects of the change at the beginning of the year in shareholders' equity. The above resulted in the Group recognizing an equity decrease of ThCh\$8,636,284 as of January 1, 2009. Likewise, the Company recognized accrued income for 2009, for its equity participation in Banco Security, on the basis of the financial statements of the Bank prepared in accordance with what is expressed in Note 2b.

b) Accounting standards that will be applied as of 2010

In conformity with what is established by the SVS regarding the adoption of International Financial Reporting Standards, the Company has reported that it will fully adopt IFRS as of 2010. As a consequence of the above, changes will arise in beginning shareholders' equity as of January 1, 2010 and will affect determination of income in future years. The preliminary effects of this change upon adoption of the new standard in the preparation of the Company's financial statements have been quantified and notified to the SVS in accordance with the instructions of Official Circular No. 457 dated June 20, 2008.

DESCRIPTION	CURRENT				SUBTOTAL	TOTAL CURRENT (NET)		LONG-TERM	
	UP TO 90 DAYS		MORE THAN 90 DAYS UP TO 1 YERAS						
	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$	2009 THCH\$	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$
Trade accounts receivable	-	-	-	-	-	-	-	-	-
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-
Notes receivable	186.161	-	-	-	186.161	186.161	130.556	-	-
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-
Miscellaneous receivables	-	-	6.913.824	-	6.913.824	6.913.824	4.334.583	-	-
Trade accounts receivable	-	-	-	-	-	-	-	-	-
					Total long-term receivables			-	

NOTE 6 - BALANCES AND TRANSACTIONS WITH RELATED COMPANIES

Notes and accounts receivable from and payable to related companies are expressed in Chilean pesos and accrue interest at market rates.

Transactions with related companies and individuals with amounts that are not significant have not been included.

The Company has the following service contracts in force with its subsidiaries:

Invest Security - Service contract for services such as: accounting, controllership, technological services and marketing, among others.

Global Gestión y Servicios - Marketing management contracts.

In management's opinion, transactions with related companies have been performed under market conditions.

As of December 31, 2009 and 2008 balances and transactions with related companies are detailed as follows:

a) Short-term notes and accounts receivable

TAXPAYER NO.	COMPANY	2009 THCH\$	2008 THCH\$
78.769.870-0	Inversiones Seguros Security Ltda.	348.517	-
77.461.880-5	Inversiones Invest Ltda.	2.584	612.615
Total		351.101	612.615

b) Transactions

COMPANY	TAXPAYER NO.	NATURE OF THE RELATIONSHIP	TRANSACTION DESCRIPTION	2009		2008	
				AMOUNT THCH\$	(CHARGE) /CREDIT TO INCOME THCH\$	AMOUNT THCH\$	(CHARGE) /CREDIT TO INCOME THCH\$
Banco Security	97053000-2	Direct subsidiary	Time deposits	2.700.000	5.297	5.029.604	144.604
Administradora General de Fondos Security S.A.	96639280-0	Indirect subsidiary	Mutual funds	31.288.281	56.863	3.517.200	106.812
Valores Security S.A. Corredores de Bolsa	96515580-5	Indirect subsidiary	Financial investments	35.091.624	304.415	45.177.406	169.581
Servicios Security S.A.	96849320-5	Indirect subsidiary	Mercantile current account	-	-	1.767	40
Inversiones Seguros Security Limitada	78769870-0	Direct subsidiary	Mercantile current account	348.516	13.943	81.642	81.642
Inversiones Invest Security Limitada	77461880-5	Direct subsidiary	Mercantile current account	622.768	2.391	612.615	1.561
Inversiones Invest Security Limitada	77461880-5	Direct subsidiary	Advisory & accounting services	415.509	(415.509)	372.614	(372.614)
Valores Security S.A. Corredores de Bolsa	96515580-5	Indirect subsidiary	Advisories and services	6.056	(6.056)	6.245	(6.245)
Virtual Security S.A.(Actualmente Invest Ltda.)	96924730-5	Indirect subsidiary	Advisories and services	384.347	(384.347)	278.952	(278.952)
Banco Security	97053000-2	Direct subsidiary	Bank and other expenses	85.606	(85.606)	34.617	(34.617)
Travel Security S.A.	79740720-8	Indirect subsidiary	General expenses	53.947	(53.947)	64.008	(64.008)
Seguros de Vida Security Previsión S.A.	99301000-6	Indirect subsidiary	Insurance policies	8.717	(8.717)	7.849	(7.849)
Global Gestión y Servicios	76181170-3	Indirect subsidiary	Corp. advertising serv.	203.550	(203.550)	291.522	(291.522)
Virtual Security S.A.	96924730-5	Indirect subsidiary	Project advances	-	-	96.305	-
Factoring Security S.A.	96655860-1	Direct subsidiary	Advisories	62.976	(62.976)	-	-
Adm. de Serv. y Benef Security Ltda.	77431040-1	Indirect subsidiary	Corporate shares	14.390	(14.390)	-	-

NOTE 7 - CURRENT AND DEFERRED INCOME TAXES

a) Recoverable taxes

As of December 31, 2009 and 2008, recoverable taxes are detailed as follows:

	2009 THCH\$	2008 THCH\$
Recovery of tax losses	912.883	1.421.855
Monthly prepaid tax installments	28.857	28.193
Sence training tax credit	1.761	3.151
Total	943.501	1.453.199

Al 31 de diciembre de 2009 la Sociedad no ha constituido provisión por impuesto a la renta debido a que presenta resultados tributarios negativo.

b) Deferred taxes

As of December 31, 2009 and 2008, deferred taxes are detailed as follows:

CONCEPTS	2009				2008			
	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES		DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
	SHORT-TERM THCH\$	LONG-TERM THCH\$	SHORT-TERM THCH\$	LONG-TERM THCH\$	SHORT-TERM THCH\$	LONG-TERM THCH\$	SHORT-TERM THCH\$	LONG-TERM THCH\$
Vacation provision	20.241	-	-	-	15.563	-	-	-
Miscellaneous provisions	375.937	-	-	-	270.254	-	-	-
Total	396.178	-	-	-	285.817	-	-	-

c) Income tax

As of December 31, 2009 and 2008, the composition of the net (charge) credit to the income tax account is detailed as follows:

ITEM	2009 THCH\$	2008 THCH\$
Tax expense adjustment (previous year)	(89.743)	-
(Charge) credit of deferred tax asset or liabilities for the year	110.361	(213.500)
Tax benefit from tax losses	-	977.845
Total	20.618	764.345

NOTE 8 - OTHER CURRENT ASSETS

As of December 31, 2009, the balance of ThCh\$11,192,797 (ThCh\$6,300,854 in 2008) is composed mainly of instruments with sellback agreements of ThCh\$11,192,387 (ThCh\$6,298,887 in 2008) and other assets of ThCh\$410 (ThCh\$1,967 in 2008).

NOTA 9 - INFORMATION REGARDING TRANSACTIONS INVOLVING SECURITIES OR PERSONAL PROPERTY PURCHASE COMMITMENTS, SALES COMMITMENTS, SALES WITH BUYBACK COMMITMENTS AND PURCHASE WITH SELLBACK COMMITMENTS

Transactions involving sale with buyback commitment (VCR) and purchase with sellback commitment (CRV)

DATES									
CODE	INCEPTION	TERMINATION	COUNTERPARTY	ORIGINAL CURRENCY	SUBSCRIPTION VALUE THCH\$	RATE	FINAL VALUE THCH\$	INSTRUMENT IDENTIFICATION	MARKET VALUE THCH\$
VCR	31-12-2009	02-01-2010	Valores Security S.A. Corredores de Bolsa	Chilean pesos	11.192.387	0,06	11.193.507	Letras	11.192.387

NOTE 10 – INVESTMENTS IN RELATED COMPANIES

a) As of December 31, 2009 and 2008 investments in related companies are detailed as follows:

TAXPAYER NO.	TAXPAYER NO.	COUNTRY OF ORIGIN	INVESTMENT CONTROL CURRENCY	NUMBER OF SHARES	PARTICIPATION PERCENTAGE		EQUITY OF COMPANIES		INCOME		ACCRUED INCOME		EQUITY VALUE/ PROPORTIONAL EQUITY VALUE		BOOK VALUE OF THE INVESTMENT	
					2009 %	2008 %	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$
97053000-2	Banco Security	Chile	Chilean pesos	151.739.816	99,94780	99,94160	197.592.224	180.548.425	27.093.706	14.010.250	27.083.698	14.001.844	197.489.081	180.440.095	197.489.081	180.440.095
78769870-0	Inversiones Seguros Security Limitada	Chile	Chilean pesos		99,99999	99,99950	84.759.438	56.502.557	8.677.535	5.534.697	8.677.533	5.534.695	84.759.015	56.502.537	84.759.015	56.502.537
96655860-1	Factoring Security S.A.	Chile	Chilean pesos	551.862.290	99,99800	99,99800	21.861.931	23.845.837	2.816.011	4.691.785	2.815.954	4.691.703	21.861.494	23.845.375	21.861.494	23.845.375
96803620-3	Asesorías Security S.A.	Chile	Chilean pesos	2.744	99,78180	99,80000	1.131.891	1.190.571	(58.681)	69.647	(58.553)	69.496	1.129.421	1.187.973	1.129.421	1.187.973
96786270-3	Inmobiliaria Security S.A.	Chile	Chilean pesos	1.599.999.998	99,99999	99,99999	3.575.574	4.026.593	(126.019)	635.487	(126.018)	635.468	3.575.538	4.026.553	3.575.538	4.026.553
77461880-5	Inversiones Invest Security Limitada	Chile	Chilean pesos		99,99500	99,90000	6.311.644	4.908.675	441.466	530.574	441.267	529.866	6.308.804	4.905.258	6.308.804	4.905.258
96847360-3	Securitizadora Security S.A.	Chile	Chilean pesos	4.214	99,98000	50,96000	1.696.769	2.665.406	8.363	(392.772)	8.361	(281.408)	1.696.430	2.664.874	1.696.430	2.664.874
Total													316.819.783	273.572.665	316.819.783	273.572.665

b) On August 10, 2007, Grupo Security S.A. in conjunction with its direct subsidiary Inversiones Seguros Security Ltda. purchased Cigna Holdings S.A. whose main asset is Cigna Compañía de Seguros de Vida Chile S.A. The joint operation meant a disbursement of approximately MCh\$13,544.

In accordance with Technical Bulletin No. 72 issued by the Chilean Association of Accountants, the operation described above implied determining the fair value of this Company, which determines the new value of assets and liabilities of the acquired company.

The reconciliation to fair values of the assets and liabilities acquired in the transaction described in the previous paragraph is detailed as follows:

	THCH\$
Book value of shareholders' equity	17.954.592
Adjustment to fair value	(5.658.461)
Equity value	12.296.131

These values form part of the shareholders' equity of indirect subsidiary Seguros Vida Security Previsión S.A.

- c) During March 2008, Banco Security distributed dividends to Grupo Security in the amount of ThCh\$13,617,237 (historical).
- d) During June 2008, Factoring Security distributed dividends to Grupo Security in the amount of ThCh\$2,502,696 (historical).
- e) During June 2008, Inmobiliaria Security distributed dividends to Grupo Security in the amount of ThCh\$280,000 (historical).
- f) On August 14, 2008, Grupo Security S.A. purchased the participation of GMAC-RFC in Security GMAC-RFC S.A. With that participation, Grupo Security S.A. increased its participation, to date obtaining 99.98% of the latter company. The total value paid for that operation was ThCh\$1,104,000.

In accordance with Technical Bulletin No. 72 issued by the Chilean Association of Accountants, the operation described above implied making a determination of this company at fair value, which determined that the new value of the assets and liabilities of the acquired company did not differ significantly from their book values.

The reconciliation to fair value of the assets and liabilities acquired in the transaction described in the previous paragraph is detailed as follows:

	THCH\$
Shareholders' equity at book value	2.771.684
Adjustment to fair value	-
Equity value	2.771.684

- g) On November 27, 2008, Grupo Security S.A. performed a capital decrease in its direct subsidiary, Inversiones Seguros Security Ltda., for a total of ThCh\$15,000,000, immediately after which the partners of Inversiones Seguros made a withdrawal with a charge to retained earnings in the amount of ThCh\$9,800,000.

- h) With the collection of the amounts mentioned in the previous paragraph, Grupo Security participated in the capital increase carried out by Banco Security S.A. in the amount of ThCh\$19,988,336.
- i) On February 27, 2009 Grupo Security S.A. carried out a capital decrease in its direct subsidiary Securitizadora Security S.A. for a total value of ThCh\$1,000,000.
- j) During March 2009, Banco Security distributed dividends to Grupo Security in the amount of ThCh\$7,716,007 (historical).
- k) During March 2009, Factoring Security distributed dividends to Grupo Security in the amount of ThCh\$4,802,155 (historical).
- l) During March 2009, Inmobiliaria Security distributed dividends to Grupo Security in the amount of ThCh\$324,997 (historical).
- m) On April 17, 2009, Grupo Security S.A. increased the stock capital of Inversiones Invest Security by ThCh\$964,397.
- n) In accordance with the Compendium of Standards dictated by the Superintendency of Banks and Financial Institutions, Banco Security made the necessary adjustments to its assets and liabilities whose effect was recorded directly to its shareholders' equity. This in turn is reflected as a decrease of the investments in Grupo Security against its shareholders' equity. This effect originates in the transition to IFRS in Chile.

Grupo Security valued the investment maintained in Banco Security using the equity method, based on the financial statements prepared by the Bank in accordance with the new accounting standards set forth by the Superintendency of Banks and Financial Institutions, in the framework of its plan to converge to IFRS, in addition to recognizing the effect of price-level restatement of non-monetary assets and liabilities of its Banking subsidiary. The above resulted in Grupo Security's advanced recognition of an equity decrease of ThCh\$8,636,284 as of January 1, 2009, corresponding to the accumulated effect of the first-time application of the new accounting standards by the Bank.
- o) On November 27, 2009, Grupo Security S.A. carried out a capital increase in its direct subsidiary Inversiones Seguros Security Ltda. for a total amount of ThCh\$25,000,000, of which Grupo Security paid on that same date the amount of ThCh\$10,649,947 leaving the balance payable with a term of three years in accordance with the Company's needs.
- p) On December 30, 2009 Grupo Security S.A. paid ThCh\$13,000,000 of the balance of the remaining capital payable to Inversiones Seguros Security Ltda. leaving the balance payable with a term of three years in accordance with the Company's needs.

NOTE 11 - GOODWILL AND NEGATIVE GOODWILL

As of December 31, 2009 and 2008 goodwill and negative goodwill as described in Note 2m are detailed as follows:

TAXPAYER NO.	COMPANY	2009		2008	
		AMOUNT AMORTIZED IN THE YEAR THCH\$	SGOODWILL BALANCE THCH\$	AMOUNT AMORTIZED IN THE YEAR THCH\$	GOODWILL BALANCE THCH\$
97053000-2	Banco Security	21.714	99.522	21.714	121.235
96655860-1	Factoring Security S.A.	31.992	143.963	31.992	175.954
97005000-0	Dresdner Bank Lateinamerika S.A.	139.481	2.034.092	139.482	2.173.572
96655860-1	Inversiones Copper Limitada	826.540	11.984.833	826.538	12.811.374
96619500-2	Dresdner Lateinamerika S.A. Corredores de Bolsa	62.857	36.667	62.858	99.525
96657360-0	Security Rentas Seguros de Vida S.A.	1.353.361	21.987.300	1.353.361	23.340.662
Total		2.435.945	36.286.377	2.435.945	38.722.322

El detalle de mayor valor de inversión al 31 de diciembre de 2009 y 2008 es el siguiente:

TAXPAYER NO.	COMPANY	2009		2008	
		AMOUNT AMORTIZED IN THE YEAR THCH\$	SGOODWILL BALANCE THCH\$	AMOUNT AMORTIZED IN THE YEAR THCH\$	GOODWILL BALANCE THCH\$
96847360-3	Securitizadora Security S.A.	-	133.899	121.197	130.819
Total		-	133.899	121.197	130.819

NOTE 12 - OTHER ASSETS

Other assets are composed of the following items:

	2009 THCH\$	2008 THCH\$
Bond placement difference	3.455.675	3.250.805

During 2009, amortization of the Bond placement price difference amounted to ThCh\$174,856 (ThCh\$177,949 in 2008).

a) Long-term portion

[illegible][illegible]

OTA 14 -

December 21, 2009, Grupo Security S.A. prepaid 100% of the bank debt current as of that date.

of December 2009 and 2008 long-term bank obligations are detailed as follows:

g-term

[illegible]

NOTE 15 - SHORT AND LONG-TERM OBLIGATIONS WITH THE PUBLIC (PROMISSORY NOTES AND BONDS)

On July 16, 2004, the SVS certified that Grupo Security S.A. registered the issuance of electronic series C bonds in the amount of UF 750,000 (accruing biannual interest at a rate of 2.4695%) in the Securities Registry under number 376.

On January 12, 2006, the SVS certified that Grupo Security S.A. modified line C2 registered on July 16, 2004.

On February 15, 2006, the SVS certified that Grupo Security S.A. registered the issuance of electronic series D bonds in the amount of UF 1,500,000 (accruing annual interest at a rate of 4.2%) in the Securities Registry under number 454.

On July 9, 2007, the SVS certified the registration of series B2 bond with a charge to line B mentioned in the first paragraph.

On July 30, 2007, the SVS certified that Grupo Security S.A. registered the issuance of electronic series E bonds in the amount of UF 500,000 (accruing interest at an annual rate of 3.8%) in the Securities Registry under number 507.

On November 20, 2009 the SVS certified that Grupo Security S.A. registered the issuance of electronic series F bonds in the amount of UF 1,250,000 (accruing interest at an annual rate of 4.5% annual) in the Securities Registry under number 620.



As of December 31, 2009 and 2008, bonds recorded as described in Note 2n are detailed as follows:

INSTRUMENT IDENTIFICATION	SERIES	CURRENT NOMINAL AMOUNT PLACED	BOND INDEXATION UNIT	INTEREST RATE	DEADLINE	INTEREST PAYMENT	AMORTIZATION PAYMENT	PAR VALUE		PLACEMENT IN CHILE OR ABROAD
								2009 THCH\$	2008 THCH\$	
Short-term portion of long-term bonds										
376-16-07-04	BSECU-C	70.000	UF	4,5%	15/08/2016	Biannual	Biannual	1.637.264	1.663.022	Chile
376-16-07-04	BSECU-C2	26.316	UF	4,2%	15/12/2026	Biannual	Biannual	568.246	569.697	Chile
454-15-02-06	BSECU-D	78.947	UF	4,2%	15/12/2026	Biannual	Biannual	1.704.739	1.709.091	Chile
340-13-08-03	BSECU-B2	-	UF	3,8%	15/06/2028	Biannual	Biannual	34.656	34.683	Chile
507-30-07-07	BSECU-E	-	UF	3,8%	15/06/2028	Biannual	Biannual	18.411	18.425	Chile
620-20-11-09	BSECU-F	-	UF	4,5%	15/09/2032	Biannual	Biannual	208.551	-	Chile
Total short-term portion								4.171.867	3.994.918	
Long-term bonds										
376-16-07-04	BSECU-C	420.000	UF	4,5%	15/08/2016	Biannual	Biannual	8.796.010	10.269.989	Chile
376-16-07-04	BSECU-C2	421.053	UF	4,2%	15/12/2026	Biannual	Biannual	8.818.055	9.376.467	Chile
454-15-02-06	BSECU-D	1.263.158	UF	4,2%	15/12/2026	Biannual	Biannual	26.454.164	28.129.400	Chile
340-13-08-03	BSECU-B2	1.000.000	UF	3,8%	15/06/2028	Biannual	Biannual	20.942.880	20.959.161	Chile
507-30-07-07	BSECU-E	500.000	UF	3,8%	15/06/2028	Biannual	Biannual	10.471.440	10.479.580	Chile
620-20-11-09	BSECU-F	750.000	UF	4,5%	15/09/2032	Biannual	Biannual	15.707.160	-	Chile
Total long-term								91.189.709	79.214.597	

NOTE 16 - PROVISIONS AND WRITE-OFFS

The balance recorded in this heading corresponds to the staff vacation provision recorded on the basis of Note 2p in the amount of ThCh\$119,064 (ThCh\$99,330 in 2008) and provisions for the concept of payments to be made during the first half of 2010, which are the product of transactions performed during the second half, in the amount of ThCh\$1,000,801 (ThCh\$620,992 in 2008).

The Company does not present provisions reduced from assets or write-offs as of December 31, 2009 and 2008.

NOTE 17 - CHANGES IN SHAREHOLDERS' EQUITY

a) During 2009 and 2008 the changes in shareholders' equity are detailed as follows:

DESCRIPTION	2009									2008								
	CAPITAL PAGADO THCH\$	CAPITAL REVALUATION RESERVE THCH\$	SHARE PREMIUM THCH\$	OTHER RESERVES THCH\$	FUTURE DIVIDENDS RESERVE THCH\$	RETAINED EARNINGS THCH\$	INTERIM DIVIDENDS THCH\$	DEVELOP. PERIOD DEFICIT THCH\$	RETAINED EARNINGS THCH\$	CAPITAL PAGADO THCH\$	CAPITAL REVALUATION RESERVE THCH\$	SHARE PREMIUM THCH\$	OTHER RESERVES THCH\$	FUTURE DIVIDENDS RESERVE THCH\$	RETAINED EARNINGS THCH\$	INTERIM DIVIDENDS THCH\$	DEVELOP. PERIOD DEFICIT THCH\$	RETAINED EARNINGS THCH\$
Beginning balance as of January 1,	123.991.660	-	37.090.899	(15.968.540)	-	85.003.431	(1.108.204)	-	17.784.607	113.838.274	-	34.059.595	(471.645)	-	64.274.034	(3.782.859)	-	32.017.836
Distribution of prior year income	-	-	-	-	-	17.784.607	-	-	(17.784.607)	-	-	-	-	-	32.017.836	-	-	(32.017.836)
Final dividend, prior year	-	-	-	-	-	(1.108.204)	1.108.204	-	-	-	-	-	-	-	(3.782.859)	3.782.859	-	-
Capital increase with issuance of cash shares	38.390.000	-	1.745.025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capitalization of reserves and/or net income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated deficit, development period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subsidiary and other investment fluctuation adjustment	-	-	-	(3.332.920)	-	-	-	-	-	-	-	-	(16.028.621)	-	-	-	-	-
Final dividend for the year	-	-	-	-	-	(13.179.250)	-	-	-	-	-	-	-	-	(13.866.300)	-	-	-
Adjustment - subsidiaries	-	-	-	481.371	-	(853.196)	-	-	-	-	-	-	-	-	(1.009.522)	-	-	-
Revaluation of paid-in capital	(2.966.978)	-	(857.216)	(212.757)	-	(2.271.824)	12.750	-	-	10.133.386	-	3.031.304	530.726	-	7.370.242	(7.704)	-	-
Income	-	-	-	-	-	-	-	-	30.076.361	-	-	-	-	-	-	-	-	17.784.607
Interim dividends	-	-	-	-	-	-	(2.550.000)	-	-	-	-	-	-	-	-	(1.100.500)	-	-
Balance as of December 31,	159.414.682	-	37.978.708	(19.083.846)	-	85.375.564	(2.537.250)	-	30.076.361	123.991.660	-	37.090.899	(15.968.540)	-	85.003.431	(1.108.204)	-	17.784.607
Balance as of December 31, restated for comparison purposes										121.139.852	-	36.237.809	(15.602.241)		83.048.352	(1.082.715)	-	17.375.561

b) Number of shares

SERIES	NO. OF SHARES SUBSCRIBED	NO. OF SHARES PAID	NO. OF SHARES WITH VOTING RIGHTS
Única	2.550.000.000	2.550.000.000	2.550.000.000

c) Capital (amount - ThCh\$)

SERIES	SUBSCRIBED CAPITAL	PAID-IN CAPITAL
Única	159.414.682	159.414.682

d) Paid-in capital

As of December 31, 2009 and 2008 subscribed and paid-in capital amounts to ThCh\$159,414,682, (ThCh\$121,139,852 in 2008) represented by 2,550,000,000 (2,201,000,000 in 2008) shares without par value.

e) Capital increase

The shareholders at the Extraordinary General Shareholders' Meeting held on December 29, 2008 agreed to increase the Company's capital from Ch\$113,858,273,908 divided into 2,201,000,000 registered single series shares without par value to Ch\$179,858,273,908 divided into a total of 2,801,000,000 registered single series shares without par value, through the issuance of 600 million new ordinary, single series registered cash shares without par value, which must be issued, subscribed and paid within three years from that date.

The shareholders at the Extraordinary General Shareholders' Meeting of Grupo Security S.A. held on August 2, 2004 decided not to affect the part of the capital increase agreed upon at the Extraordinary General Shareholders' Meeting held on December 19, 2003 (issuance registered with the SVS under number 717, on May 20, 2004) that has not been subscribed or paid. This was for 300,000,000 shares for a value of ThCh\$30,000,000 and was in addition to increasing capital by ThCh\$45,000,000 through the issuance of 450,000,000 ordinary registered cash shares without par value.

f) Other reserves

Other reserves correspond mainly to the percentage of the Company's participation in the matching reserve of indirect subsidiary Seguros Vida Security Previsión S.A., the fluctuation of indirect associated company Compañía de Seguros Generales Penta Security S.A. and the investment fluctuation reserve and accounting adjustment of direct subsidiary Banco Security.

In 2009 and 2008 the movement is detailed as follows:

	2009 THCH\$	2008 THCH\$
Inversiones Seguros Security Ltda.	(3.605.125)	(3.314.758)
Banco Security (equity reserves)	8.476.758	(12.713.863)
Banco Security (1st time adoption of IFRS adj.)	(8.636.284)	-
Other	431.731	-
Total	(3.332.920)	(16.028.621)*

(*) historical values

g) Dividends

The policy agreed upon by the shareholders is to distribute 30% of cash net income received by the Company from its direct subsidiaries in the year and divide its payment into two dividends: one interim dividend and a final dividend. The Board has also been empowered to decide the distribution of additional dividends with a charge to retained earnings as long as, in the Board's opinion, the Company's financial conditions allow it.

In April 2008, the Board agreed to distribute a dividend of Ch\$4.8 per share which, added to the interim dividend of Ch\$1 and the additional dividend of Ch\$1.7 already paid in October 2007, resulted in a final dividend of Ch\$6.5 for 2007.

At the Board of Directors meeting held on October 4, 2008, in accordance with the faculties granted by the respective Shareholders' Meeting, the Directors agreed to distribute a dividend of Ch\$2 per share, corresponding to Ch\$0.5 as an interim dividend and Ch\$1.5 as an additional dividend with a charge to retained earnings.

At the Ordinary Shareholders' Meeting held on April 7, 2009 the shareholders decided to distribute a dividend of Ch\$4.25/share, with a charge to net income for 2008 which was paid on April 17, 2009.

At the Board of Directors meeting held on October 5, 2009 the Directors of Grupo Security S.A. agreed to pay a total dividend of Ch\$2.5 per share, corresponding to Ch\$1.0 as an interim dividend and Ch\$1.5 as an additional dividend with a charge to the Company's retained earnings registry. This dividend was paid on October 16.

NOTE 18 - OTHER NON-OPERATING INCOME AND EXPENSES

As of December 31, 2009 and 2008 other non-operating income and expenses are detailed as follows:

Other non-operating income

	2009 THCH\$	2008 THCH\$
Provision liberation	583.136	437.131
Refund of PPUA	342.701	1.274.358
Other	-	137.528
Total	925.837	1.849.017

NOTE 19 - PRICE-LEVEL RESTATEMENT

The application of the price-level restatement mechanism described in Note 2d generated a charge to income of ThCh\$965,284 in 2009 (ThCh\$1,734,990 in 2008), which is detailed as follows:

	INDEXATION	2009 THCH\$	2008 THCH\$
Assets/credits			
Investments in related companies	CPI	(6.471.126)	22.369.289
Goodwill	CPI	(911.579)	3.363.715
Other non-monetary assets	CPI	(103.351)	651.850
Expense and cost accounts	CPI	(11.417)	130.494
Total credits		(7.497.473)	26.515.348
Liabilities/charges			
Shareholders' equity	CPI	6.296.025	(20.573.621)
Non-monetary liabilities	UF	2.166.732	(7.676.717)
Total charges		8.462.757	(28.250.338)
Loss on price-level restatement		965.284	(1.734.990)

NOTE 20 - FOREIGN CURRENCY TRANSLATION

As of December 31, 2009 and 2008 foreign currency translation is detailed as follows:

DESCRIPTION	CURRENCY	2009 THCH\$	2008 THCH\$
Assets (charges)/credits			
Total (charges) credits		-	-
Liabilities (charges) / credits			
Accounts payable in dollars	USD	7.518	-
Total credits		7.518	-
Net income from foreign currency translation		7.518	-

NOTE 21 - STATEMENTS OF CASH FLOWS

The Company has considered all investments made as part of the regular management of cash surpluses, expiring in less than 90 days and with low risk of recoverability, as cash and cash equivalents in accordance with Technical Bulletin No. 50 issued by the Chilean Association of Accountants.

As of December 31, 2009 and 2008, there are no financing or investment activities that commit to future cash flows that have not been disclosed in the notes.

Cash and cash equivalents are detailed as follows:

	2009 THCH\$	2008 THCH\$
fondos	222.698	59.250
Depósitos a plazo	-	59.525
Pacto de retroventa (1)	11.192.387	6.298.887
Cuotas de fondos mutuos (2)	10.618.746	-
Total	22.033.831	6.417.662

(1) These balances are presented under other current assets (Note 8-9).

(2) These balances are presented under marketable securities (Note 4).

NOTE 22 - CONTINGENCIES AND RESTRICTIONS

As of December 31, 2009 and 2008, the Company has the following ratios and restrictions arising from the placement of bonds:

Indebtedness: The Company must maintain a level of debt not exceeding 0.4 in its quarterly financial statements, measured using the figures in its individual balance sheet. Such indebtedness is defined as the ratio between demand liabilities and shareholders' equity for all series in 2009 and 2008.

Ownership: The Company must maintain 51% ownership of Banco Security for series BSECU-C2 and BSECU-D in 2009 and 2008.

As of the closing date of these 2009 and 2008 financial statements, the indebtedness ratios required have not been exceeded, and the required ownership percentage is maintained.

NOTE 23 - GUARANTEES OBTAINED FROM THIRD PARTIES

As of December 31, 2009 and 2008, the Company has no guarantees obtained from third parties.

NOTE 24 - DOMESTIC AND FOREIGN CURRENCY

Assets 2009 and 2008

DESCRIPTION	CURRENCY	AMOUNT	
		2009 THCH\$	2008 THCH\$
Current assets			
Cash	Non-indexed Ch\$	222.698	59.250
Time deposit	Non-indexed Ch\$	-	44.181
Marketable securities	Non-indexed Ch\$	10.618.746	-
Miscellaneous receivables	Non-indexed Ch\$	6.913.824	4.334.583
Notes receivable from related companies	Indexed Ch\$	351.101	612.615
Recoverable taxes	Indexed Ch\$	943.501	1.453.199
Deferred taxes	Indexed Ch\$	396.178	285.817
Prepaid expenses	Non-indexed Ch\$	9.687	2.437
Other current assets	Indexed Ch\$	11.192.797	6.300.854
Notes receivable	Non-indexed Ch\$	186.161	130.556
Time deposit	Euro	-	15.344
Fixed assets			
Fixed assets, net	Indexed Ch\$	1.611.309	1.737.478
Other assets			
Investments in related companies	Indexed Ch\$	316.819.783	273.572.665
Goodwill	Indexed Ch\$	36.286.377	38.722.322
Discount on sale of bonds	Indexed Ch\$	3.455.675	3.250.805
Intangibles	Indexed Ch\$	148.917	189.368
Negative goodwill	Non-indexed Ch\$	(133.899)	(130.819)
Total assets	Non-indexed Ch\$	18.760.718	5.893.387
	Indexed Ch\$	370.262.137	324.671.924
	Euro	-	15.344

Current liabilities

DESCRIPTION	CURRENCY	UP TO 90 DAYS				90 DAYS UP TO 1 YEAR			
		2009		2008		2009		2008	
		AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE %	MONTO M\$	AVERAGE ANNUAL INTEREST RATE %	AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE %	AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE %
Obligations with banks and financial institutions	UF	-		-		-		629.048	6,12
Obligations with the public	UF	1.112.814	4,35	733.570	4,90	3.059.053	4,35	3.261.348	4,90
Miscellaneous payables	Non-indexed Ch\$	-		-		-		-	-
Accounts payable to related companies	Non-indexed Ch\$	-		-		1.210.591		822.044	-
Provisions	Non-indexed Ch\$	33.392		91.545		1.119.865		628.777	-
withholdings	Non-indexed Ch\$	-		40.389		-		-	-
Dividends payable	Non-indexed Ch\$	71.124		204.572		-		-	-
Accounts payable	Non-indexed Ch\$	2.088		-		-		140.951	-
Income tax	Non-indexed Ch\$	-		-		-		-	-
Total current liabilities									
	UF	1.112.814		733.570		3.059.053		3.890.396	-
	Non-indexed Ch\$	106.604		336.506		2.330.456		1.591.772	-

2009 long-term liabilities

DESCRIPTION	CURRENCY	1 TO 3 YEARS		3 TO 5 YEARS		5 TO 10 YEARS		MORE THAN 10 YEARS	
		AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE %	AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE %	AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE %	AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE %
Obligaciones por bonos	UF	10.728.849	4,2	11.036.833	4,2	27.737.341	4,2	41.686.686	4,2
Total pasivos a largo plazo	UF	10.728.849		11.036.833		27.737.341		41.686.686	

2008 long-term liabilities

DESCRIPTION	CURRENCY	1 TO 3 YEARS		3 TO 5 YEARS		5 TO 10 YEARS		MORE THAN 10 YEARS	
		AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE %	AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE %	AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE %	AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE %
Obligations with banks & financial institutions	UF	3.697.196	10,72	-		-		-	
Obligations with the public	UF	8.271.406	4,2	11.045.413	4,2	28.734.815	4,2	31.162.963	4,2
Total pasivos a largo plazo	UF	11.968.602		11.045.413		28.734.815		31.162.963	

NOTE 25 - SANCTIONS

Neither the Parent Company nor its subsidiaries, Directors or managers have been sanctioned by the SVS or other administrative authorities in the years covered by these individual financial statements.

NOTE 26 - ENVIRONMENT

Due to the nature of their operations, the Parent Company and its subsidiaries do not affect the protection of the environment.

NOTE 27 - RELEVANT EVENTS

The following relevant events have occurred during 2009:

At the Company's Board of Directors Meeting held on February 6, 2009 the Directors unanimously agreed, among other things, to issue 349,000,000 ordinary, single series registered shares, with a charge to the stock capital increase agreed upon at the Extraordinary General Shareholders' Meeting held on December 29, 2008. This increase was carried out during the first half of 2009 and has been fully subscribed and paid as of the closing date of these financial statements.

At the Company's Board of Directors Meeting held on August 27, 2009 the Directors agreed to accept the resignation presented by Mr. Jaime Correa Hogg, designating in his stead Ms. Ana Sáenz de Vicuña Bemberg.

At this meeting, the Directors also unanimously agreed to carry out and register with the SVS a new bond issuance and placement under the Line of Bonds mode for a total amount of up to UF 1,250,000.

On December 3, 2009, Grupo Security S.A. placed bonds in the domestic market in an amount equivalent to UF 750,000 with a charge to the authorized line described in the previous paragraph.

NOTE 28 – SUBSEQUENT EVENTS

On February 15, 2010, Grupo Security S.A. prepaid 100% of the series BSEC-B bond debt in the amount of ThCh\$10,456,089.

From January 1 to the date of issuance of these financial statements, no other significant events occurred which affect the financial statements.

MANAGEMENT'S ANALYSIS OF FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2009

1 UNCONSOLIDATED BALANCE SHEET AND STATEMENT OF INCOME OF GRUPO SECURITY S.A.

The net income of Grupo Security for the year 2009 was Ch\$ 30,076 million, a 73% real increase over 2008 and generating a return on capital and reserves of 12.4%. The income from investments in companies amounted to Ch\$38,842 million, a real increase of 54% over 2008.

The financial statements of the subsidiary Banco Security S.A. as of December 31, 2009 have been prepared in accordance with the new accounting standards instructed by the Superintendency of Banks and Financial Institutions (SBIF), in the framework of the IFRS convergence process. Grupo Security opted for the criterion of showing this investment on the basis of the financial statements prepared in accordance with these new accounting bases, including also the booking of the effect of the monetary correction of the non-monetary assets and liabilities of its banking subsidiary.

The unconsolidated balance sheet of Grupo Security showed total assets of Ch\$389,023 million (17.7% more than at December 2008), of which current assets amounted to Ch\$30,835 million (7.9% of assets) and the current ratio was 4.7 times, reflecting the company's adequate liquidity. The most important part of the assets is its investments in related companies of Ch\$316,820 million, representing 81.4% of total assets.

Total short and long-term liabilities of Ch\$97,799 million at December 2009 rose by 9.03% compared to the total of Ch\$89,464 million at the end of 2008. These comprise current liabilities of Ch\$6,609 million (short-term to total debt is 0.7 times) and long-term liabilities of Ch\$91,190 million (long-term to total debt is 0.93 times), particularly the balance of bonds payable of Ch\$95,362 million. The debt to equity ratio, being current liabilities to equity, of Grupo Security at December 2009 is 0.34 times. The financial expense coverage ratio, defined as income before taxes and extraordinary items and before financial expenses, to financial expenses, is 9.2 times. These ratios show the company's satisfactory financial position.

2. REASONED ANALYSIS AND PRINCIPAL MANAGEMENT INDICATORS UNCONSOLIDATED F/S

FINANCIAL INDICATORS	UNIT	DEC-09	DEC-08
Liquidity			
Current ratio	times	4,67	2,02
Acid test ¹	times	3,33	0,98
FINANCIAL INDICATORS	UNIT	DEC-09	DEC-08
Debt			
Debt ratio ²	Ch\$ millions	0,34	0,37
Short-term debt / Total debt	Ch\$ millions	0,07	0,07
Long-term debt / Total debt	times	0,93	0,93
Financial expense coverage ³	times	9,2	5,5
FINANCIAL INDICATORS	UNIT	DEC-09	DEC-08
Actividad			
Total Assets	MM\$	389.023	330.581
Investment in related company	MM\$	316.819	273.572
Inventory turnover (avrg. last 12 months)	Veces	N/A	N/A
Inventory permanence (avrg. last 12 months)	Veces	N/A	N/A
FINANCIAL INDICATORS	UNIT	DEC-09	DEC-08
Results			
Sales	Ch\$ millions	0	0
Cost of sales	Ch\$ millions	0	0
Gross margin	Ch\$ millions	0	0
Administrative & selling expenses	Ch\$ millions	-4.290	-3.326
Operating income	Ch\$ millions	-4.290	-3.326
Financial expenses	Ch\$ millions	-3.655	-3.700
Non-Operating Result	Ch\$ millions	34.346	19.816
Net income for year	Ch\$ millions	30.076	17.376
E.B.I.T.D.A ⁴	Ch\$ millions	36.275	22.938

FINANCIAL INDICATORS	UNIT	DEC-09	DEC-08
Profitability			
Return on equity ⁵	%	12,4%	7,8%
Return on assets ⁶	%	8,4%	5,1%
Return on operating assets ⁷	%	-1,3%	-1,0%
Earnings per share (last 12 months)	Ch\$	11,8	7,9
Dividend yield (last 12 months) ⁸	%	4,6%	6,4%

1./ Acid test: (Available assets + Time deposits + Marketable securities + Other current assets [repurchase agreements])/ Current liabilities

2./ Debt ratio: Total liabilities / (Shareholders' equity + Minority interest)

3./ Financial expense coverage: Income before taxes, extraordinary items & interest / financial expenses

4./ EBITDA (Income before taxes & extraordinary items + financial expenses + Amort. Goodwill + Depreciation for year)

5./ Annualized return on net average equity

6./ Annualized return on average assets

7./ Operating income for year / Average operating assets (Other assets are considered as operating assets)

8./ Dividends paid last year / Closing share price for the year on Santiago Stock Exchange

3. GRUPO SECURITY COMPANY RESULTS:

Banco Security produced a consolidated net income for 2009 of Ch\$23,040 million, which compares with a net income of Ch\$14,010 million the year before. The annualized return was 13.1% of capital and reserves at December 2009, and total loans amounted to Ch\$2,189 billion.

Factoring Security, operating since December 1992, is one of the pioneering companies in the Chilean factoring industry and remains as one of the leading companies in that market.

At December 2009, Factoring Security's stock of advances amounted to Ch\$106,157 million and its net income was Ch\$2,816 million.

Valores Security S.A. Corredores de Bolsa carries on its business in two areas: fixed and variable income securities. The first mainly relates to the management of own positions, trading in financial instruments, trading in foreign currencies and dollar futures contracts. Variable-income transactions cover the trading of own and customers' shares.

Valores Security S.A. Corredores de Bolsa produced earnings of Ch\$23 million in 2009, compared to a loss of Ch\$3,544 in 2008.

Administradora General de Fondos Security was created as a subsidiary of Banco Security in May 1992. Since then, this funds management company has grown consistently, adding the management of new funds.

Administradora General de Fondos Security produced a net income of Ch\$2,616 million in 2009.

Inmobiliaria Security S.A. was constituted in December 1995 as a subsidiary of Grupo Security in order to complement the business of Banco Security and participate in financial aspects related to the real-estate sector.

The company recorded a loss for 2008 of Ch\$126 million and has an equity of Ch\$3,576 million.

The companies Travel Security and Turismo Tajamar were merged in January 2007, the successor company retaining the name of Travel Security. It has consolidated its position as Chile's second travel agency. Travel Security produced a net income of Ch\$907 million in 2009.

In the insurance area, the merger was completed in June 2007 of the insurance companies Vida Security and Rentas Security.

In August 2007, Inversiones Seguros Security Ltda. and Grupo Security S.A. acquired 99.92% and 0.08% holdings approximately in CIGNA Limitada respectively. In December 2007, Vida Security and Cigna Vida were merged.

Vida Security, the legal successor of Rentas Security and Cigna Vida, generated a net income in 2009 of Ch\$10,602 million, with direct premiums of Ch\$52,588 million.

On August 14, 2008, Grupo Security bought from GMAC-RFC Chile Inversiones Ltda. 2,065 shares in Securitizadora Security GMAC-RFC S.A. for a total of Ch\$1,104 million. As a result, GMAC-RFC Chile Inversiones Ltda. has ceased to be a shareholder in Securitizadora Security GMAC-RFC S.A., Grupo Security being the controlling shareholder with 99.976% of the capital. Securitizadora Security produced earnings of Ch\$8 million in 2009.

On August 1, 2008 Invest Security and its subsidiary Virtual Security were merged, Invest Security being the legal successor. Invest Security will continue to provide corporate services in technology for the all companies of Grupo Security.

4 DIFFERENCES THAT MIGHT EXIST BETWEEN THE BOOK VALUE AND ECONOMIC &/OR MARKET VALUE OF THE PRINCIPAL ASSETS.

Grupo Security has investments in related companies in different business areas, mainly in the sectors of financing, investments, insurance and complementary services. At the date of these financial statements, some 81.4% of its assets are associated with these sectors.

Given the different nature of the companies comprising the investment in related companies, their market value normally represents a value above book value, this multiple depending on the industry and the economic conditions these face.

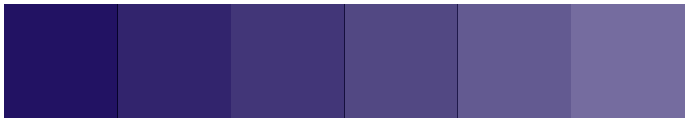
Most of the rest (approximately 9.3% of total assets) is represented by the item goodwill as a result of the acquisition of companies that are booked according to current accounting principles and which normally do not differ substantially from their commercial value.

5. MARKETS IN WHICH THE COMPANY OPERATES

Grupo Security is structured into 4 main business areas, grouping in each those subsidiaries and divisions that share business objectives in common. These areas are financing, insurance, investments and asset management, and complementary services.

Grupo Security is the parent company of a conglomerate of diversified companies with presence in the principal sectors of the Chilean financial industry. Its subsidiaries Banco Security and Factoring Security provide financing to companies and individuals. The subsidiaries Compañía Seguros Vida Security Previsión and Compañía de Seguros Generales Penta Security operate in the insurance and annuities industry, while Corredora de Seguros Security and Corredora de Reaseguros CooperGay operate in the insurance and reinsurance broking industry. Valores Security Corredores de Bolsa, Administradora General de Fondos Security, Asesorías Security and Securitizadora Security complement the Group's range of financial services, developing and distributing specialized financial products and providing personalized services in investments and asset management.

The lines of business of Grupo Security in the services sector consist of real estate with Inmobiliaria Security and the travel and tourism agency Travel Security, plus other services directed particularly to give complementary support to the companies of Grupo Security. The subsidiary Invest Security has thus provided since 2001 a series of services such as accounting, business risks and comptroller, corporate culture, research, and corporate services in technology that provide the technological development and support required by all the companies of Grupo Security.



5.1. Banking Industry

As of December 2009, the Chilean banking industry is made up of 25 financial institutions: 1 state-owned bank, 19 banks established in Chile and 5 branches of foreign banks. The industry's loans at that date amounted to Ch\$70,553 billion, its capital and reserves were Ch\$6,812 billion and its net income was Ch\$1,225 billion, with a return on capital and reserves of 17.99%.

Banks' efficiency levels were 44.58%, measured as operating costs to gross operating margin, and 2.26% measured as operating costs to total assets. Risk levels reached 2.39%, measured as loan provisions to total loans, and 1.35% as past-due loans to total loans..

As of December 2009, the loans of Banco Security (excluding contingent liabilities) were Ch\$2,189 billion, placing the bank 9th in loans with a market share of close to 3.1%.

5.2. Factoring Industry

Factoring has become an important source of alternative and complementary funding for medium and small businesses. The factoring industry has performed well in recent years, the amounts advanced by the members of ACHEF (the factoring business association) at December 2008 totaled Ch\$ 2,023 billion, and at September 2009 Ch\$1,241 billion.

At September 2009, Factoring Security had a market share of 7.95% in a market comprising factoring companies and banks.

5.3. Mutual Funds Industry

The mutual funds industry at December 2009 showed average assets and average number of investors of Ch\$17,641 billion and 1,339,691 respectively. Among the most notable highlights in recent times have been the consolidation of mutual funds' participation in the Voluntary Pensions Saving (APV) scheme and the creation of the figure of qualified investors which will permit the creation of funds specially designed for this type of customer.

At December 2009, Administradora General de Fondos Security had average assets of Ch\$578 billion, with a market share of 3.28%, occupying 9th place out of the 19 managers operating in the market.

5.4. Stockbroking Industry

During 2009, market activity grew by 9.1% in real terms compared to 2008. The shares traded by Valores Security rose by 44% in real terms, achieving 6th place out of 38 brokers operating in the local market. Its average market share has moved from 2.95% in 2005, 2.97% in 2006, 3.32% in 2007 and 3.75% in 2008. The share volume traded in 2009 reached Ch\$2,119 billion, with a market share of 4.9%, considering transactions on the Santiago Stock Exchange and the Chilean Electronic Exchange.

5.5. Insurance Industry

The insurance industry in Chile is made up of two main branches, life and general, which are differentiated by the regulations covering the players and the types of product they sell. At September 2009, there were 30 life insurance companies and 20 general insurance companies (excluding credit companies). In recent years, the number of participants in life insurance has increased considerably, but with a high degree of concentration, not only in life insurance but also in the general insurance segment.

The direct premium income of life and general insurance companies was Ch\$ 1,619 billion and Ch\$ 879 billion respectively at September 2009. The industry's earnings were Ch\$317,836 million and Ch\$ 12,096 million for life and general insurance companies respectively, at September 2009.

6. INDIRECT STATEMENT OF CASH FLOWS - GRUPO SECURITY S.A. UNCONSOLIDATED

Description and analysis of the principal components of the net flows:

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008 IN THOUSANDS OF PESOS	DEC-09	DEC-08
Net cash flow from operating activities	-2.329.659	663.215
Net cash flow from financing activities	28.891.482	-21.211.819
Net cash flow from investment activities	-10.779.535	19.322.304
Total Net Cash Flow for the Year	15.782.288	-1.226.300
Effect of inflation on cash & cash equivalents	-166.119	-27.912
Net change in cash & cash equivalents	15.616.169	-1.254.212
Opening balance of cash & cash equivalents	6.417.662	7.671.875
Closing balance of cash & cash equivalents	22.033.831	6.417.663

The net flow from operating activities of ThCh\$ -2,329,659 at December 31, 2009, compared to ThCh\$ 663,215 in 2008, mainly originates from the results of investments in related companies and a variation in assets.

The net flow from financing activities of ThCh\$ 28,891,427 at December 31, 2009, compared to ThCh\$ -21,211,819 in 2008, arises mainly from a capital increase of ThCh\$ 40,135,583, dividend payments of ThCh\$ -15,729,250 and bond repayments of ThCh\$ -7,004,926.

The net flow from investment activities of ThCh\$ -10,779,535 at December 31, 2009 mainly relates to Other investment income of ThCh\$ 13,842,958, mainly related to the dividends received by Grupo Security from its subsidiaries.

7. RISK FACTORS

7.1. Dependence on dividends from subsidiaries

Grupo Security is the parent company of a conglomerate of companies that receives its revenues in the form of dividends paid by its subsidiaries. The company's results therefore depend substantially on the performance of its subsidiaries.

The most important asset of Grupo Security is Banco Security, which provided 60% of the dividends that the Group received in 2009. The solvency rating of Banco Security is AA-, granted by both Feller-Rate and Fitch Ratings, with stable outlook.

The second largest dividend flow for Grupo Security in 2009 came from Factoring Security. The solvency rating of Factoring Security is A+ / Level 1, granted by both Feller-Rate and International Credit Ratings.

With respect to the Group insurance companies, Vida Security is rated at AA- by Fitch Ratings and International Credit Ratings, while Penta Security is rated A+ by Fitch Ratings and AA- by International Credit Ratings.

Lastly, it should be mentioned that Grupo Security controls its principal subsidiaries with a holding of more than 90% of each one's capital. This gives it the flexibility to set dividend policies according to its needs. This point is strengthened by the diversification of revenues developed by the company, having subsidiaries that participate in different sectors of the finance industry.

7.2. Other risk factors

7.2.1. RISKS OF GENERAL PERFORMANCE OF THE ECONOMY.

The performance of the Grupo Security subsidiaries is correlated with the performance of the economy and financial conditions that in turn depend on monetary policy which, in restrictive conditions should be reflected in a reduction in the growth of revenues and earnings, and the opposite in expansive situations.

7.2.2. COMPETITION IN ALL THE BUSINESSES IN WHICH THE GROUP PARTICIPATES

The industries in which Grupo Security participates are noted for being highly competitive, especially banking and insurance where margins are tending to decline. This is reflected in the mergers and alliances generated between competitors. While this presents potential difficulties for companies, it is believed that in the case of Grupo Security, these potential negative effects are offset by the strong brand image it has in its objective market, thus giving it high levels of loyalty among its customers thanks to the niche strategy to which the Group's development is directed. This permits Grupo Security to generate a favorable market position for facing the competition.

7.2.3. REGULATORY CHANGES

The banking and insurance industries, in which the company participates, are regulated by state entities and are subject to possible regulatory changes over time. However, in view of the level of transparency, the advanced level of development and the excellent reputation of these industries at the global level, it is believed that this risk should be low.

7.3. Risks related to the financial business

7.3.1. CREDIT RISK

Credit risk is conditioned by monetary policy which eventually determines customers' repayment capacity. Between the last months of 2008 and the first half of the 2009 there was a slight deterioration in credit quality in the system, which is reflected in the higher risk and past-due loan ratios.

Banco Security has been characterized for consistently maintaining risk levels that are below those of the system.

7.3.2. MARKET RISK

The principal market risks faced by the Chilean banking system are the effects of inflation and interest-rate fluctuations. Grupo Security has therefore developed market-risk policies, procedures and limits that enable it to manage its exposures with respect to maturities and currencies according to its own objectives and the limits imposed by regulations, particularly the bank and its subsidiaries, and the insurance companies have a special system for controlling interest-rate risks together with a constant monitoring of their medium and long-term investments which enables an active follow-up of the investment portfolios.

7.4. Risks related to volatility in the international financial markets

The Chilean economy and its markets in general are involved in the international markets and may be affected by external shocks. The volatility of global financial markets and changes in global economic conditions may negatively affect the performance of the local assets and the risk premium demanded by investors.

7.5. Interest rate risk

As of December 31, 2009, the parent company shows a debt ratio of 0.34 times its equity at reasonable rates for existing market conditions. Funding from the public, which represents around 93.2% of total liabilities, carries a fixed interest rate which reduces the risk.

7.6. Exchange risk

As of December 31, 2009 and 2008, the company shows no significant balances of liabilities and assets.

7.7. Commodity risk

Grupo Security has no assets or liabilities in commodities as of December 31, 2009 and 2008.

7.8. Risks related to the insurance business**7.8.1 LOCAL FINANCIAL RISKS**

The reduction in long and medium-term interest rates could affect the yield on assets backing annuities and guaranteed-rate investment accounts when they have to make investments in shorter-term instruments, thus generating an operational deficit in the medium term.

7.8.2 MORTALITY AND SICKNESS RATES

An increase in sickness rates can lead to related increases in serious-illness policy claim rates in the medium term and increases in claims under policies for the reimbursements of medical costs in the short term. A fall in adult mortality rates may reduce expected results from the annuities branch to the extent that companies do not adjust to the new mortality-rate curve structure.

7.8.3 INDUSTRY STRUCTURE

The large number of participants in the industry can lead to company closures and mergers such that the present industry structure changes, producing adjustments to the sales and operating margin structures.

7.8.4 REINSURANCE INDUSTRY

The present trend of concentration of reinsurance companies could affect the variety of offers of cover, ceasing to reinsure risks that are currently backed thanks to strong competition that existed until recently in the market.

7.8.5 Internal competition

The technical margins of branches with high retention in general insurance could continue to fall due to strong competition through prices offered in the market.

7.9. Credit ratings

CURRENT RATING	DECEMBER 2009		
	COMMON SHARES	BONDS N° 340 SERIES B-2 BONDS N° 376 SERIES C BONDS N° 376 SERIES C-2 BONDS N° 454 SERIES D BONDS N° 507 SERIES E BOND N° 620 SERIES F	OUTLOOK
Fitch Chile Clasificadora de Riesgo Ltda.	First Class, Level 3	A+	Stable
Feller & Rate Clasificadora de Riesgo	First Class, Level 2	A+	Stable
Credit Rating Commission	Approved	A+	

GRUPO | security

CH\$= Chilean pesos
MM\$= Millions of Chilean pesos
US\$= United States dollar
U.F.= Unidades de Fomento (an official inflation-indexed monetary unit)



CAPÍTULO 12

F I N A N C I A L S T A T E M E N T S

C O N S O L I D A T E D F I N A N C I A L
S T A T E M E N T S



REPORT OF INDEPENDENT AUDITORS



To the Shareholders and Directors of
Grupo Security S.A.:

1. We have audited the Consolidated Balance Sheets of Grupo Security S.A. ("the Company") and its subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of income and cash flows for the years then ended. These consolidated financial statements (including their related notes) are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.
2. We conducted our audits in accordance with generally accepted auditing standards in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.
3. As explained in Note 12 to the consolidated financial statements, Grupo Security valued the Company's investment in Banco Security as of December 31, 2009, using the equity method, on the basis of the financial statements prepared by the Bank in accordance with the new accounting standards set forth by the Superintendency of Banks and Financial Institutions, in the framework of the process of convergence to International Financial Reporting Standards (IFRS) carried out by that regulating organization. As is indicated in paragraph 5 below, the above resulted in Grupo Security recognizing in advance an equity decrease of ThCh\$8,636,284 as of January 1, 2009, corresponding to the accumulated effect of the first-time adoption of the new accounting standards by the Bank.
4. In our opinion, except for what is stated in the previous paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the financial situation of Grupo Security S.A. and subsidiaries as of December 31, 2009 and 2008, and the results of their operations and cash flows for the years then ended, in conformity with generally accepted accounting principles in Chile and the accounting regulations established by the Superintendency of Securities and Insurance.
5. As explained in Note 3, as of January 1, 2010 Grupo Security S.A. will adopt International Financial Reporting Standards (IFRS) as generally accepted accounting principles, in accordance with the instructions of the Superintendency of Securities and Insurance.



Juan Francisco Martínez A.
ERNST & YOUNG LTDA.
Santiago, February 22, 2010



CONSOLIDATED BALANCE SHEETS

December 31, 2009 and 2008

ASSETS	NOTE	2009 THCH\$	2008 THCH\$
Activo Circulante			
Cash		4.897.802	7.565.020
Time deposits		1.264.834	7.208.779
Marketable securities	(4)	14.877.433	3.683.937
Trade accounts receivable	(5)	120.442.302	144.039.326
Notes receivable	(5)	15.342.942	3.165.527
Miscellaneous receivables	(5)	7.569.130	4.998.723
Notes and accounts receivable from related companies	(6)	306.919	275.583
Inventory	(7)	5.925.238	11.107.310
Recoverable taxes	(8)	1.784.744	2.621.667
Prepaid expenses		454.939	147.590
Deferred taxes	(8)	2.276.975	1.994.947
Other current assets	(10-11)	12.723.721	9.754.387
Lease agreements	(9)	1.427.354	3.689.582
Total current assets		189.294.333	200.252.378
Fixed Assets			
Buildings and infrastructure		2.899.139	2.837.307
Machinery and equipment		4.235.811	4.089.282
Other fixed Assets		4.223.977	3.950.122
Accumulated depreciation		(6.926.757)	(5.942.878)
Total fixed assets, net		4.432.170	4.933.833
Other Assets			
Investments in related companies	(12)	278.940.984	252.355.404
Investments in other companies		3.184.646	3.985.233
Goodwill	(13)	39.908.775	42.689.271
Negative goodwill	(13)	(133.899)	(130.819)
Long-term notes and accounts receivable from related companies	(6)	3.925	5.824
Long-term deferred taxes	(8)	754.902	603.523
Intangibles		2.904.286	2.455.118
Amortization		(1.962.082)	(1.487.261)
Other	(14)	4.799.156	4.553.337
Long-term lease agreements (net)	(9)	1.085.333	683.275
Total other assets		329.486.026	305.712.905
Total Assets		523.212.529	510.899.116

CONSOLIDATED BALANCE SHEETS

December 31, 2009 and 2008

LIABILITIES AND SHAREHOLDERS' EQUITY	NOTE	2009 THCH\$	2008 THCH\$
Current Liabilities			
Short-term obligations with banks and financial institutions	(15)	110.128.638	132.785.964
Short-term portion of long-term obligations with banks and financial institutions	(15)	150.766	629.047
Obligations with the public (promissory notes)	(17)	-	7.548.383
Short-term portion of obligations with the public (bonds)	(17)	4.171.867	3.994.918
Dividends payable		71.124	204.572
Accounts payable		6.283.467	5.430.404
Notes payable		570.654	316.889
Miscellaneous payables		2.376.032	1.612.288
Notes and accounts payable to related companies	(6)	6.255.161	15.941.623
Provisions	(18)	6.481.788	3.018.271
Withholdings		642.091	1.058.567
Unearned income		71.341	199.690
Other current liabilities		257.822	8.273.868
Total current liabilities		137.460.751	181.014.484
Long-term Liabilities			
Obligations with banks and financial institutions	(16)	3.289	5.377.078
Long-term obligations with the public (bonds)	(17)	91.189.709	79.214.597
Long-term notes payable		-	800.419
Total long-term liabilities		91.192.998	85.392.094
Minority Interest	(19)	3.334.561	3.375.921
Shareholders' Equity			
Paid-in capital	(20)	159.414.682	121.139.852
Share premium	(20)	37.978.708	36.237.808
Other reserves	(20)	(19.083.846)	(15.602.241)
Retained earnings	(20)	85.375.564	83.048.352
Net income	(20)	30.076.361	17.375.561
Interim dividends	(20)	(2.537.250)	(1.082.715)
Total shareholders' equity, net	(20)	291.224.219	241.116.617
Total Liabilities and Shareholders' equity		523.212.529	510.899.116

CONSOLIDATED STATEMENTS OF INCOME

For the years ended as of December 31

	NOTE	2009 THCH\$	2008 THCH\$
Operating Income			
Operating revenue		34,934,087	58,693,531
Operating costs		(7,820,049)	(18,945,670)
Administrative and selling expenses		(27,837,622)	(34,833,690)
Operating income		(723,584)	4,914,171
Non-operating Income			
Interest income		556,670	1,723,755
Net income from investments in related companies	(12)	40,019,848	15,623,883
Other non-operating income	(21)	1,832,958	9,729,326
Loss on investment in related companies		(39,390)	(2,141)
Amortization of goodwill	(13)	(2,782,270)	(2,774,963)
Interest expenses		(5,538,551)	(5,274,419)
Other non-operating expenses	(21)	(3,918,588)	(784,484)
Price-level restatement	(22)	967,647	(4,960,421)
Foreign currency translation, net	(23)	207,218	468,833
Non-operating income		31,305,542	13,749,369
Income before income taxes		30,581,958	18,663,540
Income taxes	(8)	(90,758)	(869,170)
Net income before minority interest		30,491,200	17,794,370
Minority interest	(19)	(414,839)	(540,006)
Net income		30,076,361	17,254,364
Amortization of negative goodwill	(13)	-	121,197
Net income		30,076,361	17,375,561

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended as of December 31

	NOTE	2009 THCH\$	2008 THCH\$
Net Cash Flows from Operating Activities			
Net income		30.076.361	17.375.561
Charges (Credits) to Income which do not Represent Cash Flows			
Depreciation for the year		1.071.322	1.078.691
Amortization of intangibles		631.540	484.960
Write-offs and provisions		7.869.407	3.508.191
Accrued Net income on investments in related companies	(12)	(40.019.848)	(15.623.883)
Accrued Loss on investments in related companies		39.390	2.141
Amortization of goodwill	(13)	2.782.270	2.774.963
Amortization of negative goodwill		-	(121.197)
Price-level restatement, net	(22)	(967.647)	4.960.421
Foreign currency translation, net	(23)	(207.218)	(468.833)
Others credits to income which do not represent cash flows		(177.629)	(802.460)
Others charges to income which do not represent cash flows		2.122.827	396.838
Change in assets that affect cash flows (Increase) decrease			
Trade accounts receivable		13.673.699	7.333.268
Inventory		(2.699.057)	(217.588)
Other assets		3.903.343	3.770.164
Changes in liabilities that affect cash flows Increase (decrease)			
Other Accounts payable related to operating income		4.663.153	(3.277.211)
Income taxes payable (net)		-	-
Other accounts payable related to non-operating income		(84.592)	(18.671)
VAT and other similar taxes payable (net)		(13.095.312)	(6.472.520)
Net income from minority interest		(470.838)	(5.515.477)
Utilidad del interés minoritario		414.839	540.006
Net cash flows provided by used in operating activities		9.526.010	9.707.364
Net Cash Flows from Financing Activities			
Placements of cash shares		40.135.701	467.646
Proceeds from loans		63.028.789	17.258.566
Obligations with the public		15.918.164	9.778.479
Proceeds from other loans from related companies		-	14.655.000
Other sources of financing		2.266	-
Payments of dividends		(15.181.535)	(13.744.760)
Loan payments		(96.765.055)	(28.687.516)
Payment of obligations with the public		(15.004.926)	(9.146.497)
Documented loans from related companies		(49.484)	36.247
Payment of issuance and placement expenses of obligations with the public		-	(629.799)
Other financing disbursements		-	(5.818.850)
Net cash flows (used in) financing activities		(7.916.080)	(15.831.484)
Net Cash Flows from Investment Activities			
Sale of fixed assets		53.266	-
Collection of other loans to related companies		773.212	-
Other investment income		8.536.876	25.165.736
Additions to fixed assets		(952.883)	(1.387.196)
Permanent investments		(2.109.181)	(21.336.517)
Investments in financial instruments		46.854	(72.809)
Documented loans to related companies		-	115.043
Other loans to related companies		(436.850)	-
Other investment disbursements		(21.263)	(144.364)
Net cash flows provided by investment activities		5.890.031	2.339.893
Total Net Positive (Negative) Cash Flows for the Year		7.499.961	(3.784.227)
Effect of Price-level Restatement on Cash and Cash Equivalents		(301.993)	477.255
Net Change in Cash and Cash Equivalents		7.197.968	(3.306.972)
Cash and Cash Equivalents at Beginning of Year		26.263.752	29.570.724
Cash and Cash Equivalents at End of Year	(24)	33.461.720	26.263.752

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009 and 2008

NOTE 1 - REGISTRATION IN THE SECURITIES REGISTRY

Grupo Security S.A. ("the Company") is an open stock corporation registered with the Securities Registry under number 0499 and is subject to the supervision of the Superintendency of Securities and Insurance ("SVS").

Its line of business is to make investments and provide consulting of any type within the country.

Direct subsidiary, Securitizadora Security S.A., registered with the SVS under registry number 640, has been consolidated.

Direct subsidiary Factoring Security S.A., registered with the SVS under registry number 1,003, has been consolidated.

NOTA 2 - CRITERIOS CONTABLES UTILIZADOS**a) Periods covered**

These consolidated financial statements cover the years ended December 31, 2009 and 2008, respectively.

b) Basis of preparation

These consolidated financial statements of Grupo Security S.A. and subsidiaries have been prepared in accordance with generally accepted accounting principles in Chile ("Chilean GAAP") issued by the Chilean Association of Accountants and with the standards and instructions set forth by the SVS. The standards and instructions of the SVS prevail over Chilean GAAP in the case of discrepancy except for with regard to investments in direct and indirect subsidiaries (see Note 2d), which by express authorization from the SVS are presented in a single line of the balance sheet at their proportional equity and equity value as applicable and therefore have not been consolidated line-by-line. This treatment does not modify net income for the period or shareholders' equity.

Certain accounting practices applied by the Company that conform to Chilean GAAP may not conform to generally accepted accounting principles in the United States ("US GAAP") or to International Financial Reporting Standards ("IFRS"). For the convenience of the reader, these consolidated financial statements have been translated from Spanish to English.

The financial statements of subsidiary Banco Security S.A. as of December 31, 2009 have been prepared in accordance with the new accounting standards set forth by the Superintendency of Banks and Financial Institutions (SBIF) in the framework of the process of

convergence to IFRS. The Company opted for the criteria of recognizing this investment on the basis of financial statements prepared in accordance with these new accounting standards, including recognition of the effect of price-level restating the non-monetary assets and liabilities of its Banking subsidiary.

c) Basis of presentation

Prior year balances, which are presented for comparison purposes, have been restated off-balance sheet by the variation in the consumer price index which is -2.3%.

d) Basis of consolidation

The consolidated financial statements include the assets, liabilities, income and cash flows of the parent company and its subsidiaries. Balances, income and significant transactions between consolidated companies have been eliminated from the consolidated financial statements, recognizing the participation of minority interest.

Due to the dissimilar nature of their lines of business, and based on the express authorization granted by the SVS, the financial statements of direct subsidiary Banco Security and subsidiaries and indirect subsidiary Seguros Vida Security Previsión S.A. have not been consolidated.

Due to the relevance to Grupo Security S.A. of the participation in these companies to, Note 12 includes their summarized financial statements.

All consolidated companies are operating normally.

The companies that are consolidated as of December 31, 2009 and 2008 are detailed as follows:

TAXPAYER NO.	COMPANY NAME	PARTICIPATION PERCENTAGE			2008
		2009			
		DIRECT %	INDIRECT %	TOTAL %	TOTAL %
96.655.860-1	Factoring Security S.A.	99,9980	-	99,9980	99,9980
78.769.870-0	Inversiones Seguros Security Ltda. y Filiales	99,9997	-	99,9997	99,9997
96.803.620-3	Asesorías Security S.A. y Filiales	99,7818	-	99,7818	99,7818
96.786.270-3	Inmobiliaria Security S.A. y Filiales	99,9990	-	99,9990	99,9990
77.461.880-5	Inversiones Invest Security Ltda. y Filiales	99,9950	-	99,9950	99,9304
96.847.360-3	Securitizadora Security S.A.	99,9800	-	99,9800	99,9800

e) Price-level restatement

In order to present the effect of the variation in the purchasing power of the currency experienced during the year, non-monetary assets and liabilities, shareholders' equity and income statement accounts have been price-level restated based on the variation in the Consumer Price Index, which was -2.3% in 2009 (8.9% in 2008).

f) Basis of conversion

Assets and liabilities have been converted to Chilean pesos using the closing value as of each year end, as follows:

	2009 CH\$	2008 CH\$
Unidad de Fomento (UF)	20.942,88	21.452,57
Dólar observado (US\$)	507,10	636,45

g) Time deposits

Investments in time deposits are presented at the value of the investment plus interest and readjustments accrued as of each year-end.

h) Marketable securities

Marketable securities are investments in mutual fund units (fixed income), which have been valued at the unit value as of each year-end and investments in shares, which are valued at the lesser of cost or trading value as of each year-end.

i) Trade accounts receivable

Trade accounts receivable correspond mainly to the accrual of commissions on policies brokered to the different insurance companies of indirect subsidiary Corredora de Seguros Security Ltda. Likewise, they include factoring placements, which are presented at nominal value net of the unanticipated value amount and the unaccrued price difference.

j) Factoring placements

Factoring placements are presented at the acquisition value of the invoices and documents, which is their nominal value net of the unanticipated value amount and unaccrued price difference, and are presented in trade accounts receivable.

k) Recognition of price difference

The price difference generated in the acquisition of invoices and notes by direct subsidiary Factoring Security S.A. is recognized as income on an accrual basis in function of the expiry of the acquired notes.

l) Provision for risky assets

As of each year-end the Company and its subsidiaries have established a provision to cover the risks of loss of assets whose recovery is doubtful, which has been determined on the basis of a risk analysis performed by management (Note 5).

m) Inventory

Corresponds to apartments, parking spots and warehouses of the buildings of direct subsidiary Inmobiliaria Security S.A., which to date are fully completed and available for sale, valued at their price-level restated construction cost. Values thus determined do not exceed their net realizable values.

n) Investments with sellback agreements

Purchases of financial instruments with sellback agreements are valued at the purchase value plus interest accrued, according to the implicit interest rate determined between the purchase value and the committed sales value as of the commitment date, and are presented in other current assets.

ñ) Fixed Assets

Fixed assets items are presented at their price-level restated acquisition value net of depreciation.

o) Depreciation of Fixed Assets

Depreciation for the year has been calculated using the straight-line method based on the estimated useful lives of the assets.

p) Leased Fixed Assets

Leased personal property and real estate that fulfill the characteristics of a financial lease are accounted for as purchase of property, plant and equipment, recognizing the total obligation and interest on an accrual basis. These assets are not legally the property of the Company and its subsidiaries; therefore until the purchase option is exercised they cannot be freely disposed of.

q) Other assets

Other assets include goodwill on the placement of debt instruments (bonds), which is price-level restated and amortized using the straight-line method over the expiration term of each line of debt instruments issued. Goodwill on the placement of securitization debt instruments of a separate shareholders' equity is presented price-level restated for presentation and is amortized using the straight-line method over the term of the debt instrument issued.

r) Investments in related companies

Investments in related companies made before January 1, 2004 are valued using the proportional equity method. This method includes recognition of the participation in income on an accrual basis.

Investments in related companies made as of January 1, 2004 are valued using the equity method, in accordance with Technical Bulletin No. 72 issued by the Chilean Association of Accountants and Circular No. 1,697 issued by the SVS, recognizing income on an accrual basis.

s) Goodwill and negative goodwill

Balances presented in goodwill represent the excess paid over the proportional equity value of investments made before January 1, 2004 and the excess paid over the equity value originated in the acquisition of shares of related companies made as of January 1, 2004, in accordance with the standard set forth by the SVS and in Technical Bulletin No. 72 issued by the Chilean Association of Accountants. This goodwill is being amortized over the expected period of return of the investment, which does not exceed 240 months.

The balance in negative goodwill for 2008 corresponds to the difference that exists between the value paid and the equity value of the purchase of participation in Securitizadora Security S.A. The equity value used for this calculation is the value determined by external advisors, and in accordance with Technical Bulletin No. 72, it was adjusted by the determination of the fair values assigned to assets and liabilities. This negative goodwill is recognized to the extent that it is realized in its subsidiary.

t) Intangibles

The rights to the brand of indirect subsidiary Travel Security S.A. have been price-level restated and are amortized over a maximum term of 20 years. Intangibles also include the rights acquired in the purchase of the client portfolio of various insurance brokers by direct subsidiary Inversiones Seguros Security Ltda. which are 100% amortized as of December 2009.

u) Recoverable taxes

Recoverable taxes includes monthly prepaid tax installments paid month to month, credit on absorption of taxable net income, training credits and other recoverable taxes, which are price-level restated as of each year-end. In addition, it includes the remaining VAT fiscal credit that can be used in subsequent years.

v) Obligations with the public

The obligations presented in obligations with the public (bonds), are bonds issued by the parent company presented in liabilities at their par value. The price difference obtained in the placement of the bonds represents deferred interest that is amortized based on the maturity of the instrument. This bond placement price difference is included under "other" in other assets.

The obligations presented under obligations with the public (promissory notes), correspond to commercial papers signed by subsidiary Factoring Security S.A. Interest associated with these obligations is recognized on an accrual basis.

w) Accounts payable

Accounts payable correspond mainly to liabilities entered into by indirect subsidiary Travel Security S.A., generated by the purchase of airplane tickets..

x) Income taxes and deferred taxes

The Company and its subsidiaries determine income taxes on the basis of net taxable income determined for tax purposes. Deferred taxes assignable to items that have a different treatment for tax and accounting purposes have been recorded as established in Technical Bulletin No. 60 and complementary bulletins issued by the Chilean Association of Accountants.

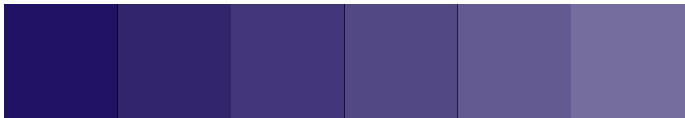
y) Lease agreements

Financial lease operations of direct subsidiary Factoring Security S.A. consist of lease agreements with clauses that provide the lessee with a purchase option for the leased asset at the end of the lease. These operations have been valued in accordance with Chilean GAAP. These operations are recorded in current assets and long-term assets, discounting the values receivable for interest to be accrued, value added tax and agreement provisions.

z) Derivative transactions

Direct subsidiary Asesorías Security S.A. has derivative contracts considered to be investment contracts.

Operations involving financial currency derivative instruments (currency forwards) are valued at their market value with an effect on income in accordance with Technical Bulletin No. 57 issued by the Chilean Association of Accountants and are classified as of December 31, 2009 under other current assets (under other current liabilities as of December 31, 2008).



aa) Operating revenue

The parent company and its subsidiaries recognize operating revenue in accordance with Technical Bulletin No. 70 issued by the Chilean Association of Accountants.

Private investment funds held by Inmobiliaria Security S.A., which correspond to associated companies, accrue their sales margin in a proportional manner, taking into consideration the expected margin of return of the project with a maximum of the percentage of the desist fine established in each purchase/sale commitment, the level of progress of the project and the value paid by the client. As a result, it is not feasible to recognize a value in excess of the amount of the fine established in each purchase/sale commitment with a maximum of what is paid by each client as income

Direct subsidiary Securitizadora Security S.A. recognizes as income the revenue generated by transfer of the securitized assets to the corresponding shareholders' equities, in addition to other operating income inherent to the company's activities.

Direct subsidiary Factoring Security S.A. records the nominal value of documents acquired (checks, notes, etc.) as assets and records the amount of the price difference, which is recognized as income on an accrual basis in function of the maturity date of the document, in complementary accounts. Income corresponding to the price difference for longer terms, commissions and other operating revenue is recognized as it is received.

The income of indirect subsidiary Corredora de Seguros Security Limitada corresponds to commissions generated on policies that have been documented and paid to the Company and the other subsidiaries that consolidate.

ab) Vacation Provision

The cost of vacations and other employee benefits is recognized on an accrual basis.

ac) Computer software

Computer software has been valued as established in Circular No. 1,819 issued by the SVS and is amortized over a 4-year term.

ad) Use of estimates in the preparation of consolidated financial statements

The preparation of consolidated financial statements in accordance with Chilean GAAP requires that management make certain estimates and assumptions that affect the balances of assets and liabilities reported and disclosure of contingencies regarding assets and liabilities as of the date of the consolidated financial statements, as well as income and expenses during the year. Real results could differ from these estimations.

ae) Reclassifications

Certain minor reclassifications have been made to the 2008 consolidated financial statements for comparison purposes.

af) Cash and cash equivalents

The parent company and its subsidiaries have considered all investments in fixed income mutual fund units, time deposits and sellback agreements entered into as part of the regular management of cash surplus, maturing in less than 90 days and with low risk of recoverability as cash and cash equivalents, in accordance with Technical Bulletin No. 50 issued by the Chilean Association of Accountants (Note 24).

NOTE 3 - ACCOUNTING CHANGES

a) Accounting changes applied during 2009

The Superintendency of Banks and Financial Institutions (SBIF), through its Circular No. 3,410 dated November 9, 2007, subsequently supplemented by Circular No. 3,443 dated August 21, 2008, introduced the new Compendium of Accounting Standards that banks must apply as result of the IFRS convergence project developed by this Superintendency.

This Compendium of Accounting Standards of the SBIF establishes that as of January 1, 2009 banks must begin application of the new accounting criteria established by the SBIF, and in those matters not addressed by the compendium they must apply International Financial Reporting Standards (IFRS). Changes in the accounting criteria of Banco Security, subsidiary of the Group are related, among other things, to the following items: a) suspension of the price-level restatement mechanism; b) changes in certain criteria for determination of credit risk provisions; c) option to revalue property, plant and equipment as of the date of first-time adoption of the standard; d) accrual of loan interest at the effective rate; e) impairment of deferred assets; f) changes and the incorporation of additional disclosures in the notes to the financial statements; etc..

As a product of the adoption of these new accounting criteria, adjustments were made to balances of the shareholders' equity accounts of Banco Security as of January 1, 2009. As of January 1, 2009, Grupo Security opted for the criteria of recognizing the investment in Banco Security on the basis of the financial statements prepared under these new accounting criteria, recognizing the accumulated effects of the change at the beginning of the year in shareholders' equity. The above resulted in the Group recognizing an equity decrease of ThCh\$8,636,284 as of January 1, 2009. Likewise, the Company recognized accrued income for 2009, for its equity participation in Banco Security, on the basis of the financial statements of the Bank prepared in accordance with what is expressed in Note 2 b).

b) Accounting standards that will be applied as of 2010

In conformity with what is established by the SVS regarding the adoption of International Financial Reporting Standards, the Company has reported that it will fully adopt IFRS as of 2010. As a consequence of the above, changes will arise in beginning shareholders' equity as of January 1, 2010 and will affect determination of income in future years. The preliminary effects of this change upon adoption of the new standard in the preparation of the Company's financial statements have been quantified and notified to the SVS in accordance with the instructions of Official Circular No. 457 dated June 20, 2008.

NOTE 4 - MARKETABLE SECURITIES

Marketable securities are recorded in accordance with Note 2 h).

This heading is mainly composed of investments in units of the funds of indirect subsidiary Administradora General de Fondos Security S.A., detailed as follows::

	2009 THCH\$	2008 THCH\$
Shares	367	37.353
Mutual fund units	14.877.066	3.646.584
Total	14.877.433	3.683.937

NOTE 5 - SHORT AND LONG-TERM RECEIVABLES

Short and long-term receivables as of December 31, 2009 and 2008 are detailed as follows:

DESCRIPTION	CURRENT							LONG-TERM	
	UP TO 90 DAYS		OVER 90 DAYS UP TO 1 YEAR		SUBTOTAL	TOTAL CURRENT (NET)			
	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$	2009 THCH\$	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$
Trade accounts receivable	118.910.588	140.796.644	7.383.246	3.242.682	126.293.834	120.442.302	144.039.326	-	-
Allowance for doubtful accounts	-	-	-	-	5.851.532	-	-	-	-
Notes receivable	14.701.764	1.402.528	1.043.656	1.762.999	15.745.420	15.342.942	3.165.527	-	-
Allowance for doubtful accounts	-	-	-	-	402.478	-	-	-	-
Miscellaneous receivables	655.306	705.640	6.913.824	4.293.083	7.569.130	7.569.130	4.998.723	-	-
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-
					Total deudores largo plazo			-	-

Short and long-term receivables also include trade accounts receivable, stating the percentage represented by each item of the segregation over the total concept.

As of December 31, 2009 and 2008 trade accounts receivable are detailed as follows:

	2009		2008	
	CH\$	%	CH\$	%
Travel Security S.A.				
Invoices receivable	8.114.298	6,74%	9.511.295	6,60%
Commissions receivable	-	0,00%	42.204	0,03%
Transbank cards receivable	7.762	0,01%	13.672	0,01%
	8.122.060		9.567.171	
Factoring S.A.				
Notes for Factoring receivable	111.343.961	92,45%	132.959.163	92,31%
	111.343.961		132.959.163	
Corredora de Seguros Security Ltda.				
Invoices receivable	32.921	0,03%	12.967	0,01%
Accrued commissions	808.354	0,67%	928.245	0,64%
	841.275		941.212	
Other Consolidated Companies				
Other accounts receivable	135.006	0,11%	571.780	0,40%
Total	120.442.302		144.039.326	

NOTE 6 - BALANCES AND TRANSACTIONS WITH RELATED COMPANIES

Notes and accounts receivable from and payable to related companies, are expressed in thousands of Chilean pesos and accrue interest at market rates.

The following contracts are in force between the subsidiaries of Grupo Security S.A. with Banco Security and subsidiaries and indirect subsidiary Seguros Vida Security Previsión S.A., which have not been consolidated, as stated in Note 2d).

Invest Security - Service contract for services such as: accounting, controllership, technological services and marketing, among others.

Global Gestión y Servicios - Marketing management contracts.

Valores Security Corredores de Bolsa - Financial transaction agreements.

Transactions with related companies and individuals whose amounts are not significant have not been included.

a) Notes and accounts receivable

TAXPAYER NO.	COMPANY	SHORT-TERM		LONG-TERM	
		2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$
97053000-2	Banco Security S. A.	33.785	102.704	-	-
96786270-3	Fip El Vergel	-	105	3.925	5.824
96786270-3	Fip Antonio de Pastrana	-	366	-	-
96786270-3	Fip Rodrigo de Quiroga	-	101	-	-
96786270-3	Fip Quirihue	-	366	-	-
96786270-3	Fip Silvina Hurtado	-	105	-	-
96786270-3	Fip General Flores	-	3.312	-	-
96786270-3	Fip Vitacura IV	-	6.252	-	-
96786270-3	Fip Pastrana II	-	431	-	-
96786270-3	Fip Nuñoa II	15.677	8.072	-	-
96515580-5	Valores Security Corredores de Bolsa	96.977	7.772	-	-
99301000-6	Seguros Security Previsión Vida S.A.	33.497	30.193	-	-
96847360-3	Patrimonio Separado BSECS-1	-	2.734	-	-
96847360-3	Patrimonio Separado BSECS-2	-	2.719	-	-
96847360-3	Patrimonio Separado BSECS-3	-	2.719	-	-
96847360-3	Patrimonio Separado BSECS-4	-	3.668	-	-
96847360-3	Patrimonio Separado BSECS-5	-	2.101	-	-
96847360-3	Patrimonio Separado BSECS-6	-	3.668	-	-
96847360-3	Patrimonio Separado BSECS-7	-	3.668	-	-
96847360-3	Patrimonio Separado BSECS-9	-	13.473	-	-
96847360-3	Patrimonio Separado BSECS-10	-	3.668	-	-
96786270-3	Fip Hermanos Cabot	8.763	3.360	-	-
96786270-3	Fip Santa Marta	1.890	4.357	-	-
96639280-0	Administradora General de Fondos Security S.A.	2.511	13.657	-	-
96786270-3	Fip Alonso Sotomayor	11.434	4.556	-	-
96786270-3	Fip Regina Pacis	7.437	3.609	-	-
80992000-3	Ultramar Agencia Marítima Ltda.	8.360	19.442	-	-
96908870-3	Terminal Pacífico Sur Valparaíso	-	129	-	-
96707720-8	Mediterranean Shipping Company Chile S.A.	4.605	13.611	-	-
99551180-0	Europ Assistance S. A.	711	-	-	-
53309429-5	Don Vicente Fip	-	3.609	-	-
76038680-4	Humboldt Marine Training	194	-	-	-
78028770-5	ADM.de Naves Homboldt	14.747	-	-	-
96789280-7	Compañía Portuaria Mejillones	2.101	-	-	-
96683120-0	Compañía de Seguros Generales Penta-Security S.A.	-	44	-	-
76083060-7	Inversiones Ultraterra Ltda.	1.860	-	-	-
92513000-1	Naviera Ultragas Ltda.	1.292	-	-	-
96898290-7	Ultragestion S.A.	177	-	-	-
78558840-1	Remolcadores Ultratug S.A.	8.090	-	-	-
88056400-5	Servicios Marítimos y Transportes Ltda.	8.080	11.012	-	-
96683120-0	Csg Penta S. A.	1.274	-	-	-
96676520-8	Puerto Mejillones S. A.	513	-	-	-
77405150-3	Representaciones Security LTDA.	29.070	-	-	-
96721350-0	Terminal Mejillones S. A.	-	-	-	-
96908870-3	Terminal Pacífico Sur Valpo S. A.	299	-	-	-
99567620-6	Terminal Puerto Arica S. A.	703	-	-	-
78972520-9	Inmobiliaria Security Siete LTDA.	630	-	-	-
96786270-3	Inmobiliaria Security S. A.	765	-	-	-
96500950-7	Sitrans Ltda.	8.102	-	-	-
76015905-0	Terminal Graneles del Norte S.A.	3.375	-	-	-
Total		306.919	275.583	3.925	5.824

b) Notes and accounts payable

TAXPAYER NO.	COMPANY	SHORT-TERM		LONG-TERM	
		2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$
96639280-0	Adm. Gral. de Fondos Security S.A.	13.587	501.066	-	-
99301000-6	Seguros Vida Security Previsión S.A.	4.906.525	14.831.582	-	-
96515580-5	Valores Security Corredores de Bolsa S.A.	1.335.049	599.453	-	-
97053000-2	Banco Security	-	1.244	-	-
99156000-9	Adm. de Servicios Security Ltda.	-	838	-	-
96683120-0	CSG Penta Security S.A.	-	1.163	-	-
88056400-5	Serv Marítimos y Transportes Ltda.	-	133	-	-
80992000-3	Ultramar Agencia Marítima Ltda.	-	6.144	-	-
Total		6.255.161	15.941.623	-	-

c) Transactions

COMPANY	TAXPAYER NO.	NATURE OF RELATIONSHIP	TRANSACTION DESCRIPTION	2009		2008	
				AMOUNT THCH\$	EFFECT ON INCOME (CHARGE)/ CREDIT THCH\$	AMOUNT THCH\$	EFFECT ON INCOME (CHARGE)/ CREDIT THCH\$
Banco Security	97053000-2	Direct subsidiary	Bank and other expenses	102.005	(89.585)	1.047.563	(750.495)
Banco Security	97053000-2	Direct subsidiary	Bank loans	4.907.368	(168.090)	302.163	-
Banco Security	97053000-2	Indirect subs.	Advisories & commissions	1.546.267	(306.303)	521.044	(274.553)
Banco Security	97053000-2	Indirect subs.	Agreements and deposits	3.497.498	9.581	6.327.060	144.800
Valores Security Corredores de Bolsa	96515580-5	Indirect subs.	Purchase of dollars	121.640	-	319.650	-
Valores Security Corredores de Bolsa	96515580-5	Indirect subs.	Advisories	912.256	(350.805)	661.923	(249.831)
Valores Security Corredores de Bolsa	96515580-5	Indirect subs.	Financial instruments	439.987.464	177.085	616.269.031	(540.532)
Fip Rodrigo de Quiroga	96786270-3	Indirect subs.	Advisories	1.356	1.340	3.319	2.989
Fip Quirihue	96786270-3	Indirect subs.	Advisories	9.450	8.643	24.777	21.521
Fip Silvina Hurtado	96786270-3	Indirect subs.	Advisories	1.257	1.257	14.686	12.542
Fip General Flores	96786270-3	Indirect subs.	Advisories	133.152	112.594	60.524	51.561
Fip Vitacura IV	96786270-3	Indirect subs.	Advisories	29.526	25.514	-	-
Fip Nuñoa II	96786270-3	Indirect subs.	Advisories	66.109	56.256	54.340	39.594
Fip Vergel	99584690-K	Indirect subs.	Advisories	1.257	1.257	1.253	1.253
Fip Regina Pacis	96786270-3	Indirect subs.	Advisories	115.769	97.987	80.953	29.459
Fip Santa Marta	96786270-3	Indirect subs.	Advisories	74.818	63.994	53.521	25.619
Fip Hermanos Cabot	96786270-3	Indirect subs.	Advisories	90.811	77.014	44.321	22.890
Don Vicente Fip	96.786270-3	Direct subsidiary	Advisories	43.287	37.078	23.347	14.036
Alonso Sotomayor Fondo de Inversión	96786270-3	Indirect subs.	Advisories	110.151	93.266	65.720	47.777
Inmobiliaria El Peumo S.A.	96786270-3	Indirect subs.	Advisories	-	-	25.821	23.945
Pastrana II Fondo De Inversión	96786270-3	Indirect subs.	Advisories	43.431	37.199	35.416	22.254

COMPANY	TAXPAYER NO.	NATURE OF RELATIONSHIP	TRANSACTION DESCRIPTION	2009		2008	
				AMOUNT THCH\$	EFFECT ON INCOME (CHARGE)/ CREDIT THCH\$	AMOUNT THCH\$	EFFECT ON INCOME (CHARGE)/ CREDIT THCH\$
Fip Antonio Pastrna	96786270-3	Indirect subs.	Advisories & commission	1.520	1.520	14.670	13.280
Seguros Vida Security Previsión S.A.	96786270-3	Indirect subs.	Insurance	74.818	63.994	121.987	121.987
Seguros Vida Security Previsión S.A.	96786270-3	Indirect subs.	Advisories	132.585	(132.585)	300.705	203.005
Seguros Vida Security Previsión S.A.	96786270-3	Indirect subs.	Debt recognition	-	-	14.655.000	188.247
Seguros Vida Security S.A.	99551180-0	Indirect subs.	Rent	58.850	(58.850)	47.682	(47.682)
Valores Security Corredores De Bolsa	97053000-2	Direct subsidiary	Rent	-	-	1.767	(1.767)
Adm. Gf Security S.A.	96639280-0	Indirect subs.	Mutual funds	33.192.505	102.479	4.361.751	(404.415)
Adm. Gf Security S.A.	96639280-0	Indirect subs.	Advisories	367.174	(365.396)	49.489	(49.489)
Adm. Gf Security S.A.	96639280-0	Indirect subs.	Rent	1.820	1.820	1.766	(1.766)
Inmobiliaria El Peumo S.A.	99584690-K	Indirect subs.	Interest earned	-	-	11.349	11.349
Cooper Gay Chile S.A.	99551180-0	Indirect subs.	Advisories	29.622	(29.622)	-	-
Patrimonio Separado Bsecs 1	96847360-3	Indirect subs.	Management payroll	-	-	4.441	4.441
Patrimonio Bsecs -10	96847360-3	Indirect subs.	Management payroll	-	-	14.772	14.772
Patrimonio Separado Bsecs-2	96847360-3	Indirect subs.	Management payroll	-	-	4.275	4.275
Patrimonio Separado-Bsecs-3	96847360-3	Indirect subs.	Management payroll	-	-	4.275	4.275
Patrimonio Separado Bsecs 4	96847360-3	Indirect subs.	Management payroll	-	-	14.772	14.772
Patrimonio Separado Bsecs 5	96847360-3	Indirect subs.	Management payroll	-	-	8.441	8.441
Patrimonio Separado Bsecs 6	96847360-3	Indirect subs.	Management payroll	-	-	14.772	14.772
Patrimonio Separado Bsecs 7	96847360-3	Indirect subs.	Management payroll	-	-	14.772	14.772
Patrimonio Separadobsecs9	96847360-3	Indirect subs.	Management payroll	-	-	21.407	21.407

NOTE 7 - INVENTORY

As of December 31, 2009 and 2008 inventory is detailed as follows:

	AMOUNT	2009 THCH\$	2008 THCH\$
Inmobiliaria Security S.A.:			
Huechuraba land (1)		2.902.919	2.742.058
		2.902.919	2.742.058
El Golf Fip:			
Apoquindo 3231	1	2.581.449	
Apoquindo 3161 Stores	5	208.952	-
Apoquindo 3161 Store parking	2	27.244	-
Apoquindo 3161 Apt. 81	1	201.928	-
Apoquindo 3161 Storage	1	1.699	-
		3.021.272	-
Inmobiliaria SH Uno Ltda.:			
Parking	1		18.604
Market valuation provision		-	(9.382)
Subtotal		-	9.222
Inmobiliaria Security Diez Ltda.:			
Parking	1	1.047	12.568
Market valuation provision			(10.419)
Subtotal		1.047	2.149
Inmobiliaria Security Once Ltda.:			
Apartment			198.748
Warehouses	1	-	1.679
Parking		-	6.215
Subtotal		-	206.642
Residential lease agreements:			
Lease agreement (2)	2	-	8.147.239
		-	8.147.239
Total		5.925.238	11.107.310

(1) As of December 31, 2009 and 2008 the Huechuraba land has been classified under inventory in the amount of ThCh\$2,902,919 (ThCh\$2,742,058 in 2008), since the Company has the intention of carrying out a real estate project for sale.

(2) Portfolio destined to form part of Patrimonio Separado Bsec-12. The corresponding obligations are recorded in other current liabilities. As of the date of these financial statements, this separate equity fund has not been established.

NOTE 8 - CURRENT AND DEFERRED INCOME TAXES**a) Recoverable taxes**

Recoverable taxes as of December 31, 2009 amount to ThCh\$1,784,744 (ThCh\$2,621,667 in 2008), and are detailed as follows:

	2009 THCH\$	2008 THCH\$
First category (corporate) income tax provision	(687.221)	(1.522.508)
Monthly prepaid tax installments	936.246	1.489.980
Recoverable tax from absorption of tax losses	918.499	1.481.337
VAT credit	453.559	1.048.798
Other credits	163.661	124.060
Total	1.784.744	2.621.667

As of December 31, 2009 the parent company has not established an income tax provision since it has negative taxable income. The subsidiaries have determined their tax obligations, in accordance with Note 2 x).

b) Deferred taxes

DESCRIPTION	2009				2008			
	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES		DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
	SHORT-TERM	LONG-TERM	SHORT-TERM	LONG-TERM	SHORT-TERM	LONG-TERM	SHORT-TERM	LONG-TERM
	THCH\$	THCH\$	THCH\$	THCH\$	THCH\$	THCH\$	THCH\$	THCH\$
Temporary differences								
Allowance for doubtful accounts	1.068.021	-	-	-	1.025.848	-	-	-
Prepaid expenses	35.792	-	-	-	45.914	-	-	-
Vacation provision	162.015	-	-	-	159.497	-	-	-
Amortization of intangibles	-	28.984	-	-	-	-	-	-
Leased assets	-	653.552	-	520.034	-	861.916	45.320	840.423
Manufacturing expenses	-	-	-	-	-	-	-	-
Fixed Assets	31.112	156.504	-	-	-	-	-	-
Staff severance indemnities	-	-	-	-	-	-	-	-
Other events	73.293	-	123.241	428.546	366.623	-	6.780	322.609
Tax losses	-	427.147	-	-	-	-	-	-
Lease obligations	-	-	-	-	-	71.430	-	-
Unaccrued interest	132.667	-	-	-	363.525	-	-	-
Miscellaneous provisions	1.088.825	437.295	7.570	-	174.456	-	2.952	-
Goodwill on financial fixed assets	-	-	-	-	1.293	-	-	-
Financial write-offs	-	-	-	-	1.384	-	-	-
Bonus provision	-	-	-	-	6.042	-	-	-
Financial fixed assets	-	-	183.939	-	54.388	-	148.971	64.842
Tax fixed assets	-	-	-	-	-	-	-	-
Amortization of intangibles	-	-	-	-	-	21.903	-	-
Tax losses	-	-	-	-	-	876.148	-	-
Other	-	-	-	-	-	-	-	-
Complementary accounts net of amortization	-	-	-	-	-	-	-	-
Valuation provision	-	-	-	-	-	-	-	-
Total	2.591.725	1.703.482	314.750	948.580	2.198.970	1.831.397	204.023	1.227.874

c) Income taxes

	2009 THCH\$	2008 THCH\$
Common tax expense (tax provision)	(687.221)	(1.522.508)
Tax expense adjustment (previous year)	(102.313)	146.935
Effect of deferred tax assets or liabilities for the year	346.348	(945.894)
Tax benefit from tax losses	304.339	1.455.989
Effect of amortization of deferred tax assets and liabilities complementary accounts	-	-
Effect on deferred tax assets or liabilities due to changes in the valuation provision	48.089	-
Other charges or credits to the account	-	(3.692)
Total	(90.758)	(869.170)

NOTE 9 - SHORT AND LONG-TERM LEASE AGREEMENTS AND LEASE ASSETS

As of December 31, 2009 and 2008 short and long-term lease agreements and lease assets are detailed as follows:

2009

	THU.F.	SHORT-TERM THCH\$	LONG-TERM THCH\$
Capital	153,94	1.813.102	1.410.911
Deferred interest	(21,43)	(130.889)	(317.818)
Deferred VAT	(12,54)	(254.859)	(7.760)
Total	119,97	1.427.354	1.085.333

2008

		CORTO PLAZO	LARGO PLAZO
		M\$	M\$
Capital	272,83	4.850.596	1.002.249
Deferred interest	(22,74)	(383.009)	(104.858)
Deferred VAT	(46,25)	(778.005)	(214.116)
Total	203,84	3.689.582	683.275

NOTE 10 - OTHER CURRENT ASSETS

As of December 31, 2009 the balance of other current assets in the amount of ThCh\$12,723,721 (ThCh\$9,754,387 in 2008) is composed mainly of instruments with sellback agreements (Note 11).

	2009 THCH\$	2008 THCH\$
Sellback agreement (Note 11)	12.422.018	7.797.271
Goods received in lieu of payment	105.910	39.080
Promise to purchase/sell	-	253.197
BSECS-11 securitization service	-	915.664
BSECS-13 securitization service	167.543	-
Other	28.250	749.175
Total	12.723.721	9.754.387

NOTE 11 - INFORMATION ON OPERATIONS WITH PURCHASE AND SALE AGREEMENTS, SALE WITH REPURCHASE AND SELLBACK AGREEMENTS OF TITLES OR PERSONAL SECURITIES. SALES OPERATIONS WITH BUYBACK AGREEMENTS (VRC) AND PURCHASE OPERATIONS WITH SELLBACK AGREEMENTS (CRV)

CODE	DATES		COUNTERPARTY	ORIGINAL CURRENCY	SUBSCRIPTION VALUE THCH\$	RATE	FINAL VALUE THCH\$	INSTRUMENT IDENTIFICATION	MARKET VALUE THCH\$
	INCEPTION	TERMINATION							
VRC	12.30.2009	01.04.2010	Valores Security S.A. Corredores de Bolsa	Chilean pesos	11.192.387	0,06	11.193.507	Bills	11.192.387
CRV	12.18.2009	01.29.2010	Valores Security S.A. Corredores de Bolsa	Chilean pesos	53.471	0,06	53.516	Bbva170510	53.485
CRV	12.18.2009	01.29.2010	Valores Security S.A. Corredores de Bolsa	Chilean pesos	554.125	0,06	554.590	Bcu0500912	554.270
CRV	12.28.2009	01.04.2010	Valores Security S.A. Corredores de Bolsa	Chilean pesos	22.382	0,06	22.385	Bci180510	22.383
CRV	12.28.2009	01.04.2010	Valores Security S.A. Corredores de Bolsa	Chilean pesos	3.625	0,06	3.625	Cero040410	3.625
CRV	12.28.2009	01.04.2010	Valores Security S.A. Corredores de Bolsa	Chilean pesos	224.023	0,06	224.054	Bbva170510	224.036
CRV	12.30.2009	01.01.2010	Valores Security S.A. Corredores de Bolsa	Chilean pesos	100.000	0,06	100.010	Corb120110	100.002
CRV	12.24.2009	01.29.2010	Valores Security S.A. Corredores de Bolsa	Chilean pesos	121.785	0,06	121.785	Finacial Dep. Inst.	121.785

NOTA 12 - INVESTMENTS IN RELATED COMPANIES

Investments in related companies as of December 31, 2009 and 2008, recorded as described in Note 2 r), are detailed as follows:

a) In January 2007 Grupo Security S.A. in conjunction with Grupo Ultramar, carried out a business combination through their indirect and direct subsidiaries, respectively Travel Security S.A. and Tajamar S.A. both in the travel agent line of business. According to Technical Bulletin No. 72, that operation implied determining the value of these companies at fair value, determining that the value of the assets and liabilities of the combined company as of December 31, 2007 did not differ significantly from their book values.

The reconciliation to fair values of the assets and liabilities combined in the transaction described in the previous paragraph is detailed as follows:

	THCH\$
Shareholders' equity at book value	5.416.645
Adjustment to fair value	-
Equity value	5.416.645

These values form part of the consolidated financial statements of subsidiary Inversiones Invest Security Ltda.

b) On June 30, 2007, Seguros Vida Security Previsión S.A. and Security Rentas Seguros de Vida S.A. merged through the absorption of Security Rentas Seguros de Vida S.A. by Seguros Vida Security Previsión S.A. The described operation was performed with prior authorization from the SVS.

c) On August 10, 2007, Grupo Security S.A. in conjunction with its direct subsidiary Inversiones Seguros Security Ltda., purchased Cigna Holdings S.A., whose main asset was Compañía de Seguros Cigna Vida Chile S.A. The joint operation meant a disbursement of approximately Ch\$13,544 million.

In accordance with Technical Bulletin No. 72 the aforementioned operation implied making a fair value determination of this company, which determined that there was a significant difference with book values.

As of December 31, 2009 the fair value reconciliation of the assets and liabilities acquired in the transaction described in the previous paragraph is detailed as follows:

	THCH\$
Shareholders' equity at book value	17.954.592
Adjustment to fair value	(5.658.461)
Equity value	12.296.131

These values form part of the shareholders' equity of indirect subsidiary Seguros de Vida Security Previsión S.A. (not consolidated in these financial statements, in accordance with Note 2 d).

d) In accordance with the Compendium of Accounting Standards set forth by the Superintendency of Securities and Financial Institutions, Banco Security, made the necessary adjustments to asset and liability accounts, the effects of which were recorded directly in shareholders' equity, which in turn is reflected in a decrease in the investments in Grupo Security against shareholders' equity, an effect originating in the Chilean transition to IFRS.

Grupo Security valued its investment in Banco Security using the equity method, using as a basis the financial statements prepared by the Bank in accordance with the new accounting standards set forth by the SBIF, in the framework of the plan for convergence to IFRS carried out by it, including recognition of the effect of price-level restatement of the non-monetary assets of its Bank subsidiary. This caused Grupo Security to recognize in advance an equity decrease of ThCh\$8,636,284 as of January 1, 2009, corresponding to the accumulated effect of the first-time application of the new accounting standards by the Bank.

As of December 31, 2009 and 2008, investments in related companies, recorded in accordance with Note 2 r), are detailed as follows:

TAXPAYER NO.	COMPANY	COUNTRY OF ORIGIN	INVESTMENT CURRENCY	NUMBER OF SHARES	PARTICIPATION PERCENTAGE		SHAREHOLDERS' EQUITY IN COMPANIES		INCOME FOR THE YEAR		SHAREHOLDERS' EQUITY IN COMPANIES AT FAIR VALUE		INCOME AT FAIR VALUE		ACCRUED INCOME		EQUITY VALUE/ PROPORTIONAL EQUITY VALUE		UNEARNED INCOME		BOOK VALUE OF THE INVESTMENT	
					2009	2008	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$
97053000-2	Banco Security	Chile	Pesos	151.739.816	99.94780	99.94780	197.592.224	180.548.425	27.093.706	14.010.250	-	-	-	-	27.083.688	14.001.844	197.489.081	180.440.095	-	-	197.489.081	180.440.095
99301000-6	Seguros Vida Security Prevision S.A.	Chile	Pesos	18.841.938	97.37000	97.37000	80.679.379	74.206.694	10.601.732	77.499	75.920.918	67.199.955	12.114.957	-	11.796.334	75.461	73.047.868	65.432.597	-	-	73.047.868	65.432.597
99573400-1	Europ Assistance Chile S.A.	Chile	Pesos	98	49.00000	49.00000	338.823	267.529	70.317	72.070	-	-	-	-	34.934	35.314	166.023	131.089	-	-	166.023	131.089
99551180-0	Inv. Cooper Gay Ltda.	Chile	Pesos	49.999	49.99900	49.99900	661.274	686.347	446.931	472.336	-	-	-	-	223.461	236.163	330.630	348.167	-	-	330.630	348.167
96683120-0	Compañía de Seguros Generales Penta-Security S.A.	Chile	Pesos	2.287.427	29.16700	29.16700	26.918.662	20.420.041	3.018.407	2.351.491	26.995.742	20.495.348	-	-	880.379	685.860	7.873.848	5.977.878	-	-	7.873.848	5.977.878
96786270-3	Otras Inversiones			-	-	-	-	-	-	-	-	-	-	-	1.042	589.241	33.574	25.578	-	-	33.574	25.578
Total				-	-	-	-	-	-	-	-	-	-	-	-	-	278.940.984	252.355.404			278.940.984	252.355.404

Additionally includes balances of companies that have not been consolidated as described in Note 2 d), detailed as follows:

BANCO SECURITY AND SUBSIDIARIES

Consolidated Balance Sheets

As of December 31,

ASSETS	2009 THCH\$	2008 THCH\$
Cash and due from banks	64.852	80.612
Transactions in the course of collection	116.161	129.909
Trading securities	396.043	356.864
Securities purchased under resale agreements and securities loans	20.807	24.153
Derivative instruments	66.280	53.052
Bank receivables	312.431	93.467
Loans and trade accounts receivable	1.845.419	1.965.344
Investment securities available for sale	484.353	366.376
Investment securities held to maturity	-	-
Investments in other companies	680	543
Intangibles assets	16.124	12.721
Fixed assets, net	22.491	24.423
Current taxes assets	3.021	7.444
Deferred taxes assets	36.185	29.647
Other assets	67.525	67.618
Total Assets	3.452.372	3.212.173

BANCO SECURITY AND SUBSIDIARIES**Consolidated Balance Sheets**

As of December 31,

LIABILITIES AND SHAREHOLDER'S EQUITY	2009 THCH\$	2008 THCH\$
Current accounts and demand deposits	255.777	221.397
Transactions in the course of payment	74.738	64.862
Securities sold under repurchase agreements and securities loans	401.975	90.130
Savings accounts and time deposits	1.651.418	1.720.452
Derivative instruments	80.165	52.843
Obligations with banks	132.120	292.091
Debt instruments issued	515.822	470.092
Other financial obligations	51.371	47.668
Current taxes liabilities	7.233	-
Deferred taxes liabilities	34.126	32.044
Provision	10.911	9.753
Other liabilities	38.862	37.107
Total liabilities	3.254.518	3.038.439
Equity		
Attributable to bank's equity holders		
Capital	138.207	138.196
Reserves	22.224	22.224
Other accounts	(3.349)	(12.255)
Retained earnings:		
Retained years	24.579	8.461
Income for the year	23.040	24.346
Less: Provision for minimum dividends	(6.912)	(7.304)
	197.789	173.668
Minority interest	65	66
Total equity	197.854	173.734
Total Liabilities and Equity	3.452.372	3.212.173

BANCO SECURITY AND SUBSIDIARIES

Consolidated Statements of Income

As of December 31,

	2009 THCH\$	2008 THCH\$
Interest and indexation revenue	117.959	238.770
Interest and indexation expenses	(66.267)	(201.985)
Net income for interest and indexation	51.692	36.785
Income from fees and commissions	25.247	22.752
Expenses from fees and commissions	(3.649)	(3.176)
Net fees and commissions	21.598	19.576
Net income from trading and brokerage activities	1.926	39.455
Foreign exchange transaction, net	14.133	(13.135)
Other operating income	3.985	5.313
Total operating income	93.334	87.994
Provisions for loan losses	(14.819)	(11.479)
Net operating revenues	78.515	76.515
Staff expenses	(20.507)	(20.495)
Administrative expenses	(24.433)	(23.840)
Depreciation and amortization	(2.435)	(2.576)
Impairments	-	-
Other operating expenses	(3.510)	(2.426)
Total operating expenses	(50.885)	(49.337)
Net Operating income	27.630	27.178
Income from attributable to affiliates	205	175
Income before income tax	27.835	27.353
Income tax	(4.796)	(3.015)
Income from continued operations	23.039	24.338
Income from discontinued operations	-	-
Consolidated net income for the year	23.039	24.338
Attributable to:		
Equity holders of the parent	23.040	24.346
Minority interest	(1)	(8)
Net income per share attributable to equity holders of the parent:	Ch\$	Ch\$
Basic net income	152	176
Diluted net income	152	176

BANCO SECURITY AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income**

As of December 31,

	2009 THCH\$	2008 THCH\$
Consolidated net income	23.039	24.338
	11.868	(15.277)
Valuation of investment instruments available for sale	(1.138)	-
Comprehensive income before income tax	10.730	(15.277)
Income tax related to other comprehensive income	(1.824)	2.597
Total other comprehensive income	8.906	(12.680)
Consolidated comprehensive income	31.945	11.658
Attributable to:		
Equity holders of the Bank	31.946	11.666
Minority interest	(1)	(8)
Comprehensive net income attributable to the Bank's equity holders	Ch\$	Ch\$
Basic net income	210	84
Diluted net income	210	84

BANCO SECURITY AND SUBSIDIARIES Consolidated Statements of Cash Flows

For the years ended as of December 31,

	2009 THCH\$	2008 THCH\$
Net cash flows provided by (used in) operating activities	118.294	(97.457)
Net cash flows (used in) investment activities	(5.172)	(9.561)
Net cash flows (used in) provided by financing activities	(155.853)	167.822
Net total (negative) positive net cash flows for the year	(42.731)	60.804
Cash and cash equivalents at beginning of year	169.812	109.000
Effect of minority interest	1	8
Cash and cash equivalents at end of year	127.082	169.812

SEGUROS VIDA SECURITY PREVISIÓN S.A.

Balance Sheets

As of December 31,

	2009 THCH\$	2008 THCH\$		2009 THCH\$	2008 THCH\$
Assets			Liabilities and shareholders' equity:		
Investments	750.174	742.740	Claims reserves	682.488	690.566
Premiums receivable	3.959	4.443	Other liabilities	16.088	18.169
Claims receivable	2.047	1.808	Capital and reserves	70.078	74.129
Other assets	23.076	33.950	Income	10.602	77
Total assets	779.256	782.941	Total liabilities and shareholders' equity	779.256	782.941

SEGUROS VIDA SECURITY PREVISIÓN S.A.**Statements of Income**

As of December 31,

	2009 THCH\$	2008 THCH\$
Operating income	34.355	51.031
Brokerage, claims and administrative costs	(76.831)	(73.259)
Operating income	(42.476)	(22.228)
Investment income	56.031	19.115
Investment expenses	-	-
Other expenses	(902)	-
Non-operating income	55.129	19.115
Subtotal	12.653	(3.113)
Price-level restatement	(1.010)	1.672
Other income	-	393
Income taxes	(1.041)	1.125
Income	10.602	77

SEGUROS VIDA SECURITY PREVISIÓN S.A.**Statements of Cash Flows**

As of December 31,

	2009 THCH\$	2008 THCH\$
Net cash flows from operating activities	(44.295.911)	(47.715.005)
Net cash flows from investment activities	47.714.901	56.506.622
Net cash flows from financing activities	(2.912.076)	(8.785.606)
Total positive net cash flows provided by (used in year)	506.914	6.011
Effect of inflation on cash and cash equivalents	(6.306)	(322.480)
Net change in cash and cash equivalents	500.608	(316.469)
Cash and cash equivalents at Beginning of Year	259.571	576.040
Cash and cash equivalents at end of year	760.179	259.571

SEGUROS VIDA SECURITY PREVISIÓN S.A.

Reconciliation of Net Income to Net Cash Flows from Operating Activities

As of December 31,

	2009 THCH\$	2008 THCH\$
Net income	10.601.732	77.499
Proceeds from sale of assets	(757.261)	10.373.272
Charges (Credits) to income which do not represent cash flows	(56.814.170)	(47.195.145)
Decrease (increase) in assets	16.245.962	21.058.363
Decrease in liabilities	(13.572.174)	(32.028.994)
Total net Cash Flows from Operating Activities	(44.295.911)	(47.715.005)

NOTE 13 - GOODWILL AND NEGATIVE GOODWILL

As of December 31, 2009 and 2008 goodwill and negative goodwill as described in Note 2 s) are detailed as follows:

TAXPAYER NO.	COMPANY	2009		2008	
		AMOUNT AMORTIZED IN THE YEAR THCH\$	GOODWILL BALANCE THCH\$	AMOUNT AMORTIZED IN THE YEAR THCH\$	GOODWILL BALANCE THCH\$
97053000-2	Banco Security	21.714	99.522	21.714	121.235
96655860-1	Factoring Security S.A.	31.992	143.963	31.992	175.954
99302000-1	Seguros Security Previsión Generales S.A.	83.898	758.682	83.898	842.579
99301000-6	Seguros Vida Security Previsión S.A.	173.906	1.732.751	173.906	1.906.658
79740720-8	Travel Security S.A.	81.214	992.134	81.214	1.073.347
78746120-4	Inversiones Copper Ltda.	826.540	11.984.833	826.538	12.811.373
97005000-0	Dresdner Bank Lateinamerika S.A.	139.481	2.034.092	139.481	2.173.572
96619500-2	Dresdner Lateinamerika Corredora de Bolsa S.A.	62.857	36.667	62.858	99.525
96657360-0	Security Rentas Seguros de Vida S.A.	1.353.361	21.987.300	1.353.362	23.340.663
86024600-7	Inversiones Cigna Ltda.	7.307	138.831	-	144.365
Total		2.782.270	39.908.775	2.774.963	42.689.271

TAXPAYER NO.	COMPANY	2009		2008	
		AMOUNT AMORTIZED IN THE YEAR THCH\$	GOODWILL BALANCE THCH\$	AMOUNT AMORTIZED IN THE YEAR THCH\$	GOODWILL BALANCE THCH\$
96847360-3	Securizadora Security S.A.	-	133.899	121.197	130.819
Total		-	133.899	121.197	130.819

NOTE 14 - OTHER ASSETS

As of December 31, 2009 and 2008 other assets are detailed as follows:

	2009 THCH\$	2008 THCH\$
Bond placement discount (1)	3.455.674	3.250.805
Patrimonio Separado 9 Bond	-	131.970
Land Rights (2)	281.098	258.823
Other	1.062.384	911.739
Totale	4.799.156	4.553.337

(1) These differences arise in the placement of the bonds described in Note 17. During 2009, amortization of the Bond placement price difference amounted to ThCh\$174,856 (ThCh\$177,949 in 2008).

(2) Corresponds to the purchase made in judicial auction for 15.25% of the property rights of the second part of plot 11 of rural property ("Hijuela") plan 2 of the El Salto farm in the, community of Recoleta, and to the capitalization of expenses incurred in the judicial proceeding of the separation request, in order to obtain the material property and to increase its value. As of 2009 year-end the judge had handed down his decision, giving Inmobiliaria Security S.A. ownership of 5,544.2 square meters, valued at UF 14,698.63 which it must register under its name at the Official Record of Real Estate of Santiago ("Consejador de Bienes Raíces").

NOTE 15 - SHORT-TERM OBLIGATIONS WITH BANKS AND FINANCIAL INSTITUTIONS

As of December 31, 2009 and 2008 obligations with banks and financial institutions are detailed as follows:

TAXPAYER NO.	BANKS AND FINANCIAL INSTITUTIONS	TIPOS DE MONEDAS E ÍNDICE DE REAJUSTE										NON-INDEXED CH\$		TOTAL	
		U.S. DOLLARS		EUROS		YEN		OTHER FOREIGN CURRENCIES		UF					
		2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$
	Corto Plazo														
97004000-5	Banco Chile	-	-	-	-	-	-	-	-	-	-	25.417.600	25.673.376	25.417.600	25.673.376
97023000-9	Corp. Banca	-	-	-	-	-	-	-	-	-	-	8.416.260	18.211.741	8.416.260	18.211.741
97030000-7	Banco Estado	-	-	-	-	-	-	-	-	-	-	10.479.113	9.272.643	10.479.113	9.272.643
97006000-6	Banco Crédito e Inversiones	4.054.553	-	-	-	-	-	-	-	-	-	8.401.365	23.191.201	12.455.918	23.191.201
97032000-8	Banco BBVA	-	-	-	-	-	-	-	-	-	-	15.902.158	13.787.019	15.902.158	13.787.019
97018000-1	Banco Scotiabank	-	2.452.337	-	-	-	-	-	-	-	-	9.000.992	3.083.805	9.000.992	5.536.142
97015000-5	Banco Santander	2.021.096	-	-	-	-	-	-	-	-	-	5.506.391	4.590.832	7.527.487	4.590.832
97053000-2	Banco Security	-	-	-	-	-	-	-	-	-	-	5.585.937	2.814.443	5.585.937	2.814.443
97041000-7	Banco Itau	3.830.342	6.962.877	-	-	-	-	-	-	-	-	2.004.828	-	5.835.170	6.962.877
97051000-1	Banco del Desarrollo	-	-	-	-	-	-	-	-	-	-	-	3.113.299	-	3.113.299
97080000-K	Banco Bice	-	-	-	-	-	-	-	-	-	-	4.401.936	2.021.238	4.401.936	2.021.238
97011000-3	Banco Internacional	-	-	-	-	-	-	-	-	-	-	4.016.989	1.778.707	4.016.989	1.778.707
O-E	Wachovia Bank	607.976	1.257.386	-	-	-	-	-	-	-	-	-	-	607.976	1.257.387
	Otros	-	3.075.464	-	-	-	-	-	-	-	11.072.283	481.102	427.311	481.102	14.575.059
	Total	10.513.967	13.748.064	-	-	-	-	-	-	-	11.072.283	99.614.671	107.965.615	110.128.638	132.785.964
	Principal amount owed	10.480.652	13.580.307	-	-	-	-	-	-	-	11.001.548	99.420.401	100.337.504	109.901.053	124.919.359
	Average annual interest rate														
	Long-term - Short-term														
97004000-5	Banco de Chile	-	-	-	-	-	-	-	-	-	419.378	-	-	-	419.378
97006000-6	Banco de Crédito e Inversiones	-	-	-	-	-	-	-	-	-	209.669	-	-	-	209.669
97053000-2	Banco Security	-	-	-	-	-	-	-	-	150.766	-	-	-	150.766	-
	Otros	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	150.766	629.047	-	-	150.766	629.047
	Principal amount owed	-	-	-	-	-	-	-	-	150.766	616.200	-	-	150.766	616.200
	Average annual interest rate														

Percentage of obligations in foreign currency (%)	9,3400
Percentage of obligations in domestic currency (%)	90,6600

NOTE 16 - LONG-TERM OBLIGATIONS WITH BANKS AND FINANCIAL INSTITUTIONS

As of December 31, 2009 and 2008 long-term obligations with banks and financial institutions are detailed as follows:

TAXPAYER NO.	BANK OR FINANCIAL INSTITUTIONS	AÑOS DE VENCIMIENTO							CURRENT CLOSING DATE		PRIOR CLOSING DATE
		CURRENCY	OVER 1 UP TO 2 YEARS THCH\$	OVER 2 UP TO 3 YEARS THCH\$	OVER 3 UP TO 5 YEARS THCH\$	OVER 5 UP TO 10 YEARS THCH\$	OVER 10 YEARS		TOTAL LONG-TERM AS OF FINANCIAL STATEMENT CLOSING DATE THCH\$	AVERAGE ANNUAL INTEREST RATE THCH\$	TOTAL LONG-TERM AS OF FINANCIAL STATEMENT CLOSING DATE THCH\$
							AMOUNT THCH\$	TERM THCH\$			
97004000-5	Banco de Chile	U.S. dollars	-	-	-	-	-	-	-	-	-
		Euros	-	-	-	-	-	-	-	-	-
		Yen	-	-	-	-	-	-	-	-	-
		UF	-	-	-	-	-	-	-	-	2.464.797
		Non-indexed Ch\$	-	-	-	-	-	-	-	-	-
		Other currencies	-	-	-	-	-	-	-	-	-
97006000-6	Banco de Crédito e Inversiones	U.S. dollars	-	-	-	-	-	-	-	-	-
		Euros	-	-	-	-	-	-	-	-	-
		Yen	-	-	-	-	-	-	-	-	-
		UF	-	-	-	-	-	-	-	-	1.232.399
		Non-indexed Ch\$	-	-	-	-	-	-	-	-	-
		Other currencies	-	-	-	-	-	-	-	-	-
97053000-2	Banco Security S.A.	U.S. dollars	-	-	-	-	-	-	-	-	-
		Euros	-	-	-	-	-	-	-	-	-
		Yen	-	-	-	-	-	-	-	-	-
		UF	3.289	-	-	-	-	-	3.289	9,5	-
		Non-indexed Ch\$	-	-	-	-	-	-	-	-	1.679.882
		Other currencies	-	-	-	-	-	-	-	-	-
Total			3.289	-	-	-	-	-	3.289	-	5.377.078

NOTA 17 - SHORT AND LONG-TERM OBLIGATIONS WITH THE PUBLIC (PROMISSORY NOTES AND BONDS)

Grupo Security S.A. Bonds Issued.

On July 16, 2004, the SVS certified that Grupo Security S.A. registered the issuance of electronic series C bonds in the amount of UF750,000 (accruing biannual interest at a rate of 2.4695%) in the Securities Registry under number 376.

On January 12, 2006, the SVS certified that Grupo Security S.A. modified line C2 registered on July 16, 2004.

On February 15, 2006, the SVS certified that Grupo Security S.A. registered the issuance of electronic series D bonds in the amount of UF1,500,000 (accruing annual interest at a rate of 4.2%) in the Securities Registry under number 454.

On July 9, 2007, the SVS certified the registration of series B2 bond with a charge to line B mentioned in the first paragraph.

On July 30, 2007, the SVS certified that Grupo Security S.A. registered the issuance of electronic series E bonds in the amount of UF500,000 (accruing interest at an annual rate of 3.8%) in the Securities Registry under number 507.

On November 20, 2009 the SVS certified that Grupo Security S.A. registered the issuance of electronic series F bonds in the amount of UF 1,250,000 (accruing interest at an annual rate of 4.5% annual) in the Securities Registry under number 620.

As of December 31, 2009 and 2008 obligations with the public (bonds) recorded as described in Note 2 v) are detailed as follows:

Factoring Security S.A. Negotiable Instruments (promissory notes)

As of December 31, 2008 the balances of obligations with the public correspond to the subscription of negotiable instruments (promissory notes) and are detailed as follows:

	CAPITAL THCH\$	UNACCRUED INTEREST THCH\$	OBLIGATION NET OF INTEREST THCH\$
Short-term obligation	7.816.000	267.617	7.548.383

Bonds

INSTRUMENT REGISTRATION OR IDENTIFICATION NO.	SERIES	CURRENT NOMINAL AMOUNT PLACED	BOND INDEXATION UNIT	INTEREST RATE	DEADLINE	PERIODICITY		PAR VALUE		PLACEMENT IN CHILE OR ABROAD
						INTEREST PAYMENT	AMORTIZATION PAYMENT	2009 THCH\$	2008 THCH\$	
Short-term portion of long-term Bonds										
376-16-07-04	BSECU-C	70.000	UF	4,5%	15.08.2016	Biannual	Biannual	1.637.264	1.663.022	Chile
376-16-07-04	BSECU-C2	26.316	UF	4,2%	15.12.2026	Biannual	Biannual	568.246	569.697	Chile
454-15-02-06	BSECU-D	78.947	UF	4,2%	15.12.2026	Biannual	Biannual	1.704.739	1.709.091	Chile
340-13-08-03	BSECU-B2	-	UF	3,8%	15.06.2028	Biannual	Biannual	34.656	34.683	Chile
507-30-07-07	BSECU-E	-	UF	3,8%	15.06.2028	Biannual	Biannual	18.411	18.425	Chile
620-20-11-09	BSECU-F	-	UF	4,5%	15.09.2032	Biannual	Biannual	208.551	-	Chile
Total short-term portion								4.171.867	3.994.918	
Long-term Bonds										
376-16-07-04	BSECU-C	420.000	UF	4,5%	15.08.2016	Biannual	Biannual	8.796.010	10.269.989	Chile
376-16-07-04	BSECU-C2	421.053	UF	4,2%	15.12.2026	Biannual	Biannual	8.818.055	9.376.467	Chile
454-15-02-06	BSECU-D	1.263.158	UF	4,2%	15.12.2026	Biannual	Biannual	26.454.164	28.129.400	Chile
340-13-08-03	BSECU-B2	1.000.000	UF	3,8%	15.06.2028	Biannual	Biannual	20.942.880	20.959.161	Chile
507-30-07-07	BSECU-E	500.000	UF	3,8%	15.06.2028	Biannual	Biannual	10.471.440	10.479.580	Chile
620-20-11-09	BSECU-F	750.000	UF	4,5%	15.09.2032	Biannual	Biannual	15.707.160	-	Chile
Total long-term								91.189.709	79.214.597	

NOTE 18 - PROVISIONS AND WRITE-OFFS

As of December 31, 2009 and 2008 provisions and write-offs are detailed as follows:

	2009 THCH\$	2008 THCH\$
Vacation provision	955.192	940.771
Profit provision (Insurance Broker)	159.124	71.188
Advisory accrual	50.000	-
Bonds provision	595.751	153.499
Miscellaneous provision (1)	4.721.721	1.852.813
Total	6.481.788	3.018.271

(1) Amounts presented in this item, correspond mainly to additional provisions to cover losses on investments valued at purchase IRR.

NOTE 19 - MINORITY INTEREST

As of December 31, 2009 and 2008 minority interest is detailed as follows:

SUBSIDIARY	PARTICIPATION	PARTICIPATION		INCOME	
		2009 THCH\$	2008 THCH\$	2009 THCH\$	2008 THCH\$
Factoring Security S.A.	0,002%	437	475	(56)	(94)
Inmobiliaria Security S.A.	0,001%	36	40	1	(7)
Inversiones Seguros Security Limitada	0,001%	424	6	(43)	(1)
Inversiones Invest Security Limitada	0,070%	2.840	3.417	(199)	(707)
Representaciones Security Limitada	1,000%	2.000	1.699	(301)	(274)
Travel Security S.A.	45,000%	3.320.602	3.361.269	(407.983)	(529.870)
Mandatos Security Ltda.	0,230%	97	79	(18)	(16)
Global Gestión y Servicios Ltda.	0,230%	38	(241)	(279)	(17)
Securitizadora Security S.A.	0,002%	339	404	(2)	473
Asesorías Security S.A.	0,218%	2.470	2.598	128	(152)
Servicios Security S.A.	0,002%	1	573	-	(115)
Corredora de Seguros Security Limitada	0,002%	45	39	(5)	(6)
Inmobiliaria Security Once Limitada	1,000%	49	-	(28)	-
Global Asset Advisors Limited	1,000%	3.946	4.999	(5.954)	(9.026)
Inmobiliaria Security Siete Limitada	0,001%	25	21	(4)	-
Inmobiliaria Security Nueve Limitada	0,001%	323	338	15	(154)
Inmobiliaria Security Diez Limitada	0,001%	189	203	14	(40)
Adm.De Servicios y Beneficios Security Ltda.	0,100%	698	1	(126)	-
Inmobiliaria SH Uno Ltda.	0,001%	2	1	1	-
Total		3.334.561	3.375.921	(414.839)	(540.006)

NOTE 20 - CHANGES IN SHAREHOLDERS' EQUITY**Paid-in capital**

As of December 31, 2009 and 2008 subscribed and paid-in capital amounts to ThCh\$159,414,682, (ThCh\$121,139,852 in 2008) represented by 2,550,000,000 (2,201,000,000 in 2008) shares without par value.

Capital increase

The Extraordinary General Shareholders' Meeting held on December 29, 2008 agreed to increase the Company's capital in the amount of Ch\$113,858,273,908 divided into 2,201,000,000 registered single series shares without par value to Ch\$179,858,273,908, divided into a total of 2,801,000,000 registered single series shares without par value, through the issuance of 600 million new ordinary, single series registered cash shares without par value, which must be issued, subscribed and paid within three years from that date.

The Extraordinary General Shareholders' Meeting held on August 2, 2004 agreed to leave without effect the part that has not yet subscribed or paid of the capital increase agreed to at the Extraordinary General Shareholders' Meeting held on December 19, 2003 (issuance registered with the SVS under No. 717, on May 20, 2004) which was composed of 300,000,000 shares with a value of ThCh\$ 30,000,000. In addition, the shareholders agreed to increase capital by ThCh\$ 45,000,000 through the issuance of 450,000,000 ordinary, registered cash shares without par value.

Other reserves

Other reserves correspond mainly to the percentage of the Company's participation in the matching reserve of indirect subsidiary Seguros Vida Security Previsión S.A., the fluctuation of indirect associated company Compañía de Seguros Generales Penta Security S.A. and the investment fluctuation reserve and accounting adjustment of direct subsidiary Banco Security.

In 2009 and 2008 the movements is detailed as follows:

	2009 THCH\$	2008 THCH\$
Inversiones Seguros Security Ltda.	(3.605.125)	(3.314.758)
Banco Security (equity reserves)	8.476.758	(12.713.863)
Banco Security (1st time adoption of IFRS adj.)	(8.636.284)	-
Others	431.731	-
Total	(3.332.920)	(16.028.621) (*)

(*) historical values

Dividends

The policy agreed upon by the shareholders is to distribute 30% of cash net income received by the Company from its direct subsidiaries in the year and divide its payment into two dividends: one interim dividend and a final dividend. In addition, the Board has been empowered to decide the distribution of additional dividends with a charge to retained earnings as long as, in the Board's opinion, the Company's financial conditions allow it.

In April 2008, the Board agreed to distribute a dividend of Ch\$4.8 per share, which added to the interim dividend of Ch\$1 and the additional dividend of Ch\$1.7 already paid in October 2007, resulted in a final dividend of Ch\$6.5 in 2007.

At the Board of Directors meeting held on October 4, 2008, in accordance with the faculties granted by the respective Shareholders' Meeting, the Directors agreed to distribute a dividend of Ch\$2 per share, corresponding to Ch\$0.5 as an interim dividend and Ch\$1.5 as an additional dividend with a charge to retained earnings.

At the Ordinary Shareholders' Meeting held on April 7, 2009 the shareholders decided to distribute a dividend of Ch\$4.25/share, with a charge to net income for 2008 which was paid on April 17, 2009.

At the Board of directors meeting held on October 5, 2009 the Directors of Grupo Security S.A. agreed to pay a total dividend of Ch\$2.5 per share, corresponding to Ch\$1.0 as an interim dividend and Ch\$1.5 as an additional dividend with a charge to the Company's retained earnings registry. This dividend was paid on October 16.

As of December 31, 2009 and 2008 the changes in shareholders' equity are detailed as follows:

DESCRIPTION	2009									2008								
	PAID-IN CAPITAL THCh\$	CAPITAL REVALUATION RESERVE THCh\$	SHARE PREMIUMS THCh\$	OTHER RESERVES THCh\$	FUTURE DIVIDENDS RESERVES THCh\$	RETAINED EARNINGS THCh\$	INTERIM DIVIDENDS THCh\$	DEVELOP. PERIOD DEFICIT THCh\$	RETAINED EARNINGS THCh\$	PAID-IN CAPITAL THCh\$	CAPITAL REVALUATION RESERVE THCh\$	SHARE PREMIUMS THCh\$	OTHER RESERVES THCh\$	FUTURE DIVIDENDS RESERVES THCh\$	RETAINED EARNINGS THCh\$	INTERIM DIVIDENDS THCh\$	DEVELOP. PERIOD DEFICIT THCh\$	RETAINED EARNINGS THCh\$
Beginning balance as of January 1,	123.991.660	-	37.090.899	(15.969.540)	-	85.003.431	(1.108.204)	-	17.784.607	113.828.274	-	34.059.595	(471.645)	-	64.274.034	(3.782.859)	-	32.017.836
Distribution of prior	-	-	-	-	-	17.784.607	-	-	(17.784.607)	-	-	-	-	-	32.017.836	-	-	-32.017.836
year income	-	-	-	-	-	(1.108.204)	1.108.204	-	-	-	-	-	-	-	(3.782.859)	3.782.859	-	-
Final dividend,	38.390.000	-	1.745.025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
prior year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital increase with issuance of cash shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capitalization of reserves and/or net income	-	-	-	(3.332.920)	-	-	-	-	-	-	-	-	(16.028.621)	-	-	-	-	-
Accumulated deficit, development period	-	-	-	-	-	(13.178.250)	-	-	-	-	-	-	-	-	(13.866.300)	-	-	-
Subsidiary and other investment fluctuation adjustment	-	-	-	491.371	-	(853.196)	-	-	-	-	-	-	-	-	(1.009.522)	-	-	-
Final dividend for the year	(2.966.378)	-	(857.216)	(212.757)	-	(2.277.824)	12.750	-	-	10.133.386	-	3.091.304	530.726	-	7.370.242	(7.704)	-	-
Adjustment - subsidiaries	-	-	-	-	-	-	-	-	30.076.361	-	-	-	-	-	-	-	-	17.784.607
Revaluation of paid-in capital	-	-	-	-	-	-	(2.550.000)	-	-	-	-	-	-	-	-	(1.100.500)	-	-
Balance as of December 31,	159.414.682	-	37.978.708	(19.083.846)	-	85.375.564	(2.537.250)	-	30.076.361	123.991.660	-	37.090.899	(15.969.540)	-	85.003.431	(1.108.204)	-	17.784.607
Balance as of December 31, restated for comparison purposes	-	-	-	-	-	-	-	-	-	121.139.852	-	36.237.808	(15.602.241)	-	83.048.352	(1.082.715)	-	17.375.561

Number of shares

SERIES	NUMBER OF SHARES SUBSCRIBED	NUMBER OF SHARES PAID	NUMBER OF SHARES WITH VOTING RIGHTS
Única	2.550.000.000	2.550.000.000	2.550.000.000

Capital (amount in ThCh\$)

SERIES	SUBSCRIBED CAPITAL	PAID-IN CAPITAL
Única	159.414.682	159.414.682

NOTE 21 - OTHER NON-OPERATING INCOME AND EXPENSES

As of December 31, 2009 and 2008 other non-operating income and expenses are detailed as follows:

OTHER NON-OPERATING INCOME	2009 THCH\$	2008 THCH\$
Refund of prior years PPUA	566,441	1,274,358
Provision liberation	864,427	7,148,877
Other income	290,705	793,036
Net income from sale of portfolio	-	14,245
Dividends	-	2,180
Net income from forward operations	39,275	496,630
Total	1,760,848	9,729,326

OTHER NON-OPERATING EXPENSES	2009 THCH\$	2008 THCH\$
Additional provision, portfolio at purchase IRR (1)	(2,920,722)	-
Loss on sale of shares	-	(56,261)
Provision for advisory, market financial studies expenses	(50,848)	-
Loss on future contracts	(193,709)	(455,196)
Loss on future contracts provision	-	(135,465)
Other non-operating expenses	(693,000)	(137,562)
Total	(3,858,279)	(784,484)

(1) See explanation in Note 18

NOTE 22 - PRICE-LEVEL RESTATEMENT

The net charge to income from price-level restatement, determined in accordance with Note 2 e), is detailed as follows:

	INDEXATION	2009 THCH\$	2008 THCH\$
Assets (charges) / credits			
Inventory	CPI	(228.880)	249.469
Fixed assets	CPI	(73.934)	362.535
Investments in related companies	CPI	(5.827.014)	19.146.219
Goodwill.	CPI	(1.032.573)	3.363.715
Other non-monetary assets	CPI	(265.028)	1.533.117
Expense and cost accounts	CPI	(275.019)	1.078.021
Total (charges) credits		(7.702.448)	25.733.076
Liabilities (charges) / credits			
Shareholders' equity	CPI	6.296.025	(20.573.621)
Non-monetary liabilities	CPI	2.795.287	(8.339.754)
Other forward liabilities	CPI	(899.425)	-
Non-monetary liabilities	UF	-	(15.975)
Income statement accounts	CPI	478.208	(1.764.147)
Total credits (charges)		8.670.095	(30.693.497)
Net income (loss) on price-level restatement		967.647	(4.960.421)

NOTE 23 - FOREIGN CURRENCY TRANSLATION

	CURRENCY	2009 THCH\$	2008 THCH\$
Assets (charges) / credits			
Cash	US\$	50.710	518.758
Merged bank readjustments	US\$	129.215	-
Accounts receivable	US\$	-	117.242
Euros purchases	EURO	-	56.240
U.S. dollars purchases	US\$	-	(1.910.897)
Others	US\$	7.519	-
Total credits (charges)		187.444	(1.218.657)
		-	
Liabilities (charges) / credits			
Accounts payable	US\$	19.774	1.687.944
Other accounts payable	US\$	-	(454)
Foreign currency suppliers readjustment	US\$	-	-
Total credits		19.774	1.687.490
Net income from foreign currency translation		207.218	468.833

NOTE 24 - CONSOLIDATED STATEMENTS OF CASH FLOWS

The Company has considered as cash and cash equivalents all investments made as part of the regular management of cash surpluses, expiring in less than 90 days and with low risk of recoverability, in accordance with Technical Bulletin No. 50 issued by the Chilean Association of Accountants.

As of December 31, 2009 and 2008 there are no financing or investment activities that commit future cash flows that have not been disclosed in the notes.

Cash and cash equivalents are detailed as follows:

	2009 THCH\$	2008 THCH\$
Cash	4.897.802	7.565.020
Time deposits	1.264.834	7.208.779
Sellback agreements (1)	12.422.018	7.806.016
Mutual funds units (2)	14.877.066	3.683.937
Total	33.461.720	26.263.752

(1) These balances are presented under other current assets. (Note 10)

(2) These balances are presented under marketable securities. (Note 4)

NOTE 25 - CONTINGENCIES AND RESTRICTIONS

Of the companies that have been consolidated, the following have contingencies and/or restrictions as of December 31, 2009 and 2008:

Grupo Security S.A.

As of December 31, 2009 and 2008, the Company has the following ratios and restrictions arising from the placement of bonds:

Indebtedness: The Company must maintain a level of debt not exceeding 0.4 in its quarterly financial statements, measured using the figures in its individual balance sheet. Such indebtedness is defined as the ratio between demand liabilities and shareholders' equity for all series in 2009 and 2008.

Ownership: The Company must maintain 51% ownership of Banco Security for series BSECU-C2 and BSECU-D in 2009 and 2008.

As of the closing date of these 2009 and 2008 consolidated financial statements, the indebtedness ratios required have not been exceeded and the required ownership percentage is maintained.

Inmobiliaria Security S.A.

On December 29 Inmobiliaria Security sold the Huechuraba Land to Empresas Huechuraba FIP, and paid the loan it had with Banco Security in the amount of ThCh\$1,592,000.

Empresas Huechuraba FIP, entered into a loan with Banco Security in the amount of ThCh\$2,893,000, placing the acquired land in Huechuraba as collateral.

El Golf Fip is mortgaged in favor of Banco Security in the amount of ThCh\$1,470,000, with the Apoquindo house as a guarantee.

On November 2, Inmobiliaria Security signed an agreement to subscribe installments of Empresas Huechuraba FIP, in the amount of UF 100,000, corresponding to the fund's entire capital, with 24-month payment terms. As of 2009 year-end, it has only paid one installment but because it is the only owner it must consolidate with this fund.

NOTE 26 - GUARANTEES OBTAINED FROM THIRD PARTIES

As of 2008 year-end, subsidiary Inmobiliaria Security Once Limitada, received the mortgage on the promised property valued at UF 120,805 from the prominent seller. The property is duly registered in the registry of the Official of Real State of Santiago ("Conservador de Bienes Raíces"), in order to obtain a guarantee of compliance with the promise to purchase signed in May 2008, the contract for which must be signed on March 31, 2009 at the latest. The transaction was carried out as agreed in March 2009, therefore the guarantee was lifted.

The Company has no other guarantees obtained from third parties to disclose as of December 31, 2009 and 2008.

NOTE 27 - DOMESTIC AND FOREIGN CURRENCY

DESCRIPTION	CURRENCY	AMOUNT	
		2009 THCH\$	2008 THCH\$
Current assets			
Cash	Non-indexed Ch\$	4.668.864	7.407.350
Time deposits	Non-indexed Ch\$	-	44.181
Cash	Indexed Ch\$	228.938	157.670
Marketable securities	Non-indexed Ch\$	14.877.433	3.683.937
Trade accounts receivable	Indexed Ch\$	30.105	-
Trade accounts receivable	Non-indexed Ch\$	120.412.197	144.039.326
Notes receivable	Non-indexed Ch\$	15.082.726	2.856.217
Miscellaneous receivables	Non-indexed Ch\$	7.569.130	4.998.723
Notes receivable from related companies	Indexed Ch\$	-	38.256
Inventory	Indexed Ch\$	5.925.238	11.107.310
Recoverable taxes	Indexed Ch\$	1.784.744	2.621.667
Prepaid expenses	Non-indexed Ch\$	454.939	147.590
Deferred taxes	Indexed Ch\$	2.276.975	1.994.947
Other current assets	Indexed Ch\$	-	8.549.997
Miscellaneous receivables	Indexed Ch\$	-	-
Other current assets	Non-indexed Ch\$	-	1.204.390
Cash	Indexed Ch\$	-	-
Notes receivable from related companies	Non-indexed Ch\$	306.919	237.327
Notes receivable	Indexed Ch\$	260.216	309.310
Lease agreements	Indexed Ch\$	1.427.354	222.299
Other current assets	Indexed Ch\$	12.723.721	-
Time deposits	Indexed Ch\$	1.264.834	7.164.598
Fixed assets			
Fixed assets, net	Indexed Ch\$	4.432.170	4.933.833
Others assets			
Investments in related companies	Indexed Ch\$	278.940.984	252.355.404
Goodwill	Indexed Ch\$	39.908.775	42.689.271
Investments in other companies	Indexed Ch\$	3.184.646	3.985.233
Notes receivable from related companies	Indexed Ch\$	3.925	5.824
Long-term deferred taxes	Indexed Ch\$	754.902	603.523
Intangibles	Indexed Ch\$	2.904.286	2.455.118
Amortization (less)	Indexed Ch\$	(1.962.082)	(1.487.261)
Negative goodwill	Indexed Ch\$	(133.899)	(130.819)
Long-term lease agreements	Indexed Ch\$	1.085.333	4.150.558
Others	Indexed Ch\$	310.098	3.773.359
Others	Non-indexed Ch\$	4.188.325	779.978
Others	UF	300.733	-
Total Assets	Non-indexed Ch\$	167.560.533	165.399.019
	Indexed Ch\$	355.351.263	345.500.097
	UF	300.733	-

Current liabilities

DESCRIPTION	CURRENCY	UP TO 90 DAYS				90 DAYS UP TO 1 YEAR			
		2009		2008		2009		2008	
		AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE	AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE	AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE	AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE
Obligaciones con bancos e instituciones financieras	\$ No reajutable	110.128.638	-	107.965.616	5.5%	-	-	-	-
Obligaciones por bonos	Uf	1.112.814	4.35%	733.570	4.35%	3.059.053	-	3.261.348	4.35%
Cuentas por pagar	\$ No reajutable	6.283.467	-	4.899.073	-	-	-	531.331	-
Documentos por pagar	\$ No reajutable	-	-	6.107	-	-	-	310.782	-
Acreedores varios	\$ No reajutable	1.165.441	-	790.244	-	1.210.591	-	822.044	-
Dividendos por pagar	\$ No reajutable	71.124	-	204.572	-	-	-	-	-
Obligaciones con banco e instituciones financieras a largo plazo	UF	150.766	5.02%	-	-	-	5.02%	629.047	6.12%
Obligaciones con bancos e instituciones financieras	\$ reajustables	-	-	24.820.348	-	-	-	-	-
Acreedores varios	\$ No reajutable	-	-	-	-	-	-	-	-
Cuentas por pagar empresas relacionadas	\$ reajustables	-	-	14.208.272	-	-	-	-	-
Provisiones y retenciones	\$ No reajutable	5.978.808	-	2.523.871	-	1.145.071	-	1.552.967	-
Otros pasivos circulantes	\$ No reajutable	257.822	-	8.149.084	-	-	-	124.784	-
Ingreso por adelantado	\$ No reajutable	71.341	-	-	-	-	-	199.690	-
Cuentas por pagar empresas relacionadas	\$ No reajutable	6.255.161	-	619.671	-	-	-	1.113.680	-
Documentos por pagar	UF	-	-	-	-	-	-	-	-
Obligaciones con bancos e instituciones financieras	Dólar	-	-	-	-	-	-	-	-
Obligaciones con el público	\$ reajustables	-	-	7.548.383	-	-	-	-	-
Documentos por pagar	\$ reajustables	570.654	-	-	-	-	-	-	-
Otros pasivos circulantes	\$ reajustables	-	-	-	-	-	-	-	-
Total pasivos circulantes	\$ No reajutable	130.211.802		125.158.238		2.355.662		4.655.278	
	UF	1.263.580		733.570		3.059.053		3.890.395	
	\$ Reajutable	570.654		46.577.003		-		-	
	Dólar	-		-		-		-	

2009

Long-term liabilities

DESCRIPTION	CURRENCY	1 TO 3 YEARS		3 TO 5 YEARS		3 TO 5 YEARS		OVER 10 YEARS	
		AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE	AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE	AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE	AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE
		-	-	-	-	-	-	-	-
Obligations with banks and financial institutions	UF	-	-	-	-	-	-	-	-
Obligations with the public (bonds)	UF	10.728.849	4,2%	11.036.833	4,2%	27.737.341	4,2%	41.686.686	4,2%
Obligations with banks and financial institutions	Non-indexed Ch\$	3.289	9,2%	-	-	-	-	-	-
Notes payable	UF	-	-	-	-	-	-	-	-
Total long-term liabilities	UF	10.728.849		11.036.833		27.737.341		41.686.686	
	Non-indexed Ch\$	3.289		-		-		-	

2008

Long-term liabilities

DESCRIPTION	CURRENCY	1 TO 3 YEARS		3 TO 5 YEARS		3 TO 5 YEARS		OVER 10 YEARS	
		AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE	AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE	AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE	AMOUNT THCH\$	AVERAGE ANNUAL INTEREST RATE
Obligations with banks and financial institutions	UF	3.697.196	6,1%	-	-	-	-	-	-
Obligations with banks and financial institutions	Non-indexed Ch\$	1.679.882	8,0%	-	-	-	-	-	-
Bond obligations	UF	8.271.405	4,2%	11.045.413	4,2%	28.734.815	4,2%	31.162.964	4,2%
Long-term notes payable	Indexed Ch\$	-	-	-	-	-	-	-	-
Notes payable	U.S. dollars	-	-	-	-	-	-	-	-
Notes payable	Indexed Ch\$	800.419	-	-	-	-	-	-	-
Total long-term liabilities	UF	11.968.601		11.045.413		28.734.815		31.162.964	
	Non-indexed Ch\$	1.679.882		-		-		-	
	Indexed Ch\$	800.419		-		-		-	
	U.S. dollars	-		-		-		-	

NOTE 28 - SANCTIONS

Neither the parent Company, its subsidiaries, directors or managers have been sanctioned by the SVS or other administrative authorities in the years covered by these consolidated financial statements.

NOTE 29 - ENVIRONMENT

Due to the nature of their operations, the Parent Company and its Subsidiaries do not affect the protection of the environment.

NOTE 30 - RELEVANT EVENTS

The following relevant situations have occurred during 2009:

Grupo Security S.A.

At the Company's Board of Directors Meeting held on February 6, 2009 the directors unanimously agreed, among other things, to issue 349,000,000 ordinary, single series registered shares, with a charge to the stock capital increase agreed upon at the Extraordinary General Shareholders' Meeting held on December 29, 2008. This increase was carried out during the first half of 2009, which has been fully subscribed and paid as of the closing date of these Financial Statements.

At the Company's Board of Directors Meeting held on August 27, 2009 the directors agreed to accept the resignation presented by Mr. Jaime Correa Hogg, designating in his stead Ms. Ana Sáenz de Vicuña Bemberg.

At this meeting, the directors also unanimously agreed to carry out and register with the SVS a new bond issuance and placement under the Line of Bonds mode for a total amount of up to UF 1,250,000.

On December 3, 2009, Grupo Security S.A. placed bonds in the domestic market in an amount equivalent to UF 750,000 with a charge to the authorized line described in the previous paragraph.

Securitizadora Security S.A.

On August 5, 2009, an early redemption notice was published for subordinate series B, Separated Equity 1 (BSECS-1) Bonds, scheduled for August 10, 2009, date on which the payment and cancellation deed was signed between Securitizadora Security S.A. and BBVA Sociedad de Leasing Inmobiliaria S.A., through which Separated Equity will be considered to be closed.

On August 10, the payment and cancellation deed mentioned in the previous paragraph was signed between Securitizadora Security S.A. and BBVA Sociedad de Leasing Inmobiliaria S.A.

On August 17, 2009 preferential series debt instruments BSECS-13A were placed for a nominal value of UF 750,000 at a placement rate of UF + 4.90%.

Factoring Security S.A.

On August 27, 2009 through Essential Event notification, the Company informed the SVS of the resignation of the Company's General Manager, Mr. Alan Lolic Zarate, which was accepted by unanimous agreement. Mr. Ignacio Prado Romani was appointed in his stead at the Board of Directors Meeting held on the same date.

NOTE 31 - SUBSEQUENT EVENTS

On February 15, 2010, Grupo Security S.A. prepaid 100% of the series BSEC-B bond debt in the amount of ThCh\$10,456,089.

In the period from January 1 to the date of issuance of these financial statements, there are no other significant events that affect them.

MANAGEMENT'S ANALYSIS OF FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2009

1 CONSOLIDATED BALANCE SHEET AND STATEMENT OF INCOME OF GRUPO SECURITY S.A.

Because of the dissimilarity of the businesses, the financial statements of the direct subsidiaries Banco Security and subsidiaries, and the indirect subsidiary Seguros Vida Security Previsión S.A., have not been consolidated. Consequently, the consolidation of Grupo Security and Subsidiaries includes Factoring Security, Asesorías Security and subsidiaries, Securitizadora Security, Inmobiliaria Security and subsidiaries, Inversiones Seguros Security and subsidiaries, and Invest Security and subsidiaries.

The financial statements of the subsidiary Banco Security S.A. as of December 31, 2009 have been prepared in accordance with the new accounting standards instructed by the Superintendency of Banks and Financial Institutions (SBIF), in the framework of the IFRS convergence process. Grupo Security opted for the criterion of showing this investment on the basis of the financial statements prepared in accordance with these new accounting bases, including also the booking of the effect of the monetary correction of the non-monetary assets and liabilities of its banking subsidiary.

Due to this consolidation process, while the final results are the same as those shown in the unconsolidated financial statements, their composition changes due to the incorporation of the movement of the subsidiaries and the growth of the businesses of the different companies comprising Grupo Security.

As can be seen from the consolidated financial statements, the balance sheet of Grupo Security shows total assets of Ch\$ 523,213 million of which current assets account for Ch\$ 189,294 million (36.2% of assets), mainly trade accounts receivable and other current assets which are habitual items of the businesses of the subsidiaries consolidating with Grupo Security. Among the most important assets is the investment in related companies, amounting to Ch\$278,941 million, which represents 53.3% of total assets.

Regarding short and long-term liabilities of Ch\$228,654 million, the current portion amounts to Ch\$137,461 million (60.1% of these liabilities) and long-term liabilities Ch\$ 91,193 million (39.9% of these liabilities). Notable are borrowings from banks and financial institutions, short and long term, of Ch\$110,283 million and the balance of bonds payable by Grupo Security for Ch\$ 95,362 million.

2 REASONED ANALYSIS AND PRINCIPAL MANAGEMENT INDICATORS CONSOLIDATED F/S

FINANCIAL INDICATORS	UNIT	DEC-09	DEC-08
Liquidity			
Current ratio	times	1,38	1,11
Acid test (1)	times	0,25	0,16
FINANCIAL INDICATORS	UNIT	DEC-09	DEC-08
Debt			
Debt ratio (2)	times	0,78	1,09
Short-term debt / Total debt	times	0,60	0,68
Long-term debt / Total debt	times	0,40	0,32
Financial expense coverage (3)	times	6,5	4,5
FINANCIAL INDICATORS	UNIT	DEC-09	DEC-08
Activity			
Total Assets	Ch\$ millions	523.213	510.899
Investment in related company	Ch\$ millions	278.940	252.355
Inventory turnover (avrg. last 12 months)	times	N/A	N/A
Inventory permanence (avrg. last 12 months)	times	N/A	N/A
FINANCIAL INDICATORS	UNIT	DEC-09	DEC-08
Results			
Sales	Ch\$ millions	34.934	58.694
Cost of sales	Ch\$ millions	-7.820	-18.946
Gross margin	Ch\$ millions	27.114	39.748
Administrative & selling expenses	Ch\$ millions	-27.838	-34.834
Operating income	Ch\$ millions	-724	4.914
Financial expenses	Ch\$ millions	-5.539	-5.274
Non-Operating Result	Ch\$ millions	31.306	13.749
Net income for year	Ch\$ millions	30.076	17.376
E.B.I.T.D.A (4)	Ch\$ millions	39.974	27.792

FINANCIAL INDICATORS	UNIT	DEC-09	DEC-08
Profitability			
Return on equity (5)	%	12,4%	7,8%
Return on assets (6)	%	5,8%	3,3%
Return on operating assets (7)	%	-0,2%	1,6%
Earnings per share (last 12 months)	Ch\$	11,8	7,9
Dividend yield (last 12 months) (8)	%	4,6%	6,4%

1./ Acid test: (Available assets + Time deposits + Marketable securities + Other current assets [repurchase agreements])/ Current liabilities

2./ Debt ratio: Total liabilities / (Shareholders' equity + Minority interest)

3./ Financial expense coverage: Income before taxes, extraordinary items & interest / financial expenses

4./ EBITDA (Income before taxes & extraordinary items + financial expenses + Amort. Goodwill + Depreciation for year)

5./ Annualized return on net average equity

6./ Annualized return on average assets

7./ Operating income for year / Average operating assets (Other assets are considered as operating assets)

8./ Dividends paid last year / Closing share price for the year on Santiago Stock Exchange

3 DIFFERENCES THAT MIGHT EXIST BETWEEN THE BOOK VALUE AND ECONOMIC &/OR MARKET VALUE OF THE PRINCIPAL ASSETS.

Grupo Security, through its investments, participates in related companies in different business areas, mainly in the sectors of financing, investments, insurance and complementary services. At the date of these F/S, some 53.3% of its consolidated assets (investments in related companies) are associated with these sectors.

Given the different nature of the companies comprising the investment in related companies, their market value normally represents a value above book value, this multiple depending on the industry and the economic conditions these face.

Most of the rest of the assets (approximately 7.6% of total assets) is represented by the item goodwill as a result of the acquisition of companies that are booked according to current accounting principles and which normally do not differ substantially from their commercial value.

4. MARKETS IN WHICH THE COMPANY OPERATES

Grupo Security is structured into 4 principal business areas, grouping in each one in an integrated way the subsidiaries and divisions that share common business objectives. These areas are financing, insurance, investments and asset management, and complementary services.

Grupo Security is the parent company of a conglomerate of diversified companies with presence in the principal sectors of the Chilean financial industry. Its subsidiaries Banco Security and Factoring Security provide financing to companies and individuals. The subsidiaries Compañía Seguros Vida Security Previsión and Compañía de Seguros Generales Penta Security operate in the insurance and annuities industry, while Corredora de Seguros Security and Corredora de Reaseguros CooperGay operate in the insurance and reinsurance broking industry. Valores Security Corredores de Bolsa, Administradora General de Fondos Security, Asesorías Security and Securitizadora Security complement the Group's range of financial services, developing and distributing specialized financial products and providing personalized services in investments and asset management.

The lines of business of Grupo Security in the services sector consist of real estate with Inmobiliaria Security and the travel and tourism agency Travel Security, plus other services directed particularly for giving complementary support to the companies of Grupo Security. The subsidiary Invest Security has thus provided since 2001 a series of services such as accounting, business risks and comptroller, corporate culture, research, and corporate services in technology that provide the technological development and support required by all the companies of Grupo Security.

4.1. Banking Industry

As of December 2009, the Chilean banking industry is made up of 25 financial institutions: 1 state-owned bank, 19 banks established in Chile and 5 branches of foreign banks. The industry's loans at that date amounted to Ch\$70,553 billion, its capital and reserves were Ch\$6,812 billion and its net income was Ch\$1,225 billion, with a return on capital and reserves of 17.99%.

Banks' efficiency levels were 44.58%, measured as operating costs to gross operating margin, and 2.26% measured as operating costs to total assets. Risk levels reached 2.39%, measured as loan provisions to total loans, and 1.35% as past-due loans to total loans..

As of December 2009, the loans of Banco Security (excluding contingent liabilities) were Ch\$2,189 billion, placing the Bank 9th in loans with a market share of close to 3.1%.

4.2 Factoring Industry

Factoring has become an important source of alternative and complementary funding to bank credit for medium and small businesses. The factoring industry has performed well in recent years, the amounts advanced by the members of ACHEF (the factoring business association) at December 2008 totaled Ch\$ 2,023 billion and at September 2009 Ch\$ 1,241 billion..

At September 2009 Factoring Security had a market share of 7.95%, considering factoring companies and banks.

4.3 Mutual Funds Industry

At December 2009, the mutual funds industry showed average assets and average number of investors of Ch\$17,641 billion and 1,339,691 respectively. Among the most notable highlights in recent times have been the consolidation of mutual funds' participation in the Voluntary Pensions Saving (APV) scheme and the creation of the figure of qualified investors which will permit the creation of funds specially designed for this type of customer.

At December 2009, Administradora General de Fondos Security had average assets of Ch\$578 billion, with a market share of 3.28%, occupying 9th place out of the 19 managers operating in the market.

4.4 Stockbroking Industry

During 2009, market activity grew by 9.1% in real terms compared to 2008. The shares traded by Valores Security rose by 44% in real terms, achieving 6th place out of 38 brokers operating in the local market. Its average market share has moved from 2.95% in 2005, 2.97% in 2006, 3.32% in 2007, to 3.75% in 2008. The share volume traded in 2009 reached Ch\$2,119 billion, with a market share of 4.9% in December 2009, considering transactions on the Santiago Stock Exchange and the Chilean Electronic Exchange.

4.5 Insurance Industry

The insurance industry in Chile is made up of two main branches, life and general, which are differentiated by the regulations covering the participants and the types of product they sell. At September 2009, there were 30 life insurance companies and 20 general insurance companies (excluding credit companies). In recent years, the number of participants in life insurance has increased considerably, but with a high degree of concentration; this is not only in life insurance but also in the general insurance segment.

The direct premium income of life and general insurance companies was Ch\$ 1,619 billion and Ch\$ 879 billion respectively to September 2009. The industry's earnings were Ch\$ 317,836 million and Ch\$ 12,096 million for life and general insurance companies respectively, to September 2009.

5 CONSOLIDATED STATEMENT OF CASH FLOWS OF GRUPO SECURITY S.A.

Description and analysis of the principal components of the net flows:

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008 IN THOUSANDS OF PESOS	DEC-09	DEC-08
Net cash flow from operating activities	9.526.010	9.707.364
Net cash flow from financing activities	-7.916.080	-15.831.484
Net cash flow from investment activities	5.890.031	2.339.893
Total net cash flow for the year	7.499.961	-3.784.227
Effect of inflation on cash & cash equivalents	-301.993	477.255
Net change in cash & cash equivalents	7.197.968	-3.306.972
Opening balance of cash & cash equivalents	26.263.752	29.570.724
Closing balance of cash & cash equivalents	33.461.720	26.263.752

The net flow from operating activities of ThCh\$ 9,526,010 in 2009 compared to ThCh\$ 9,707,364 in 2008, mainly includes the Changes in assets accounts which affect the cash flow (increase) decrease.

The net flow from financing activities of ThCh\$ -7,916,080 in 2009, compared to ThCh\$ -15,831,484 in 2008 arises mainly from the payment of dividends of ThCh\$ -15,181,535, loan repayments of ThCh\$96,765,055 and payments of bonds of ThCh\$ -15,004,926.

The net flow from investment activities of ThCh\$5,890,031 in 2009, compared to ThCh\$2,339,893 in 2008, mainly relates to Other investment income of ThCh\$8,536,876.

6 RISK FACTORS

6.1 Dependence on dividends from subsidiaries

Grupo Security is the parent company of a conglomerate of companies that receives its revenues in the form of dividends paid by its subsidiaries. The company's results therefore depend substantially on the performance of its subsidiaries.

The most important asset of Grupo Security is Banco Security, which provided 60% of the dividends that the Group received in 2009. The solvency rating of Banco Security is AA-, granted by both Feller-Rate and Fitch Ratings, with stable outlook.

The second largest dividend flow for Grupo Security in 2008 came from Factoring Security. The solvency rating of Factoring Security is A+ / Level 1, granted by both Feller-Rate and International Credit Ratings.

With respect to the Group insurance companies, Vida Security is rated at AA- by Fitch Ratings and International Credit Ratings, while Penta Security is rated A+ by Fitch Ratings and AA- by International Credit Ratings.

Lastly, it should be mentioned that Grupo Security controls its principal subsidiaries with a holding of more than 90% of each one's capital. This gives it the flexibility to set dividend policies according to its needs. This point is strengthened by the diversification of revenues developed by the company, having subsidiaries that participate in different sectors of the finance industry.

6.2 Other risk factors

6.2.1 Risks of general performance of the economy.

The performance of the Grupo Security subsidiaries is correlated with the performance of the economy and financial conditions that in turn depend on monetary policy which, in restrictive conditions should be reflected in a reduction in the growth of revenues and earnings, and the opposite in expansive situations.

6.2.2 Competition in all the Group's businesses

The industries in which Grupo Security participates are highly competitive, especially in banking and insurance, which are showing a reducing trend in their margins. This is reflected in the mergers and alliances generated between competitors. While this presents potential difficulties for the companies, it is believed that in the case of Grupo Security, the potential negative effects are offset by the strong brand image it has in its objective market, thus giving it high levels of loyalty among its customers thanks to the niche strategy to which the Group's development is directed. This permits Grupo Security to generate a favorable market position for facing the competition.

6.2.3 Regulatory changes

The banking and insurance industries in which the company participates, are regulated by state entities which are subject to possible regulatory changes over time. However, in view of the level of transparency, the advanced level of development and the excellent reputation of these industries at the global level, it is believed that this risk should be low.

6.3 Risks associated with the finance business

6.3.1 Credit Risk

Credit risk is conditioned by monetary policy which ultimately determines customers' repayment capacity. Between the last months of 2008 and the first half of 2009, the banking system experienced a deterioration in credit quality, reflected in higher risk and past-due loan ratios.

Banco Security has been characterized for consistently maintaining risk levels that are below those of the system.

6.3.2 Market Risk

The principal market risks faced by the Chilean banking system are the effects of inflation and interest-rate fluctuations. Grupo Security has therefore developed market-risk policies, procedures and limits that enable it to manage its exposures with respect to maturities and currencies according to its own objectives and the limits imposed by regulations, particularly the bank and its subsidiaries, and the insurance companies have a special system for controlling interest-rate risks together with a constant monitoring of their medium and long-term investments which provides an active follow-up of the investment portfolios.

6.3.3 Risks related to international financial market volatility

The Chilean economy and its markets in general are involved in the international markets and may be affected by external shocks. The volatility of global financial markets and changes in global economic conditions may negatively affect the performance of local assets and the risk premium demanded by investors.

6.3.4 Interest-Rate Risk

As of December 31, 2009, the company shows loans at reasonable rates for existing market conditions.

6.3.5 Exchange Risk

The policy of Grupo Security is that operations held in foreign currency with financial institutions be duly matched with sale transactions in the same currency.

6.3.6 Commodities Risk

Grupo Security has no assets or liabilities in commodities as of December 31, 2009 and 2008.

6.4 Risks associated with the insurance business

6.4.1 Local Financial Risks

The reduction in long and medium-term interest rates could affect the yield on assets backing annuities and guaranteed-rate investment accounts when they have to make investments in shorter-term instruments, thus generating an operational deficit in the medium term.

6.4.2 Mortality and Sickness Rates

The increase in sickness rates can lead to related increases in serious-illness policy claim rates in the medium term and increases in claims under policies for the reimbursements of medical costs in the short term. A fall in adult mortality rates can reduce the expected results from the annuities branch to the extent that companies do not adjust to the new mortality-rate curve structure.

6.4.3 Industry structure

The large number of participants in the industry can lead to company closures and mergers such that the present industry structure changes, producing adjustments to the sales and operating margin structures.

6.4.4 Reinsurance Industry

The present trend of concentration of reinsurance companies could have an effect on the variety of offers of cover, ceasing to reinsure risks that are currently backed thanks to the strong competition that existed until recently in the market.

6.4.5 Internal Competition

The technical margins of branches with high retention in general insurance could continue to fall due to strong competition through prices offered in the market.

7 Credit ratings:

CURRENT RATING	DECEMBER 2009		
	COMMON SHARES	BONDS N° 340 SERIES B-2 BONDS N° 376 SERIES C BONDS N° 376 SERIES C-2 BONDS N° 454 SERIES D BONDS N° 507 SERIES E BOND N° 620 SERIES F	OUTLOOK
Fitch Chile Clasificadora de Riesgo Ltda.	First Class, Level 3	A+	Stable
Feller & Rate Clasificadora de Riesgo	First Class, Level 2	A+	Stable
Credit Rating Commission	Approved	A+	

GRUPO | security

Ch \$= Chilean pesos
MM\$= Millions of Chilean pesos
US\$= United States dollar s
U.F.= Unidades de Fomento (an official inflation-indexed monetary unit)



CAPÍTULO

12

F I N A N C I A L S T A T E M E N T S

S U M M A R I Z E D F I N A N C I A L
S T A T E M E N T S S U B S I D I A R I E S



BANCO SECURITY AND SUBSIDIARIES

TYPE OF COMPANY

Banking corporation.

REGISTRATION IN SECURITIES REGISTER

Banco Security is not inscribed in the Securities Register.

OBJECTS

Carry out all acts, contracts, operations and activities common to a commercial bank, in accordance with prevailing legislation.

GENERAL INFORMATION

The company was constituted by public deed dated August 26, 1981 signed before the notary Enrique Morgan Torres. The abstract of this deed was published in the Official Gazette on September 23, 1981.

RELEVANT INFORMATION

On April 1, 2001, Leasing Security S.A. was merged into Banco Security at book value, without affecting the results. On October 1, 2004, Banco Security was merged with Dresdner Bank Lateinamerika, resulting in Grupo Security taking over 99.67% of the company Dresdner Bank Lateinamerika AG and 100% of Dresdner Bank Lateinamerika Corredora de Bolsa, which transaction was largely financed by a capital increase subscribed by the Group's shareholders.

PAID CAPITAL AND RESERVES

The paid capital and reserves were Ch\$174,749 million as of December 31, 2009, including the restatement of equity as established in article 10 of Law 18,046. The total equity at that date was Ch\$197,854 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.

Banco Security represents 50.8% of the assets of Grupo Security.

COMMERCIAL RELATIONS WITH SUBSIDIARY AND ASSOCIATE COMPANIES AND PARENT (*)

Banco Security provides banking services (checking accounts, deposits, lines of credit and overdrafts, payment services, etc.) to the parent, and subsidiary and associate companies of Grupo Security S.A. In the future, there is the possibility of extending the offer of these services to customers of the parent's subsidiaries and associate companies.

(*) The figures for transactions of the parent with its subsidiaries and associates are shown in the financial statements of Grupo Security S.A.

BOARD OF DIRECTORS

Chairman	Francisco Silva S.	Tax No. 4.103.061-5
Directors	Hernán Felipe Errázuriz C.	Tax No. 4.686.927-3
	Jorge Marín C.	Tax No. 7.639.707-4
	Gustavo Pavez R.	Tax No. 4.609.215-5
	Renato Peñafiel M.	Tax No. 6.350.390-8
	Horacio Pavez G.	Tax No. 3.899.021-7
	Mario Weiffenbach O.	Tax No. 4.868.153-0
President	Ramón Eluchans O.	Tax No. 6.464.460-2

CONSOLIDATED BALANCE SHEETS

As of December 31, 2009 and 2008

	NOTES	2009 MCH\$	2008 MCH\$
ASSETS			
Cash and due from banks	6	64.852	80.612
Transactions in the course of collection	6	116.161	129.909
Trading securities	7	396.043	356.864
Securities purchased under resale agreement	8	20.807	24.153
Derivative instruments	9	66.280	53.052
Loans and advance to banks	10	312.431	93.467
Loans to customers, net	11	1.845.419	1.965.344
Available for sale instruments	12	484.353	366.376
Held to maturity instruments	12	-	-
Investments in other companies	13	680	543
Intangibles assets	14	16.124	12.721
Property, plant and equipment, net	15	22.491	24.423
Current tax assets	16	3.021	7.444
Deferred tax assets	16	36.185	29.647
Other assets	17	67.525	67.618
TOTAL ASSETS		3.452.372	3.212.173
LIABILITIES AND EQUITY			
Current accounts and demand deposits	18	255.777	221.397
Transactions in the course of payment	6	74.738	64.862
Securities sold under repurchase agreement	8	401.975	90.130
Deposits and other time deposits	18	1.651.418	1.720.452
Derivative instruments	9	80.165	52.843
Obligations with banks and other financial institutions	19	132.120	292.091
Debt issued	20	515.822	470.092
Other financial obligations	20	51.371	47.668
Current tax liabilities	16	7.233	-
Deferred tax liabilities	16	34.126	32.044
Provisions	21	10.911	9.753
Other liabilities	22	38.862	37.107
TOTAL LIABILITIES		3.254.518	3.038.439
EQUITY			
Attributable to Equity Holders of the Parent			
Capital	24	138.207	138.196
Reserves	24	22.224	22.224
Other accounts	24	(3.349)	(12.255)
Retained earnings:			
Earnings retained from previous years	24	24.579	8.461
Retained earnings for the year		23.040	24.346
Allowance for minimum dividends	24	(6.912)	(7.304)
		197.789	173.668
Minority Interest		65	66
TOTAL EQUITY		197.854	173.734
TOTAL LIABILITIES AND EQUITY		3.452.372	3.212.173

CONSOLIDATED STATEMENTS OF INCOME

As of December 31, 2009 and 2008

	NOTES	2009 MCH\$	2009 MCH\$
Interest revenue	25	117.959	238.770
Interest expense	25	(66.267)	(201.985)
Net interest and indexation income		51.692	36.785
Fees and commission income	26	25.247	22.752
Fees and commissions expense	26	(3.649)	(3.176)
Net fees and commissions income		21.598	19.576
Net income from trading and brokerage activities	27	1.926	39.455
Foreign exchange transactions, net	28	14.133	(13.135)
Other operating income	33	3.985	5.313
Operating revenues		93.334	87.994
Allowance for loan losses	29	(14.819)	(11.479)
NET OPERATING INCOME		78.515	76.515
Personnel expenses	30	(20.507)	(20.495)
Administrative expenses	31	(24.433)	(23.840)
Depreciation and amortization	32	(2.435)	(2.576)
Impairments	32	-	-
Other operating expenses	33	(3.510)	(2.426)
OPERATING EXPENSES		(50.885)	(49.337)
NET OPERATING INCOME		27.630	27.178
INCOME ATTRIBUTABLE TO AFFILIATES	13	205	175
Income before income taxes		27.835	27.353
Income tax expense	16	(4.796)	(3.015)
Income from ongoing operations		23.039	24.338
Income from discontinued operations		-	-
CONSOLIDATED NET INCOME FOR THE YEAR		23.039	24.338
Attributable to:			
Equity holders of the parent		23.040	24.346
Minority interest		(1)	(8)
Net income per share attributable to Equity holders of the parent:		\$	\$
Basic net income	24	152	176
Diluted net income	24	152	176

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

As of December 31, 2009 and 2008

	2009 MCH\$	2008 MCH\$
CONSOLIDATED NET INCOME	23.039	24.338
OTHER COMPREHENSIVE INCOME		
Net unrealized losses on available-for-sale instruments	11.868	(15.277)
Net losses on hedge accounting	(1.138)	-
Other comprehensive income	-	-
Comprehensive income (loss) before income taxes	10.730	(15.277)
Income tax related to other comprehensive income	(1.824)	2.597
Total other comprehensive income (loss)	8.906	(12.680)
TOTAL CONSOLIDATED COMPREHENSIVE INCOME	31.945	11.658
Attributable to		
Equity holders of the parent	31.946	11.666
Minority interest	(1)	(8)
Comprehensive net earnings per share attributable to equity holders of the parent	\$	\$
Basic earnings per share	210	84
Diluted earnings per share	210	84

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

As of December 31, 2009 and 2008

	ATTRIBUTABLE TO EQUITY HOLDERS							MINORITY INTEREST MCH\$	TOTAL MCH\$
	PAID-IN CAPITAL MCH\$	RESERVES MCH\$	RECOVERY ACCOUNT MCH\$	UTILITIES RETENDERS			TOTAL		
				PRIOR YEARS MCH\$	NET INCOME FOR THE YEAR MCH\$	PROVISION FOR MINIMUM DIVIDENDS MCH\$			
Balances as of December 31, 2007	108.565	20.295	425	10.797	27.250	-	167.332	69	167.401
Reclassification prior year profit	-	-	-	27.250	(27.250)	-	-	-	-
Adjustments IFRS transition date	-	-	-	(4.390)	-	(8.175)	(12.565)	-	(12.565)
Balance as of January 01, 2008	108.565	20.295	425	33.657	-	(8.175)	154.767	69	154.836
Dividends paid	-	-	-	(13.624)	-	-	(13.624)	-	(13.624)
Allowance for minimum dividends 2007	-	-	-	-	-	8.175	8.175	-	8.175
Capital increase	19.988	-	-	-	-	-	19.988	-	19.988
Restatement of capital	9.643	1.929	-	2.173	-	-	13.745	5	13.750
Available for sale instruments	-	-	(12.680)	-	-	-	(12.680)	-	(12.680)
Net income for the year	-	-	-	-	14.340	-	14.340	(8)	14.332
Allowance for minimum dividends	-	-	-	-	-	(4.302)	(4.302)	-	(4.302)
First application of IFRS adjustments	-	-	-	(13.745)	10.006	(3.002)	(6.741)	-	(6.741)
Balances as of December 31, 2008	138.196	22.224	(12.255)	8.461	24.346	(7.304)	173.668	66	173.734
Reclassification prior year profit	-	-	-	24.346	(24.346)	-	-	-	-
Dividends paid	-	-	-	(7.716)	-	-	(7.716)	-	(7.716)
Allowance for minimum dividends 2008	-	-	-	-	-	7.304	7.304	-	7.304
Other movements in equity	-	-	-	(512)	-	-	(512)	-	(512)
Capital increase	11	-	-	-	-	-	11	-	11
Instruments available for sale	-	-	9.850	-	-	-	9.850	-	9.850
Accounting hedges	-	-	(944)	-	-	-	(944)	-	(944)
Net income for the year	-	-	-	-	23.040	-	23.040	(1)	23.039
Allowance for minimum dividends	-	-	-	-	-	(6.912)	(6.912)	-	(6.912)
Balances as of December 31, 2009	138.207	22.224	(3.349)	24.579	23.040	(6.912)	197.789	65	197.854

CONSOLIDATED STATEMENTS OF CASH FLOWS

As of December 31, 2009 and 2008

	NOTES	AS OF DECEMBER 31, 2009 MCH\$	AS OF DECEMBER 31, 2008 MCH\$
OPERATIONS ACTIVITIES FLOW CONSOLIDATED			
Consolidated Cash Flows provided by Operating Activities before Income Tax		27.835	27.353
Charges (credits) to income that do not represent cash flows			
Credit risk allowances	29	14.819	11.479
Depreciation and amortization	32	2.435	2.576
Other accrued expenses		2.768	884
Changes in deferred tax assets and liabilities		(1.818)	3.057
Valuation of negotiation book investments		2.816	(1.282)
Valuation of derivative contracts to finance negotiations		11.682	6.935
Income from investments in companies	13	(205)	(175)
Income from sale of goods received as payment		(321)	(62)
Commission and fees net revenues	26	(21.598)	(19.576)
Interest and readjustments net revenues	25	(51.692)	(36.785)
Other charges (credits) to income that do not represent cash flows		(16.083)	3.856
Changes in operating assets that affect cash flows: Increase (Decrease)			
Increase indebted by banks		(219.075)	(3.673)
Net increase in clients' accounts receivable		68.447	(313.264)
Increase investments		(145.296)	(216.250)
(Reduction) of other assets and liabilities		172	(14.719)
Sale of goods received as payment		2.172	1.406
Changes in operating liabilities that affect cash flows: Increase (Decrease)			
Increased sight deposits and other obligations		34.445	40.608
Increased sales contracts with securities and loan agreement		311.891	39.263
(Reduction) Increased deposits and other terms deposits		(31.315)	255.853
Letter of credit net variation		(9.305)	(23.265)
Bonds net variation		64.502	118.265
(Reduction) of other assets and liabilities		(11.343)	(32.067)
Cash flows provided by operating activities			
Recovered taxes		3.281	1.210
Received interest and readjustments		181.685	188.631
Paid interests and readjustments		(124.203)	(157.291)
Received commissions		25.247	22.752
Paid commissions		(3.649)	(3.176)
Total net cash flows provided by operating activities		118.294	(97.457)
CASH FLOWS USED IN INVESTMENT ACTIVITIES			
Purchase of property, plant and equipment		(608)	(1.847)
Acquisition of intangible assets		(4.564)	(7.714)
Total net cash flows used in investment activities		(5.172)	(9.561)
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES			
Decrease in obligations with domestic banks		(563)	(2.351)
Increase (Decrease) in obligations with foreign banks		(156.818)	138.738
Junior bonds net variation		139	13.807
Increase in other financial obligations		9.094	12.316
Capital increase	24	11	19.988
Dividends paid		(7.716)	(14.676)
Total net cash flows provided by (used in) financing activities		(155.853)	167.822
TOTAL NET POSITIVE (NEGATIVE) CASH FLOWS FOR THE YEAR		(42.732)	60.804
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		169.812	109.000
EFFECT OF MINORITY INTEREST		1	8
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	127.082	169.812

VALORES SECURITY S.A. CORREDORES DE BOLSA**TYPE OF COMPANY**

Corporation, subsidiary of Banco Security.

REGISTRATION IN THE SECURITIES REGISTER

Valores Security is inscribed in the Securities Register with No.0111.

OBJECTS

To carry on business in various areas such as stock trading and trading in fixed-income securities, foreign currencies, portfolio management and financial consultancy.

GENERAL INFORMATION

The company was constituted under public deed dated April 10, 1987. In accordance with current legislation governing the securities market and corporations, the company is registered in the Santiago Trade Register for 1987 (No.3630).

RELEVANT INFORMATION

It is also registered in the Register of Stockbrokers and Securities Traders on June 2, 1987, under No.0111. On October 16, 1997, an extraordinary shareholders' meeting agreed to change its name to Valores Security S.A. Corredores de Bolsa. On August 27, 2004, an extraordinary shareholders' meeting agreed to its merger with Dresdner Lateinamerika S.A. Corredores de Bolsa and, by its Resolution No.10098 of October 27, 2004, the Superintendency of Securities and Insurance approved this with effect from October 1, 2004.

PAID CAPITAL AND RESERVES

The company's paid capital and reserves as of December 31, 2009 was Ch\$26,537 million and its total equity was Ch\$26,560 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.

Valores Security represents 6.8% of the assets of Grupo Security.

TRADING RELATIONS WITH SUBSIDIARIES, ASSOCIATE AND PARENT

Valores Security provides different services to the subsidiaries and associates of Grupo Security S.A., and to the parent company. For Banco Security it provides consultancy services, trading in fixed-income instruments and in dollars and forwards. It also provides financial instrument and stock trading services for Administradora General de Fondos S.A., and also for Asesorías Security for which it offers trading in dollars, consultancy and forward contracts.

In the Group's insurance area, Valores Security carries out operations relating to insurance policies in the case of Penta-Security, Security Generales S.A. and Seguros Vida Security Previsión S.A. and insurance broking for Corredora de Seguros Security.

It purchases tickets from Travel Security S.A. and provides financial information services for Global Security. It offers data processing and telephone services for Virtual Security and audit and accounting services for Inversiones Invest Security Ltda., and financial services for Inversiones Seguros Security Ltda.

In the future, there is the possibility of extending the offer of these services to customers of the parent's subsidiaries and associate

BOARD OF DIRECTORS

Chairman	Ramón Eluchans O.	Tax No. 6.464.460-2
Directors	Nicolás Ugarte B.	Tax No. 7.033.564-6
	Enrique Menchaca O.	Tax No. 6.944.388-5
	Naoshi Matsumoto C.	Tax No. 9.496.299-4
President	Rodrigo Fuenzalida.	Tax No. 10.328.181-4

Estados Financieros Resumidos al 31 de Diciembre de 2009 y 2008

BALANCE SHEET	2009 MM\$	2008 MM\$
ASSETS		
Current assets	585.282,3	1.687.448,6
Fixed assets	162,0	240,6
Other assets	536,9	510,5
TOTAL ASSETS	585.981,2	1.688.199,7
LIABILITIES		
Current liabilities	559.420,9	1.661.662,8
Long-term liabilities		
Capital & reserves	26.536,9	30.080,5
Result of the year	23,5	(3.543,6)
TOTAL LIABILITIES & EQUITY	585.981,2	1.688.199,7
STATEMENT OF RESULTS		
Operating result	(796,5)	(1.826,1)
Non-operating result	690,5	(2.272,7)
Result before tax	(106,0)	(4.098,7)
Income tax	129,5	555,1
Result of the year	23,5	(3.543,6)
CASH FLOWS		
Cash flow from operating activities	(383,6)	(2.420,3)
Cash flow from investment activities	88,0	81,0
Cash flow from financial activities	281,8	1.092,1
Net cash flow for the year	(13,9)	(1.247,1)
Effect monetary correction	70,5	(368,6)
Net change in cash & cash equivalents	56,6	(1.615,7)

ADMINISTRADORA GENERAL DE FONDOS SECURITY S.A.**TYPE OF COMPANY**

Corporation, subsidiary of Banco Security.

REGISTRATION IN THE SECURITIES REGISTER

Administradora General de Fondos Security S.A. is inscribed in the Securities Register with the No.0112.

OBJECTS

General funds manager

GENERAL INFORMATION

The company was constituted by public deed dated May 26, 1992 and was approved by the Superintendency of Securities and Insurance on June 2, 1992 (Resolution No.0112). The company is subject to the regulatory authority of that Superintendency and the provisions of Decree Law 1,328 and its regulations.

By Resolution 288 of September 17, 2003, the Superintendency approved the reform of the bylaws of Sociedad Administradora de Fondos Mutuos Security S.A. agreed at the extraordinary shareholders' meeting of July 4, 2003, which changed the kind of management company to a general funds management company, in accordance with Chapter XXVII of Law 18,045. The funds managed by the company are subject to the special regulations set out in Decree Law 1,328 and its respective regulations and are to the regulatory authority of the Superintendency of Securities and Insurance.

PAID CAPITAL AND SHAREHOLDERS' EQUITY

As of December 2009, the company's capital and reserves were Ch\$7,680 million and its equity Ch\$10,297 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.

Administradora General de Fondos Security S.A. represents 2.7% of the assets of Grupo Security.

TRADING RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT

Administradora General de Fondos Security S.A. provides investment sales services for the purchase of mutual fund quotas from each of the subsidiaries and associates of Grupo Security S.A., and the parent company.

BOARD OF DIRECTORS**Chairman**

Francisco Silva S.

Tax No. 4.103.061-5

Directors

Carlos Budge C.

Tax No. 7.011.490-9

Felipe Larraín M.

Tax No. 5.196.190-0

Renato Peñafiel M.

Tax No. 6.350.390-8

President

Juan Pablo Lira T.

Tax No. 7.367.430-1

Estados Financieros Resumidos al 31 de Diciembre de 2009 y 2008

BALANCE SHEET	2009 MM\$	2008 MM\$
ASSETS		
Current assets	11.534,0	8.580,0
Fixed assets	49,0	58,0
Other assets		
TOTAL ASSETS	11.583,0	8.638,0
LIABILITIES		
Current liabilities	1.286,0	954,0
Long-term liabilities	0,0	0,0
Capital & reserves	7.680,0	5.295,0
Result of the year	2.617,0	2.389,0
TOTAL LIABILITIES & EQUITY	11.583,0	8.638,0
STATEMENT OF RESULTS		
Operating result	2.686,0	2.787,0
Non-operating result	433,0	80,0
Result before tax	3.119,0	2.867,0
Income tax	(502,0)	(478,0)
Result of the year	2.617,0	2.389,0
CASH FLOWS		
Cash flow from operating activities	3.340,0	1.113,0
Cash flow from investment activities	183,0	(185,0)
Cash flow from financial activities	0,0	(2.134,0)
Net cash flow for the year	3.523,0	(1.206,0)
Effect monetary correction	201,0	(382,0)
Net change in cash & cash equivalents	3.724,0	(1.588,0)

FACTORING SECURITY S.A.**TYPE OF COMPANY**

Closely-held corporation.

REGISTRATION IN THE SECURITIES REGISTER

Factoring Security S.A. is inscribed in the Securities Register with No.1003.

OBJECTS

The company's objects are to buy, sell and invest in all kinds of incorporeal assets such as shares, share commitments, bonds, bills of exchange, promissory notes, savings plans, quotas or rights in all kinds of civil, commercial or mining companies, communities or associations, and all kinds of documents or securities; carry out factoring operations including the acquisition from any company or person of accounts receivable documented with invoices, bills of exchange, promissory notes or other documents, with or without recourse to the assignor and advance or not the value of such documents; grant financing with the guarantee of such documents and also the simple administration of accounts receivable; provide administration services, market surveys, research and classification of customers and advice in general; manage investments and receive their returns; and other activities that are complementary to such objects.

GENERAL INFORMATION

The company was constituted on November 26, 1992 before the notary Enrique Morgan Torres. An extract of the deed was published in the Official Gazette on December 12, 1992 and the company was inscribed in the Santiago Trade Register. By public deed dated October 20, 1997, the company changed its name to Factoring Security S.A.

PAID CAPITAL AND EQUITY

The paid capital as of December 31, 2009 was Ch\$19,046 million and the equity Ch\$21,862 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.

Factoring Security S.A. represents 5.6% of the assets of Grupo Security.

TRADING RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT

In the future, there is the possibility of extending the offer of these services to customers of the parent's subsidiaries and associate companies.

BOARD OF DIRECTORS

Chairman	Francisco Silva S.	Tax No. 4.103.061-5
Directors	Francisco Ramón Juanicotena S.	Tax No. 5.201.352-6
	Renato Peñafiel M.	Tax No. 6.350.390-8
	Ignacio Ruiz-Tagle V.	Tax No. 6.068.262-3
	Mario Weiffenbach O.	Tax No. 4.868.153-0
President	Ignacio Prado R.	Tax No. 7.106.815-3

Estados Financieros Resumidos al 31 de Diciembre de 2009 y 2008

BALANCE SHEET	2009 MM\$	2008 MM\$
ASSETS		
Current assets	125.221,8	155.696,8
Fixed assets	596,5	691,8
Other assets	1.421,8	4.465,4
TOTAL ASSETS	127.240,1	160.854,0
LIABILITIES		
Current liabilities	105.378,1	137.008,2
Long-term liabilities	0,0	0,0
Capital & reserves	19.045,9	19.154,1
Result of the year	2.816,0	4.691,7
TOTAL LIABILITIES & EQUITY	127.240,0	160.854,0
STATEMENT OF RESULTS		
Operating result	3.670,8	5.923,4
Non-operating result	(176,9)	(774,5)
Result before tax	3.493,9	5.148,9
Income tax	(677,9)	(457,2)
Result of the year	2.816,0	4.691,7
CASH FLOWS		
Cash flow from operating activities	31.975,6	15.638,2
Cash flow from investment activities	(154,2)	(9.080,7)
Cash flow from financial activities	(40.261,4)	(228,7)
Net cash flow for the year	(8.440,0)	6.328,8
Effect monetary correction	(166,3)	858,6
Net change in cash & cash equivalents	(8.606,3)	7.187,4

ASESORÍAS SECURITY S.A. AND SUBSIDIARIES

TYPE OF COMPANY

Closely-held corporation.

REGISTRATION IN THE SECURITIES REGISTER

Asesorías Security S.A. is not inscribed in the Securities Register.

OBJECTS

The objects of the company are to provide financial, economic, business, accounting, legal, debt and business restructuring advisory services and make studies of all kinds related to these services; make permanent investments and rentals of all kinds of corporeal or incorporeal movable assets; acquire, conserve, sell, dispose of and negotiate in any way and form all kinds of shares, bonds, debentures, securities and receive their returns, make investments to form, integrate, participate and represent all kinds of Chilean or foreign firms or companies that exploit a business similar to the above and are of interest to the company.

GENERAL INFORMATION

The company was constituted as a closely-held corporation by public deed dated August 30, 1996. During 2002, there was a restructuring of the businesses of Merchant Security S.A. and its subsidiaries Securitizadora Security GMAC-RFC S.A. and Asesorías Security. Asesorías Security assumed all the advisory business in international investments and it was decided to discontinue the financial advisory services provided by Merchant Security, which implied the closure of activities and compliance with ongoing obligations and mandates which were completed late in 2002. In addition, Merchant Security S.A. acquired all the shares in its subsidiary Asesorías Security not already held by it, thus becoming the holder of 100% of its share capital and producing a merger through 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 holding in Securitizadora Security GMAC-RFC S.A. to Grupo Security S.A.

PAID CAPITAL AND EQUITY

The paid capital as of December 31, 2009 was Ch\$1,191 million and the equity Ch\$1,132 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.

Asesorías Security S.A. represents 0.3% of the assets of Grupo Security.

COMMERCIAL RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT

Asesorías Security provides international investment advice to Grupo Security, Administradora General de Fondos and Vida Security. It also became placement agent for the mutual funds managed by Administradora General de Fondos Security and distributor of the products of Valores Security. In the future, there is the possibility of extending the offer of these services to customers of the parent's subsidiaries and associate companies.

BOARD OF DIRECTORS

Chairman	Francisco Silva S.	Tax No. 4.103.061-5
Directors	Renato Peñafiel M.	Tax No. 6.350.390-8
President	Carlos Budge C.	Tax No. 7.011.490-9

Estados Financieros Resumidos al 31 de Diciembre de 2009 y 2008

BALANCE SHEET	2009 MM\$	2008 MM\$
ASSETS		
Current assets	2.284,1	2.106,2
Fixed assets	31,8	34,8
Other assets	0,3	0,6
TOTAL ASSETS	2.316,2	2.141,6
LIABILITIES		
Current liabilities	1.180,4	946,0
Long-term liabilities	0,0	0,0
Minority interest	3,9	5,0
Capital & reserves	1.190,6	1.120,9
Result of the year	(58,7)	69,7
TOTAL LIABILITIES & EQUITY	2.316,2	2.141,6
STATEMENT OF RESULTS		
Operating result	57,5	274,9
Non-operating result	(95,3)	(182,8)
Result before tax	(37,8)	92,1
Minority interest	(6,0)	(9,0)
Income tax	(14,9)	(13,4)
Result of the year	(58,7)	69,7
CASH FLOWS		
Cash flow from operating activities	397,2	56,6
Cash flow from investment activities	43,7	0,0
Cash flow from financial activities	0,0	(82,8)
Net cash flow for the year	440,9	(26,2)
Effect monetary correction	16,4	(122,7)
Net change in cash & cash equivalents	457,3	(148,9)

SECURITIZADORA SECURITY

TYPE OF COMPANY

Closely-held corporation.

REGISTRATION IN THE SECURITIES REGISTER

Securitizadora Security GMAC-RFC is registered in the Securities Register with No.640.

OBJECTS

The company's objects are exclusively to acquire credits as referred to in clause 135 of Law 18,045 of 1981 and complementary legislation, and the issue of short and long-term debt instruments.

GENERAL INFORMATION

The company was constituted as a closely-held corporation by public deed dated October 21, 1997 before the notary Álvaro Bianchi Rosas and was approved, together with its bylaws, by Resolution 369 of December 12, 1997 of the Superintendency of Securities and Insurance.

The certificate issued by that Superintendency containing an extract of the bylaws was inscribed in folio 31,310 number 25,367 in the Santiago Trade Register of 1997 and published in the Official Gazette on December 23, 1997.

In November 2005, Securitizadora Security S.A. was acquired by Grupo Security S.A. to become its direct subsidiary. The extraordinary shareholders' meeting held on November 29, 2005 agreed to change the company's name to Securitizadora Security GMAC-RFC S.A.

In August 2008, Grupo Security S.A. acquired from GMAC-RFC Chile Inversiones Limitada 2,065 shares of Securitizadora Security GMACRFC. Consequently, Grupo Security is the holder of 99.98% in the company and 0.02% is held by Asesorías Security S.A.

PAID CAPITAL AND EQUITY

The capital and reserves at December 31, 2009 were Ch\$ 1,688 million and its equity Ch\$ 1,697 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.

Securitizadora Security represents 0.4% of the assets of Grupo Security.

COMMERCIAL RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT

In the future, there is the possibility of extending the offer of these services to customers of the parent's subsidiaries and associate companies.

BOARD OF DIRECTORS

Chairman	Francisco Silva Silva	Tax No. 4.103.061-5
Directors	Christian Sinclair Manley	Tax No. 6.379.747-2
	Renato Peñafiel Muñoz	Tax No. 6.350.390-8
	Carlos Budge Carvallo	Tax No. 7.011.490-9
	Juan Enrique Montes Molina	Tax No. 9.253.937-7
President		

Estados Financieros Resumidos al 31 de Diciembre de 2009 y 2008

BALANCE SHEET	2009 MM\$	2008 MM\$
ASSETS		
Current assets	1.359,0	10.599,2
Fixed assets	14,8	26,3
Other assets	402,0	247,9
TOTAL ASSETS	1.775,8	10.873,4
LIABILITIES		
Current liabilities	79,0	8.208,0
Long-term liabilities	0,0	0,0
Capital & reserves	1.688,4	3.058,2
Result of the year	8,4	(392,8)
TOTAL LIABILITIES & EQUITY	1.775,8	10.873,4
STATEMENT OF RESULTS		
Operating result	(39,2)	(452,2)
Non-operating result	41,9	(24,2)
Result before tax	2,7	(476,4)
Income tax	5,7	83,6
Result of the year	8,4	(392,8)
CASH FLOWS		
Cash flow from operating activities	601,8	(1.186,4)
Cash flow from investment activities	(2,7)	(13,4)
Cash flow from financial activities	(1.000,0)	0,0
Net cash flow for the year	(400,9)	(1.199,8)
Effect monetary correction	39,4	(146,2)
Net change in cash & cash equivalents	(361,5)	(1.346,0)

GLOBAL ASSET ADVISORS LTD.**TYPE OF COMPANY**

Closely-held company, limited by shares

Registration in Securities Register

A BVI company No.1.052.532 registered on September 21, 2006

GENERAL INFORMATION

The company was constituted by public deed dated September 21, 2006 in the British Virgin Islands.

RELEVANT INFORMATION

The company has a capital divided into 50,000 shares of which Asesorías Security S.A. holds 99% and 1% is held by Global Security Gestión y Servicios Ltda.

PAID CAPITAL AND RESERVES

The equity of the company at December 31, 2009 was Ch\$395 million.

BOARD OF DIRECTORS**Chairman**

Francisco Silva S.

Tax No. 4.103.061-5

Directors

Renato Peñafiel M.

Tax No. 6.350.390-8

Carlos Budge C.

Tax No. 7.011.490-9

Estados Financieros Resumidos al 31 de Diciembre de 2009 y 2008

BALANCE SHEET	2009 MM\$	2008 MM\$
ACTIVOS		
Activo Circulante	400,7	503,4
Activo Fijo		0,0
Otros Activos		
TOTAL ACTIVOS	400,7	503,4
PASIVOS		
Pasivo Circulante	6,1	3,5
Pasivo Largo Plazo	0,0	0,0
Capital y Reservas	(200,8)	(402,5)
Resultado del Ejercicio	595,4	902,6
TOTAL PASIVOS Y PATRIMONIO	400,7	503,6
ESTADO DE RESULTADO		
Resultado Operacional	273,4	896,9
Resultado No Operacional	322,0	5,7
Resultado antes de Impuesto	595,4	902,6
Impuesto a la Renta	0,0	0,0
Resultado del Ejercicio	595,4	902,6
FLUJO DE EFECTIVO		
Flujo Originado por Actividades de Operación	590,4	899,0
Flujo Originado por Actividades de Inversión	0,0	0,0
Flujo Originado por Actividades de Financiamiento	(608,5)	0,0
Flujo Neto del Año	(18,1)	899,0
Efecto Corrección Monetaria	(86,4)	(81,0)
Variación Neta del Efectivo y Efectivo Equivalente	(104,5)	818,0

INVERSIONES SEGUROS SECURITY LIMITADA Y FILIALES**TYPE OF COMPANY**

Limited partnership

Registration in the securities register

Inversiones Seguros Security Ltda is not registered in the Securities Register.

OBJECTS

The company's objects are to manage any kind of business for its own or third party's account, the provision of business administration services, the acquisition and permanent holding of all kinds of corporeal or incorporeal assets, real estate or movable assets, real or personal, securities, commercial paper or credit instruments; the temporary assignment of any of these assets in any form: the disposal in any form of the assets indicated or of their returns, whether accrued, pending or received at the time of disposal and the exploitation of the returns on the assets acquired.

GENERAL INFORMATION

The company was constituted by public deed dated November 28, 1995 before the notary Raúl Undurraga Laso. It was inscribed in the Santiago Trade Register on the same date in folio 29562 N° 23,698 and an extract of the deed was published in the Official Gazette on December 5, 1995.

The name was changed to its present Inversiones Seguros Security and its capital increased by a public deed dated December 29, 1998, whose extract was published in the Official Gazette on January 4, 1999.

PAID CAPITAL AND EQUITY

The capital and reserves as of December 31, 2009 were Ch\$ 76,081 million and the equity Ch\$ 84,759 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.

Inversiones Seguros Security represents 21.8% of the assets of Grupo Security.

TRADING RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT

As a holding company, trading relations are carried out through its subsidiary companies.

MANDATARIOS

Renato Peñafiel M. Tax No. 6.350.390-8

Francisco Silva S. Tax No. 4.103.061-5

Estados Financieros Resumidos al 31 de Diciembre de 2009 y 2008

BALANCE SHEET	2009 MM\$	2008 MM\$
ASSETS		
Current assets	17.745,4	3.517,4
Fixed assets	131,6	174,8
Other assets	84.942,5	75.601,9
TOTAL ASSETS	102.819,5	79.294,1
LIABILITIES		
Current liabilities	18.059,3	22.790,9
Long-term liabilities	0,0	0,0
Minority interest	0,7	0,6
Capital & reserves	76.081,9	50.967,9
Result of the year	8.677,6	5.534,7
TOTAL LIABILITIES & EQUITY	102.819,5	79.294,1
STATEMENT OF RESULTS		
Operating result	(736,4)	873,6
Non-operating result	8.771,5	5.467,0
Result before tax	8.035,1	6.340,6
Minority interest	(0,1)	0,0
Income tax	642,6	(805,9)
Result of the year	8.677,6	5.534,7
CASH FLOWS		
Cash flow from operating activities	(22.832,9)	(8.612,4)
Cash flow from investment activities	24.008,0	(9.731,3)
Cash flow from financial activities	(463,1)	9.243,1
Net cash flow for the year	712,0	(9.100,6)
Effect monetary correction	(102,3)	(28,2)
Net change in cash & cash equivalents	609,7	(9.128,8)

SEGUROS VIDA SECURITY PREVISIÓN S.A.**TYPE OF COMPANY**

Open corporation.

REGISTRATION IN THE SECURITIES REGISTER

Seguros Vida Security Previsión S.A. is registered in the Securities Register with No.22.

OBJECTS

Life insurance.

GENERAL INFORMATION

The company was constituted by public deed dated August 24, 1981 before the notary Eduardo Avello Arellano and was approved by Resolution 561-S on September 29, 1981. It was inscribed in the Santiago Trade Register on October 31, 1981 (folio 18,847 N° 10,385) and an extract was published in the Official Gazette of October 10, 1981.

Its change of name to Seguros Previsión Vida S.A was inscribed in the Santiago Trade Register on January 16, 1998 and an extract was published in the Official Gazette on January 20, 1998. The company is inscribed in the Securities Register with number 022 and is subject to the regulatory authority of the Superintendency of Securities and Insurance. On March 11, 2002, the extraordinary shareholders' meeting approved the change of its name to Seguros Vida Security Previsión S.A. with effect from May 2002.

PAID CAPITAL AND EQUITY

As of December 31, 2009 the capital and reserves are Ch\$70,078 million and the equity Ch\$80,679million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.

Seguros Vida Security Previsión S.A. represents 20.7% of the assets of Grupo Security.

TRADING RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT

Vida Security provides life insurance policies for the staff of Banco Security, Factoring Security, Asesorías Security, Inmobiliaria Security, Administradora de Fondos Mutuos, Grupo Security, Valores Security, Securitizadora Security GMAC-RFC, Global Security, Inversiones Invest Security and Virtual Security.

Vida Security also sells travel assistance insurance to corporate and individual customers of Travel Security.

In the future, there is the possibility of extending the offer of these services to customers of the parent's subsidiaries and associate companies.

BOARD OF DIRECTORS

Chairman	Francisco Silva S.	Tax No. 4.103.061-5
Directors	Renato Peñafiel M.	Tax No. 6.350.390-8
	Juan Cristóbal Pavez R.	Tax No. 9.901.478-4
	Álvaro Eduardo Santa Cruz G.	Tax No. 3.557.209-0
	Andrés Tagle D.	Tax No. 5.895.255-9
	Álvaro Vial G.	Tax No. 5.759.348-2
	Horacio Pavez G.	Tax No. 3.899.021-7
President	Alejandro Alzérrecá L.	Tax No. 7.050.344-1

Estados Financieros Resumidos al 31 de Diciembre de 2009 y 2008

BALANCE SHEET	2009 MM\$	2008 MM\$
ASSETS		
Investments	750.174,0	742.739,7
Debtors for premiums and reinsurance	6.006,2	6.251,9
Other assets	23.076,1	33.949,9
TOTAL ASSETS	779.256,3	782.941,5
LIABILITIES		
Technical reserves	682.487,7	690.566,4
Premiums payable	0,0	2.570,0
Short-term financial debt	0,0	2.380,7
Other liabilities	16.089,3	13.217,7
Capital & reserves	70.077,6	74.129,2
Result of the year	10.601,7	77,5
TOTAL LIABILITIES & EQUITY	779.256,3	782.941,5
STATEMENT OF RESULTS		
Operating result	(42.475,9)	(1.047,2)
Non-operating result	54.118,7	0,0
Result before tax	11.642,8	(1.047,2)
Income tax	(1.041,1)	1.124,7
Result of the year	10.601,7	77,5
CASH FLOWS		
Cash flow from operating activities	(44.295,9)	(47.715,0)
Cash flow from investment activities	47.714,9	56.506,7
Cash flow from financial activities	(2.912,1)	(8.785,6)
Net cash flow for the year	506,9	6,1
Effect monetary correction	(6,3)	(322,5)
Net change in cash & cash equivalents	500,6	(316,4)

COMPAÑÍA DE SEGUROS GENERALES PENTA-SECURITY S.A.**TYPE OF COMPANY**

Open corporation.

REGISTRATION IN THE SECURITIES REGISTER

Seguros Penta-Security Previsión S.A. was registered in the Securities Register on May 2, 2005 with No.898.

OBJECTS

General insurance.

GENERAL INFORMATION

The company was authorized by the Superintendency of Securities and Insurance by Resolution 221 of October 27, 1993 and is inscribed in the Securities Register with the No.898 on May 2, 2005.

By its Resolution 427 of September 16, 2004, the Superintendency of Securities and Insurance approved the merger by absorption of Seguros Security Previsión Generales S.A. into Compañía de Seguros Generales Las Américas S.A., the latter acquiring all its assets and liabilities and succeeding it in all its rights and obligations. The merger took effect on January 1, 2004. As a result of the merger, Compañía de Seguros Generales Las Américas S.A. changed its name to Compañía de Seguros Generales Penta Security S.A..

PAID CAPITAL AND EQUITY

As of December 31, 2009 the capital and reserves were Ch\$ 23,901 million and its equity Ch\$ 26,919 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.

Seguros Generales Penta-Security S.A. represents 6.9% of the assets of Grupo Security.

TRADING RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT

Cía de Seguros Generales Penta-Security S.A. provides general insurance policies to Seguros Vida Security Previsión S.A., Banco Security, Factoring Security, Corredores de Seguros Security and Travel Security. In the future, there is the possibility of extending the offer of these services to customers of the parent's subsidiaries and associate companies.

BOARD OF DIRECTORS**Chairman**

Carlos Eugenio Lavin Garcia – Huidobro

Tax No. 4.334.605-9

Directors

Hugo Bravo Lopez

Tax No. 4.709.421-6

Francisco Silva Silva

Tax No. 4.103.061-5

Renato Peñafiel Muñoz

Tax No. 6.350.390-8

Juan Carlos Delano Ortúzar

Tax No. 4.103.003-8

Carlos Alberto Delano Abbott

Tax No. 4.773.758-3

Alejandro Alzerreca Luna

Tax No. 7.050.344-1

President

Fernando Cambara Lodigiani

Tax No. 5.862.380-6

Estados Financieros Resumidos al 31 de Diciembre de 2009 y 2008

BALANCE SHEET	2009 MM\$	2008 MM\$
ASSETS		
Investments	43.270,7	37.636,5
Debtors for premiums and reinsurance	59.954,2	64.020,7
Other assets	6.118,0	5.776,5
TOTAL ASSETS	109.342,9	107.433,7
LIABILITIES		
Technical reserves	74.134,0	76.695,1
Short-term financial debt	1.000,0	3.419,5
Other liabilities	7.290,2	6.899,1
Capital & reserves	23.900,3	18.068,6
Result of the year	3.018,4	2.351,4
TOTAL LIABILITIES & EQUITY	109.342,9	107.433,7
STATEMENT OF RESULTS		
Operating result	3.522,0	2.224,9
Non-operating result	63,1	593,6
Result before tax	3.585,1	2.818,5
Income tax	(566,7)	(467,1)
Result of the year	3.018,4	2.351,4
CASH FLOWS		
Cash flow from operating activities	5.549,9	1.853,0
Cash flow from investment activities	(3.460,5)	(3.077,8)
Cash flow from financial activities	50,7	1.371,8
Net cash flow for the year	2.140,1	147,0
Effect monetary correction	52,2	(881,8)
Effect of exchange difference	(2.192,5)	1.913,4
Net change in cash & cash equivalents	(0,2)	1.178,6

SERVICIOS SECURITY S.A. Y FILIALES**TYPE OF COMPANY**

Closely-held corporation.

REGISTRATION IN THE SECURITIES REGISTER

Servicios Security is not registered in the Securities Register.

OBJECTS

Investment is all kinds of business, companies or activities, whether movable or immovable assets, corporeal or incorporeal; and the provision of consultancy and advisory services in the financial, economic and commercial areas.

GENERAL INFORMATION

Servicios Security S.A. was constituted under a public deed dated January 27, 2000 signed before the notary Álvaro Bianchi Rosas, granting its administration to a board composed of 7 members elected by the shareholders.

In April 2006, Servicios Security S.A. absorbed its subsidiary Agencia Security S.A. and became its legal successor in its rights and obligations. The merger was effective from April 28, 2006.

A board meeting held in December 2006 approved the division of Servicios Security S.A., for which a new company Nueva Servicios S.A. was constituted. It was also agreed to increase the capital by Ch\$1,200,000,123 for which 19,047,621 shares will be issued payable in three years.

PAID CAPITAL AND EQUITY

As of December 31, 2009 the capital and reserves were Ch\$ 2,299 million and its equity Ch\$ 2,721 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.

Servicios Security S.A. represents 0.7% of the assets of Grupo Security.

TRADING RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT

As a holding company, trading relations are carried out through its subsidiary companies.

BOARD OF DIRECTORS

Chairman	Francisco Silva S.	Tax No. 4.103.061-5
Directors	Renato Peñafiel M.	Tax No. 6.350.390-8
	Claudio Berndt C.	Tax No. 4.775.620-0
	Andrés Tagle D.	Tax No. 5.895.255-9
	Horacio Pavez A.	Tax No. 9.737.844-4
	Cristián Solís de Ovando	Tax No. 7.483.251-2
President	Alejandro Mandiola P.	Tax No. 8.684.673-K
	Alejandro Mandiola P.	Tax No. 8.684.673-K

Estados Financieros Resumidos al 31 de Diciembre de 2009 y 2008

BALANCE SHEET	2009 MM\$	2008 MM\$
ASSETS		
Current assets	2.315,5	1.832,5
Fixed assets	109,0	141,5
Other assets	1.093,9	1.009,8
TOTAL ASSETS	3.518,4	2.983,8
LIABILITIES		
Current liabilities	796,8	684,7
Long-term liabilities	0,0	0,0
Minority interest	0,0	0,0
Capital & reserves	2.299,0	1.883,5
Result of the year	422,5	415,6
TOTAL LIABILITIES & EQUITY	3.518,3	2.983,8
STATEMENT OF RESULTS		
Operating result	97,5	(57,4)
Non-operating result	330,0	467,6
Result before tax	427,5	410,2
Minority interest	0,0	0,0
Income tax	(4,9)	5,4
Result of the year	422,6	415,6
CASH FLOWS		
Cash flow from operating activities	417,1	669,7
Cash flow from investment activities	226,9	(156,7)
Cash flow from financial activities	21,6	(116,0)
Net cash flow for the year	665,6	397,0
Effect monetary correction	(18,2)	(18,6)
Net change in cash & cash equivalents	647,4	378,4

CORREDORES DE SEGUROS SECURITY LIMITADA**TYPE OF COMPANY**

Limited partnership.

INSCRIPCIÓN EN EL REGISTRO DE VALORES

Corredores de Seguros Security Ltda. is not registered in the Securities Register.

OBJECTS

Insurance broking.

GENERAL INFORMATION

Corredores de Seguros Security Limitada was constituted under public deed dated December 3, 1999, signed before the Santiago notary Enrique Morgan Torres, granting the administration and representation of the company and the use of its name to its partner Servicios Security S.A.

PAID CAPITAL AND EQUITY

As of December 31, 2009 the capital and reserves were Ch\$ 1,956 million and its equity Ch\$ 2,225 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.

Corredores de Seguros Security Limitada represents 0.6% of the assets of Grupo Security.

TRADING RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT

Corredora de Seguros Security provides insurance broking 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, Global Security and Virtual Security. It also brokers general insurance policies and guarantee and credit policies with Seguros Security and life and health policies with Vida Security. The broker also arranges insurance for customers of Banco Security.

In the future, there is the possibility of extending the offer of these services to customers of the parent's subsidiaries and associate companies.

BOARD OF DIRECTORS

Mandatarios	Francisco Silva Silva	Tax No. 4.103.061-5
	Renato Peñafiel Muñoz	Tax No. 6.350.390-8
Representante Legal	Alejandro Mandiola Parot	Tax No. 8.684.673-K

Estados Financieros Resumidos al 31 de Diciembre de 2009 y 2008

BALANCE SHEET	2009 MM\$	2008 MM\$
ASSETS		
Current assets	2.465,5	2.092,2
Fixed assets	109,0	141,5
Other assets	389,6	340,2
TOTAL ASSETS	2.964,1	2.573,9
LIABILITIES		
Current liabilities	739,0	618,4
Long-term liabilities	0,0	0,0
Capital & reserves	1.955,5	1.664,7
Result of the year	269,5	290,8
TOTAL LIABILITIES & EQUITY	2.964,0	2.573,9
STATEMENT OF RESULTS		
Operating result	223,6	161,9
Non-operating result	79,0	206,3
Result before tax	302,6	368,2
Income tax	(33,1)	(77,4)
Result of the year	269,5	290,8
CASH FLOWS		
Cash flow from operating activities	508,7	591,4
Cash flow from investment activities	(14,8)	0,0
Cash flow from financial activities	160,5	(188,3)
Net cash flow for the year	654,4	403,1
Effect monetary correction	(8,6)	10,2
Net change in cash & cash equivalents	645,8	413,3

EUROP ASSISTANCE S.A.**TYPE OF COMPANY**

Closely-held corporation.

REGISTRATION IN THE SECURITIES REGISTER

Europ Assistance S.A. is not registered in the Securities Register.

OBJECTS

Assistance services.

GENERAL INFORMATION

Europ Assistance S.A. was constituted as a closely-held corporation on August 13, 2004, according to public deed signed before the 2nd notary's office of Santiago. The company's objects are to provide for its own or third party's account, directly or indirectly, all kinds of medical, dental, plumbing, repair, etc. assistance to entities or individuals, whether travel assistance to vehicles, homes, or any other service related to the above.

PAID CAPITAL AND EQUITY

As of December 31, 2009 the capital and reserves were Ch\$ 268 million and its equity Ch\$ 338 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.

Europ Assistance S.A. represents 0.1% of the assets of Grupo Security.

TRADING RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT

Europ Assistance S.A. provides services to Seguros Vida Security Previsión S.A., Banco Security, Corredores de Seguros Security, Travel Security and Virtual Security.

In the future, there is the possibility of extending the offer of these services to customers of the parent's subsidiaries and associate companies.

BOARD OF DIRECTORS**Chairman**

Francisco Silva Silva

Tax No. 4.103.061-5

Directors

Renato Peñafiel M.

Tax No. 6.350.390-8

Cesare Carlo Margotta

extranjero

Manrico Iachia

extranjero

Martín Vial

extranjero

President

Carlos Videla Araya

Tax No. 7.777.105-0

Estados Financieros Resumidos al 31 de Diciembre de 2009 y 2008

BALANCE SHEET	2009 MM\$	2008 MM\$
ASSETS		
Current assets	979,7	558,6
Fixed assets	139,3	164,1
Other assets	9,7	46,0
TOTAL ASSETS	1.128,7	768,7
LIABILITIES		
Current liabilities	790,8	501,2
Long-term liabilities		0,0
Capital & reserves	267,5	195,4
Result of the year	70,3	72,1
TOTAL LIABILITIES & EQUITY	1.128,7	768,7
STATEMENT OF RESULTS		
Operating result	64,0	97,5
Non-operating result	19,6	(14,9)
Result before tax	83,6	82,6
Income tax	(13,3)	(10,6)
Result of the year	70,3	72,0
CASH FLOWS		
Cash flow from operating activities	38,4	80,0
Cash flow from investment activities	(4,9)	(63,8)
Cash flow from financial activities	(13,8)	(2,3)
Net cash flow for the year	19,7	13,9
Effect monetary correction	0,1	0,5
Net change in cash & cash equivalents	19,8	14,4

COOPER GAY CHILE S.A. CORREDORES DE REASEGUROS**TYPE OF COMPANY**

Closely-held corporation.

REGISTRATION IN THE SECURITIES REGISTER

Cooper Gay Chile S.A. is registered in the Register of Reinsurance Companies of the Superintendency of Securities and Insurance - code C-221.

OBJECTS

Reinsurance broking.

GENERAL INFORMATION

Cooper Gay Chile S.A. was constituted by public deed dated March 16, 2004 and authorized by the Superintendency of Securities and Insurance and inscribed in the corresponding register on March 25, 2004.

PAID CAPITAL AND EQUITY

As of December 31, 2009 the capital and reserves were Ch\$ 214 million and its equity Ch\$ 661 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.

Cooper Gay Chile S.A. represents 0.2% of the assets of Grupo Security.

TRADING RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT

In the future, there is the possibility of extending the offer of these services to customers of the parent's subsidiaries and associate companies, principally the insurance companies Penta Security and Vida Security, and working together with Corredora Security.

BOARD OF DIRECTORS**Chairman**

Toby Crispian David Esser extranjero

Directors

Francisco Silva Silva Tax No. 4.103.061-5

Renato Peñafiel Muñoz Tax No. 6.350.390-8

Steven Jackson Extranjero

Alejandro Mandiola Parot Tax No. 8.684.673-K

Julián Suza Florez extranjero

President

Jorge Edwards Guzmán Tax No. 6.000.590-7

Estados Financieros Resumidos al 31 de Diciembre de 2009 y 2008

BALANCE SHEET	2009 MM\$	2008 MM\$
ASSETS		
Current assets	4.218,9	6.755,0
Fixed assets	83,8	62,2
Other assets	0,0	26,9
TOTAL ASSETS	4.302,7	6.844,1
LIABILITIES		
Current liabilities	3.641,5	6.147,8
Long-term liabilities	0,0	0,0
Capital & reserves	214,3	224,0
Result of the year	446,9	472,3
TOTAL LIABILITIES & EQUITY	4.302,7	6.844,1
STATEMENT OF RESULTS		
Operating result	954,4	389,6
Non-operating result	(417,2)	180,8
Result before tax	537,2	570,4
Income tax	(90,3)	(98,2)
Result of the year	446,9	472,2
CASH FLOWS		
Cash flow from operating activities	(579,8)	1.622,9
Cash flow from investment activities	(482,0)	(53,8)
Cash flow from financial activities	0,0	(161,8)
Net cash flow for the year	(1.061,8)	1.407,3
Effect monetary correction	64,8	(14,9)
Net change in cash & cash equivalents	(997,0)	1.392,4

INMOBILIARIA SECURITY S. A. Y FILIALES**TYPE OF COMPANY**

Closely-held corporation.

REGISTRATION IN THE SECURITIES REGISTER

Inmobiliaria Security is not registered in the Securities Register.

OBJECTS

Real estate advice and investments, real estate brokerage and management of private investment funds.

GENERAL INFORMATION

The company was constituted as a closely-held corporation named Inversiones y Rentas SH S.A., whose principal object was to make permanent investments in and rentals of all kinds of movable and immovable assets, per public deed dated December 14, 1995 signed before the notary Enrique Morgan Torres. The company's objects were expanded at the extraordinary shareholders' meeting of April 19, 1996, recorded in public deed dated July 4, 1996, to make all kinds of real estate investments and advisory services, and real estate broking. On October 14, 1997, the name was changed from Inversiones y Rentas SH S.A. to Inmobiliaria Security S.A., by public deed signed before the notary Enrique Morgan Torres. The company's objects were again modified by the extraordinary shareholders' meeting of January 22, 2004, recorded in public deed dated January 27, 2004, when it was decided to expand the objects of Inmobiliaria Security S.A. to include the management of private investment funds in accordance with clause 7 of Law 18,815.

PAID CAPITAL AND EQUITY

As of December 31, 2009 the capital and reserves were Ch\$ 3,702 million and its equity Ch\$ 3,576 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.

Inmobiliaria Security S.A. represents 0.9% of the assets of Grupo Security.

TRADING RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT

Inmobiliaria Security has provided real estate advisory services to Banco Security and Seguros Vida Security Previsión S.A. In the future, there is the possibility of extending the offer of these services to customers of the parent's subsidiaries and associate companies.

BOARD OF DIRECTORS

Chairman	Francisco Silva S.	Tax No. 4.103.061-5
Directors	Gustavo Pavez R.	Tax No. 4.609.215-5
	Renato Peñafiel M.	Tax No. 6.350.390-8
	Jaime Correa H.	Tax No. 5.892.161-0
President		

Estados Financieros Resumidos al 31 de Diciembre de 2009 y 2008

BALANCE SHEET	2009 MM\$	2008 MM\$
ASSETS		
Current assets	6.884,6	4.876,3
Fixed assets	26,0	36,0
Other assets	3.474,0	4.255,0
TOTAL ASSETS	10.384,6	9.167,3
LIABILITIES		
Current liabilities	6.808,5	3.460,2
Long-term liabilities	0,0	1.679,9
Minority interest	0,6	0,6
Capital & reserves	3.701,6	3.391,2
Result of the year	(126,0)	635,4
TOTAL LIABILITIES & EQUITY	10.384,7	9.167,3
STATEMENT OF RESULTS		
Operating result	71,0	349,9
Non-operating result	(204,4)	388,7
Result before tax	(133,4)	738,6
Minority interest	7,3	0,2
Income tax	0,0	(103,4)
Result of the year	(126,1)	635,4
CASH FLOWS		
Cash flow from operating activities	(2.280,2)	(132,1)
Cash flow from investment activities	770,4	(743,4)
Cash flow from financial activities	845,2	1.306,4
Net cash flow for the year	(664,6)	430,9
Effect monetary correction	32,2	(70,8)
Net change in cash & cash equivalents	(632,4)	360,1

INVERSIONES INVEST SECURITY LIMITADA Y FILIALES**TYPE OF COMPANY**

Limited partnership.

REGISTRATION IN THE SECURITIES REGISTER

Inversiones Invest Security Ltda. is not registered in the Securities Register.

OBJECTS

The corporate objects are to make all kinds of investments in corporeal and incorporeal assets, exploit and dispose of them, receive and invest their returns; invest, acquire, and dispose of in any form and exploit real estate in any way; administer all kinds of movable and immovable assets, corporeal or incorporeal, for own or third party's account; provide all kinds of assistance, consultancy and financial, economic, marketing, accounting and management services, and in general execute all acts and business directly and indirectly related to these objects.

GENERAL INFORMATION

The company was constituted on June 28, 2000 before the notary Enrique Morgan Torres, as an investment limited partnership called Inversiones Invest Security Ltda..

PAID CAPITAL AND EQUITY

As of December 31, 2009 the capital and reserves were Ch\$ 5,870 million and its equity Ch\$ 6,312 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.

Inversiones Invest Security Limitada represents 1.6% of the assets of Grupo Security.

TRADING RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT

Invest Security provides accounting, business risk and control, economic, marketing and corporate culture advisory services to each of the Group companies and the parent company.

BOARD OF DIRECTORS

Mandatario	Renato Peñafiel M.	Tax No. 6.350.390-8
	Francisco Silva S.	Tax No. 4.103.061-5
	Ramón Eluchans O.	Tax No. 6.464.460-2
Gerente de Cultura Corporativa	Karin E. Becker S.	Tax No. 5.360.901-5
Gerente de Contabilidad	Sergio Candia A.	Tax No. 6.053.341-5
Gerente de Riesgo de Negocio y Contraloría	Alfonso Verdugo R.	Tax No. 7.097.708-7

Estados Financieros Resumidos al 31 de Diciembre de 2009 y 2008

BALANCE SHEET	2009 MM\$	2008 MM\$
ASSETS		
Current assets	12.801,1	14.335,6
Fixed assets	2.020,1	2.232,7
Other assets	1.999,3	2.174,3
TOTAL ASSETS	16.820,5	18.742,6
LIABILITIES		
Current liabilities	7.182,8	9.634,2
Long-term liabilities	3,3	837,1
Minority interest	3.322,7	3.362,7
Capital & reserves	5.870,2	4.378,0
Result of the year	441,5	530,6
TOTAL LIABILITIES & EQUITY	16.820,5	18.742,6
STATEMENT OF RESULTS		
Operating result	542,6	1.270,2
Non-operating result	381,6	127,8
Result before tax	924,2	1.398,0
Minority interest	(408,6)	(530,1)
Income tax	(74,1)	(337,3)
Result of the year	441,5	530,6
CASH FLOWS		
Cash flow from operating activities	3.994,2	3.280,1
Cash flow from investment activities	(713,2)	(1.764,0)
Cash flow from financial activities	(3.196,0)	(507,4)
Net cash flow for the year	85,0	1.008,7
Effect monetary correction	30,1	13,6
Net change in cash & cash equivalents	115,1	1.022,3

TRAVEL SECURITY S.A. Y FILIAL**TYPE OF COMPANY**

Closely-held corporation.

REGISTRATION IN THE SECURITIES REGISTER

Travel Security Ltda. is not registered in the Securities Register.

OBJECTS

Travel agency. The provision of tourist services of all kinds and other services related or not, including investment of the company's funds

GENERAL INFORMATION

The company was constituted as a limited partnership on July 3, 1987 by public deed signed before the notary Víctor Manuel Correa Valenzuela. In 1989, the business was broadened to include the sale of air tickets to individuals, obtaining its accreditation as an IATA agent. The company was transformed into a corporation on September 16, 1993 and its capital was increased; in early 1995, its air freight division was sold. In April 1997, new shareholders joined the company and modernized its management.

In September 1999, it became part of Grupo Security when Inversiones Seguros Security Limitada became a shareholder with a 75% shareholding and changing its name to Travel Security S.A. In October 2000, Inversiones Seguros Security Ltda. sold its shareholding to Inversiones Invest Security Ltda.

In December 2006, Travel Security was merged with Turismo Tajamar S.A., effective from January 22, 2007.

The company's capital was increased to Ch\$5,262 million and the respective shareholdings are as follows:

· Inversiones Invest Security Ltda. 55%, SMYTSA, Servicios Marítimos y Transportes Ltda. 30%, and Carmen Mackenna y Cía. Ltda. 15%

PAID CAPITAL AND EQUITY

As of December 31, 2009 the capital and reserves were Ch\$ 6,472 million and its equity Ch\$ 7,379 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.

Travel Security S.A. and subsidiary represent 1.9% of the assets of Grupo Security.

TRADING RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT

Travel Security provides travel services to every one of the companies in the Group and to the parent company.

In the future, there is the possibility of extending the offer of these services to customers of the parent's subsidiaries and associate companies.

BOARD OF DIRECTORS**Chairman**

Guillermo Correa S. Tax No. 7.741.851-2

Directors

Osvaldo Barzelatto S. Tax No. 2.300.044-K

Naoshi Matsumoto T. Tax No. 3.805.153-9

Renato Peñafiel M. Tax No. 6.350.390-8

Francisco Silva S. Tax No. 4.103.061-5

Wolf Von Appen B. Tax No. 2.884.455-7

Richard Von Appen L. Tax No. 6.998.521-1

President

Eduardo Correa S. Tax No. 8.628.777-3

Estados Financieros Resumidos al 31 de Diciembre de 2009 y 2008

BALANCE SHEET	2009 MM\$	2008 MM\$
ASSETS		
Current assets	10.910,9	12.633,2
Fixed assets	787,5	894,3
Other assets	255,3	289,4
TOTAL ASSETS	11.953,7	13.816,9
LIABILITIES		
Current liabilities	4.572,7	6.345,8
Long-term liabilities	0,0	0,0
Minority interest	2,0	1,7
Capital & reserves	6.472,5	6.292,0
Result of the year	906,6	1.177,5
TOTAL LIABILITIES & EQUITY	11.953,8	13.817,0
STATEMENT OF RESULTS		
Operating result	1.057,9	1.414,1
Non-operating result	(3,3)	36,9
Result before tax	1.054,6	1.451,0
Minority interest	(147,7)	(0,3)
Income tax	(0,3)	(273,3)
Result of the year	906,6	1.177,4
CASH FLOWS		
Cash flow from operating activities	3.542,4	3.088,6
Cash flow from investment activities	(131,9)	(2.141,7)
Cash flow from financial activities	(3.811,9)	(253,0)
Net cash flow for the year	(401,4)	693,9
Effect monetary correction	23,8	0,0
Net change in cash & cash equivalents	(377,6)	693,9

GLOBAL SECURITY GESTIÓN Y SERVICIOS LIMITADA**TYPE OF COMPANY**

Limited partnership

REGISTRATION IN THE SECURITIES REGISTER

Global Security Gestión y Servicios Ltda. is not registered in the Securities Register.

OBJECTS

The carrying out of civil mandates related to obtaining information on third parties and the preparatory handling of requests for the pre-evaluation of such information to enable the principals to execute acts and contracts directly with those parties without the intervention of the company; and in general carry out all acts and business directly and indirectly related to the objects.

GENERAL INFORMATION

Global Security Mandatos Limitada was constituted under public deed dated October 5, 2000 signed before the notary Enrique Morgan Torres, granting the administration and use of the corporate name to the partner Inversiones Invest Security Limitada. On September 1, 2004, before the notary Linda Scarlett Boschi Jiménez, the company was divided into Mandatos Security Ltda. and Gestión y Servicios Security Ltda.

PAID CAPITAL AND EQUITY

As of December 31, 2009 the capital and reserves were Ch\$ (105) million and its equity Ch\$ 16 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.

Global Security Gestión y Servicios Ltda. and subsidiary represent 0.0% of the assets of Grupo Security.

TRADING RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT

Gestión y Servicios Security provides advisory, marketing and financial product sales services to Valores Security, Administradora General de Fondos Security and Vida Security.

In the future, there is the possibility of extending the offer of these services to customers of the parent's subsidiaries and associate companies.

BOARD OF DIRECTORS

Mandatario	Renato Peñafiel M.	Tax No. 6.350.390-8
	Francisco Silva S.	Tax No. 4.103.061-5
Representante Legal	Juan Pablo Lira T.	Tax No. 7.367.430-1

Estados Financieros Resumidos al 31 de Diciembre de 2009 y 2008

BALANCE SHEET	2009 MM\$	2008 MM\$
ASSETS		
Current assets	186,6	580,0
Fixed assets	29,3	15,5
Other assets	7,4	5,0
TOTAL ASSETS	223,3	600,5
LIABILITIES		
Current liabilities	206,9	705,6
Long-term liabilities	0,0	0,0
Capital & reserves	(105,0)	(110,9)
Result of the year	121,4	5,9
TOTAL LIABILITIES & EQUITY	223,3	600,6
STATEMENT OF RESULTS		
Operating result	11,6	(126,5)
Non-operating result	147,2	137,1
Result before tax	158,8	10,6
Income tax	(37,4)	(4,7)
Result of the year	121,4	5,9
CASH FLOWS		
Cash flow from operating activities	(203,5)	118,1
Cash flow from investment activities	(28,1)	0,0
Cash flow from financial activities	0,0	0,0
Net cash flow for the year	(231,6)	118,1
Effect monetary correction	(1,9)	(10,6)
Net change in cash & cash equivalents	(233,5)	107,5

MANDATOS SECURITY LIMITADA**TYPE OF COMPANY**

Limited partnership

REGISTRATION IN THE SECURITIES REGISTER

Mandatos Security Ltda. is not registered in the Securities Register.

OBJECTS

Carrying out of civil mandates for obtaining information on third parties.

GENERAL INFORMATION

Global Security Mandatos Limitada was constituted under public deed dated October 5, 2000 signed before the notary Enrique Morgan Torres, granting the administration and use of the corporate name to the partner Inversiones Invest Security Limitada. On September 1, 2004, before the notary Linda Scarlett Boschi Jiménez, the company was divided into Mandatos Security Ltda. and Gestión y Servicios Security Ltda.

PAID CAPITAL AND EQUITY

As of December 31, 2009 the capital and reserves were Ch\$ 34 million and its equity Ch\$ 42 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.

Mandatos Security Ltda. represents 0.01% of the assets of Grupo Security.

TRADING RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT

Mandatos Security provides services of obtaining information for the financial products of Banco Security.

BOARD OF DIRECTORS

Mandatario	Renato Peñafiel M.	Tax No. 6.350.390-8
	Ramón Eluchans O.	Tax No. 464.460-2
Representante Legal	Luis Gil V.	Tax No. 10.077.185-3

Estados Financieros Resumidos al 31 de Diciembre de 2009 y 2008

BALANCE SHEET	2009 MM\$	2008 MM\$
ASSETS		
Current assets	63,4	150,4
Fixed assets	109,9	152,5
Other assets	11,8	15,6
TOTAL ASSETS	185,1	318,5
LIABILITIES		
Current liabilities	142,8	284,3
Long-term liabilities	0,0	0,0
Capital & reserves	34,2	26,8
Result of the year	8,1	7,4
TOTAL LIABILITIES & EQUITY	185,1	318,5
STATEMENT OF RESULTS		
Operating result	(95,1)	(12,0)
Non-operating result	117,4	22,0
Result before tax	22,3	10,0
Income tax	(14,2)	(2,5)
Result of the year	8,1	7,5
CASH FLOWS		
Cash flow from operating activities	(95,1)	37,5
Cash flow from investment activities	117,4	1,8
Cash flow from financial activities	22,3	(8,1)
Net cash flow for the year	44,6	31,2
Effect monetary correction	(14,2)	0,0
Net change in cash & cash equivalents	30,4	31,2

DECLARATION OF RESPONSIBILITY

The undersigned, as directors and president of Grupo Security, domiciled at Av. Apoquindo 3150, 15th floor, Las Condes, Santiago, Chile, swear that the information contained in this annual report is a faithful expression of the truth, for which we are therefore legally responsible.



FRANCISCO SILVA SILVA
PRESIDENTE · Tax No. 4.103.061-5



ANDRÉS CONCHA RODRÍGUEZ
DIRECTOR · Tax No. 4.773.967-5



CLAUDIO BERNDT CRAMER
DIRECTOR · Tax No. 4.775.620-0



ANA SAINZ DE VICUÑA
DIRECTOR · Tax No. 48.128.454-6



JORGE MARÍN CORREA
DIRECTOR · Tax No. 7.639.707-4



JUAN CRISTÓBAL PAVEZ RECAR
DIRECTOR · Tax No. 9.901.478-4



NAOSHI MATSUMOTO TAKASHI
DIRECTOR · RUT: 3.805.153-9



ÁLVARO VIAL GAETE
DIRECTOR · Tax No. 5.759.348-2



HORACIO PAVEZ GARCÍA
DIRECTOR · Tax No. 3.899.021-7



RENATO PEÑAFIEL MUÑOZ
GERENTE GENERAL · Tax No. 6.350.390-8

C O M P A N Y A D D R E S S E S

GRUPO SECURITY S.A.

Av. Apoquindo 3150, piso 15, Las Condes (Santiago)
Telephone: (56-2) 584 4000
Fax: (56-2) 584 4001
Web: www.security.cl
E-mail: grupo@security.cl

BANCO SECURITY

Av. Apoquindo 3100, Las Condes (Santiago)
Telephone: (56-2) 584 4100
Fax: (56-2) 584 4058
SecurityPhone: (56-2) 584 4040
Web: www.security.cl
E-mail: banco@security.cl

VALORES SECURITY S.A. CORREDORES DE BOLSA

Av. Apoquindo 3150, piso 7, Las Condes (Santiago)
Telephone: (56-2) 584 4700
Fax: (56-2) 584 4615
SecurityPhone: (56-2) 584 4040
Web: www.security.cl
E-mail: valores@security.cl

ADMINISTRADORA GENERAL DE FONDOS SECURITY S.A.

Av. Apoquindo 3150, piso 7, Las Condes (Santiago)
Telephone: (56-2) 584 4700
Fax: (56-2) 584 4015
SecurityPhone: (56-2) 584 4040
Web: www.security.cl
E-mail: fmutuos@security.cl

FACTORING SECURITY S.A.

Av. Apoquindo 3150, piso 9, Las Condes (Santiago)
Telephone: (56-2) 584 3700
Fax: (56-2) 584 3622
Web: www.security.cl
E-mail: factoring@security.cl

ASESORÍAS SECURITY S.A.

Av. Apoquindo 3150, piso 7, oficina 701, Las Condes (Santiago)
Telephone: (56-2) 584 4700
Fax: (56-2) 584 4995
Web: www.security.cl
E-mail: asesorias@security.cl

SECURITIZADORA SECURITY S.A.

Av. Apoquindo 3150, Piso 7, Oficina 701, Las Condes (Santiago)
Telephone: (56-2) 584 4615
Fax: (56-2) 584 4009
Web: www.securitizadorasecurity.cl

INMOBILIARIA SECURITY S.A.

Av. Apoquindo 3150, piso 12, oficina 1202, Las Condes (Santiago)
Telephone: (56-2) 584 4151
Fax: (56-2) 584 4159
Web: www.inmobiliariasecurity.cl
E-mail: inmobiliaria@security.cl

SEGUROS VIDA SECURITY PREVISIÓN S.A.

Av. Apoquindo 3150, piso 8, Las Condes (Santiago)
Telephone: (56-2) 584 2400
Fax: (56-2) 584 2474
Web: www.vidasecurity.cl

COMPAÑÍA DE SEGUROS GENERALES

PENTA SECURITY S.A.

Av. El Bosque Norte 0440, piso 7, Las Condes (Santiago)
Telephone: (56-2) 339 0000
Fax: (56-2) 339 0400
Web: www.pentasecurity.cl

CORREDORES DE SEGUROS SECURITY LTDA.

Isidora Goyenechea 3621, piso 4, Las Condes (Santiago)
Telephone: (56-2) 584 3000
Fax: (56-2) 584 3190
Web: www.corredorasecurity.cl

GLOBAL SECURITY LTDA.

Av. Apoquindo 3150, piso 6, Las Condes (Santiago)
Telephone: (56-2) 584 4000
Fax: (56-2) 584 4807
Web: www.security.cl

TRAVEL SECURITY S.A.

Av. Apoquindo 3180, piso 1, Las Condes (Santiago)
Telephone: (56-2) 584 3400
Fax: (56-2) 584 3505
Web: www.travelsecurity.cl

ADDRESS OF BRANCHES OF COMPANIES OF GRUPO SECURITY S.A.

BANCO SECURITY

Mesa Central : (56-2) 584-4000
Servicio Atención Clientes Security: (56-2) 5844060
Web: www.security.cl
e-mail: banco@security.cl

Casa Matriz (El Golf)

Apoquindo 3100 – Las Condes
Horario de Atención: 9:00 – 14:00 hrs.
Telephone: (56-2) 584 4438
Fax: (56-2) 584 4058

Sucursal Agustinas

Agustinas 621 – Santiago
Horario de Atención: 9:00 – 14:00 hrs.
Telephone: (56-2) 584 4311
Fax: (56-2) 584 4012

Sucursal Alcántara

Av. Alcántara 44 – Las Condes
Horario de Atención: 9:00 – 14:00 hrs.
Telephone: (56-2) 584 4438
Fax: (56-2) 584 2265

Sucursal Chicureo

Camino Chicureo Km 1.7 – Colina
Horario de Atención: 8:00 – 14:00 hrs.
Telephone: (56-2) 581 5005
Fax: (56-2) 581 5008

Sucursal Ciudad Empresarial

Av. del Parque 4023 Local 110 y 111 – Huechuraba
Horario de Atención: 9:00 – 14:00 hrs.
Telephone: (56-2) 584 4683
Fax: (56-2) 584 4871

Sucursal El Cortijo

Av. Américo Vespucio 2760 C - Conchalí

Horario de Atención: 9:00 – 14:00 hrs.

Telephone: (56-2) 581 5534

Fax: (56-2) 584 4840

Sucursal Estoril

Av. Estoril 50 – Las Condes

Horario de Atención: 8:00 – 14:00 hrs.

Telephone: (56-2) 584 2292

Fax: (56-2) 584 2200

Sucursal La Dehesa

Av. La Dehesa 1744 – Lo Barnechea

Horario de Atención: 8:00 – 14:00 hrs.

Telephone: (56-2) 584 4465

Fax: (56-2) 584 4676

Sucursal Los Cobres

Av. Vitacura 6577 – Vitacura

Horario de Atención: 9:00 – 14:00 hrs.

Telephone: (56-2) 581 5519

Fax: (56-2) 581 5523

Sucursal Los Trapenses

Camino Los Trapenses 3023 Local 1,

Lo Barnechea

Telephone: 581 5572 - 581 5570

Fax: 581 5573 Horario: 8:00 - 14:00 hrs.

Sucursal Plaza Constitución

Agustinas 1235 – Santiago

Horario de Atención: 9:00 – 14:00 hrs.

Telephone: (56-2) 584 4832

Fax: (56-2) 584 4161

Sucursal Providencia

Av. 11 de Septiembre 2289 – Providencia

Horario de Atención: 9:00 – 14:00 hrs.

Telephone: (56-2) 584 4688

Fax: (56-2) 584 4699

Sucursal Quilicura

Av. Presidente E. Frei M. 9950 Of. 4 – Quilicura

Horario de Atención: 9:00 – 14:00 hrs.

Telephone: (56-2) 581 4691

Fax: (56-2) 538 6652

Sucursal Santa Elena

Santa Elena 2400 – San Joaquín

Horario de Atención: 9:00 – 14:00 hrs.

Telephone: (56-2) 584 4762

Fax: (56-2) 555 4750

Sucursal Santa María de Manquehue

Santa María 6904 local 15, Vitacura

Telephone: 581 5555 Fax: 581 5550

Horario: 8:00 - 14:00 hrs.

Sucursal Vitacura

Av. Vitacura 3706 – Vitacura

Horario de Atención: 9:00 – 14:00 hrs.

Telephone: (56-2) 584 4735

Fax: (56-2) 584 4627

Sucursal Antofagasta

Av. San Martín 2511 – Antofagasta

Horario de Atención: 9:00 – 14:00 hrs.

Telephone: (56-55) 536 500

Sucursal Viña del Mar

Av. Libertad 1097 – Viña del Mar

Horario de Atención: 8:00 – 14:00 hrs.

Telephone: (56-32) 251 5100

Fax: (56-32) 251 5120

Sucursal Concepción

Av. Bernardo O'Higgins 428 – Concepción

Horario de Atención: 9:00 – 14:00 hrs.

Telephone: (56-41) 290 8000

Fax: (56-41) 290 8021

Sucursal Temuco

Manuel Bulnes 701 – Temuco

Horario de Atención: 9:00 – 14:00 hrs.

Telephone: (56-45) 948 400

Fax: (56-45) 948 416

Sucursal Puerto Montt

Guillermo Gallardo 132 – Puerto Montt

Horario de Atención: 9:00 – 14:00 hrs.

Telephone: (56-65) 568 300

Fax: (56-65) 568 311

FACTORING SECURITY S.A .

HEAD OFFICE

Apoquindo 3150, piso 12, Las Condes

Telephone: (56-2) 5843 600

SANTIAGO CENTER

Agustinas 640, Piso 4, Torre La Interamericana, Santiago

Telephone: (56-2) 5843742

EL CORTIJO

Av. Américo Vespucio Norte 2880, piso 10, Of. 1007, Conchalí

Telephone: (56-2) 5843 709

SANTA ELENA

Santa Elena 2392, Of. 507-508, San Joaquín

Telephone: (56-2) 5843 607

ANTOFAGASTA

San Martín N° 2517, piso 3

Telephone: (56-55) 536 513

LA SERENA

Av. El Santo 1360

Telephone: (56-51) 470 030

VIÑA DEL MAR

1 Oriente 1063, Of. 403

Telephone: (56-32) 2766 080

RANCAGUA

Campos 423, Of. 406

Telephone: (56-72) 740990

TALCA

1 Norte 801, oficina 508

Telephone: (56-71) 340 021

CONCEPCIÓN

O' Higgins 420, piso 10, oficina 101

Telephone: (56-41) 2908 050

LOS ÁNGELES

Valdivia 300, piso 10 oficina 1002

Telephone: (56-43) 450095

TEMUCO

Claro Solar 835 piso 7(Edificio Campanario), oficina 701

Telephone: (56-45) 941 226

VALDIVIA

Independencia 521, Of. 305, Piso 3 Edificio Libertad

Telephone: (56-63) 360290

OSORNO

Manuel Antonio Matta 549, oficina 905

Telephone: (56-64) 450 012

PUERTO MONTT

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