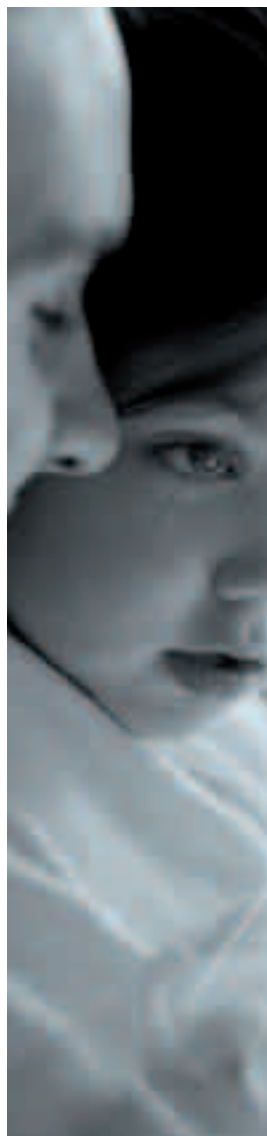




GRUPO | security

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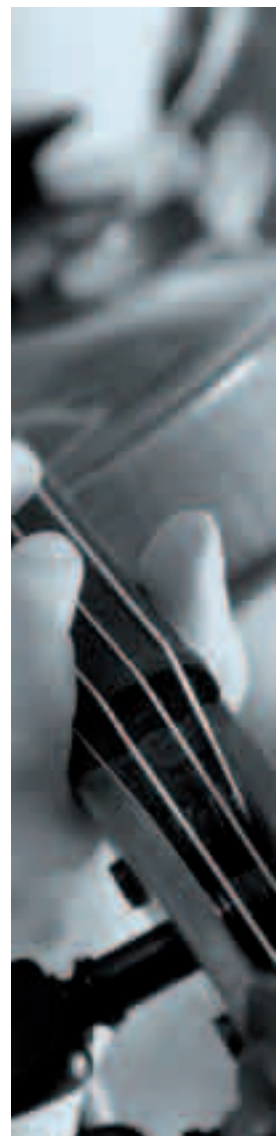


F I N A N C I N G

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 S



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GRUPO SECURITY SUMMARIZED UNCONSOLIDATED FINANCIAL STATEMENTS

Millions of nominal pesos, under Chilean GAAP

BALANCE SHEET	2002	2003	2004	2005	2006	2007	2008
ASSETS							
Current assets	8,172	9,988	12,256	7,194	7,455	13,529	13,550
Fixed assets	88	56	43	1,087	1,482	1,347	1,778
Other assets	115,676	129,157	190,842	208,709	276,907	313,949	323,034
TOTAL ASSETS	123,935	139,201	203,142	216,990	285,844	328,825	338,363
LIABILITIES							
Current liabilities	6,542	5,173	3,221	8,041	7,672	7,229	6,706
Long-term liabilities	21,449	28,805	39,150	34,675	68,522	81,641	84,864
Patrimonio	95,944	105,223	160,771	174,274	209,649	239,955	246,793
TOTAL LIABILITIES & EQUITY	123,935	139,201	203,142	216,990	285,844	328,825	338,363

INCOME STATEMENT	2002	2003	2004	2005	2006	2007	2008
Operating result	-1,740	-1,325	-1,485	-2,508	-3,435	-4,421	-3,404
Admin. & selling expenses	-1,740	-1,325	-1,485	-2,508	-3,435	-4,421	-3,404
Non-operating result	9,018	15,368	17,010	22,465	30,092	36,123	20,282
Financial income	327	188	267	348	459	623	671
Income investments in related companies	9,940	16,356	19,797	24,343	35,110	42,974	25,774
Other net non-operating income	204	208	59	1,339	112	538	1,893
Amortization goodwill	-43	-43	-916	-1,330	-1,835	-2,290	-2,493
Financial expenses	-1,600	-1,496	-1,642	-1,759	-3,029	-4,200	-3,787
Otros egresos fuera de la Exp.	0	0	-31	-4	-179	-677	0
Monetary correction	-41	71	-514	-468	-551	-845	-1,776
Exchange differences	232	85	-11	-3	5	-1	0
Income before income tax	7,278	14,043	15,525	19,956	26,657	31,702	16,878
Income tax	66	66	-19	254	90	316	782
Income	7,344	14,110	15,506	20,210	26,746	32,018	17,661
Negative goodwill	0	0	0	0	0	0	124
Net income for the year	7,344	14,110	15,506	20,210	26,746	32,018	17,785

FINANCIAL INDICATORS	2002	2003	2004	2005	2006	2007	2008
Coverage (times)	5,55	10,39	10,46	12,34	9,80	8,55	5,5
Total liabilities / Equity	29.2%	32.3%	26.4%	24.5%	36.3%	37.0%	37.10%
Number of shares	1,655	1,655	2,040	2,040	2,201	2,201	2,201
Earnings per share Ch\$	4,4	8,5	7,6	9,9	12,2	14,5	8,1
Return on Total Average Equity	7.9%	14.0%	11.7%	12.1%	13.9%	14.2%	7.3%
Return on capital & reserves	8.3%	15.5%	10.7%	13.1%	14.6%	15.4%	7.8%

FUENTE: FECU GRUPO SECURITY

01 financial summary

GRUPO SECURITY SUMMARIZED CONSOLIDATED FINANCIAL STATEMENTS

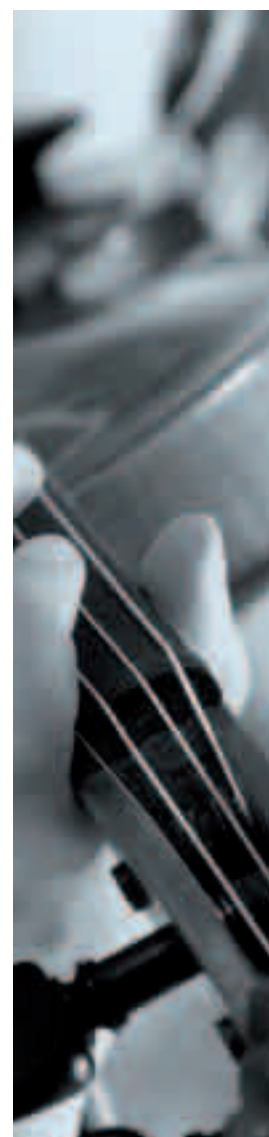
Millions of nominal pesos, under IFRS

CONSOLIDATED FINANCIAL STATEMENTS	2009	2010
Current assets	4,294,336	3,967,917
Non-current assets	182,220	205,325
TOTAL ASSETS	4,476,556	4,173,242
Current liabilities	3,908,543	3,582,463
Non-current liabilities	275,002	284,440
TOTAL LIABILITIES	4,183,545	3,866,902
Equity attributable to the shareholders	287,748	300,641
Minority participations	5,263	5,699
TOTAL EQUITY	293,011	306,340
TOTAL LIABILITIES & EQUITY	4,476,556	4,173,242

INCOME STATEMENT	2009	2010
EARNINGS (LOSS)		
Revenues from ordinary activities	307,179	348,044
Cost of sales	(175,141)	(199,319)
GROSS MARGIN	132,038	148,725
Other revenues, by function	1,375	1,281
Administrative costs	(90,949)	(86,934)
Other expenses, by function	(21,106)	(18,059)
OTHER EARNINGS (LOSSES)	1,353	2,366
Financial income	13	-
Financial costs	(5,807)	(4,122)
Share of income (Loss) in joint-venture accounted for using equity methodPart'n in earnings of associates & joint ventures booked using the part'n method	2,547	2,758
Exchange rate differences	12,669	4,583
Result of indexation units	7,943	(1,980)
Difference between previous book value & fair value of financial assets reclassified measured at fair value	(2,815)	566
EARNING (LOSS) BEFORE TAXES	37,261	49,183
Charge for income tax	(6,552)	(7,327)
EARNING (LOSS) FROM CONTINUING OPERATIONS	30,709	41,856
Earnings (loss) from discontinued operations		
EARNINGS (LOSS)	30,709	41,856
EARNINGS (LOSS) ATTRIBUTABLE TO:		
Stockholders of the parent company	29,986	40,852
Minority interest	723	1,004
EARNINGS (LOSS)	30,709	41,856

FINANCIAL INDICATORS	2009	2010
Financial expense coverage (times)	7,4	12,9
Liabilities / Equity	35.22%	30.52%
Number of shares	2,550	2,550
Earnings per share	11,8	16,0
Return on Total Average Equity	11.6%	13.9%
Return on capital & reserves	11.6%	15.7%

FUENTE: GRUPO SECURITY

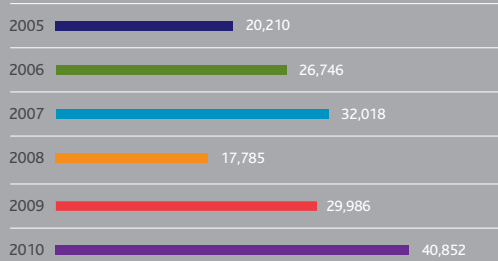




02 principal financial indicators

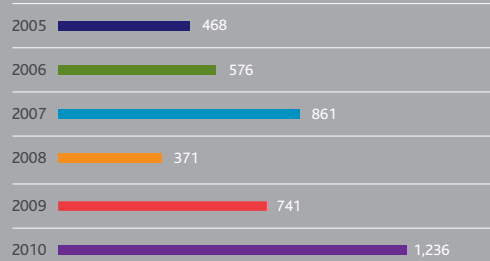
net income

MILLIONS OF NOMINAL CHS



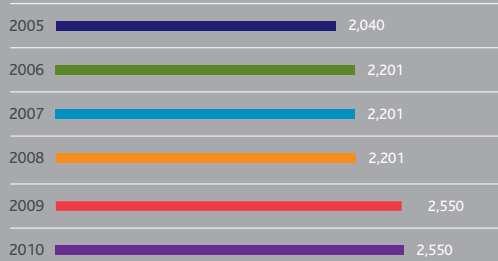
market capitalization

MILLIONS OF US\$



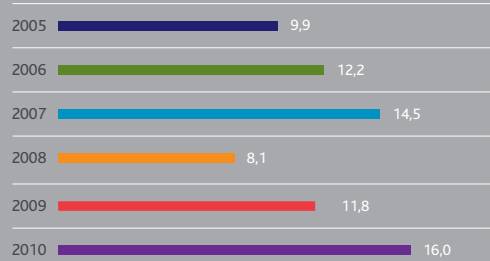
number of shares

MILLIONS

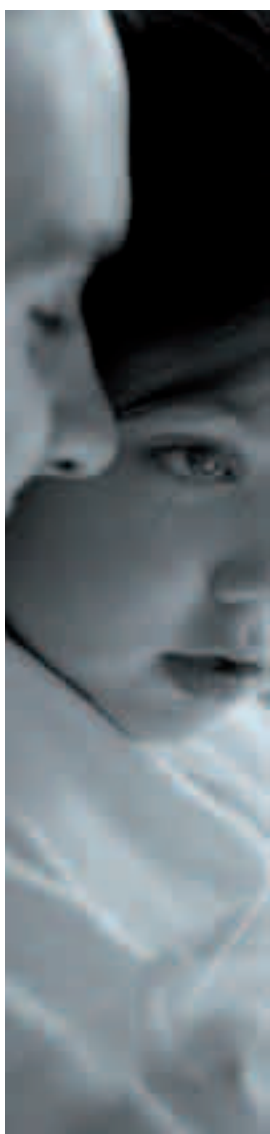


earnings per share

NOMINAL CHS



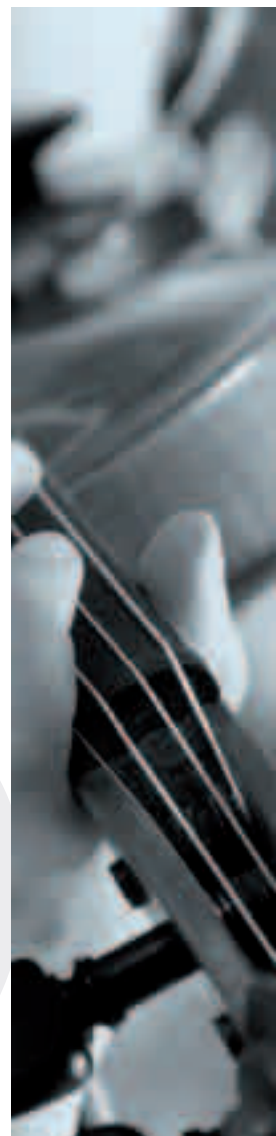
FUENTE: GRUPO SECURITY Y ECONOMÁTICA



letter from the chairman

03

GRUPO | security





GRUPO | security

DEAR SHAREHOLDERS

I have the pleasure to present to you the Annual Report of Grupo Security for the year 2010.

The year of Chile's bicentenary was dramatic, intense and productive, marked by a series of events that Chileans will never forget. The earthquake and tsunami of February 27 caused havoc in the national community whose effects we will continue to feel during the following year, despite the great reconstruction effort being made. In addition, there was the global impact caused by the accident and later rescue of the 33 miners in Copiapó, which showed Chile as an organized and efficient nation with a strong sense of leadership in the eyes of the world.

Throughout this frenzy of events, and despite the constant announcements of crisis in Europe, the Chilean economy enjoyed a period of growth and financial strength not seen for many years, thus following the rhythm of global activity which expanded by 4.7% in 2010.

The earnings of Grupo Security in 2010 amounted to Ch\$ 40,852 million, which represents a 36% increase over the previous year and best result since the creation of the Group. Profitability was 15.7% of capital and reserves, 11.6% more than in 2009, while the debt ratio moved from 35.2% in 2009 to 30.5% at the end of 2010.

Outstanding during the year was the performance of Banco Security and its subsidiaries, Valores Security Corredores de Bolsa and Administradora General de Fondos Security, which contributed earnings of Ch\$ 33,706 million, comparing favorably with Ch\$ 23,039 million reported for 2009. The return on equity of Banco Security was 16.3%, with a Basel ratio of 12.66%, while the risk ratio, measured as loss allowances to total loans, was 1.91%.

Valores Security Corredores de Bolsa reported earnings of Ch\$ 1,501 million. The effort to reorient the business on customers, rather than property trading, enabled the company to achieve a market share of 6.9% in stock market trading volumes and move up from sixth to fourth place in the ranking of stockbrokers in 2010, considering the Santiago Stock Exchange and the Chilean Electronic Exchange.

For its part, Administradora General de Fondos Security (AGF) closed with an excellent year, with a 44% increase in revenues which enabled it to improve its earnings from Ch\$ 2,616 million in 2009 to Ch\$ 3,762 million in 2010.

We are proud of the awards received by AGF, in particular the first place in the Salmón prizes in the following categories: emerging equity markets funds, with Fondo Mutuo Security Emerging market; 11 National equity funds, with Fondo Mutuo Security Acciones; and emerging equities guaranteed funds, with Fondo Mutuo Security Chile 105 Garantizado.



03 letter from the chairman

In the insurance area, Vida Security produced earnings of Ch\$ 13,554 million, 28% more than in the previous year. The good result reflected the favorable performance of its financial investments, maintaining claim rates within that expected. Corredora de Seguros Security, while receiving a significant increase in the demand for claim settlements following the earthquake, showed excellent relations with the insurance companies required to pay and their operative solidity, by settling all requirements to date.

It is important to mention that for the tenth consecutive year, the Great Place to Work Institute distinguished Grupo Security as among the best companies to work for in Chile. This prize reaffirms the Group's commitment to reconcile work and the family.

While we look at 2011 prudently, we nevertheless view it with optimism thanks to the positive performance of the economic activity indicators that have emerged in Chile. The Group has therefore made great changes in the structure of some of our companies, in order to enter new markets and offer new products to customers more efficiently and attractively. Grupo Security will continue to be recognized as a conglomerate of excellence that is consolidated year by year in the national industry, projecting itself as an important player in the financial market.

I should like once again to thank our shareholders for their trust in us and who believe in the projects we have undertaken. Since the first day, our vision has been to position ourselves as a group of companies gathered under the same objective: to provide value for what customers love most. This permits us to say that we are a Group with a solid brand, which has gained prestige and growth as a result of the joint efforts of all members of the organization. We expect the year 2011 to be very good for Grupo Security. We are confident we will achieve all the objectives we have set ourselves, as we have the necessary human team for meeting our targets.

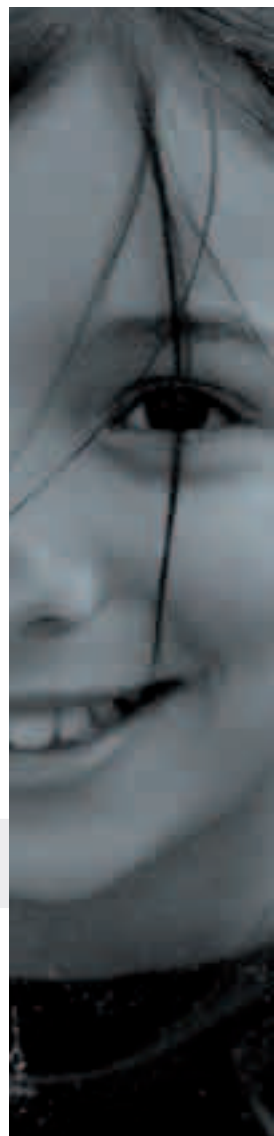
Francisco Silva S.
Chairman
Grupo Security



board and management

04

GRUPO | security





BOARD OF DIRECTORS

CHAIRMAN

Francisco Silva Silva

Civil Engineer, Universidad Católica de Chile, Engineer, Stanford University, Master of Science, Stanford University • Tax No.: 4.103.061-5

DIRECTORS

Claudio Berndt Cramer

Accountant, Universidad de Chile • Tax No.: 4.775.620-0

Andrés Concha Rodríguez

Commercial Engineer, Universidad de Chile • Tax No.: 4.773.967-5

Jorge Marín Correa

Business Manager • Tax No.: 7.639.707-4

Naoshi Matsumoto Takahashi

Commercial Engineer, Universidad Católica de Chile • Tax No.: 3.805.153-9

Horacio Pavez García

Civil Constructor, Universidad Federico Santa María • Tax No.: 3.899.021-7

Juan Cristóbal Pavez Recart

Commercial Engineer, Universidad Católica de Chile, Master of Business Administration, Massachusetts Institute of Technology • Tax No.: 9.901.478-4

Ana Saíñz de Vicuña

BSc Honours Degree Agricultural Economics, Reading University, U.K • Tax No. 48.128.454-6

Álvaro Vial Gaete

Commercial Engineer, Universidad de Chile, Master of Arts in Economics, University of Chicago. Tax No.: 5.759.348-2

04 board and management

SENIOR MANAGEMENT

PRESIDENT

Renato Peñafiel Muñoz

Commercial Engineer, Universidad Católica de Chile • Master of Arts in Economics, University of Chicago • Tax No.: 6.350.390-8

MANAGING DIRECTOR, ASSET MANAGEMENT AREA

Carlos Budge Carvalho

Agronomist and Masters in Agrarian Economics, Universidad Católica de Chile • Master of Arts and Ph.D., Applied Economics, Stanford University • Tax No.: 7.011.490-9

SENIOR VICE-PRESIDENT OPERATIONS AND TECHNOLOGY

Gonzalo Ferrer Aladro

Industrial Engineer, Universidad de Chile • Master of Business Administration, Universidad Católica de Chile • Tax No.: 7.471.130-8

SENIOR VICE-PRESIDENT, PLANNING AND DEVELOPMENT

Fernando Salinas Pinto

Commercial Engineer and Master of Business Administration, Universidad Católica de Chile • Tax No.: 8.864.773-4

MANAGING DIRECTOR, INSURANCE AREA

Andrés Tagle Domínguez

Commercial Engineer, Universidad Católica de Chile • Tax No.: 5.895.255-9

SENIOR VICE-PRESIDENT, MARKETING

Alejandra Zegers Correa

Commercial Engineer, Universidad Católica de Chile • Tax No.: 10.201.117-1





PREMIOS SALMÓN

Nuevamente, Inversiones Security se convirtió en una de las Administradoras más premiadas de la industria en los Premios Salmón, distinción que anualmente entregan Diario Financiero y la Asociación de Administradoras de Fondos Mutuos. La Administradora recibió tres importantes reconocimientos por sus fondos Security Emerging Market, Security Acciones y Security Chile 105 Garantizado.

MEJOR MEMORIA DEL SECTOR FINANCIERO

Una vez más, Grupo Security tuvo una destacada participación en el XV Concurso Anual de Memorias Estrategia – PricewaterhouseCoopers al obtener el premio a la Mejor Memoria del Sector Financiero. El premio es un reconocimiento al trabajo realizado, con el fin de entregar información valiosa y transparente a todos los accionistas.

MEJORES EJECUTIVAS DE CHILE

Alejandra Zegers, Gerenta de Marketing y Calidad Corporativa del Grupo Security, fue distinguida entre una de las 15 mejores ejecutivas chilenas por el ranking realizado por Revista Ya de El Mercurio.

SUPERVENTAS 2010

Mandatos Security fue distinguida como la mejor empresa del sistema bancario en la premiación Superventas 2010, que realiza Diario Financiero en conjunto con la Universidad Autónoma de Chile, donde premian empresas del sector financiero, retail, comunicaciones, salud, entre otros.

05 recognitions

COMPANIES WITH BEST REPUTATION IN CHILE

Grupo Security is among the 50 best-reputed companies in Chile, according to a ranking published in El Mercurio of the first Corporate-Reputation Survey carried out in the country. The survey comprised interviews with company directors, valuations of groups of interest like financial analysts, NGOs, consumer associations and consumers.

GREAT PLACE TO WORK CHILE

For the tenth consecutive year, Grupo Security was recognized as one of the best companies to work for in Chile, in obtaining 15th place in the ranking prepared every year by the Great Place to Work Institute. This year, Travel Security joined the other five subsidiaries of Grupo Security that were distinguished with this award. Thus Banco Security, Inversiones Security, Corredora de Seguros Security, Factoring Security, Vida Security and Travel Security are now present among the best companies to work for in the country.

ESTRATEGIA 2010 PRIZE

On the 32nd anniversary of the Estrategia newspaper, the traditional prize-giving took place to recognize the best of the year in business, institutional and outstanding personalities for their contribution to national life. Grupo Security was recognized in the category Business Group as a result of the growth in all of its business areas, their profitability, and leadership in its target segments.



ECONOMIC SEMINAR

More than 1,000 customers, executives, academics and leaders of opinion attended the economic seminar organized by Grupo Security, with the participation of the well-known economist Ricardo Caballero. This year, the seminar was also transmitted via streaming, which enabled it to be connected to 500 users who watched the presentation from their place of work or homes.

LUNCH WITH RICARDO CABALLERO

A select group of investors, businessmen, authorities and economists attended a lunch with Ricardo Caballero, organized by Inversiones Security. The academic from Massachusetts Institute of Technology (MIT) shared his views with the guests about the global economy, the crisis and the recovery.

CORPORACIÓN LA ESPERANZA

1,400 people attended the traditional bingo organized by Corporación La Esperanza in May, in order to raise funds for contributing to the rehabilitation of poor young people addicted to drugs. At the event were several rehabilitated youngsters who sat at the various tables to share their experiences. There were also entertaining competitions for the participants.

CORPORACIÓN MATER

The bingo organized in July by Corporación Mater was a complete success. The funds raised are for improving the attention and treatment of children with kidney problems. The bingo, animated by Luis Jara, included many surprises for the more than 1,300 participants to enjoy.

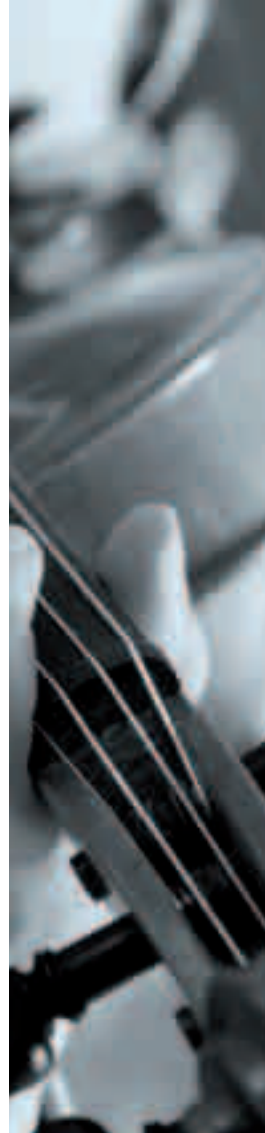
06 activities

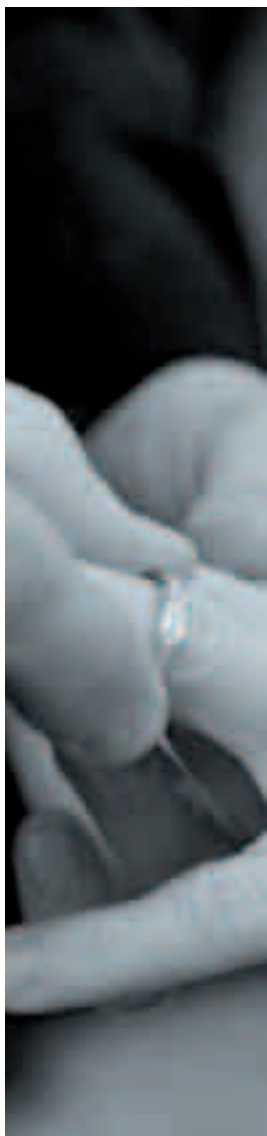
ENCUENTRO JUVENTUD Y FAMILIA

The 8th Encuentro de Juventud y Familia was held at Everest College in April. There were many activities for adults, young people and children, all related to its theme for this year: the reconstruction of the soul of Chile". Grupo Security collaborates annually in this activity.

FAMILIA UNIDA LECTURES

The Club Manquehue was the scenario in 2010 for the cycle of lectures organized by Familia Unida every year, and sponsored by Grupo Security. These cycles provide tools to parents to assist them in their role of child upbringing and support in their family relations.





FUNDACIÓN LAS ROSAS 1 + 1 SOLIDARITY CAMPAIGN

The earthquake affected the nursing homes of Fundación Las Rosas, damaging and destroying various centers. Grupo Security therefore organized the 1 + 1 campaign to raise funds for buying blankets and diapers and helping with the reconstruction of the homes. The employees' contribution amounted to Ch\$17,895,000, which amount was doubled by the Group to produce a total of Ch\$35,790,000.

CAMPAÑA DEL KILO SOLIDARIO FOR PELLUHUE

The solidarity of all Group employees was felt even more in the Campaña del Kilo Solidario, organized to provide foodstuffs for the residents of Pelluhue. The target was amply met with the help of everyone, as more than 3,500 kilos of food were collected.

06 activities

A SCHOOL FOR VILLA PRAT

In May, four new emergency classrooms were donated by Grupo Security to the Villa Prat School in the district of Sagrada Familia, Curicó. These accommodated 350 children who also received a gift of a backpack with school implements and a dictionary.

BASIC HOMES

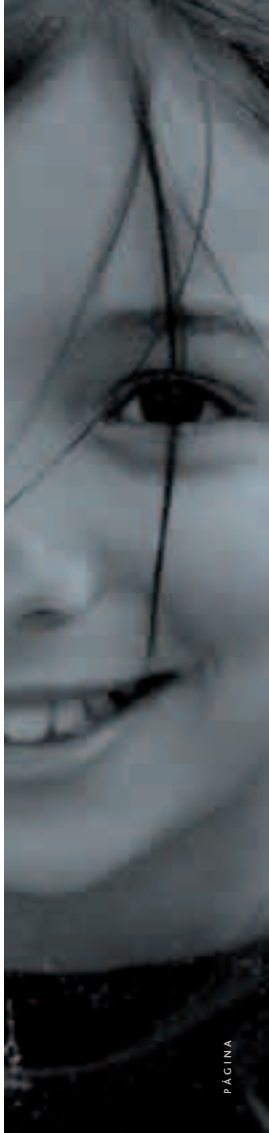
Thanks to the solidarity spirit of over 1,000 employees and their families, 55 basic homes were built in the locality of Chancón in the 6th Region. The families gave part of their free time at weekends over two months to build houses for those who lost everything on February 27.

"DONA TU BICI"

Employees of Grupo Security took part in the "Dona tu Bici" campaign, which involved giving away their bicycle or part of it to people affected by the earthquake in Iloca and Llico.

NOCEDAL RUN

Over 1,000 people took part in the third family run organized by Fundación Nosedal and sponsored by Grupo Security. The object was to raise funds for the growth of this foundation whose purpose is to provide quality education for children from the poorest sectors.





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 64% of the bank to the current shareholders of Grupo Security, its name changing to 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.

1993

The subsidiary Asesorías Security is created, representing Dean Witter Reynolds & Co., United States, in Chile.

1994

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

1995

Grupo Security lists its shares on the stock market and acquires a majority holding in AFP Protección 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 the company. Merchant Security is incorporated into Inmobiliaria Security.

1997

Grupo Security makes a share split. In October, it makes a change of corporate image and incorporates the company Securitizadora Security, a subsidiary of Merchant Security, into 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. Corredora de Seguros Security and Global Security are created.

2001

Two subsidiaries of Servicios Security S.A. are formed (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 the companies of the conglomerate. 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 from Asesorías Security and the international private banking business of Banco Security, and adopts the name Asesorías Security S.A. Inversiones Seguros Security Limitada achieves a 73.69% participation in Servicios Security, the parent of the companies dedicated to insurance broking. The insurance companies become known as 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.. 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 of Seguros Generales Las Américas and Seguros Security Previsión Generales is completed under the name of Penta Security. Grupo Security makes a capital increase of close to US\$58.5 million. 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.

2005

Feller Rate confirms the 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. Grupo Security acquires Cigna Compañía de Seguros de Vida and Cigna Asistencia Administrativa 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.

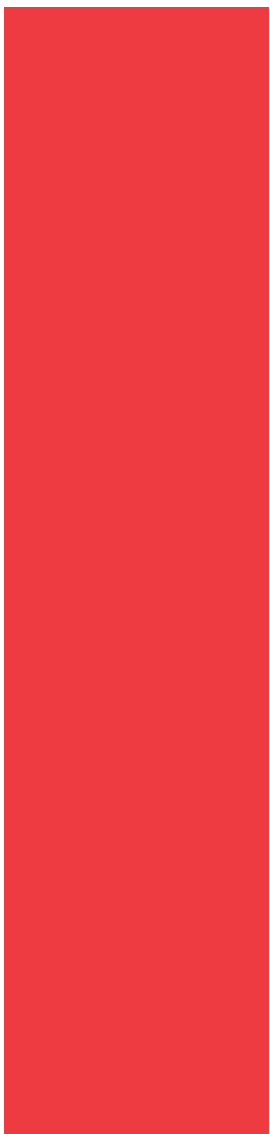
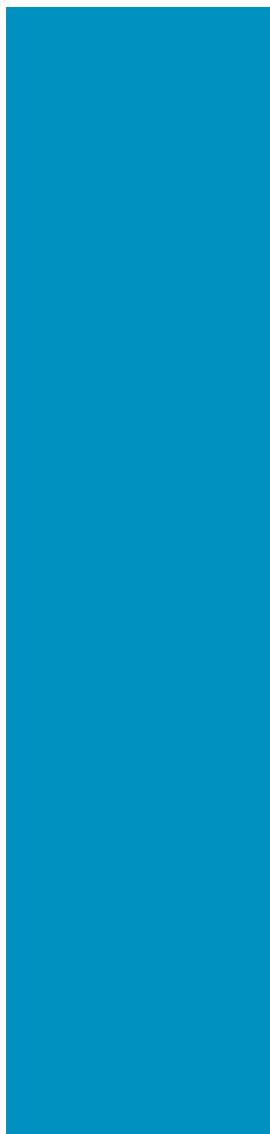
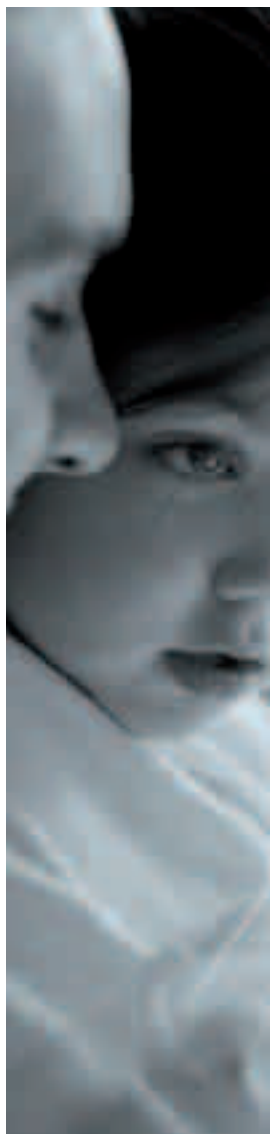
2009

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 portfolio of Andueza y Compañía. Grupo Security successfully places a bond issue of UF 750,000.

2010

Grupo Security adopts International Financial Reporting Standards, IFRS, from January 1. On May, Grupo Security bond-holder meetings for the Series B-2, C-2, D and E unanimously approve modifications to the bond indentures in order for their provisions and clauses to be adapted to IFRS accounting. A strategic revision is begun, within a 3-year work plan of the business models of each of the subsidiaries.

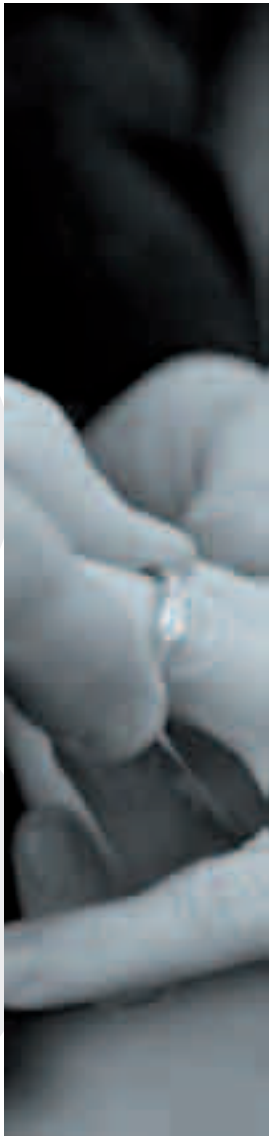
07
history



economic context

08

GRUPO | security





ECONOMIC CONTEXT

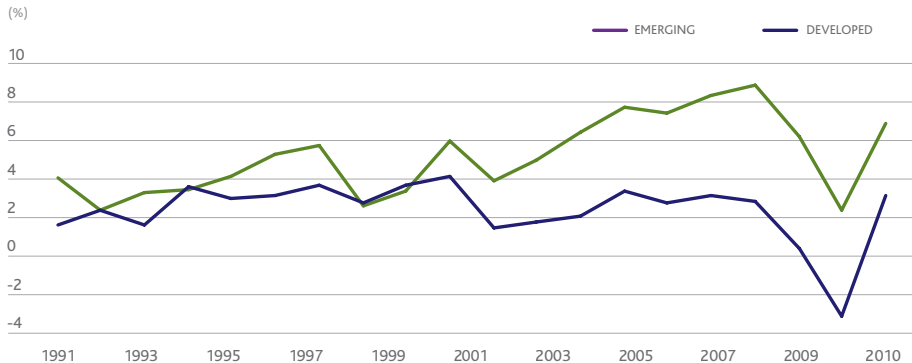
EXTERNAL ENVIRONMENT: FROM SCEPTICISM TO OPTIMISM

The implementation in 2009 of unprecedented measures by the monetary and fiscal authorities, oriented to resolving the problems generated by the global financial crisis, improved economic prospects toward the end of that year. However, doubts early in 2010 about the fiscal solvency of certain countries (especially Dubai, Greece and Ireland) generated further uncertainty about the evolution of global recovery.

However, the fiscal adjustment packages and international assistance contributed to limiting the impact of the problems in Europe on the rest of the world and led to viewing reactivation more optimistically. At the same time, the United States and the emerging economies continued to show strong growth in a context characterized by rises in commodity prices and stock markets, and a further weakening of the dollar against a basket of currencies.

The external scenario faced by Chile in 2010 therefore evolved from scepticism to optimism with respect to global reactivation, with a marked decoupling in economic performance between the developed and emerging nations.

GDP GROWTH: DEVELOPED AND EMERGING ECONOMIES



SOURCE: ESTUDIOS SECURITY

CHILE: REACTIVATION CONSOLIDATED

At the local level and according to preliminary figures, GDP grew by 5.2% in 2010, consolidating the recovery following the global crisis and overcoming the impact of the earthquake that affected the center-south of the country on February 27.

Domestic demand showed strong growth, although moderating toward the end of the year, of around 15% in 2010. The disaggregation of this variable shows strong growth in private spending

08 economic context

(close to 10%) driven by increased global dynamism, more favorable financial conditions and better labor-market perspectives.

Fixed-capital investment also showed robust growth of around 18%, following a rise in the confidence of consumers and businesses during the year, and the reactivation of projects detained during the crisis.

The improvement in the global scenario led to a 3.1% increase in volumes exported and 29.6% in value (totaling US\$ 69,622 million), while imports grew by 27.9% in volume and 37.1% in value (US\$ 54,499 million), in line with the strength of domestic demand and the appreciation of the peso.

The trade balance thus ended the year with a surplus of US\$ 15,123 million and the current account concluded the year with a positive balance of around US\$ 1,400 million, equivalent to 0.7% of GDP.

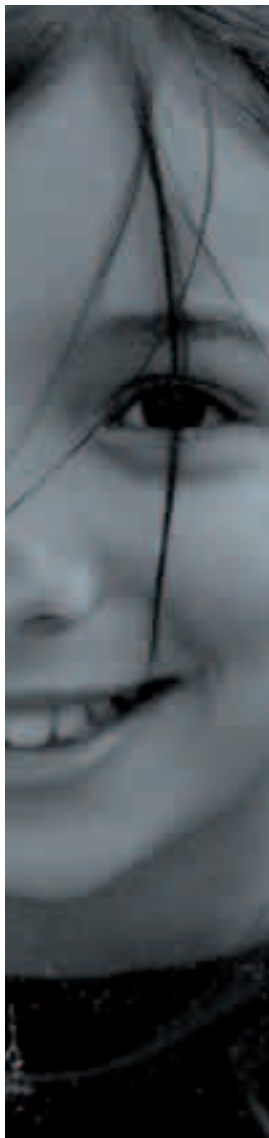
The fiscal position, following a deficit of 4.4% of GDP in 2009, closed last year with a small negative balance of 0.4% of GDP as a consequence of the change in spending (which grew by 7%) and the 46% increase in copper prices (from an average of US\$ 2.33 per pound to US\$ 3.41). The consumer price index (CPI) showed monthly increases during most of the year, mainly due to volatile components and specific rises. The 12-month inflation rate therefore passed from negative variations at the beginning of the year to close at a positive 3%, in line with the central bank's policy.

Regarding the underlying inflation indicators, the IPCX (which excludes fuels, fruit and fresh vegetables) ended the year at 2.5%, while the IPCX1 (which also excludes regulated public-utility tariffs and other volatile prices) for the year was a rise of 0.1%.

In this context, while the 12-month CPI increased during the year, domestic demand was highly dynamic and idles of capacity started to close more quickly than expected. The central bank therefore began a process of monetary normalization in the middle of the year, raising the benchmark interest rate from 0.5% to 3.25% by the end of 2010, and the complementary measures implemented during 2009 were withdrawn.

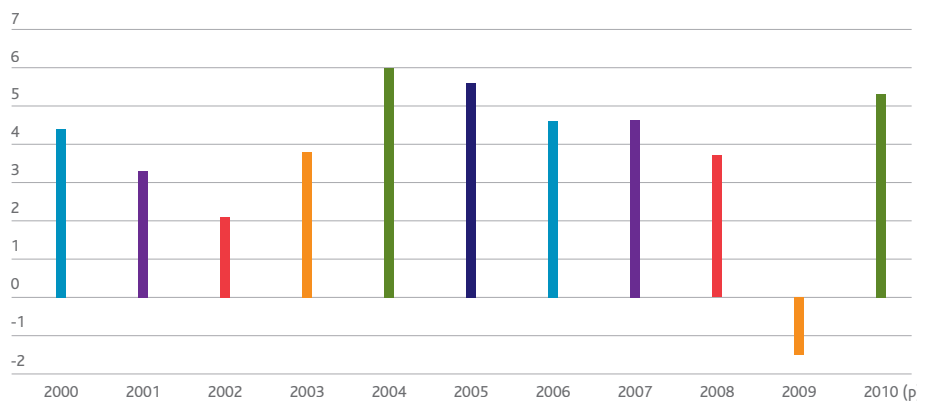
The Chilean peso continued to appreciate during 2010, in line with the weakness of the dollar, the positive perspectives and evolution of the world economy, expansive financial conditions and the recovery of raw material prices, with the consequent improvement in the terms of trade. The peso-dollar exchange rate declined from Ch\$507 at the start of 2010 to Ch\$468 by the end of the year, equivalent to a change of around 8%, and of 15% compared to the highest level of the year (Ch\$548.3 on June 8).





CHILE: GDP GROWTH

(%)



FUENTE: ESTUDIOS SECURITY

CHILE: ECONOMIC INDICATORS

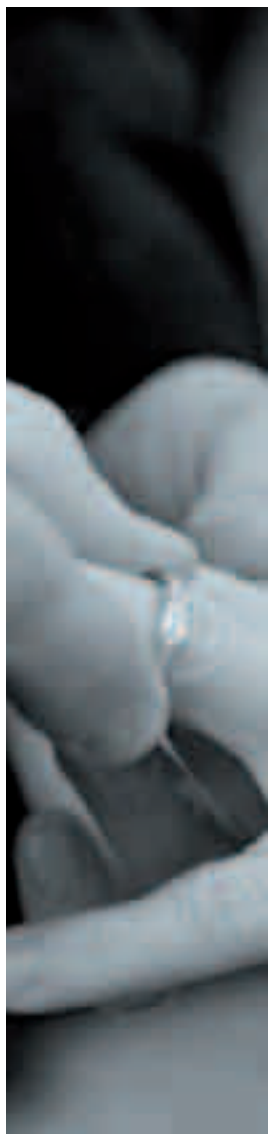
	2006	2007	2008	2009	2010 (p)
GDP (US\$ million)	146.8	164.3	170.9	163.7	206.2
GDP per Capita (US\$)	8,931	9,900	10,192	9,668	12,064
GDP (change %)	4.6	4.6	3.7	-1.5	5.2
Domestic spending (change %)	6.8	7.6	7.6	-5.9	15.4
Private consumption	7.1	7.0	4.6	0.9	10.1
Fixed capital investment	2.3	11.2	18.6	-15.3	18.9
Exports (real change %)	5.1	7.6	3.1	-5.6	3.1
Imports (real change %)	10.6	14.5	12.2	-14.3	27.9
Global Growth PPP (%)	5.1	5.2	2.8	-0.9	4.7
Terms of Trade (2003=100)	163.4	165.9	139.1	144.9	171.9
Copper price (avrg US\$ cents/pound)	305	323	316	234	342
Oil Price WTI (US\$ p/b, avrg)	66	72	100	62	79
Federal Funds Rate (y/e, %)	5.3	4.3	0.1	0.1	0.1
Libor 180d (y/e, %)	5.4	4.6	1.8	0.4	0.5
US 10-year Treasury Bond (y/e, %)	4.7	4.0	2.2	3.8	3.3
Euro (y/e, US\$)	1.3	1.5	1.4	1.4	1.3
Yen (y/e, ¥/US\$)	119.1	111.7	90.6	93.0	81.1

08 economic context

	2006	2007	2008	2009	2010 (p)
Trade Balance (US\$ millions)	22.8	23.9	8.8	14.0	15.1
Exports (US\$ millions)	58.7	68.0	66.5	53.7	69.6
Imports (US\$ millions)	35.9	44.0	57.6	39.8	54.5
Current Account (US\$ millions)	7.2	7.5	-2.5	4.2	1.4
Current Account (% of GDP)	4.9	4.5	-1.5	2.6	0.7
Total Savings (national + external), % of GDP	20.1	20.5	25.1	19.0	23
Gross national savings	24.9	25.1	23.2	21.6	23.5
Central government	8.9	9.9	6.8	-2.5	1.5
Private sector	16.0	15.1	16.4	24.1	22.1
External savings (current account deficit)	-4.9	-4.6	1.9	-2.6	-0.6
Balance central government (% of GDP)	7.7	8.8	5.3	-4.4	-0.4
CPI Dec-Dec (%)	2.6	7.8	7.1	-1.4	3.0
Underlying CPI (IPCX) Dec-Dec (%)	2.6	6.5	8.6	-1.8	2.5
Inflation trend (IPCX1) Dec-Dec (%)	2.1	6.3	7.8	-1.1	0.1
BCCh relevant external Inflation (avrge, %)	5.3	8.5	12.2	-7.2	5.6
Monetary policy rate (y/e, %, in Ch\$)	5.3	6.0	8.3	0.5	3.3
BCU-10 base 365d (y/e, % in UF)	2.7	3.0	3.3	3.3	2.9
BCP-10 base 365d (y/e, % in Ch\$)	5.7	6.4	6.2	6.4	6.1
Exchange rate (avrge, Ch\$/US\$)	530	522	522	560	510
Exchange rate (y/e, Ch\$/US\$)	534	496	629	506	468
Employment growth (%)	1.6	2.8	3.0	0.1	7.4
Growth of workforce (%)	0.1	2.1	3.7	1.9	4.2
Unemployment rate (avrge %)	9.3	8.6	9.3	10.8	8.1
Real wages (avrge %)	2.0	2.9	-0.2	3.8	2.2
Foreign debt (US\$ millions)	49.5	55.7	64.3	74.0	78.2
Net total foreign liabilities (US\$ millions)	15.7	-0.7	30.2	19.6	18.2
Net total foreign liabilities (% GDP)	10.7	-0.4	17.7	11.9	8.8
Net total foreign liabilities (% exports)	23.6	-0.9	39.1	31.4	23.0
Net international reserves (US\$ millions)	19.4	16.9	23.2	25.4	27.9

FUENTE: ESTUDIOS SECURITY





strategic pillars

09

GRUPO | security





STRATEGIC PILLARS 2010

Since its inception, Grupo Security has positioned itself as a group of companies that have important participations in the different sectors of the Chilean financial industry.

The Group has therefore a presence in areas as Financing, Investments, Insurance, Travel and Real-Estate Projects, which enable its customers to find in the Security companies all the financial services they require throughout their lives.

The key to the good functioning of this model is what the company calls its "Strategic Pillars", these being 6 specific points on which the company and its employees set their growth targets each year and which sustain the Group's identity.

BRAND

A very important asset for the Security Group is its brand which reflects the professionalism, proximity and transparency towards its customers, widely recognized in the financial industry. 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 and its companies.

Work is therefore carried out year by year in positioning Grupo Security as a combination of companies that accompany their customers with a committed and expert team in different business areas, in order to respond always to their interests and challenges as if they were ours.

In a difficult year like 2010 and following the February earthquake, the campaign's objective was to strengthen our commitment and closeness to customers, transmitting that "We Are Present". We therefore worked on a message that said "as you need campaigns now that truly support you, count on the companies of Grupo Security". Each company also worked on a plan to support those mainly affected, together with seeking different ways to guide customers at that time.

The defined strategy also contemplated the integration in social networks, for which an account was created on Facebook: "Entertainment in Grupo, and another opened on Twitter, @grupo_

09 strategic pillars

security, where information can be found on Grupo and its companies. There is also a gallery of photos on Flickr and YouTube, where all our audiovisual compilation is found. All this is in order to open a space of reciprocal communication and as we are convinced that the social networks are the most efficient way of communication and reach more customers.

OUR PEOPLE

Since its beginnings, Grupo has been especially concerned about the development of its human capital, which it considers as fundamental to its performance. It has designed an internal policy focused on promoting values like transparency, professionalism and proximity to the customer, with a highly-motivated staff committed to the achievement of the company's objectives and customers' needs.

The human capital of Grupo Security in 2010 was 2,267 employees, of which 61.3% were women. Over 80% of the staff have technical or university qualifications. A complete incentives plan has been developed for all of them, based on the achievement of goals of return on capital and reserves and compliance of the budget set for each year.

Based on principles like loyalty, respect and trust, Grupo Security in 2010 was distinguished again by the Great Place to Work Institute, praising all our business areas.

COMMUNITY

Every year, Grupo Security seeks to reinforce its links with the community and its customers. This year in particular, a large part of the efforts was directed to supporting the reconstruction of areas affected by the earthquake, donating emergency classrooms, building basic homes and providing food in different communities. In terms of entertainment and culture, Grupo Security organized events with its customers like shows, seminars, film cycles, etc.

PRODUCTS AND SERVICES

Our Group has been gradually increasing its business in the financial sector, implementing a strategy of segmentation in each of them. This has enabled Grupo Security to diversify its sources of revenue and expanded its portfolio of services, with successful results.





Security has constantly organized its business structure to confront the competitive national market through the formation of support companies dedicated to corporate matters like human resources, information technology, communications, accounting and auditing in a centralized manner. These changes have optimized production and processes and increased performance control capacity, capitalizing the economies of scale associated with the larger size of the Group and taking advantage more efficiently of inter-area relations. Grupo Security thus has a wide range of suitable financial products and services for its customers.

COMMERCIAL INTEGRATION

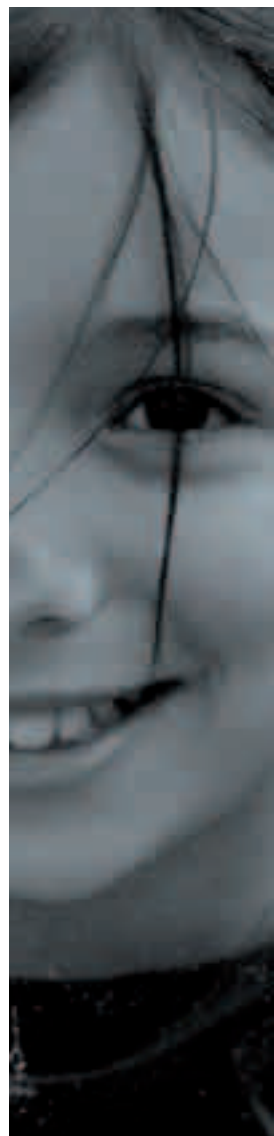
Security is constantly introducing plans for expanding its objective-market customer base, comprising large and medium-sized companies plus high-income individuals. An important part of this strategy includes the commercial integration between all the subsidiaries of Grupo Security thanks to the successful search for commercial synergies. The Company currently has a broad customer base of over 100 thousand individuals and companies which can make use of cross selling. The Group is thus able to cover financing, investment, travel and insurance needs with our companies, increasing the profitability and loyalty of the customers. Through internal campaigns, a correct brand positioning and the company's efforts over the period 2006-2010, the number of customers working with more than one Group company has grown from 6,933 to 15,351 in the case of individuals and from 2,012 to 2,597 in the case of companies.

09 strategic pillars

RISK MANAGEMENT

Grupo Security has had an integral risk-management model since 2007, prepared by the Controller and Corporate Business Management area, in order to minimize the potential losses inherent to the financial business. This unit, coordinated with all the business areas, manages, consolidates and reports periodically to the Group's board on the degree of progress in the processes. The model identifies dynamically the most important risks of each of the companies, suitably orienting the necessary mitigation investment. Grupo Security thus has a management coherent with the regulatory requirements, with a model of integral, consistent and synergy-related governance, taking into account the strategic, operational, financial and compliance objectives. The conglomerate is therefore constantly improving its corporate governance, while managing to provide first-class products and services to its customers.





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 S

business areas

10

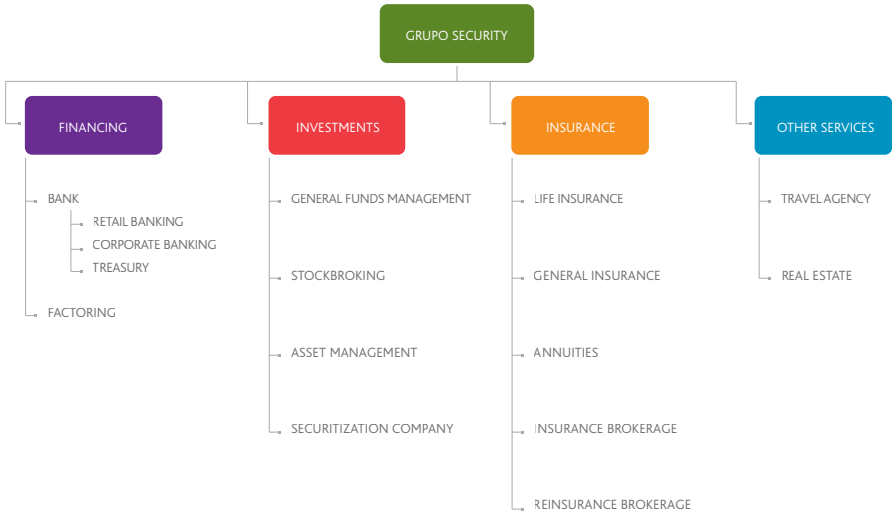
GRUPO | security



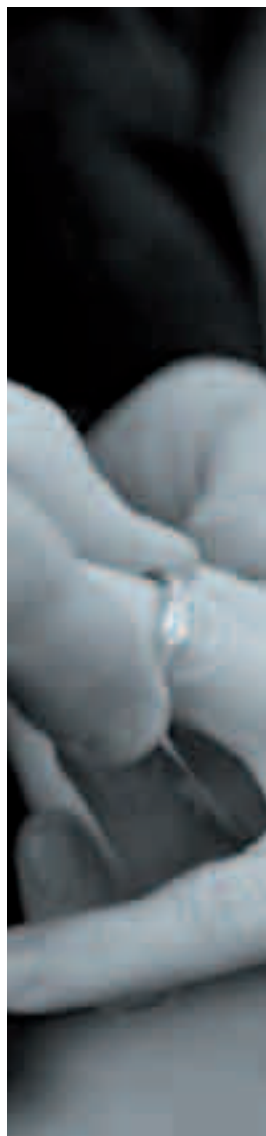


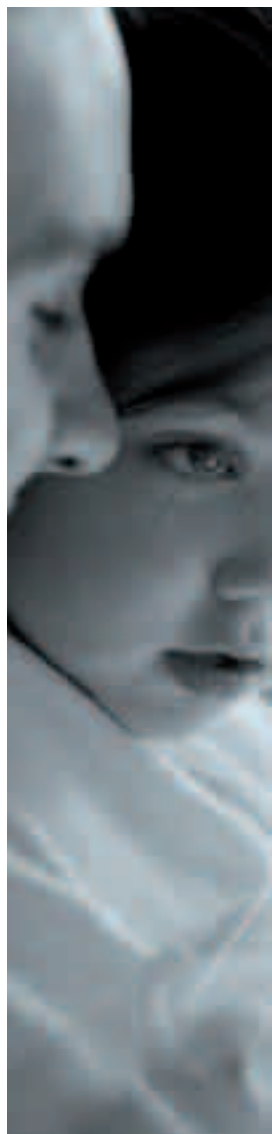
The earnings of Grupo Security in 2010 were Ch\$40,852 million and the dividends paid to its shareholders during the year amounted to Ch\$20,400 million, the equivalent of 50% of the year's earnings. As of December 31, 2010 the financial expense coverage was 12.93 times. According to the statement of financial position of Grupo Security as of December 31, 2010, its equity was Ch\$300,641 million and its total assets Ch\$4,173,242 million, showing a debt ratio of 0.31 times.

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



10 business areas





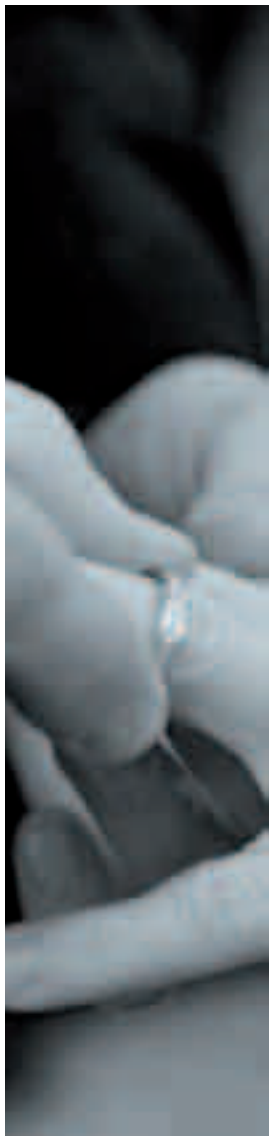
business areas

10

GRUPO | security



F I N A N C I N G



FINANCING

BANKING INDUSTRY

Banking was the first industry in Chile to adopt, in 2009, the IFRS (International Financial Reporting Standards), so the financial statements for 2010 are consistent with international practices, thus contributing to a better disclosure and understanding of this information.

2010 was a very good year for the Chilean banking industry. The strong growth in earnings was driven by the recovery of credit, the transition from negative inflation to the target range of the central bank and a lower level of risk. The maintenance of expansive financial conditions together with the consolidation of economic growth, the improvement in consumer confidence and greater flexibility in granting credit, allowed the system's loans to grow.

The interest margin benefited from the increase in inflation expectations and the increase in loans, given the structural mismatch in UF of the banks. The reduction in unemployment and economic stability reduced risk indicators and improved the quality of the loan portfolio. In this scenario, the system produced a return of around 18.6%.

LOANS

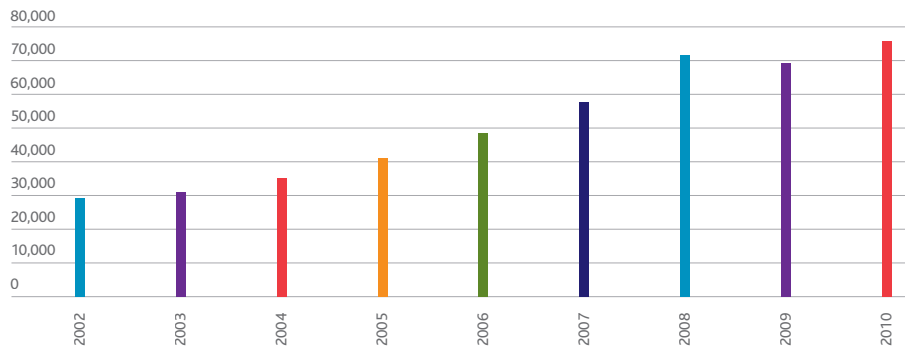
Loan volumes at December 2010 amounted to Ch\$ 75,979 billion, representing a growth of 7.7% over the year before.

The distribution of total loans of the system was as follows: 60.1% commercial loans, 25.8% housing loans, 12.8% consumer loans and 1.3% loans to banks. In terms of changes in volumes of the different kinds of loans, commercial loans increased by 6.9%, housing loans by 11.6% and consumer loans by 11.9%, while loans to banks declined by 36.3%.

10 business areas

FINANCIAL SYSTEM LOANS

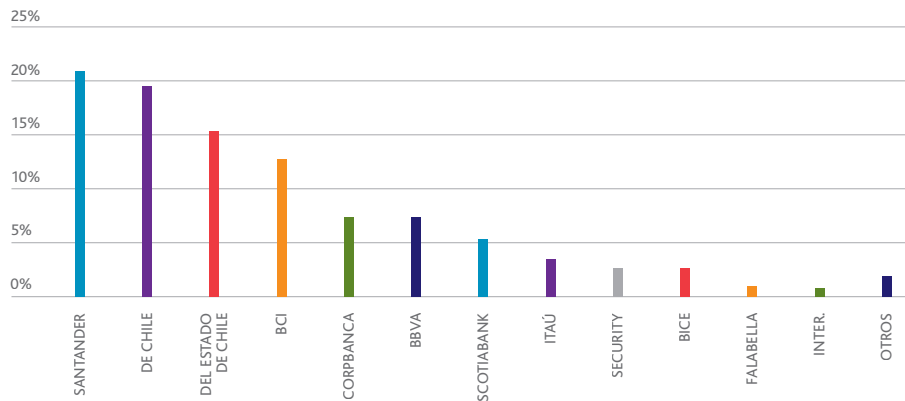
BILLIONS OF NOMINAL CH\$



FUENTE: SBIF

MARKET SHARE OF SYSTEM LOANS

A DICIEMBRE 2010



FUENTE: SBIF

RESULTS

The results for Chilean financial system showed after-tax earnings of Ch\$1,584 billion (approximately US\$ 3,382 million) for the year 2010; distributable earnings rose by 30% over 2009. The return on capital and reserves was 18.6% (18% in 2009), while the return on total assets was 1.46%. The generation of these results is mainly explained by reduced charges for credit risk and a higher operating efficiency of the financial system.

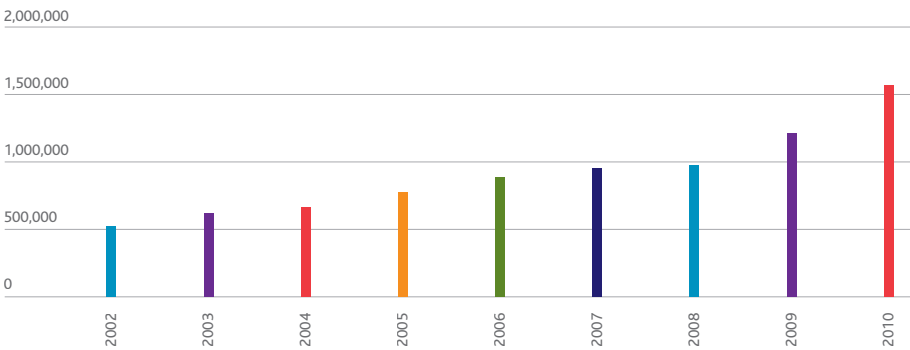




The following graph shows the evolution of earnings and annualized return on capital and reserves.

FINANCIAL SYSTEM EARNINGS

MILLIONS OF NOMINAL CH\$



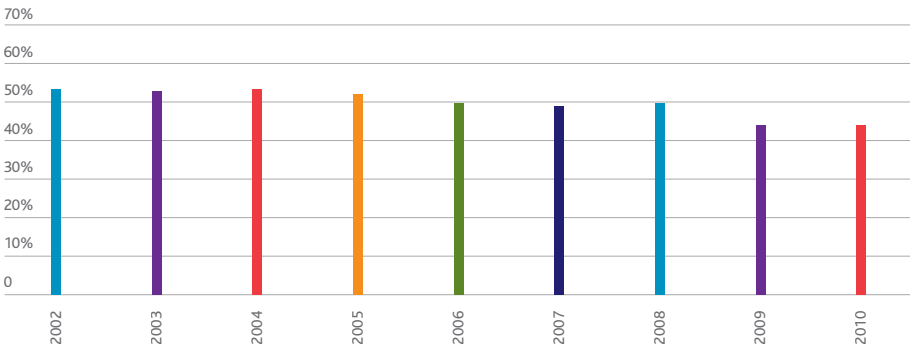
FUENTE: SBIF

OPERATING COSTS

As a proportion of the gross margin, these costs have remained stable over the last two years. This situation is explained by the implementation of more austere policies in the banking system and by the controlled inflation which reduced wage-increase expectations.

EFFICIENCY RATIO

(%)



FUENTE: SBIF

RISK

The financial system's allowances indicator was 2.49% of loans in December 2010, a deterioration with respect to 2.39% in December 2009.

10 business areas

The risk indicator for consumer loans was 6.43% in December, while those for housing loans was 1.05% and commercial loans 2.32%. The ratio of the portfolio overdue 90 days or more was 2.71%.

RESULTS OF BANCO SECURITY

Banco Security's strategy falls within the guidelines of its parent, Grupo Security, to be positioned as an integral supplier of financial services through a coordinated management of its different business areas. In this context, the Bank has maintained high standards of attention as a differentiating attribute, in order to establish long-term relationships with its customers. It therefore has a wide range of products and services which provide it with cross-selling opportunities and personalized attention between customers of the different Group customers.

RESULTS OF THE BANK

The earnings of the Bank and its subsidiaries in 2010 were Ch\$33,710 million, representing a 46.3% increase over the previous year and a return of 16.3% on equity. The unconsolidated earnings of Banco Security, excluding those of its subsidiaries Valores Security and Administradora General de Fondos Security, amounted to Ch\$28,439 million, compared to Ch\$21,115 million in 2009. This strong increase was the result of the good performance of the commercial areas and treasury area, largely explained by the impact of the higher level of inflation.

As already mentioned, the Bank has continued the strategic restructuring process directed to strengthening its commercial business, giving priority to the generation of more stable revenues and the profitability of its portfolio. This focus is complemented by the incorporation of a technological plan that permits increased productivity and improves performance management and control.

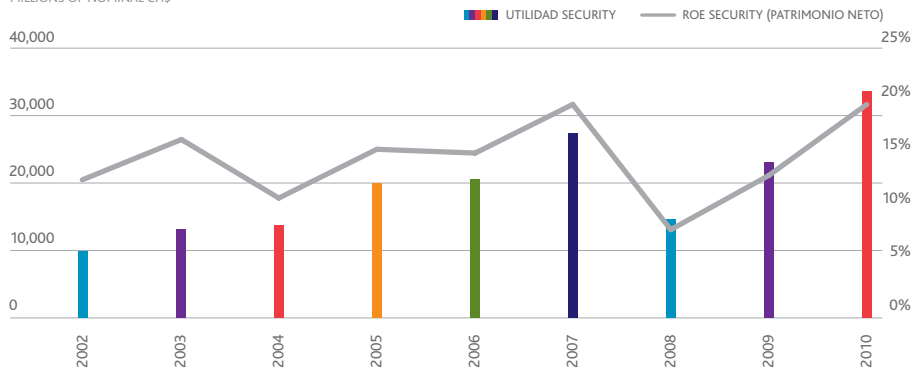
Even though the technological investments and strengthening of the structure of the different areas have meant higher expenses, these have been compensated by gains in efficiency, plus a better control of costs. Thus, at December 2010, operating costs to net operating income were 49.1%, which compares favorably with 52.0% at December 2009.





EARNINGS AND ROE OF BANCO SECURITY

MILLIONS OF NOMINAL CH\$



FUENTE: SBIF

SUBSIDIARIES

The subsidiaries that consolidate with Banco Security are Valores Security S.A. Corredores de Bolsa (99.76%) and Administradora General Fondos Security S.A. (99.90%). The earnings of Valores Security for 2010 amounted to Ch\$1,501 million, while those of Administradora General de Fondos Security were Ch\$3,762 million. The subsidiaries of Banco Security at the end of 2010 represented 15.6% of the consolidated results for the year and growth of 173.6% over the earnings generated in 2009.

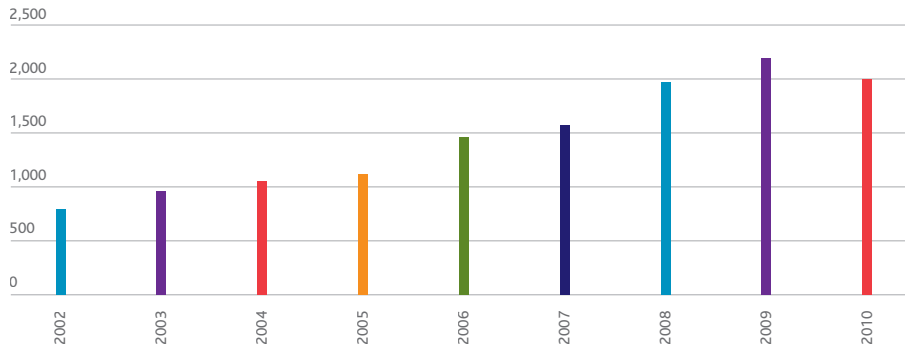
LOANS

Banco Security is among the nine largest Banks operating in Chile, with loans of Ch\$1,989 billion and a market share of 2.6%. Of these, 78.9% corresponded to the corporate sector and 20.5% to loans of the retail banking area.

10 business areas

BANCO SECURITY LOANS

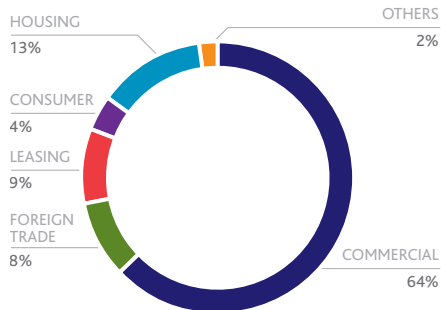
BILLIONS OF NOMINAL CH\$



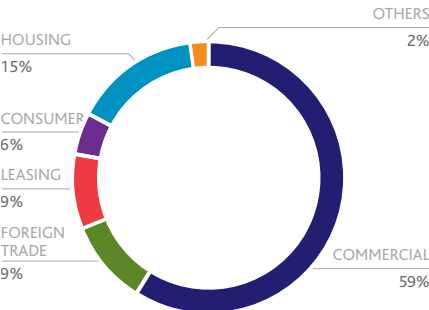
SOURCE: SBIF
NOTE: CONTINGENT LIABILITIES HAVE BEEN DEDUCTED FROM HISTORIC LOANS AS THESE ARE NOW OFF BALANCE SHEET SINCE JANUARY 2008, IN ACCORDANCE WITH THE NEW STANDARDS (IFRS)

The following shows the distribution of loans as of December 31, 2010, excluding interbank loans:

LOAN COMPOSITION 2009



LOAN COMPOSITION 2010



SOURCE: SBIF



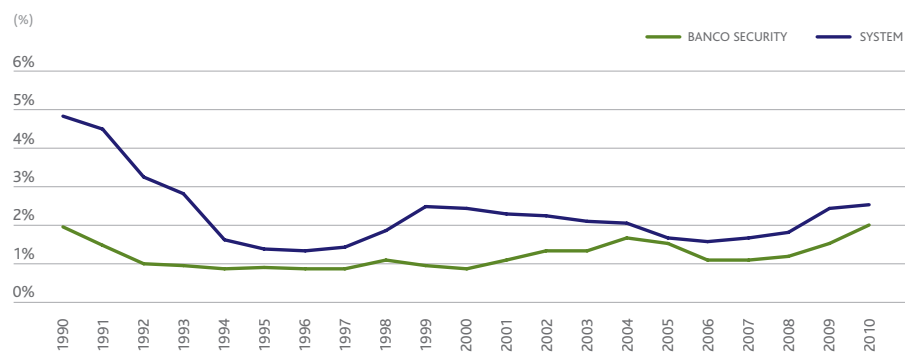


RISK

Banco Security has been characterized by having a portfolio of high credit quality and a policy that suitably reflects its risks. Its credit-risk indicators compare positively with its peers and while it has recently risen, this is defined and consistent with the economic situation.

The ratio of loans overdue 90 days or more to total loans was 1.49% at December 2010, and allowances to loans reached 1.91%. Both ratios compare favorably with the industry average which reached 2.71% and 2.49% respectively at December 2010.

ALLOWANCES / LOANS



FACTORING SECURITY

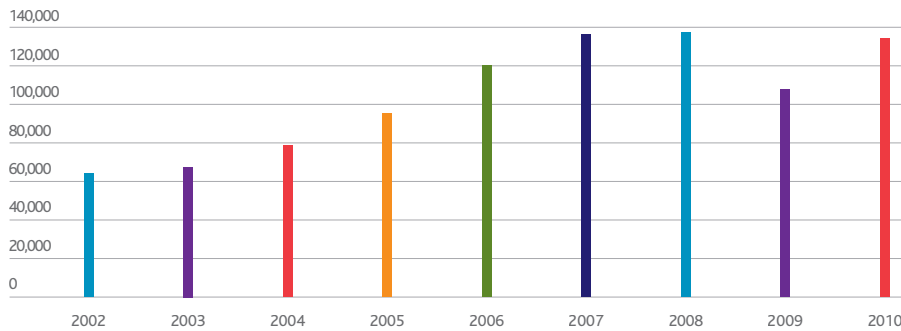
Factoring Security was formed in 1992 to meet the market need for new financing options. Its customers are mainly small and medium-sized firms linked to the manufacturing sector, as these require a constant supply of working capital and collection services.

10 business areas

The earnings of Factoring Security in 2010 were Ch\$2,122 million, a reduction of 24.6% from the previous year. The abundance of liquidity, as a result of the central bank's measures since mid 2009 to face the economic crisis, affected the growth of this industry. Factoring Security therefore made a deep strategic review in the last quarter of 2010. This redefined organizational structures, segmentation, commercial incentive schemes, pricing policies, risk policies, etc. The result is a three-year business plan that seeks to resume commercial growth and achieve a sustained growth path for the company.

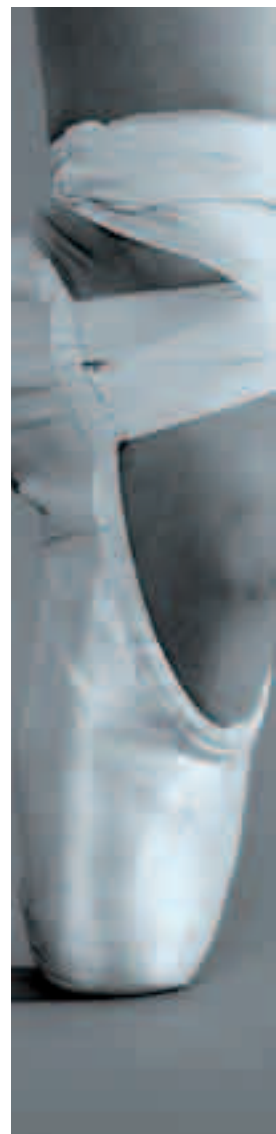
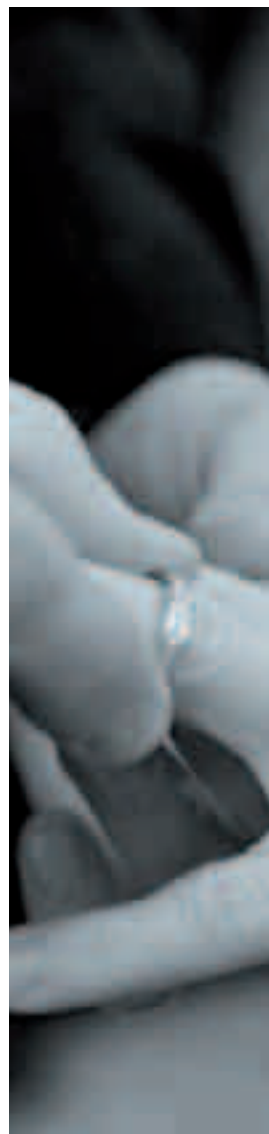
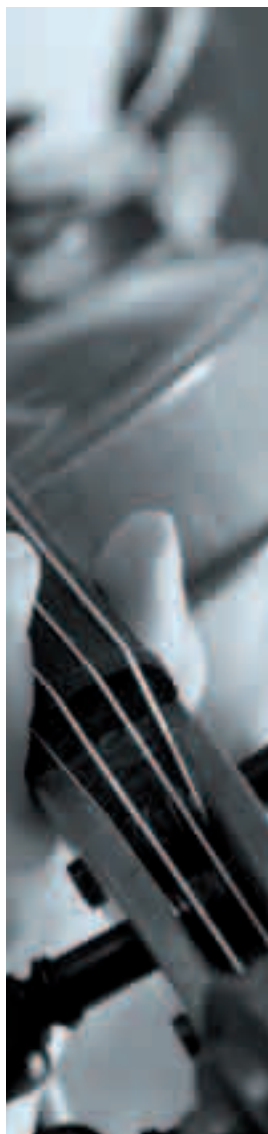
FACTORING ADVANCES

MILLIONS OF NOMINAL CH\$



SOURCE: ACHF





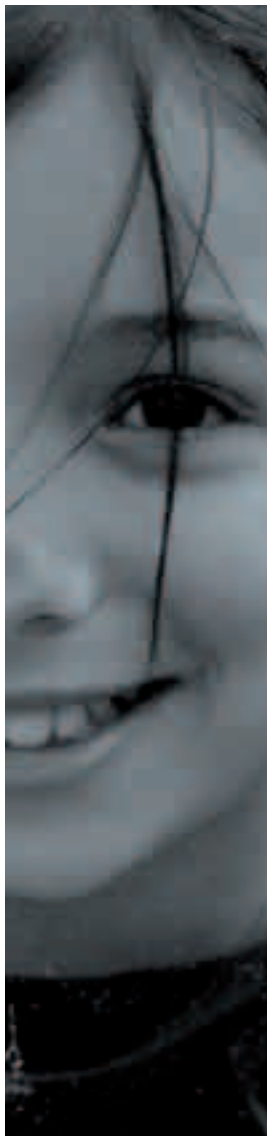
business areas

10

GRUPO | security



I N V E S T M E N T S



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 professional teams of excellence distributed among the companies to achieve the best management of each investment portfolio, whether of private or corporate clients.

The area 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. Asesorías Security advises high-income clients, investment companies, companies, and institutional investors on the structuring of international investment portfolios, as well as local portfolios. Finally, Securitizadora Security provides securitized asset-management and the respective separated-equity services.

The executives and clients of Inversiones Security have the constant and solid support of the research department, an area that shares the same principles of excellence as Inversiones Security in asset management.

Inversiones Security is constantly organizing events in order to meet the commitment of integral advice and remain close to its clients, discussing prospects for the economy and the financial markets. The Group's chief economist, Aldo Lema, made presentations during the year in different cities in Chile, plus a talk with outstanding international specialists in private equity.

ADMINISTRADORA GENERAL DE FONDOS SECURITY

2010 was a year in which the mutual funds industry consolidated its recovery, managing Ch\$18,206 billion by the end of the year, representing a nominal growth in volume of 3.2% over December 2009. Investors in the system rose to 1,525,966, equivalent to an increase of 13.9% over the end of 2009.

10 business areas

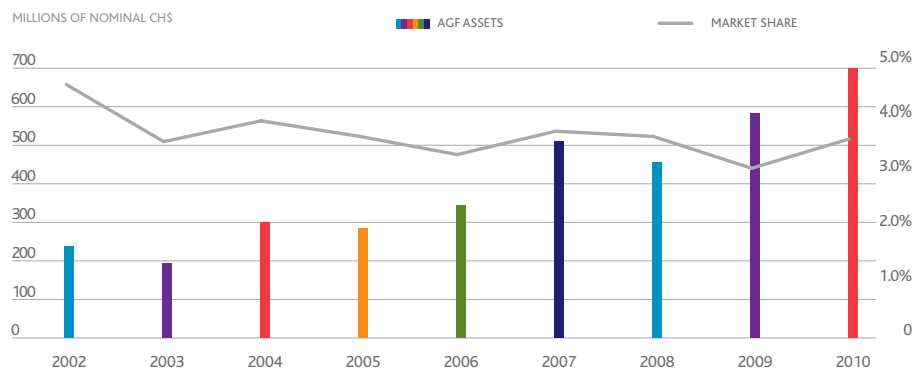
Administradora General de Fondos Security S.A. (AGF Security) ended the year successfully with average managed funds of Ch\$742 billion distributed among 23 mutual funds and an investment fund. The volume managed grew by 20.7% while the number of mutual-fund investors reached 35,955, 9.2% more than at the end of 2009.

The highlights of 2010 included the launch of the equity mutual funds Security Small Cap Chile and Security Asia Emergente, and of a fixed-income fund called Security Corporativo.

The contribution of AGF Security to the industry was recognized by different entities during the year. The Diario Financiero and Association of Mutual Fund Managers distinguished AGF Security with three Salmón Prizes, granted to those mutual funds with the best annual returns in each category. AGF Security in 2010 became one of the most prize-winning companies of the local managers, as the funds Security Emerging Market, Security Acciones and Security Chile 105 Garantizado received first prize in their respective categories.

AGF Security ended 2010 with a 43.8% increase in its earnings, to a total of Ch\$3,762 million.

MUTUAL FUND ASSETS UNDER MANAGEMENT AND MARKET SHARE



SOURCE: CHILEAN ASSOCIATION OF MUTUAL FUND MANAGERS



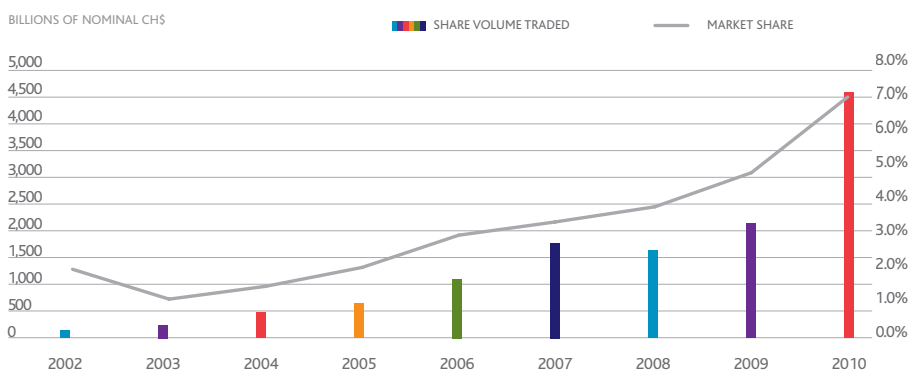


VALORES SECURITY S.A. CORREDORES DE BOLSA

Reflecting the consolidation of the local stock market in 2010, the IPSA (selective stock price index) closed the year with a return of 37.6% and a 46.8% in trading volumes. In line with this trend, Valores Security recorded a 113.6% real increase in share volumes traded and was placed 4th for the first time in the ranking of the Santiago Stock Exchange and Chilean Electronic Exchange. The market share of Valores Security in share trading rose from 4.7% in 2009 to 6.9% by the end of 2010. Valores Security generated earnings for the year of Ch\$ 1,501 million.

In addition to the success of the brokering business, with both institutional and private clients, the most important achievements of 2010 included solid growth in portfolio management. Volume increased by 57% during the year, based on the large increase in number of clients and assets managed.

SHARE VOLUMES TRADED AND MARKET SHARE



SOURCE: SANTIAGO STOCK EXCHANGE AND CHILEAN ELECTRONIC EXCHANGE

10 business areas

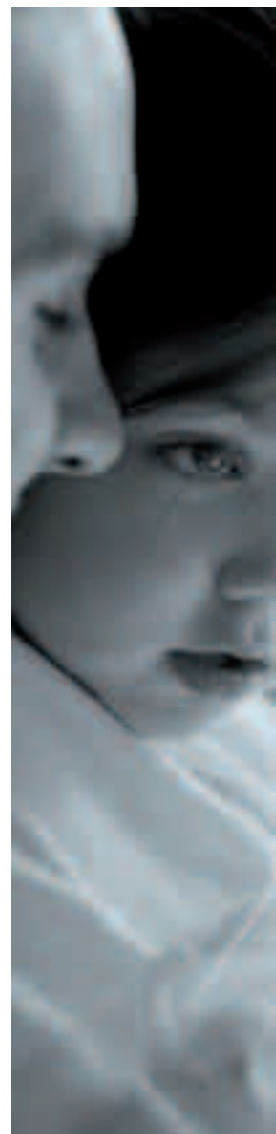
SECURITIZADORA SECURITY S.A.

The result of Securitizadora Security S.A. for 2010 was a loss of Ch\$83.6 million. A large part of this loss is explained by costs incurred due to the earthquake in February, for which it was necessary to dedicate extraordinary resources to the management of claims related to the properties managed. As part of this effort, Securitizadora performed preventive incident detection work on the portfolio supporting the separate assets with its own resources, especially in the most affected parts of the country. While the claim liquidation process has been slower than expected, the company has introduced a work team especially dedicated to claims liquidation in order to minimize errors in the liquidation processes. At the same time, work has also been carried out in perfecting information systems to improve the quality of the master management of the assets.

During October 2010, Securitizadora Security placed bonds of the issue BSECS11-C2 for a nominal value of UF 13,000 at 5.75%. These bonds are a mezzanine series with a credit rating of A, a clear sign of the growing market interest in having innovative investment options with attractive returns.

For 2011, Securitizadora Security will continue to focus its efforts on ending the claims liquidation process, which should occur in the second quarter. It will also continue with the development of systems that automate certain key processes, which will enable it to meet the standards that the market in general requires for this type of assets, and to actively continue the search for new business.





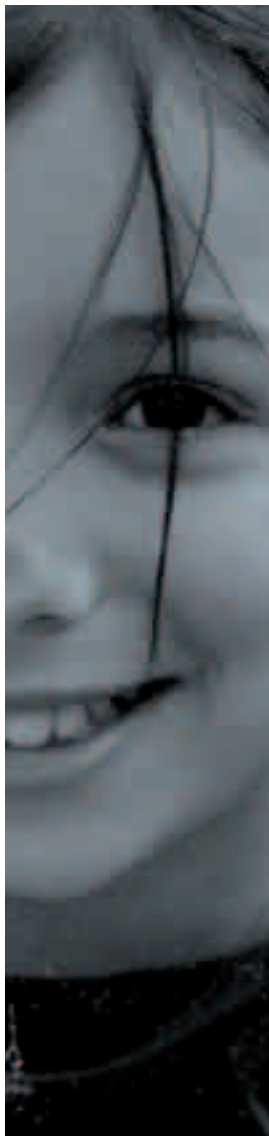
business areas

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GRUPO | security



I N S U R A N C E



INSURANCE

INSURANCE INDUSTRY

The Chilean insurance industry closed the year with very good results, in both the life and general insurance segments. As of September, life insurance companies produced earnings of Ch\$374,630 million and the general insurance companies earnings of Ch\$2,679 million. The insurance industry consists of 30 life companies and 20 general companies. At September 2010, the ten principal life and general insurance companies controlled 65.2% and 88.5% respectively of total direct premium.

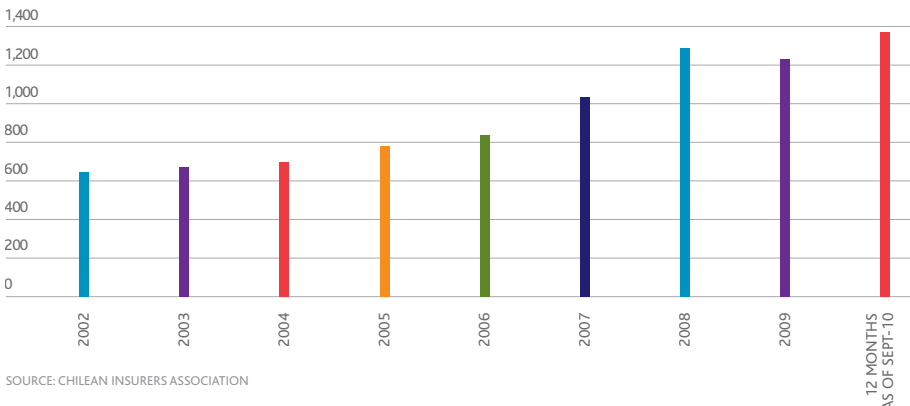
With respect to life insurance, direct premiums reached Ch\$2,073 billion. The individual and group life segments represent 45.7% of the industry's total premiums , while pension insurance accounted for 54.3% of the total. This was despite annuities suffering a sharp fall in their share since the 1990s. Direct premiums of the general insurance companies amounted to Ch\$ 1,010 billion to September 2010.

The return on life insurance companies' investments in 2010 averaged 5.1%.

The return on equity at September 2010 reached 21.8%, explained by the good returns in 2010 of the stock market which increased the investment income of life companies. The earnings of general insurance companies to September 2010, which is directly related to the cost of reinsurance and the characteristics of an operation with more standardized products, was Ch\$2,679 million, thanks to operating cost efficiency and a correct handling of claims.

GENERAL INSURANCE DIRECT PREMIUMS

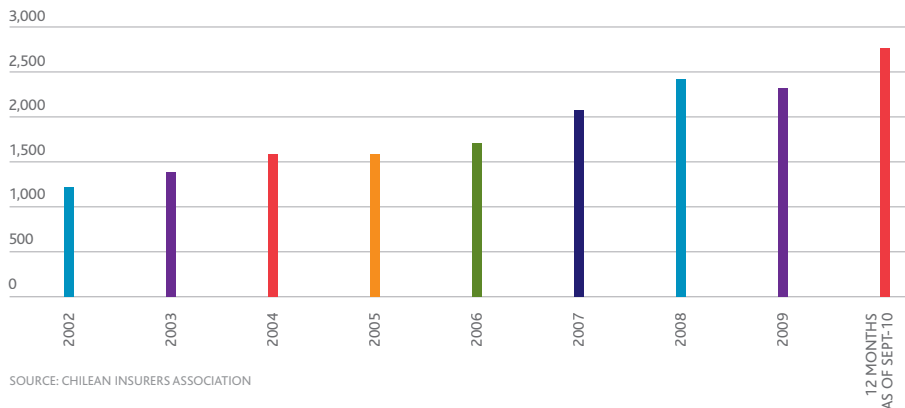
BILLIONS OF NOMINAL CH\$



10 business areas

LIFE INSURANCE DIRECT PREMIUMS

BILLIONS OF NOMINAL CH\$

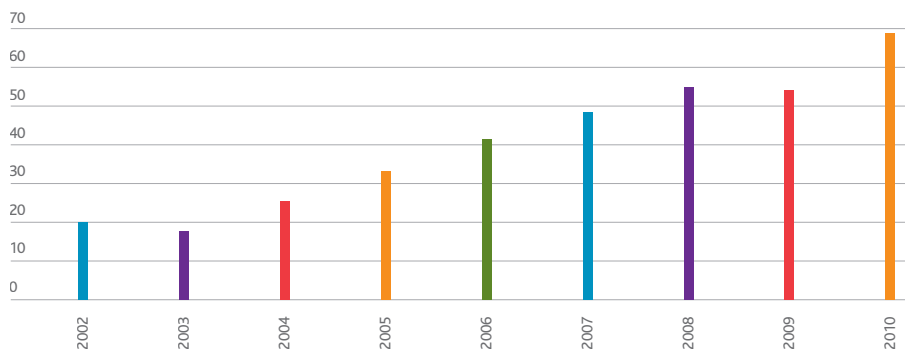


VIDA SECURITY

Vida Security was positioned in the market in 2010 with a portfolio of over 273,000 insured for individual life insurance, Voluntary Pension Savings (APV), group insurance and family protection insurance. It also has 17,380 pensioners with annuities. The company has a market share of 4.7% in traditional life insurance and an investment portfolio of Ch\$769,341 million, equivalent to 4.1% of the total insurance-industry investments. Vida Security has offered consumer loans since 2006 to its pensioned customers, having loans of Ch\$ 5,333 million in 2010, with a total of 8,850 loans outstanding. The business of Vida Security in 2010 generated earnings of Ch\$13,554 million and investment income amounted to Ch\$53,735 million.

VIDA SECURITY DIRECT PREMIUMS

BILLIONS OF NOMINAL CH\$

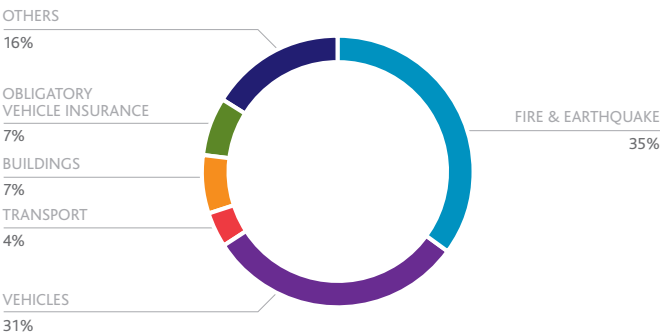




COMPañÍA DE SEGUROS GENERALES PENTA SECURITY S.A.

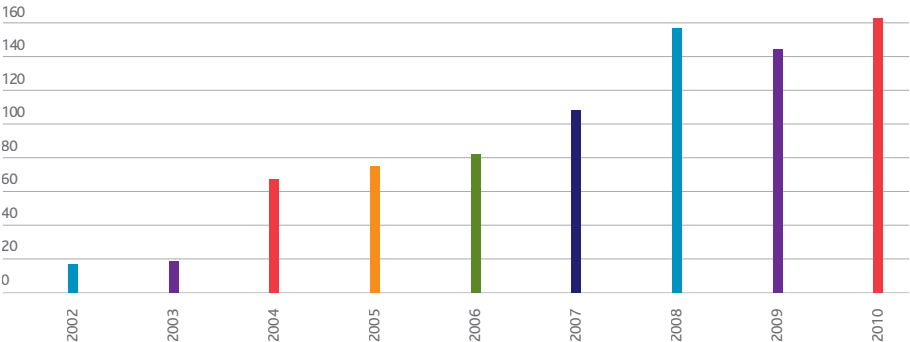
Grupo Security has a 29.17% shareholding in Compañía de Seguros Generales Penta Security S.A., which ended 2010 with earnings of Ch\$2,507 million. The company at September 2010 was second in the market in terms of direct premiums, with a share of 11.4% (without considering credit companies). The direct premium of Penta Security in 2010 amounted to Ch\$160,664 million, an increase of 13.2% over the year before, of Ch\$142,155.

COMPOSITION OF PENTA SECURITY DIRECT PREMIUMS



PENTA SECURITY DIRECT PREMIUMS

BILLIONS OF NOMINAL CH\$



SOURCE: CHILEAN INSURERS ASSOCIATION

10 business areas

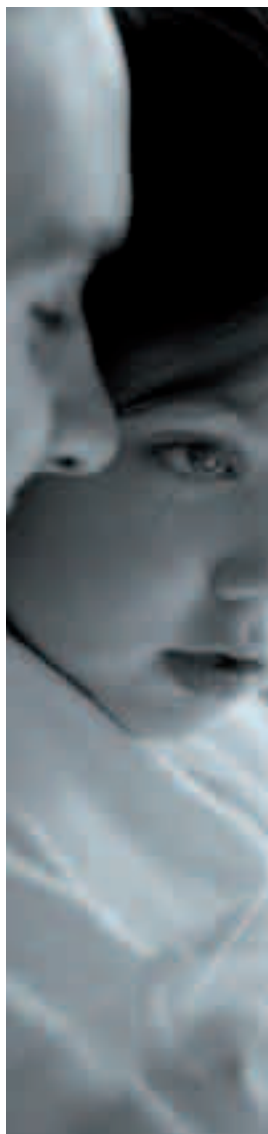
CORREDORA DE SEGUROS SECURITY LIMITADA

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, which have become an efficient commercial channel.

The company obtained earnings of Ch\$375 million in 2010, 36% higher than the Ch\$ 276 million reported for 2009.

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, with reported earnings of Ch\$1,537 million in 2010. Europ Assistance, for its part, is the second company in travel, vehicle and home assistance worldwide, reporting a loss of Ch\$215 million in 2010.





business areas

10

GRUPO | security



S E R V I C E S



SERVICES

The concern for customer service that characterizes Grupo Security is largely due to the dedicated work carried out in providing staff with the tools necessary for meeting their tasks and objectives. In this 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 15 years' experience in the Chilean real-estate market, has developed a successful strategy of investment and management of housing and office projects. It participates directly through private real-estate investment funds, together with important institutional and individual investors, with assets managed at December 2010 of UF 690 thousand.

The projects managed by the company, mainly located in the Eastern districts of Santiago, stand out for their excellent location, design and infrastructure, as well as their high-quality terminations. In recent years, the company has gradually expanded its housing market share, mainly in La Dehesa, Huechuraba and Rancagua.

All the projects developed by our company responded well to the earthquake of February 27, which was one of the most severe ever in Chile and the world.

The company reported sales in 2010 of over UF 550,000, closing the year with earnings of Ch\$400 million.

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 complete service of excellence. It has a wide range of services and products especially designed for quality travel.

Travel Security has managed to maintain its leadership in the business travel segment, with both local companies and multinational and institutional entities, complying with the function of optimizing their resources and travel experience.

10 business areas

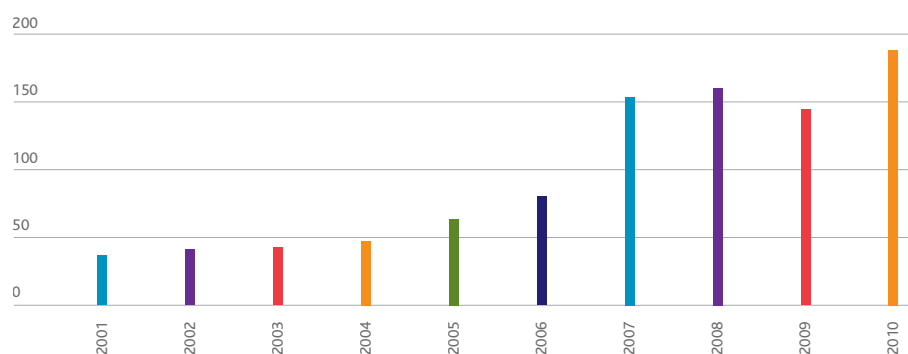
It is important to recall that the company forms part of the global network of American Express travel representatives, which is the largest grouping of travel-service offices in the world, with a presence in over 140 countries.

As part of its strategy, the company in 2010 saw a greater diversification of its operating revenues, with a greater incidence in the sale of other non-air products and services, plus a broadening of the customer base and a greater presence in the domestic market through its land operator.

Travel Security last year generated sales of US\$188 million, 25% more than in 2009. Its earnings were Ch\$1,401 million, 51% up on the year before.

TRAVEL SECURITY SALES REVENUES

MILLONES DE US\$

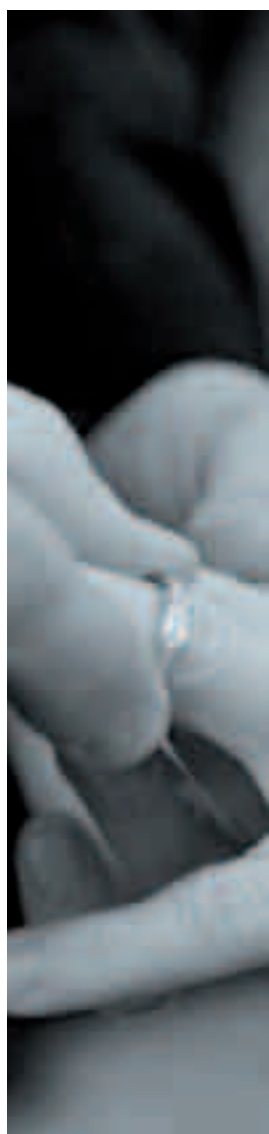


SOURCE: TRAVEL SECURITY

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 culture and information technology. Invest Security in 2010 managed to raise the standards of efficiency in the subsidiaries and to generate economies of scale in their operation. In 2010, Invest Security Ltda. and its subsidiaries Travel Security, Global Security and Mandatos Security produced earnings of Ch\$495 million.





investment and financing
policy



GRUPO | security





INVESTMENT POLICY

The bylaws of Grupo Security have not defined any kind of investment policy, but its strategy has been mainly focused on 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 with providing the market with an integral service of excellence.

FINANCING POLICY

Similarly, Grupo Security has not defined any kind of financing policy. The Company however funds itself from own resources, capital contributions, bond issues and traditional borrowing sources like bank loans.

GRUPO SECURITY COVENANTS WITH CREDITORS

BONDS SERIES C-2

DATE: March 17, 2006.

Debt Ratio: Effective January 1, 2010, the debt level should not exceed 0.40:1, measured quarterly on the basis of the statement of financial position issued under IFRS, this being the ratio of individual financial debt, as shown in the table of disclosures in the IFRS, to equity (the IFRS debt level). For these purposes, the issuer should present the IFRS disclosures table quarterly, together with a note showing the issuer's individual financial liabilities and the ratio indicated. The individual financial liabilities are the sum of financial obligations acquired by Grupo Security, excluding those of its subsidiaries, whether or not these are consolidated with Grupo Security. The individual financial liabilities therefore comprise the sum of the company's individual debts, that appear under the following IFRS accounting concepts: (i) obligations with banks and financial institutions, current and non-current (as defined in IFRS), (ii) financial obligations with the public (promissory notes and bonds), current and non-current, (iii) other liabilities, accounts payable, notes payable, sundry creditors and provisions, current and non-current, and (iv) accounts payable to related entities, current and non-current, which having been included in the consolidation process have been eliminated in that process and are therefore not shown in the issuer's financial statements. In both cases, the amount of real or personal guarantees of the issuer in favor of third parties, including subsidiaries, is considered as a liability. The issuer must also send to the bond-holders representative, together with the copies of the quarterly and annual financial statements, a letter signed by its legal representative stating that it is in compliance with the financial ratios as defined above. The Company should also retain, directly

11 investment and financing policy

or indirectly, through one or more subsidiaries, a holding of at least 51% of the shares with voting rights of Banco Security.

BONDS SERIES D

DATE: March 17, 2006

Debt Ratio: Effective January 1, 2010, the debt level should not exceed 0.40:1, measured quarterly on the basis of the statement of financial position issued under IFRS, this being the ratio of individual financial debt, as shown in the table of disclosures in the IFRS, to equity (the IFRS debt level). For these purposes, the issuer should present the IFRS disclosures table quarterly, together with a note showing the issuer's individual financial liabilities and the ratio indicated. The individual financial liabilities are the sum of financial obligations acquired by Grupo Security, excluding those of its subsidiaries, whether or not these are consolidated with Grupo Security. The individual financial liabilities therefore comprise the sum of the company's individual debts, that appear under the following IFRS accounting concepts: (i) obligations with banks and financial institutions, current and non-current (as defined in IFRS), (ii) financial obligations with the public (promissory notes and bonds), current and non-current, (iii) other liabilities, accounts payable, notes payable, sundry creditors and provisions, current and non-current, and (iv) accounts payable to related entities, current and non-current, which having been included in the consolidation process have been eliminated in that process and are therefore not shown in the issuer's financial statements. In both cases, the amount of real or personal guarantees of the issuer in favor of third parties, including subsidiaries, is considered as a liability. The issuer must also send to the bond-holders representative, together with the copies of the quarterly and annual financial statements, a letter signed by its legal representative stating that it is in compliance with the financial ratios as defined above. The Company should also retain, directly or indirectly, through one or more subsidiaries, a holding of at least 51% of the shares with voting rights of Banco Security.

BONDS SERIES B-2

DATE: July 9, 2007

Debt Ratio: Effective January 1, 2010, the debt level should not exceed 0.40:1, measured quarterly on the basis of the statement of financial position issued under IFRS, this being the ratio of individual financial debt, as shown in the table of disclosures in the IFRS, to equity (the IFRS debt level). For these purposes, the issuer should present the IFRS disclosures table quarterly, together with a note showing the issuer's individual financial liabilities and the ratio indicated. The individual financial liabilities are the sum of financial obligations acquired by Grupo Security, excluding those of its subsidiaries, whether or not these are consolidated with Grupo Security.





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The Company should also retain, directly or indirectly, through one or more subsidiaries, a holding of at least 51% of the shares with voting rights of Banco Security.

BONDS SERIES E

DATE: July 30, 2007

Debt Ratio: Effective January 1, 2010, the debt level should not exceed 0.40:1, measured quarterly on the basis of the statement of financial position issued under IFRS, this being the ratio of individual financial debt, as shown in the table of disclosures in the IFRS, to equity (the IFRS debt level). For these purposes, the issuer should present the IFRS disclosures table quarterly, together with a note showing the issuer's individual financial liabilities and the ratio indicated. The individual financial liabilities are the sum of financial obligations acquired by Grupo Security, excluding those of its subsidiaries, whether or not these are consolidated with Grupo Security. The individual financial liabilities therefore comprise the sum of the company's individual debts, that appear under the following IFRS accounting concepts: (i) obligations with banks and financial institutions, current and non-current (as defined in IFRS), (ii) financial obligations with the public (promissory notes and bonds), current and non-current, (iii) other liabilities, accounts payable, notes payable, sundry creditors and provisions, current and non-current, and (iv) accounts payable to related entities, current and non-current, which having been included in the consolidation process have been eliminated in that process and are therefore not shown in the issuer's financial statements. In both cases, the amount of real or personal guarantees of the issuer in favor of third parties, including subsidiaries, is considered as a liability. The issuer must also send to the bond-holders representative, together with the copies of the quarterly and annual financial statements, a letter signed by its legal representative stating that it is in compliance with the financial ratios as defined above.

11 investment and financing policy

The Company should also retain, directly or indirectly, through one or more subsidiaries, a holding of at least 51% of the shares with voting rights of Banco Security.

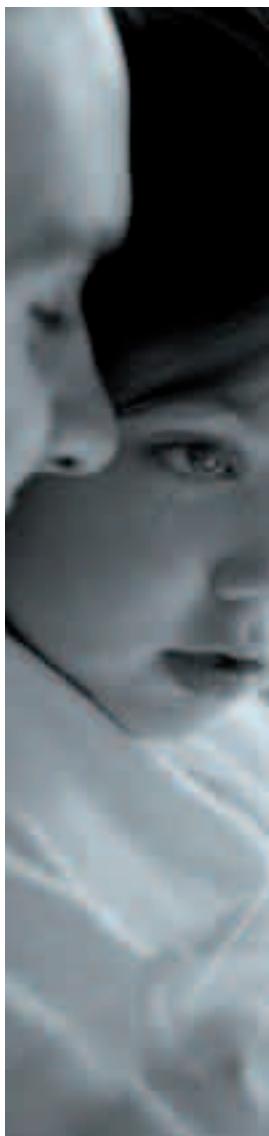
BONDS SERIES F

DATER: November 20, 2009

Debt Ratio: Effective January 1, 2010, the debt level should not exceed 0.40:1, measured quarterly on the basis of the statement of financial position issued under IFRS, this being the ratio of individual financial debt, as shown in the table of disclosures in the IFRS, to equity (the IFRS debt level). For these purposes, the issuer should present the IFRS disclosures table quarterly, together with a note showing the issuer's individual financial liabilities and the ratio indicated. The individual financial liabilities are the sum of financial obligations acquired by Grupo Security, excluding those of its subsidiaries, whether or not these are consolidated with Grupo Security. The individual financial liabilities therefore comprise the sum of the company's individual debts, that appear under the following IFRS accounting concepts: (i) obligations with banks and financial institutions, current and non-current (as defined in IFRS), (ii) financial obligations with the public (promissory notes and bonds), current and non-current, (iii) other liabilities, accounts payable, notes payable, sundry creditors and provisions, current and non-current, and (iv) accounts payable to related entities, current and non-current, which having been included in the consolidation process have been eliminated in that process and are therefore not shown in the issuer's financial statements. In both cases, the amount of real or personal guarantees of the issuer in favor of third parties, including subsidiaries, is considered as a liability. The issuer must also send to the bond-holders representative, together with the copies of the quarterly and annual financial statements, a letter signed by its legal representative stating that it is in compliance with the financial ratios as defined above.

The Company should also retain, directly or indirectly, through one or more subsidiaries, a holding of at least 51% of the shares with voting rights of Banco Security.





BANK CREDITORS

As of December 31, 2010 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. The results of the subsidiaries therefore provide it with the flexibility to set their dividend policies according to their needs. This point has been strengthened by the diversification of revenues developed by the Company, by having subsidiaries with business in various sectors of the financial industry. The most important asset is Banco Security which provided it with 99% of the dividends received in 2010. 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 Feller-Rate, while Penta Security is rated as A+ by Fitch Ratings and AA- by International Credit Ratings.

RISK FACTORS

- Strong competition in all the group's businesses

The businesses in which Grupo Security participates are characterized for being highly competitive, with a tendency to 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.

11 investment and financing policy

-Regulatory changes in the industries in which the Group participates

The industries in which the Company operates are regulated by state entities (specifically the banking and insurance industries) and are therefore subject to possible 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 constantly monitors its medium and long-term investments and provides an active follow-up of its portfolio.

RISKS ASSOCIATED WITH THE VOLATILITY OF INTERNATIONAL MARKETS

The Chilean economy and its markets are part of the international financial markets and may therefore be affected by external crises. The volatility of global financial markets and changes in global economic conditions can adversely affect the performance of local assets and the risk premium demanded by investors.





ASSOCIATED RISKS

Local Financial Risks

The fall in long and medium-term interest rates could affect the behaviour of 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

An 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. A 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

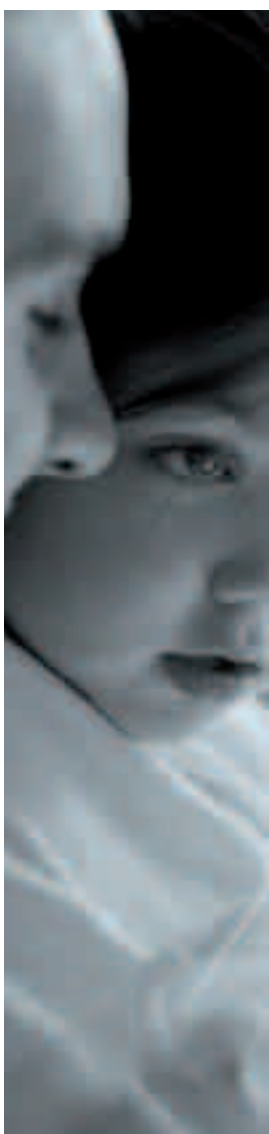
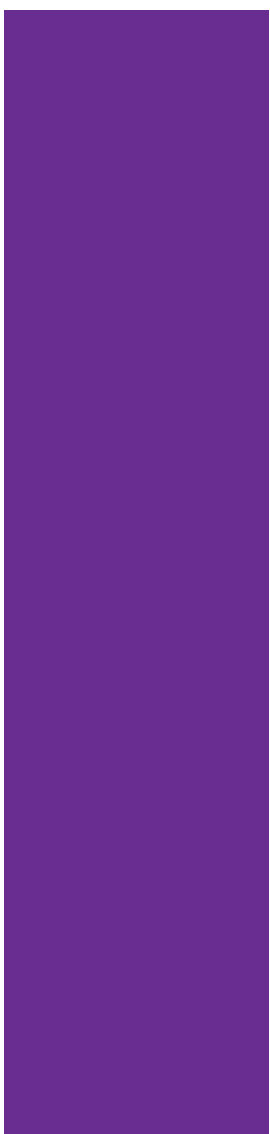
The tendency for reinsurance companies to concentrate could affect the variety of coverage offered, ceasing to provide reinsurance cover for risks that are presently reinsured thanks to the strong competition existing in this market in recent times.

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.

11 investment and financing policy





company information

12

GRUPO | security





THE COMPANY

NAME: Grupo Security S.A.
TYPE OF ENTITY: Open corporation.
OBJECTS: Financial group offering the broadest range of financial services in both Chile and abroad.
Tax No.: 96.604.380-6
ADDRESS: Avda. Apoquindo 3150, 15th floor, 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 abstract 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 73.17% 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 capital of Grupo Security is divided into 2,550,000,000 shares of the one series.

The 12 largest shareholders in Grupo Security S.A. as of December 31, 2010 are:

NOMBRE O RAZÓN SOCIAL	TAX NO.	NO. OF SHARES	%PARTICIPATION	% ACCUMULATED PARTICIPATION
Inmobiliaria Villuco Ltda.	79.652.720-K	248,837,241	9.76%	9.76%
Inversiones Centinela Ltda.	76.108.332-5	246,729,398	9.68%	19.43%
Inversiones Matyco Ltda.	96.512.100-5	246,505,375	9.67%	29.10%
Inversiones Hidroeléctricas Ltda.	79.884.660-4	187,425,000	7.35%	36.45%
Inversiones Hemaco Ltda.	96.647.170-0	158,612,908	6.22%	42.67%
Valores Security S.A. Corredores de Bolsa	96.515.580-5	127,919,196	5.02%	47.69%
Arcoinvest Chile S.A.	76.057.087-7	127,500,000	5.00%	52.69%
Soc. Comercial de Servicios e Inv. Ltda.	79.553.600-0	118,070,506	4.63%	57.32%
Inversiones Llascahue S.A.	79.884.060-6	102,000,000	4.00%	61.32%
Inmobiliaria Cab Ltda.	96.941.680-8	96,037,000	3.77%	65.08%
Inversiones Los Cactus S.A.	79.884.050-9	82,000,000	3.22%	68.30%
Compañía de Inversiones Río Bueno S.A.	96.519.130-5	66,088,609	2.59%	70.89%

SOURCE: DCV

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In accordance with General Rule No.283 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, 2010: this is the situation of Gustavo Pavez Rodríguez, tax No.4.609.215-5, with a 13.29% shareholding through his 92.91% holdings in Inversiones Centinela Ltda. and Sociedad Comercial de Servicios e Inversiones Ltda..

There were no important changes in the ownership of Grupo Security during 2010.

STAFF AND REMUNERATION

Grupo Security S.A. and its subsidiaries as of December 31, 2010 employed 2,267 people, an increase of 1.1% over 2009. Total remuneration paid to executives of Grupo Security S.A. during the year amounted to Ch\$11,541,975 of which Ch\$621,132,381 related to benefits.

Grupo Security S.A. paid Ch\$1,953,985,489 during 2010 in severance payments to its executives. The human team making up Grupo Security includes a high proportion of women who represent 61.3% of the total staff.

Grupo Security and its subsidiaries also have an 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	74	411	330	815
FACTORING SECURITY S.A.	13	50	55	118
INMOBILIARIA SECURITY S.A. E INMOBILIARIA SECURITY SIETE LTDA.	4	16	10	30
ASESORÍAS SECURITY S.A.	1	15	3	19
SECURITIZADORA SECURITY GMAC-RFC S.A.	2	2	1	5
INVERSIONES INVEST SECURITY LTDA.	38	234	378	650
INVERSIONES SEGUROS SECURITY Y FILIALES	37	151	430	618
TOTAL GENERAL	176	882	1,209	2,267





DIRECTORS' COMMITTEE

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

POSITION	NAME	DEGREE	TAX NO.
Independent director	Andrés Concha Rodríguez	Commercial Engineer, Universidad de Chile	4.773.967-5
Director	Jorge Marín Correa Álvaro Vial Gaete	Business Manager Commercial Engineer, Universidad de Chile Master of Arts in Economics, University of Chicago	7.639.707-4 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

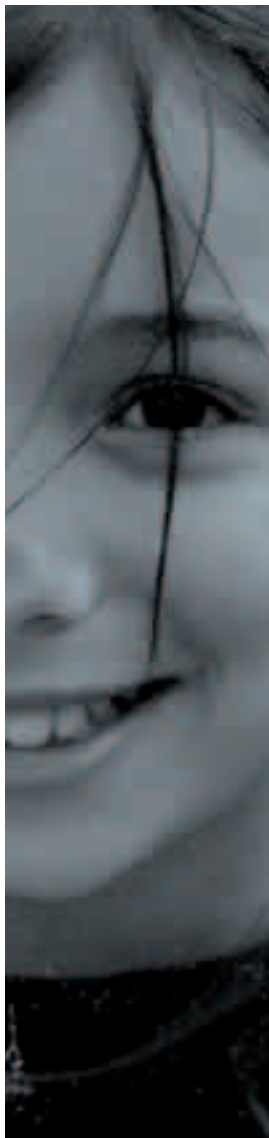
The remuneration was set at the equivalent of UF 15 per meeting for each director, with a limit of six meetings in the year. No administration expenses or advisory fees were incurred by the Directors' Committee during 2010. The committee, whose functions are those set out in article 50 bis of Law 18,046, met on five occasions during 2010 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, 2009.
- Revision of the unconsolidated and consolidated financial statements of Grupo Security and its subsidiaries as of June 30, 2010, which were presented together with the report of revision of interim financial information as of June 30, 2010 made by Deloitte, 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 implementation plan of Law 20,393.
- Periodic revision of operating, technological, compliance and credit risks arising from the integral risk management implemented by Grupo Security for each of its companies.

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- 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.
- Revision of compensation and incentive systems for managers and senior executives of Grupo Security.
- Revision of the detail of transactions between subsidiary and associate companies of Grupo Security. The Directors' Committee has checked compliance with the transitory general policy relating to habitual ordinary operations with related parties, approved by the board on April 29, 2010, regarding full compliance with that policy. For further details, see Note 7 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 consolidated property, plant and equipment as of December 31, 2010 amounted to Ch\$44,314 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 27, 2010 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 6,025.

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 500 (UF 603 in 2009) per diem for Francisco Silva Silva; UF 280 (UF 385 in 2009) per diem and UF655 (nil in 2009) in bonuses for Claudio Berndt Cramer; UF 315 (UF 385 in 2009) per diem and UF 60 (UF 60 in 2009) per diem Directors' Committee and UF 655 (nil in 2009) in bonuses for Andrés Concha Rodríguez; UF 385 (nil in 2009) per diem and UF 655 (nil in 2009) in bonuses for Ana Saíñz de Vicuña; UF 315 (UF 385 on 2009) per diem and UF 60 (UF 75 in 2009) per diem of Directors' Committee for Jorge Marín Correa; UF 350 (UF 420 in 2009) per diem and UF655 (nil in 2009) in bonuses for Naoshi Matsumoto Takahashi; UF 350 (UF 385 in 2009) per diem for Juan Cristóbal Pavez Recart; UF 350 (UF 420 in 2009) per diem for Horacio Pavez García; and UF 350 (UF 420 in 2009) per diem, UF 90 (UF 75 in 2009) per diem Directors' Committee for Álvaro Vial Gaete.

In Banco Security, UF 551 (UF 504 in 2009) per diem and UF 14,458 (UF 11,515 in 2009) in fees and bonuses for Francisco Silva Silva; nil (UF 175 in 2009) in bonuses for Claudio Berndt Cramer; UF 451 (UF 554 in 2009) per diem and UF 759 (UF 90 in 2009) in bonuses for Jorge Marín Correa; nil (UF 245 in 2009) in bonuses for Naoshi Matsumoto Takahashi; and UF 451 (UF 201 in 2009) per diem and nil (UF 245 in 2009) in bonuses for Horacio Pavez García.

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In Seguros de Vida Security, UF 274 (UF 248 in 2009) per diem for Francisco Silva Silva; UF 310 (UF 310 in 2009) per diem and UF 655 (nil in 2009) in bonuses for Juan Cristóbal Pavez; UF 341 (UF 279 in 2009) per diem and UF 655 (nil in 2009) in bonuses for Horacio Pavez García; and UF 367 (UF 279 in 2009) per diem and UF 655 (nil in 2009) in bonuses for Álvaro Vial Gaete.

CREDIT RATING

The shares of Grupo Security S.A. as of December 31, 2010 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-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 2010. This consists of distributing at least 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 previous years' retained earnings. 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 earnings accrued between January and June that year.

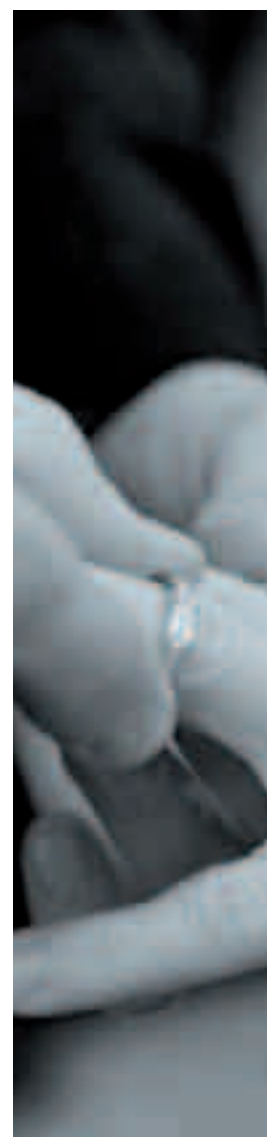
A second, final dividend is then contemplated for April or May of the following year in order to reach at least 30% of the earnings of Grupo Security for the respective year.

The above is always provided that this does not impede or make difficult compliance with the company's present or future financial obligations.

MILLIONS OF NOMINAL CH\$

	2006	2007	2008	2009	2010
Utilidad del ejercicio	26,746	32,018	17,785	29,986	40,852
Dividendos Pagados Durante el Año	12,986	15,297	14,967	15,729	20,400

FUENTE: GRUPO SECURITY





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.

\$ NOMINALES

DIV.Nº	DATE	CH\$ PER SHARE	AMOUNT (MILL. CH\$)
1	March 3, 1995	1.766	2,922
2	May 9, 1996	1.571	2,600
3	May 8, 1997	2.000	3,309
4	November 20, 1997	1.000	1,655
5	May 11, 1998	1.500	2,482
6	October 14, 1998	4.500	7,446
7	October 14, 1998	1.000	1,655
8	April 12, 1999	2.000	3,309
9	October 20, 1999	1.000	1,655
10	October 20, 1999	0.500	827
11	April 17, 2000	2.750	4,550
12	October 27, 2000	0.250	414
13	October 27, 2000	1.000	1,655
14	April 30, 2001	2.000	3,309
15	October 23, 2001	0.400	662
16	October 23, 2001	0.600	993
17	May 7, 2002	2.200	3,640
18	October 17, 2002	0.330	546
19	October 17, 2002	0.270	447
20	May 5, 2003	2.600	4,302
21	October 16, 2003	0.742	1,228
22	October 16, 2003	0.758	1,254
23	May 7, 2004	3.150	5,212
24	October 7, 2004	0.500	876
25	October 7, 2004	1.000	1,751
26	April, 2005	3.300	6,733
27	October, 2005	1.000	2,040
28	October, 2005	0.750	1,530
29	April 17, 2006	3.750	8,254
30	October, 2006	1.000	2,201
31	October, 2006	1.150	2,531
32	April, 2007	4.150	9,134
33	October, 2007	1.700	3,742
34	October, 2007	1.100	2,421
35	April, 2008	4.800	10,565
36	October, 2008	0.500	1,101
37	October, 2008	1.500	3,302
38	April, 2009	4.250	9,354
39	October, 2009	1.000	2,550
40	October, 2009	1.500	3,825
41	April, 2010	5.000	12,750
42	October, 2010	1.000	2,550
43	October, 2010	2.000	5,100

SOURCE: GRUPO SECURITY

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STOCK MARKET PERFORMANCE

The Chilean stock market in 2010 produced an annual return of 37.6%. This result was lower than the return shown by the IPSA (selective price index) in 2009, of 50.7%.

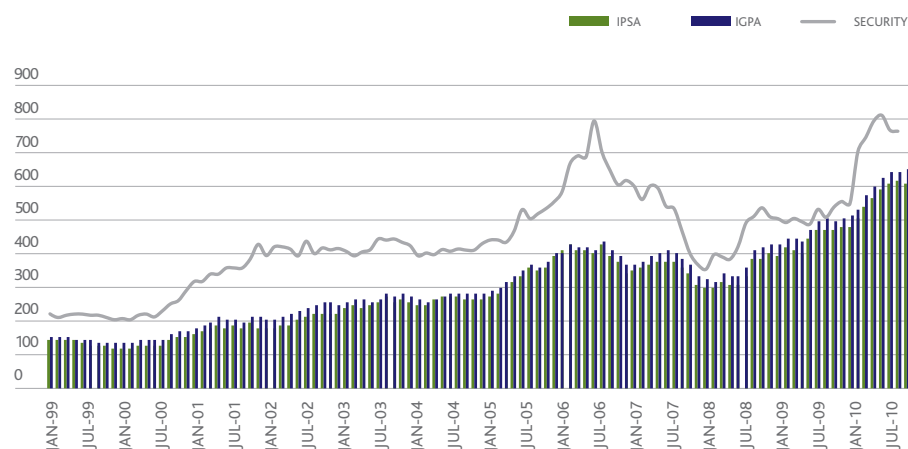
The global economic and financial scenario in the period continued to improve despite the uncertainty that led to doubts about the fiscal solvency of some European countries. Regarding local conditions, the earthquake that affected the center-south of the country last February led to a brief period of growth and the evolution of the Chilean stock market. However, the reconstruction drove business activity, concluding 2010 with GDP growth of around 5.3%.

In this context, the Grupo Security share closed at Ch\$227 per share at December 31, 2010, representing a 61.4% rise over December 31, 2009, and showed a trading presence of 96.4% during the year.

The price/earnings ratio of the Security share reached 14.2 times, compared to 12.5 times in 2009.

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

SECURITY SHARE PRICE, IPSA AND IGPA

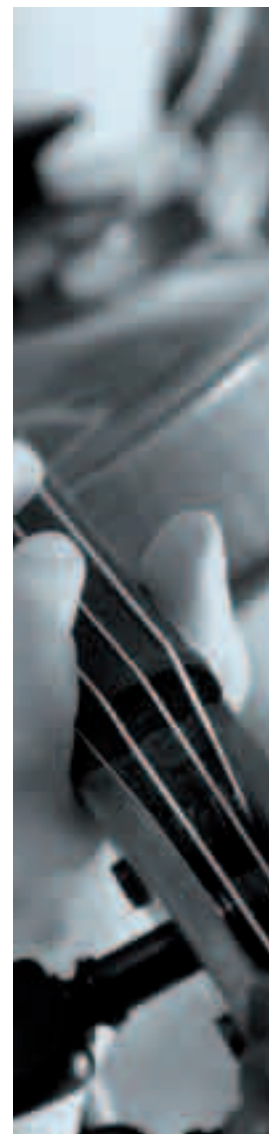


ANNUAL SHARE PRICE VARIATION SECURITY AND IPSA

	2002	2003	2004	2005	2006	2007	2008	2009	2010
SECURITY	-3.4%	85.2%	21.1%	-1.7%	24.3%	43.9%	-42.9%	47.5%	61.4%
IPSA	-15.5%	48.5%	21.0%	9.4%	37.1%	13.3%	-22.1%	50.7%	37.6%

Prices adjusted for dividends

SOURCE: ECONOMÁTICA





STOCK MARKET INDICATORS AND TRADING

The following table shows the market indicators of Grupo Security at the close of each from 2002 to 2010.

EN \$ NOMINALES

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Price (without adjustment for dividends)		107	125	118	139,96	194	106	147,1	227
Earnings per Share Ch\$		8.5	7.6	9.9	12.2	14.5	8.1	11.8	16.0
Price/Earnings	13.7	12.5	16.4	11.9	11.5	13.3	13.1	12.5	14.2
Price/Book Value	1.1	1.7	1.6	1.4	1.5	1.8	0.9	1.3	1.9
Market Presence		43.6%	49.0%	99.6%	99.6%	100.0%	81.6%	77.2%	96.4%
Number of Shares (millions)		1,655	2,040	2,040	2,201	2,201	2,201	2,550	2,550
Market Value (\$USD millions)		295	456	468	576	861	371	741	1,236
Book value (Ch\$ millions)	95,944	105,223	160,771	174,274	209,649	239,955	246,793	287,748	300,641

FUENTE: GRUPO SECURITY Y ECONOMÍA

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

Volumes Traded Security Share

EN \$ NOMINALES

PERIOD	NO. OF SHARES (THOUSANDS)	VOLUME TRADED (THOUSANDS OF CH\$)	AVERAGE PRICE PER SHARE (CH\$)
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
I Quarter 10	24,772	\$ 3,702,203	\$ 144
II Quarter 10	36,048	\$ 5,706,216	\$ 152
III Quarter 10	74,402	\$ 16,619,891	\$ 203
IV Quarter 10	64,999	\$ 14,997,764	\$ 225
2010	200,221	\$ 41,026,075	\$ 198

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, as informed by DCV.

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SOCIEDAD COMERCIAL DE SERVICIOS E INVERSIONES LTDA.

Relacionado a Gustavo Pavez Rodriguez, Accionista Mayoritario de Grupo Security.

TRANSACTION	DATE	NO. SHARES TRADED	SHARE PRICE	INVESTMENT CH\$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase	20-may-09	33,077,908	\$115.0	\$3,803,959,420	331,125,102	364,203,010
Purchase	26-nov-09	108,000	\$148.0	\$15,984,000	364,203,010	364,311,010
Transfer from custody	14-may-10	488,894	-	-	364,311,010	364,799,904
Transfer of securities due to division of society	07-oct-10	-246,462,880	-	-	364,799,904	118,337,024
Transfer of securities due to division of society	08-oct-10	-266,518	-	-	118,337,024	118,070,506

INVERSIONES CENTINELA LTDA.

Relacionado a Gustavo Pavez Rodriguez, Accionistas Mayoritario de Grupo Security.

TRANSACTION	DATE	NO. SHARES TRADED	SHARE PRICE	INVESTMENT CH\$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Transfer from custody	07-oct-10	246,462,880	-	-	0	246,462,880
Transfer from custody	08-oct-10	266,518	-	-	246,462,880	246,729,398

INMOBILIARIA VILLUCO LTDA.

Relacionado a Horacio Pavez García, Director de Grupo Security.

TRANSACTION	DATE	NO. SHARES TRADED	SHARE PRICE	INVESTMENT CH\$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase	29-abr-09	22,497,889	\$115.0	\$2,587,257,235	225,214,236	247,712,125
Purchase	30-jun-09	77,966	\$145.0	\$11,305,070	247,712,125	247,790,091
Purchase	02-sep-09	637,149	\$160.0	\$101,943,840	247,790,091	248,427,240
Purchase	26-nov-09	76,500	\$148.0	\$11,322,000	248,427,240	248,503,740
Purchase	14-may-10	333,501	\$155.0	\$51,692,655	248,503,740	248,837,241

INMOBILIARIA MATYCO LTDA.

Relacionado a Naoshi Matsumoto Takahashi, Director de Grupo Security.

TRANSACTION	DATE	NO. SHARES TRADED	SHARE PRICE	INVESTMENT CH\$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase	11-mar-09	3,300,000	\$120.0	\$396,000,000	219,571,442	222,871,442
Purchase	26-may-09	22,263,854	\$115.0	\$2,560,343,210	222,871,442	245,135,296
Purchase	30-jun-09	77,156	\$145.0	\$11,187,620	245,135,296	245,212,452
Purchase	02-sep-09	887,548	\$160.0	\$142,007,680	245,212,452	246,100,000
Purchase	24-nov-09	75,000	\$148.0	\$11,100,000	246,100,000	246,175,000
Transfer from custody	14-may-10	330,375	-	-	246,175,000	246,505,375





INVERSIONES HIDROELÉCTRICAS LTDA.

Relacionado a Francisco Silva Silva, Presidente de Grupo Security; Renato Peñafiel, Gerente General Grupo Security, y Ramón Eluchans, Gerente General Banco Security.

TRANSACTION	DATE	NO. SHARES TRADED	SHARE PRICE	INVESTMENT CH\$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase	27-may-09	31,942	\$115.0	\$3,673,330	185,968,058	186,000,000
Purchase	02-sep-09	750,000	\$160.0	\$120,000,000	186,000,000	186,750,000
Purchase	02-dic-09	120,000	\$148.0	\$17,760,000	186,750,000	186,870,000
Purchase	14-may-10	555,000	\$155.0	\$86,025,000	186,870,000	187,425,000

INVERSIONES HEMACO LTDA.

Relacionado a Jorge Marín Correa, Director de Grupo Security.

TRANSACTION	DATE	NO. SHARES TRADED	SHARE PRICE	INVESTMENT CH\$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase	19-may-09	14,384,470	\$115.0	\$1,654,214,050	143,995,177	158,379,647
Purchase	17-may-10	233,261	\$155.0	\$36,155,455	158,379,647	158,612,908

POLO SUR SOCIEDAD DE RENTAS LTDA.

Relacionado a Jorge Marín Correa, Director de Grupo Security.

TRANSACTION	DATE	NO. SHARES TRADED	SHARE PRICE	INVESTMENT CH\$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase	19-may-09	2,434,886	\$115.0	\$280,011,890	24,374,340	26,809,226
Transfer from custody	17-may-10	35,979	-	-	26,809,226	26,845,205

ARCOINVEST CHILE S.A.

Relacionado a Ana Saíñz de Vicuña Bemberg, Directora de Grupo Security.

TRANSACTION	DATE	NO. SHARES TRADED	SHARE PRICE	INVESTMENT CH\$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase	13-jul-09	127,337,489	\$115.0	\$14,643,811,235	0	127,337,489
Purchase	13-jul-09	162,511	\$154.0	\$25,025,069	127,337,489	127,500,000

INVERSIONES LLASCAHUE S.A.

Relacionado a Francisco Silva Silva, Presidente de Grupo Security.

TRANSACTION	DATE	NO. SHARES TRADED	SHARE PRICE	INVESTMENT CH\$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase	20-may-09	11,511,654	\$115.0	\$1,323,840,210	90,488,346	102,000,000

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INMOBILIARIA CAB LTDA.

Relacionada a Claudio Berndt Cramer, Director de Grupo Security.

TRANSACTION	DATE	NO. SHARES TRADED	SHARE PRICE	INVESTMENT CH\$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase	20-may-09	5,303,658	\$115.0	\$609,920,670	90,400,000	95,703,658
Purchase	24-jul-09	6,342	\$115.0	\$729,330	95,703,658	95,710,000
Purchase	02-sep-09	327,000	\$160.0	\$52,320,000	95,710,000	96,037,000

INVERSIONES LOS CACTUS S.A.

Relacionado a Renato Peñafiel, Gerente General de Grupo Security.

TRANSACTION	DATE	NO. SHARES TRADED	SHARE PRICE	INVESTMENT CH\$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase	20-may-09	7,199,654	\$115.0	\$827,960,210	74,800,346	82,000,000

COMPAÑÍA DE INVERSIONES RÍO BUENO S.A.

Relacionada a Andrés Concha Rodríguez, Director de Grupo Security.

TRANSACTION	DATE	NO. SHARES TRADED	SHARE PRICE	INVESTMENT CH\$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase	13-may-09	6,002,347	\$115.0	\$690,269,905	60,086,262	66,088,609

ÁLVARO VIAL GAETE

Director de Grupo Security.

TRANSACTION	DATE	NO. SHARES TRADED	SHARE PRICE	INVESTMENT CH\$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase	24-nov-09	200	\$148.0	\$29,600	565,886	566,086

SAN LEÓN INVERSIONES Y SERVICIOS LTDA.

Relacionado a Álvaro Vial Gaete, Director de Grupo Security.

TRANSACTION	DATE	NO. SHARES TRADED	SHARE PRICE	INVESTMENT CH\$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase	20-may-09	2,162,754	\$115.0	\$ 248,716,710	21,084,285	23,247,039
Purchase	30-jun-09	7,497	\$145.0	\$ 1,087,065	23,247,039	23,254,536
Purchase	24-sep-09	67,000	\$150.0	\$ 10,050,000	23,254,536	23,321,536
Purchase	24-nov-09	6,900	\$148.0	\$ 1,021,200	23,321,536	23,328,436
Purchase	28-may-10	32,066	\$155.0	\$ 4,970,230	23,328,436	23,360,502
Purchase	07-jul-10	1,054,864	\$ 169.0	\$ 178,272,016	23,360,502	24,415,366

INVERSIONES LOS CHILCOS S.A.

Relacionado a Ramón Eluchans Olivares, Gerente General de Banco Security.

TRANSACTION	DATE	NO. SHARES TRADED	SHARE PRICE	INVESTMENT CH\$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase	19-may-09	3,487,348	\$115.0	\$401,045,020	35,812,652	39,300,000





MATERIAL INFORMATION

January 4, 2010

An extraordinary board meeting of Valores Security held on December 30 unanimously approved a transitory general policy for habitual ordinary operations of the company with related parties with respect to its business and whose purpose is to contribute to the corporate interests, at a price and on terms and conditions similar to those prevailing in the market.

January 15, 2010

A board meeting of Banco Security held on January 14 unanimously approved a transitory general policy for habitual ordinary operations of the company with related parties with respect to its business and whose purpose is to contribute to the corporate interests, at a price and on terms and conditions similar to those prevailing in the market.

January 28, 2010

The board of Grupo Security at its meeting held on January 28 took note of having received the sworn declaration of Andrés Concha Rodríguez as an independent director. It also unanimously agreed to appoint the independent director Andrés Concha Rodríguez as a member of the Directors' Committee from that date, who in turn appointed the directors Jorge Marín Correa and Álvaro Vial Gaete as members of the Directors' Committee.

April 9, 2010

The board meeting of Grupo Security agreed to propose to the shareholders meeting the distribution of a dividend of Ch\$5.0 per share which, added to the interim dividend of Ch\$1.0 and additional dividend of Ch\$1.5 paid on October 16, 2009, would make up a final dividend of Ch\$7.5 to the year 2009. It was also agreed to pay the dividends on May 7, 2010.

April 30, 2010

The board meeting of Grupo Security held on April 29 unanimously approved a transitory general policy for habitual ordinary operations of the company with related parties with respect to its business and whose purpose is to contribute to the corporate interests, at a price and on terms and conditions similar to those prevailing in the market.

May 7, 2010

On May 6, meetings were held of the holders of the bonds series B-2, C-2, D and E called by Banco Bice and at the request of the Group. These meetings unanimously approved the proposed amendments to the indentures for these bond issues, agreeing to authorize Banco Bice to sign with Grupo Security the respective public deeds.

September 30, 2010

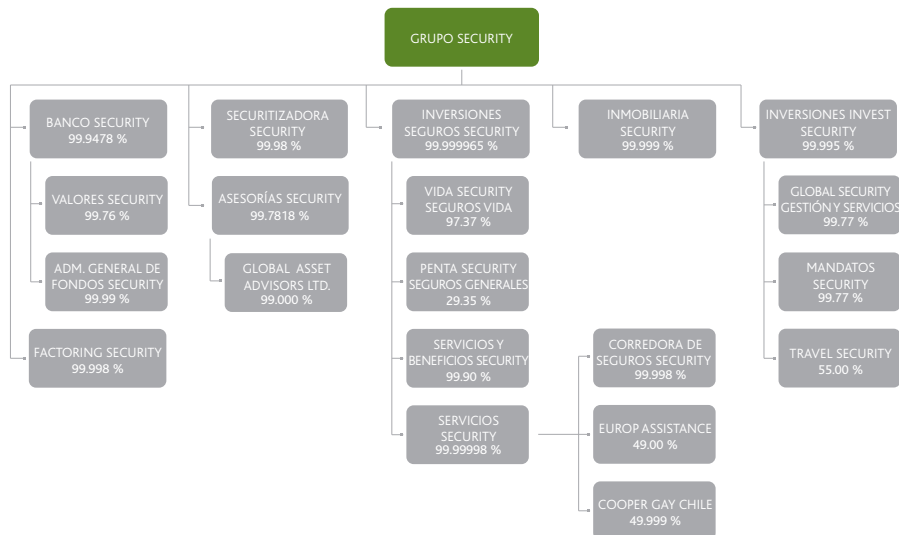
The board, at its meeting held on September 30, agreed to pay a total dividend of Ch\$3 per share, Ch\$1 corresponding to earnings for the year and Ch\$2 to retained earnings. The dividend was made payable on October 21, 2010.

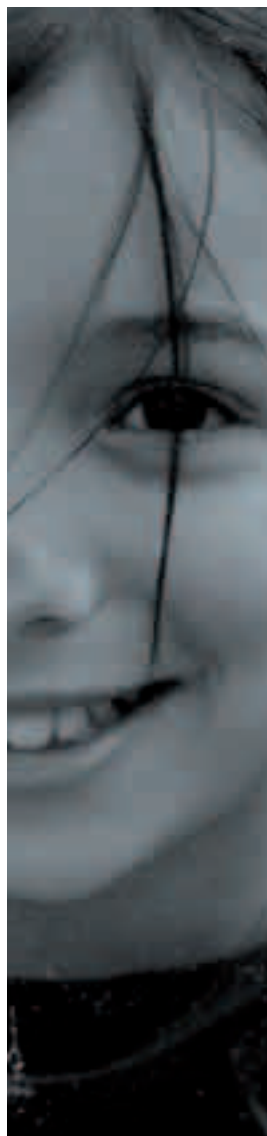
12 company information

REGULATORY FRAMEWORK

Grupo Security and its subsidiaries faithfully comply with the current regulatory framework applicable to their businesses, which includes the general banking law, insurance law, capital markets law and corporations law.

ORGANIZATION STRUCTURE





C O N S O L I D A T E

S U B S I D I A R I E S

financial statements

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CLP\$ Chilean Pesos
THCLP\$ Thousand of Chilean Pesos
US\$ United States Dollar
U.F. Inflation Adjusted Currency

financial statements

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CONSOLIDATED FINANCIAL STATEMENTS



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INDEPENDENT AUDITORS' REPORT

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

Deloitte.

We have audited the consolidated statements financial position of Grupo Security S.A. and Subsidiaries as of December 31, 2010, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended. The preparation of these consolidated financial statements (including the accompanying notes) is the responsibility of the Management of Grupo Security S.A. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Grupo Security S.A. and Subsidiaries as of December 31, 2010, and the results of its operations and changes in its cash flows for the year then ended, in conformity with the instructions and Standards of the Superintendency of Securities and Insurance.

As explained in Note 3 to the consolidated financial statements of Grupo Security S.A. and Subsidiaries as of December 31, 2009, prepared in accordance with Chilean generally accepted accounting principles, were audited by other auditors who issued a qualified opinion on February 22, 2010. In their opinion, the other auditors have indicated that Grupo Security S.A. is investment in Banco Security is accounted for under the equity method using Banco Security's financial statements, which are prepared in accordance with the new accounting standards stipulated by the Superintendency of Banks and Financial Institutions. Those new standards are within the framework of convergence with International Financial Reporting Standards being implemented by the Superintendency of Banks and Financial Institute. Consequently Banco Security recorded, a reduction in equity of ThCLP\$8,636,284 on January 1, 2009, corresponding to the first time adoption of such New standards.

As explained in Note 3 to the consolidated financial statements and in accordance with the instructions and Standards of the Superintendency of Securities and Insurance, the consolidated financial statements of Grupo Security S.A. and Subsidiaries, include the consolidated subsidiaries Banco Security and Seguros Vida Security S.A. Those consolidated financial statements have been prepared on a comprehensive basis of accounting that considers different accounting principles for the parent and the respective consolidated subsidiaries. This is the case as the aforementioned subsidiaries are regulated by other regulatory agencies and the subsidiary Seguros Vida Security S.A. has not adopted the International Financial Reporting Standards as Seguros de Vida Security S.A.'s regulator has not issued guidance authorizing such adoption.

The opening consolidated financial statements as of January 1, 2009 and the closing ones as of December 31, 2009, prepared on a comprehensive bases, as explained in Note 2 to the consolidated financial statements, are presented solely for comparative purposes. They include all of the significant adjustments needed to present them in accordance with the instructions and standards of the Superintendency of Securities and Insurance. Those adjustments were determined by the management of Grupo Security S.A. and Subsidiaries. Our audit of the financial statements as of December 31, 2010 included an examination of those adjustments and the application of other procedures to the opening and closing balances for the year 2009, with the scope that we considered necessary given the circumstances. Such opening and closing consolidated financial statements for the year 2009 are consistent, in all material respects, with the consolidated financial statements of Grupo Security S.A. and Subsidiaries as of December 31, 2010.

Deloitte.

March 3, 2011
Juan Carlos Cabrol Bagnara



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2010 and 2009, and January 1, 2009

ASSETS	NOTE	DECEMBER 31 2010	DECEMBER 31 2009	JANUARY 1DE 2009
		THCLP\$	THCLP\$	THCLP\$
CURRENT ASSETS				
Cash and cash equivalents	4	144,354,427	161,286,500	196,764,944
Other financial assets, current	13	1,550,927,927	1,732,862,882	1,625,027,876
Other non-financial assets, current	14	9,279,025	7,354,175	9,424,253
Trade and other receivables, current	12	2,196,578,756	2,348,060,210	2,249,705,149
Accounts receivable from related companies, current	7	43,945,281	32,052,953	51,049,510
Inventories	6	8,005,120	5,980,611	3,029,755
Current tax assets	15	10,055,749	5,932,365	11,586,303
TOTAL CURRENT ASSETS OTHER THAN ASSETS OR DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE OR AS HELD FOR DISTRIBUTION TO OWNERS		3,963,146,285	4,293,529,696	4,146,587,790
Non current assets or disposal groups classified as held for sale		4,770,474	806,119	2,108,939
NON-CURRENT ASSETS OR DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE OR HELD FOR DISTRIBUTION TO OWNERS		4,770,474	806,119	2,108,939
TOTAL CURRENT ASSETS		3,967,916,759	4,294,335,815	4,148,696,729
NON-CURRENT ASSETS				
Other non-financial assets, non-current	16	16,213,201	14,769,656	15,110,241
Investments in asociated accounted for using the equity method	8	11,432,063	11,430,661	10,330,467
Intangible assets other than goodwill	10	23,077,589	17,364,878	14,031,034
Goodwill	11	42,870,500	43,568,222	45,021,299
Property, plant and equipment	9	44,314,311	43,829,488	46,762,970
Investment property		13,240,035	0	0
Deferred tax assets	5	54,177,694	51,257,225	44,019,954
TOTAL NON-CURRENT ASSETS		205,325,393	182,220,130	175,275,965
TOTAL ASSETS		4,173,242,152	4,476,555,945	4,323,972,694

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2010 and 2009, and January 1, 2009

EQUITY AND LIABILITIES	NOTE	DECEMBER 31 2010	DECEMBER 31 2009	JANUARY 1 DE 2009
		THCLP\$	THCLP\$	THCLP\$
LIABILITIES				
CURRENT LIABILITIES				
Other financial liabilities, current	18	2,744,088,566	3,089,643,062	3,006,548,518
Trade and other payables	17	714,512,704	694,965,361	720,032,092
Other short term provisions	21	53,484,759	40,467,436	33,170,502
Current tax liabilities	20	7,766,749	8,239,662	510,829
Employee benefits provision, current	22	3,287,363	2,740,186	2,680,606
Other non-financial liabilities, current	19	59,322,513	72,487,394	60,076,570
TOTAL CURRENT LIABILITIES OTHER THAN LIABILITIES INCLUDED IN DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE		3,582,462,654	3,908,543,100	3,823,019,117
Liabilities included in disposal groups classified as held for sale		0	0	
TOTAL CURRENT LIABILITIES		3,582,462,654	3,908,543,100	3,823,019,117
NON-CURRENT LIABILITIES				
Other financial liabilities, non-current	23	182,133,509	190,742,549	185,077,916
Non-current liabilities	24	55,809,614	41,219,580	39,171,285
Deferred tax liabilities	5	46,496,382	43,039,600	40,126,028
TOTAL NON-CURRENT LIABILITIES		284,439,505	275,001,729	264,375,229
TOTAL LIABILITIES		3,866,902,159	4,183,544,829	4,087,394,346
EQUITY				
Issued capital		159,414,682	159,414,682	123,991,660
Retained earnings (losses)		125,607,105	108,580,867	97,392,867
Share issuance premiums		38,835,926	38,835,926	37,090,899
Other reserves		(23,217,158)	(19,083,846)	(27,080,112)
EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER		300,640,555	287,747,629	231,395,314
Non-controlling interests		5,699,438	5,263,487	5,183,034
TOTAL EQUITY		306,339,993	293,011,116	236,578,348
TOTAL EQUITY AND LIABILITIES		4,173,242,152	4,476,555,945	4,323,972,694

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, BY FUNCTION

As of December 31, 2010 and 2009

CONSOLIDATED INCOME STATEMENT	NOTE	DECEMBER 31 2010	DECEMBER 31 2009
		THCLP\$	THCLP\$
GANANCIA (PÉRDIDA)			
Revenues	25	348,043,953	307,178,506
Cost of sales	25	(199,319,177)	(175,140,647)
GROSS PROFIT		148,724,776	132,037,859
Other income	25	1,280,931	1,374,729
Administrative expenses	26	(86,934,068)	(90,948,980)
Other expenses	25	(18,059,400)	(21,105,663)
Other gains (losses)		2,365,510	1,353,435
Finance income		-	12,692
Finance costs		(4,122,118)	(5,806,799)
Share of profits (losses) of associates and joint ventures accounted for using the equity method		2,757,705	2,546,585
Foreign currency exchange difference		4,582,890	12,669,127
Gain (loss) from indexation adjustments		(1,979,533)	7,943,225
Gain (loss) from difference between the prior carrying value and the fair value of reclassified financial assets measured at fair value		566,071	(2,814,928)
PROFIT (LOSS), BEFORE TAX		49,182,764	37,261,284
Income tax expense	5	(7,326,773)	(6,552,062)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		41,855,991	30,709,222
Profit (loss) from discontinued operations			
PROFIT (LOSS) FOR THE YEAR		41,855,991	30,709,222
PROFIT (LOSS), ATTRIBUTABLE TO			
Profit (loss) attributable to owners of the controller		40,851,775	29,985,771
Profit (loss) attributable to non-controlling interests		1,004,216	723,451
PROFIT (LOSS) FOR THE YEAR		41,855,991	30,709,222
EARNINGS PER SHARE			
BASIC EARNINGS PER SHARE			
Basic earnings (loss) per share from continuing operations		16,0203	11,7591
Basic earnings (loss) per share from discontinued operations			
BASIC EARNINGS (LOSS) PER SHARE		16,0203	11,7591

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, BY FUNCTION

As of December 31, 2010 and 2009

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	DECEMBER 31 2010	DECEMBER 31 2009
	THCLP\$	THCLP\$
PROFIT (LOSS) FOR THE YEAR	41,855,991	30,709,222
OTHER INCOME OR EXPENSES CHARGED OR CREDITED TO EQUITY		
Insurance company reserves	(5,256,631)	(3,469,924)
Financial assets available for sale	2,319,853	9,843,550
Hedge accounting derivatives	(78,453)	(943,996)
Other		
TOTAL OTHER INCOME OR EXPENSES CHARGED OR CREDITED TO NET EQUITY	(3,015,231)	5,429,630
TOTAL COMPREHENSIVE INCOME AND EXPENSES	38,840,760	36,138,852

COMPREHENSIVE INCOME ATTRIBUTABLE TO:	DECEMBER 31 2010	DECEMBER 31 2009
	THCLP\$	THCLP\$
Comprehensive income attributable to owners of the controller	37,835,344	35,208,726
Comprehensive income attributable to non-controlling interests	1,005,416	930,126
COMPREHENSIVE INCOME	38,840,760	36,138,852



CONSOLIDATED STATEMENTS OF CASH FLOWS, INDIRECT METHOD

As of december 31, 2010 and 2009

CONSOLIDATED STATEMENT OF CASH FLOW	DECEMBER 31 2010	DECEMBER 31 2009
	THCLP\$	THCLP\$
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
PROFIT (LOSS) TO RECONCILE NET INCOME	41,855,991	30,709,222
Adjustments		
Adjustments for income tax expense	7,326,772	6,552,062
Adjustments for decreases (increases) in inventories	(2,029,865)	(2,700,365)
Adjustments for decreases (increases) in trade receivables	(123,177,310)	(113,739,863)
Adjustments for decreases (increases) in other accounts receivable from operating activities	228,137,216	(110,784,858)
Adjustments for increases (decreases) in trade payables	(6,533,819)	(11,658,784)
Adjustments for increases (decreases) in other accounts payable from operating activities	(83,751,498)	(9,539,690)
Adjustments for depreciation and amortization expenses	4,519,540	4,285,971
Adjustments for impairment (impairment loss reversals) recognized in income for the period	(14,371,426)	10,177
Adjustments for provisions	12,542,847	(2,161,607)
Adjustments for unrealized foreign currency losses (gains)	(4,247)	603,786
Adjustments for non-controlling interests	(1,004,216)	(723,451)
Adjustments for undistributed profits of associates	(2,757,705)	(2,546,585)
Other adjustments for non - cash items	(32,082,348)	(10,660,465)
Adjustments for losses (gains) from the disposal of non-current assets	(2,108,600)	(575,638)
Other adjustments so that the effects on cash are investing or financing cash flows.	(80,736,414)	(70,961,493)
TOTAL ADJUSTMENTS FOR RECONCILIATION OF NET INCOME	(96,031,072)	(324,600,802)
Interest paid	(94,452,084)	(127,633,544)
Interest received	86,686,208	206,932,058
Refundable (paid) income tax	(27,586)	(25,341)
Other cash inflows (outflows)	(600,204)	-
NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	(62,568,747)	(214,618,408)
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Cash flows from loss of control over subsidiaries or other businesses	-	200
Cash flows used to obtain control over subsidiaries or other businesses	(13,373)	-
Cash flows used to purchase non-controlling interests	(2,991)	(25,774,191)
Other payments to acquire equity or debt instruments of other entities	(31,498)	-
Other charges for the sale of interests in joint ventures	-	-
Other payments to acquire interests in joint ventures	68,232,399	41,703,430
Loans to related entities	(320,088)	-
Proceeds from the sale of property, plant and equipment	7,500	-
Purchases of property, plant and equipment	(19,461,973)	(6,272,724)
Amounts provided by sale of intangibles	(7,101,347)	(620)
Purchases of intangibles	(179,944)	(4,990,234)
Charges to related entities	7,212,584	773,212
Dividends received	984,992	1,557,231
Interest received	-	-
Refunded (paid) income tax	14,042	2,903
Other cash inflows (outflows)	1,425,006	429,689
NET CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	50,765,309	7,428,895

CONSOLIDATED STATEMENT OF CASH FLOWS, INDIRECT METHOD

As of december 31, 2010 and 2009

STATEMENT OF CASH FLOW	DECEMBER 31 2010	DECEMBER 31 2009
	THCLP\$	THCLP\$
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Proceeds from share issuance	-	40,490,797
Proceeds from issuance of other equity interests	13,000,065	50,127,776
Proceeds from issuance of long term debt	76,549,934	-
Proceeds from issuance of short term debt	740,002	1,995,924
TOTAL AMOUNTS PROVIDED BY DEBT ISSUANCE	77,289,936	1,995,924
Debt issuance from related entities	345,794	336,362
Debt repayment	(72,390,705)	27,598,835
Repayments of finance lease liabilities	(146,088)	(276,514)
Repayments of debt from to related companies	(11,963,851)	(1,314,670)
Amounts provided by government subsidies	-	-
Dividends paid	(13,420,572)	(9,354,250)
Interest paid	(251,491)	(470,864)
Refunded (paid) income tax	(2,088)	3,203,957
Other cash inflows (outflows)	2,387,367	59,363,580
NET CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES	(5,151,633)	171,700,934
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, BEFORE THE EFFECT OF CHANGES IN EXCHANGE RATE	(16,955,071)	(35,488,579)
Effects of changes in exchange rates on cash and cash equivalents	22,998	10,135
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,932,073)	(35,478,444)
CASH AND CASH EQUIVALENTS AT BEGINING OR PERIOD	161,286,500	196,764,944
CASH AND CASH EQUIVALENTS AT END OF PERIOD	144,354,427	161,286,500

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As of december 31, 2010 and 2009

	ISSUED CAPITAL	SHARE INSUANCE PREMIUMS	OTHER RESERVES	RETAINED EARNINGS (LOSSES)	EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER	NON- CONTROLLING INTERESTS	TOTAL EQUITY
	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$
BEGINNING BALANCE CURRENT PERIOD 01/01/2010	159,414,682	38,835,926	(19,083,846)	108,580,867	287,747,629	5,263,487	293,011,116
Increase (decrease) from changes in accounting policies							
Increase (decrease) from correction of misstatements			-		-		-
Beginning balance restated	159,414,682	38,835,926	(19,083,846)	108,580,867	287,747,629	5,263,487	293,011,116
Changes in equity							
COMPREHENSIVE INCOME							
Profit (loss)				40,851,775	40,851,775	1,004,216	41,855,991
Other comprehensive income			(3,016,431)		(3,016,431)	1,200	(3,015,231)
Comprehensive income			(3,016,431)	40,851,775	37,835,344	1,005,416	38,840,760
Share insuance					-		-
Dividends				(20,400,000)	(20,400,000)		(20,400,000)
Increase (decrease) from other contributions by owners							-
Decrease (increase) from other distributions to owners				(3,182,819)	(3,182,819)		(3,182,819)
Increase (decrease) from transfers and other changes			(1,116,881)	(242,718)	(1,359,599)	(569,465)	(1,929,064)
Increase (decrease) from treasury stock transactions					-		-
TOTAL CHANGES IN EQUITY	-	-	(4,133,312)	17,026,238	12,892,926	435,951	13,328,877
ENDING BALANCE CURRENT PERIOD 31/12/2010	159,414,682	38,835,926	(23,217,158)	125,607,105	300,640,555	5,699,438	306,339,993

	ISSUED CAPITAL	SHARE INSUANCE PREMIUMS	OTHER RESERVES	RETAINED EARNINGS (LOSSES)	EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER	NON- CONTROLLING INTERESTS	TOTAL EQUITY
	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$
Beginning balance prior period 01/01/09	123,991,660	37,090,899	(27,080,112)	97,392,867	231,395,314	5,183,034	236,578,348
Increase (decrease) from changes in accounting policies			-		-		-
Increase (decrease) from correction of misstatements			-		-		-
BEGINNING BALANCE RESTATED	123,991,660	37,090,899	(27,080,112)	97,392,867	231,395,314	5,183,034	236,578,348
Changes in equity							
Comprehensive income							
Profit (loss)				29,985,771	29,985,771	723,451	30,709,222
Other comprehensive income			5,222,955		5,222,955	206,675	5,429,630
Comprehensive income				29,985,771	35,208,726	930,126	36,138,852
Share insuance	38,390,000	1,745,027			40,135,027		40,135,027
Dividends				(15,729,250)	(15,729,250)		(15,729,250)
Increase (decrease) from other contributions by owners			-		-		-
Decrease (increase) from other distributions to owners				(3,737,332)	(3,737,332)		(3,737,332)
Increase (decrease) from transfers and other changes	(2,966,978)		2,773,311	668,811	475,144	(849,673)	(374,529)
Increase (decrease) from treasury stock transactions					-		-
Increase (decrease) from changes in interests in subsidiaries that do not represent a loss of control					-		-
TOTAL CHANGES IN EQUITY	35,423,022	1,745,027	7,996,266	11,188,000	56,352,315	80,453	56,432,768
ENDING BALANCE PRIOR PERIOD 31/12/2009	159,414,682	38,835,926	(19,083,846)	108,580,867	287,747,629	5,263,487	293,011,116



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. CORPORATE INFORMATION

a) Company Information

The company Grupo Security S.A. (hereinafter "Grupo Security", the "Company", or the "Group") is a company incorporated in Chile in conformity with the Law on Corporations and its corporate purpose is investing and providing advisories of any kind in the country. Its corporate domicile is Apoquindo Avenue No. 3150, Floor 14, Las Condes, Santiago, Chile.

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

The Consolidated Financial Statements of Grupo Security have been prepared in conformity with International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"), except for the financial statements of the subsidiary Seguros de Vida Security Previsión S.A. (hereinafter Vida Security), which were prepared in conformity with Accounting Principles Generally Accepted in Chile (hereinafter "Chile GAAP") and standards and instructions issued by the Superintendency of Securities and Insurance (hereinafter "SVS"), and the financial statements of Banco Security and Subsidiaries, which were prepared in conformity with the Compendium of Accounting Standards issued by the Superintendency of Banks and Financial Institutions (hereinafter "SBIF") in relation to the banking business. Accordingly, and in conformity with Circular letter No. 506 of the SVS, some of the accounting policies related to the financial statements of Banco Security and Subsidiaries and Seguros de Vida Security Previsión S.A. are presented separately for better understanding.



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The following companies are included in Grupo Security's scope of consolidation:

COMPANY NAME	TAXPAYER ID	DIRECT OWNERSHIP INTEREST	INDIRECT OWNERSHIP INTEREST	TOTAL INTEREST
Factoring Security S.A.	96.655.860-1	99.998%		99.998%
Banco Security	97.053.000-2	99.953%		99.953%
Administradora General de Fondos Security S.A.	96.639.280-0	99.990%	0.010%	100.000%
Valores Security Corredores de Bolsa S.A.	96.515.580-5	99.758%	0.243%	100.000%
Inversiones Seguros Security Ltda.	78.769.870-0	99.999%		99.999%
Asesorías Security S.A.	96.803.620-3	99.782%	0.218%	100.000%
Seguros Vida Security Previsión S.A.	99.301.000-6	97.370%		97.370%
Global Assets Advisor	E-0	99.000%	1.000%	100.000%
Servicios y Beneficios Security Ltda.	77.431.040-1	99.900%	0.100%	100.000%
Servicios Security S.A.	96.849.320-5	99.999%		99.999%
Corredora de Seguros Security Ltda.	77.371.990-k	99.998%		99.998%
Inversiones Invest Security Ltda.	77.461.880-5	99.955%	0.045%	100.000%
Mandatos Security Ltda.	77.512.350-8	99.770%	0.230%	100.000%
Global Gestión y Servicios Security Ltda.	76.181.170-3	99.770%	0.230%	100.000%
Travel Security S.A.	85.633.900-9	55.000%		55.000%
Securitizadora Security S.A.	96.847.360-3	99.980%	0.020%	100.000%
Representaciones Security Ltda	77.405.150-3		55.450%	55.450%
Inmobiliaria Security S.A.	96.786.270-3	99.999%		99.999%
Inmobiliaria SH Uno Ltda.	77.173.860-5		99.990%	99.990%
Inmobiliaria Security Siete Ltda.	78.972.520-9		99.990%	99.990%
Inmobiliaria Security Nueve Ltda.	77.441.660-9		99.000%	99.000%
Inmobiliaria Security Diez Ltda.	77.464.540-3		99.000%	99.000%
Inmobiliaria Security Once Ltda.	77.611.170-8		99.000%	99.000%
El Vergel Fondo de Inversion Privado	76.036.143-7		73.993%	73.993%
Rodrigo de Quiroga Fondo de Inversion Privado	76.036-116-k		51.499%	51.499%
General Flores Fondo de Inversion Privado	76.036.147-k		66.451%	66.451%
Quirihue Fondo de Inversion Privado	76.036.113-5		60.000%	60.000%
Silvina Hurtado Fondo de Inversion Privado	76.036.115-1		66.923%	66.923%
Oficinas el Golf Fondo de Inversion Privado	76.042.498-6		100.000%	100.000%
Empresas Huechuraba Fondo de Inversion Privado	76.042.497-8		100.000%	100.000%
Fontana Fondo de Inversion Privado	76.104.405-2		100.000%	100.000%
Bustos Fondo de Inversion Privado	76.104.355-2		100.000%	100.000%



Main shareholders of Grupo Security S.A.:

COMPANY NAME	TAXPAYER ID	SHARES AS OF 31.12.2010	OWNERSHIP %	ACCUMULATED OWNERSHIP %
Inmobiliaria Villuco Ltda	79.652.720-K	248,837,241	10%	10%
Inversiones Centinela Ltda	76.108.332-5	246,729,398	10%	19%
Inversiones Matyco Ltda	96.512.100-5	246,505,375	10%	29%
Inversiones Hidroelectricas Ltda	79.884.660-4	187,425,000	7%	36%
Inversiones Hemaco Ltda	96.647.170-0	158,612,908	6%	43%
Valores Security S.A. Corredores de Bolsa	96.515.580-5	127,919,196	5%	48%
Arcoinvest Chile S.A.	76.057.087-7	127,500,000	5%	53%
Soc. Comercial de Servicios e Inversiones Ltda	79.553.600-0	118,070,506	5%	57%
Inversiones Llascahue S.A.	79.884.060-6	102,000,000	4%	61%
Inmobiliaria Cab Ltda	96.941.680-8	96,037,000	4%	65%
Inversiones Los Cactus S.A.	79.884.050-9	82,000,000	3%	68%
Compañía de Inversiones Rio Bueno S.A.	96.519.130-5	66,088,609	3%	71%
Inversiones San Ignacio Ltda	78.063.360-3	46,422,773	2%	73%
Moneda S.A. Administradora de Fondos de Inv.	96.684.990-8	40,460,000	2%	74%
Larrain Vial S.A. Corredores de Bolsa	80.537.000-9	39,304,257	2%	76%
Inversiones Los Chilcos S.A.	79.884.030-4	39,300,000	2%	77%
Celfin Smal Cap Chile Fondos de Inv.	96.966.250-7	34,002,588	1%	79%
Celfin Capital S.A. Corredores de Bolsa	84.177.300-4	28,167,194	1%	80%
Polo Sur Sociedad de Rentas Ltda	79.685.260-7	26,845,205	1%	81%
San Leon Inversiones y Servicios Ltda	78.538.290-0	24,415,366	1%	82%



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b) Description of Grupo Security’s operations and main activities

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

FINANCE
Bank
Corporate Banking
Personal Banking
Factoring
INVESTMENTS
General Fund Administration
Stock Exchange Brokerage
Asset Management
Securitization
INSURANCE
Life Insurance
General Insurance
Travel Assistance
Insurance Brokerage
Reinsurance Brokerage
OTHER SERVICES
Travel Agency
Real Estate Company
Support services for businesses and technological development

Finance: Through Banco Security and Factoring Security S.A., Grupo Security participates in providing financing to high income individuals and medium to large companies, through a complete set of products to satisfy their financial needs.

Investments: Grupo Security participates in businesses related to investments and third party asset management through Administradora General de Fondos Security; stock brokerage and securities intermediation through Valores Security Corredores de Bolsa; and advisories, asset management and securitized equities through Securitizadora Security and Asesorías Security.

Insurance: Grupo Security participates in the insurance industry through Compañía de Seguros de Vida Security Previsión S.A. and Corredora de Seguros Security Limitada. Likewise, the Group has alliances with CooperGay and Europ Asistance Chile. CooperGay is one of the ten largest reinsurance companies in the world. Europ Assistance is the second largest insurance assistance company that offers insurance products such as travel assistance, vehicle and home insurance at a global level.

Other Services: In the services area, Grupo Security groups the companies dedicated to the real estate business, travel agency and tourism, in addition to other companies focused on providing supplementary support to the Group.

c) Employees

The following chart shows the number of employees of Grupo Security as of December 31, 2010:

COMPANY	EXECUTIVES	PROFESSIONALS	WORKERS	OVERALL TOTAL
GRUPO SECURITY S.A.	7	3	2	12
BANCO Y FILIALES	74	411	330	815
FACTORING SECURITY S.A.	13	50	55	118
INMOBILIARIA SECURITY S.A. E INMOBILIARIA SECURITY SIETE LTDA.	4	16	10	30
ASESORIAS SECURITY S.A.	1	15	3	19
SECURITIZADORA SECURITY GMAC-RFC S.A.	2	2	1	5
INVERSIONES INVEST SECURITY LTDA.	38	234	378	650
INVERSIONES Insurance SECURITY Y FILIALES	37	151	430	618
OVERALL TOTAL	176	882	1,209	2,267

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

2.1 Accounting period

The accompanying Consolidated Financial Statements cover the following periods:

- Statements of Financial Position for the periods ended December 31, 2010 and 2009 and January 1, 2009.
- Statements of Changes in Equity for the periods ended December 31, 2010 and 2009.
- Statements of Comprehensive Income for the periods ended December 31, 2010 and 2009.
- Statements of Cash Flows for the periods ended December 31, 2010 and 2009.

2.2 Basis of Preparation

The Consolidated Financial Statements of Grupo Security corresponding to the periods ended December 31, 2010 and 2009 and January 1, 2009, were prepared in conformity with International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB").

The bank subsidiary is governed by the standards established by the Superintendency of Banks and Financial Institutions ("SBIF") which has established a gradual convergence plan from accounting principles generally accepted in Chile and standards issued by the local regulate to IFRS. This is the reason why the Bank Subsidiary has partially adopted IFRS through the application of the IFRS-SBIF standards generating the following departures:

1. IFRS exemptions and exceptions applied by the bank subsidiary

- Loan provisions, assets received in lieu of payment, contingent loans, suspension of accrual and others

The indicated provisions as well as the suspension of revenue recognition constitute one of the exceptions in the comprehensive application of IFRS. This is due to the prudent criterion of the SBIF to measure the impairment of credits loans instead of the present value of remaining cash flows.



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- Fair value option

As indicated in the Compendium of Accounting Standards of the SBIF, banks are not allowed to measure certain assets and liabilities at fair value instead of at their amortized cost.

- Classification of instruments held for trading and investment

The Company classifies its financial instruments acquired for trading and investing in three categories and applies a uniform accounting treatment for each one of these categories considering the following:

- The instruments available for sale shall not be adjusted to fair value with changes recorded in profit or loss.
- For presentation purposes in the consolidated statement of financial position, the investments in mutual funds are grouped with trading securities adjusting changes in their fair value through profit or loss.
- Instruments having a derivative component that should be separated, but cannot be valued separately, are included in the category of trading securities and received the accounting treatment attributable to that portfolio of investments.
- In the extraordinary case that an equity instrument included in the trading securities portfolio stops being traded, and it is not possible to obtain a reliable estimate of its fair value, will be included in the category of available for sale instruments.

- Recognition in the Statement of Financial Position according to trade date

The purchase and sale of financial instruments, including foreign currency adjustments, are recognized in the consolidated statement of financial position at the trade date, that is, the date when the Company assumes the reciprocal obligations that must be fulfilled within the period established by regulation or market conventions in the market in which the Company operates.

- Embedded derivatives

The Company will not treat as embedded derivatives Chilean currency indexation adjustments (e.g. those adjustments based on foreign currency fluctuations or fluctuation of the Chilean consumer-price index such as the IPC, UF, IVP or UTM) approved by the Chilean Central Bank.

- Hedges accounting

The financial instruments recorded at fair value with changes in fair value recorded through profit or loss are not subject to hedges accounting, unless they are embedded derivatives that cannot be separated from the host contract.

The options issued by the bank can only be designated as a hedge instruments to compensate for purchased options incorporated into a host contract that cannot be separated.

2. Notes to the Consolidated Financial Statements

The SBIF does not request the preparation of explanatory notes for the quarterly interim financial statements. Consequently, inclusion of such notes is voluntarily and has been gradually implemented during 2010.

Considering the volume and complexity of the banking operations of the Banco Security Subsidiary, Management has adopted SVS Circular No. 506 issued on February 13, 2009, which establishes that the differences between the IFRS-SBIF and IFRS standards should only be calculated and disclosed to the extent that such calculation is possible.

The insurance subsidiary, Vida Security, is regulated by the standards of the SVS which has established a convergence plan from local standards (Chile GAAP) to IFRS for insurance companies for the year ending 2012. Consequently, the financial statements



of this subsidiary included in the consolidated financial statements of Grupo Security have been prepared using Chile GAAP and specific standards issued by the SVS.

The accompanying consolidated financial statements have been prepared from the accounting records maintained by the Group and by the other subsidiary entities that are part of Grupo Security. Each entity prepares its financial statements following the applicable accounting principles and criteria. Therefore, in the consolidation process we have incorporated the necessary adjustments and reclassifications to uniform the accounting principles and policies used in our subsidiaries financial statements to adapt these to IFRS, except for the bank and insurance subsidiaries, which due to specific instruction of the SVS have been consolidated based on the accounting criteria applicable to both entities.

These consolidated financial statements reflect faithfully the financial position of Grupo Security as of December 31, 2010 and 2009 and January 1, 2009, and the results of its operations, changes in equity and cash flows for the periods then ended.

The transition date for the application of these new standards corresponds to January 1, 2009. The adoption of the new standards generated significant changes in policies and accounting principles such as:

- Measurement criteria
- New criteria for the determination of provision for credit risk and effective interest method accruals.
- Incorporation of a new financial statement filled statement of changes in equity.
- A significant increase in the information provided in the notes to the consolidated financial statements.

In Note 3, First time adoption of International Financial Reporting Standards, Grupo Security presents a reconciliation between the consolidated statement of financial position at the beginning and at the end of the annual period ended at December 31, 2009 under previous accounting standards (i.e. Chile GAAP) and IFRS.

The notes to the consolidated financial statements contain additional information to the information presented in the consolidated statement of financial position, statements of comprehensive income, statements of changes in net equity and statement of cash flows included herein. The notes provide narrative descriptions or details of these statements in a clear, relevant, reliable and comparable manner.

3. New IFRS and interpretations issued by the IFRS Interpretation Committee (IFRIC)

As at the issuance date of these consolidated financial statements, the following IFRS and IFRIC interpretations have been issued:

NEW IFRS AND AMENDMENTS TO IFRS	DATE OF MANDATORY APPLICATION
Amendment to IFRS 2, Share Based Payments	Annual periods beginning on or after January 1, 2010
IAS 24, Related Party Disclosures	Annual periods beginning on or after January 1, 2011
IAS 32, Classification of Rights Issues	Annual periods beginning on or after February 1, 2010
Amendment to IAS 39, Financial Instruments: Recognition and Measurement-Eligible hedged items	Retrospective application for annual periods beginning on or after July 1, 2009
Improvements to IFRS - Collection of amendments to twelve International Financial Reporting Standards	Annual periods beginning on or after January 1, 2010
IFRS 9 Financial Instruments	Annual periods beginning on or after January 1, 2013

NEW INTERPRETATIONS	DATE OF MANDATORY APPLICATION
IFRIC 19, Extinguishing financial liabilities with equity instruments	Annual periods beginning on or after July 1, 2010

AMENDMENTS TO INTERPRETATIONS	DATE OF MANDATORY APPLICATION
IFRIC 14, The limit on a defined benefit asset, minimum funding requirements and their interaction	Annual periods beginning on or after July 1, 2010



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Disclosure of the Adoption of new and amended IFRS

The following IFRS and IFRIC interpretations have been issued, but their application date is not yet effective.

IFRS 9, Financial Instruments

On November 12, 2009, the IASB issued IFRS 9, Financial Instruments. This standard introduces new requirements for the classification and measurement of financial assets and is effective for annual periods beginning on or after January 1, 2013, allowing for early adoption. IFRS 9 specifies how an entity should classify and measure its financial assets. It requires all financial assets to be classified completely based on the business model related to the management of financial assets and the characteristics of the contractual cash flows of the financial assets. The financial assets are measured either at amortized cost or fair value. Only the financial assets that are classified as measured at amortized cost will be tested for impairment.

Amendment IFRS 2, Share-Based Payments

In June 2009, the IASB issued amendments to IFRS 2: Share Based Payments. These modifications clarify the scope of IFRS 2, as well as the accounting for group transactions of share based payments settled in cash in the stand-alone financial statements of an entity that receives the assets or services when another entity or shareholder of the group has the obligation to settle the benefit.

Amendment to IAS 24, Disclosure of Related Parties

On November 4, 2009, the IASB issued amendments to IAS 24, Disclosure of Related Parties. The amended standard simplifies the disclosure requirement for entities that are controlled, jointly controlled or significantly influenced by a governmental entity (denominated as governmental-related entities) and it clarifies the definition of related parties. The amended standard is effective for the annual periods beginning on or after January 1, 2011, and it requires retrospective application. Therefore, in the year of the initial application, the disclosures for the comparative periods need to be restated. Early adoption is allowed, whether of the completely amended standards or the partial exemption for governmental-related entities. If an entity adopts the complete standard or the partial exemption for a period that starts before January 1, 2011, it is required to disclose such fact.

Amendment to IAS 32, Financial Instruments: Presentation

On October 08, 2009 for classification of rights issues, the IASB published an amendment to IAS 32: Financial Instruments. According to the amendments the rights, options and warrants that comply with the definition in paragraph 11 of IAS 32 issued to acquire a fixed number of non-derivative equity instruments of an entity for a fixed amount in any currency are classified as equity instruments as long as the offer is performed at pro-rata for all current owners of the same class of non-derivative equity instruments of the entity. The amendment is effective for annual periods beginning on or after February 1, 2010, and its early adoption is allowed.

Amendment to IAS 39, Financial Instruments: Recognition and Measurement

On July 31, 2008, the IASB published amendments to IAS 39: Financial Instruments: Recognition and Measurement which provide a clarification on two issues related to hedge accounting. The issues include: (i) identification of inflation as hedged risk - establishing that inflation can only be hedged in case the changes in the inflation are a contractually agreed part of the cash flows of a recognized financial instrument, and (ii) hedge with options - establishing that the intrinsic value, not the time value, of an option shows a risk and, therefore, a totally designed option cannot be perfectly effective. The amendments are effective for annual periods beginning on or after July 1, 2009.

Improvements to International Financial Reporting Standards - 2009

On April 16, 2009, the IASB issued the Improvements to IFRS 2009, incorporating amendments to 12 International Financial Reporting Standards. This is the second set of amendments issued under the process of annual improvements, which were designed to make necessary, but not urgent, changes to the IFRS. The modifications are effective for annual periods starting on or after July 01, 2009 and for annual periods starting on or after January 01, 2010.

IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments

On November 26, 2009, the IFRIC issued IFRIC 19, Extinguishing of Financial Liabilities with Equity Instruments. This interpretation

provides guidelines on how to record the extinguishment of a financial liability through the issuance of equity instruments. The interpretation concluded that the issuance of equity instruments to extinguish a liability constitutes paid consideration. The consideration shall be measured at fair value of the issued equity instruments, unless the fair value cannot be easily determined, in which case the equity instruments have to be measured at fair value of the extinguished obligation.

Amendment to IFRIC 14, IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction

In December 2009, the IASB issued Prepayment of a Minimum Funding Requirement, amendments to IFRIC 14 IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction. The amendments help remediate an unintended consequence of IFRIC 14 that prohibited the entities in certain circumstances to recognize as an asset prepayments of minimum funding requirements.

2.3 Consolidation of financial statements

In the preparation of the consolidated financial statements, Grupo Security considers all those entities over which it has direct or indirect ownership of 50% or more of the corporate rights of the entities in which it participates. On the other hand, Grupo Security also considers those entities in which the Company has the ability to exercise effective control, without considering the ownership percentages in the consolidated companies. Note that according to IAS 27, control is understood as the power to direct the financial and operating policies of the entity, in order to obtain benefits from its activities.

The financial statements of the entities are consolidated line by line with those of Grupo Security S.A. Consequently, all balances and effects of the significant transactions performed between the consolidated companies are eliminated. In addition, the participation of third parties in the equity of the consolidating companies is presented in the item "Non controlling interests" of the consolidated statement of financial position, within equity; the income for the year is presented in the item "Income (loss) attributable to non controlling interests" within the statement of comprehensive income and in the statement of changes in equity.

Finally, based on the above mentioned consolidated policy, the Company's consolidated financial statements include Banco Security and Vida Security effective since 2010.

The Companies included in the scope of consolidation are as follows:

COMPANY NAME	TAX NO.	DIRECT
Factoring Security S.A.	96.655.860-1	99.9980%
Banco Security	97.053.000-2	99.9529%
Inmobiliaria Security S.A.	96.786.270-3	99.9990%
Inversiones Seguros Security Limitada	78.769.870-0	99.9990%
Asesorías Security S.A.	96.803.620-3	99.7818%
Inversiones Invest Security Limitada	77.461.880-5	99.9550%
Securitizadora Security S.A.	96.847.360-3	99.9800%

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

2.4 Amortized cost measurement

Amortized cost is the amount at which a financial assets or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization recognized using the effective interest method of any difference between that initial amount and the maturity amount of said asset or liability.



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For financial assets, the amortized cost includes impairment adjustments.

2.5 Fair value measurement

Fair value is the amount for which an asset can be exchanged or a liability settled between a knowledgeable buyer and seller, in an arm's length transaction.

When an instrument does not trade in an active market, the Company determines its fair value using estimation techniques such as interest curves for market transactions or homologation with instruments of similar characteristics.

2.6 Measurement at acquisition cost

Acquisition cost encompasses the cost of the transaction adjustment for impairment losses.

The accompanying consolidated financial statement line items have been measured at amortized cost except for:

- Derivative financial instruments, measured at fair value.
- Assets available for sale are measured at fair value, when fair value is lower than book value less costs to sell.
- Marketable securities, measured at fair value.
- Held-for-sale investment instruments, measured at fair value.
- In the case of the bank subsidiary, some real estate property, that Senior Management has appraisal and left such value as the asset's deemed cost for first adoption, in conformity with the Compendium of Accounting Standards of the SBIF.

2.7 Goodwill

The goodwill generated in consolidation represents the excess of purchase cost over Grupo Security's ownership's interest in the fair value of the identifiable assets and liabilities of a subsidiary or a jointly controlled entity as of the acquisition date.

The goodwill generated prior to the transition date Chile GAAP to IFRS, was maintained at its net value recorded at such transition date. The goodwill generated prior to the transition date was measured at its purchase cost.

At each reporting period, the Group analyzed whether goodwill has been impaired by comparing its recoverable value to the notebook value. The Company records the lower of the recoverable value and net book value of good will. Any adjustments to goodwill are recorded with a charge to profit or loss, Administrative expenses accounts in accordance with IFRS 3; using as counterparty the item Administrative expenses of the consolidated statement of income, in conformity with IFRS 3.

2.8 Intangible assets other than goodwill

Disbursements for computer programs developed internally are recognized as an asset when Grupo Security is able to show it has the intent and ability to complete their development and use the asset internally to generate future economic benefits, and the costs to complete the development can be measured reliably. The capitalized costs of the IT programs developed internally include all costs directly attributable to the development of the program and are amortized during their estimated useful lives.

The IT programs acquired by Grupo Security are measured at cost less accumulated amortization and accumulated impairment losses.

The Company determines useful life according to the period in which the intangible asset is expected to generate economic benefits. The amortization period and method are reviewed annually and any change in these is treated as a change in estimate.

The maintenance costs of an intangible asset are recorded with a charge to profit or loss in the period in which they are incurred. The amortization of the intangible assets is recorded the straight-line method as of the date when the asset is available for use.

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

2.9 Property, plant and equipment

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

Depreciation is determined by applying the straight-line method, over the cost of the assets less their residual value. Note that the land over which the buildings and other facilities are built has an indefinite useful life and, therefore, is not subject to depreciation.

The depreciation of each period is recorded against profit or loss of the period and is calculated according to the years of estimated useful life of the different assets.

The profit or loss resulting from the disposal or retirement of an asset is determined as the difference between the sales price and the carrying value of the assets, and is recognized in profit or loss.

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

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

2.10 Leases, Bank Subsidiary

The accounts receivable for lease contracts correspond to the periodic installments expected to be received from finance leases. They are presented net of unaccrued interest at each year-end.

2.11 Assets received in lieu of payment, Bank Subsidiary

The assets received in lieu of payment are classified in the item "Other non-financial assets, non-current". They are recorded at the lower of cost and the fair value less legally established write-offs. Those assets are presented net of provisions.

Write-offs are required by the SBIF if the asset has not been sold within one year from its receipt.

2.12 Impairment of financial and non-financial assets

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

Regarding bank assets, the assets that are individually significant are assessed individually to determine whether there is objective impairment evidence. The assets that are not significant individually and have similar characteristics are assessed as a group.



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

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

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

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

The impairment of financial assets available for sale, in case of the bank subsidiary, is determined in relation to their recoverable value.

2.13 Valuation of financial instruments

The financial instruments held by Grupo Security through its bank subsidiary are classified and valued as follows:

a) Instruments held for trading

Trading investments are securities acquired with the purpose of generating earnings from short-term price fluctuation, brokerage margins, or which form part of a portfolio of instruments with a pattern of short-term profit-taking.

Instruments held for trading are valued at their fair value in accordance with market prices at year-end.

All purchases and sales of trading investments to be delivered within the deadline period established by market regulations and conventions are recognized on the trade date, which is the date on which the commitment is made to purchase or sell the asset. Any other purchase or sale is treated as a derivative (forward) until the payment is made.

b) Investment instruments

Investment instruments are classified into two categories: Held-to-maturity investments and Available-for-sale investments.

i. Financial assets held to maturity

Financial assets held to maturity correspond to those assets with fixed or determinable payments and maturity. In this regard, Grupo Security will express its intention and ability to hold these in its power from their acquisition date to their maturity date.

Held to maturity investments are stated at their amortized costs recognizing in profit or loss the accrued interests according to the effective interest method. Amortized cost is understood as the initial cost less principal repayments received.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability.



ii. Financial assets available for sale

These include those assets acquired that are not held for trading purposes and are not qualified as investments held to maturity.

Investment instruments are initially recognized at cost, including transaction costs.

Instruments available for sale are subsequently valued at their fair value in accordance with market prices or valuation models. The gains and losses from the fluctuations in the fair value are recognized directly in other comprehensive income until the asset is sold or has suffered an impairment. At this time, the accumulated gains or losses recognized previously in other comprehensive income are reclassified to profit or loss for the year.

Investment instruments designated as hedging instruments are measured using the requirements established for hedge accounting.

All purchases and sales of investment instruments to be delivered within the deadline period established by market regulations and conventions are recognized on the trade date, which is the date on which the commitment is made to purchase or sell the asset. The other purchases or sales are treated as derivatives (forward) until their payment.

c) Borrowings, loans and accounts receivable issued by the company

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

The loans and accounts receivable originated by Grupo Security are stated at amortized cost recognizing in income the accrued interests in accordance with the effective interest method. Amortized cost is understood as the initial cost less the principal repayments received.

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

Fair value of a financial instrument as of a certain date is understood as the amount for which the asset can be bought or sold as of that date between two willing parties, in an arm's length transaction, acting freely and wisely. The most objective and typical reference of fair value of a financial instrument is the price that is paid in an organized, transparent and deep market. If this market price cannot be estimated objectively and reliably for a certain financial instrument, the Company will estimate its fair value in reference to the most recent transactions of similar instruments or at the present value of all future cash flows (receipts or at interest payments), discounted using a market interest rate of similar financial instruments (same term, currency, interest rate and rating of equivalent risk).

2.14 Financial derivative contracts

a) Grupo Security except Bank Subsidiary

Due to the types of operations performed by Grupo Security and except for the bank subsidiary, the Company is exposed to financial risks related to foreign currency exchange and interest rate fluctuations. To mitigate the aforementioned currency and interest risks, Grupo Security, except for its bank subsidiary, uses fixed term contracts over currency exchange rates, such as US dollar and contracts over interest rates.

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

Gains or losses that arise from changes in the fair value of derivatives during the period are recorded in profit or loss.



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Vida Security maintains current derivative contracts that are accounted for according to Title 7° of Circular Letter No. 1512, were by these are measured considering the acquisition and the new exchange rates current as of the closing date of the financial statements.

b) Bank Subsidiary

Financial derivative contracts including foreign currency and UF forwards, interest rate futures, currency swaps, interest rate and currency options, and other financial derivatives are initially recognized in the statement of financial position at their cost (including transaction costs) and subsequently valued at fair value. The fair value is obtained from market rates, discounted cash flow models and option valuation models, as appropriate. Derivative contracts are reported as assets when their fair value is positive and as liability when this is negative.

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their risk and characteristics are not clearly related to the host contract and such host contract is not recorded at fair value through profit or loss.

On the inception of derivatives contract, these should be designated by the Bank as trading derivatives as hedging instruments.

Any changes in the fair value of financial derivative contracts held for trading are included in the Consolidated Statement of Income under the category of "Trading derivatives" of the "Financial Income" item.

If the derivative is designated as a hedging instrument in a hedge relationship, this may be: (1) a fair value hedge of assets or liabilities or firm commitments, or (2) a hedge of cash flows related to recognized assets or liabilities or forecasted transactions. A hedging relationship qualifies for hedge accounting if, and only if, all of the following conditions are met: (a) at the inception of the hedge there is a formal designation and documentation of the hedging relationship; (b) the hedge is expected to be highly effective; (c) the effectiveness of the hedge can be reliably measured and; (d) the hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

Certain derivative transactions that do not qualify as hedges are treated and recorded as trading derivatives, even though they are effective hedges for managing positions of risk.

When a derivative is designated as a hedging instrument to hedge the exposure to changes in the fair value of a recognized asset or liability, such asset or liability is recorded at its fair value with respect to the specific risk hedged. Gains or losses from remeasuring the hedging instrument at fair value are recognized in profit or loss.

If the item hedged in a fair value hedge is an effective commitment, the changes in the fair value of the commitment in regard to the risk hedged are recorded as assets or liabilities with charges in profit or loss. Gains or losses on the hedged item attributable to the hedged risk adjust the carrying amount of the hedged item and are recognized in profit or loss. When a new asset or liability is acquired as a result of the commitment, the initial recognition of the acquired asset or liability is adjusted to incorporate the mark to market adjustment of the firm commitment recorded in the statement of financial position.

When a derivative hedges the exposure to changes in cash flows of existing assets or liabilities, or expected transactions, the effective portion of changes in the fair value in regard to the risk hedged is recorded in other comprehensive income within equity.

Any ineffective portion of the gain or loss on the hedging instrument is recognized in profit or loss. The amounts recorded directly in shareholders' equity are recorded in income in the same periods in which the assets or liabilities hedged affect income.

When the Group enters into a fair value interest rate hedge, and the hedged item is an amount of currency instead of separate assets or liabilities, gains or loss from fair value measurements, both of the hedged item and the hedging derivative, are recognized in profit or loss for the year. The measurement at fair value of the hedged portfolio is presented in the consolidated statement of financial



position under "Financial derivative contracts", in assets or liabilities, according to the hedged portfolio's position at that moment.

The Group enter into a cash flow hedge to hedge the exposure to the fluctuation of the cash flows attributed to a particular risk related to assets and liabilities associated with a highly probable expected transaction. The result of the effective portion of the changes in the fair value of the hedged risk is recognized in equity. On the other hand, the ineffective portion of the instrument is recognized as profit/(loss) for the period.

2.15 Valuation of financial investments in insurance subsidiary

a) Debt securities

Debt securities issued by the State, companies or financial institutions, are valued at their present value calculated using the same discount rate used to determine the price of the instrument at the moment of the purchase in compliance with Circular Letter No. 1.360 dated January 5, 1998 of the SVS and its subsequent amendments.

The difference between the par value and the present value of the instrument is amortized during the debt security's term.

b) Equity securities

i.i. Registered shares with annual adjustments

Registered shares with annual adjustments greater than 25% are stated at the weighted average value of transactions within the last ten trade dates, prior to the closing date of the financial statements, in which a total amount equal to or greater than UF150 had been traded.

ii. Unregistered shares

Unregistered shares are stated at the lower of cost (adjusted for price-level restatement) and the carrying value of the investment.

iii. Investment funds

The units of investment funds with annually adjusted presence equal to or greater than 20% are stated at the weighted average value of the last 10 days of stock transactions, prior to the closing date of the financial statements, in which a total amount equal to or greater than UF150 had been traded.

The investment fund units not complying with the above condition are measured at the carrying value of the determined unit based on the last financial statements of the funds.

c) Instruments supporting the fund reserve

The investments supporting the fund reserve are stated as indicated in Circular Letter No. 1.360 and its amendments issued by the SVS.

d) Purchases with resale agreements

The purchases of resale agreements are recorded at acquisition cost plus accrued interest based on the implicit interest rate determined between the acquisition cost and the committed sales price at the date when the commitment is to be fulfilled.

e) Financial risk hedge operations

Vida Security entered into sales forwards during the period 2010 and 2009 in order to hedge exchange rate fluctuations that could negatively affect assets in foreign currency (i.e. US dollar), which are stated at fair value at the closing date of the financial statements, according to General Standard No. 200 of the SVS. Vida Security maintains current hedge swap and forward contracts that are accounted for in accordance with Title 7° of Circular Letter No. 1512 of the SVS, whereby the contracts are measured considering the acquisition cost and the new exchange rates effective at the closing date of the financial statements.



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f) Structured fixed income notes

Vida Security maintains foreign fixed income investments (i.e. structured notes), which are stated at the same discount rate used to determine the price of the instrument at the moment of the purchase.

g) Summary of General Administrative Policies

During the period 2010 and 2009, the Group's investment and internal control policies remained unchanged, according to the policies approved by the Board and informed to the SVS as per General Standard No. 130.

2.16 Repurchase agreements and loans

The bank subsidiary (the "Bank") enters into repurchase and resale operations as a financing tool. In this regard, the Bank's investments that are sold subject to a repurchase obligation and which serve as a guarantee for the loan are part of the item "trading instruments", presenting the obligation in the item "Repurchase contracts and loans" in liabilities. When financial instruments with a resale agreement, these are included in "Repurchase contracts and loans" in assets.

The repurchase and resale contracts are stated at amortized cost as per the IRR of the operation.

2.17 Time deposits, debt instruments issued

The deposits that correspond to funds raised from banks whatever their instruments or term, are stated at their amortized cost. Other debt instruments issued are valued at their issuance date and include transaction costs. The instruments are subsequently measured.

2.18 Equity and financial liabilities

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

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

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

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

- Financial liabilities held to maturity are recorded at amortized cost using the effective interest method.
- Financial liabilities held for trading are stated at fair value, following the same criteria as financial assets held for trading. The gains and losses from the fluctuations in fair value are included in profit or loss for the year.

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

2.19 Disposal of financial assets and liabilities

Grupo Security derecognizes a financial asset from its statement of financial position only when the contractual rights to the cash flows of the assets have been extinguished or the risks and rewards of the financial assets.

Grupo Security derecognizes a financial liability from its statement of financial position only when the corresponding contractual obligation has expired, has been paid or cancelled.



2.20 Provisions

- General

Provisions are recognized when:

- Grupo Security has a present obligation as a result of a past event,
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation,
- A reliable estimate can be made of the amount of the obligation.
- Vacation provision: Grupo Security records the cost for the concept of employee vacation on an accrual basis.
- Other provisions: These correspond to creditor balances covering present obligations at the date of the statement of financial position arising past events from which actual explicit or implicit obligations can be derived in relation to their nature and which their amount can be estimated.
- Provisions for assets at risk: The provisions required to cover the loan portfolio risk have been recognized according to the standards of the SBIF. Assets are presented net of such provisions, while the provisions corresponding to contingent loans are presented in liabilities.

To record loan provisions the Bank uses models or methods based on individual and group analysis of debtors. Such models and methods are in conformity with the standards and instructions of the SBIF.

The financial statements of Grupo Security include all significant provisions, where the probability that the obligation will have to be paid is greater than probable.

2.21 Bank Subsidiary, loans and accounts receivable from customers, allowance to loan leases, and write-offs

The loans and accounts receivable from customers issued by the Bank and acquired are non-derivative financial assets, with fixed or determinable payments that are not quoted on an active market and for which the Bank has no intention to sell these immediately in the short term. These loans are measured initially at fair value plus the incremental costs of the transaction and subsequently these are measured at their amortized cost as per the effective interest method.

Impaired portfolio: The impaired loan portfolio includes those loans where there is concrete evidence that debtors will default by failing to make any of the contractual payments - regardless of the possibility of collecting the amounts due by going after the debtor's collateral - through the exercise of legal collection actions or by agreeing on different repayment conditions.

As per the above, the Bank will maintain the loans in the impaired portfolio until the Bank observes a normalization of the loan's payment capacity or behavior, without detriment to the fact that it will proceed to the write-off of the individual loan.

a) Allowance for loan losses for individual evaluation

In order to assess allowances for normal risk debtors classified under A1, A2, A3 and B, the Bank uses the provision percentages approved by the Board. In addition, for C1, C2, C3, C4, D1 and D2 debtors, the following levels of allowances were assessed according to regulations:



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CATEGORY	ESTIMATED RANGE OF LOSS	LOAN LOSS ALLOWANCE
C1	Up to 3%	2%
C2	More than 3% to 19%	10%
C3	More than 19% to 29%	25%
C4	More than 29% to 49%	40%
D1	More than 49% to 79%	65%
D2	More than 79%	90%

The individual analysis of the debtors is performed for those customers, natural or legal persons, which due to their size, complexity or exposure level, it is necessary to know them comprehensively, and require the assigning of a risk classification.

b) Allowance for loan losses for group evaluation

The group evaluation is used to analyze a high number of operations whose individual amounts are low. For such purposes, the Bank uses models based on the conditions of the debtors and their loans, and models based on the behavior of a group of loans. Under group assessments, the allowances are determined based on the expected loss calculated using the models.

c) Additional loans provisions

In conformity with the standards issued by the SBIF, the Bank has constituted additional provisions over its loan portfolio assessed individually, considering the expected impairment of such portfolio. The calculation of this provision is performed based on the historical experience of the Bank and in consideration of possible adverse macroeconomic conditions or circumstances that could affect a sector, industry, group of debtors or projects.

d) Credit risk provisions for contingent loans, related to their credit risk exposure and the credit lines of free use

The SBIF in Circular Letter No. 3.489 of December 29, 2009, sat the adoption dates of the new provision standards of Chapter B1 and B3 of the Compendium of Accounting Standards, defining that:

During the first half of 2010 the amounts corresponding to provisions over contingent loans shown in the financial statements, correspond to those same provisions established as of December 31, 2009.

As of January 2010 and during the first half of the year, the difference between the total provisions over the contingent loans calculated according to the aforementioned policy and the total obtained by applying the standards of Chapter B-3 (which includes the modification and the exposure of credit risk of these operations and incorporation as contingent loan, among other commitments, to the credit lines of free use and loans for university studies Law No. 20.027), will be recognized as additional provision for all purposes when the latter is higher. In the case of debtors assessed individually and in accordance with letter b), the provisions considering the guidance in Chapter B-3 are calculated according to the regulations on classifications that are still valid.

The initial recognition of the additional contingent loan provision was recorded in January 2010 as additional provision against equity (retained earnings) for a total of CLP\$1,318 million. The increases generated during the first half of 2010 continue to be recorded as additional provision. In July 2010 the equity adjustment will be reversed by the final figures of the effect of in application of the new standards for the contingent loans that are maintained in the beginning balance for the year.

The Group will not consider preliminary or final adjustments charged to profit or loss or equity for the aforementioned contingent loan in its comparative information presented for prior periods.



Effective July 2010 the Group recognized the first adjustment to its loan loss provisions for its portfolio of debtors evaluated individually according to the standards of Chapter B-1. Such adjustments were charged to profit or loss for the year.

Nevertheless, in Circular Letter No. 3,502 dated June 10, 2010 the SBIF postponed the dates of monetary application of the aforementioned regulation, maintaining until the closing of this year the transitory standards of provisions in application.

In addition, the aforementioned Circular establishes that as of July 2010, the minimum provision for the normal portion of the portfolio assessed individually including the contingent loans, shall not be less than 0.5%.

e) Loan write-offs

Loans are written off when the Group has exhausted efforts for their recovery, in periods not exceeding those required by the SBIF, which are as follows:

TYPE OF LOAN	PERIOD
Consumer loans with or without actual guarantees	6 months
Other operations without actual guarantees	24 months
Commercial loans with actual guarantees	36 months
Mortgage loans	48 months
Consumer leasing	6 months
Other operations of non real estate leasing	12 months
Real estate leasing (commercial and housing)	36 months

Recovery of previously written-off loans: The recovery of loans that were previously written-off are recognized directly as income in profit or loss.

2.22 Inventories

Inventories are recorded at the lower of cost and the net realizable value. The costs, which include an appropriate portion of fixed and variable costs, are allocated to the inventories by the most appropriate method according to the type of inventory, based mainly on the distribution per build square meter and surface of the land, accordingly. The net realizable value corresponds to the estimated sales price for inventories less all necessary costs to sell. The Group inventories come from the subsidiary Inmobiliaria Security S.A. and correspond mainly to the following items:

a. **Land for construction:** This land was acquired with the intention to use it under a construction plan. The Group values this land using the cost method.

b. **Work in progress:** Corresponds to disbursements made for the development of real estate projects and their valuation is at cost.

c. **Houses and apartments in stock:** Correspond houses received and available for sale, which are valued at cost.

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



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

Obsolescence provision: The subsidiary Inmobiliaria Security performs an evaluation of the net realizable value of inventories at each year-end, recording adjustments to inventory with charge to profit or loss when the inventories are considered to be overstated. As of this date we did not record an obsolescence provision on our inventories.

2.23 Recognition of income and expenses

a) Revenues

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

The sale of assets is recognized when substantially all risks and rewards that Grupo Security has over these have been transferred.

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

Service revenue is recognized considering the degree of realization of the corresponding service rendered at the date of the financial statements. Such revenue is recognized when the transaction can be estimated reliably and it is probable that the Company will receive an economic benefit arising from the transaction. Note that a transaction can be estimated reliably when the amount of revenues, related costs to render the service which include both actual costs incurred and estimated costs to complete the service, and the degree of service realization can be measured reliably.

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

b) Expenses

Expenses are recognized in income when there is a decrease in the future economic benefits related to an asset, or an increase of a liability, which can be measured reliably. This implies that expenses are recorded simultaneously with increases of a liability or decreases of an asset.

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

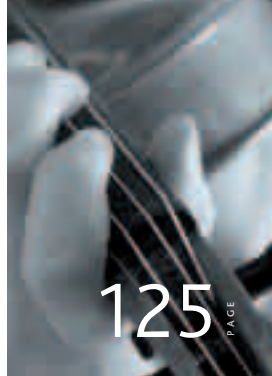
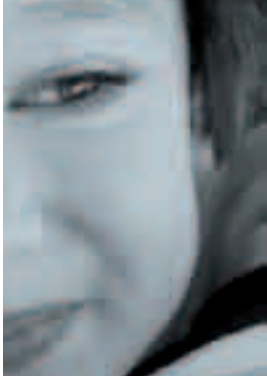
2.24 Interests and indexation adjustment income and expenses for Bank Subsidiary

Loans, investments and liabilities are presented with their accrued interests and adjustments as of year-end. However, for loans there are in arrears the Bank suspends the accrual of interests and adjustments in profit loss until such interest and adjustments are collected. The income and expenses for interest are recognized using the effective interest method, which encompasses the discount rate that exactly discounts estimated future cash payments or receipts during the expected life of the financial instrument.

2.25 Commission income and expenses for Bank Subsidiary

Income and expenses from commissions that are part of the effective rate in a financial asset or liability are recognized in net income during the life of the operations that originate these.

Income and revenue for commissions that are generated by a certain service rendering are recognized in income to the extent that the services are provided. Those related to financial assets or liabilities are recognized at the moment of their collection.



2.26 Compensation of balances

Balances will only be compensated among themselves when the debtor and creditor balances generated in transactions, either contractually or legally, establish the possibility of compensation and the Group has the intent to liquidate them by their net amount and in simultaneous payment of the liability.

2.27 Income and deferred taxes

Income tax expense represents the sum of the expense for income taxes for the year and includes the change in deferred taxes assets and liabilities.

Current period income tax expense is calculated as the sum of the income tax resulting from the application of the current tax rate over taxable income for the year, plus the change in deferred tax assets and liabilities over the prior period.

Deferred tax assets and liabilities include the temporary differences that are estimated to be paid or recovered by Grupo Security for the differences between the financial value of assets and liabilities and their tax value, as well as the current tax losses and other tax credits.

On the other hand, deferred tax assets, identified for temporary differences are only recognized when it is considered probable that Grupo Security will have in the future sufficient taxable income to realize the benefits brought about by the deferred tax assets.

The deferred tax related to items recognized directly in equity is recorded directly in equity and with no corresponding impact in profit or loss.

2.28 Earnings per share

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

The Company has not performed any kind of operation with a potential dilutive effect that could make diluted earnings per share different when compared to basic earnings per share.

2.29 Functional currency

The items included in the financial statements of each of the entities of Grupo Security are recorded using the currency of the main economic environment in which the entity operates (i.e. the "functional currency").

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

- a) It is the currency of the country (Chile) whose competitive forces and regulations determine mainly the prices of the financial services that Grupo Security provides.
- b) It is the currency that mainly influences the Group's cost structure as it relates to the services that Grupo Security provides to its clients.

Based on the above analysis, the Chilean peso affects the underlying transactions, facts and conditions which are relevant for Grupo Security.



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2.30 Foreign currency and indexation unit fluctuation

The management of Grupo Security has defined the Chilean peso as its functional currency.

Accordingly, the operations in currencies other than the Chilean peso and those operations performed in index-linked units, such as UF, UTM, IVP, etc. are considered foreign currency transactions and for index-linked transactions, respectively. They are recorded according to the exchange rates and/or closing values at the dates of the corresponding transactions.

For the preparation of the consolidated financial statements of Grupo Security, the monetary assets and liabilities denominated in foreign currencies and/or index-linked units, are translated to Chilean pesos using the exchange rates and/or closing values at the date of the corresponding financial statements. The resulting exchange differences are recognized in profit or loss.

In the case of the Bank subsidiary, transactions in foreign currency entered into by the Bank were translated to Chilean pesos at the exchange rate of the transaction. Note that monetary items in foreign currency are translated using the closing exchange rate at each year-end, and non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

The net foreign currency exchange gains and losses presented in the consolidated income statement, include both the results obtained in foreign currency exchange operations as well as the recognition of the effects of the exchange rate fluctuation in the assets and liabilities denominated in foreign currency.

2.31 Translation

Assets and liabilities expressed in Unidades de Fomento are measured at the current rate as of period end.

2.32 Cash and cash equivalents

Cash equivalents correspond to short term investments that are highly liquid, easily convertible into known amounts of cash and are subject to an insignificant risk of changes in their value. Their maturity does not exceed three months.

According to the Compendium of Accounting Standards of the SBIF, cash and cash equivalents encompass the balances of cash, bank deposits, operations with net ongoing settlements and repurchase contracts, subject to an insignificant risk of changes in their realizable value.

2.33 Statement of cash flow

Grupo Security prepares its statement of cash flow using the indirect method where by profit for the year is adjusted for non-cash items.

In the preparation of the statement of cash flows of Grupo Security we have used the following definitions:

- Cash flows: Inflows and outflows of cash and/or cash equivalents; the latter being short-term, highly liquid investments subject to an insignificant risk of changes in value.
- Cash flow from operating activities: Inflows and outflow of cash and/or cash equivalents originated from the normal operations of Grupo Security, as well as other activities that cannot be classified as of investing or financing activities.
- Cash flow from investing activities: Inflows and outflows of cash and cash equivalents originated from the acquisition, sale or disposal by other means of long-term assets and other investments not included in cash and cash equivalents of Grupo Security.
- Cash flow from financing activities: Inflows and outflows of cash and cash equivalents originated from those activities that cause changes in the size and composition of the Group's equity and of the liabilities that are not part of the operating cash flows.



2.34 Related party disclosures

Related parties are those over which Grupo Security has the ability to exercise significant influence, although not control. In general, such ability is present when the Group earns 20% or more of the investee's voting rights. These investments are measured using the equity method.

The notes to the financial statements detail the transactions with the most important related parties, indicating the nature of the relationship with each party, as well as the information regarding the transactions and the corresponding balances. This information is disclosed to adequately understand the possible effects that the related party has in the financial statements.

2.35 Investments in companies

The investments in companies are those in which Grupo Security has no significant influence. They are recorded at acquisition cost. Revenues are recognized once they are received.

2.36 Business segments

The Group's operating segments are defined as components of Grupo Security, over which the information of the financial statements is available and is consistently evaluated by the chief operating decision maker who is responsible for making decisions, over the allocation of resources and evaluating performance. Grupo Security operates in four business segments: Financing, Investment, Insurance and Services.

Grupo Security provides financial information per segment in order to identify and disclose in the notes to the consolidated financial statements, the results obtained by its different business areas (i.e. segments) in conformity with IFRS 8.

2.37 Use of estimates

In the preparation of the consolidated financial statements certain estimates have been used by the management of the different companies that make up Grupo Security, in order to measure some of its assets, liabilities, income, expenses and commitments. These estimates refer basically to:

- The valuation of assets and goodwill to determine the existence of impairment losses.
- The assumptions used to calculate the fair value of financial instruments.
- The assumptions used to calculate the allowance for doubtful accounts from trade and other accounts receivable.
- The assumptions used to calculate inventory obsolescence.

Regardless of the fact that these estimates were made with the best information available at the date of issuance of these consolidated financial statements, they may possibly need to be revised (upwards or downwards) in future years as a result of future events. This would be done prospectively by recognizing the effect of the change in the estimate in the respective future consolidated financial statements.

In the preparation of the financial statements in accordance with the Compendium of Accounting Standards of the SBIF, the Bank requires Management to create certain estimates, judgments and assumptions that affect the aforementioned statements. It is possible that the actual results generated in the subsequent periods may be different from the estimates used.

- Such relevant estimates and assumptions are reviewed regularly by the Banks' senior management in order to determine the impact in the statement of financial position and income statement accounts, and uncertainties.
- The results of the reviews of accounting estimates are recognized in the period in which estimates are generated and in any relevant future period.



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The most significant areas of estimation uncertainties and judgments in the application of accounting criteria and policies are:

- Valuation of financial instruments and derivatives
- The impairment of loans and accounts receivable from clients and other assets
- Useful lives of fixed assets and intangible assets.
- Contingencies and commitments

2.38 Presentation of the financial statements

a) Consolidated Statement of Financial Position

Grupo Security has decided to present its consolidated statement of financial position under a presentation format based on the classified current value.

b) Consolidated Statement of income statement

Grupo Security has decided to present its consolidated by function.

c) Statement of Cash Flow

Grupo Security has decided to present its consolidated statement of cash flows using the indirect method.

2.39 Real estate investments

Real estate investments of Grupo Security include the value of land, buildings and other constructions that are held either for rent or to profit from future market price appreciation.

The real estate investments are recorded in the consolidated financial statements using either the cost or fair value method. According to the cost method these properties are recorded at cost less accumulated depreciation and impairment losses. According to the fair value model, the fair value of real estate investments must be assessed at least once a year. The increases or decreases in value at the moment of the reassessment are recorded immediately in profit (loss) for the year.

For real estate investments measured under the cost model, depreciation is determined by applying the straight-line method over the cost of the assets less their residual value. Note that the land over which the buildings and other facilities are built has an indefinite useful life and as a result, is not subject to depreciation.

The depreciation for each period is recorded in profit or loss for the period and is calculated based on the years of estimated useful life of the different real estate investments.

The gain or loss resulting from the disposal of a real estate investment is calculated as the difference between the sales price and the carrying value, and is recognized in profit loss.

The fair value of the investment properties shall be disclosed in the notes to the financial statements.

2.40 Classification of current and non-current balances

Assets classified as current are those with a maturity equal to or less than twelve months or those that are held for sale in the normal operating activities of the different activities or business developed by Grupo Security.

Non-current assets include all assets that are not classified as current assets.

2.41 Treasury stock shares

All Grupo Security S.A.'s shares that are owned by its consolidated subsidiaries are presented decreasing Grupo Security S.A.'s equity.



2.42 Classification of current and non-current liabilities

Liabilities classified as current are those with a maturity equal to or less than twelve months or those that are held for settlement in the normal operating activities of the different activities or businesses developed by Grupo Security.

Non-current liabilities included all liabilities that are not classified as current liabilities.

2.43 Price-level restatement in hyperinflationary economies

As Chile is not considered a hyperinflationary economy, according to the criteria established in IAS 29, the financial statements of Grupo Security are not adjusted in relation to the fluctuation in the Consumer Price Index (CPI).

2.44 Contingent assets and liabilities

A contingent asset or liability is any asset or obligation arising from past events whose existence will be confirmed only if one or more future uncertain events take place, which are not within the control of Grupo Security.

Contingent assets and liabilities are not recognized in the financial statements. Nevertheless, when the realization of the income or expense, associated with this contingent liability, is more than probable, it is recognized in the financial statements.

Contingent assets and liabilities are disclosed in the notes to the consolidated financial statements in accordance with IAS 37.

2.45 Minimum dividends

The dividend policy agreed by the shareholders is to distribute at least 30% of the Company's profit and divide the payment in two dividends, an interim dividend and a final dividend. Additionally, the Board of Directors has been authorized to approve additional dividend distributions with a charge to retained earnings if the Company's financial condition, in the opinion of the Board, allows it.

According to the Compendium of Accounting Standards of the SBIF, banks shall show in their financial statements a provision equivalent to the minimum legal dividend, which equals 30% of profit for the year, charged against.

2.46 Employee benefits

Employee vacations: The annual cost of employee vacations is recorded on an accrual basis.

Short-term benefits: Grupo Security established for its employees an annual incentive plan for compliance with goals and performance. The benefits accrued based on the estimated amount that will be ultimately distributed.

Severance payments: Grupo Security does not have a severance indemnity payable upon any event. Therefore, the Company has not established a provision for this concept. Instead, it records the expenses in income when incurred.

2.47 Leases

The lease contracts of the subsidiaries of Grupo Security are not recognized in the statement of financial position and the total payments are charged to profit or loss, as these leases are classified as operating leases.

Grupo Security assumes substantially all risks and rewards of the leased property classified as finance leases.

2.48 Technical reserve provisions Vida Security

Technical reserves have been classified and determined according to instructions of the SVS, as follows:

a) Claims reserve

The claims reserve includes the following concepts:



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i. Pension insurances reserves

This reserve is constituted according to the calculation methods determined by the SVS and corresponds to future payments to the insured or beneficiaries. It is calculated using the mortality table and maximum interest rate indicated in Circular Letters No. 528 of 1985 and No. 778 of 1988. As of January 2001, the Company adopted the application of Circular Letter No. 1.512 for the insurance governed by Circular Letter No. 528 of 1985.

For the annuity policies current after October 31, 1990, the Group has established a financial technical reserve as per Circular Letter No. 1.512 of January 1, 2001 of the SVS. Such reserve equals the present value of future payments discounted at an average rate that is determined based on the former rate of 3% and the rate of return implicit in the transactions of the formal markets of long term instruments of the state as of the sales date of such policies, weighted over the hedge rates of liabilities at the closing of the financial statements.

Through General Standard No. 172, the SVS established the mortality tables RV-2004, that are used in the calculation of the financial technical reserve for policies effective prior to March 5, 2005 that were regulated by General Standard No. 178. Subsequently, through General Standard No. 207, the SVS established the mortality tables MI-2006 and B-2006, that are used in the calculation of the financial technical reserve for policies effective prior to February 1, 2008 that were regulated by Circular Letters No. 1857 and 1874. For the application of the tables MI-2006 and B-2006, the Board of Vida Security has decided to recognize the biggest financial reserve from the new tables in a gradual manner.

For the disability and survivorship insurances policies effective as of August 1, 1990 Vida Security has calculated its reserve liability in accordance with Circular Letter No. 967 of September 28, 1990.

ii. Claims payable reserve

This reserve has been established according to SVS standards and corresponds to claims pending liquidation and/or payment and to the claims incurred but not reported at the closing of each year-end.

b) Current risk reserve

This reserve is established for insurance subscribed for a term of one year or less and corresponds to net unearned premiums depending on the payment method of the premium, according to the instructions issued by the SVS.

c) Mathematical reserves

The mathematical reserve has been established according to the calculation methods determined by the SVS in Circular Letters No. 1.510 and No. 33 of July 19, 1979 and May 22, 1981, respectively. The reserve corresponds to the present value of the future payments generated by the policies, after deducting the current value of the future premiums based on the mortality tables M-70 K.W., M-95 H and M-95 M and technical interest rate of 3% per year.

d) Life insurance reserves with single investment account

The Company established a reserve for the cost of the risk covered and fund reserve as per the instructions included in the General Standard No. 132 and its modifications and Circular Letter No. 1.595 of the SVS.

2.49 Insurance premiums, Vida Security

Insurance premiums revenues for the financing of the additional contribution and survivorship and disability insurance have been recorded in accordance with Circular Letter No. 1.499 of the SVS. Insurance premium revenues from group, individual and annuity insurance revenue similar treatment as the aforementioned insurance products.



2.50 Matching of assets and insurance reserve liability Vida Security

The Company has valued its technical reserves in accordance with SVS Circular N° 1512 regarding matching standards.

According to such circular, as long as the future cash flows from the debt securities portfolio and technical reserves generated by annuities, are matched in time, the future cash flows of the eligible technical reserves eligible are discounted at a rate close to the average yield of the long term public financial instruments.

The differences between the application of this standard and general standards for the valuation of liabilities give rise to adjustments at year-end presented in equity in the shareholders' equity account "Matching Reserve".

As of September 2005 the Companies applies the modifications made to Circular Letter No. 1512 through Circular Letter No. 1731, the General Standard No. 178 and the Circular Letter No. 302 of the SVS, incorporating the mortality tables (RV-2004) with its improvement factors to all policies valid as of the calculation date and discounting the flows without considering the security factor.

Subsequently, as of June 2008, the Company started to apply the new modifications of the General Standard No. 207 of the SVS, which created the mortality tables MI-2006 and B-2006, whose gradual application in the calculation of the financial technical reserve of the policies effective prior to February 1, 2008 was regulated by Circular Letters No. 1.857 and No. 1.874.

The tables MI-2006 and B-2006 shall be used in the calculation of the programmed withdrawals, the additional contribution and the technical reserves by the insurers of the second group, that maintain obligations to contract annuity insurance per Law Decree No. 3.500 of 1980.

2.51 Mismatch reserve Vida Security

The Company establishes a mismatch reserve in accordance with General Standard No. 132 and its modifications and Circular Letter No. 1.595 of the SVS, for the risk it assumes from the mismatch in the term, interest rate, currency and instrument types, between the fund value reserves and the investments supporting this reserve for insurance policies with investment account in favor of the insured person.

NOT 3 - FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS).

The accompanying financial statements are the first in which Grupo Security adopts IFRS. The established standards of IFRS adoption are included in IFRS 1 "First Time Adoption of International Financial Reporting Standards", issued by the IAS and in Circular Letter No. 456 dated June 20, 2008, in which the SVS establishes certain matters and criteria in relation to the adoption process of IFRS. Note that the consolidated subsidiaries Banco Security and Vida Security continue applying prior accounting principles. Previously, the financial statements of Grupo Security were prepared in conformity with Chilean GAAP and the standards issued by the SVS. These financial statements are presented in thousands of Chilean pesos (ThCLP\$) as this is the functional currency of the main economic environment in which Grupo Security operates.

As of year-end 2010, the financial information is presented under IFRS comparative with year-end 2009, including an explanatory note to the financial statements, an explicit and unreserved statement of compliance with the IFRS standards, except for the consolidated subsidiaries Banco Security and Vida Security who continue applying prior accounting principles.

The transition date was January 1, 2009 and January 1, 2010 is the date when Grupo Security's first IFRS reporting period started.



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3.1 Main changes in the accounting policies

a) Effective discount rate for bonds issuances

Under Chile GAAP debt issuance expenses such as commissions, taxes, fees, among other and bond issuance premiums or discount are capitalized and amortized according to the straight-line method over the term of the bond. Under IFRS, these payments are discounted from the initial amount of the loan and amortized periodically using the effective interest method.

b) Price level restatement

Chile GAAP states that financial statements have to be adjusted to show the effect of the fluctuation of the purchasing power of the Chilean peso in the financial position and the operating results of the reporting entities. This method was based on a model that required the calculation of the gain or loss for inflation attributed to the monetary assets and liabilities exposed in the purchasing power of the local currency. The historical cost of the non-monetary assets and liabilities, equity accounts and profit and loss accounts are restated to show the fluctuations in the Consumer Price Index (CPI) from the acquisition date to year-end.

IFRS does not consider indexation adjustment due to inflation in countries that have no hyperinflationary economies such as Chile. Therefore, the profit and loss accounts and those of the statement of financial position are not restated for inflation and the fluctuations are nominal. The effect of price-level restatement affected mainly assets, depreciation and equity.

c) Minimum dividend

As required by Law No. 18.046, Grupo Security S.A. has to distribute a minimum dividend equivalent to 30% of net income. Considering the cash situation, the levels of projected investments and the solid financial indicators for 2010, the Ordinary Shareholders' Meeting published the dividend distribution policy that established the distribution of at least 30% of the income generated during the corresponding year. For IFRS purposes, an entity has to accrue its expected dividend with a charge to equity at each annual statement of financial position date. Under the previous standards, these dividends were not recorded until they had received the final approval of the Shareholders' Meeting held generally in April of the following year.

d) Deferred tax impacts on IFRS adjustments

Under IFRS, companies have to record deferred taxes in accordance with IAS 12 "Income Taxes", which requires an asset and liability approach for the recording and reporting of the income tax. The recording for income tax follows the following principles in accordance with IAS 12: (a) an asset or liability for deferred tax is recognized for the estimated future tax effects attributable to temporary differences and carry-forward tax losses; (b) the measurement of liabilities and assets for deferred tax is based on the provisions of the current tax law and no future changes in tax laws and rates are anticipated; and (c) the measurement deferred tax assets is dependent on the likelihood that some portion of the deferred tax assets will not be realized.

The effects of deferred taxes corresponding to the differences between the financial and tax values of assets and liabilities generated by the adjustments of the first application of IFRS have been recorded.

The complementary accounts of deferred taxes that were present under Chile GAAP derecognized from the statement of financial position as they are not recognized for IFRS purpose.

e) Goodwill

The acquired assets and the assumed liabilities in a business combination are recorded at fair value and the excess of the purchase price of the investment, over the fair value of the acquired assets and assumed liabilities is recorded as goodwill. According to Chile GAAP, the goodwill resulting from business combinations was amortized using the straight-line method during a maximum period of 20 years. Under IFRS goodwill is not subject to amortization. Instead it should be evaluated on an annual basis for impairment. The adjustment presented in the reconciliation of equity, reverses the effects of goodwill, based on impairment tests performed to these items under IFRS.

**f) Non-controlling interest**

The adjustments in the reconciliation between previous generally accepted accounting principles (i.e. Chile GAAP and IFRS) include the effect of adjustments under IFRS in the subsidiaries with non-controlling interest.

Chile GAAP recognized the participation of minority shareholders in the equity of the subsidiaries as a separate account between liabilities and equity of the consolidated financial statements of Grupo Security. Likewise, the consolidated income statement for the year under Chile GAAP excluded through a specific line the participation of the non-controlling interests in the results of the subsidiaries. Under IFRS the minority shareholders were part of the owners of the economic group and, therefore, their participation is considered as part of the statement of changes in net equity and of the statement of comprehensive income.

g) Property, plant and equipment

Until 2009, property, plant and equipment was stated at cost plus price-level restatement and net of accumulated depreciation. As of this year-end, the items of property, plant and equipment are measured at their historical cost corresponding to the acquisition value plus the applied revaluations until December 31, 2008.

In the case of certain real estate property, and in conformity with the Compendium of Accounting Standards, the Bank adopted as deemed cost the fair value of these assets based on independent appraisals.

h) Intangible assets

Until 2009, the intangible asset computer programs was stated at cost plus price-level restatement and net of accumulated depreciation. As of January 1, 2010, the intangible asset was measured at its historical cost less the accumulated amortizations with the revaluation applied until December 31, 2008.

i) Other Assets

As of the application of IFRS, certain expenses that were deferred are no longer recognized as assets under IFRS and have been derecognized with a charge to equity.

j) Reclassifications

The 2009 financial statements include certain reclassifications to allow their comparison with the 2010 financial statements.

k) Accounting changes affecting the Bank Subsidiary**i) Interest accrual at effective interest rate**

Only for those loans receivable from clients granted as of January 1, 2008, (i.e. the Bank's transition date), the Bank accrues the interests of its loans at the effective interest rate of the loan. Therefore the direct and incremental costs incurred in the origination of the loans have been considered.

ii) Impaired loan portfolio

As of the adoption of IFRS the Bank has incorporated the concept of impaired loan portfolio which includes the loans issued by the Bank where there exists concrete evidence that the debtors will default by failing to make any of the contractual payments, regardless of the possibility of collecting the amounts due by going after the debtors' collateral, through the exercise of legal collection actions or by agreeing on different repayment conditions.

As per the above, the Bank will maintain the loans in the impaired portfolio until the Bank observes a normalization of the loan's payment capacity or behavior. Otherwise, it will proceed to write-off the individual loan.



Suspension of revenue recognition on an accrual basis

Before IFRS, revenue recognition for interest and indexation adjustments considered the suspension of the revenue accrual based on the following criteria:

- a) As of the date when a past-due loan, portion or installment is 90 days in arrears and as long as not all past-due amounts are paid or renegotiated.
- b) Suspension of the revenue accrual for loans that are classified in the categories D1 and D2, as of the date of the classification and as long as they are not reclassified to a category of lower risk as C4.

As of the adoption date of IFRS, the Bank suspended the revenue recognition and indexation adjustments in income accounts, when the debtor does not pay his obligation on the agreed date; this is, as of the first day of default.

For the loans that have been classified during the year in the C4 category, the accrual is suspended as of the date when one year has gone by and until they are not reclassified in a category with a lower risk.

In addition, as of the IFRS adoption date, income is no longer recognized on an accrual basis in the income statement, for those loans included in the impaired portfolio that comply with any of the situations mentioned next:

LOANS SUBJECT TO SUSPENSION	SUSPENDED
Individual evaluation: The debtors classified in the categories D1 and D2	Suspended based on inclusion in the impaired portfolio
Individual evaluation: The debtors classified in the categories C3 and C4	Suspended for having been included for three months in the impaired portfolio
Group evaluation: Credits with actual guarantees lower than 80%	When the credit or one of its installments has six months of arrears in its payment.

However, in the case of loans subject to individual evaluation, it is possible to maintain the revenue recognition for the accrual of interests and indexation of the loans when these are paid normally and correspond to obligations whose cash flows are independent, such as the financing of projects.

iii) Loan Write-offs

The charge-offs of loans and accounts receivable are performed based on due, past due and outstanding installments. The deadline for the charge-offs is considered from the beginning of the default, i.e., a loan shall be writer off when the default period of an installment or portion of a credit of an operation reaches the period to write-off as indicated in No. 2.21 of note 2.

Before the adoption of IFRS, the deadline established by the SBIF to perform the write-offs of the expired and past-due installments of the loans and accounts receivable was when the loans were in the past-due portfolio. The past-due portfolio included loans or installments of loans that were in default in the payment of principal or interests for 90 days or more.

iv) Investments in companies

The investments in companies in which the Bank has no significant influence, with an ownership interest participation lower than 20% have been recorded at historical cost, considering as deemed cost of these investment the accounting value they presented as of December 31, 2007, and recognizing the dividends as received.

3.2 Reconciliation between Chilean Generally Accepted Accounting Principles (Chile GAAP) and IFRS

The reconciliations presented below show the calculation of the impact of the transition to IFRS in Grupo Security. Details of the impact of the transition, as shown by the reconciliation, are as follows:

a) Summary of Consolidated Equity as of January 1, 2009

IFRS ADJUSTMENTS TO EQUITY	EQUITY 01.01.2009
	THCLP\$
TOTAL EQUITY UNDER CHILE GAAP	250,248,380
ADJUSTMENTS FIRST TIME ADOPTION IFRS	
Investment Factoring Security	(123,770)
Investment Inmobiliaria Security	(410,336)
Investment Inversiones Insurance Security	(87,055)
Investment Inversiones Invest Securitó	(327,654)
Investment Banco Security	(11,110,572)
Investment Asesorías Security	(27,967)
Revaluation goodwill	1,327,060
Recognition minimum dividend (difference)	(4,227,179)
Adjustment difference in amortization of effective discount rate related to bond issuances	(410,069)
Non-controlling interest	1,727,510
SUBTOTAL	(13,670,032)
TOTAL EQUITY UNDER IFRS	236,578,348

b) Summary of Consolidated Equity as of December 31, 2009

ADJUSTMENTS TO EQUITY IFRS	EQUITY 31.12.2009
	THCLP\$
TOTAL EQUITY UNDER CHILE GAAP	294,558,780
Adjustments first time adoption IFRS	
Revaluation goodwill	2,309,928
Recognition difference minimum dividend	(6,458,481)
Adjustment difference in amortization of effective discount rate related to bond issuance	(631,178)
Non-controlling interest	1,859,966
Price level restatement	7,312,459
Deferred tax discount bond issuance	80,645
Amortization and depreciations	(4,985)
Difference investment income under IFRS	(4,675,606)
Other expenses, (calculation equity method investment in related parties	(1,404,765)
Other income or expenses	64,353
SUBTOTAL	(1,547,664)
TOTAL EQUITY UNDER IFRS	293,011,116

c) Reconciliation of the Consolidated Net Income for the period ended December 31, 2009

ADJUSTMENT TO INCOME IFRS	31.12.2009
	THCLP\$
TOTAL NET INCOME UNDER CHILE GAAP	30,076,361
Adjustments to income first time adoption IFRS	
Price level restatement	4,183,417
Deferred taxes	(1,721)
Indexation unit items at effective interest rate	(68,679)
Other expenses, (calculation VP EE.RR)	(1,404,765)
Amortization at bond issuance discount at effective interest rate	(70,064)
Difference impairment goodwill	982,868
Amortizations and depreciations	(4,985)
Difference investment income under IFRS	(3,702,052)
Other minor expenses	(4,609)
Non-controlling interest	723,451
SUBTOTAL ADJUSTMENTS	632,861
TOTAL NET INCOME UNDER IFRS	30,709,222

d) Reconciliation of the Statement of Cash Flow for the period ended December 31, 2009

ADJUSTMENTS CASH FLOWS UNDER IFRS	CASH FLOWS 31.12.2009
	THCLP\$
TOTAL CASH FLOWS UNDER CHILE GAAP	26,882,040
	-
Adjustment for first time adoption of IFRS	
Adjustments to income	12,924,615
Difference investment income under IFRS	13,445,107
Amortizations and depreciations	2,685,509
Price level restatement	(5,077,197)
Other	110,426,426
SUBTOTAL ADJUSTMENTS	134,404,461
TOTAL CASH FLOWS UNDER IFRS	161,286,500

e) Reconciliation of the Statement of Cash Flow for the period ended January 01, 2009

ADJUSTMENTS CASH FLOWS UNDER IFRS	CASH FLOWS 01.01.2009
	THCLP\$
TOTAL CASH FLOWS UNDER CHILE GAAP	26,882,040
Adjustment for first time adoption of IFRS	
Adjustments to income	27,352,624
Difference investment income under IFRS	(1,282,000)
Amortizations and depreciations	2,575,840
Deferred taxes	3,057,000
Fluctuation in current bonds	118,265,096
Others	19,914,344
SUBTOTAL ADJUSTMENTS	169,882,904
TOTAL CASH FLOWS UNDER IFRS	196,764,944

The next pay as explain the main adjustments to equity caused by the adoption of IFRS and differences between the previous accounting principles (i.e. Chile GAAP) and IFRS applied for Grupo Security at the closing of the financial statements.



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3.3 Main adjustments made

a) Investments in related parties

This corresponds to the valuation of equity with the application of IFRS of the subsidiaries of Grupo Security. The most significant adjustment corresponds to the valuation of the investment by Banco Security, that encompass adjustments in property, plant and equipment, intangible assets, impaired portfolio, credit risk provisions, and provision of loan portfolio, among others. This adjustment also includes the valuation impacts of the other subsidiaries corresponding to the concepts described in the following paragraph.

b) Price level restatement

The Chile GAAP states that financial statements have to be adjusted to show the effect of the fluctuation in the purchasing power of the Chilean peso in the financial position and the operating results of the reporting entities. This method was based on a model that required the calculation of the gain or loss for inflation attributed to the monetary assets and liabilities exposed to fluctuations in the purchasing power of the local currency. The historical cost of the non-monetary assets and liabilities, equity accounts and profit and loss accounts are restated to show the fluctuations of the Consumer Price Index (CPI) from the acquisition date to year-end.

The gain or loss in the purchasing power, included in profit or loss, shows the effects of inflation on the monetary assets and liabilities held by Grupo Security.

IFRS does not consider indexation adjustments due to inflation in countries that have no hyperinflationary economies such as Chile. Therefore, the profit and loss accounts and those of the statement of financial position are not restated for inflation and the fluctuations are nominal. The effect of price-level restatement affected mainly the items such as assets, depreciation and equity.

c) Minimum dividend

As required by Law No. 18,046, Grupo Security has to distribute a minimum dividend equivalent to 30% of net income. Considering the cash situation, the levels of projected investments and the solid financial indicators for 2010, the Ordinary Shareholders' Meeting published the dividend distribution policy that established the distribution of at least 30% of the income generated during the corresponding year. For IFRS purposes, an entity has to accrue its expected dividend with a charge to equity at each annual statement of financial position. Under the previous standards, these dividends were not recorded until they had received the final approval of the Shareholders' Meeting held generally in April of the following year.

d) Deferred tax impacts on IFRS adjustments

Under IFRS, companies have to record deferred taxes in conformity with IAS 12 "Income Taxes", which requires an asset and liability approach for the recording and reporting of income tax. The recording of income tax follows the following principles in accordance with IAS 12: (a) an asset or liability for deferred tax is recognized for the estimated future tax effects attributable to temporary differences and carry-forward tax losses; (b) the measurement of liabilities and assets for deferred tax is based on the provisions of the current tax law and no future changes in the tax laws and rates are anticipated; and (c) the measurement of deferred tax assets is dependent on the likelihood that some portion of the deferred tax assets will not be realized.

e) Effective discount rate for bond issuances

Under Chilean GAAP initial debt issuances expenses such as commissions, taxes, fees, among others are capitalized and amortized using the straight-line method until the debt matures. Under IFRS, these payments are discounted from the initial amount of the loan and amortized periodically using the effective interest method.

f) Property, plant and equipment

The adjustment corresponds to the elimination of price-level restatement and its related impacts on depreciation, in addition to the disposals of the remodeling in leased assets as per IFRS 17.

g) Goodwill

The acquired assets and the assumed liabilities in a business combination are recorded at fair value and the excess of the purchase price of the investment, over the fair value of the acquired assets and assumed liabilities is recorded as goodwill. According to Chile GAAP goodwill resulting from business combinations was amortized using the straight-line method during a maximum period of 20 years. Under IFRS goodwill is not subject to amortization. Instead it should be evaluated on an annual basis for impairment. The adjustment presented in the reconciliation of equity, reverses the effects of goodwill, based on impairment tests performed to these items under IFRS.

h) Non-controlling interest

The adjustments in the reconciliation between previous generally accepted accounting principles (i.e. Chile GAAP) and IFRS include the effect of adjustments under IFRS in the subsidiaries with non-controlling interest.

Chile GAAP recognized the participation of minority shareholders in the equity of the subsidiaries as a separate account between liabilities and equity of the consolidated financial statements of the Company. Likewise, the consolidated income statement for the year under Chile GAAP excluded through a specific line the participation of the non-controlling interests in the results of the subsidiaries. Under IFRS the minority shareholders were part of the owners of the economic group and, therefore, their participation is considered as part of the statement of changes in equity and of the statement of comprehensive income.

i) Intangible assets

The capitalized expenses that were deferred and later charged to profit or loss over time were adjusted against equity because according to IFRS they should not be recognized as assets. Consequently, the asset and related amortization have to be reversed.

NOTE 4 - CASH AND CASH EQUIVALENTS

The Consolidated Statement of Cash Flows includes the bank subsidiaries that are presented separately in the same statement. Accordingly, the following detail corresponds only to the cash and cash equivalents of the non-banking services:

a) This item includes the following:

CASH AND CASH EQUIVALENT	BALANCE	BALANCE	BALANCE
	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
Cash	120,411,918	70,829,841	88,469,727
Time deposits	585,000	1,264,834	7,378,485
Repurchase agreements	656,499	33,079,130	32,133,394
Mutual fund units	799,999	14,681,730	3,732,429
Other cash and cash equivalent	21,901,011	41,430,965	65,050,909
TOTAL	144,354,427	161,286,500	196,764,944

b) The detail per type of currency of the cash and cash equivalents is as follows:

	CURRENCY	31.12.2010	31.12.2009
		THCLP\$	THCLP\$
Cash and cash equivalent	Non-indexed CLP	144,354,427	161,286,500

NOTE 5 - INCOME TAXES

Deferred tax assets and liabilities include the temporary differences that are estimated to be paid or recovered by Grupo Security for the differences between the financial value of assets and liabilities and their tax value, as well as the current tax losses and other tax credits.

On the other hand, deferred tax assets, identified for temporary differences are only recognized when it is considered probable that Grupo Security will have in the future sufficient taxable income to realize the benefits brought about by the deferred tax assets.

a) The deferred tax asset balances include the following:

DEFERRED TAX ASSETS	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
Deferred tax assets related to depreciations	28,756,002	29,134,220	26,064,005
Deferred tax assets related to amortizations	-	28,984	22,419
Deferred tax assets related to provisions	21,425,308	16,930,655	12,739,570
Deferred tax assets related to revaluation of instruments	8,729	61,641	71,921
Deferred tax assets related to tax losses	945,238	895,481	926,143
Deferred tax assets related to others	3,042,418	4,206,244	4,195,896
TOTAL	54,177,694	51,257,225	44,019,954

b) The deferred tax liability balances include the following:

DEFERRED TAX LIABILITIES	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
Deferred tax liabilities related to depreciations	1,295,742	1,850,030	2,877,885
Deferred tax liabilities related to provisions	14,581,253	11,877,111	6,821,021
Deferred tax liabilities related to lease contracts	28,523,398	27,593,012	26,785,014
Deferred tax liabilities related to others	2,095,989	1,719,447	3,642,108
TOTAL	46,496,382	43,039,600	40,126,028

c) Income tax recognized in profit or loss

	31.12.2010	31.12.2009
	THCLP\$	THCLP\$
Current income tax	9,978,096	11,712,602
Current tax adjustments from prior period	1,249	(270)
Other current tax expense	(315,554)	83947
CURRENT TAX EXPENSE, NET, TOTAL	9,663,791	11,796,279
Deferred tax expense (benefit) related to changes in temporary differences	(1,507,386)	(4,717,462)
Other deferred tax expense	(829,632)	(526,754)
DEFERRED TAX EXPENSE, NET, TOTAL	(2,337,018)	(5,244,217)
INCOME TAX EXPENSE (BENEFIT)	7,326,773	6,552,062

d) Conciliación de la tasa impositiva legal con la tasa impositiva efectiva

	31.12.2010	31.12.2009
	%	%
Statutory tax rate	17.00%	17.00%
Other increase (decrease) in statutory tax rate	-2.10%	0.58%
ADJUSTMENTS TO STATUTORY TAX RATE, TOTAL	-2.10%	0.58%
EFFECTIVE TAX RATE	14.90%	17.58%

On July 29, 2010 Law No. 20.455, "Modifies several legal bodies to obtain resources destined to the financing of the reconstruction of the country", was enacted and later published in the Official Gazette on July 31, 2010. This law, among other aspects, establishes a transitory increase in the income tax rate for the commercial years 2011 and 2012 (to 20% and 18.5%, respectively), returning again to 17% in the year 2013.

NOTE 6 - INVENTORIES

Inventories are recorded at the lower of cost and net realizable value. The costs, including an appropriate portion of fixed and variable costs are allocated to the inventories based on the most appropriate method according to the type of inventory, such a building square meter and surface of the land, according by. The net realizable value corresponds to the estimated sales price for inventories less all necessary costs to sell. The inventories of the Group come from the subsidiary Inmobiliaria Security S.A. and correspond mainly to the following items:

- Land for construction: This land was acquired with the intention to use it under a construction plan. For its valuation the company uses the cost method.
- Construction in progress: Corresponds to disbursements for the development of real estate projects which are recorded at cost.
- Houses and apartments in stock: Correspond to received and available houses for sale, which are valued at cost.



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Inmobiliaria Security S.A. measures its inventories at the lower of costs and net realizable value. It performs an evaluation of the net realizable value of inventories at each year-end, and records adjustments in profit or loss. As of this date we have not recorded an obsolescence provision for inventories.

The main components of the cost of a house correspond to the land, the lump sum construction contract, architect and engineering fees, permits and municipal rights, operating expenses, finance cost and other disbursements related directly with the construction. That are necessary for its completion.

The detail of this item is as follows:

	BALANCE	BALANCE	BALANCE
	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
Land	8,005,120	5,979,564	3,018,116
Warehouse		-	-
Parking		1,047	11,639
TOTAL	8,005,120	5,980,611	3,029,755

	31.12.2010			
	OPENING BALANCE	PURCHASES	SALES	ENDING BALANCE
	THCLP\$	THCLP\$	THCLP\$	THCLP\$
Land	5,979,564	2,025,556	-	8,005,120
Warehouse	-		-	-
Parking	1,047	7,471	(8,518)	-
TOTAL	5,980,611	2,033,027	(8,518)	8,005,120

NOTE 7 - BALANCES AND TRANSACTIONS WITH RELATED COMPANIES

The transactions between the Company and its subsidiaries correspond to normal operations in relation to their objective and conditions. These transactions have been eliminated in the consolidation process and are not detailed in this note.

The balances and transactions of accounts receivable and payable between the Company and its non-consolidated related companies are as follows:

TAXPAYER NO.	COMPANY	NATURE OF THE RELATIONSHIP	ORIGIN OF THE TRANSACTION	BALANCE	BALANCE	BALANCE
				31.12.2010	31.12.2009	01.01.2009
				THCLP\$	THCLP\$	THCLP\$
76.467.620-3	Sociedad Adm. General S.A. y Cia C.P.A	Related to Bank (1)	Commercial loans	10,350,421	13,866,880	-
76.692.840-4	Sigdotek S.A.	Related to Bank (2)	Commercial loans	370,254	-	1,090,702
76.832.940-0	Newco Motor Chile S.A.	Related to Bank (2)	Commercial loans	1,710,250	1,111,062	3,508,858
81.271.100-8	Detroit Diesel MTU Allison Chile S.A.	Related to Bank (1)	Commercial loans	2,364,758	2,930,879	3,913,894
96.703.690-0	Casa Lapostolle S.A.	Related to Bank (1)	Commercial loans	474,709	-	-
84.196.300-8	S K Coml S.A.	Related to Bank (2)	Commercial loans	4,047,764	4,280,298	6,731,963
86.386.700-2	Transformadores Tusan Ltda.	Related to Bank (1)	Commercial loans	-	-	1,659,226
86.727.800-1	Sociedad Agrícola y Comercial Ltda.	Related to Bank (1)	Commercial loans	-	-	3,254,997
93.832.000-4	Inmobiliaria General S.A.	Related to Bank (1)	Commercial loans	-	-	1,734,075
96.555.640-0	Comercial Itala S.A.	Related to Bank (2)	Commercial loans	2,349,896	798,715	275,907
96.676.670-0	Comercial Chrysler S.A.	Related to Bank (2)	Commercial loans	-	2,007,677	2,628,022
83.568.200-5	SIMMA S.A.	Related to Bank (2)	Commercial loans	317,778	-	-
94.099.000-9	Microfilmacion y Sistemas Microsystem S	Related to Bank (2)	Commercial loans	318,407	-	-
96.800.570-7	Chilectra S.A.	Related to Bank (1)	Commercial loans	-	2,295	2,040,796
96.777.170-8	Sigdopack S.A.	Related to Bank (2)	Commercial loans	959,298	-	-
96.812.960-0	Penta Vida Cia de Insurance de Vida S.A.	Related to Bank (1)	Brokerage	-	-	13,921,255
99.550.060-4	Territoria S.A.	Related to Bank (1)	Commercial loans	3,278,524	3,310,318	3,331,938
99.573.400-1	Europ Assistance S.A.	Related to Bank (1)	Commercial loans	27,939	9,434	-
200.014.768-3	Kia Argentina S.A.	Related to Bank (1)	Commercial loans	1,048,157	-	-
200.016.006-K	Kia Import Peru S.A.C.	Related to Bank (1)	Commercial loans	1,848,808	-	-
200.500.310-8	Sigdopack Argentina S.A.	Related to Bank (2)	Commercial loans	-	-	1,981,431
200.501.991-8	Plaza Motors Sac	Related to Bank (2)	Commercial loans	1,167,436	-	-
8.888.666-6	María Angélica Manzano Campaña	Related to Bank (1)	Mortgage and consumption	-	232,695	-
96.683.120-0	Cía. De Insurance Generales Penta Security S.A.	Related to Investments (1)	Insurance	1,026,984	42,703	55,841
76.120.216-2	Fondo de Inversion Privado DIB	Related to Real Estate (1)	Accounting advisory services	7,903,500	-	-
99.551.180-0	Cooper Gay Chile	Related to Investments (1)	Insurance	3,215	-	-
	Others related Banco Security	Related to Bank	Commercial Credits	4,170,930	3,369,341	4,906,364
96.683.120-0	Cía. De Insurance Generales Penta Security S.A.	Related to Travel (2)	Travel services	-	-	-
	Others related Travel Security	Related to Travel	Travel services	179,252	41,531	14,241
	Private Investment Funds Inmobiliaria	Related to Real Estate (1)	Accounting advisory services	27,001	49,125	-
	TOTAL			43,945,281	32,052,953	51,049,510

(1) Per paragraph 9 of IAS 24, letter a) Grupo Security S.A. through its bank subsidiary has an ownership in the entity that grants the bank significant influence over this company.

(2) Per paragraph 9 of IAS 24, letter f), this is an entity over which some key members of our management exercise control or have direct or indirect voting power.

(3) Per paragraph 9 of IAS 24, letter e), a close relative of our management is related to this company.



NOTE 8 - INVESTMENTS IN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

The detail of the investments in associates is as follows:

TAXPAYER NO.	COMPANY NAME	BALANCE	BALANCE	BALANCE
		31.12.2010	31.12.2009	01.01.2009
		THCLP\$	THCLP\$	THCLP\$
99.584.690-k	Inmobiliaria El Peumo	6,289	6,126	9,842
76.036.143-7	El Vergel FIP	-	18	1,600
76.036.117-8	Antonio Pastrana FIP	9,832	6,576	9,200
76.036.116-k	Rodrigo de Quiroga FIP	-	7,229	12,153
76.036.147-k	General Flores FIP	-	5,819	152,989
76.036.113-5	Quirihue FIP	-	10,676	78,714
76.036.115-1	Silvina Hurtado FIP	-	8,526	16,336
76.036.137-2	Vitacura IV FIP	18,140	63,755	488,666
76.036.149-6	Pastrana II FIP	21,016	23,182	395,535
76.036.119-4	Nuñoa II FIP	62,633	230,550	307,044
76.036.146-1	Regina Pacis FIP	208,566	582,152	588,111
76.036.122-4	Santa Marta FIP	924,660	698,299	539,574
76.036.136-4	Hermanos Cabot FIP	510,535	409,037	459,751
76.036.118-6	Alonso Sotomayor FIP	73,418	550,579	433,888
53.309.429-5	Don Vicente FIP	203,016	214,981	180,607
99.683.120-0	Cía.De Insurance Generales Penta-Security S.A.	8,389,830	7,873,848	6,118,606
99.573.400-1	Europ Assistance Chile S.A.	65,447	170,851	134,176
99.551.180-0	Cooper Gay S.A.	862,460	316,540	356,363
	Other companies	76,221	251,915	47,312
TOTALES		11,432,063	11,430,661	10,330,467

Summarized financial information of the main investments recorded using the equity method.

Compañía de Seguros Penta Security S.A. (Insurance Company).

The following financial statements are prepared in conformity with Chile GAAP.

BALANCE GENERAL	BALANCE	BALANCE		BALANCE	BALANCE
	31.12.2010	31.12.2009		31.12.2010	31.12.2009
ASSSETS	THCLP\$	THCLP\$	LIABILITIES	THCLP\$	THCLP\$
5.11.00.00 Investments	49,976,124	43,270,714	5.21.00.00 Technical Reserves	100,719,015	74,133,975
5.12.00.00 Insurance premium receivables	66,293,866	53,606,461	5.22.00.00 Oblig. with Fin. Inst.	3,692,252	1,000,001
5.13.00.00 Reinsurance receivables	17,289,714	6,347,731	5.23.00.00 Other liabilities	7,399,835	7,290,233
5.14.00.00 Other assets	6,768,211	6,117,963	5.24.00.00 Equity	28,516,813	26,918,660
5.10.00.00 TOTAL ASSETS	140,327,915	109,342,869	5.20.00.00 TOTAL LIABILITIES	140,327,915	109,342,869

INCOME STATEMENT	BALANCE	BALANCE
	31.12.2010	31.12.2009
	THCLP\$	THCLP\$
Gross margin	21,363,270	19,632,871
Administrative expenses	(21,976,908)	-18,100,904
Operating income (expense)	(613,638)	1,531,967
Investment income (expense)	2,829,683	1,407,106
Other income (expense)	1,187,247	1,488,306
Price level restatement	(1,342,816)	-905,375
Total Operating profit	2,060,476	1,990,037
Non-operating income (expense)	731,800	63,068
Profit before tax	2,792,276	2,053,105
income tax expense	(285,516)	-566,666
PROFIT (LOSS) FOR THE YEAR	2,506,760	1,486,439

Cooper Gay S.A. Reinsurance brokers

The following financial statements are prepared in conformity Chile GAAP.

STATEMENT OF FINANCIAL POSITION	BALANCE	BALANCE
	31.12.2010	31.12.2009
	THCLP\$	THCLP\$
ASSETS		
Current assets	9,310,787	46,144,474
Non-current assets	221,655	120,426
TOTAL ASSETS	9,532,441	46,264,900
LIABILITIES		
Current liabilities	7,771,266	45,631,807
Non-current liabilities	-	
TOTAL LIABILITIES	7,771,266	45,631,807
EQUITY	1,761,176	633,093
TOTAL EQUITY AND LIABILITIES	9,532,441	46,264,900
INCOME STATEMENT		
Revenue		
Cost of sales	3,561,417	1,728,449
Gross Profits	-	
OTHER INCOME AND EXPENSE BEFORE TAX	3,561,417	1,728,449
PROFIT BEFORE TAX	(1,723,038)	(1,177,674)
INCOME TAX	1,838,379	550,775
PROFIT (LOSS) FOR THE YEAR	(301,374)	(90,306)
GANANCIA (PÉRDIDA) PROCEDENTE DE OPERACIONES CONTINUADAS	1,537,005	460,469



NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

a) The balances of property, plant and equipment are detailed below:

TYPES OF PROPERTY, PLANT AND EQUIPMENT, NET	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
Property, Plant and Equipment, net	44,314,311	43,829,488	46,762,970
Construction in Progress, net	6,102,032	3,352,406	2,735,089
Land, net	10,900,561	10,013,585	10,220,981
Buildings, net	19,454,661	23,601,356	24,693,720
Plant and Equipment, net	2,359,581	2,384,522	2,688,677
Information Technology Equipment, net	647,853	19,024	22,400
Fixtures and Accessories, net	241,488	1	50,766
Motor Vehicles, net	93,010	65,282	111,680
Leasehold improvements, net	-	3,825,664	76,039
Other Property, Plant and Equipment, net	4,515,124	567,650	6,163,618

CLASSES OF PROPERTY, PLANT AND EQUIPMENT, GROSS	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
Property, Plant and Equipment, gross	62,524,857	62,003,488	63,182,348
Construction in Progress, gross	6,102,032	3,352,406	2,735,089
Land, gross	10,900,561	10,013,585	10,220,981
Buildings, gross	21,298,972	25,564,300	26,519,169
Plant and Equipment, gross	11,300,773	12,848,487	10,896,231
Information Technology Equipment, gross	1,959,375	36,204	34,800
Fixtures and Accessories, gross	988,727	365,522	365,521
Motor Vehicles, gross	170,350	238,044	240,162
Leasehold improvements, gross		295,063	295,063
Other Property, Plant and Equipment, gross	9,804,067	9,289,878	11,875,332

CLASSES OF ACCUMULATED DEPRECIATION AND VALUE IMPAIRMENT, PROPERTY, PLANT AND EQUIPMENT	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
Accumulated Depreciation Property, Plant and Equipment, Net	18,210,546	18,174,000	16,419,378
Accumulated Depreciation and Impairment, Buildings	1,844,311	1,962,944	1,825,449
Accumulated Depreciation and Impairment, Plant and Equipment	8,941,192	10,463,966	8,207,555
Accumulated Depreciation and Impairment, Information Technology Equipment	1,311,522	17,180	12,400
Accumulated Depreciation and Impairment, Fiztures and accesories	747,239	365,521	314,755
Accumulated Depreciation and Impairment, Motor Vehicles	77,340	172,763	128,482
Leasehold improvements		239,022	219,024
Accumulated Depreciation and Value Impairment, Others	5,288,942	4,952,605	5,711,713

b) Detail of movements during 2010

CURRENT PERIOD	CONSTRUCTION IN PROGRESS	LAND	BUILDINGS	PLANT AND EQUIPMENT	INFORMATION TECHNOLOGY EQUIPMENT, NET	FIXTURES AND ACCESORIES, NET	MOTOR VEHICLES	LEASEHOLD IMPROVEMENTS LEASED ASSETS	OTHER PROPERTY PLANT AND EQUIPMENT	TOTAL
Property, Plant and Equipment, Opening Balance	3,352,406	10,013,584	23,601,356	1,086,103	772,032	298,801	46,468	21,484	4,637,254	43,829,488
Additions, Property, Plant and Equipment.	2,749,626	659,476	1,511,021	1,823,138	102,603	20,756	86,393	-	168,182	7,121,195
Depreciation expense, Property, Plant and Equipment.	-	-	(405,701)	(568,163)	(197,564)	(78,069)	(32,369)	-	(858,200)	(2,140,066)
Other increase (decrease)	-	227,501	(5,252,015)	18,504	-	-	(7,482)	-	517,186	528,208
Changes to Property, plant and equipment, total	2,749,626	886,977	(4,146,695)	1,273,479	(94,961)	(57,313)	46,542	-	(172,832)	484,823
PROPERTY, PLANT AND EQUIPMENT , CLOSING BALANCE	6,102,032	10,900,561	19,454,661	2,359,582	677,071	241,488	93,010	21,484	4,464,422	44,314,311

The Company does not have tangible assets that are subject to guarantees for compliance with exiting obligations, or under construction, nor are there commitments to purchase tangible assets.

Furthermore, the company does not have tangible assets that are currently out of service; assets that are totally amortized, but still in use; or assets pending retirement not classified as held for sale.

NOTE 10- INTANGIBLE ASSETS OTHER THAN GOODWILL

a) The detail of intangible assets is as follows:

	31.12.2010			31.12.2009			01.01.2009		
	THCLP\$			THCLP\$			THCLP\$		
	GROSS VALUE	ACCUM AMORTIZATION / IMPAIRMENT	NET VALUE	GROSS VALUE	ACCUM AMORTIZATION / IMPAIRMENT	NET VALUE	GROSS VALUE	ACCUM AMORTIZATION / IMPAIRMENT	NET VALUE
Computer programs	14,934,887	(7,625,416)	7,309,471	11,183,965	(5,868,350)	5,315,615	6,469,175	(4,900,221)	1,568,954
Other intangibles	15,603,993	(163,579)	15,440,414	11,822,513	(77,916)	11,744,597	12,076,641	(17,502)	12,059,139
Computer licenses	2,212,846	(1,885,142)	327,704	1,279,394	(974,728)	304,666	1,144,475	(741,534)	402,941
TOTAL	32,751,726	(9,674,137)	23,077,589	24,285,872	(6,920,994)	17,364,878	19,690,291	(5,659,257)	14,031,034

b) The amortization of intangible assets is calculated using the straight-line method, over the estimated useful life of the asset.

NOTE 11-GOODWILL

a) The detail of this item is as follows:

	31.12.2010				31.12.2009				01.01.2009			
	THCLP\$				THCLP\$				THCLP\$			
	OPENING BALANCE NET	IMPAIRMENT LOSSES RECOGNIZED IN EQUITY	IMPAIRMENT LOSSES RECOGNIZED IN PROFIT AND LOSS	FINAL BALANCE, NET	OPENING BALANCE NET	IMPAIRMENT LOSSES RECOGNIZED IN EQUITY	IMPAIRMENT LOSSES RECOGNIZED IN PROFIT AND LOSS	FINAL BALANCE, NET	OPENING BALANCE NET	IMPAIRMENT LOSSES RECOGNIZED IN EQUITY	IMPAIRMENT LOSSES RECOGNIZED IN PROFIT AND LOSS	FINAL BALANCE, NET
Goodwill Inv. Interrentas	24,170,173	(697,722)		23,472,451	25,217,196	-	1,047,023	24,170,173	25,217,196	-	-	25,217,196
Goodwill Inv. Banco, Dresdner	2,224,741	-		2,224,741	2,224,741	-	-	2,224,741	2,224,741	-	-	2,224,741
Goodwill Inv. Copper	13,112,972	-		13,112,972	13,112,972	-	-	13,112,972	13,112,972	-	-	13,112,972
Goodwill Inv. Factoring	-	-		-	180,097	-	180,097	-	180,097	-	-	180,097
Goodwill Inv. Banco Security	-	-		-	124,090	-	124,090	-	124,090	-	-	124,090
Goodwill Inv. Corredora Dresdner	-	-		-	101,865	-	101,865	-	101,867	-	-	101,867
Goodwill Vida Security	2,099,306	-		2,099,306	2,099,306	-	-	2,099,306	2,099,306	-	-	2,099,306
Goodwill Seg. Generales Previsión	862,415	-		862,415	862,415	-	-	862,415	862,415	-	-	862,415
Goodwill Inversion Travel	1,098,615	-		1,098,615	1,098,615	-	-	1,098,615	1,181,741	-	(83,126)	1,098,615
TOTAL	43,568,222	(697,722)	-	42,870,500	45,021,297	-	1,453,075	43,568,222	45,104,423	-	83,126	45,021,299

NOTE 12- TRADE AND OTHER ACCOUNTS RECEIVABLE

The total trade and other accounts receivable (net of provisions) of Grupo Security as of December 31, 2010 amounts to ThCLP\$2,196,578,756.

Grupo Security has an allowance for doubtful accounts policy, which is determined based on a rating scheme of its risk portfolio, which uses components related to the behavior of clients and its debtors, allowing associating such provision to the industry trends.

Before a new client is accepted, Grupo Security uses an external credit points system to assess the potential quality of the client's credit and to define the credit limits of the client. The limits and points allocated to the clients are reviewed periodically.

Grupo Security does not maintain any guarantees over such balances.



As of December 31, 2010, this item includes the following:

	BALANCE	BALANCE	BALANCE
	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
BANK SUBSIDIARY			
Owed by banks	11,356,392	312,446,740	93,490,130
Commercial loans	1,519,400,526	1,505,519,919	1,662,059,056
Mortgage loans	300,440,978	245,255,107	214,300,571
Consumer loans	107,438,753	85,690,192	78,434,819
Brokerage debtors	70,210,324	26,429,826	11,135,210
Other accounts receivable from clients			2,590
VIDA SECURITY			-
Notes and accounts receivable	3,184,137	2,573,427	2,222,380
Lease receivable	33,767,748	27,762,025	23,804,372
Other receivables	7,134,744	4,137,164	5,119,184
OTHER SUBSIDIARIES			
Invoices receivable	10,021,118	8,258,619	10,244,086
Notes and accounts receivable	129,881,498	125,144,113	132,279,592
Leases receivable	2,133,069	2,512,687	4,474,136
Other receivables	1,609,469	2,330,391	12,139,023
	2,196,578,756	2,348,060,210	2,249,705,149



NOTE 13 – OTHER FINANCIAL ASSETS, CURRENT

As of December 31, 2010, this item includes the following:

	SALDO						SALDO						SALDO					
	31.12.2010						31.12.2009						01.01.2009					
	DOLLAR	UF	EURO	CLP	OTHER	TOTAL	DOLLAR	UF	EURO	CLP	OTHER	TOTAL	DOLLAR	UF	EURO	CLP	OTHER	TOTAL
	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$
Other assets																		
Investments available for sale	44,261,879		189,780,120	43,964,793	-	278,006,793	39,222,350	-	399,541,019	45,589,525		494,352,893	62,435,769	-	244,568,587	59,371,929	-	366,376,284
Instruments held for trading	-		244,967,133	144,553,849	-	389,520,982	3,348,738		183,442,965	209,252,269		396,043,972	8,310	-	176,685,780	179,559,829	610,270	356,864,189
Derivative financial contracts	-		-	61,935,808	-	61,935,808	-	-	-	66,280,273		66,280,273	-	-	-	53,051,705	-	53,051,705
Assets for leasing	-		-	24,151,470	-	24,151,470	-	-	-	26,642,148		26,642,148	-	-	-	26,814,397	-	26,814,397
Investments for Technical Reserves Vida Security																		
Mutual Fund units	16,567,269	-	148,298	81,396,650	88,772	98,200,969	14,757,305	-	-	43,165,458		57,922,763	17,023,248	-	-	28,533,848	-	45,557,096
Derivatives	4,993,558	-	-	-	-	4,993,558	3,166,504	-	-	-		3,166,504	-	-	-	-	-	-
Shares equity securities	-	-	-	15,695	-	15,695	-	-	-	5,577,578		5,577,578	-	-	-	18,091	-	18,091
Debt securities bonds	15,240,928	432,130,786	-	-	-	447,371,714	14,631,001	471,482,285	-	-		486,113,286	8,275,800	484,767,423	-	-	-	493,043,224
Mortgage notes	-	35,466,208	-	904,474	-	36,370,682	-	40,122,910	-	1,206,203		41,329,113	-	46,622,523	-	1,557,170	-	48,179,693
Fixed and indexed time deposits	-	22,143,575	-	-	-	22,143,575	-	6,590,936	-	-		6,590,936	-	12,286,619	-	-	-	12,286,619
Mortgage mutual	-	33,216,106	-	-	-	33,216,106	-	35,346,772	-	-		35,346,772	-	40,092,329	-	-	-	40,092,329
Guarantees given to third parties	-	96,550	-	-	-	96,550	-	272,257	-	-		272,257	-	278,883	-	-	-	278,883
Pr. Cora and Others of the Central Bank	-	159,028	-	60,224,556	-	60,383,584	-	165,607	-	62,877,436		63,043,043	-	179,735	-	71,687,440	-	71,867,175
Other Financial Assets Other Subsidiaries	-	-	-	-	-				-	-								
Debt securities bonds	-	227,756	-	-	-	227,756	-	310,098	-	-		310,098	-	135,078	-	-	-	135,078
Shares equity securities	1,274	-	-	1,005	-	2,279	-	-	-	-		-	-	-	-	-	-	-
Derivatives	94,290,387	-	-	-	-	94,290,387	50,306,318	-	-	-		50,306,318	90,294,067	-	-	-	-	90,294,067
Other investment instruments	-	-	-	-	-	-	-	9,564,928	-	-		9,564,928	-	20,118,922	-	50,124	-	20,169,046
TOTAL	175,355,295	523,440,009	434,895,551	417,148,300	88,772	1,550,927,927	125,432,215	563,855,793	582,983,984	460,590,890	-	1,732,862,882	178,037,194	604,481,512	421,254,367	420,644,533	610,270	1,625,027,876

NOTE 14 – OTHER NON FINANCIAL ASSETS, CURRENT

As of December 31, 2010, this item includes the following:

	BALANCE	BALANCE	BALANCE
	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
OTHER NON-FINANCIAL ASSETS VIDA SECURITY			
Loans to retirees	5,003,551	4,802,670	4,288,007
VAT Credit	66,441	16,970	13,143
OTHER NON-FINANCIAL ASSETS OTHER SUBSIDIARIES			
Sundry debtors	161,452	1,024,745	3,009,524
Advance payments to suppliers	871,871	709,238	565,425
Prepaid expenses	32,775	9,687	2,495
Guarantees	262,422	41,461	50,125
Personnel accounts and loans	123,287	281,383	277,035
VAT Credit	2,757,226	468,021	1,218,499
	9,279,025	7,354,175	9,424,253

NOTE 15 - CURRENT TAX ASSETS

As of December 31, 2010, this item includes the following:

	BALANCE	BALANCE	BALANCE
	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
SENCE expenses	152,701	111,496	1,434,631
Month estimated tax payments	7,988,060	1,257,505	4,319,226
Credit property, plant and equipment	919	8,174	380
Tax loss refund	969,051	960,561	1,523,803
Other credits	945,018	3,594,629	4,308,263
TOTAL	10,055,749	5,932,365	11,586,303

NOTE 16 – OTHER NON-FINANCIAL ASSETS, NON-CURRENT

	BALANCE	BALANCE	BALANCE
	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
Prepaid expenses	1,266,628	1,348,372	1,080,613
Lease guarantees	113,954	215,258	244,191
Insurance receivable	1,831,306	1,725,781	231,791
Notes and accounts receivable, non-current	10,818,460	6,607,566	7,524,235
Other assets	2,182,853	4,872,679	6,029,411
TOTAL	16,213,201	14,769,656	15,110,241

NOTE 17 – TRADE AND OTHER ACCOUNTS PAYABLE

This item includes primarily accounts payable to clients. Those payables correspond to documents not transferred to Grupo Security and which were not financed in operations, and should therefore be restituted.

As of December 31, 2010, this item includes the following:

	BALANCE	BALANCE	BALANCE
	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
Suppliers	3,148,097	2,397,863	2,797,865
Fees payable	4,732	4,853	8,628
Accounts payable to clients	6,634,897	6,991,583	7,372,849
Lease contracts payable	62,144	187,884	286,716
Insurance payable	5,831,976	2,956,489	2,867,266
Reserves	698,665,612	682,349,314	706,636,036
Claims payable	165,246	77,375	62,732
TOTAL	714,512,704	694,965,361	720,032,092

NOTE 18 – OTHER FINANCIAL LIABILITIES, CURRENT**Bonds Issued**

On July 16, 2004, the SVS certified that Grupo Security S.A. filed with the Securities Register, under number 376, the issuance of series C bonds for UF 750,000, which pays a 2.4695% semi-annual interest.

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

On February 15, 2006, the SVS certified that Grupo Security S.A. filed with the Securities Register, under number 454, the issuance of series D bonds for UF 1,500,000, with a 4.2% annual interest.

On July 9, 2007 the SVS certified the filing of series B 2 bonds charged to tranche B.

On July 30, 2007, the SVS certified that Grupo Security S.A. filed with the Securities Register, under number 507, the issuance of series E bonds for UF 500,000, with a 3.8% annual interest.

On November 20, 2009, the SVS certified that Grupo Security S.A. filed with the Securities Register, under number 620, the issuance of series F bonds for UF 1,250,000, with a 4.5% annual interest.

As of December 31, 2010, this item includes the following:

	BALANCE	BALANCE	BALANCE
	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
Bank obligations	269,956,440	236,663,877	433,109,173
Checking accounts	220,187,122	190,517,035	176,761,471
Bond issuance discount	(2,699,730)	(2,896,415)	(2,834,899)
Dereivative liabilities	152,797,559	140,153,053	164,726,491
Other liabilities	-	-	2,570,942
Repurchase agreements and securities loans	40,587,781	401,975,426	90,129,638
Time and other deposits	1,696,712,122	1,651,417,445	1,720,451,544
Letters of credit	65,663,442	78,798,609	92,342,426
Current bonds	262,525,764	341,643,162	281,623,630
Public sector obligations	36,539,469	50,057,728	46,384,817
Credit card operator liabilities	1,818,597	1,313,142	1,283,285
TOTAL	2,744,088,566	3,089,643,062	3,006,548,518



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Detail of bank obligations as of December 31, 2010:

BALANCE AS OF 31.12.2010 THCLPS													
TAXPAYER NO. DEBTOR	DEBTOR NAME	COUNTRY DEBTOR	TAXPAYER NO. CREDITOR	LENDER NAME	COUNTRY LENDER	TYPE OF CURRENCY	FREQUENCY AT AMORTIZATION	EFFECTIVE %	NOMINAL INTEREST RATE %	CARRYING VALUE			
										MATURITY			
										0-90 DAYS	91 DAYS -1 YEAR	1 YEAR AND MORE	TOTAL
97.053.000-2	BANCO SECURITY	CHILE	400.550.828-8	AMERICA EXPRESS SECURITY	UNITED STATES	USD	DAILY	0.00%	0.00%	775	-	-	775
97.053.000-3	BANCO SECURITY	CHILE	403.560.844-9	BANCO MERCANTIL CA	VENEZUELA	USD	QUARTERLY	1.01%	1.01%	4,698,433	-	-	4,698,433
97.053.000-4	BANCO SECURITY	CHILE	406.330.228-2	BCO INTERNACIOANL S A ECUADOR	ECUADOR	USD	QUARTERLY	0.00%	0.00%	109,795	-	-	109,795
97.053.000-5	BANCO SECURITY	CHILE	407.840.828-1	BANK OF AMERICA ESTADOS UNIDOS	UNITED STATES	USD	MONTHLY	0.88%	0.88%	4,700,647	-	-	4,700,647
97.053.000-6	BANCO SECURITY	CHILE	407.840.828-1	BANK OF AMERICA ESTADOS UNIDOS	UNITED STATES	USD	QUARTERLY	0.93%	0.93%	4,690,017	-	-	4,690,017
97.053.000-7	BANCO SECURITY	CHILE	407.845.436-4	THE BANK OF CALIFORNIA SAN FRANCISCO	UNITED STATES	USD	DAILY	0.00%	0.00%	88,280	-	-	88,280
97.053.000-8	BANCO SECURITY	CHILE	407.855.136-K	BANK OF MONTREAL	CANADA	USD	SIX-MONTHLY	0.99%	0.99%	-	9,379,422	-	9,379,422
97.053.000-9	BANCO SECURITY	CHILE	411.885.828-5	CITIBANK ESTADOS UNIDOS	UNITED STATES	USD	MONTHLY	0.00%	0.00%	21,895	-	-	21,895
97.053.001-0	BANCO SECURITY	CHILE	411.885.828-5	CITIBANK ESTADOS UNIDOS	UNITED STATES	USD	SIX-MONTHLY	0.96%	0.96%	-	9,364,226	-	9,364,226
97.053.001-1	BANCO SECURITY	CHILE	411.885.828-5	CITIBANK ESTADOS UNIDOS	UNITED STATES	USD	QUARTERLY	0.73%	0.73%	9,562,370	-	-	9,562,370
97.053.001-2	BANCO SECURITY	CHILE	412.335.204-7	COMMERZBANK AG ALEMANIA	GERMANY	USD	YEARLY	0.65%	0.65%	9,379,306	-	-	9,379,306
97.053.001-3	BANCO SECURITY	CHILE	412.335.204-7	COMMERZBANK AG ALEMANIA	GERMANY	EURO	MONTHLY	0.00%	0.00%	63,887	-	-	63,887
97.053.001-4	BANCO SECURITY	CHILE	412.335.204-7	COMMERZBANK AG ALEMANIA	GERMANY	EURO	QUARTERLY	0.00%	0.00%	68,801	-	-	68,801
97.053.001-5	BANCO SECURITY	CHILE	412.335.204-7	COMMERZBANK AG ALEMANIA	GERMANY	EURO	DAILY	0.00%	0.00%	2,892,056	-	-	2,892,056
97.053.001-6	BANCO SECURITY	CHILE	413.540.052-7	COMMONWEALTH BANK OF AUSTRALIA SYDNEY	AUSTRALIA	USD	QUARTERLY	0.00%	0.00%	127,020	12,333	-	139,353
97.053.001-7	BANCO SECURITY	CHILE	413765.828-9	JP MORGAN CHASE BANK	UNITED STATES	USD	YEARLY	1.11%	1.11%	-	4,681,947	-	4,681,947
97.053.001-8	BANCO SECURITY	CHILE	415.005.212-8	DANSKE BANK A/S COPENHACGEN	DENMARK	OTRA	DAILY	0.00%	0.00%	412	-	-	412
97.053.001-9	BANCO SECURITY	CHILE	415.655.204-2	DEUTSCHE BANK AG FRANKFURT AM MAIN	GERMANY	EURO	DAILY	0.00%	0.00%	280,166	-	-	280,166
97.053.002-0	BANCO SECURITY	CHILE	421.760.276-4	DRESDNER BANK	GERMANY	USD	DAILY	0.00%	0.00%	92,635	-	-	92,635
97.053.002-1	BANCO SECURITY	CHILE	421.760.276-4	DRESDNER BANK	GERMANY	EURO	DAILY	0.00%	0.00%	3,089	-	-	3,089
97.053.002-2	BANCO SECURITY	CHILE	443.945.168-3	HONG KONG AND SHANGHAI BANKING CORP LTD	CHINA	USD	QUARTERLY	0.00%	0.00%	20,291	-	-	20,291
97.053.002-3	BANCO SECURITY	CHILE	446.410.828-4	BANK OF NEW YORK	UNITED STATES	USD	YEARLY	1.14%	1.14%	-	2,341,143	-	2,341,143
97.053.002-4	BANCO SECURITY	CHILE	446.410.828-4	BANK OF NEW YORK	UNITED STATES	USD	MONTHLY	0.00%	0.00%	31,604	-	-	31,604
97.053.002-5	BANCO SECURITY	CHILE	446.410.828-4	BANK OF NEW YORK	UNITED STATES	USD	SIX-MONTHLY	1.11%	1.11%	4,702,345	7,022,604	-	11,724,950
97.053.002-6	BANCO SECURITY	CHILE	453.535.828-7	COMMERCEBANK N A ESTADOS UNIDOS	UNITED STATES	USD	YEARLY	1.50%	1.50%	9,484,642	-	-	9,484,642
97.053.002-7	BANCO SECURITY	CHILE	453.535.828-7	COMMERCEBANK N A ESTADOS UNIDOS	UNITED STATES	USD	QUARTERLY	0.00%	0.00%	53,157	-	-	53,157
97.053.002-8	BANCO SECURITY	CHILE	455.434.828-4	BRANCH BANKING AND TRUST COMPANY	UNITED STATES	USD	SIX-MONTHLY	1.27%	1.27%	-	4,697,360	-	4,697,360
97.053.002-9	BANCO SECURITY	CHILE	458.915.412-1	WACHOVIA BANK NA TOKYO	JAPAN	OTR	DAILY	0.00%	0.00%	151,427	-	-	151,427
97.053.003-0	BANCO SECURITY	CHILE	458.915.828-3	WACHOVIA BANK N A	UNITED STATES	USD	MONTHLY	0.00%	0.00%	384,914	-	-	384,914
97.053.003-1	BANCO SECURITY	CHILE	458.915.828-3	WACHOVIA BANK N A	UNITED STATES	USD	SIX-MONTHLY	1.41%	1.41%	4,694,805	16,426,190	-	21,120,994
97.053.003-2	BANCO SECURITY	CHILE	458.915.828-3	WACHOVIA BANK N A	UNITED STATES	USD	QUARTERLY	0.64%	0.64%	19,946,392	58,340	-	20,004,733
97.053.003-3	BANCO SECURITY	CHILE	472.655.828-6	STANDARD CHARTERED BANK	UNITED STATES	USD	MONTHLY	0.66%	0.66%	5,649,138	-	-	5,649,138
97.053.003-4	BANCO SECURITY	CHILE	472.655.828-6	STANDARD CHARTERED BANK	UNITED STATES	USD	QUARTERLY	0.84%	0.84%	10,089,121	2,815,458	-	12,904,579
97.053.003-5	BANCO SECURITY	CHILE	472.655.828-6	STANDARD CHARTERED BANK	UNITED STATES	OTR	QUARTERLY	0.00%	0.00%	66,408	-	-	66,408
97.053.003-6	BANCO SECURITY	CHILE	472.655.828-6	STANDARD CHARTERED BANK	UNITED STATES	OTR	DAILY	0.00%	0.00%	336,529	-	-	336,529
97.053.003-7	BANCO SECURITY	CHILE	473.955.412-3	SUMITOMO MITSUI BANKING CORP	JAPAN	USD	QUARTERLY	0.96%	0.96%	4,689,958	-	-	4,689,958
97.053.003-8	BANCO SECURITY	CHILE	480.612.396-5	UNICREDIT BANCA SPA CRED ITL	ITALY	EURO	MONTHLY	0.00%	0.00%	23,075	-	-	23,075
97.053.003-9	BANCO SECURITY	CHILE	59.002.220-9	THE BANK OF TOKYO MITSUBISHI LTD	CHILE	USD	MONTHLY	0.30%	0.30%	935,923	-	-	935,923
96.515.580-5	VALORES SECURITY	CHILE	97.004.000-5	BANCO CHILE	CHILE	CLP	DAILY	0.00%	0.00%	1,139,536	-	-	1,139,536
97.053.003-9	BANCO SECURITY	CHILE		OTHERS	OTHERS	OTRA	DAILY	0.00%	0.00%	3,079	-	-	3,079
96.655.860-1	FACTORING SECURITY S.A.	CHILE	97.004.000-5	BANCO DE CHILE	CHILE	CLP	MONTHLY	0.33%	0.33%	25,856,437	-	-	25,856,437
96.655.860-1	FACTORING SECURITY S.A.	CHILE	97.023.000-9	CORPBANCA	CHILE	USD	MONTHLY	1.11%	1.11%	655,296	-	-	655,296
96.655.860-1	FACTORING SECURITY S.A.	CHILE	97.023.000-9	CORPBANCA	CHILE	CLP	MONTHLY	0.33%	0.33%	16,327,826	-	-	16,327,826
96.655.860-1	FACTORING SECURITY S.A.	CHILE	97.030.000-7	BANCO ESTADO	CHILE	CLP	MONTHLY	0.32%	0.32%	23,366,930	-	-	23,366,930
96.655.860-1	FACTORING SECURITY S.A.	CHILE	97.006.000-6	BCI	CHILE	CLP	MONTHLY	0.37%	0.37%	4,031,574	-	-	4,031,574
96.655.860-1	FACTORING SECURITY S.A.	CHILE	97.032.000-8	BANCO BBVA	CHILE	CLP	MONTHLY	0.33%	0.33%	16,431,281	-	-	16,431,281
96.655.860-1	FACTORING SECURITY S.A.	CHILE	97.018.000-1	BANCO SCOTIABANK	CHILE	CLP	MONTHLY	0.31%	0.31%	9,011,290	-	-	9,011,290
96.655.860-1	FACTORING SECURITY S.A.	CHILE	97.015.000-5	BANCO SANTANDER	CHILE	CLP	MONTHLY	0.31%	0.31%	4,602,370	-	-	4,602,370
96.655.860-1	FACTORING SECURITY S.A.	CHILE	97.015.000-5	BANCO SANTANDER	CHILE	USD	MONTHLY	1.60%	1.60%	922,421	-	-	922,421
96.655.860-1	FACTORING SECURITY S.A.	CHILE	97.041.000-7	BANCO ITAU	CHILE	USD	MONTHLY	1.61%	1.61%	8,256,560	-	-	8,256,560
96.655.860-1	FACTORING SECURITY S.A.	CHILE	97.080.000-K	BANCO BICE	CHILE	CLP	MONTHLY	0.36%	0.36%	1,000,600	-	-	1,000,600
96.655.860-1	FACTORING SECURITY S.A.	CHILE		OTHERS	CHILE	CLP	MONTHLY	0.00%	0.00%	158,444	-	-	158,444
96.786.270-3	INMOBILIARIA SECURITY S.A.	CHILE	97.023.000-9	CORPBANCA	CHILE	CLP	ON MATURITY	6.00%	6.00%	400,400	-	-	400,400
96.786.270-3	INMOBILIARIA SECURITY S.A.	CHILE	97.004.000-5	BANCO DE CHILE	CHILE	CLP	ON MATURITY	6.20%	6.20%	220,801	327,384	-	548,185
96.786.270-3	INMOBILIARIA SECURITY S.A.	CHILE	97.015.000-5	BANCO SANTANDER	CHILE	CLP	ON MATURITY	5.91%	5.91%	153,026	584,777	-	737,803
85.633.900-9	TRAVEL SECURITY S.A.	CHILE	97.004.000-5	BANCO DE CHILE	CHILE	CLP	MONTHLY	0.30%	0.30%	1,668,070	-	-	1,668,070
TOTAL										210,577,187	59,379,253	-	269,956,440

Detail of bank obligations as of December 31, 2009:

BALANCE 31.12.2009 THCLPS													
TAXPAYER NO. DEBTOR	DEBTOR NAME	COUNTRY/ DEBTOR	TAXPAYER NO. CREDITOR	LENDER NAME	COUNTRY LENDER	TYPE OF CURRENCY	FREQUENCY AT AMORTIZATION	EFFECTIVE %	NOMINAL INTEREST RATE %	CARRYING VALUE			
										MATURITY			
										0-90 DAYS	91 DAYS -1 YEAR	1 YEAR AND MORE	TOTAL
97.053.000-2	BANCO SECURITY	CHILE	403.560.844-9	BANCO MERCANTIL CA	VENEZUELA	USD	QUARTERLY	0.84%	0.84%	-	2,538,966	-	2,538,966
97.053.000-2	BANCO SECURITY	CHILE	404.535.396-1	BANCA INTESA SPA ITALIA	ITALY	EURO	QUARTERLY	0.00%	0.00%	166,485	-	-	166,485
97.053.000-2	BANCO SECURITY	CHILE	404.587.828-2	INTESA SANPAOLO SPA FORMERLY BANCA IN	UNITED STATES	USD	QUARTERLY	0.91%	0.91%	8,884,068	-	-	8,884,068
97.053.000-2	BANCO SECURITY	CHILE	407.840.828-1	BANK OF AMERICA NEW YORK	UNITED STATES	USD	DAILY	0.00%	0.00%	255,057	-	-	255,057
97.053.000-2	BANCO SECURITY	CHILE	407.845.436-4	THE BANK OF CALIFORNIA SAN FRANCISCO	UNITED STATES	USD	DAILY	0.00%	0.00%	94,407	-	-	94,407
97.053.000-2	BANCO SECURITY	CHILE	407.855.136-K	BANK OF MONTREAL	CANADA	USD	QUARTERLY	0.73%	0.73%	5,080,050	-	-	5,080,050
97.053.000-2	BANCO SECURITY	CHILE	407.855.136-K	BANK OF MONTREAL	CANADA	OTHER	DAILY	0.00%	0.00%	8,975	-	-	8,975
97.053.000-2	BANCO SECURITY	CHILE	411.885.828-5	CITIBANK UNITED STATES	UNITED STATES	USD	SIX-MONTHLY	0.94%	0.94%	-	5,073,830	-	5,073,830
97.053.000-2	BANCO SECURITY	CHILE	411.885.828-5	CITIBANK UNITED STATES	UNITED STATES	USD	QUARTERLY	0.65%	0.65%	5,119,402	-	-	5,119,402
97.053.000-2	BANCO SECURITY	CHILE	412.335.204-7	COMMERZBANK AG GERMANY	GERMANY	USD	YEARLY	3.89%	3.89%	20,352,910	5,094,807	-	25,447,717
97.053.000-2	BANCO SECURITY	CHILE	412.335.204-7	COMMERZBANK AG GERMANY	GERMANY	EURO	MONTHLY	0.00%	0.00%	119,746	-	-	119,746
97.053.000-2	BANCO SECURITY	CHILE	412.335.204-7	COMMERZBANK AG GERMANY	GERMANY	EURO	QUARTERLY	0.00%	0.00%	98,973	-	-	98,973
97.053.000-2	BANCO SECURITY	CHILE	412.732.268-1	CM CIC BANQUES CM CIC CREDIT INDUSTRIE	FRANCE	USD	QUARTERLY	0.85%	0.85%	5,078,728	-	-	5,078,728
97.053.000-2	BANCO SECURITY	CHILE	413.540.052-7	COMMONWEALTH BANK OF AUSTRALIA SYDNEY	AUSTRALIA	USD	MONTHLY	0.00%	0.00%	36,095	-	-	36,095
97.053.000-2	BANCO SECURITY	CHILE	413.540.052-7	COMMONWEALTH BANK OF AUSTRALIA SYDNEY	AUSTRALIA	USD	QUARTERLY	0.00%	0.00%	48,127	-	-	48,127
97.053.000-2	BANCO SECURITY	CHILE	415.005.212-8	DANSKE BANK A/S COPENH	DENMARK	OTHER	DAILY	0.00%	0.00%	1,455	-	-	1,455
97.053.000-2	BANCO SECURITY	CHILE	415.565.204-2	DEUTSCHE BANK AG	GERMANY	USD	QUARTERLY	0.00%	0.00%	-	134,705	-	134,705
97.053.000-2	BANCO SECURITY	CHILE	415.565.204-2	DEUTSCHE BANK AG	GERMANY	EURO	DAILY	0.00%	0.00%	150,690	-	-	150,690
97.053.000-2	BANCO SECURITY	CHILE	418.686.588-5	DEN NORSKE BANK OSLO	NORWAY	OTR	DAILY	0.00%	0.00%	7,075	-	-	7,075
97.053.000-2	BANCO SECURITY	CHILE	421.760.276-4	DRESDNER BANK AG NEW YORK	GERMANY	USD	DAILY	0.00%	0.00%	100,415	-	-	100,415
97.053.000-2	BANCO SECURITY	CHILE	443.945.168-3	HONG KONG AND SHANGHAI BANKING CORP LTD	CHINA	USD	QUARTERLY	0.00%	0.00%	51,318	-	-	51,318
97.053.000-2	BANCO SECURITY	CHILE	446.005.828-2	ING BANK NV NEW YORK	UNITED STATES	USD	SEMI - ANNUAL	1.20%	1.20%	10,184,805	5,085,519	-	15,270,324
97.053.000-2	BANCO SECURITY	CHILE	446.410.828-4	BANK OF NEW YORK	UNITED STATES	USD	SEMI - ANNUAL	1.33%	1.33%	5,096,689	-	-	5,096,689
97.053.000-2	BANCO SECURITY	CHILE	448.660.440-4	KOREA EXCHANGE BANK	KOREA	USD	QUARTERLY	0.00%	0.00%	164,349	-	-	164,349
97.053.000-2	BANCO SECURITY	CHILE	458.915.828-3	WACHOVIA BANK N A	UNITED STATES	USD	MONTHLY	0.58%	0.58%	7,898,551	-	-	7,898,551
97.053.000-2	BANCO SECURITY	CHILE	458.915.828-3	WACHOVIA BANK N A	UNITED STATES	USD	SEMI - ANNUAL	1.03%	1.03%	-	5,076,716	-	5,076,716
97.053.000-2	BANCO SECURITY	CHILE	458.915.828-3	WACHOVIA BANK N A	UNITED STATES	USD	QUARTERLY	0.60%	0.60%	17,151,422	18,023	-	17,169,445
97.053.000-2	BANCO SECURITY	CHILE	472.655.828-6	STANDARD CHARTERED BANK	UNITED STATES	USD	DAILY	0.00%	0.00%	3,337,683	-	-	3,337,683
97.053.000-2	BANCO SECURITY	CHILE	472.655.828-6	STANDARD CHARTERED BANK	UNITED STATES	USD	MONTHLY	0.00%	0.00%	297,193	-	-	297,193
97.053.000-2	BANCO SECURITY	CHILE	472.655.828-6	STANDARD CHARTERED BANK	UNITED STATES	USD	SIX-MONTHLY	1.03%	1.03%	-	5,082,157	-	5,082,157
97.053.000-2	BANCO SECURITY	CHILE	472.655.828-6	STANDARD CHARTERED BANK	UNITED STATES	USD	QUARTERLY	0.65%	0.65%	5,823,895	2,537,846	-	8,361,741
97.053.000-2	BANCO SECURITY	CHILE	480.612.396-5	UNICREDIT BANCA SPA CRED ITL	ITALY	EURO	MONTHLY	0.00%	0.00%	89,376	-	-	89,376
97.053.000-2	BANCO SECURITY	CHILE	480.806.828-7	US BANK	UNITED STATES	USD	QUARTERLY	0.00%	0.00%	199,840	-	-	199,840
97.053.000-2	BANCO SECURITY	CHILE	59.002.220-9	THE BANK OF TOKYO MITSUBISHI LTD	CHILE	USD	MONTHLY	0.56%	0.56%	3,246,629	-	-	3,246,629
97.053.000-2	BANCO SECURITY	CHILE	59.002.220-9	THE BANK OF TOKYO MITSUBISHI LTD	CHILE	USD	QUARTERLY	1.25%	1.25%	1,017,212	-	-	1,017,212
96.515.580-5	VALORES SECURITY	CHILE	97.004.000-5	BANCO CHILE	CHILE	CLP	DAILY	0.00%	0.00%	1,313,398	-	-	1,313,398
97.053.000-2	BANCO SECURITY	CHILE	OTROS	OTROS	OTROS	OTHER	DAILY	0.00%	0.00%	3,586	-	-	3,586
96.786.270-3	INMOBILIARIA SECURITY S.A.	CHILE	97.023.000-9	CORPBANCA	CHILE	CLP	ON MATURITY	3.36%	3.36%	400,294	-	-	400,294
96.786.270-3	INMOBILIARIA SECURITY S.A.	CHILE	97.004.000-5	BANCO DE CHILE	CHILE	CLP	ON MATURITY	3.36%	3.36%	-	740,035	-	740,035
96.786.270-3	INMOBILIARIA SECURITY S.A.	CHILE	97.015.000-5	SANCO SANTANDER	CHILE	CLP	ON MATURITY	2.90%	2.90%	325,707	-	-	546,030
96.655.860-1	FACTORIZING SECURITY S.A.	CHILE	97.004.000-5	BANCO DE CHILE	CHILE	CLP	MONTHLY	0.10%	0.10%	24,677,566	-	-	24,677,566
96.655.860-1	FACTORIZING SECURITY S.A.	CHILE	97.023.000-9	CORPBANCA	CHILE	CLP	MONTHLY	0.10%	0.10%	8,015,966	-	-	8,015,966
96.655.860-1	FACTORIZING SECURITY S.A.	CHILE	97.030.000-7	BANCO ESTADO	CHILE	CLP	MONTHLY	0.11%	0.11%	10,479,113	-	-	10,479,113
96.655.860-1	FACTORIZING SECURITY S.A.	CHILE	97.006.000-6	BCI	CHILE	CLP	MONTHLY	0.13%	0.13%	8,401,365	-	-	8,401,365
96.655.860-1	FACTORIZING SECURITY S.A.	CHILE	97.006.000-6	BCI	CHILE	USD	MONTHLY	0.15%	0.15%	4,054,553	-	-	4,054,553
96.655.860-1	FACTORIZING SECURITY S.A.	CHILE	97.032.000-8	BANCO BBVA	CHILE	CLP	MONTHLY	0.10%	0.10%	15,902,158	-	-	15,902,158
96.655.860-1	FACTORIZING SECURITY S.A.	CHILE	97.018.000-1	BANCO SCOTIABANK	CHILE	CLP	MONTHLY	0.09%	0.09%	9,000,992	-	-	9,000,992
96.655.860-1	FACTORIZING SECURITY S.A.	CHILE	97.015.000-5	SANCO SANTANDER	CHILE	CLP	MONTHLY	0.09%	0.09%	4,960,361	-	-	4,960,361
96.655.860-1	FACTORIZING SECURITY S.A.	CHILE	97.015.000-5	SANCO SANTANDER	CHILE	USD	MONTHLY	0.19%	0.19%	2,021,096	-	-	2,021,096
96.655.860-1	FACTORIZING SECURITY S.A.	CHILE	97.041.000-7	BANCO ITAU	CHILE	CLP	MONTHLY	0.10%	0.10%	2,004,828	-	-	2,004,828
96.655.860-1	FACTORIZING SECURITY S.A.	CHILE	97.041.000-7	BANCO ITAU	CHILE	USD	MONTHLY	0.19%	0.19%	3,830,342	-	-	3,830,342
96.655.860-1	FACTORIZING SECURITY S.A.	CHILE	97.080.000-K	BANCO BICE	CHILE	CLP	MONTHLY	0.12%	0.12%	4,401,936	-	-	4,401,936
96.655.860-1	FACTORIZING SECURITY S.A.	CHILE	97.011.000-3	BANCO INTERNACIONAL	CHILE	CLP	MONTHLY	0.11%	0.11%	4,016,988	-	-	4,016,988
96.655.860-1	FACTORIZING SECURITY S.A.	CHILE	OE	WACHOVIA BANK	USA	USD	MONTHLY	0.09%	0.09%	607,976	-	-	607,976
96.655.860-1	FACTORIZING SECURITY S.A.	CHILE		OTROS	CHILE	CLP	MONTHLY			481,102	-	-	481,102
TOTAL										205,060,950	31,602,927	-	236,663,877



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Detail of bank obligations as of January 01, 2009:

BALANCE 01.01.2009 THCLPS													
TAXPAYER NO. DEBTOR	DEBTOR NAME	COUNTRY DEBTOR	TAXPAYER NO. CREDITOR	LENDER NAME	COUNTRY LENDER	TYPE OF CURRENCY	FREQUENCY AT AMORTIZATION	EFFECTIVE %	NOMINAL INTEREST RATE %	CARRYING VALUE			
										MATURITY			
										0-90 DAYS	91 DAYS -1 YEAR	1 YEAR AND MORE	TOTAL
970530002	BANCO SECURITY	CHILE	2000023399	CITIBANK	UNITED STATES	USD	DAILY	0.00%	0.00%	832,805	-	-	832,805
970530002	BANCO SECURITY	CHILE	2000023399	CITIBANK	UNITED STATES	USD	MONTHLY	0.00%	0.00%	48,188	-	-	48,188
970530002	BANCO SECURITY	CHILE	4005508288	AMERICAN EXPRESS BANK LTD.	UNITED STATES	EUR	DAILY	0.00%	0.00%	259,269	-	-	259,269
970530002	BANCO SECURITY	CHILE	4005508288	AMERICAN EXPRESS BANK LTD.	UNITED STATES	USD	YEARLY	3.49%	3.49%	3,287,616	11,717,527	-	15,005,143
970530002	BANCO SECURITY	CHILE	4045878282	INTESA SANPAOLO SPA	UNITED STATES	EUR	MONTHLY	0.00%	0.00%	265,624	-	-	265,624
970530002	BANCO SECURITY	CHILE	4045878282	INTESA SANPAOLO SPA	UNITED STATES	USD	SIX-MONTHLY	5.07%	5.07%	-	4,830,372	-	4,830,372
970530002	BANCO SECURITY	CHILE	4046450405	BANCO CREDICOOP COOPERATIVO	ARGENTINA	USD	MONTHLY	0.00%	0.00%	53,740	-	-	53,740
970530002	BANCO SECURITY	CHILE	4055872681	NATEXIS BANQUES POPULAIRES	FRANCE	USD	YEARLY	2.91%	2.91%	6,562,430	-	-	6,562,430
970530002	BANCO SECURITY	CHILE	4057200400	BBVA - BANCO FRANCES S.A.	ARGENTINA	USD	MONTHLY	0.00%	0.00%	1,183,120	-	-	1,183,120
970530002	BANCO SECURITY	CHILE	4076153960	BANCA NAZIONALE DEL LAVORO SPA	ITALY	USD	QUARTERLY	0.00%	0.00%	49,475	-	-	49,475
970530002	BANCO SECURITY	CHILE	407655616K	BNP PARIBAS S.A.	PANAMA	USD	YEARLY	3.30%	3.30%	6,593,546	-	-	6,593,546
970530002	BANCO SECURITY	CHILE	4078408281	BANK OF AMERICA	UNITED STATES	USD	MONTHLY	0.00%	0.00%	347,545	-	-	347,545
970530002	BANCO SECURITY	CHILE	4078408281	BANK OF AMERICA	UNITED STATES	USD	QUARTERLY	0.00%	0.00%	52,899	-	-	52,899
970530002	BANCO SECURITY	CHILE	4078454364	UNION BANK OF CALIFORNIA NA SN FCO	UNITED STATES	USD	DAILY	0.00%	0.00%	119,347	-	-	119,347
970530002	BANCO SECURITY	CHILE	407855136K	BANK OF MONTREAL	CANADA	USD	YEARLY	3.44%	3.44%	-	3,232,000	-	3,232,000
970530002	BANCO SECURITY	CHILE	4081304128	BANK OF TOKYO-MITSUBISHI UFJ, LTD.	JAPAN	USD	MONTHLY	0.00%	0.00%	18,272	-	-	18,272
970530002	BANCO SECURITY	CHILE	4086401040	BANCO DO BRASIL S.A.	BRAZIL	USD	QUARTERLY	0.00%	0.00%	18,377	-	-	18,377
970530002	BANCO SECURITY	CHILE	4090472408	BCO SANTANDER CENTRAL HISPANO S A	ESPAÑA	EUR	QUARTERLY	0.00%	0.00%	91,488	-	-	91,488
970530002	BANCO SECURITY	CHILE	4102728284	UNION PLANTERS BANK	UNITED STATES	USD	DAILY	0.00%	0.00%	75,871	-	-	75,871
970530002	BANCO SECURITY	CHILE	4118858080	CITIBANK	TAIWAN	USD	MONTHLY	0.00%	0.00%	73,263	-	-	73,263
970530002	BANCO SECURITY	CHILE	4118858285	CITIBANK	UNITED STATES	USD	YEARLY	3.46%	3.46%	-	2,139,553	-	2,139,553
970530002	BANCO SECURITY	CHILE	4118858323	CITIBANK	URUGUAY	USD	MONTHLY	0.00%	0.00%	24,008	-	-	24,008
970530002	BANCO SECURITY	CHILE	411892640K	BANK HANDLOWY W WARSZAWIE SA	POLAND	EUR	MONTHLY	0.00%	0.00%	38,535	-	-	38,535
970530002	BANCO SECURITY	CHILE	4123352047	COMMERZBANK AG	GERMANY	EUR	SIX-MONTHLY	5.78%	5.78%	-	9,099,778	-	9,099,778
970530002	BANCO SECURITY	CHILE	4123352047	COMMERZBANK AG	GERMANY	EUR	QUARTERLY	6.29%	6.29%	5,477,464	-	-	5,477,464
970530002	BANCO SECURITY	CHILE	4123352047	COMMERZBANK AG	GERMANY	USD	YEARLY	3.51%	3.51%	-	6,427,524	-	6,427,524
970530002	BANCO SECURITY	CHILE	4123358282	COMMERZBANK AG	UNITED STATES	USD	YEARLY	3.04%	3.04%	-	-	25,884,120	25,884,120
970530002	BANCO SECURITY	CHILE	4127322681	CM CIC BANQUES	FRANCE	USD	SIX-MONTHLY	3.25%	3.25%	3,884,347	-	-	3,884,347
970530002	BANCO SECURITY	CHILE	4130452006	CREDIT SUISSE	SWITZERLAND	USD	YEARLY	3.55%	3.55%	-	2,586,486	-	2,586,486
970530002	BANCO SECURITY	CHILE	4135400527	COMMONWEALTH BANK OF AUSTRALIA	AUSTRALIA	USD	MONTHLY	0.00%	0.00%	32,753	-	-	32,753
970530002	BANCO SECURITY	CHILE	4135400527	COMMONWEALTH BANK OF AUSTRALIA	AUSTRALIA	USD	QUARTERLY	0.00%	0.00%	78,426	-	-	78,426
970530002	BANCO SECURITY	CHILE	4146207966	CITIBANK	TURKEY	USD	MONTHLY	0.00%	0.00%	114,912	-	-	114,912
970530002	BANCO SECURITY	CHILE	4150052128	DANSKE BANK A/S	DENMARK	DKK	DAILY	0.00%	0.00%	5,284	-	-	5,284
970530002	BANCO SECURITY	CHILE	4217602764	DRESDNER BANK AG	GERMANY	USD	YEARLY	3.40%	3.40%	6,578,646	16,172,323	-	22,750,969
970530002	BANCO SECURITY	CHILE	4217602764	DRESDNER BANK AG	GERMANY	USD	DAILY	0.00%	0.00%	6,065,858	-	-	6,065,858
970530002	BANCO SECURITY	CHILE	4358007045	SKANDINAVINSKA ENSKILDA BANKEN	SWEDEN	SEK	DAILY	0.00%	0.00%	7,059	-	-	7,059
970530002	BANCO SECURITY	CHILE	4358007045	SKANDINAVINSKA ENSKILDA BANKEN	SWEDEN	SEK	MONTHLY	0.00%	0.00%	25,494	-	-	25,494
970530002	BANCO SECURITY	CHILE	4460055844	ING BANK N.V	HOLLAND	EUR	DAILY	0.00%	0.00%	1,411,613	-	-	1,411,613
970530002	BANCO SECURITY	CHILE	4460055844	ING BANK N.V	HOLLAND	USD	YEARLY	3.60%	3.60%	-	32,376,677	19,472,454	51,849,131
970530002	BANCO SECURITY	CHILE	4464108284	BANK OF NEW YORK	UNITED STATES	USD	MONTHLY	0.00%	0.00%	20,913	-	-	20,913
970530002	BANCO SECURITY	CHILE	4464108284	BANK OF NEW YORK	UNITED STATES	USD	QUARTERLY	4.61%	4.61%	3,230,468	-	-	3,230,468
970530002	BANCO SECURITY	CHILE	4486604404	KOREA EXCHANGE BANK	KOREA	USD	MONTHLY	0.00%	0.00%	105,413	-	-	105,413
970530002	BANCO SECURITY	CHILE	4486604404	KOREA EXCHANGE BANK	KOREA	USD	QUARTERLY	0.00%	0.00%	120,411	-	-	120,411
970530002	BANCO SECURITY	CHILE	4535358287	COMMERSCEBANK NA	UNITED STATES	USD	YEARLY	5.38%	5.38%	-	6,501,561	-	6,501,561
970530002	BANCO SECURITY	CHILE	4537958281	HSBC BANK USA NA	UNITED STATES	USD	QUARTERLY	0.00%	0.00%	31,890	-	-	31,890
970530002	BANCO SECURITY	CHILE	4551758287	NATIONAL CITY BANK	UNITED STATES	USD	SIX-MONTHLY	4.13%	4.13%	-	12,957,460	-	12,957,460
970530002	BANCO SECURITY	CHILE	4589154121	WACHOVIA BANK NA	JAPAN	USD	MONTHLY	0.00%	0.00%	189,069	-	-	189,069
970530002	BANCO SECURITY	CHILE	4589154121	WACHOVIA BANK NA	JAPAN	USD	QUARTERLY	0.00%	0.00%	207,380	-	-	207,380
970530002	BANCO SECURITY	CHILE	4589158283	WACHOVIA BANK NA	UNITED STATES	JPY	QUARTERLY	0.00%	0.00%	22,901	-	-	22,901
970530002	BANCO SECURITY	CHILE	4589158283	WACHOVIA BANK NA	UNITED STATES	USD	YEARLY	3.46%	3.46%	3,284,678	40,599,647	-	43,884,326
970530002	BANCO SECURITY	CHILE	4589158283	WACHOVIA BANK NA	UNITED STATES	USD	DAILY	0.00%	0.00%	2,172,852	-	-	2,172,852
970530002	BANCO SECURITY	CHILE	4589158283	WACHOVIA BANK NA	UNITED STATES	USD	MONTHLY	0.00%	0.00%	90,516	-	-	90,516
970530002	BANCO SECURITY	CHILE	4589158283	WACHOVIA BANK NA	UNITED STATES	USD	QUARTERLY	0.00%	0.00%	33,507	15,338	-	48,845
970530002	BANCO SECURITY	CHILE	465052204K	LANDESBANK BADEN-WURTEMBERG	GERMANY	USD	YEARLY	3.62%	3.62%	-	7,868,266	-	7,868,266
970530002	BANCO SECURITY	CHILE	472655468K	STANDARD CHARTERED BANK	SRI LANKA	USD	MONTHLY	0.00%	0.00%	320,130	-	-	320,130

Detail of bank obligations as of January 01, 2009:

BALANCE 01.01.2009 THCLPS													
TAXPAYER NO. DEBTOR	DEBTOR NAME	COUNTRY DEBTOR	TAXPAYER NO. CREDITOR	LENDER NAME	COUNTRY LENDER	TYPE OF CURRENCY	FREQUENCY AT AMORTIZATION	EFFECTIVE %	NOMINAL INTEREST RATE %	CARRYING VALUE			
										MATURITY			
										0-90 DAYS	91 DAYS -1 YEAR	1 YEAR AND MORE	TOTAL
970530002	BANCO SECURITY	CHILE	4726558286	STANDARD CHARTERED BANK	UNITED STATES	JPY	YEARLY	1.23%	1.23%	-	3,589,362	-	3,589,362
970530002	BANCO SECURITY	CHILE	4726558286	STANDARD CHARTERED BANK	UNITED STATES	USD	YEARLY	3.49%	3.49%	-	3,230,810	-	3,230,810
970530002	BANCO SECURITY	CHILE	4726558286	STANDARD CHARTERED BANK	UNITED STATES	USD	DAILY	0.00%	0.00%	2,762,714	-	-	2,762,714
970530002	BANCO SECURITY	CHILE	4726558286	STANDARD CHARTERED BANK	UNITED STATES	USD	MONTHLY	0.00%	0.00%	294,473	-	-	294,473
970530002	BANCO SECURITY	CHILE	4726558286	STANDARD CHARTERED BANK	UNITED STATES	USD	SEMI - ANNUAL	4.44%	4.44%	-	6,437,024	-	6,437,024
970530002	BANCO SECURITY	CHILE	4726558286	STANDARD CHARTERED BANK	UNITED STATES	USD	QUARTERLY	0.00%	0.00%	7,498	-	-	7,498
970530002	BANCO SECURITY	CHILE	4739554123	SUMITOMO MITSUI BANKING CORP	JAPAN	GBP	QUARTERLY	0.00%	0.00%	41,964	-	-	41,964
970530002	BANCO SECURITY	CHILE	4739554123	SUMITOMO MITSUI BANKING CORP	JAPAN	JPY	MONTHLY	0.00%	0.00%	22,901	-	-	22,901
970530002	BANCO SECURITY	CHILE	4739608282	SUMITOMO MITSUI BANKING CORP	UNITED STATES	USD	YEARLY	3.46%	3.46%	-	5,784,579	-	5,784,579
970530002	BANCO SECURITY	CHILE	4772671364	TORONTO-DOMINION BANK, THE / MONTREAL	CANADA	USD	QUARTERLY	0.00%	0.00%	-	610,162	-	610,162
970530002	BANCO SECURITY	CHILE	4802502007	UBS AG	SWITZERLAND	USD	SEMI - ANNUAL	0.00%	0.00%	489,053	-	-	489,053
970530002	BANCO SECURITY	CHILE	4802502007	UBS AG	SWITZERLAND	USD	QUARTERLY	0.00%	0.00%	601,649	-	-	601,649
970530002	BANCO SECURITY	CHILE	4806123965	UNICREDIT BANCA SPA CRED ITL	ITALY	EUR	MONTHLY	0.00%	0.00%	52,854	-	-	52,854
970530002	BANCO SECURITY	CHILE	4806123965	UNICREDIT BANCA SPA CRED ITL	ITALY	EUR	QUARTERLY	0.00%	0.00%	56,148	-	-	56,148
970530002	BANCO SECURITY	CHILE	4806123965	UNICREDIT BANCA SPA CRED ITL	ITALY	USD	YEARLY	3.74%	3.74%	-	6,525,865	-	6,525,865
970530002	BANCO SECURITY	CHILE	590022209	THE BANK OF TOKYO MITSUBISHI LTD	CHILE	USD	MONTHLY	3.16%	3.16%	5,152,413	-	-	5,152,413
970530002	BANCO SECURITY	CHILE	921720009	BANCO SANTANDER SA	CHILE	USD	SEMI - ANNUAL	0.00%	0.00%	32,053	-	-	32,053
965155805	VALORES SECURITY	CHILE	970040005	BANCO CHILE	CHILE	CLP	DAILY	0.00%	0.00%	1,006,988	-	-	1,006,988
970530039	BANCO SECURITY	CHILE		OTHERS						4,235	-	-	4,235
967862703	INMOBILIARIA SECURITY S.A.	CHILE	970230009	CORPBANCA	CHILE	CLP	ON MATURITY	10.68%	10.70%	605,940	-	-	605,940
967862703	INMOBILIARIA SECURITY S.A.	CHILE	970040005	BANCO DE CHILE	CHILE	CLP	ON MATURITY	9.30%	9.30%	-	938,549	-	938,549
966043806	GRUPO SECURITY S.A.	CHILE	970040005	BANCO DE CHILE	CHILE	UF	MONTHLY	0.00%	0.00%	-	419,378	-	419,378
966043806	GRUPO SECURITY S.A.	CHILE	970060006	BCI	CHILE	UF	MONTHLY	0.00%	0.00%	-	224,477	-	224,477
966558601	FACTORING SECURITY S.A.	CHILE	970040005	BANCO DE CHILE	CHILE	CLP	MONTHLY	0.10%	0.10%	22,768,274	-	-	22,768,274
966558601	FACTORING SECURITY S.A.	CHILE	970230009	CORPBANCA	CHILE	CLP	MONTHLY	0.10%	0.10%	18,034,532	-	-	18,034,532
966558601	FACTORING SECURITY S.A.	CHILE	970300007	BANCO ESTADO	CHILE	CLP	MONTHLY	0.11%	0.11%	9,490,934	-	-	9,490,934
966558601	FACTORING SECURITY S.A.	CHILE	970060006	BCI	CHILE	CLP	MONTHLY	0.13%	0.13%	23,496,203	-	-	23,496,203
966558601	FACTORING SECURITY S.A.	CHILE	970320008	BANCO BHIF	CHILE	CLP	MONTHLY	0.15%	0.15%	14,111,585	-	-	14,111,585
966558601	FACTORING SECURITY S.A.	CHILE	970180001	BANCO SCOTIABANK	CHILE	CLP	MONTHLY	0.10%	0.10%	3,156,402	-	-	3,156,402
966558601	FACTORING SECURITY S.A.	CHILE	970180001	BANCO SCOTIABANK	CHILE	USD	MONTHLY	0.09%	0.09%	2,510,069	-	-	2,510,069
966558601	FACTORING SECURITY S.A.	CHILE	970150005	BANCO SANTANDER SA	CHILE	CLP	MONTHLY	0.09%	0.09%	4,698,907	-	-	4,698,907
966558601	FACTORING SECURITY S.A.	CHILE	970410007	BANCO ITAU	CHILE	USD	MONTHLY	0.19%	0.19%	7,126,793	-	-	7,126,793
966558601	FACTORING SECURITY S.A.	CHILE	970510001	BANCO DEL DESARROLLO	CHILE	CLP	MONTHLY	0.12%	0.12%	3,186,591	-	-	3,186,591
966558601	FACTORING SECURITY S.A.	CHILE	97080000K	BANCO BICE	CHILE	CLP	MONTHLY	0.10%	0.10%	2,068,821	-	-	2,068,821
966558601	FACTORING SECURITY S.A.	CHILE	970110003	BANCO INTERNACIONAL	CHILE	CLP	MONTHLY	0.19%	0.19%	1,820,580	-	-	1,820,580
966558601	FACTORING SECURITY S.A.	CHILE	0E	WACHOVIA BANK	USA	USD	MONTHLY	0.12%	0.12%	1,286,987	-	-	1,286,987
966558601	FACTORING SECURITY S.A.	CHILE	607060002	CORFO	CHILE	USD	MONTHLY	0.11%	0.11%	3,147,865	-	-	3,147,865
966558601	FACTORING SECURITY S.A.	CHILE	607060002	CORFO	CHILE	UF	MONTHLY	0.09%	0.09%	11,332,941	-	-	11,332,941
966558601	FACTORING SECURITY S.A.	CHILE		OTHERS	CHILE	CLP	MONTHLY			436,021	-	-	436,021
966558601	FACTORING SECURITY S.A.	CHILE		OTHERS	CHILE	UF	QUARTERLY			7,726,083	-	-	7,726,083
993.010.006	VIDA SECURITY	CHILE	970040005	BANCO DE CHILE	CHILE	CLP	MONTHLY			-	2,430,003	-	2,430,003
										201,037,878	184,284,718	45,356,574	433,109,173



GRUPO | security

Detail of the bonds at December 31, 2010

BALANCE 31.12.2010 THCLPS																	
	REGISTRATION NO. OR IDENTIFICATION OF THE INSTRUMENT	SERIES	INDEXATION CURRENCY	NOMINAL AMOUNT OF ISSUANCE	MATURITY DATE	PERIODICITY		COUNTRY OF ISSUANCE	EFFECTIVE INTEREST RATE %	NOMINAL INTEREST RATE %	NAME OF ISSUING COMPANY	COUNTRY WHERE ISSUING COMPANY IS INCORPORATED	GUARANTEED YES/NO	CARRYING VALUE			
						INTEREST PAYMENT	AMORTIZATION							MATURITY			
														0-90 DAYS	91 DAYS-1 YEAR	1 YEAR AND GREELS	TOTAL
Current Bonds	376-16-07-04	BSECU-C2	UF	407.895	12/15/2026	Semi - annual	At maturity	CHILE	4.80%	4.20%	GRUPO SECURITY S.A.	CHILE	NO	-	581,126	-	581,126
Current Bonds	454-15-02-06	BSECU-D	UF	1.223.684	12/15/2026	Semi - annual	At maturity	CHILE	4.82%	4.20%	GRUPO SECURITY S.A.	CHILE	NO	-	1,743,379	-	1,743,379
Current Bonds	340-13-08-03	BSECU-B2	UF	1.000.000	6/15/2028	Semi - annual	At maturity	CHILE	4.18%	3.80%	GRUPO SECURITY S.A.	CHILE	NO	-	666,550	-	666,550
Current Bonds	507-30-0 7-07	BSECU-E	UF	500.000	6/15/2028	Semi - annual	At maturity	CHILE	4.30%	3.80%	GRUPO SECURITY S.A.	CHILE	NO	-	334,384	-	334,384
Current Bonds	620-20-11-09	BSECU-F	UF	750.000	9/15/2032	Semi - annual	At maturity	CHILE	4.73%	4.20%	GRUPO SECURITY S.A.	CHILE	NO	-	213,656	-	213,656
Current Bonds		F1	UF	3.000.000	6/1/2012	Semi - annual	At maturity	CHILE	3.31%	3.00%	BCO SECURITY	CHILE	NO	-	-	64,313,048	64,313,048
Current Bonds		G1	UF	3.000.000	6/1/2016	Semi - annual	At maturity	CHILE	3.33%	3.00%	BCO SECURITY	CHILE	NO	-	6,316,602	34,541,778	40,858,380
Current Bonds		H1	UF	2.045.000	6/1/2029	Semi - annual	At maturity	CHILE	4.42%	3.00%	BCO SECURITY	CHILE	NO	-	-	38,075,151	38,075,151
Current Bonds		K1	UF	3.000.000	7/1/2017	Semi - annual	At maturity	CHILE	4.04%	3.00%	BCO SECURITY	CHILE	NO	-	-	61,378,696	61,378,696
Current Bonds		L1	UF	2.280.000	1/1/2014	Semi - annual	At maturity	CHILE	3.04%	3.00%	BCO SECURITY	CHILE	NO	-	-	49,612,258	49,612,258
Current Bonds		BSECS2	UF	500.000	9/1/2016	Semi - annual	At maturity	CHILE	6.53%	5.50%	BCO SECURITY	CHILE	NO	309,554	317,953	4,121,628	4,749,135
														309,554	10,173,650	252,042,559	262,525,764

Detail of the bonds at December 31, 2009

BALANCE 31.12.2009 THCLPS																	
	REGISTRATION NO. OR IDENTIFICATION OF THE INSTRUMENT	SERIES	INDEXATION CURRENCY	NOMINAL AMOUNT OF ISSUANCE	MATURITY DATE	PERIODICITY		COUNTRY OF ISSUANCE	EFFECTIVE INTEREST RATE %	NOMINAL INTEREST RATE %	NAME OF ISSUING COMPANY	COUNTRY WHERE ISSUING COMPANY IS INCORPORATED	GUARANTEED YES/NO	CARRYING VALUE			
						INTEREST PAYMENT	AMORTIZATION							MATURITY			
														0-90 DAYS	91 DAYS -1 YEAR	1 YEAR AND GREELS	TOTAL
Current Bonds	376-16-07-04	BSECU-C	UF	-	7/15/2016	Semi - annual	At maturity	CHILE	0.00%	5.00%	GRUPO SECURITY S.A.	CHILE	NO	-	1,637,264	-	1,637,264
Current Bonds	376-16-07-04	BSECU-C2	UF	407.895	12/15/2026	Semi - annual	At maturity	CHILE	4.80%	4.20%	GRUPO SECURITY S.A.	CHILE	NO	-	568,246	-	568,246
Current Bonds	454-15-02-06	BSECU-D	UF	1.223.684	12/15/2026	Semi - annual	At maturity	CHILE	4.82%	4.20%	GRUPO SECURITY S.A.	CHILE	NO	-	1,704,739	-	1,704,739
Current Bonds	340-13-08-03	BSECU-B2	UF	1.000.000	6/15/2028	Semi - annual	At maturity	CHILE	4.18%	3.80%	GRUPO SECURITY S.A.	CHILE	NO	-	34,656	-	34,656
Current Bonds	507-30-07-07	BSECU-E	UF	500.000	6/15/2028	Semi - annual	At maturity	CHILE	4.30%	3.80%	GRUPO SECURITY S.A.	CHILE	NO	-	18,411	-	18,411
Current Bonds	620-20-11-09	BSECU-F	UF	750.000	9/15/2032	Semi - annual	At maturity	CHILE	4.73%	4.20%	GRUPO SECURITY S.A.	CHILE	NO	-	208,551	-	208,551
Current Bonds		B1	UF	4.000.000	01/07/10	Semi - annual	At maturity	CHILE	3.50%	3.00%	BCO SECURITY	CHILE	NO	-	85,171,209	-	85,171,209
Current Bonds		F1	UF	3.000.000	01/06/12	Semi - annual	At maturity	CHILE	3.31%	3.00%	BCO SECURITY	CHILE	NO	-	-	62,621,008	62,621,008
Current Bonds		G1	UF	3.000.000	01/06/16	Semi - annual	At maturity	CHILE	3.33%	3.00%	BCO SECURITY	CHILE	NO	7,271,370	5,029,752	33,510,845	45,811,967
Current Bonds		H1	UF	2.045.000	01/06/29	Semi - annual	At maturity	CHILE	4.42%	3.00%	BCO SECURITY	CHILE	NO	-	-	36,813,442	36,813,442
Current Bonds		K1	UF	3.000.000	01/07/17	Semi - annual	At maturity	CHILE	4.04%	3.00%	BCO SECURITY	CHILE	NO	-	-	59,408,218	59,408,218
Current Bonds		L1	UF	2.280.000	01/01/14	Semi - annual	At maturity	CHILE	3.04%	3.00%	BCO SECURITY	CHILE	NO	-	-	42,453,928	42,453,928
Current Bonds		BSECS2	UF	500.000	01/09/16	Semi - annual	At maturity	CHILE	6.53%	5.50%	BCO SECURITY	CHILE	NO	701,252	246,547	4,243,725	5,191,524
														7,972,622	94,619,376	239,051,165	341,643,162

**Detail of the bonds at January 01, 2009**

BALANCE 01.01.2009 THCLPS																	
	REGISTRATION NO OR IDENTIFICATION OF THE INSTRUMENT	SERIES	INDEXATION CURRENCY	NOMINAL AMOUNT OF ISSUANCE	MATURITY DATE	PERIODICITY		COUNTRY OF ISSUANCE	EFFECTIVE INTEREST RATE %	NOMINAL INTEREST RATE %	NAME OF ISSUING COMPANY	COUNTRY WHERE ISSUING COMPANY IS INCORPORATED	GUARANTEED YES/NO	CARRYING VALUE			
						INTEREST PAYMENT	AMORTIZATION							MATURITY			
														0-90 DAYS	91 DAYS -1 YEAR	1 YEAR AND GREATER	TOTAL
Current Bonds	376-16-07-04	BSECU-C	UF	-	7/15/2016	Semi - annual	At maturity	CHILE	0.00%	5.00%	GRUPO SECURITY S.A.	CHILE	NO	-	1,702,173	-	1,702,173
Current Bonds	376-16-07-04	BSECU-C2	UF	407.895	12/15/2026	Semi - annual	At maturity	CHILE	4.80%	4.20%	GRUPO SECURITY S.A.	CHILE	NO	-	583,108	-	583,108
Current Bonds	454-15-02-06	BSECU-D	UF	1.223.684	12/15/2026	Semi - annual	At maturity	CHILE	4.82%	4.20%	GRUPO SECURITY S.A.	CHILE	NO	-	1,749,325	-	1,749,325
Current Bonds	340-13-08-03	BSECU-B2	UF	1.000.000	6/15/2028	Semi - annual	At maturity	CHILE	4.18%	3.80%	GRUPO SECURITY S.A.	CHILE	NO	-	35,499	-	35,499
Current Bonds	507-30-07-07	BSECU-E	UF	500.000	6/15/2028	Semi - annual	At maturity	CHILE	4.30%	3.80%	GRUPO SECURITY S.A.	CHILE	NO	-	18,859	-	18,859
Current Bonds		B1	UF	4.000.000	40.360	Semi - annual	At maturity	CHILE	3.50%	3.00%	BCO SECURITY	CHILE	NO	-	-	87,123,202	87,123,202
Current Bonds		F1	UF	3.000.000	41.061	Semi - annual	At maturity	CHILE	3.31%	3.00%	BCO SECURITY	CHILE	NO	-	-	63,236,184	63,236,184
Current Bonds		G1	UF	3.000.000	42.522	Semi - annual	At maturity	CHILE	3.33%	3.00%	BCO SECURITY	CHILE	NO	-	5,872,674	46,349,355	52,222,029
Current Bonds		H1	UF	2.045.000	47.270	Semi - annual	At maturity	CHILE	4.42%	3.00%	BCO SECURITY	CHILE	NO	-	-	37,144,921	37,144,921
Current Bonds		K1	UF	3.000.000	42.917	Semi - annual	At maturity	CHILE	4.04%	3.00%	BCO SECURITY	CHILE	NO	-	-	31,732,617	31,732,617
Current Bonds		BSECS2	UF	500.000	42.614	SEMESTRAL	SEMESTRAL	CHILE	3.04%	3.00%	BCO SECURITY	CHILE	NO	286,035	293,790	5,495,889	6,075,714
									6.53%	5.50%				286,035	10,255,427	271,082,168	281,623,630

NOTE 19 – OTHER NON-FINANCIAL LIABILITIES, CURRENT

As of December 31, 2010, this item includes the following:

	BALANCE	BALANCE	BALANCE
	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
Bank Subsidiary	-		
Letters of credit payable in cash	2,438,541	15,522,985	78,925
On demand sight deposit accounts	2,483,797	2,244,264	1,765,802
Matured time deposits	941,308	1,718,180	1,372,609
Available mortgage mutual	9,600,858	14,123,074	1,648,973
Current operations pending payment funds	2,613,781	2,462,789	8,082,618
Pending payment orders	2,359,736	6,212,803	11,911,164
Collection on benefit of clients	504,142	741,635	2,156,598
Collections payable	3,227,883	1,766,806	2,579,484
Credit balances from exchange rate operations	2,891,186	1,455,244	2,979,093
Credit card balances payable	1,606,090	1,218,209	1,352,459
On demand promissory notes	14,346,983	12,316,788	6,966,582
Other current non-financial liabilities	2,900,997	2,682,036	3,740,733
Other Subsidiaries		-	
Dividends payable	9,779,179	6,516,855	4,436,557
Taxes payable	453,405	1,089,434	432,589
Third party obligations	2,187,521	1,550,357	9,554,702
Debts with the chilean treasury	99,666	127,624	60,450
Second category tax	24,860	27,161	30,031
Single employee tax	237,549	169,905	203,522
VAT debit	625,031	541,245	723,679
TOTAL	59,322,513	72,487,394	60,076,570

NOTE 20 – CURRENT TAX LIABILITIES

As of December 31, 2010, this item includes the following:

	BALANCE	BALANCE	BALANCE
	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
Additional tax	24,414		5,302
Income tax provision	7,737,169	7,994,206	501,183
Others	5,166	245,456	4,344
TOTAL	7,766,749	8,239,662	510,829

NOTE 21 – OTHER SHORT TERM PROVISIONS

a) Composition

The short - term provisions include the following items:

	BALANCE	BALANCE	BALANCE
	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
BANK SUBSIDIARY			
Loans with domestic banks	-	2,000	-
Loans with foreign banks	32,202	13,592	23,181
Commercial loans	35,428,226	28,724,436	23,919,847
Housing loans	492,931	424,102	280,841
Consumer loans	1,982,185	2,070,149	1,657,909
Contingent credit risk	973,796	768,033	724,492
Additional loans provisions	1,992,952	500,000	-
Assets received in loan of payment	1,140,000	42,000	280,000
Minimum dividends	4,764	3,608	3,004,581
Country risk provisions	56,164	137,228	245,899
Other provisions		1,499,104	470,326
OTHER SUBSIDIARIES	10,000		
Bonds	-	43,563	38,929
Minimum dividends	6,360,690	-	-
Portfolio fluctuation	5,010,849	3,579,774	651,889
Provisions for other expenses		2,659,847	1,872,608
TOTAL	53,484,759	40,467,436	33,170,502

NOTE 22 - EMPLOYEE BENEFITS PROVISIONS

	BALANCE	BALANCE	BALANCE
	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
Vacations	2,819,937	2,487,903	2,533,311
Bonuses	268,534	166,806	144,811
Wages payable	-	-	734
Employee tax withholdings payable	-	-	1,750
Other benefits	198,892	85,477	-
	3,287,363	2,740,186	2,680,606



NOTE 23 – OTHER FINANCIAL LIABILITIES, NON-CURRENT

As of December 31, 2010, this item includes the following:

	BALANCE	BALANCE	BALANCE
	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
Bank obligations	-	-	3,784,233
Subordinated bonds	166,791,718	175,429,268	164,272,627
Initiation adjustment payable subordinated bonds	20,479,217	20,754,164	21,432,361
Interest payable on subordinated bonds	1,157,559	1,163,192	1,285,047
Deferred price difference on subordinated bonds	(6,252,953)	(6,605,447)	(5,696,352)
Expenses for subordinated bonds	(42,032)	1,372	-
TOTAL	182,133,509	190,742,549	185,077,916

Detail of bank obligations as of January 1, 2009

BALANCE 01.01.2009 THCLP\$											CARRYING VALUE			
	TAXPAYER ID DEBTOR	DEBTOR NAME	DEBTOR	TAXPAYER ID CREDITOR	CREDITOR NAME	COUNTRY CREDITOR	TYPE OF CURRENCY	TYPE OF AMORTIZATION	EFFECTIVE INTEREST RATE%	NOMINAL INTEREST RATE %	MATURITY			
											1-3 YEARS	3-5 YEARS	GREATER THAN 5 YEARS	TOTAL
Bank obligations, long term	96.604.380-6	GRUPO SECURITY S.A.	CHILE	97.004.000-5	Banco de Chile	CHILE	UF	MONTHLY	0.00	0.00	2,464,797			2,464,797
Bank obligations, long term	96.604.380-6	GRUPO SECURITY S.A.	CHILE	97.006.000-6	BCI	CHILE	UF	MONTHLY	0.00	0.00	1,319,436			1,319,436
TOTAL											3,784,233	-	-	3,784,233

Detail of bank obligations as of December 31, 2010

BALANCE 31.12.2010 THCLP\$														CARRYING VALUE				
REGISTRATION NO. OR IDENTIFICATION OF THE INSTRUMENT	SERIES	INDEXATION CURRENCY	NOMINAL AMOUNT OF ISSUANCE	MATURITY DATE	PERIODICITY		COUNTRY OF INCOME	EFFECTIVE INTEREST RATE %	NOMINAL INTEREST RATE %	NAME OF ISSUING COMPANY	COUNTRY WHERE ISSUING COMPANY IS INCORPORATED	GUARANTEED YES/NO		MATURITY				
					INTEREST PAYMENT	AMORTIZATION								LESS THAN 1 YEAR	1-3 YEARS	3-5 YEARS	GREATER THAN 5 YEARS	TOTAL
376-16-07-04	BSECU-C2	UF	407.895	12/15/2026	Semi - annual	Semi - annual	CHILE	4.80%	4.20%	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	8,469,296	8,469,296	
454-15-02-06	BSECU-D	UF	1.223.684	12/15/2026	Semi - annual	Semi - annual	CHILE	4.82%	4.20%	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	25,407,888	25,407,888	
340-13-08-03	BSECU-B2	UF	1.000.000	6/15/2028	Semi - annual	Semi - annual	CHILE	4.18%	3.80%	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	20,824,504	20,824,504	
507-30-07-07	BSECU-E	UF	500.000	6/15/2028	Semi - annual	Semi - annual	CHILE	4.30%	3.80%	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	10,412,252	10,412,252	
620-20-11-09	BSECU-F	UF	750.000	9/15/2032	Semi - annual	Semi - annual	CHILE	4.73%	4.20%	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	16,091,663	16,091,663	
	USECB	UF	1.000.000	01/03/17	Semi - annual	Semi - annual	CHILE	6.85%	6.50%	BCO SECURITY	CHILE	NO	1,429,223	3,143,184	3,565,077	4,043,591	12,181,075	
	USECC	UF	500.000	01/01/18	Semi - annual	Semi - annual	CHILE	7.16%	6.50%	BCO SECURITY	CHILE	NO	172,280	344,560	2,325,778	6,460,496	9,303,114	
	USECD	UF	750.000	01/03/22	Semi - annual	Semi - annual	CHILE	7.38%	6.00%	BCO SECURITY	CHILE	NO	917,576	2,003,619	2,251,266	10,185,946	15,358,407	
	USECE	UF	1.200.000	01/11/27	Semi - annual	Semi - annual	CHILE	4.47%	4.00%	BCO SECURITY	CHILE	NO	-	-	2,672,879	22,274,053	24,946,932	
	USECJ	UF	2.000.000	01/12/31	Semi - annual	Semi - annual	CHILE	3.00%	3.00%	BCO SECURITY	CHILE	NO	-	-	-	39,138,377	39,138,377	
													2,519,079	5,491,363	10,815,001	163,308,066	182,133,509	

Detail of bonds as of December 31, 2009

SALDO 31.12.2009 THCLPS																			
	REGISTRATION NO. OR IDENTIFICATION OF THE INSTRUMENT	SERIES	INDEXATION CURRENCY	NOMINAL AMOUNT OF ISSUANCE	MATURITY DATE	PERIODICITY		COUNTRY OF INCOME	EFFECTIVE INTEREST RATE %	NOMINAL INTEREST RATE %	NAME OF ISSUING COMPANY	COUNTRY WHERE ISSUING COMPANY IS INCORPORATED	GUARANTEED YES/NO	VALOR CONTABLE					
						INTEREST PAYMENT	AMORTIZATION							VENCIMIENTO					
														LESS THAN 1 YEAR	1-3 YEARS	3-5 YEARS	GREATER THAN 5 YEARS	TOTAL	
Obligations for outstanding bonds long term	376-16-07-04	BSECU-C	UF	-	7/15/2016	Semi - annual	Semi - annual	CHILE	0.00%	5.00%	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	8,796,010	8,796,010	
Obligations for outstanding bonds long term	376-16-07-04	BSECU-C2	UF	407,895	12/15/2026	Semi - annual	Semi - annual	CHILE	4.80%	4.20%	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	8,818,055	8,818,055	
Obligations for outstanding bonds long term	454-15-02-06	BSECU-D	UF	1,223,684	12/15/2026	Semi - annual	Semi - annual	CHILE	4.82%	4.20%	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	26,454,164	26,454,164	
Obligations for outstanding bonds long term	340-13-08-03	BSECU-B2	UF	1,000,000	6/15/2028	Semi - annual	Semi - annual	CHILE	4.18%	3.80%	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	20,942,880	20,942,880	
Obligations for outstanding bonds long term	507-30-07-07	BSECU-E	UF	500,000	6/15/2028	Semi - annual	Semi - annual	CHILE	4.30%	3.80%	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	10,471,440	10,471,440	
Obligations for outstanding bonds long term	620-20-11-09	BSECU-F	UF	750,000	9/15/2032	Semi - annual	Semi - annual	CHILE	4.73%	4.20%	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	15,707,160	15,707,160	
		USECB	UF	1,000,000	01/03/17	Semi - annual	Semi - annual	CHILE	6.85%	6.50%	BCO SECURITY	CHILE	NO	2,320,189	2,631,617	2,984,846	5,244,972	13,181,624	
		USECC	UF	500,000	01/01/18	Semi - annual	Semi - annual	CHILE	7.16%	6.50%	BCO SECURITY	CHILE	NO	407,759	326,208	326,208	8,155,189	9,215,364	
		USECD	UF	750,000	01/03/22	Semi - annual	Semi - annual	CHILE	7.38%	6.00%	BCO SECURITY	CHILE	NO	-	1,830,610	2,056,873	10,986,686	14,874,169	
		USECE	UF	1,200,000	01/11/27	Semi - annual	Semi - annual	CHILE	4.47%	4.00%	BCO SECURITY	CHILE	NO	-	-	867,157	23,413,239	24,280,396	
		USECJ	UF	2,000,000	01/12/31	Semi - annual	Semi - annual	CHILE	3.00%	3.00%	BCO SECURITY	CHILE	NO	-	-	-	38,001,288	38,001,288	
														2,727,948	4,788,434	6,235,084	176,991,083	190,742,549	

Detail of bonds at January 01, 2009

BALANCE 01.01.2009 THCLPS																		
	REGISTRATION NO. OR IDENTIFICATION OF THE INSTRUMENT	SERIES	INDEXATION CURRENCY	NOMINAL AMOUNT OF ISSUANCE	MATURITY DATE	PERIODICITY		COUNTRY OF INCOME	EFFECTIVE INTEREST RATE %	NOMINAL INTEREST RATE %	NAME OF ISSUING COMPANY	COUNTRY WHERE ISSUING COMPANY IS INCORPORATED	GUARANTEED YES/NO	CARRYING VALUE				
						INTEREST PAYMENT	AMORTIZATION							MATURITY				
														LESS THAN 1 YEAR	1-3 YEARS	3-5 YEARS	GREATER THAN 5 YEARS	TOTAL
Obligations for outstanding bonds long term	376-16-07-04	BSECU-C	UF	-	7/15/2016	Semi - annual	Semi - annual	CHILE	-	0.050 %	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	10,511,759	10,511,759
Obligations for outstanding bonds long term	376-16-07-04	BSECU-C2	UF	407,895	12/15/2026	Semi - annual	Semi - annual	CHILE	0.048 %	0.042% %	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	9,597,202	9,597,202
Obligations for outstanding bonds long term	454-15-02-06	BSECU-D	UF	1,223,684	12/15/2026	Semi - annual	Semi - annual	CHILE	0.048 %	0.042 %	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	28,791,607	28,791,607
Obligations for outstanding bonds long term	340-13-08-03	BSECU-B2	UF	1,000,000	6/15/2028	Semi - annual	Semi - annual	CHILE	0.042 %	0.038 %	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	21,452,570	21,452,570
Obligations for outstanding bonds long term	507-30-07-07	BSECU-E	UF	500,000	6/15/2028	Semi - annual	Semi - annual	CHILE	0.043 %	0.038 %	GRUPO SECURITY S.A.	CHILE	NO	-	-	-	10,726,286	10,726,286
		USECB	UF	1,000,000	3/1/2017	Semi - annual	Semi - annual	CHILE	0.069 %	0.065 %	BCO SECURITY	CHILE	NO	1,272,926	2,799,448	3,175,206	7,686,157	14,933,737
		USECC	UF	500,000	1/1/2018	Semi - annual	Semi - annual	CHILE	0.072 %	0.065 %	BCO SECURITY	CHILE	NO	175,350	350,701	350,701	8,942,870	9,819,622
		USECD	UF	750,000	3/1/2022	Semi - annual	Semi - annual	CHILE	0.074 %	0.060 %	BCO SECURITY	CHILE	NO	-	938,883	2,050,144	12,726,012	15,715,039
		USECE	UF	1,200,000	11/1/2027	Semi - annual	Semi - annual	CHILE	0.045 %	0.040 %	BCO SECURITY	CHILE	NO	-	-	-	24,469,895	24,469,895
		USECJ	UF	2,000,000	12/1/1931	Semi - annual	Semi - annual	CHILE	0.030 %	0.030%	BCO SECURITY	CHILE	NO	-	-	-	35,275,966	35,275,966
														1,448,276	4,089,031	5,576,051	170,180,324	181,293,683

NOTE 24 - NON-CURRENT LIABILITIES

As of December 31, 2010, this item includes the following:

	BALANCE	BALANCE	BALANCE
	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
BANK SUBSIDIARY			
Brokerage lenders	37,129,729	15,679,436	12,837,572
Accounts and notes payable, long term	11,156,183	6,458,329	11,050,259
Deferred income	428,563	752,071	345,905
Non-current operations pending payment	95,386	14,166,045	12,170,794
Other non-current liabilities	5,115,533	1,806,237	702,912
OTHER SUBSIDIARIES			
Non-current operations pending payment	1,797,192	1,790,082	1,244,581
Lease obligation, long term	87,028	3,994	143,358
Notes payable, long term		563,386	675,904
TOTAL	55,809,614	41,219,580	39,171,285

NOTE 25 – REVENUE AND EXPENSES

a) Revenue and Other Operating Income

Revenues are calculated at fair value of the amount charged or to be charged and represent the amounts receivable for the assets delivered and the services rendered in the ordinary course of business of Grupo Security.

The sales of assets are recognized when substantially all risks and rewards that Grupo Security has over these have been transferred to the buyer.

Service revenue is recognized considering the degree at realization at the corresponding service rendered at the date of the financial statements. Such revenue is recognized when the transaction can be estimated reliably and it is probable that the company will receive an economic benefit arising from the transaction. Note that a transaction can be estimated reliably when the amount of revenues, related costs to render the service (which include both actual costs incurred and estimated costs to complete the service), and the degree of service realization can be measured reliably.

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

As of December 31, 2010, this item includes the following:

	BALANCE	BALANCE
	31.12.2010	31.12.2009
	THCLP\$	THCLP\$
Income Factoring	11,287,859	15,455,817
Revenues Securitizadores	113,715	360,734
Direct Premium revenue Vida Security	68,209,795	53,995,552
Other interest income Vida Security	53,733,037	56,031,329
Commissions from insurance brokering	3,627,176	3,166,819
Real Estate advisories and services	594,503	1,110,235
Revenue from advisories and services	2,852,188	13,429,271
Sales revenue	3,478,808	3,539,433
Investments income	-	14,755
Lease revenue	92,839	-
Commissions and interest revenue	6,703,666	5,997,148
INTEREST		
Repurchase agreements	276,759	1,079,662
Interbanks loans	731,219	1,407,785
Commercial loans	82,035,368	107,177,291
Mortgage loans	11,439,601	8,655,320
Consumer loans	9,066,318	9,575,913
Investment instruments	7,368,710	13,030,776
Financial instruments held for trading	7,260,089	11,190,838
Other interest income	894,030	484,006
INDEXATION ADJUSTMENTS		
Commercial loans	14,053,949	(14,276,050)
Mortgage loans	6,696,240	(4,376,008)
Consumer loans	84,661	(60,633)
Investment instruments	1,925,987	(4,827,694)
Financial instruments held for trading	6,808,443	(5,300,689)
Other adjustments earned	36,228	(1,175)
COMMISSIONS		
Loans with letters of credit	87,224	100,649
Lines of credit and overdrafts	1,313,191	1,555,759
Co-signers and letters of credit	3,457,052	3,651,221
Credit card	3,164,388	2,583,464
Account administration	851,956	978,661
Collections and payments	2,017,542	1,552,159
Brokering and managing securities	3,163,747	1,833,570
Investments in mutual funds or others	63,416	14,327
Compensation from selling securities	2,007,332	2,458,441
Other commissions earned	13,494,007	10,868,662
FINANCIAL OPERATIONS		
Net income Financial Instruments held for Trading	3,476,646	18,425,601
Derivatives held for trading	1,862,329	(23,652,441)
Net income instruments available for sale	6,851,139	3,011,624
Sale of loan portfolios	(170,856)	(119,306)
Other income	4,020,816	3,081,846
OTHER OPERATING INCOME		
Income from assets received in lieu of payment	495,302	1,008,942
Gain on provisions for contingencies	611,072	439,284
Profit from sale of property, plant and equipment	227,753	320,142
Rent Received	244,096	253,996
Recovery of expenses	571,009	546,121
Penalty interest	138,450	136,324
Administrative interest	74,002	57,591
Other operating income from leases	527,584	297,377
Other income	123,568	914,058
TOTAL	348,043,953	307,178,506



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b) Cost of Sales

The items includes in Cost of sales are as follows:

	BALANCE	
	31.12.2010	31.12.2009
	THCLP\$	THCLP\$
Cost of sales Factoring	1,378,638	2,639,860
Cost of sales Real Estate	8,518	25,474
Cost of sales Vida Security	90,218,644	81,416,677
Cost of sales other subsidiaries	1,911,310	1,724,997
Loss on sale of assets to be securitized	-	-
Commissions, interest and adjustment expenses	2,475,933	2,565,395
Other commissions expense	234,059	138,064
Other expense	-	-
INTEREST EXPENSE		
Deposits on demand	171,615	170,498
Repurchase agreements	1,183,446	2,692,201
Time deposits and loans	33,415,400	62,575,688
Obligations with banks	1,300,398	4,368,378
Debt instruments issued	18,327,043	20,580,454
Other financial obligations	1,665,063	1,869,089
Other interest or adjustment expenses	339,703	34,942
INDEXATION ADJUSTMENTS		
Deposits on demand	36,424	8,819
Time deposits and loans	7,674,344	(12,365,658)
Debt instruments issued	11,279,224	(11,762,225)
Other financial obligations	889,274	(474,939)
Other interest or adjustment expenses	6,823	(777,937)
Commissions		
Commissions on security operations	538,095	478,534
Other commissions	4,270,371	3,168,741
PROVISIONS		
Commercial loans	16,192,298	13,308,540
Cost of sales	71,608	143,261
Consumer loans	2,731,480	2,648,380
Interbank loans	14,149	(7,590)
Contingent credits	205,765	45,218
Recovery written-off	(1,557,674)	(1,317,731)
OTHER COSTS OF SALE		
Other costs of sale	4,337,226	1,243,517
TOTAL	199,319,177	175,140,647

c) Other Expenses

The detail of the item Other expenses is as follows:

	BALANCE	
	31.12.2010	31.12.2009
	THCLP\$	THCLP\$
Sundry expenses	561,804	2,459,320
Administrative expenses, insurance line	9,862,783	10,954,019
Loss on mutual funds	-	2,431
Provision for assets received in lieu of payment	2,090,983	1,519,549
Provision for country risk	30,008	78,613
Additional loan provisions	674,727	500,000
Other provisions for contingencies	3,556,749	4,849,312
Investment portfolio expenses	-	310,631
Other expenses	1,282,346	431,788
TOTAL	18,059,400	21,105,663

d) Other Income

The detail of Other income is as follows:

	BALANCE	
	31.12.2010	31.12.2009
	THCLP\$	THCLP\$
Interest earned	138,143	620,423
Income from time deposits	8,291	2,158
Income from mutual funds	371,631	153,749
Other financial operating income	11,963	24,072
Income from shares and rights in other companies	154,165	204,995
Recovery of expenses	-	42,969
Other income	596,738	326,363
TOTAL	1,280,931	1,374,729

NOTE 26 - ADMINISTRATIVE EXPENSES

The detail of Administrative expenses is as follows:

	BALANCE	
	31.12.2010	31.12.2009
	THCLP\$	THCLP\$
Payroll	52,476,735	43,820,725
Advisories	607,797	10,631,991
Maintenance expenses	4,069,985	3,670,624
Office supplies	615,949	701,580
Depreciation and amortization	4,446,994	5,515,538
Leases	1,406,392	1,261,421
Insurance	326,435	371,771
Computer and communications expenses	1,073,138	3,609,177
Subcontracted services	1,784,071	1,585,256
Board of Director expenses	637,559	499,660
Publicity and Advertising	1,125,951	908,016
Taxes and Contributions to the Superintendency	1,658,373	1,587,539
Loan Provision	2,415,262	3,539,000
Sundry provisions	-	832,189
Overheads	14,289,427	12,414,493
TOTAL	86,934,068	90,948,980

NOTE 27- REMUNERACIONES Y GASTOS DEL PERSONAL

Las remuneraciones en gastos del personal corresponden a los gastos devengados en el período por remuneraciones y compensaciones de saldos a los empleados.

El gasto al 31 de diciembre de 2010 y 2009 es el siguiente:

	BALANCE	
	31.12.2010	31.12.2009
	THCLP\$	THCLP\$
Wages and salaries	38,832,456	35,749,114
Employee benefits	13,644,279	8,071,611
TOTAL	52,476,735	43,820,725

NOTE 28 - FOREIGN CURRENCY

	BALANCE		
	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
CURRENT ASSETS			
CASH AND CASH EQUIVALENT	144,354,427	161,286,500	196,764,944
USD	76,446,022	61,999,778	76,927,529
EURO	7,044,041	12,816,432	25,607,939
UF	585,001	1,264,834	1,015,065
Chilean Peso	59,528,820	78,605,556	89,701,328
Other	750,543	6,599,900	3,513,083
OTHER CURRENT FINANCIAL ASSETS, CURRENT	1,550,927,927	1,732,862,882	1,625,027,876
USD	81,063,634	75,125,897	87,743,127
EURO	148,298	-	-
UF	962,988,256	1,131,616,388	1,005,616,956
Chilean Peso	506,638,968	526,120,597	531,057,522
Other	88,771	-	610,271
OTHER NON-FINANCIAL ASSETS, CURRENT	9,279,025	7,354,175	9,424,253
USD	-	-	-
EURO	-	-	-
UF	-	167,542	937,220
Chilean Peso	9,279,025	7,186,633	8,487,033
Other	-	-	-
TRADE AND OTHER RECEIVABLES	2,196,578,756	2,348,060,210	2,249,705,149
USD	223,352,543	203,042,307	362,852,121
EURO	5,253,603	3,722,970	6,854,402
UF	907,657,606	852,444,651	865,616,482
Chilean Peso	1,034,927,275	1,262,921,190	988,317,426
Other	25,387,729	25,929,093	26,064,718
ACCOUNTS RECEIVABLE FROM RELATED COMPANIES, CURRENT	43,945,281	32,052,953	51,049,510
USD	-	-	-
EURO	-	-	-
UF	-	7,212,608	7,098,031
Chilean Peso	43,945,281	24,840,345	43,951,479
Other	-	-	-
INVENTORIES	8,005,120	5,980,611	3,029,755
USD	-	-	-
EURO	-	-	-
UF	-	-	-
Chilean Peso	8,005,120	5,980,611	3,029,755
Other	-	-	-
CURRENT TAX ASSETS	10,055,749	5,932,365	11,586,303
USD	-	-	-
EURO	-	-	-
UF	-	-	-
Chilean Peso	10,055,749	5,932,365	11,586,303
Other	-	-	-
TOTAL CURRENT ASSETS	3,963,146,285	4,293,529,696	4,146,587,790
USD	380,862,199	340,167,982	527,522,777
EURO	12,445,942	16,539,402	32,462,341
UF	1,871,230,863	1,992,706,023	1,880,283,754
Chilean Peso	1,672,380,238	1,911,587,297	1,676,130,846
Other	26,227,043	32,528,993	30,188,072



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	BALANCE		
	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
NON-CURRENT ASSETS			
OTHER NON-FINANCIAL ASSETS, NON-CURRENT	16,213,201	14,769,656	15,110,241
USD	1,808,682	226,635	2,764,509
EURO	-	2,164	94,470
UF	-	43,150	55,450
Chilean Peso	13,869,863	14,115,521	11,676,982
Other	534,656	382,187	518,830
INVESTMENTS IN ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD	11,432,063	11,430,661	10,330,467
USD	-	-	-
EURO	-	-	-
UF	-	-	-
Chilean Peso	11,432,063	11,430,661	10,330,467
Other	-	-	-
INTANGIBLES ASSETS OTHER THAN GOODWILL	23,077,589	17,364,878	14,031,034
USD	-	-	-
EURO	-	-	-
UF	-	-	-
Chilean Peso	23,077,589	17,364,878	14,031,034
Other	-	-	-
GOODWILL	42,870,500	43,568,222	45,021,299
USD	-	-	-
EURO	-	-	-
UF	-	-	-
Chilean Peso	42,870,500	43,568,222	45,021,299
Other	-	-	-
PROPERTY, PLANT AND EQUIPMENT	44,314,311	43,829,488	46,762,970
USD	-	-	-
EURO	-	-	-
UF	-	-	-
Chilean Peso	44,314,311	43,829,488	46,762,970
Other	-	-	-
INVESTMENT PROPERTY	13,240,035	-	-
USD	-	-	-
EURO	-	-	-
UF	-	-	-
Chilean Peso	13,240,035	-	-
Other	-	-	-
DEFERRED TAX ASSETS	54,177,694	51,257,225	44,019,954
USD	-	-	-
EURO	-	-	-
UF	-	-	-
Chilean Peso	54,177,694	51,257,225	44,019,954
Other	-	-	-
TOTAL NON-CURRENT ASSETS	205,325,393	182,220,130	175,275,965
USD	1,808,681	226,635	2,764,509
EURO	-	2,164	94,470
UF	-	43,150	55,450
Chilean Peso	202,982,056	181,565,995	171,842,706
Other	534,656	382,187	518,830

	UP TO 90 DAYS			91 DAYS TO 1 YEAR			1 YEAR OR GREATER			ADJUSTMENTS			TOTAL		
	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE
	31.12.2010	31.12.2009	01.01.2009	31.12.2010	31.12.2009	01.01.2009	31.12.2010	31.12.2009	01.01.2009	31.12.2010	31.12.2009	01.01.2009	31.12.2010	31.12.2009	01.01.2009
	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS
CURRENT LIABILITIES															
OTHER CURRENT FINANCIAL LIABILITIES, CURRENT	1,761,952,094	1,890,181,276	1,657,421,159	600,817,364	727,412,112	779,613,954	408,193,159	480,412,575	574,102,779	(26,874,051)	(8,362,901)	(4,589,373)	2,744,088,566	3,089,643,062	3,006,548,518
USD	431,754,645	354,174,614	518,676,038	60,532,958	37,446,622	104,473,583	571	59,146	0	-	-	-	492,288,174	391,680,382	623,149,622
EURO	21,677,017	15,446,495	46,013,260	371,799	184,805	9,718,989	0	0	0	(1)	-	-	22,048,815	15,631,300	55,732,250
UF	55,887,610	89,980,576	217,877,663	213,514,762	333,084,634	314,571,269	392,025,485	423,091,021	478,119,340	-	-	-	661,427,857	846,156,230	1,010,568,272
Chilean Peso	1,252,016,971	1,418,346,900	858,630,236	325,538,778	354,878,741	348,681,510	14,837,469	51,656,370	87,165,068	(26,874,050)	(8,362,901)	(4,589,373)	1,565,519,168	1,816,519,129	1,289,887,440
Other	615,851	12,232,671	16,223,961	859,067	1,817,310	2,168,602	1,329,634	5,606,039	8,818,371	-	-	-	2,804,552	19,656,021	27,210,934
TRADE AND OTHER PAYABLES	2,607,564	3,902,334	5,141,283	711,728,059	691,439,863	714,890,809	-	-	-	177,081	(376,836)	-	714,512,704	694,965,361	720,032,092
USD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	706,426,501	686,620,290	711,478,956	-	-	-	-	-	-	706,426,501	686,620,290	711,478,956
Chilean Peso	2,607,564	3,902,334	5,141,283	5,301,558	4,547,316	3,411,853	-	-	-	177,081	(376,836)	-	8,086,203	8,072,814	8,553,136
Other	-	-	-	-	272,257	-	-	-	-	-	-	-	-	272,257	-
ACCOUNTS PAYABLE TO RELATED ENTITIES, CURRENT	178,437	8,559,183	945,375	320,242	-	7,725,240	-	-	-	(498,680)	(8,559,183)	(8,670,614)	-	-	-
USD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chilean Peso	178,437	8,559,183	945,375	320,242	-	7,725,240	-	-	-	(498,680)	(8,559,183)	(8,670,614)	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER SHORT TERM PROVISIONS	54,632,844	41,615,451	35,106,462	8,958,891	5,760,445	2,363,472	-	-	-	(10,106,976)	(6,908,460)	(4,299,432)	53,484,759	40,467,436	33,170,502
USD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chilean Peso	54,632,844	41,615,451	35,106,462	8,958,891	5,760,445	2,363,472	-	-	-	(10,106,976)	(6,908,460)	(4,299,432)	53,484,759	40,467,436	33,170,502
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CURRENT TAX LIABILITIES	297,210	48,232	94,276	7,469,539	8,191,430	416,553	-	-	-	-	-	-	7,766,749	8,239,662	510,829
USD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chilean Peso	297,210	48,232	94,276	7,469,539	8,191,430	416,553	-	-	-	-	-	-	7,766,749	8,239,662	510,829
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EMPLOYEE BENEFITS PROVISIONS, CURRENT	2,299,423	1,756,128	1,698,857	987,940	984,058	981,749	-	-	-	-	-	-	3,287,363	2,740,186	2,680,606
USD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chilean Peso	2,299,423	1,756,128	1,698,857	987,940	984,058	981,749	-	-	-	-	-	-	3,287,363	2,740,186	2,680,606
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER CURRENT NON-FINANCIAL LIABILITIES, CURRENT	48,277,524	63,519,966	54,126,129	11,681,617	8,967,428	5,950,431	-	-	-	(636,628)	-	10	59,322,513	72,487,394	60,076,570
USD	6,082,739	17,837,657	9,721,702	-	-	-	-	-	-	-	-	-	6,082,739	17,837,657	9,721,702
EURO	1,544,982	6,457,157	6,133,792	-	-	-	-	-	-	(1)	-	-	1,544,981	6,457,157	6,133,792
UF	270,808	106,293	9,094,379	-	-	-	-	-	-	-	-	-	270,808	106,293	9,094,379
Chilean Peso	40,245,182	39,058,112	28,823,936	11,681,617	8,967,428	5,950,431	-	-	-	(636,627)	-	10	51,290,172	48,025,540	34,774,377
Other	133,813	60,747	352,320	-	-	-	-	-	-	-	-	-	133,813	60,747	352,320
TOTAL CURRENT LIABILITIES	1,870,245,096	2,009,582,570	1,754,533,540	1,341,963,652	1,442,755,336	1,511,942,207	408,193,159	480,412,575	574,102,779	(37,939,254)	(24,207,380)	(17,559,409)	3,582,462,654	3,908,543,100	3,823,019,117
USD	437,837,384	372,012,271	528,397,740	60,532,958	37,446,622	104,473,582	571	59,146	0	-	-	-	498,370,913	409,518,039	632,871,323
EURO	23,221,999	21,903,652	52,147,052	371,799	184,805	9,718,989	0	0	0	(2)	-	-	23,593,796	22,088,457	61,866,041
UF	56,158,418	90,086,889	226,972,042	919,941,263	1,019,704,924	1,026,050,225	392,025,485	423,091,021	478,119,340	-	-	-	1,368,125,166	1,532,882,813	1,731,141,607
Chilean Peso	1,352,277,631	1,513,286,359	930,440,424	360,258,565	383,329,417	369,530,808	14,837,469	51,656,370	87,165,068	(37,939,252)	(24,207,380)	(17,559,409)	1,689,434,414	1,924,064,766	1,369,576,891
Other	748,664	12,293,418	16,576,282	859,067	2,089,567	2,168,602	1,329,634	5,606,039	8,818,371	-	-	-	2,938,365	19,989,025	27,563,255



	UP TO 1 YEAR			FROM 1 TO 3 YEARS			FROM 3 TO 5 YEARS			GREATER THAN 5 YEARS			TOTAL		
	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE	BALANCE
	31.12.2010	31.12.2009	01.01.2009	31.12.2010	31.12.2009	01.01.2009	31.12.2010	31.12.2009	01.01.2009	31.12.2010	31.12.2009	01.01.2009	31.12.2010	31.12.2009	01.01.2009
	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS
NON-CURRENT LIABILITIES															
OTHER FINANCIAL LIABILITIES NON-CURRENT	CG	2,727,948	1,448,276	5,491,363	4,788,434	4,089,031	10,815,001	6,235,084	5,576,051	163,308,066	176,991,083	173,964,557	182,133,509	190,742,549	185,077,916
USD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UF	2,519,079	2,727,948	1,448,276	5,491,363	4,788,434	4,089,031	10,815,001	6,235,084	5,576,051	163,308,066	176,991,083	173,964,557	182,133,509	190,742,549	185,077,916
Chilean Peso	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NON-CURRENT LIABILITIES	53,925,394	38,862,118	37,107,443	1,884,220	2,357,462	2,063,843	-	-	-	-	-	(1)	55,809,614	41,219,580	39,171,285
USD	209,697	13,454,086	325,208	-	-	-	-	-	-	-	-	(1)	209,697	13,454,086	325,207
EURO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	87,028	567,380	819,262	-	-	-	-	-	-	87,028	567,380	819,262
Chilean Peso	53,715,697	25,408,032	36,782,235	1,797,192	1,790,082	1,244,581	-	-	-	-	-	-	55,512,889	27,198,114	38,026,816
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ACCOUNTS COMPANIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chilean Peso	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER LONG-TERM PROVISIONS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chilean Peso	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DEFERRED TAX LIABILITIES	34,663,392	34,126,200	32,043,814	11,819,599	8,906,497	8,082,214	-	-	-	13,391	6,903	-	46,496,382	43,039,600	40,126,028
USD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chilean Peso	34,663,392	34,126,200	32,043,814	11,819,599	8,906,497	8,082,214	-	-	-	13,391	6,903	-	46,496,382	43,039,600	40,126,028
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-CURRENT LIABILITIES	91,107,865	75,716,266	70,599,533	19,195,182	16,052,393	14,235,088	10,815,001	6,235,084	5,576,051	163,321,457	176,997,986	173,964,556	284,439,505	275,001,729	264,375,229
USD	209,697	13,454,086	325,208	-	-	-	-	-	-	-	-	(1)	209,697	13,454,086	325,207
EURO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UF	2,519,079	2,727,948	1,448,276	5,578,391	5,355,814	4,908,293	10,815,001	6,235,084	5,576,051	163,308,066	176,991,083	173,964,557	182,220,536	191,309,929	185,897,178
Chilean Peso	88,379,089	59,534,232	68,826,049	13,616,791	10,696,579	9,326,795	-	-	-	13,391	6,903	-	102,009,271	70,237,714	78,152,844
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTE 29 – EARNINGS PER SHARE

The following chart details the earnings or loss per share generated during the reported period:

EARNINGS PER SHARE	BALANCE	
	31.12.2010	31.12.2009
	CH\$	CH\$
BASIC EARNING PER SHARE		
Basic earning (loss) per share in continued operations	16,020	11,759
Basic earning (loss) per share in discontinued operations	0,000	0,000
BASIC EARNING (LOSS) PER SHARE	16,020	11,759

NOTE 30 – BUSINESS SEGMENT

Grupo Security S.A. is the Parent Company of diversified conglomerate of companies with presence in the main sectors of the domestic financial industry.

The conglomerate is organized in 4 main business areas. Each area has subsidiaries and divisions that share common business objectives. These areas are financing, insurances, investments and asset management, and complementary services.

In the business area of financing is included Banco Security and Factoring Security are included in the financial baseness they provide financing services to companies and individuals.

The subsidiaries Vida Security and Compañía de Seguros Generales Penta Security encompass the insurance baseness they operate in the life and general insurance industry, respectively. Additionally, Corredora de Seguros Security and Corredora de Reaseguros CooperGay (which also encompass Grupo Security S.A.'s Insurance Business Area) operate in the insurance and reinsurance brokerage industry, and Europ Assistance operates in the area of Assistance.

In the investments business area, Valores Security Corredores de Bolsa, Administradora General de Fondos Security, Asesorías Security and Securitizadora Security, complement Grupo Security S.A.'s offering of financial services, developing and providing specialized financial products and customized services in the area of investments asset management.

In the complementary services business area Grupo Security S.A. has real state operations with Inmobiliaria Security and a travel agency Travel Security, as well as other services focused mainly in providing an additional support to the companies of Grupo Security. Accordingly, the subsidiary Invest Security provides a series of services. Such as Accounting, Business Risk and Controllershship, Corporate Culture, Corporate Studies and Technology Services that provide technological development and support requested by all companies of Grupo Security.

Grupo Security discloses segment information as provided for in IFRS 8, Operating Segments, which stipulates the reporting standards for operating segments and related disclosures.



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The management of Grupo Security S.A. prepares statements of financial position and income statements by segment to analyze and make operation decisions. Note that those statements are only prepared for purposes of analyzing such segments. The statements are detailed next

a) Statement of Financial Position by Segment as of December 31, 2010

STATEMENT OF FINANCIAL POSITION	FINANCING	INVESTMENTS	INSURANCE	SERVICES	SUPPORT AND GROUP	ADJUSTMENTS	TOTAL
	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$
Assets							
Total current assets	2,966,086,922	542,976,171	768,859,668	24,633,713	18,828,822	(353,468,537)	3,967,916,759
Total non-current assets	99,916,403	2,562,679	58,767,913	2,751,732	44,731,115	(3,404,449)	205,325,393
TOTAL ASSETS	3,066,003,325	545,538,850	827,627,581	27,385,445	63,559,937	(356,872,986)	4,173,242,152

STATEMENT OF FINANCIAL POSITION	FINANCING	INVESTMENTS	INSURANCE	SERVICES	SUPPORT AND GROUP	ADJUSTMENTS	TOTAL
	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$
Liabilities							
Total current liabilities	2,734,388,826	455,810,662	718,364,618	15,714,590	15,214,948	(357,030,990)	3,582,462,654
Total non-current liabilities	145,627,092	43,925,632	12,402,618	102,215	81,557,057	824,891	284,439,505
TOTAL LIABILITIES	2,880,015,918	499,736,294	730,767,236	15,816,805	96,772,005	(356,206,099)	3,866,902,159

Note: The information presented in the statement of financial position per segment present here in differs from the one in the financial statements of each subsidiary, as it includes consolidation and presentation adjustments.

b) Income Statement by Segment for the year ended December 31, 2010

INCOME STATEMENT	FINANCING	INVESTMENTS	INSURANCE	SERVICES	SUPPORT AND GROUP	ADJUSTMENTS	TOTAL
	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$
PROFIT (LOSS)							
Revenues	187,581,909	22,438,419	126,212,949	11,333,407	16,296,667	(15,819,398)	348,043,953
Cost of sales	(97,962,603)	(6,541,861)	(90,569,048)	(3,672,624)	(606,792)	33,751	(199,319,177)
GROSS PROFIT	89,619,306	15,896,558	35,643,901	7,660,783	15,689,875	(15,785,647)	148,724,776
Other income	28,332	490,285	232,609	243,116	248,182	38,407	1,280,931
Administrative expenses	(56,583,192)	(9,110,206)	(9,006,124)	(6,781,521)	(21,166,043)	15,713,018	(86,934,068)
Other expenses	(3,844,880)	(473,337)	(13,317,823)	-	(422,226)	(1,134)	(18,059,400)
Other gains (losses)	-	77,325	2,008,507	68,749	210,929	-	2,365,510
Finance income	-	-	-	-	-	-	-
Finance costs	-	(4)	(16,565)	(345,977)	(3,781,248)	21,676	(4,122,118)
Share of profits (losses) of associates and joint ventures, equity accounted for using the equity method	-	-	2,142,481	618,030	5,414	(8,220)	2,757,705
Foreign currency exchange a differences	4,986,806	(726,949)	(140,952)	465,353	(1,368)	-	4,582,890
Indexation adjustments	1,616	12,705	(83,023)	56,248	(1,967,079)	-	(1,979,533)
Gain from difference between prior carrying value	627,623	(86,687)	-	-	-	25,135	566,071
PROFIT (LOSS), BEFORE TAX	34,835,611	6,079,690	17,463,011	1,984,781	(11,183,564)	3,235	49,182,764
INCOME TAX EXPENSES	(4,274,909)	(886,673)	(1,947,221)	(185,176)	(29,086)	(3,708)	(7,326,773)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	30,560,702	5,193,017	15,515,790	1,799,605	(11,212,650)	(473)	41,855,991

Note: The information presented in the income statement by segment presented here in, differs from the one in the financial statements of each subsidiary, as includes consolidation adjustments and presentation. Additionally, the results of Banco Security included in the Financing Area do not consider the accrued income of its subsidiaries Valores Security and Administradora General de Fondos Security which are presented in the Investment area.

The column "SUPPORT AND GROUP" does not correspond to a business segment, but instead to the support expenses to and expenses of the parent company of the group.



c) Statement of Financial Position by Segments as of December 31, 2009

ESTADO DE SITUACIÓN FINANCIERA	FINANCING	INVESTMENTS	INSURANCE	SERVICES	SUPPORT AND GROUP	ADJUSTMENTS	TOTAL
	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$
ASSETS							
Total current assets	3,445,727,729	63,744,540	757,930,349	17,965,143	33,175,606	(24,207,552)	4,294,335,815
Total non-current assets	90,906,485	580,381	41,595,772	3,935,170	361,246,851	(316,044,529)	182,220,130
TOTAL ASSETS	3,536,634,214	64,324,921	799,526,121	21,900,313	394,422,457	(340,252,081)	4,476,555,945

STATEMENT OF FINANCIAL POSITION	FINANCING	INVESTMENTS	INSURANCE	SERVICES	SUPPORT AND GROUP	ADJUSTMENTS	TOTAL
	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$
Liabilities							
Total current liabilities	3,144,738,104	61,130,585	703,079,302	11,538,040	12,264,449	(24,207,380)	3,908,543,100
Total non-current liabilities	173,049,819	360,845	9,411,300	164,352	92,015,413	-	275,001,729
TOTAL LIABILITIES	3,317,787,923	61,491,430	712,490,602	11,702,392	104,279,862	(24,207,380)	4,183,544,829



d) Income Statement by Segment for the year ended December 31, 2009

INCOME STATEMENT	FINANCING	INVESTMENTS	INSURANCE	SERVICES	SUPPORT AND GROUP	ADJUSTMENTS	TOTAL
	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$
Profit (loss)							
Revenue	169,282,049	1,692,845	113,527,453	10,641,226	12,043,496	8,563	307,178,506
Cost of sales	(89,270,040)	(2,590)	(81,781,735)	(3,569,045)	(517,237)	-	(175,140,647)
GROSS PROFIT	80,012,009	1,690,255	31,745,718	7,072,181	11,526,259	8,563	132,037,859
Other income, by function	369,135	257,162	70,867	287,886	389,679	-	1,374,729
Administrative expenses	(57,383,289)	(1,865,681)	(8,160,023)	(6,055,086)	(17,493,464)	(8,563)	(90,948,980)
Other expenses, by function	(3,510,991)	-	(15,492,965)	(1,511)	(2,100,196)	-	(21,105,663)
Other gains (losses)	-	(143,548)	368,575	52,563	1,075,845	-	1,353,435
Finance income	-	-	12,692	-	-	-	12,692
Finance costs	-	(294)	(1,472,587)	(408,170)	(3,925,748)	-	(5,806,799)
Interest in profits (losses) of associates and joint ventures, accounted for using the equity method	-	-	2,623,319	3,845	35,140,191	35,220,770	2,546,585
Foreign currency exchange differences	14,133,769	(11,801)	(1,363,263)	(98,671)	9,093	-	12,669,127
Gain (loss) from indexation adjustments	347,258	45,389	2,128,138	200,122	5,222,318	-	7,943,225
Profits (losses) from difference between prior carrying value and fair value of reclassified financial assets measured at fair value	(2,814,928)	-	-	-	-	-	(2,814,928)
PROFIT (LOSS), BEFORE TAX	31,152,963	(28,518)	10,460,471	1,053,159	29,843,977	35,220,770	37,261,284
INCOME TAX EXPENSES	(5,443,023)	(9,361)	(1,075,506)	(141,555)	117,383	-	(6,552,062)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	25,709,940	(37,879)	9,384,965	911,604	29,961,360	35,220,770	30,709,222

e) Statement of Financial Position by Segment as of January 1, 2009

STATEMENT OF FINANCIAL POSITION	FINANCING	INVESTMENTS	INSURANCE	SERVICES	SUPPORT AND GROUP	ADJUSTMENTS	TOTAL
	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$
ASSETS							
Total current assets	3,255,909,299	122,985,725	753,387,486	17,659,908	16,313,729	(17,559,418)	4,148,696,729
Total non-current assets	82,938,168	585,216	39,837,170	5,102,877	313,299,890	(266,487,356)	175,275,965
TOTAL ASSETS	3,338,847,467	123,570,941	793,224,656	22,762,785	329,613,619	(284,046,774)	4,323,972,694

STATEMENT OF FINANCIAL POSITION	FINANCING	INVESTMENTS	INSURANCE	SERVICES	SUPPORT AND GROUP	ADJUSTMENTS	TOTAL
	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$
LIABILITIES							
Total current liabilities	2,972,111,756	119,284,023	725,886,724	11,817,594	11,478,428	(17,559,408)	3,823,019,117
Total non-current liabilities	170,159,020	340,166	7,782,420	153,729	85,939,894	-	264,375,229
TOTAL LIABILITIES	3,142,270,776	119,624,189	733,669,144	11,971,323	97,418,322	(17,559,408)	4,087,394,346

NOTE 31 – ENVIRONMENT

Grupo Security is not affected by this item as it is an investment holding company.

NOTE 32 – RISK MANAGEMENT

Grupo Security considers risk management to be critical to achieve the profitability targets defined by its shareholders and also to guarantee its business continuity. The implementation of this risk management in Grupo Security's companies is supervised on a centralized basis by the Business Risk Management and Controller's Office which consolidates and informs Grupo Security's Board of Directors periodically.

As Grupo Security S.A. is the parent of a conglomerate of companies that are diversified in different sectors of the local financial industry, its subsidiaries have a number of risk factors that are unique to the sector in which they are involved and are controlled by specialized units to each of the companies.

In each of its related companies Grupo Security has oversee the development of structures and processes required to properly identify, measure, and value all kinds of risks, as well as follow-up on those risks in accordance with policies defined by the Board of Directors of each company and the regulations defined by the authorities.

I. Risk Factors

1) Operational Risk

In the continuous improvement of its corporate governance and particularly its internal controls, Grupo Security has developed control tools for the most significant processes in each of its companies by mapping those processes, developing flowcharts and separate and consolidated risk maps, and documenting all of the information collected which is used in operations. This has allowed the Group to identify risks and develop mitigating action plans.

On a monthly basis, the Group performs follow - up of its mitigating action plan and risk determination using a computer program



that helps the group obtain from the respective process owner, the status of those plans for all of the companies that encompass Grupo Security.

2) High Level of Competition in All Its Business Lines

The industries in which Grupo Security is involved are highly competitive (mainly banking and insurance industries). This is evidenced by the mergers between companies and constant alliances between competitors. Even though this represents potential difficulties for the companies when generating income, the negative effects on Grupo Security are compensated by its strong corporate image in its target market, its high levels of client loyalty, the niche strategy on which it is focused and its excellent service quality.

This allows the Group to provide personalized and specialized products and services to its clients. Note that this is hard to do in bigger companies that are focused on more mass segments in the population. Finally the Group provision of personalized and specialized products and services allows Grupo Security to have a favorable position in the market to face future competitors.

3) Regulatory Changes in Grupo Security's Industries

The industries where Grupo Security operates are governed by government agencies (particularly, the banking and insurance industries) and, therefore, are subject to possible regulatory changes over time. However, given the level of transparency, the advanced level of development and the excellent global reputation of these industries, this risk is considered to be low.

4) Financial Risk

For Grupo Security, financial risk management and oversight are critical to guarantee liquidity and solvency in each of its Subsidiaries. This allows the operation and growth of its businesses in the long term.

Financial risk management and oversight in Grupo Security's companies are based on the implementation of policies, procedures, methodologies and limitations defined by their respective boards of directors, in order to strengthen their companies' financial position and also improve and ensure their long-term profitability and reduce their financing and liquidity costs.

4.1. Risks Associated with Volatility in International Markets

The Chilean economy and its markets are usually operating in international markets and may be affected by external impacts. The volatility of international financial markets and the changes in global economic conditions may adversely affect its local assets and risk premium required by investors.

4.2. Credit Risk

The companies in the financing area including Banco Security S.A. and Factoring Security S.A. have skilled employees and an appropriate structure for the analysis and measurement of credit risk, so as to take part of all processes related to pending by supporting commercial areas as an independent counterpart in the loan decision making.

II Risks Associated with Banking Business

1) Risk Management Objective

Banco Security considers that risk management is critical to guarantee its business continuity and achieve the required solvency and sustainable in income.

Accordingly, the Bank has made significant efforts to create a Risk Division that appropriately identifies measures and values all types of potential risks for Banco Security and their follow-up. Also, this division should be able to develop the required processes and tools to allow the Bank to safely a transition to IFRS and Basel II Standards.



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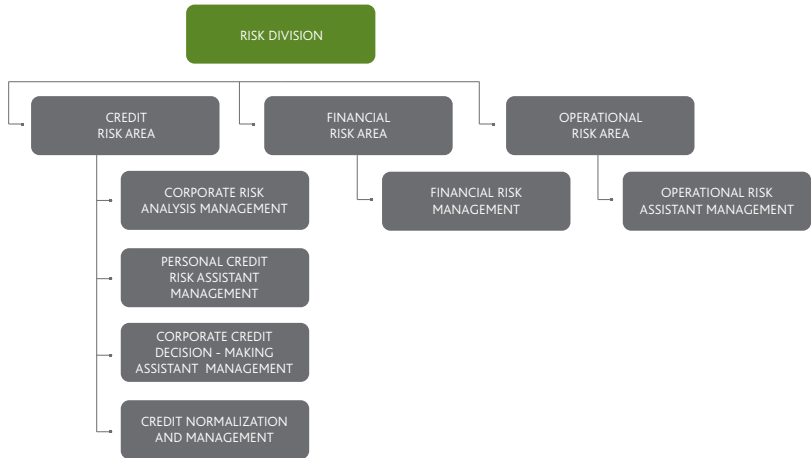
2) Risk Management Structure

Banco Security's Risk Division has a suitable structure to fulfill the aforementioned objectives and is divided in three areas: Credit Risk, Financial or Market Risk and Operational Risk.

It should be noted that the risk divisions directly report to the Bank's management by operating independently from the commercial areas and acting as a check and balance for these areas in different existing committees.

As aforementioned, the Risk Division includes the Credit Risk, Financial Risk, and operational Risk areas. The Credit Risk are is subdivided into the Corporate Risk Analysis Management, Personal Risk Analysis Assistant Management, Corporate Credit Decision Making Assistant Management, and the Credit Normalization and Management Sub-areas. The financial Risk area has its respective risk management and the Operational Risk area has its respective assistant management.

The below is an organization chart of the Bank's Risk Division.



Also, the Bank has a Controller's Office, whose role is to evaluate periodically and independently whether the risk policies defined allow the Bank to properly manage risk and cover the regulatory requirements, and identify their level of compliance based on audits. The conclusions from such audit are included in the agenda of the Audit Committee and a written report is issued and addressed to the Bank's Chief Executive Officer and the managers of the areas involved in the review with the conclusions of the evaluation and working arrangements to solve the issues identified.

3) Credit Risk

A. Objective of Credit Risk Management

The Risk Division is responsible for credit risk management through its Credit Risk Area, whose main duties are identifying, analyzing, measuring, integrating and valuing operations that have credit risk in a different way for different client segments.

B. Credit Risk Structure

The Credit Risk Area through its different management and assistant management areas is involved in the whole credit process by supporting at any time the Bank's Commercial Area and acting as a check and balance in the credit decision making.



- This area includes:
- Corporate Credit Risk Analysis
 - Corporate Credit Decision Making
 - Personal Credit Risk
 - Credit Normalization and Management

C. Credit Risk Process

The credit process has 6 phases as shown in the table below and the credit risk area’s participation is summarized in the table below.

CREDIT PROCESS	CORPORATE	PERSONAL
Target Market	Corporate Credit Risk Analysis Management	Personal Credit Risk Assistant Management
Credit Analysis and Evaluation		
Credit Decision Making	Corporate Credit Decision Making Assistant Management	
Credit Management	Credit Normalization and Management	
Collection		
Control		

C.1 Credit Risk Phases

1° Target Market

Although the definition of the Bank’s target market is made by Banco Security’s senior management, it is based on the proposal made by the Commercial Area and the Risk Area, which after analyzing the opportunities in the market and risks associated with different segments incorporate these in the Bank’s Credit Risk Policy Manual.

2° Credit Analysis and Evaluation

The analysis and evaluation tools will depend on the market of the client under review. For example, for retail banking (personal and company) the Bank uses a scoring system per client, which will be replaced in the short term by a scoring system per product. For corporate banking the bank’s credit risk expert analyst performs a case-by-case analysis.

3° Credit Decision Making

The Credit Risk Area acts as a check and balance in the credit decision making in all the committees in which it participates. It is also involved in the definition of the amounts that the commercial areas have. The Credit Risk Area may control the latter areas if the risk standards are not complied in any event.

There are mainly two types of committees that are separated based on operations. They may be based on client profile folio circulation or meetings. The former operates minor amounts and the folio circulates though different levels of attributions from one to another until the required level of approval is reached; the latter operates for significant amounts. A meeting is held in which the business executive presents the credit operations to the members of the committee for their approval. Also, the credit committee meetings are divided depending on the amount.

Among these credit committees, the most important is the credit committee of the Board of Directors where two Directors, Grupo Security’s Chairman, the Bank’s Chief Executive Officer and the Manager of the Bank’s Risk Division take part. The committee analyzes the most important loans and evaluates about 80% of transactions in terms of amount and 20% in terms of number of clients.



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4° Credit Management

Basically, this is the phase where the Credit Management Area senior management is involved. It oversees the correct rating process for our clients by the business executives, and review the month close provisions ensuring that they take place with no errors and represent the reality of the Bank's portfolio.

Also, this part of the process deals with the Commercial Areas to maintain the number of transactions with qualifications in accordance with the possible minimum levels as the overdue transactions. There is also a strict control over appraisals of assets pledged on behalf of the Bank.

5° Collection

This is the phase where the Normalization Area performs different loan collection activities related to problem loans and is involved in the legal and pre-legal collection.

6° Control

In this phase, the Credit Risk Control Area focuses on maintaining a global vision of how the aforementioned credit process phases are working. The Control phase includes the review and the audit of the current credit policies, the performance of the analysis areas and committees, and also the appropriate loan management.

C.2 Description per Area

Personal Credit Risk Assistant Management

The Personal Credit Risk Assistant Management is involved in the first three phases of the credit process in the personal banking segment. Its main duties include an active involvement in the definition of the target market and advertising campaigns, the definition of credit risk policies for such segment, design, maintenance and calibration of different scoring models, the involvement in different levels of approval of operations, and definition of the commercial area's attributions, among other things.

Corporate Credit Risk Analysis Management

This area is the largest area in the Risk Division and is responsible for participating in the first two phases of the process. It is strongly focused on the second phase, that is, the analysis and evaluation of clients. Its main role is preparing different types of financial analysis of clients depending on their size, complexity and amount, and adapting to the needs of the commercial area in regard to depth and timing of response to keep the Bank's competitiveness. This area is also responsible for sector reports, optimum portfolio analysis, and country risk studies.

Corporate Credit Decision Making Assistant Management

Its duties are participating in the credit decision making in the various committees where it is involved, and also developing credit risk policies and levels of authority in the commercial area. This area is also responsible for corporate credit risk models; management of all projects in the Credit Risk Division, including regulatory projects; definition of all policies implying a level of credit risk; new products development; and management of the division's goal achievement, among other things.

Credit Normalization and Management

This Group, which is involved in the last three phases of the credit process, is responsible for the Credit Risk Management area, whose main duty is the provisions process. It is also responsible for the Risk Control Area, whose main duty is reviewing the full compliance with policies and procedures, evaluating and providing follow-up on the portfolio from the point of view of risk as required. Also, this group is responsible for the recovery of delinquent loans. For this purpose it has skilled personnel, lawyers and collection companies.

D. Portfolio Rating

Even though the Bank's portfolio rating is part of the loan process, it is described in a separate section given its size.

The portfolio rating method depends on the type of client, product and individual or group rating as follows:

INDIVIDUAL RATING		GROUP RATING	
TYPE OF CLIENT	METHODOLOGY	TYPE OF CLIENT	METHODOLOGY
Companies (including persons with corporate purpose)	Company Matrix	Persons with commercial credits	Guideline
Real estate companies	Real estate company matrix	Small companies (debt < UF3,000)	Guideline/Matrix
Other -Banks -Credit Normalization for persons and companies -Non-profit organizations -Special leasing group	Manual	Investment Company	Guideline/Matrix
		Housing mortgage loan	Model
		Consumer Loan	Past-due indebtedness

D.1 Commercial Credit Rating

This group includes non-mortgage loans and non-consumer loans, that is, loans for companies, real estate companies, banks, small companies, investment companies and persons (e. g. commercial credits), for which the bank assigns a category level of risk to each debtor and, therefore, to each debtor's credit.

When assigning a category of risk, the following factors are considered: sector or industry in which the debtor operates, the debtor's ownership structure, financial position, credit worthiness, guarantees and historical behavior with the Bank and financial system.

Accordingly, the Bank assigns one of the following categories for a normal risk portfolio:

A1	Companies with a private risk rating equal to, or greater than, "AA-". These are mainly the best companies in the market (Cencosud, CMPC, Empresas Copec, Banco de Chile, etc.) It should be noted that this category may also include companies that are subsidiaries of companies that are classified as "AA-", but where the subsidiary has a good financial position. This is not the case for international companies whose subsidiaries in Chile show negative numbers, even though they have a good foreign rating. In this case the companies could be classified as normal, but never as A1. Finally, it should be noted that the analysis of companies is a case-by-case analysis.
A2	Companies with excellent performance that are different from A1 companies as they do not have a private rating, but for all purposes have: Sales levels greater than MUS\$1,500 (condition that is required but not enough), good income, good liquidity and indebtedness indicators, good behavior of payment, etc. All things considered, they have a robust financial position.
A3	Companies that have a good financial position, but have financial weaknesses such as a decrease in sales, lower operating income between one period and another, liquidity problems, and great indebtedness, among other things. (Note that these companies only have some weaknesses that do not significantly put their financial position at risk). Note also that than two significant (very important) weaknesses may not be present at the same time. Also, A3 is the best rating for a project or company that is starting. For this purpose, the bank requires a capital contribution that is consistent with the company's or project's risk and future cash flows that show good profitability. If the two aforementioned conditions are not met, the companies should belong to owners with proven experience and solvency. It should be noted that the companies with sales lower than MUS\$1,500 may only be rated up to A3. Companies under stand-by protection equal to, or greater than, 100% of their debt may be rated up to "A3", provided that they have no creditworthiness problems or recurrent default.
B	These are companies with weak financial position (even though they have positive equity), but they have no payment problems or possible future default.



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In the case of the Bank’s impaired loan portfolio, the Bank assigns ratings C1, C2, C3, C4, D1 and D2 (set forth by the SBIF) depending on the guarantee/debt ratio for a certain client in accordance with the following table:

RATING	PERCENTAGE OF PROVISION (%)	LOSS RANGE (%)		GUARANTEE COVERAGE RANGE (%)	
C1	2.0	----	≤ 3.0	≥ 97.0	----
C2	10.0	> 3.0	≤ 19.0	≥ 81.0	< 97.0
C3	25.0	> 19.0	≤ 29.0	≥ 71.0	< 81.0
C4	40.0	> 29.0	≤ 49.0	≥ 51.0	< 71.0
D1	65.0	> 49.0	≤ 79.0	≥ 21.0	< 51.0
D2	90.0	> 79.0	≤ 100.0	≥ 0.0	< 21.0

D.2 Consumer and Mortgage Loan Rating

The provisions for consumer loans are directly related to the number of days in arrears, while the provisions for mortgage loans are directly related to the number of unpaid installments as follows:

Consumer Loans

PAST DUE INDEBTEDNESS	PERCENTAGE OF PROVISION (%)	INSTALLMENTS
- Paid installments	0.0	0
- At least one installment outstanding for 30 days	1.0	1
- At least one installment outstanding between 31 and 60 days	20.0	2
- At least one installment outstanding between 61 and 120 days	60.0	3 – 4
- At least one installment outstanding for more than 120 days	90.0	5 - 6

Mortgage Loans

NUMBER OF OUTSTANDING INSTALLMENTS	PERCENTAGE OF PROVISION (%)	NUMBER OF OUTSTANDING INSTALLMENTS	PERCENTAGE OF PROVISION (%)
1	1.0	11	11.0
2	2.0	12	12.0
3	3.0	13	13.0
4	4.0	14	14.0
5	5.0	15	15.0
6	6.0	16	16.0
7	7.0	17	17.0
8	8.0	18 and More	18.0
9	9.0		
10	10.0		



D.3 Impaired Loan Portfolio

Individual Evaluation

The bank perform an individual analysis of its debtors for clients, natural persons and legal entities that due to their size, complexity or exposure level are required to be fully known and require to be risk rated.

A client is considered to be in the impaired loan portfolio if the client meets the following criteria:

The client has outstanding installments for more than 90 days higher than 5% of its total debt or the loan is classified as impaired.

However, in case the parent company cannot identify a particular situation, the client may be evaluated individually as "Impaired", if the client has an expected loss higher than 2%.

Group Evaluation

A group evaluation is used to analyze a high number of transactions whose individual amounts are low. For this purpose the Bank uses models based on attributes of its debtors and their loans and models based on the behavior of a group of loans. Under a group evaluation, provisions are determined based on the expected loss by using models.

A client evaluated based on a group evaluation will be considered a impaired in accordance with the type of product used considering the following points:

- For clients that have transactions of mortgage or consumer products (including credit cards and overdraft lines), they will be considered a "Impaired" when they have an internal delinquency equal to, or greater than, 90 days.

In the case of business operations, they will be classified "Impaired" when they have one of the following characteristics:

- The client rating is equal to, or greater than, C1 after applying the matrix in accordance with its classification (Person, Investment Company, Small Company).
- The client has unpaid installments for more than 90 days (equivalent to a level higher than 5 in the matrix on a group basis).

However, for some cases the client may be individually evaluated as "Impaired" if the client has an expected loss higher than 2%.

D.4 Exposure

One of the tools that allows the Bank to mitigate loans risks is diversification of loans by different factors. That is why the Bank is focused on having an appropriate distribution of the portfolio by type of client, loan, industry, etc. This avoids excessive exposure of the portfolio in a particular type / segment.

Accordingly, the Credit Risk Area periodically issues a report on optimum portfolio, which is based on the risk of the Bank's current portfolio, the risk of the financial system, the sectorial contribution to the GDP and other key indicators, and the estimated best levels of risk that the Bank should have. It then proposes how the Bank's loans should be distributed. The above results in a guide that helps determine which sectors should increase loans, maintain the number of loans and which sectors should reduce loans. This guide is sent to the commercial areas to be used as a key tool for the Bank's growth.

D.5 Guarantees

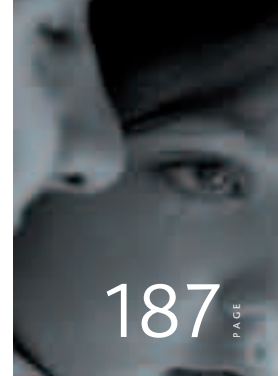
As a result of its policy, Banco Security usually operates with guarantees to safeguard its loans and mitigate risk. The guarantees that the Bank has are distributed in accordance with the following tables grouped by type and description:



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These are the details of guarantees by description:

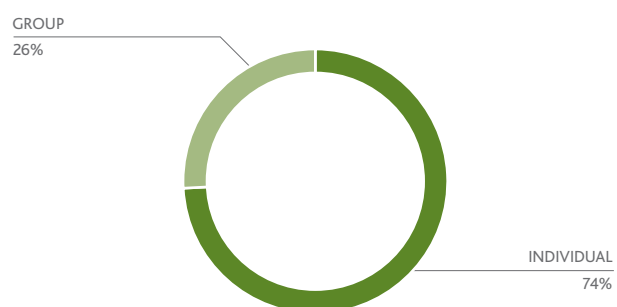
DESCRIPTION BY TYPE OF GUARANTEE	QUANTITY		AMOUNT	
	N°	%	MCLP\$	%
Public offering	261	3.10%	302,641	18.30%
Airplanes	1	0.00%	233	0.00%
Automobiles (inventory)	5	0.10%	145	0.00%
Automobiles (non-inventory)	34	0.40%	123	0.00%
Rural real estate	570	6.80%	114,781	6.90%
Warehouses	10	0.10%	844	0.10%
Buses (inventory)	5	0.10%	46	0.00%
Buses (non-inventory)	24	0.30%	250	0.00%
Trucks or pick-up trucks (inventory)	17	0.20%	220	0.00%
Trucks or pick-up trucks (non-inventory)	61	0.70%	448	0.00%
Stand-by letters of credit	44	0.50%	37,319	2.30%
Houses	2,417	28.90%	329,813	19.90%
Industrial constructions	93	1.10%	48,692	2.90%
Apartments	2,797	33.40%	201,779	12.20%
Time deposits in Chile	234	2.80%	9,505	0.60%
Buildings for specific use (clinical, schools, etc.)	24	0.30%	70,191	4.20%
Minor vessels	2	0.00%	305	0.00%
Vessels or ships	7	0.10%	11,678	0.70%
Parking lots	5	0.10%	117	0.00%
Guarantee fund for small businessmen (FOGAPE)	50	0.60%	1,398	0.10%
Facilities	30	0.40%	15,359	0.90%
Commercial stores	138	1.70%	45,639	2.80%
Machinery and/or equipment (inventory)	77	0.90%	10,882	0.70%
Machinery and/or equipment (non-inventory)	79	0.90%	19,291	1.20%
Raw materials or goods for intermediate consumption	2	0.00%	338	0.00%
Offices	317	3.80%	59,660	3.60%
Other shares and rights in companies	99	1.20%	2,285	0.10%
Other intangible assets pledged as security or warrant	9	0.10%	1,904	0.10%
Other assets for final consumption (inventory)	8	0.10%	2,035	0.10%
Other vehicles (inventory)	2	0.00%	15	0.00%
Other vehicles (non-inventory)	13	0.20%	78	0.00%
Mining claims	1	0.00%	259	0.00%
Plantations	22	0.30%	3,994	0.20%
Commercial or industrial projects under construction	7	0.10%	10,310	0.60%
Residential projects under construction	296	3.50%	218,982	13.20%
Urban lots and land	407	4.90%	115,146	6.90%
Mutual Guarantee Associations	195	2.30%	20,589	1.20%
	8,363	100.00%	1,657,293	100.00%



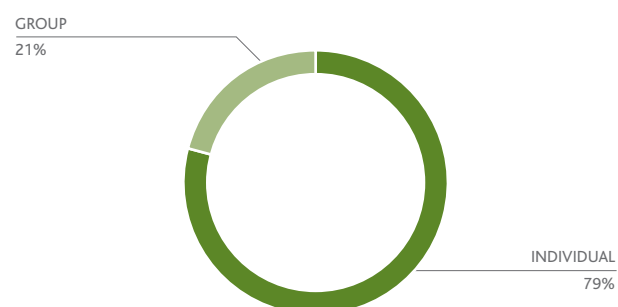
D.6 Loan portfolio distribution

Banco Security's portfolio is distributed as follows in accordance with the type of risk assessment (group or individual):

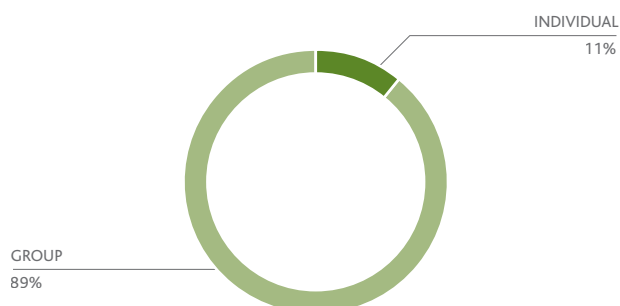
TYPE OF EVALUATION
DEC 2010 (amount of loans)



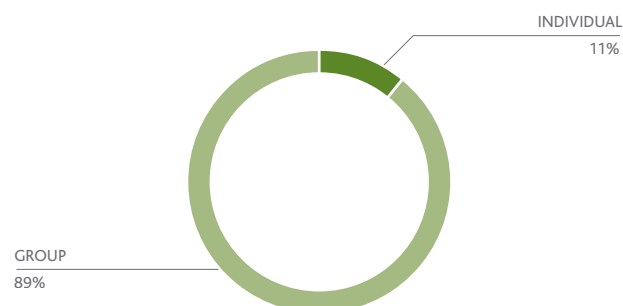
TYPE OF EVALUATION
DEC 2009 (amount of loans)



TYPE OF EVALUATION
DEC 2010 (number of client)



TYPE OF EVALUATION
DEC 2009 (number of client)

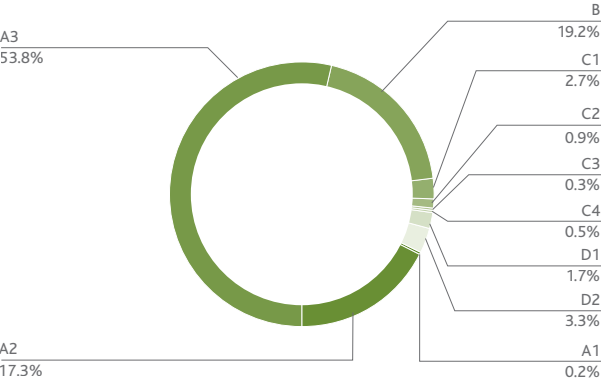




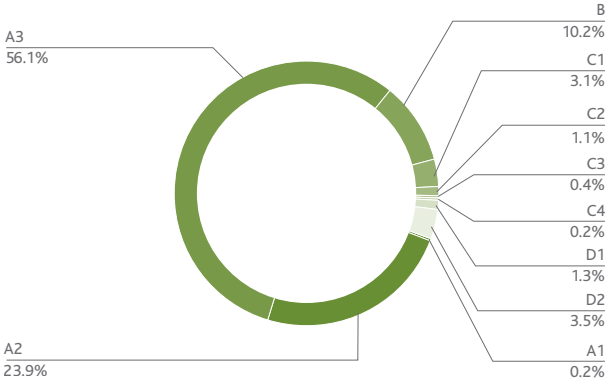
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Loans that are classified individually are distributed as follows by type of classification.

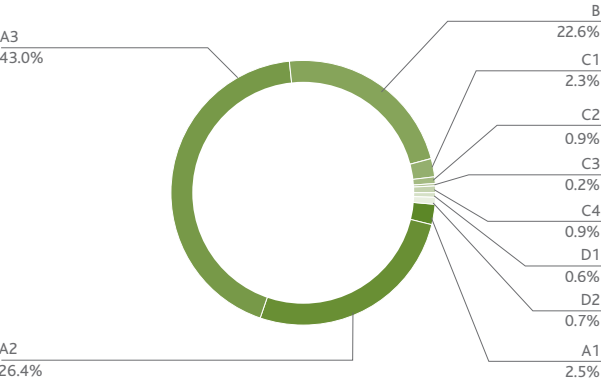
DISTRIBUTION OF INDIVIDUAL LOANS
DEC 2010 (number of client)



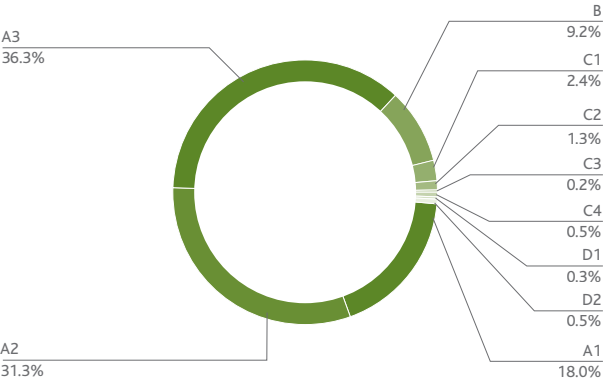
DISTRIBUTION OF INDIVIDUAL LOANS
DEC 2009 (number of client)

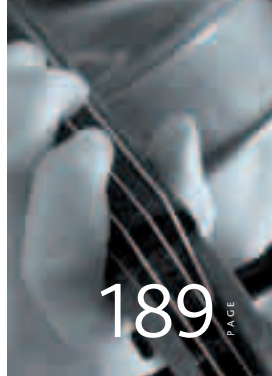
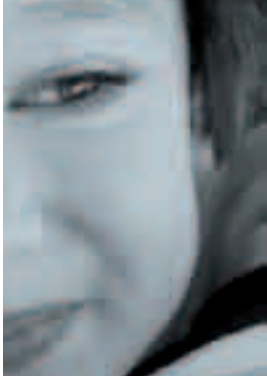


DISTRIBUTION OF INDIVIDUAL LOANS
DEC 2010 (amount of loans)



DISTRIBUTION OF INDIVIDUAL LOANS
DEC 2009 (amount of loans)





4) Financial Risk

A. Financial Risk Objectives

For the organization, financial activities are defined as all transactions that are carried out on behalf of the Bank and its subsidiaries Valores Security and Administradora General de Fondos and on its own or for third parties.

In general terms, financial transactions include operations with securities, foreign currencies, commodities, loans, funding instruments, derivatives and shares.

In terms of financial activities, strategic objectives are:

- Strengthening and expanding the Bank's position by consolidating and developing long-term relationships, and providing a wide range of bank investment products.
- Improving and ensuring the stability of the long-term profitability and reducing refinancing and liquidity costs.

Financial activities are limited to previously approved strategic product areas and will only be carried out in accordance with the global risk guidelines defined by the organization's Board of Directors.

An active manager of positions will be responsible for the management of the organization's financial investment portfolio, through constant economic and financial analysis of the environment from a fundamental point of view. Therefore, the position in financial instruments will be in accordance with the consensual analysis of a macroeconomic vision; however, short-term trading positions may also be taken into account to make good use of any particular change of a market variable.

In order to achieve the objectives established by the Bank's investment strategy, it will be possible to trade a wide range of foreign currencies and products in accordance with the current applicable regulations.

The bank actively trades non-derivative debt securities, interbank financing, repurchase and resale agreements, spot purchase and sale of foreign currencies, derivative instruments with foreign currencies and interest rates (forward and swaps), shares and concurrent operations.

In general, treasury products may be focused on different objectives such as gains on changes in market factors in the short and medium term, gains on spreads and the financing rate of positions by using mismatch of terms and interest of rate curves in the market or exchange rate differential, carrying out economic and/or accounting hedging operations of cash flows and fair value, and distributing Treasury products in the sales network.

Transactions with derivatives are held particularly for risk hedging or matching purposes in the arbitration of any market or taking the Bank's directional positions.

The hedging through derivatives may be established through an economic or accounting hedge depending on the strategy defined.

As this is an accounting strategy, it is possible to use strategies to hedge cash flows or fair value of any item in the statement of financial position or expected transaction that results in risk or volatility in the entity's income, by complying with the international accounting standards. These hedging strategies should comply with all the requirements in accordance with the current regulations, and their effectiveness for each of the hedges is monitored at least on a monthly basis.

In practice, risk management and oversight are coordinated through policies, procedures, methodology and limitations. This creates value for the shareholder and the market in general and guarantees an appropriate level of solvency.



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Such limitations allow the Bank to maintain control of its risk levels diversity its and investment portfolios. That is why the internal limitations that the entity has defined are related to types of portfolios, terms mismatches, currencies and types of financial instruments.

Also, the Bank's policies establish, under certain conditions, the request for guarantees for operations with derivatives mainly in order to mitigate risks or exposures to counterparts.

B. Structure of Financial Risk

The Board of Directors is responsible for approving policies, limitations and the structure of risk management of the Bank and its subsidiaries. For this purpose different committees have been created to monitor the compliance with the aforementioned policies and limitations. These committees include executive directors and regularly inform to the Board of Directors about risk exposures.

The committees that are currently related to Financial Risk are:

- Finance Committee: This committee controls and manages financial investments with a short and medium term vision and risks associated with such portfolios.
- Assets and Liabilities Committee: This committee controls and manages the mismatch risk of assets and liabilities in order to stabilize the Bank's financial margin and keep the Bank's economic value risk within defined levels. This committee also controls all liquidity mismatches, compliance with limitations and capital planning of the Bank to address risks undertaken.

The risk management policies are aimed at identifying and analyzing risks addressed, setting limitations to exposures and establishing permanent controls to comply with them.

These policies are regularly reviewed by committees in order to include changes in the market conditions and the Bank's own activities. Once these changes are reviewed, they are proposed to the Board of Directors for their approval.

To guarantee the appropriate follow-up of and oversight over risks, the Bank has the Financial Risk Management, which is separate from the business areas that undertake risks.

The scope of activity and responsibility of this Management is:

- Controlling and measuring different risks affecting the Bank and its subsidiaries centrally in accordance with homogeneous policies and controls.
- Ensuring that key issues related to market and liquidity risks are informed to risk managers, Senior Management and Directors.
- Ensuring that the recommendations of the regulatory authorities and internal auditors are followed appropriately.
- Reporting and monitoring market and liquidity risks and the compliance with each limitation on a daily basis.
- Developing and reviewing the effectiveness of the risk measuring methods and procedures.

The risk measurement and oversight are performed on a daily basis through risk reporting that allows the Senior Management to make decisions. This reporting considers VaR (value at risk) and sensitivity measures of the investment portfolio and the banking ledger as a whole, portfolio risk exposure, instruments, risk factors and exposures, and the related compliance with internal limitations. Also, the Company includes information about income and liquidity contrasting exposures with internal and regulatory limitations.

C. Financial Risk Process

Risk measurements are based on automated systems that allow the Bank to follow up and control the risk of the Bank and its subsidiaries on a daily basis, and make decisions on a timely basis.

The Treasury and/or Commercial Areas are responsible for taking positions and undertaking risk in accordance with the limitations set by Senior Management.



The Treasury is responsible for managing financial risk resulting from taking its own positions in the investment ledger, the structural mismatching of the statement of financed position, the management of liquidity matching and the appropriate financing of active operations.

The periodical assessment of risk processes is performed by the Internal Audit Department. Also, the general risk structure is permanently evaluated by the SBIF, External Auditors and other individuals other than the Management.

D. Definition of Financial Risks

a) Market Risk

Market risk represents potential losses as a result of changes in market prices over certain period of time, movements in the interest rate, foreign currency fluctuation and indexation adjustments, and share price fluctuation. These losses affect the value of financial instruments held in the Bank and its subsidiaries' trading and available for sale portfolio.

Methodology of Market Risk

Market risk is measured by applying the Value at Risk (VaR) methodology, which allows the Bank to standardize different risks from different types of operations, by modeling the relationship of these factors in a single risk measurement.

VaR provides an estimate of the maximum potential loss of positions in treasury financial assets or liabilities in the event of an adverse but normal scenario.

The methodology used to calculate VaR is a parametric technique that assumes that the distribution of returns of investment prices follows a regular distribution, using a confidence level of 95%, a maintenance horizon of 1 day, with a 250 day sample of historical data adjusted by statistical techniques that focus on the most recent observations, in order to more quickly capture increases in market volatility.

The assumptions on which the model is based have the following limitations:

- A maintenance period of 1 day assumes that it is possible to hedge or dispose positions in that period. However, the investment portfolios held for trading include readily convertible instruments.
- A 95% confidence level does not reflect possible losses in the remaining 5% of the distribution.
- The Value at Risk is calculated with positions at the end of the day and does not reflect possible exposures during the trading day.
- The use of historical information to determine possible ranges of future income could not cover all possible scenarios, such as unusual scenarios.
- The behavior of market price returns of financial instruments may have unusual probability distributions.

The limitations of assumptions used by the VaR model are minimized by using nominal limitations of investment and sensitivity exposure.

The reliability of the VaR methodology used is proved by backtesting, which contrasts whether the findings are consistent with the method's assumptions within the confidence levels determined. The permanent monitoring of this testing helps to prove the validity of assumptions used in the model and conclude, in accordance with the findings of this testing, whether the models work properly as defined and are a useful tool to manage and limit risk exposure.

The financial risk oversight is supplemented with specific simulation exercises and extreme market conditions (stress testing), in which different past financial crisis and possible effects on the current investment portfolios are analyzed.

The follow-up of market risks is performed on a daily basis. The risk levels and the compliance with limitations for each unit are reported to risk managers and the Senior Management.



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Banco Security and its Subsidiaries measure and limit the Value at Risk of their investment portfolio (trading and available for sale) by risk factors, interest rates, currencies, time spreads, types of instruments, types of portfolios separately by institution and based on correlation.

The table below shows market risks of different investment portfolios by type of risks:

	VAR BY TYPE OF RISK	
	31.12.2010	31.12.2009
	VALUE AT RISK	VALUE AT RISK
	MCLP\$	MCLP\$
TRADING		
Fixed Income	417	616
Derivatives (without options)	238	278
Embedded options	18	36
Foreign currency	12	7
Equity	7	1
EFFECTS OF DIVERSIFICATION	(272)	(288)
TOTAL PORTFOLIO	420	650
AVAILABLE FOR SALE		
Interest rate	276	990
TOTAL PORTFOLIO	276	990
TOTAL DIVERSIFICATION	(96)	(158)
TOTAL VAR	600	1482

The estimate of this methodology results in a possible change in income:

	DECEMBER 31, 2010	
	SENSITIVITY RATE	VALUE AT RISK
	1 PB	
	MCLP\$	MCLP\$
TRADING PORTFOLIO		
Fixed income instruments	(57)	417
Derivatives	50	238
Foreign Currency		13
Equities		7
TOTAL PORTFOLIO	(7)	420
AVAILABLE FOR SALE PORTFOLIO		
Fixed income instruments	72	276
TOTAL PORTFOLIO	72	276
TOTAL PORTFOLIO	65	600

b) Structural Interest Rate Risk

This risk mainly results from business activity (commercial loans vs. deposits) and is caused by the effects of changes in interest rates and/or changes in curves, to which assets and liabilities are referenced. As these assets and liabilities may have temporary mismatches of revaluation or maturity, they may impact the stability of income (financial margin) and the levels of solvency (economic value of equity).

For this purpose, the Bank establishes internal limitations by using sensitivity techniques in the interest rates structures.

Also, the Bank analyzes stress scenarios where interest rates currency, revaluations, changes in share prices, changes in the assets underlying of options and changes in commissions that may be sensitive to interest rates are sensitized. This stress testing allows the Bank to measure and control the impact of sudden movements in different risk factors in the Bank's current ratio, gross margin and economic value of equity.

The compliance with the limitations established by Banco Security is monitored on a daily basis in accordance with the definitions in Chapter III.B.2. of the Compendium of Financial Regulations issued by the Chilean Central Bank.

Furthermore, on a weekly basis the Bank informs the SBIF about positions at risk in the trading ledger investment portfolio and compliance with limitations. Also, on a monthly basis the Bank informs the SBIF about positions at risk consolidated with its subsidiaries for the trading ledger and, individually for the banking ledger, which includes the market risk sensitivity of the available-for-sale portfolio and the commercial ledger.

The Bank market risk in accordance with the methodology defined in Chapter III.B.2 of the Compendium of Financial Regulations issued by the Chilean Central Bank is as follows:

	MARKET RISK TRADING LEDGER	
	31.12.2010	31.12.2009
	THCLP\$	THCLP\$
MARKET RISK		
Rate risk	6,009	5,873
Currency risk	691	4,125
Option risk	66	232
TOTAL RISK	6,766	10,230
Consolidated risk weighted asset	2,434,020	2,338,789
EFFECTIVE EQUITY (PE)	303,033	293,773
BASEL LIMIT	8.00%	8.00%
BASEL CUL MARKET RISK	12.23%	11.91%
BASEL I	12.45%	12.56%



	MARKET RISK TRADING LEDGER	
	31.12.2010	31.12.2009
	THCLP\$	THCLP\$
SHORT-TERM		
Rate risk CP	12,377	10,470
Mismatch UF	6,846	5,658
Sensitive commissions	41	39
TOTAL RISK	19,264	16,167
LIMIT MARGEN (BOARD)	26,519	20,995
SURPLUS (DEFICIT) (BOARD)	7,255	4,828
LONG- TERM		
Rate risk	42,296	33,009
LIMIT MARGEN (BOARD)	75,758	73,443
SURPLUS (DEFICIT) (BOARD)	33,462	40,434

c) Liquidity Risk

The liquidity risk represents the possibility that liabilities may not be serviced when they mature, due to the inability to realize assets or obtain funds, or that exposures may not be removed or compensated easily without significantly reducing prices due to inappropriate market depth.

The following concepts are part of liquidity risk:

- Term Risk: This is a risk resulting from having different maturity dates between inflows and outflows.
- Risk of Collection: This risk results from the inability to collect cash as a result of discontinuance of payments, default or delay in collection.
- Financing Risk: This risk is due to the inability to obtain funds from the market in the form of debt or equity or, if it is possible to do it, in the form of a substantial increase in the cost of funds affecting the financial margin.
- Concentration Risk: This risk involves concentrating sources of funding and sources of revenue in few counterparts that result in a sudden change in the matching structure.
- Market Liquidity Risk: This risk is related to certain products or markets, and refers to the risk of not being able to close or sell a particular position at the final quoted market price (or the closest price) as the market liquidity is inadequate.



Methodology of Liquidity Risk

The methodologies used to control liquidity are liquidity gap, considering probable scenarios of behavior of assets and liabilities, stress scenarios, limits of concentration of liabilities and early-alert indicators.

The liquidity gap provides information about contractual cash inflows and outflows, that is, inflows and outflows that will be generated over a certain time in the future in accordance with asset and liability contracts. For items with no contractual maturity, simulations are established based on statistical studies that allow one infer their maturity behavior.

Based on these scenarios, assumptions of normal operating conditions are established, omitting in the daily management, items of assets that are part of a set of conservative conditions in the management of liquidity. These items are limited through minimum mismatching margins by control segments, which have been defined on a weekly or monthly basis until a one year horizon.

The limitations are established based on a percentage of the Bank's equity in accordance with different dynamic scenarios defined based on the estimate of the highest or lowest liquidity in the market in accordance with previously defined leading parameters and indicators.

Different scenarios of liquidity crisis are simulated, establishing hedge ratios of cash deficit through off-balance sheet financing.

This is supplemented with special procedures to cope with a liquidity crisis and early-alert indicators that help to identify any potential risk.

Also, the Bank establishes a number of ratios and limitations of financing concentration by creditor and term. This allows the Bank to keep sources of funding organized and diversified.

The Bank uses the methodology of contractual maturity for the compliance with regulatory liquidity limitations in accordance with Chapter III.B.2 of the Compendium of Financial Regulations issued by the Chilean Central Bank.

The regulatory mismatching and compliance with limitations is remitted to the SBIF with the information about the Bank on a weekly basis, and with the information consolidated with its subsidiaries on a monthly basis.



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Regulatory Liquidity Mismatching as of December 31, 2010 in THCH\$ (Total), for Banco Security is as follows:

	< 1 MONTHS	FROM 1 TO 3 MONTHS	FROM 3 MONTHS TO 1 YEAR	FROM 1 TO 3 YEAR	FROM 3 TO 6 YEAR	> 6 YEARS	TOTAL
	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$
Available funds	136,569	-	-	-	-	-	136,569
Financial investments	529,878	66	-	-	-	-	529,944
Interbank loans	12,595	345	-	-	-	-	12,940
Commercial and consumer loans	208,175	250,469	426,276	360,817	289,042	270,664	1,805,442
Lines of credit and overdraft	70,614	145,401	680,107	-	-	-	896,122
Mortgage loans	2,587	5,048	23,073	60,965	86,507	321,011	499,191
Other liabilities	187,639	-	-	-	-	-	187,639
Derivative contracts	33,413	39,048	75,258	28,557	12,269	8,874	197,418
TOTAL	1,181,468	440,378	1,204,713	450,338	387,819	600,549	4,265,265
On demand obligations	291,753	-	-	-	-	-	291,753
Financing from other banks	936	-	-	-	-	-	936
Time deposits	559,659	568,151	520,326	72,136	-	-	1,720,273
External financing	29,311	58,220	50,228	16,601	(27)	-	154,333
Letters of credit	1,423	1,039	7,037	17,318	21,451	33,870	82,138
Bonds	2,082	2,473	17,577	106,667	114,629	218,700	462,128
Lines of credit and overdraft	70,284	143,811	670,790	-	-	-	884,884
Other obligations	129,226	868	6,190	17,859	11,487	8,296	173,926
Derivate contracts	33,664	37,138	72,952	31,389	11,844	8,672	195,659
TOTAL	1,118,337	811,700	1,345,100	261,970	159,384	269,538	3,966,030
Net cash flow	63,131	(371,322)	(140,387)	188,368	228,435	331,010	299,235
Accumulative net cash flow	63,131	(308,190)	(448,577)	(260,209)	(31,775)	299,235	
Legal limit	(206,375)	(412,751)					
Surplus / (deficit)	269,506	104,561					

Regulatory Liquidity Mismatching as of December 31, 2010 in THCH\$ (Total), for Banco Security is as follows:

	< 1 MONTHS	FROM 1 TO 3 MONTHS	FROM 3 MONTHS TO 1 YEAR	FROM 1 TO 3 YEAR	FROM 3 TO 6 YEAR	> 6 YEARS	TOTAL
	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$
Financial investments	42,322	-	-	-	-	-	42,322
Commercial and consumer loans	52,034	59,164	80,471	16,912	7,337	3,196	219,114
Lines of credit and overdraft	2	-	-	-	-	-	2
Other liabilities	61,714	-	-	-	-	-	61,714
Derivative contracts	3,050	4,251	24,114	19,713	9,543	5,653	66,324
TOTAL	224,677	63,414	104,585	36,626	16,880	8,849	455,031
On demand obligations	54,326	-	-	-	-	-	54,326
Financing from other banks	936	-	-	-	-	-	936
Time deposits	110,220	94,830	3,834	-	-	-	208,885
External financing	29,311	58,220	50,228	16,601	(27)	-	154,333
Other obligations	44,179	-	-	-	-	-	44,179
Derivate contracts	14,948	23,426	24,720	9,870	9,528	5,650	88,142
TOTAL	253,921	176,476	78,782	26,471	9,501	5,650	550,801
Net cash flow	(29,243)	(113,062)	25,803	10,155	7,379	3,198	(95,770)
Accumulative net cash flow	(29,243)	(142,305)	(116,502)	(106,347)	(98,968)	(95,770)	
Legal limit	(206,375)						
Surplus / (deficit)	177,132						



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Regulatory Liquidity Mismatching as of December 31, 2010 in THCH\$ (Foreign Currency), for Banco Security is as follows:

	< 1 MONTHS	FROM 1 TO 3 MONTHS	FROM 3 MONTHS TO 1 YEAR	FROM 1 TO 3 YEAR	FROM 3 TO 6 YEAR	> 6 YEARS	TOTAL
	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$
Financial investments	123,005	104,723	224,271	52,948	60,743	79,471	645,161
Interbank loans	307,634	-	-	-	-	-	307,634
Commercial and consumer loans	168,387	244,873	476,218	353,904	245,399	259,652	1,748,432
Lines of credit and overdraft	-	361	5,759	-	-	-	6,120
Mortgage loans	2,175	4,192	19,166	50,701	71,232	261,268	408,732
Other liabilities	238,308	-	-	-	-	-	238,308
Derivative contracts	36,197	38,856	70,237	7,038	238	-	152,564
TOTAL	960,048	393,004	795,650	464,591	377,611	600,391	3,591,296
On demand obligations	259,765	-	-	-	-	-	259,765
Financing from other banks	3,757	508	-	-	-	-	4,265
Time deposits	664,125	448,929	751,395	134,376	13,668	-	2,012,492
External financing	37,428	45,932	33,491	11,349	-	-	128,200
Letters of credit	1,573	1,132	8,055	20,016	25,559	42,919	99,254
Bonds	3,206	1,952	101,684	105,760	103,827	236,853	553,281
Lines of credit and overdraft	215	-	-	-	-	-	215
Other obligations	115,670	989	9,957	20,266	23,063	9,198	179,143
Derivate contracts	35,767	40,373	76,299	12,103	1,226	-	165,768
TOTAL	1,121,506	539,815	980,881	303,870	167,343	288,970	3,402,383
Net cash flow	(161,457)	(146,810)	(185,231)	160,721	210,268	311,421	188,912
Accumulative net cash flow	(161,457)	(308,267)	(493,498)	(332,777)	(122,509)	188,912	
Legal limit	(197,789)	(395,578)					
Surplus / (deficit)	36,332	87,311					

Regulatory Liquidity Mismatching as of December 31, 2009 in THCH\$ (Foreign Currency), for Banco Security is as follows:

	< 1 MONTHS	FROM 1 TO 3 MONTHS	FROM 3 MONTHS TO 1 YEAR	FROM 1 TO 3 YEARS	FROM 3 TO 6 YEARS	> 6 YEARS	TOTAL
	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$
Available funds	49,613	-	-	-	-	-	49,613
Financial investments	3,546	2,119	2,634	6,111	19,958	26,863	3,349
Commercial and consumer loans	42,049	56,286	69,927	14,740	6,522	2,911	192,435
Lines of credit and overdraft	-	-	-	-	-	-	-
Other liabilities	65,770	-	-	-	-	-	65,770
Derivative contracts	6,531	384	22,266	526	-	-	29,707
	167,509	58,789	94,827	21,378	26,480	29,774	398,758
On demand obligations	61,964	-	-	-	-	-	61,964
Financing from other banks	3,757	508	-	-	-	-	4,265
Time deposits	100,937	55,830	6,017	-	-	-	162,784
External financing	37,428	45,932	33,491	11,349	-	-	128,200
Other obligations	34,327	-	-	-	-	-	34,327
Derivate contracts	19,730	21,724	17,180	1,072	-	-	59,706
	258,143	123,995	56,687	12,421	-	-	451,246
Net cash flow	(90,634)	(65,206)	38,140	8,957	26,480	29,774	(52,488)
Accumulative net cash flow	(90,634)	(155,840)	(117,700)	(108,742)	(82,262)	(52,488)	
Legal limit	(197,789)						
Surplus / (deficit)	107,155						

Hedge Accounting

The Bank established a cash flow hedge in October 2010. Upon inception of the hedge the Bank formally documented the relationship between hedges, hedged items, described the objectives and strategy of such hedge described how risk will be measured and defined methodologies related to testing the hedges effectiveness.

The Bank makes a prospective and retrospective evaluation of the effectiveness of the hedge to confirm whether it is highly effective, considering that it is highly effective if the results are between 80% and 125%.

The Bank defined a hedging strategy, through which it is able to stabilize the variability of the revaluation of interest paid in US dollars and the changes in exchange rate for foreign borrowings in US dollars at a floating rate through derivatives (e.q. cross



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currency swaps). These derivatives allow the Bank to receive a floating rate in USD and pay a fixed rate in CLP (functional currency).

The effective portion of changes in the fair value of the cash flow derivative is recognized directly in other comprehensive income within equity. This amount remains in equity and is later reclassified to profit or loss in the same period when the cash flows of the hedged item affect income. Any non-effective portion of changes in the fair value of the cash flow hedge is recognized directly in profit or loss.

The fair value of the hedge recognized as a reduction to equity amounted to MCh\$1,248 and MCh\$1,138 as of December 31, 2010 and 2009, respectively.

Embedded Derivatives

These derivatives may be embedded in another contract (or host contract). Therefore, these derivatives are recorded at market price separate from the host contract when the host contract is not carried at fair value. This happens when the financial characteristics and risks of the embedded derivatives are not related to the financial characteristics and risks of the host contract.

Currently, the Bank records at fair value through profit or loss embedded derivatives arising from floating rate mortgage loans, which change to fixed rate after a certain period of time subject to cap. Therefore, clients obtain an option on their behalf that will have negative effects on the Bank when the market rates are over the cap of such loans. This effect is calculated on a daily basis through sophisticated option evaluation methodologies. Changes in the fair value of the options are treated as income for the year (an increase in the theoretical value of such derivative is a loss for the Bank).

Mortgage loans with embedded derivatives were issued in 2004 and 2005. No new loans with those characteristics have been extended ever since.

The significant information of these derivatives is as follows:

	31.12.2010	31.12.2009
	THCH\$	THCH\$
Balance Th UF mortgage portfolio	658	848
Earling rate average	7.22%	7.22%
Residual term, year	10,9	11,6
Option value, MCLP\$	78	243

5) Operational Risk

A. Operational Risk objectives

For Banco Security Operational Risk is the risk of direct or indirect loss as a result of errors in processes, personnel, internal systems or external events, including legal risk. It assumes that risk is present throughout the organization and is manageable.

The objectives of operational risk management are:

- Reducing operational risk losses.
- Promoting an operational risk culture.
- Managing operational risk efficiently and effectively.
- Complying with the requirements of the SBIF and Basel II.



B. Operational risk structure

The Operational Risk Control Area reports to the Bank's Risk Division and directly reports to the division manager.

In accordance with the operational risk policy approved by the Board of Directors, the risk management is supported by: the individuals responsible for and executors of the processes, who are the primary risk managers; the operational risk area that is responsible for the management and monitoring of operational risk; the Board of Directors and the Operational Risk Committee who are responsible for ensuring that the Bank has an operational risk management framework in accordance with the objectives defined and best practices, and that there are the required conditions (trained personnel, organization structure, budget) that allow the Bank to implement such framework.

C. Operational Risk Processes

For an appropriate risk management and to comply with the objectives set by the Bank in accordance with the Operational Risk Policy, the following activities have been performed:

Training: Train the organization's personnel through talks and e-learning so that the organization becomes aware of and understands operational risk, and the Bank's mitigation policy.

Event Management: This includes the mitigation of risks that does not involve implementing a project or acquiring resources. The mitigation of these risks involves creating a control or changing a process.

Database: This involves systematically recording events that involve operational risks.

KRI's: These are quantitative measurements that provide knowledge of certain and potential risks and allow the Bank to identify an increase in exposure beyond acceptable values. They are aimed at providing immediate and early information about possible operational risks in different areas of the Bank.

Self-Assessment Survey: The Bank's main managers were surveyed in order to identify operational risk processes and events.

Suppliers: Compliance with regulation 20-7 issued by the SBIF.

Risk Survey: This is a process focused on identification, analysis, evaluation, mitigation plan, responsible individuals, follow-up and reporting related to risks identified in different areas, particularly processes and procedures.

Risk Mapping: This activity is performed after surveying risks where risks are organized based on a structure in accordance with macro processes and processes defined by the Bank. After an individual evaluation, this allows the Bank to identify the most important and high priority risks by process.

6) Risk Committees

In order to manage risks properly, Banco Security has different risk committees as follows:

A. Credit Risk Committees

There are 3 credit risk committees, as mentioned above: The Board of Directors Credit Committee, the Manage Credit Committee and the Client Folio Circulation Credit Committee. The conditions that each operation should comply with to determine in which committee the operation should be presented are clearly specified in the Bank's personal and corporate banking credit risk policies. It should be noted that the commercial area has almost no attributions by itself. As a result it must almost always have the approval by the credit risk areas or corresponding committees to approve the corresponding operations.



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Participants in the Credit Risk Committee

The Board of Directors Credit Risk Committee includes two directors of the Bank, its Chairman, its Chief Executive Officer and its risk division manager. The Manager Credit Risk Committee includes the commercial division manager, risk division manager and the respective (personal or corporate) credit decision making assistant manager. Finally, the Client Folio Circulation Credit Committee includes different Commercial Managers and the corresponding (personal or corporate) decision making assistant manager.

Issues to Be Covered

These Committees are responsible for approving or rejecting loan operations depending on the amount and terms of the loan in the relevant committee. Also, the Board of Director Credit Committee approves credit risk policies, powers and different changes in policies.

Timing

The Board of Directors Credit Risk Committee holds meetings every Tuesday and Thursday (except for the second Thursday of every month), while the Manager Credit Risk Committee holds meetings every Wednesday. The Client Folio Circulation Credit Risk Committee mainly operates on Monday and Thursday mornings.

Interaction with Board of Directors

Given that the main credit risk committee, where the most significant operations are analyzed is the Board of Director Credit Risk Committee, the interaction with the Board of Directors is complete, as two Directors and the Bank's Chairman of the Board of Directors are involved.

B. Financial Risk Committees

The objective of these committees is jointly evaluating positions taken and risks undertaken by Banco Security and its subsidiaries, and defining the strategy to be adopted and validating its level of compliance.

Their main responsibilities include informing the situation report of each unit regarding profit and margins vs. budget, aligning strategies and escalating investment/divestment decisions.

Additionally, the powers of the Finance Committee include proposing to the Board of Directors policies and methodologies associated with financial activities and monitoring the compliance with market and liquidity risk limitations set by the Board of Directors and regulatory agencies.

Este Comité lo integran:

- Chairmanship of the Committee:
 - The Bank's Chief Executive Officer
 - The Bank's Chairman
 - The Group's Chief Executive Officer
- Planning and Management Manager
- Grupo Security's Chief Economist
- Risk Division Manager
- Financial Risk Manager
- Finance and Corporate Division Manager
- Trading and Investments Manager
- Valores Security's Chief Executive Officer
- Valores Security's Investments Manager
- Inversiones AGF's Manager

C. Operational Risk Committees

Participants in the Operational Risk Committee

The Operational Risk Committee includes the Chief Executive Officer or a member of the Board of Directors of Banco Security and its subsidiaries, the Operations and Technology Manager, the Risk Control Manager, a Representative of Legal Counsel, the Operations Manager of Fondos Mutuos y Valores Security, the Information Security Officer, the Bank's Risk Division Manager and the Operational Risk Assistant Manager.

Group Security's Controller should attend the meetings of such committee, but has no responsibilities with respect to risk management. The Controller should monitor that possible corrective measurements are in accordance with the observations made to the audited areas.

Issues to Be Covered

The committee is also responsible for disseminating the operational risk policy, assessing risks identified and defining action plans in accordance with the Bank's risk profile.

Timing

The Operational Risk Committee will hold meetings regularly, preferably every two months or as required.

Interaction with the Board of Directors

El Directorio está informado respecto de la implementación de la Política de Riesgo Operacional, así como también a la detección de incidentes, riesgos potenciales y mediciones asociados a riesgos operacionales en cuanto a su severidad y frecuencia de pérdida.

D. Assets and Liabilities Committee

This committee is responsible for the management of and control over (1) the Bank's structure matches in terms and currencies in the statement of financial position, (2) liquidity and (3) financial margin, monitoring the Bank's stabilization, and (4) the definition of and control over capital management policies.

The permanent members of this committee are:

- Chairman: Francisco Silva S.
- Director: Renato Peñafiel M.
- Chief Executive Officer: Ramón Eluchans O.
- Finance and Corporate Division Manager: Nicolás Ugarte B.
- Risk Division Manager: José Miguel Bulnes Z.
- Financial Risk Control Manager: Antonio Alonso M.
- Planning and Management Manager: Manuel Widow L.
- Trading and Investments Desk Manager: Cristian Pinto M.
- Distribution Desk Manager: Sergio Bonilla B.
- Balance Desk Manager: Ricardo Turner O.
- Wholesale Banking Division Manager: Christian Sinclair M.
- Retail Banking Division Manager: Gonzalo Baraona B.
- Business Manager of Comex and International Services: Miguel Ángel Delpin A.

7) Regulatory Capital Requirement

In accordance with the Chilean General Banking Law, the Bank should have a minimum 8% effective equity/risk-weighted consolidated assets ratio, net of required provisions, and a minimum 3% Basic Capital/Total Consolidated Assets ratio, net of required provisions. For that purpose the effective equity is calculated based on the Equity and Reserves or the Basic Capital, with the following adjustments:

a) Junior bonds with a ceiling of 50% of the Basic Capital are added. b) The balance of assets corresponding to goodwill or markups paid and investments in companies not participating in the consolidation are deducted.

Assets are weighted according to their risk category, to which a risk percentage is assigned depending on the amount of capital needed to support each of the assets. Five risk categories are applied (0%, 10%, 20%, 60% and 100%). For example, cash, deposits in other banks and financial instruments issued by the Chilean Central Bank have 0% risk, which means that, under current regulations, no capital is needed to back up these assets. Fixed assets have a 100% risk, which means that a minimum capital equivalent to 8% of the amount of such assets needs to be maintained.

All derivative instruments traded over the counter are considered in calculating assets at risk by using a conversion factor on notional values, thereby obtaining the amount of exposure to credit risk (or "credit equivalent"). Off-balance sheet contingent credits are also considered as a "credit equivalent" for weighting.

The levels of Basic Capital and Effective Equity at December 31, 2010 and 2009 are as follows:

	CONSOLIDATED ASSETS		RISK WEIGHTED ASSETS	
	2010	2009	2010	2009
	THCH\$	THCH\$	THCH\$	THCH\$
Assets (net of provisions)				
Cash and banks deposits	114,409	64,852	-	-
Unsettled transactions	131,111	116,161	40,022	44,463
Instruments held for trading	389,522	396,043	92,448	158,347
Repurchase agreements	-	20,807	-	19,876
Derivative contracts	83,309	125,642	35,742	45,207
Interbank loans	11,325	312,431	10,022	5,507
Trade and other receivables	1,939,372	1,845,419	1,821,748	1,746,877
Instruments available for sale	278,007	484,353	117,965	122,064
Investments in associates	-	-	-	-
Intangible assets	621	621	621	621
Property, plant and equipment	21,755	16,124	21,755	16,124
Current taxes	22,695	22,491	22,695	22,491
Deferred taxes	650	3,021	65	1,204
Other assets	36,131	36,185	3,613	3,337
Off-balance sheet assets	115,984	67,584	115,984	67,322
Contingent loans				
Créditos contingentes	252,233	142,248	151,340	85,349
TOTAL RISK WEIGHTED ASSETS	3,397,124	3,653,982	2,434,020	2,338,789

	MONTO	MONTO	RAZÓN	RAZÓN
	2010	2009	2010	2009
	CH\$ MILLION	CH\$ MILLION	%	%
Capital Básico	206,376	197,789	6.08	5.41
Patrimonio Efectivo	303,033	293,773	12.45	12.56

The calculation of effective equity is as follows:

	31.12.2010	31.12.2009
	THCH\$	THCH\$
Basic Capital	206,376	197,789
Subordinated bonds	91,781	94,039
Additional provisions	-	500
Guarantees	4,805	1,380
Equity attributable to owner of the controlle	71	65
EFFECTIVE EQUITY	303,033	293,773

III Risks Associated with the Insurance Business

1) Local Financial Risks

The decrease in long and medium term interest rates could affect the performance of assets supporting life insurance policies and single investment accounts at guaranteed interest rates, when it is applicable to take investments for the maturities of shorter bonds, resulting in medium-term operating deficit.

2) Mortality and Morbidity Rates

The increase in mortality rates may result in an increase in the claims rate of catastrophic policies in the medium term and increases in the accident rate in policies with medical expenses reimbursement coverage in the short term. The decrease in adult mortality rates may reduce expected income for the annuities sector, as companies do not adapt to the mortality curve structure.

3) Industry Structure

The high number of players in the industry may lead to shutdown of operators and mergers. Therefore, the current industry structure may change with adjustments in the structures of sales and gross margins.

4) Reinsurance Industry

The tendency of concentration of reinsurers could have an effect on the variety of coverage options, and insurers could stop offering reinsurance coverage for risks that are now covered due to strong competitors that existed in the market recently.

5) Local Competitors

The technical margins of sectors with high retention of global insurance policies could decrease due to the strong price competition in the market.



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6) Summary of the Policy for Investments and Use of Derivative Products and Financial Risk Management

In general, the investment policy tends to keep a diversified portfolio of instruments and a high level of matching of liabilities and currencies. There is also an appropriate balance between treasury bonds, debt instruments of the financial system and real estate, considering the environment and risk required to meet the requirements of profitability.

The insurance reserves are separated by products such as items of Life Annuities, Single Investment, Risk Equity and Free Equity accounts, as:

- The regulatory requirements are different for each of them.
- The rates required by each type of asset are different.

In regard to assets supporting the Annuities, Reserves of Single Investment Accounts, and Reserves of Risk Equity reserves, the Company strictly complies with limitations in accordance with Statutory Decree No.251, regarding level of diversification of instruments, limitations by issuer, series, economic groups and restrictions for risk rating.

The other assets are not subject to the limitations above, even though most of them are eligible assets to support reserves.

In any case, any unusual or significant investment of the Company is reviewed and approved by the Investment Committee, even though it is within limitations.

In terms of liquidity, the Company has an appropriate liquidity position in the short term. This allows the Company to meet its daily financial requirements. These positions may be invested in agreements, local short-term mutual funds, short term treasury bonds and bank deposits. There are lines approved for each institution with which the Company may operate.

In regard to Equity Securities, the Board of Directors has approved the use of this type of assets for supporting the reserves of Single Investment Accounts, in order to have the appropriate matching with these types of liabilities. Additionally, there is a low percentage of investment approved by the Board of Directors to be invested in mutual funds, investment funds and shares with high market presence. This may not exceed 10% in the medium term. The maximum amount to be invested in each instrument should comply with the diversification policy for issuers, economic groups and liquidity. Considering the financial crisis that started in 2008, these investments are items that are permanently reviewed.

7) Summary of the Internal Control Policy

Vida Security kept the operational risk monitoring and control policies and procedures in 2010. The Company has operating process maps, identifies control weaknesses, develops action plans and follows up or progress on a monthly basis.

The control process considers observations identified by external auditors in the audit of operating cycles in accordance with Circular No.1441 issued by the SVS and its amendments.

8) Level of Compliance

All of the operations carried out by Vida Security in 2010 complied with the policies for investments and use of derivative products and financial risk management approved by the Board of Directors. The operations that did not comply with the aforementioned policy were appropriately approved by the Board of Directors or the Investment Committee, and duly informed to the SVS in accordance with the current regulations. Also, the Company strictly complied with the internal control policy in 2010. The control weaknesses identified were corrected within the committed term or have had a significant progress.

NOTE 33 – SHAREHOLDERS' EQUITY

a) Paid-in Capital

As of December 31, 2010 the subscribed and paid-in capital is ThCh\$159,414,682 divided into 2,550,000,000 no par-value shares.

SERIES	NUMBER OF SUBSCRIBED SHARES	NUMBER OF PAID-IN SHARES	NUMBER OF VOTING SHARES	SUBSCRIBED CAPITAL THCH\$	PAID-IN CAPITAL THCH\$
Single	2,550,000,000	2,550,000,000	2,550,000,000	159,414,682	159,414,682

Share insurance

The Extraordinary Meeting of Shareholders held on December 29, 2008 agreed to increase the capital of Grupo Security S.A.'s equity amounting to Ch\$113,858,273,908 divided into 2,201,000,000 common, registered, single series, no-par-value shares, by issuing 600 million new shares, and also common, registered, single series, no-par-value shares, which should be issued, subscribed and paid-in within three years from that date. This share issuance will increase issued capital to Ch\$179,858,273,908 which will be divided into 2,801,000,000 shares.

The Shareholders' Meeting of Grupo Security S.A., held on August 2, 2004, decided to declare part of the Share insurance agreed to in the General Shareholders' Meeting of December 19, 2003 that has not been subscribed to or paid in (issue registered with the SVS under No.717 on May 20, 2004) null and void. The total increase was 300,000,000 shares for ThCh\$30,000,000; additionally, it agreed to increase the capital by ThCh\$45,000,000 by issued capital 450,000,000 ordinary, registered, no par value, shares.

b) Share Premiums

The details of Share Premiums that are part of the shareholders' equity are as follows:

	THCLP\$
Share premiums	38,835,926
TOTAL	38,835,926

c) Other Reserves

This item includes the ownership percentage of Grupo Security S.A. in the matching reserve in the indirect subsidiary Vida Security, the fluctuation in the indirect investee Compañía de Seguros Generales Penta Security S.A., and the reserve for fluctuations in investments and the accounting adjustment in the direct subsidiary Banco Security S.A.

	THCLP\$
Reserve insurance and pension	(5,825,660)
Equity reserve Bank legislation	(1,607,984)
Other reserves	(5,007,970)
Equity adjustment for first - time adoption of IFRS	(9,753,084)
Derivative hedges (Bank)	(1,022,460)
TOTAL	(23,217,158)



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d) Dividends

The policy agreed by the shareholders is distributing at least 30% of the Company's income. This distribution may be made charging profit for the year or retained earnings from prior years. Their payment will be divided in two dividends, one interim dividend between October and November 2010 that does not represent more than 20% of the Company's equity in earnings between January and June 2010, and another final dividend in April or May 2011, until totalling at least 30% of the Company's profit. Additionally, the Board of Directors has been authorized to decide additional dividend distributions with a charge to retained earnings, up to Ch\$2 per share, if the financial condition of Grupo Security S.A., in the opinion of the Board, allows it.

The Ordinary Shareholders Meeting held on April 7, 2009 decided to distribute a dividend of Ch\$4.25 per share charged to the 2008 profit and its payment was made on April 17, 2009.

The Grupo Security S.A. Board of Directors' meeting held on October 5, 2009 decided to pay a total dividend of Ch\$2.5 per share, including Ch\$1.0 as an interim dividend for the year and Ch\$1.5 as an additional dividend charged to the retained earnings of Grupo Security S.A. This dividend was paid on October 16.

The Ordinary General Shareholders Meeting held on April 27, 2010 decided to distribute a dividend of Ch\$5.00 per share charged to the 2009 profit and its payment was made on May 7, 2010.

As approved the Ordinary Shareholders Meeting held on April 27, 2010, on September 30 the shareholders agreed to pay a total dividend of Ch\$3 per share as follows: i) an interim dividend for Ch\$1 per share, to be paid in cash charged to 2010 retained earnings; and ii) an additional dividend for Ch\$2 per share, to be paid in cash charged to the retained earnings from prior years. The dividend was paid on October 21, 2010.

e) Capital Risk Management

The Group manages its capital to ensure that its subsidiaries will be able to continue as a going concern, while they maximize their shareholders' performance by improving balances of debt and shareholders' equity.

The Group's capital structure includes the net debt (bonds and loans as summarized in Notes 18 and 23) and the Group's shareholders' equity (including issued capital, reserves and retained earnings).

NOTE 34 – CONTINGENCIES AND COMMITMENTS

a) Trials and Legal Proceedings

Normal Legal Contingencies of the Industry

As of the issuance date of these consolidated financial statements there are several lawsuits filed against the Bank and its subsidiaries that are related to its operations. According to Management, and based on the advice of its legal advisors, these lawsuits are unlikely to result in significant losses for the Bank and its subsidiaries that are not already reflected in these consolidated financial statements.

Contingencies due to Lawsuits at Courts of Justice

As of December 31, 2010 in accordance with the current policy on contingencies due to lawsuits, the Bank established a provision for US\$174,943 for compensation on account of an unappealable judgment. There were no lawsuits in court as of December 31, 2009.



b) Contingent Liabilities

As of December 31, 2010, and December 31 and January 1, 2009, contingent liabilities the following:

	31.12.2010	31.12.2009	01.01.2009
	THCLP\$	THCLP\$	THCLP\$
Commitments and responsibilities	2,116,129,407	2,165,758,347	1,871,269,387
Contingent credits and liabilities	218,412,370	142,248,415	175,774,717
	2,334,541,777	2,308,006,762	2,047,044,104

NOTE 35- BOND HOLDERS: PROTECTION REGULATION INDEBTEDNESS LEVEL

As of December 31, 2010 Grupo Security S.A. has the following ratios and restrictions as a result of bond issuances:

Indebtedness: Grupo Security S.A. must maintain in its quarterly financial statements, a level of indebtedness below 0.4, measured on its individual balance figures. Such indebtedness is defined as the ratio between individual financial current liabilities and equity in accordance with the disclosure table of FECU-IFRS (hereinafter, "IFRS Leverage") (FECU, Standard Coded Statistical Report in Spanish). Individual financial current liabilities are financial obligations contracted by Grupo Security S.A., excluding its subsidiaries' financial obligations, regardless of whether these consolidate or not with Grupo Security S.A. Therefore, the individual financial current liabilities include the Company's aggregate indebtedness, individually, that are considered in the following accounting items of FECU-IFRS: (i) current or non-current obligations with banks or financial institutions, (ii) current or non-current bonds and debentures (promissory notes and bonds), (iii) other current or non-current liabilities, accounts payable, notes payable, sundry creditors and provisions and (iv) current and non-current accounts payable to related entities. In accordance with (iv) above, the accounts payable of Grupo Security S.A., individually considered, contracted with related entities, which due to the fact that have been included in the consolidation process have been eliminated in such process and are not present in the Issuer's financial statements, will be considered.



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The following table shows financial and accounting information in accordance with the previous paragraph.

	GROUP INDIVIDUAL	OTHER COMPANIES OF THE SECURITY GROUP / CONSOLIDATION ADJUSTMENTS	CONSOLIDATED
CURRENT LIABILITIES			
Other financial liabilities, current	839,365	2,743,249,201	2,744,088,566
Trade and other payables	2,314	714,510,390	714,512,704
Accounts payable to related entities, current	(3,606)	3,606	-
Other short-term provisions	190,610	53,294,149	53,484,759
Current tax liabilities	-	7,766,749	7,766,749
Employee benefits provisions, current	89,073	3,198,290	3,287,363
Other non-financial liabilities, current	11,164,354	48,158,159	59,322,513
'TOTAL CURRENT LIABILITIES' OTHER THAN LIABILITIES INCLUDED IN GROUPS CLASSIFIED AS AVAILABLE FOR SALE	12,282,110	3,570,180,544	3,582,462,654
Liabilities included in groups of disposable assets classified as available for sale	-	-	-
TOTAL CURRENT LIABILITIES	12,282,110	3,570,180,544	3,582,462,654
NON-CURRENT LIABILITIES			
Other financial liabilities, non-current	81,205,603	100,927,906	182,133,509
Non-current liabilities	-	55,809,614	55,809,614
Accounts payable to related parties, non- current	-	-	-
Other long term provisions	-	-	-
Deferred tax liabilities	13,390	46,482,992	46,496,382
Non-current liabilities for employee benefits	-	-	-
Other non-financial liabilities, non-current	-	-	-
TOTAL NON-CURRENT LIABILITIES	81,218,993	203,220,512	284,439,505
TOTAL LIABILITIES	93,501,103	3,773,401,056	3,866,902,159
EQUITY			
Issued capital	159,414,682	-	159,414,682
Retained earnings (losses)	125,607,105	-	125,607,105
Premiums	38,835,926	-	38,835,926
Treasury shares	-	-	-
Other equity interests	-	-	-
Other reserves	(23,217,158)	-	(23,217,158)
Equity attributable to owners of the controller	300,640,555	-	300,640,555
Non-controlling interests	-	5,699,438	5,699,438
TOTAL EQUITY	300,640,555	5,699,438	306,339,993
TOTAL EQUITY AND LIABILITIES	394,141,658	3,779,100,494	4,173,242,152
TOTAL CURRENT LIABILITIES GRUPO SECURITY - INDIVIDUAL			93,501,103
TOTAL EQUITY GRUPO SECURITY			306,339,993
LEVERAGE AT DECEMBER 31, 2010 (TOTAL CURRENT LIABILITIES INDIVIDUAL/ TOTAL EQUITY)			30.52%



Ownership: 51% owned by Banco Security.

The Group has not exceeded the required leverage ratio Banco and maintains required ownership percentage as of year-end.

NOTE 36 - SIGNIFICANT EVENTS

Grupo Security S.A.

- a) On January 28, 2010 the following events were reported as significant events to the Superintendency of Securities and Insurance:

The Board of Directors of Grupo Security S.A., in its meeting held on January 28, 2010 and in accordance with Article 50 bis of the Law No.18,046 on Corporations, amended by Law No.20,382, and Circular No.560 of the Superintendency of Securities and Insurance, was aware and expressly stated that it received the sworn declaration of Mr. Andrés Concha Rodríguez, as independent director. Subsequently, in order to comply with the aforementioned provisions, the directors unanimously agreed to appoint the independent director Mr. Andrés Concha Rodríguez as a member of the Company's directors' Committee from that date. Mr. Andrés Concha Rodríguez appointed Company's directors' Mr. Jorge Marín Correa and Mr. Álvaro Vial Gaete as members of the Company's Directors' Committee.

- b) On February 15, 2010 Grupo Security S.A. prepaid 100% of the debt in BSEC-B series bonds for ThCh\$10,456,089.
- c) Despite the earthquake that occurred on February 27, 2010 in the center and south of Chile, Grupo Security S.A.'s and its Subsidiaries were carried out normally throughout the year. There were no significant damages that affected the Company's normal operation or affect its financial assets.
- d) Ordinary Shareholders Meeting held on April 27, 2010 decided to distribute a dividend of Ch\$5.0 per share, against the 2009 income, plus an interim dividend of Ch\$1.0 and an additional dividend of Ch\$1.5, which were paid on October 16, 2009, totalling a final dividend of Ch\$7.5 for 2009. The payment of dividends was scheduled for May 7, 2010.
- e) On April 30, 2010 in accordance with letter b) of section 2 of Article 147 of the Law on Corporations (amended by Law No.20,382 dated October 20, 2009), Grupo Security S.A.'s Board of Directors' Meeting held on April 29, 2010 unanimously agreed to approve a general policy for the company's regular operations with related parties transactions that are related to its corporate purpose and whose purpose is contributing to the corporate interest, adjusting their prices, terms and conditions of the prevailing market.

The approved policy is available to the shareholders in the Company's office and will be published in the Company's website www.security.cl.

- f) The Meetings of B-2, C-2 and D and E Bond Holders were held on May 6, 2010. Those meetings were organized by Banco Bice as the Representative of the Bond Holders of the aforementioned series and at our request as issuer of the bonds. The aforementioned meetings were held in order to submit different proposals of changes in the bonds issue tranche contracts supporting each series to the bond holders, so that the provisions and clauses of such contracts consider that Grupo Security S.A. is obliged to prepare and keep its accounting in accordance with IFRS from January 1, 2010.
- g) As approved by the ordinary shareholders meeting of held on April 27, 2010, on September 30, 2010 the Company's Board of Directors agreed to pay a total dividend of Ch\$3 per share as follows: i) an interim dividend for Ch\$1 per share, to be paid in cash against the 2010 retained earnings; and ii) an additional dividend for Ch\$2 per share, to be paid in cash against retained earnings from prior years. The aforementioned total dividend was placed at the shareholders' disposal from October 21, 2010.



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Valores Security S.A. Corredores de Bolsa

- a) On January 4, 2010 the following events were reported as significant events to the Superintendency of Securities and Insurance:

In accordance with letter b) of section 2 of Article 147 of the Law on Corporations (amended by Law No.20,382 dated October 20, 2009), Valores Security S.A. Corredores de Bolsa's Board of Directors' extraordinary meeting held on December 30, 2009 unanimously agreed to approve a general policy for the company's related party transactions that are related to its corporate purpose and whose purpose is contributing to the corporate interest, prices, terms and conditions of the prevailing market.

The approved policy is available to the shareholders in the company's office and will be published in the company's website www.inversionessecurity.cl.

- b) On April 26, 2010 in accordance with Articles 9 and 10 of Law 18,045 of the securities Market, the company reported that on April 23, 2010 Mr. Naoshi Matsumoto Courdurier submitted his letter of resignation as director of Valores Security S.A. Corredores de Bolsa.
- c) On April 29, 2010 in accordance with Articles 9 and 10 of Law 18,045 of the securities Market, the following agreements made in the ordinary shareholders meeting held on April 28, 2010 have been reported.
- The shareholders agreed to allocate the company's net income for the year ended December 31, 2009 to its future dividend fund.
 - Mr. Ramón Eluchans Olivares, Mr. Enrique Menchaca Olivares and Mr. Nicolás Ugarte Bustamante were re-elected as directors, and Mr. Gonzalo Barahona Bezanilla and Mr. Fernando Salinas Pinto were elected as new directors.
 - The shareholders approved the Annual Report, the Statements of Financial Position, Income Statement, and the External Auditors' Report for the year ended December 31, 2009.
 - The shareholders agreed to appoint Deloitte as the company's external auditors for year 2010.
- d) On May 20, 2010 in accordance with letter b) of No. 17 of Article 147 of the Law on Corporations (amended by Law No.20,382 dated October 20, 2009), Valores Security S.A. Corredores de Bolsa's Board of Directors' meeting held on May 19, 2010 unanimously agreed to approve a general policy for the company's related party transaction that are related to its corporate purpose and whose purpose is contributing to the corporate interest, prices, terms and conditions to the prevailing market.

The approved policy is available to the shareholders in the company's office and will be published in the company's website www.inversionessecurity.cl.

Banco Security S.A.

- a) On January 15, 2010 the following events were reported as significant events to the Superintendency of Securities and Insurance:

In accordance with letter b) of No.7 of Article 147 of the Law on Corporations (amended by Law No.20,382 dated October 20, 2009), Banco Security's Board of Directors' Meeting held on January 14, 2010 unanimously agreed to approve a provisional general policy for the Bank's related party transactions that are related to its corporate purpose and whose purpose is contributing to the corporate interest, prices, terms and conditions of the prevailing in the market.

The approved policy is available to the shareholders in the company's office and will be published in the company's website www.security.cl.

- b) The ordinary shareholders meeting of held on March 11, 2010 unanimously elected Banco Security's Directors Mr. Hernán Felipe Errázuriz Correa, Mr. Jorge Marín Correa, Mr. Gustavo Pavez Rodríguez, Mr. Horacio Pavez García, Mr. Renato Peñafiel Muñoz, Mr. Francisco Silva Silva and Mr. Mario Weiffenbach Oyarzún.

Securitizadora Security S.A.

- a) On January 4, 2010 the following events were reported as significant events to the Superintendency of Securities and Insurance: In accordance with letter b) of section 2 of Article 147 of the Law on Corporations (amended by Law No.20,382 dated October 20, 2009), Securitizadora Security S.A. Board of Directors' extraordinary meeting held on December 30, 2009 unanimously agreed to approve a general policy for the company's related party transaction that are related to its corporate purpose and whose purpose is contributing to the corporate interest, prices, terms and conditions of the prevailing market.

The approved policy is available to the shareholders in the company's office and will be published in the company's website www.securitizadorasecurity.cl.

The Board also agreed to propose as a future dividend policy the distribution of at least 50% of the net income for the year depending on the company's actual income and financial position.

- b) The ordinary shareholders meeting held on April 30, 2010 agreed on the following:
- The shareholders agreed to appoint Deloitte as the company's external auditors for year 2010.
 - The Chairman stated that in accordance with the Law on Corporations, and the letter of resignation submitted at the end of 2009 by Mr. Ramón Eluchans Olivares as a Director, there should be a new election of the company's directors for the term of office maturing on the date of the 2013 ordinary shareholders meeting.
 - The shareholders unanimously elected Mr. Francisco Silva Silva, Mr. Renato Peñafiel Muñoz, Mr. Andrés Tagle Domínguez, Mr. Christian Sinclair Manley and Mr. Carlos Budge Carvallo as the company's directors for the term of office maturing on the date of the 2013 ordinary shareholders meeting.

Factoring Security S.A.

- a) On January 4, 2010 the following events were reported as significant events to the Superintendency of Securities and Insurance:

n accordance with letter b) of section 2 of Article 147 of the Law on Corporations (amended by Law No.20,382 dated October 20, 2009), Factoring Security S.A.'s Board of Directors' held a meeting on December 30, 2009 were they unanimously agreed to approve a general policy for the company's with related party transaction that are related to its corporate purpose and whose purpose is contributing to the corporate interest, prices, terms and conditions of the prevailing market.

The approved policy is available to the shareholders in the company's office and will be published in the company's website www.factoringsecurity.cl.

- b) On April 28, 2010 the company reported to the Superintendency of Securities and Insurance a significant event, in accordance with Article No.9 and section 2 of Article 10 of Law No.18,045, that in the ordinary shareholders meeting held on April 26, 2010, the Company's Board of Directors agreed and approved the following matters:
- The Board of Directors approved the company's Annual Report, Statements of Financial Position for the year ended December 31, 2009.
 - The Board of Directors agreed to allocate to the company's retained earnings the net income for the year ended December 31, 2009, that is, Ch\$2,816,010,609.



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- The Board of Directors agreed to keep Mr. Francisco Silva Silva, Mr. Ignacio Ruiz-Tagle Vergara, Mr. Mario Weiffenbach Oyarzún, Mr. Francisco Juanicotena Sanzberro and Mr. Renato Peñafiel Muñoz as the company's directors.
- The Board of Directors agreed to appoint Deloitte & Touche Sociedad de Auditores y Consultores Ltda. as the company's external auditors for 2010.
- The Board of Directors agreed to appoint La Segunda as the newspaper for the company's publications.
- The Boards of Directors was aware of and approved the operations referred to in Articles 44, 89 and 93 of Law No.18,046, as approved by the company's Board of Directors in 2009.
- Other corporate matters of which the ordinary shareholders meeting should be aware.

Administradora General de Fondos Security S.A.

- a) On January 4, 2010 the following events were reported as significant events to the Superintendency of Securities and Insurance:

In accordance with letter b) of section 2 of Article 147 of the Law on Corporations (amended by Law No.20,382 dated October 20, 2009), Administradora General de Fondos Security S.A.'s Board of Directors' held on extraordinary meeting December 30, 2009. In that meeting the board unanimously agreed to approve a general policy for the company's with related party transactions that are related to its corporate purpose and whose purpose is contributing to the corporate interest, prices, terms and conditions of the prevailing in the market.

The approved policy is available to the shareholders in the company's office and will be published in the company's website www.inversionessecurity.cl.

- b) The ordinary shareholder meeting was held on April 28, 2010. The shareholders agreed the following:

- The shareholders approved the Annual Report, the Statement of Financial Position, the Income Statement, and the External Auditors' Report for the year ended December 31, 2009.
- The shareholders agreed to allocate the net income for the year ended December 31, 2009 to the Future Dividend Fund, that is, Ch\$2,616,128,574.
- The shareholders agreed to appoint Deloitte as the company's external auditors for year 2010.
- Mr. Francisco Silva Silva, Mr. Renato Peñafiel Muñoz, Mr. Carlos Budge Carvallo and Mr. Felipe Larraín Melo were re-elected as directors, and Mr. Bonifacio Bilbao Hormaeche was elected as director to fill the vacancy caused by the resignation of Mr. Gonzalo Ruiz Undurraga.

- c) On May 27, 2010 the following events were reported as significant events to the Superintendency of Securities and Insurance:

In accordance with letter b) of section 2 of Article 147 of the Law on Corporations (amended by Law No.20,382 dated October 20, 2009), Administradora General de Fondos Security S.A.'s Board of Directors' held on extraordinary meeting December 30, 2009. In that meeting the board unanimously agreed to approve a general policy for the company's regular operations with related party transaction that are related to its corporate purpose and whose purpose is contributing to the corporate interest, prices, terms and conditions of the prevailing market.

The approved policy is available to the shareholders in the company's office and will be published in the company's website www.inversionessecurity.cl.

- d) In accordance with Articles 9; 10, section 2; and 234, section 2 of Law No. 18,045 on securities markets No. 12 B of Decree Law No. 1,328 of 1976, on Mutual Fund Management, and letter B, Section II of General Regulation No. 30, the significant event regarding the Groups mutual funds and dated July 29, 2010 is as follows:

In accordance with the current monetary policy environment, the Chilean Central Bank has adjusted interest rates. This has affected the prices and for rates associated with various investment instruments such as Type I instruments as defined by Circular Nro. 1,578 of 2002 and which are managed by mutual funds. Note that the Type I instruments included in Administradora General de Fondos Security S.A.'s investment portfolio include the "Fondo Mutuo Security Check" and "Fondo Mutuo Security Plus" mutual funds. Specific to these funds, which are valued at acquisition cost in accordance with the first paragraph at item I, Title I, of Circular Nro. 1,579 of 2002, we disclose the following:

Given the existence of relevant difference between the acquisition cost and the value of the instruments that encompass the aforementioned mutual funds calculated using the valuation model referred to in Title I, number 1, section I.I.I. letter a) of the aforementioned Circular, our management decided to value those instruments in accordance with the provision in the second paragraph of item 1.1, Title I of Circular Nro. 1,579 of 2002 for July 28, 2010.

Management has determined to value the aforementioned mutual fund as previously mentioned to foster greater transparency and fairness, and to reduce the situation whereby and investment's valuation does not reflect the value with which it can be sold in the market. This helps reduce any inequality that may exist between mutual funds participants based on the principles of the Securities Market with this in mind, see note that letter c) of article 236 of Law No. 18,045 mentions that mutual fund directors must be ensure that the fund's investments, valuation, and operations are performed in accordance with current laws and applicable regulations.

Compañía de Seguros de Vida Security Previsión S.A.

- a) On March 18, 2010 the Board of Directors schedule an ordinary shareholders meeting on April 12, 2010, and also agreed to a dividend distribution for Ch\$10,601,732,261, which is equivalent to 100% of 2009 net income, or Ch\$56.991250341 dividend per share.

The Board of Directors also agreed to propose to the shareholders a future dividend distribution of at least 50% of the net income for the year depending on the Company's actual net income and financial position.

- b) On April 12, 2010 on extraordinary shareholders meeting was held where the shareholders agreed to distribute 99.84% of 2009 net income. This amount to a dividend Ch\$10,584,757,520, which is equivalent to Ch\$56.9 per share.

In the meeting the shareholders accepted the proposal future minimum dividend of at least 50% of the net income for the year depending on with the company's actual net income and financial position.

The shareholders also agreed to appoint Deloitte Sociedad de Auditores y Consultores Ltda. as the company's external auditors for 2010, considering this entity's reputation, quality and cost of services.

Finally, the shareholders agreed to appoint the following risk rating agencies: Feller – Rate Clasificadora de Riesgo Ltda. and Fitch Chile Clasificadora de Riesgo Ltda. for 2010, considering these entities' reputation, quality and cost of services.



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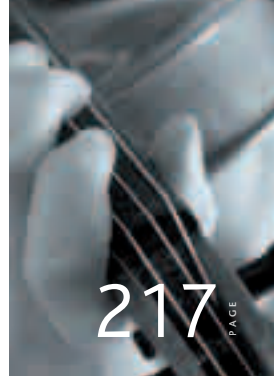
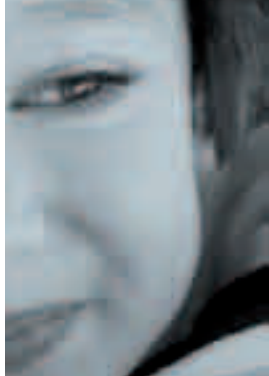
NOTE 37 - SUBSEQUENT EVENTS

On January 25, 2011 Grupo Security obtained 30% ownership interest in Travel through its Subsidiary Inversiones Invest Security. Thereby increasing de total ownership interest in Travel Security to 85%.

From December 31, 2010 to the date of these consolidated financial statements, there have been no other subsequent events that would materially affect these consolidated financial statements.

NOTE 38- APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been approved by the Board of Directors in the ordinary Board meeting held on March 3, 2011.





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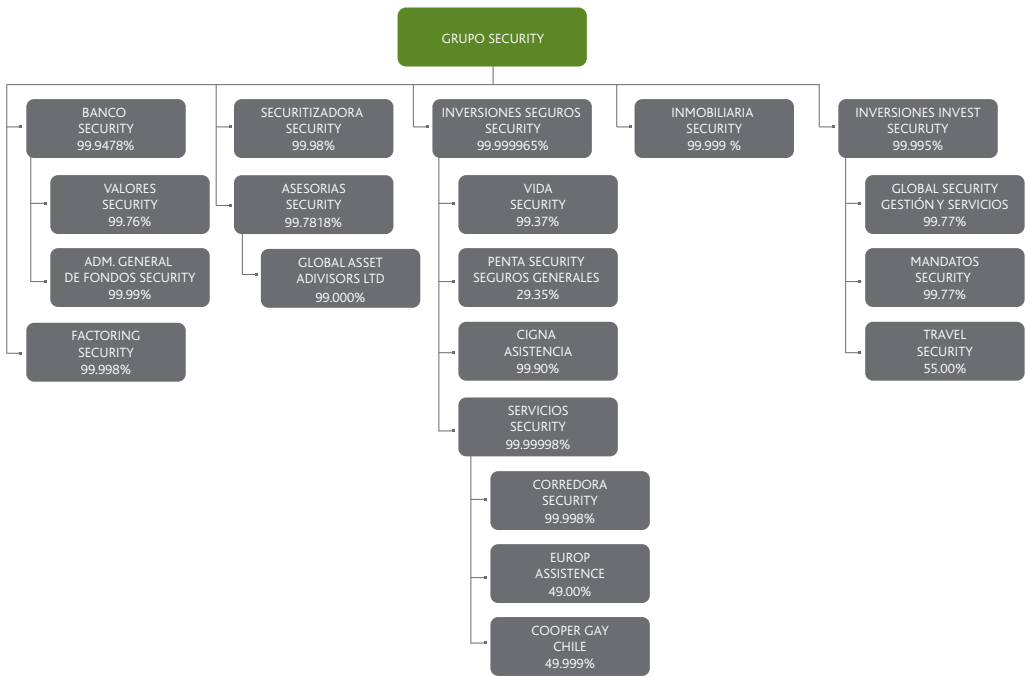
MANAGEMENT’S ANALYSIS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of december 31, 2010

1 STATEMENT OF FINANCIAL PÓITION AND STATEMENT OF CONSOLIDATED COMPREHENSIVE RESULTS IFRS OF GRUPO SECURITY S.A.

The consolidation of Grupo Security and Subsidiaries incorporates Banco Security and Subsidiaries, Factoring Security, Securitizadora Security, Asesorías Security and Subsidiaries, Inversiones Seguros Security and Subsidiaries, Inmobiliaria Security and Subsidiaries and Invest Security and Subsidiaries, but excludes the subsidiaries Europ Assistance, CooperGay Corredores de Reaseguros and Compañía de Seguros Generales Penta Security which are shown in the account Investments booked using the asset participation method.

Structure and percentage holdings of Grupo Security and its subsidiaries as of December 2010.



As can be seen from the consolidated statements of financial position, Grupo Security shows total assets of Ch\$ 4,173,242 million of which current assets amount to Ch\$ 3,967,917 million (95.1% of total assets). Notable under current assets are trade debtors and other customer accounts receivable of Ch\$ 2,196,579 million, equivalent to 55.4% of the current assets, which mainly represent the loans and advances of Banco Security and Factoring Security. Other current financial assets of Ch\$ 1,550,928 million, equivalent to 39.1% of total current assets, mainly represent the financial investments of Banco Security, Valores Security (a subsidiary of Banco Security) and Vida Security. The variation in total assets between December 2010 and December 2009 is mainly due to a reduction in interbank loans by Banco Security.



Regarding the liabilities, total liabilities amount to Ch\$ 3,866,902 million, of which current liabilities amount to Ch\$ 3,582,463 million (92.6% of total liabilities). Other current financial liabilities of Ch\$ 2,744,089 million (76.6% of current liabilities) correspond mainly to liabilities of Banco Security, particularly time deposits, obligations with banks and debt instruments issued. Trade creditors and other accounts payable of Ch\$ 714,513 million (29.9% of current liabilities) mainly reflect the technical reserves of the insurance company Vida Security. The individual debt ratio of Grupo Security at December 2010, defined as the sum of the individual liabilities of Grupo Security to the total consolidated equity of Grupo Security, as detailed in Note 31 to the consolidated statements of financial position of Grupo Security, is 0.31 times.

The total equity of Grupo Security as of December 2010 amounts to Ch\$ 306,340 million, equivalent to 7.3% of total assets, with a return on equity attributable to controller shareholders of 13.6%. Earnings attributable to the controlling shareholders are Ch\$ 40,852 million at December 2010, 36.2% higher than at December 2009 according to the consolidated statements of results by function.

2. 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. Europ Assistance is the subsidiary that provides travel assistance services. 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 activities 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.

2.1 Banking Industry

As of December 2010, 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\$ 75,979 billion, its equity was Ch\$ 8,523 billion and its earnings were Ch\$ 1,584 billion, with a return on equity of 18.6%.

Banks' efficiency levels were 45.9%, measured as operating costs to gross operating margin, and 2.3% measured as operating costs to total assets. Risk levels reached 2.49%, measured as loan provisions to total loans, and 2.71% as loans past-due by 90 days to total loans.

As of December 2010, the loans of Banco Security (excluding contingent liabilities) were Ch\$ 1,989 billion, placing the bank 9th in loans with a market share of close to 2.6%.



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2.2 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 September 2010 totaled Ch\$ 1,595 billion.

At September 2010, Factoring Security had total advances of Ch\$ 119 billion, equivalent to a market share of 7.5%.

2.3 Mutual Funds Industry

The mutual funds industry as of December 2010 shows average assets and average number of investors of Ch\$ 18,206 billion and 1,525,966 respectively. Among the most notable highlights in recent times have been the consolidation of mutual funds' participation in the Voluntary Pensions Saving (APV) system 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 2010, Administradora General de Fondos Security had average assets of Ch\$ 698 billion, with a market share of 3.84%, occupying 9th place out of the 19 managers operating in the market.

2.4 Stockbroking Industry

During 2010, market activity grew by 46.8% compared to 2009. The shares traded by Valores Security rose by 113%. Its market share has moved from 3.0% in 2006 to 3.3% in 2007, 3.7% in 2008 and 4.7% in 2009. The share volume traded in 2010 reached Ch\$ 4,352 billion, with a market share of 6.9%, considering transactions on the Santiago Stock Exchange and the Chilean Electronic Exchange.

2.5 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 2010, there were 31 life insurance companies and 20 general insurance companies (excluding credit companies).

The direct premium income of life and general insurance companies was Ch\$ 2,073 billion and Ch\$ 1,010 billion respectively at September 2010. The industry's earnings were Ch\$ 374,630 million and Ch\$ 2,679 million for life and general insurance companies respectively, at September 2010.

3. INDIVIDUAL RESULTS OF THE PRINCIPAL SUBSIDIARIES OF GRUPO SECURITY:

Banco Security produced consolidated earnings attributable to controller shareholders for 2010 of Ch\$ 33,706 million, achieving a 16.3% return on equity. Total loans as of December 31, 2010 were Ch\$ 1,989 billion, less than the Ch\$ 2,189 billion reported as of December 2009, mainly the result of a reduction in interbank loans. Risk levels reached 1.91%, measured as loan provisions to total loans, and 1.49% measured as loans overdue 90 days or more to total loans. The efficiency ratio was 49.15%, measured as operating costs to the gross operating result, and 1.79% measured as operating costs to total assets. With respect to the Basel ratio, this was 12.66% at December 2010, reflecting a solvent financial position.

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 the market. As of December 2009, Factoring Security's stock of advances amounted to Ch\$ 134,285 million (Ch\$ 108,614 million in 2009). Risk levels remained controlled at a level of 4.4%, measured as loan provisions to total loans. Its earnings for 2010 were Ch\$ 2,122 million.

Valores Security S.A. Corredores de Bolsa offers its clients the services of securities trading, stock broking and portfolio management. The company produced earnings of Ch\$ 1,501 million in 2010 as a result of a 113% increase in the share volumes traded over the previous year, taking into account trading on the Santiago Stock Exchange and Chilean Electronic Exchange.

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 earnings of Ch\$ 3,762 million in 2010, as a result of 20.9% growth in assets managed over 2009.

Securitizadora Security is focused on securitizations, both mortgages and non-mortgages. The company produced a loss of Ch\$ (84) million in 2010.

Vida Security generated direct premiums in 2010 of Ch\$ 68,210 million and the result of investments was Ch\$ 53,735 million. Total investments amounted to Ch\$769,341 million and technical reserves reached Ch\$ 698,801 million. The equity of Vida Security is Ch\$ 79,689 million and its earnings for 2010 amount to Ch\$ 13,554 million, producing a return on equity of 17.0%.

Penta Security Seguros Generales was formed in 2004 from the merger with the general insurance company Las Américas. Security Previsión is today one of the principal general insurance companies in the industry. Grupo Security has a 29.35% shareholding, which generated earnings of Ch\$ 2,507 million in 2010.

Servicios Security is the parent company of the subsidiaries Corredora de Seguros Security, CooperGay Chile Corredores de Reaseguros and Europ Assistance (controlled 99.0%, 49.0% and 49.9% respectively by Grupo Security). Servicios Security produced earnings for 2010 of Ch\$ 901 million.

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's projects are mainly located in the districts of Vitacura, Las Condes, Ñuñoa, Providencia, Lo Barnechea and Huechuraba in Santiago. All are in excellent locations, with good designs and infrastructure, and high-quality finishings.

The company recorded earnings in 2010 of Ch\$ 400 million.

Travel Security is the second largest travel agency in Chile and is the sole representative for the travel services of American Express, the world's largest travel-service office network. The travel agencies Turismo Tajamar and Travel Security were merged in 2007, leaving Grupo Security with a controlling 55% shareholding in the merged company which continues with the name Travel Security. In 2010, the company reported sales of over US\$188 million and earnings of Ch\$ 1,402 million.

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

Grupo Security has investments in related companies in different business areas, mainly in the areas of insurance and services through CooperGay Corredores de Reaseguros, Europ Assistance and Compañía de Seguros Penta Security and the private investment funds of Inmobiliaria Security. At the date of these financial statements, investments booked using the participation method in the consolidated statement of financial position represent approximately 0.27% of the total assets.

Goodwill represents the excess of the acquisition cost over the fair value of assets and liabilities. As of December 2010, the fair value in the consolidated statements of financial position amounts to Ch\$ 42,870 million, equivalent to 1.03% of total assets.

In view of the different nature of the companies comprising the investment in related companies, their market value normally represents a value higher than book value, depending on the industry and the economic conditions these face.



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5. RISK FACTORS

5.1 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 distributed 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; Banco Security distributed dividends to Grupo Security of Ch\$ 23,028 million in 2010. 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 2010 came from Factoring Security, amounting to Ch\$ 1,405 million in April. The solvency rating of Factoring Security is A+ / Level 1, granted by both Feller-Rate and International Credit Ratings.

With respect to the Group's 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% in each. 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 financial industry.

5.2 Other risk factors

5.2.1 General economic performance.

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.

5.2.2 Competition in all the Group's businesses

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 customer loyalty thanks to the niche strategy that guides the Group's development. This permits Grupo Security to generate a favorable market position with respect to the competition.

5.2.3 Regulatory changes

The banking and insurance industries, in which the Group 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.

5.3 Risks related to the financial business

5.3.1 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 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.



5.3.2 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 which have a special system for controlling interest-rate risk together with constant monitoring of their medium and long-term investments which enables an active follow-up of the investment portfolios.

5.3.3 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.

5.3.4 Interest rate risk

As of December 31, 2010, the company shows loans at reasonable rates for existing market conditions.

5.3.5 Exchange risk

As Grupo Security policy, foreign-currency transactions with financial institutions are duly matched with sale transactions in the same currency.

5.3.6 Commodity risk

Grupo Security has no significant assets or liabilities in commodities as of December 31, 2010.

5.4 Insurance business risks

5.4.1 Local financial risks

The reduction in long and medium-term interest rates could affect the yield from 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.

5.4.2 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 meDECAl 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.

5.4.3 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.

5.4.4 Reinsurance industry

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

5.4.5 Domestic competition

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



6 PERFORMANCE INDECATORS OF THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

LIQUIDITY RATIOS		31-DEC-10	31-DEC-09
Current ratio (Total current assets/Total current liabilities)	times	1.11	1.10
Acid test (Cash & cash equivalents/Total current liabilities)	times	0.04	0.04
LEVELS OF ACTIVITY		31-DEC-10	31-DEC-09
Total assets	Ch\$ millions	4,173,242	4,489,050
Inventory turnover		NA	NA
Inventory permanence		NA	NA
DEBT RATIO		31-DEC-10	31-DEC-09
Individual financial debt ratio ¹	times	0.31	0.35
Current liabilities /Total liabilities	times	0.93	0.93
Non-current liabilities /Total liabilities	times	0.07	0.07
Consolidated financial expense coverage	times	12.93	7.42
RESULTS		31-DEC-10	31-DEC-09
Ordinary business revenues	Ch\$ millions	348,044	307,179
Cost of sales	Ch\$ millions	(199,319)	(175,141)
Gross margin	Ch\$ millions	148,725	132,038
Administrative expenses	Ch\$ millions	(86,934)	(90,949)
Operating result ⁵	Ch\$ millions	61,791	41,089
Financial costs	Ch\$ millions	(4,122)	(5,807)
Earnings before tax	Ch\$ millions	49,183	37,261
Earnings attributable to controller shareholders	Ch\$ millions	40,852	29,986
E.B.I.T.D.A. ⁷	Ch\$ millions	57,824	47,354
PROFITABILITY		31-DEC-10	31-DEC-09
Return on equity ²	%	13.59%	10.42%
Return on assets ³	%	0.98%	0.67%
Return on operational assets ^{4&5}	%	1.56%	0.95%
Earnings per share ⁶	Ch\$	16.02	11.76
Dividend yield	%	3.5%	4.6%
(Div. paid 12 months/Closing price for period)			

1. Individual debt ratio: the individual total debt Grupo Security to Consolidated equity, as defined in Note 31 to the consolidated financial statements of Grupo Security.
2. Return on equity: Earnings attributable to the controller shareholders to Equity attributable to the controller shareholders.
3. Return on assets: Earnings attributable to the controller shareholders to Total assets.
4. Operational assets: Total current assets.
5. Operating result: Gross margin plus Administrative expenses.
6. Earnings per share: Earnings attributable to the controller shareholders over the number of shares.
7. E.B.I.T.D.A.: The sum of Earnings before tax, Financial expenses and Depreciation.
8. Return on operating assets: The Operating result over Operating assets (annualized).
9. Financial expenses coverage: The sum of Earnings before tax and Financial costs to Financial costs

Consolidated statements of cash flows of Grupo Security S.A.

Description and analysis of the principal cash-flow components:

STATEMENT OF CASH FLOWS	31-DEC-10	31-DEC-09
FOR THE YEARS ENDED DECEMBER 31, 2010 & 2009	CH\$ MILLIONS	CH\$ MILLIONS
Net cash flow from operating activities	(62,569)	(213,239)
Net cash flow from investment activities	50,765	7,429
Net cash flow from financing activities	(5,152)	171,701
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS, BEFORE THE EFFECT OF EXCHANGE-RATE CHANGES	(16,955)	(34,109)
Effects of exchange-rate changes on cash & cash equivalents	23	10
Net increase (decrease) in cash & cash equivalents	(16,932)	(34,099)
CASH & CASH EQUIVALENTS AT THE START OF THE PERIOD	161,287	195,386
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	144,354	161,286

The net cash flow from operating activities of Ch\$ (62,569) million in 2010 compares to Ch\$ (213.239) million in 2009, mainly due to the total adjustments of gains and losses in 2009.

The net cash flow from investment activities was Ch\$ 50,765 million in 2010, compared to Ch\$ 7,429 million in 2009.

The net flow from financing activities of Ch\$ (5,152) million in 2010, compared to Ch\$ 171,701 million in 2009, corresponds mainly to dividend payments of Ch\$ (13,421) million and the repayment of loans to related entities of Ch\$ (11,964) million in 2010.

The following are the Company's credit ratings:

RATING AGENCY	DECEMBER 2010		
	COMMON SHARES	COMMON SHARES BONDS N° 340 SERIES B-2 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
Risk Rating Commission	Approved	A+	



\$ Pesos Chilenos
MM\$ Millones de Pesos Chilenos
US\$ Dólares Estadounidenses
U.F. Unidades de Fomento

financial statements

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SUMMARIZED FINANCIAL STATEMENTS OF
SUBSIDIARIES



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BANCO SECURITY AND SUBSIDIARIES

TYPE OF ENTITY

Banking corporation.

REGISTRATION IN THE SECURITIES REGISTER

Banco Security is not registered in the securities register.

OBJECTS

Carry out all acts, contracts, operations and activities common to a commercial bank, in accordance with current 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 capital is Ch\$138,207 million and equity Ch\$206,447 million as of December 31, 2010.

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

The total assets of Banco Security and subsidiaries represent 73.3% of the consolidated assets of Grupo Security.

COMMERCIAL RELATION WITH SUBSIDIARIES, ASSOCIATES 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 of the board Directors

Francisco Silva S.	Tax No.: 4.103.061-5
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
Ramón Eluchans O.	Tax No.: 6.464.460-2

President

Banco Security and Subsidiaries**Consolidated Statement of Financial Position**

For the year ended december 31, 2010 and 2009

(In millions of Chilean pesos - MCh\$)

	DICIEMBRE 31, 2010 MCH\$	DICIEMBRE 31, 2009 MCH\$
ASSETS		
Cash and deposits in banks	114,409	64,852
Unsettled transactions	131,111	116,161
Trading investments	389,522	396,043
Investments under resale agreements	-	20,807
Financial derivative contracts	61,936	66,280
Interbank loans, net	11,325	312,431
Loans and accounts receivable from customers, net	1,939,372	1,845,419
Available for sale investments	278,007	484,353
Held to maturity investments	-	-
Investments in other companies	621	621
Intangible assets	21,755	16,124
Property, plant and equipment, net	22,695	22,491
Current tax asset	650	3,021
Deferred tax asset	36,131	36,185
Other assets	115,984	67,584
TOTAL ASSETS	3,123,518	3,452,372
LIABILITIES		
Deposits and other on demand obligations	285,464	255,777
Unsettled transactions	109,251	74,738
Repurchase agreements	40,588	401,975
Time deposits and other time liabilities	1,696,711	1,651,418
Financial derivative contracts	60,267	80,165
Interbank borrowings	155,982	132,120
Issued debt instruments	425,579	515,822
Other financial obligations	38,358	51,371
Current tax liability	-	7,233
Deferred tax liability	34,663	34,126
Provisions	16,288	10,911
Other liabilities	53,920	38,862
TOTAL LIABILITIES	2,917,071	3,254,518
EQUITY		
Attributable to Bank owners		
Capital	138,207	138,207
Reserves	22,224	22,224
Valuation adjustments	(1,108)	(3,349)
Retained earnings:		
Retained earnings from prior years	23,459	24,579
Net income for the year	33,706	23,040
Less: Provision for minimum dividends	(10,112)	(6,912)
	206,376	197,789
NON-CONTROLLING INTEREST	71	65
TOTAL EQUITY	206,447	197,854
TOTAL LIABILITIES AND EQUITY	3,123,518	3,452,372

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Banco Security and Subsidiaries

Consolidated Statements of Income

For the year ended december 31, 2010 and 2009

(Except earnings per share balance in millions of Chilean pesos - MCh\$)

	DICIEMBRE 31, 2010 MCH\$	DICIEMBRE 31, 2009 MCH\$
Interest income	134,718	117,959
Interest expense	(78,358)	(66,267)
NET INTEREST INCOME (EXPENSE)	56,360	51,692
Commission income	29,531	25,247
Commission expense	(4,808)	(3,649)
NET INCOME (EXPENSE) FROM COMMISSIONS	24,723	21,598
Income from financial operations, net	28,410	1,926
Foreign exchange gain (loss), net	4,241	14,133
Other operating income	3,009	3,985
TOTAL OPERATING INCOME	116,743	93,334
Provision for loan losses	(17,658)	(14,819)
NET OPERATING PROFIT	99,085	78,515
Personnel salaries and expenses	(25,590)	(20,507)
Administrative expenses	(27,732)	(24,433)
Depreciation and amortization	(2,702)	(2,435)
Impairment	-	-
Other operating expenses	(4,319)	(3,510)
TOTAL OPERATING EXPENSES	(60,343)	(50,885)
NET OPERATING INCOME	38,742	27,630
INCOME FROM INVESTMENTS IN OTHER COMPANIES	154	205
Income before tax	38,896	27,835
Income tax expense	(5,186)	(4,796)
Income from continuing operations	33,710	23,039
Income from discontinued operations, net of tax	-	-
CONSOLIDATED NET INCOME FOR THE YEAR	33,710	23,039
Attributable to:		
Bank owners	33,706	23,040
Non-controlling interest	4	(1)
EARNINGS PER SHARE OF BANK OWNERS:	\$	\$
Basic earnings	222	152
Diluted earnings	222	152

Banco Security and Subsidiaries**Statement of Comprehensive Income**

For the year ended december 31, 2010 and 2009

(In millions of Chilean pesos - MCh\$)

	DICIEMBRE 31, 2010 MCH\$	DICIEMBRE 31, 2009 MCH\$
CONSOLIDATED NET INCOME FOR THE YEAR	33,710	23,039
OTHER COMPREHENSIVE INCOME (EXPENSES)		
Available for sale investments	2,810	11,868
Cash flow hedges	(110)	(1,138)
OTHER COMPREHENSIVE INCOME (EXPENSES)	-	-
Other comprehensive income before income tax	2,700	10,730
TAX OR OTHER COMPREHENSIVE INCOME	(459)	(1,824)
TOTAL OTHER COMPREHENSIVE INCOME	2,241	8,906
CONSOLIDATED COMPREHENSIVE INCOME FOR THE YEAR	35,951	31,945
Attributable to:		
Bank owners	35,947	31,946
Non-controlling interest	4	(1)
COMPREHENSIVE EARNINGS PER SHARE OF THE BANK OWNERS	\$	\$
Basic earnings	237	210
Diluted earnings	237	210



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Banco Security and Subsidiaries
Consolidated Statements of Changes in Equity
 For the year ended december 31, 2010 and 2009
 (Except earnings per share balance in millions of Chilean pesos - MCh\$)

	ATTRIBUTABLE TO BANK OWNERS							NON-CONTROLLING INTEREST	TOTAL
	PAID-IN CAPITAL	RESERVES	VALUATION ADJUSTMENTS	RETAINED EARNINGS			TOTAL		
				PRIOR YEARS	INCOME (LOSS) FOR THE YEAR	MANDATORY DIVIDEND PROVISION			
	MCH\$	MCH\$	MCH\$	MCH\$	MCH\$	MCH\$	MCH\$	MCH\$	MCH\$
BALANCES AT DECEMBER 31, 2008	138,196	22,224	(12,255)	8,461	24,346	(7,304)	173,668	66	173,734
Reclassification of prior year net income	-	-	-	24,346	(24,346)	-	-	-	-
Dividends paid	-	-	-	(7,720)	-	-	(7,720)	-	(7,720)
Provision minimum dividends	-	-	-	-	-	7,304	7,304	-	7,304
Other changes in equity	-	-	-	(508)	-	-	(508)	-	(508)
Share issuance	11	-	-	-	-	-	11	-	11
Investments available for sale	-	-	9,850	-	-	-	9,850	-	9,850
Cash flow hedges	-	-	(944)	-	-	-	(944)	-	(944)
Net income for the year	-	-	-	-	23,040	-	23,040	(1)	23,039
Provision for minimum dividends	-	-	-	-	-	(6,912)	(6,912)	-	(6,912)
BALANCES AT DECEMBER 31, 2009	138,207	22,224	(3,349)	24,579	23,040	(6,912)	197,789	65	197,854
Reclassification of prior year net income	-	-	-	23,040	(23,040)	-	-	-	-
Dividends paid	-	-	-	(23,040)	-	-	(23,040)	-	(23,040)
Provision minimum dividends	-	-	-	-	-	6,912	6,912	-	6,912
Other changes in equity	-	-	-	(1,120)	-	-	(1,120)	2	(1,118)
Investments available for sale	-	-	2,332	-	-	-	2,332	-	2,332
Cash flow hedges	-	-	(91)	-	-	-	(91)	-	(91)
Net income for the year	-	-	-	-	33,706	-	33,706	4	33,710
Provision for minimum dividends 2010	-	-	-	-	-	(10,112)	(10,112)	-	(10,112)
BALANCES AT DECEMBER 31, 2010	138,207	22,224	(1,108)	23,459	33,706	(10,112)	206,376	71	206,447

Banco Security and Subsidiaries**Consolidated Statements of Cash Flow**

For the year ended december 31, 2010 and 2009

(In millions of Chilean pesos - MCh\$)

	DICIEMBRE 31, 2010 MCH\$	DICIEMBRE 31, 2009 MCH\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
CONSOLIDATED INCOME BEFORE INCOME TAX	38,896	27,835
DEBITS (CREDITS) TO INCOME THAT DO NOT REPRESENT CASH FLOWS		
Provision for loan losses	17,658	14,819
Depreciation and amortization	2,702	2,435
Other provisions	3,036	2,768
Changes in deferred tax assets and liabilities	591	(1,818)
Valuation investments trading book	(565)	2,816
Valuation financial derivative trading contracts	(13,806)	11,682
Income from investment in other companies	(154)	(205)
Income from sale of assets received in lieu of payment	(243)	(321)
Net income from commissions	(24,723)	(21,598)
Net interest income	(56,360)	(51,692)
Other charges and credits that do not represent cash flows	(24,920)	(16,079)
Changes in operating assets and liabilities:		
(Increase) decrease in interbank loans	301,113	(219,075)
Net (increase) decrease in loans and accounts receivable from customers	(102,083)	68,447
(Increase) decrease in investments	214,206	(145,296)
(Increase) decrease in leased assets	2,491	172
Sale of assets awarded in lieu of payment	761	2,172
Increase (decrease) in deposits and other on demand obligations	29,623	34,445
Increase (decrease) in repurchase and resale agreements	(361,387)	311,891
Increase (decrease) in deposits and other time deposits	47,090	(31,315)
Net change in letters of credit	(11,928)	(9,305)
Net change in current bonds	(68,474)	64,502
(Increase) decrease in other assets and liabilities	(35,841)	(11,343)
Refunded tax	17	3,281
Interest and other adjustments received	138,239	181,685
Interest and other adjustments paid	(89,729)	(124,203)
Commissions received	29,531	25,247
Commissions paid	(4,808)	(3,649)
NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	30,933	118,298
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,187)	(608)
Acquisition of intangible assets	(7,101)	(4,564)
Sale of property, plant and equipment	-	-
NET CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	(9,288)	(5,172)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in obligations with national banks	(3,498)	(563)
Increase (decrease) in obligations with foreign banks	27,199	(156,818)
Change in obligations with Chilean Central Bank	-	-
Net change in subordinated bonds	1,656	139
Increase (decrease) in other financial obligations	(14,771)	9,094
Proceeds from share issuance	-	11
Dividends paid	(23,040)	(7,720)
NET CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES	(12,454)	(155,857)
TOTAL NET CASH FLOWS PROVIDED BY (USED IN) THE PERIOD	9,191	(42,731)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	127,082	169,812
NON-CONTROLLING INTEREST	(4)	1
CASH AND CASH EQUIVALENT AT END OF THE YEAR	136,269	127,082



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VALORES SECURITY S.A. CORREDORES DE BOLSA

TYPE OF ENTITY

Corporation, subsidiary of Banco Security.

REGISTRATION IN SECURITIES REGISTER

Valores Security is registered in the Securities Register with No.0111.

OBJECTS

To carry on business in various areas such as trading in shares and 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 was 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, 2010 is Ch\$2,185 million and its total equity was Ch\$28,727 million.

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

The total assets of Valores Security represent 10.3% of the consolidated assets of Grupo Security.

COMMERCIAL RELATIONS WITH SUBSIDIARIES, ASSOCIATES 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 equity 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 of the board Directors

Ramón Eluchans O.	Tax No.: 6.464.460-2
Nicolás Ugarte B.	Tax No.: 7.033.564-6
Enrique Menchaca O.	Tax No.: 6.944.388-5
Gonzalo Baraona B.	Tax No.: 7.054.341-9
Fernando Salinas P.	Tax No.: 8.864.773-4
Rodrigo Fuenzalida B.	Tax No.: 10.328.181-4

President

Summarized Financial Statements as of December 31, 2010 and 2009

BALANCE SHEET	2010*	2009*
	CH\$ MILLIONS	CH\$ MILLIONS
ASSETS		
Current assets	446,621.5	599,914.4
Fixed assets	149.1	166.0
Other assets	566.7	550.4
TOTAL ASSETS	447,337.3	600,630.7
LIABILITIES		
Current liabilities	418,610.2	573,406.4
Long-term liabilities	0.0	0.0
Total Equity	28,727.1	27,224.4
TOTAL LIABILITIES & EQUITY	447,337.3	600,630.7
STATEMENT OF RESULTS		
Operating result	2,274.2	(816.4)
Non-operating result	(549.1)	707.8
Result before tax	1,725.2	(108.7)
Income tax	(223.8)	132.7
RESULT FOR THE YEAR	1,501.4	24.1
CASH FLOWS		
Cash flow from operating activities	(4,941.8)	(393.2)
Cash flow from investment activities	2,234.3	288.8
Cash flow from financial activities	65.4	90.2
Net cash flow for the year	(2,642.1)	(14.2)
Effect monetary correction	(37.6)	72.3
NET CHANGE IN CASH & CASH EQUIVALENTS	(2,679.7)	58.1

*Note: these financial statements are presented under GAAP, adjusted for inflation



GRUPO | security

ADMINISTRADORA GENERAL DE FONDOS SECURITY S.A.

TYPE OF ENTITY

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. as agreed at the extraordinary shareholders meeting of July 4, 2003, which changed the 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 to the regulatory authority of the Superintendency of Securities and Insurance.

PAID CAPITAL AND EQUITY

As of December 2010, the company's paid capital is Ch\$14,316 million and its equity Ch\$14,316 million.

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

The total assets of Administradora General de Fondos Security S.A. represent 0.4% of the consolidated assets of Grupo Security.

COMMERCIAL RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT

Administradora General de Fondos Security S.A. provides investment services for the purchase of mutual fund quotas to each of the subsidiaries and associates of Grupo Security S.A., and the parent company.

BOARD OF DIRECTORS

Chairman of the board Directors

Francisco Silva S.	Tax No.: 4.103.061-5
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
Bonifacio Bilbao H.	Tax No.: 9.218.210-K
Juan Pablo Lira T.	Tax No. : 7.367.430-1

President

Summarized Financial Statements as of December 31, 2010 and 2009

BALANCE SHEET	2010*	2009*
	CH\$ MILLIONS	CH\$ MILLIONS
ASSETS		
Current assets	15,931.1	11,822.0
Fixed assets	55.8	50.2
Other assets	0.0	0.0
TOTAL ASSETS	15,986.9	11,872.3
LIABILITIES		
Current liabilities	1,670.9	1,318.3
Long-term liabilities	0.0	0.0
Equity	14,316.0	10,554.0
TOTAL LIABILITIES & EQUITY	15,986.9	11,872.3
STATEMENT OF RESULTS		
Operating result	4,588.2	2,753.4
Non-operating result	(89.4)	442.5
Result before tax	4,498.9	3,195.9
Income tax	(736.8)	(514.2)
RESULT FOR THE YEAR	3,762.0	2,681.8
CASH FLOWS		
Cash flow from operating activities	4,331.0	3,423.2
Cash flow from investment activities	(7,152.2)	187.4
Cash flow from financial activities	0.0	0.0
Net cash flow for the year	(2,821.2)	3,610.6
Effect of monetary correction	(52.8)	206.6
NET CHANGE IN CASH & CASH EQUIVALENTS	(2,874.0)	3,817.2

*Note: these financial statements are presented under GAAP, adjusted for inflation



GRUPO | security

FACTORING SECURITY S.A.

TYPE OF ENTITY

Closely-held corporation.

REGISTRATION IN 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, 2010 is Ch\$15,218 million and the equity Ch\$21,874 million.

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

The total assets of Factoring Security S.A. represents 3.3% of the consolidated 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 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

Summarized Financial Statements as of December 31, 2010 and 2009

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2010	2009
	CH\$ MILLIONS	CH\$ MILLIONS
ASSETS		
Current assets	133,449.4	124,999.0
Non-current assets	2,760.3	2,681.4
TOTAL ASSETS	136,209.7	127,680.4
LIABILITIES		
Current liabilities	113,863.7	106,179.3
Non-current liabilities	472.0	508.7
Equity attributable to owners of the controller	21,874.0	20,992.4
Non-controller participations	0.0	0.0
TOTAL LIABILITIES AND EQUITY	136,209.7	127,680.4
STATEMENT OF RESULTS BY FUNCTION		
Earnings (loss) gross	9,909.2	12,816.0
Non-operating earnings (loss)	(7,733.6)	(9,497.2)
Earnings (loss) before taxes	2,175.6	3,318.8
Charge for income tax	(53.5)	(648.1)
Earnings (loss)	2,122.1	2,670.6
Earnings (loss) attributable to the owners	2,122.1	2,670.6
EARNINGS (LOSS) ATTRIBUTABLE TO NON-CONTROLLER PARTICIPATIONS	0.0	0.0
CASH FLOWS		
Net cash flow from operating activities	(12,870.0)	31,457.1
Net cash flow from investment activities	7,133.3	651.1
Net cash flow from financing activities	6,391.1	(40,981.3)
Net increase in cash flow	654.4	(8,873.2)
Effects of changes in exchange rate on cash flows	0.0	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	654.4	(8,873.2)
STATEMENT OF CHANGES IN EQUITY		
Paid capital	15,217.7	15,217.7
Share premium	0.0	0.0
Other reserves	(994.9)	(1,159.4)
Accumulated earnings (losses)	7,651.2	6,934.1
Equity attributable to owners of the controller	21,874.0	20,992.4
Non-controller participations	0.0	0.0
TOTAL EQUITY	21,874.0	20,992.4



GRUPO | security

ASESORIAS SECURITY S.A. AND SUBSIDIARIES

TYPE OF ENTITY

Closely-held corporation.

REGISTRATION IN SECURITIES REGISTER

Asesorías Security S.A. is not registered in the Securities Register.

OBJECTS

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, 2010 is Ch\$1,031 million and the equity Ch\$1,146 million.

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

The total assets of Asesorías Security S.A. represent 2.3% of the consolidated 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

Summarized Financial Statements as of December 31, 2010 and 2009

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2010	2009
	CH\$ MILLIONS	CH\$ MILLIONS
ASSETS		
Current assets	95,539.3	62,125.2
Non-current assets	77.5	75.3
TOTAL ASSETS	95,616.8	62,200.5
LIABILITIES		
Current liabilities	94,457.5	61,051.0
Non-current liabilities	13.2	13.1
Equity attributable to owners of the controller	1,138.4	1,132.5
Non-controller participations	7.6	3.9
TOTAL LIABILITIES AND EQUITY	95,616.8	62,200.5
STATEMENT OF RESULTS BY FUNCTION		
Earnings (loss) gross	1,189.6	1,332.1
Non-operating earnings (loss)	(1,219.4)	(1,373.0)
Earnings (loss) before taxes	(29.8)	(40.9)
Charge for income tax	43.0	(15.0)
Earnings (loss)	13.2	(55.9)
Earnings (loss) attributable to the owners	13.2	(49.9)
EARNINGS (LOSS) ATTRIBUTABLE TO NON-CONTROLLER PARTICIPATIONS	0.0	(6.0)
CASH FLOWS		
Net cash flow from operating activities	(718.3)	396.4
Net cash flow from investment activities	(12.2)	43.5
Net cash flow from financing activities	0.0	0.0
Net increase in cash flow	(730.4)	439.9
Effects of changes in exchange rate on cash flows	15.3	16.4
NET INCREASE IN CASH AND CASH EQUIVALENTS	(715.1)	456.3
STATEMENT OF CHANGES IN EQUITY		
Paid capital	1,030.7	1,030.7
Share premium		
Other reserves		
Accumulated earnings (losses)	107.7	101.7
Equity attributable to owners of the controller	1,138.4	1,132.5
Non-controller participations	7.6	3.9
TOTAL EQUITY	1,146.0	1,136.4



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SECURITIZADORA SECURITY S.A.

TYPE OF ENTITY

Closely-held corporation.

REGISTRATION IN SECURITIES REGISTER

Securitizadora Security S.A. is registered in the Securities Register under No.640.

OBJECTS

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 abstract 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 GMAC-RFC. Consequently, Grupo Security is the holder of 99.98% in the company and 0.02% is held by Asesorías Security S.A. The extraordinary shareholders meeting held on September 22, 2008, modified the company's name to Securitizadora Security S.A., by a deed signed on September 25, 2008 before the notary Guillermo Le-Fort Campo. The board on December 29, 2009 accepted the resignation of the director Ramón Eluchans Olivares, and this was informed to the Superintendency. The board on December 30, 2009 unanimously agreed a transitory general policy regarding habitual ordinary operations with related parties which refer to its business and whose purpose is to contribute to the corporate interests, whose price, terms and conditions are similar to those prevailing in the market. This was communicated to the Superintendency on January 4, 2010, in accordance with article 147, 2 b) of the Corporations Law (amended by Law 20,382 of October 2009). The ordinary shareholders meeting held on April 30, 2010 approved the appointment of new external auditors, Deloitte Auditores y Consultores Limitada, for the year 2010 and Andrés Tagle Domínguez was appointed as a new director. The corporate address and head office of the company is Av. Apoquindo 3,150, 7th floor, Santiago, and its web page is www.securitizadorasecurity.cl.

PAID CAPITAL AND EQUITY

The capital and reserves as of December 31, 2010 are Ch\$ 2,086 million and its equity Ch\$ 1,613 million.

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

The total assets of Securitizadora Security S.A. represent 0.05% of the consolidated 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 associates.

BOARD OF DIRECTORS

Chairman Directors	Francisco Silva S.	Tax No.: 4.103.061-5
	Christian Sinclair M.	Tax No.: 6.379.747-2
	Renato Peñafiel M.	Tax No.: 6.350.390-8
	Carlos Budge C.	Tax No.: 7.011.490-9
	Andrés Tagle D.	Tax No.: 5.895.255-9
President	Juan Enrique Montes M.	Tax No.: 9.253.937-7

Summarized Financial Statements as of December 31, 2010 and 2009

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2010	2009
	CH\$ MILLIONS	CH\$ MILLIONS
ASSETS		
Current assets	1,462.7	1,619.4
Non-current assets	560.3	505.1
TOTAL ASSETS	2,023.0	2,124.4
LIABILITIES		
Current liabilities	33.8	79.6
Non-current liabilities	375.7	347.8
Equity attributable to owners of the controller	1,613.4	1,697.1
Non-controller participations	0.0	0.0
TOTAL LIABILITIES AND EQUITY	2,023.0	2,124.4
STATEMENT OF RESULTS BY FUNCTION		
Earnings (loss) gross	113.7	358.1
Non-operating earnings (loss)	(228.2)	(345.8)
Earnings (loss) before taxes	(114.5)	12.3
Charge for income tax	30.9	5.7
Earnings (loss)	(83.6)	18.0
Earnings (loss) attributable to the owners	(83.6)	18.0
EARNINGS (LOSS) ATTRIBUTABLE TO NON-CONTROLLER PARTICIPATIONS	0.0	0.0
CASH FLOWS		
Net cash flow from operating activities	95.3	608.1
Net cash flow from investment activities	(2.9)	(4.3)
Net cash flow from financing activities	(0.7)	(1,000.0)
Net increase in cash flow	91.8	(396.1)
Effects of changes in exchange rate on cash flows	0.0	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	91.8	(396.1)
STATEMENT OF CHANGES IN EQUITY		
Paid capital	2,086.1	2,086.1
Share premium	25.6	25.6
Other reserves	0.0	0.0
Accumulated earnings (losses)	(498.2)	(414.6)
Equity attributable to owners of the controller	1,613.4	1,697.1
Non-controller participations	0.0	0.0
TOTAL EQUITY	1,613.4	1,697.1



GRUPO | security

GLOBAL ASSET ADVISORS

TYPE OF ENTITY

Closely-held corporation

REGISTRATION

Registered as a BVI Company N°1,052,532 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 EQUITY

The issued capital of the company as of December 31, 2010 is Ch\$140 million and its equity Ch\$757 million.

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

The total assets of Global Asset Advisors Ltd. represent 0.02% of the consolidated assets of Grupo Security.

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

Summarized Financial Statements as of December 31, 2010 and 2009

ESTADO DE SITUACIÓN FINANCIERA CLASIFICADO	2010*	2009*
	MM\$	MM\$
ASSETS		
Current assets	761.9	400.7
Fixed assets	0.0	0.0
Other assets	0.0	0.0
TOTAL ASSETS	761.9	400.7
LIABILITIES		
Current liabilities	5.0	6.1
Long-term liabilities	0.0	0.0
Equity	756.9	394.6
TOTAL LIABILITIES & EQUITY	761.9	400.7
STATEMENT OF RESULTS		
Operating result	722.6	612.7
Non-operating result	(2.2)	(17.3)
Result before tax	720.3	595.4
Income tax	0.0	0.0
RESULT FOR THE YEAR	720.3	595.4
CASH FLOWS		
Cash flow from operating activities	347.2	(116.4)
Cash flow from investment activities	0.0	0.0
Cash flow from financial activities	0.0	0.0
Net cash flow for the year	347.2	(116.4)
Effect of monetary correction	0.0	0.0
NET CHANGE IN CASH & CASH EQUIVALENTS	347.2	(116.4)

*Note: these financial statements are presented under GAAP, adjusted for inflation



GRUPO | security

INVERSIONES SEGUROS SECURITY LTDA AND SUBSIDIARIES

TYPE OF ENTITY

Limited partnership

REGISTRATION IN THE SECURITIES REGISTER

Inversiones Seguros Security Ltda. is not registered.

OBJECTS

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 abstract 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 abstract was published in the Official Gazette on January 4, 1999.

PAID CAPITAL AND EQUITY

The capital and reserves as of December 31, 2010 are Ch\$83,457 million and the equity Ch\$96,932 million.

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

The total assets of Inversiones Seguros Security represent 19.8% of the consolidated assets of Grupo Security.

COMMERCIAL RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENTS

As a holding company, trading relations are carried out through its subsidiary companies.

MANAGERS

Renato Peñafiel M.	Tax No.: 6.350.390-8
Francisco Silva S.	Tax No.: 4.103.061-5

Summarized financial statements as of December 31, 2010 and 2009

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2010	2009
	CH\$ MILLIONS	CH\$ MILLIONS
ASSETS		
Current assets	768,859.7	757,930.3
Non-current assets	58,839.7	41,595.8
TOTAL ASSETS	827,699.3	799,526.1
LIABILITIES		
Current liabilities	718,364.6	703,079.3
Non-current liabilities	12,402.6	9,411.3
Equity attributable to owners of the controller	94,964.1	85,061.7
Non-controller participations	1,968.0	1,973.8
TOTAL LIABILITIES AND EQUITY	827,699.3	799,526.1
STATEMENT OF RESULTS BY FUNCTION		
Earnings (loss) gross	35,643.9	31,745.7
Non-operating earnings (loss)	(18,180.9)	(21,285.2)
Earnings (loss) before taxes	17,463.0	10,460.5
Charge for income tax	(1,947.2)	(1,075.5)
Earnings (loss)	15,515.8	9,385.0
Earnings (loss) attributable to the owners	15,159.0	9,106.0
EARNINGS (LOSS) ATTRIBUTABLE TO NON-CONTROLLER PARTICIPATIONS	356.8	278.9
CASH FLOWS		
Net cash flow from operating activities	(40,863.9)	(55,853.4)
Net cash flow from investment activities	52,388.3	35,762.5
Net cash flow from financing activities	220.3	21,072.3
Net increase in cash flow	11,744.6	981.3
Effects of changes in exchange rate on cash flows	7.7	(6.3)
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,752.3	975.0
STATEMENT OF CHANGES IN EQUITY		
Paid capital	83,456.8	83,456.8
Share premium	0.0	0.0
Other reserves	(22,173.9)	(16,917.3)
Accumulated earnings (losses)	33,681.2	18,522.2
Equity attributable to owners of the controller	94,964.1	85,061.7
Non-controller participations	1,968.0	1,973.8
TOTAL EQUITY	96,932.1	87,035.5



GRUPO | security

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 abstract 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, 2010 the paid capital is Ch\$54,459 million and the equity Ch\$79,689 million.

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

The total assets of Seguros Vida Security Previsión S.A. represent 19.1% of the consolidated 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
Vice-chairman	Renato Peñafiel M.	Tax No.: 6.350.390-8
Directors	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
Preseident	Alejandro Alzérreca L.	Tax No.: 7.050.344-1

Summarized financial statements as of December 31, 2010 and 2009

BALANCE SHEET	2010*	2009*
	CH\$ MILLIONS	CH\$ MILLIONS
ASSETS		
Investments	769,341.1	768,928.4
Debtors for premiums & reinsurance	9,618.5	6,156.3
Other assets	22,700.8	23,653.0
TOTAL ASSETS	801,660.5	798,737.7
LIABILITIES		
Technical reserves	698,800.7	699,549.9
Premiums payable	5,838.5	2,986.6
Short-term financial debt	131.4	130.6
Other liabilities	17,201.1	13,374.3
Equity	79,688.8	82,696.4
TOTAL LIABILITIES & EQUITY	801,660.5	798,737.7
STATEMENT OF INCOME		
Operating result	15,954.6	13,894.3
Non-operating result	9.6	(1,960.5)
Earnings before tax	15,964.2	11,933.9
Income tax	(2,409.8)	(1,067.1)
RESULT FOR THE YEAR	13,554.3	10,866.8
CASH FLOWS		
Net cash flow from operating activities	(41,269.2)	(45,403.3)
Net cash flow from investment activities	51,892.6	48,907.8
Net cash flow from financing activities	(10,830.1)	(2,984.9)
Net cash flow for year	(206.6)	519.6
Monetary correction	7.7	(6.5)
NET CHANGE IN CASH & CASH EQUIVALENTS	(198.9)	513.1

*Note: The financial statements are shown under GAAP and are corrected for inflation.



GRUPO | security

COMPañÍA DE SEGUROS GENERALES PENTA SECURITY S.A.

TYPE OF ENTITY
Open corporation.

REGISTRATION
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, 2010 the paid capital is Ch\$ 19,782 million and its equity Ch\$ 28,517 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.
Compañía de Seguros Generales Penta-Security S.A. represents 0.2% of the consolidated assets of Grupo Security.

COMMERCIAL 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
	Hugo Bravo Lopez	Tax No.: 4.709.421-6
Directors	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
	Fernando Cambara Lodigiani	Tax No.: 5.862.380-6
President		

Summarized financial statements as of December 31, 2010 and 2009

BALANCE SHEET	2010*	2009*
	CH\$ MILLIONS	CH\$ MILLIONS
ASSETS		
Investments	49,976.1	44,352.5
Debtors for premiums & reinsurance	83,583.6	61,453.0
Other assets	6,768.2	6,270.9
TOTAL ASSETS	140,327.9	112,076.4
LIABILITIES		
Technical reserves	100,719.0	75,987.3
Short-term financial debt	3,692.3	1,025.0
Other liabilities	7,399.8	7,472.5
Equity	28,516.8	27,591.6
TOTAL LIABILITIES & EQUITY	140,327.9	112,076.4
STATEMENT OF INCOME		
Operating result	2,060.5	3,610.1
Non-operating result	731.8	64.6
Earnings before tax	2,792.3	3,674.7
Income tax	(285.5)	(580.8)
RESULT FOR THE YEAR	2,506.8	3,093.9
CASH FLOWS		
Net cash flow from operating activities	2,224.5	5,688.6
Net cash flow from investment activities	(3,794.9)	(3,547.0)
Net cash flow from financing activities	1,152.1	52.0
Net cash flow for year	(418.3)	2,193.6
Monetary correction	(262.1)	53.5
Efecto diferencia de cambio	1,070.2	(2,247.3)
NET CHANGE IN CASH & CASH EQUIVALENTS	389.9	(0.2)

*Note: The financial statements are shown under GAAP and are corrected for inflation.



GRUPO | security

SERVICIOS SECURITY S.A. AND SUBSIDIARIES

TYPE OF ENTITY

Closely-held corporation.

REGISTRATION

Servicios Security is not registered in the Securities Register.

OBJECTS

Investment in 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 over three years.

PAID CAPITAL AND EQUITY

As of December 31, 2010 the paid capital is Ch\$ 2,299 million and its equity Ch\$ 3,212 million.

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

The total assets of Servicios Security S.A. and subsidiaries represent 0.09% of the consolidated assets of Grupo Security.

COMMERCIAL 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
	Alejandro Mandiola P.	Tax No.: 8.684.673-K
President	Alejandro Mandiola P.	Tax No.: 8.684.673-K

Summarized financial statements as of December 31, 2010 and 2009

ESTADO DE SITUACIÓN FINANCIERA CLASIFICADO	2010*	2009*
	CH\$ MILLIONS	CH\$ MILLIONS
ASSETS		
Current assets	2,621.4	2,373.4
Fixed assets	84.8	111.7
Other assets	1,154.8	1,121.2
TOTAL ASSETS	3,861.0	3,606.4
LIABILITIES		
Current liabilities	601.3	816.8
Long-term liabilities	0.0	0.0
Minority interests	0.0	0.0
Capital & reserves	2,358.6	2,356.5
Result for the year	901.1	433.1
TOTAL LIABILITIES & EQUITY	3,861.0	3,606.4
STATEMENT OF RESULTS		
Operating result	460.0	99.9
Non-operating result	493.8	338.3
Result before tax	953.8	438.2
Minority interest	0.0	0.0
Income tax	(52.8)	(5.0)
RESULT FOR THE YEAR	901.1	433.2
CASH FLOWS		
Cash flow from operating activities	251.7	427.5
Cash flow from investment activities	119.3	232.6
Cash flow from financial activities	(422.5)	22.1
Net cash flow for the year	(51.5)	682.2
Effect of monetary correction	0.0	(18.6)
NET CHANGE IN CASH & CASH EQUIVALENTS	(51.5)	663.6

*Note: these financial statements are presented under GAAP, adjusted for inflation.



GRUPO | security

CORREDORES DE SEGUROS SECURITY LTDA.

TYPE OF ENTITY
Limited partnership.

REGISTRATION
Corredores de Seguros Security Ltda. is not registered in the Securities Register.

OBJECTS
Insurance brokerage.

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, 2010 the paid capital is Ch\$ 2,001 million and its equity Ch\$ 2,126 million.

INVESTMENT AS PROPORTION OF ASSETS OF GRUPO SECURITY S.A.
The total assets of Corredores de Seguros Security Limitada represent 0.06% of the consolidated assets of Grupo Security.

COMMERCIAL 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 with Penta 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 AND MANAGEMENT

Managers	Francisco Silva Silva	Tax No.: 4.103.061-5
	Renato Peñafiel Muñoz	Tax No.: 6.350.390-8
Legal representative	Alejandro Mandiola Parot	Tax No.: 8.684.673-K

Summarized financial statements as of December 31, 2010 and 2009

ESTADO DE SITUACIÓN FINANCIERA CLASIFICADO	2010*	2009*
	CH\$ MILLIONS	CH\$ MILLIONS
ASSETS		
Current assets	2,016.9	2,110.0
Fixed assets	75.0	111.7
Other assets	533.9	816.4
TOTAL ASSETS	2,625.8	3,038.2
LIABILITIES		
Current liabilities	469.4	757.5
Long-term liabilities	0.0	0.0
Equity	2,156.3	2,280.7
TOTAL LIABILITIES & EQUITY	2,625.8	3,038.2
STATEMENT OF RESULTS		
Operating result	362.2	229.2
Non-operating result	89.8	81.0
Result before tax	452.0	310.2
Income tax	(77.0)	(33.9)
RESULT FOR THE YEAR	375.0	276.3
CASH FLOWS		
Cash flow from operating activities	242.6	521.4
Cash flow from investment activities	(7.8)	200.1
Cash flow from financial activities	(333.8)	(50.7)
Net cash flow for the year	(99.0)	670.8
Effect of monetary correction	(18.1)	(8.9)
NET CHANGE IN CASH & CASH EQUIVALENTS	(117.1)	661.9

*Note: these financial statements are presented under GAAP, adjusted for inflation.



GRUPO | security

EUROP ASSISTANCE CHILE S.A.

TYPE OF ENTITY

Closely-held corporation

REGISTRATION

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, by 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, 2010 the paid capital is Ch\$ 417 million and its equity Ch\$ 132 million.

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

Europ Assistance S.A. represents 0.002% of the consolidated assets of Grupo Security.

COMMERCIAL 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	Ricardo Bahamondes Lorca	RUT: 9.910.788-K

Summarized financial statements as of December 31, 2010 and 2009

BALANCE SHEET	2010*	2009*
	CH\$ MILLIONS	CH\$ MILLIONS
ASSETS		
Current assets	969.0	985.4
Fixed assets	129.8	142.7
Other assets	88.0	9.9
TOTAL ASSETS	1,186.9	1,138.1
LIABILITIES		
Current liabilities	1,054.7	791.8
Long-term liabilities	0.0	0.0
Equity	132.2	346.3
TOTAL LIABILITIES & EQUITY	1,186.9	1,138.1
STATEMENT OF RESULTS		
OPERATING RESULT	(257.6)	62.2
Non-operating result	(6.6)	20.1
Result before tax	(264.2)	82.3
Income tax	49.1	(10.2)
RESULT FOR THE YEAR	(215.1)	72.1
CASH FLOWS		
Cash flow from operating activities	34.7	39.4
Cash flow from investment activities	(7.1)	(5.1)
Cash flow from financial activities	0.0	(14.2)
Net cash flow for the year	27.6	20.2
Effect of monetary correction	21.5	0.0
NET CHANGE IN CASH & CASH EQUIVALENTS	49.1	20.2

*Note: these financial statements are presented under GAAP, adjusted for inflation.



GRUPO | security

COOPER GAY CHILE S.A. CORREDORES DE REASEGUROS

TYPE OF ENTITY

Closely-held corporation

REGISTRATION

Cooper Gay Chile S.A. is registered in the register of reinsurance companies of the Superintendency of Securities and Insurance - number C-221.

OBJECTS

Reinsurance brokerage.

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 registered in the corresponding register on March 25, 2004.

PAID CAPITAL AND EQUITY

As of December 31, 2010 the paid capital is Ch\$ 196 million and its equity Ch\$ 1,761 million.

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

Cooper Gay Chile S.A. represents 0.02% of the consolidated 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, principally the insurance companies Penta Security and Vida Security, 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

Summarized financial statements as of December 31, 2010 and 2009

ESTADO DE SITUACIÓN FINANCIERA CLASIFICADO	2010*	2009*
	CH\$ MILLIONS	CH\$ MILLIONS
ASSETS		
Current assets	6,549.8	4,115.7
Fixed assets	89.3	83.8
Other assets	1.7	1.7
TOTAL ASSETS	6,640.9	4,201.1
LIABILITIES		
Current liabilities	4,879.7	3,539.9
Long-term liabilities	0.0	0.0
Equity	1,761.2	661.3
TOTAL LIABILITIES & EQUITY	6,640.9	4,201.1
STATEMENT OF RESULTS		
Operating result	1,840.0	644.5
Non-operating result	(1.6)	(107.2)
Result before tax	1,838.4	537.2
Income tax	(301.4)	(90.3)
RESULT FOR THE YEAR	1,537.0	446.9
CASH FLOWS		
Cash flow from operating activities	1,224.7	(594.3)
Cash flow from investment activities	(25.7)	(494.1)
Cash flow from financial activities	(446.9)	0.0
Net cash flow for the year	752.1	(1,088.3)
Effect of monetary correction	(2.3)	66.4
NET CHANGE IN CASH & CASH EQUIVALENTS	749.9	(1,021.9)

*Note: these financial statements are presented under GAAP, adjusted for inflation.



GRUPO | security

INMOBILIARIA SECURITY S.A. AND SUBSIDIARIES

TYPE OF ENTITY

Closely-held corporation.

REGISTRATION

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, 2010 the issued capital is Ch\$ 2,512 million and its equity Ch\$ 3,691 million.

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

The total assets of Inmobiliaria Security S.A. and subsidiaries represent 0.3% of the consolidated assets of Grupo Security.

COMMERCIAL 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
	Alejandro Alzerreca L.	Tax No.: 7.050.344-1
President	Jaime Correa H.	Tax No.: 5.892.161-0

Summarized Financial Statements as of December 31, 2010 and 2009

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2010	2009
	CH\$ MILLIONS	CH\$ MILLIONS
ASSETS		
Current assets	9,180.1	6,872.8
Non-current assets	2,186.8	3,208.3
TOTAL ASSETS	11,366.9	10,081.0
LIABILITIES		
Current liabilities	7,674.3	6,812.5
Non-current liabilities	1.7	0.2
Equity attributable to owners of the controller	3,659.6	3,267.7
Non-controller participations	31.2	0.6
TOTAL LIABILITIES AND EQUITY	11,366.9	10,081.0
STATEMENT OF RESULTS BY FUNCTION		
Earnings (loss) gross	987.8	12,816.0
Non-operating earnings (loss)	(628.6)	(9,497.2)
Earnings (loss) before taxes	359.1	3,318.8
Charge for income tax	38.8	(648.1)
Earnings (loss)	398.0	2,670.6
Earnings (loss) attributable to the owners	400.5	2,670.6
EARNINGS (LOSS) ATTRIBUTABLE TO NON-CONTROLLER PARTICIPATIONS	(2.5)	0.0
CASH FLOWS		
Net cash flow from operating activities	(2,065.1)	(2,283.6)
Net cash flow from investment activities	1,695.8	769.8
Net cash flow from financing activities	472.3	843.8
Net increase in cash flow	103.0	(670.1)
Effects of changes in exchange rate on cash flows	0.0	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	103.0	(670.1)
STATEMENT OF CHANGES IN EQUITY		
Paid capital	2,512.1	2,571.3
Share premium	0.0	0.0
Other reserves	59.1	(59.1)
Accumulated earnings (losses)	1,088.4	755.6
Equity attributable to owners of the controller	3,659.6	3,267.7
Non-controller participations	31.2	0.6
TOTAL EQUITY	3,690.9	3,268.3



GRUPO | security

INVERSIONES INVEST SECURITY LTDA. AND SUBSIDIARIES

TYPE OF ENTITY

Limited partnership.

REGISTRATION

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, 2010 the issued capital is Ch\$ 4,613 million and its equity Ch\$ 10,243 million.

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

The total assets of Inversiones Invest Security Limitada represent 0.5% of the consolidated assets of Grupo Security.

COMMERCIAL 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 AND MANAGEMENT

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
Karin E. Becker S.	Tax No.: 5.360.901-5
Sergio Candia A.	Tax No.: 6.053.341-5
Alfonso Verdugo R.	Tax No.: 7.097.708-7

Manager, Corporate Culture

Manager, Accounting

Manager, Business Risks and Control

Summarized Financial Statements as of December 31, 2010 and 2009

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2010	2009
	CH\$ MILLIONS	CH\$ MILLIONS
ASSETS		
Current assets	17,471.7	13,028.3
Non-current assets	4,181.6	4,111.0
TOTAL ASSETS	21,653.3	17,139.3
LIABILITIES		
Current liabilities	10,971.3	6,831.7
Non-current liabilities	438.6	983.0
Equity attributable to owners of the controller	6,697.1	6,205.0
Non-controller participations	3,546.3	3,119.6
TOTAL LIABILITIES AND EQUITY	21,653.3	17,139.3
STATEMENT OF RESULTS BY FUNCTION		
Earnings (loss) gross	20,338.4	17,423.6
Non-operating earnings (loss)	(19,071.0)	(16,428.0)
Earnings (loss) before taxes	1,267.4	995.6
Charge for income tax	(141.6)	(49.2)
Earnings (loss)	1,125.9	946.4
Earnings (loss) attributable to the owners	495.1	509.1
EARNINGS (LOSS) ATTRIBUTABLE TO NON-CONTROLLER PARTICIPATIONS	630.9	437.3
CASH FLOWS		
Net cash flow from operating activities	2,555.9	1,813.4
Net cash flow from investment activities	(550.9)	(495.5)
Net cash flow from financing activities	(569.1)	(1,000.8)
Net increase in cash flow	1,435.8	317.1
Effects of changes in exchange rate on cash flows	0.0	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,435.8	317.1
STATEMENT OF CHANGES IN EQUITY		
Paid capital	4,612.6	4,497.7
Share premium	0.0	0.0
Other reserves	404.4	519.3
Accumulated earnings (losses)	1,680.1	1,188.0
Equity attributable to owners of the controller	6,697.1	6,205.0
Non-controller participations	3,546.3	3,119.6
TOTAL EQUITY	10,243.4	9,324.6



GRUPO | security

TRAVEL SECURITY S.A. AND SUBSIDIARIES

TYPE OF ENTITY

Closely-held corporation.

REGISTRATION

Travel Security Ltda. is not registered in the Securities Register.

OBJECTS

Travel agents. The provision of tourist services of all kinds and other services, including the 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; its air freight division was sold in early 1995. 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 changed 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%; Carmen Mackenna y Cía. Ltda. 9%; and Inversiones y Asesorías Ana María Limitada 6%

PAID CAPITAL AND EQUITY

As of December 31, 2010 the issued capital is Ch\$ 5,262 million and its equity Ch\$ 7,878 million.

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

The total assets of Travel Security S.A. and subsidiary represent 0.38% of the consolidated assets of Grupo Security.

COMMERCIAL 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

Oswaldo 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

Summarized Financial Statements as of December 31, 2010 and 2009

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2010	2009
	CH\$ MILLIONS	CH\$ MILLIONS
ASSETS		
Current assets	15,453.6	11,092.4
Non-current assets	564.9	726.9
TOTAL ASSETS	16,018.6	11,819.3
LIABILITIES		
Current liabilities	8,040.2	4,725.5
Non-current liabilities	100.6	164.2
Equity attributable to owners of the controller	7,875.7	6,927.6
Non-controller participations	2.0	2.0
TOTAL LIABILITIES AND EQUITY	16,018.6	11,819.3
STATEMENT OF RESULTS BY FUNCTION		
Earnings (loss) gross	6,673.0	5,897.3
Non-operating earnings (loss)	(5,047.4)	(4,778.9)
Earnings (loss) before taxes	1,625.6	1,118.5
Charge for income tax	(224.0)	(147.7)
Earnings (loss)	1,401.6	970.8
Earnings (loss) attributable to the owners	1,401.6	970.5
EARNINGS (LOSS) ATTRIBUTABLE TO NON-CONTROLLER PARTICIPATIONS	0.0	0.3
CASH FLOWS		
Net cash flow from operating activities	1,936.1	926.1
Net cash flow from investment activities	(34.2)	(106.0)
Net cash flow from financing activities	(453.3)	(1,000.0)
Net increase in cash flow	1,448.6	(179.8)
Effects of changes in exchange rate on cash flows	0.0	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,448.6	(179.8)
STATEMENT OF CHANGES IN EQUITY		
Paid capital	5,262.0	5,262.0
Share premium	0.0	0.0
Other reserves	800.3	768.9
Accumulated earnings (losses)	1,813.4	896.7
Equity attributable to owners of the controller	7,875.7	6,927.6
Non-controller participations	2.0	2.0
TOTAL EQUITY	7,877.8	6,929.6



GRUPO | security

GLOBAL SECURITY GESTIÓN Y SERVICIOS LTDA.

TYPE OF ENTITY

Limited partnership.

REGISTRATION

Global Security Gestión y Servicios Ltda. is not registered in the Securities Register.

OBJECTS

Performance 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, 2010 the issued capital is Ch\$ 83 million and its equity Ch\$ 28 million.

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

The total assets of Global Security Gestión y Servicios Ltda. and subsidiary represent 0.014% of the consolidated assets of Grupo Security.

COMMERCIAL RELATIONS WITH SUBSIDIARIES, ASSOCIATED 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 AND MANAGEMENT

Mandatario	Renato Peñafiel M.	Tax No.: 6.350.390-8
	Francisco Silva S.	Tax No.: 4.103.061-5
Legal representative	Juan Pablo Lira T.	Tax No. : 7.367.430-1

Summarized Financial Statements as of December 31, 2010 and 2009

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2010	2009
	CH\$ MILLIONS	CH\$ MILLIONS
ASSETS		
Current assets	469.3	185.3
Non-current assets	94.3	55.9
TOTAL ASSETS	563.6	241.2
LIABILITIES		
Current liabilities	535.7	224.5
Non-current liabilities	0.0	0.0
Total Equity	27.9	16.8
TOTAL LIABILITIES AND EQUITY	563.6	241.2
STATEMENT OF RESULTS BY FUNCTION		
Earnings (loss) gross	3,316.0	2,631.9
Non-operating earnings (loss)	(3,309.4)	(2,470.2)
Earnings (loss) before taxes	6.6	161.7
Charge for income tax	2.3	(37.4)
Earnings (loss)	8.9	124.2
Earnings (loss) attributable to the owners	8.9	124.2
EARNINGS (LOSS) ATTRIBUTABLE TO NON-CONTROLLER PARTICIPATIONS	0.0	0.0
CASH FLOWS		
Net cash flow from operating activities	42.3	295.2
Net cash flow from investment activities	(0.7)	(28.0)
Net cash flow from financing activities	16.4	(500.3)
Net increase in cash flow	58.0	(233.1)
Effects of changes in exchange rate on cash flows	0.0	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	58.0	(233.1)
STATEMENT OF CHANGES IN EQUITY		
Paid capital	83.0	83.0
Share premium	0.0	0.0
Other reserves	0.0	29.0
Accumulated earnings (losses)	(55.1)	(95.3)
Equity attributable to owners of the controller	27.9	16.8
Non-controller participations	0.0	0.0
TOTAL EQUITY	27.9	16.8



GRUPO | security

MANDATOS SECURITY LTDA.

TYPE OF ENTITY

Limited partnership.

REGISTRATION

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, 2010 the capital and reserves are Ch\$ 17 million and its equity Ch\$ 55 million.

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

The total assets of Mandatos Security Ltda. represent 0.005% of the consolidated assets of Grupo Security.

COMMERCIAL RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT

Mandatos Security provides services of obtaining information for the financial products of Banco Security.

Board and management

Mandatario	Renato Peñafiel M.	Tax No: 6.350.390-8
	Ramón Eluchans O.	Tax No: 6.464.460-2
Legal representative	Luis Gil V.	Tax No: 10.077.185-3

Summarized Financial Statements as of December 31, 2010 and 2009

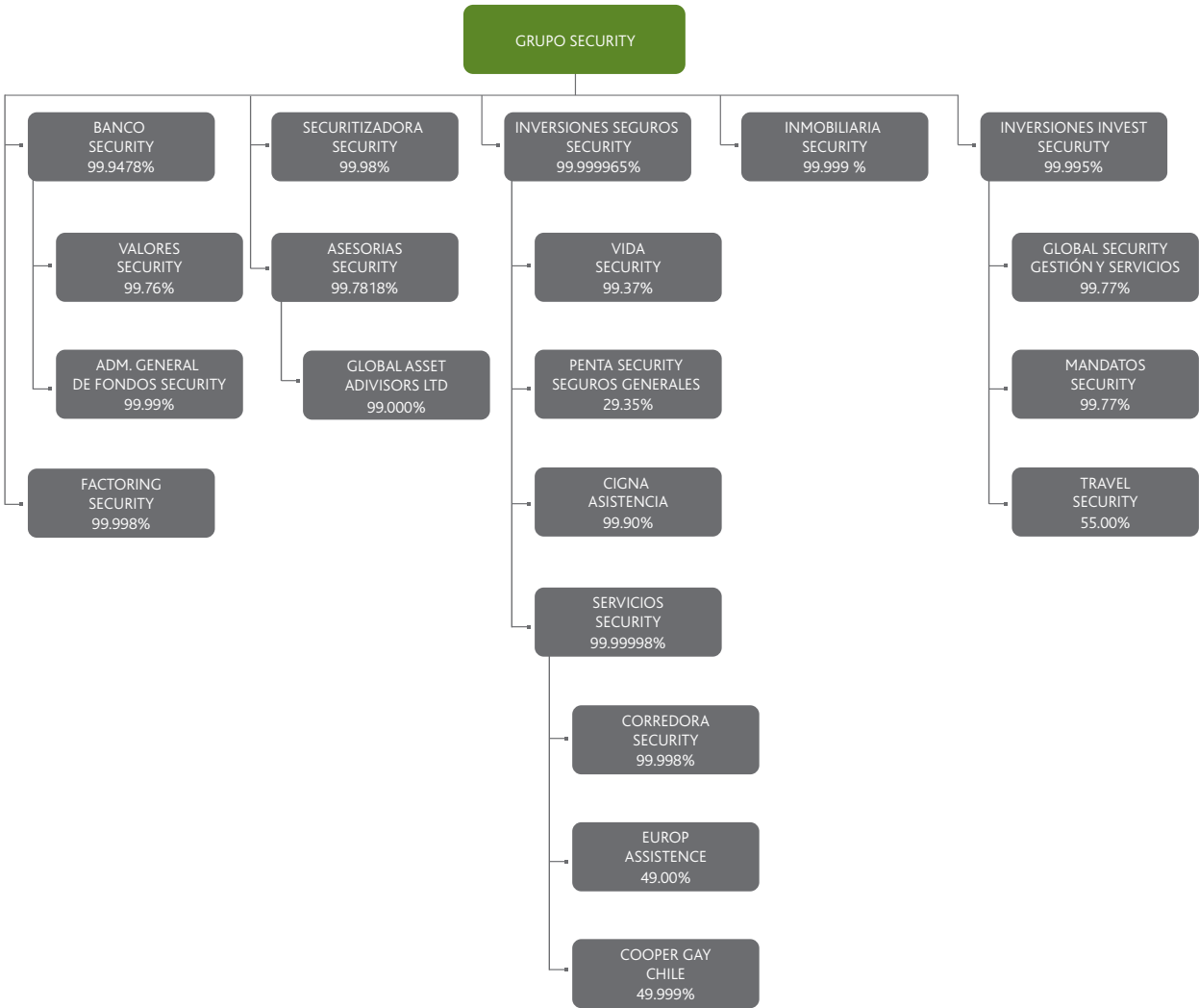
CLASSIFIED STATEMENT OF FINANCIAL POSITION	2010	2009
	CH\$ MILLIONS	CH\$ MILLIONS
ASSETS		
Current assets	77.1	34.4
Non-current assets	129.1	142.4
TOTAL ASSETS	206.2	176.8
LIABILITIES		
Current liabilities	151.6	132.0
Non-current liabilities	0.0	0.0
Total equity	54.6	44.8
TOTAL LIABILITIES AND EQUITY	206.2	176.8
STATEMENT OF RESULTS BY FUNCTION		
Earnings (loss) gross	1,412.2	1,087.1
Non-operating earnings (loss)	(1,405.1)	(1,063.1)
Earnings (loss) before taxes	7.1	24.0
Charge for income tax	2.7	(14.2)
Earnings (loss)	9.8	9.8
Earnings (loss) attributable to the owners	9.8	9.8
EARNINGS (LOSS) ATTRIBUTABLE TO NON-CONTROLLER PARTICIPATIONS	0.0	0.0
CASH FLOWS		
Net cash flow from operating activities	73.2	(14.9)
Net cash flow from investment activities	(25.6)	2.1
Net cash flow from financing activities	4.1	(41.1)
Net increase in cash flow	51.7	(53.9)
Effects of changes in exchange rate on cash flows	0.0	0.0
NET INCREASE IN CASH AND CASH EQUIVALENTS	51.7	(53.9)
STATEMENT OF CHANGES IN EQUITY		
Paid capital	17.2	17.2
Share premium	0.0	0.0
Other reserves	6.9	7.5
Accumulated earnings (losses)	30.5	20.1
Equity attributable to owners of the controller	54.6	44.8
Non-controller participations	0.0	0.0
TOTAL EQUITY	54.6	44.8

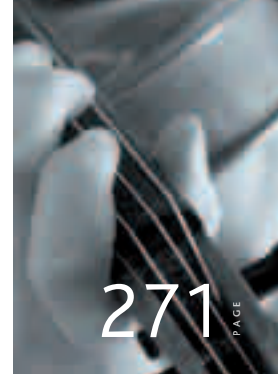
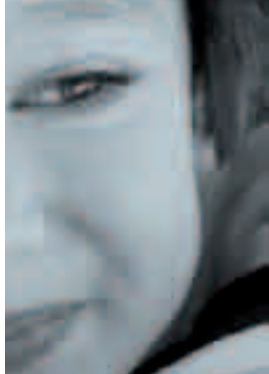


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GROUP OWNERSHIP STRUCTURE

The following shows the ownership structure and relationships between Grupo Security and its subsidiraies:







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
CHAIRMAN • 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

14 declaration of responsibility



JORGE MARÍN CORREA
DIRECTOR • TAX NO. 7.639.707-4



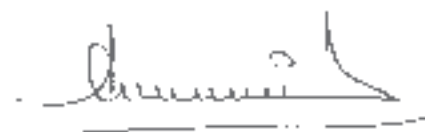
NAOSHI MATSUMOTO TAKASHI
DIRECTOR • TAX NO. 3.805.153-9



HORACIO PAVEZ GARCÍA
DIRECTOR • TAX NO. 3.899.021-7



JUAN CRISTÓBAL PAVEZ RECARTE
DIRECTOR • TAX NO. 9.901.478-4



ÁLVARO VIAL GAETE
DIRECTOR • TAX NO. 5.759.348-2



RENATO PEÑAFIEL MUÑOZ
DIRECTOR • TAX NO. 6.350.390-8





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ADDRESSES OF COMPANIES OF GRUPO SECURITY S.A.

GRUPO SECURITY S.A.

Av. Apoquindo 3150, 15th floor, 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, 7th floor, Las Condes, Santiago.
Telephone: (56-2) 584 4700
Fax: (56-2) 584 4615
Security Phone: (56-2) 584 4040
Web: www.security.cl
E-mail: valores@security.cl

ADMINISTRADORA GENERAL DE FONDOS SECURITY S.A.

Av. Apoquindo 3150, 7th floor, 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, 9th floor, 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, 7th floor, 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, 7th floor, Las Condes, Santiago.
Telephone: (56-2) 584 4615
Fax: (56-2) 584 4009
Web: www.securitizadorasecurity.cl

INMOBILIARIA SECURITY S.A.

Av. Apoquindo 3150, 12th floor, 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, 9th floor, 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, 7th floor, 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, 4th floor, Las Condes, Santiago.
Telephone: (56-2) 584 3000
Fax: (56-2) 584 3190
Web: www.corredorasecurity.cl

GLOBAL SECURITY LTDA.

Av. Apoquindo 3150, 6th floor, Las Condes, Santiago.
Telephone: (56-2) 584 4000
Fax: (56-2) 584 4807
Web: www.security.cl

TRAVEL SECURITY S.A.

Av. Apoquindo 3180, 1st floor, Las Condes, Santiago.
Telephone: (56-2) 584 3400
Fax: (56-2) 584 3505
Web: www.travelsecurity.cl

15 addresses

ADDRESSES OF BRANCHES OF COMPANIES OF GRUPO SECURITY S.A.

BANCO SECURITY

Central switchboard: (56-2) 584-4000
Security Customer Attention Service: (56-2) 5844060
Web: www.security.cl
e-mail: banco@security.cl

Head Office (El Golf)

Apoquindo 3100, Las Condes.
Open hours: 9:00 a.m. – 2:00 p.m..
Tel.: (56-2) 584 4438
Fax: (56-2) 584 4058

Agustinas Branch

Agustinas 621 – Santiago
Open hours: 9:00 – 14:00 hrs.
Tel.: (56-2) 584 4311
Fax: (56-2) 584 4012

Alcántara Branch

Av. Alcántara 44 – Las Condes
Open hours: 9:00 – 14:00 hrs.
Tel.: (56-2) 584 4438
Fax: (56-2) 584 2265

Chicureo Branch

Camino Chicureo Km 1.7 – Colina
Open hours: 8:00 – 14:00 hrs.
Tel.: (56-2) 581 5005
Fax: (56-2) 581 5008

Ciudad Empresarial Branch

Av. del Parque 4023 Stores 110 and 111 – Huechuraba
Open hours: 9:00 – 14:00 hrs.
Tel.: (56-2) 584 4683
Fax: (56-2) 584 4871

El Cortijo Branch

Av. Américo Vespucio 2760 C - Conchalí
Open hours: 9:00 – 14:00 hrs.
Tel.: (56-2) 581 5534
Fax: (56-2) 584 4840

Estoril Branch

Av. Estoril 50 – Las Condes
Open hours: 8:00 – 14:00 hrs.
Tel.: (56-2) 584 2292
Fax: (56-2) 584 2200

La Dehesa Branch

Av. La Dehesa 1744 – Lo Barnechea
Open hours: 8:00 – 14:00 hrs.
Tel.: (56-2) 584 4465
Fax: (56-2) 584 4676

Los Cobres Branch

Av. Vitacura 6577 – Vitacura
Open hours: 9:00 – 14:00 hrs.
Tel.: (56-2) 581 5519
Fax: (56-2) 581 5523

Los Trapenses Branch

Camino Los Trapenses 3023 Stores 1, Lo Barnechea
Open hours: 8:00 – 14:00 hrs.
Teléfonos: 581 5572 - 581 5570
Fax: 581 5573

Plaza Constitución Branch

Agustinas 1235 – Santiago
Open hours: 9:00 – 14:00 hrs.
Tel.: (56-2) 584 4832
Fax: (56-2) 584 4161

Providencia Branch

Av. 11 de Septiembre 2289 – Providencia
Open hours: 9:00 – 14:00 hrs.
Tel.: (56-2) 584 4688
Fax: (56-2) 584 4699

Quilicura Branch

Av. Presidente E. Frei M. 9950 Office 4 – Quilicura
Open hours: 9:00 – 14:00 hrs.
Tel.: (56-2) 581 4691
Fax: (56-2) 538 6652



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Santa Elena Branch

Santa Elena 2400 – San Joaquín
Open hours: 9:00 – 14:00 hrs.
Tel.: (56-2) 584 4762
Fax: (56-2) 555 4750

Santa María de Manquehue Branch

Santa María 6904 Stores 15, Vitacura
Open hours: 8:00 – 14:00 hrs.
Tel: 581 5555
Fax: 581 5550

Vitacura Branch

Av. Vitacura 3706 – Vitacura
Open hours: 9:00 – 14:00 hrs.
Tel.: (56-2) 584 4735
Fax: (56-2) 584 4627

Antofagasta Branch

Av. San Martín 2511 – Antofagasta
Open hours: 9:00 – 14:00 hrs.
Tel.: (56-55) 536 500

Viña del Mar Branch

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Tel.: (56-32) 251 5100
Fax: (56-32) 251 5120

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Av. Bernardo O'Higgins 428 – Concepción
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Fax: (56-41) 290 8021

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Manuel Bulnes 701 – Temuco
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Osorno Branch

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Antofagasta Branch

San Martín 2517
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Chillán Branch

18 de septiembre 661, Stores D and E
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Colo-Colo 451, Office 104, 2th floor
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Valdivia Branch

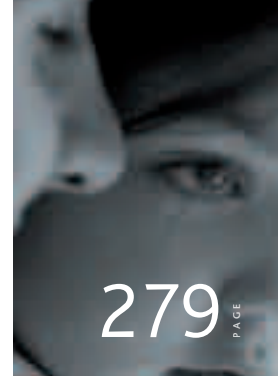
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Tel: (56-63) 360 010

Osorno Branch

Av. Matta 549 Office 905, 9th floor
Tel: (56-64) 450 010

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Casa Matriz

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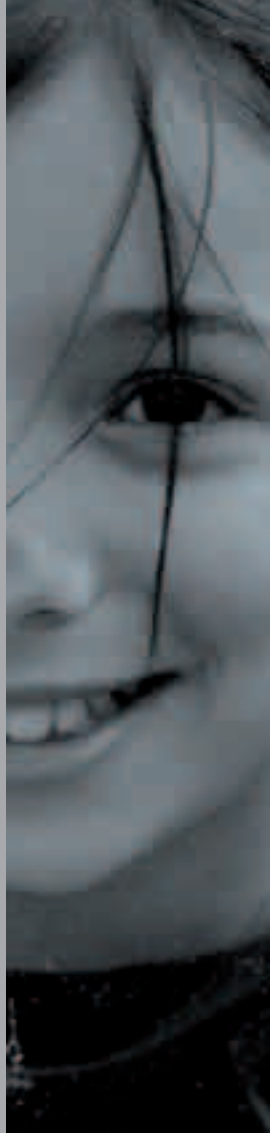
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