



ANUAL REPORT

GRUPO
SECURITY

2011

GRUPO | security

20 AÑOS

GRUPO | security



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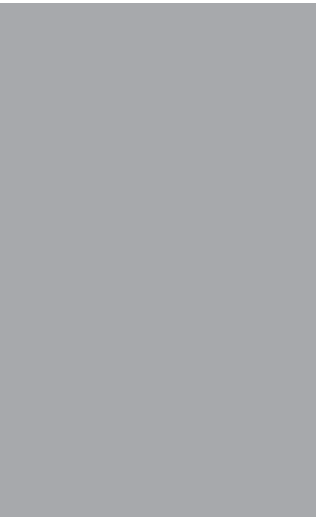
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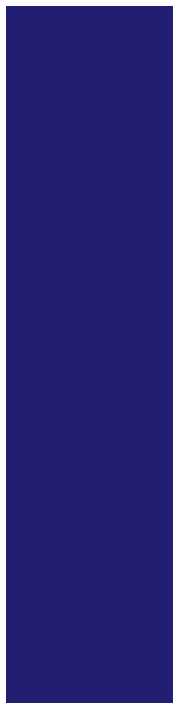


OUR COMPANY

CHAPTER

01

GRUPO | security





TO OUR SHAREHOLDERS:

I have pleasure in presenting to you the Annual Report of Grupo Security for the year 2011.

We are celebrating this year the 20th anniversary of Grupo Security and proudly look back at the growth of the group of companies over that time. We are today a consolidated financial conglomerate with a recognized brand, reflecting the commitment, work and dedication of every one of our staff.

The year 2011 began with high expectations for the development and growth of our group and country in a context of global stability and expansion. However, signs of economic deceleration in the developed countries and the aggravation of the European sovereign debt crisis caused instability in the international financial markets. These negatively influenced the domestic financial market where we do our business.

Apart from the international developments, Chile in 2011 was marked by political and economic events that led society to question different aspects of business actions. Corporate governance was in the center of the discussions, due to the close relationship between its role, compliance with regulations and coherence with the business strategy, with the daily lives of customers, workers and shareholders. We see these criticisms as an opportunity to strengthen corporate governance structures and thus reinforce the values that have marked our organization from the start, perfecting synergy with our customers to give value to what they most want.

Despite the complex international and local scenario, Grupo Security produced earnings of Ch\$41,883 million, similar to the previous year. In June, it also successfully completed a capital increase of over 332 million shares, representing an amount of approximately US\$132 million, in order to capitalize the subsidiaries and support the development of each of them in successfully meeting their growth plans for the coming years.

The domestic banking industry in 2011 grew by 18.1% in terms of total loans. Notable was the performance of Banco Security and its subsidiaries, Valores Security Corredores de Bolsa and Administradora General de Fondos Security, which generated earnings of Ch\$35,020 million, which compare favorably with the Ch\$33,710 million for 2010. The return on equity of Banco Security was 13.1%, maintaining a Basle ratio of 12.03%, and producing a risk ratio was 1.39%.

The companies in the investments area and Vida Security were the most affected by the international financial crisis. In particular, Valores Security Corredores de Bolsa reported earnings of Ch\$1,601 million. This reflects the effort to refocus the business on customers instead of own positions, reaching a market share of 8.7%, which places it 4th in ranking of transactions on the Santiago Stock Exchange and Chilean Electronic Exchange.

For its part, Administradora General de Fondos Security (AGF) produced earnings of Ch\$4,529 million. This company was distinguished in the annual Premios Salmón awards, receiving first place in the category Emerging Guaranteed Equity Funds, among others.

In the insurance area, Vida Security reported earnings of Ch\$5,875 million, 56.7% less than in 2010, reflecting the effect of the fall in the international markets on the company's investment portfolio. However Vida

LETTER FROM THE CHAIRMAN

Security performed well in commercial terms, with 45.4% growth in direct premiums. The company began the sale of annuities in July. Corredora de Seguros Security improved its results by 54.7%.

Factoring Security increased its earnings by 44.6% to Ch\$3,069 million. The stock of advances during 2011 showed growth of 25.0%, achieving a market share of 6.9%. The earnings of Travel Security grew by 27% over 2010 to Ch\$1,779 million, with a return on equity of 19.9%. Inmobiliaria Security generated sales of houses and apartments totaling UF467 thousand.

It is important to mention that for the eleventh consecutive year, the Great Place to Work Institute placed Grupo Security as among the "15 Best companies to Work for in Chile", out of a total of 195 companies and more than 130 thousands that participated, a recognition proving once again our commitment to conciliating work, family and a good working environment.

As an organization we view 2012 with caution within an uncertain panorama. We feel prepared to face the challenge of our growth plans for the next few years, without forgetting the values that characterize the manner of work of everyone working in Grupo Security. Every day, we set ourselves to deepen our commitment with our customers, the transparency of our commercial relations and links with the community, without overlooking conciliation between work and family.

I wish to thank our shareholders again for their trust in us and to believe in every one of the projects we have undertaken in these 20 years. With their support, we have exceeded the expectations we had at the time of the foundation of Grupo Security. Our commitment is to work hard to meet our targets and continue creating value for the shareholders. With the efforts and loyalty characteristic of our human team, we expect to achieve the proposed objectives.

FRANCISCO SILVA S.
Chairman
Grupo Security





SUMMARIZED INDIVIDUAL FINANCIAL STATEMENTS GRUPO SECURITY

Figures in millions of nominal Ch\$

BALANCE	2002	2003	2004	2005	2006	2007	2008
Total current assets	8,172	9,988	12,256	7,194	7,455	13,529	13,550
Total fixed assets	88	56	43	1,087	1,482	1,347	1,778
Total 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
Total current liabilities	6,542	5,173	3,221	8,041	7,672	7,229	6,706
Total long-term liabilities	21,449	28,805	39,150	34,675	68,522	81,641	84,864
Total equity	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

STATEMENT OF INCOME	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
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
Other net non-operating income	204	208	28	1,335	-67	-139	1,893
Price-level restatements	-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
Amortization 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
TOTAL LIABILITIES / EQUITY (TIMES)	0.29	0.32	0.26	0.25	0.36	0.37	0.37
Number of shares (millions)	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%

SOURCE: GRUPO SECURITY

FINANCIAL SUMMARY

SUMMARIZED INDIVIDUAL FINANCIAL STATEMENTS GRUPO SECURITY

Figures in millions of nominal Ch\$

STATEMENT OF FINANCIAL POSITION	2009	2010	2011
Total current assets	4,294,336	3,967,917	4,752,901
Total non-current assets	182,220	205,325	221,710
TOTAL ASSETS	4,476,556	4,173,242	4,974,611
Total current liabilities	3,908,543	3,582,463	4,319,805
Total non-current liabilities	275,002	284,440	274,901
TOTAL LIABILITIES	4,183,545	3,866,902	4,594,706
Equity attributable to owners of the controller	287,748	300,641	376,742
Non-controller participations	5,263	5,699	3,163
Total equity	293,011	306,340	379,905
TOTAL LIABILITIES & EQUITY	4,476,556	4,173,242	4,974,611

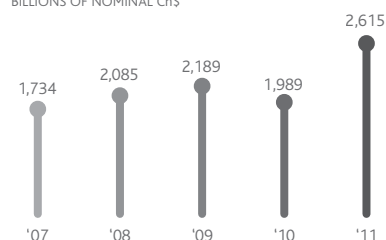
STATEMENT OF RESULTS	2009	2010	2011
Revenues from ordinary activities	307,179	348,044	436,553
Cost of sales	-175,141	-199,719	-274,766
GROSS MARGIN	132,038	148,325	161,787
Other revenues	1,375	1,281	5,047
Administrative expenses	-90,949	-86,888	-93,962
Other expenses, by function	-21,106	-17,706	-16,701
Other earnings (losses)	1,353	2,366	4,385
Financial income	13	0	0
Financial costs	-5,807	-4,122	-4,449
Part'n in earnings of associates & joint ventures booked using the part'n method	2,547	2,758	2,710
Exchange differences	12,669	4,583	-2,680
Result of indexation adjustments	7,943	-1,980	-6,462
Difference between previous book value & fair value of financial assets reclassified measured at fair value	-2,815	566	304
Earnings (loss) before taxes	37,261	49,183	49,978
Charge for income tax	-6,552	-7,327	-7,662
Earnings (loss) from continuing operations	30,709	41,856	42,316
Earnings (loss) from discontinued operations	0	0	0
EARNINGS (LOSS)	30,709	41,856	42,316
EARNINGS (LOSS) ATTRIBUTABLE TO:	29,986	40,852	41,883
Owners of the controller	723	1,004	433
NON-CONTROLLER PARTICIPATIONS	30,709	41,856	42,316
EARNINGS (LOSS)			
TOTAL LIABILITIES / EQUITY (TIMES)	0.35	0.31	0.25
Number of shares (millions)	2,550	2,550	2,882
Earnings per share	11.8	16.0	14.5
Return on Total Average Equity	11.6%	13.9%	12.5%

SOURCE: GRUPO SECURITY



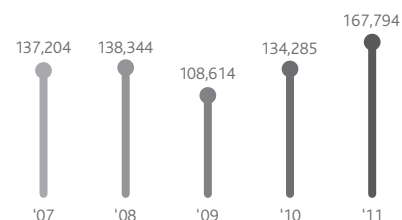
Banco Security Loans

BILLIONS OF NOMINAL Ch\$



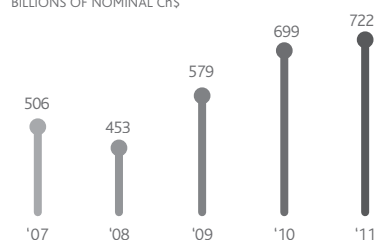
Stock of Advances Factoring Security

MILLIONS OF NOMINAL Ch\$



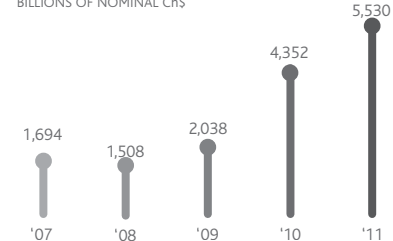
Managed Assets ABF Security

BILLIONS OF NOMINAL Ch\$



Volume Equities Traded Valores Security

BILLIONS OF NOMINAL Ch\$





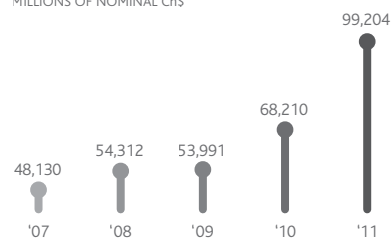
FINANCIAL SUMMARY

GRUPO
SECURITY

2011

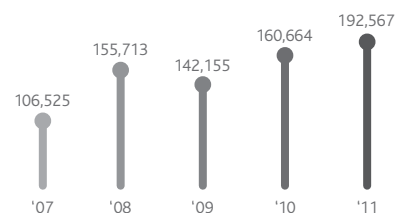
Direct Premium Vida Security

MILLIONS OF NOMINAL Ch\$



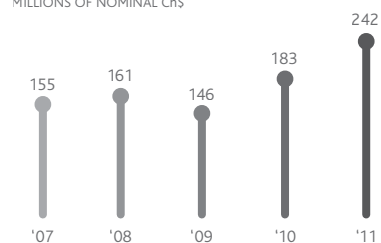
Direct Premium Penta Security

MILLIONS OF NOMINAL Ch\$



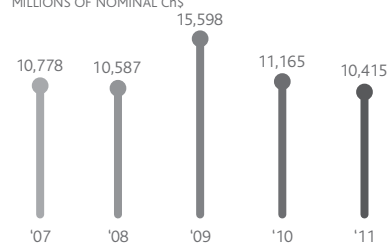
Sales Travel Security

MILLIONS OF NOMINAL Ch\$



Sales Inmobiliaria Security

MILLIONS OF NOMINAL Ch\$



The financing area brings together the group subsidiaries that offer financing products and services to its customers. It comprises Banco Security on an individual basis (excluding its subsidiaries Valores and AGF) and Factoring Security, totaling earnings of Ch\$31,562 million in 2011, equivalent to 61.2% of the earnings of the related companies of Grupo Security.

BANCO SECURITY

This a niche bank focused on corporations, large and medium companies and the high-income retail segment. Banco Security is known for providing a service of excellence and a range of value products and services for each customer segment. As of December 2011 the loans of Banco Security show growth over 12 months of 31.5%, while consolidated earnings amounted to Ch\$35,016 million, or Ch\$28,492 million excluding its subsidiaries.

FACTORING SECURITY

This is a company offering different financing alternatives like factoring, leasing and collection services, whose objective market is mainly medium and small companies that need financing options different to those offered by traditional banks. The earnings of Factoring Security in 2011 were Ch\$3,069 million, with a 25.0% growth in loans.



FINANCING

INVESTMENTS

The investments area groups together the group companies that offer investment products and services, providing an integral service in managing its clients' assets. The area includes the companies Valores Security Corredores de Bolsa, Administradora General de Fondos Security, Asesorías Security and Securitizadora Security. Its total earnings in 2011 were Ch\$6,398 million, equivalent to 12.4% of the overall earnings of Grupo Security.

VALORES SECURITY CORREDORES DE BOLSA

The stockbroking subsidiary offers products and services especially designed for each of its clients, whether high-income individuals, companies or institutional investors. It thus offers securities trading services and asset management. The earnings of Valores Security in 2011 were Ch\$1,601 million, and it occupied 4th place in the ranking of stockbrokers in terms of volumes traded during the year.

ADMINISTRADORA GENERAL DE FONDOS (AGF) SECURITY

The funds management company offers its clients mutual and investment fund management products. The earnings of AGF Security were Ch\$4,529 million in 2011 and the assets managed increased by 3.3% .

The insurance area comprises the group subsidiaries that offer their customers insurance products and services. This area consists of Vida Security Seguros de Vida, Penta Security Seguros Generales, and Corredores de Seguros Security, plus strategic alliances with Europ Assistance Chile and Cooper Gay Chile Corredores de Reaseguros. Inversiones Seguros, the parent of the insurance area companies, reported earnings of Ch\$11,703 million, equivalent to 22.7% of the total earnings of Grupo Security.

VIDA SECURITY

This company offers products for the individual and collective insurance segments and, since 2011, has participated actively in the pension insurance segment with the sale of annuities. The earnings of Vida Security in 2011 were Ch\$5,875 million, with a 45.4% growth in direct premiums.

PENTA SECURITY

Grupo Security has a 29.35% shareholding in this company which offers general insurance products mainly in the fire, earthquake and motor-vehicle damage segments. The earnings of Penta Security in 2011 amounted to Ch\$3,908 million, and the company is second in the market in terms of direct premium.

CORREDORA DE SEGUROS

The insurance broking company offers general and life insurance brokerage services, mainly to corporations and companies. The earnings of Corredora de Seguros Security were Ch\$580 million.

BRIEF PRESENTATION OF THE COMPANIES

BUSINESS STRUCTURE OF GRUPO SECURITY

INSURANCE

OTHER SERVICES

GRUPO
SECURITY

The services area consists of the group subsidiaries that offer products and services that are not directly related to the financial industry, but which complement the product range of Grupo Security by focusing on market segments similar to the other subsidiaries. With total earnings in 2011 of Ch\$1,942 million, it contributed the equivalent of 3.8% to the earnings of Grupo Security.

TRAVEL SECURITY

The travel agency Travel Security offers its services and products to corporate, company and individual customers who require comprehensive and excellent attention. The earnings of Travel Security in 2011 amounted to Ch\$1.779 million, an increase of 27% over 2010.

INMOBILIARIA SECURITY

Inmobiliaria Security has an outstanding record in the real-estate market through its 15 years of investing in and developing projects for housing and offices. Its earnings in 2011 amounted to Ch\$430 million.



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

BOARD AND MANAGEMENT

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

MANAGER, INVESTMENTS AREA

Carlos Budge Carvallo

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

MANAGER, CORPORATE SERVICES

Gonzalo Ferrer Aladro

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

MANAGER, PLANNING AND DEVELOPMENT

Fernando Salinas Pinto

Commercial Engineer and Master in Business Administration, Universidad Católica de Chile • Stanford Executive Program, Stanford University • Tax No.8.864.773-4

MANAGER, CORPORATE MARKETING AND QUALITY

Alejandra Zegers Correa

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

CHIEF ECONOMIST

Dalibor Eterovic Maggio

Commercial Engineer, Universidad Católica de Chile • Master of Science in Economics, University of Birmingham PhD in Economics, University of Cambridge • Tax No.12.838.987-3

- BANCO URQUIJO DE CHILE IS FORMED IN 1981, A SUBSIDIARY OF BANCO URQUIJO, SPAIN.

- IN APRIL 1987, SECURITY PACIFIC CORPORATION, A SUBSIDIARY OF SECURITY PACIFIC NATIONAL BANK, LOS ANGELES, CALIFORNIA, CREATED A STOCKBROKING FIRM TO TRADE THIRD-PARTY SHARES. THE SAME YEAR, IT BOUGHT 100% OF THE SHARES OF BANCO URQUIJO DE CHILE, WHICH TOOK THE NAME OF BANCO SECURITY PACIFIC.

- IN 1990, LEASING SECURITY WAS FORMED AND INCORPORATED INTO BANCO SECURITY IN APRIL 2001.

- IN 1991, SECURITY PACIFIC OVERSEAS CORPORATION SOLD 60% OF THE BANK TO THE CURRENT SHAREHOLDERS OF GRUPO SECURITY, CHANGING ITS NAME TO BANCO SECURITY. AGENCIA DE VALORES CORREDORA DE BOLSA BECAME A SUBSIDIARY OF BANCO SECURITY AND CHANGED ITS NAME TO VALORES SECURITY CORREDORES DE BOLSA. GRUPO SECURITY WAS THUS BORN.

- IN 1992, ADMINISTRADORA DE FONDOS MUTUOS SECURITY S.A. WAS FORMED AS A SUBSIDIARY OF BANCO SECURITY AND FACTORING SECURITY AS A SUBSIDIARY OF GRUPO SECURITY.

- IN 1993, THE SUBSIDIARY ASESORÍAS SECURITY IS CREATED TO REPRESENT DEAN WITTER REYNOLDS & CO., UNITED STATES, IN CHILE.

- IN 1994, BANK OF AMERICA, THE SUCCESSOR OF SECURITY PACIFIC NATIONAL BANK, SOLD THE REMAINING 40% OF THE BANK TO GRUPO SECURITY.

- IN 1995, GRUPO SECURITY LISTED ITS SHARES ON THE STOCK MARKET AND ACQUIRED A MAJORITY HOLDING IN AFP PROTECCIÓN AND THE INSURANCE COMPANIES PREVISIÓN VIDA AND PREVISIÓN GENERALES.

1981 · 1990

1991 · 1993

1994 · 1995



2002

- IN 2002, MERCHANT SECURITY ABSORBED THE INTERNATIONAL ASSET MANAGEMENT BUSINESS FROM ASESORÍAS SECURITY AND THE INTERNATIONAL PRIVATE BANKING BUSINESS OF BANCO SECURITY, AND ADOPTED THE NAME ASESORÍAS SECURITY S.A.

INVERSIONES SEGUROS SECURITY LIMITADA TOOK A 73.69% HOLDING IN SERVICIOS SECURITY, THE PARENT OF THE COMPANIES DEDICATED TO INSURANCE BROKING. THE INSURANCE COMPANIES BECAME KNOWN AS SEGUROS VIDA SECURITY PREVISIÓN S.A. AND SEGUROS SECURITY PREVISIÓN.

2003

- IN 2003, INVERSIONES SEGUROS SECURITY INCREASED TO 92% ITS HOLDING IN SEGUROS VIDA SECURITY PREVISIÓN S.A..

- GRUPO SECURITY SUCCESSFULLY PLACED A BOND ISSUE FOR UF 1 MILLION. THE SUPERINTENDENCY OF SECURITIES AND INSURANCE APPROVED THE AMENDMENT OF THE BYLAWS OF ADMINISTRADORA GENERAL DE FONDOS SECURITY S.A WHICH BECAME A GENERAL FUND MANAGEMENT COMPANY.

2004

- IN 2004, GRUPO SECURITY ACQUIRED 99.67% OF DRESHDNER BANK LATEINAMERIKA AG AND 100% OF DRESHDNER LATEINAMERIKA S.A. CORREDORA DE BOLSA. ON OCTOBER 1, BANCO DRESHDNER IS MERGED WITH BANCO SECURITY, A TRANSACTION MAINLY FINANCED BY A CAPITAL INCREASE IN JUNE.

- THE MERGER WAS COMPLETED OF SEGUROS GENERALES LAS AMÉRICAS AND SEGUROS SECURITY PREVISIÓN GENERALES UNDER THE NAME OF PENTA SECURITY. GRUPO SECURITY MADE A CAPITAL INCREASE OF CLOSE TO US\$58.5 MILLION. AN ALLIANCE WAS SIGNED WITH EUROP ASSISTANCE TO FORM EUROP ASSISTANCE CHILE. GRUPO SECURITY BECAME ASSOCIATED WITH THE ENGLISH REINSURANCE BROKER COOPER GAY AND THE FIRM COOPER GAY CHILE WAS FORMED.

- IN 1996, GRUPO SECURITY PLACED A BOND ISSUE FOR UF 1 MILLION, BOUGHT 29.35% OF THE INSURANCE COMPANY PREVISIÓN GENERALES FROM INVERSIONES, SEGUROS Y PENSIONES LIMITADA AND BECAME THE CONTROLLER OF 62.69% OF THE COMPANY. MERCHANT SECURITY AND INMOBILIARIA SECURITY WERE CONSTITUTED.

- IN 1997, GRUPO SECURITY MADE A SHARE EXCHANGE. IN OCTOBER, IT MADE A CHANGE OF CORPORATE IMAGE AND INCORPORATED THE COMPANY SECURITIZADORA SECURITY, A SUBSIDIARY OF MERCHANT SECURITY, INTO GRUPO SECURITY.

- IN MARCH 1998, GRUPO SECURITY SOLD ITS SHAREHOLDING IN AFP PROTECCIÓN. IN DECEMBER, THE INSURANCE COMPANIES PREVISIÓN VIDA AND PREVISIÓN GENERALES WERE TRANSFERRED TO THE PARENT, INVERSIONES SEGUROS SECURITY LIMITADA.

- IN 1999, GRUPO SECURITY ACQUIRED A MAJORITY INTEREST IN THE TRAVEL AGENCY TRAVEL SECURITY AND FORMED CORREDORA DE SEGUROS SECURITY.

- IN 2000, GLOBAL SECURITY WAS CREATED TO CONCENTRATE THE SALES FORCE OF GRUPO SECURITY.

- THE SUBSIDIARY INVEST SECURITY CENTRALIZED THE ACCOUNTING, CONTROL AND CORPORATE CULTURAL DEVELOPMENT SERVICES OF THE SUBSIDIARIES OF THE GROUP. VIRTUAL SECURITY BEGAN THE PROVISION OF TECHNOLOGICAL SERVICES TO ALL THE GROUP COMPANIES.

- IN 2001, TWO SUBSIDIARIES ARE FORMED OF SERVICIOS SECURITY S.A. (A SUBSIDIARY IN TURN OF INVERSIONES SEGUROS SECURITY LIMITADA): CORREDORA DE REASEGUROS SECURITY AND AGENCIA SECURITY.

1996 · 1997

1998 · 1999

2000 · 2001



HISTORICAL SUMMARY

GRUPO
SECURITY

2011

2005 · 2007

- IN 2005, GMAC RFC CHILE LIMITADA ACQUIRED 49% OF THE SHARE CAPITAL OF SECURITIZADORA SECURITY S.A.

- IN 2006, GRUPO SECURITY TOOK OVER INTERAMERICANA RENTAS SEGUROS DE VIDA S.A., CHANGING THE NAME TO RENTAS SECURITY. GRUPO SECURITY MADE A CAPITAL INCREASE OF CH\$19,345 MILLION.

- IN 2007, GRUPO SECURITY AND GRUPO ULTRAMAR MERGED THEIR TRAVEL AGENCY COMPANIES, TRAVEL SECURITY AND TURISMO TAJAMAR, UNDER THE NAME OF TRAVEL SECURITY S.A. THE SUBSIDIARIES VIDA SECURITY AND RENTAS SECURITY WERE MERGED. GRUPO SECURITY ACQUIRED CIGNA COMPAÑÍA DE SEGUROS DE VIDA AND CIGNA ASISTENCIA ADMINISTRATIVA LTDA. VIDA SECURITY WAS MERGED WITH CIGNA SEGUROS DE VIDA. GRUPO SECURITY PLACED BONDS FOR A TOTAL OF UF1,500,000.

2008 · 2009

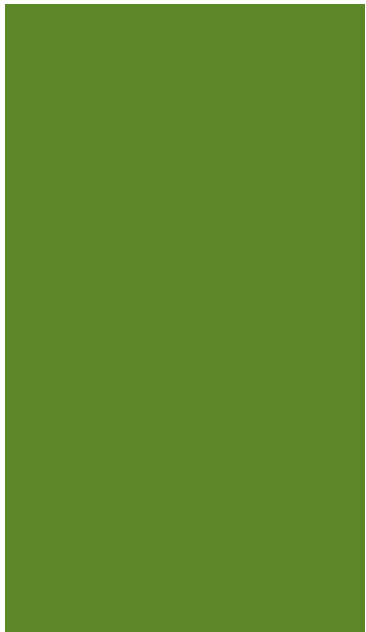
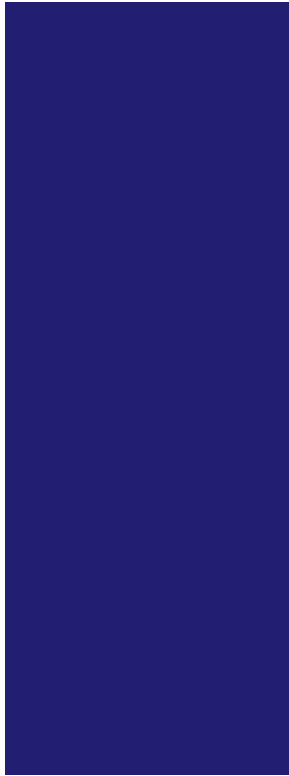
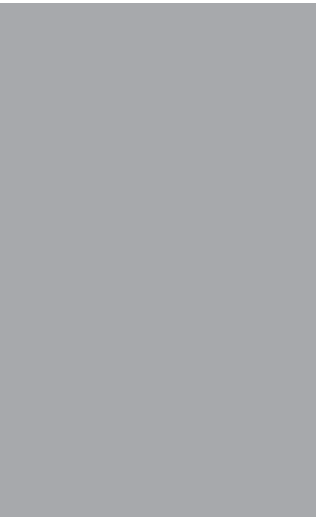
- IN 2008, GRUPO SECURITY ACQUIRED FROM GMAC RFC CHILE ITS PARTICIPATION IN ITS SUBSIDIARY SECURITIZADORA SECURITY GMAC-RFC, WITH WHICH IT BECAME THE DIRECT CONTROLLER OF 99% OF THE SHARES OF SECURITIZADORA.

- IN JULY 2009, THE SIXTH CAPITAL INCREASE OF CH\$40,000 MILLION WAS MADE. WITH THIS, THE SPANISH FAMILY SAINZ DE VICUÑA BECAME A SHAREHOLDER IN GRUPO SECURITY THROUGH THE SUBSCRIPTION OF 127.5 MILLION SHARES, EQUIVALENT TO A 5% SHAREHOLDING. THANKS TO THE ALLIANCE WITH AMERICAN EXPRESS, TRAVEL SECURITY BECAME THE EXCLUSIVE REPRESENTATIVE IN CHILE OF THE LARGEST TRAVEL AGENCY IN THE WORLD. CORREDORA DE SEGUROS SECURITY COMPLETED THE PURCHASE OF THE LIFE AND HEALTH INSURANCE PORTFOLIO OF ANDUEZA Y COMPAÑÍA. GRUPO SECURITY SUCCESSFULLY PLACED A BOND ISSUE OF UF 750,000.

2010 · 2011

- EFFECTIVE JANUARY 1, 2010, GRUPO SECURITY ADOPTED INTERNATIONAL FINANCIAL REPORTING STANDARDS, IFRS. A STRATEGIC REVISION WAS BEGUN OF THE BUSINESS MODELS OF EACH OF THE SUBSIDIARIES UNDER A THREE-YEAR WORK PLAN.

- IN 2011, GRUPO SECURITY COMPLETED 20 YEARS AND MADE ITS SEVENTH CAPITAL INCREASE. THE TOTAL PROCEEDS WERE CH\$66,452 MILLION, TO BE USED TO CAPITALIZE SOME OF THE SUBSIDIARIES IN ORDER TO SUPPORT THEIR GROWTH PLANS AND REINFORCE THEIR COMPETITIVE ADVANTAGES.





CORPORATE GOVERNANCE

CHAPTER

02

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PRINCIPLES OF CORPORATE GOVERNANCE

Corporate governance is the combination of practices and policies established by the board of Grupo Security. The principles of corporate governance are designed to strengthen compliance with the objectives and values of Grupo Security, thus increasing the value of the company, through self-regulation and compliance with current regulations, establishing common guidelines for the Security companies. This facilitates decision-taking in the companies, in a framework of transparency and responsibility, involving all the organization's participants, whether shareholders, staff or stakeholders. At the same time, corporate governance ensures that the activities of Grupo companies are coherent with the business strategy, institutional values and risk tolerance and aversion.

The board of Grupo Security is responsible for ensuring that the policies defined at the corporate level are followed in all the companies, and such compliance is verified through the corporate general management and directors' committee, as well as the different committees at the corporate level and individually in each of the companies (compensation, audit, finance, general risks committees, etc.).

Levels of Corporate Governance

Shareholder Meetings

These are the top level of corporate governance according to the Corporations Law.

On March 24, 2011 the ordinary shareholders meeting of Grupo Security was held and the following matters were reviewed and approved:

- The annual report and financial statements for the year 2010.
- Distribution of dividends.
- Dividend policy.
- Setting of directors' remuneration for 2011.
- Setting of remuneration or members of the directors' committee and approval of its budget for 2011.
- Appointment of external auditors.
- Appointment of credit-rating agencies.
- Newspaper for the publication of notifications of shareholder meetings.

There then followed an extraordinary shareholders meeting of Grupo Security, and the following matters were reviewed and approved:

- Increase of the company's capital.



CORPORATE GOVERNANCE

- Delegate to the board the power to set the final placement price of the shares issued.
- Authorize the board to adopt the resolutions for carrying out the capital increase.
- Modification of the company's bylaws.
- Costs associated with the issue and placement of the shares be deducted from the equity of the company.

There was no election of directors in 2011.

Board of Directors

The board is elected by the shareholders meeting and is the principal organ of governance of the company. It plays a key role in the business of the organization as it administers the company, defines and approves institutional values and strategic guidelines, supervises their implementation, and establishes internal control mechanisms for ensuring compliance with internal and external regulations through policies that guide the company's actions.

The board is composed of nine directors, one of whom is independent. All the directors of Grupo Security are elected every three years. The last election was on April 27, 2010 when the shareholders meeting ratified the permanence of all its members for a new period.

The board met regularly 12 times during 2011, plus 3 extraordinary meetings, at which it received reports on all pertinent matters in the business performance of Grupo Security, including:

- Monthly reports on the evolution of the results of each of the business units.
- Report on the progress and compliance in the comprehensive risk management plan.
- Revision of operations between the company and some of its directors and related parties.
- Be informed of the annual audited and interim consolidated financial statements of Grupo Security and its subsidiaries.
- Calling of ordinary and extraordinary shareholders meetings
- Proposal for dividend distribution
- Proposal of credit-rating agencies and external auditors
- Proposal of directors' remuneration
- Proposal of remuneration of director members of the directors' committee and its expense budget for 2011
- Setting of capital increase share-placement price.
- Revision of the quality model for Grupo Security and its companies
- Approval of modifications to the ethics code and conduct manual
- Report on changes in regulations.

The directors actively participate in the principal management committees of the Grupo Security and its subsidiaries.

Committees comprising directors

The board has delegated certain tasks to executive levels like committees comprising directors and others not involving directors, both in Grupo and in its subsidiaries. The matters discussed by each committee are reported regularly to the board, both at the consolidated level and that of each group company, which ensures a coordination of tasks and facilitates decision-taking.

Directors' Committee

As required by Law 18.046, the directors' committee should have three members, the majority of whom should be independent. Each of them remains in their position for a maximum term of three years or until the end of the term of the board should this occur earlier. The members of the committee as of December 2011 were Andrés Concha Rodríguez (independent director and chairman of the committee), Jorge Marín Correa and Álvaro Vial Gaete.

The directors' committee is responsible for ensuring compliance with art.50 bis of Law 18.046, Chapter 7 "Information on the company". The committee has a working expense budget which is approved annually by the shareholders meeting.

Compensations Committee

The board of Grupo Security, through the compensations committee and the directors' committee, examines the remuneration systems and compensation plans of the company's managers, executives and staff. It encourages prudent behavior in terms of risk within the organization, consistent with the best interests of the shareholders and public in general.

Compliance Committee

Since the coming into effect of Law 20.393 in 2010, a series of concrete initiatives have been implemented like the appointment of a person responsible for prevention, this function falling on the comptroller of Grupo Security. The corporate policy on money-laundering prevention and the financing of terrorism was also updated, incorporating the crime of bribery contemplated in the law, and also the prevention manuals of each company.

The Crime Prevention Committee was set up in 2011, and which meets periodically. Compliance officers were appointed in each Grupo Security company, coordinated through a corporate compliance officer. Their activities are reported to the directors' committee.

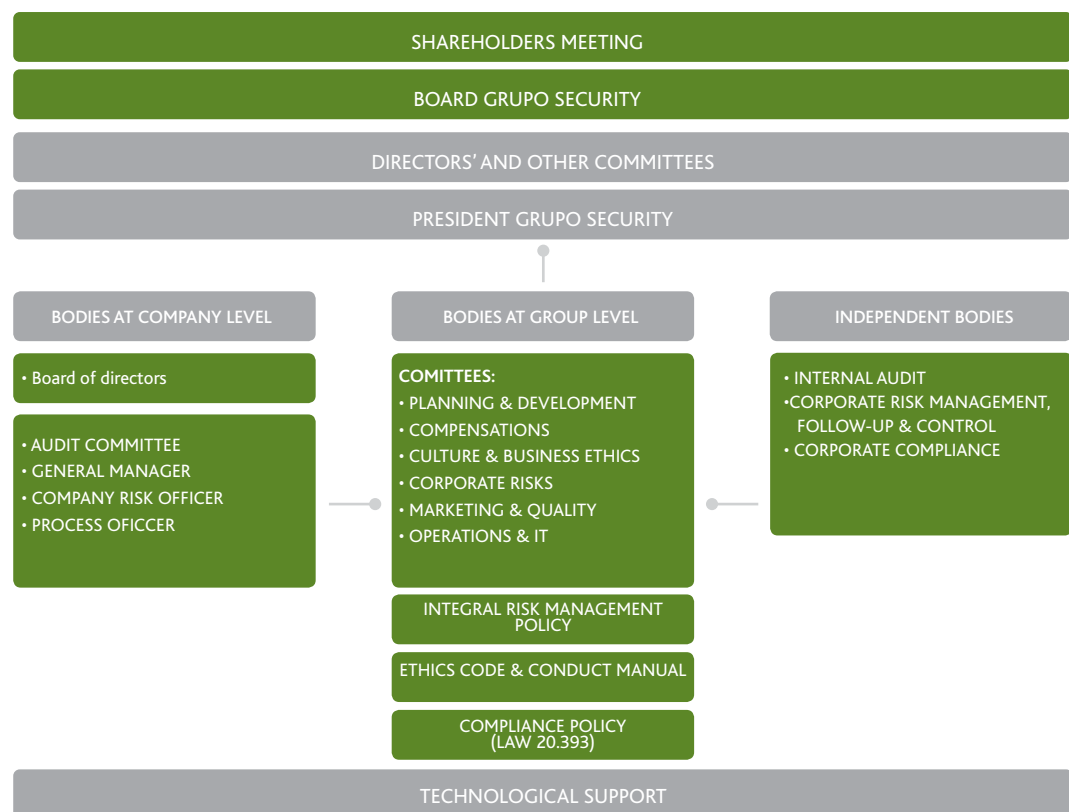


CORPORATE GOVERNANCE

Other committees

Other levels supporting the board of Grupo Security in managing the companies are the Planning and Development Committee, the Compensations Committee, the Culture and Business Ethics Committee, the Corporate Risks Committee, the Marketing and Quality Committee and the Operations and IT Committee.

Levels of Corporate Governance



CORPORATE MANAGEMENT GRUPO SECURITY

Grupo Security, as strategic controller of the Security companies, seeks to generate formal mechanisms for facilitating relations between the business units, taking advantage of synergies and economies of scale. It also monitors multiple commercial and financial variables through a process of planning and definition of joint objectives with the companies.

Grupo Security is directly involved in the financial and commercial management of the different business areas of the conglomerate, ensuring proper compliance with the strategic objectives of growth and development outlined by the shareholders. The general management of Grupo Security participates actively on the boards of each company, plus the commercial and expenses committees, involving itself in all aspects of the management of every Security company.

The commercial committees have a common structure of content and presentation of information in all the companies, enabling Grupo Security to carry out a detailed monthly revision of the business plans developed in the annual planning process, to detect deviations and implement action plans, and identify the state of strategic initiatives.

The expenses committees of each business unit respond to the need to maintain an efficient operative structure. They control budgetary execution periodically and revise the expenses policy of each company, together with the critical variables and their cost centers defined in the annual budget process. This methodology enables the general management of Grupo Security to manage the companies' expenses centrally, ensuring that growth of the structures is in line with the profitability of each business.

Annual planning is essential to this management model as the general management of Grupo Security in this process provides the guidelines and general objectives for the Security companies for the following three years. With this information, the companies develop a complete business plan for that period, with all the detail required for its later implementation and follow up at the different levels created for these purposes (monthly board and committee meetings). Aspects like commercial plans, incentive schemes, marketing plan, investment and financing plans, technological and operative plan, human resources plans, commercial integration between subsidiaries, comprehensive risk management, etc. are developed exhaustively, generating specific metrics that enable them to be controlled during the year.

The operative structure consisting of the management model that permits a proper supervision of the business plans in their execution and efficiently supports the corporate objectives, comprises four corporate management areas and a research department.

PLANNING AND DEVELOPMENT MANAGEMENT

The planning and development management provides corporate guidelines for the commercial and financial management of the Security companies, and for the strategic development of the business plans. These functions enable the general management of Grupo Security to have matrix strategic control of each of

CORPORATE GOVERNANCE

the group's companies, with a long-term vision of commercial actions and optimizing efficiency between companies. Planning and development also reports monthly to the general management of Grupo Security on the companies' commercial and financial performance. It also provides information to investors with respect to the performance of the Security companies.

CORPORATE MARKETING AND QUALITY MANAGEMENT

The mission of the marketing and quality management area is to ensure that Grupo Security companies provide an integral service to customers which exceeds their expectations and which is distinguished for its quality, generating loyalty and a valuable brand recognized in the market. It therefore has to align the Security companies around the objectives and corporate brand strategy, quality of service and commercial integration and loyalty. This management area has managed to build a Security brand image recognized as professional, close and transparent. It has also implemented a personalized service and quality model that characterizes Security and which is common to all the group companies. In addition, through the commercial integration area, it has driven business opportunities and integration between the companies and developed a loyalty program, actions that comprehensively seek to satisfy customers' needs by offering a broader and more diversified range of products and services.

CORPORATE CULTURE MANAGEMENT

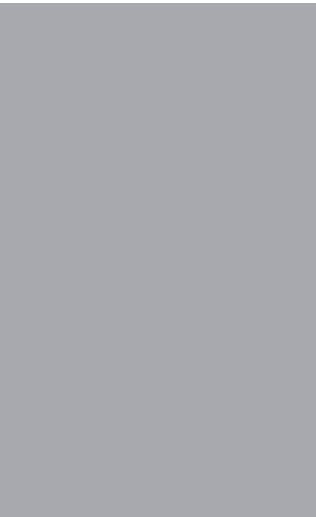
La Gerencia de Cultura Corporativa está orientada a inspirar a los empleados a trabajar cada día en los valores que caracterizan la Cultura Organizacional, a través de garantizar la disponibilidad de capital humano para asegurar el cumplimiento de la estrategia de Grupo Security y contribuir a la misión y a los valores del Grupo, para garantizar la continuidad de la Cultura Organizacional en el tiempo. Así, la persona humana y la familia se posicionan como los valores centrales de su ética empresarial, de modo que el crecimiento del Grupo implique necesariamente el de sus empleados y familias, y además permita la conciliación trabajo-familia.

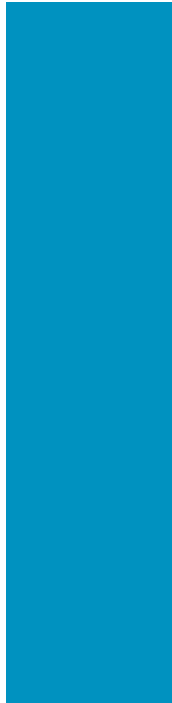
GERENCIA DE SERVICIOS CORPORATIVOS

The corporate services management provides technology, accounting and operational risk services to the Security companies, maintaining an aligned matrix of quality standards and strategic objectives. It is thus possible to support the level of service provided to the internal customer, improve productivity and establish consistency in financial reporting criteria and frequency among all the companies of Grupo Security.

SECURITY RESEARCH DEPARTMENT

The mission of the research department is to analyze rigorously and independently the global and local economic environment, making judgments regarding the bases of the principal financial assets. Research thus provides the Security companies with macroeconomic and financial information for each business's decision-taking.





ACTIVITIES, EVENTS, HIGHLIGHTS AND RECOGNITIONS

CHAPTER

03

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AÑOS
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COMMUNITY

Grupo Security places special attention to tightening relations with the community, collaborating with charities and encouraging sports and healthy family entertainment. Security again in 2011 sponsored bingo of the Corporation La Esperanza, thus helping in the rehabilitation of poor people, and the bingo of Corporación Mater, which supports the treatment of children with kidney problems. It also took part in the 4th Nocedal Family Run, as a way to help Fundación Nocedal which provides access to quality education for children from the most vulnerable sectors.

ACTIVITIES



HUMAN GROUP

Grupo Security organized a series of activities in 2011 to celebrate its 20th anniversary. 20 housing subsidies and 20 additional study scholarships were granted as extraordinary benefits to staff.

Together with the ESE Business School of the Universidad de los Andes, the book *Conciliación Familia - Trabajo en Chile* was sponsored, written by Álvaro Pezoa, Fernando Larraín Vial professor of ethics and corporate responsibility of the ESE, Karin Becker, manager, corporate culture, Grupo Security, and María Paz Riumalló, research assistant of the ESE. The book was presented by Professor María Nuria Chinchilla, director of The International Center for Work and Family (ICWF) of the IESE Business School.



YEAR-END PARTY

The 20-year activities of Grupo Security terminated with the year-end party at the Club Hípico, Santiago. The celebration was attended especially by those who were executives of Security Pacific National Bank at the birth of Grupo Security 20 years ago.

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AÑOS
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ECONOMIC SEMINAR

For the fourth consecutive year, Grupo Security brought to Chile the well-known economist Ricardo Caballero who offered his vision of the present situation in Chile and the global economy. This year, the seminar also had a second speaker, the Chilean Minister of Finance Felipe Larraín. This was very successful, being attended by more than 1,300 people.

EVENTS



SECURITY MOVIE TOUR

In the summer of 2012 the open-air film festival Security Movietour was presented again for the seventh time, on the beaches of Cachagua, Zapallar, Pingueral, Las Tacas, Puerto Velero and Santo Domingo. Security Movietour shows the best film premieres of the year, with the logo "enjoy the best films in the open air and as a family".



EQUESTRIAN ENDURANCE

Among the events sponsored by Grupo Security during 2011 was the Panamerican Equestrian Endurance at Las Brisas de Santo Domingo. This took place in October and 12 countries took part, with more than 280 riders. It was an occasion in which all ages shared in healthy family entertainment.



CAPITAL INCREASE

In mid 2011, Grupo Security carried out its seventh capital increase of 332,258,605 shares, making a total of 2,882,258,605 shares. The proceeds amounted to Ch\$66,452 million which were used to finance the growth plans of the Security companies for the next three years.



NO.1 IN QUALITY

Banco Security was recognized as the best company in quality of service in the banking sector, obtaining first place in level of satisfaction of retail banking customers, according to a survey made by Ipsos PuntoVista 2011.

HIGHLIGHTS AND RECOGNITIONS



SALMÓN 2011 PRIZES

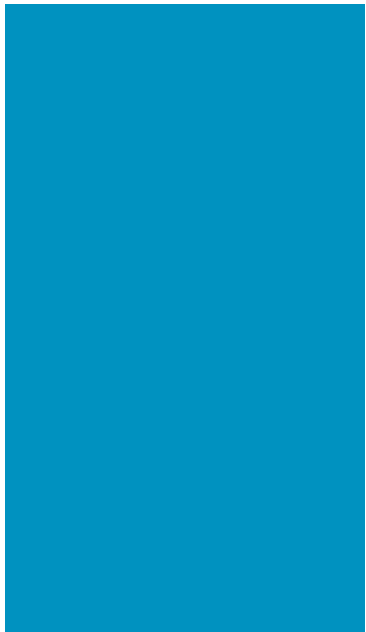
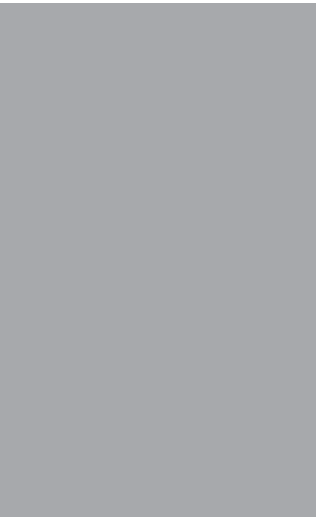
AGF Security was distinguished by Diario Financiero and the Association of Mutual Fund Managers with three Salmón Prizes, awarded to the mutual funds with the best annual returns in each category. The prize-winning Security mutual funds were: Chile 105 Guaranteed, Latinoamericano and Dollar Bond. In addition, in the fourth edition of the FundPro Platinum Performance Awards, the Security Equity Fund was distinguished by this institution in the Emerging Equities Funds category.



GREAT PLACE TO WORK

For the eleventh consecutive year, Grupo Security was recognized as one of the "Best Companies to Work for in Chile" by The Great Place to Work Institute. All the Security companies that took part in this ranking (Banco, Corredora, Factoring, Inversiones, Travel and Vida) obtained high scores in the areas measured by the survey: credibility, impartiality, respect, pride and comradeship.

This distinction, which is in addition to the recognition as being one of the best companies to work for in Latin America, demonstrates Grupo's commitment to achieving a work-family balance and promoting a working environment where people are the top priority.

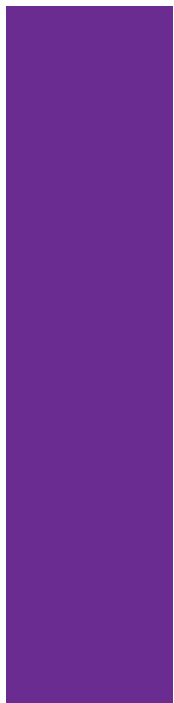


ECONOMIC AND FINANCIAL CONTEXT

CHAPTER

04

GRUPO | security



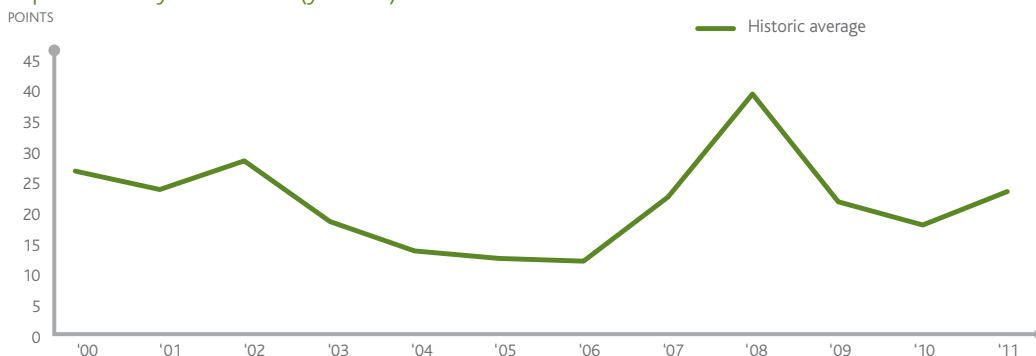


EXTERNAL ENVIRONMENT: A YEAR MARKED BY VOLATILITY

2011 was a year marked by volatility and uncertainty. The eyes of the world were focused on developments in the European economies and the risks of an eventual monetary disintegration.

This was evidenced by the re-emergence of the VIX index which rose above its historic average of 20 pts., although without reaching the peaks of 2008.

Implicit volatility in S & P 500 (year end)



It was a negative year for the prices of risky assets but above all for European bonds and global equities, which fell by 10%, led by the emerging countries (22%).

Not only did the fiscal and financial crises of the PIIGS (Portugal, Ireland, Italy, Greece and Spain) worsen, due to the vicious circle of high interest rates, credit restriction and the consequent loss of economic dynamism, but the central countries of the greatest importance in the world were contaminating.

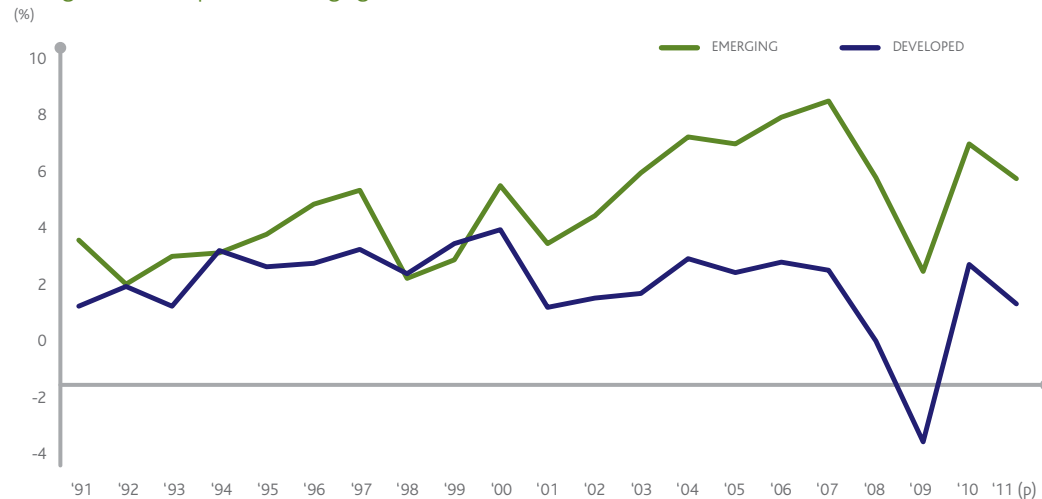
Most important were the actions taken by the authorities of the most affected zones which over the year can be said to have focused only on demand policies and little on reforms to generate greater growth, which only gathered greater force in the last months of the year.

However, despite the great uncertainty, there were important factors that managed to leave the balance on the side of the optimists. The dynamism of China and the resilience of the USA enabled 2011 to close without repeating a global recession and with growth, according to preliminary figures, at around the historic average of close to 3.7%. The world lost speed but was far from the forced landing implicit in the most pessimistic views talked about in the market.

Chile for its part had to face an external environment marked by the tension generated by the high volatility and weaker dynamism, above all in the last months of the year.

ECONOMIC AND FINANCIAL CONTEXT

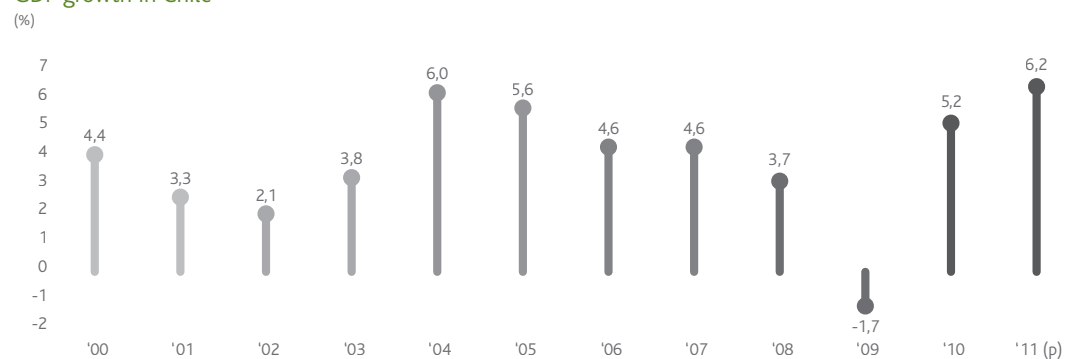
GDP growth developed and emerging economies



CHILE WAS NO EXCEPTION

At the local level, economic activity behaved differently between the first and second halves of the year. GDP at June had accumulated growth of 8.5% due to external factors, with strong global growth, raw material prices well above their historic averages (a gain in the terms of trade) and global interest rates exceptionally low, this driven by the lagged effects of the expansive monetary policy. However, as the uncertainty and volatility began to dominate markets, domestic activity moderated sharply. According to preliminary figures, GDP growth would have been slightly under 4% in the last quarter of 2011, consistent with a rise of 0.5% t/t on the basis of de-seasonalized figures (2% annualized). GDP thus finished the year with growth of around 6.2% for the year.

GDP growth in Chile





Looking at economic activity by sector, the largest contribution growth in product was the financial sector, followed by commerce and industry. The most dynamic areas were fishing, communications, agriculture and commerce. The mining sector produced negative growth during 2011, the only sector that showed a contraction (of around 2%). This performance would have a direct impact on GDP due to the change of benchmark compilation 2008, which includes a greater weighting of this sector compared to the benchmark compilation 2003.

Domestic demand rose by 9.5% in 2011, responding to the monetary stimulus of 2010. The detail of this variable showed that both private consumption and investment remained dynamic during 2011, with increases of around 9% and 15% respectively. It should be noted however that domestic demand in the last months of the year was losing force and even showing a contraction in the last quarter compared to the third, based on a de-seasonalized series.

In foreign trade, exports increased by 13.5% in 2011 to US\$ 80,586 million. Notable was the dynamism of the industrial sector, which showed an expansion of close to 20%. However, exports fell by 17% in the last month of the year which, while partly explained by the high comparison base of December 2010, also reflected the impact of reduced global activity on the local economy.

Imports, on the other hand, despite showing no falls and closing the year with 26.8% growth to US\$ 69,970 million, the de-seasonalized series showed how they were adjusting in the last months, showing that private consumption was also moderating.

The trade balance thus ended the year with a positive balance of US\$ 10,614 million, while the current account showed a negative balance of around US\$ 3,000 million, equivalent to 1.3% of GDP.

Following a small negative balance of 0.4% in 2010, the fiscal position closed last year with a positive balance of between 1.5% and 2% of GDP as a result of higher copper prices (US\$ 4 vs US\$2.59 in the budget).

Regarding prices, the CPI closed the year with a 12-month rise of 4.4%, above the target range ceiling. A large part of this rise was due to volatile factors. In the case of the underlying indicators, the variation in CPIX (which excludes fuels, fruit and fresh vegetables) rose by 3.3% while the CPIX1 (which also excludes regulated tariffs and other volatile prices) rose by 2.5%.

In this context in which internal demand showed great dynamism, spare capacity began to close quicker than expected and the inter-annual CPI was rising during the year, the Banco Central continued with its monetary normalization process begun in mid 2010, taking the interest rate from 3.25% to 5.25% in June. However, as the world continued to deteriorate, thus reducing external pressure, the bank stopped raising rates and even ended the year with an expansive slant due to the prospects of a prolongation and deepening of the loss of economic activity and domestic spending.

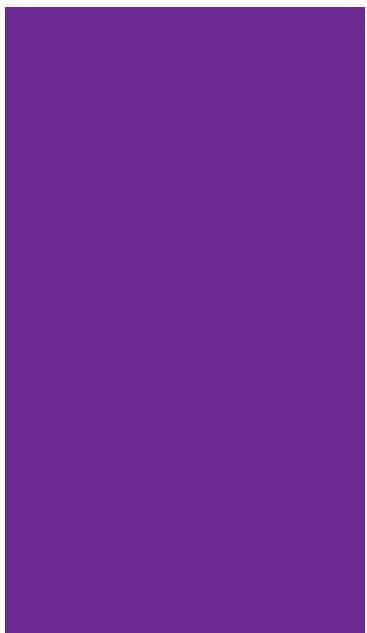
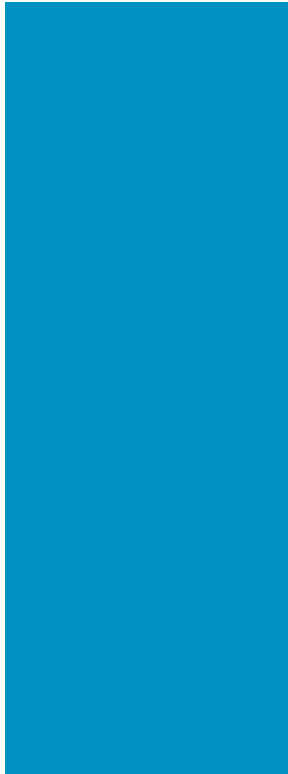
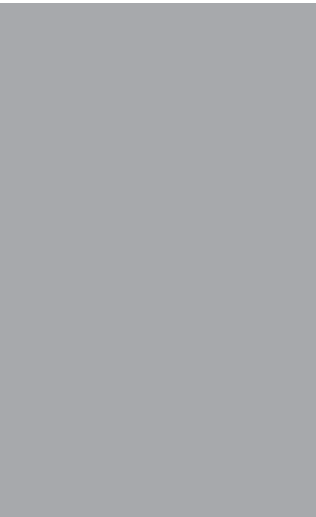
The Chilean peso maintained its appreciating trend in the first half of 2011, in line with the performance of the dollar globally and the improved terms of trade deriving from the rise in raw material prices. Due to the increase in global uncertainty, market volatility and the global appreciation of the dollar, the exchange rate fell again in the last months of the year, ending at Ch\$ 521, equivalent to a rise of 11% over the close of the year before (Ch\$ 468).

ECONOMIC AND FINANCIAL CONTEXT

PRINCIPAL ECONOMIC INDICATORS

	2007	2008	2009	2010	2011 (P)
GDP (MUS\$)	164.3	170.7	161.2	203.4	233.3
GDP per Capita (US\$)	9.900	10.185	9.523	11.901	13.518
GDP (change %)	4.6	3.7	-1.7	5.2	6.2
Domestic spending (change %)	7.6	7.7	-5.9	16.4	9.5
Private consumption	7.0	4.5	0.9	10.4	9.0
Fixed capital investment	11.2	19.4	-15.9	18.8	15.7
Exports (real change %)	7.6	3.2	-6.4	1.9	6.3
Imports (real change %)	14.5	12.6	-14.6	29.5	13.4
Global Growth PPP (%)	5.4	2.9	-0.5	5.0	3.7
Terms of Trade (2003=100)	165.9	138.6	145.0	179.5	175.0
Copper price (avrg US\$ cents/pound)	323	316	234	342	400
Oil Price WTI (US\$ p/b, avrg)	72	100	62	79	95
Federal Funds Rate (y/e, %)	4.3	0.1	0.1	0.1	0.1
Libor 180d (y/e, %)	4.6	1.8	0.4	0.5	0.8
US 10-year Treasury Bond (y/e, %)	4.0	2.2	3.8	3.3	2.0
Euro (y/e, US\$)	1.5	1.4	1.4	1.3	1.3
Yen (y/e, ¥/US\$)	111.7	90.6	93.0	81.1	76.9
Trade Balance (MUS\$)	23.9	8.5	14.1	15.9	10.6
Exports (MUS\$)	68.0	66.3	54.0	71.0	80.6
Imports (MUS\$)	44.0	57.7	39.9	55.2	70.0
Current Account (MUS\$)	7.5	-3.3	2.6	3.8	-3.0
Current Account (% of GDP)	4.5	-1.9	1.6	1.9	-1.3
Total Savings (national + external), % of GDP	20.5	25.2	18.9	22.4	24.1
Gross national savings	25.1	22.9	20.5	24.3	22.8
Central government	9.9	6.8	-2.5	1.5	3.3
Private sector	15.1	16.1	23.0	22.8	19.5
External savings (current account deficit)	-4.6	2.4	-1.6	-1.8	1.3
Balance central government (% of GDP)	8.8	5.3	-4.5	-0.4	2.0
CPI Dec-Dec (%)	7.8	7.1	-1.4	3.0	4.4
Underlying CPI (IPCX) Dec-Dec (%)	6.5	8.6	-1.8	2.5	3.3
Inflation trend (IPCX1) Dec-Dec (%)	6.3	7.8	-1.1	0.1	2.5
BCCh relevant external Inflation (avrg, %)	8.5	12.2	-7.2	5.7	10.0
Monetary policy rate (y/e, %, in Ch\$)	6.0	8.3	0.5	3.3	5.3
BCU-10 base 365d (y/e, % in UF)	3.0	3.3	3.3	2.9	2.7
BCP-10 base 365d (y/e, % in Ch\$)	6.4	6.2	6.4	6.1	5.3
Exchange rate (avrg, Ch\$/US\$)	522	522	560	510	484
Exchange rate (y/e, Ch\$/US\$)	496	629	506	468	521
Employment growth (%)	2.8	3.0	0.1	7.4	5.0
Growth of workforce (%)	2.1	3.7	1.9	4.2	4.0
Unemployment rate (avrg %)	8.6	9.3	10.8	8.1	7.3
Real wages (avrg %)	2.9	-0.2	3.8	2.2	2.6
Foreign debt (US\$ millions)	55.7	64.3	74.0	78.2	87.9
Net total foreign liabilities (MUS\$)	-0.7	29.8	19.0	10.0	13.0
Net total foreign liabilities (% GDP)	-0.4	17.5	11.8	4.9	5.6
Net total foreign liabilities (% exports)	-0.9	38.7	30.3	12.3	14.0
Net international reserves (MUS\$)	16.9	23.2	25.4	27.9	42.0

(P) PROVISIONAL



OUR BUSINESS

CHAPTER

05

GRUPO | security



BUSINESS AREAS

The earnings of Grupo Security in 2011 were Ch\$41,883 million and the dividends paid to its shareholders during the year amounted to Ch\$25,942 million, the equivalent of 62% of the year's earnings. As of December 31, 2011 the financial expense coverage was 12.23 times. According to the statement of financial position of Grupo Security as of December 31, 2011, its equity attributable to the shareholders was Ch\$376,742 million and its total assets Ch\$4,974,611 million, showing a debt ratio of 0.25 times.

EVOLUTION Earnings of Principal Security Companies

in millions of nominal Ch\$

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Banco Security Consolidado ¹	10.069	13.326	14.024	20.014	20.498	27.250	14.333	23.039	33.710	35.020
Banco Security Individual	7.006	9.802	8.197	16.145	17.079	17.837	15.454	21.115	28.439	28.492
Factoring Security	961	1.805	2.451	3.107	4.003	5.006	4.802	2.816	2.122	3.069
Valores Security ²	2.036	2.401	4.501	2.247	2.052	7.228	-3.627	24	1.501	1.601
AGF Security ²	1.027	1.126	1.640	1.630	1.440	2.070	2.445	2.617	3.762	4.529
Vida Security ³	1.010	1.033	1.068	1.351	17.022	15.355	79	10.602	13.554	5.875
Penta-Security ⁴	-595	170	1.167	2.191	3.048	2.828	2.407	3.018	2.507	3.908
Servicios Security ⁵	-1.123	241	-605	-767	87	149	425	423	901	799
Inmobiliaria Security	362	452	500	366	500	554	650	-126	405	430
Travel Security	314	290	402	513	0	806	1.205	907	1.402	1.779

Notes

1.- Consolidated results Banco Security includes the results of its subsidiaries Valores Security and AGF Security, and, from 2007, also the adjustment to fair value of its subsidiaries.

2.- Effective January 2011, Valores and AGF Security adopted IFRS, as a result of which the results for 2010 were adjusted according to IFRS, thus varying with respect to that reported the previous year. The adjusted results of Valores Security and AGF Security as of December 2010 were Ch\$2,272 million and Ch\$4,025 million respectively.

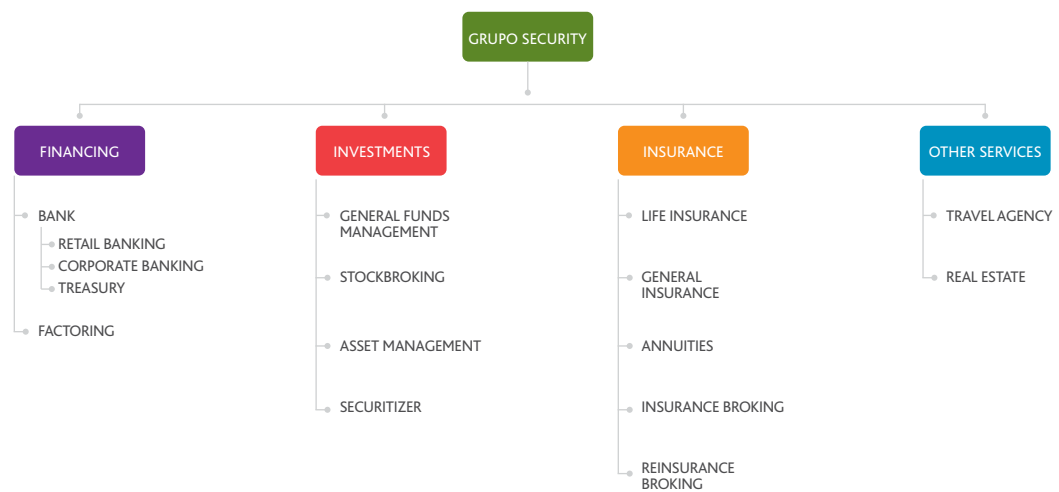
3.- The result of Vida Security includes the results of Rentas Security from April 2006.

4.- The result of Penta Security for 2002 and 2003 only shows the results of Seguros Security Previsión Generales. In 2004 the companies Seguros Security Previsión Generales and Seguros Generales Las Américas were merged to form Penta Security Seguros Generales, in which Grupo Security has a shareholding of 29.35%.

5.- The result of Servicios Security includes the results of Corredora de Seguros Security and, from 2004, those of Cooper Gay Chile and Europ Assistance, in which Grupo has a 49% participation

OUR BUSINESS

The following table shows the business structure of Grupo Security, identifying the subsidiaries and divisions comprising each area:





BANKING INDUSTRY

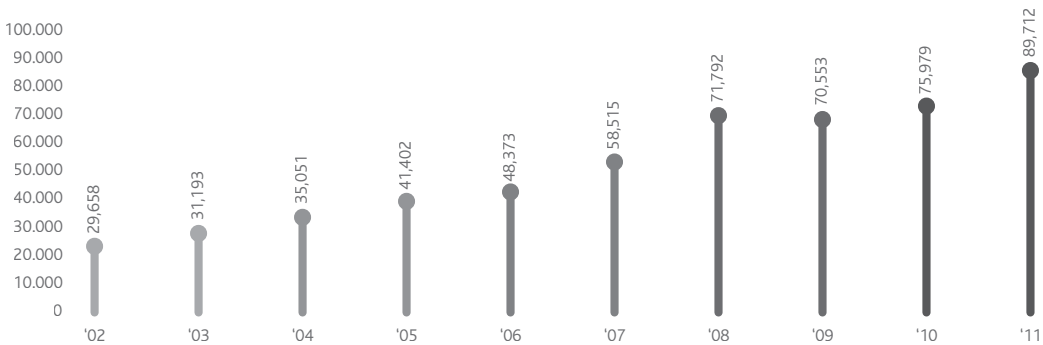
Loans

Total loans (including placements with the Banco Central) at December 2011 amounted to Ch\$ 89,712,254 million, representing a growth of 18.1% in nominal terms over the year before. This growth is explained by the increase in commercial loans (19.4%), housing loans (12.3%) and consumer loans (18.0%), while lending to banks rose by 72.3%.

The distribution of total loans of the system was as follows: 60.7% commercial loans, 24.5% housing loans, 12.8% consumer loans and 2.0% loans to banks.

Financial system loans

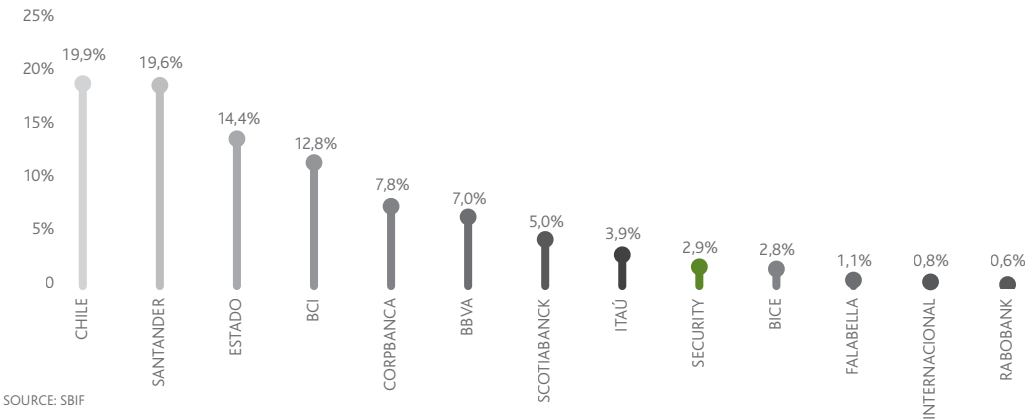
BILLIONS OF NOMINAL Ch\$



Source: SBIF
Note: Contingent liabilities are deducted from historic loans as, according to new regulations, these are off balance sheet from January 2008

Loans market share financial system (as of December 2011)

(%)



SOURCE: SBIF

BUSINESS AREAS

FINANCING

Operating costs

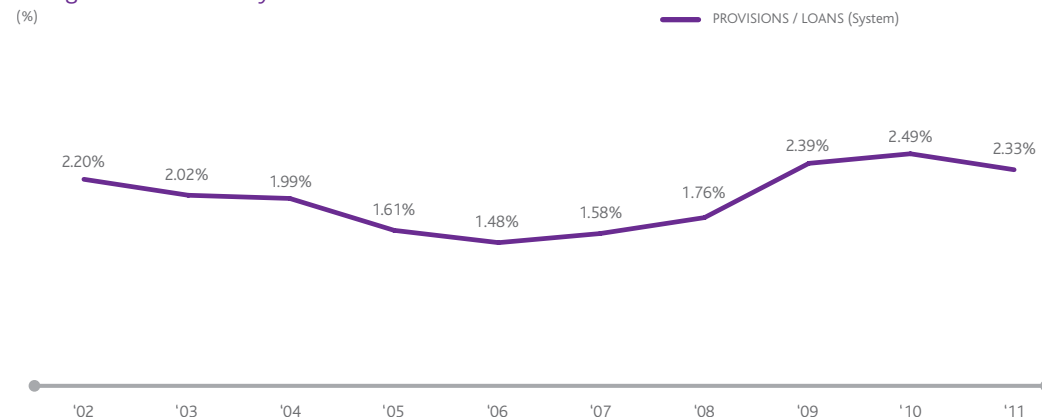
As a proportion of the gross margin, these costs have remained below 50% for the last five years and were 47.6% at the end of 2011 (44.6% in December 2009 and 45.9% in December 2010), with a nominal increase in the level of operating costs of 10.9% over 2010.

Risk

The financial system's allowances indicator was 2.33% of loans in December 2011. The risk indicator for commercial loans was 2.15%, 0.94% for housing loans and 6.08% for consumer loans.

The ratio of the portfolio overdue 90 days or more was 2.37%, a reduction from 2.71% the year before, thus reflecting the better quality of the loan portfolio.

Changes in risk financial system



SOURCE: SBIF

Results

The results of the banking system showed post-tax earnings of Ch\$1,711,637 million (approximately US\$ 3,296 million) for the year 2011, an increase of 8.1% in nominal terms over 2010. The return on equity was 17.4% (18.6% in 2009), while the return on total assets was 1.4%.

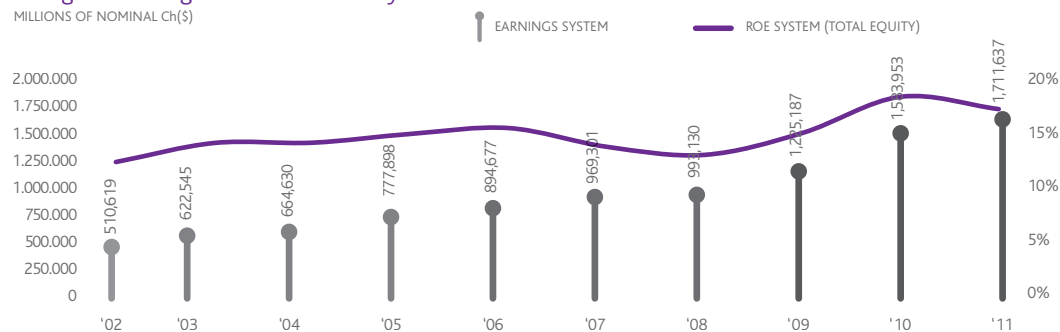
The following graph shows the evolution of earnings and annualized return on equity.



El siguiente gráfico muestra la evolución que han tenido las utilidades y la rentabilidad anualizada sobre patrimonio.

Changes in earnings and ROE financial system

MILLIONS OF NOMINAL Ch(\$)



SOURCE: SBIIF

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 between customers of the different Grupo customers.

Loans

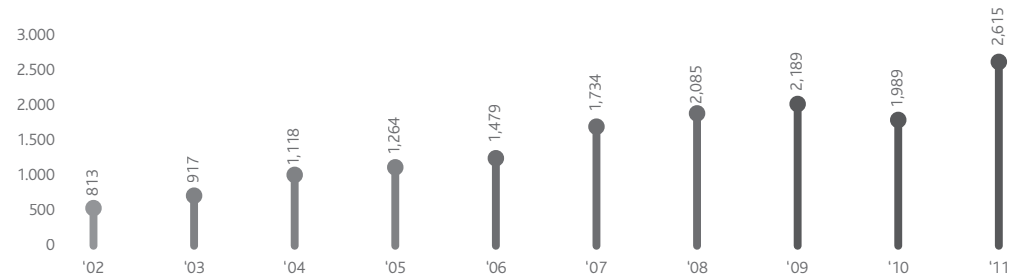
Banco Security is the ninth largest bank operating in Chile with a market share of 2.9%. It produced an important increase in loans (31.5% in nominal terms compared to December 2010), to a level of Ch\$2,615 billion at December 2011.

BUSINESS AREAS

FINANCING

Banco Security Loans

BILLIONS OF NOMINAL Ch\$

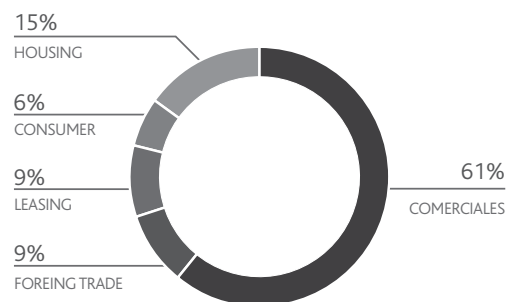


SOURCE : SBIF

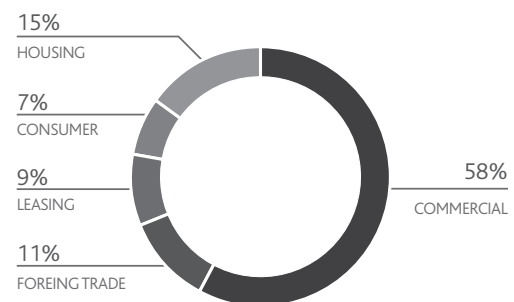
NOTE: CONTINGENT LIABILITIES HAVE BEEN DEDUCTED FROM HISTORIC LOANS AS THESE ARE OFF BALANCE SHEET SINCE JANUARY 2008, IN ACCORDANCE WITH THE NEW ACCOUNTING STANDARDS.

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

Portfolio compositions 2010



Portfolio compositions 2011



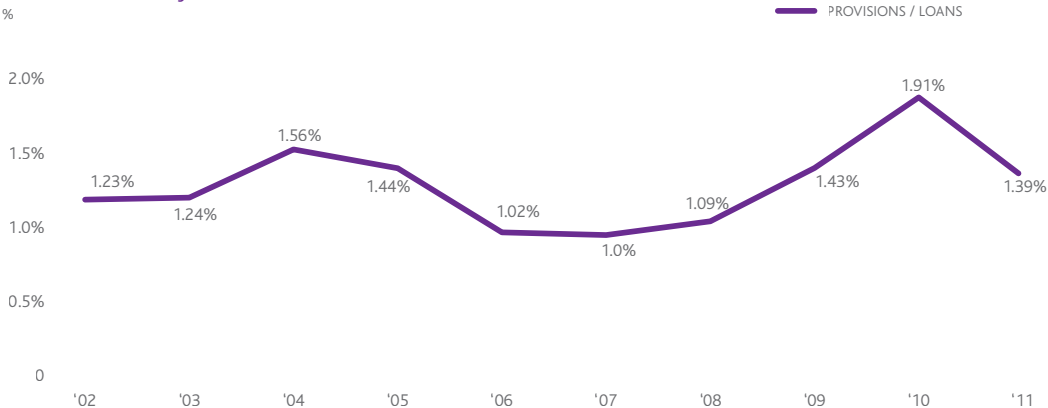
FUENTE: GESTIÓN BANCO SECURITY

Risk

Banco Security has been characterized for maintaining a high asset quality and risk coverage. Its credit-risk indicators compare favorably with its peers even though in 2010 its provisions ratio rose to a peak of 1.91% after absorbing large losses as a result of insolvencies of some companies with systemic debt, including an important retail company, a vehicle distributor and the salmon sector which suffered from the virus crisis. However, this began to correct in 2011 due to the improved performance of the portfolio and growth in loans, with which the ratio declined to 1.39% at the end of December 2011, a percentage that is below that of the system (2.33%). The overdue loan to total loans ratio was 1.32% at December 2011 (2.37% in the industry).



Risk Banco Security



SOURCE: SBIF

Capitalization

The Bank’s policy is to maintain an effective equity to risk-weighted assets of over 10.0%. The capital increase of Ch\$47,000 million made in August, which enabled the continuation of the growth plan, finances the Bank’s medium-term development program and sets the bases of future expansion, and the capitalization of earnings reflects the commitment and support of its ownership group. This has enabled it to increase its capital base and sustain the growth in its assets. At October 2011, its Basle rate stood at 12.44%, a little below the system average which was then 13.79% (source: SBIF), while this ratio was 12.03% in December 2011.

Results

The earnings of the Bank and its subsidiaries in 2011 were Ch\$35,020 million, representing a 3.9% increase over the previous year and a return of 13.1% on equity. The ROE was affected by the capital increase of Ch\$47,000 million made in August. This increase will enable the continuation of the growth plan, and finances the Bank’s medium-term development program and sets the bases for future expansion.

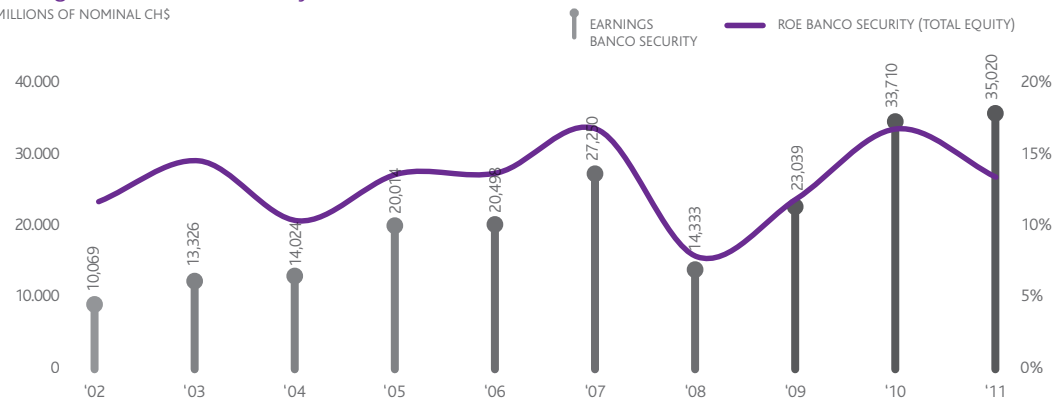
The Bank has continued with its restructuring to strengthen its commercial business, giving priority to the generation of more stable revenues and the profitability of its portfolio. Its technological plan and expense-control policy will also contribute to improving its efficiency ratios. Both the changes in the different commercial areas and the progress in controls, systems and technologies are necessary to position it in a better competitive situation to enable it to maintain and improve its relative position within the industry.

BUSINESS AREAS

FINANCING

Earnings and ROE Banco Security

MILLIONS OF NOMINAL CHS



SOURCE: SBIF

Subsidiaries

The subsidiaries consolidated with Banco Security are Valores Security S.A. Corredores de Bolsa (99.76%) and Administradora General Fondos Security S.A. (99.90%). Valores Security produced earnings of Ch\$1,601 million in 2011, while Administradora General de Fondos Security S.A. reported earnings of Ch\$4,529 million.

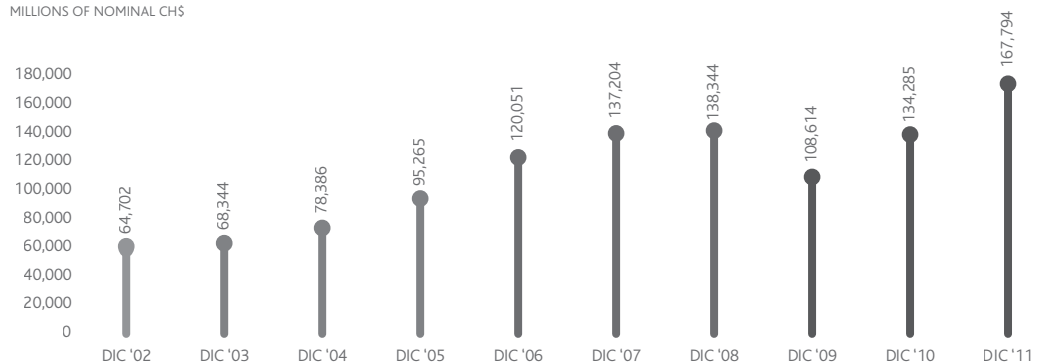
FACTORING SECURITY

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.

The earnings of Factoring Security in 2011 were Ch\$3,069 million, a substantial increase of 44.6% over the previous year. This is the result of a deep strategic revision carried out in 2010 which redefined organizational structures, segmentation, commercial incentive schemes, pricing policies, risk policies, etc. The result of this is a three-year business plan (2011-2013) which shows important commercial growth in the small and medium business segment.

Stock of Advances Factoring Security

MILLIONS OF NOMINAL CHS



SOURCE: ACHF



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 combination of 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 asset 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-equity 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.

In order to strengthen the commitment for providing integral advice to its clients, Inversiones Security organizes a series of investment seminars annually which provide a friendly and relaxed environment for discussing prospects for the national and global economy and financial markets. During the year, the group's chief economist, Aldo Lema, made presentations in different cities in Chile like Concepción, Viña del Mar, Antofagasta and Temuco.

In support of the objective of sharing knowledge about the more sophisticated investment instruments with its clients, the institutional area of Inversiones Security organized the second version of the Private Equity Conference in 2011. This event included the world's most well-known speakers on the different sub-classes of investment alternatives and its success was reflected in the participation of senior executives of local and international institutional investors.

Administradora General de Fondos Security

The Chilean mutual funds industry closed 2011 managing average assets of Ch\$17,794,429 million, which represented a contraction of 2.3% compared to the year before.

Administradora General de Fondos Security S.A. (AGF Security) successfully ended 2011 with average

BUSINESS AREAS

INVESTMENTS

managed assets of Ch\$721,705 million, distributed among 25 mutual funds and an investment fund. This implied growth of 3.3% over 2010. Industry participants rose by 4.1% over 2010 while the total participants in AGF Security was 35,743, 0.6% less than in 2010.

Among the highlights of 2011 was the launch of the mutual funds Security Small Cap LatAm, Security Deuda Local, Security Inflation-Linked Debt and Security Index Fund Chile.

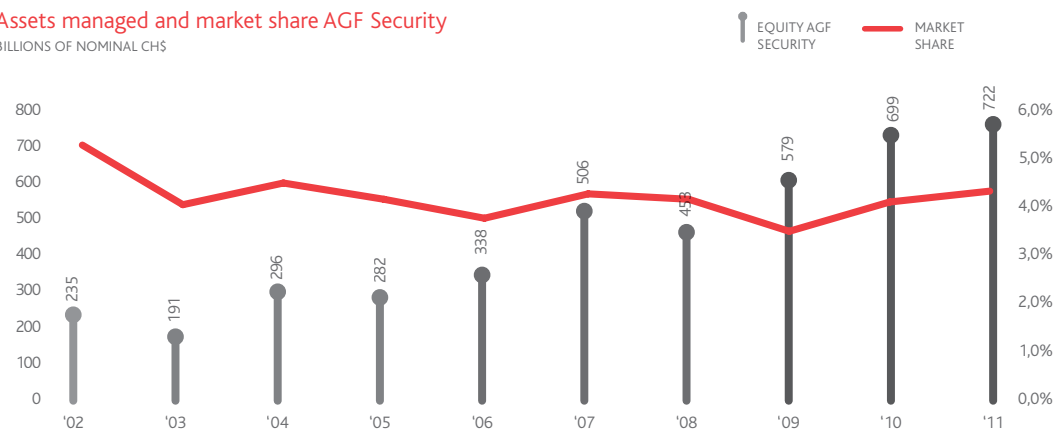
The contribution of AGF Security to the industry was recognized by different entities during the year. The Diario Financiero and Association of Mutual Fund Managers distinguished AGF Security with three Salmón Prizes, granted to those mutual funds with the best annual returns in each category. Its prize-winning funds were Chile 105 Garantizado, Latinoamericano and Dólar Bond.

In addition, in the fourth edition of the FundPro Platinum Performance Awards, the mutual fund Security Equity Fund was a prize winner in the category of Emerging Equity Funds.

Despite the uncertain scenario experienced in 2011, AGF Security generated earnings of Ch\$4,529 million and ended the year with an increased market share, up from 3.8% in 2010 to 4.1% in 2011.

Assets managed and market share AGF Security

BILLIONS OF NOMINAL CH\$



SOURCE: ASOCIACIÓN DE ADMINISTRADORAS DE FONDOS MUTUOS DE CHILE.



Valores Security S.A. Corredores de Bolsa

In a year in which the Chilean stock market was mainly marked by external factors, centered on the financial and debt crisis affecting various countries in the European Union (particularly Greece, Portugal, Italy and Spain), fears of recession in the euro zone, the deceleration of growth in the Asian economies (particularly China), and the fall in the prices of some commodities like copper (principally in the last quarter of the year), the IPSA, the principal Chilean stock price index, closed the year with a decline of 15.2%.

In this scenario of volatility and uncertainty, the Chilean stock market maintained its level of trading volumes on the local stock exchanges.

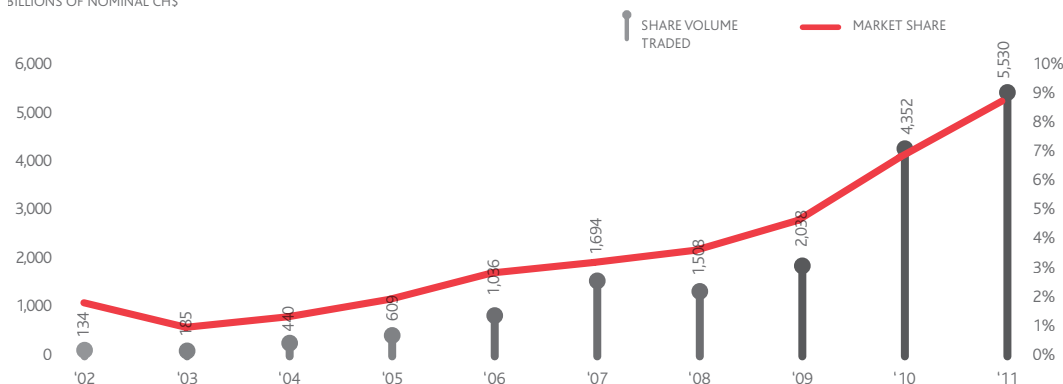
Valores Security in 2011 recorded a 27.1% increase in share volumes traded, remaining fourth in the ranking of trading volumes on the Santiago Stock Exchange and Chilean Electronic Exchange.

The market share of Valores Security in share trading rose again, following the trend of the last three years: from 4.7% in 2009 and 6.9% in 2010, to 8.7% in 2011. Valores Security generated earnings for the year of Ch\$ 1,601 million.

In addition to the success of the brokerage business, with both institutional and private clients, the most important achievements of 2011 included the consistent growth of Asesorías Security, with an 18.1% increase in revenues during the year. This subsidiary provides portfolio management services to both Valores Security and AGF Security.

Share volumes traded and market share Valores Security

BILLIONS OF NOMINAL CH\$



SOURCE: ASOCIACIÓN DE ADMINISTRADORAS DE FONDOS MUTUOS DE CHILE.

BUSINESS AREAS

INVERSION

Securitizadora Security S.A.

The result of Securitizadora Security S.A. for 2011 was a loss of Ch\$177 million. A large part of this loss is explained by investments in systems and training. These investments were the result of the strategic decision to increase the level of involvement in primary management work of the asset portfolio, which consists of 7,818 middle-class housing debtors representing UF 4,226,043 in debt outstanding. This intensification in primary management tasks, in addition to the traditional master management tasks, is justified by growing working needs related to a portfolio that matures over time (and with that, overdue payments, defaults, prepayments, recoveries and sales of collateral).

Consistent with the permanent commitment of Grupo Security, the final objective of the strategic decision of Securitizadora is to preserve the financial health of the separate equities it manages. In this respect, Securitizadora Security S.A. is Chile's leading company in the securitization of mortgage assets and has nine separated equities which together have UF 4,259,554 in preferred debt issued and placed on the Chilean institutional market. For 2012, the objective is to consolidate this strategic business, exploiting synergies with other areas of Grupo Security.



INSURANCE

INSURANCE INDUSTRY

The Chilean insurance industry closed the year with results in the life insurance segment 72.5% below those for 2010, and the general insurance segment showing growth of 539%. As of December, life insurance companies produced earnings of Ch\$125,502 million and general insurance companies earnings of Ch\$48,441 million. The insurance industry consists of 30 life companies and 21 general companies. At December 2011, the ten principal life and general insurance companies controlled 66.1% and 88.4% respectively of total direct premium.

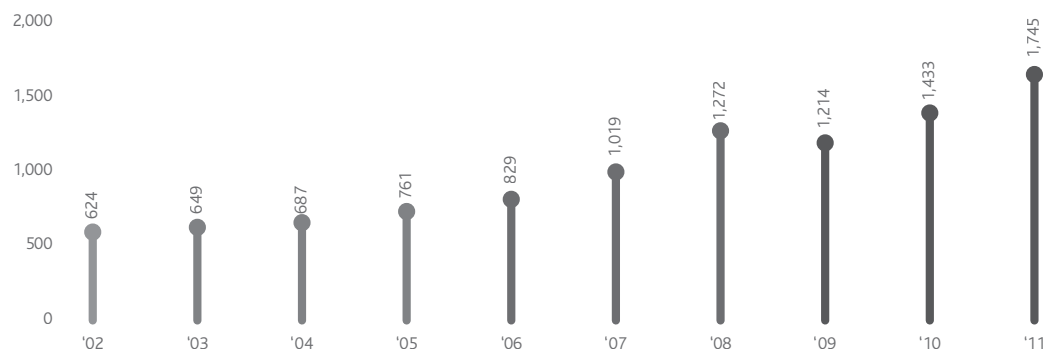
With respect to life insurance, direct premiums reached Ch\$3,282 billion in 2011. The individual and group life segments represent 46.9% of the industry's total premiums, while pension insurance accounted for 53.1% of the total. This was despite pension insurance having suffered a sustained decline in its share since the 1990s. Direct premiums of the general insurance companies amounted to Ch\$ 1,701 billion to December 2011, without considering the credit companies.

The return on life insurance companies' investments in 2011 averaged 3.33%. The return on equity was 5.26%, against 20.45% in 2010, explained by the poor results of the financial market in 2011.

The earnings of general insurance companies to December 2011, which are directly related to the cost of reinsurance and the characteristics of an operation with more standardized products, was Ch\$48,441 million, thanks to operating cost efficiency and a correct handling of claims.

General Insurance Direct Premium (including credit companies)

BILLIONS OF NOMINAL CH\$

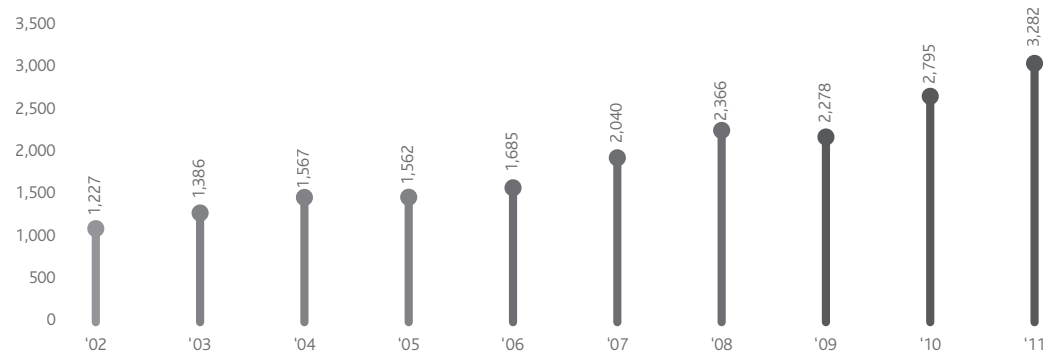


BUSINESS AREAS

INSURANCE

Life Insurance Direct Premium

BILLIONS OF NOMINAL CH\$



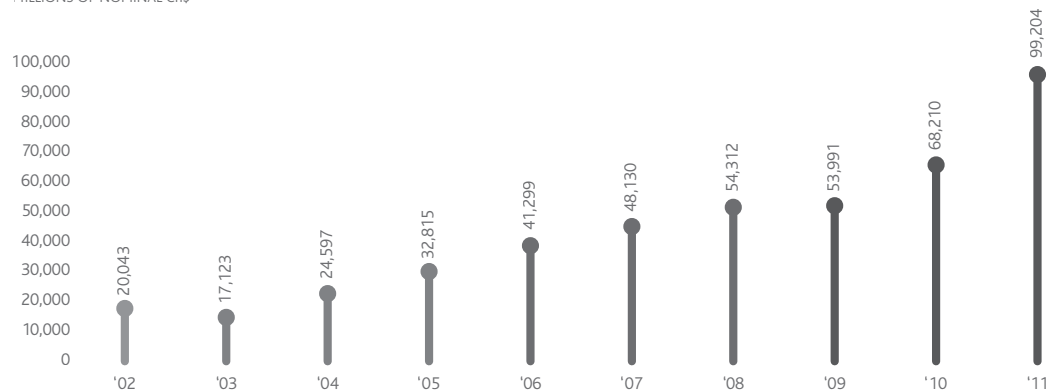
SOURCE: CHILEAN INSURERS ASSOCIATION

VIDA SECURITY

Vida Security was positioned in the market in 2011 with a portfolio of over 320,000 insured for individual life insurance, Voluntary Pension Savings (APV), group insurance and family protection insurance. It also has 17,000 pensioners with annuities. The company has a market share of 4.4% in traditional life insurance and of 1.8% in pension insurance, with an investment portfolio of Ch\$794,375 million, equivalent to 3.8% of total insurance-industry investments. Vida Security has offered consumer loans since 2006 to its pensioned customers, having loans of Ch\$ 4,587 million in 2011, with a total of 9,337 loans outstanding. The business of Vida Security in 2011 generated earnings of Ch\$5,875 million and investment income amounted to Ch\$28,396 million.

Direct Premium Vida Security

MILLIONS OF NOMINAL CH\$





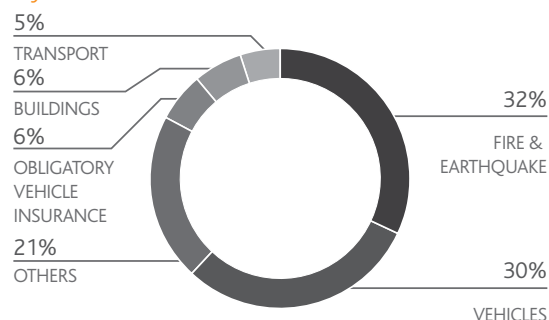
CORREDORA DE SEGUROS SECURITY LIMITADA

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\$580 million in 2011, 55% higher than the Ch\$375 million reported for 2010. 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\$1,021 million in 2010. Europ Assistance, for its part, is the second company in travel, vehicle and home assistance worldwide, reporting a loss of Ch\$263 million in 2011.

COMPAÑÍA DE SEGUROS GENERALES PENTA SECURITY S.A.

Grupo Security has a 29.35% shareholding in Compañía de Seguros Generales Penta Security S.A., which ended 2011 with earnings of Ch\$3,908 million. The company at December 2011 was second in the market in terms of direct premiums, with a share of 11.32% (without considering credit companies). The direct premium of Penta Security in 2011 amounted to Ch\$192,567 million, an increase of 19.9% over the year before

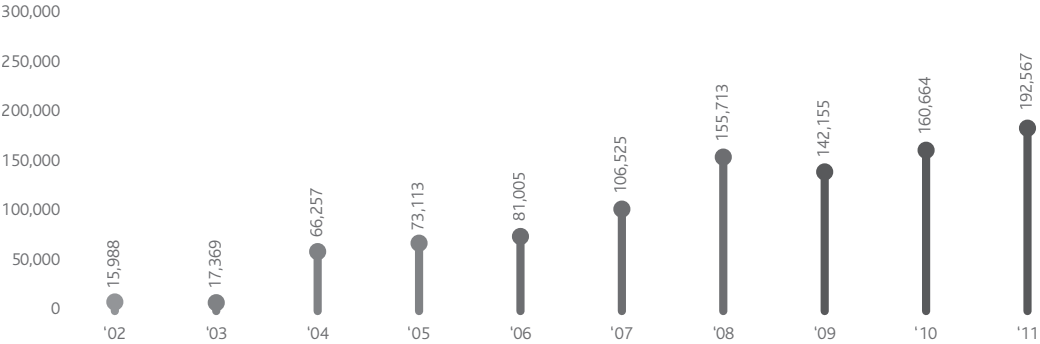
Composition of Penta Security Direct Premium December 2011



BUSINESS AREA

INSURANCE

Penta Security Direct Premiums
MILLIONS OF NOMINAL CH\$



SERVICES

INMOBILIARIA SECURITY S.A.

Inmobiliaria Security, with 15 years' experience in the Chilean real-estate market, has reported earnings of Ch\$430 million in 2011, with a return on equity of 11.6%.

During 2011, its overall sales of homes exceeded UF 500,000. Notable was the municipal reception of houses in the Santa Marta de Huechuraba and Don Vicente, Rancagua, projects, with excellent performance, obtaining margins above budget and attractive IRR.

The commercial launch and the construction tendered occurred during the year of two new housing projects in the districts of Las Condes and Providencia, achieving advance sales of over 50% of the respective properties and forecasting the completion of construction and sales during 2012, with excellent projected results.

An attractive plot of land was acquired in the Chamisero sector of Colina, to develop a project of 126 houses whose commercial launch and start of construction is planned for the first quarter of 2012.

Regarding the provision of real-estate services, a tender was called in April 2011 for the construction of the Security Sur office building of Vida Security, located on the corner of Apoquindo and Augusto Leguía Sur, consisting of approximately a useful 12,000 m² for rental and having anti-seismic technology, air conditioning and the latest-generation energy savings qualifying as Leed mention gold.

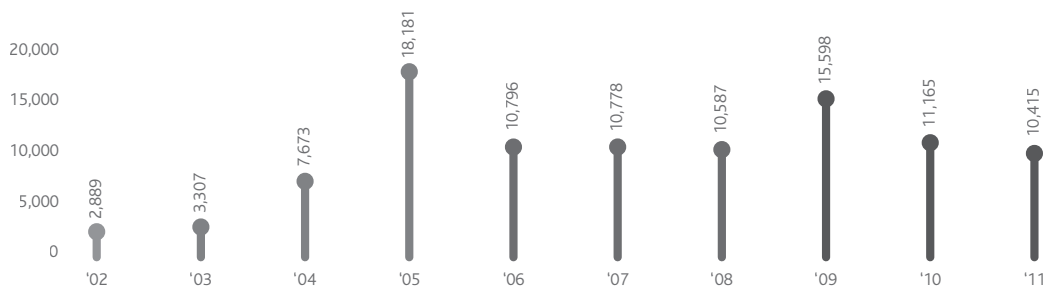
In order to meet the company's business development needs, the board agreed in November 2011 to propose a capital increase to shareholders of Ch\$10 billion. This was approved at the extraordinary shareholders meeting of November 4, to be subscribed and paid in cash within three years from the date of the meeting. This increase will be made according to the timing of acquisitions of new plots of land during 2012 in accordance with the approved new projects in portfolio.

The year 2011 ended with a balance of real-estate assets under management of UF 800,000, following the returns of capital and earnings of UF 200,000 made during the year.

Mention should finally be made of the notable result obtained by Inmobiliaria Security in The Great Place to Work survey, resulting as one of the best places to work in Chile.

Sales of Inmobiliaria Security

MILLIONS OF NOMINAL CH\$



BUSINESS AREA

SERVICES

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 and excellent service. 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.

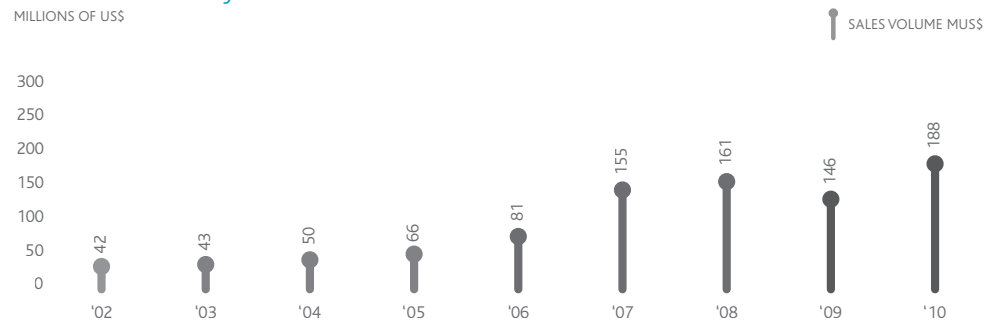
It is important to recall that the company forms part of the global network of American Express travel representatives, which is the largest grouping of travel-service offices in the world, with a presence in over 140 countries.

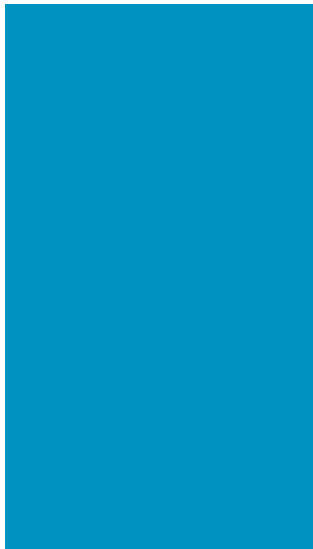
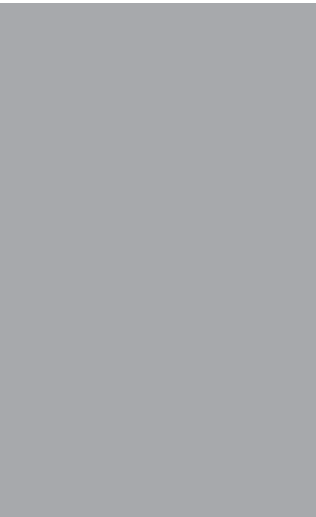
As part of its strategy, the company in 2011 saw a greater diversification of its operating revenues, with a greater incidence in the sale of other non-air products and services, plus a broadening of the customer base and a greater presence in the domestic market through its land operator.

Travel Security last year generated sales of US\$241.6 million, 27% more than in 2010. Its earnings were Ch\$1,778 million, 26.9% up on the year before.

Sales of Travel Security

MILLIONS OF US\$





INVESTMENT AND FINANCING POLICIES

CHAPTER

06

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 a 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 serie 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.

- **Ownership of Banco Security:** 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.



INVESTMENT AND FINANCING POLICIES

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.

• **Ownership of Banco Security:** 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. 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,

- **Ownership of Banco Security:** The Company should also retain, directly or indirectly, through one or more subsidiaries, at least 51% of the shares issued 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. The Company should also retain, directly or indirectly, through one or more subsidiaries,

- **Ownership of Banco Security:** The Company should also retain, directly or indirectly, through one or more subsidiaries, at least 51% of the shares issued with voting rights of Banco Security.

Bonds series F

DATE: November 20, 2009



INVESTMENT AND FINANCING POLICIES

- **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,

- **Ownership of Banco Security:** The Company should also retain, directly or indirectly, through one or more subsidiaries, at least 51% of the shares issued with voting rights of Banco Security.

Bank creditors

As of December 31, 2011 Grupo Security has no debt with banks and financial institutions.

Dependence of the 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 59% of the dividends received in 2011. 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 2011 came from Vida Security, with 38% of the dividends. The credit rating of Vida Security is AA- from Fitch Ratings and Feller-Rate, The third dividend flow for Grupo Security in 2011 was from Factoring Security, with 3% of the dividends. The solvency rating of Factoring Security is A+, granted by both Feller-Rate and International Credit Ratings, with stable outlook. With respect to the general insurance companies, 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.

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

-Regulatory changes in the industries in which the Group participates

The industries 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 associated with the financial business

-Credit Risk

During recent years, the banking system experienced a decline in credit quality in some segments, with the consequent generalized impact on the loan portfolios as a result of the international crises of 2008 and 2011. However, the rise in risk ratios has remained limited.

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

INVESTMENT AND FINANCING POLICIES

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 a continuous follow-up of its portfolio.

- Risks associated with volatility in 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.

Risks associated with the insurance business

- Local financial risks

The reduction 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

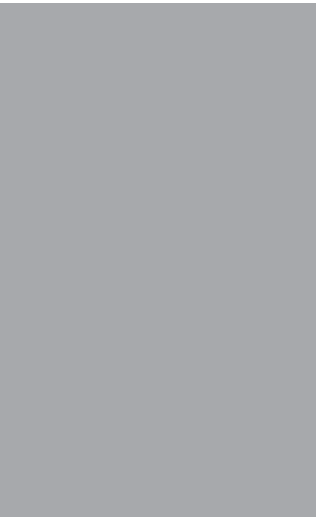
The large number of participants in the industry can lead to company closures and mergers, thus changing the present industry structure and producing adjustments to sales and operating margin structures.

- 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.





INFORMATION ON THE COMPANY

CHAPTER

07

GRUPO | security





IDENTIFICATION

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, Piso 15, Las Condes, Santiago.

TELEPHONE: (56-2) 584 4000

FAX: (56-2) 584 4001

MAIL: grupo@security.cl

WEB: www.security.cl

CONSTITUTION DOCUMENTS

The investment company Grupo Security S.A. was formed under public deed dated February 8, 1991 before the notary Enrique Morgan Torres. Its 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 70.08% 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. A capital increase was made in 2011 with which the total number of shares of the sole series reached 2,882,258,605. This did not mean an important change in the ownership of Grupo Security.

INFORMATION ON THE COMPANY

The 12 largest shareholders in Grupo Security S.A. as of December 31, 2011 are:

NAME	TAX NO.	NO. OF SHARE	% PARTICIPATION	% ACCUMULATED PARTICIPATION
Inversiones Centinela Limitada	76.108.332-5	284.271.279	9.9%	9.9%
Inmobiliaria Villuco Limitada	79.652.720-K	268.597.846	9.3%	19.2%
Sociedad de Ahorro Matyco Limitada	96.512.100-5	266.080.802	9.2%	28.4%
Valores Security SA Corredores de Bolsa	96.515.580-5	206.823.337	7.2%	35.6%
Inversiones Hidroeléctricas Limitada	79.884.660-4	202.310.000	7.0%	42.6%
Inversiones Hemaco Limitada	96.647.170-0	171.208.639	5.9%	48.5%
Arcoinvest Chile SA	76.057.087-7	137.625.000	4.8%	53.3%
Sociedad Comercial de Servicios e Inversiones Limitada	79.553.600-0	118.070.506	4.1%	57.4%
Inversiones Llascahue SA	79.884.060-6	110.258.000	3.8%	61.2%
Inmobiliaria Cab Limitada	96.941.680-8	103.663.468	3.6%	64.8%
Inversiones Los Cactus SA	79.884.050-9	88.670.000	3.1%	67.9%
Moneda SA AFI Para Pionero Fondo De Inversion	96.684.990-8	72.568.000	2.5%	70.4%

SOURCE: DCV

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, 2011: this is the situation of Gustavo Pavez Rodríguez, tax No.4.609.215-5, with a 12.97% shareholding through his 92.91% holdings in Inversiones Centinela Ltda. and Sociedad Comercial de Servicios e Inversiones Ltda..

STAFF AND REMUNERATION

Grupo Security S.A. and its subsidiaries as of December 31, 2011 employed 2,630 people, an increase of 16% over 2010. Total remuneration paid to executives of Grupo Security S.A. during the year amounted to Ch\$13,692,052,751 of which Ch\$669,588,072 related to benefits.

Grupo Security S.A. paid Ch\$363,196,152 during 2011 in severance payments to its executives. The human team making up Grupo Security, the fundamental support for the company's sustained growth, includes a high proportion of women, who represent 63.3% of the total staff.

Grupo Security and its subsidiaries also have an incentives plan based on compliance with return on equity 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:

STAFF BY COMPANY	CLASSIFICATION			
	EXECUTIVE	PROFESSIONAL	STAFF	TOTAL
GRUPO SECURITY S.A.	9	4	3	16
BANCO Y FILIALES	83	509	362	954
FACTORING SECURITY S.A.	16	60	58	134
INMOBILIARIA SECURITY S.A. E INMOBILIARIA SECURITY SIETE LTDA.	5	14	10	29
ASESORIAS SECURITY S.A.	5	14	5	24
SECURITIZADORA SECURITY GMAC-RFC S.A.	3	3	2	8
INVERSIONES INVEST SECURITY LTDA.	48	260	429	737
INVERSIONES SEGUROS SECURITY Y FILIALES	37	170	521	728
TOTAL GENERAL	206	1034	1390	2630

Directors' Committee

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

CARGO	NOMBRE	ESTUDIOS	RUT
Director Independiente	Andrés Concha Rodríguez	Ingeniero Comercial, Universidad de Chile	4.773.967-5
Directores	Jorge Marín Correa	Administrador de Empresas	7.639.707-4
	Álvaro Vial Gaete	Ingeniero Comercial, Universidad de Chile Master of Arts in Economics, University of Chicago	5.759.348-2

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 2011. The committee, whose functions are those set out in article 50 bis of Law 18,046, met on six occasions during 2011, plus an additional one as end of the year 2010 held in the first days of January 2011.

The matters discussed by the directors' committee were:

- Revision of the report of the independent accountants addressed to the shareholders of Grupo Security and its subsidiaries as of December 31, 2011.

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 prepared by the integral risk management and implemented by Grupo Security for each of its companies.

- Revision of the principal audit findings in the different areas of business and companies of Grupo Security, and follow-up of compliance with the commitments assumed for the resolution of auditing comments.

- Take note of regulatory changes made by the authorities during the year.

INFORMATION ON THE COMPANY

- Revision of compensation and incentive systems for managers and senior executives of Grupo Security.
- The work carried out by the external auditors was examined, noting no contracted services that are not usually included in this service.
- 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.

Regarding the convenience of whether or not to contract the external audit firm for the provision of services that do not form part of the external audit, as established in art.50 Bis of Law 18.046, the directors' committee was not informed of any services contracted with the external auditors that will not form part of the external audit.

Balances with related entities relate to habitual operations and are shown in Note 6 to the consolidated financial statements.

PROPERTIES AND ASSETS

Grupo Security, as the parent company of subsidiary and associate companies, does not own properties, equipment or other assets of a similar nature that are important for carrying out its activities and business. Its consolidated property, plant and equipment as of December 31, 2011 amounted to Ch\$40,960 million, equivalent to 0.8% of the assets.

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' REMUNERATION

Regarding the allowances and fees received by each director during the year, the ordinary shareholders meeting of March 24, 2011 proposed setting a 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 7,323.

No advisory fees were paid to directors.

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 599 (UF 500 in 2010) per diem for Francisco Silva Silva; UF 385 (UF 280 in 2010) per diem and UF840 (UF655 in 2010) in bonuses for Claudio Berndt Cramer; UF 385 (UF 315 in 2010) per diem and UF 105 (UF 60 in 2010) per diem directors' committee and

US\$840 (UF 655 in 2009) in bonuses for Andrés Concha Rodríguez; UF 350 (UF 385 in 2010) per diem and UF 840 (UF 655 in 2010) in bonuses for Ana Sáinz de Vicuña; UF 385 (UF 315 on 2010) per diem and UF 75 (UF 60 in 2010) per diem of directors' committee for Jorge Marín Correa; UF 420 (UF 350 in 2010) per diem and UF 840 (UF 655 in 2010) in bonuses for Naoshi Matsumoto Takahashi; UF 350 (UF 350 in 2010) per diem for Juan Cristóbal Pavez Recart; UF 385 (UF 350 in 2010) per diem for Horacio Pavez García; and UF 420 (UF 350 in 2010) per diem, and UF 105 (UF 90 in 2010) per diem directors' committee, for Álvaro Vial Gaete.

In Banco Security, UF 451 (UF 551 in 2010) per diem and UF 15,215 (UF 14,458 in 2010) in fees and bonuses for Francisco Silva Silva; UF 450 (UF 451 in 2010) per diem and UF 944 (UF 759 in 2010) in bonuses for Jorge Marín Correa; and UF 500 (UF 451 in 2010) per diem for Horacio Pavez García.

In Seguros de Vida Security, UF 310 (UF 274 in 2010) per diem for Francisco Silva Silva; UF 310 (UF 310 in 2010) per diem and UF 840 (UF 655 in 2010) in bonuses for Juan Cristóbal Pavez; UF 279 (UF 341 in 2010) per diem and UF 840 (UF 655 in 2010) in bonuses for Horacio Pavez García; and UF 310 (UF 367 in 2010) per diem and UF 840 (UF 655 in 2010) in bonuses for Álvaro Vial Gaete.

CREDIT RATING

RATING AGENCY	ORDINARY SHARES	BONDS NO 340 SERIE B-2 BONDS NO 376 SERIE C-2 BONDS NO 454 SERIE D BONDS NO 507 SERIE E BONDS NO 620 SERIE F	OUTLOOK
Fitch Chile Clasificadora de Riesgo Limitada	Primera Clase Nivel 3	A+	Estables
Feller & Rate Clasificadora de Riesgo	Primera Clase Nivel 2	A+	Estables
Comisión Clasificadora de Riesgo		Aprobado	

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 2011. 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 the earnings for the year or the previous years' accumulated 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. The board is also authorized to decide on the distribution of an additional dividend against accumulated earnings.

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.

INFORMATION ON THE COMPANY

MILLIONS OF NOMINAL CH\$	2006	2007	2008	2009	2010	2011
Earnings for the year	\$ 26.746	\$ 32.018	\$ 17.785	\$ 29.986	\$ 40.852	\$ 41.883
Dividends paid during the year	\$ 12.986	\$ 15.297	\$ 14.967	\$ 15.729	\$ 20.400	\$ 25.942

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.

NO.	DATE	DIVIDEND PER SHARE CH\$	NO. OF SHARES	VOLUME IN MCH\$	NO.	DATE	DIVIDEND PER SHARE CH\$	NO. OF SHARES	VOLUME IN MCH\$
1	25-feb-95	\$ 12.36	170,827,056	\$ 2,111	22	19-abr-05	\$ 3.30	2,040,264,415	\$ 6,733
2	02-may-96	\$ 11.00	236,388,722	\$ 2,600	23	11-oct-05	\$ 0.75	2,040,264,415	\$ 1,530
3	02-may-97	\$ 14.00	236,388,722	\$ 3,309	24	11-oct-05	\$ 1.00	2,040,264,415	\$ 2,040
4	14-nov-97	\$ 1.00	1,654,721,054	\$ 1,655	25	13-abr-06	\$ 3.75	2,201,000,000	\$ 8,254
5	05-may-98	\$ 1.50	1,654,721,054	\$ 2,482	26	10-oct-06	\$ 1.00	2,201,000,000	\$ 2,201
6	07-oct-98	\$ 1.00	1,654,721,054	\$ 1,655	27	10-oct-06	\$ 1.15	2,201,000,000	\$ 2,531
7	07-oct-98	\$ 4.50	1,654,721,054	\$ 7,446	28	17-abr-07	\$ 4.15	2,201,000,000	\$ 9,134
8	06-abr-99	\$ 2.00	1,654,721,054	\$ 3,309	29	24-oct-07	\$ 1.70	2,201,000,000	\$ 3,742
9	14-oct-99	\$ 1.50	1,654,721,054	\$ 2,482	30	24-oct-07	\$ 1.10	2,201,000,000	\$ 2,421
10	11-abr-00	\$ 2.75	1,654,721,054	\$ 4,550	31	11-abr-08	\$ 4.80	2,201,000,000	\$ 10,565
11	21-oct-00	\$ 1.25	1,654,721,054	\$ 2,068	32	09-oct-08	\$ 0.50	2,201,000,000	\$ 1,101
12	24-abr-01	\$ 2.00	1,654,721,054	\$ 3,309	33	09-oct-08	\$ 1.50	2,201,000,000	\$ 3,302
13	17-oct-01	\$ 1.00	1,654,721,054	\$ 1,655	34	09-abr-09	\$ 4.25	2,201,000,000	\$ 9,354
14	30-abr-02	\$ 2.20	1,654,721,054	\$ 3,640	35	09-oct-09	\$ 1.00	2,550,000,000	\$ 2,550
15	10-oct-02	\$ 0.60	1,654,721,054	\$ 993	36	09-oct-09	\$ 1.50	2,550,000,000	\$ 3,825
16	02-may-03	\$ 2.60	1,654,721,054	\$ 4,302	37	30-abr-10	\$ 5.00	2,550,000,000	\$ 12,750
17	14-oct-03	\$ 0.74	1,654,721,054	\$ 1,228	38	15-oct-10	\$ 1.00	2,550,000,000	\$ 2,550
18	14-oct-03	\$ 0.76	1,654,721,054	\$ 1,254	39	15-oct-10	\$ 2.00	2,550,000,000	\$ 5,100
19	30-abr-04	\$ 3.15	1,654,721,054	\$ 5,212	40	29-mar-11	\$ 6.50	2,550,000,000	\$ 16,575
20	01-oct-04	\$ 0.50	1,751,470,139	\$ 876	41	14-oct-11	\$ 1.00	2,882,258,605	\$ 2,882
21	01-oct-04	\$ 1.00	1,751,470,139	\$ 1,751	42	14-oct-11	\$ 2.25	2,882,258,605	\$ 6,485

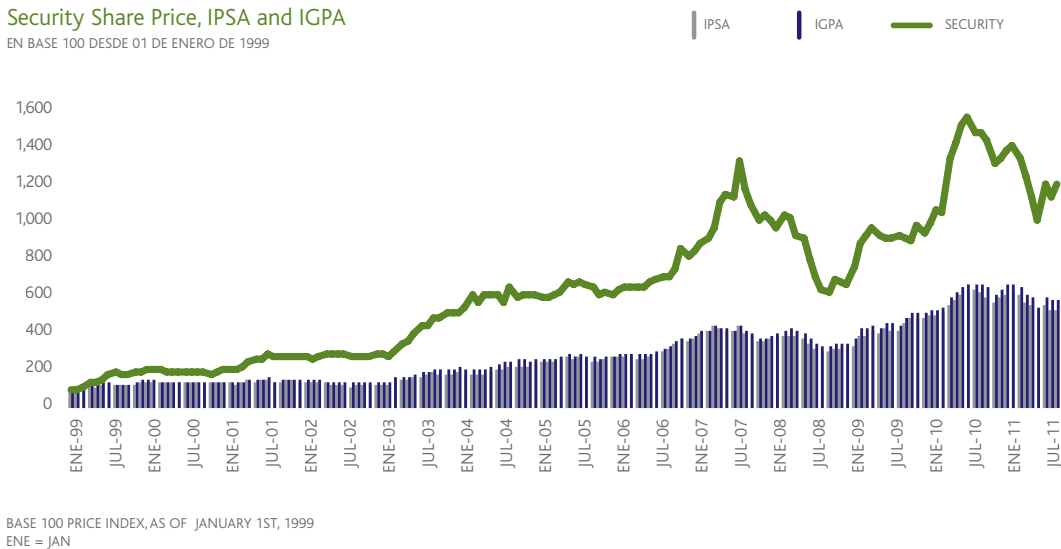
STOCK MARKET PERFORMANCE

The IPSA declined by 15.2% in 2011 compared to an annual return of 37.6% in 2010. The global economic and financial environment during the year was characterized by uncertainty and volatility, especially with respect to the European economies and risks of an eventual monetary disintegration.

In this context, the Grupo Security share price closed at Ch\$175 at December 31, 2011, representing a 22.9% decline from December 31, 2010, with a trading presence of 96.05% during the year.

The price/earnings ratio of the Security share reached 12.0 times, compared to 14.2 times in 2010. This is partly explained by the increase in the number of shares following the capital increase by Grupo Security in June 2011. The capital was increased by 332,258,605 shares, making a new total of 2,882,258,605 issued and paid shares.

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





INFORMATION ON THE COMPANY

ANNUAL SHARE PRICE VARIATIONS SECURITY AND IPSA

DATE	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
SECURITY	-3%	85%	21%	-2%	24%	44%	-43%	48%	61%	-18%
IPSA	-15%	48%	21%	9%	37%	13%	-22%	51%	38%	-15%

L- RETURN CALCULATED AS THE CLOSING PRICE ADJUSTED FOR DIVIDENDS

MARKET INDICATORS AND TRANSACTIONS

The following table shows the market indicators of Grupo Security at the close of each year from 2002 to 2011.

(HISTORIC PESOS)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Price Ch\$ (adjusted for dividends)	\$ 61.0	\$ 107.0	\$ 125.0	\$ 118.0	\$ 140.0	\$ 194.0	\$ 106.0	\$ 147.1	\$ 227.0	\$ 175.0
Earnings per share Ch\$	\$ 4.4	\$ 8.5	\$ 7.6	\$ 9.9	\$ 12.2	\$ 14.5	\$ 8.1	\$ 11.8	\$ 16.0	\$ 14.5
Price / Earnings	13.7	12.5	16.4	11.9	11.5	13.3	13.1	12.5	14.2	12.0
Price / Book value	1.1	1.7	1.6	1.4	1.5	1.8	0.9	1.3	1.9	1.3
Market presence	35.3%	43.6%	49.0%	99.6%	99.6%	100.0%	81.6%	77.2%	96.4%	94.0%
Number of shares (millions)	1,655	1,655	2,040	2,040	2,201	2,201	2,201	2,550	2,550	2,882
Market value (MUS\$)	\$ 142	\$ 295	\$ 456	\$ 468	\$ 576	\$ 861	\$ 371	\$ 741	\$ 1.236	\$ 967

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

QUARTER	NO. OF SHARES (THOUSAND)	VOLUME TRADED (THOUSAND OF CH\$)	AVERAGE PRICE (CH\$)
1st QUARTER 2010	24,772	\$ 3,702,203	\$ 149
2st QUARTER 2010	36,048	\$ 5,706,216	\$ 158
3st QUARTER 2010	74,402	\$ 16,619,891	\$ 223
4st QUARTER 2010	64,999	\$ 14,997,764	\$ 231
YEAR 2010	200,221	\$ 41,026,075	\$ 205
1st QUARTER 2011	46,846	\$ 10,245,781	\$ 219
2st QUARTER 2011	254,154	\$ 50,555,271	\$ 199
3st QUARTER 2011	101,078	\$ 17,058,160	\$ 169
4st QUARTER 2011	191,990	\$ 32,073,445	\$ 167
YEAR 2011	594,069	\$ 109,932,656	\$ 185

SOURCE: NUMBER OF SHARES AND AMOUNTS TRADED ON SANTIAGO STOCK EXCHANGE, CHILEAN ELECTRONIC EXCHANGE AND VALPARAISO STOCK EXCHANGE.



TRANSACTIONS IN GRUPO SECURITY SHARES

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

Inv Centinela Ltda

Related to Gustavo Pavez Rodriguez, a major shareholder in Grupo Security

TRANSACTION	DATE	NO. SHARES TRADE	SHARE PRICE	INVESTMENT CH \$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Transfer of shares	07-oct-10	246,462,880	-	-	-	246,462,880
Transfer of shares	08-oct-10	266,518	-	-	246,462,880	246,729,398
Capital increase pre-emptive share purchase	01-jul-11	9,376,187	200	1,875,237,400	246,729,398	256,105,585
Capital increase pre-emptive share purchase	01-jul-11	19,593,217	200	3,918,643,400	256,105,585	275,698,802
Purchase shares	10-ago-11	8,572,477	150	1,285,871,550	275,698,802	284,271,279

SCSI Ltda

Related to Gustavo Pavez Rodriguez, a major shareholder in Grupo Security

TRANSACTION	DATE	NO. SHARES TRADE	SHARE PRICE	INVESTMENT CH \$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase shares	14-may-10	488,894	155	75,778,570	364,311,010	364,799,904
Share transfer through division of company	07-oct-10	-246,462,880	-	-	364,799,904	118,337,024
Share transfer through division of company	08-oct-10	-266,518	-	-	118,337,024	118,070,506

IV Ltda

Related to Horacio Pavez Garcia, director of Grupo Security

TRANSACTION	DATE	NO. SHARES TRADE	SHARE PRICE	INVESTMENT CH \$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase shares	14-may-10	333,501	155	51,692,655	248,503,740	248,837,241
Capital increase pre-emptive share purchase	08-jul-11	19,760,605	200	3,952,121,000	248,837,241	268,597,846

SAM Ltda

Related to Horacio Pavez Garcia, director of Grupo Security

TRANSACTION	DATE	NO. SHARES TRADE	SHARE PRICE	INVESTMENT CH \$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase shares	28-abr-10	330,375	155	51,208,125	246,175,000	246,505,375
Capital increase pre-emptive share purchase	05-jul-11	19,575,427	200	3,915,085,400	246,505,375	266,080,802

INFORMATION ON THE COMPANY

IH Ltda.

Related to Francisco Silva, chairman of Grupo Security and Renato Peñafiel, president of Grupo Security

TRANSACTION	DATE	NO. SHARES TRADE	SHARE PRICE	INVESTMENT CH \$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase shares	14-may-10	555,000	155	86,025,000	186,870,000	187,425,000
Capital increase pre-emptive share purchase	24-jun-11	14,885,000	200	2,977,000,000	187,425,000	202,310,000

IH Ltda.

Related to Jorge Marín Correa, director of Grupo Security

TRANSACTION	DATE	NO. SHARES TRADE	SHARE PRICE	INVESTMENT CH \$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase shares	17-may-10	233,261	155	36,155,455	158,379,647	158,612,908
Capital increase pre-emptive share purchase	29-jun-11	12,595,731	200	2,519,146,200	158,612,908	171,208,639

PSSR Ltda.

Related to Jorge Marín Correa, director of Grupo Security

TRANSACTION	DATE	NO. SHARES TRADE	SHARE PRICE	INVESTMENT CH \$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase shares	17-may-10	35,979	155	5,576,745	26,809,226	26,845,205
Capital increase pre-emptive share purchase	29-jun-11	2,131,826	200	426,365,200	26,845,205	28,977,031

AC S.A.

Related to Ana Saíñz de Vicuña Bemberg, director of Grupo Security

TRANSACTION	DATE	NO. SHARES TRADE	SHARE PRICE	INVESTMENT CH \$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Capital increase pre-emptive share purchase	08-jul-11	10,125,000	200	2,025,000,000	127,500,000	137,625,000

IL Ltda.

Related to Francisco Silva, chairman of Grupo Security

TRANSACTION	DATE	NO. SHARES TRADE	SHARE PRICE	INVESTMENT CH \$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Capital increase pre-emptive share purchase	23-jun-11	6,157,825	200	1,231,565,000	102,000,000	108,157.825
Capital increase pre-emptive share purchase	24-jun-11	2,100,175	200	420.035.000	108.157.825	110.258.000



IC Ltda.

Related to Claudio Berndt, director of Grupo Security

TRANSACTION	DATE	NO. SHARES TRADE	SHARE PRICE	INVESTMENT CH \$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Capital increase pre-emptive share purchase	08-jul-11	7,626,468	200	1,525,293,600	96,037,000	103,663,468

ILC Ltda.

Related to Renato Peñafiel, president of Grupo Security

TRANSACTION	DATE	NO. SHARES TRADE	SHARE PRICE	INVESTMENT CH \$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Capital increase pre-emptive share purchase	24-jun-11	6,670,000	200	1,334,000,000	82,000,000	88,670,000

CIRB S.A.

Related to Andrés Concha Rodríguez, director of Grupo Security

TRANSACTION	DATE	NO. SHARES TRADE	SHARE PRICE	INVESTMENT CH \$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Capital increase pre-emptive share purchase	08-jul-11	5,248,213	200	1,049,642,600	66,088,609	71,336,822

SLIS Ltda.

Related to Alvaro Vial Gaete, director of Grupo Security

TRANSACTION	DATE	NO. SHARES TRADE	SHARE PRICE	INVESTMENT CH \$	INITIAL NO. OF SHARES	CLOSING NO. OF SHARES
Purchase shares	28-may-10	32,066	155	4,970,230	23,328,436	23,360,502
Purchase shares	07-jul-10	1,054,864	169	178,272,016	23,360,502	24,415,366
Capital increase pre-emptive share purchase	08-jul-11	1,983,822	200	396,764,400	24,415,366	26,399,188

INFORMATION ON THE COMPANY

MATERIAL INFORMATION

Santiago, March 3, 2011

The board meeting of Grupo Security agreed to propose to the shareholders meeting of March 24 the distribution of a dividend of Ch\$6.5 per share which, added to the interim dividend of Ch\$1.0 and additional dividend of Ch\$2.0 paid on October 21, 2010, would make up a final dividend of Ch\$9.5 for the year 2010.

It was also agreed to call an extraordinary shareholders meeting for the same day to increase the company's capital through the issue of 450 million shares for payment of the same existing series and no par value.

Santiago, April 6, 2011

The board of the company unanimously agreed at its meeting on April 5 to issue 450,000,000 nominative ordinary shares of the one series and no par value in accordance with the capital increase agreed by the extraordinary shareholders meeting held on March 24, 2011.

Santiago, May 27, 2011

With respect to the capital increase of Grupo Security S.A., approved by the extraordinary shareholders meeting held on March 24, 2011, for the sum of Ch\$92,187,000,000, and for which the board agreed to issue 450 million shares for payment, the company's management received a communication from 17 shareholders, together representing 65.9% of the issued shares, advising their intention to renounce partially, by 55%, their pre-emptive rights to subscribe. Consequently, the board agreed to place directly with the public at the first opportunity and through a process led by IM Trust S.A. Corredores de Bolsa, up to a maximum of 181,092,320 shares.

Santiago, June 9, 2011

With respect to the capital increase of Grupo Security S.A., approved by the extraordinary shareholders meeting held on March 24, 2011 for the sum of Ch\$92,187,000,000, and for which the board agreed to issue 450 million shares for payment, the company's board agreed to set the price of placement of the 450,000,000 shares at a sum of Ch\$200 each, and to place directly with the public, through the order-book auction system managed by IM Trust S.A. Corredores de Bolsa, in accordance with the rules of the Share Transactions Manual of the Santiago Stock Exchange, the sum of 181,092,320 shares for payment, against the total number of shares remaining available as a result of the renunciations of pre-emptive options presented by various shareholders.

Santiago, June 10, 2011

With respect to the capital increase of Grupo Security S.A., approved by the extraordinary shareholders meeting held on March 24, 2011 for the sum of Ch\$92,187,000,000, and for which the board agreed to issue 450 million shares for payment, registered in the Securities Register under No.928 on May 27, 2011, the company's management was informed of the communication from 33 shareholders, together representing 73.2% of the issued and paid shares, advising their intention to renounce partially, by 55%, their pre-emptive rights to subscribe, thus leaving available to the board a total of 181,092,320 shares for payment.



The resolution of the board of June 9, 2011 was also confirmed as a result of these renunciations, regarding the placement directly with the public the total of 181,092,320 shares for payment at a price of Ch\$200 per share.

Santiago, August 25, 2011

Regarding the capital increase of Banco Security of Ch\$60,000,000,000 through the issue of 33,180,959 new shares for payment, which was approved at an extraordinary shareholders meeting held on July 6, 2011, the board of Grupo Security, at its meeting on August 25, 2011, agreed to pay for 25,979,565 shares out of the total of 25,991,751 shares finally issued by the board of Banco Security, for an amount of Ch\$46,977,964,470, which corresponds pro rata to its right to subscribe as majority shareholder in the Bank.

The board also agreed to subscribe and pay for all the other shares in the Bank that are not subscribed by its minority shareholders during the pre-emptive offer period and those originating from fractions produced in the pro rata sharing, once the Bank's board authorizes to offer them to Grupo Security.

Santiago, September 29, 2011

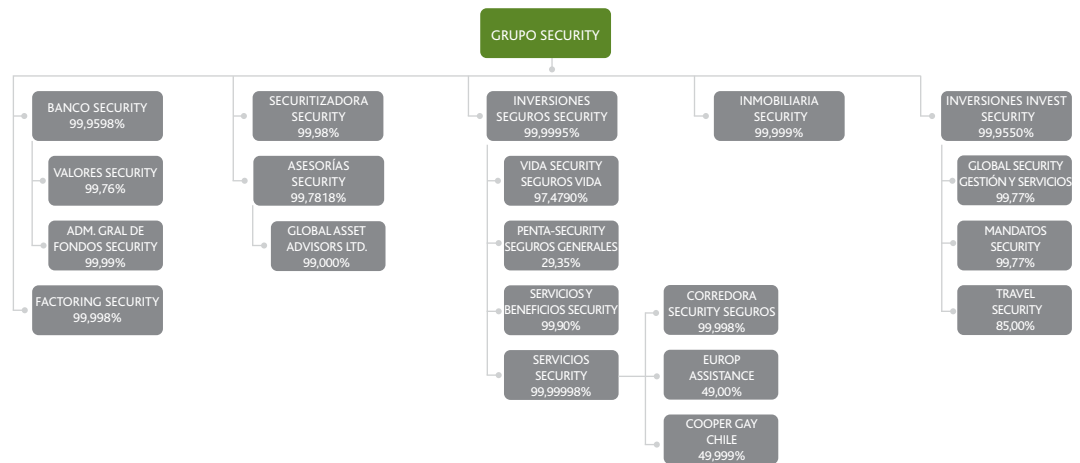
The board on September 29, 2011 decided, as authorized by the ordinary shareholders meeting of March 24, 2011, to pay a total dividend of Ch\$3.25 per share, being an interim dividend of Ch\$1.0 per share payable in cash against the accumulated earnings for 2011, and an additional dividend of Ch\$2.25 per share payable in cash against accumulated earnings from previous years.

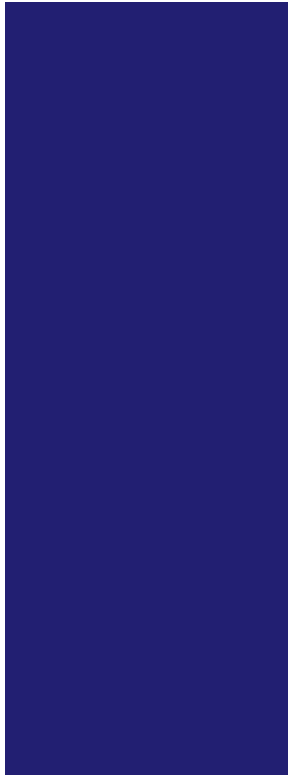
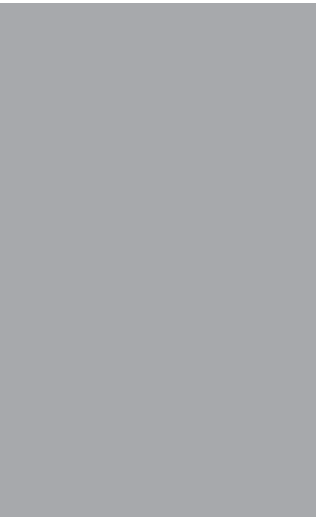
INFORMATION ON THE COMPANY

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, and all those laws and regulations applicable to its businesses.

ORGANIZATION STRUCTURE





FINANCIAL STATEMENTS

CHAPTER



GRUPO | security





CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

Deloitte.

To the Shareholders of
Grupo Security S.A.

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1. We have audited the consolidated statements of financial position of Grupo Security S.A. and Subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the years 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.
2. 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.
3. 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, 2011 and 2010, and the results of its operations and changes in its cash flows for the years then ended, in conformity with the instructions and Standards of the Superintendency of Securities and Insurance.
4. As explained in Note 2 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 because Banco Security is regulated by another regulatory agency, while the indirect subsidiary Seguros Vida Security Previsión S.A. is in the process of adopting new accounting criteria issued by the Superintendency of Securities and Insurance.
5. As indicated in Note 36 to the consolidated financial statements, as of January 1, 2012 the indirect subsidiary Seguros Vida Security Previsión S.A. will adopt the new accounting criteria issued by the Superintendency of Securities and Insurance.

Deloitte.

February 22, 2012

Juan Carlos Cabrol Bagnara

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION

At December 31, 2011 and December 31, 2010

ASSETS	NOTE	DECEMBER 31, 2011 THCLP\$	31 DE DICIEMBRE DE 2010 THCLP\$
CURRENT ASSETS			
Cash and cash equivalents	3	311,449,002	144,354,427
Other financial assets, current	12	1,515,915,332	1,550,927,927
Other non-financial assets, current	13	10,806,072	9,279,025
Trade and other receivables, current	11	2,857,682,984	2,196,579,241
Accounts receivable from related companies, current	6	27,169,586	43,945,281
Inventories	5	14,511,120	8,005,120
Biological assets current		0	0
CURRENT TAX ASSETS	14	13,278,185	10,055,749
TOTAL CURRENT ASSETS OTHER THAN ASSETS OR DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE OR AS HELD FOR DISTRIBUTION TO OWNERS		4,750,812,281	3,963,146,770
Non current assets or disposal groups classified as held for sale		2,088,233	4,770,475
Non current assets or disposal groups classified as held for distribution to owners		0	0
NON-CURRENT ASSETS OR DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE OR HELD FOR DISTRIBUTION TO OWNERS		2,088,233	4,770,475
TOTAL CURRENT ASSETS		4,752,900,514	3,967,917,245
NON-CURRENT ASSETS			
Other non-current financial assets		0	0
Other non-current non-financial assets	15	16,302,473	16,213,083
Rights receivable non-current		0	0
Accounts receivable from related entities, non-current		0	0
Equity-accounted investments	7	10,903,908	11,431,695
Intangible assets other than goodwill	9	31,586,373	23,077,589
Goodwill	10	43,208,940	42,870,500
Property, plant and equipment	8	40,959,529	44,314,311
Biological assets, non-current		0	0
Investment property		23,577,321	13,240,035
Deferred tax assets	4	55,171,548	54,177,694
TOTAL NON-CURRENT ASSETS		221,710,092	205,324,907
TOTAL ASSETS		4,974,610,606	4,173,242,152

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION

At December 31, 2011 and December 31, 2010

EQUITY AND LIABILITIES	NOTE	DECEMBER 31, 2011 THCLP\$	DECEMBER 31, 2010 THCLP\$
LIABILITIES			
CURRENT LIABILITIES			
Other financial liabilities, current	17	3,393,515,621	2,744,162,673
Trade and other payables	16	755,507,107	714,512,704
Accounts payable to related entities, current		0	0
Other short-term provisions	20	49,969,227	53,484,759
Current tax liabilities	19	7,434,268	7,766,749
Employee benefits provision, current	21	3,500,903	3,287,362
Other non-financial liabilities, current	18	109,878,030	59,248,407
TOTAL CURRENT LIABILITIES OTHER THAN LIABILITIES INCLUDED IN DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE		4,319,805,156	3,582,462,654
Liabilities included in disposal groups classified as held for sale		0	0
TOTAL CURRENT LIABILITIES		4,319,805,156	3,582,462,654
NON-CURRENT LIABILITIES			
Other financial liabilities, non-current	22	182,745,256	182,133,509
Non-current liabilities	23	44,261,097	55,809,614
Accounts payable to related entities, non-current		0	0
Other long-term provisions		0	0
Deferred tax liabilities	4	47,894,519	46,496,382
Employee benefits provision, non-current		0	0
Other non-current non-financial liabilities		0	0
TOTAL NON-CURRENT LIABILITIES		274,900,872	284,439,505
TOTAL LIABILITIES		4,594,706,028	3,866,902,159
EQUITY			
Issued capital	32	227,481,181	159,414,682
Retained earnings (losses)		141,570,821	125,607,105
Share issuance premiums	32	36,861,860	38,835,926
Treasury shares		0	0
Other equity interests		0	0
Other reserves	32	(29,172,288)	(23,217,158)
EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER		376,741,574	300,640,555
Non-controlling interests		3,163,004	5,699,438
TOTAL EQUITY		379,904,578	306,339,993
TOTAL EQUITY AND LIABILITIES		4,974,610,606	4,173,242,152

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION

At December 31, 2011 and December 31, 2010

PROFIT (LOSS)		DECEMBER 31, 2011 THCLP\$	DECEMBER 31, 2011 THCLP\$
Income from ordinary activities	24 a	436,552,741	348,043,953
Cost to sell	24 b	(274,765,918)	(199,719,177)
GROSS PROFIT		161,786,823	148,324,776
Other income, by function	24 d	5,047,318	1,280,931
Administrative expense	25	(93,962,444)	(86,887,958)
Other expenses, by function	24 c	(16,700,610)	(17,705,510)
Other gains (losses)		4,384,971	2,365,510
Financial costs		(4,449,304)	(4,122,118)
Share of profit (loss) of associates and joint ventures, equity-accounted		2,710,155	2,757,705
Foreign currency exchange difference		(2,679,670)	4,582,890
Gain (loss) from indexation adjustments		(6,462,325)	(1,979,533)
Gain (loss) from difference between the prior carrying value and the fair value of reclassified financial assets measured at fair value		303,569	566,071
PROFIT (LOSS), BEFORE TAX		49,978,483	49,182,764
Income tax expense	4	(7,662,113)	(7,326,773)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		42,316,370	41,855,991
Profit (loss) from discontinued operations		0	0
PROFIT (LOSS) FOR THE YEAR		42,316,370	41,855,991
PROFIT (LOSS), ATTRIBUTABLE TO			
Profit (loss) attributable to owners of the controller		41,883,235	40,851,775
Profit (loss) attributable to non-controlling interests		433,135	1,004,216
PROFIT (LOSS) FOR THE YEAR		42,316,370	41,855,991
EARNINGS PER SHARE			
Basic earnings per share			
Basic earnings (loss) per share from continuing operations		14.531	16.020
Basic earnings (loss) per share from discontinued operations			
BASIC EARNINGS (LOSS) PER SHARE		14.531	16.020

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION

At December 31, 2011 and December 31, 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	DECEMBER 31, 2011 THCLP\$	DECEMBER 31, 2010 THCLP\$
PROFIT (LOSS) FOR THE YEAR	42,316,370	41,855,991
OTHER INCOME OR EXPENSES CHARGED OR CREDITED TO EQUITY		
Insurance company reserves	(5,598,436)	(5,256,631)
Financial assets available for sale	(1,238,820)	2,319,853
Hedge accounting derivatives	854,870	(78,453)
Others	28,085	-
TOTAL OTHER INCOME OR EXPENSES CHARGED OR CREDITED TO NET EQUITY	(5,954,300)	(3,015,231)
TOTAL COMPREHENSIVE INCOME AND EXPENSES	36,362,070	38,840,760
COMPREHENSIVE INCOME ATTRIBUTABLE TO:	DECEMBER 31, 2011 THCLP\$	DECEMBER 31, 2010 THCLP\$
Comprehensive income attributable to owners of the controller	35,928,890	37,835,344
Comprehensive income attributable to non-controlling interests	433,180	1,005,416
COMPREHENSIVE INCOME	36,362,070	38,840,760

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

December 31, 2011 and December 31, 2010

	ISSUED CAPITAL THCLP\$	SHARE INSUANCE PREMIUMS THCLP\$	OTHER RESERVES THCLP\$	RETAINED EARNINGS (LOSSES) THCLP\$	EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER THCLP\$	NON- CONTROLLING INTERESTS THCLP\$	TOTAL EQUITY THCLP\$
BEGINNING BALANCE CURRENT PERIOD 01/01/2011	159,414,682	38,835,926	(23,217,158)	125,607,105	300,640,555	5,699,438	306,339,993
Increase (decrease) from changes in accounting policies							
Increase (decrease) from correction of misstatements							
BEGINNING BALANCE RESTATED	159,414,682	38,835,926	(23,217,158)	125,607,105	300,640,555	5,699,438	306,339,993
Changes in equity							
Comprehensive income							
Profit (loss)				41,883,235	41,883,235	433,135	42,316,370
Other comprehensive income			(5,954,345)		(5,954,345)	45	(5,954,300)
COMPREHENSIVE INCOME			(5,954,345)	41,883,235	35,928,890	433,180	36,362,070
Share issuance	68,066,499	(1,974,066)			66,092,433		66,092,433
Dividends				(25,919,519)	(25,919,519)		(25,919,519)
Increase (decrease) from other contributions by owners					-		-
Decrease (increase) from other distributions to owners					-		-
Increase (decrease) from transfers and other changes			(785)		(785)	(498,570)	(499,355)
Increase (decrease) from treasury stock transactions					-		-
Increase (decrease) from changes in interests in subsidiaries that do not represent a loss of control					-	(2,471,044)	(2,471,044)
TOTAL CHANGES IN EQUITY	68,066,499	(1,974,066)	(785)	(25,919,519)	40,172,129	(2,969,614)	39,673,559
ENDING BALANCE CURRENT PERIOD 31/12/2011		36,861,860	(29,172,288)	141,570,821	376,741,574	3,163,004	379,904,578
	ISSUED CAPITAL THCLP\$	SHARE INSUANCE PREMIUMS THCLP\$	OTHER RESERVES THCLP\$	RETAINED EARNINGS (LOSSES) THCLP\$	EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER THCLP\$	NON- CONTROLLING INTERESTS THCLP\$	TOTAL EQUITY 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 issuance					-		-
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					-		-
Increase (decrease) from changes in interests in subsidiaries that do not represent a loss of control					-		-
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		38,835,926	(23,217,158)	125,607,105	300,640,555	5,699,438	306,339,993

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF CASH FLOWS

December 31, 2011 and December 31, 2010

CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	DECEMBER 31, 2011 THCLP\$	DECEMBER 31, 2011 THCLP\$
PROFIT	42,316,370	41,855,991
Profit (loss) to reconcile net income		
Adjustments for income tax expense	7,662,113	7,326,773
Adjustments for decreases (increases) in inventories	(6,158,822)	(2,029,866)
Adjustments for decreases (increases) in trade receivables	(762,644,689)	(123,177,310)
Adjustments for decreases (increases) in other accounts receivable from operating activities	(6,986,022)	228,137,216
Adjustments for increases (decreases) in trade payables	476,360,685	(6,533,819)
Adjustments for increases (decreases) in other accounts payable from operating activities	(24,589,046)	(83,751,498)
Adjustments for depreciation and amortization expenses	5,869,468	4,519,540
Adjustments for impairment (impairment loss reversals) recognized in income for the period	-	(14,371,426)
Adjustments for provisions	22,065,208	12,542,847
Adjustments for unrealized foreign currency losses (gains)	-	(4,247)
Adjustments for non-controlling interests	(433,135)	(1,004,216)
Adjustments for share-based payments	-	-
Adjustments for fair value through profit (loss)	-	-
Adjustments for undistributed profits of associates	(2,710,155)	(2,757,705)
Other adjustments for non - cash items	141,881,952	(32,082,348)
Adjustments for losses (gains) from the disposal of non-current assets	1,640,696	(2,108,600)
Other adjustments so that the effects on cash are investing or financing cash flows.	(18,699,289)	(80,736,414)
TOTAL ADJUSTMENTS FOR RECONCILIATION OF NET INCOME	(166,741,036)	(96,031,073)
Dividends paid	(3)	(94,452,084)
Dividends received	-	86,686,208
Interest paid	(104,517,726)	(27,586)
Interest received	192,643,000	(600,204)
Refundable (paid) income tax	(57,136)	-
Other cash inflows (outflows)	8,311,624	-
NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	(28,044,907)	(62,568,748)
Cash flows provided by (used in) investing activities		
Cash flows from loss of control over subsidiaries or other businesses	-	-
Cash flows used to obtain control over subsidiaries or other businesses	(2,509,646)	(13,373)
Cash flows used to purchase non-controlling interests	(481,431)	(2,991)
Other charges for the sale of equity or debt instruments of other entities	-	-
Other payments to acquire equity or debt instruments of other entities	(32,917)	(31,498)
Other charges for the sale of interests in joint ventures	-	-
Other payments to acquire interests in joint ventures	35,613,346	68,232,399
Loans to related entities	-	(320,088)
Proceeds from the sale of property, plant and equipment	(64,259)	7,500
Purchases of property, plant and equipment	(3,261,900)	(19,461,973)
Amounts provided by sale of intangibles	-	(7,101,347)
Purchases of intangibles	(10,767,509)	(179,944)
Amounts provided by other long-term assets	(631)	-
Purchases of other long-term assets	-	-
Amounts provided by government subsidies	-	-
Cash advances and loans to third parties	-	-
Collections from reimbursements of advances and loans to third parties	-	-
Payments from forward, term, option and financial exchange contracts	-	-
Collections from forward, term, option and financial exchange contracts	-	-
Charges to related entities	-	7,212,584
Dividends received	2,086,292	984,992
Interest received	-	-
Refunded (paid) income tax	1	14,042
Other cash inflows (outflows)	1,179,858	1,425,006
NET CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	21,761,204	50,765,309

CONSOLIDATED STATEMENTS OF CASH FLOWS

December 31, 2011 and December 31, 2010

	DECEMBER 31, 2011 THCLP\$	DECEMBER 31, 2010 THCLP\$
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Proceeds from share issuance	66,092,432	-
Proceeds from issuance of other equity instruments	-	13,000,065
Payments from acquiring or redeeming the entity's shares	-	-
Payments from other equity interests	-	-
Proceeds from long-term loans	137,663,755	76,549,934
Proceeds from short-term loans	81,793,739	740,002
TOTAL PROCEEDS FROM LOANS	219,457,494	77,289,936
Related entity loans	-	345,794
Repayments of loans	(65,255,518)	(72,390,704)
Repayments of finance lease liabilities	(83,397)	(146,088)
Repayments of related entity loans	-	(11,963,851)
Proceeds from government subsidies	-	-
Dividends paid	(26,746,610)	(13,420,572)
Interest paid	(505,080)	(251,491)
Refunded (paid) income tax	972,455	(2,088)
Other cash inflows (outflows)	(20,552,728)	2,387,367
NET CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES	173,379,048	(5,151,632)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, BEFORE THE EFFECT OF CHANGES IN EXCHANGE RATE	167,095,345	(16,955,071)
Effects of changes in exchange rates on cash and cash equivalents		
Effects of changes in exchange rates on cash and cash equivalents	(770)	22,998
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	167,094,575	(16,932,073)
CASH AND CASH EQUIVALENTS AT BEGINING OR PERIOD	144,354,427	161,286,500
CASH AND CASH EQUIVALENTS AT END OF PERIOD	311,449,002	144,354,427

CONSOLIDATED FINANCIAL STATEMENTS

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.

The following companies are included in Grupo Security’s scope of consolidation at December 31, 2011 and 2010:

NAME OF COMPANY	TAXPAYER NO. COMPANY	2011			2010		
		DIRECT INTEREST	INDIRECT INTEREST	TOTAL INTEREST	DIRECT INTEREST	INDIRECT INTEREST	TOTAL INTEREST
Factoring Security S.A.	96.655.860-1	99.998%		99.998%	99.998%		99.998%
Banco Security S.A.	97.053.000-2	99.960%		99.960%	99.953%		99.953%
Administradora General de Fondos Security S.A.	96.639.280-0	99.990%	0.010%	100.000%	99.990%	0.010%	100.000%
Valores Security Corredores de Bolsa S.A.	96.515.580-5	99.758%	0.243%	100.000%	99.758%	0.243%	100.000%
Inversiones Seguros Security Ltda.	78.769.870-0	100.000%		100.000%	99.999%		99.999%
Asesorías Security S.A.	96.803.620-3	99.782%	0.218%	100.000%	99.782%	0.218%	100.000%
Seguros Vida Security Previsión S.A.	99.301.000-6	97.370%		97.370%	97.370%		97.370%
Global Assets Advisor	E-0	99.000%	1.000%	100.000%	99.000%	1.000%	100.000%
Servicios y Beneficios Security Ltda.	77.431.040-1	99.900%	0.100%	100.000%	99.900%	0.100%	100.000%
Servicios Security S.A.	96.849.320-5	100.000%		100.000%	99.999%		99.999%
Corredora de Seguros Security Ltda.	77.371.990-K	99.998%		99.998%	99.998%		99.998%
Inversiones Invest Security Ltda.	77.461.880-5	99.955%	0.045%	100.000%	99.955%	0.045%	100.000%
Mandatos Security Ltda.	77.512.350-8	99.770%	0.230%	100.000%	99.770%	0.230%	100.000%
Global Gestión y Servicios Security Ltda.	76.181.170-3	99.770%	0.230%	100.000%	99.770%	0.230%	100.000%
Travel Security S.A.	85.633.900-9	85.000%		85.000%	55.000%		55.000%
Securitizadora Security S.A.	96.847.360-3	99.980%	0.020%	100.000%	99.980%	0.020%	100.000%
Representaciones Security Ltda.	77.405.150-3		55.450%	55.450%		55.450%	55.450%
Inmobiliaria Security S.A.	96.786.270-3	99.999%		99.999%	99.999%		99.999%
Inmobiliaria SH Uno Ltda.	77.173.860-5		99.990%	99.990%		99.990%	99.990%
Inmobiliaria Security Siete Ltda.	78.972.520-9		100.000%	100.000%		99.990%	99.990%
Inmobiliaria Security Nueve Ltda.	77.441.660-9		100.000%	100.000%		99.000%	99.000%
Inmobiliaria Security Diez Ltda.	77.464.540-3		100.000%	100.000%		99.000%	99.000%
Inmobiliaria Security Once Ltda.	77.611.170-8		100.000%	100.000%		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		66.450%	66.450%		66.451%	66.451%
Quirihue Fondo de Inversion Privado	76.036.113-5		60.000%	60.000%		60.000%	60.000%
Silvina Hurtado Fondo de Inversion Privado	76.036.115-1		66.923%	66.923%		66.923%	66.923%
Oficinas el Golf Fondo de Inversion Privado	76.042.498-6		100.000%	100.000%		100.000%	100.000%
Empresas Huechuraba Fondo de Inversion Privado	76.042.497-8		100.000%	100.000%		100.000%	100.000%
Fontana Fondo de Inversion Privado	76.104.405-2		100.000%	100.000%		100.000%	100.000%
Inmobiliaria Los Espinos S.A.	76.167.559-1		69.920%	69.920%			
Don Vicente II FIP.	53.309.429-5		100.000%	100.000%			
Bustos Fondo de Inversion Privado.	76.104.355-2		100.000%	100.000%		100.000%	100.000%

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Main shareholders of Grupo Security S.A.:

	TAXPAYER NO	SHARES AT 31.12.2011	%	ACCUMULATED %
Inversiones Centinela Ltda.	76.108.332-5	284,271,279	9.86%	9.86%
Inmobiliaria Villuco Ltda.	79.652.720-K	268,597,846	9.32%	19.18%
Inversiones Matyco Ltda	96.512.100-5	266,080,802	9.23%	28.41%
Valores Security S A Corredora de Bolsa.	96.515.580-5	206,823,337	7.18%	35.59%
Inversiones Hidroeléctricas Ltda.	79.884.660-4	202,310,000	7.02%	42.61%
Inv. Hemaco Ltda.	96.647.170-0	171,208,639	5.94%	48.55%
Arcoinvest Chile S.A.	76.057.087-7	137,625,000	4.77%	53.32%
Soc. Comercial de Servicios e Inv. Ltda.	79.553.600-0	118,070,506	4.10%	57.42%
Inversiones Llascahue S.A.	79.884.060-6	110,258,000	3.83%	61.25%
Inmobiliaria CAB Ltda.	96.941.680-8	103,663,468	3.60%	64.84%
Inversiones Los Cactus S.A.	79.884.050-9	88,670,000	3.08%	67.92%
Moneda S.A. AFI Para Pionero Fondo de Inversión	96.684.990-8	72,568,000	2.52%	70.44%
Compania de Inversiones Río Bueno S.A.	96.519.130-5	71,336,822	2.48%	72.91%
Inversiones San Ignacio Ltda.	78.063.360-3	46,422,773	1.61%	74.52%
Inversiones Los Chilcos S.A.	79.884.030-4	42,532,000	1.48%	76.00%
Fondo de Inversión Larraín Vial Beagle.	96.955.500-K	38,400,597	1.33%	77.33%
Compass Small Cap Chile Fondo de Inversión	96.804.330-7	30,793,719	1.07%	78.40%
Chile Fondo de Inversión Small Cap	96.767.630-6	29,653,252	1.03%	79.43%
Polo Sur Sociedad de Rentas Ltda.	79.685.260-7	28,977,031	1.01%	80.43%
Celfin Small Cap Chile Fondo de Inversión.	96.966.250-7	28,422,808	0.99%	81.42%
San León Inversiones y Servicios Ltda.	78.538.290-0	26,399,188	0.92%	82.33%
Rentas e Inv San Antonio Ltda.	79.944.140-3	24,116,197	0.84%	83.17%
Inversiones Montija Ltda.	89.417.000-K	22,950,000	0.80%	83.97%
Soc. de Inv. Montecasino S.A.	78.604.920-2	22,350,000	0.78%	84.74%
Bolsa Electrónica de Chile Bolsa de Valores	96.551.730-8	22,048,415	0.76%	85.51%
Asesorías e Inversiones Orocoipo.	76.008.860-9	18,903,653	0.66%	86.16%
Gómez y Cobo Ltda.	78.071.220-1	16,526,489	0.57%	86.74%
Banchile Adm. General de Fondos S.A.	96.767.630-6	16,106,364	0.56%	87.30%
Celfin Capital S.A. Corredora de Bolsa.	84.177.300-4	13,987,915	0.49%	87.78%
Inversiones los Rododendros Ltda.	79.680.160-3	12,977,827	0.45%	88.23%

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:

FINANCING
Bank
Corporate Banking
Personal Banking
Factoring
INVESTMENTS
General Fund Manager
Stock Exchange Broker
Asset Manager
Securitizer
INSURANCE
Life Insurance
General Insurance
Travel Assistance
Insurance Brokers
Reinsurance Broker
OTHER SERVICES
Travel Agency
Real Estate Company
CORPORATE SUPPORT AREA
Technological development and business support services

Finance: Through Banco Security and Factoring Security, Grupo Security participates in providing financing to high income individuals, medium and 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 Seguros de Vida Security Previsión S.A. and Corredora de Seguros Security Limitada. Likewise, the Group has alliances with CooperGay and Europ Asistencia Chile. CooperGay is one of the ten largest reinsurance companies in the world. Europ Asistencia 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.

Corporate support: Comprises the subsidiaries Invest Security, Mandatos Security, Global Gestión y Servicios Security and Grupo Security Individual, all geared towards providing the group with supplementary support services.

CONSOLIDATED FINANCIAL STATEMENTS

c) Employees

The following chart shows the number of employees of Grupo Security as of December 31, 2011 and 2010:

At December 31 2011

COMPANY	EXECUTIVE	PROFESSIONAL	WORKER	GENERAL TOTAL
Grupo Security S.A.	9	5	3	17
Banco y Filiales.	89	467	399	955
Factoring Security S.A.	15	55	64	134
Inmobiliaria Security S.S. e Inmobiliaria Security Siete Ltda.	4	16	9	29
Asesorías Security S.A.	1	15	8	24
Securitizadora Security S.A.	3	3	2	8
Inversiones Invest Security Ltda.	56	284	397	737
Inversiones Seguros Security y Filiales.	52	183	493	728
GENERAL TOTAL	229	1,028	1,375	2,632

At December 31 2010

COMPANY	EXECUTIVE	PROFESSIONAL	WORKER	GENERAL 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.S. e Inmobiliaria Security Siete Ltda.	4	16	10	30
Asesorías Security S.A.	1	15	3	19
Securitizadora Security S.A.	2	2	1	5
Inversiones Invest Security Ltda.	38	234	378	650
Inversiones Seguros Security y Filiales.	37	151	430	618
GENERAL 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, 2011 and 2010.
- Statements of Changes in Equity for the periods ended December 31, 2011 and 2010.
- Statements of Comprehensive Income for the periods ended December 31, 2011 and 2010.
- Statements of Cash Flows for the periods ended December 31, 2011 and 2010.

2.2 Basis of Preparation

- a. The Consolidated Financial Statements of Grupo Security and subsidiaries (hereinafter the Grupo Security or Group) corresponding to the periods ended December 31, 2011 and 2010, were prepared in conformity with International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB").

- b. Banco Security and subsidiaries are 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 regulator 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:

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.
- **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.

On November 12, 2009, the International Accounting Standards Board (IASB) issued IFRS 9, Financial Instruments. This Standard introduces new requirements for classifying and measuring financial assets and it is effective for annual periods starting on or after January 1, 2013, with early application allowed. IFRS 9 specifies how an entity should classify and measure its financial assets. It requires that all financial assets should be classified entirely based on the entity's business model for managing its financial assets and the characteristics of the contractual cash flows of the financial assets. Financial assets are measured either at amortized cost or fair value. Only financial assets classified as measured at amortized cost will be tested for impairment.

On December 16, 2011, IASB issued the mandatory application date for IFRS 9 and transitional disclosures, deferring the effective date for both the 2009 and 2010 versions to annual periods starting on or after January 1, 2015. Prior to these amendments, application of IFRS 9 was mandatory for annual periods starting on or after 2013. The amendments change the requirements for the transition from IAS 39 *Financial Instruments: Recognition and Measurement* to IFRS 9. The amendments also amend IFRS 7 *Financial Instruments: Disclosures* adding certain requirements in the reporting period that includes the IFRS 9 application date.

CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by the SBIF, the Bank's Management will not apply this standard early; rather it will be adopted in the Bank's financial statements for the period starting January 1, 2015. Management has not had the opportunity to consider the potential impact of the adoption of these amendments.

- **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 fluctuations of the Chilean consumer-price index such as the UF, IVP or UTM) approved by the Chilean Central Bank.
- **Hedge accounting**
The financial instruments recorded at fair value with changes in fair value recorded through profit or loss are not subject to hedge 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 instrument to compensate for purchased options incorporated into a host contract that cannot be separated.

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 Parent 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, 2011 and 2010, and the results of its operations, changes in equity and cash flows for the periods then ended.

c. **New accounting pronouncements**

The following new Standards and Interpretations have been adopted in these financial statements.

AMENDMENTS TO IFRS	DATE OF MANDATORY APPLICATION
IAS 24, Related party disclosures	Annual periods starting on or after January 1, 2011.
IAS 32, Classification of Rights Issues	Annual periods starting on or after February 1, 2010.
Improvements to IFRS May 2010 – Collection of amendments to seven International Financial Reporting Standards	Annual periods starting on or after January 1, 2011.
NEW INTERPRETATIONS	DATE OF MANDATORY APPLICATION
CIFRIC 19, Extinguishing financial liabilities with equity instruments	Annual periods starting on or after July 1, 2010.
AMENDMENTS TO INTERPRETATIONS	DATE OF MANDATORY APPLICATION
CIFRIC 14, Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Annual periods starting on or after January 1, 2011.

Application of these standards has not had any significant impact on the amounts reported in these financial statements; however, they could affect the booking of future transactions or agreements.

Amendment to IAS 24, *Related Party Disclosures*

On November 4, 2009, the IASB issued amendments to IAS 24, Related Party Disclosures. 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.

The Group's Management considers that these amendments do not apply, since the Company is not a government-related entity.

Amendment to IAS 32, *Financial Instruments: Presentation*

On October 08, 2009, the IASB published an amendment to IAS 32: *Financial Instruments*, called *Classification of Rights Issues*. 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.

The Group's Management considers that these amendments have not had any impact on the accounting policies for the period.

Improvements to International Financial Reporting Standards - 2010

On May 6, 2010, IASB issued Improvements to IFRS 2010, incorporating amendments to 7 International Financial Reporting Standards. This is the third set of amendments issued under the process of annual improvements, which were designed to make necessary, but not urgent, changes to the IFRS. The amendments are effective for annual periods starting on or after July 01, 2010 and for annual periods starting on or after January 01, 2011.

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The Group's Management studied these amendments and concluded that they do not have an impact on its accounting policies for the period.

IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments

On November 26, 2009, the International Financial Reporting Interpretations Committee (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.

The Group has not performed operations that could be affected by this standard.

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 from recognizing prepayments of minimum funding requirements as an asset.

The Group's Management considers that these amendments have not had any impact on its accounting policies for the period.

The following new Standards and Interpretations have been issued but their date of application is not year in force.

NEW IFRS	DATE OF MANDATORY APPLICATION
IFRS 9, Financial Instruments	Annual periods starting on or after January 1, 2015.
IFRS 10, Consolidated Financial Instruments	Annual periods starting on or after January 1, 2013.
IFRS 11, Joint Arrangements	Annual periods starting on or after January 1, 2013.
IFRS 12, Disclosure of interests in other entities	Annual periods starting on or after January 1, 2013.
IFRS 13, Fair Value Measurements	Annual periods starting on or after January 1, 2013.
IAS 27 (2011), Separate Financial Statements	Annual periods starting on or after January 1, 2013.
IAS 28 (2011), Investments in Associates and Joint Ventures	Annual periods starting on or after January 1, 2013.
AMENDMENTS TO IFRSS	FECHA DE APLICACIÓN OBLIGATORIA
IAS 1, Presentation of Financial Statements – Presentation of Components of Other Comprehensive Income	Annual periods starting on or after July 1, 2012.
IAS 12, Deferred Taxes - Recovery of Underlying Assets	Annual periods starting on or after January 1, 2012.
IAS 19, Employee Benefits (2011)	Annual periods starting on or after January 1, 2013.
IFRS 1 (Revisada), First-time Adoption of International Financial Reporting Standards – (i) Elimination of Dates Set for First-time Adopters – (ii) Severe Hyperinflation	Annual periods starting on or after July 1, 2011.
IFRS 7, Financial Instruments: Disclosures - Disclosures – Transfers of Financial Assets	Annual periods starting on or after July 1, 2011.
NEW INTERPRETATIONS	DATE OF MANDATORY APPLICATION
IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine	Annual periods starting on or after January 1, 2013.

The Group's Management considers that the future adoption of the above Standards and Interpretations will not have a significant impact on the Group's consolidated financial statements.

IFRS 9, Financial Instruments

On November 12, 2009, the International Accounting Standards Board (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, with early adoption allowed. 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. On October 28, 2010, IASB published a revised version of IFRS 9, Financial Instruments. The revised Standard retains the requirements for classifying and measuring financial assets as published in November, 2009, but it adds guidelines on classifying and measuring financial liabilities. As part of the restructuring of IFRS 9, IASB has also replicated the guidelines on de-recognition of financial instruments and the related implementation guidelines from IAS 39 to IFRS 9. These new guidelines conclude the first phase of IASB's project to replace IAS 39. The other phases – impairment and hedge accounting – have still not been completed.

The guidelines included in IFRS 9 on classification and measurement of financial assets have not changed from those stipulated in IAS 39. In other words, financial liabilities will continue to be measured either at amortized cost or at fair value through profit or loss. The concept of divergence of derivatives incorporated into a contract by a financial asset has not changed either. The financial liabilities held for trading will continue to be measured at fair value through profit and loss, and all of the other financial assets will be measured at amortized cost unless the fair value option is applied using the current criteria of IAS 39.

Notwithstanding the above, there are differences in relation to IAS 39:

- The presentation of the effects of changes in the fair value attributable to the credit risk of a liability, and
- The elimination of the cost exemption for derivatives of a liability to be liquidated by delivering untraded equity instruments.

On December 16, 2011, IASB issued the mandatory application date for IFRS 9 and transitional disclosures, deferring the effective date for both the 2009 and 2010 versions to annual periods starting on or after January 1, 2015. Prior to these amendments, application of IFRS 9 was mandatory for annual periods starting on or after 2013. The amendments change the requirements for the transition from IAS 39 Financial Instruments: Recognition and Measurement to IFRS 9. The amendments also amend IFRS 7 Financial Instruments: Disclosures adding certain requirements in the reporting period that includes the IFRS 9 application date.

The Group's Management considers that this new standard will be adopted in the Group's Financial Statements for the period starting January 1, 2015. Management has not had the opportunity to consider the potential impact of the adoption of these amendments.

IFRS 10, Consolidated Financial Statements

On May 12, 2011, IASB issued IFRS 10, Consolidated Financial Statements, which replaces IAS 27, Consolidated and Separate Financial Statements and SIC-12 Consolidation – Special Purpose Entities. The purpose of IFRS 10 is to have a single basis of consolidation for all entities, regardless of the nature of the investment; that basis is control. The definition of control includes three elements – power over an investment, exposure or rights to the variable returns on the investments and the ability to use the power over the investment to affect the profitability of the investor. IFRS 10 provides a detailed guideline on how to apply the principle of control in a number of situations, including agency relationships and ownership of

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potential voting rights. An investor should reevaluate whether it controls an investment if there is a change in the facts and circumstances. IFRS 10 replaces those sections of IAS 27 that address when and how an investor should prepare consolidated financial statements and it replaces SIC-12 entirely. The effective date of application of IFRS 10 is January 1, 2013. Early application is allowed under certain circumstances.

The Group's Management considers that this new standard will be adopted in the Group's consolidated financial statements for the period starting January 1, 2013. Management is currently evaluating the potential impact that the adoption of this new Standard will have on its financial statements on the date of initial application.

IFRS 11, Joint Arrangements

On May 12, 2011, IASB issued IFRS 11, Joint Arrangements, which replaces IAS 31, Interests in Joint Ventures and SIC-13, Entities under Joint Control. IFRS 11 classifies joint arrangements either as joint operations (combination of the existing concepts of jointly controlled assets and jointly controlled operations) or joint ventures (equivalent to the existing concept of a jointly controlled entity). A joint operation is a joint arrangement where the parties which have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement where the parties which have joint control over the arrangement have rights to the net assets of the arrangement. IFRS 11 requires the use of the equity value to account for the interests in joint ventures, thereby eliminating the proportional consolidated method. The effective date of application of IFRS 11 is January 1, 2013. Early application is allowed under certain circumstances.

The Group's Management considers that this new standard will be adopted in the Group's consolidated financial statements for the period starting January 1, 2013. Management is currently evaluating the potential impact that the adoption of this new Standard will have on its financial statements on the date of initial application.

IFRS 12, Disclosure of Interests in Other Entities

On May 12, 2011, IASB issued IFRS 12, Disclosure of Interests in Other Entities, which requires greater disclosures of interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 stipulates disclosure objectives and specifies the minimum disclosures that an entity must provide to meet those objectives. An entity shall disclose information that allows the users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. The disclosure requirements are extensive and represent an effort that might require accumulating the necessary information. The effective date of application of IFRS 12 is January 1, 2013, but entities are allowed to incorporate any of the new disclosures into their financial statements before that date.

The Group's Management considers that this new standard will be adopted in the Group's consolidated financial statements for the period starting January 1, 2013. Management is currently evaluating the potential impact that the adoption of this new Standard will have on its financial statements on the date of initial application.

IAS 27 (2011), Separate Financial Statements

IAS 27 Consolidated and Separate Financial Statements was amended by the issue of IFRS 10, but it retains the current guidelines for separate financial statements.

The Group's Management considers that this new standard will be adopted in the Group's consolidated financial statements for the period starting January 1, 2013. Management considers that this new Standard will not have any impact on the Group's consolidated financial statements on the date of initial application.

IAS 28 (2011), Investments in Associates and Joint Ventures

IAS 28 Investments in Associates was amended to bring it into line with the changes involved in the issue of IFRS 10 and IFRS 11.

The Group's Management considers that this new standard will be adopted in the Group's consolidated financial statements for the period starting January 1, 2013. Management is currently evaluating the potential impact that the adoption of this new Standard will have on its financial statements on the date of initial application.

IFRS 13, Fair Value Measurements

On May 12, 2011, IASB issued IFRS 13, Fair Value Measurements, which stipulate a single source of guidelines for measuring fair value under IFRS. This standard applies both to financial assets and to non-financial assets measured at fair value. Fair value is defined as "the amount that would be received on selling an asset or paid for transferring a liability in a transaction between market participants at the measurement date". IFRS 13 is effective for annual periods started on or after January 1, 2013. Early application is allowed and it is applied prospectively from the start of the annual period in which it is adopted.

The Group's Management considers that this new standard will be adopted in the Group's consolidated financial statements for the period starting January 1, 2013. Management is currently evaluating the potential impact that the adoption of this new Standard will have on its financial statements on the date of initial application.

Amendment to IAS 1, Presentation of Financial Statements

On June 16, 2011, IASB published Presentation of Components of Other Comprehensive Income (amendments to IAS 1). The amendments retain the option of presenting a statement of income and a statement of comprehensive income either in a single statement or in two consecutive individual statements. The components of other comprehensive income are required to be grouped into those that will and those that will not be subsequently reclassified to profit or loss. Tax on other comprehensive income is required to be assigned on that same basis. Measurement and recognition of the components of profit and loss and other comprehensive income are not affected by the amendments, which apply to reporting periods started on or after July 1, 2012. Early application is allowed.

The Group's Management considers that this new standard will be adopted in the Group's consolidated financial statements for the period starting January 1, 2013. Management considers that, given the characteristics of the amendment, it will not have an impact on its measurement and recognition of profit and loss and other comprehensive income on the date of initial application of these amendments.

Amendment to IAS 12, Income Tax

In December 20 2010, IASB published Deferred Taxes: Recovery of Underlying Assets – Amendments to IAS 12. The amendments stipulate an exemption to the general principle of IAS 12 that the measurement of deferred tax assets and liabilities shall reflect the tax consequences that would follow from the way in which the entity expects to recover the carrying value of an asset. Specifically, the exemption applies to deferred tax assets and liabilities originating in investment properties measured using the fair value model of IAS 40 and in investment properties acquired in a business combination, if such is subsequently measured using the fair value model of IAS 40. The amendment introduces a supposition that the current value of the investment property will be recovered when it is sold, except when the investment property is depreciable and is maintained within a business model whose objective is to substantially consume all of the economic benefits over time, instead of through its sale. These amendments shall be applied retrospectively requiring a retrospective remission of all of the deferred tax assets and liabilities within the scope of this amendment, including those that would have been recognized initially in a business combination. The date of mandatory application of these amendments is for annual periods starting on or after January 1, 2012. Early application is allowed.

The Group's Management considers that this new standard will be adopted in the Group's consolidated financial statements for the period starting January 1, 2012. Management is currently evaluating the potential impact that the adoption of this new Standard will have on its financial statements on the date of initial application.

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Amendment to IAS 19, Employee Benefits

On June 16, 2011, IASB published amendments to IAS 19, Employee Benefits, which change the accounting for defined benefit plans and severance benefits. The amendments require recognition of the changes in the defined benefit obligation and in the assets of the plan when these changes occur, eliminating the broker's approach and accelerating recognition of the costs of past services.

The changes in the defined benefit obligation and the assets of the plan are broken down into three components – service costs, net interest on net defined benefit liabilities (assets) and re-measurements of net defined benefit liabilities (assets).

The net interest is calculated using a rate of return for high quality corporate bonds. This could be lower than the rate currently used to calculate the expected return on the assets of the plan, resulting in a decrease in the profits for the year. The amendments are effective for annual periods started on or after January 1, 2013. Early application is allowed. Retrospective application is required with certain exceptions.

The Group does not have any operations that might be affected by this amendment

Amendment to IAS 32, Financial Instruments: Presentation

In December 2011, IASB amended the accounting and disclosure requirements for netting financial assets and liabilities via amendments to IAS 32 and IFRS 7. These amendments are the result of the joint project between IASB and the Financial Accounting Standards Board (FASB) to address the differences in their respective accounting standards with regard to netting financial instruments. The new disclosures are required for annual or interim periods started on or after January 1, 2013 and the amendments to IAS 32 are effective for annual periods started on or after January 1, 2014. Both require retrospective application for periods of comparison.

The Group's Management considers that this new standard will be adopted in the Group's consolidated financial statements for the periods starting January 1, 2013 and 2014, respectively. Management has not had the opportunity to evaluate the potential impact of the adoption of these amendments.

Amendment to IFRS 1, First-time adoption of the International Financial Reporting Standards

On December 20, 2010, IASB published certain amendments to IFRS 1, specifically:

(i) Elimination of the Dates Set by First Time Adopters – These amendments help first time adopters of IFRS to replace the date of prospective application of the de-recognition of financial assets and liabilities, which was January 1, 2004, with the date of transition to IFRS. Thus, first-time adopters of IFRS do not have to apply the de-recognition requirements of IAS 39 retrospectively to a prior date; and it releases first time adopters from having to recalculate its "day 1" profits and losses on transactions made before the date of transition to IFRS.

(ii) Severe Hyperinflation – These amendments provide guidelines for the entities emerging from severe hyperinflation, allowing them to measure, at the entity's date of transition, all of the assets and liabilities maintained before the date of normalization of the functional currency at the fair value on the date of transition to IFRS, and use this fair value as the attributed cost for these assets and liabilities in the opening statement of financial position under IFRS. The entities using this exemption shall describe the circumstances of how and why their functional currency was subject to severe hyperinflation and the circumstances that led to these conditions coming to an end.

These amendments will be applied mandatorily for annual periods starting on or after July 1, 2011. Early application is allowed.

The Group's Management considers that these amendments will not have any effects on its financial statements, since it is currently preparing them under IFRS.

Amendment to IFRS 7, Financial Instruments: Disclosures

On October 7 2010, the International Accounting Standards Board (IASB) issued Disclosures – Transfers of Financial Assets (Amendments to IFRS 7 Financial Instruments – Disclosures), which increases the disclosure requirements for transactions involving the transfer of financial assets. These amendments are aimed at providing greater transparency regarding the exposure to risk of transactions where a financial asset is transferred but the assignor retains a certain level of continued exposure (also called continuous involvement) in the asset. The amendments also require disclosure when the transfers of financial assets have not been distributed uniformly over the period (i.e. when the transfers take place near the end of the reporting period). These amendments come into force for annual periods starting on or after July 1, 2011. Early application of these amendments is allowed. Disclosures are not required for any of the periods presented that start before the initial date of application of the amendments.

The Group's Management considers that this new standard will be adopted in the Group's consolidated financial statements for the period starting January 1, 2012. Management is currently evaluating the potential impact that the adoption of this new Standard will have on its financial statements on the date of initial application.

IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine

On October 19, 2011, the IFRS Interpretations Committee published IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine ('IFRIC 20'). IFRIC 20 applies to all kinds of natural resources extracted using the surface mining process. The costs of the stripping activities that improve access to the ore shall be recognized as a non-current asset ("stripping activity asset") when certain criteria are met; while the continuous normal operating costs of stripping activities shall be accounted for under IAS 2 Inventories. The stripping activity assets shall be measured initially at cost and subsequently at cost or at its revalued amount less depreciation or amortization and impairment losses. This interpretation is effective for annual periods starting on or after January 1, 2013. Early application is allowed.

The Group's Management considers that this new interpretation will not have any impact on its financial statements because its business activities do not consider the extraction of natural resources.

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.

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The Companies included in the scope of consolidation at December 31, 2011 are as follows:

NAME COMPANY	TAXPAYER N°	DIRECT
Factoring Security S.A.	96.655.860-1	99.998%
Banco Security S.A.	97.053.000-2	99.960%
Inmobiliaria Security S.A.	96.786.270-3	99.999%
Inversiones Seguros Security Limitada	78.769.870-0	99.999%
Asesorías Security S.A.	96.803.620-3	99.782%
Inversiones Invest Security Limitada	77.461.880-5	99.955%
Securitizadora Security S.A.	96.847.360-3	99.980%

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.

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

At each period-end, the Group analyzes whether goodwill has been impaired by comparing its recoverable value to the net carrying value. The Company records the lower of the recoverable value and net book value of goodwill. Any adjustments to goodwill are recorded with a charge to profit or loss, Administrative expenses, in accordance with IFRS 3, using as a counterpart 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 using 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 for the period and it is calculated according to the years of estimated useful life of the various 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 asset, and it is recognized in profit or loss.

The estimated useful life of each of the items of property, plant and equipment for 2011 and 2010 is as follows:

	EXPLANATION OF THE RATE	LIFE OR MINIMUM RATE (YEARS)
Building	years	60 a 80
Plant and equipment	years	3 a 5
Motor vehicles	years	3
Others property and plant equipment	years	2 a 5

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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 period-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). If the assets do not generate cash flows on their own that are independent from other assets, Grupo Security calculates the recoverable amount of the cash generating unit 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.

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 reversed with a credit to profit or loss, except when the relevant asset is recorded at a restated amount, in which case the reversal of the impairment loss is recorded as an increase in the value of the revaluation reserve.

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

For the bank subsidiary, the impairment of financial assets available for sale is determined in relation to their fair 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 recluded 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 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 disbursements), discounted using a market interest rate of similar financial instruments (same term, currency, interest rate and rating of equivalent risk).

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2.14 Financial derivative contracts

a. Grupo Security except Bank Subsidiary

Due to the types of operations performed by Grupo Security, 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.

Vida Security maintains current derivative contracts that are accounted for according to Section 7 of Circular Letter No. 1512 by SVS, whereby 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, in Financial derivative contracts.

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 derivative contracts, these should be designated by the Bank as trading derivatives or 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 equity.

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

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.

When the Group enters 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. **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.

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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 2011 and 2010 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 Section 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.

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 2011 and 2010, 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 at amortized cost using the effective interest rate method.

2.18 Equity and financial liabilities

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

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

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

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

- 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 have been transferred.

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 including economic benefits will be required to settle the obligation,
 - A reliable estimate can be made of the amount of the obligation.
- **Other provisions:** Grupo Security records the cost for the concept of employee vacation on an accrual basis.
- **Otras Provisiones:** These correspond to creditor balances covering present obligations at the date of the statement of financial position arising from past events from which actual explicit or 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, allowances, 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 using 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.

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a) Allowance for loan losses for individual evaluation

The individual assessment of debtors applies to clients, individuals or legal entities whose size, complexity of level of exposure means that they should be known in depth; it also required a risk rating to be assigned to each debtor.

In order to make the provisions, the Bank classifies its debtors and its contingent loans and credits in the respective categories, subject to having assigned each to one of the following portfolio statuses: Normal, Substandard and Default, as defined below:

Normal and Substandard Portfolios

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

Without detriment to the above, the Bank has to maintain a minimum provision percentage of 0.50% on contingent loans and credits of the Normal Portfolio; at December 31, 2011, this was MCLP\$ 564, (Note 20).

Default Portfolio

TYPE OF PORTFOLIO	SCALE OF RISK	RANGE OF EXPECTED LOSS	PROVISION (%)
Default	C1	More than 0 up to 3 %	2
	C2	More than 3% up to 20%	10
	C3	More than 20% up to 30%	25
	C4	More than 30 % up to 50%	40
	C5	More than 50% up to 80%	65
	C6	More than 80%	90

b) 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.

c) **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	TERM
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: Recovered loans that were previously written-off are recognized directly as income in profit or loss.

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

New accounting pronouncements have been issued by the SBIF to be applied as of 2011. These are as follows:

Circular 3.503 – In August, 2010, the SBIF issued this Circular, which supplements and amends the instructions of chapters B1-B2-B3 and C1 of the Compendium of Accounting Standards with regard to provisions and impaired portfolios. The changes will be in force as of January 1, 2011, except for the stipulations on additional provisions contained in No. 9 of Chapter B-1, which have been in force in 2010. The Bank's Management has opted for early recognition of the above changes.

Circular 3.510 – On October 8, 2010, the SBIF issued this Circular in order to adapt the formats to the new instructions on provisions and cover certain information needs in greater detail. Chapter C-3, "Monthly Financial Statements" of the Compendium of Accounting Standards is replaced. The changes introduced in this Chapter only involve the removal or inclusion of the lines or items specified in the Circular's Appendix, which will be applied as of January 31, 2011. The Bank's Management considers that adopting these changes will not significantly affect the presentation of its monthly financial statements.

Circular 3.518 – On February 2, 2011, the SBIF issued this Circular in order to supplement the instructions in force as of January 2011 with regard to Chapters B-1 and B-3; and to clarify some instructions. The changes made only involve adding and removing words from the text to clarify the standards set forth. This Circular did not have any significant effects on the consolidated financial statements.

Circular Letter 1 – On May 4, 2011, the SBIF reported the issue of Supreme Decree 1.512, which regulates the universal loans of Law 20.448. To that end, the request was made to adopt the respective measures to comply with the provisions of that Decree on October 24, 2011. Creation of the universal loans aims to implement simple mass loans that are easily understandable and comparable in order to make it easier for consumers to choose. The main aspects of this new regulation are to introduce a new indicator of the total cost expressed in terms of an annual percentage (rate), known as the Equivalent Annual Charge; and set the terms and conditions for giving the information to the consumer and the contents of the universal loan contracts, which the entity will be bound to offer as of the effective date of the Supreme Decree.

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

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- 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 to 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.

The main components of the cost of a house or apartment correspond to the land, lump sum construction contract, architect and engineers' fees, permits and municipal rights, operating expenses, financing cost and other disbursements related directly to 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 received 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 of the risks and advantages 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 Group's net 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 completion 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 completion can be measured reliably.

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

b) Expenses

Expenses are recognized in income when there is a decrease in the future economic benefits related to an asset, or an increase in 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 Interest and indexation adjustment income and expenses for Bank Subsidiary

Loans, investments and liabilities are presented with their accrued interest and adjustments as of year-end. However, for loans that are in arrears the Bank suspends the accrual of interest and adjustments in profit and loss until such interest and adjustments are collected. Interest income and expenses are recognized using the effective interest method, which is the discount rate that exactly discounts estimated futures 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 them.

Commission income and expenses 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 income tax expense for the year and includes the change in deferred tax 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 sufficient taxable income in the future 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 on profit or loss.

2.28 Earnings per share

Basic earnings per share are 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").

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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 reflects the underlying transactions, facts and conditions which are relevant for Grupo Security.

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 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 SBI, cash and cash equivalents are made up of 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 flows

Grupo Security prepares its statement of cash flows using the indirect method whereby 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 flows from operating activities:** Inflows and outflows of cash and/or cash equivalents originated from the normal operations of Grupo Security, as well as other activities that cannot be classified as investing or financing activities.
- **Cash flows from investing activities:** Inflows and outflows of cash and cash equivalents originated in 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 flows from financing activities:** Inflows and outflows of cash and cash equivalents originated in 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 owns 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 on 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 have been 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 about 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 various 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.

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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 make 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 on 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 the estimates are generated and in any relevant future period..

The most significant areas of estimation of 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 comprehensive income: Grupo Security has decided to present its consolidated by function.

c) Statement of Cash Flows: 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 on 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 various 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 assets

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 cycle of the various activities or business transactions carried out 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 by 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 carried out by Grupo Security.

Non-current liabilities include 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, which are not within the control of Grupo Security, take place.

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 profits of Grupo Security S.A. received from its direct subsidiaries during the period and divide the payment in two dividends, an interim dividend and a final dividend. Additionally, the Board of Directors has been authorized to approve additional dividend distributions with a charge to retained earnings if, in the opinion of the Board, Grupo Security S.A.'s financial condition allows it.

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

2.46 Employee benefits

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

Short-term benefits: Grupo Security establishes an annual incentive plan for its employees for meeting goals and performance. Provision is made for the benefits based on the estimated amount that will be ultimately distributed.

Severance indemnities: Grupo Security does not have an all event severance indemnity for its employees. Therefore, the Company has not made any provision for this concept. Instead, it records the expenses in income when incurred.

CONSOLIDATED FINANCIAL STATEMENTS

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 of the risks and rewards of 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:

i. Pension insurances reserves

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 2, 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 state-owned instruments at the date of sale of such policies, weighted over the hedge rates of liabilities at the period end.

Through General Standard No. 172, the SVS established the mortality tables RV-2004, which are used in the calculation of the financial technical reserve for policies effective prior to March 9, 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, which 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 gradually the biggest financial reserve from the new tables.

For the disability and survivorship insurance 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.

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 each year-end.

AFP Disability and Survivorship insurance claims reserves valid from July 1, 2010 to June 30, 2012 have been set up under instructions issued in General Standards 243 and 282 of the SVS.

b) Current risk reserve

This reserve is established for insurance subscribed for a term of one year or less and it 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 a 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 General Standard No. 132 and its amendments and Circular Letter No. 1.595 of the SVS.

2.49 Insurance premiums, Vida Security

Insurance premium 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 life annuity insurance have been given similar treatment to the above insurance products.

2.50 Matching of assets and insurance reserve liability Vida Security

La Compañía ha valorizado las reservas técnicas, utilizando las normas sobre calce, de acuerdo con lo estipulado en la Circular N° The Company has valued its technical reserves in accordance with SVS Circular N° 1512 regarding matching standards.

According to such circular, to the extent that the future cash flows from the debt securities portfolio and technical reserves generated by life annuities are matched over time, the future cash flows of the eligible technical reserves are discounted at a rate closest 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 equity account "Matching Reserves".

through Circular Letter No. 1731 and the General Standard No. 178 of the SVS, incorporating the mortality tables (RV-2004) with its improvement factors to all policies valid at the calculation date and discounting the flows without considering the security factor.

Subsequently, as of June 2008, the Company started to apply the new amendments to 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 under Statutory 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 amendments 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 reserve and the investments supporting this reserve for insurance policies with an investment account made out to the insured party.

CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - 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:

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Cash and banks	274,615,014	120,411,918
Time deposits	-	585,000
Repurchase agreement	1,938,404	656,499
Mutual fund units	-	799,999
Other cash and cash equivalent	34,895,584	21,901,011
TOTAL	311,449,002	144,354,427

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

	CURRENCY	31.12.2011 THCLP\$	31.12.2010 THCLP\$
Cash and cash equivalent	Non-adjustable Chilean pesos	311,449,002	144,354,427

NOTE 4 - INCOME TAXES

Deferred tax assets 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 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 sufficient taxable income in the future to realize the benefits brought about by the deferred tax assets.

a) The deferred tax asset balances include the following:

DEFERRED TAX ASSETS	31.12.2011 THCLP\$	31.12.2010 THCLP\$
Deferred tax assets related to depreciations	29,414,750	28,756,002
Deferred tax assets related to amortizations	646	-
Deferred tax assets related to provisions	21,525,475	21,425,308
Deferred tax assets related to revaluation of instruments	1,057,570	8,729
Deferred tax assets related to tax losses	854,659	945,238
Deferred tax assets related to others	2,318,448	3,042,417
TOTAL	55,171,548	54,177,694

b) The deferred tax liability balances include the following:

DEFERRED TAX LIABILITIES	31.12.2011 THCLP\$	31.12.2010 THCLP\$
Deferred tax liabilities related to depreciations	1,313,059	1,295,742
Deferred tax liabilities related to provisions	11,908,655	14,581,253
Deferred tax liabilities related to lease contracts	31,283,923	28,523,398
Deferred tax liabilities related to others	3,388,882	2,095,989
TOTAL	47,894,519	46,496,382

c) Income tax recognized in profit or loss

	31.12.2011 THCLP\$	31.12.2010 THCLP\$
Current income tax	6,333,967	9,978,096
Current tax adjustments from prior period	7,001	1,249
Other current tax expense	(220,459)	(315,554)
CURRENT TAX EXPENSE, NET, TOTAL	6,120,509	9,663,791
Deferred tax expense (benefit) related to changes in temporary differences	711,282	(1,507,386)
Other deferred tax expense	830,322	(829,632)
DEFERRED TAX EXPENSE, NET, TOTAL	1,541,604	(2,337,018)
INCOME TAX EXPENSE (BENEFIT)	7,662,113	7,326,773

d) Reconciliation of the statutory rate and the effective tax rates

	31.12.2011 %	31.12.2010 %
Statutory tax rate	20.00%	17.00%
Other increase (decrease) in statutory tax rate	-4.67%	-2.10%
ADJUSTMENTS TO STATUTORY TAX RATE, TOTAL	-4.67%	-2.10%
EFFECTIVE TAX RATE	15.33%	14.90%

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

CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 - 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 as building square meter and surface of the land, as applicable. The net realizable value corresponds to the estimated sale 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: This corresponds to disbursements for the development of real estate projects which are recorded at cost.
- Houses and apartments in stock: These correspond to received and available houses for sale, which are valued at cost.

Inmobiliaria Security S.A. measures its inventories at the lower of cost 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 or apartment correspond to the land, the lump sum construction contract, architect and engineering fees, permits and municipal rights, operating expenses, financing cost and other disbursements related directly to the construction, which are necessary for its completion.

The detail of this item is as follows:

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Land	14,511,120	8,005,120
TOTAL	14,511,120	8,005,120

	31.12.2011 THCLP\$			
	INITIAL BALANCE THCLP\$	PURCHASES THCLP\$	SALES THCLP\$	ENDING BALANCE THCLP\$
Land	8,005,120	6,506,000	-	14,511,120
TOTAL	8,005,120	6,506,000	-	14,511,120

NOTE 6 - 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 RELATIONSHIP	ORIGIN OF THE TRANSACTION	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
76.053.361-0	Asiandina Motor S.A.	Related to Bank (1)	Commercial loans	1,148,327	-
76.168.329-2	Santa Marta SpA	Related to Bank (1)	Commercial loans	212,223	-
76.467.620-3	Sociedad Adm. General S.A. y Cia C.P.A	Related to Bank (1)	Commercial loans	-	10,350,421
76.626.150-1	Aguas Claras ING en Tratamiento de agua	Related to Bank (2)	Commercial loans	827	-
76.692.840-4	Sigdotek S.A.	Related to Bank (2)	Commercial loans	-	370,254
76.776.740-1	Asesoría e Inversiones O G Ltda	Related to Bank (2)	Commercial loans	159	-
76.832.940-0	Newco Motor Chile S.A.	Related to Bank (2)	Commercial loans	655,346	1,710,250
78.030.500-1	Mosaico S.A.	Related to Bank (2)	Commercial loans	140,859	-
78.560.400-1	Inversiones Santa Paula Ltda.	Related to Bank (2)	Commercial loans	89,069	-
78.858.490-1	Sociedad Agrícola Gonzalo Ltda.	Related to Bank (2)	Commercial loans	243,876	-
81.271.100-8	Detroit Diesel MTU Allison Chile S.A.	Related to Bank (1)	Commercial loans	2,000,246	2,364,758
96.517.990-9	SKC Rental S.A.	Related to Bank (1)	Commercial loans	2,214,689	-
96.703.690-0	Casa Lapostolle S.A.	Related to Bank (1)	Commercial loans	1,311,934	474,709
96.722.460-1	Metrogas S.A.	Related to Bank (2)	Commercial loans	484	-
84.196.300-8	S K Coml S.A.	Related to Bank (2)	Commercial loans	8,026,100	4,047,764
96.555.640-0	Comercial Itala S.A.	Related to Bank (2)	Commercial loans	2,826,546	2,349,896
83.568.200-5	SIMMA S.A.	Related to Bank (2)	Commercial loans	691,004	317,778
94.099.000-9	Microfilmación y Sistemas Microsystem S.A.	Related to Bank (2)	Commercial loans	253,422	318,407
96.777.170-8	Sigdopack S.A.	Related to Bank (2)	Commercial loans	438	959,298
99.550.060-4	Territoria S.A.	Related to Bank (1)	Commercial loans	8,064	3,278,524
99.573.400-1	Europ Assistance S.A.	Related to Bank (1)	Commercial loans	3,166	27,939
76.051.955-3	Europ Servicios SPA.	Related to Travel (2)	Travel services	796	-
200.014.768-3	Kia Argentina S.A.	Related to Bank (1)	Commercial loans	-	1,048,157
200.016.006-K	Kia Import Perú S.A.C.	Related to Bank (1)	Commercial loans	-	1,848,808
200.501.991-8	Plaza Motors Sac.	Related to Bank (2)	Commercial loans	1,154,076	1,167,436
200.502.009-1	South Pacific Motor Perú Sac.	Related to Bank (2)	Commercial loans	68,265	-
8.888.666-6	María Angélica Manzano Campaña.	Related to Bank (1)	Mortgage and consumer	228,017	-
96.683.120-0	Cía. de Seguros generales Penta Security S.A.	Related to investments (1)	Insurance	675,489	1,026,984
76.120.216-2	Fondo de Inversión Privado DIB.	Related to Real Estate (1)	Accounting advisories	3,246	7,903,500
99.551.180-0	Cooper Gay Chile.	Related to investments (1)	Insurance	-	3,215
E-0	Otros relacionados Banco Security.	Related to Bank	Commercial loans	5,212,918	4,170,930
E-0	Otros relacionados Travel Security.	Related to Travel	Travel services	-	179,252
E-0	Fondos de Inversion Privado Inmobiliaria.	Related to Real Estate (1)	Accounting advisories	-	27,001
TOTAL				27,169,586	43,945,281

- (1) Under paragraph 9 of IAS 24, letter a) Grupo Security S.A. through its bank subsidiary holds an ownership interest in the entity that gives the bank significant influence over this company.
- (2) Under paragraph 9 of IAS 24, letter f), this is an entity over which some key members of our management exercise control or have direct or indirect voting power.

CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - INVESTMENTS IN EQUITY ACCOUNTED ASSOCIATES

The detail of the investments in associates is as follows:

TAXPAYER NO.	NAME OF COMPANY	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
99.584.690-k	Inmobiliaria El Peumo	-	6,289
76.125.283-6	Alianza Inmobiliaria	166	-
76.036.117-8	Antonio Pastrana FIP	-	9,832
76.036.137-2	Vitacura IV FIP	9,569	18,140
76.036.149-6	Pastrana II FIP	10,348	21,016
76.036.119-4	Nuñoa II FIP	10,655	62,633
76.036.146-1	Regina Pacis FIP	19,204	208,566
76.036.122-4	Santa Marta FIP	475,075	924,660
76.036.136-4	Hermanos Cabot FIP	248,246	510,535
76.036.118-6	Alonso Sotomayor FIP	15,571	73,418
53.309.429-5	Don Vicente FIP	-	203,016
99.683.120-0	Cía.de Seguros Generales Penta-Security S.A.	9,449,649	8,389,830
99.573.400-1	Europ Assistance Chile S.A.	4,843	65,447
99.551.180-0	Cooper Gay S.A.	569,587	862,460
131.010.036-5	Global Asset Advisors	3,967	-
	Other companies	87,028	75,853
TOTAL		10,903,908	11,431,695

Summarized financial information of the main equity accounted investments.

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

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

BALANCE SHEET	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Assets		
5.11.00.00 Investments	57,670,996	49,976,124
5.12.00.00 Debtors insured premiums	79,855,761	66,293,866
5.13.00.00 Debtors reinsurance	10,643,241	17,289,714
5.14.00.00 Other assets	6,842,417	6,768,211
5.10.00.00 TOTAL ASSETS	155,012,415	140,327,915
Liabilities		
5.21.00.00 Technical Reserves	111,286,680	100,719,015
5.22.00.00 Oblig. Financial Inst.	3,295,310	3,692,252
5.23.00.00 Other liabilities	8,230,165	7,399,835
5.24.00.00 Equity	32,200,260	28,516,813
5.20.00.00 TOTAL LIABILITIES	155,012,415	140,327,915

STATEMENT OF INCOME	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Contribution margin	28,382,592	21,363,270
Administrative costs	(24,565,516)	(21,976,908)
OPERATING INCOME (LOSS)	3,817,076	(613,638)
Investment income	677,224	2,829,683
Other income (expenses)	619,202	1,187,247
Monetary correction	(180,864)	(1,342,816)
OPERATING INCOME (LOSS)	4,932,638	2,060,476
Other income (expenses)	18,295	731,800
INCOME BEFORE TAX	4,950,933	2,792,276
Tax for the period	(1,042,607)	(285,516)
NET INCOME FOR THE PERIOD	3,908,326	2,506,760

Cooper Gay S.A. Corredores de reaseguros

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

STATEMENT OF FINANCIAL POSITION	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Assets		
Current assets	7,184,987	9,310,787
Non-current assets	234,431	221,655
TOTAL ASSETS	7,419,418	9,532,442
Liabilities		
Current liabilities	6,213,741	7,771,266
Non-current liabilities		
TOTAL LIABILITIES	6,213,741	7,771,266
Equity	1,205,678	1,761,176
TOTAL EQUITY AND LIABILITIES	7,419,419	9,532,442

STATEMENT OF INCOME	SALDO 31.12.2011 M\$	SALDO 31.12.2010 M\$
Profit (loss)		
Income from ordinary activities	3,181,225	3,561,417
Cost to sell	(36,763)	
Gross income	3,144,462	3,561,417
Other profit or loss before tax	(1,866,315)	(1,723,038)
Profit (loss) before tax	1,278,147	1,838,379
Income tax expense	(257,561)	(301,374)
PROFIT FROM CONTINUING OPERATIONS	1,020,586	1,537,005

CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

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

TYPES OF PROPERTY, PLANT AND EQUIPMENT, NET	31.12.2011 THCLP\$	31.12.2010 THCLP\$
Property, Plant and Equipment, net	40,959,529	44,314,311
Construction in Progress, net	2,786,110	6,102,032
Land, net	9,808,146	10,900,561
Buildings, net	20,575,106	19,454,661
Plant and Equipment, net	2,571,220	2,359,581
Information Technology Equipment, net	599,375	647,853
Fixtures and Accessories, net	210,995	241,488
Motor Vehicles, net	96,101	93,010
Other Property, Plant and Equipment, net	4,312,476	4,515,124

CLASSES OF PROPERTY, PLANT AND EQUIPMENT, GROSS	31.12.2011 THCLP\$	31.12.2010 THCLP\$
Property, Plant and Equipment, gross	56,674,538	62,524,857
Construction in Progress, gross	2,786,110	6,102,032
Land, gross	9,808,146	10,900,561
Buildings, gross	22,661,033	21,298,972
Plant and Equipment, gross	8,230,101	11,300,773
Information Technology Equipment, gross	1,975,703	1,959,375
Fixtures and Accessories, gross	1,026,897	988,727
Motor Vehicles, gross	167,982	170,350
Other Property, Plant and Equipment, gross	10,018,566	9,804,067

CLASSES OF ACCUMULATED DEPRECIATION AND VALUE IMPAIRMENT, PROPERTY, PLANT AND EQUIPMENT	31.12.2011 THCLP\$	31.12.2010 THCLP\$
Accumulated Depreciation Property, Plant and Equipment, Net	15,715,009	18,210,546
Accumulated Depreciation and Impairment, Buildings	2,085,927	1,844,311
Accumulated Depreciation and Impairment, Plant and Equipment	5,658,881	8,941,192
Accumulated Depreciation and Impairment, Information Technology Equipment	1,376,328	1,311,522
Accumulated Depreciation and Impairment, Fixtures and accessories	815,902	747,239
Accumulated Depreciation and Value Impairment, Motor vehicles	71,881	77,340
Accumulated Depreciation and Value Impairment, Others	5,706,090	5,288,942

b) Details of movements at December 31, 2011

PERÍODO ACTUAL	CONSTRUCTION IN PROGRESS	LAND	BUILDINGS	PLANT AND EQUIPMENT	INFORMATION TECHNOLOGY EQUIPMENT, NET	FIXTURES AND ACCESORIES, NET	MOTOR VEHICLES	OTHER PROPERTIES	TOTAL
Property, Plant and Equipment, Opening Balance	6,102,032	10,900,561	19,454,661	2,359,581	647,853	241,488	93,010	4,515,124	44,314,311
Additions	-	-	-	344,193	126,170	43,103	37,927	205,367	756,760
Depreciation expense	-	-	(312,377)	(667,413)	(180,504)	(68,663)	(33,363)	(769,849)	(2,032,169)
Other Increase (Decrease)	(3,315,922)	(1,092,415)	1,432,821	534,859	5,856	(4,933)	(1,473)	361,834	(2,079,373)
Changes to Property, plant and equipment, total	(3,315,922)	(1,092,415)	1,120,444	211,639	(48,478)	(30,493)	3,091	(202,648)	(3,354,782)
Property, Plant and Equipment, closing balance	2,786,110	9,808,146	20,575,106	2,571,220	599,375	210,995	96,101	4,312,476	40,959,529

The Company does not have tangible assets that are subject to guarantees for fulfilling existing 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 9- INTANGIBLE ASSETS OTHER THAN GOODWILL

a) The detail of intangible assets is as follows:

	31.12.2011 THCLP\$			31.12.2010 THCLP\$		
	GROSS VALUE	ACCUM. AMORTIZATION/ IMPAIRMENT ASSET	GROSS VALUE	GROSS VALUE	ACCUM. AMORTIZATION/ IMPAIRMENT ASSET	NET VALUE
Computer Programs	19,400,819	(9,346,087)	10,054,732	14,934,887	(7,625,416)	7,309,471
Other intangibles	21,669,961	(299,870)	21,370,091	15,603,993	(163,579)	15,440,414
Licenses	1,880,537	(1,718,987)	161,550	2,212,846	(1,885,142)	327,704
TOTAL	42,951,317	(11,364,944)	31,586,373	32,751,726	(9,674,137)	23,077,589

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

CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 - GOODWILL

a) La composición del presente rubro es el siguiente:

	31.12.2011 THCLP\$					31.12.2010 THCLP\$				
	INITIAL BALANCE NET	ACQUISITIONS FROM INTERESTS	IMPAIRMENT LOSSES RECOGNIZED IN EQUITY	IMPAIRMENT LOSSES RECOGNIZED IN PROFIT AND LOSS	FINAL BALANCE NET	INITIAL BALANCE NET	ACQUISITIONS FROM INTERESTS	IMPAIRMENT LOSSES RECOGNIZED IN EQUITY	IMPAIRMENT LOSSES RECOGNIZED IN PROFIT AND LOSS	FINAL BALANCE NET
Goodwill Inv. Interrentas	23,472,451	-	-	(1,033,841)	22,438,610	24,170,173	-	-	(697,722)	23,472,451
Goodwill Inv. Bco. Dresdner	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
Goodwill Vida Security	2,099,306	-	-	-	2,099,306	2,099,306	-	-	-	2,099,306
Goodwill Seg. Generales Previsión	862,415	-	-	-	862,415	862,415	-	-	-	862,415
Goodwill Investment Travel (1)	1,098,615	1,372,281	-	-	2,470,896	1,098,615	-	-	-	1,098,615
TOTAL	42,870,500	1,372,281	-	(1,033,841)	43,208,940	43,568,222	-	-	(697,722)	42,870,500

(1) On January 25, 2011, through its subsidiary Inversiones Invest Security Ltda. Grupo Security acquired a 30% interest in Travel Security, thereby bringing its interest in the company to 85%.

The above operation means making a recognition by increasing the goodwill associated with its subsidiary, Travel Security.

NOTE 11 - TRADE AND OTHER ACCOUNTS RECEIVABLE

The total trade and other accounts receivable (net of provisions) of Grupo Security as of December 31, 2011 amounts to ThCLP\$2,857,682,984 (ThCLP\$2,196,579,241 in 2010).

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 provisions 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 regularly.

Grupo Security does not maintain any guarantees over such balances.

As of December 31, 2011 and 2010, this item includes the following:

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Bank Subsidiary		
Owed by banks	31,684,283	11,356,392
Commercial loans	1,969,745,974	1,519,401,021
Housing loans	398,226,529	300,440,978
Consumer loans	170,596,120	107,438,753
Brokerage debtors	46,149,901	70,210,324
Other client receivables	320,488	-
Vida Security		
Notes and accounts receivable	8,192,279	3,184,137
Leasing receivable	38,355,351	33,767,748
Debtors receivable	10,120,571	7,134,744
Other Subsidiaries		
Invoices receivable	12,224,295	10,021,118
Notes and accounts receivable	10,017,151	129,881,497
Leasing receivable	2,108,153	2,133,067
Debtors receivable	159,941,889	1,609,463
	2,857,682,984	2,196,579,241

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NOTE 12 - OTHER FINANCIAL ASSETS, CURRENT

As of December 31, 2011 and 2010, this item includes the following:

	BALANCE 31.12.2011						BALANCE 31.12.2010					
	USD THCLP\$	EURO THCLP\$	UF THCLP\$	CLP THCLP\$	OTHERS THCLP\$	TOTAL M\$	USD THCLP\$	EURO THCLP\$	UF THCLP\$	CLP THCLP\$	OTHERS THCLP\$	TOTAL M\$
Other Financial Assets Bank Subsidiary												
Investments available for sale	59,645,621	-	159,101,274	114,752,965	-	333,499,860	44,261,879	-	189,780,120	43,964,793	-	278,006,793
Instruments held for trading	-	-	258,826,106	145,541,499	-	404,367,605	-	-	244,967,133	144,553,849	-	389,520,982
Financial derivative contracts	-	-	-	53,613,328	-	53,613,328	-	-	-	61,935,808	-	61,935,808
Leased assets	-	-	-	13,808,429	-	13,808,429	-	-	-	24,151,470	-	24,151,470
Investments for Technical Reserves Vida Security												
Mutual fund units	15,306,385	170,126	82,534,877	-	36,455	98,047,843	16,567,269	148,298	-	81,396,650	88,772	98,200,989
Derivatives	-	-	15,042,830	-	-	15,042,830	4,993,558	-	-	-	-	4,993,558
Shares	-	-	-	18,208	-	18,208	-	-	-	15,695	-	15,695
Bonds	25,837,081	-	435,788,220	-	-	461,625,301	15,240,928	-	432,130,786	-	-	447,371,714
Mortgages	-	-	31,157,516	629,834	-	31,787,350	-	-	35,466,208	904,474	-	36,370,682
Fixed term and adjustable deposits	-	-	14,054,448	433,254	-	14,487,702	-	-	22,143,575	-	-	22,143,575
Mortgage mutuals	-	-	29,938,344	-	-	29,938,344	-	-	33,216,106	-	-	33,216,106
Third party guarantees	-	-	100,323	-	-	100,323	-	-	96,550	-	-	96,550
Prc Cora and Others of Central Bank	-	-	58,195,709	-	-	58,195,709	-	-	159,028	60,224,556	-	60,383,584
Other Financial Assets Other Subsidiaries								-				
Bonds	-	-	752,289	-	-	752,289	-	-	227,756	-	-	227,756
Shares	-	-	-	5,996	-	5,996	-	-	-	2,279	-	2,279
Derivatives	624,215	-	-	-	-	624,215	94,290,387	-	-	-	-	94,290,387
Other investment instruments	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	101,413,302	170,126	1,085,491,936	328,803,513	36,455	1,515,915,332	175,354,021	148,298	958,187,262	417,149,574	88,772	1,550,927,927

NOTE 13 – OTHER NON FINANCIAL ASSETS, CURRENT

As of December 31, 2011 and 2010, this item includes the following:

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Other non-financial assets Vida Security		
Retiree Loans	4,506,060	5,003,551
VAT credit	44,809	66,441
Other Non-financial assets other subsidiaries		
Sundry debtors	397,494	161,452
Advances to suppliers	750,446	871,871
Prepaid expenses	169,776	32,775
Guarantees	33,123	262,422
Personnel accounts and loans	85,287	123,287
VAT credit	4,819,077	2,757,226
	10,806,072	9,279,025

NOTE 14- CURRENT TAX ASSETS

As of December 31, 2011 and 2010, this item includes the following:

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Sence Expenses	345,441	152,701
PPM (Monthly Provisional Payments)	10,198,517	7,988,060
Fixed asset credit	3,802	919
Tax loss recovery	1,245,698	969,051
Other credits	1,484,727	945,018
TOTAL	13,278,185	10,055,749

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NOTE 15- OTHER NON-FINANCIAL ASSETS, NON-CURRENT

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Prepaid expenses	1,139,200	1,266,628
Lease Guarantees	-	113,954
Insurance receivable	2,799,335	1,831,306
Notes and accounts receivable, non-current	10,148,716	10,818,460
Other assets	2,215,222	2,182,735
TOTAL	16,302,473	16,213,083

NOTE 16 – TRADE AND OTHER ACCOUNTS PAYABLE, CURRENT

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, 2011 and 2010, this item includes the following:

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Suppliers	4,306,709	3,148,097
Fees payable	2,100,820	4,732
Accounts payable to clients	20,882,656	6,634,897
Lease contracts payable	131,514	62,144
Insurance payable	-	5,831,976
Reserves	717,477,048	698,665,612
Claims payable	10,608,360	165,246
TOTAL	755,507,107	714,512,704

NOTE 17 – 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, 2011 and 2010, this item includes the following:

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Bank Liabilities	438,427,153	269,956,442
Current bonds	433,163,332	262,525,764
Discount in bond placement	(2,533,470)	(2,699,730)
Derivatives	41,024,110	152,797,559
Repurchase agreements and security loans	121,074,330	40,587,781
Time deposits and others	2,038,761,724	1,696,712,122
Letters of credit	53,904,626	65,663,442
Current accounts	232,427,701	220,187,122
Public sector liabilities	34,423,494	36,539,469
Owed to credit card operators	2,842,621	1,892,702
TOTAL	3,393,515,621	2,744,162,673

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Detail of bank obligations as of December 31, 2011:

	TAXPAYER NO. DEBTOR	DEBTOR NAME	COUNTRY DEBTOR	TAXPAYER NO. CREDITOR	LENDER NAME	COUNTRY LENDER	TYPE OF CURRENCY	FREQUENCY OF AMORTIZATION	EFFECTIVE %	NOMINAL INTEREST RATE %	CARRYING VALUE			
											MATURITY			
											0-90 DAYS	91 DAYS - 1 YEAR	1 YEAR AND MORE	TOTAL
SUBSIDIARY														
Bank Liabilities	97.053.005-3	Banco Security	Chile	59.002.220-9	The Bank of Tokyo Mitsubishi Ltd	Chile	USD	Monthly	1.00%	1.00%	649,632	-	-	649,632
Bank Liabilities	97.053.005-3	Banco Security	Chile	59.002.220-9	The Bank of Tokyo Mitsubishi Ltd	Chile	USD	Quarterly	1.12%	1.12%	5,267,750	-	-	5,267,750
Bank Liabilities	97.053.005-3	Banco Security	Chile	400.550.828-8	American Express Bank Ltd New	USA	USD	Daily	0.0%	0.0%	237	-	-	237
Bank Liabilities	97.053.005-3	Banco Security	Chile	404.065.104-2	Banco Bradesco S A	Brazil	USD	Quarterly	0.0%	0.0%	-	9,645	-	9,645
Bank Liabilities	97.053.005-3	Banco Security	Chile	404.190.228-6	Banco Bolivariano C A	Ecuador	USD	Quarterly	0.0%	0.0%	69,173	-	-	69,173
Bank Liabilities	97.053.005-3	Banco Security	Chile	404.562.396-9	Intesa San Paolo Spa	Italy	EUR	Monthly	0.0%	0.0%	42,376	-	-	42,376
Bank Liabilities	97.053.005-3	Banco Security	Chile	404.562.396-9	Intesa San Paolo Spa	Italy	EUR	Quarterly	0.0%	0.0%	138,328	-	-	138,328
Bank Liabilities	97.053.005-3	Banco Security	Chile	404.645.040-5	Bco Credicoop Coop Limitado	Argentina	USD	Quarterly	0.0%	0.0%	22,774	-	-	22,774
Bank Liabilities	97.053.005-3	Banco Security	Chile	405.005.104-3	Banco Santander Brasil	Brazil	USD	Quarterly	0.0%	0.0%	-	22,033	-	22,033
Bank Liabilities	97.053.005-3	Banco Security	Chile	405.720.040-0	BBVA Bco Frances S A	Argentina	USD	Monthly	0.0%	0.0%	56,111	-	-	56,111
Bank Liabilities	97.053.005-3	Banco Security	Chile	405.720.040-0	BBVA Bco Frances S A	Argentina	USD	Quarterly	0.0%	0.0%	1,240,355	-	-	1,240,355
Bank Liabilities	97.053.005-3	Banco Security	Chile	406.065.104-2	Banco Bradesco S.A. - Sao Paulo	Brazil	USD	Quarterly	0.0%	0.0%	5,486	-	-	5,486
Bank Liabilities	97.053.005-3	Banco Security	Chile	406.330.228-2	Bco Internacioanal S A Ecuador	Ecuador	USD	Quarterly	0.0%	0.0%	138,876	-	-	138,876
Bank Liabilities	97.053.005-3	Banco Security	Chile	406.575.168-7	Bank of China China	China	USD	Quarterly	0.0%	0.0%	28,471	-	-	28,471
Bank Liabilities	97.053.005-3	Banco Security	Chile	406.595.168-7	Bank of China	China	USD	Monthly	0.0%	0.0%	53,739	-	-	53,739
Bank Liabilities	97.053.005-3	Banco Security	Chile	406.595.168-7	Bank of China	China	USD	Quarterly	0.0%	0.0%	346,696	-	-	346,696
Bank Liabilities	97.053.005-3	Banco Security	Chile	406.633.340-5	Bank of China Hong Kong	Hong Kong	USD	Monthly	0.0%	0.0%	53,902	-	-	53,902
Bank Liabilities	97.053.005-3	Banco Security	Chile	406.779.808-8	Bank of Taiwan	Taiwan	USD	Quarterly	0.0%	0.0%	-	76,515	-	76,515
Bank Liabilities	97.053.005-3	Banco Security	Chile	407.615.396-0	Banca Nazionales Del Lavoro Spa	Italy	EUR	Quarterly	0.0%	0.0%	63,717	-	-	63,717
Bank Liabilities	97.053.005-3	Banco Security	Chile	407.840.828-1	Bank of America Estados Unidos	USA	USD	Annual	1.6%	1.6%	-	3,656,297	-	3,656,297
Bank Liabilities	97.053.005-3	Banco Security	Chile	407.840.828-1	Bank of America Estados Unidos	USA	USD	Quarterly	1.3%	1.3%	10,419,298	-	-	10,419,298
Bank Liabilities	97.053.005-3	Banco Security	Chile	407.845.436-4	The Bank of California San Fra	North Korea	USD	Daily	0.0%	0.0%	97,752	-	-	97,752
Bank Liabilities	97.053.005-3	Banco Security	Chile	407.855.828-3	Bank of Montreal	USA	USD	Quarterly	0.0%	0.0%	12,989	-	-	12,989
Bank Liabilities	97.053.005-3	Banco Security	Chile	408.130.412-8	Bank of Tokyo Mitsubishi	Japan	USD	Quarterly	0.0%	0.0%	24,656	-	-	24,656
Bank Liabilities	97.053.005-3	Banco Security	Chile	408.640.104-0	Banco Do Brasil Sa Brasil	Brazil	USD	Monthly	0.0%	0.0%	122,089	-	-	122,089
Bank Liabilities	97.053.005-3	Banco Security	Chile	408.640.104-0	Banco Do Brasil Sa Brasil	Brazil	USD	Quarterly	0.0%	0.0%	14,819	-	-	14,819
Bank Liabilities	97.053.005-3	Banco Security	Chile	408.990.240-7	Banco de Sabadell S A	Spain	USD	Quarterly	0.0%	0.0%	5,516	-	-	5,516
Bank Liabilities	97.053.005-3	Banco Security	Chile	411.885.828-5	Citibank Estados Unidos	USA	USD	Six-Monthly	0.9%	0.9%	18,229,373	-	-	18,229,373
Bank Liabilities	97.053.005-3	Banco Security	Chile	411.885.828-5	Citibank Estados Unidos	USA	USD	Quarterly	1.3%	1.3%	39,067,061	-	-	39,067,061

(Continuation)

	TAXPAYER NO. DEBTOR	DEBTOR NAME	COUNTRY DEBTOR	TAXPAYER NO. CREDITOR	LENDER NAME	COUNTRY LENDER	TYPE OF CURRENCY	FREQUENCY OF AMORTIZATION	EFFECTIVE %	NOMINAL INTEREST RATE %	CARRYING VALUE			
											MATURITY			
											0-90 DAYS	91 DAYS - 1 YEAR	1 YEAR AND MORE	TOTAL
Bank Liabilities	97.053.005-3	Banco Security	Chile	412.335.204-7	Commerzbank Ag Alemania	Germany	EUR	Quarterly	0.0%	0.0%	209,324	-	-	209,324
Bank Liabilities	97.053.005-3	Banco Security	Chile	412.335.204-7	Commerzbank Ag Alemania	Germany	USD	Annual	0.7%	0.7%	5,207,481	-	-	5,207,481
Bank Liabilities	97.053.005-3	Banco Security	Chile	412.335.204-7	Commerzbank Ag Alemania	Germany	USD	Six-Monthly	1.4%	1.4%	8,398,427	15,701,642	-	24,100,069
Bank Liabilities	97.053.005-3	Banco Security	Chile	412.732.268-1	Cm Cic Banques Cm Cic Credit Industrie	France	EUR	Monthly	0.0%	0.0%	23,066	-	-	23,066
Bank Liabilities	97.053.005-3	Banco Security	Chile	413.040.340-4	Citibank Koolong Hong Kong	Hong Kong	USD	Quarterly	0.0%	0.0%	8,369	6,847	-	15,216
Bank Liabilities	97.053.005-3	Banco Security	Chile	413.260.376-1	Citibank Mumbai India	India	USD	Monthly	0.0%	0.0%	37,559	-	-	37,559
Bank Liabilities	97.053.005-3	Banco Security	Chile	413.260.376-1	Citibank Mumbai India	India	USD	Quarterly	0.0%	0.0%	15,376	111,184	-	126,560
Bank Liabilities	97.053.005-3	Banco Security	Chile	413.765.828-9	JP Morgan Chase Bank	USA	USD	Six-Monthly	1.7%	1.7%	-	2,603,910	-	2,603,910
Bank Liabilities	97.053.005-3	Banco Security	Chile	413.765.828-9	JP Morgan Chase Bank	USA	USD	Quarterly	1.7%	1.7%	5,197,910	-	-	5,197,910
Bank Liabilities	97.053.005-3	Banco Security	Chile	414.620.796-6	Citibank A S Istanbul	Turkey	EUR	Monthly	0.0%	0.0%	13,472	-	-	13,472
Bank Liabilities	97.053.005-3	Banco Security	Chile	414.620.796-6	Citibank A S Istanbul	Turkey	EUR	Quarterly	0.0%	0.0%	45,798	24,138	-	69,937
Bank Liabilities	97.053.005-3	Banco Security	Chile	414.620.796-6	Citibank A S Istanbul	Turkey	USD	Quarterly	0.0%	0.0%	45,294	93,579	-	138,873
Bank Liabilities	97.053.005-3	Banco Security	Chile	415.565.828-8	Deutsche Bank Overnight Usd	USA	USD	Daily	0.0%	0.0%	447,073	-	-	447,073
Bank Liabilities	97.053.005-3	Banco Security	Chile	416.211.396-3	Deutsche Bank Milano Italia	Italy	USD	Quarterly	0.0%	0.0%	23,902	20,494	-	44,396
Bank Liabilities	97.053.005-3	Banco Security	Chile	421.760.276-4	Dresdner Bank Ag Frankfurt	United Kingdom	EUR	Daily	0.0%	0.0%	3,063	-	-	3,063
Bank Liabilities	97.053.005-3	Banco Security	Chile	445.177.440-4	Industrial Bank of Korea	South Korea	USD	Quarterly	0.0%	0.0%	-	47,746	-	47,746
Bank Liabilities	97.053.005-3	Banco Security	Chile	446.005.584-4	Ing Bank NV	Holanda	USD	Six-Monthly	1.4%	1.4%	-	5,229,675	-	5,229,675
Bank Liabilities	97.053.005-3	Banco Security	Chile	446.410.828-4	The Bank of New York Mellon	USA	USD	Annual	1.6%	1.6%	-	2,612,163	-	2,612,163
Bank Liabilities	97.053.005-3	Banco Security	Chile	446.410.828-4	The Bank of New York Mellon	USA	USD	Daily	0.0%	0.0%	1,130,262	-	-	1,130,262
Bank Liabilities	97.053.005-3	Banco Security	Chile	446.410.828-4	The Bank of New York Mellon	USA	USD	Six-Monthly	1.3%	1.3%	-	7,822,519	-	7,822,519
Bank Liabilities	97.053.005-3	Banco Security	Chile	446.410.828-4	The Bank of New York Mellon	USA	USD	Quarterly	1.6%	1.6%	5,221,640	-	-	5,221,640
Bank Liabilities	97.053.005-3	Banco Security	Chile	453.535.828-7	Commercebanc N A Estados Unidos	USA	USD	Annual	1.4%	1.4%	5,267,047	-	-	5,267,047
Bank Liabilities	97.053.005-3	Banco Security	Chile	455.434.828-4	Branch Banking and Trust Company	USA	USD	Monthly	0.0%	0.0%	60,361	-	-	60,361
Bank Liabilities	97.053.005-3	Banco Security	Chile	456.305.136-7	Bank of Nova Scotia Toronto Canada	Canada	USD	Six-Monthly	1.4%	1.4%	-	3,119,210	-	3,119,210
Bank Liabilities	97.053.005-3	Banco Security	Chile	458.915.828-0	Wachovia Bank Na New York	USA	USD	Daily	0.0%	0.0%	6,546,840	-	-	6,546,840
Bank Liabilities	97.053.005-3	Banco Security	Chile	458.915.828-3	Wells Fargo Bank N A	USA	USD	Annual	1.5%	1.5%	5,207,281	18,253,941	-	23,461,222
Bank Liabilities	97.053.005-3	Banco Security	Chile	458.915.828-3	Wells Fargo Bank N A	USA	USD	Monthly	0.0%	0.0%	53,127	-	-	53,127
Bank Liabilities	97.053.005-3	Banco Security	Chile	458.915.828-3	Wells Fargo Bank N A	USA	USD	Six-Monthly	1.1%	1.1%	23,994,817	5,210,585	-	29,205,402
Bank Liabilities	97.053.005-3	Banco Security	Chile	458.915.828-3	Wells Fargo Bank N A	USA	USD	Quarterly	1.7%	1.7%	4,219,877	-	-	4,219,877
Bank Liabilities	97.053.005-3	Banco Security	Chile	463.097.828-4	Fifth Third Bank	USA	USD	Quarterly	1.6%	1.6%	-	5,197,760	-	5,197,760
Bank Liabilities	97.053.005-3	Banco Security	Chile	467.788.340-0	Wells Fargo Bank Na	Hong Kong	USD	Monthly	0.0%	0.0%	9,478	-	-	9,478

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	TAXPAYER NO. DEBTOR	DEBTOR NAME	COUNTRY DEBTOR	TAXPAYER NO. CREDITOR	LENDER NAME	COUNTRY LENDER	TYPE OF CURRENCY	FREQUENCY OF AMORTIZATION	EFFECTIVE %	NOMINAL INTEREST RATE %	CARRYING VALUE			
											MATURITY			
											0-90 DAYS	91 DAYS - 1 YEAR	1 YEAR AND MORE	TOTAL
Bank Liabilities	97.053.005-3	Banco Security	Chile	467.788.340-0	Wells Fargo Bank Na	Hong Kong	USD	Quarterly	0.0%	0.0%	274,949	-	-	274,949
Bank Liabilities	97.053.005-3	Banco Security	Chile	468.730.440-9	Wells Fargo Bank Korea	South Korea	USD	Monthly	0.0%	0.0%	32,560	-	-	32,560
Bank Liabilities	97.053.005-3	Banco Security	Chile	472.655.276-8	Standard Chartered Bank Reino Unido	United Kingdom	USD	Quarterly	0.0%	0.0%	71,960	-	-	71,960
Bank Liabilities	97.053.005-3	Banco Security	Chile	472.655.276-8	Standard Chartered Bank Reino Unido	United Kingdom	USD	Quarterly	0.0%	0.0%	7,661	-	-	7,661
Bank Liabilities	97.053.005-3	Banco Security	Chile	472.655.828-6	Standard Chartered Bank	USA	USD	Annual	1.6%	1.6%	3,700,318	13,573,586	-	17,273,904
Bank Liabilities	97.053.005-3	Banco Security	Chile	472.655.828-6	Standard Chartered Bank	USA	USD	Six-Monthly	1.5%	1.5%	8,864,524	5,200,094	-	14,064,618
Bank Liabilities	97.053.005-3	Banco Security	Chile	472.655.828-6	Standard Chartered Bank	USA	USD	Quarterly	1.4%	1.4%	8,327,170	-	-	8,327,170
Bank Liabilities	97.053.005-3	Banco Security	Chile	472.928.340-7	Standard Chartered Bank Hong Kong	Hong Kong	USD	Monthly	0.0%	0.0%	550,712	-	-	550,712
Bank Liabilities	97.053.005-3	Banco Security	Chile	472.928.340-7	Standard Chartered Bank Hong Kong	Hong Kong	USD	Quarterly	0.0%	0.0%	629,737	-	-	629,737
Bank Liabilities	97.053.005-3	Banco Security	Chile	473.955.412-3	Sumitomo Mitsui Banking Corp	Japan	USD	Quarterly	0.0%	0.0%	148,591	-	-	148,591
Bank Liabilities	97.053.005-3	Banco Security	Chile	473.960.828-2	Sumitomo Mitsui Banking Corporation	USA	USD	Annual	1.1%	1.1%	5,209,023	-	-	5,209,023
Bank Liabilities	97.053.005-3	Banco Security	Chile	473.960.828-2	Sumitomo Mitsui Banking Corporation	USA	USD	Quarterly	1.2%	1.2%	8,860,239	-	-	8,860,239
Bank Liabilities	97.053.005-3	Banco Security	Chile	475.560.204-9	Dresdner Bank Lateinamerika, H	Germany	EUR	Daily	0.0%	0.0%	3,364	-	-	3,364
Bank Liabilities	97.053.005-3	Banco Security	Chile	480.612.396-5	Unicredit Banca Spa Cred Itl	Italy	EUR	Monthly	0.0%	0.0%	190,234	-	-	190,234
Bank Liabilities	97.053.005-3	Banco Security	Chile	480.620.396-9	Unicredito Italiano	Italy	EUR	Daily	0.0%	0.0%	48,749	-	-	48,749
Bank Liabilities	97.053.005-3	Banco Security	Chile	404.270.240-K	Bco Bilbao Vizcaya Argentaria S A	Spain	EUR	Quarterly	0.0%	0.0%	22,721	-	-	22,721
Bank Liabilities	97.053.005-3	Banco Security	Chile	407.855.136-K	Bank of Montreal	Canada	USD	Monthly	0.0%	0.0%	25,241	-	-	25,241
Bank Liabilities	97.053.005-3	Banco Security	Chile	407.855.136-K	Bank of Montreal	Canada	USD	Quarterly	1.4%	1.4%	13,157,753	-	-	13,157,753
Bank Liabilities	97.053.005-3	Banco Security	Chile	461.329.584-K	Deutsche Bank Amsterdam - Holanda	Holanda	USD	Monthly	0.0%	0.0%	42,807	-	-	42,807
Bank Liabilities	97.053.005-3	Banco Security	Chile	469.471.616-K	Bank of Nova Scotia Panama	Panama	USD	Monthly	0.0%	0.0%	11,936	-	-	11,936
Bank Liabilities	97.053.005-3	Banco Security	Chile	469.471.616-K	Bank of Nova Scotia Panama	Panama	USD	Quarterly	0.0%	0.0%	8,230	-	-	8,230
Bank Liabilities	97.053.005-3	Banco Security	Chile	472.815.168-K	Standard Chartered Bank - China	China	USD	Monthly	0.0%	0.0%	89,319	-	-	89,319
Bank Liabilities	97.053.005-3	Banco Security	Chile	E-0	Others	Others	USD	Quarterly	0.0%	0.0%	2,240,001	-	-	2,240,001
Bank Liabilities	97.053.005-3	Banco Security	Chile	E-0	Others	Others	USD	Daily	0.0%	0.0%	103,181	-	-	103,181
Bank Liabilities	96.515.580-5	Valores Security	Chile	OTROS	Banco de Chile	Chile	CLP	Daily	0.0%	0.0%	504,769	-	-	504,769
OTHER SUBSIDIARIES											-	-	-	-
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97004000-5	Banco de Chile	Chile	CLP	Monthly	0.5%	0.5%	26,236,681	-	-	26,236,681
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97023000-9	Corbanca	Chile	CLP	Monthly	0.6%	0.6%	16,220,619	-	-	16,220,619
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97030000-7	Banco Estado	Chile	CLP	Monthly	0.5%	0.5%	23,476,345	-	-	23,476,345
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97006000-6	Banco de Credito e Inversiones	Chile	CLP	Monthly	0.5%	0.5%	16,510,278	-	-	16,510,278

(Continuation)

	TAXPAYER NO. DEBTOR	DEBTOR NAME	COUNTRY DEBTOR	TAXPAYER NO. CREDITOR	LENDER NAME	COUNTRY LENDER	TYPE OF CURRENCY	FREQUENCY OF AMORTIZATION	EFFECTIVE %	NOMINAL INTEREST RATE %	CARRYING VALUE			
											MATURITY			
											0-90 DAYS	91 DAYS - 1 YEAR	1 YEAR AND MORE	TOTAL
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97032000-8	Banco BBVA	Chile	CLP	Monthly	0.7%	0.7%	15,353,246	-	-	15,353,246
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97018000-1	Banco Scotiabank	Chile	CLP	Monthly	0.6%	0.6%	9,027,604	-	-	9,027,604
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97036600-K	Banco Santander	Chile	CLP	Monthly	0.7%	0.7%	6,809,723	-	-	6,809,723
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97041000-7	Banco Itau	Chile	CLP	Monthly	0.6%	0.6%	4,014,140	-	-	4,014,140
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97080000-K	Banco Bice	Chile	CLP	Monthly	0.6%	0.6%	6,521,918	-	-	6,521,918
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97011000-3	Banco Internacional	Chile	CLP	Monthly	0.6%	0.6%	2,862,455	-	-	2,862,455
Bank Liabilities	96.655.860-1	Factoring Security	Chile	99500410-0	Banco Consorcio	Chile	CLP	Monthly	0.5%	0.5%	5,022,500	-	-	5,022,500
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97952000-K	Banco Penta	Chile	CLP	Monthly	0.6%	0.6%	3,008,047	-	-	3,008,047
Bank Liabilities	96.655.860-1	Factoring Security	Chile	E-0	Varios	Chile	CLP	Monthly			331,671	-	-	331,671
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97041000-7	Banco Itau	Chile	DÓLAR	Monthly	2.0%	2.0%	5,493,282	-	-	5,493,282
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97023000-9	Corpbanca	Chile	DÓLAR	Monthly	2.9%	2.9%	2,869,460	-	-	2,869,460
Bank Liabilities	96.786.270-3	Inmobiliaria Security S.A.	Chile	97023000-9	Corpbanca	Chile	CLP	At Maturity	7.6%	7.6%	414,940	254,373	-	669,313
Bank Liabilities	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.036.000-k	Banco Santander	Chile	CLP	At Maturity	8.0%	8.0%	552,293	325,755	-	878,048
Bank Liabilities	96.786.270-3	Inmobiliaria Security S.A.	Chile	76.104.355-2	Banco de Chile	Chile	CLP	At Maturity	7.6%	7.6%	-	1,119,728	-	1,119,728
Bank Liabilities	77.441.660-9	Inmobiliaria Security Nueva Ltda	Chile	76.104.355-2	Banco de Chile	Chile	CLP	At Maturity	7.7%	7.7%	-	774,584	-	774,584
Bank Liabilities	76.167.559-1	Inmobiliaria Los Espinos S.A.	Chile	76.104.355-2	Banco de Chile	Chile	CLP	At Maturity	7.7%	7.7%	-	1,950,178	-	1,950,178
Bank Liabilities	99.301.000-6	Seguros de Vida Security y Previsión S.A.	Chile	97.004.000-5	Banco de Chile	Chile	CLP	Other	0.0%	0.0%	1	-	-	1
Bank Liabilities	99.301.000-6	Seguros de Vida Security y Previsión S.A.	Chile	97.036.000-k	Banco Santander	Chile	CLP	Other	0.0%	0.0%	1	-	-	1
TOTAL											345,408,973	93,018,180	-	438,427,153

CONSOLIDATED FINANCIAL STATEMENTS

Detail of the bonds at December 31, 2010:

	TAXPAYER NO. DEBTOR	DEBTOR NAME	COUNTRY DEBTOR	TAXPAYER NO. CREDITOR	LENDER NAME	COUNTRY LENDER	TYPE OF CURRENCY	FREQUENCY OF AMORTIZATION	EFFECTIVE %	NOMINAL INTEREST RATE %	CARRYING VALUE			
											MATURITY			
											0-90 DAYS	91 DAYS - 1 YEAR	1 YEAR AND MORE	TOTAL
SUBSIDIARY														
Bank Liabilities	97.053.000-2	Banco Security	Chile	400.550.828-8	America Express Security	USA	USD	Daily	0.000%	0.000%	775	-	-	776
Bank Liabilities	97.053.000-2	Banco Security	Chile	403.560.844-9	Banco Mercantil Ca	Venezuela	USD	Quarterly	1.010%	1.010%	4,698,433	-	-	4,698,434
Bank Liabilities	97.053.000-2	Banco Security	Chile	406.330.228-2	Bco Internacioanl SA Ecuador	Ecuador	USD	Quarterly	0.000%	0.000%	109,795	-	-	109,796
Bank Liabilities	97.053.000-2	Banco Security	Chile	407.840.828-1	Bank of America Estados Unidos	USA	USD	Monthly	0.880%	0.880%	4,700,647	-	-	4,700,647
Bank Liabilities	97.053.000-2	Banco Security	Chile	407.840.828-1	Bank of America Estados Unidos	USA	USD	Quarterly	0.930%	0.930%	4,690,017	-	-	4,690,017
Bank Liabilities	97.053.000-2	Banco Security	Chile	407.845.436-4	The Bank of California San Francisco	USA	USD	Daily	0.000%	0.000%	88,280	-	-	88,280
Bank Liabilities	97.053.000-2	Banco Security	Chile	407.855.136-K	Bank of Montreal	Canada	USD	Six-Monthly	0.990%	0.990%	-	9,379,422	-	9,379,422
Bank Liabilities	97.053.000-2	Banco Security	Chile	411.885.828-5	Citibank Estados Unidos	USA	USD	Monthly	0.000%	0.000%	21,895	-	-	21,895
Bank Liabilities	97.053.000-2	Banco Security	Chile	411.885.828-5	Citibank Estados Unidos	USA	USD	Six-Monthly	0.960%	0.960%	-	9,364,226	-	9,364,226
Bank Liabilities	97.053.000-2	Banco Security	Chile	411.885.828-5	Citibank Estados Unidos	USA	USD	Quarterly	0.730%	0.730%	9,562,370	-	-	9,562,370
Bank Liabilities	97.053.000-2	Banco Security	Chile	412.335.204-7	Commerzbank Ag Alemania	Germany	USD	Annual	0.650%	0.650%	9,379,306	-	-	9,379,306
Bank Liabilities	97.053.000-2	Banco Security	Chile	412.335.204-7	Commerzbank Ag Alemania	Germany	EUR	Monthly	0.000%	0.000%	63,887	-	-	63,887
Bank Liabilities	97.053.000-2	Banco Security	Chile	412.335.204-7	Commerzbank Ag Alemania	Germany	EUR	Quarterly	0.000%	0.000%	68,801	-	-	68,801
Bank Liabilities	97.053.000-2	Banco Security	Chile	412.335.204-7	Commerzbank Ag Alemania	Germany	EUR	Daily	0.000%	0.000%	2,892,056	-	-	2,892,056
Bank Liabilities	97.053.000-2	Banco Security	Chile	413.540.052-7	Commonwealth Bank of Australia Sydney	Australia	USD	Quarterly	0.000%	0.000%	127,020	12,333	-	139,353
Bank Liabilities	97.053.000-2	Banco Security	Chile	413.765.828-9	Jp Morgan Chase Bank	USA	USD	Annual	1.110%	1.110%	-	4,681,947	-	4,681,947
Bank Liabilities	97.053.000-2	Banco Security	Chile	415.005.212-8	Danske Bank A/S Copenhagen	Denmark	OTR	Daily	0.000%	0.000%	412	-	-	412
Bank Liabilities	97.053.000-2	Banco Security	Chile	415.565.204-2	Deutsche Bank Ag Frankfurt Am Main	Germany	EUR	Daily	0.000%	0.000%	280,166	-	-	280,166
Bank Liabilities	97.053.000-2	Banco Security	Chile	421.760.276-4	Dresdner Bank Ag	Germany	USD	Daily	0.000%	0.000%	92,635	-	-	92,635
Bank Liabilities	97.053.000-2	Banco Security	Chile	421.760.276-4	Dresdner Bank Ag	Germany	EUR	Daily	0.000%	0.000%	3,089	-	-	3,089
Bank Liabilities	97.053.000-2	Banco Security	Chile	443.945.168-3	Hong Kong and Shanghai Banking Corp Ltd	China	USD	Quarterly	0.000%	0.000%	20,291	-	-	20,291
Bank Liabilities	97.053.000-2	Banco Security	Chile	446.410.828-4	Bank of New York	USA	USD	Annual	1.140%	1.140%	-	2,341,143	-	2,341,143
Bank Liabilities	97.053.000-2	Banco Security	Chile	446.410.828-4	Bank of New York	USA	USD	Monthly	0.000%	0.000%	31,604	-	-	31,604
Bank Liabilities	97.053.000-2	Banco Security	Chile	446.410.828-4	Bank of New York	USA	USD	Six-Monthly	1.110%	1.110%	4,702,345	7,022,604	-	11,724,950
Bank Liabilities	97.053.000-2	Banco Security	Chile	453.535.828-7	Commercebank N A Estados Unidos	USA	USD	Annual	1.500%	1.500%	9,484,642	-	-	9,484,642
Bank Liabilities	97.053.000-2	Banco Security	Chile	453.535.828-7	Commercebank N A Estados Unidos	USA	USD	Quarterly	0.000%	0.000%	53,157	-	-	53,157
Bank Liabilities	97.053.000-2	Banco Security	Chile	455.434.828-4	Branch Banking and Trust Company	USA	USD	Six-Monthly	1.270%	1.270%	-	4,697,360	-	4,697,360
Bank Liabilities	97.053.000-2	Banco Security	Chile	458.915.412-1	Wachovia Bank Na Tokyo	Japan	Other	Daily	0.000%	0.000%	151,427	-	-	151,427
Bank Liabilities	97.053.000-2	Banco Security	Chile	458.915.828-3	Wachovia Bank N A	USA	USD	Monthly	0.000%	0.000%	384,914	-	-	384,914
Bank Liabilities	97.053.000-2	Banco Security	Chile	458.915.828-3	Wachovia Bank N A	USA	USD	Six-Monthly	1.410%	1.410%	4,694,805	16,426,190	-	21,120,994

(Continuation)

	TAXPAYER NO. DEBTOR	DEBTOR NAME	COUNTRY DEBTOR	TAXPAYER NO. CREDITOR	LENDER NAME	COUNTRY LENDER	TYPE OF CURRENCY	FREQUENCY OF AMORTIZATION	EFFECTIVE %	NOMINAL INTEREST RATE %	CARRYING VALUE			
											MATURITY			
											0-90 DAYS	91 DAYS - 1 YEAR	1 YEAR AND MORE	TOTAL
Bank Liabilities	97.053.000-2	Banco Security	Chile	458.915.828-3	Wachovia Bank NA	USA	USD	Quarterly	0.640%	0.640%	19,946,392	58,340	-	20,004,733
Bank Liabilities	97.053.000-2	Banco Security	Chile	472.655.828-6	Standard Chartered Bank	USA	USD	Monthly	0.660%	0.660%	5,649,138	-	-	5,649,138
Bank Liabilities	97.053.000-2	Banco Security	Chile	472.655.828-6	Standard Chartered Bank	USA	USD	Quarterly	0.840%	0.840%	10,089,121	2,815,458	-	12,904,579
Bank Liabilities	97.053.000-2	Banco Security	Chile	472.655.828-6	Standard Chartered Bank	USA	OTR	Quarterly	0.000%	0.000%	66,408	-	-	66,408
Bank Liabilities	97.053.000-2	Banco Security	Chile	472.655.828-6	Standard Chartered Bank	USA	OTR	Daily	0.000%	0.000%	336,529	-	-	336,529
Bank Liabilities	97.053.000-2	Banco Security	Chile	473.955.412-3	Sumitomo Mitsui Banking Corp	Japon	USD	Quarterly	0.960%	0.960%	4,689,958	-	-	4,689,958
Bank Liabilities	97.053.000-2	Banco Security	Chile	480.612.396-5	Unicredit Banca Spa Cred Itl	Italy	EUR	Monthly	0.000%	0.000%	23,075	-	-	23,075
Bank Liabilities	97.053.000-2	Banco Security	Chile	59.002.220-9	The Bank of Tokyo Mitsubishi Ltd	Chile	USD	Monthly	0.300%	0.300%	935,923	-	-	935,923
Bank Liabilities	96.515.580-5	Valores Security	Chile	97.004.000-5	Banco Chile	Chile	CLP	Daily	0.000%	0.000%	1,139,536	-	-	1,139,536
Bank Liabilities	97.053.000-2	Banco Security	Chile	E-0	Others	Others	OTR	Daily	0.000%	0.000%	3,079	-	-	3,079
OTHER SUBSIDIARIES														
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97.004.000-5	Banco de Chile	Chile	CLP	Monthly	0.330%	0.330%	25,856,437	-	-	25,856,437
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97.023.000-9	Corpbanca	Chile	USD	Monthly	1.110%	1.110%	655,296	-	-	655,296
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97.023.000-9	Corpbanca	Chile	CLP	Monthly	0.330%	0.330%	16,327,826	-	-	16,327,826
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97.030.000-7	Banco Estado	Chile	CLP	Monthly	0.320%	0.320%	23,366,930	-	-	23,366,930
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97.006.000-6	Banco de Credito e Inversiones	Chile	CLP	Monthly	0.370%	0.370%	4,031,574	-	-	4,031,574
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97.032.000-8	Banco BBVA	Chile	CLP	Monthly	0.330%	0.330%	16,431,281	-	-	16,431,281
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97.018.000-1	Banco Scotiabank	Chile	CLP	Monthly	0.310%	0.310%	9,011,290	-	-	9,011,290
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97.036.000-k	Banco Santander	Chile	CLP	Monthly	0.310%	0.310%	4,602,370	-	-	4,602,370
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97.036.000-k	Banco Santander	Chile	USD	Monthly	1.600%	1.600%	922,421	-	-	922,421
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97.041.000-7	Banco Itau	Chile	USD	Monthly	1.610%	1.610%	8,256,560	-	-	8,256,560
Bank Liabilities	96.655.860-1	Factoring Security	Chile	97.080.000-K	Banco Bice	Chile	CLP	Monthly	0.360%	0.360%	1,000,600	-	-	1,000,600
Bank Liabilities	96.655.860-1	Factoring Security	Chile	E-0	Others	Chile	CLP	Monthly	0.000%	0.000%	158,444	-	-	158,444
Bank Liabilities	96.786.270-3	Inmobiliaria Security	Chile	97.023.000-9	Corpbanca	Chile	CLP	At Maturity	6.000%	6.000%	400,400	-	-	400,400
Bank Liabilities	96.786.270-3	Inmobiliaria Security	Chile	97.004.000-5	Banco de Chile	Chile	CLP	At Maturity	6.200%	6.200%	220,801	327,384	-	548,185
Bank Liabilities	96.786.270-3	Inmobiliaria Security	Chile	97.036.000-k	Banco Santander	Chile	CLP	At Maturity	5.910%	5.910%	153,026	584,777	-	737,803
Bank Liabilities	85.633.900-9	Travel Security	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	-	269,956,442

CONSOLIDATED FINANCIAL STATEMENTS

Detail of bonds as of December 31, 2011:

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	VALOR CONTABLE			
					INTEREST PAYMENT	AMORTIZATION							VENCIMIENTO			
													0-90 DAYS	91 DAYS -1 YEAR	1 YEAR AND GREELS	TOTAL
Current Bonds	BSECU-C2	UF	407.895	12/15/2026	Six-Monthly	Six-Monthly	Chile	4.80%	4.20%	Grupo Security S.A.	Chile	NO	-	602,677	-	602,677
Current Bonds	BSECU-D	UF	1.223.684	12/15/2026	Six-Monthly	Six-Monthly	Chile	4.82%	4.20%	Grupo Security S.A.	Chile	NO	-	1,808,030	-	1,808,030
Current Bonds	BSECU-B2	UF	1.000.000	6/15/2028	Six-Monthly	Six-Monthly	Chile	4.18%	3.80%	Grupo Security S.A.	Chile	NO	-	1,347,024	-	1,347,024
Current Bonds	BSECU-E	UF	500.000	6/15/2028	Six-Monthly	Six-Monthly	Chile	4.30%	3.80%	Grupo Security S.A.	Chile	NO	-	673,512	-	673,512
Current Bonds	BSECU-F	UF	750.000	9/15/2032	Six-Monthly	Six-Monthly	Chile	4.73%	4.20%	Grupo Security S.A.	Chile	NO	-	218,742	-	218,742
BOND PLACEMENT DOC.													-	(2,533,470)	-	(2,533,470)
Current Bonds	F1	UF	3.000.000	01/06/12	Six-Monthly	At Maturity	Chile	3.31%	3.00%	Bco Security	Chile	NO	-	66,924,785	-	66,924,785
Current Bonds	G1	UF	3.000.000	01/06/16	Six-Monthly	Six-Monthly	Chile	3.33%	3.00%	Bco Security	Chile	NO	-	6,759,310	29,126,780	35,886,089
Current Bonds	H1	UF	2.045.000	01/06/29	Six-Monthly	Six-Monthly	Chile	4.42%	3.00%	Bco Security	Chile	NO	-	-	39,910,859	39,910,859
Current Bonds	K1	UF	3.000.000	01/07/17	Six-Monthly	At Maturity	Chile	4.04%	3.00%	Bco Security	Chile	NO	-	-	64,266,971	64,266,971
Current Bonds	L1	UF	3.000.000	01/01/14	Six-Monthly	At Maturity	Chile	3.04%	3.00%	Bco Security	Chile	NO	-	-	67,841,843	67,841,843
Current Bonds	BSECS2	UF	500.000	01/09/16	Six-Monthly	Six-Monthly	Chile	6.53%	5.50%	Bco Security	Chile	NO	340,582	349,822	3,607,934	4,298,338
Current Bonds	M1	UF	3.000.000	01/07/19	Six-Monthly	Six-Monthly	Chile	3.24%	3.00%	Bco Security	Chile	NO	2,958,979	3,003,031	47,054,218	53,016,227
Current Bonds	N1	UF	3.000.000	01/07/19	Six-Monthly	At Maturity	Chile	3.00%	3.00%	Bco Security	Chile	NO	-	-	65,447,176	65,447,176
Current Bonds	R1	UF	1.500.000	01/06/21	Six-Monthly	Six-Monthly	Chile	3.00%	3.00%	Bco Security	Chile	NO	-	2,910,298	28,010,761	30,921,059
TOTAL													3,299,561	82,063,761	345,266,541	430,629,862

Detail of the bonds at December 31, 2010:

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	VALOR CONTABLE			
					INTEREST PAYMENT	AMORTIZATION							VENCIMIENTO			
													0-90 DAYS	91 DAYS -1 YEAR	1 YEAR AND GREELS	TOTAL
Current Bonds	BSECU-C2	UF	407.895	12/15/2026	Six-Monthly	Six-Monthly	Chile	4.80%	4.20%	Grupo Security S.A.	Chile	NO	-	581,126	-	581,126
Current Bonds	BSECU-D	UF	1.223.684	12/15/2026	Six-Monthly	Six-Monthly	Chile	4.82%	4.20%	Grupo Security S.A.	Chile	NO	-	1,743,379	-	1,743,379
Current Bonds	BSECU-B2	UF	1.000.000	6/15/2028	Six-Monthly	Six-Monthly	Chile	4.18%	3.80%	Grupo Security S.A.	Chile	NO	-	666,550	-	666,550
Current Bonds	BSECU-E	UF	500.000	6/15/2028	Six-Monthly	Six-Monthly	Chile	4.30%	3.80%	Grupo Security S.A.	Chile	NO	-	334,384	-	334,384
Current Bonds	BSECU-F	UF	750.000	9/15/2032	Six-Monthly	Six-Monthly	Chile	4.73%	4.20%	Grupo Security S.A.	Chile	NO	-	213,656	-	213,656
BOND PLACEMENT DOC.													-	(2,699,730)	-	(2,699,730)
Current Bonds	F1	UF	3.000.000	6/1/2012	Six-Monthly	At Maturity	Chile	3.31%	3.00%	Banco Security S.A.	Chile	NO	-	-	64,313,048	64,313,048
Current Bonds	G1	UF	3.000.000	01/06/2016	Six-Monthly	Six-Monthly	Chile	3.33%	3.00%	Banco Security S.A.	Chile	NO	-	6,316,602	34,541,778	40,858,380
Current Bonds	H1	UF	2.045.000	01/06/2029	Six-Monthly	Six-Monthly	Chile	4.42%	3.00%	Banco Security S.A.	Chile	NO	-	-	38,075,151	38,075,151
Current Bonds	K1	UF	3.000.000	01/07/2017	Six-Monthly	At Maturity	Chile	4.04%	3.00%	Banco Security S.A.	Chile	NO	-	-	61,378,696	61,378,696
Current Bonds	L1	UF	2.280.000	01/01/2014	Six-Monthly	At Maturity	Chile	3.04%	3.00%	Banco Security S.A.	Chile	NO	-	-	49,612,258	49,612,258
Current Bonds	BSECS2	UF	500.000	01/09/2016	Six-Monthly	Six-Monthly	Chile	6.53%	5.50%	Banco Security S.A.	Chile	NO	309,554	317,953	4,121,628	4,749,135
TOTAL													309,554	7,473,920	252,042,559	259,826,034

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NOTE 18 – OTHER NON-FINANCIAL LIABILITIES, CURRENT

As of December 31, 2011 and 2010, this item includes the following:

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Bank Subsidiary		
Letters of credit payable in cash	282,772	2,438,541
On demand sight deposit accounts	2,630,268	2,483,797
Matured time deposits	689,825	941,308
Available mortgage mutual	43,700,320	9,600,858
Current operations pending payment funds	14,782,118	2,613,781
Pending payment orders	1,919,004	2,359,736
Collection on benefit of clients	407,496	504,142
Collections payable	3,415,573	3,227,883
Credit balances from exchange rate operations	3,018,667	2,891,186
Credit card balances payable	2,525,592	1,606,090
On demand promissory notes	18,728,349	14,346,983
Other current non-financial liabilities	2,861,148	2,826,891
Other Subsidiaries		
Dividends payable	9,764,315	9,779,179
Taxes payable	1,264,214	453,405
Third party obligations	2,897,179	2,187,521
Debts with the Chilean treasury	70,115	99,666
Second category tax	39,232	24,860
Single employee tax	340,936	237,548
VAT debit	540,907	625,032
TOTAL	109,878,030	59,248,407

NOTE 19 – CURRENT TAX LIABILITIES

As of December 31, 2011 and 2010, this item includes the following:

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Additional tax	15,321	24,414
Income tax provision	7,417,583	7,737,169
Others	1,364	5,166
TOTAL	7,434,268	7,766,749

NOTE 20 – OTHER SHORT TERM PROVISIONS

The short - term provisions include the following items:

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Bank Subsidiary		
Loans with domestic banks	13	-
Loans with foreign banks	33,395	32,202
Commercial loans	32,754,522	35,428,226
Housing loans	447,303	492,931
Consumer loans	2,656,901	1,982,185
Contingent credit risk	3,154,903	973,796
Additional loans provisions	-	1,992,952
Assets received in lieu of payment	90,000	1,140,000
Minimum dividends	2,102	4,764
Country risk provisions	43,811	56,164
Other provisions	2,499,357	1,775,398
Other Subsidiaries		
Bonds	166,521	10,000
Portfolio fluctuation	5,912,337	6,360,690
Provisions for other expenses	2,208,062	3,235,451
TOTAL	49,969,227	53,484,759

NOTE 21- EMPLOYEE BENEFITS PROVISIONS

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Provision for vacations	3,076,287	2,819,937
Provision for bonuses	246,288	268,534
Contributions payable	388	-
Other benefits	177,940	198,891
	3,500,903	3,287,362

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NOTE 22 – OTHER FINANCIAL LIABILITIES, NON-CURRENT

As of December 31, 2011 and 2010, this item includes the following:

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Bank obligations	80,065,247	81,205,603
Subordinated bonds	83,907,035	85,586,115
Initiation adjustment payable subordinated bonds	23,657,265	20,479,217
Interest payable on subordinated bonds	1,140,888	1,157,559
Deferred price difference on subordinated bonds	(5,986,527)	(6,252,953)
Expenses for subordinated bonds	(38,652)	(42,032)
TOTAL	182,745,256	182,133,509

Detail of bonds as of December 31, 2011

	SERIE	INDEXATION CURRENCY	NOMINAL AMOUNT OFFISSUANCE	MATURITY DATE	PERIODICITY		COUNTRY OF INCOME	EFFECTIVE INTEREST RATE %	NOMINAL INTEREST RATE %	NAME OFISSUING COMPANY	COUNTRY WHERE IS SUIING 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	BSECU-C2	UF	407,895	15/12/26	Six-Monthly	Six-Monthly	Chile	0.048	0.042	Grupo Security S.A	Chile	No	-	-	-	8,213,590	8,213,590
Obligations for outstanding bonds long term	BSECU-D	UF	1,223,684	15/12/26	Six-Monthly	Six-Monthly	Chile	0.048	0.042	Grupo Security S.A	Chile	No	-	-	-	24,640,770	24,640,770
Obligations for outstanding bonds long term	BSECU-B2	UF	1,000,000	15/06/28	Six-Monthly	Six-Monthly	Chile	0.042	0.038	Grupo Security S.A	Chile	No	-	-	-	20,326,910	20,326,910
Obligations for outstanding bonds long term	BSECU-E	UF	500,000	15/06/28	Six-Monthly	Six-Monthly	Chile	0.043	0.038	Grupo Security S.A	Chile	No	-	-	-	10,163,455	10,163,455
Obligations for outstanding bonds long term	BSECU-F	UF	750,000	15/09/32	Six-Monthly	Six-Monthly	Chile	0.042	0.042	Grupo Security S.A	Chile	No	-	-	-	16,720,522	16,720,522
Subordinated bonds	USECB	UF	1,000,000	01/03/17	Six-Monthly	Six-Monthly	Chile	0.069	0.065	Banco Security S.A	Chile	No	1,583,636	3,482,771	3,950,247	2,169,709	11,186,363
Subordinated bonds	USECC	UF	500,000	01/01/18	Six-Monthly	Six-Monthly	Chile	0.072	0.065	Banco Security S.A	Chile	No	179,720	359,439	4,492,990	4,492,990	9,525,138
Subordinated bonds	USECD	UF	750,000	01/03/22	Six-Monthly	Six-Monthly	Chile	0.074	0.060	Banco Security S.A	Chile	No	1,015,484	2,217,409	2,491,481	9,352,702	15,077,077
Subordinated bonds	USECE	UF	1,200,000	01/11/27	Six-Monthly	Six-Monthly	Chile	0.045	0.040	Banco Security S.A	Chile	No	-	928,596	3,714,385	21,357,774	26,000,754
Subordinated bonds	USECJ	UF	2,000,000	01/12/31	Six-Monthly	Six-Monthly	Chile	0.030	0.030	Banco Security S.A	Chile	No	-	-	-	40,890,677	40,890,677
TOTAL													2,778,839	6,988,216	14,649,102	158,329,098	182,745,256

Detail of bonds as of December 31, 2010

	SERIE	INDEXATION CURRENCY	NOMINAL AMOUNT OFISSUANCE	MATURITY DATE	PERIODICITY		COUNTRY OF INCOME	EFFECTIVE INTEREST RATE %	NOMINAL INTEREST RATE %	NAME OFISSUING COMPANY	COUNTRY WHERE IS SUING 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	BSECU-C2	UF	407,895	12/15/2026	Six-Monthly	Six-Monthly	Chile	0.048	0.042	Grupo Security S.A.	Chile	No	-	-	-	8,469,296	8,469,296
Obligations for outstanding bonds long term	BSECU-D	UF	1,223,684	12/15/2026	Six-Monthly	Six-Monthly	Chile	0.048	0.042	Grupo Security S.A.	Chile	No	-	-	-	25,407,888	25,407,888
Obligations for outstanding bonds long term	BSECU-B2	UF	1,000,000	6/15/2028	Six-Monthly	Six-Monthly	Chile	0.042	0.038	Grupo Security S.A.	Chile	No	-	-	-	20,824,504	20,824,504
Obligations for outstanding bonds long term	BSECU-E	UF	500,000	6/15/2028	Six-Monthly	Six-Monthly	Chile	0.043	0.038	Grupo Security S.A.	Chile	No	-	-	-	10,412,252	10,412,252
Obligations for outstanding bonds long term	BSECU-F	UF	750,000	9/15/2032	Six-Monthly	Six-Monthly	Chile	0.047	0.042	Grupo Security S.A.	Chile	No	-	-	-	16,091,663	16,091,663
Obligations for outstanding bonds long term	USECB	UF	1,000,000	3/1/2017	Six-Monthly	Six-Monthly	Chile	0.069	0.065	Banco Security S.A.	Chile	No	1,429,223	3,143,184	3,565,077	4,043,591	12,181,075
Subordinated bonds	USECC	UF	500,000	1/1/2018	Six-Monthly	Six-Monthly	Chile	0.072	0.065	Banco Security S.A.	Chile	No	172,280	344,560	2,325,778	6,460,496	9,303,114
Subordinated bonds	USECD	UF	750,000	3/1/2022	Six-Monthly	Six-Monthly	Chile	0.074	0.060	Banco Security S.A.	Chile	No	917,576	2,003,619	2,251,266	10,185,946	15,358,407
Subordinated bonds	USECE	UF	1,200,000	11/1/2027	Six-Monthly	Six-Monthly	Chile	0.045	0.040	Banco Security S.A.	Chile	No	-	-	2,672,879	22,274,053	24,946,932
Subordinated bonds	USECJ	UF	2,000,000	12/1/2031	Six-Monthly	Six-Monthly	Chile	0.030	0.030	Banco Security S.A.	Chile	No	-	-	-	39,138,377	39,138,377
TOTAL													2,519,079	5,491,363	10,815,001	163,308,066	182,133,509

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NOTE 23- NON-CURRENT LIABILITIES

As of December 31, 2011 and 2010, this item includes the following:

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Bank Subsidiary		
Brokerage lenders	19,822,407	37,129,729
Accounts and notes payable, long term	6,222,271	11,156,183
Deferred income	826,303	428,563
Non-current operations pending payment	108,447	95,386
Other non-current liabilities	15,691,164	5,115,533
Other Subsidiaries		
Non-current operations pending payment	1,443,449	1,797,192
Lease obligation, long term	147,056	87,028
TOTALES	44,261,097	55,809,614

NOTE 24- 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 of the risks and rewards that Grupo Security has over these have been transferred to the buyer.

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 principal that is expected to be recovered, net of allowances for doubtful accounts and the applicable effective interest rate.

As of December 31, 2011 and 2010, this item includes the following:

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Income Factoring	18,159,366	11,287,859
Revenues Securitizadores	117,461	113,715
Direct Premium revenueVida Security	99,204,210	68,209,795
Other interest income Vida Security	28,189,993	53,733,037
Commissions from insurance brokering	4,161,603	3,627,176
Real Estate advisories and services	-	594,503
Revenue from advisories and services	2,501,088	2,852,188
Sales revenue	4,479,548	3,478,808
Investments income	(9,934)	-
Lease revenue	125,942	92,839
Commissions and interest revenue	8,706,774	6,703,666
Interest		
Repurchase agreements	563,670	276,759
Interbanks loans	880,817	731,219
Commercial loans	109,583,301	82,035,368
Housing loans	13,521,668	11,439,601
Consumer loans	13,748,111	9,066,318
Investment instruments	12,064,455	7,368,710
Financial instruments held for trading	11,064,692	7,260,089
Other interest income	3,146,023	894,030
Indexation adjustments		
Commercial loans	25,322,011	14,053,949
Housing loans	12,817,651	6,696,240
Consumer loans	164,315	84,661
Investment instruments	6,854,295	1,925,987
Financial instruments held for trading	8,815,898	6,808,443
Other adjustments earned	98,599	36,228
Commissions		
Loans with letters of credit	77,040	87,224
Lines of credit and overdrafts	1,418,789	1,313,191
Co-signers and letters of credit	3,747,952	3,457,052
Credit card	3,650,682	3,164,388
Account administration	963,725	851,956
Collections and payments	5,653,439	2,017,542
Brokering and managing securities	2,663,875	3,163,747
Investments in mutual funds or others	11,107,639	63,416
Compensation from selling securities	-	2,007,332
Other commissions earned	3,351,049	13,494,007
Financial Operations		
Net income Financial Instruments held for Trading	5,607,380	3,476,646
Derivatives held for trading	9,653,910	1,862,329
Net income instruments available for sale	1,174,863	6,851,139
Sale of loan portfolios	(7,704,901)	(170,856)
Other income	5,967,083	4,020,816
Other operating income		
Income from assets received inlieu of payment	794,356	495,302
Gain on provisions for contingencies	36,565	611,072
Profit from sale of property, plant and equipment	435,764	227,753
Rent Received	232,389	244,096
Recovery of expenses	703,657	571,009
Penalty interest	115,485	138,450
Administrative interest	51,456	74,002
Other operating income from leases	427,987	527,584
Other income	2,141,000	123,568
TOTAL	436,552,741	348,043,953

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b) Cost of Sales

The items included in Cost of sales are as follows:

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Cost of sales Factoring	6,985,626	1,378,638
Cost of sales Real Estate	-	8,518
Cost of sales Vida Security	104,332,025	90,218,644
Cost of sales other subsidiaries	5,836,447	1,911,310
Commissions, interest and adjustment expenses	389,299	2,475,933
Other commissions expense	140,331	234,059
Other expense	90,228	-
Interest expense		
Deposits on demand	171,725	171,615
Repurchase agreements	4,735,916	1,183,446
Time deposits and loans	77,037,741	33,415,400
Obligations with banks	2,502,183	1,300,398
Debt instruments issued	19,372,551	18,327,043
Other financial obligations	974,041	1,665,063
Other interest or adjustment expenses	306,090	339,703
Indexation adjustments		
Deposits on demand	34,954	36,424
Time deposits and loans	13,755,025	7,674,344
Debt instruments issued	18,909,110	11,279,224
Other financial obligations	1,269,890	889,274
Other interest or adjustment expenses	2,264	6,823
Commissions		
Commissions on security operations	318,549	538,095
Other commissions	4,712,508	4,270,371
Provisions		
Commercial loans	7,394,338	16,592,298
Housing loans	(10,600)	71,608
Consumer loans	2,315,552	2,731,480
Interbank loans	3,668	14,149
Contingent credits	588,153	205,765
Recovery written-off	(2,183,411)	(1,557,674)
Other costs to sell		
Other costs to sell	4,781,715	4,337,226
TOTAL	274,765,918	199,719,177

c) Other Expenses by Function

The detail of the item Other expenses by function is as follows:

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Sundry expenses	2,326,788	1,844,150
Administrative expenses, insurance line	9,368,315	9,862,783
Mutual fund loss	56,535	-
Provision for assets received in lieu of payment	1,629,265	2,090,983
Provision for country risk	24,213	30,008
Additional loan provisions	-	274,727
Other provisions for contingencies	122,066	3,602,859
Write off of goods received in lieu of payment	1,196,668	-
Impairment	1,976,760	-
TOTAL	16,700,610	17,705,510

d) Other Income by Function

The detail of Other income by function is as follows:

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Interest earned	69,754	138,143
Income from time deposits	6,403	8,291
Income from mutual funds	1,467,511	371,631
Other financial operating income	50,882	11,963
Earnings from shares and rights in other companies	178,201	154,165
Other income	3,274,567	596,738
TOTAL	5,047,318	1,280,931

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NOTE 25 - ADMINISTRATIVE EXPENSES

The detail of Administrative expenses is as follows:

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Payroll	54,274,486	52,476,735
Advisories	2,203,282	607,797
Maintenance expenses	3,973,614	4,069,985
Office supplies	642,112	615,949
Depreciation and amortization	5,869,468	4,446,994
Leases	3,063,015	1,406,392
Insurance	382,071	326,435
Computer and communications expenses	6,314,670	1,073,138
Subcontracted services	2,356,606	1,784,071
Board of Director expenses	693,249	637,559
Publicity and Advertising	4,597,537	1,125,951
Taxes and Contributions to the Superintendency	1,874,342	1,658,373
Loan Provision	1,909,100	2,415,262
Sundry provisions	366,875	-
Overheads	5,442,017	14,243,317
TOTAL	93,962,444	86,887,958

NOTE 26 - PAYROLL EXPENSES

Payroll expenses correspond to the expense accrued during the period for employee remunerations and other related benefits.

The expense for the years ended December 31, 2011 and 2010 is as follows:

	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Wages and salaries	38,395,438	33,647,123
Employee benefits	15,879,048	18,829,612
TOTAL	54,274,486	52,476,735

NOTE 27 - FOREIGN CURRENCY

CURRENT ASSETS	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
CASH AND CASH EQUIVALENT	311,449,002	144,354,427
USD	133,575,971	76,446,022
EURO	6,732,177	7,044,041
UF	961,985	585,001
Chilean peso	167,022,890	59,528,820
Others	3,155,979	750,543
OTHER CURRENT FINANCIAL ASSETS	1,515,915,332	1,550,927,927
USD	101,413,302	175,354,021
EURO	170,126	148,298
UF	1,085,491,936	958,187,262
Chilean peso	328,803,513	417,149,574
Others	36,455	88,772
OTHER NON-FINANCIAL ASSETS, CURRENT	10,806,072	9,279,025
USD	-	-
EURO	-	-
UF	-	-
Chilean peso	10,806,072	9,279,025
Others	-	-
TRADE AND OTHER RECEIVABLES, CURRENT	2,857,682,984	2,196,579,241
USD	374,170,576	223,352,543
EURO	9,212,703	5,253,603
UF	1,125,568,136	907,657,606
Chilean peso	1,324,141,869	1,034,927,760
Others	24,589,700	25,387,729
ACCOUNTS RECEIVABLE FROM RELATED ENTITIES, CURRENT	27,169,586	43,945,281
USD	-	-
EURO	-	-
UF	-	-
Chilean peso	27,169,586	43,945,281
Others	-	-
INVENTORIES	14,511,120	8,005,120
USD	-	-
EURO	-	-
UF	-	-
Chilean peso	14,511,120	8,005,120
Others	-	-
CURRENT TAX ASSETS	13,278,185	10,055,749
USD	-	-
EURO	-	-
UF	-	-
Chilean peso	5,239,191	10,055,749
Others	8,038,994	-
NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	2,088,233	4,770,475
USD	-	-
EURO	-	-
UF	-	-
Chilean peso	2,088,233	4,770,475
Others	-	-
TOTAL CURRENT ASSETS	4,752,900,514	3,967,917,245
USD	609,159,849	475,152,586
EURO	16,115,006	12,445,942
UF	2,212,022,057	1,866,429,869
Chilean peso	1,879,782,474	1,587,661,805
Others	35,821,128	26,227,044

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NON-CURRENT ASSETS	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
OTHER NON-CURRENT NON-FINANCIAL ASSETS	16,302,473	16,213,083
USD	1,563,619	1,808,682
EURO	-	-
UF	-	-
Chilean peso	14,738,854	13,869,746
Others	-	534,655
EQUITY-ACCOUNTED INVESTMENTS	10,903,908	11,431,695
USD	-	-
EURO	-	-
UF	-	-
Chilean peso	10,903,908	11,431,695
Others	-	-
INTANGIBLE ASSETS OTHER THAN GOODWILL	31,586,373	23,077,589
USD	-	-
EURO	-	-
UF	-	-
Chilean peso	31,586,373	23,077,589
Others	-	-
GOODWILL	43,208,940	42,870,500
USD	-	-
EURO	-	-
UF	-	-
Chilean peso	43,208,940	42,870,500
Others	-	-
PROPERTY, PLANT AND EQUIPMENT	40,959,529	44,314,311
USD	-	-
EURO	-	-
UF	-	-
Chilean peso	40,959,529	44,314,311
Others	-	-
INVESTMENT PROPERTY	23,577,321	13,240,035
USD	-	-
EURO	-	-
UF	-	-
Chilean peso	23,577,321	13,240,035
Others	-	-
DEFERRED TAX ASSETS	55,171,548	54,177,694
USD	-	-
EURO	-	-
UF	-	-
Chilean peso	55,171,548	54,177,694
Others	-	-
TOTAL NON-CURRENT ASSETS	221,710,092	205,324,907
USD	1,563,619	1,808,682
EURO	-	-
UF	-	-
Chilean peso	220,146,473	202,981,570
Others	-	534,655

CURRENT LIABILITIES	UP TO 90 DAYS		91 DAYS TO 1 YEAR		1 YEAR OR MORE		ADJUSTMENTS		TOTAL	
	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$	BALANCE 31.12.2010 THCLP\$	BALANCE 31.12.2010 THCLP\$
Other current financial liabilities	2,097,571,458	1,762,026,200	867,605,321	600,817,364	477,591,188	408,193,159	(49,252,346)	(26,874,050)	3,393,515,621	2,744,162,673
USD	448,793,878	431,754,645	146,019,849	60,532,958	10,572,683	571	-	-	605,386,410	492,288,174
EURO	16,437,509	21,677,017	227,534	371,799	-	-	-	-	16,665,043	22,048,816
UF	92,824,562	55,887,610	311,642,721	213,514,762	444,540,772	392,025,485	-	-	849,008,055	661,427,857
Chilean Peso	1,539,156,204	1,252,091,077	409,163,657	325,538,778	21,690,604	14,837,469	(49,252,346)	(26,874,050)	1,920,758,119	1,565,593,274
Others	359,305	615,851	551,560	859,067	787,129	1,329,634	-	-	1,697,994	2,804,552
Trade and other payables	748,697,675	2,607,564	6,751,290	711,728,059	-	-	58,142	177,081	755,507,107	714,512,704
USD	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-
UF	-	-	233,977	706,426,501	-	-	-	-	233,977	706,426,501
Chilean Peso	748,697,675	2,607,564	6,517,313	5,301,558	-	-	58,142	177,081	755,273,130	8,086,203
Others	-	-	-	-	-	-	-	-	-	-
Accounts payable to related entities, current	247,950	178,437	403,035	320,242	-	-	(650,985)	(498,680)	-	-
USD	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-
UF	-	-	403,035	-	-	-	-	-	403,035	-
Chilean Peso	247,950	178,437	-	320,242	-	-	(650,985)	(498,680)	(403,035)	-
Others	-	-	-	-	-	-	-	-	-	-
Other short-term provisions	53,739,996	54,632,845	6,732,050	8,958,890	-	-	(10,502,819)	(10,106,976)	49,969,227	53,484,759
USD	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	-	-	-	-	-	-	-
Chilean Peso	53,739,996	54,632,845	6,732,050	8,958,890	-	-	(10,502,819)	(10,106,976)	49,969,227	53,484,759
Others	-	-	-	-	-	-	-	-	-	-
Current tax liabilities	6,055,114	297,211	395,915	7,469,538	983,239	-	-	-	7,434,268	7,766,749
USD	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	-	-	-	-	-	-	-
Chilean Peso	6,055,114	297,211	395,915	7,469,538	983,239	-	-	-	7,434,268	7,766,749
Others	-	-	-	-	-	-	-	-	-	-
Current provisions for employee benefits	2,965,961	2,299,423	534,942	987,939	-	-	-	-	3,500,903	3,287,362
USD	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	-	-	-	-	-	-	-
Chilean Peso	2,965,961	2,299,423	534,942	987,939	-	-	-	-	3,500,903	3,287,362
Others	-	-	-	-	-	-	-	-	-	-
Other current non-financial liabilities	98,846,428	48,203,418	11,952,410	11,681,617	-	-	(920,808)	(636,628)	109,878,030	59,248,407
USD	3,821,474	6,082,739	-	-	-	-	-	-	3,821,474	6,082,739
EURO	545,699	1,544,982	-	-	-	-	-	(1)	545,699	1,544,981
UF	188,101	270,808	-	-	-	-	-	-	188,101	270,808
Chilean Peso	94,179,141	40,171,076	11,952,410	11,681,617	-	-	(920,808)	(636,627)	105,210,743	51,216,065
Others	112,013	133,813	-	-	-	-	-	-	112,013	133,814
TOTAL CURRENT LIABILITIES	3,008,124,582	1,870,245,097	894,374,963	1,341,963,649	478,574,427	408,193,159	(61,268,816)	(37,939,253)	4,319,805,156	3,582,462,654
USD	452,615,352	437,837,384	146,019,849	60,532,958	10,572,683	571	-	-	609,207,884	498,370,913
EURO	16,983,208	23,221,999	227,534	371,799	-	-	-	(1)	17,210,742	23,593,797
UF	93,012,663	56,158,418	312,279,733	919,941,263	444,540,772	392,025,485	-	-	849,833,168	1,368,125,166
Chilean Peso	2,445,042,041	1,352,277,632	435,296,287	360,258,562	22,673,843	14,837,469	(61,268,816)	(37,939,252)	2,841,743,355	1,689,434,412
Others	471,318	749,664	551,560	859,067	787,129	1,329,634	-	-	1,810,007	2,938,366

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NON-CURRENT LIABILITIES	UP TO 1 YEAR		MORE THAN 1 UP TO 3 YEARS		MORE THAN 3 YEARS UP TO 5 YEARS		MORE THAN 5 YEARS		TOTAL	
	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$	BALANCE 31.12.2011 THCLP\$	BALANCE 31.12.2010 THCLP\$
Other non-current financial liabilities	2,778,839	2,519,079	6,988,216	5,491,363	14,649,102	10,815,001	158,329,099	163,308,066	182,745,256	182,133,509
USD	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-
UF	2,778,839	2,519,079	6,988,216	5,491,363	14,649,102	10,815,001	158,329,099	163,308,066	182,745,256	182,133,509
Chilean Peso	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Non-current liabilities	39,318,627	53,925,394	1,590,505	1,884,220	3,351,965	-	-	-	44,261,097	55,809,614
USD	2,934,711	209,697	-	-	-	-	-	-	2,934,711	209,697
EURO	-	-	-	-	-	-	-	-	-	-
UF	-	-	147,056	87,028	-	-	-	-	147,056	87,028
Chilean Peso	36,383,916	53,715,697	1,443,449	1,797,192	3,351,965	-	-	-	41,179,330	55,512,889
Others	-	-	-	-	-	-	-	-	-	-
Accounts payable to related entities, non-current	-	-	-	-	-	-	-	-	-	-
USD	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	-	-	-	-	-	-	-
Chilean Peso	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Other long-term provisions	-	-	-	-	-	-	-	-	-	-
USD	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	-	-	-	-	-	-	-
Chilean Peso	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	35,121,254	34,663,392	12,766,277	11,819,599	-	-	6,988	13,391	47,894,519	46,496,382
USD	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	-	-	-	-	-	-	-
Chilean Peso	35,121,254	34,663,392	12,766,277	11,819,599	-	-	6,988	13,391	47,894,519	46,496,382
Others	-	-	-	-	-	-	-	-	-	-
Non-current provisions for employee benefits	-	-	-	-	-	-	-	-	-	-
USD	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	-	-	-	-	-	-	-
Chilean Peso	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Other non-current non-financial liabilities	-	-	-	-	-	-	-	-	-	-
USD	-	-	-	-	-	-	-	-	-	-
EURO	-	-	-	-	-	-	-	-	-	-
UF	-	-	-	-	-	-	-	-	-	-
Chilean Peso	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
TOTAL NON-CURRENT LIABILITIES	77,218,720	91,107,865	21,344,998	19,195,182	18,001,067	10,815,001	158,336,087	163,321,457	274,900,872	284,439,505
USD	2,934,711	209,697	-	-	-	-	-	-	2,934,711	209,697
EURO	-	-	-	-	-	-	-	-	-	-
UF	2,778,839	2,519,079	7,135,272	5,578,391	14,649,102	10,815,001	158,329,099	163,308,066	182,892,312	182,220,537
Chilean Peso	71,505,170	88,379,089	14,209,726	13,616,791	3,351,965	-	6,988	13,391	89,073,849	102,009,271
Others	-	-	-	-	-	-	-	-	-	-

NOTE 28 - EARNINGS PER SHARE

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

EARNING PER SHARE	DECEMBER 31 2011 \$	DECEMBER 31 2010 \$
Basic earnings per share		
Basic earnings (loss) per share in continuing operations	14,531	16,020
Basic earnings (loss) per share in discontinued operations	0,000	0,000
BASIC EARNINGS (LOSS) PER SHARE	14,531	16,020

NOTE 29 - 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 into 4 main business areas. Each area has subsidiaries and divisions that share common business objectives. These areas are financing, insurance, investments and asset management, and complementary services.

Banco Security Individual and Factoring Security are included in the financial business area since they provide financing services to companies and individuals.

The subsidiaries Vida Security and Compañía de Seguros Generales Penta Security operate in the life and general insurance industry, respectively. Additionally, Corredora de Seguros Security and Corredora de Reaseguros CooperGay 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 and asset management.

The business services area comprises activities dedicated to the real estate business with the subsidiary Inmobiliaria Security and the travel and tourism agency Travel Security.

The corporate support area comprises the subsidiaries Mandatos Security, Global Gestión y Servicios Security, which are dedicated to providing a series of services, such as Accounting, Business Risk and Controllershship, Corporate Culture, Corporate Studies and Technology Services that provide the technological development and support requested by all of the companies of Grupo Security. The parent Grupo Security Individual is also included in this area.

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

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

CONSOLIDATED FINANCIAL STATEMENTS

a) Statement of Financial Position by Segment as of December 31, 2011

	FINANCING M\$	INVESTMENTS M\$	INSURANCE M\$	SERVICES M\$	SUPPORT AND GROUP M\$	ADJUSTMENTS M\$	TOTAL M\$
Statement of Financial Position							
Assets							
Total current assets	3,808,462,421	146,962,054	792,031,496	35,135,684	36,130,127	(65,821,268)	4,752,900,514
Total non-current assets	109,640,659	2,777,847	66,720,290	1,970,338	45,612,115	(5,011,157)	221,710,092
TOTAL ASSETS	3,918,103,080	149,739,901	858,751,786	37,106,022	81,742,242	(70,832,425)	4,974,610,606

ESTADO DE SITUACIÓN FINANCIERA	FINANCING M\$	INVESTMENTS M\$	INSURANCE M\$	SERVICES M\$	SUPPORT AND GROUP M\$	ADJUSTMENTS M\$	TOTAL M\$
Estado de Situación Financiera							
Pasivos							
Total Pasivos corrientes	3,523,843,942	68,951,816	756,238,926	21,736,797	17,561,900	(68,528,225)	4,319,805,156
Total de pasivos no corrientes	148,757,266	32,574,601	12,957,085	1,897,774	80,500,207	(1,786,061)	274,900,872
TOTAL DE PASIVOS	3,672,601,208	101,526,417	769,196,011	23,634,571	98,062,107	(70,314,286)	4,594,706,028

Note: The information presented in the statement of financial position per segment presented here 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, 2011

	FINANCING M\$	INVESTMENTS M\$	INSURANCE M\$	SERVICES M\$	SUPPORT AND GROUP M\$	ADJUSTMENTS M\$	TOTALES M\$
INCOME STATEMENT							
Profit (loss)							
Revenues	263,025,344	28,132,024	132,175,403	13,667,389	20,046,026	(20,493,445)	436,552,741
Cost of sales	(153,750,414)	(10,227,174)	(104,722,912)	(4,148,741)	(1,916,677)		(274,765,918)
GROSS PROFIT	109,274,930	17,904,850	27,452,491	9,518,648	18,129,349	(20,493,445)	161,786,823
Gains from decrease in financial asset account measured at amortized cost	-	-	-	-	-	-	-
Losses from decrease in financial asset account measured at amortized cost	-	-	-	-	-	-	-
Other income, by function	17,883	385,451	631,561	427,434	3,584,989	-	5,047,318
Distribution costs	-	-	-	-	-	-	-
Administrative expenses	(60,694,966)	(9,982,240)	(10,505,287)	(7,652,612)	(24,653,189)	19,525,850	(93,962,444)
Other expenses, by function	(6,303,273)	(455,711)	(10,530,834)	(769)	(377,618)	967,595	(16,700,610)
Other gains (losses)	-	(177,614)	3,854,938	90,884	616,763	-	4,384,971
Financial income	-	-	-	-	-	-	-
Financial expenses	-	(1,224)	(3,363)	(655,831)	(3,788,886)	-	(4,449,304)
Share of profit (loss) of associates and joint ventures, equity - accounted	-	-	1,818,336	895,894	21,858	(25,933)	2,710,155
Exchange rate differences	(6,006,501)	30,009	3,348,143	(37,820)	(13,501)	-	(2,679,670)
Indexation unit profit or loss	18,534	19,753	(3,322,460)	15,517	(3,193,669)	-	(6,462,325)
Gains (losses) from difference between prior carrying value and fair value of reclassified financial assets measured at fair value	387,895	(84,326)	-	-	-	-	303,569
PROFIT (LOSS), BEFORE TAX	36,694,502	7,638,948	12,743,525	2,601,345	(9,673,904)	(25,934)	49,978,483
Income tax expense	(5,132,688)	(1,232,541)	(891,854)	(395,601)	(9,429)	-	(7,662,113)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	31,561,814	6,406,406	11,851,671	2,205,744	(9,683,331)	(25,934)	42,316,370
Profit (loss) from discontinued operations							
Profit (loss)	31,561,814	6,406,406	11,851,671	2,205,744	(9,683,331)	(25,934)	42,316,370
Profit (loss) attributable to							
Profit (loss), attributable to equity holders of the controller	31,561,814	6,397,631	11,703,508	1,942,182	(9,683,331)	(38,569)	41,883,235
Profit (loss), attributable to non-controlling interests	-	8,775	148,163	263,562	-	12,635	433,135
PROFIT (LOSS)	31,561,814	6,406,406	11,851,671	2,205,744	(9,683,331)	(25,934)	42,316,370

Note: The information presented in the income statement by segment presented here differs from the one in the financial statements of each subsidiary, as it 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 and expenses of the parent company of the group.

CONSOLIDATED FINANCIAL STATEMENTS

c) Classified Statement of Financial Position by Segment at December 31, 2010

	FINANCING THCLP\$	INVESTMENTS THCLP\$	INSURANCE THCLP\$	SERVICES THCLP\$	SUPPORT AND GROUP THCLP\$	ADJUSTMENTS THCLP\$	TOTAL THCLP\$
Statement of Financial Position							
Assets							
Total current assets	2,970,307,512	544,452,263	768,859,668	24,633,713	18,828,821	(359,164,732)	3,967,917,245
Total non-current assets	99,943,095	2,562,193	58,839,658	2,751,732	44,812,358	(3,584,129)	205,324,907
TOTAL ASSETS	3,070,250,607	547,014,456	827,699,326	27,385,445	63,641,179	(362,748,861)	4,173,242,152

	FINANCING THCLP\$	INVESTMENTS THCLP\$	INSURANCE THCLP\$	SERVICES THCLP\$	SUPPORT AND GROUP THCLP\$	ADJUSTMENTS THCLP\$	TOTAL THCLP\$
Statement of Financial Position							
Liabilities							
Total current liabilities	2,738,609,414	457,286,268	718,364,618	15,714,590	15,214,948	(362,727,184)	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	2,884,236,506	501,211,900	730,767,236	15,816,805	96,772,005	(361,902,293)	3,866,902,159

d) Statement of Income by Segment at December 31, 2010

	FINANCING THCLP\$	INVESTMENTS THCLP\$	INSURANCE THCLP\$	SERVICES THCLP\$	SUPPORT AND GROUP THCLP\$	ADJUSTMENTS THCLP\$	TOTAL THCLP\$
INCOME STATEMENT							
Profit (loss)							
Revenues	187,581,909	22,381,304	126,212,949	11,333,407	16,296,667	(15,762,283)	348,043,953
Cost of sales	(98,637,329)	(6,233,384)	(90,569,048)	(3,672,624)	(606,792)	-	(199,719,177)
GROSS PROFIT	88,944,580	16,147,920	35,643,901	7,660,783	15,689,875	(15,762,283)	148,324,776
Gains from decrease in financial asset account measured at amortized cost	-	-	-	-	-	-	-
Losses from decrease in financial asset account measured at amortized cost	-	-	-	-	-	-	-
Other income, by function	28,332	528,692	232,609	243,116	248,182	-	1,280,931
Distribution costs	-	-	-	-	-	-	-
Administrative expenses	(56,583,192)	(9,091,687)	(9,006,124)	(6,781,521)	(21,166,043)	15,740,609	(86,887,958)
Other expenses, by function	(3,170,153)	(795,308)	(13,317,823)	-	(422,226)	-	(17,705,510)
Other gains (losses)	-	77,325	2,008,507	68,749	210,929	-	2,365,510
Financial income	-	-	-	-	-	-	-
Financial expenses	-	(4)	(16,565)	(345,977)	(3,781,248)	21,676	(4,122,118)
Share of profit (loss) of associates and joint ventures, equity - accounted	-	-	2,142,481	618,030	24,057	(26,863)	2,757,705
Exchange rate differences	4,986,806	(726,949)	(140,952)	465,353	(1,368)	-	4,582,890
Indexation unit profit or loss	1,615	12,705	(83,022)	56,248	(1,967,073)	(6)	(1,979,533)
Gains (losses) from difference between prior carrying value and fair value of reclassified financial assets measured at fair value	627,623	(61,552)	-	-	-	-	566,071
PROFIT (LOSS), BEFORE TAX	34,835,611	6,091,142	17,463,012	1,984,781	(11,164,915)	(26,867)	49,182,764
Income tax expense	(4,274,909)	(890,381)	(1,947,221)	(185,176)	(29,086)	-	(7,326,773)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	30,560,702	5,200,761	15,515,791	1,799,605	(11,194,001)	(26,867)	41,855,991
Profit (loss) from discontinued operations							-
Profit (loss)	30,560,702	5,200,761	15,515,791	1,799,605	(11,194,001)	(26,867)	41,855,991
Profit (loss) attributable to							
Profit (loss), attributable to equity holders of the controller	30,560,702	5,193,558	15,159,009	1,171,382	(11,194,001)	(38,875)	40,851,775
Profit (loss), attributable to non- controlling interests	-	7,203	356,782	628,223	-	12,008	1,004,216
PROFIT (LOSS)	30,560,702	5,200,761	15,515,791	1,799,605	(11,194,001)	(26,867)	41,855,991

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NOTE 30 - ENVIRONMENT

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

NOTE 31 - 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 Business Risk Management and the Controller's Office, which consolidate and report to Grupo Security's Board of Directors on a regular basis.

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

In each of its related companies Grupo Security has overseen the development of structures and processes required to properly identify, measure, and value all kinds of risks, as well as follow-up on those risks in accordance with policies defined by the Board of Directors of each company and 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 plans and risk determination using a computer program that helps the group obtain the status of those plans from the respective process owner 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's 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, they 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 its businesses to operate and grow in the long term.

Financial risk management and oversight in Grupo Security's companies are based on the implementation of policies, procedures, methodologies and 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 the 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 in all credit-related processes 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 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 make a safe transition to IFRS and Basel II Standards.

2) Risk Management Structure

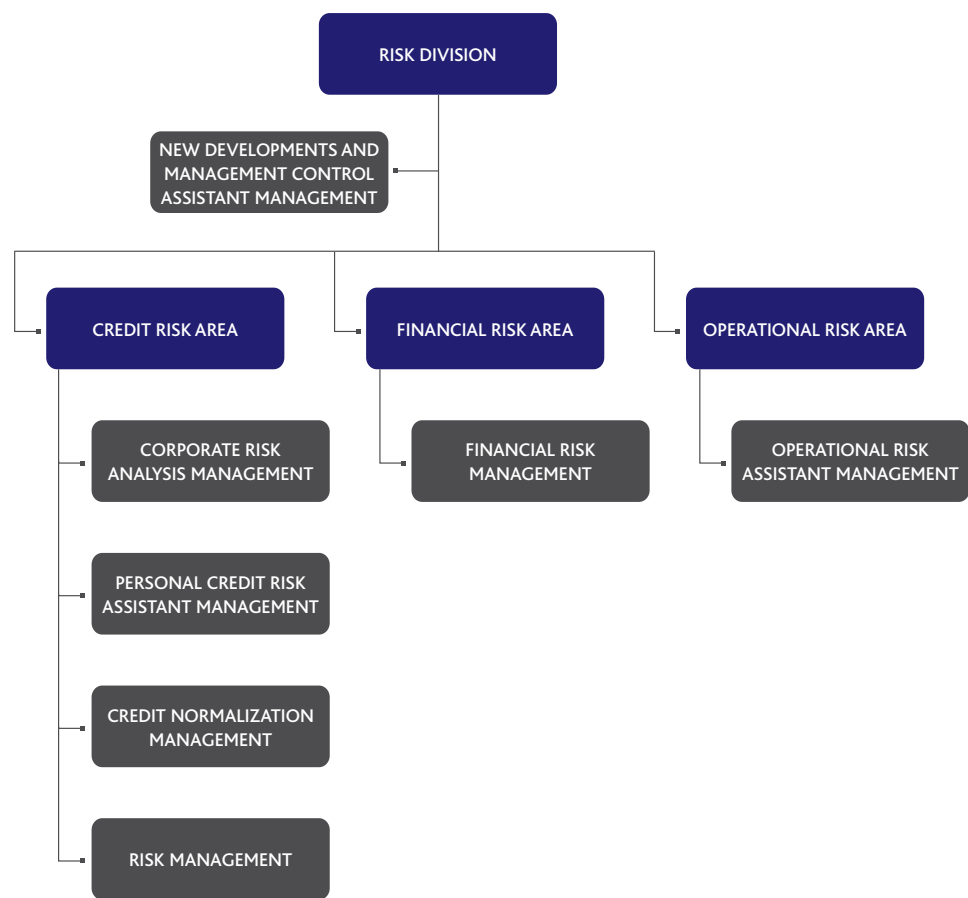
Banco Security's Risk Division has a suitable structure to achieve the aforementioned objectives and it is divided into three areas: Credit Risk, Financial or Market Risk and Operational Risk.

It should be noted that the risk division reports directly to the Bank's management, operating independently from the commercial areas and acting as a check and balance for these areas in the various committees

The Risk Division includes the Credit Risk, Financial Risk, and operational Risk areas. The Credit Risk area 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.

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An organizational chart of the Bank’s Risk Division is presented below.



Also, the Bank has a Controller’s Office, whose role is to evaluate regularly 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.

3) Credit Risk

A. Objective of Credit Risk Management

The Risk Division is responsible for credit risk management through its Credit Risk Area, whose objective is to carry out the 6-stage credit process – Target Market, Analysis and Evaluation, Decision, Administration, Follow-up and Control, and Collection.

All of the above within the risk tolerance framework as defined by Top Management.

B. Credit Risk Structure

The Credit Risk Area, through its different management and assistant management areas, is involved in the entire credit process by supporting the Bank's Commercial Area at all times and acting as an independent check and balance in credit decision-making.

This area includes:

- Corporate Credit Decision Making
- Personal Credit Risk
- Risk Management
- Credit Normalization

C. Credit Risk Process

The credit process has 6 stages as shown in the table below, which summarizes the credit risk area's participation.

CREDIT PROCESS	COMPANIES	INDIVIDUALS
Target Market	Corporate Credit Risk Assessment Management	Personal Credit Risk Assistant Management
Credit Analysis and Evaluation		
Credit Decision-Making	Corporate Credit Decision-Making Assistant Management	
Credit Management	Credit Normalization and Administration Management	
Collection		
Control		

C.1 Credit Risk Phases

1. Target Market

Although by Banco Security's senior management defines the Bank's target market, its definition 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 into 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 with in any event.

There are mainly two types of committees that are separated based on operations. They may be based on client portfolio circulation or meetings. The former operates for minor amounts and the portfolio circulates through different levels of

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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. This committee analyzes the most important loans and evaluates about 70% of the transactions in terms of amount and 5% in terms of number of clients.

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 reviews the month-end 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 to a minimum, as is also the case with past-due 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. Follow-up and 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 by Area

Personal Credit Risk Management

The Personal Credit Risk Management is involved in the first three phases of the credit process in the personal banking segment. Its main duties include credit decisions, involvement in the various levels of the credit committee and defining its attributions. It also plays a fundamental role in setting credit policies.

Corporate Credit Risk Analysis Management

This area is the largest in the Risk Division and it is divided internally into two areas – one for financially analyzing clients and the other for making credit decisions. The former is responsible for participating in the first two stages 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.

The latter's duties are participating in the credit decision making in the various committees in which it is involved, and also drawing up 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 product development; and management of the division's goal accomplishment, among many others.

Credit Normalization Management

This management is responsible for the recovery of delinquent loans. For this purpose it has skilled personnel, lawyers and collection companies.

Administration Management

This Management is in charge of managing, following up and controlling credit risk. It is also responsible for credit intelligence services and preparing and maintaining the credit risk models. Its main administration role is provisions and following up lines of credit. The risk follow-up and control area is responsible for reviewing proper compliance with policies and procedures, and the evolution and follow-up of the portfolio from a risk point of view, raising any necessary alarms.

Furthermore, this management also provides intelligence services, defining risk tolerance (appetite for risk), participating actively in defining the target market, business intelligence, serving as a counterpart in advertising campaigns, portfolio analysis, market follow-up, among others. It is also responsible for setting the parameters for and maintaining the credit risk models.

D. Risk rating and provisions

Risk rating and assessment for provision purposes will depend on the type of client and type of product, with individual rating or group rating being applied, as the case may be, 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	Manual	Investment Company	Guideline/Matrix
-Banks		Housing mortgage loan	Model
-Credit Normalization for persons and companies		Consumer Loan	Past-due indebtedness
-Non-profit organizations			
-Special leasing group			

D.1 Individual Client Rating:

This group includes clients (individuals and legal entities) which, due to their size, complexity or level of exposure, need to be known and analyzed in detail.

Banco Security includes all entities with annual sales over MCLP\$1,000, and projects, real estate companies, non-profit organizations and bankrupts, or other, in this rating.

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.

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D.2 Group Credit Rating

Group assessments involve clients whose characteristics mean that they tend to behave homogeneously. The assessment is performed using models that analyze the operations associated with a same product, depending on the type of client, as set forth below:

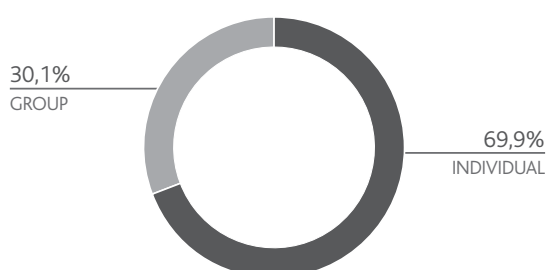
1. Commercial Product:
 - a. Personal
 - b. Personal Credit Normalization
 - c. Small Companies
 - d. Investment Companies
2. Consumer Product:
 - a. Personal
 - b. Personal Credit Normalization
3. Mortgage Product
 - a. Personal
 - b. Personal Credit Normalization

D.3 Loan portfolio distribution:

The portfolio of Banco Security is distributed as follows according to the type of risk assessment – group or individual::

Evaluation by type of client

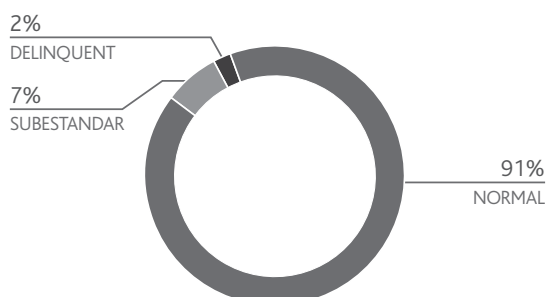
DECEMBER 2010



In turn, loans rated individually are distributed as follows as normal, substandard and past-due.

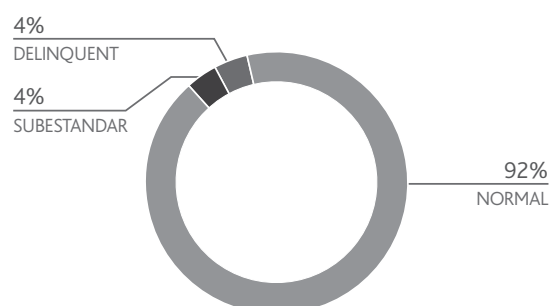
Distribution of individual classification

LOANS- DECEMBER 2011



Distribution of individual classification

NUMBER OF CLIENTS, DECEMBER 2011



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 rate curves in the market or exchange rate differential, carrying out economic and/or accounting hedge operations of cash flows and fair value, and distributing Treasury products in the sales network.

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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.

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.

Such limitations allow the Bank to maintain control of its levels of risk and diversified investment portfolios. That is why the internal limitations that the entity has defined are related to types of portfolios, term 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 the policies, limitations and structure of risk management of the Bank and its subsidiaries. For this purpose, various committees have been created to monitor compliance with the aforementioned policies and limitations. These committees include executive directors and regularly report risk exposures to the Board of Directors.

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 financial 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 risks 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 financial 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 a 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 of 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.

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- 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, especially unusual scenarios.
- The behavior of market price returns of financial instruments may have unusual probability distributions.

The limitations of the 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 crises 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.

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 and types of portfolios.

The table below shows market risks of different investment portfolios by type of risks:

	VAR BY TYPE OF RISK	
	DECEMBER 31 2011 MM\$	DECEMBER 31 2010 MM\$
Negotiation:		
Fixed income	629	417
Derivatives (withord options)	150	238
Implied options	5	18
FX	10	12
Equities	20	7
Diversificación effect	(128)	(272)
TOTAL LOANS	686	420
Available for sale		
Rate	309	276
TOTAL LOANS	309	276
Total diversification	(222)	(368)
VAR TOTAL	901	600

The estimate of this methodology results in a possible change in income

	31.12.2011	
	SENSITIVITY RATE 1 PB MCLP\$	VALUE AT RISK MCLP\$
Trading Portfolio	(54)	629
Fixed income instruments	(11)	155
Derivatives		10
Foreign Currency		20
Equities		(128)
TOTAL PORTFOLIO	(65)	686
Available for sale portfolio		
Fixed income instruments	(90)	309
TOTAL PORTFOLIO	(90)	309
Total diversification		(222)
TOTAL PORTFOLIO	(155)	901

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 underlying assets 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 on 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.

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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:

	RISK IN THE TRADING LEDGES MARKET	
	DECEMBER 31 2011 THCLP\$	DECEMBER 31 2010 THCLP\$
Market risk		
Rate risk	10,444	6,009
Risk of currency	1,210	691
Risk options	32	66
TOTAL RISK	11,686	6,766
Consolidated risk - weighted assets	3,073,896	2,434,020
Effective equity (EE)	369,686	303,033
Basel limit	8.00%	8.00%
Basel market - risk	11.48%	12.03%
Basel I	12.03%	12.45%

	RISK IN THE TRADING LEDGES MARKET	
	DECEMBER 31 2011 MM\$	DECEMBER 31 2010 MM\$
Corto Plazo		
Riesgo Tasa CP	14,537	12,377
Descalce UF	6,940	6,846
Comisiones sensibles	45	41
TOTAL RIESGO	21,522	19,264
Limit 35% margin (directory)	30,502	26,519
Clearance (directory)	8,980	7,255
Long term		
Rate risk	60,267	42,296
Limit 25% EE (directory)	92,421	75,758
Limit	32,154	33,462

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 so, 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 to 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 over 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 any 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.

Regulatory Liquidity Mismatching as of December 31, 2011 and 2010 in MCLP\$ (Foreign Currency), for Banco Security is as follows:

	< AT 1 MONTH		1 TO 3 MONTHS		3 MONTHS TO 1 YEAR		1 TO 3 YEARS		3 TO 6 YEARS		> 6 YEARS		TOTAL	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Available funds	136,579	65,555	-	-	-	-	-	-	-	-	-	-	136,579	65,555
Financial investments	56,831	42,322	-	-	-	-	-	-	-	-	-	-	56,831	42,322
Trade and consumer loans	104,146	52,034	115,187	59,164	97,294	80,471	54,759	16,912	(3,825)	7,337	5,985	3,196	373,546	219,114
Lines of credit and overdrafts	3	2	-	-	-	-	-	-	-	-	-	-	3	2
Other liabilities	47,002	61,714	-	-	-	-	-	-	-	-	-	-	47,002	61,714
Derivative contracts	25,074	3,050	15,569	4,251	22,250	24,114	2,835	19,713	3,164	9,543	351	5,653	69,243	66,324
	369,635	224,677	130,756	63,415	119,544	104,585	57,594	36,625	(661)	16,880	6,336	8,849	683,204	455,031
At sight obligations	47,555	54,326	-	-	-	-	-	-	-	-	-	-	47,555	54,326
Financing other local banks	520	936	5,388	-	-	-	-	-	-	-	-	-	5,908	936
Term deposits	139,058	110,220	57,362	94,830	44,126	3,835	4,016	-	5,413	-	-	-	249,975	208,885
External financing	46,873	29,311	57,421	58,220	165,185	50,228	3,144	16,601	(25)	(27)	-	-	272,598	154,333
Other obligations	39,265	44,179	-	-	-	-	-	-	-	-	-	-	39,265	44,179
Derivative contracts	22,658	14,948	18,172	23,426	19,272	24,720	3,829	9,870	2,618	9,528	184	5,650	66,733	88,142
	295,929	253,920	138,343	176,476	228,583	78,783	10,989	26,471	8,006	9,501	184	5,650	682,034	550,801
Net cash flow	73,706	(29,243)	(7,587)	(113,062)	(109,039)	25,803	46,605	10,155	(8,667)	7,379	6,152	3,198	1,170	(95,770)
Cumulative net cssh flow	73,706	(29,243)	66,119	(142,305)	(42,920)	(116,502)	3,684	(106,347)	(4,982)	(98,968)	1,170	(95,770)	2,339	
Regulatory Limit	(257,611)	(206,375)												
Surplus / (excess)	(331,317)	177,132												

Hedge Accounting

The Bank hedges asset and liability items of the statement of financial position through derivatives, with a view to minimizing the effects on profit and loss of possible changes in their valuation and also estimated cash flows. Upon inception of the hedge the Bank formally documents the relationship between hedges and hedged items, describing the objectives and strategies of the hedges and defining the methodologies related to testing the effectiveness of the hedges.

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%.

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At December 31, 2011 the Bank has the following accounting hedges:

COVERAGE 1	
Coverage Type	Cash flow
Object covered	Passive Floating rate USD
Derivative	Interest rate swaps in USD
Purpose	Disminuir el riesgo de tipo de cambio y
Expiration date	29-10-2012
Retrospective effectiveness	100,0%

COVERAGE 2 FAIT VALUE	
Coverage Type	Activo tasa fija en CLP
Object covered	Swaps de Tasa de Interés en CLP
Derivative	Disminuir el riesgo de valor justo
Purpose	15-04-2014
Expiration date	106,6%
Retrospective effectiveness	106.6%

COVERAGE 3 FAIT VALUE	
Coverage Type	Valor Razonable
Object covered	Pasivos tasa fija en CLP
Derivative	Swaps de Tasa de Interés en CLP
Purpose	Disminuir el riesgo de valor justo
Expiration date	20/09/2012
Retrospective effectiveness	99.9%

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 using 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 embedded derivatives is as follows:

	AT DECEMBER 31, 2011 MCLP\$	AT DECEMBER 31, 2010 MCLP\$
Balance ThUF mortgage portfolio	492	658
Ceiling rate (average)	7.22%	7.22%
Remaining term years	10.6	10.9
Option value MCLP\$	10	78

5) Operational Risk

A. Operational Risk objectives

The objectives of operational risk management as set by risk management are as follows:

- Reduce operational risk losses.
- Promote an operational risk culture.
- Manage operational risk efficiently and effectively.
- Comply with the requirements of the SBIF and the best practices of Basel II.
- Contribute to achieving the organization's strategic objectives.

B. Operational Risk Management Strategy

The Operational Risk Strategy is part of the Strategic Security Plan, which stipulates the constant, daily need to control and mitigate risks.

The proposed risk management aims to prevent or reduce the probability of current or future events being an obstacle to achieving the objectives set forth in that Strategic Plan.

C. 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, organizational structure, budget) allowing the Bank to implement such framework.

D. Operational Risk Management

For an appropriate risk management and to achieve the objectives set by the Bank in accordance with the Operational Risk Policy, the following activities have been performed:

The Operational Risk Management Framework is based on three basic pillars:

- **Culture:** Develop awareness of the importance of operational risk management in the organization. This awareness must include all levels of the complete entity.
- **Qualitative Management:** Management used to detect current and potential risks to be able to manage them properly, i.e. transfer, mitigate or accept those risks. Qualitative management is based on the following:
 - Loss and incident database
 - Self-surveys
 - Key risk indicators (KRI)
 - Review of critical suppliers
 - Review of projects
 - Review of processes
- **Quantitative Management:** Management used to create awareness in the organization of the level and nature of operational loss events. This allows funds to be allocated via provisions for expected losses and capital to be allocated efficiently for unexpected losses. Quantitative management is based on the following:

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- Capturing and managing data.
- Calculating capital using a model defined by the regulator and, when conditions so permit, advanced models.
- Integrating Qualitative and Quantitative Management.

E. B. Operational Risk Management Framework

The Operational Risk Management Framework is based on applying the following:

- **Set the Context:** Set the strategic, organizational and risk management contexts in which the rest of the process will take place. Criteria must be determined for assessing risks and defining the analysis structure.
- **Identify the Risks:** Associate the risks with the various processes and /or procedures performed in the various activities carried out by the Bank.
- **Analyze the Risk:** Particular analysis of each of the risks noted based on the context set. Whether the risk has an associated control or needs an action plan or mitigation will be determined. This will be stipulated according to the Bank's priorities.
- **Assess the Risks:** Assess each of the risks based on their probability of occurrence and level of impact, using 4 thresholds – very high, high, medium and low - for each of these categories.
- **Mitigate the Risks:** Once the risks have been noted and assessed, they will be analyzed. To that end, a plan of action, individual responsible for its execution and a completion date will be set.
- **Monitor and review:** Monitor, review and keep the risk survey and solutions by committed to by the individuals responsible updated.
- **Communicate and consult:** Communicate and consult with internal and external interested parties, as applicable, in each stage of the risk management process, considering the process as a whole.

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 Managers 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 of the credit risk areas or respective committees to approve the respective operations.

Participants on 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 Managers 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 various 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 Directors 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 Managers 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 Directors 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 reporting the status 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 compliance with market and liquidity risk limitations set by the Board of Directors and regulatory agencies.

This committee includes:

- 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 Legal Department Representative, 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 this 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.

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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

The Board of Directors is informed about the implementation of the Operational Risk Policy, and also the identification of incidents, potential risks and measurements associated with operational risks as to their severity and loss frequency.

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.
- **Corporate and Finance Division Manager:** Nicolás Ugarte B.
- **Risk Division Manager:** José Miguel Bulnes Z.
- **Financial Risk Control Manager:** Antonio Alonso M.
- **Planning and Administration 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, 2011 and 2010 are as follows

	CONSOLIDATED ASSETS		RISK WEIGHTED ASSETS	
	2011 MCLP\$	2010 MCLP\$	2011 MCLP\$	2010 MCLP\$
Balance sheet assets (net of provisions)				
Cash and banks	262,517	114,409	-	-
Operations with liquidation ongoing	106,195	131,111	28,823	40,022
Instruments held for trading	404,366	389,522	113,013	92,448
Repurchase agreements and security loans	2,018	-	2,018	-
Financial derivative contracts	115,938	83,309	63,727	35,742
Bank borrowings	31,651	11,325	31,622	10,022
Loans and receivables from clients	2,547,029	1,939,372	2,388,793	1,821,748
Investment instruments available for sale	333,500	278,007	131,836	117,965
Investment instruments held to maturity	-	-	-	-
Investments in companies	620	621	620	621
Intangibles	29,522	21,755	29,522	21,755
Fixed assets	23,595	22,695	23,595	22,695
Current taxes	2,744	650	274	65
Deferred taxes	36,445	36,131	3,644	3,613
Other assets	77,550	115,984	77,550	115,984
Off-balance sheet assets				
Contingent loans	298,098	252,233	178,859	151,340
TOTAL RISK WEIGHTED ASSETS	4,271,788	3,397,124	3,073,896	2,434,020

	AMOUNT	AMOUNT	RATIO	RATIO
	2011 MCLP\$	2010 MCLP\$	2011 %	2010 %
Basic capital	267,390	206,376	6.26	6.08
EFFECTIVE EQUITY	369,686	303,033	12.03	12.45

The calculation of effective equity is as follows:

	AT DECEMBER 31, 2011 MCLP\$	AT DECEMBER 31, 2010 MCLP\$
Basic capital	267,390	206,376
Subordinated bonds	93,509	91,781
Tax guarantees	8,714	4,805
Equity attributable to minority interests	73	71
EFFECTIVE EQUITY	369,686	303,033

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.

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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, insofar as companies do not adapt to the mortality curve structure.

3) Industry Structure

The high number of players in the industry may lead to a 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.

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 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.

With 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

With regard to Equity Securities, the Board of Directors has approved the use of this type of asset 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 constantly reviewed.

7) Summary of the Internal Control Policy

Vida Security kept the operational risk monitoring and control policies and procedures in 2011. The Company has operating process maps, identifies control weaknesses, develops action plans and follows up on 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 2011 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 reported to the SVS in accordance with current regulations. Also, the Company strictly complied with the internal control policy in 2011. The control weaknesses identified were corrected within the committed term or have made significant progress

NOTE 32 - EQUITY

a) Paid-in Capital

Subscribed and paid-in capital at December 31, 2011 is ThCLP\$227,481,181 (ThCLP\$159,414,682 in 2010), represented by 2,882,258,605 no-par-value shares.

SERIE	NUMBER SUBSCRIBED SHARES	NUMBER PAID-IN SHARES	NUMBER VOTING STOCK	SUBSCRIBED CAPITAL THCLP\$	PAID-IN CAPITAL THCLP\$
Single	2,882,258,605	2,882,258,605	2,882,258,605	227,481,181	227,481,181

Capital Increase

The Extraordinary Shareholders' Meeting of Grupo Security S.A., held on March 24, 2011, agreed to increase the company's capital by ThCLP\$92,187,000, by issuing 450,000,000 ordinary, registered, no-par-value cash shares. On May 27, 2011, the SVS registered the above issue under number 928 in its share register. The deadline for issuing and placing the shares is 3 years as of March 24, 2011.

b) Share Premiums

The details of Share Premiums forming part of the shareholders' equity are as follows:

	2011 THCLP\$	2010 THCLP\$
Treasury share premium	36,861,860	38,835,926
TOTAL	36,861,860	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.

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Details of other interests in equity are as follows:

	2011 M\$	2010 M\$
Reserve Insurance income and pensions	11,424,096	5,825,660
Reserve Equity Bank regulations	2,932,240	1,607,984
Other reserves	4,894,606	5,007,970
Adjustment equity first time application IFRS	9,753,757	9,753,084
Accounting hedges (Bank)	167,589	1,022,460
TOTAL	29,172,288	23,217,158

d) Dividends

The policy agreed by the shareholders is distributing at least 30% of the net income of Grupo Security S.A. from its direct Subsidiaries in the year. Their payment will be divided into two dividends - an interim and a final dividend. Additionally, the Board of Directors has been authorized to decide additional dividend distributions with a charge to retained earnings, always provided the financial condition of Grupo Security S.A., in the opinion of the Board, allows it.

On April 27, 2010, the ordinary shareholders' meeting was held. It decided to distribute a dividend of CLP\$5.00/share, charged to profits from 2009. Payment was scheduled for 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 17 and 22) and the Group's shareholders' equity (including issued capital, reserves and retained earnings).

NOTE 33- 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 counsel, 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.

b) Contingent liabilities

At December 31, 2011 and 2010:

	31.12.2011 THCLP\$	31.12.2010 THCLP\$
Commitments and responsibilities	3,409,598,208	2,116,129,407
Contingent credits and liabilities	609,933,959	218,412,370
TOTAL	4,019,532,167	2,334,541,777

NOTE 34 - BOND HOLDERS: PROTECTION REGULATION INDEBTEDNESS LEVEL

As of December 31, 2011 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 sheet 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 they 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	2,116,515	3,391,399,106	3,393,515,621
Trade and other payables	2,088	755,505,019	755,507,107
Accounts payable to related entities, current	-	-	-
Other short-term provisions	299,260	49,669,967	49,969,227
Current tax liabilities	-	7,434,268	7,434,268
Employee benefits provisions, current	90,974	3,409,929	3,500,903
Other non-financial liabilities, current	11,173,677	98,704,353	109,878,030
'Total current liabilities other than liabilities included in groups classified as available for sale	13,682,514	4,306,122,642	4,319,805,156
Liabilities included in groups of disposable assets classified as available for sale	-	-	-
TOTAL CURRENT LIABILITIES	13,682,514	4,306,122,642	4,319,805,156
Non-current liabilities			
Other financial liabilities, non-current	80,065,247	102,680,009	182,745,256
Non-current liabilities	-	44,261,097	44,261,097
Accounts payable to related parties, non- current	-	-	-
Other long term provisions	-	-	-
Deferred tax liabilities	6,988	47,887,531	47,894,519
Non-current liabilities for employee benefits	-	-	-
Other non-financial liabilities, non-current	-	-	-
TOTAL NON-CURRENT LIABILITIES	80,072,235	194,828,637	274,900,872
TOTAL LIABILITIES	93,754,749	4,500,951,279	4,594,706,028
Equity			
Issued capital	227,481,180	1	227,481,181
Retained earnings (losses)	141,570,822	(1)	141,570,821
Premiums	36,861,860	-	36,861,860
Treasury shares	0	-	-
Other equity interests	0	-	-
Other reserves	-29,172,288	-	(29,172,288)
Equity attributable to owners of the controller	376,741,574	-	376,741,574
Non-controlling interests	-	3,163,004	3,163,004
TOTAL EQUITY	376,741,574	3,163,004	379,904,578
TOTAL EQUITY AND LIABILITIES	470,496,323	4,504,114,283	4,974,610,606
Total current liabilities Grupo Security - individual			93,754,749
Total Equity Grupo Security			379,904,578
Leverage at December 31, 2011 (Total Current Liabilities Individual/ Total Equity)			24.68%

Ownership: 51% owned by Banco Security.

The Group has not exceeded the required leverage ratio and maintains the required ownership percentages at year-end.

NOTE 35 - SIGNIFICANT EVENTS

Grupo Security S.A.

- a) On March 3, 2012, the following events were reported as significant to the Superintendency of Securities and Insurance:

The Company Board meeting held on March 3, 2011 agreed unanimously to the following, among other things: (i) summon the Company's Ordinary Shareholders' Meeting for 9:00 a.m. on Thursday, March 24, 2011, in the Company's offices at Av. Apoquindo 3150, garden floor level, (ii) propose a dividend of CLP\$6.5 per share to the Ordinary Shareholders' Meeting. Added to the interim dividend of CLP\$1.0 and the additional dividend of CLP\$2.0 already paid on October 21, 2010, this would mean a final dividend of CLP\$9.5 for 2010; and (iii) summon an Extraordinary Shareholders' Meeting for Thursday March 24, 2011, to be held immediately after the Ordinary Shareholders' Meeting referred to above, in the same place, in order to agree to a capital increase by issuing 450 million no-par-value cash shares (or any other number that the Shareholders' Meeting might agree to), of the same series that already exists. This capital increase would be for the amount determined by the Shareholders' Meeting, and the shares would be offered to the Company's shareholders proportionately under the terms and conditions to be determined by the Shareholders' Meeting.

The Board meeting also agreed to propose April 4, 2011 to the Ordinary Shareholders' Meeting as the date of payment of the dividends, in the event that the Ordinary Shareholders' Meeting approved payment of the dividends as proposed by the Board. Shareholders registered in the Company's Register of Shareholders at March 29, 2011 will be entitled to be paid this dividend.

- b) On January 25, 2011, through its subsidiary Inversiones Invest Security, Grupo Security acquired 30% interest in Travel Security, taking its total ownership interest in that company to 85%.
- c) The company Board meeting held on April 5, 2011 agreed unanimously, among other things, to issue 450,000,000 registered, ordinary, no-par-value shares of a single series chargeable to the capital increase agreed to by the Extraordinary Shareholders' Meeting held on March 24, 2011.
- d) With regard to Grupo Security S.A.'s capital increase of CLP\$92,187,000,000 approved by the Extraordinary Shareholders' Meeting of March 24, 2011 and for which the Board of Directors agreed to issue 450,000,000 cash shares, to date the Company's management has been informed by 17 shareholders, representing 65.9% of the shares issued by the Company, of their intention to partially waive – 55% - their preferential right to subscribe those shares. This intention will be recorded complying with legal formalities on the same date on which the period of preferential subscription of the shares starts. In light of these intentions to waiver, the Board agreed to offer the general public directly, via the share offering process being handled by IM Trust S.A. Corredora de Bolsa, up to a maximum of 181,092,320 shares. It is placed on record that the final number of shares to be offered to the general public will be determined once the above waivers have been recorded formally.
- e) With regard to Grupo Security S.A.'s capital increase of CLP\$92,187,000,000 approved by the Extraordinary Shareholders' Meeting of March 24, 2011 and for which the Board of Directors agreed to issue 450,000,000 cash shares, registered in the Securities Register under number 928 on May 27, 2011, the Company's Board of Directors has agreed to the following: (a) Set the price of the 450,000,000 cash shares at CLP\$200 per share; and (b) directly offer the general public 181,092,320 cash shares, using the order book auction system implemented by IM Trust S.A. Corredora de Bolsa under the regulations of paragraph 2.4A of the Share Trading Manual of the Santiago Stock Exchange. These shares will be charged to the total number of shares available to the Board of Directors as a result of the preferential share option waivers presented by several shareholders.
- f) With regard to Grupo Security S.A.'s capital increase of CLP\$92,187,000,000 approved by the Extraordinary Shareholders' Meeting of March 24, 2011 and for which the Board of Directors agreed to issue 450,000,000 cash shares, registered in the Securities Register under number 928 on May 27, 2011, the Company's management has acknowledged receipt of the notification by 33 shareholders, representing 73.2% of the Company's currently issued, subscribed and paid-in shares, of

CONSOLIDATED FINANCIAL STATEMENTS

their intention to partially waive – 55% - their preferential right to subscribe these shares. Consequently, the Board of Directors has available 181,092,320 cash shares. In light of these waivers, the agreement adopted by the Company's Board of Directors in its meeting of June 9, 2011 was confirmed. This agreement was to directly offer the general public 181,092,320 cash shares at CLP\$200 per share, using the order book auction system implemented by IM Trust S.A. Corredora de Bolsa under the regulations of paragraph 2.4A of the Share Trading Manual of the Santiago Stock Exchange.

- g) The Shareholders' Meeting agreed to keep Deloitte as the company's external auditors for 2011.
- h) In accordance with article 9 and paragraph two of article 10 of Law 18.045 and number 2.2 of Section II of General Standard 30 of the SVS, and being duly empowered to that end, the Chief Executive Officer of Grupo Security S.A. informed the SVS that, with regard to Banco Security's capital increase of CLP\$60,000,000,000, by issuing 33,180,959 new cash shares, approved by the Extraordinary Shareholders' Meeting of Banco Security held on July 6, 2011, in a meeting held on August 25, 2011, the Board of Directors of Grupo Security agreed to subscribe and pay in 25,979,565 shares of a total of 25,991,751 shares finally issued by the Board of Directors of Banco Security. The amount paid for the shares was CLP\$46,977,964,470 and it represents the proportion which Grupo Security is entitled to subscribe as a majority shareholder of the Bank. The Board of Directors also agreed to subscribe and pay in all the other Bank shares not subscribed by its minority shareholders within the preferential share option period, according to the fractioning resulting from the pro rata distribution, once the Bank's Board of Directors authorizes their offer to Grupo Security. May it please the Superintendent to consider that the legal and regulatory regulations binding Grupo Security S.A. to provide this information have been complied with.
- i) i) In accordance with article 9 and paragraph two of article 10 of Law 18.045 and number 2.2 of Section II of General Standard 30 of the SVS, and being duly empowered to that end, the Chief Executive Officer of Grupo Security S.A. informs the SVS, as a significant event, that, as authorized by the Ordinary Shareholders' Meeting of March 24, 2011, in its meeting of September 29, 2011, the Company's Board of Directors agreed to pay a total dividend of CLP\$3.25 per share, broken down as follows: (i) an interim dividend of CLP\$1.0 per share, to be paid in cash and charged to the retained earnings from 2011; and (ii) an additional dividend of CLP\$2.25 per share, to be paid in cash and charged to retained earnings from prior years. The total dividend above will be made available to the shareholders as of October 20, 2011 in the offices of Banco Security at Agustinas 621, 1st floor, from 9:00 a.m. to 2:00 p.m., or in any other way chosen by the shareholders before the date of payment. As provided for in Article 81 of Law 18.046, shareholders registered in the respective Register of Shareholders on the fifth working day before the stipulated date of payment will be entitled to be paid this dividend.

Compañía de Seguros de Vida Security Previsión S.A.

- a) 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), the Board of Directors elected in the Ordinary Shareholders' Meeting of March 31, 2011 was formed in its meeting held on April 25 2011 and agreed unanimously to approve a general policy for the company's related party transactions that are related to its corporate purpose and whose purpose is to contribute to the corporate interest, prices, terms and conditions of the prevailing market. The approved policy is available to the shareholders and has been published on www.vidasecurity.cl.

The Board meeting of April 25, 2011 formed the board of directors as elected by the Ordinary Shareholders' Meeting of March 31, 2011. It is made up of Messrs. Francisco Silva Silva, Renato Peñafiel Muñoz, Juan Cristóbal Pavez Recart, Álvaro Santa Cruz Goecke, Andrés Tagle Domínguez, Álvaro Vial Gaete and Horacio Pavez García. Francisco Silva Silva was elected Chairmand of the Board and of the Company and Renato Peñafiel Muñoz was elected Vice-Chairman.

- b) As published on May 27, 2011, the Chief Executive Officer of Seguros Vida Security Previsión S.A., duly empowered to that end and in compliance with the provisions of Article 9 and article 10, paragraph two, of Law 18.045, informed the SVS that the company intended to acquire the life annuity portfolio of BBVA Seguros de Vida S.A. and had started the respective negotiations.

Banco Security S.A.

The Ordinary Shareholders' Meeting of March 11, 2010 unanimously elected the directors of Banco Security – Messrs. Hernán Felipe Errázuriz Correa, Jorge Marín Correa, Gustavo Pavez Rodríguez, Horacio Pavez García, Renato Peñafiel Muñoz, Francisco Silva Silva and Mario Weiffenbach Oyarzún.

Administradora General de Fondos Security S.A.

- a) Pursuant to the provisions of Article 9, paragraph 2 of Article 10 of Law 18.045, the following are the agreements adopted by the Ordinary Shareholders' Meeting held on April 5, 2011.
 - I. The Shareholders' Meeting approved the Annual Report, statement of financial position, statement of profit and loss and report of the external auditors for the year ended December 31, 2010.
 - II. The Shareholders' Meeting agreed to allocate all of the profits from the year ended December 31, 2010, i.e. CLP\$3,762,044,741, to the Future Dividends Fund.
- b) As provided for in articles 9 and 10, paragraph 2, and 234, paragraph 2, of Law 18.045 on the Securities Market, and also the provisions of Section II, letter a.2 of Circular 1.990, the Chief Executive Officer of Inversiones Security reported the following significant event with regard to the mutual funds
 - i. On December 20, 2011, given the obvious increase in short-term interest rates over the last few weeks, which caused significant differences in the instruments making up the "Fondo Mutuo Security Check" and "Fondo Mutuo Security Plus" portfolios, which value those instruments at Purchase TIR, the instruments making up the above fund portfolios were adjusted, according to the procedures stipulated in Circulars 1.990 and 1.579. The above meant reducing the value of those funds, which was published on the Web page and communicated to the fund participants.
 - II. On December 27, 2011, as a result of the same situation, the Purchase TIR of the Mutual Funds was valued and the fund unit was increased. This was published on the Web page and communicated to the fund participants.

Securitizadora Security S.A.

The Ordinary Shareholders' Meeting of March 24, 2011 confirmed Deloitte Auditores y Consultores Limitada as the external auditors of Sociedad Securitizadora for 2011.

Factoring Security S.A.

Complying with articles 9 and 10 of Law 18.045, the Chief Executive Officer of Factoring Security S.A. reported agreements on the third issue of Factoring's negotiable instruments. On October 24, 2011, the SVS was asked to issue and place negotiable instruments charged to the negotiable instruments line registered with the SVS for a maximum of CLP\$16,000,000,000.

The funds collected from the issue will finance short-term operations and growth

CONSOLIDATED FINANCIAL STATEMENTS

NOTE 36 - FUTURE ACCOUNTING CHANGE

In 2011, the SVS issued new accounting standards for valuations, presentations and disclosures in the financial statements of insurance companies. These standards will apply as of January 1, 2012 and the first financial statements to be presented to this Agency will be for the period ended March 31, 2012. As a result of the above, there could be changes in the equity and calculation of income in future years for the indirect subsidiary Seguros Security Vida Previsión S.A.

NOTE 37- SUBSEQUENT EVENTS

From January 1, 2012 to the date of review of these financial statements (February 22, 2012), there have been no subsequent events that would materially affect these financial statements.

NOTE 38 - APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The financial statements have been approved by the Board of Directors in the ordinary Board meeting held on March 1, 2012.

MANAGEMENT ANALYSIS OF THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2011

1 HIGHLIGHTS OF THE YEAR

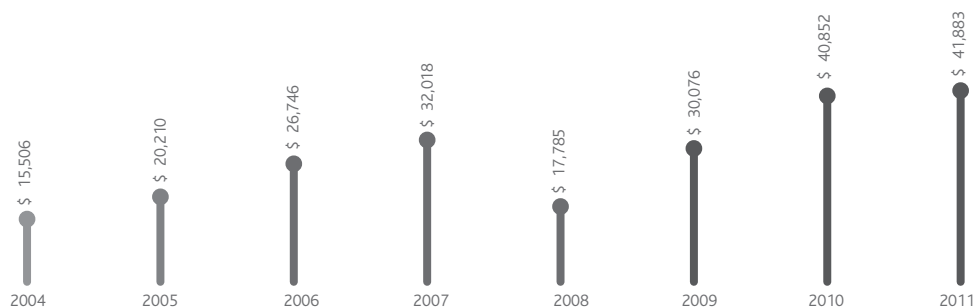
- Grupo Security distributed a dividend of Ch\$3.25 per share on October 22, 2011.
- Banco Security made a capital increase of approximately Ch\$47,000 million during August.
- The loans of Banco Security showed growth of 31.5%, in line with the defined growth plans.
- Banco Security obtained first place in quality of retail banking services, according to a survey made by Ipsos PuntoVista 2011.
- Banco Security opened three new branches, in the cities of Santiago, La Serena and Rancagua.
- Vida Security began the sale of annuities in July.

2 CONSOLIDATED STATEMENTS OF COMPREHENSIVE RESULTS AND OF FINANCIAL POSITION IFRS OF GRUPO SECURITY S.A.

The earnings of Grupo Security in 2011 rose by 2.5% over the previous year, with which earnings attributable to controller owners amounted to Ch\$41,883 million, compared to Ch\$40,852 million in 2010. The average return on equity attributable to the controller owners was 12.4%, including the capital increase made by Grupo Security during 2011. Earnings per share in 2011 were Ch\$14.5 and the dividends paid during the last 12 months amount to Ch\$9.75 per share.

Earnings of Grupo Security

MILLIONS OF NOMINAL CH\$

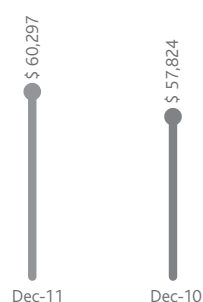


The consolidated EBITDA of Grupo Security in 2011 was Ch\$60,297 million. Ordinary revenues amounted to Ch\$436,553 million, compared to Ch\$348,044 million in 2010, equivalent to growth of 25.4%. The financial expense coverage ratio at the end of 2011 was 12.23 times

MANAGEMENT ANALYSIS OF THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Consolidated EBITDA Grupo Security

MILLIONS OF NOMINAL CH\$



The equity of Grupo Security as of December 31, 2011 is Ch\$ 379,905 million, equivalent to 7.64% of total assets including the recent capital increase completed in July 2011. The total number of new shares subscribed and paid in the capital increase was 332,258,605, raising a total of Ch\$66,452 million. The total of subscribed and paid shares as of December 31, 2011 is 2,882,258,605.

The unconsolidated debt ratio of Grupo Security as of December 2011, defined as the total unconsolidated liabilities of Grupo Security to the total equity of Grupo Security, as detailed in Note 34 to the consolidated financial position of Grupo Security, is 0.25 times.

As can be seen in the consolidated statement of financial position, Grupo Security has total assets of Ch\$ 4,974,611 million of which current assets amount to Ch\$ 4,752,901 million (95.5% of total assets). Current assets include trade debtors and other accounts receivable of Ch\$ 2,857,683 million, equivalent to 60.1% of current assets, which mainly represent the loans of Banco Security and Factoring Security. Other current financial assets of Ch\$ 1,515,915 million, equivalent to 31.9% of current assets, mainly represent the financial investments of Banco Security, Valores Security (subsidiary of Banco Security) and Vida Security. The change in total assets between December 2011 and December 2010 is mainly due to the growth in loans of Banco Security.

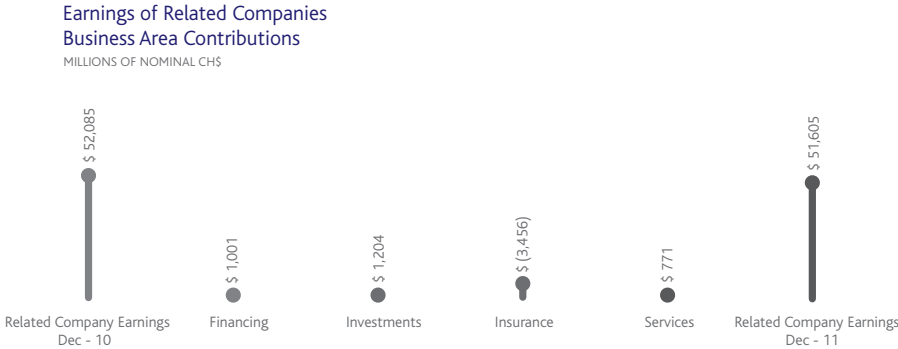
Total liabilities amount to Ch\$ 4,594,706 million, of which current liabilities account for Ch\$ 4,319,805 million (94.0% of total liabilities). Other current financial liabilities of Ch\$ 3,393,516 million (78.6% of current liabilities) mainly relate to the liabilities of Banco Security, in particular time deposits, obligations with banks and debt instruments issued. Trade creditors and other accounts payable for Ch\$ 755,507 million (17.5% of current liabilities) relate mainly to the technical reserves of the insurance company Vida Security.

The consolidation of Grupo Security and subsidiaries includes 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 booked as investments booked using the participation method.

3 BUSINESS AREAS:

In the year 2011, the earnings (without considering adjustments for ownership) generated by the companies comprising the business areas of Grupo Security amounted to Ch\$51,605 million. The result of the financing area, comprising Banco Security alone (excluding its subsidiaries Valores Security and Administradora General de Fondos) and Factoring Security, was Ch\$31,562 million, showing growth of 3.3% over the year before.

The earnings of the investments area subsidiaries (AGF, Valores, Asesorías and Securitizadora) produced growth of 23.2%, to Ch\$6,398 million.



Note: This graph is based on the earnings of the business areas reported in Note 29 to the financial statements of Grupo Security.

MANAGEMENT ANALYSIS OF THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

RELATED COMPANY EARNINGS			
(MILLIONS CH\$)	DEC-11	DEC-10	%VAR. 11/10
BANK & SUBSIDIARIES	35,016	33,706	3.9%
Bank	28,492	28,439	0.2%
Factoring	3,069	2,122	44.6%
FINANCING AREA	31,562	30,561	3.3%
Valores ³	1,601	1,500	6.7%
Fondos Mutuos ³	4,529	3,760	20.5%
Asesorías	47	6	676.7%
Securitizadora	(177)	(83)	113.6%
INVESTMENTS AREA	6,398	5,192	23.2%
Vida	5,875	13,554	-56.7%
Penta Security	3,908	2,507	55.9%
Servicios	799	902	-11.4%
INSURANCE AREA	10,819	16,963	-36.2%
Inmobiliaria	430	401	7.3%
Travel	1,779	1,401	27.0%
SERVICES AREA	2,209	1,802	22.6%

Notes:

- 1.- The lineal sum of the earnings of subsidiaries in each area, ignoring adjustments for ownership, which differs from the results of related companies reported in the Note on Segments
- 2.- Earnings attributable to owners, considers earnings of subsidiaries (Valores Security and AGF Security) and their respective adjustments to fair value
- 3.- From January 2011, Valores and AGF Security adopted IFRS accounting standards. As a result, the results for 2010 were adjusted according to IFRS, thus varying from that reported the previous year. The adjusted results of Valores Security and AGF Security for 2010 were Ch\$2,272 million and Ch\$4,025 million respectively.

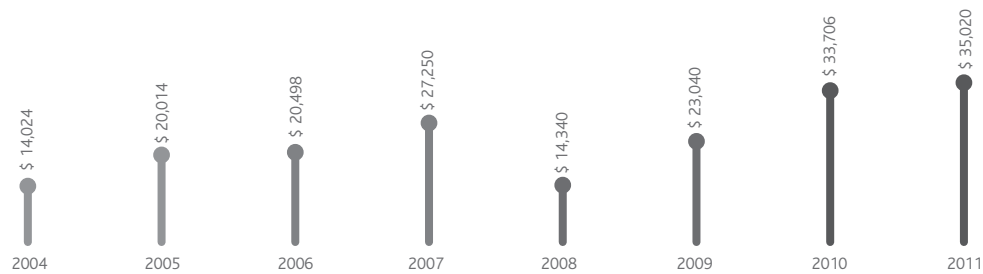
3.1 Unconsolidated results of the principal subsidiaries of Grupo Security:

3.2 Banco Security,

Consolidated earnings for 2011 were Ch\$35,020 million, compared to Ch\$33,706 million the year before, representing a return on equity of 13.1%. Banco Security made a capital increase in August of close to Ch\$47.000 million. Its unconsolidated earnings (i.e. excluding the subsidiaries Valores Security Corredora de Seguros and Administradora General de Fondos Security) amounted to Ch\$28,492 million.

Consolidated Earnings Banco Security

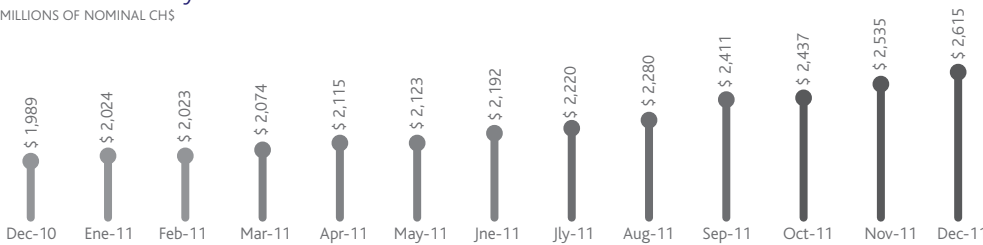
MILLIONS OF NOMINAL CH\$



The bank's total loans at the end of 2011 were Ch\$2,615 billion, compared to Ch\$1,989 billion in 2010, the equivalent of growth of 31.5% over the previous year. The credit-risk level was 1.39%, being the ratio of provisions to loans.

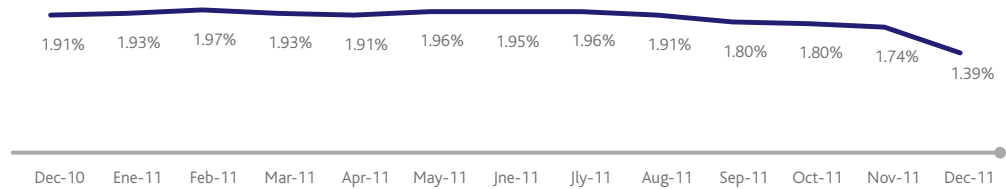
Loans BancoSecurity

MILLIONS OF NOMINAL CH\$



Risk BancoSecurity

(PROVISIONS/LOANS)



The efficiency ratio was 54.2%, measured as operating expenses. The Basle ratio as of December 2011 is 12.03%, reflecting a solvent financial position.

MANAGEMENT ANALYSIS OF THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

MILLIONS OF CH\$	YEAR 2011			
	BANK	AGF	VALORES	CONSOLIDATED
Interest margin	63,730	(166)	(3,214)	60,350
Exchange earnings, financial operations & other revenue, net	15,931	1,441	7,148	24,520
Fees, net	17,379	7,406	2,739	27,524
GROSS OPERATING RESULT	97,040	8,681	6,673	112,394
Operating expenses	(52,984)	(2,864)	(5,021)	(60,869)
Charge for provisions	(10,855)	-	-	(10,855)
NET OPERATING RESULT	33,201	5,817	1,652	40,670
RESULT OF INVESTMENTS IN COMPANIES	12	-	166	178
EARNINGS BEFORE TAXES	33,213	5,817	1,818	40,848
Taxes	(4,717)	(1,009)	(102)	(5,828)
Earnings for the year	28,496	4,808	1,716	35,020

The consolidated results of Banco Security include the adjustment to fair value of the subsidiaries, being Ch\$119 million for Valores Security and Ch\$279 million for AGF Security

MILLIONS OF CH\$	YEAR 2010			
	BANK	AGF	VALORES	CONSOLIDATED
Interest margin	57,472	(166)	(946)	56,360
Exchange earnings, financial operations & other revenue, net	28,664	115	4,119	32,898
Fees, net	14,561	7,018	3,144	24,723
GROSS OPERATING RESULT	100,698	6,967	6,317	113,981
Operating expenses	(48,839)	(2,477)	(4,708)	(56,024)
Charge for provisions	(19,215)	-	-	(19,215)
NET OPERATING RESULT	32,644	4,490	1,609	38,742
RESULT OF INVESTMENTS IN COMPANIES	19	-	135	154
EARNINGS BEFORE TAXES	32,663	4,490	1,744	38,896
Taxes	(4,221)	(737)	(228)	(5,186)
EARNINGS FOR THE YEAR	28,442	3,753	1,516	33,710

The consolidated results of Banco Security include the adjustment to fair value of the subsidiaries, being Ch\$16 million for Valores Security and Ch\$(7) million for AGF Security

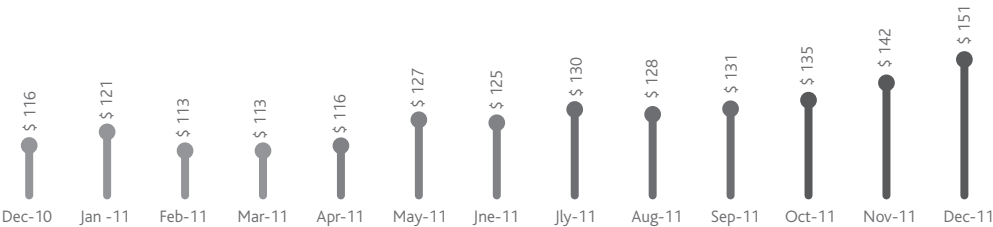
3.3 Factoring Security,

Factoring has been operating since 1992, being one of the pioneering companies in the Chilean factoring industry and maintaining its position as one of the market leaders.

The earnings for 2011 of Factoring Security were Ch\$3,069 million, showing growth of 44.6% over the previous year. This reflects the 30.1% growth in average monthly advances compared to 2010 and the company's more effective commercial structure. Risk levels declined to 3.2%, measured as loan provisions to total loans, compared to 4.4% in December 2010. Factoring's market share rose to 6.9% by the end of the fourth quarter.

Average Advances Factoring Security

BILLIONS OF NOMINAL CH\$



4. INVESTMENTS

The companies comprising the investments area (Valores Security Corredores de Bolsa, Administradora General de Fondos Security (including the adjustment to fair value included in the consolidated statement of results of Banco Security), Asesorías Security and Securitizadora Security) produced earnings of Ch\$6,398 million in 2011, representing a 23.2% increase over the year before.

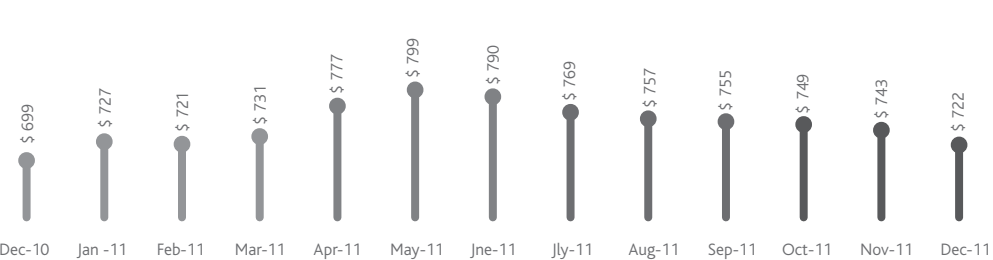
4.1 Administradora General de Fondos Security (AGF Security)

The company was formed as a subsidiary of Banco Security in May 1992. Since then, the assets managed have grown consistently, with the incorporation of the management of new funds and investment products.

AGF Security adopted IFRS in 2011. The company’s earnings for 2011 were Ch\$4,529 million, with growth equivalent to 12.5% over the results for 2010 adjusted according to IFRS of Ch\$4,025 million, and growth of 20.4% over the results reported for 2010 of Ch\$3,762 million. The average assets managed by AGF in December rose by 3.3% over the same month of 2010, to a total of Ch\$721,705 million, covering 35,743 participants. This compares favorably with the mutual funds industry in which average managed assets declined by 2.3% from December 2010. The market share of ABF rose to 4.06% and 6.0%, excluding funds with a term of less than 365 days.

Assets Managed AGF Security

BILLIONS OF NOMINAL CH\$



MANAGEMENT ANALYSIS OF THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

4.2 Valores Security S.A. Corredores de Bolsa

The Corredora de Bolsa offers its clients securities trading, stock brokerage and portfolio management services. In 2008, the company changed the focus of its business model toward the generation of recurring revenue from its clients.

Valores Security adopted IFRS in 2011. The company's earnings for 2011 were Ch\$1,601 million, with a decline equivalent to 29.5% from the results for 2010 adjusted according to IFRS of Ch\$2,272 million, and growth of 6.7% over the results reported for 2010 of Ch\$1,501 million. This is largely explained by the successful reorientation of revenues from own positions to business with clients, with the latter increasing by 8.0% over the year to Ch\$ 5,586 million. The company has increased its market share significantly over the past twelve months, from 6.9% in December 2010 to 8.7% in December 2011, and is the 4th ranked firm on the Santiago Stock Exchange and Chilean Electronic Exchange.

Monthly Share Volumes Traded Valores Security

BILLIONS OF NOMINAL CH\$



4.3 Securitizadora Security

Securitizadora is focused on the business of securitization, both mortgage and non-mortgage instruments. The company produced a loss of Ch\$177 million in 2011.

5. INSURANCE

The earnings of Vida Security in 2011 were Ch\$5,875 million, while Penta Security, in which Grupo Security has a shareholding of 29.35%, reported earnings of Ch\$3,908 million. Corredora de Seguros Security generated earnings of Ch\$580 million, an improvement over the level of Ch\$375 million reported for 2010. Cooper Gay, one of the 10 principal reinsurance companies in the world and with which Grupo Security has an alliance, produced earnings of Ch\$1,021 million. Security also has a strategic Alliance with Europ Assistance, the second travel, vehicles and home assistance company in the world.

5.1 Vida Security

The direct premium of Vida Security rose by 46% in the year to Ch\$ 95,908 million¹. A large part of this increase reflected the quota adjudicated of disability and life insurance effective from July 2010. Regarding the other sections, the increases in individual, collective health, life and mortgage protection and the start of sales of annuities in July 2011 were partially offset by a fall in the renewal of private incomes.

¹ The direct premium shown here differs from that shown in the financial statements as it does not include the refund for favorable experience Ch\$ (628) million or transfers Ch\$ 2,723 million.

Direct Premium Vida Security

MILLIONS OF NOMINAL CH\$



The result of Vida Security's investments at the end of the second half amounted to Ch\$28,190 million, 47.5% less than in the same period of 2010, mainly due to a weaker performance by Chilean and international equities in the second half of 2011 because of the high volatility of the markets

Investments Vida Security

INVESTMENT INCOME MILLIONS OF NOMINAL CH\$	YEAR		
	2011	2010	%VAR 11/10
Fixed income	27,435	29,288	-6%
Real estate	9,123	7,037	30%
VARIABLE INCOME	(1,591)	11,662	-114%
Total own portfolio	34,967	47,987	-27%
Total CUI portfolio	(6,777)	5,749	-218%
TOTAL COMPANY	28,190	53,735	-48%

5.2 Penta Security Seguros Generales

Penta Security was formed in 2004 by the merger of the Las Américas and Security Previsión general insurance companies. It is today one of the principal general insurance companies in the industry. Grupo Security controls 29.35% of the share capital, producing earnings of Ch\$3,908 million in 2011

5.3 Servicios Security

This is the parent company of the subsidiaries Corredora de Seguros Security, CooperGay Chile Corredores de Reaseguros and Europ Assistance (controlled 49.0% and 49.9% respectively by Grupo Security). Servicios Security reported earnings of Ch\$799 million for 2011.

Corredora de Seguros Security generated earnings of Ch\$580 million in 2011, compared to Ch\$375 million the year before. The premium intermediated was UF 2,065 thousand, compared to UF 1,830 thousand in 2010. For their part, CooperGay Chile and Europ Assistance reported earnings of Ch\$1,021 million and Ch\$(263) million respectively..

5.4 Inmobiliaria Security S.A.

This company was formed in December 1995 as a subsidiary of Grupo Security, in order to complement the activities of Banco Security and to participate in financial aspects of the real-estate sector. The projects developed by inmobiliaria are mostly located in the Santiago districts of Vitacura, Las Condes, Ñuñoa, Providencia, Lo Barnechea and Huechuraba. They are all notable for their excellent locations, design and infrastructure, plus their high-quality terminations. The company produced earnings of Ch\$430 million in 2011.

MANAGEMENT ANALYSIS OF THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

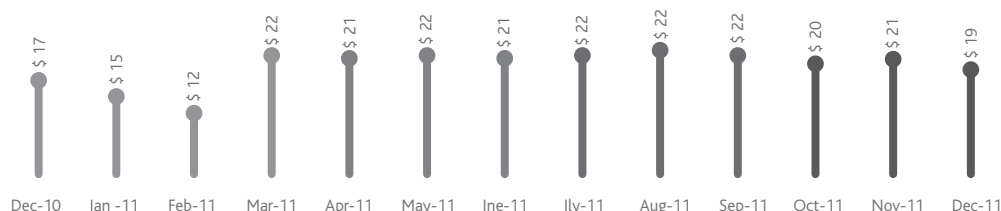
5.5 Travel Security

The travel agency, Travel Security, is the second agency in Chile and the only representative in Chile of the American Express travel services network, the largest of its kind in the world. In January 2011, Grupo Security acquired 30% of Travel Security from Ultramar, with which it now controls 85% of the company.

During 2011, Travel Security produced sales equivalent to US\$242 million, which represents growth of 26.3% over the previous year. Its earnings were Ch\$1,779 million, 27% higher than in 2010.

Monthly Sales Travel Security

MILLIONS OF CH\$



6. MARKETS IN WHICH THE COMPANY PARTICIPATES

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 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.

6.1 Banking Industry

As of December 2011, the Chilean banking industry is made up of 24 financial institutions: 1 state-owned bank, 18 banks established in Chile and 5 branches of foreign banks. The industry's loans at that date amounted to Ch\$ 89,161 billion, its equity was Ch\$ 9,814 billion and its earnings were Ch\$ 1,712 billion, with a return on equity of 17.44%.

Banks' efficiency ratios were 47.58%, measured as operating costs to gross operating margin, and 2.2% measured as operating costs to total assets. Risk levels reached 2.33%, measured as loan provisions to total loans, and 2.37% as loans 90-days past-due to total loans.

As of December 2011, the loans of Banco Security (excluding contingent liabilities) were Ch\$ 2,615 billion, placing the bank 9th in loans with a market share of close to 2.93%.

6.2 Factoring Industry

Factoring has become an important source of alternative and complementary funding for medium and small businesses. The factoring industry has performed well in recent years, the amounts advanced by the members of ACHEF (the factoring business association) at December 2011 totaled Ch\$ 2,429 billion.

At December 2011, Factoring Security had total advances of Ch\$ 167 billion, equivalent to a market share of 6.9%.

6.3 Mutual Funds Industry

The mutual funds industry as of December 2011 shows average assets and average number of investors of Ch\$ 17,794 billion and 1,587,897 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 2011, Administradora General de Fondos Security had average assets of Ch\$ 722 billion, with a market share of 4.06%, occupying 8th place among the 19 managers operating in the market.

6.4 Stockbroking Industry

During 2011, market activity grew by 0.1% over 2010. The shares traded by Valores Security rose by 27.1%. Its market share has moved from 3.0% in 2006 to 3.3% in 2007, 3.7% in 2008, 4.7% in 2009 and 6.9% in 2010. The share volume traded by Valores Security in 2011 reached Ch\$ 5,530 billion, with a market share of 8.7%, considering transactions on the Santiago Stock Exchange and the Chilean Electronic Exchange.

6.5 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 2011, 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\$ 2,418 billion and Ch\$ 1,252 billion respectively at September 2011. The industry's earnings were Ch\$ 55,370 million and Ch\$33,016 million for life and general insurance companies respectively, at September 2011.

MANAGEMENT ANALYSIS OF THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

7. POSSIBLE DIFFERENCES BETWEEN THE BOOK VALUE AND ECONOMIC AND/OR MARKET VALUE 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 0.22% of the total assets.

Goodwill represents the excess of the acquisition cost over the fair value of assets and liabilities. As of December 2011, the fair value in the consolidated statements of financial position amounts to Ch\$ 43,209 million, equivalent to 0.87% 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.

8. RISK FACTORS

8.1 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.

In March 2011, Banco Security distributed dividends to Grupo Security of Ch\$ 20,214 million (being 60% of its earnings 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 2011 came from Vida Security, amounting to Ch\$ 13,132 million. The credit rating of Vida Security is AA- granted by Fitch Ratings and by International Credit Ratings, and Penta Security is rated A+ by Fitch Ratings and AA- por International Credit Ratings.

The third dividend flow for Grupo Security in 2011 came from Factoring Security, amounting to Ch\$ 1,061 million in March. The solvency rating of Factoring Security is A+ / Level 1, granted by both Feller-Rate and 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.

8.2 Other risk factors

8.2.1 General performance of the economy.

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

8.2.2 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.

8.2.3 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.

8.3 Risks associated with the financial business

9.3.1 Credit risk

Credit risk is conditioned by monetary policy which eventually determines customers' repayment capacity. Since the last months of 2008, there has been 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.

8.3.2 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.

8.3.3 Risks associated with volatility in 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.

8.3.4 Interest rate risk

As of December 31, 2011, the company shows loans at reasonable rates for existing market conditions.

8.3.5 Exchange risk

As Grupo Security policy, foreign-currency transactions with financial institutions are duly matched with sale transactions in the same currency.

8.3.6 Commodity risk

Grupo Security has no significant assets or liabilities in commodities as of December 31, 2011.

8.4 Risks associated with the insurance business

9.4.1 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.

8.4.2 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 reimbursement of medical costs in the short term. A fall in adult mortality rates may reduce expected results from the annuities branch to the extent that companies do not adjust to the new mortality-rate curve structure.

MANAGEMENT ANALYSIS OF THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

8.4.3 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.

8.4.4 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 strong competition that existed until recently in this market.

8.4.5 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.

9. PERFORMANCE INDICATORS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 2011 AND 2010

LIQUIDITY RATIOS		31 DEC 11	31 DEC 10
CURRENT RATIO			
(Total current assets / Total current liabilities)	times	1.10	1.11
Acid test	times	0.07	0.04
(Cash & cash equivalents / Total current liabilities)			
ACTIVITY		31 DEC 11	31 DEC 10
Total assets	millions Ch\$	4.974.611	4.173.242
Inventory turnover		Not applicable	Not applicable
Inventory permanence		Not applicable	Not applicable
DEBT RATIOS		31 DEC 11	31 DEC 10
Individual financial debt ratio	times	0.25	0.31
Current liabilities / Total liabilities	times	0.94	0.93
Non-current liabilities / Total liabilities	times	0.06	0.07
Consolidated financial expense coverage	times	12.23	12.93
RESULTS		31 DEC 11	31 DEC 10
Ordinary revenues	Ch\$ millions	436,553	348,044
Cost of sales	Ch\$ millions	(274,766)	(199,719)
Gross margin	Ch\$ millions	161,787	148,325
Administrative expenses	Ch\$ millions	(93,962)	(86,888)
Operating result	Ch\$ millions	67,824	61,437
Financial costs	Ch\$ millions	(4,449)	(4,122)
Earnings before taxes	Ch\$ millions	49,978	49,183
Earnings attributable to controllers of owners	Ch\$ millions	41,883	40,852
EBITDA	Ch\$ millions	60,297	57,824
PROFITABILITY		31 DEC 11	31 DEC 10
Return on equity	%	11.12%	13.59%
Return on assets	%	0.84%	0.98%
Return on operating assets	%	1.43%	1.55%
Earnings per share	\$	\$ 14.53	\$ 16.02
Dividend yield (divs. paid 12 m./Year end share price)	%	5.57%	3.52%

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 expense coverage: Earnings before taxes and financial costs over Financial costs

MANAGEMENT ANALYSIS OF THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Consolidated Statement of Cash Flows of Grupo Security S.A.

Description and analysis of the principal components of cash flows

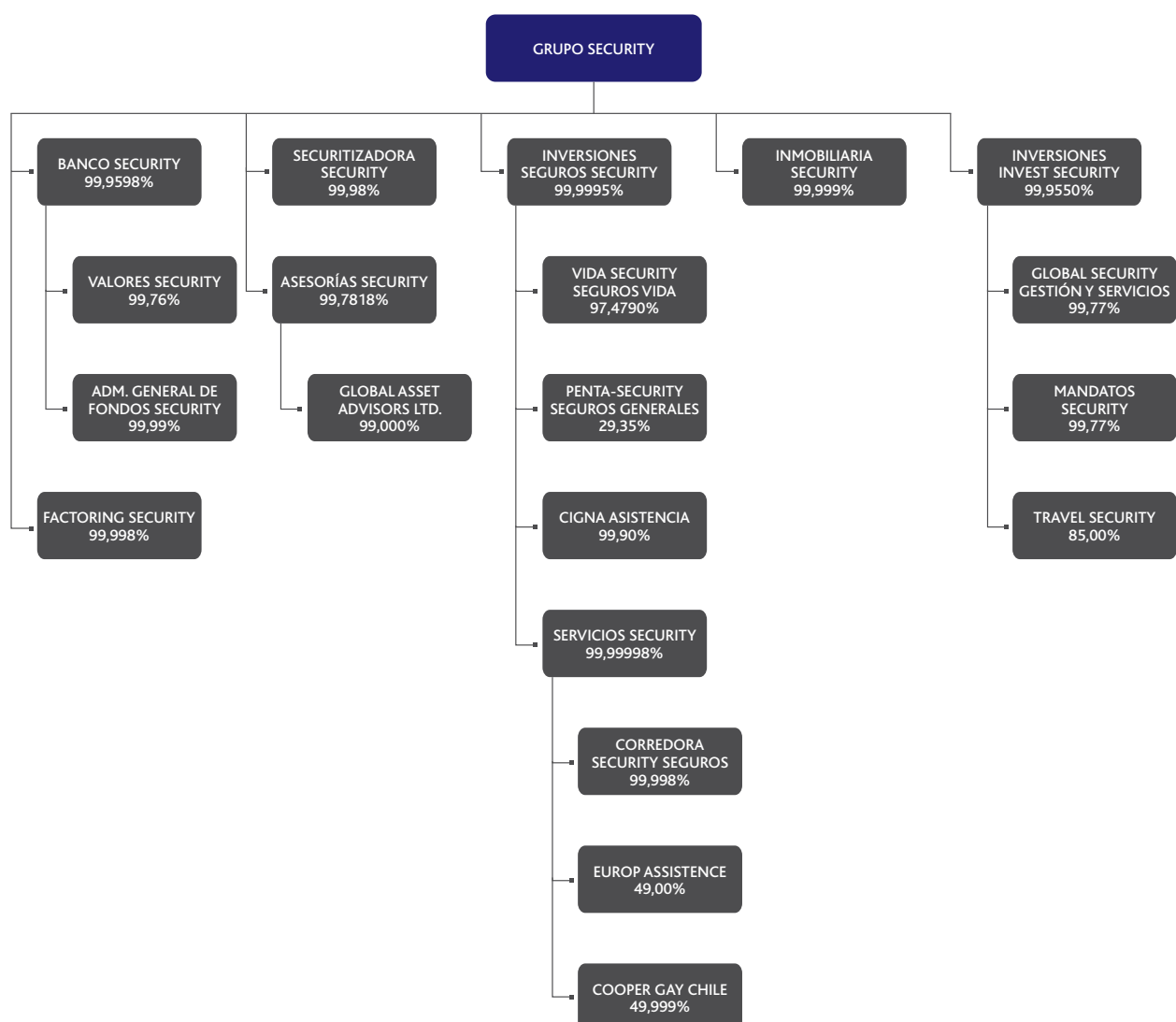
STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010	2011 MCH\$	2010 MCH\$
Net cash flow from (used in) operating activities	(28,045)	(62,569)
Net cash flow from (used in) investment activities	21,761	50,765
Net cash flow from (used in) financing activities	173,379	(5,152)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS, BEFORE EFFECTS OF EXCHANGE RATE CHANGES	167,095	(16,955)
Effect of changes in exchange rate on cash & cash equivalents	(1)	23
Net increase (decrease) in cash & cash equivalents	167,095	(16,932)
INITIAL BALANCE OF CASH & CASH EQUIVALENTS	144,354	161,287
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	311,449	144,354

The net cash flow from operating activities of Ch\$ (28,045) million in 2011 compared to Ch\$ (62,569) million in 2010.

The net cash flow from investment activities was Ch\$ 21,761 million in 2011, compared to Ch\$ 50,765 million in 2010.

The net flow from financing activities of Ch\$ 173,379 million in 2011, compared to Ch\$ (5,152) million in 2010, corresponds mainly to the share issue made in 2011.

10. STRUCTURE AND PERCENTAGE OWNERSHIP OF GRUPO SECURITY AND ITS SUBSIDIARIES AS OF DECEMBER 2011.



MANAGEMENT ANALYSIS OF THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

12. The following are the various credit ratings:

	DECEMBER 2011		
RATING AGENCY	ORDINARY SHARES	BONDS NO.340 SERIES B-2 BONDS NO.376 SERIES C-2 BONDS NO.454 SERIES D BONDS NO.507 SERIES E BONDS NO.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
Comisión Clasificadora de Riesgo	Approved	A+	





SUMMARIZED FINANCIAL STATEMENTS

CHAPTER

08

GRUPO | security

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\$185,207 million and equity Ch\$267,463 million as of December 31, 2011.

Investment as proportion of assets of Grupo Security S.A.

The total assets of Banco Security and subsidiaries represent 78.63% 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

SUMMARIZED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	12.31.2011 MCH\$	12.31.2010 MCH\$
ASSETS:			
Cash and deposits in banks	6	262,517	114,409
Unsettled transactions	6	106,195	131,111
Trading investments	7	404,366	389,522
Investments under resale agreements	8	2,018	-
Financial derivative contracts	9	53,613	61,936
Interbank loans, net	10	31,651	11,325
Loans and accounts receivable from customers, net	11	2,547,029	1,938,972
Available for sale investments	12	333,500	278,007
Held to maturity investments		-	-
Investments in other companies	13	620	621
Intangible assets, net	14	29,522	21,755
Property, plant and equipment, net	15	23,595	22,695
Current tax asset	16	2,744	650
Deferred tax asset	16	36,445	36,131
Other assets	17	77,550	115,984
TOTAL ASSETS		3,911,365	3,123,118
LIABILITIES			
Deposits and other on demand obligations	18	353,615	285,464
Unsettled transactions	6	71,368	109,251
Repurchase agreements	8	121,075	40,588
Time deposits and other time liabilities	18	2,038,762	1,696,711
Financial derivative contracts	9	55,282	60,267
Interbank borrowings	19	289,277	155,982
Issued debt instruments	20	585,098	425,579
Other financial obligations	20	37,267	38,358
Current tax liability	16	-	-
Deferred taxes liability	16	35,121	34,663
Provisions	21	17,638	15,888
Other liabilities	22	39,399	53,920
TOTAL LIABILITIES		3,643,902	2,916,671
EQUITY			
Attributable to Bank owners			
Capital		185,207	138,207
Reserves		22,224	22,224
Valuation adjustments		(1,493)	(1,108)
Retained earnings:			
Retained earnings from prior years		36,941	23,459
Net income for the year		35,016	33,706
Less: Provision for minimum dividends		(10,505)	(10,112)
		267,390	206,376
Non-controlling interest		73	71
TOTAL EQUITY		267,463	206,447
TOTAL LIABILITIES AND EQUITY		3,911,365	3,123,118

CONSOLIDATED STATEMENTS OF INCOME

	NOTES	12.31.2011 MCH\$	12.31.2010 MCH\$
Interest income	25	199,652	134,718
Interest expense	25	(139,302)	(78,358)
Net interest income (expense)		60,350	56,360
Commission income	26	32,555	29,531
Commission expense	26	(5,031)	(4,808)
Net income (expense) from commissions		27,524	24,723
Income from financial operations, net	27	29,786	28,410
Foreign exchange gain (loss), net	28	(5,976)	4,241
Other operating income	34	4,940	3,009
Total operating income		116,624	116,743
Provision for loan losses	29	(8,671)	(18,333)
NET OPERATING PROFIT		107,953	98,410
Personnel salaries and expenses	30	(26,097)	(25,590)
Administrative expenses	31	(31,704)	(27,732)
Depreciation and amortization	32	(3,068)	(2,702)
Impairment	33	(1,977)	-
Other operating expenses	34	(4,437)	(3,644)
TOTAL OPERATING EXPENSES		(67,283)	(59,668)
NET OPERATING INCOME		40,670	38,742
Income from investments in other companies	13	178	154
Income before tax		40,848	38,896
Income tax expense	16	(5,828)	(5,186)
Income from continuing operations		35,020	33,710
Income from discontinued operations, net of tax		-	-
CONSOLIDATED NET INCOME FOR THE YEAR		35,020	33,710
Attributable to:			
Bank owners		35,016	33,706
Non-controlling interest		4	4
Earnings per share of Bank owners:			
		\$	\$
Basic earnings	24	218	222
Diluted earnings	24	218	222

SUMMARIZED FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME

	12.31.2011 MCH\$	12.31.2010 MCH\$
CONSOLIDATED NET INCOME FOR THE YEAR	35,020	33,710
OTHER COMPREHENSIVE INCOME (EXPENSES)		
Available for sale investments	(1,570)	2,810
Cash flow hedges	1,046	(110)
Other comprehensive income (expenses)	-	-
Other comprehensive income before income tax	(524)	2,700
Tax or other comprehensive income	139	(459)
Total other comprehensive income	(385)	2,241
CONSOLIDATED COMPREHENSIVE INCOME FOR THE YEAR	34,635	35,951
Attributable to:		
Bank owners	34,631	35,947
Non-controlling interest	4	4
Comprehensive earnings per share of the Bank owners	\$	\$
Basic earnings	216	237
Diluted earnings	216	237

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Al 31 de diciembre de 2011

	ATTRIBUTABLE TO BANK OWNERS							NON-CONTROLLING INTEREST	TOTAL
	PAID-IN CAPITAL MCH\$	RESERVES MCH\$	VALUATION ADJUSTMENTS MCH\$	RETAINED EARNINGS			TOTAL MCH\$	MCH\$	MCH\$
				PRIOR YEARS MCH\$	INCOME (LOSS) FOR THE YEAR MCH\$	MANDATORY DIVIDEND PROVISION MCH\$			
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 for minimum dividends	-	-	-	-	-	6,912	6,912	-	6,912
Other changes in equity	-	-	-	(1,120)	-	-	(1,120)	2	(1,118)
Available for sale investments	-	-	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
Reclassification of prior year net income	-	-	-	33,706	(33,706)	-	-	-	-
Dividends paid	-	-	-	(20,224)	-	-	(20,224)	-	(20,224)
Provision for minimum dividends	-	-	-	-	-	10,112	10,112	-	10,112
Other changes in equity	-	-	-	-	-	-	-	(2)	(2)
Capital increase	47,000	-	-	-	-	-	47,000	-	47,000
Available for sale investments	-	-	(1,252)	-	-	-	(1,252)	-	(1,252)
Cash flow hedges	-	-	867	-	-	-	867	-	867
Net income for the year	-	-	-	-	35,016	-	35,016	4	35,020
Provision for minimum dividends 2011	-	-	-	-	-	(10,505)	(10,505)	-	(10,505)
Balances at December 31, 2011	185,207	22,224	(1,493)	36,941	35,016	(10,505)	267,390	73	267,463

SUMMARIZED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF CASH FLOW

(En millones de pesos)

	NOTES	12.31.2011 MCH\$	12.31.2010 MCH\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Consolidated income before income tax		40,848	38,896
Debits (credits) to income that do not represent cash flows			
Provision for loan losses	29	8,671	18,333
Depreciation and amortization	32	3,068	2,702
Other provisions	34	1,770	2,361
Changes in deferred tax assets and liabilities		144	591
Valuation investments trading portfolio		(303)	(565)
Valuation financial derivative trading contracts		3,691	(13,806)
Income from investment in other companies	13	(178)	(154)
Income from sale of assets received in lieu of payment		(695)	(243)
Net income from commissions	26	(27,524)	(24,723)
Net interest income	25	(60,350)	(56,360)
Other charges and credits that do not represent cash flows		8,699	(24,920)
Changes in operating assets and liabilities:			
(Increase) decrease in interbank loans		(20,312)	301,113
Net (increase) decrease in loans and accounts receivable from customers		(572,580)	(102,083)
(Increase) decrease in investments		(66,272)	214,206
(Increase) decrease in leased assets		10,343	2,491
Sale of assets awarded in lieu of payment		3,870	761
Increase (decrease) in deposits and other on demand obligations		68,153	29,623
Increase (decrease) in repurchase and resale agreements		80,441	(361,387)
Increase (decrease) in deposits and other time deposits		321,813	47,090
Net change in letters of credit		(11,024)	(11,928)
Net change in current bonds		154,522	(68,474)
(Increase) decrease in other assets and liabilities		(14,940)	(35,920)
Refunded tax		52	17
Interest and other adjustments received		160,088	138,239
Interest and other adjustments paid		(99,707)	(89,729)
Commissions received		32,555	29,531
Commissions paid		(5,031)	(4,808)
Net cash flows provided by (used in) operating activities		19,812	30,854
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,121)	(2,187)
Acquisition of intangible assets	15	(10,285)	(7,022)
Sale of property, plant and equipment		(12,406)	(9,209)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in obligations with national banks		6,514	(3,498)
Increase (decrease) in obligations with foreign banks		126,169	27,199
Increase (decrease) in other financial obligations		(2,359)	(14,771)
Net change in subordinated bonds		(1,409)	1,656
Capital increase	24	47,000	-
Dividends paid	24	(20,224)	(23,040)
Net cash flows provided by (used in) financing activities		155,691	(12,454)
TOTAL NET CASH FLOWS PROVIDED BY (USED IN) THE PERIOD		163,097	9,191
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	6	136,269	127,082
NON-CONTROLLING INTEREST		(4)	(4)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	6	299,362	136,269

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, 2011 is Ch\$2,185 million and its total equity was Ch\$29,974 million.

Investment as proportion of assets of Grupo Security S.A.

The total assets of Valores Security represent 2.5% 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, and audit and accounting services, to Inversiones Invest Security Ltda., and financial services for Inversiones Seguros Security Ltda. In the future, there is the possibility of extending the offer of these services to customers of the parent's subsidiaries and associate.

Board of directors

Chairman:	Ramón Eluchans O.	Tax No. 6.464.460-2
Directors:	Nicolás Ugarte B.	Tax No. 7.033.564-6
	Enrique Menchaca O.	Tax No. 6.944.388-5
	Gonzalo Baraona B.	Tax No. 7.054.341-9
	Fernando Salinas P.	Tax No. 8.864.773-4
General Manager:	Rodrigo Fuenzalida B.	Tax No. 10.328.181-4

SUMMARIZED FINANCIAL STATEMENTS

Summarized financial statements as of December 31, 2011 and 2010

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2011	2010
	MM\$	MM\$
ASSETS		
Financial assets	89,082.4	75,683.2
Accounts receivable	33,441.2	55,211.1
Recoverable taxes	910.3	845.0
Other assets	616.7	538.4
TOTAL ASSETS	124,050.7	132,277.8
LIABILITIES		
Financial liabilities	70,293.3	61,162.2
Accounts payable	23,430.9	42,482.1
Provisions & other liabilities	352.8	260.8
Equity	29,973.8	28,372.7
TOTAL LIABILITIES & EQUITY	124,050.7	132,277.8
STATEMENT OF RESULTS BY FUNCTION		
Trading result	2,150.1	2,605.3
Service revenues	589.3	507.1
Result of financial instruments	8,929.1	5,578.7
Result of financial operations	(4,977.2)	(1,797.5)
Administrative & other costs	(4,988.0)	(4,419.6)
EARNINGS (LOSS) BEFORE TAX	1,703.4	2,474.0
Charge for income tax	(102.3)	(202.3)
EARNINGS (LOSS)	1,601.1	2,271.7
CASH FLOWS		
Net cash flow from operating activities	1,600.8	(4,812.4)
Net cash flow from investment activities	1.6	30.2
Net cash flow from financial activities	(949.7)	2,193.5
NET INCREASE IN CASH FLOW	652.6	(2,588.8)
Effect of exchange rate changes on cash & cash equivalents	0.0	0.0
NET INCREASE IN CASH & CASH EQUIVALENTS	652.6	(2,588.8)
STATEMENT OF CHANGES IN EQUITY		
Issued capital	2,185.4	2,185.4
Share premium	0.0	0.0
Other reserves	65.3	65.3
Accumulated earnings (losses)	27,723.0	26,121.9
EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER	29,973.8	28,372.7
Non-controller participations	0.0	0.0
TOTAL EQUITY	29,973.8	28,372.7

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. se encuentra inscrito en el registro de Valores bajo el número 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 (SVS) 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 its Resolution 288 of September 17, 2003, the SVS 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 SVS.

Paid capital and equity

As of December 2011, the company’s paid capital is Ch\$1,525.3 million and its equity Ch\$18,859.5 million.

Investment as proportion of assets of Grupo Security S.A.

The total assets of Administradora General de Fondos Security S.A. represent 0.43% 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. 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	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
Gerente General	Juan Pablo Lira T.	Tax No. 7.367.430-1

SUMMARIZED FINANCIAL STATEMENTS

Summarized financial statements as of December 31, 2011 and 2010

ESTADO DE SITUACIÓN FINANCIERA CLASIFICADO	2011	2010
	MM\$	MM\$
ASSETS		
Current assets	20,518.4	16,380.0
Non-current assets	328.2	309.0
TOTAL ASSETS	20,846.5	16,689.0
LIABILITIES		
Current liabilities	1,987.1	2,358.5
Non-current liabilities	0.0	0.0
Equity attributable to owners of the controller	18,859.5	14,330.5
Non-controller participations	0.0	0.0
TOTAL LIABILITIES & EQUITY	20,846.5	16,689.0
STATEMENT OF RESULTS BY FUNCTION		
Gross margin	12,171.1	10,735.2
Non-operating result	(6,633.5)	(5,971.6)
EARNINGS (LOSS) BEFORE TAX	5,537.6	4,763.6
Charge for income tax	(1,008.6)	(738.4)
EARNINGS (LOSS)	4,529.0	4,025.2
Earnings attributable to the owners	4,529.0	4,205.2
Earnings attributable to non-controller participations	0.0	0.0
CASH FLOWS		
Net cash flow from operating activities	2,602.4	4,280.0
Net cash flow from investment activities	(3,359.8)	(7,043.9)
Net cash flow from financial activities	0.0	0.0
NET INCREASE IN CASH FLOW	(757.4)	(2,763.9)
Effect of exchange rate changes on cash & cash equivalents	0.0	0.0
NET INCREASE IN CASH & CASH EQUIVALENTS	(757.4)	(2,763.9)
STATEMENT OF CHANGES IN EQUITY		
Issued capital	1,525.3	1,525.3
Share premium	0.0	0.0
Other reserves	0.0	0.0
Accumulated earnings (losses)	17,334.2	12,805.2
EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER	18,859.5	14,330.5
Non-controller participations	0.0	0.0
TOTAL EQUITY	18,859.5	14,330.5

FACTORING SECURITY S.A.

Kind of entity

Closely-held corporation.

Registration in the Securities Register

Factoring Security S.A. is inscribed in the Securities Register with No.1003.

Objects

The company's objects are to buy, sell and invest in all kinds of incorporeal assets such as shares, share commitments, bonds, bills of exchange, promissory notes, savings plans, quotas or rights in all kinds of civil, commercial or mining companies, communities or associations, and all kinds of documents or securities; carry out factoring operations including the acquisition from any company or person of accounts receivable documented with invoices, bills of exchange, promissory notes or other documents, with or without recourse to the assignor and advance or not the value of such documents; grant financing with the guarantee of such documents and also the simple administration of accounts receivable; provide administration services, market surveys, research and classification of customers and advice in general; manage investments and receive their returns; and other activities that are complementary to such objects.

General information

The company was constituted on November 26, 1992 before the notary Enrique Morgan Torres. An extract of the deed was published in the Official Gazette on December 12, 1992 and the company was inscribed in the Santiago Trade Register. By public deed dated October 20, 1997, the company changed its name to Factoring Security S.A.

Paid capital and equity

The paid capital as of December 31, 2011 is Ch\$15,218 million and the equity Ch\$23,598 million.

Investment as proportion of assets of Grupo Security S.A.

The total assets of Factoring Security S.A. represents 3.5% 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
Gerente General	Ignacio Prado R.	Tax No. 7.106.815-3

SUMMARIZED FINANCIAL STATEMENTS

Summarized financial statements as of December 31, 2011 and 2010

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2011	2010
	MM\$	MM\$
ASSETS		
Current assets	168,549.1	133,263.1
Non-current assets	2,918.1	2,760.3
TOTAL ASSETS	171,467.1	136,023.4
LIABILITIES		
Current liabilities	147,419.2	113,677.4
Non-current liabilities	449.7	472.0
Equity attributable to owners of the controller	23,598.2	21,874.0
Non-controller participations	0.0	0.0
TOTAL LIABILITIES & EQUITY	171,467.1	136,023.4
STATEMENT OF RESULTS BY FUNCTION		
Gross margin	11,173.7	9,909.2
Non-operating result	(7,688.2)	(7,733.6)
EARNINGS (LOSS) BEFORE TAX	3,485.5	2,175.6
Charge for income tax	(416.1)	(53.5)
EARNINGS (LOSS)	3,069.4	2,122.1
Earnings attributable to the owners	3,069.4	2,122.1
Earnings attributable to non-controller participations	0.0	0.0
CASH FLOWS		
Net cash flow from operating activities	(17,245.7)	(12,890.3)
Net cash flow from investment activities	(182.1)	7,153.6
Net cash flow from financial activities	22,941.7	6,391.1
NET INCREASE IN CASH FLOW	5,513.9	654.4
Effect of exchange rate changes on cash & cash equivalents	0.0	0.0
NET INCREASE IN CASH & CASH EQUIVALENTS	5,513.9	654.4
STATEMENT OF CHANGES IN EQUITY		
Issued capital	15,217.7	15,217.7
Share premium	0.0	0.0
Other reserves	(920.8)	(994.9)
Accumulated earnings (losses)	9,301.3	7,651.2
EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER	23,598.2	21,874.0
Non-controller participations	0.0	0.0
TOTAL EQUITY	23,598.2	21,874.0

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, 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, 2011 is Ch\$1,031 million and the equity Ch\$1,216 million.

Investment as proportion of assets of Grupo Security S.A.

The total assets of Asesorías Security S.A. and its subsidiaries represent 0.04% 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
General Manager	Carlos Budge C.	Tax No. 7.011.490-9

SUMMARIZED FINANCIAL STATEMENTS

Summarized financial statements as of December 31, 2011 and 2010

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2011	2010
	MM\$	MM\$
ASSETS		
Current assets	2,113.2	95,539.3
Non-current assets	63.3	77.5
TOTAL ASSETS	2,176.5	95,616.8
LIABILITIES		
Current liabilities	937.8	94,457.5
Non-current liabilities	22.4	13.2
Equity attributable to owners of the controller	1,213.1	1,138.4
Non-controller participations	3.2	7.6
TOTAL LIABILITIES & EQUITY	2,176.5	95,616.8
STATEMENT OF RESULTS BY FUNCTION		
Gross margin	1,963.9	1,189.6
Non-operating result	(1,727.5)	(1,219.4)
EARNINGS (LOSS) BEFORE TAX	236.3	(29.8)
Charge for income tax	(180.9)	43.0
EARNINGS (LOSS)	55.4	13.2
Earnings attributable to the owners	46.6	13.2
Earnings attributable to non-controller participations	8.8	0.0
CASH FLOWS		
Net cash flow from operating activities	128.7	(718.3)
Net cash flow from investment activities	(8.4)	(12.2)
Net cash flow from financial activities	0.0	0.0
NET INCREASE IN CASH FLOW	120.2	(730.4)
Effect of exchange rate changes on cash & cash equivalents	13.7	15.3
NET INCREASE IN CASH & CASH EQUIVALENTS	133.9	(715.1)
STATEMENT OF CHANGES IN EQUITY		
Issued capital	1,030.7	1,030.7
Share premium	0.0	0.0
Other reserves	28.1	0.0
Accumulated earnings (losses)	154.3	107.7
EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER	1,213.1	1,138.4
Non-controller participations	3.2	7.6
TOTAL EQUITY	1,216.3	1,146.0

SECURITIZADORA SECURITY S.A.

Type of entity

Closely-held corporation.

Registration in the 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, 2011 are Ch\$ 2,086 million and its equity Ch\$ 1,436 million.

Investment as proportion of assets of Grupo Security S.A.

The total assets of Securitizadora Security S.A. represent 0.04% 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	Francisco Silva S.	Tax No. 4.103.061-5
Directors	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
General Manager	Juan Enrique Montes M.	Tax No. 9.253.937-7

SUMMARIZED FINANCIAL STATEMENTS

Summarized financial statements as of December 31, 2011 and 2010

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2011	2010
	MM\$	MM\$
ASSETS		
Current assets	1,238.3	1,462.7
Non-current assets	242.5	184.6
TOTAL ASSETS	1,480.8	1,647.2
LIABILITIES		
Current liabilities	44.7	33.8
Non-current liabilities	0.0	0.0
Equity attributable to owners of the controller	1,436.2	1,613.4
Non-controller participations	0.0	0.0
TOTAL LIABILITIES & EQUITY	1,480.8	1,647.2
STATEMENT OF RESULTS BY FUNCTION		
Gross margin	117.5	113.7
Non-operating result	(354.1)	(228.2)
EARNINGS (LOSS) BEFORE TAX	(236.6)	(114.5)
Charge for income tax	59.3	30.9
EARNINGS (LOSS)	(177.3)	(83.6)
Earnings attributable to the owners	(177.3)	(83.6)
Earnings attributable to non-controller participations	0.0	0.0
CASH FLOWS		
Net cash flow from operating activities	(747.5)	95.3
Net cash flow from investment activities	(2.7)	(2.9)
Net cash flow from financial activities	(0.6)	(0.7)
NET INCREASE IN CASH FLOW	(750.9)	91.8
Effect of exchange rate changes on cash & cash equivalents	0.0	0.0
NET INCREASE IN CASH & CASH EQUIVALENTS	(750.9)	91.8
STATEMENT OF CHANGES IN EQUITY		
Issued capital	2,086.1	2,086.1
Share premium	25.6	25.6
Other reserves	0.0	0.0
Accumulated earnings (losses)	(675.5)	(498.2)
EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER	1,436.2	1,613.4
Non-controller participations	0.0	0.0
TOTAL EQUITY	1,436.2	1,613.4

GLOBAL ASSET ADVISORS

Type of entity
Closely-held corporation, limited by shares.

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, 2011 is Ch\$156 million and its equity Ch\$315.4 million.

Investment as proportion of assets of Grupo Security S.A
The total assets of Global Asset Advisors Ltd. represent 0.01% 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

Summarized financial statements as of December 31, 2011 and 2010

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2011	2010
	MM\$	MM\$
ASSETS		
Current assets	322.9	761.9
Fixed assets	0.0	0.0
Other assets	0.0	0.0
TOTAL ASSETS	322.9	761.9
LIABILITIES		
Current liabilities	7.4	5.0
Long-term liabilities	0.0	0.0
Equity	315.4	756.9
TOTAL LIABILITIES & EQUITY	322.9	761.9
STATEMENT OF RESULTS		
Operating result	880.1	722.6
Non-operating result	(2.6)	(2.2)
NET INCOME (LOSS) BEFORE TAX	877.5	720.3
Income tax	0.0	0.0
NET INCOME (LOSS) FOR THE YEAR	877.5	720.3
CASH FLOWS		
Net cash flow from operating activities	19.4	(14.8)
Net cash flow from investment activities	0.0	0.0
Net cash flow from financial activities	(1,401.8)	(327.6)
NET INCREASE IN CASH FLOW	(1,382.4)	(342.4)
Effect of monetary correction on cash & cash equivalents	0.0	0.0
NET CHANGE IN CASH & CASH EQUIVALENTS	(1,382.4)	(342.4)

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 registered 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, 2011 are Ch\$83,457 million and the equity Ch\$89,556 million.

Investment as proportion of assets of Grupo Security S.A.

The total assets of Inversiones Seguros Security represent 17.26% 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.

Representatives

Renato Peñafiel M.	Tax No 6.350.390-8
Francisco Silva S.	Tax No 4.103.061-5

SUMMARIZED FINANCIAL STATEMENTS

Summarized financial statements as of December 31, 2011 and 2010

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2011	2010
	MM\$	MM\$
ASSETS		
Current assets	792,031.5	768,859.7
Non-current assets	66,720.3	58,839.7
TOTAL ASSETS	858,751.8	827,699.3
LIABILITIES		
Current liabilities	756,238.9	718,364.6
Non-current liabilities	12,957.1	12,402.6
Equity attributable to owners of the controller	87,937.4	94,964.1
Non-controller participations	1,618.3	1,968.0
TOTAL LIABILITIES & EQUITY	858,751.8	827,699.3
STATEMENT OF RESULTS BY FUNCTION		
Gross margin	27,452.5	35,643.9
Non-operating result	(14,709.0)	(18,180.9)
EARNINGS (LOSS) BEFORE TAX	12,743.5	17,463.0
Charge for income tax	(891.9)	(1,947.2)
EARNINGS (LOSS)	11,851.7	15,515.8
Earnings attributable to the owners	11,703.5	15,159.0
Earnings attributable to non-controller participations	148.2	356.8
CASH FLOWS		
Net cash flow from operating activities	(19,218.8)	(40,863.9)
Net cash flow from investment activities	36,203.9	52,388.3
Net cash flow from financial activities	(13,812.1)	220.3
NET INCREASE IN CASH FLOW	3,173.1	11,744.6
Effect of exchange rate changes on cash & cash equivalents	(10.5)	7.7
NET INCREASE IN CASH & CASH EQUIVALENTS	3,162.6	11,752.3
STATEMENT OF CHANGES IN EQUITY		
Issued capital	83,456.8	83,456.8
Share premium		0.0
Other reserves	(27,772.4)	(22,173.9)
Accumulated earnings (losses)	32,253.0	33,681.2
EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER	87,937.4	94,964.1
Non-controller participations	1,618.3	1,968.0
TOTAL EQUITY	89,555.8	96,932.1

SEGUROS VIDA SECURITY PREVISIÓN S.A.

Type of company

Open corporation.

Registration in the securities register

Seguros Vida Security Previsión S.A. se encuentra inscrito en el registro de Valores bajo el número 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, 2011 the paid capital is Ch\$54,459 million and the equity Ch\$68,735 million.

Investment as proportion of assets of GRUPO SECURITY S.A.

The total assets of Seguros Vida Security Previsión S.A. represent 16.68% 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 Directorio

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

Alejandro Alzérreca L.

Tax No. 7.050.344-1

General Manager

SUMMARIZED FINANCIAL STATEMENTS

Summarized financial statements as of December 31, 2011 and 2010

BALANCE SHEET	2011	2010
	MM\$	MM\$
ASSETS		
Investments	794,374.9	799,345.4
Debtors for premiums & reinsurance	18,120.2	9,993.6
Other assets	17,368.6	23,586.1
TOTAL ASSETS	829,863.8	832,925.2
LIABILITIES		
Technical reserves	728,032.2	726,054.0
Premiums payable	14,155.3	6,066.2
Short-term financial obligations	0.4	136.5
Other liabilities	18,940.8	17,871.9
Equity	68,735.1	82,796.7
TOTAL LIABILITIES & EQUITY	829,863.8	832,925.2
STATEMENT OF RESULTS		
Operating income	6,261.6	16,576.8
Non-operating result	275.9	10.0
NET INCOME (LOSS) BEFORE TAX	6,537.5	16,586.8
Income tax	(662.1)	(2,503.8)
NET INCOME FOR THE YEAR	5,875.4	14,083.0
CASH FLOWS		
Net cash flow from operating activities	(20,672.6)	(42,878.7)
Net cash flow from investment activities	35,613.8	53,916.4
Net cash flow from financial activities	(13,812.1)	(11,252.4)
NET CASH FLOW FOR THE YEAR	1,129.0	(214.7)
Effect of monetary correction	(10.5)	8.0
NET CHANGE IN CASH & CASH EQUIVALENTS	1,118.5	(206.7)

* The financial statements are shown under Chilean GAAP and restated in line with the corresponding annual CPI.

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 (SVS) by Resolution 221 of October 27, 1993 and is registered in the Securities Register with the No.898 on May 2, 2005. By its Resolution 427 of September 16, 2004, the SVS 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, 2011 the paid capital is Ch\$ 20,553 million and its equity Ch\$ 32,200 million.

Investment as proportion of assets of Grupo Security S.A.

Compañía de Seguros Generales Penta-Security S.A. represents 3.12% 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 Lavín García-Huidobro	Tax No. 4.334.605-9
Vice Chairman	Hugo Bravo Lopez	Tax No. 4.709.421-6
Director s	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
General Manager	Fernando Cambara Lodigiani	Tax No. 5.862.380-6

SUMMARIZED FINANCIAL STATEMENTS

Summarized financial statements as of December 31, 2011 and 2010

BALANCE SHEET	2011	2010
	MM\$	MM\$
ASSETS		
Investments	57,671.0	49,976.1
Debtors for premiums & reinsurance	90,499.0	83,583.6
Other assets	6,842.4	6,768.2
TOTAL ASSETS	155,012.4	140,327.9
LIABILITIES		
Technical reserves	111,286.7	100,719.0
Short-term financial obligations	3,295.3	3,692.3
Other liabilities	8,230.2	7,399.8
Equity	32,200.3	28,516.8
TOTAL LIABILITIES & EQUITY	155,012.4	140,327.9
STATEMENT OF RESULTS		
Operating income	4,932.6	2,060.5
Non-operating result	18.3	731.8
NET INCOME (LOSS) BEFORE TAX	4,950.9	2,792.3
Income tax	(1,042.6)	(285.5)
NET INCOME FOR THE YEAR	3,908.3	2,506.8
CASH FLOWS		
Net cash flow from operating activities	9,666.6	2,224.5
Net cash flow from investment activities	6,981.9	(3,794.9)
Net cash flow from financial activities	(1,684.1)	1,152.1
NET CASH FLOW FOR THE YEAR	14,964.4	(418.3)
Effect of monetary correction	(574.0)	(262.1)
Effect of exchange differences	972.2	1,070.2
NET CHANGE IN CASH & CASH EQUIVALENTS	15,362.7	389.9

* The financial statements are shown under Chilean GAAP and restated in line with the corresponding annual CPI

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, 2011 the paid capital is Ch\$ 2,356 million and its equity Ch\$ 3,265 million.

Investment as proportion of assets of Grupo Security S.A.

The total assets of Servicios Security S.A. and subsidiaries represent 0.08% 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
General Manager	Alejandro Mandiola P.	Tax No. 8.684.673-K
	Alejandro Mandiola P.	Tax No. 8.684.673-K

SUMMARIZED FINANCIAL STATEMENTS

Summarized financial statements as of December 31, 2011 and 2010

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2011	2010
	MM\$	MM\$
ASSETS		
Current assets	2,806.0	2,621.4
Fixed assets	69.2	84.8
Other assets	1,021.7	1,154.8
TOTAL ASSETS	3,896.9	3,861.0
LIABILITIES		
Current liabilities	631.9	601.3
Long-term liabilities	0.0	0.0
Minority interest	0.0	0.0
Capital & reserves	2,465.9	2,358.6
Net income for year	799.0	901.1
TOTAL LIABILITIES & EQUITY	3,896.9	3,861.0
STATEMENT OF RESULTS		
Operating result	727.9	460.0
Non-operating result	227.5	493.8
NET INCOME (LOSS) BEFORE TAX	955.4	953.8
Minority interest		0.0
INCOME TAX	(156.5)	(52.8)
NET INCOME (LOSS) FOR THE YEAR	799.0	901.1
CASH FLOWS		
Net cash flow from operating activities	498.3	251.7
Net cash flow from investment activities	545.4	119.3
Net cash flow from financial activities	(901.1)	(422.5)
NET INCREASE IN CASH FLOW	142.6	(51.5)
Effect of monetary correction on cash & cash equivalents	0.0	0.0
NET CHANGE IN CASH & CASH EQUIVALENTS	142.6	(51.5)

* The financial statements are shown under Chilean GAAP and restated in line with the corresponding annual CPI

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, 2011 the paid capital is Ch\$ 2,002 million and its equity Ch\$ 2,261 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 and Global 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

Representative

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

Summarized financial statements as of December 31, 2011 and 2010

BALANCE SHEET	2011	2010
	MM\$	MM\$
ASSETS		
Current assets	2,327.6	2,095.5
Fixed assets	69.2	78.0
Other assets	540.2	554.7
TOTAL ASSETS	2,937.0	2,728.2
LIABILITIES		
Current liabilities	676.1	487.7
Long-term liabilities	0.0	0.0
Equity	2,260.9	2,240.4
TOTAL LIABILITIES & EQUITY	2,937.0	2,728.2
STATEMENT OF RESULTS		
Operating result	543.8	376.3
Non-operating result	152.8	93.3
NET INCOME (LOSS) BEFORE TAX	696.6	469.6
income tax	(116.5)	(80.0)
NET INCOME (LOSS) FOR THE YEAR	580.1	389.6
CASH FLOWS		
Net cash flow from operating activities	679.4	221.7
Net cash flow from investment activities	30.1	253.1
Net cash flow from financial activities	(666.2)	(608.0)
NET INCREASE IN CASH FLOW	43.3	(133.2)
Effect of monetary correction on cash & cash equivalents	44.1	30.4
NET CHANGE IN CASH & CASH EQUIVALENTS	87.4	(102.8)

* The financial statements are shown under Chilean GAAP and restated in line with the corresponding annual CPI.

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, 2011 the paid capital is Ch\$ 552 million and its equity Ch\$ 10 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 Inversiones Invest 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
	Manrico Lachia	
	Martín Vial	
	João Ferverença	
General Manager	Ricardo Bahamondes Lorca	Tax No. 9.910.788-K

SUMMARIZED FINANCIAL STATEMENTS

Summarized financial statements as of December 31, 2011 and 2010

BALANCE SHEET	2011	2010
	MM\$	MM\$
ASSETS		
Current assets	767.0	844.9
Fixed assets	92.3	134.9
Other assets	62.0	46.8
TOTAL ASSETS	921.3	1,026.6
LIABILITIES		
Current liabilities	911.8	890.3
Long-term liabilities	0.0	0.0
Equity	9.5	136.3
TOTAL LIABILITIES & EQUITY	921.3	1,026.6
STATEMENT OF RESULTS		
Operating result	(250.8)	(261.3)
Non-operating result	(69.5)	11.2
NET INCOME (LOSS) BEFORE TAX	(320.3)	(250.1)
Income tax	57.6	26.6
NET INCOME (LOSS) FOR THE YEAR	(262.7)	(223.5)
CASH FLOWS		
Net cash flow from operating activities	49.2	36.0
Net cash flow from investment activities	7.0	(7.4)
Net cash flow from financial activities	138.4	0.0
NET INCREASE IN CASH FLOW	194.6	28.7
Effect of monetary correction on cash & cash equivalents	0.0	22.3
NET CHANGE IN CASH & CASH EQUIVALENTS	194.6	51.0

* The financial statements are shown under Chilean GAAP and restated in line with the corresponding annual CPI.

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, 2011 the paid capital is Ch\$ 156 million and its equity Ch\$ 1,206 million.

Investment as proportion of assets of Grupo Security S.A.
Cooper Gay Chile S.A. represents 0.15% 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	Steven Jackson	
Directors	Francisco Silva Silva	Tax No. 4.103.061-5
	Renato Peñafiel Muñoz	Tax No. 6.350.390-8
	Alejandro Mandiola Parot	Tax No. 8.684.673-K
	Carla Stimolo	
	Guillermo Pastore	
General Manager	Jorge Edwards Guzmán	Tax No. 6.000.590-7

SUMMARIZED FINANCIAL STATEMENTS

Summarized financial statements as of December 31, 2011 and 2010

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2011	2010
	MM\$	MM\$
ASSETS		
Current assets	7,472.8	6,644.9
Non-current assets	234.4	221.7
TOTAL ASSETS	7,707.3	6,866.6
LIABILITIES		
Current liabilities	6,501.6	5,105.4
Non-current liabilities	0.0	0.0
Equity attributable to owners of the controller	1,205.7	1,761.2
Non-controller participations	0.0	0.0
TOTAL LIABILITIES & EQUITY	7,707.3	6,866.6
STATEMENT OF RESULTS BY FUNCTION		
Gross margin	2,993.0	3,561.4
Non-operating result	(1,714.8)	(1,723.0)
EARNINGS (LOSS) BEFORE TAX	1,278.2	1,838.4
Charge for income tax	(257.5)	(301.4)
EARNINGS (LOSS)	1,020.7	1,537.0
Earnings attributable to the owners	0.0	0.0
Earnings attributable to non-controller participations	0.0	0.0
CASH FLOWS		
Net cash flow from operating activities	(1,155.5)	1,272.5
Net cash flow from investment activities	24.2	(26.7)
Net cash flow from financial activities	421.7	(464.4)
NET INCREASE IN CASH FLOW	(709.6)	781.5
Effect of exchange rate changes on cash & cash equivalents	2.1	(2.4)
NET INCREASE IN CASH & CASH EQUIVALENTS	(707.5)	779.1
STATEMENT OF CHANGES IN EQUITY		
Issued capital	155.7	155.7
Share premium	0.0	0.0
Other reserves	0.0	39.9
Accumulated earnings (losses)	1,050.0	1,565.6
EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER	1,205.7	1,761.2
Non-controller participations	0.0	0.0
TOTAL EQUITY	1,205.7	1,761.2

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, 2011 the issued capital is Ch\$ 2,512 million and its equity Ch\$ 4,516 million.

Investment as proportion of assets of Grupo Security S.A.

The total assets of Inmobiliaria Security S.A. and subsidiaries represent 0.36% 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
	Jaime Correa H.	Tax No. 5.892.161-0
General Manager	Jaime Correa H.	Tax No. 5.892.161-0

SUMMARIZED FINANCIAL STATEMENTS

Summarized financial statements as of December 31, 2011 and 2010

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2011	2010
	MM\$	MM\$
ASSETS		
Current assets	16,785.4	9,180.1
Non-current assets	1,361.1	2,186.8
TOTAL ASSETS	18,146.5	11,366.9
LIABILITIES		
Current liabilities	11,833.4	7,674.3
Non-current liabilities	1,797.3	1.7
Equity attributable to owners of the controller	4,090.0	3,659.6
Non-controller participations	425.8	31.2
TOTAL LIABILITIES & EQUITY	18,146.5	11,366.9
STATEMENT OF RESULTS BY FUNCTION		
Gross margin	1,158.6	987.8
Non-operating result	(704.4)	(628.6)
EARNINGS (LOSS) BEFORE TAX	454.3	359.1
Charge for income tax	(27.2)	38.8
EARNINGS (LOSS)	427.0	398.0
Earnings attributable to the owners	430.4	400.5
Earnings attributable to non-controller participations	(3.3)	(2.5)
CASH FLOWS		
Net cash flow from operating activities	(5,679.9)	(2,065.1)
Net cash flow from investment activities	1,797.1	1,695.8
Net cash flow from financial activities	4,726.4	472.3
NET INCREASE IN CASH FLOW	843.7	103.0
Effect of exchange rate changes on cash & cash equivalents	0.0	0.0
NET INCREASE IN CASH & CASH EQUIVALENTS	843.7	103.0
STATEMENT OF CHANGES IN EQUITY		
Issued capital	2,512.1	2,512.1
Share premium	0.0	0.0
Other reserves	0.0	0.0
Accumulated earnings (losses)	1,577.9	1,147.5
EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER	4,090.0	3,659.6
Non-controller participations	425.8	31.2
TOTAL EQUITY	4,515.8	3,690.9

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, 2011 the issued capital is Ch\$ 8,987 million and its equity Ch\$ 13,900 million.

Investment as proportion of assets of Grupo Security S.A.

The total assets of Inversiones Invest Security Limitada represent 0.56% 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.

Representatives and management:

Representative	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
Manager, Corporate Culture	Sergio Candia A.	Tax No. 6.053.341-5
Manager, Accounting	Alfonso Verdugo R.	Rax No. 7.097.708-7
Manager, Business		
Risks and Comptroller		

SUMMARIZED FINANCIAL STATEMENTS

Summarized financial statements as of December 31, 2011 and 2010

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2011	2010
	MM\$	MM\$
ASSETS		
Current assets	22,750.2	17,471.7
Non-current assets	5,346.7	4,181.6
TOTAL ASSETS	28,096.9	21,653.3
LIABILITIES		
Current liabilities	13,668.6	10,971.3
Non-current liabilities	528.4	438.6
Equity attributable to owners of the controller	12,554.5	6,697.1
Non-controller participations	1,345.4	3,546.3
TOTAL LIABILITIES & EQUITY	28,096.9	21,653.3
STATEMENT OF RESULTS BY FUNCTION		
Gross margin	25,702.7	20,338.4
Non-operating result	(23,442.8)	(19,071.0)
EARNINGS (LOSS) BEFORE TAX	2,259.9	1,267.4
Charge for income tax	(510.4)	(141.6)
EARNINGS (LOSS)	1,749.5	1,125.9
Earnings attributable to the owners	1,482.6	495.1
Earnings attributable to non-controller participations	266.9	630.9
CASH FLOWS		
Net cash flow from operating activities	938.0	2,555.9
Net cash flow from investment activities	(2,982.7)	(550.9)
Net cash flow from financial activities	4,357.0	(569.1)
NET INCREASE IN CASH FLOW	2,312.3	1,435.8
Effect of exchange rate changes on cash & cash equivalents	0.0	0.0
NET INCREASE IN CASH & CASH EQUIVALENTS	2,312.3	1,435.8
STATEMENT OF CHANGES IN EQUITY		
Issued capital	8,987.4	4,612.6
Share premium	0.0	0.0
Other reserves	404.4	404.4
Accumulated earnings (losses)	3,162.7	1,680.1
EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER	12,554.5	6,697.1
Non-controller participations	1,345.4	3,546.3
TOTAL EQUITY	13,899.9	10,243.4

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. In January 2011, Inversiones Invest Security Ltda. acquired all the shares of SMYTSA, Servicios Marítimos y Transporte Limitada to become a 85% shareholder in the company.

The capital of the company is Ch\$ 5,262 million and the shareholdings are as follows:

Inversiones Invest Security Ltda.: 85%

Carmen Mackenna y Cía. Ltda.: 9%

Inversiones y Asesorías Ana María Limitada: 6%

Paid capital and equity

As of December 31, 2011 the issued capital is Ch\$ 5,262 million and its equity Ch\$ 8,956 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 subsidiaries and associates of the Group and to the parent company. In the future, there is the possibility of extending the offer of these services to customers of the parent's subsidiaries and associate companies.

Board of directors

Chairman:	Guillermo Correa S.	Tax No. 7.741.851-2
Directors:	Osvaldo Barzelatto S.	Tax No. 2.300.044-K
	Naoshi Matsumoto T.	Tax No. 3.805.153-9
	Renato Peñafiel M.	Tax No. 6.350.390-8
	Francisco Silva S.	Tax No. 4.103.061-5
General Manager:	Eduardo Correa S.	Tax No. 8.628.777-3

SUMMARIZED FINANCIAL STATEMENTS

Summarized financial statements as of December 31, 2011 and 2010

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2011	2010
	MM\$	MM\$
ASSETS		
Current assets	18,350.3	15,453.6
Non-current assets	609.3	564.9
TOTAL ASSETS	18,959.5	16,018.6
LIABILITIES		
Current liabilities	9,903.4	8,040.2
Non-current liabilities	100.5	100.6
Equity attributable to owners of the controller	8,953.6	7,875.7
Non-controller participations	2.1	2.0
TOTAL LIABILITIES & EQUITY	18,959.5	16,018.6
STATEMENT OF RESULTS BY FUNCTION		
Gross margin	8,360.0	6,673.0
Non-operating result	(6,212.9)	(5,047.4)
EARNINGS (LOSS) BEFORE TAX	2,147.1	1,625.6
Charge for income tax	(368.4)	(224.0)
EARNINGS (LOSS)	1,778.7	1,401.6
Earnings attributable to the owners	1,778.6	1,401.6
Earnings attributable to non-controller participations	0.1	0.0
CASH FLOWS		
Net cash flow from operating activities	951.7	1,936.1
Net cash flow from investment activities	(109.1)	(34.2)
Net cash flow from financial activities	(700.8)	(453.3)
NET INCREASE IN CASH FLOW	141.7	1,448.6
Effect of exchange rate changes on cash & cash equivalents	0.0	0.0
NET INCREASE IN CASH & CASH EQUIVALENTS	141.7	1,448.6
STATEMENT OF CHANGES IN EQUITY		
Issued capital	5,262.0	5,262.0
Share premium	0.0	0.0
Other reserves	800.3	800.3
Accumulated earnings (losses)	2,891.3	1,813.4
EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER	8,953.6	7,875.7
Non-controller participations	2.1	2.0
TOTAL EQUITY	8,955.7	7,877.8

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, 2011 the capital and reserves are Ch\$ 17 million and its equity Ch\$ 63 million.

Investment as proportion of assets of Grupo Security S.A.
The total assets of Mandatos Security Ltda. represent 0.004% of the consolidated assets of Grupo Security.

Commercial relations with subsidiaries, associates and parent
Mandatos Security provides services for obtaining information for the financial products of Banco Security.

Board and management		
Representative	Renato Peñafiel M.	Tax No. 6.350.390-8
	Ramón Eluchans O.	Tax No. 6.464.460-2
Legal Representative	Legal Luis Gil V.	Tax No. 10.077.185-3

SUMMARIZED FINANCIAL STATEMENTS

Summarized financial statements as of December 31, 2011 and 2010

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2011	2010
	MM\$	MM\$
ASSETS		
Current assets	101.6	77.1
Non-current assets	84.6	129.1
TOTAL ASSETS	186.2	206.2
LIABILITIES		
Current liabilities	122.8	151.6
Non-current liabilities	0.0	0.0
Equity	63.4	54.6
TOTAL LIABILITIES & EQUITY	186.2	206.2
STATEMENT OF RESULTS BY FUNCTION		
Gross margin	1,807.4	1,412.2
Non-operating result	(1,790.2)	(1,405.1)
EARNINGS (LOSS) BEFORE TAX	17.2	7.1
Charge for income tax	(8.5)	2.7
EARNINGS (LOSS)	8.7	9.8
Earnings attributable to the owners	8.7	9.8
Earnings attributable to non-controller participations	0.0	0.0
CASH FLOWS		
Net cash flow from operating activities	0.1	73.2
Net cash flow from investment activities	(9.4)	(25.6)
Net cash flow from financial activities	0.8	4.1
NET INCREASE IN CASH FLOW	(8.5)	51.7
Effect of exchange rate changes on cash & cash equivalents	0.0	0.0
NET INCREASE IN CASH & CASH EQUIVALENTS	(8.5)	51.7
STATEMENT OF CHANGES IN EQUITY		
Issued capital	17.2	17.2
Share premium	0.0	0.0
Other reserves	6.9	6.9
Accumulated earnings (losses)	39.2	30.5
EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER	63.4	54.6
Non-controller participations	0.0	0.0
TOTAL EQUITY	63.4	54.6

GLOBAL SECURITY 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, 2011 the issued capital is Ch\$ 83 million and its equity Ch\$ 37 million.

Investment as proportion of assets of Grupo Security S.A.

The total assets of Global Security Gestión y Servicios Ltda. and subsidiary represent 0.01% 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

Representative	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

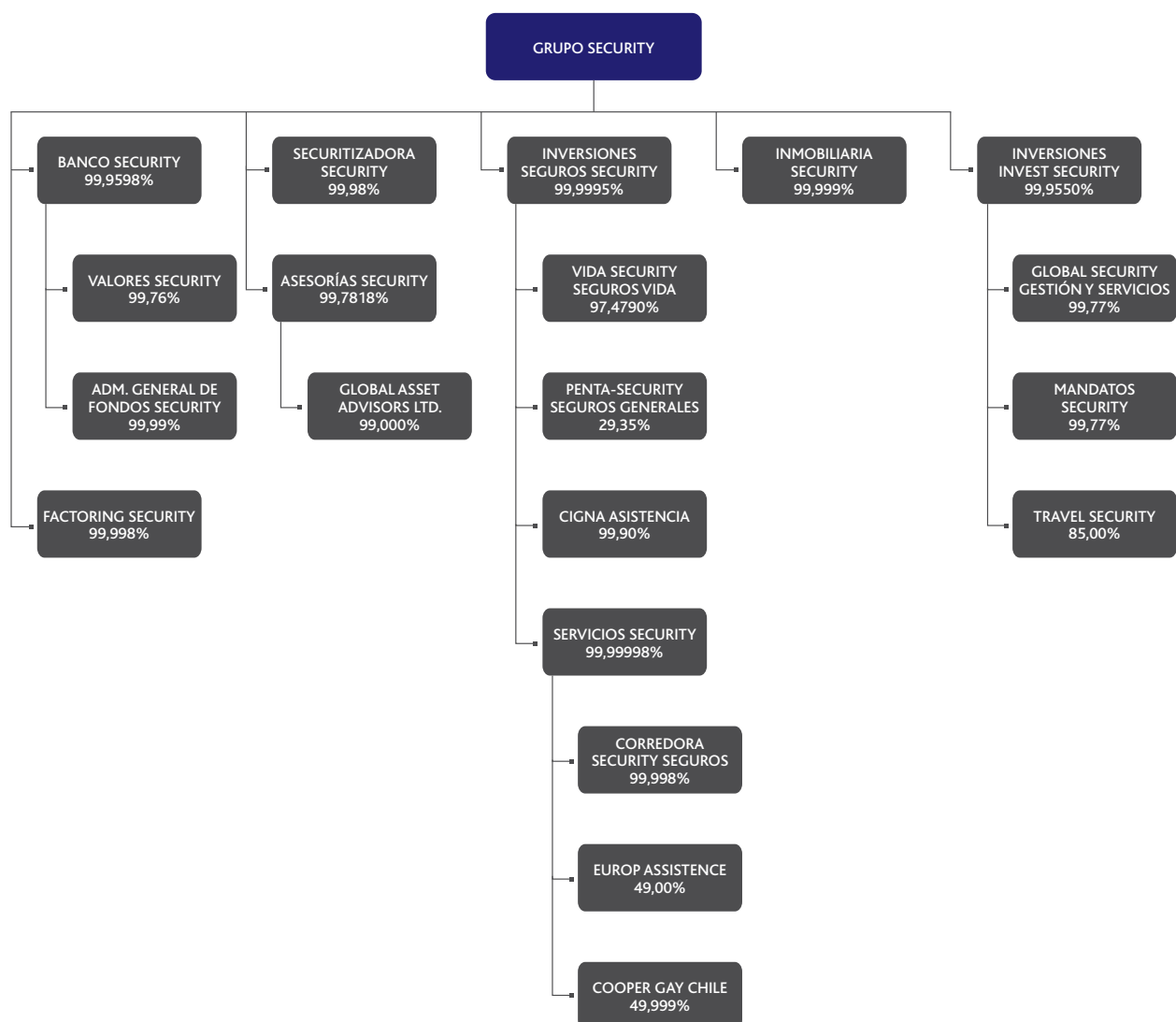
SUMMARIZED FINANCIAL STATEMENTS

Summarized financial statements as of December 31, 2011 and 2010

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2011	2010
	MM\$	MM\$
ASSETS		
Current assets	425.9	469.3
Non-current assets	53.0	94.3
TOTAL ASSETS	478.9	563.6
LIABILITIES		
Current liabilities	442.3	535.7
Non-current liabilities	0.0	0.0
Equity attributable to owners of the controller	36.6	27.9
NON-CONTROLLER PARTICIPATIONS	478.9	563.6
TOTAL LIABILITIES & EQUITY		
STATEMENT OF RESULTS BY FUNCTION		
Gross margin	3,535.6	3,316.0
	(3,502.9)	(3,309.4)
NON-OPERATING RESULT	32.7	6.6
EARNINGS (LOSS) BEFORE TAX	(24.0)	2.3
CHARGE FOR INCOME TAX	8.7	8.9
EARNINGS (LOSS)	8.7	8.9
Earnings attributable to the owners	0.0	0.0
Earnings attributable to non-controller participations		
CASH FLOWS		
Net cash flow from operating activities	50.9	42.3
Net cash flow from investment activities	5.5	(0.7)
Net cash flow from investment activities	(21.0)	16.4
NET CASH FLOW FROM FINANCIAL ACTIVITIES	35.5	58.0
NET INCREASE IN CASH FLOW	0.0	0.0
EFFECT OF EXCHANGE RATE CHANGES ON CASH & CASH EQUIVALENTS	35.5	58.0
NET INCREASE IN CASH & CASH EQUIVALENTS		
STATEMENT OF CHANGES IN EQUITY		
Issued capital	83.0	83.0
Share premium	0.0	0.0
Other reserves	0.0	0.0
Other reserves	(46.4)	(55.1)
ACCUMULATED EARNINGS (LOSSES)	36.6	27.9
EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER	0.0	0.0
NON-CONTROLLER PARTICIPATIONS	36.6	27.9
TOTAL EQUITY		

GROUP OWNERSHIP STRUCTURE

The following shows the ownership structure and relations between Grupo Security and its subsidiaries:



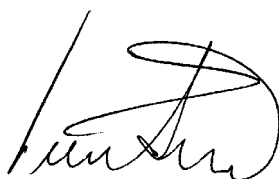
Nota: The following subsidiaries had the changes with respect to 2010: Banco Security (99.9478% at December 2010); Inversiones Seguros Security (99.999965% at December 2010); Vida Security (99.37% at December 2010); Inversiones Invest Security (99.995% at December 2010), and Travel Security (55.00% at December 2010).

SUMMARIZED FINANCIAL STATEMENTS

DECLARATION OF RESPONSIBILITY

RUT :96.604.380-6
Razón Social : Grupo Security S.A.

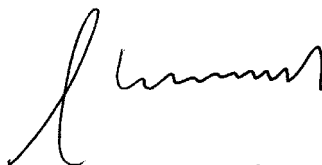
The undersigned, as directors and president of Grupo Security, domiciled at Av. Apoquindo 3150, 15th floor, Las Condes, Santiago, Chile, swear that the information contained in this annual report is a faithful expression of the truth, for which we are therefore legally responsible.



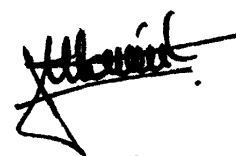
FRANCISCO SILVA SILVA
PRESIDENTE · 4.103.061-5



CLAUDIO BERNDT CRAMER
DIRECTOR · 4.775.620-0



ANDRÉS CONCHA RODRÍGUEZ
DIRECTOR · 4.773.967-5



JORGE MARÍN CORREA
DIRECTOR · 7.639.707-4

DECLARATION OF RESPONSIBILITY



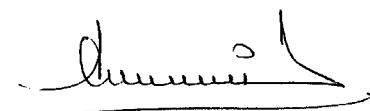
NAOSHI MATSUMOTO TAKAHASHI
DIRECTOR · 3.805.153-9



HORACIO PAVEZ GARCIA
DIRECTOR · 3.899.021-7



JUAN CRISTÓBAL PAVEZ RECARTE
DIRECTOR · 9.901.478-4



ÁLVARO VIAL GAETE
DIRECTOR · 5.759.348-2



RENATO PEÑAFIEL MUÑOZ
GERENTE GENERAL · 6.350.390-8

Fecha: 01 de Marzo de 2012

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 Security
Phone: (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, 8th 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

ADDRESSES

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

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
 Banking emergencies: 800 200717:
 deom mobile phones: 02-4622117
 Security Phone: (600) 5844040
 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 4000
 Fax: (56-2) 584 4058

Agustinas Branch

Agustinas 621, Santiago.
 Open hours: 9.00 a.m. – 2.00 p.m..
 Tel.: (56-2) 584 4311 – 584 2250
 Fax: (56-2) 584 4012

Alcántara Branch

Av. Alcántara 44, Las Condes.
 Open hours: 9.00 a.m. – 2.00 p.m..
 Tel.: (56-2) 584 4438
 Fax: (56-2) 584 2266

Chicureo Branch

Camino Chicureo Km 1.7, Colina.
 Open hours: 8.00 a.m. – 2.00 p.m.
 Tel.: (56-2) 581 5003

Ciudad Empresarial Branch

Av. del Parque 4023, Stores 110 and 111, Huechuraba.
 Horario de Atención: 9.00 a.m. – 2.00 p.m.
 Tel.: (56-2) 584 4683
 Fax: (56-2) 584 4871

El Cortijo Branch

Av. Américo Vespucio 2760 C, Conchalí.
 Open hours: 9.00 a.m. – 2.00 p.m.
 Tel.: (56-2) 581 5534

Estoril Branch

Av. Estoril 50, Las Condes.
 Open hours: 8.00 a.m. – 2.00 p.m.
 Tel.: (56-2) 584 2292
 Fax: (56-2) 584 2200

La Dehesa Branch

Av. La Dehesa 1744, Lo Barnechea.

Open hours: 8.00 a.m. – 2.00 p.m.

Tel.: (56-2) 584 4465

Fax: (56-2) 584 4676

Los Cobres Branch

Av. Vitacura 6577, Vitacura.

Open hours: 9.00 a.m. – 2.00 p.m.

Tel.: (56-2) 581 5519

Fax: (56-2) 581 5523

Los Trapenses Branch

Camino Los Trapenses 3023, Store 1, Lo Barnechea.

Open hours: 8.00 a.m. – 2.00 p.m.

Tel.: 581 5568 - 581 5570

Fax: 581 5573

Plaza Constitución Branch

Agustinas 1235, Santiago.

Horario de Atención: 9.00 a.m. – 2.00 p.m.

Tel.: (56-2) 584 4832

Fax: (56-2) 584 4161

Providencia Branch

Av. 11 de Septiembre 2289, Providencia.

Open hours: 9.00 a.m. – 2.00 p.m.

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 a.m. – 2.00 p.m.

Tel.: (56-2) 581 4690

Fax: (56-2) 538 4698

Santa Elena Branch

Santa Elena 2400 – San Joaquín

Open hours: 9.00 a.m. – 2.00 p.m.

Tel.: (56-2) 581 4761

Fax: (56-2) 538 4750

Santa María de Manquehue Branch

Santa María 6904, store 15, Vitacura

Open hours: 8.00 a.m. – 2.00 p.m.

Tel.: (56-2) 581 5555

Fax: (56-2) 581 5550

Vitacura Branch

Av. Vitacura 3706 – Vitacura

Open hours: 9.00 a.m. – 2.00 p.m.

Tel.: (56-2) 584 4735

Fax: (56-2) 584 4627

Presidente Riesco Branch

Presidente Riesco 5335, store 101 – Las Condes

Open hours: 9.00 a.m. – 2.00 p.m.

Tel.: (56-2) 584 3220

Fax: (56-2) 584 3238

Antofagasta Branch

Av. San Martín 2511 – Antofagasta

Open hours: 9.00 a.m. – 2.00 p.m.

Tel.: (56-55) 536 500

Fax: (55) 536 512

Viña del Mar Branch

Av. Libertad 1097 – Viña del Mar

Open hours: 9.00 a.m. – 2.00 p.m.

Tel.: (56-32) 251 5100

Fax: (56-32) 251 5120

ADDRESSES

La Serena Branch

Calle Huanhualí 85, store 6 – La Serena

Open hours: 9.00 a.m. – 2.00 p.m.

Tel.: (51) 477 400

Fax: (51) 477 426

Rancagua Branch

Carretera Eduardo Frei Moltalva 340, store 6 – Rancagua

Open hours: 9.00 a.m. – 2.00 p.m.

Tel.: (72) 746 600

Fax: (72) 746 632

Concepción Branch

Av. Bernardo O'Higgins 428 – Concepción

Open hours: 9.00 a.m. – 2.00 p.m.

Tel.: (56-41) 290 8000

Fax: (56-41) 290 8021

Temuco Branch

Manuel Bulnes 701 – Temuco

Open hours: 9.00 a.m. – 2.00 p.m.

Tel.: (56-45) 948 400

Fax: (56-45) 948 416

Puerto Montt Branch

Guillermo Gallardo 132 – Puerto Montt

Open hours: 9.00 a.m. – 2.00 p.m.

Tel.: (56-65) 568 300

Fax: (56-65) 568 311

FACTORING SECURITY S.A.**Head Office**

Apoquindo 3150, 12th floor, Las Condes

Tel: (56-2) 5843 600

Santiago Centro Branch

Agustinas 640, 4th floor, Torre La Interamericana,

Santiago

Tel: (56-2) 5843742

El Cortijo Branch

Av. Américo Vespucio Norte 2880, 10th floor, Of. 1007,

Conchalí

Tel: (56-2) 5843 709

Santa Elena Branch

Santa Elena 2392, Of. 507-508, San Joaquín

Tel: (56-2) 5843 607

Antofagasta Branch

Arturo Prat N° 461, 14th floor, office 1408

Tel: (56-55) 536 513

La Serena Branch

Av. El Santo 1360

Tel: (56-51) 470 030

Viña Del Mar Branch

1 Oriente 1063, Of. 403

Tel: (56-32) 2766 080

Rancagua Branch

Campos 423, Of. 406

Tel: (56-72) 740990

Talca Branch

1 Norte 801, Of. 508

Tel: (56-71) 340 021

Concepción Branch

O'Higgins 420, 10th floor 10, office 101
Tel: (56-41) 2908 050

Los Ángeles Branch

Valdivia 300, 10th floor, office 1002
Tel (56-43) 450095

Temuco Branch

Claro Solar 835, 16th floor (Edificio Campanario), office 1601
Tel: (56-45) 941 226

Valdivia Branch

Independencia 521, Of. 305, 3rd floor, Edificio Libertad
Tel: (56-63) 360290

Osorno Branch

Manuel Antonio Matta 549, office 905
Tel: (56-64) 450 012

Puerto Montt Branch

Benavente 405, office 601
Tel: (56-65) 560 020

SEGUROS VIDA SECURITY PREVISIÓN S.A.

Customet attention:

800 222 100
Head office
Av. Apoquindo 3150, 8th floor
Tel: (56-2) 584 2400

Arica Branch (delegated office)

7 de Junio 268, Of.230, 2nd floor
Tel: (56-58) 231 502

Iquique Branch

San Martín 255, Of. 73
Tel: (56 - 57) 360 010

Antofagasta Branch

San Martín 2517
Tel: (56-55) 536 600

Copiapó Branch

Atacama 541, 2nd floor, office 1
Tel: (56-52) 350 010

La Serena Branch

Av. El Santo 1360
Tel: (56-51) 470 010

Viña del Mar Branch

Av. Libertad 877
Tel: (56-32) 766 070

Rancagua Branch

Campos 423, 4th floor, Of.406
Tel: (56-72) 740 993

Santiago Branch

Reyes Lavalle 3194
Teléfono: (56-2) 584 2400

Santiago Branch (Commercial Office)

Nva. De Lyon 072, 7th floor
Tel: (56-2) 584 2400

Curicó Branch

Merced 255, Of. 203, Edificio La Merced
Tel (56-75) 544 142

ADDRESSES

Talca Branch

3 Oriente 1326, Of.1 D, Edificio Rugendas
Tel: (56-71) 340 0010

Chillán Branch

18 de septiembre 661, stores D & E
Tel: (56-42) 212 152

Concepción Branch

O'Higgins 420, 3rd floor
Tel: (56-41) 290 8151

Los Angeles Branch

Colo-Colo 451, Of. 104, 2nd floor
Tel. (56-43) 349 943

Temuco Branch

Antonio Varas 823, 2nd floor
Tel: (56-45) 940 010

Valdivia Branch

Independencia 521, Of. 305, 3rd floor
Tel: (56-63) 360 010

Osorno Branch

Av. Matta 549 Of. 905, 9th floor
Tel: (56-64) 450 010

Pto Montt Branch

Guillermo Gallardo 132, 2nd floor
Tel: (56-65) 560 010

Pta Arenas Branch

Lautaro Navarro 1139
Tel: (56-61) 247 946

TRAVEL SECURITY S.A.**Santiago****Head Office**

Av. Apoquindo 3180, Las Condes
Tel: (56-2) 5843400

Isidora Branch

Isidora Goyenechea 3365, 1st, 2nd & 10th floors, Las Condes
Tel: (56-2) 5813537 - 581 5237

Aero Puerto Branch

Aeropuerto Comodoro Arturo Merino Benítez, level 3,
Pudahuel
Tel: (56-2) 5843339

Concepción Branch

O'Higgins 420, office 21
Tel: (56-41) 290 8102



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